



NEWSLETTER 2024|8

## CALENDAR

**Departmental Seminar**

Jörg Breitung (Universität zu Köln)

"Alternative Approaches for Estimation and Inference in Synthetic Control Designs"

**Mon, Apr 22**

16:00 - 17:30

H 26

**IOS Seminar**

Michael Funke (Hamburg University)

"Economic Knock-On Effects of Russia's Geopolitical Risk on Advanced Economies: A Global VAR Approach"

**Tue, Apr 23**

14:00 - 15:30

109 and Zoom

**Economic and Social History Seminar**

Nina Kleinöder (Bamberg)

"Zwischen Risiko und Sicherheit: Deutscher Kolonialbahnbau in Westafrika"

**Wed, Apr 24**

18:00 - 20:15

PT 1.0.6



## ABSTRACTS AND FURTHER INFORMATION

### **Departmental Seminar**

Jörg Breitung (Universität zu Köln)

“Alternative Approaches for Estimation and Inference in Synthetic Control Designs”

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Joint work with Lennart Bolwin and Justus Töns

The Synthetic Control (SC) method is widely employed in estimating causal treatment effects in observational studies. Typically, it synthesizes the counterfactual of the treated unit by employing a data-driven weighted average of the remaining units in the post-treatment period. These weights aim to minimize the distance between the treated unit and its counterfactual in the pre-treatment period. To prevent overfitting of the pre-treatment data, the original approach introduced by Abadie, Diamond, and Hainmueller (ADH) imposes a constraint wherein all weights must be weakly positive and sum up to one. Expanding upon Doudchenko and Imbens (2016), we introduce REGSC, an alternative regularized synthetic control approach. This approach involves shrinking individual coefficients toward zero and the sum of coefficients toward one. It amalgamates the benefits of the original SC method and the elastic net, offering a closed-form solution with tunable hyperparameters. The estimator also allows for a straightforward Bayesian representation, providing advantages, particularly in quantifying estimation uncertainty through Bayesian credibility intervals. By appending the donor pool with lagged values of the donors and the counterfactual, the REGSC framework is extended to dynamic contexts. Our dynamic version of the REGSC estimator accommodates nonstationary and cointegrated time series, a case where the original SC method is inconsistent. To assess the relative performance of our estimation approach in static and dynamic data-generating processes we conduct a variety of Monte Carlo experiments and apply it to existing empirical datasets. Our results suggest that the (dynamic) REGSC estimator outperforms other SC methods previously proposed in the literature.

*Info:*

in person



## **IOS Seminar**

Michael Funke (Hamburg University)

“Economic Knock-On Effects of Russia’s Geopolitical Risk on Advanced Economies: A Global VAR Approach”

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Using a global VAR model as a methodological tool, we analyze how the skyrocketing Russian geopolitical risk shock after the invasion of Ukraine propagates across 26 advanced economies and quantify the economic effects of the war. The impulse response functions in response to the heightened Russian geopolitical risk shock reveal a contraction of GDP and an increase in inflation. The estimation results thus suggest that the Russian geopolitical risk shock resembles an adverse aggregate supply shock. Eastern European neighboring countries are particularly affected by the Russian geopolitical risk shock. We also document a strong component of the Russian geopolitical risk shock that is not driven by fossil fuel prices.

### *Info:*

In person in Room 109 (Landshuter Str. 4) and via Zoom-Meeting:

<https://ios-regensburg-de.zoom.us/j/69055629415?pwd=Y21LUGFucXVPaGhTZnIHRDU0UGtnQT09>

Meeting ID: 690 5562 9415

Passcode: 800584

## **Economic and Social History Seminar**

Nina Kleinöder (Bamberg)

“Zwischen Risiko und Sicherheit: Deutscher Kolonialbahnbau in Westafrika”

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Folgt man der vorherrschenden Forschungsmeinung, so hat sich aus ökonomischer Sicht „der Kolonialismus für das Deutsche Reich zu keinem Zeitpunkt ausgezahlt“ (Boris Barth). Zugleich betont die aktuelle Forschung aber noch immer die zeitgenössische Hoffnung auf neue Märkte als starkes Motiv für das koloniale Engagement im Deutschen Kaiserreich. An diese Perspektiven knüpft das Forschungsprojekt an. Der Vortrag stellt sowohl das Gesamtprojekt „Unternehmen Eisenbahn. Deutsche Unternehmen und die Kolonien“, als auch ausgewählte Teilergebnisse vor: Vor allem wird vor dem Hintergrund der Forschungen im SFB 138 „Dynamics of Security“ diskutiert, in welcher Weise Staat und Wirtschaft im spezifischen Feld der Kolonialwirtschaft der Jahrhundertwende interagierten bzw. die (Un-)Sicherheit kolonialer Investitionen verhandelten.

### *Info:*

in person





## CONFERENCES, PRESENTATIONS AND ANNOUNCEMENTS

### NEW STAFF

**Stella Polinski** started as a doctoral student at the Chair of Real Estate Economics of Gabriel Lee on April 1, 2024.

### RegensburgEconNews

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**Editorial deadline for Newsletter No. 2024|9:**

**Wednesday, April 24 | 11 am**

### FAKULTÄT FÜR WIRTSCHAFTSWISSENSCHAFTEN

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