



Upcoming Seminars

Monday, 25.11.2024

13.30-14.30

AWI room 00.010

Departmental Seminar

Thushyanthan Baskaran, Bochum

"Populist policy makers"

(Host: Axel Dreher)

Wednesday, 27.11.2024

12.15-13.15

AWI room 00.010

Internal Seminar

Jörg Oechssler

"A Study of the Combinatorial Candle Auction
in the Field and in the Lab"

Wednesday, 27.11.2024

13.30-14.30

AWI room 01.030

Macro Seminar

Daniel John

"How Do Households' Inflation Expectations
Change in Response to News?"

Departmental Seminar

Thushyanthan Baskaran, Bochum

"Populist policy makers"

Far-right politicians are increasingly successful across the globe. However, we know little about the characteristics of rank-and-file far-right politicians and lack evidence on the substantive consequences of them acquiring power at the grassroots level. In this paper, we use hand-collected data on about 30,000 political candidates for local council elections in the German state of Saxony to study the characteristics of and policies implemented by politicians from the far-right and populist Alternative für Deutschland (AfD). We find that AfD politicians are mostly new entrants into local politics rather than turncoats from other parties. Results from a close-election design tailored to the proportional electoral system in Saxony also show that AfD councilors have no substantial effects on fiscal policy nor on broader local outcomes (such as the settlement of refugees). We conclude that far-right policy makers -- at least at the grassroots level -- use populist rhetoric mainly as a figleaf to attain the informal benefits of local political office.

Internal Seminar

Jörg Oechssler

"A Study of the Combinatorial Candle Auction in the Field and in the Lab"*

This paper theoretically, empirically, and experimentally studies an ascending combinatorial auction with a random ending time, a so-called candle auction. First, we argue theoretically that the candle auction is (approximately) efficient and optimal. Second, we present field data from online auctions on the Polkadot blockchain that support this finding. And third, a lab experiment compares the candle auction to a standard English auction with a hard-close rule and with an activity rule. The candle auction turns out to be as efficient as the other two auctions and generates the same revenues. Furthermore, it seems to be more robust to collusion, which is also supported by an analysis of chat protocols.

*joint work with Jonas Gerlein, Samuel Häfner

Macro Seminar

Daniel John

"How Do Households' Inflation Expectations Change in Response to News?"*

Using survey data from the New York Fed's Survey of Consumer Expectations (2013–2024), we examine how different news topics affect households' inflation expectations. In order to do so, we downloaded millions of newspaper articles from major daily newspapers in the US, including The New York Times, categorised them into different topics and let ChatGPT make forecasts based on the content of the articles. In a second step we aim to establish whether specific news topics lead to an over- or underreaction in household inflation expectations.

*joint work with Christian Conrad and Joep Lustenhouwer

New Publications

Chacon, A., E. E. Kausel, T. Reyes, and S. T. Trautmann (2025). Preventing Algorithm Aversion: People Are Willing to Use Algorithms with a Learning Label. *Journal of Business Research*, 187, 115032.

Chlond, Betina, Goeschl, Timo & Kesternich, Martin (2024): Money versus procedures – Evidence from an energy efficiency assistance program. *Journal of Environmental Economics & Management*, accepted.

Diekert, F., T. Goeschl & C. König-Kersting (2024): Attribution to Anthropogenic Causes Helps Prevent Adverse Events. *Journal of the Association of Environmental & Resource Economists*, accepted.

Talks and Research visits

Illia Pasichnichenko, Sussex, will be visiting from November 25 - 28. Illia is a former (2018-20) visiting scientist at the *AWI*, courtesy of a fellowship from the Alexander von Humboldt Foundation to do joint research with Prof. Dr. Jürgen Eichberger. Illia will be staying at Jürgen's office, AWI 00.005 a.



Miscellaneous

November 15 was the official launch for applications to the new Erasmus Mundus Joint Master in European Environmental Economics & Policy (www.m3ep.eu), which will admit its first students in September 2025. The first EMJM with Heidelberg as a partner, the AWI will host one of five tracks within the M3EP, the 'Advanced Environmental Economics'. Students spend their first year at the University of Copenhagen before moving to Heidelberg for year 2.

New and Leaving Staff

After 12 years, Melanie Arntz has left the ZEW- research department of Labour Markets and Social Insurance. At the beginning of 2025, she will take up a position as Professor of Labour Market and Occupational Research at the University of Erlangen-Nürnberg and will also serve as the Deputy Director of the IAB in Nuremberg.