



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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Upcoming Seminars

Monday, 12.10.15

Departmental Seminar

17.15-18.45

AWI 00.010

Stephan Litschig, Barcelona Graduate School of Economics
(invited by Marta Curto)

"Which Tail Matters? Inequality and Growth in Brazil"

Abstracts

Departmental Seminar

Stephan Litschig

"Which Tail Matters? Inequality and Growth in Brazil"

We estimate the effect of initial income inequality on subsequent long-run income per capita growth using sub-national data from Brazil over the period 1970-2000. Controlling for initial income per capita and other standard confounders, we find that places with higher initial inequality exhibit higher subsequent growth. The effect is entirely driven by the lower tail of the initial income distribution: places with a lower share of income going to the bottom quintile at the expense of the middle class grow more rapidly, while places with a higher share of income going to the top quintile get no growth boost at all. Political economy channels are unlikely to be at work because redistributive policies mostly take place at upper levels of government. The results are however consistent with setup costs for human and physical capital investments in the lower tail of the income distribution and suggest that the incentive effects of inequality at the top are limited.

(joint with María Lombardi)

Talks and Research Visits

David Kelsey from the University of Exeter is visiting Jürgen Eichberger on October 13-18 for joint research (room 01.012a).

Peter Duersch presented his paper "Executive Regulation of Economic Decision Making in Schizophrenia" (joint with Daniel Holt, Katlehn Baum) at the GfEW, Hamburg, September 29-30.

Jonas Hedlund presented his paper "Bayesian persuasion by a privately informed sender" at Instituto Tecnológico Autónomo de México, September 22, and at Centro de Investigación y Docencia Económicas, México City, September 24.

Jörg Oechssler gave a keynote speech at iCare Workshop, National Research University Higher School of Economics, Perm, Russia, on "Imitation – Theory and Experiments", September 21.

Tobias Pfommer presented the paper "Learning by Negligence - Torts, Experimentation, and the Value of Information" (joint work with Timo Goeschl) at the 32nd Annual Conference of the European Association of Law and Economics (EALE) in Vienna, September 17-19.

At The *30th Annual Congress of the European Economic Association 2015*, Mannheim, August 24-27, **Axel Dreher** participated and the following papers were presented: **Michael Schleicher**: "Targeted Health Insurance for the Poor: Evidence from Burkina Faso"; **Stefan Trautmann**: "Ambiguity = attitude Ambiguity Aversion?"

Axel Dreher presented his paper "Aid and Growth at the Regional Level" at the KOF-ETH-UZH Seminar in International Economic Policy, Zurich, Switzerland, September 17 and at the Political Economy Workshop: Theory meets Empirics, Konstanz, September 18-19.

Jürgen Eichberger presented the paper "Optimism, Pessimism and Case-Based Learning in a Lucas-Tree OLG Model" (joint with Aní Guerdjikova) at the Australian National University, Canberra, September 15.

Jörg Oechssler presented the paper "Imitation - Theory and Experiments" at the MPI for Human Development, Berlin, September 15.

Joerg Oechssler presented the paper "Imitation under Stress" at the workshop *Social Influence, Imitation, and Financial Decision Making*, FU Berlin, September 16.

Axel Dreher presented his paper "Africa and New Donors – Recognizing the role of emerging donors in development" at the European Commission, Lunch-time Conference External Cooperation Infopoint, Brussels, Belgium, September 10.

Axel Dreher presented his paper "Recognising the Role of Southern Providers of Aid in Development" at the European Commission, Africa Directorate, Brussels, Belgium, September 10.

At the *annual meeting of the Verein für Socialpolitik* in Münster, September 6-9, the following papers were presented: **Jonas Dovern** "Does Joint Modelling of the World Economy Pay Off? Evaluating Global Forecasts from a Bayesian GVAR"; **Zeno Enders**: "Global Banking, Trade, and the International Transmission of the Great Recession".

Zeno Enders has participated in the conference "Morality and the Economy: Perspectives from Philosophy, Political Theory and Economics" at the Villa Vigoni at the Lake Como, September 1-4.

Axel Dreher presented his paper "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance" at the Research Institute of Industrial Economics, Stockholm, Sweden, September 2.

At The 30th Annual Congress of the European Economic Association 2015, Mannheim, August 24-27, the following papers were presented: **Michael Schleicher**: "Targeted Health Insurance for the Poor: Evidence from Burkina Faso"; **Stefan Trautmann**: "Ambiguity = attitude Ambiguity Aversion?"

Matthias Hartmann presented the paper "Inflation uncertainty, disagreement and monetary policy: Evidence from the ECB Survey of Professional Forecasters" (with Alex Glas) at the World Congress of the Econometric Society in Montréal, August 18.

Axel Dreher presented his paper "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance" at the Silvaplana Workshop on Political Economy, Pontresina, Switzerland, July 25-29.

Jonas Dovern presented his paper "A Multivariate Analysis of Forecast Disagreement: Confronting Models of Disagreement with Survey Data" at the SEM conference at the OECD in Paris, July 22-24.

Florian Kauffeldt presented his paper "Strategic Behavior of Non-expected utility Players in Games with Incomplete Information" at the 26th International Conference on Game Theory, New York, July 20-24.

Jonas Dovern gave a talk about "A Multivariate Analysis of Forecast Disagreement: Confronting Models of Disagreement with Survey Data" in the Erich-Schneider-Seminar at the University of Kiel, July 6.

New Publications

Eichberger, Jürgen, Simon Grant and David Kelsey: *Randomization and dynamic consistency*, Econ Theory, publ. online 09 Sept. 2015, DOI 10.1007/s00199-015-0913-8.

Austin M. Strange, Axel Dreher, Andreas Fuchs, Bradley Parks, and Michael J. Tierney: *Tracking Underreported Financial Flows: China's Development Finance and the Aid–Conflict Nexus Revisited*, Journal of Conflict Resolution (forthcoming).

Dovern, Jonas (2015): *A Multivariate Analysis of Forecast Disagreement: Confronting Models of Disagreement with Survey Data*, European Economic Review, 80, 16-35.

Christoph Vanberg: *Experimental Evidence that Quorum Rules Discourage Turnout and Promote Election Boycotts* (with L. Conraria and P. Magalhaes), Experimental Economics, forthcoming.

Oechssler, Jörg and Alex Roomets, Alex: *A Test of Mechanical Ambiguity*, Journal of Economic Behavior & Organization, forthcoming.

Dovern, Jonas and Huber, Florian (2015): *Global Prediction of Recessions*, Economics Letters, forthcoming.

Peter Bernholz, University of Basle, and Malte Faber published their paper "Der Einfluss der Zentralbank auf die drei Funktionen des Zinssatzes" [in FAZ-net Fazit - das Wirtschaftsblog](#).

Miscellaneous

Zeno Enders has declined an offer from the DIW and FU Berlin and stays at the AWI, University of Heidelberg.

Jonas Dovern has obtained a grant of €110,000 from the Ministry of Science, Research and the Arts of Baden-Württemberg for a three-year research project. The project starts in early 2016.

Johannes Lohse, PhD student at the chair of Timo Goeschl, has successfully defended his doctoral thesis on "Five Essays on Cooperation with an Application to Climate Change Mitigation", at the AWI on September 28.

Martin Veith successfully defended his doctoral thesis on "Die Messung der gesellschaftlichen Wohlfahrt unter Berücksichtigung von Nachhaltigkeitsaspekten in der Europäischen Union: Eine empirische Analyse", at the AWI on August 27 (with supervisor Hans Dieffenbacher).

Alexandra Rudolph, former Ph. D. student at the chair of Axel Dreher, has successfully defended her doctoral thesis on "Challenges of Globalization. For International Mobility, Social Security and Environmental Sustainability", at the AWI on August 17.

Diego Hernandez, former Ph. D. student at the chair of Axel Dreher, has successfully defended his doctoral thesis on "The Role of Politics in the Allocation of Multilateral Aid", at the AWI, August 7.

New and Leaving Staff

David Aljoscha Vespermann joined the AWI as a Ph.D. candidate at the Chair of Macroeconomics under the supervision of Prof. Dr. Zeno Enders. He holds a M.Sc. in Economics from the University of Bonn and completed his undergraduate studies in Economics at the University of Heidelberg. His fields of interest are international macroeconomics and monetary economics.



Sven Kunze joined the AWI as a doctoral student at the Chair of International and Development Politics under the supervision of Axel Dreher. Previously, Sven received his master's degree in economics from the University of Heidelberg, worked at the Potsdam Institute for Climate Impact Research as well as a student research assistant at the Chair of International and Development Politics. His research focuses are on climate economics, development economics and environmental economics.



Angelika Müller joined the AWI as a doctoral student at the Chair of International and Development Politics under the supervision of Prof. Axel Dreher. She holds an MSc in Environment and Development from the London School of Economics and a BA in Philosophy and Economics from Bayreuth University. Before joining the AWI Angelika has worked in applied research with different international and non-governmental organizations, for instance with the European Commission and the International Red Cross (IFRC). Her research interests involve financing for sustainable development, including the effectiveness of climate finance."



Lennart Kaplan started his Ph.D. recently at the Chair of International and Development Politics under the supervision of Prof. Dr. Axel Dreher. He holds a Master degree from the Rijksuniversiteit Groningen and the Georg-August-University Göttingen in International Development Economics. In the course of his studies he visited the University of Warsaw and gained work experience at the Kiel Institute for the World Economy (IfW) as well as at the European Parliament. His research interests comprise European Integration, International Trade and the Political Economy of Financial Flows.



Gerda Asmus joined the Chair of International and Development Politics as a doctoral student under the supervision of Prof. Axel Dreher. Previously, she earned her master's degree in public policy from Maastricht Graduate School of Governance and was a junior researcher at UNU-Merit. Her research focuses on development economics and economics of conflict.



After successfully having defended their doctoral thesis, **Kai Gehring**, **Diego Hernandez** and **Alexandra Rudolph** left the chair of *International and Development Politics* for winter term 2015-16. **Hannes Koppel** already left the postdoc position at the chair of *Public Economics* at the end of August. All the best for their future career!

**Editorial deadline for issue 21/2015 of the newsletter:
Wednesday, October 14, 2015, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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