



Upcoming Seminars

Monday, 16.1.23

*****CANCELLED*****

12.15-13.15

AWI room 00.010

Departmental Seminar

Leif Anders Thorsrud, BI Norwegian Business School

"Climate Risk and Commodity Currencies"

(Host: Joep Lustenhouwer)

Wednesday, 18.1.23

12.00-13.00

South Asia Institute

Room 010.01.03

Special Seminar

Hosny Zoabi, New Economic School Moscow

"The Microfinance Disappointment: An Explanation based on Risk Aversion"

(Host: Stefan Klonner)

Abstracts

Departmental Seminar

Leif Anders Thorsrud

"Climate Risk and Commodity Currencies"

Climate change increases the likelihood of extreme climate- and weather-related events, but also the pressure to adjust to a lower-carbon economy. We propose a measure of climate change transition risk and document that when it unexpectedly increases, major commodity currencies experience a persistent depreciation in line with traditional general equilibrium arguments. Expanding the analysis to a richer set of countries we find a significant negative correlation between a country's fossil fuel export dependency and exchange rate response to transition risk. These findings are difficult to replicate using existing climate risk proxies that do not distinguish between the different components of climate risk.

Special Seminar

Hosny Zoabi (New Economic School, Moscow; visiting Mannheim)

"The Microfinance Disappointment: An Explanation based on Risk Aversion"

Microcredit, according to recent research, did not contribute significantly to poverty reduction. Take up of affordable credit by the poor for investment in businesses or human capital turned out to be very low. We show that this could be explained by risk aversion without relying on fixed costs or other forms of non-convexity in the technology if the investment is aimed at increasing the probability of success. Under this structure, rational risk-averse agents choose corner solutions, unlike the case of a risky investment with an exogenous probability of success. Our online experiment confirms our theoretical predictions regarding the differences in agents' choices when facing the two types of investments. Our research suggests that policy should be aimed at reducing the risk faced by the poor to facilitate investment.

Talks and Research visits

Zeno Enders presented the paper: "Firm Expectations and News: Micro v Macro" (s. [column at vox.eu](#)) at the *Nuremberg Research Seminar in Economics*, University of Nuremberg, January 11.

Manuel Schick gave a talk on "Real-time nowcasting Growth at Risk" at the 16th International Conference on Computational and Financial Econometrics (CFE 2022) in London, December 17.

Pascal Kieren presented the paper "The Portfolio Composition Effect" (joint work with Jan Müller-Dethard and Martin Weber) at the EUROFIDAI-ESSEC Paris December Finance Meeting, Paris, December 15.

New Working Papers

Johannes Diederich, Raphael Epperson, and Timo Goeschl: "How to Design the Ask? Funding Units vs. Giving Money", *AWI Discussion Paper Series*, [No. 721](#), Dec. 2022.

New and Leaving Staff

Sara Engeler (room 00.023) joined the Chair of Organizational Behavior as a Ph.D. candidate in January. Sara completed her Master's degree in Economics at the University of Heidelberg and is working on the BMBF project "Visibility through structural change". She is joining the research group of Christiane Schwieren and the project is carried out in collaboration with the equal opportunities office and the transfer agency heiInnovation. Her research interests lie in behavioral and experimental economics as well as gender and political economics.



Editorial deadline for issue 03/2023 of the newsletter:
Wednesday, January 18, 2023, 12 p.m.
newsletter@awi.uni-heidelberg.de