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Upcoming Seminars

Monday, 16.11.15

Departmental Seminar

17.15-18.15

Christoph Vanberg

AWI 00.010

"Who never tells a lie?"

Wednesday, 18.11.15

Internal Seminar

12.15-13.15

Lennart Kaplan

AWI 00.010

"The EU accession of Central and Eastern European Countries 2004: A value added perspective"

Wednesday, 18.11.15

Macro and Econometrics Seminar

17.00-18.00

Fabian Krüger, HITS

AWI 01.034

"Forecast Uncertainty, Disagreement, and Linear Pools of Density Forecasts"

Thursday, 19.11.15

Special Seminar

16.15-17.15

Monica Singhania, Faculty of Management Studies (FMS),
University of Delhi"

SAI, room 209

"Fiscal Marksmanship: Indian Taxation 1985-2014"

Further Events

Thursday, 19.11.15

Tauschen, Teilen, Tricksen

18.00-20.00

Grabengasse 3-5, HS 7

NUni HS 7

Keith Hart, London School of Economics and University of Pretoria

"The Human Economy"

Abstracts

Departmental Seminar

Christoph Vanberg

"Who never tells a lie?"

Erat and Gneezy (2012) conduct an experiment to test whether people avoid lying in a situation where doing so would lead to a Pareto improvement. They conclude that many people exhibit such a "pure lie aversion". I argue that the experiment does not provide a reliable test for such an aversion, and that the evidence does not support the authors' conclusion. I conduct several experiments which are explicitly designed to test for a "pure" aversion to lying, and find no evidence for the existence of such a motivation. I discuss the implications of the findings for moral behavior and rule following more generally.

Internal Seminar

Lennart Kaplan

"The EU accession of Central and Eastern European Countries 2004:
A value added perspective"

International fragmentation of production and economic integration change the structure of international trade. Novel datasets reveal how production processes are unbundled across borders and connected internationally through global value chains (GVCs). Yet, the impact of economic integration agreements (EIAs) on GVCs is still poorly understood. This paper investigates how the accession of 10 Central and Eastern European Countries (CEECs) to the European Union (EU) affected trade in value added in Europe. We find that EU accession mainly fostered Eastern entrants' integration in other CEECs' value chains, but also promoted Heckscher-Ohlin type specialization of value-added trade between Western incumbents and Eastern entrants.

Macro and Econometrics Seminar

Fabian Krüger

"Forecast Uncertainty, Disagreement, and Linear Pools of Density Forecasts"*

It is common to combine several macroeconomic density forecasts via the linear prediction pool (LPP). This paper argues that the LPP provides a suboptimal representation of forecast uncertainty, in that it often overstates the magnitude of future forecast errors. We provide new analytical results which link this drawback to a

"disagreement" term in the variance of the LPP. Based on these results, we suggest a simple improvement of the LPP, which we illustrate in a case study of US GDP growth and inflation.

*with Malte Knüppel

Special Seminar

Monica Singhania

"Fiscal Marksmanship: Indian Taxation 1985-2014"

Budgetary forecasts are critical for any country to determine its growth path. These forecasts give a sense of future projects that the country is going to or can undertake. However it is widely known that these forecasts suffer from errors generated both systematically and randomly. Implicitly budgetary assessments face the challenge of forecasting errors globally. India, as is the case with other countries, also faces the problem of budgeting errors every year. This paper tries to investigate budgeting of Indian taxation for the period 1985-2014. An attempt is made to explain forecasting errors generated on the revenue side of the fiscal regime and to determine whether budgetary estimations conform to the rational expectations hypothesis. The results indicate that budget estimations of Indian taxation are not fully accurate. However, the errors appear to be little systematic and largely random, which implies some, albeit a limited, scope for forecasting improvements.

Talks and Research Visits

Christoph Vanberg presented his paper "Who never tells a lie?" at the University of East Anglia, Norwich, November 12.

Axel Dreher took part at the Doctoral Research Colloquium, "Verein für Socialpolitik: Research Committee Development Economics," ETH Zurich and University of Zurich, Switzerland, November 11-12, as a discussant.

Zeno Enders presented the paper "Growth Expectations, Undue Optimism, and short-run Fluctuations" in the research seminar at the University of Tübingen, November 10.

Visitors

[Manoel Bittencourt](#), from the Department of Economics at the University of Pretoria, SA, is staying for research visit (room 01.012a) with Axel Dreher until December 5.

**Editorial deadline for issue 26/2015 of the newsletter:
Wednesday, November 18, 2015, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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