

AUGUSTIN COURNOT DOCTORAL DAYS 2021

18th EDITION
May 19 & 20
Online Event



Augustin Cournot

Doctoral Days

Université de Strasbourg

Summary:

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2. Keynote speakers P.2
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Dear participants of the 18th edition of the Augustin Cournot Doctoral Days,

It is a pleasure for the Augustin Cournot doctoral school to welcome you to this year's edition of our doctoral international conference. This event is built as a multidisciplinary platform, mixing economics, management, and finance, with the purpose of incentivizing the participants to look in new directions, broaden their research perspectives and be confronted with new methodologies. It is also a great opportunity for academic exchanges and discussions, as well as networking!

Our doctoral school oversees the activities of five laboratories hosting Ph.D. candidates in history, sociology, and epistemology (IRIST — Archives Poincaré), environmental studies (GESTE), management, economics, and finance (HUMANIS, BETA, LARGE). With one hundred junior researchers, our doctoral school belongs to a dense network of graduate schools in France (Nancy), Italy (Pisa and Pavia), Germany (Konstanz) and Vietnam (Hanoi and Ho Chi Minh City). As a part of the University of Strasbourg, our school is also a member of the European Campus, EUCOR, and the League of European Research Universities, LERU.

We are proud of the great work made by our Ph.D. students in order to organize this event, and we look forward to meeting you.

Welcome to this online event !!

Christophe GODLEWSKI – Jocelyn DONZE
Directors of the Augustin Cournot doctoral school

Organizing committee:

Louis Dalpra
Benoit Ferrari
François Gallinari
Guillaume Morel
Pierre Pelletier
Agathe Quignard
Marion Sabel
Fenja Scheu
Yi Shengxi
Kevin Wirtz

Keynote Speakers :

Urs Fischbacher



Professor of applied economic research,
University of Konstanz
Director of the Thurgau Economic Institute

Jérôme Creel



Director – Research Department Sciences Po,
OFCE, Paris, France
Associate Professor in Economics, ESCP Europe

NOTE

You will have 15 minutes for your presentation, followed by a 15 minutes discussion by a senior reviewer, questions included. Please respect the time limits.

Chair and room manager can give you animator role for you to make your presentation. Please give it to the next person.

Thank you all for your presence

Day 1 : 19th May

8h30 – 9h00	Event Launching on ZOOM
9h00 – 9h30	Opening and Welcome Speech (Zoom 1) Christophe GODLEWSKI, Head of the Augustin Cournot Doctoral School Guillaume MOREL, President of the Augustin Cournot Doctoral Days
9h30 – 11h00	Keynote Speech (Zoom 1) Chair: Louis Dalpra <i>J�rome Creel (OFCE, science po)</i>
11h00 – 11h15	Coffee Break

Parallel Sessions I

Session 1: Macroeconomics ([Zoom 1](#))

Chair: Thierry Betti

Camille Reverdy: Estimating the General Equilibrium Effects of Services Trade Liberalization

Reviewer : Thierry Betti

Gabrielle Gambuli: How does Economic Geography shape Regional Development? Comparison of Market Potential Estimates

Reviewer: Marie Boltz

Morten Nyborg Støstad: Inequality as an Externality: Consequences for Tax Design

Reviewer: Rodolphe Dos Santos Ferreira

11h15

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13h00

Session 2 : Financial market ([Zoom 2](#))

Chair: Jean-Loup Soula

Fatemeh Salimi Namin: Exchange Rates, Stock Prices, and Stock Market Uncertainty

Reviewer: Jamel Trabelsi

Laure de Batz: Financial Crime and Punishment: A Meta-Analysis

Reviewer: Yamina Adjeddine-Fourneyron

Jacques Minlend: Uncertainty diffusion across commodity markets

Reviewer: Jean-Loup Soula

13h00

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14h00

Lunch

Parallel Sessions II

Session 3: Labour economics (Zoom 1)

Chair: Isabelle Terraz

Euiyoung Jung: On the design of labor market programs as stabilization policies

Reviewer: Isabelle Terraz

Anna Belianska: Macroeconomic Uncertainty and Capital-Skill Complementarity

Reviewer: Maxime Liegey

14h00

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15h15

Session 4: Innovation I (Zoom 2)

Chair: Patrick Llerena

Fernando Stipanovic: The diffusion of knowledge: Evidence from the Jet Age

Reviewer : Patrick Llerena

Alberto Corsini: What makes a productive Ph.D. student?

Reviewer : Thierry Burger-Helmchen

15h15

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15h30

Coffee break

Parallel Sessions III

Session 5: Environmental Economics (Zoom 1)

Chair: Gisèle Umbhauer

Ivan Hajdukovic: Interactions among macroeconomic policies, the energy market and environmental quality

Reviewer: Laté Ayao Lawson

Nahed Eddai: To mitigate or to adapt: how to deal with optimism, pessimism and strategic ambiguity?

Reviewer: Gisèle Umbhauer

Iman Salem: Individual investments in renewable energy sources and Peer-to-Peer trading

Reviewer: Camille Aït-Youcef

15h30

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17h30

Rosanne Logeart: The Environmental Safeguards Team: An analysis of NGOs' advocacy at the European Commission

Reviewer: Tuyen Tiet

Session 6 : Gender inequality (Zoom 2)

Chair: Magali Grammare

Luisa Carrer: Gender Norms and Parental Leaves

Reviewer: Faustine Perrin

Sébastien Fontenay: The Effects of Maternity Leave Allowance on Fertility and Career Decisions

Reviewer: Magali Grammare

Paloma Carrillo: Total Work Time Disparity Between Spouses and Gender Norms in Mexico

Reviewer: Marie Blaise

17h30

End of the Day

Day 2: 20th May

<p>9h00 – 10h30</p>	<p>Keynote Speech (Zoom 1) Chair: Pierre Pelletier</p> <p style="text-align: right;"><i>Urs Fischbacher</i> (University of Konstanz)</p>
<p>10h30 – 10h45</p>	<p>Coffee break</p>
<p>10h45 – 12h00</p>	<p>Session IV</p> <p style="text-align: center;"><u>Session 7 : Corporate Finance (Zoom 1)</u> Chair: Christophe Godlewski</p> <p><i>Ron Rabi</i>: Information Frictions in the Market for Startup Acquisitions Reviewer: Vivien Lefebvre</p> <p><i>Thibault Mirabel</i>: Survival Advantage of Converted Firms over Ex-Nihilo Firms. An Empirical Appraisal on French Worker Cooperatives Reviewer: Bertrand Koebel</p> <p><i>Hoang Vu Ly</i>: How is trust related to relationship lending? A case of Vietnam Reviewer: Christophe Godlewski</p>
<p>12h00 – 13h00</p>	<p>Lunch</p>

Parallel Sessions V

Session 8: Innovation II (Zoom 1)

Chair: André Lorentz

Mounir Boukadidi: Business digitalization and cloud technology under the imperatives of Covid-19, considerations for the next normal
Reviewer: Stefano Bianchini

Marleine Semaan: Resource-constrained innovations: Three main processes in developing countries
Reviewer: André Lorentz

13h00

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14h30

Session 9: Political economy & society (Zoom 2)

Chair: Herrade Igersheim

Sarah Schneider-Strawczynski: Hosting Refugees and Voting for the Far-Right: Evidence from France
Reviewer: Herrade Igersheim

Lisa Faessler: Individuals Do Not Blindly Imitate Success: Payoff-Dependent Social Learning is Complex and Heterogeneous
Reviewer: Cowan Robin

Gustave Kenedi: Intergenerational Income Mobility: The French Case
Reviewer: Yann Thommen

Parallel Sessions VI

Session 10: Financial Macroeconomics ([Zoom 1](#))

Chair: Jamel Saadaoui

Emanuele Franceschi: A simple model of liquidity

Reviewer: Mexing Dai

Kathia Bahloul Zekkari: Asset bubble, growth and endogenous labor supply

Reviewer: Jamel Saadaoui

14h30
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15h45

Théo Lamagnere: Monetary autonomy, Trilemma and International reserves in emerging countries

Reviewer: Thomas Coudert

Session 11: Monetary economics ([Zoom 2](#))

Chair: Benoit Dicharry

Rémi Odry: Monetary Policy and Business Cycle Synchronization in Europe

Reviewer: Benoit Dicharry

Aymeric Ortmans: Evolving Monetary Policy in the Aftermath of the Great Recession

Reviewer: Amine Ben-Amar

15h45
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16H

Coffee Break

Parallel Sessions VII

Session 12: Econometrics ([Zoom 1](#))

Chair: Claude Diebolt

Nesrine Mechri: The Spillover effect between Macroeconomic Variables and Stock Markets Dynamics: Evidence from the MENA zone

Reviewer: Claude Diebolt

Emmanuel Chavez : The Effects of Public R&D Subsidies on Private R&D Activities in Mexico

Reviewer: Moritz Muller

16h00

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17h30

Session 13: Banking and debts ([Zoom 2](#))

Chair: Jocelyn Donze

Maëlle Vaille: Central bank balance sheet and systemic risk

Reviewer: Jocelyn Donze

Emile du Plessis: Reading Between the Lines: Quantitative Text Analysis of Banking Crises

Reviewer: Sophie Bereau

Maxime Fajeau: The Interplay of Public and Private Debts

Reviewer: Joel Petey

17h30

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17h45

Coffee Break

17h45

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18h00

Best Paper Awards and Closing Ceremony of the ACDD 2021 ([Zoom 1](#))

Speech by, President of the Augustin Cournot Doctoral Days

PARTICIPANTS

Alberto Corsini University of Côte d'Azur
Anna Belianska Aix-Marseille University
Aymeric Ortmans Université Paris-Saclay (EPEE)
Camille Reverdy University of Paris 1 Panthéon-Sorbonne
Emanuele Franceschi Université Panthéon-Sorbonne
Emile Du Plessis University of Hamburg
Emmanuel Chavez Paris School of Economics
Euiyoung Jung Paris School of Economics
Fatemeh Salimi Namin Aix-Marseille University
Fernando Stipanovic Toulouse School of Economics
Gabrielle Gambuli Université de Cergy Pontoise
Gustave Kenedi Sciences Po
Hoang Vu Ly University of Lille
Iman Salem HEC Liège
Ivan Hajdukovic University of Barcelona
Jacques Minlend Université de Rennes
Kathia Bahloul Zekkari École des Hautes Études en Sciences Sociales
Laure De Batz Institute of Economic Studies
Lisa Faessler HEC Lausanne
Luisa Carrer Toulouse School of Economics
Maëlle Vaille Université de Bordeaux
Marleine Semaan Université Grenoble Alpes
Maxime Fajeau Paris School of Economics
Mounir Boukadidi University of ANTWERP
Morten Nyborg Stostad Paris School of Economics
Nahed Eddai Université Grenoble Alpes
Nesrine Mechri University of Lyon
Paloma Carrillo Toulouse School of Economics
Rémi Odry Université Paris Nanterre
Ron Rabi HEC Lausanne
Rosanne Logeart Paris School of Economics
Sarah Schneider-Strawczynski Paris School of Economics
Sébastien Fontenay Université Libre de Bruxelles
Théo Lamagnere Université de Bordeaux
Thibault Mirabel Université Paris Nanterre

ABSTRACTS

A simple model of liquidity,

Emanuele Franceschi

We introduce liquidity motives in an otherwise standard monetary model. The Central Bank's policy rule is adapted to target the interest rate on liquid bonds. These deviations are sufficient to relax the requirement for active monetary policy and warrant determinacy in both passive and active policy regimes. We compare this model of liquidity with workhorse models and find that it can substantially replicate usual dynamics. By means of stochastic simulations, we also study how monetary policy stance affect inflation dynamics and find evidence of increased persistence for passive monetary policy.

Asset bubble, growth and endogenous labor supply,

Kathia Bahloul Zekkar

Bubbles are often associated to a rise of growth and labor. Their collapse is often accompanied by a reduction in working hours and a recession of economic growth. Taking this empirical evidence into account, we examine the interaction between asset bubbles, labor supply and economic growth. We consider an overlapping generations with elastic labor model in which we introduce productive public spending and lump-sum transfers. The latter two are financed by tax burden on capital and labor incomes. First, we find that asset bubbles can (cannot) emerge when the labor supply is higher (lower) than its value in the equilibrium without bubble. Second, we show that labor supply is promoted by bubbles. The growth rate is also boosted by bubbles when the positive effect of labor supply occurred thanks to bubble (crowding-in effect) dominates the negative effect of bubbles (crowding-out effect). We explore a transitional dynamics of bubble, employment and growth following the bubble bursting caused by changes in fiscal policy.

ABSTRACTS

Business digitalization and cloud technology under the imperatives of covid-19, considerations for the next normal

Mounir Boukadidi

Covid-19 caused a sudden disruption that pushed firms to urge transformation and digitalize to adapt to the new unprecedented societal changes. Rapid transformation required a mindset shift of decision makers who were facing paradoxes to sustain their businesses under stress and urgency to transform. One way to achieve that is the adoption of cloud technology, which decision makers used to question in a normal business setup. Covid-19 pushed firms to reconsider the way they perceive the cloud paradigm, because it's becoming the way for quick digitalization, making decision makers face paradoxical choices of acceleration, data regulation, and business survival. As an extension to the research conducted by Boukadidi et al (2020), and based on an inductive qualitative research, we try to clarify what decision makers do to allow a mindset shift from a traditional way of perceiving technology to a new perception of technology that is shaped based on urgency to transform and consequently survive. In fact, in light of data sovereignty, and in contexts characterized by paradoxical factors. We try to identify what are these factors and how they relate to each other; and we try to answer the question of where does covid-19 stands in this complex setting. The research is relevant because we don't know much about the relationship among decision making, data and technology (Chaara et al 2019) and how they relate to pandemic challenges. This paper contribute in shaping academic and practical understanding of implications of firm's survival in the next normal era, through digital acceleration, and in light of the current policies, regulation, and business continuity challenges.

Central bank balance sheet and systemic risk,

Maëlle Vaille

Central banks' balance sheet policies, while intended to address financial market dislocations and stimulate the economy, may have unintended persistent effects on systemic risk. Using a structural bayesian vector autoregressive model, this paper estimates the impacts of exogenous innovations to the central banks' balance sheet on the aggregate systemic risk in the euro area, the United States and Japan. Our results suggest that these policies have positive effects on financial stability in the short and medium term and seems to have no effects in the long term. Moreover, we study the effects of central balance sheet policies shocks on financial institutions' systemic risk through a panel VAR and highlight the role of leverage in the transmission of unconventional monetary policy to financial firms' systemic risk.

ABSTRACTS

Estimating the General Equilibrium Effects of Services Trade Liberalization

Camille Reverdy

The intangible nature of services and the lack of disaggregated trade data enlarge the difficulties involved in assessing impediments to cross-border trade in services. In an attempt to reduce the information gap existing in services trade, this paper estimates the impact of trade barriers along with the conditional and general equilibrium responses to the liberalization of services trade, using structural gravity. Focusing on four aggregated services sectors, I find that the partial liberalization of services trade would lead real income to increase by, on average, 4%

Evolving Monetary Policy in the Aftermath of the Great Recession; Aymeric Ortmans

A Taylor-type monetary policy rule is estimated using a time-varying parameter vector autoregressive model to assess changes in central banks' behavior during and after the Great Recession. Based on US and euro area data, the results show that both the Fed and the ECB have changed their behavior after the 2008 crisis. Contemporaneous coefficients have increased with expansionary monetary policy at the ZLB. Although they do not indicate clear evidence of significant changes in the systematic component of monetary policy, estimated response coefficients suggest dramatic shifts in monetary policy shocks after the Global Financial Crisis. These departures from rule-based behavior -- i.e. monetary policy discretion -- are increasingly larger with the implementation of non-standard measures. Unconventional monetary policy shocks are shown to strongly affect the US macroeconomy and to contribute to the variance of inflation and output even more importantly when the Fed eased its monetary policy at the ZLB. This is not the case in the euro area, despite increasing monetary policy shocks in unconventional times. A counterfactual analysis shows however that the shift in the systematic component of monetary policy appears to be a key determinant of the level of inflation and output at the ZLB, especially in the euro area that would have suffered a continuous period of deflation from 2014:1 to 2018:1 without any change in ECB's behavior after the 2008 crisis

ABSTRACTS

Exchange Rates, Stock Prices, and Stock Market Uncertainty

Fatemeh Salimi Namin

While the reference framework for international portfolio choice emphasizes a mean-variance framework, uncovered parity conditions only involve mean stock or bond returns. We propose to augment the empirical specification by using the relative stock market uncertainty of two countries as an extra determinant of their bilateral exchange rate returns. A rise in the relative uncertainty of one stock market will lead capital to flow to the other stock market and generate an appreciation in the currency of the latter. By focusing on the JPY/USD exchange rate returns during the most recent decade (2009-2019) and relying on a nonlinear framework, we provide evidence that the Japanese-US differential stock market uncertainty affects the JPY/USD returns both contemporaneously and with weekly lags. This finding is robust when we control for the stock returns differential and the differential changes in Japanese and US unconventional monetary policy measures.

Financial Crime and Punishment: A Meta-Analysis

Laure De Batz

We examine how the publication of intentional financial crimes committed by listed firms is interpreted by financial markets, using a systematic and quantitative review of existing empirical studies. Specifically, we conduct a meta-regression analysis and investigate the extent and nature of the impact that the publication of financial misconducts exerts on stock returns. We survey 111 studies, published between 1978 and 2020, with a total of 439 estimates from event studies. Our key finding is that the average abnormal returns calculated from this empirical literature are affected by a negative publication selection bias. Still, after controlling for this bias, our meta-analysis indicates that the publication of financial crimes is followed by statistically significant negative abnormal returns, which suggests the existence of an informational effect. Finally, the MRA results demonstrate that crimes committed in the U.S. (and more generally in common law countries) and accounting frauds carry particularly weighty information for market participants. The results call for more transparency from enforcers along enforcement procedures, to foster timely and proportionate market reactions and support efficient markets.

ABSTRACTS

Gender Norms and Parental Leaves

Luisa Carrer

Do gender norms affect the impact of parental leave policies? In this paper, I show how norms can make leave policies fail to foster gender convergence, and possibly be counterproductive for it. I consider a model where mothers' career and couples' childcare decisions are affected by endogenous norms regarding maternal care. Via the norm, mothers caring for their newborn children impose a negative externality on other mothers. Parental leave rights expand the utility-possibility frontier, allowing mothers to better balance motherhood and career. More mothers pursue high-level careers, but -- because of the norm and the reduced opportunity cost of care -- mothers take inefficiently long leaves, thus reinforcing conservative gender roles. I show that productivity-specific fathers' quotas that reserve a fraction of the leave for fathers can restore efficiency. When mothers share the leave with fathers, they take shorter leaves, thus reducing norm costs suffered by other mothers. Hence, in gender conservative contexts, policies aiming to increase fathers' involvement in care are desirable not only for gender equity, but also on the grounds of efficiency. In a second step, I test my model's key predictions in the Italian context. I find that fathers ask for longer leaves, the higher their and, especially, the mothers' education levels are. As for women, mothers' education significantly decreases their likelihood of taking long leaves in areas with more neutral norms, but not in more traditional ones, confirming the importance of norms in leave uptake.

Hosting Refugees and Voting for the Far-Right: Evidence from France

Sarah Schneider-Strawczynski

Does exposure to refugees change the political preferences of natives towards far-right parties, and how does this change in preferences occur? This paper examines the political economy of refugee-hosting. Using the opening of refugee centers in France between 1995 and 2017, I show that voting for far-right parties in cities with such opening between two presidential elections falls by about 2 percent. The drop in far-right voting is higher in municipalities with a small population, working in the primary and secondary sectors, with low educational levels, and few migrants. I show that this negative effect can not be explained by an economic channel, but rather by a composition channel, through natives' avoidance, and a contact channel, through natives' exposure to refugees. I provide suggestive evidence that too-disruptive exposure to refugees, as measured by the magnitude of the inflows, the cultural distance, and the media salience of refugees, can mitigate the beneficial effects of contact on reducing far-right support.

ABSTRACTS

How does Economic Geography shape Regional Development? Comparison of Market Potential Estimates

Gabrielle Gambuli

General equilibrium models allowing factors mobility, predict that factor prices must be equalized across space, creating a homogeneous space. However, this prediction is not verified. Despite increasing international economic integration of countries and subnational regions, vast disparities in wealth and factor prices subsist both across and within countries. In this paper, I investigate the determinants of regional development in 2005, for 1529 regions in 107 different countries. Regressing regional income per capita on geographical and educational variables, I introduce different indexes of market potential from the New Economic Geography literature. Market potential estimates the attractiveness of a region. It is expressed as the sum of the income level of its world mates, weighted by their proximity. Proximity is calculated according to different parameters found in the literature, i.e. physical and cultural distances, and accessibility to ports. Possible endogeneity and spatial dependencies are controlled by instrumental variable estimations. Overall results show that the proximity to markets is a robust argument justifying the concentration of economic activity. Regions benefit from their proximity to wealthy markets. As a consequence, remote regions are poorer. The results particularly highlight the importance of accessibility to ports for regional development.

How is trust related to relationship lending? A case of Vietnam

Hoang Vu Ly

Theories and previous work indicate that opacity problems cause difficulties for enterprises, especially small and medium sized enterprises (SMEs), to access bank credit. Trust and strong firm-bank relationships are found to allow the enterprises to solve problems and therefore obtain bank credit. However, the link between trust and firm-bank relationships is still under-researched and therefore needs more empirical consideration especially in countries where the banking system and legal infrastructure are underdeveloped. Analyzing a unique dataset of 610 non-bank enterprises obtained from our survey which was conducted in Vietnam during July 2019 – February 2020, we find that trust and RL are substitutes. However, their links are different between firms with and without needs for bank credit. For a case of firms with the needs, trust and RL are found to be complements.

ABSTRACTS

Individual investments in renewable energy sources and Peer-to-Peer trading

Iman Salem

Peer-to-peer (P2P) trading allows prosumers and consumers of electricity to exchange energy with each other outside the traditional centralised system. In this article, we consider an eco-neighborhood in which households can invest in decentralised production units (DPUs) and sell their excess power to the energy system at a given price, the feed-in-tari (FiT), or to their neighbors on a P2P exchange platform. We show that in the absence of investment externalities, an appropriate FiT is sufficient to induce the first best investment and trade level, and that in such case P2P trading has no value added. On the contrary, when investment externalities exist, P2P trading is necessary to restore the efficiency of the energy system.

Individuals Do Not Blindly Imitate Success: Payoff-Dependent Social Learning is Complex and Heterogeneous

Lisa Faessler

Having a detailed understanding of social learning is necessary to understand how culture evolves and how behaviors and beliefs spread in a population. Unfortunately, we do not know how complex social learning strategies are and how they vary across individuals and situations. Yet, the details are critical as small differences at the individual level can significantly influence cultural evolutionary dynamics at the population level. Cultural evolutionists and social scientists tend to rely on simple social learning strategies, for example, heuristics. Further, theoretical work in gene-culture coevolution often assumes that social learning strategies are homogeneous, that is, that the strategies are shared among individuals. Both of these ideas could easily be wrong. Focusing on success-biased social learning, we study social learning complexity and heterogeneity at the individual level. With an experiment, we show that social learners do not blindly imitate a successful model but instead adjust their strategy based on the demonstrator's group membership and additional information about group membership's relevance. However, these adjustments are not symmetric. Holding the value of social information constant, participants perform better when exposed to social information framed coherently with our hypothesized ancestral past. Further, results demonstrate tremendous heterogeneity of social learning strategies at the individual level; strategies varying between social learners in the same situation and across situations for a single social learner.

ABSTRACTS

Inequality as an Externality: Consequences for Tax Design

Morten Nyborg Stostad

This paper proposes to treat inequality as an economic externality in order to introduce the societal effects of inequality into welfarist models. These effects can include (but are not limited to) changes in political efficiency, economic growth rates, or interpersonal trust levels. We introduce such effects in a simple and generalizable welfarist framework and show that they can have sizeable optimal policy consequences that cannot be captured by standard individualist parameters. Novel policy implications are illustrated through the classical optimal non-linear income taxation model, where an income inequality externality leads to a trade-off between standard revenue effects and equality effects. Policy consequences are disproportionately located at the top, where optimal marginal tax rates are strongly and robustly dependent on the magnitude and direction of the inequality externality. We use several real-world examples to show that tax policy previously unsupported by optimal taxation theory can be explained by an appropriate inequality externality. The findings indicate that the magnitude of the inequality externality should be considered a crucial economic variable.

Information Frictions in the Market for Startup Acquisitions

Ron Rabi

We document and quantify the importance of information frictions in the market for startup acquisitions. Examining a sample of 5,727 Israeli venture-backed startups, we implement machine learning algorithms to generate dyads of technologically similar companies. Difference-in-differences and instrumental variable models show that the acquisition of a startup by a foreign company increases the chances that its technologically-related pair is also acquired by a foreign company by approximately 42%. This effect is largest for acquisitions that are prominent in the news. Consistent with information frictions being more severe for distant acquirers, acquisitions of Israeli startups by foreign companies minimally affect the pairs' likelihood of being acquired domestically. Moreover, we show that foreign companies are insensitive to acquisitions of Israeli startups by domestic incumbents, suggesting that the information value of an acquisition is greatest when the acquirer is foreign. An in-depth analysis of venture capitalist reactions and startup sales prices confirms that, following an initial acquisition, the foreign demand for Israeli startups increases, although the supply of startups available for an acquisition seems to rise as well.

ABSTRACTS

Interactions among macroeconomic policies, the energy market and environmental quality

Ivan Hajdukovic

This paper provides an empirical examination on the interactions among macroeconomic policies, the energy market and environmental quality. The analysis is conducted for two non-EMU countries, Switzerland and the United Kingdom, over the period 1990-2016. We propose two distinct VAR models based on a macroeconomic framework including the energy market. The study evaluates the dynamic effects of shocks to fiscal and monetary policy on the energy market and environmental quality. We identify four policy shocks: (i) government consumption (ii) public investment (iii) the official bank policy rate (iv) the central bank's reserve assets. The empirical analysis reveals that fiscal and monetary policies have a significant influence on the energy market and environmental quality. Our findings indicate that fiscal policy, besides its primary role in stabilizing economic activity, can contribute to achieving non-renewable energy conservation and enhancing environmental quality. On the other hand, the examination of monetary policy reveals that central banks should investigate the impact of their interventions on the energy market and incorporate environmental issues in their welfare maximization problem.

Intergenerational Income Mobility: The French Case

Gustave Kenedi

We provide new estimates of intergenerational income mobility in France for children born in the 1970s using rich administrative data. Since parents' incomes are not observed, we employ a two-sample two-stage least squares estimation procedure. At the national level, every measure of intergenerational income persistence (intergenerational elasticities, rank-rank correlations, transition matrices) suggests that France is characterized by a particularly strong persistence relative to other developed countries. Children born to parents in the bottom 20% of their income distribution have a 8.7% probability of reaching the top 20% as adults. This probability is of 40.6% for children born to parents in the top 20%. At the local level, we find substantial spatial variations in intergenerational mobility. It is higher in the West of France and particularly low in the North. These spatial variations correlate with local unemployment rates and shares of high-school graduates. Characteristics of the environment individuals grew up in, as well as their national origin and ability to be geographically mobile as adults, all seem to matter for their intergenerational mobility prospects.

ABSTRACTS

Macroeconomic Uncertainty and Capital-Skill Complementarity

Anna Belianska

Segmentation by skills in the labor market is widespread. However, most existing studies of uncertainty do not distinguish labor by skills. In this paper I investigate the effects of macroeconomic uncertainty on relative skilled-to-unskilled wages and employment and I show that macroeconomic uncertainty shocks lead to different labor market outcomes for skilled and unskilled workers. First, I show empirically in a structural VAR model that uncertainty shocks are recessionary. As a result of the uncertainty shock, skilled workers experience a steeper fall in their wages than unskilled workers, and the relative employment increases. Second, I propose a dynamic New Keynesian model consistent with these findings. In this model the presence of capital-skill complementarity allows to distinguish different roles of skilled and unskilled labor in production. The uncertainty shock is contractionary and pushes the demand for labor and capital inputs down, relative wages fall and relative employment increases. The model uncovers a novel propagation channel relying on capital-skill complementarity and precautionary labor supply, which explains the effects of heightened uncertainty on the divergence of labor income and employment between skilled and unskilled workers.

Monetary Policy and Business Cycle Synchronization in Europe

Rémi Odry

In this paper, we investigate the role of the monetary policy adopted by the European Central Bank (ECB) in business cycle synchronization in Europe between 2000 and 2018. To this aim, we employ wavelets to compute the pairwise business cycle correlations (BCC) at different frequencies and use system Generalized Method of Moments dynamic panel estimators to explain their variations. Our results show that monetary policy has a long-term impact on the synchronization of business cycles in Europe. More specifically, we find that the adopted unconventional monetary policies impact positively the synchronization. Finally, we show that fiscal policies can be used as tools to fix country-specific movements of business cycles..

ABSTRACTS

Monetary autonomy, Trilemma and International reserves in emerging countries

[Théo Lamagnere](#)

This paper investigates the drivers of monetary policy autonomy by analysing the validity of the Trilemma and the role of international reserves for 27 emerging countries over the period 1990 - 2018. Using a Taylor rules, our findings show that exchange rate regime and the level of capital controls still matter to explain the degree of monetary autonomy and the ability to emerging countries to freely achieve their monetary policy objectives. We also find evidence that the accumulation of international reserves allows to preserve monetary autonomy and to relax the constraints of the Trilemma.

On the design of labor market programs as stabilization policies

[Euiyoung Jung](#)

This paper analyzes the optimal cyclical behavior of labor market policy in an economy with asset and labor market frictions. The policies of interest include Unemployment Insurance (UI) and Employment Protection (EP). Along with their supply-side effects, labor market policies also affect aggregate demand via earning risk and redistribution channels. Under bilateral wage bargaining, I find that pro-cyclical UI and counter-cyclical EP delivers superior welfare outcomes through stabilization via both supply and demand channels.

Reading Between the Lines: Quantitative Text Analysis of Banking Crises

[Emile Du Plessis](#)

This paper develops five indicators based on a large corpus of economic news articles to forecast financial crises. The methodological approaches feature the identification of key topics within a large volume of texts, as well as the measurement of similarity between texts. A Banking Crisis Lexicon Index and Sentiment Index are developed through analysing a vast amount of economic articles to detect the evolution of banking sector discourse. Findings from Granger causality highlight leading indicators status and receiver operating characteristics suggest robust forecasting performance strength of the Banking Crisis Lexicon Index, globally and for developed economies up to two years preceding a crisis. While the aggregated Sentiment Index constitutes a coincidental indicator, for developed economies it is a short-term leading indicator. A combined lexicon and sentiment index exhibit solid forecasting performance. Statistical models Wordscores and Wordfish are introduced to study banking crises and underscore crisis classification strength. A hand-coding approach is used to verify the veracity of the indices and provides credence to the vital contribution of published deliberations in understanding and detecting banking sector frailties. In reading between the lines, this paper contributes to the literature on quantitative text analyses in constructing text-based latent banking crisis indicators.

ABSTRACTS

Resource-constrained innovations: Three main processes in developing countries

Marleine Semaan

This work focuses on the specificities of resource-constrained innovations (RCI) emerging in developing countries. Numerous analyses have tried to characterize the different RCI concepts (Jugaad, frugal innovation, frugal engineering, resource-constrained innovation, Gandhian innovation, catalytic innovation, grassroots innovation, inclusive innovation, indigenous innovation, and reverse innovation). However, ambiguities persist due either to unclear underlying theory or confusion over the definition of innovation. To try to distinguish among these concepts, we conduct a systematic literature review based on 179 articles examining different types of RCI in developing countries. We use Iramuteq software to perform a lexico-semantic analysis and Cortex manager to conduct a bibliometric analysis. This thorough analysis allows the development of a typology of three main RCI processes emerging in developing countries – grassroots innovation, frugal innovation, and bricolage – each characterized by a specific theoretical foundation. Based on these theoretical frameworks, we provide a more detailed characterization of these innovation processes in terms of the actors involved, their dynamics, innovation outputs, fields of application, and challenges.

Survival Advantage of Converted Firms over Ex Nihilo Firms. An Empirical Appraisal on French Worker Cooperatives

Thibault Mirabel

Various theories suggest that worker cooperatives (WC) created ex nihilo are more prone to failure than WCs created from existing firms. Using a long panel of French firms and discrete-time hazard models, I present new evidence on WC survival by comparing four origins of creation (i.e., ex nihilo, transmission from sane conventional firms, rescue from ailing conventional firms, transformation from not-for-profit firms). After controlling for industrial and macroeconomic covariates, the hazard of dissolution is 32% lower for WCs transformed from sane conventional firms than ex nihilo WC, 18% for WCs created from rescue ailing conventional firms, 64% for WCs transformed from not-for-profit firms. This evidence confirms that WCs created from existing firms have a survival advantage over ex nihilo WCs. Therefore, the minor share of converted WCs in WC populations cannot be explained by the fact that these firms are less likely to survive than ex nihilo WCs.

ABSTRACTS

The diffusion of knowledge: Evidence from the Jet Age

Fernando Stipanovic

This paper studies the impact of travel time on the diffusion of knowledge. We provide causal evidence by exploiting the beginning of the Jet Age as a quasi-natural experiment. We digitize airlines' historical flight schedules and construct a novel data set of the flight network in the United States. Between 1951 and 1966, average travel time between locations more than 2,000km away decreased 49%. We use patent citations as a measure of knowledge diffusion. For research establishments located more than 2,000km away from each other, the reduction in travel time increased citations by 8.1%. The reduction in travel time accounts for more than one third of the observed increase in citations in this distance interval. Additionally, the reduction in travel time increased the diffusion of knowledge through multi-establishment firms. Firms opened research establishments in locations that obtained a relative reduction in travel time to headquarters. Firms carried knowledge across distant establishments and increased its diffusion.

The Effects of Maternity Leave Allowance on Fertility and Career Decisions

Sébastien Fontenay

The level of compensation during maternity leave varies significantly across countries. In this paper, I assess how the generosity of maternity leave allowance affects first-time mothers' subsequent fertility decisions and career trajectory. I exploit the fact that the allowance is capped in Belgium so that women with pre-leave earnings above the maximum threshold face drastically lower replacement rates. Using a regression kink design, as well as a rich set of administrative data on mothers from 2002 to 2016, I estimate that for each additional euro in daily allowance the probability of having a second child increases by 0.6 percentage point. Subsequently, I explore the consequences for their career and show that those who received higher benefits are more likely to leave salaried employment for self-employment. I demonstrate that this transition to self-employment does not affect their earnings in the long run, suggesting that the change in career might reflect non pecuniary preferences. In fact, heterogeneity analysis reveals that those working in sectors that are considered less family-friendly are more likely to become self-employed.

ABSTRACTS

The Effects of Public R&D Subsidies on Private R&D Activities in Mexico

Emmanuel Chavez

This paper analyses the impact of a public research and development (R&D) subsidy to private firms in Mexico. My estimates suggest that the subsidy has a positive impact on personnel allocated to innovation activities, but it does not have an effect on other measures of R&D performance, such as research personnel, patents or private R&D spending. I argue that awarded firms would have performed their planned R&D projects in case they were not granted the public funds. Additional public funds seem to be invested in allocating more personnel on already planned projects, but not on carrying out additional ones. Specifically, I analyze the *Programa de Estímulos a la Innovación* (PEI) subsidy. The program's rules set a grade threshold below which no R&D projects get the grants and above which some projects are granted. This granting process allows to use a fuzzy regression discontinuity approach to identify causal inference.

The Environmental Safeguards Team: An analysis of NGOs' advocacy at the European Commission

Rosanne Logeart

This paper sheds light on lobbying strategies adopted by environmental non-governmental organizations (NGOs) in the European Union (EU), and in particular at the European Commission (EC). With a general theoretical analysis, I find that when NGOs choose their level of lobbying effort, they can either cooperate between them or choose to differentiate. This strategic choice depends on the way the marginal legislation change created by an NGO's lobbying effort reacts to lobbying efforts of other NGOs. Additionally, I use data from the EU Transparency Register and EC meetings information to empirically determine whether NGOs' lobbying efforts at the EC are strategic complements or substitutes. I find evidence for the former: NGOs' lobbying efforts reinforce one another. It means that others' effort increases sufficiently the marginal legislative change due to a given NGO's effort for this NGO to be willing to increase its effort over subjects for which other NGOs advocate more and to decrease its effort over subjects for which other NGOs advocate less: they choose to cooperate. I also study the selection process for attending meetings with EC members and I find that meeting holding NGOs are bigger and spend more in lobbying activities. However, their financial situation does not impact their specialisation, or diversification, level into the different environmental topics.

ABSTRACTS

The Interplay of Public and Private Debts

Maxime Fajeau

Private credit and public debt levels are drifting to uncharted waters. Are such high levels concerning? This paper suggests bridging private and public borrowing to study their interaction on various horizons. This investigation builds on an array of econometric techniques and relies on disaggregated data on debt recipients covering 1970-2018. Overall, this paper demonstrates that the separate narratives regarding private credit and public debt with output growth conceal meaningful and substantial interactions. In particular, evidence shows that the accumulation of private-sector liabilities during the preceding expansion triggers financial distress and delays the recovery. An initially high level of public debt then compounds the aftereffect of a prior private credit surge. The additional financial structure analysis stresses that these interactions carry out beyond the business cycle horizon, with a long-lasting effect. This study also stresses that more than the level of public debt, it is rather its trajectory that affects economic growth. Public debt tends to be a drag on growth if policymakers are unable to pursue a counter-cyclical fiscal policy in the aftermath of a crisis.

The Spillover effect between Macroeconomic Variables and Stock Markets Dynamics: Evidence from the MENA zone

Nesrine Mechri

While numerous research in the literature oriented their works on developed countries and used the multivariate GARCH model to investigate the links between only one macroeconomic variable volatility and the stock market fluctuations, this paper illustrates a large analysis about the spillover effect between five macroeconomic variables (Exchange Rate, Inflation Rate, Interest Rate, Oil and Gold prices) and the dynamics of stock markets returns. For this purpose, five countries that belong to the MENA zone with different financial and economic characteristics are considered. A VAR-DCC-GARCH methodology is employed in this paper, allowing to take into account the financial and statistical time series features. A new framework based on heteroscedasticity robustness, is used. 4 steps that combining a VAR and a DCC-GARCH model illuminate the accuracy of the econometric estimates. Thanks to this new 4steps methodology we contribute to the existing literature by providing more robust estimates and much thinner results for the MENA region. The findings suggest generalized evidence of the MENA zone, giving that, both gold prices, oil prices and inflation rates volatilities have negative spillover effects on stock markets dynamics. Otherwise, exchange rate fluctuations tend to have a negative spillover impact on stock market movements.

ABSTRACTS

To mitigate or to adapt: how to deal with optimism, pessimism and strategic ambiguity?

[Nahed Eddai](#)

We analyze the effect of ambiguity and ambiguity attitudes on optimal mitigation and adaptation contributions when players hold ambiguous beliefs about their opponents' behavior. We model this uncertainty using the Choquet Expected utility with neo-additive capacities axiomatized by Chateauneuf et al. (2007). Unlike the case without ambiguity, we prove the existence of a general dependence between the choice of environmental policy and the degree of optimism/pessimism of the respective player. We focus also on the effect of two standard environmental instruments: taxes and standards on the optimal climate policy. We state that the efficiency of these two instruments depends closely on the attitudes towards ambiguity of the agents present in society.

Total Work Time Disparity Between Spouses and Gender Norms in Mexico

[Paloma Carrillo](#)

Mexican labor force participating women dedicate significantly more total work hours (paid and unpaid) compared to their husbands. This paper examines to what extent can this gender disparity in total work time may be explained by gender norms. To do so, we extend the collective labor supply model with household production proposed by Cherchye, De Rock, and Vermeulen (2012) to include gender norms. Within the model, gender norms are allowed to affect preferences and bargaining power. Gender norms are explored through two indices: using the gender norm perception of other people in their community and the labor force participation of the couple's mothers. Gender norms are able to explain a significant portion of the total work time disparity between spouses through changes in the bargaining power. For example, if all couple's had mothers who participated in the labor force while keeping community gender norms constant, the average bargaining power of the women in the household would shift from 45% to 48%, and the total work time disparity would shift from women working 15 hours more per week to 5 hours per week, a sizable 10-hour reduction.

Uncertainty diffusion across commodity markets

Jacques Minlend

While there exist numerous studies on volatility transmission across commodity markets, particularly across oil and agricultural markets, uncertainty diffusion across commodity markets remains absent from the literature. This situation is mainly due to the lack of an appropriate measure of commodity price uncertainty, which is known to be different from volatility. This study focuses on the measure of commodity price uncertainty and how it is transferred from one commodity market to another. Our contribution is twofold: (i) we construct, for each group of commodity markets and different maturities, an aggregate predictability based measure of uncertainty, and (ii) we analyze uncertainty diffusion across different commodity markets using a vector autoregressive model. Our findings show that: first, there is a bi-causal uncertainty transfer between different markets except for precious metals markets. Second, the industrial commodity market is also assumed to be the transmission channel of commodity uncertainty spread, given its close link with global economic activity. Notably, we discuss the fact that industrial uncertainty can be used as a proxy for macroeconomic uncertainty. Finally, precious metals insensitivity to other markets' shocks reinforces its nature of safe haven.

What makes a productive Ph.D. student?

Alberto Corsini

This paper investigates the impact of the social environment to which a Ph.D. student is exposed on her scientific productivity during the training period. Vertical and horizontal relationships depict the social environment. Vertical relationships are those supervisor-student, while horizontal relationships are those student-peers. We characterize these relationships by assessing how the supervisor's and peers' biographic and academic characteristics relate to the student's productivity as measured by the publication quantity, quality, and scientific network size. Unique to our study, we cover the entire student population of a European country for all the STEM fields. Specifically, we analyze the productivity of 77,143 students who graduated in France between 2000 and 2014. We find that having a female supervisor is associated with a higher student's productivity as well as being supervised by a mid-career scientist and having a supervisor with a high academic reputation. The supervisor's fundraising ability benefits only one specific dimension of the student's productivity, i.e., the student's work quality. Interestingly, the supervisor's mentorship experience negatively associates with student's productivity. Having many peers negatively associates with the student's productivity, especially if peers are senior students. Having female peers positively correlates with the student's productivity, while peers' academic status shows mixed effects according to the productivity dimension considered. We find results heterogeneity when breaking down our sample by field of research.



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