



News



NEW RESEARCHERS - Three new researchers from Sciences-Po Aix are joining AMSE : Elisa Dienesch (Environmental economics), Nathalie Ferrière (Development economics) and Céline Gimet (Development economics).

DISTINCTION - Two members of AMSE, Raouf Boucekkine and Habiba Djebbari, have been elected Fellows of the Econometric Society, as well as Margaret Slade who has been a member of GREQAM for over 10 years.

BOOK - *Principes d'économie politique. Première édition critique incluant les annotations inédites de l'auteur*, Carl Menger, trad. Gilles Campagnolo, Sciences humaines Economie, Seuil, 2020.

BOOK - *Comment lutter contre la fraude fiscale ? Les enseignements de l'économie comportementale*, Nicolas Jacquemet, Stéphane Luchini, Antoine Malézieux, Editions Rue d'Ulm, Collection : CEPREMAP, 2020.

LAGV 2021 - The 20th edition of the Journées Louis-André Gérard-Varet will take place from June 22 to June 24 2021 at the Palais du Pharo in Marseille. Keynote speakers will be Gilles Duranton, Matthew O. Jackson, Wojciech Kopczuk, Hervé Moulin and Iván Werning. Call for papers before February 3, 2021.

More info: www.amselagv.com



© Elisabeth Barthélemy

Outline

RESEARCH ON COVID-19

Ongoing research on Covid-19 at AMSE, by AMSE members 2

RESEARCH HIGHLIGHTS

Weather shocks, by Ewen Gallic 6
The curse of knowledge: access to customer information can reduce monopoly profits, by Didier Laussel 8
God insures those who pay? Formal insurance and religious offerings in Ghana, by Eva Raiber 10
Weight gains from trade in foods: evidence from Mexico, by Lorenzo Rotunno 12

AMSE SCHOOL

Our double degree with the University of Konstanz, by Elisabeth Barthélemy 14
Annual Career Day, a one-day online event focused on internships and jobs, by Elisabeth Barthélemy 16

INTERVIEW

Laurent Simula, Chairman of the Economics Section of Ecole Normale supérieure de Lyon 18

Ongoing research on Covid-19 at AMSE

By AMSE members

«Learning in pandemic times: Anxiety, cognitive capacities and decision-making of university students»

Timothée Demont, Eva Raiber, Daniela Horta Saenz.

This research project aims at better understanding the impact from the major, deeply uncertain, and society-wide shock of the ongoing Covid-19 pandemic on university students. By definition, students are on the threshold of professional life and need substantial cognitive resources to make the most of their university training. Through an online experiment with 1600 students at Aix-Marseille University, we investigate the following question: Does the anxiety generated by the Covid-19 pandemic affect the learning and decision-making abilities of students and, if so, by how much and through which channels? Our design will quantify the extent of concern about future labor-market opportunities and impairment of social life and network, test the role of competitive pressure, and perform a variety of heterogeneity analyses to identify particularly vulnerable groups such as female, low economic background and depression-prone students.

«Covid-19, Lockdowns and Well-Being: Evidence from Google Trends»

Abel Brodeur, Andrew E. Clark, Sarah Flèche, Nattavudh Powdthavee.

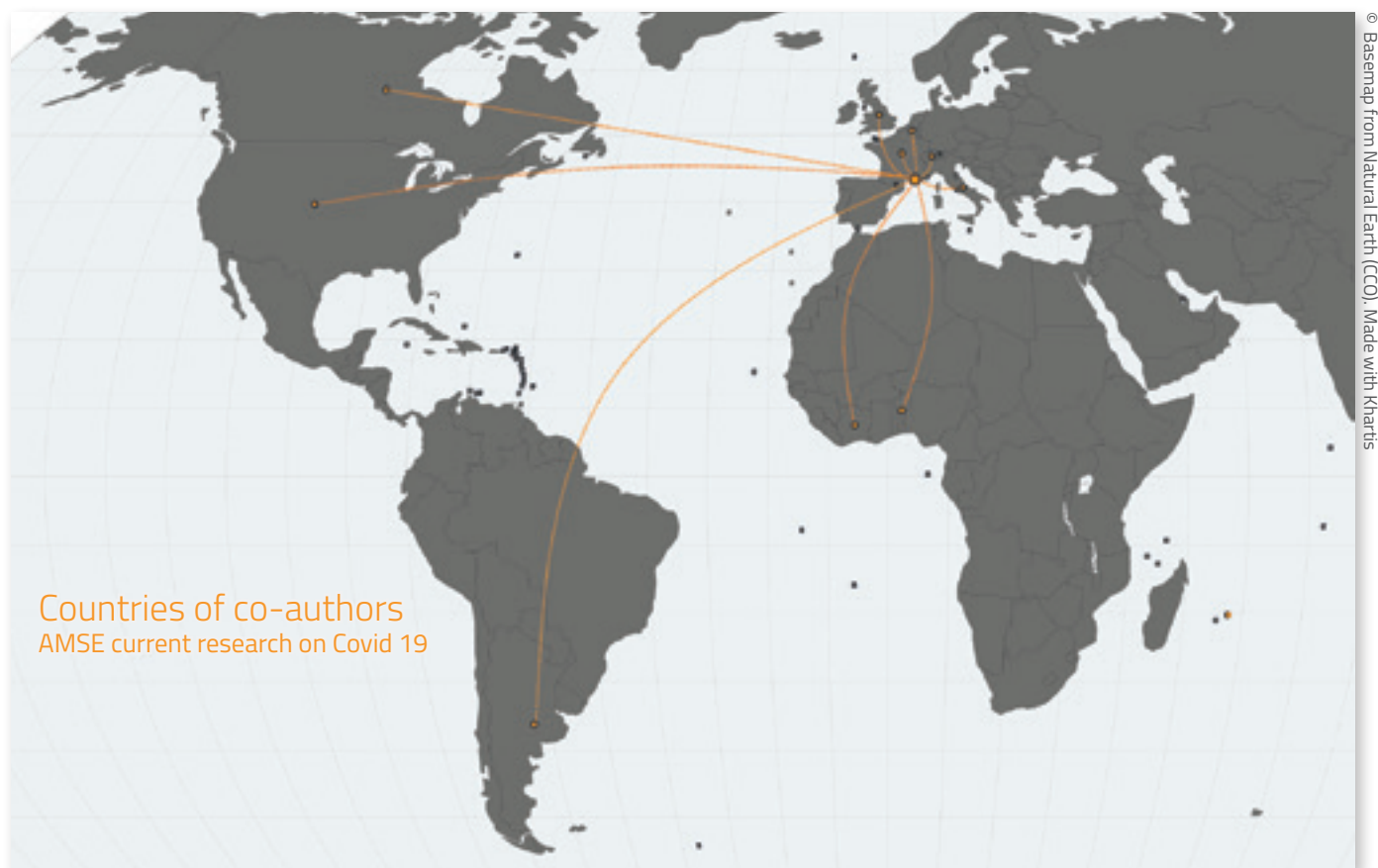
The Covid-19 pandemic and government intervention such as lockdowns may be severely affecting people's mental health. We use Google Trends data to test whether Covid-19 and the associated lockdowns implemented in Europe and America led to changes in the search-terms used for well-being-related topics. Using difference-in-differences and a regression discontinuity design, we find a substantial increase in search intensity regarding boredom in both Europe and the US. We also find a significant

increase in searches regarding loneliness, worry and sadness, while searches on stress, suicide and divorce declined. Our results suggest that people's mental health may already have been severely affected by the pandemic and lockdowns.

«Covid-19 crisis, vulnerability, and the French labour market: analysis of a decree issued in the acute phase of the epidemic»

Bruno Ducouture, Florence Jusot, Pierre Madec, Mathieu Plane, Xavier Timbeau, Thomas Renaud, Bruno Ventelou, Jerome Wittwer.

This working-paper aims to quantify the extent of 'vulnerability to Covid-19' in the French labor market, as defined by the decree of May 5, 2020 and to study the socioeconomic determinants of the effective use of this decree by eligible parties. The decree offers a partial-activity option (with financial compensation) for workers who have an underlying medical condition increasing the risk of severe Covid-19 illness. We used two surveys, the EHIS / ESPS (European Health Interview Survey - Enquête Santé et Protection Sociale) as well as the Continuous Employment Survey, to estimate the number of "vulnerable" people in non-teleworkable jobs in the French working population. The prevalence of "risk" pathologies turns out to be high even at working ages: 4.8 million people are vulnerable, or 17.5% of those in employment. While teleworking is theoretically possible for some, 3.5 million employees are unable to work remotely, including 2.8 million who would qualify for the social-protection benefit as offered in the decree. Using an additional declarative survey in May 2020 (COCONEL), we find that non-take-up of the partial-activity compensation by those eligible is prevalent (around 80%). We discuss the reasons: ignorance of the system, reduced exposure to risks, or "forced presenteeism", for example due to the fragility of the employee's situation vis-à-vis her/his employer.



«Tracking the Dynamics and Allocating Tests for Covid-19 in Real-Time: An Acceleration Index with an Application to French Age Groups and Départements»

Christelle Baunez, Mickael Degoulet, **Stephane Luchini, Patrick Pintus, Miriam Teschl.**

An acceleration index is proposed as a novel indicator to track the dynamics of the Covid-19 pandemic in real time. Using French data on confirmed cases and tests for the period following the first lockdown - from May 13, 2020, onwards - our acceleration index shows that the ongoing pandemic resurgence can be dated back to around July 7. It reveals that pandemic acceleration has, since early September, been stronger than national average for the [59 – 68] and [69 – 78] age groups, the latter showing the strongest acceleration index as of October 25. In contrast, acceleration is weakest among the [19 – 28] age group, about half that of the [69 – 78] group as of October 25. In addition, we propose an algorithm to allocate tests among French départements based on both the acceleration of the pandemic and the feedback effect of testing. Our acceleration-based allocation differs significantly from the current French territorial distribution system, which is population-based. We argue that both our acceleration index and our allocation algorithm are useful tools to guide public health policies as France enters a second lockdown period of indeterminate duration.

«Liberté, Egalité, Fraternité... Contaminé? Estimating the impact of French municipal elections on Covid-19 spread in France»

Guilhem Cassan, **Marc Sangnier.**

On March 15, about 20,000,000 voters cast their vote for the first round of the 2020 French municipal elections. We investigate the extent to which this event contributed to the Covid-19 epidemics in France. To this end, we first predict each département's own dynamics using information up to the election to calibrate a standard logistic model. We then take advantage of electoral turnout differences between départements to distinguish the impact of the election on prediction errors in hospitalizations from that of simultaneously implemented anti-contagion policies. We report a detrimental effect of the election in locations that were at relatively advanced stages of the epidemics by the time of the election. In contrast, we show that the election did not contribute to the epidemics in départements with lower infection levels up to March 15. All in all, our estimates suggest that elections accounted for about 4,000 excess hospitalizations by the end of March, which represents 15% of all hospitalizations up to this time. They also suggest that holding elections in June might not have been as detrimental.

Population preferences for inclusive COVID-19 policy responses: evidence from a Discrete Choice Experiment (DCE)

Thierry Blayac, Dimitri Dubois, Sebastien Duchêne, Phu Nguyen-Van, **Bruno Ventelou**, Marc Willinger

Our Discrete Choice Experiment study examines population preferences on various “menus” of Covid-19 epidemic control policies. Preference-ranking analysis is applied to the whole population, and also differentiated by subgroups (different age-groups; those at risk). Masks, limited transport, and (even) digital tracking are well accepted. Restaurant closures and excessive restrictions on leisure travel are not. Subpopulation analyses also demonstrate that the acceptability of some strategies depends on personal characteristics: the young population stands out quite strongly in their preferences on anti-covid policies, particularly in their demand for monetary compensation. Knowing how people rank the various Covid-19 prophylactic measures is a prerequisite for designing sets of suitable epidemic-control programmes likely to be collectively accepted by the population. The marked difference in the attitude of the young population suggests the need for a tailored menu of anti-covid policies.

«Experimental evidence on the behavior of youth-at-risk in the context of the Covid-19 crisis in two large metropolitan areas of Côte d'Ivoire»

Maria Laura Alzua, **Habiba Djebbari**, Assi Kimou.

Our objective is to shed light on the behavior of the vulnerable young people living in the street during the Covid-19 pandemic. For this purpose, we collect data from youth-at-risk living in two large metropolitan centers in Côte d'Ivoire to document knowledge, attitudes, and behavior in relation to the disease. We also design and conduct experimental games to understand the motives behind their choices, in particular whether strategic ignorance may explain lack of adherence to regulations that are not appropriate to their circumstances.

«U.S. Churches' Response to Covid-19: Results from Facebook»

Eva Raiber, Paul Seabright.

This study investigates U.S. churches' response to the SARS-CoV-2 pandemic by looking at their public Facebook posts. For religious organizations, in-person gatherings are at the heart of practice. Yet religious in-person gatherings have been identified as some of the early hot spots of the new coronavirus. Our sample contains information on church characteristics and their Facebook posts for nearly 4000 churches that posted at least once in 2020. We find that the share of churches posting at least one video on a given Sunday more than doubled from before the pandemic (before March 2020)

to April 2020 (the peak in terms of deaths in the U.S. so far), and posts have since remained well above baseline levels. We examine the extent to which churches' prior characteristics and behaviors (such as their size and worship style) are associated with their response to the Covid-19 shock.

«The impact of Covid-19 on farmers in Rural Bénin»

Esther Adimi, Maria Laura Alzua, **Habiba Djebbari** and Rosaine Yegbemey.

The food production sector has been largely sheltered from the Covid-19 crisis. In Bénin, as in other countries of the region, the authorities cordoned off urban centers as the main policy response to contain the Covid-19 epidemic. The cordon is designed to allow for trade in goods but to limit population mobility. In this study, our objective is to assess, using geographical regression discontinuity, the impact of Covid-19 on farmers' production decisions and their expectations for the future. We also experimentally investigate their demand for contract farming as a means to cope with future crises.

«Shutdown policies and worldwide conflict»

Nicolas Berman, Mathieu Couttenier, Nathalie Monnet, Rohit Ticku.

We provide real-time evidence of the impact of Covid-19 restrictions on conflicts globally. Combining daily information on conflict events and government policy responses to limit the spread of the coronavirus, we explore how conflict levels vary following shutdown and lockdown policies. We use the staggered implementation of restriction policies across countries to identify the size and duration of their effect on conflict intensity.

«Preventing a European Banking and Financial Crisis after the Covid-19 Health Crisis: Lessons from the Last Decade»

Marie-Hélène Gagnon, **Céline Gimet**.

This paper investigates how the European Central Bank can reduce financial and banking fragmentation, a stated objective in crisis periods. We use regional SVAR models and national GVAR models to study the impact of interest rates, quantitative easing (QE), and long-term refinancing operations (LTROs) on price and volume indicators of fragmentation through the main channels of transmission of monetary policies. Using data from the last decade, we find that LTROs reduce banking price dispersion, but have no effect on credit volume indicators. The positive signal generated by QE measures increases credit volume in the most fragile countries, where an unbalanced repurchase of government bonds is needed to decrease long-term interest rate spreads.



CoVaPred : new Covid-19 vaccine acceptance in France

François Alla, Pierre Arwidson, **Stéphane Luchini**, Michael Schwarzing, Verity Watson.

Although Covid-19 vaccine hesitancy may represent a major barrier to reaching herd immunity, opinion polls suggesting that hesitancy is increasing worldwide do not necessarily consider specific new vaccines and related acceptance by a specific population. Under the CoVaPred project, we conducted a randomized experiment in July 2020 to assess acceptance of Covid-19 vaccines with different characteristics in France. Repeated discrete choice data were collected from a representative sample of the French working age population without prior SARS-CoV-2 infection ($n=1942$) and analyzed using a two-part model disentangling outright vaccination refusal (regardless of vaccine characteristics) from vaccine hesitancy. The randomized experiment demonstrates outright vaccination refusal, as of early July 2020, by 29.4% of the French population of working age. In addition, Covid-19 vaccine acceptance in the French population of working age varies from 27.4% to 61.3% for new vaccines manufactured in China vs. the European Union with respectively 50% vs. 90% efficacy and a risk of serious side effects of 1/10,000 vs. 1/100,000. Vaccine acceptance increases when respondents are informed about herd immunity benefits. This means that herd immunity from vaccination may only be achieved in France with Covid-19 vaccines made in the European Union and a communication campaign that also stresses herd immunity benefits.

ANR-funded project “ECOVID-19”: Economic Epidemiology of Covid-19

Jérôme Adda, **Raouf Boucekkine**, Josselin Thuilliez.

ECOVID-19 aims to provide a comparative cost-effectiveness analysis of public policies undertaken in real-life conditions during the Covid-19 epidemic in France. We compare three main measures: i) confinement measures ii) testing with a specific focus on undocumented infections iii) reminders on the so-called “barrier gestures”. To do so, we build a theoretical model of disease diffusion and test the model using quasi-experimental variation during

After Covid-19: What lessons can be learned in terms of growth opportunities, the emergence of new value chains and Mediterranean integration?

Report CMI, FEMISE, coordinated by **Patricia Augier**.

The report will be available in 2021, with a focus on Algeria, Egypt, Jordan, Morocco and Tunisia. This report aims to (i) identify the growth and job opportunities of the “post-Covid” period for Mediterranean countries (ii) explore different paths towards better regional integration. Chapter 1. What are the implications in terms of food security? Chapter 2. What new challenges for value chains and economic integration in Mediterranean countries? Chapter 3. What opportunities can the health sector offer?

Weather shocks

Ewen Gallic & Gauthier Vermandel, 2020, *European Economic Review*, vol. 124(C).

“
Both models give a similar picture about the transmission of an adverse weather shock through a large and persistent contraction of agricultural production, accompanied by a decline in consumption, investment and a rise in hours worked.
”

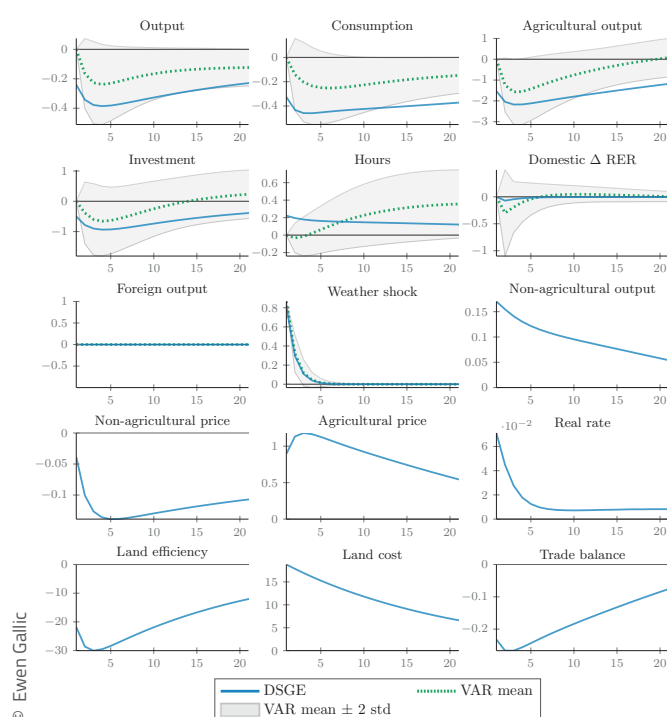


Figure 1. System response to an estimated weather shock for the estimated DSGE and VAR model (when available).

RESEARCH PROGRAM

The intensity and frequency of weather shocks such as heat waves and droughts have been on an upward trend over the last 40 years. The economic damage caused internationally is not negligible (roughly US\$25 billion in 2012), with economies relatively dependent on their agricultural sector particularly affected. Yet this growing source of macroeconomic fluctuations receives little attention in modern macroeconomic models.

PAPER'S CONTRIBUTIONS

Theoretical models in the macroeconomic literature focus mainly on the long-term effects of climate and neglect the short-term effects of the weather. In a context of climate change, however, policy makers are expected more frequently to face short-term adverse weather events with major implications (e.g., food insecurity, recessions, currency depreciation). So having a theoretical economic framework for the short-term effects is important. We propose one that is able to disentangle the contribution of weather shocks from alternative sources of business cycles and innovatively price it into consumption welfare losses. Most of the literature considers climate change solely as a trend, relegating the cost of weather fluctuations to a second-order issue. Our paper also contributes to the existing literature by investigating an unexplored facet of climate change: the increased variability of weather events.

We follow a two-step strategy. First, we study the transmission mechanisms of a weather shock. We look at how a drought can cause economic fluctuations. We build a macro-level drought index that measures



Ewen Gallic

Ewen Gallic joined AMSE as a Maître de Conférences in 2018. He obtained his Ph.D. in 2017 at the University of Rennes. His research interests lie in econometrics and machine learning applied to environmental economics, health economics, and historical demography.

the productivity of agricultural land. This aggregate measure of the weather is included in a Vector Auto-Regressive (VAR) model, alongside seven macroeconomic series from New Zealand. The impulse response functions analysis documents the transmission mechanism of weather shocks in a small open economy environment and provides a benchmark for a general equilibrium model.

In a second step, we enrich a Dynamic Stochastic General Equilibrium (DSGE) model with a weather-dependent agricultural sector facing exogenous weather. Farmers are endowed with land with a time-varying productivity determined by both economic and weather conditions. The model is estimated through Bayesian techniques on the same sample as the VAR model to provide a complementary representation of the data. The estimated model provides a detailed understanding of how weather shocks propagate in the economy and yields several predictions on climate change from a general equilibrium perspective.

We get three main results. First, both models give a similar picture about the transmission of an adverse weather shock through a large and persistent contraction of agricultural production, accompanied by a decline in consumption, investment and a rise in hours worked. At an international level, a weather shock causes current account deficits and a depreciation of the domestic currency.

Second, we find that weather shocks play a non-trivial role in driving business cycles in New Zealand. On the one hand, the inclusion of weather-driven business cycles strikingly improves the statistical performance of the model. On the other, weather shocks drive an important fraction of the unconditional variance, in particular for GDP, consumption,

and agricultural output. The consequence is that business cycles induced by weather shocks have a high welfare cost. We find that households would be willing to give up 0.19% of their unconditional consumption to avoid weather shocks, which is remarkably high with respect to other sources of disturbance in our model.

A third result is obtained from an original counterfactual analysis on climate change. We increase the volatility of weather shocks in accordance with IPCC (2014)'s climate change projections for 2100, and evaluate how these structural changes in the distribution of weather shocks affect macroeconomic volatility. We find that climate change critically increases the variability of key macroeconomic variables, such as GDP, agricultural output or the real exchange rate. The corollary of this structural change is an increase in the welfare cost of weather-driven business cycles, as high as 0.29% in the worst-case climate change scenario.

FUTURE RESEARCH

The analysis of weather-driven business cycles is a burgeoning research area in these times of concern over climate change. Applying our framework to developing countries could document the high vulnerability of their primary sectors to weather shocks. From a policymaker's perspective, our framework could be used to determine the optimal monetary policy to mitigate the destabilizing effects of weather shocks for different scenarios of climate change. Fiscal policy, too, has a role to play in low-income countries, for instance by providing disaster payments considered as taxpayer-financed insurance schemes. Such disaster payments can make sense in the absence of well-functioning insurance markets.

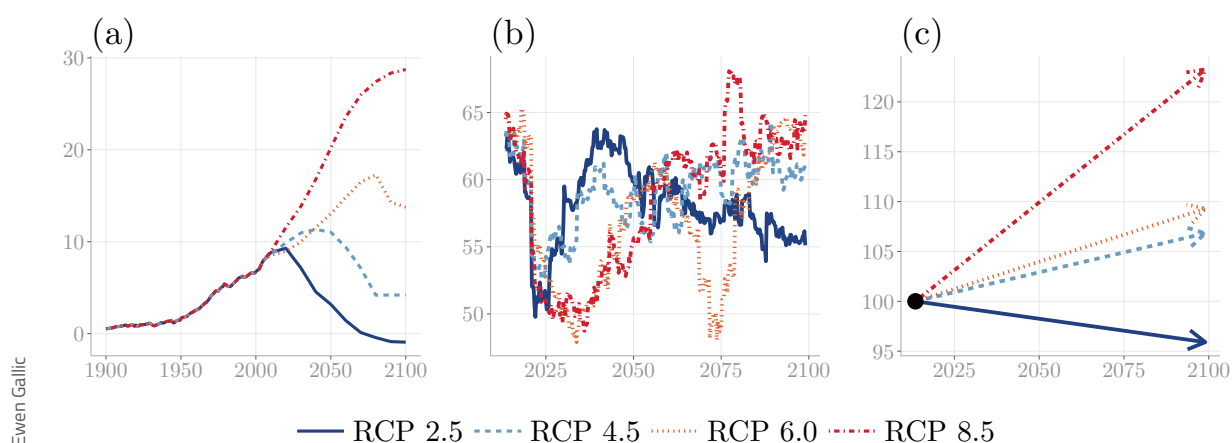


Figure 2. Estimations of the increased standard error of the weather shock under four different climate scenarios. Note: The curves in panel (a) represent historical CO2 emissions/projections up to 2100 under each scenario. Estimated standard errors of projected precipitations for each representative concentration pathway are represented in panel (b). Their linear trends from 2013 to 2100 are depicted in panel (c).

The curse of knowledge: access to customer information can reduce monopoly profits

Didier Laussel & Ngo V. Long & Joana Resende, 2020, *RAND Journal of Economics*, vol. 51(3), p. 650-675.

“

Our article shows that a ‘Curse of Knowledge’ arises within a coarse information setting, shedding light on optimal dynamic pricing in several real-world set-ups.

”

THE RESEARCH PROGRAM

Advances in digital technology mean firms are increasingly able to collect and process huge amounts of consumer-specific data, allowing them to classify consumers on the basis of their purchase histories and browsing histories. Is this good or bad for firms and/or consumers? The “behavior-based price discrimination” literature has concentrated on the oligopoly case and distinguished two effects on profits: a direct, positive one when the rival’s strategy is fixed and a strategic, negative one from increased competition. Their conclusion is that the overall effect is negative. We investigate the same issue using a dynamic model of a non-durable good monopoly, where competition is between the different successive selves of the monopolist. The answer, we find, depends on consumers’ profiling accuracy.

PAPER’S CONTRIBUTION

The literature on third-degree price discrimination (when firms offer different prices to different groups of identifiable consumers with no arbitrage opportunity) has overlooked the following important issue. When customers are heterogeneous in their willingness to pay (WTP), their purchase histories are endogenously determined by the firm’s dynamic pricing policy. The number of distinct market segments based on the monopolist’s grouping of repeat customer types depend on his current, past, and future pricing policies. Anticipating the firm’s future prices and grouping strategy, lower-type customers have an incentive to defer their first purchases until later periods in order to receive a better deal. The firm counters this incentive by offering higher informational rents to the new customers it wishes to serve in each period. Under these circumstances, a firm’s ability to acquire customer information is detrimental to its profit.



Didier Laussel

Didier Laussel is an Emeritus Professor at AMSE. He obtained his PhD from the University of Grenoble in 1974. He was an economics professor at the University of Perpignan from 1977 to 1981 and joined Université de la Méditerranée in 1981. He was Dean of the Faculty of Economics and Management from 1994 to 1999 and a member of the Board of Directors of AMU from 2012 to 2015. His research interests lie in industrial organization, international economics, and public economics.



Our article shows that a “Curse of Knowledge” arises within a coarse information setting, shedding light on optimal dynamic pricing in several real-world set-ups (subscription-based business models, telecommunications industry, streaming music industry, online video industry, online betting sector, and the pricing of football/baseball tickets). In our model, a monopolist is able to recognize former customers only from the timing of their first purchase, and uses this coarse information to engage in third-degree price discrimination. His use of customer information for intertemporal price discrimination is shown to reduce his aggregate profit below the level he would otherwise get.

We compare the equilibrium dynamics arising in this coarse customer-preference information model to the equilibrium dynamics in the polar case of full information acquisition (FIA), in which the monopolist can use consumers’ purchase history to uncover their exact WTP and thus personalize pricing. These two cases lead to diametrically opposed conclusions concerning the equilibrium. Under FIA, the monopolist gains from his ability to acquire full information, and his profit is even greater than that obtained by a full commitment monopolist under the coarse information scenario.

We study the Markov-perfect equilibria (MPE) of a game in which both firm’s strategy and consumers’ expectations depend on the number of consumers who have already bought the good for the first time.

Our characterization of the MPE under coarse information reveals that (i) eventually, the whole market is covered (in sharp contrast with the static equilibrium outcome), and (ii) a shortening of the commitment interval results in a fall in the firm’s aggregate profit. In extreme cases, as the commitment period tends to zero, the profit vanishes, reminiscent of the Coase Conjecture for the durable good monopolist. The monopolist’s profit under the MPE is strictly lower than that obtained when he is able to commit initially to a specified sequence of prices. Paradoxically, it is therefore bad for the firm to know its consumers’ histories and use this information to implement price discrimination.

FUTURE RESEARCH

The analysis raises the question of the possible non-monotonicity of the relationship in a dynamic context between firms’ profits and consumers’ profiling accuracy. We tackle this question generally in a new paper (Laussel, D., Long, N. V., & Resende, J. (2020), Consumers’ profiling accuracy and monopoly profits: a non-monotonic relationship) in which we show that knowledge is good only if sufficiently refined, and that a little knowledge can be more harmful than no knowledge at all. Another issue under investigation is privacy: how our conclusions may be affected and how the monopolist’s profits change when consumers are able to manage their identity by hiding it from the firm, either ex ante or ex post.

God insures those who pay?

Formal insurance and religious offerings in Ghana

Emmanuelle Auriol, Julie Lassébie, Amma Panin, **Eva Raiber**, Paul Seabright, 2020, *Quarterly Journal of Economics*, 135 (4), p.1799-1848.

Church members enrolled in the formal insurance reduced their donations both to the church and to non-church Charities, consistently with a demand for divine protection and the spiritual insurance mechanism.

What motivates religious believers to donate money to their religious organization? Do they give money in the hope of receiving insurance against economic shocks? In a recent paper, we examine how formal market-based insurance affects the demand for informal church-based insurance in Accra, Ghana. Specifically, we test whether people who are enrolled in a formal funeral insurance plan give more or less money to their church and to other charitable organizations.

We study the relationship between donations to religious organizations and insurance by conducting an experiment with church members from different branches of a well-established Pentecostal denomination. Pentecostalism represents one of the fastest-growing segments of global Christianity, and Sub-Saharan Africa is a major Pentecostal center. Estimates from 2015 suggest that almost 40% of the continent's Christians identify as Pentecostal or Charismatic. One important feature of Pentecostalism is the direct relationship between giving to God and material well-being. Pentecostal preachers speak of "a God who does not want His people to be poor or to suffer". This mandate is often described as a variant of the "Prosperity Gospel", the set of teachings claiming that "Christianity has to do with success, wealth, and status". Pastors emphasize how behaving in a certain manner helps to avoid the risks that may impede success. Their preaching makes a strong and explicit link between giving to God and insurance.

Giving to the church might interact with the use of the church as an insurer in different ways. Individuals might donate because they expect the church, as an institution, to disburse funds in times of need. Or, individuals might use public giving to signal to other church members that they are good community



Eva Raiber

Eva Raiber holds a Ph.D in Economics from Toulouse School of Economics (2019). She is currently an Assistant Professor at the Aix-Marseille School of Economics. Her work focuses on empirical microeconomics questions, fertility and educational choices, marital preferences, and individual motivation for religious participation.

members and expect other church members to help them in times of need. These two types of community-based insurance can be considered “material” insurance. From another perspective, the church is viewed by its members not only as a social network, but also as a setting for encounters with the divine. The church might therefore facilitate access to an interventionist god who can prevent negative shocks and favor positive ones. Church members might make donations to the church with the expectation of being protected from negative shocks. We call this a “spiritual” insurance mechanism.

To investigate which of the motives play a role in religious charitable giving, we conducted a lab-in-the-field experiment in Accra, Ghana. We randomly enrolled some church members for free in standard funeral insurance. The policy covered the participant and one of their family members for one year and paid out an equivalent of around 240€ (in 2015) to the family if a death occurred within the year. This provided us with two comparable groups of church members: one enrolled in insurance, and one informed about insurance but not enrolled. After the insurance enrollment, church members were asked to make decisions on donations equivalent to around half of their average daily income. In one round, they had to decide how much money to keep and how much to donate to their own church branch.

On average, the participants decided to donate 49% of the endowment. Comparing the two different groups, we find that those enrolled in insurance gave around 6% less to their church, a difference that is statistically significant (see

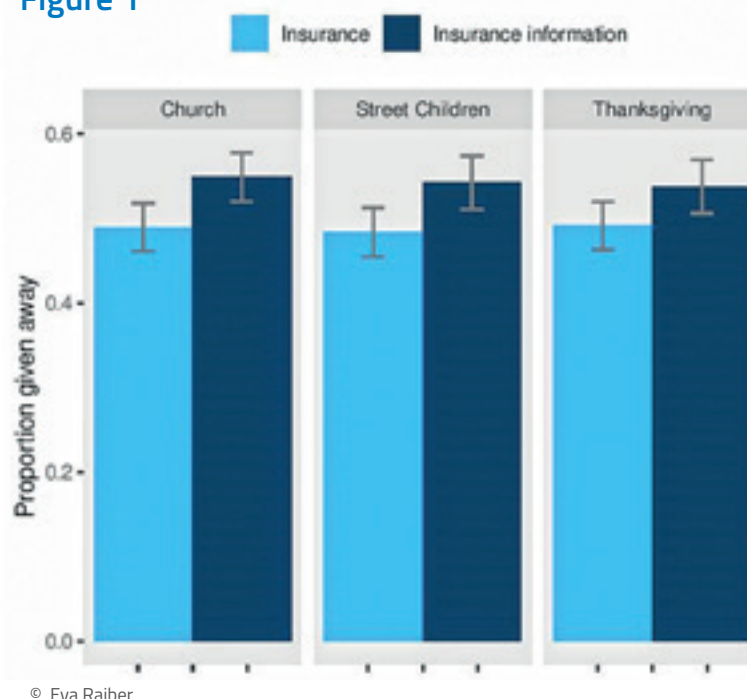
figure 1).

To disentangle community-based and spiritual insurance, we also asked participants to make donation decisions involving two other recipients: the national thanksgiving offering and a charity that worked with street children.

While these recipients are unrelated to the participant's own church, donations to them would be considered charitable actions and thus associated with the teaching on “giving to God”. Church members enrolled in the formal insurance also gave significantly less to the two other charities: the decrease in giving is similar for all three recipients (see figure 1). Church members changed their donations both to the church and to non-church charities in a manner that is consistent with a demand for divine protection and the spiritual insurance mechanism.

Our finding suggests that the previous literature on the interplay between religion and insurance might overstate the role of religious institutions as a provider of community-based financial insurance and understate the importance of a spiritual or psychological response to risk. However, 23% of church members who participated in our experiment reported having received financial help from their church at some point and 22% said they would ask the church community for financial help if they were in need. This suggests that material insurance from the church community is also important and we hypothesize that these two insurance channels co-exist.

Figure 1



Weight gains from trade in foods: evidence from Mexico

Osea Giuntella, Matthias Rieger & **Lorenzo Rotunno**, 2020, *Journal of International Economics*, 122 (C).

“

The supply-driven rise in US food exports to Mexico can explain around 10% of the increase in obesity prevalence among Mexican adult women observed between 1988 and 2012.

”

THE RESEARCH PROGRAM

The obesity epidemic has traditionally been associated with the Western world – think of sugary drinks, fast foods and processed foods. But this conventional wisdom is passé. The Global South is in the midst of a health and nutrition transition. While communicable diseases and undernutrition are on a (slow) decline, non-communicable diseases and overnutrition are rapidly gaining ground: for instance, overweight rates have tripled in the developing world since the 1980s.

What are the main determinants of this surge in obesity? One possibly important driver is globalization and the international integration of food markets. Developing countries account today for about half of world imports, up from 30% in 1980. These concomitant trends (greater exposure to international markets and increasing prevalence of obesity) are making scholars and policy-makers more alert to the implications of international trade for health and diets. But despite the perceived association between trade liberalization and diet-related health outcomes, the causal effects of trade in foods on obesity, and their scale, are not well established. In a current strand of my research, I aim to fill this gap by investigating the effects of trade integration in the food sector on nutrition and obesity prevalence.

PAPER'S CONTRIBUTIONS

Osea Giuntella, Matthias Rieger and I look at the case of Mexico and its trade with the US. Mexico has become a prime example of a country in the nutrition transition. In our sample of adult women aged between 20 and 49, obesity prevalence rose from 10 to 35% between 1988 and 2012. At the same time, trade between the US and Mexico was also booming, especially in the food and beverages (F&B) industry. US F&B products represented around 75% of total Mexican imports and 8% of Mexican households' food expenditure in 2012, up from 2% in 1989. In our descriptive analysis, we find that most of this increase is due to foods typically



Lorenzo Rotunno

Lorenzo Rotunno joined AMSE as an assistant professor in 2016. He obtained his PhD from the Graduate Institute of International and Development Studies in Geneva in 2013 and was a postdoctoral fellow at the University of Oxford from 2013 to 2016. His research interests lie in international trade, development, and health economics.



considered unhealthy (e.g. food preparations). The twin increases in obesity rates and prevalence of US foods raise the following question: has the US 'exported' its obesity prevalence (the highest among OECD countries) to Mexico through trade in foods?

In our empirical analysis, we assess the causal effect of this increase in (unhealthy) US food export supply on obesity within Mexico. We combine anthropometric data from four health surveys in 1988, 1999, 2006 and 2012 to compute obesity prevalence among our sample of adult women (men were not included in the first two waves). Changes in individual food product imports from the US are allocated to Mexican states according to each product's share of total household expenditure. To identify causal effects, state-level exposure to US foods is instrumented by US food exports to countries other than Mexico. This illustrates the evolution of US comparative advantage and market access in third countries – and not of food demand in Mexico.

The results show a positive and robust effect of US food exports on obesity prevalence across Mexican states. The supply-driven rise in US food exports to Mexico can explain around 10% of the increase in obesity prevalence among Mexican adult women observed between 1988 and 2012. The magnitude of the estimated impact is important and comparable to that of other socioeconomic determinants of obesity. These effects are robust to a number of sensitivity checks (e.g., controlling for non-food imports from the US and for the presence of malls and supermarket chains like Walmart), are specific to food imports from the US, and are strongly driven by US exports of unhealthy foods.

We also provide evidence that there is a significant price channel behind the obesity-promoting effect of US foods. Using Mexican micro price data, we find that greater exposure to import competition from the US leads to lower relative food prices. The outward shift in food supply due to greater integration with the US caused food prices to decline relative to non-food prices (with a more pronounced relative decline for unhealthy foods), thus increasing food consumption and body weight.

FUTURE RESEARCH

The findings point to negative health externalities stemming from greater exposure to imported (and relatively unhealthy) foods. The paper, however, lacks a quantitative assessment of these externalities (e.g., effects on the labour market prospects of obese people, and health expenditures involved in treating obesity-related health conditions). An evaluation of the overall welfare effects of increased food imports would also require comparing these negative externalities with the standard consumers' gains from trade (e.g., access to greater variety of foods).

Furthermore, while our study identifies the obesity effect of food imports alone, greater import competition even in non-food sectors can also affect food consumption through income effects. We control for this influence on the effect of food imports in the paper, but do not attempt to quantify the importance of this additional channel. Future research might usefully shed light on these issues.

Our double degree with the University of Konstanz

By Elisabeth Barthélemy

As its name suggests, a double degree is the opportunity for students to graduate from two universities (master's or bachelor's degrees) through an agreement with a foreign university. AMSE former and current international relations directors, Federico Trionfetti and Karine Gente, set up a double degree with the University of Konstanz in Germany. It got off to a start in September 2019 with the first AMSE students leaving for Konstanz and the first students from Konstanz arriving in September 2020.

Karine Gente manages this partnership and its operational implementation: « we decided to develop a double degree with the University of Konstanz since our Erasmus agreement was being widely used. We were receiving students from Konstanz and sending students to Konstanz on a regular basis. We believe that today, for workers on the European job market, it is a plus to have a degree meeting the standards of both French and German universities».

The University of Konstanz was a natural choice for this first double degree « because our programs in Economics are very similar. In Konstanz, all the teaching at Master's level is in English, like at AMSE. Plus, in terms of research, we have had a lot of connections with Konstanz for a very long time now. We were already cooperating at the PhD level and financially supported by the Université Franco-Allemande to develop this PhD mobility" adds Karine.

SIMPLE AND CLEAR ORGANISATION

The double degree is organised along simple lines. AMSE students and students from Konstanz spend their first year (M1) in Germany and their second year (M2) in France together. The double degree does not lengthen their studies. It allows the students to spend a full year abroad, not just a semester - a real opportunity!

“

We believe that today, for workers on the European job market, it is a plus to have a degree meeting the standards of both French and German universities

”

Karine Gente

Carla Rombach is a student from Konstanz, enrolled in the double degree programme. She is currently in M2 in Marseille in the Economic Policy Analysis track, « participating in the program gives me a chance to learn in two helpful environments from two different systems - including new topics, new perspectives, administrative structures and a lot of team work ».

An important factor is that the academic calendars are harmonised and the content of the master's degree offered by Konstanz is similar to that of AMSE. All this ensures seamless integration into the double degree curriculum.

MODUS OPERANDI

The double degree consists of an academic agreement by validation of ECTS. It is therefore a partnership: AMSE students are registered at Aix-Marseille University, students from Germany are registered at the University of Konstanz. At the end of the two years, the student obtains a diploma from each institution after full and mutual recognition of their learning path at University of Konstanz and at Aix-Marseille University. The diplomas obtained are recognised in both countries.

Financial aid is provided to students within the framework of Erasmus scholarships and, based on



Double degree students – 1st cohort September 2019/September 2021

academic criteria, they can also obtain a supplement through the Outgoing Mobility Plan offered by Aix-Marseille University.

RECRUITMENT OF DOUBLE-DEGREE STUDENTS

Karine Gente explains that “the programme is aimed at those students of Economics who are particularly motivated. It offers a high degree of flexibility in deciding which subject areas to focus on during their course of studies. The selection of the students is based on academic results and on the level of English (min. B2). Students apply for this degree in February with a letter of application and their transcripts”. And no, the double degree does not require twice as much work, but a high level of commitment from the student. The double-degree programme accepts a maximum of ten students per year, i.e. 5 students from each of the two universities.

Suleyman Sinan, a student from Konstanz currently in M2 at AMSE chose the Double Degree: “to obtain a comparative view and taste of two different university systems and obviously because of multiculturalism, to get a glimpse of life in two different nations.»

STUDENT LIFE IN KONSTANZ AND IN MARSEILLE

It seems that both AMSE and Konstanz students quickly feel at home and at ease in the host university! For Carla Rombach “both cities are quite different, but both are beautiful. Konstanz is a small city with a lot of students and located on the most beautiful lake in Germany, quite close to the Alps. And in Marseille... you live in a real big city with all its advantages, the

IN BRIEF | Double diploma AMSE-Konstanz

- Curricula enabling students to obtain two master's degrees
- High level academic content allowing the acquisition of fundamentals in economics
- Four tracks of specialisation combining theoretical and professional teaching to prepare for career entry or pursuit of studies to PhD
- Acquisition of intercultural competence

coast, the sun and the friendly people with their multicultural background”. Ivanna Savonik definitely recommends the city and the University of Konstanz to AMSE students: “Konstanz is a perfect city to live in, especially for students. There is no noise, it is not dangerous at all, the food is cheap. The best thing in the city is the views of Lake Bodensee before your eyes, where you can even swim and relax in summer and have parties sometimes ;)”.

WINNING CHOICE FOR LIFE

A study period abroad is undoubtedly an asset for the student's CV and her/his future professional career. This mobility allows students to broaden their horizons, to deal with another way of approaching the discipline, to obtain a different perspective. “With a double degree, students' skills become fully recognized by the two labour markets. This double degree gives students the combined advantages of being trained directly by firms through a 6-month internship (a characteristic of the French system in professional tracks) and the rigour required to write a Master's dissertation (a requirement of the Konstanz system whatever the track chosen)” confirms Karine Gente. Likewise, our students who intend to pursue doctoral studies are aware of the intellectual openness that a period of training abroad gives and many of them want to take advantage of it. Mobility abroad

is a life experience that goes beyond the academic world. This project allows students not only to improve proficiency in a foreign language but also to acquire real intercultural competence.

NEW PROJECTS?

A double degree is confirmed with the Eberhard Karl University of Tübingen; it will start in September 2021 (subject to the final approval of the CFVU AMU). A new double-degree project is already under preparation with the University of Lisbon (Catholica Lisbon). Great opportunities for AMSE students to come!

“
This Career Day can be moving for the teachers involved in the programmes of studies. We observe with pride what our students have become.
”

Tanguy van Ypersele

Annual Career Day, a one-day online event focused on internships and jobs

By **Elisabeth Barthélemy**

Each year, AMSE invites its students to meet professionals for a day of exchanges dedicated to internships and employment. The main idea is to give our students a professional perspective and a first-hand look at their career options as economists in both the public and private sectors. The aims are to enable our M1 students to get a clearer picture of the job market before choosing their M2 track, to expand the professional network of our M2, as well as to obtain concrete leads for the end-of-study internship. Julia Thomas, who graduated from AMSE in October 2019, participated for the first time as a professional. «I agreed to take part in the Career Day because I know how important it is for students. Having information about the professional paths and the positions available when we leave the university helps students form a concrete vision of their future jobs. It is an opportunity for them to get an idea of the variety of sectors in which they can work through hearing speakers with different experience and career backgrounds. This day is also an opportunity for students to broaden their network, which is useful when looking for an internship or a job, and to gain confidence in themselves and their abilities by meeting young graduates who have

successfully joined the world of work. I really enjoyed the Career Day, particularly the exchanges with the students, who were very motivated and curious both about my working environment and the techniques used in data science in my company”.

With a job market depressed by the health crisis, our students need this boost more than ever; some of them were able to benefit immediately from the offer of an internship. Jean-Sébastien Blanc, Marketing Packaging EMEA at INTERNATIONAL PAPER (based at Watermael-Boitsfort in Belgium), took part for the first time this year: «the career day is an effective event in terms of recruiting trainees, well organised, with responsive technical support and a warm welcome. The afternoon we spent interviewing candidates was optimised over time and proved profitable. We'll be there for the next cohort!».

Once again this year, students heard testimonials from AMSE alumni throughout the morning. This is a real highlight of the day, during which our graduates share their experience of entering the job market, share their feelings about their job, provide advice, and

answer questions about their daily working life, their salary, etc. A new feature in 2020 is that the testimonials will soon be available in the form of video capsules, to allow our students to hear the graduates' presentation again. Juliette Le Gallo, who graduated in 2018, agreed to participate: «as an alumnus, I believe that this day is essential for student orientation. During the master's course, it can be difficult to look ahead and realise how the economic theory taught at AMSE can be applied in a professional context. Career Day provides this visibility. I appreciated the constructive exchanges we were able to have with the students. While it allows us to reflect as graduates on the road we have taken since graduation, this day is also an opportunity to meet potential future trainees or colleagues. In my opinion, it is crucial to maintain this link between the professional and academic worlds. Finally, it is always a pleasure to come back to AMSE (even when the meeting has to be 100% digital)! ».

In the afternoon, the M2 students were received in individual online interviews by professionals from the consulting, banking, service, insurance, industry, government, and other sectors. A total of 236 individual interviews were organised. Many thanks to our partners for this marathon afternoon!

The Career Day enabled our students to meet companies in a minimum of time, multiplying their chances of getting an internship. Christophe Saichi

Kauffer, a current M2 student, confirms that this career day was of great benefit for him: "in addition to the very enriching exchanges that I was able to have with the AMSE alumni, I was especially fortunate to be able to complete my end-of-study internship at International Paper. I would like to thank the people who contributed to the good organisation of this webinar".

Tanguy van Ypersele, Director of AMSE graduate school, underlines that «this Career Day can be moving for the teachers involved in the programmes of studies. We observe with pride what our students have become. We are delighted with each one of their successes. They tell us how their training has been useful to them. This year, I get the message that the ability they have developed to learn and to be open to new things as they enter the business world is almost as important as the stock of knowledge they acquired during their university course".

Participating organisations : AIRBUS HELICOPTERS, ALEHOS SERVICES, ARVALIS, AXA, BANQUE DE FRANCE, BETCLIC, BPI, CGI, CIC LYONNAISE DE BANQUE, CREDIT AGRICOLE ALPES PROVENCE, EQUANCY, FMI, INTERNATIONAL PAPER, IPSOS, IREDD, JELLYFISH, NATIXIS, OLX GROUP, ORS PACA, RECTORAT D'AIX-MARSEILLE, THE ANTI-CORRUPTION INSTITUTE, THE POLICY CENTER FOR THE NEW SOUTH, UPLY.



annual CAREER DAY

One-day event for AMSE students focused on employment, careers and internships.

November 20th, 2020
Online event

amse

(Aix-Marseille université) A*Midex Faculté d'Économie et de Gestion Aix-Marseille université cnrs L'ÉCOLE HAUTES ÉTUDES CENTRALE MARSEILLE

© Photo by Guillaume on Adobe Stock

Laurent Simula

Chairman of the Economics Section of Ecole Normale supérieure de Lyon



© Laurent Simula

When Laurent Simula did his PhD research under the supervision of Alain Trannoy from 2003 to 2007 at AMSE, he was already exploring 'optimal taxation in a globalized world'. Today, he holds the Chair of the Economics Section at the Ecole Normale Supérieure de Lyon and is a researcher within the Groupe d'Analyse et de Théorie Economique (GATE).

CAN YOU DESCRIBE YOUR PROFESSIONAL TRAJECTORY SINCE YOUR TIME AT AMSE?

I hold a PhD in Economics from EHESS and did my PhD at AMSE/GREQAM between 2003 and 2007 under the supervision of Alain Trannoy. My thesis was entitled « Optimal Income Taxation, Incentive Constraints, Participation Constraints ». After AMSE/GREQAM, I went to the United States for a postdoctoral year spent at MIT in Cambridge, Massachusetts and Vanderbilt University in Nashville, Tennessee.

I worked abroad for 10 years, first as an assistant professor and then as an associate professor, at the National University of Singapore and at Uppsala University, the oldest university in the Nordic countries.

I came back to France as a professor in 2016, became the Deputy Director of the Applied Economics Lab at Grenoble-Alpes University. In 2017, I joined the Ecole Normale Supérieure de Lyon, as the Chairman of its Economics Section. I have been in charge of setting up the new "economic track" of our diploma,

which now offers a coherent and progressive three-year research-oriented program, consisting of a pre-master followed by a two-year master program entirely taught in English. I also served as an expert for the French Court of Auditors (Cour des Comptes), particularly advising the board of mandatory contributions "Conseil des Prélèvements Obligatoires".

WHAT ARE YOU WORKING ON CURRENTLY?

My research interests have not changed so much since my PhD! My main research areas are applied micro and public economics, with a special focus on how to design redistributive policies to fight income and wealth inequalities in a world where rich households and firms can threaten to vote with their feet.

I am still working with Alain Trannoy on the theory of optimal taxation: what would constitute the best income tax system? What are the main inefficiencies of current system? How can we identify and correct them? These are (some of) the main questions we are exploring.

At GATE, I'm kept busy designing research projects and submitting tenders, both under our on-site research themes and in partnership with other institutions. Recently, the French National Research Agency selected the 'MIDDLECLASS' project I coordinate for a 48-month grant. The GATE team of economists located at ENS de Lyon will collaborate with Aix Marseille School of Economics and CREST-Ecole Polytechnique. The interaction between taxation and political economy are at the core of this project, and articulated through the idea of "tax consent".

HOW DO YOU FEEL ABOUT YOUR TIME AT AMSE?

AMSE/GREQAM gave me a rigorous training in economics and I've never stopped working with

my thesis supervisor! He was always very approachable and involved in my research, and as a supervisor myself today, I try to follow his example. While I was in AMSE/GREQAM, I had the opportunity to be part of the European doctoral program EDGE. This gave me the chance to do a year and a half of my thesis research at the University of Cambridge University. Overall, I remember AMSE/GREQAM as a university with very wide horizons, which provided opportunities for international training and hosted renowned scientists from abroad.

I still have good memories of the Monday Seminars at GREQAM: there were lively discussions, where you met many interesting people – a place which opened doors for us as students.

“

I remember AMSE as a university with very wide horizons, which provided opportunities for international training and host renowned scientists from abroad

”



“

Who are you ? Perhaps you are WEIRD, raised in a society that is Western, Educated, Industrialized, Rich, and Democratic. If so, you're likely rather psychologically peculiar. Unlike much of the world today, and most people who have ever lived, we WEIRD people are highly individualistic, self-obsessed, control-oriented, nonconformist, and analytical.

...

Paradoxically, and despite our strong individualism and self-obsession, WEIRD people tend to stick to impartial rules or principles and can be quite trusting, honest, fair, and cooperative towards strangers or anonymous others. In fact, relative to most populations, we WEIRD people show relatively less favoritism towards our friends, families, co-ethnics, and local communities than other populations do. We think nepotism is wrong, and fetishize abstract principles over context, practicality, relationships, and expediency.

”

The WEIRDest people in the world. How the West became psychologically peculiar and particularly prosperous, Joseph Henrich, 2020.



AMSE Newsletter

Director of Publication: Alain Venditti

Editor: Yann Bramoullé

Designer and producer: Léa Dispa

Photos Credits © Starlineart on Adobe Stock, Elisa Dienesch, Nathalie Ferrière, Céline Gimet, Didier Laussel, Eva Raiber, Aix-Marseille School of Economics / Marif Deruffi

© 2020 Aix-Marseille School of Economics - All Rights Reserved