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AWI This Week

Monday, 12.1.15

Departmental Seminar

17.15-18.45

AWI 00.010

Christian Merkl, FAU Erlangen-Nürnberg

"Does Short-Time Work Save Jobs? A Business Cycle Analysis"

Tuesday, 13.1.15

Economics & Politics Seminar

14.15-15.15

AWI 02.036

Klaus Armingeon, University of Bern

"Ways to Liberalization:
A report on an ongoing research project"

Wednesday, 14.1.15

Internal Seminar

12.15-13.15

AWI 00.010

Florian Kauffeldt

"Hedging behavior in games played by "Knightian" players"

Wednesday, 14.1.15

Macro & Econometrics Seminar

17.00-18.00

AWI 00.010

Fabian Krüger, HITS

"Using Entropic Tilting to Combine BVAR Forecasts with
External Nowcasts"

Departmental Seminar

Christian Merkl

"Does Short-Time Work Save Jobs? A Business Cycle Analysis"*

In the Great Recession most OECD countries used short-time work (publicly subsidized working time reductions) to counteract a steep increase in unemployment. We show that short-time work can actually save jobs. However, there is an important distinction to be made: While the rule-based component of short-time work is a cost-efficient job saver, the discretionary component is completely ineffective. In a case study for Germany, we use the rich data available to combine micro- and macroeconomic evidence with macroeconomic modeling in order to identify, quantify and interpret these two components of short-time work.

*with Almut Balleer, Britta Gehrke, Wolfgang Lechthaler

Economics & Politics Seminar

Klaus Armingeon

"Ways to Liberalization: A report on an ongoing research project"

The talk presents the theoretical approach, the design of the data collection and some preliminary results of an ongoing research project on economic liberalization in mature democracies. Starting from findings of an analysis of austerity policies, I show that there is hardly the choice to avoid liberalization, but there are several ways of liberalization. Negotiated liberalization is feasible if problem pressures are low and actors have incentives to negotiate. These incentives are outcomes of politico-institutional configurations.

Internal Seminar

Florian Kauffeldt

"Hedging behavior in games played by "Knightian" players"

We analyze games which involve uncertainty, but no private information. We find unusual hedging behavior when these games are played by uncertainty averse players with non-Bayesian preferences (Knightian players). That is, mixed strategies can be unique best responses to some strategies of other players. We prove the existence of Nash equilibria under the assumption that players exhibit minimum expected utility, Choquet expected utility or smooth ambiguity preferences. Furthermore, we establish sufficient conditions for hedging behavior. Finally, we illustrate that these games can also be interpreted as games in which each player's preferences depend on the preferences of the opponents.

Talks and Research Visits

Malte Faber gave a lecture on "Components of Ecological Economics. On Reducing Complexity" at the Institute of Ecological Economics, Wirtschaftsuniversität Wien, December 10, 2014.

New Publications

Gerd Ahlert, Hans Diefenbacher, Bernd Meyer and Roland Zieschank: *Basic Structures and Political Implications of a Sustainable Welfare Model*, in: *Journal of Environmental Science and Engineering*, 2014, No. 3, 189 – 203.

Visitors

Chao Ling (room 01.021) is a visiting PhD student under joint supervision by Axel Dreher (International Economics and Development Policy) and Andreas Fuchs (Distributional Conflict and Globalisation). He is a doctoral student at Fudan University, China, and will stay here until the end of this November. His main research field is the relationship between the political behaviors of local governments and industrial upgrading in China.



**Editorial deadline for issue 2/2015 of the newsletter:
Wednesday, January 14, 2015, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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