



## NEWSLETTER 2018-14

## CALENDAR:

**Departmental Seminar**

Johannes Strobel (University of Regensburg):  
*Supply-side Uncertainty and the Zero Lower Bound in a New  
 Keynesian Model with Agency Costs*

Monday, June 04  
 16:30–18:00  
 H26

**IOS Seminar**

Oleksandr Shepotylo (University of Bradford, UK):  
*Political Uncertainty, FDI, and Trade in Intermediate Goods:  
 Evidence from Ukrainian Firms*

Tuesday, June 05  
 13:30–15:00  
 WiOS 109 (Landshuter Str.4)

**Lunch Seminar**

Roland Weigand (AOK Bayern):  
*Automatic Predictive Models for Morbidity-Based Risk  
 Adjustment*

Wednesday, June 06  
 12:00–13:30  
 VG 2.35

**Economic and Social History Seminar**

Ulf Christian Ewert (Halle):  
*Pfade institutioneller Entwicklung im mittelalterlichen  
 Fernhandel – das Beispiel der Hanse*

Wednesday, June 06  
 18:00–20:15  
 VG 1.30

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

Johannes Strobel

*Supply-side Uncertainty and the Zero Lower Bound in a New Keynesian Model with Agency Costs*

*Abstract:* We investigate the conditions under which an uncertainty shock can drive the economy to the ZLB. Unlike the literature that analyses the effects of uncertainty shocks on the ZLB, uncertainty, in our New Keynesian business cycle model, refers to a time-varying second moment of the idiosyncratic productivity of entrepreneurs in an endogenous agency cost model. In our model, the adverse effects of an uncertainty shock decrease inflation which induces the monetary authority to decrease the nominal interest rate. We find that this second moment (supply-side uncertainty) shock constitutes an impulse mechanism that may be sufficient to push an economy to the zero lower bound (ZLB). Upon reaching the ZLB, the nominal interest rate cannot further fall to ameliorate the adverse effects of the unexpected change in uncertainty; the contractionary impact on both financial and real variables is strongly aggravated.

**IOS Seminar**

Oleksandr Shepotylo

*Political Uncertainty, FDI, and Trade in Intermediate Goods: Evidence from Ukrainian Firms*

*Abstract:* In this paper, we explore the effects of uncertainty on firm trade and investment and introduce a new method to measure uncertainty using machine learning tools for quantitative text. We extend a model with heterogeneous firms and sunk investments by adding intermediate inputs to derive hypotheses about the impact of trade policy uncertainty (TPU) on firm-specific investment and firm's decision to import intermediate goods. We look at Ukraine's trade relations with EU and Russia to measure TPU and test our predictions. Ukrainian firms faced considerable uncertainty with regards to two mutually exclusive trade policies: the conclusion of a free trade agreement with the European Union (EU FTA) or a customs union with Russia (RU CU). Using firm-product level data and FDI data of Ukrainian manufacturing firms between 2003 and 2014, we find a substantive increase in firm-level FDI inflows and imported intermediate goods from EU countries, and a decrease in FDI from the Customs Union, once uncertainty with regards to the EU FTA is reduced. Moreover, more protected goods respond stronger to a reduction in TPU. The novel measure of uncertainty can be easily applied to other cases where governments face multiple mutually exclusive policy options.

**Lunch Seminar**

Roland Weigand

(joint work with Anja Schramm)

*Automatic Predictive Models for Morbidity-Based Risk Adjustment*

*Abstract:* Predictive models for individual health care costs, given morbidity derived from claims data, are applied for risk adjustment in health care systems across the world. High predictive accuracy is key to avoid adverse selection and to distribute resources fairly and efficiently. Current models merge diagnosis codes (ICD), pharmaceuticals (ATC) or both into cost-homogeneous groups and apply hierarchical rules between them, but are intransparent, require proprietary grouper software, are designed for a single task and reporting standard, and have predictive disadvantages. We propose a concurrent approach where all available (inpatient and outpatient) ICD and ATC codes serve as predictors without prior grouping. Firstly, we use linear elastic net regression models with shrinkage and variable selection, and secondly a tree boosting approach that iteratively partitions the indicator space in homogeneous cost groups. Thereby,

validation of a diagnosis by specific pharmaceuticals, or non-additive effects of coinciding diseases are automatically considered. The predictive accuracy of both methods is very favorable as compared to benchmarks such as the German HMG model.

### Economic and Social History Seminar

Ulf Christian Ewert

*Pfade institutioneller Entwicklung im mittelalterlichen Fernhandel – das Beispiel der Hanse*

**Abstract:** Auf der Grundlage von Privilegien in London, Nowgorod und Brügge (und später auch in Bergen) gelang es niederdeutschen Kaufleuten seit dem späten 12. Jahrhundert, den Transferhandel im Nord- und Ostseeraum weitgehend zu monopolisieren. Der Handel der Hansekaufleute wurde dabei innerhalb von Familien- und Freundschaftsnetzwerken abgewickelt, zumeist auf Gegenseitigkeit und häufig ohne formale Verträge. Es wird gezeigt, welche Rolle geographische Ausdehnung, demographische Expansion, Privilegien, Technologie und Information in der Entstehung des Netzwerkhandels spielten. Außerdem wird diskutiert, inwiefern dieses institutionelle Arrangement zum Wirtschaftswachstum in Nordeuropa beitrug, weshalb es bis ca. 1500 sehr stabil war und diese Stabilität u.a. dafür verantwortlich war, dass der hansische Handel sich stark von dem durch formale Verträge und bargeldlosen Zahlungsverkehr geprägten Handel etwa der italienischen Kaufleute im Mittelmeerraum unterschied.

### SAVE THE DATE:

**8<sup>th</sup> roots lecture in economics on June 13, 2018:**

**Christian Wulff**, Bundespräsident a.D., will talk about “Herausforderungen für Deutschland 2018”.

Registration required: <https://roots-ev.de/>

We gratefully acknowledge financial support of the Departmental Seminar by the Regensburger Universitätsstiftung Hans Vielberth.

REGENSBURGER UNIVERSITÄTS  
**STIFTUNG**  
HANS VIELBERTH

### RegensburgEconNews

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

To subscribe to / unsubscribe from this newsletter,  
please go to <https://www-mailman.uni-regensburg.de/mailman/listinfo/regensburgeconnews> or send an email to [econ.news@ur.de](mailto:econ.news@ur.de)

Editorial deadline for Newsletter No. 2018-15:  
Wednesday, June 06 – 11 am

FAKULTÄT FÜR  
WIRTSCHAFTSWISSENSCHAFTEN

INSTITUT FÜR  
VOLKSWIRTSCHAFTSLEHRE UND  
ÖKONOMETRIE

Universitätsstraße 31 ▪ 93040 Regensburg

Newsletter-Redaktion: Martina Kraus-Pietsch

Telefon: +49 941 943-2710

Fax: +49 941 943-2734

E-Mail: [econ.news@ur.de](mailto:econ.news@ur.de)

Internet: [www-economics.ur.de](http://www-economics.ur.de)

Bildnachweis: [http://commons.wikimedia.org/wiki/File:Regensburg\\_08\\_2006.jpg](http://commons.wikimedia.org/wiki/File:Regensburg_08_2006.jpg)