

REM Newsletter 30/2022

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The Latest REM [Working Papers](#)

[Research in Economics and Mathematics](#) (REM) circulates research, notably by its affiliated members, as working papers intended for professional and public discussion and comment. The papers have not been peer reviewed.

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Events

2021 Young Researcher Award

The prize awards the best Master thesis defended at ISEG, in the period January 2021 - December 2021, and whose supervisor is a member of REM in one ISEG Master courses.



Carolina Vasconcelos

Applied Econometrics and Forecasting



Francisco Carvalho

Monetary and Financial Economics



Luís García

Economics



Bruno Damásio

REM Supervisor



António Afonso

REM Supervisor



Sandra Maximiano

REM Supervisor

Name	Thesis
Carolina Vasconcelos	GENERALIZED MULTIVARIATE MARKOV CHAINS: ESTIMATION, INFERENCE AND IMPLEMENTATION IN R
Francisco Carvalho	CYCLICALITY OF FISCAL POLICY: HOW DO EUROZONE'S FISCAL STANCES CHANGE DURING RECESSIONS?
Luís García	Are you a discriminator? A Lab Experiment: Gift Exchange and the impact of information on the wages of immigrants

[10th UECE Conference on Economic and Financial Adjustments](#), ISEG/UL – Lisbon School of Economics and Management/University of Lisbon, **July 22, 2022** (rooms and online). **5 June 2022**, submission deadline.

Keynote speakers:

[Xavier Debrun](#) (National Bank of Belgium); [Cecilio Tamarit](#) (University of Valencia)



Papers presented at the conference can be considered for the Special Issue of the [European Journal of Political Economy](#), according to selected topical guidelines to be set up.

REM [Working Papers](#)

[The Trade Effects of Pandemics](#) João Tovar Jalles, Giorgios Karras, *Working Paper 0214-2022*

Early evidence suggests that COVID-19 caused a sharp decrease in international trade and a widening of current account imbalances. This paper shows that (qualitatively) similar responses have characterized the effects of previous pandemics. Using data from a sample of 170 countries, we find that a pandemic shock is typically followed by a sizable decrease in output and trade volumes, but an uneven current account response: balances improve in developed (or surplus) economies but deteriorate in developing (or deficit) ones. We also explore potential mechanisms for this asymmetry, and our evidence is pointing to national saving and the business cycle phase as the main reasons behind the divergent current account dynamic responses.

[Subjective well-being and climate change: Evidence for Portugal](#), Ary José A. Souza-Jr., *Working Paper 0213-2022*

This paper analyses the impact of air pollution, climate conditions, and extreme weather events on subjective well-being across the Portuguese regions through estimating an ordered probit model. The estimation applies data at the individual level from the 8th and 9th waves of the European Social Survey, along with an air quality indicator, environmental variables, national forest inventory, and a study about the possible future effects of the sea-level rise on vulnerable areas and people living therein. Even after controlling for socio-economic variables and personal traits, the results suggest the existence of differences between regional welfare levels. Air pollution has a negative impact on life satisfaction due to its bad impacts on health (aggravating the condition of individuals with heart and lung diseases). The paper's key finding is to show that at the regional level, both past (forest fires) and «possible» future (floods due to sea-level rise) extreme weather events may impact the current welfare level. Also, assessments of implicit willingness to pay demonstrate that climate change effects have a relevant impact on their quality of life nowadays.