



## Upcoming Seminars

### Monday, 7.11.2022

#### Departmental Seminar

13.30-14.30  
AWI room 00.010

Nathan W. Chan, University of Massachusetts Amherst  
"Spatial microsimulation of carbon tax incidence:  
An application to Washington State"  
(host: Timo Goeschl)

### Wednesday, 9.11.2022

#### Internal Seminar

12.15-13.15  
AWI room 00.010

Ferdinand Rauch  
"Identity in Trade - Evidence from the Legacy of the  
Hanseatic League"

### Wednesday, 9.11.2022

#### Macro & Econometrics Seminar

13.30-14.30  
AWI room 01.030

Julian Ashwin, London Business School  
"Multidimensional Uncertainty and Central Bank  
Communication"  
(host: Joep Lustenhouwer)

### Departmental Seminar

Nathan W. Chan

"Spatial microsimulation of carbon tax incidence: An application to Washington State"

Understanding carbon tax incidence is critical, both in its own right and for the political viability of climate policy. However, standard approaches for calculating the incidence of subnational policies are prone to inaccuracy due to coarse aggregation. We evaluate an alternative approach: a spatial microsimulation (SMS) method that generates granular household-level incidence estimates. We demonstrate two critical advantages of SMS. First, it permits more accurate incidence estimates as a virtue of its granularity. Second, SMS provides unique and more nuanced insights into the distributional consequences of carbon taxes. We demonstrate this method for a recent carbon tax initiative in Washington State and counterfactual variations on this policy. Comparing across counterfactuals, we pinpoint how specific provisions will have disparate consequences for the progressivity/regressivity of the policy package and for the geographic distribution of incidence. Methodologically, we show the superiority of SMS to approaches that aggregate household characteristics over geographic areas.

### Internal Seminar

Ferdinand Rauch

"Identity in Trade - Evidence from the Legacy of the Hanseatic League"\*

We study trade networks and trader identity following the decline of the Hanseatic League, using a novel trade data set that covers cities in Northern Europe at high spatial resolution over 190 years. By the time of its dissolution in 1669, trade within the former Hansa network is within predictions from a gravity framework. However, the identity of merchants continues to shape the composition of trade: Hanseatic merchants' trade within the former network exceeds gravity predictions for centuries. Our paper highlights the important role of cultural ties and of the identity of traders in the formation and maintenance of networks.

\*with Max Marczinek und Stephan Maurer

### Macro & Econometrics Seminar

Julian Ashwin

"Multidimensional Uncertainty and Central Bank Communication"

When communicating with the public about the state of the economy, central bankers not only need to decide on the messages they want to convey, but also on how much to focus on various relevant economic variables. A natural assumption is that central banks should focus more on variables where their communication will be more useful. This paper proposes a model of communication in the context of multi-dimensional uncertainty to make this idea of usefulness concrete. By quantifying central bank

focus on and uncertainty around various macroeconomic variables, I show that published minutes of the Federal Reserve's Open Market Committee follow the co-movement patterns predicted by the model, while speeches made by committee members do not. Finally, an event study approach shows that the publication of both minutes and speeches can influence the focus and variable-specific tone of media coverage, with speeches having a greater impact than minutes. Even if agents are not directly exposed to central bank communication, a central bank may still be able to transmit their focus on particular dimensions of the economy through media coverage.

## Talks and Research visits

Together with Wolfgang Luhan (Portsmouth) and Sascha Füllbrunn (Nijmegen), **Stefan Trautmann** organized a Workshop "Decision making for others" at the University of Portsmouth (UK), October 27-28. At the workshop he also presented joint work with Christoph Becker on agency and information collection in risky decision contexts.

The Chair of Environmental Economics is pleased to welcome **Menglu Neupert-Zhuang** as a guest. Menglu is a research associate in the Economics Department at the Frankfurt School of Finance & Management and a PhD student at the University of Marburg. Her research focuses on studying sustainable investment decisions and investor behaviour in the financial market using economic experiments. She will be visiting Timo Goeschl from October 31 till December 23.

**Dietmar Fehr** will spend the winter semester at the Excellence Cluster "The Politics of Inequality" at the University of Konstanz as a Guest Research Professor.

## New Publication

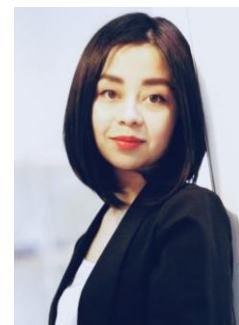
Fehr, Dietmar, Fink, Guenther, and Jack, Kelsey (2022). "Poor and Rational: Decision-Making under Scarcity," *Journal of Political Economy*, Vol. 130, 2862-2897.

Fehr, Dietmar, Mollerstrom, Johanna, and Perez-Truglia, Ricardo (2022). "Your Place in the World: Relative Income and Global Inequality," *American Economic Journal: Economic Policy*, Vol. 14, 232-268.

Goeschl, T., M. Oestreich & A. Soldà: "Compliance and Truthfulness: Leveraging Peer Information for Competitive Audit Mechanisms", has been accepted for publication in the *Journal of the Association of Environmental & Resource Economists*.

## New and Leaving Staff

Nargiza Ibragimova joined the SAI at the chair of Stefan Klöner as of September 2022. Additionally, she works as a research assistant at the Research Center, Deutsche Bundesbank, where her main research activities are focused on the Private Household Finance survey. She completed her master's studies in Economics at the University of Heidelberg. During her studies, she held a research student assistantship position at the Center for European Economic Research, ZEW. She obtained her Bachelor's degree in Economics with Finance at the University of Westminster. Her main research interests are development economics with a focus on health and labor economics.



Annika Kaiser joined the AWI as a Ph.D. student under the supervision of Axel Dreher. She holds a master degree in *Politics and Technology* from the Technical University of Munich. As a student, she worked as a working student data scientist for KPMG and the Munich Experimental Laboratory for Economic and Social Sciences and research assistant of the CoronaNet project. Her research interests lie in the field of development economics, public health and big data applications in the Social Science field.



## Miscellaneous

Gerda Asmus successfully defended her doctoral thesis, with supervisor Axel Dreher, on "Essays in Political Economy - Historical Natural Experiments and Economic Development", October 27. Gerda left the AWI and is now a senior researcher (postdoc) at the Chair of Development Economics (Andreas Fuchs) at Göttingen University.

Albert Roger Figuerola successfully defended his doctoral thesis, with supervisor Timo Goeschl, on: "Essays on the Economics of Competition and Innovation under Environmental Regulation", October 25.

Editorial deadline for issue 22/2022 of the newsletter:  
Wednesday, November 9, 2022, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)