



NEWSLETTER 2017-25

CALENDAR:

Departmental Seminar

Matei Demetrescu (University of Kiel)

Identification and estimation of dynamic factor models

Monday, November 20

16:30–18:00

VG H26

IOS Seminar

Christa Hainz (ifo - Institut)

Real Effects of the Removal of Government Guarantees in the Banking Sector: The Case of the German Guarantor's Liability

Tuesday, November 21

13:30–15:00

WiOS 109 (Landshuter Str. 4)

Economic and Social History Seminar

Max-Stephan Schulze (London School of Economics)

War and Wheat: Long-term Effects of the Thirty Years War on Market Integration in the Holy Roman Empire

Wednesday, November 22

18:00–20:15

VG 1.30

ABSTRACTS:**Departmental Seminar**

Matei Demetrescu

Identification and estimation of dynamic factor models

(joint work with Jörg Breitung)

Abstract: The paper proposes a lag-augmented dynamic factor model which, compared existing models, allows for simple identification restrictions and in particular for fast estimation of the loadings as well as the factors. We establish consistency results for the loadings and the factors, and discuss model selection using e.g. suitable information criteria. The Hessian of the conditional (Gaussian) log-likelihood function is approximately block-diagonal, allowing us to replace each Newton-Raphson step by two steps along orthogonal directions in the parameter space. The optimization of the log-likelihood may thus be conducted as a sequence of simple Least-Squares regressions. The finite-sample statistical and numerical properties of the proposed procedure are found to be quite satisfactory in Monte Carlo simulations.

IOS Seminar

Christa Hainz

Real Effects of the Removal of Government Guarantees in the Banking Sector: The Case of the German Guarantor's Liability

Abstract: This paper studies the effects of government guarantees on firms' perceived financing situation for investments by analysing the removal of the guarantor's liability in the German banking sector in 2001. As the policy change only affected public banks, we employ a difference-in-differences analysis in order to identify effects on firms being customers of public banks as opposed to firms being affiliated with private banks. The paper uses survey data for the period 1998 to 2007, obtained from the ifo Investment Survey. Our results indicate that on average, corporate customers of public banks perceived a deterioration in their financing possibilities after the removal of the public guarantee.

Economic and Social History Seminar

Max-Stephan Schulze

War and Wheat: Long-term Effects of the Thirty Years War on Market Integration in the Holy Roman Empire

Abstract: The Thirty Years War led to huge population losses and was in relative terms probably the most devastating conflict experienced by any European country. This paper asks whether and to what extent the war had longer-lasting effects on economic activity and market (dis-) integration, in particular. It finds that (1) the Thirty Years War had a similar direct and immediate effect on market integration as most other wars from the 16th to 18th century; (2) the areas worst affected by population losses suffered from longer-lasting adverse effects than other areas; (3) cumulative effects can account for the war's impact reaching into the 18th century, and (4) the Thirty Years War interrupted but did not reverse market integration.

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Wednesday, November 22 – 11 pm

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