



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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Upcoming Seminars

Monday, 5.12.2016

Departmental Seminar

17.15-18.15

AWI 00.010

Björn Bartling, University of Zurich

(invited by Jörg Oechssler)

"The Limits to Moral Erosion in Markets: Social Norms and the Replacement Excuse"

Wednesday, 7.12.2016

Internal Seminar

12.15-13.15

AWI 00.010

Fabian Krüger

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

Wednesday, 7.12.2016

Macro & Econometrics Seminar

17.00-18.00

AWI 01.030

Benjamin Born, Bonn University

"Uncertainty-driven Business Cycles: Assessing the Markup Channel"

Thursday, 8.12.2016

Lecture Series: The End of Globalization?

18.00-19.30

Campus Bergheim

Hörsaal

Helmut K. Anheier, Heidelberg University and Hertie School of Governance and Olga Kononykhina, Hertie School of Governance

"International Civil Society 2000-2014: Patterns, Trends and Issues"

Departmental Seminar

Björn Bartling

"The Limits to Moral Erosion in Markets: Social Norms and the Replacement Excuse"*

We study the conditions under which the replacement excuse, the argument that "if I don't do it, someone else will," leads to the erosion of moral behaviors in competitive markets. From the normative standpoint of utilitarian ethics, the replacement excuse provides justification for any action because only outcomes matter for ethical assessment. Deontological ethics, in contrast, judges an action with respect to its adherence to a principle, irrespective of outcomes. We take a positive approach and experimentally study actual behaviors. Our data reveal that many subjects, who would not take a morally ambiguous action if its omission cannot be replaced, take the action under the shadow of replacement. But if a social norm exists that unambiguously classifies the action as immoral, many subjects do not use the replacement excuse - even if its omission is likely to be replaced. Our results contribute to the public debate on "where markets belong - and where they don't" by studying the power and the limits of the replacement excuse to understand how competitive institutions affect moral behaviors.

* with Yagiz Özdemir

Internal Seminar

Fabian Krüger

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

In many empirical examples, combining several density forecasts is superior to selecting one of them. The linear pool (LP) is by far the most popular combination formula. We consider a mean-variance framework in order to analyze whether the LP's assumptions about forecast uncertainty are justifiable. Our theoretical results suggest that a well-known 'disagreement' term may contribute to the underconfidence of the LP, and typically has little predictive content for realized measures of forecast uncertainty. These findings motivate a simple fix - the centered linear pool - which removes the disagreement term. We illustrate these ideas via combinations of stochastic volatility models for macroeconomic and financial time series.

*with Malte Knüppel (Bundesbank)

Macro & Econometrics Seminar

Benjamin Born

"Uncertainty-driven Business Cycles: Assessing the Markup Channel"

A growing recent literature relies on a precautionary pricing motive embedded in representative agent DSGE models with sticky prices and wages to generate negative output effects of uncertainty shocks. We assess whether this model channel is consistent with the data. We build a New Keynesian DSGE model with time-varying

wage and price markups and document the predicted conditional comovement of output and markups following demand and supply uncertainty shocks. Using the model as a business cycle accounting device, we also construct aggregate markup series from the data. Time-series techniques are used to identify uncertainty shocks in the data and to study whether the conditional comovement between markups and output is consistent with the one implied by the model. The response to uncertainty shocks is found to be consistent with precautionary wage setting, but not price setting, putting the role of sticky wages into the focus.

*with Johannes Pfeifer

Lecture Series: The End of Globalization?

Helmut K. Anheier and Olga Kononykhina

"International Civil Society 2000-2014: Patterns, Trends and Issues"

International civil society has experienced many changes in recent decades. Following a period of rapid growth in both scale and scope after the end of the Cold War, the past fifteen years confronted civil society with a more complex, diverse environment. On the one hand, in the wake of the 2008-9 global financial crisis and changing geopolitics, the rate at which international non-governmental organizations are created slowed down significantly, and more restrictions on their cross borders operations were put in place. On the other, changing conditions were accompanied, among other factors, particularly by developments in information and communication technologies, which facilitated innovations such as cyber activism and new international social as well as political movements. These forms of international civil society rely less on institutionalization, opting for flexible, open and even temporary structures instead. Using a range of data, the presentation compares the scale and scope of international civil society in 2000 and 2015, including the global civil society index. In a second step, the presentations examines the relationship between international, global civil society and other forms of globalization over the same period of time, especially trade and financial flows, cultural and academic exchanges, migration, and international rule of law. In conclusion, the presentation formulates five theses summarizing the core issues confronting civil society today.

New Publications

Florian K. Diekert, Andries Richtera, Inger Maren Rivruda, and Atle Mysteruda: "How constraints affect the hunter's decision to shoot a deer" was published online at PNAS (Proceedings of the National Academy of Science), November 22.

Miscellaneous

Christian Oldiges, Ph. D. student at the chair Stefan Klonner, has successfully defended his doctoral thesis on: "Essays on Household Welfare and Anti-Poverty Programs in India", November 30.

Vera Eichenauer, Ph. D. student at the chair Axel Dreher, has successfully defended her doctoral thesis on: "The Political Economy of Foreign Aid. Allocation, Timing, and Effectiveness", November 29.

**Editorial deadline for issue 28/2016 of the newsletter:
Wednesday, December 7, 2016, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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please contact the address above.