



## Upcoming Seminar

**Monday, 14.10.2024**

13.30-14.30

AWI room 00.010

**Departmental Seminar**

Dani Pomeranz, Basel

"The Race Between Tax Enforcement and Tax Planning:  
Evidence From a Natural Experiment in Chile"  
(Host: Axel Dreher)

## Abstract

### Departmental Seminar

Dani Pomeranz

"The Race Between Tax Enforcement and Tax Planning: Evidence From a Natural Experiment in Chile"\*

Profit shifting by multinational corporations is thought to reduce tax revenue around the world. While transfer pricing regulations are meant to curtail profit shifting, there have been rising concerns that a sophisticated tax advisory industry can limit their effectiveness. This paper provides a comprehensive analysis of how firms and tax advisors respond to the introduction of standard regulations aimed at limiting profit shifting. Using administrative tax and customs data from Chile in difference-in-differences event-study designs, we find that the reform was ineffective in reducing multinationals' transfers to lower-tax countries and did not significantly raise tax payments. At the same time, interviews with tax advisors reveal a drastic increase in tax advisory services. The qualitative interviews also allow us to identify and then quantitatively confirm a common tax planning strategy in response to the reform. These results illustrate that when enforcement can be circumvented by sophisticated tax planning, it can benefit tax consultants at the expense of tax authorities and tax payers.

(\* joint work with Sebastián Bustos, Juan Carlos Suárez Serrato, José Vila-Belda, and Gabriel Zucman).

## Talks and Research visits

### **Giovanni Burro**

attended the *SABE/IAREP 2024 Dundee, Scotland* from 19-22.8.24 and presented "A Walk Down Memory Lane: How Memories Influence Stock Investment and Information Processing" (co-authored with Castagnetti, Cillo, Crespi);

attended the *ZEW-FMT Workshop* on 20.09.2024 and was the discussant of the paper "Firm Expectations and News: Micro vs Macro" by Born, Enders, Menkhoff, Müller, and Niemann.

**Giovanni Burro** and **Julian Matthes** attended the Workshop and *Summer School on Narratives, Beliefs and Memory in Economics* held in Riederau am Ammersee from 16.-19.09.2024. Julian Matthes presented the paper "Demand for mental models" (joint work with Katharina Momsen). Giovanni Burro presented "Advertisements as Reminders" (co-authored with Bordalo, Gennaioli, Nacamura, Shleifer).

**Christian Conrad** presented the paper "Beyond the Numbers Professional Forecasters' Narratives about Inflation and Stock Market Performance" (joint with Julius T. Schoelkopf, Michael Weber, and Frank Brueckbauer) at the *ZEW FMT Workshop* in Mannheim on September 20, 2024;

and visited the *KOF Swiss Economic Institute, ETH Zurich*, for a research stay (September 24-26, 2024). He was working on a project using the KOF Consensus Forecast data to study the expectation formation of professional forecasters.

**Moumita Deb** visited the *Behavioural Economics in Action at Rotman (BEAR)* group at the University of Toronto in August, and gave a talk on "The Swing Voter's Curse Revisited: Transparency's Impact on Committee Voting".

**Sebastian Ebert** gave a seminar on "Eliciting Stopping Times" at *Maastricht University* on 26.09.2024 and gave an interview on the psychology of saving, printed in *Der Tagesspiegel* on October 5.

**Sebastian Ebert** and **Clément Staner** participated at the *Second Annual Workshop on Consumer Preferences, Consumer Mistakes, and Firms' Response* at the *Frankfurt School of Finance and Management* on September 4 – 5 2024.

**Zeno Enders** presented the paper "Firm Expectations and News: Micro v Macro" at the *ZEW-FMT Workshop*, Mannheim, on September 20, 2024.

**Manuel Schick** presented his paper "Nowcasting Growth-at-Risk using the Survey of Professional Forecasters" at the *SoFiE Summer School on Monitoring and Forecasting Macroeconomic and Financial Risk*, held at the *National Bank of Belgium*, Brussels, on September 11, 2024.

**Julius Schoelkopf** presented the paper "Long-term volatility shapes the stock market's sensitivity to news" (joint with Christian Conrad and Nikoleta Tushteva) at the *Monetary and Capital Markets Policy Forum* at the *International Monetary Fund (IMF)* on July 23, 2024;

and the paper "Beyond the Numbers. Professional Forecasters' Narratives about Inflation and Stock Market Performance" (joint work with Christian Conrad, Michael Weber, and Frank Brückbauer) at the *11th HKMetrics Workshop* at AWI on July 30, 2024;

as well as "Heterogeneous Expectation Formation. Evidence from International Forecasts" (joint with Christian Conrad and Zeno Enders) at the Financial Market Test Workshop at the ZEW in Mannheim on September 20, 2024.

## **New Working Papers**

Christian Conrad and Kajal Lahiri (2024): "Heterogeneous Expectations among Professional Forecasters". AWI Discussion Paper Series No. 754, September 2024.

Bettina Chlond, Timo Goeschl, Martin Kesternich, and Madeline Werthschulte: "Transporting behavioral insights to low-income households: A field experiment on energy efficiency investments". AWI Discussion Paper Series No. 755, October 2024.

## **New Publications**

Christian Conrad and Zeno Enders recently published a SUERF Policy Brief on "The limits of the ECB's inflation projections," arguing that the ECB's inflation projections are uninformative for forecast horizons of more than one year (based on AWI Discussion Paper 747). [https://www.suerf.org/wp-content/uploads/2024/08/SUERF-Policy-Brief-945\\_Conrad-and-Enders.pdf](https://www.suerf.org/wp-content/uploads/2024/08/SUERF-Policy-Brief-945_Conrad-and-Enders.pdf) Isabel Schnabel, member of the Executive Board of the ECB, used a chart from this Policy Brief in a recent speech at the Bank of Estonia. Based on the evidence therein, she concluded that "Inflation projections from the forecasting community, including the ECB, have, on average, had little explanatory power for realized inflation over horizons beyond the very short term." In his Central Banks newsletter, Chris Giles from the Financial Times used the same chart to discuss this issue further.

Tillmann Eymess (now at the IIES, Stockholm University) and Florian Diekert (University of Augsburg): "Changing Collective Action: Nudges and Team Decisions" was published in *Games and Economic Behavior*.

Alexander Glas and Julius Schoelkopf (2024): "How Much Do Financial Analysts Disagree on the Future Path of the ECB's Interest Rate?" SUERF Policy Brief, No. 949, August 2024. Link: [https://www.suerf.org/wp-content/uploads/2024/08/SUERF-Policy-Brief-949\\_Glas-and-Scholkopf.pdf](https://www.suerf.org/wp-content/uploads/2024/08/SUERF-Policy-Brief-949_Glas-and-Scholkopf.pdf)

## Miscellaneous

Hannes Vetter, Doktorand von Prof. Diefenbacher, hat am 12.9. seine Disputation erfolgreiche bestanden. Im Komitee waren Zeno Enders, Sebastian Rausch und Claudius Graebner-Radkowitzsch (Flensburg).  
Herzlichen Glückwunsch!

## New and leaving Staff

[Clement Eric Marc](#) joined the Micro theory chair with Sebastian Ebert. Clement is a microeconomist specialising in behavioural economics and revealed preference analysis. Clement sits in 01.001.

[Rigaux Morgane](#) is a PhD candidate at the European Center for Advanced Research in Economics and Statistics (ECARES) at the Université Libre de Bruxelles. Morgans' research focuses on household economics, revealed preferences, development economics, and economic history. Morgan is visiting AWI until September 2025 under the supervision of Prof. Dr. Axel Dreher.

[Muhammed Bulutay](#) started as a postdoctoral fellow at AWI as of September. Muhammed was previously a PhD candidate at the Technical University of Berlin and Berlin School of Economics. Muhammed does research on the micro-foundations of macro-economic activity, with an emphasis on causality and has worked on topics such as expectations, strategic uncertainty, and competition. Muhammed sits in room 01.007.

Welcome!

Editorial deadline for issue 22/2024 of the newsletter:  
Wednesday, 16th, 2024, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)