



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Friday, 12.10.12

9.30-16.00
Campus Bergheim 2.023

3rd HeiMaX – workshop

Heidelberg, Mannheim & neighbors,
experimental economics

Monday, 15.10.12

17.15-18.45
AWI 00.010

Departmental Seminar

Karim Abadir, Imperial College, London
"Lies, Damned Lies, and Statistics?
Examples From Finance and Economics"

Jour Fix

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Departmental Seminar

Karim Abadir

"Lies, Damned Lies, and Statistics? Examples From Finance and Economics"

Reliable data analysis is one of the hardest tasks in sciences and social sciences. Often misleading and sometimes puzzling results arise when the analysis is done without regard for the special features of the data. In this talk, I will focus on designing new statistical tools to deal with some prominent questions in Finance and Economics. In particular, I will talk about the following. (1) How to characterize the randomness of variables, motivated by a problem in the pricing of financial options. (2) Uncovering the relation between interest rates on different maturities, now and in the future; the "term structure of interest rates". (3) Modelling the unconventional nonlinear long-memory dynamics that arise from a general-equilibrium economic model, and their implications for exchange rates, stock market indexes, and all macroeconomic variables; with recommendations for trading in financial markets, but also for the design of macroeconomic stabilization policies by governments.

Talks and Research Visits

Johannes Lohse presented the paper "Climate change mitigation in aging societies: Motivational and cognitive aspects" (joint with: Timo Goeschl, Sara Elisa Kettner, Christiane Schwieren, Helen Fischer, Joachim Funke, Christina Degen and Johannes Schröder) at the *Berlin Conference on Evidence for Sustainable Development*, October 6-8.

Daniel Heyen gave a seminar talk at FEEM (Fondazione Eni Enrico Mattei) in Milan, September 17.

Christiane Schwieren presented "Stress and the choice of competition in an economic tournament game" (joint work with Magdalena Buckert, Brigitte M. Kudielka, Christian J. Fiebach) at the GfEW-Tagung in Karlsruhe, Oktober 4-6.

Timo Goeschl presented a paper titled "The Climate Policy Hold-Up: IPRs, IEAs, and the Diffusion of Green Innovations" (joint with G. Perino) at the XII. BioECON Conference in Cambridge, England, September 20, and the paper titled "Costly Monitoring and Third Party Sanctioning: Experimental Evidence" (joint with J. Jarke) at the Centre for Behavioral Economics and Social Sciences at the University of East Anglia, September 18.

Daniel Heyen gave a seminar talk at FEEM (Fondazione Eni Enrico Mattei) in Milan, September 17.

Stefan Behringer presented the paper "Optimal Harvesting of a Spatial Renewable Renewable Resource" (joint with Thorsten Upmann) at the International Institute for Applied Systems Analysis, IIASA, Laxenburg bei Wien, Austria, September 14-15.

Daniel Heyen presented his paper "Information acquisition under Ambiguity - Why the Precautionary Principle may keep us uninformed" (with Timo Goeschl and Boris Wiesenfarth) at the Workshop "The Economics of Irreversible Choices" in Brescia, September 13-14.

The following papers were presented at the *Economic Science Association*, European Conference Cologne, September 12-15: **Christoph Brunner**: "Premium auctions and risk preferences: An experimental study"; **Peter Dürsch**: "Bertrand competition in an inflationary environment"(joint with Thomas Eife); **Sara Elisa Kettner**: "What can we learn from laboratory public good games about climate change mitigation: Evidence from an artefactual field experiment"(joint with Timo Goeschl, Johannes Lohse, Christiane Schwieren); **Jörg Oechssler**: "Imitation under stress".

The following papers were presented at the *Annual Congress of the Verein für Socialpolitik in Göttingen*, September 9-12: **Christian Conrad**: "On the Macroeconomic Determinants of the Long-Term Oil-Stock Correlation"; **Axel Dreher**: "The costs of favoritism: Is politically-driven aid less effective?"; **Daniel Heyen**: "Information acquisition under Ambiguity - Why the Precautionary Principle may keep us uninformed" (with Timo Goeschl and Boris Wiesenfarth); **Andrea Leuermann**: "Does good advice come cheap? - On the assessment of risk preferences in the lab and the field"; **Karin Loch**: "Anticipating Long-Term Stock Market Volatility" (joint with Christian Conrad).

Axel Dreher gave a talk on "Buying Votes and International Organizations" at the Applied Economics and Econometrics Seminar, University of Mannheim, Mannheim, September 5.

Stefan Behringer presented the paper "Equilibrium Market and Pricing Structures in Virtual Platform Duopoly: Coexistence on Competing Online Auction Sites revisited" at EARIE Conference Rome, Italy, September 2-4.

Andreas Lindenblatt presented the paper „Price convergence after the Eastern EU enlargement: Evidence from retail food prices" (joint with Switgard Feuerstein) at EARIE in Rome, September 3.

At the 2012 European Meeting of the Econometric Society (ESEM) in Malaga, August 27-31, **Christian Conrad** presented the paper: "Explaining Inflation-Gap Persistence by a Time-Varying Taylor Rule"(joint with Thomas Eife); **Karin Loch** presented the paper "Anticipating Long-Term Stock Market Volatility" (joint with Christian Conrad).

Stefan Behringer presented the paper "Optimal Harvesting of a Spatial Renewable Resource" (joint with Thorsten Upmann) at the International Institute for Applied Systems Analysis, IIASA, Laxenburg bei Wien, Austria, August 20.

Bram Driesen presented "The asymmetric leximin solution" at the 11th Meeting of the Society for Social Choice and Welfare, New Delhi, India, August 18.

Malte Faber and **Thomas Petersen** gave a joint lecture on "Finanzkrise aus wirtschaftswissenschaftlicher und philosophischer Sicht" at the Risk-Department of the Commerzbank in Frankfurt, August, 1.

Johannes Diederich and **Timo Goeschl** presented their paper "Giving in a Large Economy" at the NBER Summer Institute in Cambridge, MA on July 24.

New Publications

Dorn, Isadora; Lindenblatt, Andreas; Zweig, Katharina: "The trilemma of network analysis," Proceedings of the IEEE/ACM International Conference on Advances in Social Networks Analysis and Mining, pp.9-14, 26-29 August 2012.

Bram Driesen, Andrés Perea, Hans Peters: *Alternating offers bargaining with loss aversion*, in *Mathematical Social Sciences* 64(2):103-118. DOI: <http://dx.doi.org/10.1016/j.mathsocsci.2011.10.010>

Axel Dreher: "The Determinants of Anti-trafficking Policies - Evidence from a New Index" (with Seo-Young Cho and Eric Neumayer), *Scandinavian Journal of Economics*, forthcoming.

Jörg Oechssler: "Finitely repeated games with social preferences", *Experimental Economics*, forthcoming.

Jörg Oechssler: "Unbeatable Imitation", *Games and Economic Behavior* 76 (2012), 88-96 (with Peter Duersch and Burkhard Schipper).

Jürgen Eichberger, Simon Grant and David Kelsey: "When is Ambiguity Attitude Constant? ", *Journal of Risk and Uncertainty*, forthcoming 2012/3.

Visitors

Dietrich Earnhart, Professor of Economics at the University of Kansas, is visiting the AWI from Aug. 25 to Dec. 20. Dietrich has research interests in environmental economics, law and economics, the economics of regulation, and applied econometrics. He has published in the *RAND Journal of Economics*, the *Review of Economics and Statistics*, and the *Journal of Environmental Economics and Management*, among others. His office is Room 326 at BH20.



Miscellaneous

Malte Faber's inventory of his archival records including correspondences, manuscript collections, publications etc., which have been collected by the Archiv der sozialen Demokratie der Friedrich-Ebert-Stiftung, can be found via the link http://www.fes.de/archiv/adsd_neu/inhalt/nachlass/nachlass_f/faber-findbuch.html

Peter Dürsch took on an interim professorship at the department of economics, University of Konstanz, during winter-term 2012/13.

Axel Dreher took part as a discussant at the *Beyond Basic Questions Workshop*, University of Groningen, Schiermonnikoog, Netherlands, July 12-14.

New and Leaving Staff

Matthias Hartmann has taken a postdoc position at the Chair of Christian Conrad starting October 01, 2012. He did his graduate work at the Institute of Statistics and Econometrics, University of Kiel. His research is on empirical macroeconomics and forecasting. He is especially interested in the measurement and causal analysis of aggregate volatility and uncertainty.



Andrea Leuermann, former doctoral student at the chair of Andreas Roider, left the AWI to take a position at the BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) in Bonn, October 1.

Alec Sproten, former Ph. D. student of Christiane Schwieren, left the AWI and took a postdoctoral position at the Friedrich-Alexander-University of Erlangen-Nürnberg, department of economics, at the chair of economic theory of Veronika Grimm, September 1.

Krishna Chaitanya Vadlamannati, former Ph. D. student at the chair of Axel Dreher, has successfully defended his doctoral thesis on "Essays in Political Economy", August 29. He left the AWI to stay at the University of Göttingen during winter term 2012/13 and accepted a position with the Peace Research Institute Oslo (PRIO) in 2013.

**Editorial deadline for issue 21/2012 of the newsletter:
Wednesday, October 17, 2012, 12 o'clock
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact the address above.