



NEWSLETTER

No. 7
8 July 2014

**Humboldt-Universität zu Berlin
Collaborative Research Center 649
Spandauer Straße 1
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REGULAR RESEARCH SEMINARS

An overview is available at:

<http://sfb649.wiwi.hu-berlin.de/fedc/seminars.php>

ECONOMIC RISK SEMINAR

Location: Spandauer Str. 1, room 23
Time: every Monday, 2.00 – 4.00 p.m.

10 July 2014

Peter MacKay
(HKUST)
"Intermediation and Innovation"

SCHUMPETER SEMINAR

Location: Spandauer Str. 1, room 23
Time: every Tuesday, 4.00 – 6.00 p.m.

8 July 2014

Prof. Markus Poschke
(McGill University)
"Capital-Labor Substitution, Structural
Change and the Labor Income Share"

WIAS RESEARCH SEMINAR MATHEMATICAL STATISTICS

Location: Weierstrass Institute for Applied Analysis and Stochastics,
Mohrenstraße 39, 10117 Berlin, Erhard-Schmidt-Hörsaal
Time: every Wednesday, 10.00 – 12.00 a.m.

2 July 2014

Sara van de Geer
(ETH Zürich)
"Confidence intervals using the graphical Lasso"
(joint work with Jana Jankova)

CURRENT EVENTS

More information can be found here:

http://sfb649.wiwi.hu-berlin.de/fedc/events_actual.php

10 to 12 July 2014

CRC 649 Conference
Location: Motzen
Time: full-time

NEWS OF THE CRC

10 June 2014

What Is Econometrics (and How Is It Related to Statistics)?



From left to right: Prof. Dr. Ulrich Kamecke, Prof. Dr. Wolfgang Härdle, Prof. Joel L. Horowitz, Ph.D. and Prof. Michael Burda PhD at the event

On 10 June, Professor Joel Horowitz from Northwestern University, Illinois, USA, was awarded an Honorary Doctorate by the Humboldt-Universität.

The nomination of Joel Horowitz for an Honorary Doctorate was driven by the excellent quality of his publications and the interdisciplinary nature of his internationally recognised scientific philosophy and research. His dual disciplines as a physicist and an econometrician make him a highly qualified scientist with a very broad spectrum of skills. He is highly regarded simultaneously, as an econometrician, statistician, mathematician, and business economist, both in his home country and internationally. This is evident through his first-rate list of publications which have regularly appeared in high-ranking internationally recognised journals. Joel Horowitz's strong connection to our alma mater dates back to 1992 when he helped to prepare the proposal for SFB 373 "Quantifikation und Simulation Ökonomischer Prozesse". He is a regular visitor and actively participates in many projects and events at our university, among others holding lectures at conferences and, more recently, contributing to the 200th anniversary celebration of Humboldt-Universität zu Berlin. Furthermore, he is winner of the Alexander von Humboldt Prize for Senior U.S. Scientists and was the first Hermann Otto Hirschfeld lecturer back in 2003.

Joel Horowitz has served on many government advisory committees and in editorial positions of leading journals in econometrics. The honorary doctorate of the Humboldt-Universität zu Berlin is in recognition of his highly esteemed scientific achievements.

The ceremony on the 10 June took place in the Kapelle of the School of Business and Economics of the HU with the official welcome address delivered by the Dean of the Faculty, Professor Ulrich Kamecke. This was followed by an introduction by Professor Wolfgang Härdle, a colleague, a yearlong friend of the candidate and the initiator of the nomination.

Professor Horowitz gave a presentation entitled "What is Econometrics and how is it related to Statistics?" He emphasised the differences between these two fields and defined many areas of similarity and overlap that are caused by the inference

of data. The process of identification of these overlaps was analysed, naming the possible problems and approaches to deal with them. In conclusion the most important areas of overlap were mentioned. They include: semi- and nonparametric estimation, high-dimensional estimation and the bootstrap and other resampling methods.

To close the formal part of the event the Dean presented Professor Horowitz with an Honorary Doctorate Diploma which was followed by a reception in the faculty foyer. (EJ/LU)

11 June 2014

Berliner Kolloquium zur Wirtschaftsgeschichte



Lecturer Till Düppe

At the Berlin Colloquium in Economic History Till Düppe presented a unique web project on the history of the economic science in Berlin. By bridging 200 years of economic research at Humboldt University, he highlighted the historical breaks and constants at the Faculty of Economics.

Tremendous changes have occurred in the economics discipline since its modern beginnings during the early 19th century. These changes have likewise been reflected at the Faculty of Economics at Humboldt University at Berlin and its forerunners. For Berlin this development has presumably been more pronounced than for any other place due to its unique historical

and political circumstances. On 11 June 2014, Till Düppe of the Université du Québec à Montreal intro-

duced a project that presents the eventful history of the economics discipline at the former University of Berlin.

Düppe had started the project in 2012 when he was working for Professor Wolf at the Institute of Economic History and conducted an undergraduate seminar on the history of the economics faculty. Today, the web project he presented consists of a large number of articles, an overview of professors and an extensive database of biographies, lectures and seminars held at the University from 1810 to 2003. Based on the seminar papers written by the students in 2012, the articles summarize key events during different periods of the discipline at the faculty. A unique database was assembled that contains a total number of 20.000 lectures and seminars held in the field of economics at Humboldt University and its forerunners starting in 1810. For many lecturers short biographies were added. A table of professors indicates the evolution of chairs and fields in the economics discipline over the course of time. The web project can be accessed via

<http://hicks.wiwi.hu-berlin.de/history/>.

In his presentation, Düppe recapitulated the history of the discipline in Berlin since the founding of the first chair of Cameralistic studies in 1810, focusing on the exceptional breaks and cuts that shaped the faculty's history. With the appointment of Gustav Schmoller in 1882 and the rise of historicism Berlin turned into the leading center of the economics discipline before World War I - a position it would not regain ever since. The focus of the discipline in Berlin was forcefully influenced by Nazi ideology (hostility towards formalism and theories) after 1933 and then by the GDR (Marxism) after 1945. With the fall of the wall in 1989 again a major break occurred that brought the faculty back to the Western standard neoclassical economics while cutting most of its ties to previous eras. Despite the enormous

regime changes that occurred, according to Düppe in all periods the economics discipline in Berlin was characterized by the tension between scientific autonomy and societal relevance.

During the concluding discussion, former faculty members gave a personal insight into how Germany's reunification affected the conditions of the economics' discipline in Berlin, highlighting the need to further review the last decades at the faculty. (VD)

NEWS OF THE PROJECTS

Thomas Giebe (A6) attended the 2014 ZEW Public Finance Conference in Mannheim, from 28 to 29 April 2014 and gave a talk on "Consuming your way to efficiency: public goods provision through non-distortionary tax lotteries".

Dorothea Kübler (A6) attended the 17th International Economic Association World Congress, 6-10 June, Dead Sea, Jordan and gave a talk on "Flipping a coin: Theory and evidence". She also hosted this year's Matching in Practice Workshop, from 16 to 17 June 2014, organized by Estelle Cantillon (ECARES), Julien Grenet (CNRS & Paris School of Economics), and Dorothea Kübler (WZB & TU Berlin) at the WZB Berlin Social Science Center.

Hanna Wielandt (A9) gave a talk on "Technological Change and its Differential Impact on Native and Foreign Employment and Wages" at the 28th Annual Conference of the European Society for Population Economics (ESPE) at the University of Minho, Braga, Portugal, which took place from 18 to 21 June 2014.

Ulrich Horst (A11) gave a keynote talk on "Laws of Large Numbers for Limit Order Books" at the 5th LSAA - Stochastic Analysis and Applications Conference that took place at Linnéuniversitet, Kampus Växjö, from 11 to June 13 2014.

Wolfgang Härdle (B1) has organized a session on "Tail Events in very High Dimensions" at the Financial Engineering and Risk Management Conference 2014 at the Central University of Finance and Economics in Beijing from 27 to 28 June 2014. He presented the paper on "Principal Components in an Asymmetric Norm" at the Academy of Sciences in Beijing on 28 June 2014 and gave a talk on "TENET - Tail Event driven NETWORK Risks" on 29 June 2014. He also visited WISE, Xiamen University, where he talked about "Adaptive Forward Intensities for PD calculation".

Alexander Ristig (B10) participated at the 7th Annual SoFiE Conference hosted by the Rotman School of Management in Toronto, from 11 to 13 June 2014. He presented the joint project with Nikolaus Hautsch (B8) and Ostap Okhrin (B10) on "Efficient Iterative Maximum Likelihood Estimation of High-Parameterized Time Series Models".

Michael C. Burda (C7) gave a talk on "Payroll taxes, social insurance and business cycles" in the Hamburg Research Seminar at Helmut-Schmidt-Universität on 3 June 2014. He attended a panel on the IAB/Deutsche Bundesbank conference "European Labour Markets and the Economic Crisis" in Eltville from 12 to 13 June 2014. Michael Burda participated in the Barcelona GSE Summer Forum "Macro and Micro Perspectives on Taxation" from 19 to 20 June 2014 and gave a talk on "Payroll taxes, social insurance and business cycles". From 22 to 24 June 2014 he attended the International Symposium on "Recent Developments in Econometric

Theory with Applications in Honour of Jerry A. Hausman" at The Wang Yanan Institute for Studies in Economics, Xiamen University, China, and gave a talk on "Unionization, Stochastic Dominance and the Compression of the Wage Distribution".

Christian Basteck (C10) presented his work on "Fair Lotteries over Indivisible Goods" at the 12th Meeting of the Social Choice and Welfare at Boston College. He also presented a poster on the same topic during the 25th Jerusalem School in Economic Theory.

Frank Heinemann (C10) organized (together with Rosemarie Nagel and John Duffy) the 5th LeeX International Conference on Theoretical and Experimental Macroeconomics in Barcelona from 9 to 10 June 2014 and the 7th Barcelona LeeX Experimental Summer School in Macroeconomics, from 11 to 16 June 2014.

Matthias Ritter (C11) participated at the IAMO Forum 2014 in Halle/Saale from 25 June 2014 to 27 June 2014 and presented the paper "Is there a term structure in land lease rates?"

Zhiwei Shen (C11) gave a talk on "Is there a demand for multi-year crop insurance?" at the 3rd International Agricultural Risk, Finance and Insurance Conference in Zurich, Switzerland from 22 to 24 June 2014.

Gunda-Alexandra Detmers (C14) presented the paper "Stale Forward Guidance" at the 12th INFINITI Conference on International Finance on 10 June 2014 in Prato, Italy.

Till Strohsal (C14) presented his paper "Identifying Volatility Signals from Time-Varying Stock Market Interaction" co-authored with Enzo Weber at the 12th INFINITI Conference on International Finance on 10 June 2014 in Prato (Italy). He also presented his paper "Testing the Preferred-Habitat Theory: The Role of Time-Varying Risk Aversion" at the 6th IFABS Conference on Alternative Futures for Global Banking on 18 June 2014 in Lisbon (Portugal).

Lars Winkelmann (C14) presented the joint work with Aleksei Netšunajev (C15) "Inflation Expectations Spillovers between the United States and Euro Area" on the INFINITI Conference on International Finance at Monash University Prato on 10 June 2014, the workshop "Uncertainty and Probabilistic Forecasting during the Financial and Economic Crisis" at Heidelberg University from 20 to 21 June 2014, and the 5th "Conference on Recent Developments in Macroeconomics" at the ZEW Mannheim from 23 to 24 June 2014.

GUESTS OF THE CRC 649

You find a summary about all guests here:
http://sfb649.wiwi.hu-berlin.de/fedc/guests_actual.php

11.04. –
08.07.2014

Tan, Frank
(University College Dublin)

Project: *Co-movements of Idiosyncratic Volatilities in G7 Countries*

Spandauer Str. 1, room 311



12.04. –
09.07.2014

Ni, Xinwen
(Singapore Management University)

Project: *Tail Event Driven Asset Allocation*

Spandauer Str. 1, room 318
Phone: 2093 5895

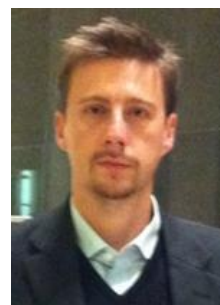


13.05. –
17.07.2014

Milunovich, George
(Macquarie University)

Project: *Modeling time varying volatilities and correlations with applications to portfolio management and risk measurement, financial crisis contagion processes and real estate markets, identification and estimation of structural models*

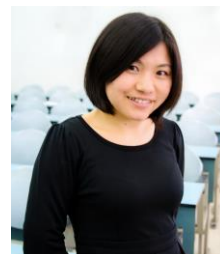
Freie Universität Berlin, Boltzmannstr. 20
Room: K37



01.06. –
31.07.2014

Guo, Mengmeng
(Southwestern University of Finance and Economics)

Project: *Quantile and expectile regressions, nonparametric and semiparametric analysis, extreme weather events analysis.*



01.06. – **Chen, Yi-Hsuan**
16.07.2014 (Chung Hua University)

Project: *The integration of credit default swaps markets*

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Phone: 2093 5895



05.07. – **Fan, Cuihong**
30.08.2014 (Shanghai University of Finance and Economics)

Project: *Horizontal mergers, Horizontal mergers, microeconomics, industrial organization and auctions*

Spandauer Str. 1



15.07. – **Chen Huang**
30.09.2014 (Xiamen University)

Project: *Econometric theory, Nonlinear time series analysis, Financial econometrics*

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09.07. – **Cheng, Tsung-Chi**
18.07.2014 (National Chengchi University)

Project: *Robust diagnostics, incomplete data analysis, categorical data analysis*

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01.08. – **Fang, Ying**
15.09.2014 (Xiamen University)

Project: *Panel data, nonparametric and semi-parametric econometrics and instrumental variables theory*

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01.08. - **Jeong, Kiho**
30.09.2014 (Kyungpook National University)

Project: Develop a parametric test for macro time series data, systematically trimmed least square estimation using grafting rather than trimming



Spandauer Str. 1

NEW DISCUSSION PAPERS

- 2014-031** **Helmut Lütkepohl and Aleksei Netsunajev**
"Structural Vector Autoregressions with Smooth Transition in Variances - The Interaction Between U.S. Monetary Policy and the Stock Market"
- 2014-032** **Wolfgang Karl Härdle, Sergey Nasekin, David Lee Kuo Chuen, Phoon Kok Fai**
"TEDAS - Tail Event Driven ASset Allocation"
- 2014-033** **Julien Albertini, Arthur Poirier**
"Discount Factor Shocks and Labor Market Dynamics"

PUBLICATIONS

- Lan, Hong and Alexander Meyer-Gohde (2014)**
"Solvability of Perturbation Solutions in DSGE Models," Journal of Economic Dynamics and Control.
DOI: 10.1016/j.jedc.2014.06.005
- Härdle, W. and D. Prastyo (2014)**
"Embedded Predictor Selection for Default Risk Calculation: A South East Asian Industry Study" Handbook of Asian Finance Vol 1, Financial Markets and Sovereign Wealth Funds
ISBN. 9780128009826

QUOTE OF THE MONTH

"Everyone thinks of changing the world, but no one thinks of changing himself."

Leo Tolstoy (1828 – 1910)

Please also note that the newsletter is published on the homepage of the CRC 649.

**The CRC 649 – Newsletter is published at the beginning of each month.
Editorial deadline for the seventh Newsletter 2014 is 28.07.2014.**