

**GESY**

Governance and The Efficiency of Economic Systems

Newsletter

Sonderforschungsbereich Transregio 15 • A cooperation of: FU Berlin • HU Berlin • Universität Bonn • Universität Mannheim • ZEW Mannheim • LMU München

Newsletter No. 4

April 2009

SFB/TR15 Seminars

Berlin		
Date	Speaker (Institution)	Title
April 20	tba	tba
April 27	tba	tba
April 27	Marie Claire Villeval, CNRS	tba
April 20	tba	tba

Internal Research Visits of SFB/TR15 Members

A2 (Konrad)		
Name	Topic	Dates
Johannes Münster (A2)	Project visited: B4	March 9 - 13

External Research Visits, Lectures and Seminars of SFB/TR 15 Members

A1 (Bester / Strausz)		
Name	Topic	Dates
Roland Strausz	CESifo Area Conference on Applied Microeconomics, CESifo/Munich (talk: "Regulatory Risk in Optimal Incentive Regulation")	March 13 - 14
Roland Strausz	Market Power in Vertically Related Markets, IDEI/Toulouse, France (talk: "Certification and exchange in vertically concentrated markets")	March 16
Roland Strausz	Economic Theory seminar, IDEI/Toulouse, France (talk: "Regulatory Risk in Optimal Incentive Regulation")	March 31
A2 (Konrad)		
Name	Topic	Dates
Florian Morath	Information acquisition in conflicts, EPCS Conference, Athens, Greece	April 2 - 5
Johannes Münster	Mercenaries in Civil Wars, 1950-2000, Leibniz Seminar Berlin, Germany	April 15
Johannes Münster	Information sharing in contests, University of Bonn, Germany	May 6

A4 (Rady / Schmidt)

Name	Topic	Dates
Markus Reisinger	Indirect Taxation in Vertical Oligopoly, CESifo Area Conference on Public Economics, Munich, Germany	April 26
Markus Reisinger	Indirect Taxation in Vertical Oligopoly, University of Naples, Italy	April 28
Joachim Winter	Stock market expectations of Dutch households (joint with Mike Hurd and Maarten van Rooij), RAND, Santa Monica, USA	March 20
Joachim Winter	Stock market expectations of Dutch households (joint with Mike Hurd and Maarten van Rooij), Center for Financial Analysis and Policy, University of Cambridge, Great Britain	March 27
Joachim Winter	Uncertainty and rounding in survey responses (joint work with Paul Ruud and Daniel Schunk), Université Laval, Quebec, Canada	April 24
Florian Englmaier	Moral Hazard with Endogenous Outside Options and Employment-At-Will, Mannheim, Germany	March 10
Florian Englmaier	Public Good Experiments in the Lab and in the Field, Toulouse School of Economics, France	March 16
Klaus Schmidt	Reputation and Contract Design, Cornell University, USA	March 23 - 25
Klaus Schmidt	Reputation and Contract Design, University of California at San Diego, USA	April 3 - 6
Klaus Schmidt	Reputation and Contract Design, University of Illinois, USA	April 7 - 9
Klaus Schmidt	University of California at Santa Barbara, USA	April 23 - 26

A5 (Schweizer / von Hagen)

Name	Topic	Dates
Alexander Stremitzer	Pompeu Fabra/ Barcelona, Spain (talk: "Standard breach remedies, quality thresholds, and cooperative investments")	April 2
Alexander Stremitzer	Yale Law School (US)	March 9 - 14
Alexander Stremitzer	Copenhagen Business School, Denmark (talk: "Standard breach remedies, quality thresholds, and cooperative investments")	February 27

A7 (Wolfstetter)

Name	Topic	Dates
Elmar Wolfstetter	Norwegian School of Economics and Business Administration (NHHL), Norway (talk: "Prizes and lemons: on the procurement of Innovations under imperfect commitment")	February 26
Elmar Wolfstetter	Norwegian School of Economics and Business Administration (NHHL) (Norway),	February 25 - March 4

A8 (Heidhues / Rady)

Name	Topic	Dates
Nicolas Klein	Rivalry & Delegation in Strategic Bandit Problems, Southern Methodist University (Dallas, TX), USA	March 27
Sven Rady	Strategic Experimentation with Poisson Bandits (joint with Godfrey Keller), Microeconomics Seminar at ETH and University of Zurich, Switzerland	March 12
Nicolas Klein	Rivalry & Delegation in Strategic Bandit Problems, Penn State, USA	April 3
B4 (Kräkel)		
Name	Topic	Dates
Anja Schöttner	Kolloquium zur Personalökonomie, Vienna, Austria (talk: "Relative Performance Pay, Bonuses, and Job-Promotion Tournaments")	March 4 - 6
C5 (Kamecke / Röller)		
Name	Topic	Dates
Tomaso Duso	Norwegian Competition Authority, Bergen (talk: "Competition Policy and Productivity Growth: An Empirical Assesment"),	February 11
Tomaso Duso	Norwegian School of Economics, Bergen (invited seminar: "Do Research Joint Ventures Networks lead to Product Market Collusion?")	February 12
Tomaso Duso	University of Frankfurt, lecture series for PhD students, "Empirical Industrial Organization: Implications for Antitrust"	Jan 7 - 9 and Jan 14 - 16
C6 (Peitz / Stahl)		
Name	Topic	Dates
Martin Peitz	Selling Service Plans to Differentially Informed Customers, Information and Communication Technologies Institute, Lisbon, Portugal	April 7
Martin Peitz	Competing Media Platforms, CMT, Barcelona, Spain	March 17
Martin Peitz	Pricing and Information Disclosure in Markets with Loss-Averse Consumers, University Pompeu Fabra, Barcelona, Spain	March 16

New Discussion Papers

A4 (Rady/Schmidt)		
Name	Title	Number
Ernst Fehr (joined with Klaus Schmidt)	<p>On Inequity Aversion - A Reply to Binmore and Shaked</p> <p><i>Abstract:</i> In this paper we reply to Binmore and Shaked's criticism of the Fehr-Schmidt model of inequity aversion. We put the theory and their arguments into perspective and show that their criticism is not substantiated. Finally, we briefly comment on the main challenges for future research on social preferences.</p> <p>Keywords: Experiments, other-regarding preferences, inequity aversion,</p> <p>JEL Classification: B41, C90</p>	256
Stefan Hoderlin (joint with Joachim Winter)	<p>Structural Measurement Errors in Nonseparable Models, LMU Discussion Papers in Economics No. 2009-2.,</p> <p><i>Abstract:</i> This paper considers measurement error from a new perspective. In surveys, response errors are often caused by the fact that respondents recall past events and quantities imperfectly. We explore the consequences of recall errors for such key econometric issues as the identification of marginal effects or economic restrictions in structural models. Our identification approach is entirely nonparametric, using Matzkin-type nonseparable models that nest a large class of potential structural models. We establish that measurement errors due to poor recall are generally likely to exhibit nonstandard behavior, in particular be nonclassical and differential, and we provide means to deal with this situation. Moreover, our findings suggest that conventional wisdom about measurement errors may be misleading in many economic applications. For instance, under certain conditions left-hand side recall errors will be problematic even in the linear model, and quantiles will be less robust than means. Finally, we apply the main concepts put forward in this paper to real world data, and find evidence that underscores the importance of focusing on individual response behavior.</p>	

Martin Peitz (joint with Markus Reisinger (A4))	<p>Indirect Taxation in Vertical Oligopoly, <i>Abstract:</i> This paper analyzes the effects of specific and ad valorem taxation in an industry with downstream and upstream oligopoly. We find that in the short run, i.e. when the number of firms in both markets is exogenous, the results concerning tax incidence tend to be qualitatively similar to models where the upstream market is perfectly competitive. However, both over- and undershifting are more pronounced, potentially to a very large extent. Instead, in the long run under endogenous entry and exit overshifting of both taxes is more likely to occur and is more pronounced under upstream oligopoly. As a result of this, a tax increase is more likely to be welfare reducing. We also demonstrate that downstream and upstream taxation are equivalent in the short run while this is not true for the ad valorem tax in the long run. We show that it is normally more efficient to tax downstream. JEL classification: D43, H21, H22, L13</p>	255
Christina Strassmair	<p>Can intentions spoil the kindness of a gift? - An experimental study, 2009-4 <i>Abstract:</i> Consider a situation where person A undertakes a costly action that benefits person B. This behavior seems altruistic. However, if A expects a reward in return from B, then A's action may be motivated by the expected rewards rather than by pure altruism. The question we address in this experimental study is how B reacts to the intentions of A. We vary the probability, with which the second mover in a trust game can reciprocate, and analyze effects on second mover behavior. Our results suggest that the perceived kindness and its rewards are not spoiled by expected rewards. JEL classification: D02, C91, D64</p>	

Visitors

A5 (Schweizer / von Hagen)		
Name	Topic	Dates
Scott Hemphill	Columbia (US)	March 17
A7 (Wolfstetter)		
Name	Topic	Dates
Chang-Ho Yoon	Korea University (South Korea)	February 3 - 5
Byoung Heon Jun	Korea University (South Korea)	February 16 - 26
B3 (Hellwig)		
Name	Topic	Dates
Pierre Boyer	Toulouse School of Economics (France)	February 1 - May 31

B5 (Marin / Schnitzer)

Name	Topic	Dates
Alexander Tarasov	Penn State (US), Topic: "Trade"	March 16 - 17

C5 (Kamecke / Röller)

Name	Topic	Dates
Pierre Boyer	Toulouse School of Economics France	February 01 - May 31

C6 (Peitz / Stahl)

Name	Topic	Dates
Sanxi Lee	U. Toulouse (France)	February 23 - 27
Wioletta Dziuda	Northwestern U. (United States)	April 20 - 25

Publications**A4 (Rady / Schmidt)**

Name	Topic	Dates
F. Englmaier (joint with P. Guillen (NA), L. Llorente (NA), S. Onderstal (NA), R. Sausgruber (A1))	"The chopstick auction: A study of the exposure problem in multi-unit", International Journal of Industrial Organization, p.286-291	forthcoming
Florian Englmaier (joint with Markus Reisinger (NA))	"Information, Coordination, and the Industrialization of Countries ", CESifo Economic Studies, p. 534 - 550	forthcoming
Stefan Brandauer (joint with Florian Englmaier (NA))	"A model of strategic delegation in contests between groups", Review of Economic Design	forthcoming

B4 (Kräkel)

Oliver Gürtler (joint with Matthias Kräkel (B4))	"Double-Sided Moral Hazard, Efficiency Wages and Litigation", Journal of Law, Economics, and Organization, forthcoming, Peer-reviewed:yes, Scientific journals	forthcoming
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B6 (Maug)

Ernst Maug (joint with Ingolf Dittmann (NA), Christoph Schneider (B6))	"Bankers on Boards of German Firms: What they do, what they are worth, and why they are (still) there", Review of Finance	forthcoming
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New / Leaving Staff**B4 (Kräkel)**

Name	Topic	Dates
Petra Nieken	joined project B4, full time, (EA), petra.nieken@uni-bonn.de	March 1

Miscellaneous

A8 (Heidhues / Rady)		
Name	Topic	Dates
Sven Rady	Sven Rady will visit WZB Berlin (Project Areas A2 and C5)	April 6 - 17
C2 (Harhoff / Stahl)		
Name	Topic	Dates
	The members of C2 met on March 20 - 21, 2009 in Günzburg in order to co-ordinate current and future research. Presentations given: Silvia Appelt: Early Entries and Trademarks - An Empirical Examination of Barriers to Generic Entry Patrick Beschoner: Paragraph IV-Certification in the Hatch-Waxman Act Patrick Beschoner: US Patent Litigation Strategies Dietmar Harhoff and Konrad Stahl: Strategic Patenting Georg von Graevenitz: Are Advertising and R&D Complements? Johannes Koenen: Probabilistic Patents and Competing Channels of Knowledge Transfer Philipp Sandner - Trademark Filing Strategies and Value	March 20 - 21
A4 (Rady / Schmidt)		
Name	Topic	Dates
Sven Rady	Review of Economic Studies May Meetings - Munich	May 22 - 23
Florian Englmaier and Georg Gebhardt	Call for Papers Workshop Natural Experiments and Controlled Field Studies, Ammersee (please visit our webiste for more information!)	June 12 - 14
	SFBTR15 Video Podcasts The research podcast portal (www.uni-bonn.tv) of the University of Bonn shoot two Video Podcasts about the Governance and the Efficiency of Economic Systems 5th Christmas Meeting in Bonn of German Economists Abroad (2008) http://www.uni-bonn.tv/podcasts/SFB15.mp4/view http://www.uni-bonn.tv/podcasts/Weihnachtstreffen.mp4/view	
A4 (Schweizer / von Hagen)		
Alexander Stremitzer	Call for Papers Workshop Frontiers in the economic analysis of contract law, Bonn (please visit our webiste for more information!)	June 4 - 5
A7 (Wolfstetter)		
Thomas Giebe, Oliver Gürtler, Klaas Staal	5th SFB/TR 15 workshop for young researchers, Berlin (please visit our webiste for more information!)	May 15 - 16

SFB/TR 15 Newsletter speaker: Prof. Urs Schweizer. editorial: Corinna Lehmann, 53111 Bonn. URL: <http://www.sfbtr15.de>, phone 0228/73-7931, fax 0228/73-6884, e-mail: c.lehmann@uni-bonn.de, editorial deadline for SFB/TR 15 newsletter No. 5: Monday, April 27th, 2009