



## NEWSLETTER 2018-04

## CALENDAR:

**Departmental Seminar**

Roman Horváth (Charles University in Prague):  
*Financial Development, Rule of Law and Wealth Inequality:  
 Bayesian Model Averaging Evidence*

Monday, January 29  
 16:30–18:00  
 VG H26

**IOS Seminar**

Roman Horváth (Charles University in Prague):  
*The Determinants of Wealth Inequality: Finance, War, and  
 Redistribution*

**Special Time**  
 Tuesday, January 30  
 10:00–11:30  
 WiOS 109 (Landshuter Str. 4)

**Lunch Seminar**

Oleg Sidorkin (IOS):  
*The output additionality of R&D subsidies: Evidence from  
 programmes interaction and learning effects*

Wednesday, January 31  
 12:00–13:30  
 VG 2.35

**Economic and Social History Seminar**

Sibylle Lehmann-Hasemeyer (Hohenheim):  
*Savings Banks and the Industrial Revolution in Prussia:  
 Supporting Regional Development with Public Financial  
 Institutions*

Wednesday, January 31  
 18:00–20:15  
 VG 1.30

**Antrittsvorlesung**

Prof. Dr. Ulrich Walwei:  
*Beschäftigungs- und Erwerbsformen in Deutschland:  
 Entwicklung und Perspektiven*  
 Please register at: Sekretariat.EmpWifo@ur.de

Wednesday, January 31  
 18:00–19:30  
 H13

**ABSTRACTS:****Departmental Seminar**

Roman Horváth

*Financial Development, Rule of Law and Wealth Inequality: Bayesian Model Averaging Evidence*

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*Abstract:* We examine the determinants of financial development using our global sample and employing a rich set of measures of financial development that assess the degree of depth, access, stability and efficiency of financial intermediaries. We use Bayesian model averaging to test competing theories within this unifying framework. Examining nearly 40 potential determinants of financial development, we find that the rule of law and the level of economic development are the most important. Wealth inequality is irrelevant for banking sector development but positively associated with stock market development. Finally, our results suggest that financial market regulations matter for stock market efficiency and financial stability.

**IOS Seminar**

Roman Horváth

*The Determinants of Wealth Inequality: Finance, War, and Redistribution*

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*Abstract:* We examine the determinants of wealth inequality using Bayesian model averaging to address regression model uncertainty stemming from the lack of encompassing model of wealth inequality. We use a global sample of 67 countries and include nearly 40 different determinants of wealth inequality capturing various economic, political, financial, institutional, and geographical indicators. Our results show only a handful indicators explain cross-country differences in wealth inequality. More globalized countries with greater technological progress and higher savings rate exhibit greater inequality. Higher inflation and conflicts such as civil wars tend to increase wealth inequality, too. We find that financial sector exerts a complex effect on wealth inequality. While greater financial depth increases inequality, better access to finance decreases it. The countries, which are able to attract foreign investment and which redistribute income more, exhibit a lower degree of wealth inequality.

**Lunch Seminar**

Oleg Sidorkin

*The output additionality of R&D subsidies: Evidence from programmes interaction and learning effects*

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*Abstract:* This paper studies programme synergy effects in the additionality of research and development (R&D) subsidy output. Using the inverse probability weighted regression adjustment estimator on data from nine programmes for direct public support of business R&D in the Czech Republic, we find that output additionality effects are weakly skewed toward firms participating in multiple programmes, but that the benefits tend to be rather short-lived. Both cross-sectional interaction effects of participating in multiple programmes at the same time and intertemporal learning effects of participating in programmes repeatedly are initially positive but largely fizzle out after few years. These findings caution governments against fragmenting the innovation policy mix into too many similar programmes and rather consider providing firms with comprehensive one stop shop interventions. The interaction effects between R&D subsidy programmes also increase the complexity of programme evaluation.

### Economic and Social History Seminar

Sibylle Lehmann-Hasemeyer

*Savings Banks and the Industrial Revolution in Prussia: Supporting Regional Development with Public Financial Institutions*

*Abstract:* We show that smaller, regional public financial intermediaries significantly contributed to industrial development, using a new data set of the foundation year and location of Prussian savings banks. This extends the banking-growth nexus beyond its traditional focus on the large universal banks, to savings banks. The saving banks had an impact through the financing of public infrastructure, such as railways, and new private factories. Saving banks were public financial intermediaries, so our results strongly suggest that state intervention can be very successful, particularly in regions in the early stages of industrial development when capital requirements are manageable, and access to international capital markets is limited.

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#### RegensburgEconNews

Newsletter of the Institute of Economics and Econometrics, University of Regensburg

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Editorial deadline for Newsletter No. 2018-05:  
Wednesday, January 31 – 11 pm

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