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HIV, Risky Behavior and Ethno-linguistic Heterogeneity

Miron Tequame

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JEL I18; J16; R23; J15

Ethno-linguistic heterogeneity; social networks; risky sexual behavior; HIV/AIDS; Africa.

Summary

Ethno-linguistic heterogeneity is associated with indicators of development like civil society, trust, quality of institutions, economic performance and participation. Recently, it has been found to be favorable for optimizing agents who want to engage in risky sexual behavior as they can select partners outside their own network and that of their spouse. This paper augments the literature by arguing that the effect of ethno-linguistic heterogeneity on risky sexual behavior is gender related. In contexts where women have more economic benefits (or losses) from sexual partners, they better internalize the cost of detection. This study shows that, with respect to men, ethno-linguistic heterogeneity significantly affects women's HIV status and their risky sexual behavior. Accordingly, it also affects positively the probability of being in a discordant couple where the wife is HIV positive.

Social Learning Theory, Cigarette Taxes and Adolescent Smoking Behavior

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JEL I12; J10; Z13

Adolescent smoking; stages of smoking; social learning theory.

Summary

In this paper we evaluate the effectiveness of cigarette taxes as a mechanism to reduce smoking rates among adolescents. In our model, we categorize individuals by their smoking frequencies and intensities instead of relying on the widely used dichotomous measure of smoking. Using data of a nationally representative sample of adolescents, we use an endogeneity corrected model with school-level fixed effects to obtain our estimates. Moving beyond the conventional definition of smoking to a definition that recognizes the complex nature of addiction by categorizing smoking into various stages and also by controlling for peer and family effects together, we learn that adolescents are not necessarily the most responsive to taxes. Influence from peers and family plays a more significant role in influencing adolescent smoking.

Economic Trends and Cycles in Crime: A Study for England and Wales

Sunčica Vujić
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Siem Jan Koopman and Jacques J.F. Commandeur
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JEL C13; C32; E32

Unobserved components models; crime rates; cycles.

Summary

This paper models cyclical behaviour in property crime series (burglary and theft) in relation to the macroeconomic activity indicators in England and Wales in the period from 1955 to 2001. Using unobserved components (UC) time series models, univariate time series analysis suggests that recorded burglary (theft) data is subject to stochastic cycle processes with typical business cycle frequencies of approximately 5 and 10 years. In the multivariate UC time series framework, recorded burglary (theft) is simultaneously modelled in a trivariate model, together with unemployment and real GDP time series. We also estimate a five-variate model, where we simultaneously model burglary, theft, unemployment, real GDP, and police variables. Some interesting findings in these analyses are: (i) observed cyclical behaviour in recorded property crime is almost fully determined by the economic business cycles; (ii) explanatory variables such as sentence length, imprisonment and conviction rates affect the short-term dynamics more than the long-term dynamics; (iii) motivational and opportunity effects between macroeconomic and crime time series can be distinguished in our modelling framework.

Consumer Specialization and the Demand for Novelty: a Reconsideration of the Links and Implications for Studying Fashion Cycles in Tourism

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JEL D03; D12; L83

Novelty demand; consumer specialization; habituation; tourism patterns.

Summary

How does the consumer's predisposition to seek arousing new sensations affect their tendency to accumulate knowledge about consumption activities? Using recent insights about the dynamic interaction of learning mechanisms that are part of the individual's genetic endowment, we argue that, *contra* Scitovsky (1976), the emergence of relatively convenient forms of entertainment may foster – rather than inhibit – the accumulation of consumer knowledge. Furthermore, because specialized consumers have a greater tendency to innovatively modify aspects of the consumption activity, we argue that this specialization process fundamentally affects the rate at which consumers become habituated to novelty. This represents an important way in which cognitive learning patterns interact with non-cognitive learning dynamics and it has consequences for understanding the direction and length of fashion cycles in recreational activities. In particular, we discuss how this perspective can be applied to studying tourism demand patterns and the 'Destination Life Cycle'.

Diskussionsbeitrag / Discussion Paper

FIRE for the Euro: A Superior Way to Bond Market Stabilization

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JEL H63; H77

Euro debt crisis; Eurobonds; risk spread; government bonds; ESM.

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Summary

Government bond markets within the euro zone may have fallen victim to a self-fulfilling crisis of confidence. Eurobonds may contribute to stabilization in the short-run but would imply destructive disincentives and incalculable risks for joint and several guarantors. Monetary interest rate equalization through the ECB government bond purchase program poses risks for central bank credibility and price stability. This contribution proposes fiscal interest rate equalization (FIRE) as an alternative. With FIRE, countries that benefit from low interest rates as a consequence of market panics would transfer some of their savings to subsidize the borrowing of crisis countries within a conditional fiscal scheme. The paper presents FIRE's principles and discusses its advantages over alternative stabilization approaches. Furthermore, a simulation of a FIRE specification is presented which would shield Italy and Spain against interest rates above 5 percent.