



Upcoming Seminars

Monday, 25.6.2018

Departmental Seminar

13.30-14.30

AWI 00.010

Hans Gersbach, ETH Zurich

(invited by Jürgen Eichberger)

"Could Democracy Do Better?"

Wednesday, 27.6.2018

Macro & Econometrics Seminar

14.00-15.00

AWI 01.030

Michael Stollenwerk

"Dynamic Principal Component CAW Models for High-Dimensional Realized Covariance Matrices"

Abstracts

Departmental Seminar

Hans Gersbach

"Could Democracy Do Better?"

Could democracy do better? We provide a tour of our suggestions to improve democracy and to make it more resilient. In particular, we explore the ability of Political Contracts and variable term length to improve the accountability and selection of politicians, and we examine new voting and election rules. We will introduce Score-replication Rules, Assessment Voting and Co-Voting. While Assessment Voting is a more efficient way to organize the voting process on initiatives in direct democracies, Co-Voting is a new, participatory decision-making process for representative democracies, which combines the strengths of parliaments and citizens when taking important decisions.

Macro & Econometrics Seminar

Michael Stollenwerk

"Dynamic Principal Component CAW Models for High-Dimensional Realized Covariance Matrices"

We propose a new dynamic principal component CAW model (DPC-CAW) for time-series of high-dimensional realized covariance matrices of asset returns. The model performs a spectral decomposition of the scale matrix of a central Wishart distribution and assumes independent dynamics for the principal components' variances and the eigenvector processes. A three-step estimation procedure makes the model applicable to high-dimensional covariance matrices. We analyze the finite sample properties of the estimation approach and provide an empirical application to realized covariance matrices for 100 assets. The DPC-CAW model has particularly good forecasting properties and outperforms its competitors for realized covariance matrices.

Talks and Research Visits

At the 9th *International Conference of the French Association of Experimental Economics*, in Nice, France, June 14-15, the following papers were presented:

Liza Charroin: "Homophily, peer effects and dishonesty" and **Robert Schmidt**: "Measuring the heterogeneity of beliefs in coordination games on the individual level: A theory and an experimental test on the elicitation of social norms".

David Vespermann attended Dynare Summer School, at Banque de France, Paris, June 11-15.

Miscellaneous

Alexander Glas and Onno Kleen earned the Excellence in Teaching Award 2018 at the Department of Economics, Heidelberg University.

Editorial deadline for issue 17/2018 of the newsletter:
Wednesday, June 27, 2018, 12 p.m.
newsletter@awi.uni-heidelberg.de

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please contact the address above.