

**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. 10

## October 2010

### SFB/TR 15 Seminars

Mannheim		
Date	Speaker (Institution)	Title
September 14	Georg Kirchsteiger, Université Libre de Bruxelles	"How (not) to take a decision: Belief-dependent Preferences in Procedural Games"
September 21	Jose-Luis Moraga-Gonzales, University of Groningen and IESE	"Do firms sell forward for Strategic Reasons? An Application to the Wholesale Market for Natural Gas"
September 28	Ludwig Reißner, University of Munich	"Dynamic Duopoly with Inattentive Firms"
München		
Date	Speaker (Institution)	Title
October 19	Yona Rubinstein, London School of Economics	tba
October 26	Uri Gneezy, UCSan Diego, School of Management	tba
October 28	Stephen Jenkins, University of Essex	tba
January 1	Andrea Attar, Toulouse School of Economics	"Non-Exclusive Competition under Adverse Selection"

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

A1 (Bester/Strausz)		
Name	Topic	Dates
Helmut Bester	Asian Law and Economics Association Meeting , Beijing, China (talk: "Exit Options in Incomplete Contracts with Asymmetric Information")	August 23 - 24
Claudia Salim	EEA 2010, University of Glasgow, Great Britain (talk: "Platform Standards, Collusion and Quality Incentives")	August 23 - 26
Dirk Hofmann (with Erik Fasten)	EARIE 2010, Sabanci University, Turkey (talk: "Two-sided Certification: The Market for Rating Agencies")	September 2 - 4
Dirk Hofmann (with Salmai Qari)	Jahrestagung des Vereins fuer Socialpolitik 2010, Universität Kiel (talk: "Bilateral Search with Horizontal Heterogeneity")	September 4 - 7
Roland Strausz	Jahrestagung des Vereins fuer Socialpolitik 2010, Universität Kiel (talk: "The Political Economy of Regulatory Risk")	September 4 - 7

Name	Topic	Dates
Claudia Salim	Jahrestagung des Vereins fuer Socialpolitik 2010, Universität Kiel (talk: "Platform Standards, Collusion and Quality Incentives")	September 4 - 7
Roland Strausz	Carlos III, Madrid, Spain (talk: "Regulatory Risk under Optimal Incentive Regulation")	September 21
Dirk Hofmann (with Salmai Qari)	ICEM 2010, Humboldt University/Universidad de Habana, Cuba (talk: "Bilateral Search with Horizontal Heterogeneity")	September 24 - 25

#### A2 (Konrad)

Name	Topic	Dates
Florian Morath	SAET Conference, Singapore, "Social mobility and redistributive taxation"	August 13 - 15
Florian Morath	IIPF Conference, Uppsala, Sweden, "Volunteering and the value of ignorance"	August 23 - 26
Florian Morath	Verein für Socialpolitik Jahrestagung, Kiel, Germany, „Taxation and market power“	September 7 - 10

#### A4 (Rady/Schmidt)

Name	Topic	Dates
Florian Englmaier	LMU Munich, Germany, "Dynamic Merger Review"	June 23
Joachim Winter	Conference on "Household Heterogeneity and Household Finance" of the D Bundesbank and FED, Cleveland, USA, "Stock Market Expectations of Dutch Households"	September 10
Joachim Winter	Interdisciplinary Center for Economic Science (ICES), George Mason University, Arlington (USA)	September 13 - 29
Joachim Winter	George Mason University, Arlington, USA, "Fairness and Cheating"	September 24
Robert Ulbricht	Northwestern University, USA, "On the Emergence of Extreme Politics A Theory of Political Systems and Transitions"	September 29
Klaus Schmidt	Collegio Carlo Alberto, University of Turin, Italy, "Screening, Competition and Job Design"	September 29

#### A5 (Schweizer/von Hagen)

Name	Topic	Dates
Urs Schweizer	EBS in Wiesbaden, Germany (talk: "Breach remedies, performance excuses and investment incentives")	September 15
Urs Schweizer	HUB Berlin (talk: "Comment on Legal supervision of commercial opportunism")	September 30 - October 2

#### A7 (Wolfstetter)

Name	Topic	Dates
Elmar Wolfstetter	Shanghai University of Finance and Economics (China)	August 18 - September 13
Elmar Wolfstetter (presenter: Wei Ding)	Econometric Society World Congress, Shanghai, China (talk: "Signal-Jamming in a Sequential Auction")	August 19

Elmar Wolfstetter	Korea University, Seoul, Korea (talk: "Takeover Bidding for Horizontal Mergers")	September
Elmar Wolfstetter	Shanghai University of Finance and Economics, China (talk: "Share Auctions")	September
Elmar Wolfstetter	Korea University (Korea)	September 13 - October 13
Elmar Wolfstetter	Seoul National University, Korea (talk: "A Mechanism for Implementing Collectively Profitable Mergers")	October
Cédric Wasser	Jahrestagung des Vereins für Socialpolitik, Kiel (talk: "Rent-seeking Contests under Symmetric and Asymmetric Information")	September 7 - 9
Thomas Giebe	Jahrestagung des Vereins für Socialpolitik, Kiel (talk: "Knapsack Procurement")	September 7 - 9

#### B5 (Marin/Schnitzer)

Name	Topic	Dates
Dalia Marin	10th World Congress of the Econometric Society, Shanghai, "Do Multinationals Transplant their Business Model?"	August 17 - 21

#### B6 (Maug)

Name	Topic	Dates
Jörn van Halteren	German Finance Association Annual Meeting, Hamburg (talk: "Evaluating Methods to Estimate the Implied Cost of Equity Capital: A Simulation Study")	October 9
Christoph Schneider	German Finance Association Annual Meeting, Hamburg (talk: "Acquisitions as Lotteries")	October 9

#### C5 (Kamecke/Röller)

Name	Topic	Dates
Erik Fasten	Annual Congress of the European Economic Association, University of Glasgow (talk: "Sudden death or glorious convalescence? Risk transfers, cross-country spillovers and sovereign defaults ")	January 1
Volker Nocke	Econometric Society World Congress, Shanghai Jiao Tong University (talk: "Vertical Relations under Credit Constraints")	August 17 - 21
Erik Fasten	Econometric Society World Congress, Shanghai Jiao Tong University (talk: "Two-sided Certification: The Market for Rating Agencies")	August 17 - 21
Volker Nocke	Searle Center Research Symposium on Antitrust Economics and Competition Policy , Chicago, USA (talk: "Merger Policy with Merger Choice")	September 23 - 24

## New Discussion Papers

A1 (Bester/Strausz)		
Name	Title	Number
Dan Kovenock, Florian Morath, Johannes Münster	<p>Information sharing in contests</p> <p><i>Abstract:</i> We study the incentives to share private information ahead of contests, such as markets with promotional competition, procurement contests, or R&amp;D. We consider the cases where firms have (i) independent values and (ii) common values of winning the contest. In both cases, when decisions to share information are made independently, sharing information is strictly dominated. With independent values, an industry-wide agreement to share information can arise in equilibrium. Expected effort is lower with than without information sharing. With common values, an industry-wide agreement to share information never arises in equilibrium. Expected effort is higher with than without information sharing.</p> <p>Keywords: information sharing; contest; all-pay auction JEL-Codes: D82; D43; D44; L13; D74</p>	334
A4 (Rady/Schmidt)		
Name	Title	Number
Daniel Houser, Stefan Vetter, Joachim Winter	<p>Fairness and Cheating</p> <p><i>Abstract:</i> We present evidence from a laboratory experiment showing that individuals who believe they were treated unfairly in an interaction with another person are more likely to cheat in a subsequent unrelated game. Specifically, subjects first participated in a dictator game. They then flipped a coin in private and reported the outcome. Subjects could increase their total payoff by cheating, i.e., lying about the outcome of the coin toss. We found that subjects were more likely to cheat in reporting the outcome of the coin flip when: 1) they received either nothing or a very small transfer from the dictator; and 2) they claimed to have been treated unfairly. This is consistent with the view that experiencing a norm violation is sufficient to justify the violation of another norm at the expense of a third party. This result extends the growing literature on social norms.</p> <p>Keywords: cheating; social norms; experimental design JEL classification: C91; D03; D63</p>	335

## Dissertations and Habilitations

A1 (Bester/Strausz)		
Name	Topic	
Claudia Salim	“On Markets with Network Effects and Vertical Relations”	

## Publications

A1 (Bester/Strausz)		
Name	Topic	Dates
Roland Strausz (joint with Daniel Krämer (A5))	"Optimal Procurement Contracts with Pre—Project Planning", Review of Economic Studies, forthcoming, Peer-reviewed:yes, Kind of outlet:Scientific journals	
Johannes Münster (joint with Klaas Staal (A5))	"How organizational structure can reduce rent-seeking ", Public Choice, forthcoming, Peer-reviewed:yes, Kind of outlet:Scientific journals	
B4 (Kräkel)		
Name	Topic	Dates
Matthias Kräkel (joint with Anja Schöttner)	"Technology choice, relative performance pay, and worker heterogeneity", Journal of Economic Behavior and Organization, forthcoming	
C5 (Kamecke/Röller)		
Name	Topic	Dates
Volker Nocke (joint with Martin Peitz (NA), Frank Rosar (NA))	"Advance-Purchase Discounts as a Price Discrimination Device", Journal of Economic Theory, forthcoming	
Volker Nocke (joint with Peter Eso (NA), Lucy White (NA)) (2010)	"Competition for Scarce Resources", RAND Journal of Economics, September, 524-548	
Volker Nocke (joint with Lucy White (NA)) (2010)	"Vertical Merger, Collusion, and Disruptive Buyers", International Journal of Industrial Organization, April, 350-354	
C6 (Peitz/Stahl)		
Name	Topic	Dates
Jeanne Hagenbach	"Centralizing Information in Networks", Games and Economic Behavior, Peer-reviewed:yes, Kind of outlet:Scientific journals	

## New/Leaving Staff

A4 (Rady/Schmidt)		
Name	Topic	Dates
Georg Gebhardt	leaving project A4 as of August 1, 2010: Georg Gebhardt has been appointed as Professor at University of Ulm (W3), he thus leaves the University of Munich and Project A4	

**B6 (Maug)**

Name	Topic	
Stefan Oberberger	joins project B6	September 1
Kristine Quadflieg	leaves project B6	August 31

**Miscellaneous****A1 (Bester/Strausz)**

Name	
Johannes Münster	Johannes Münster takes up a position as "Juniorprofessor" for "Wirtschaftspolitik" at Free University Berlin

**A7 (Wolfstetter)**

Name	
Thomas Giebe	<p>Dear Colleagues and Friends,</p> <p>the sixth SFB/TR15 -Workshop for young researchers (PhD students, PostDocs, JProfs) will take place October 22nd - 23rd 2010 (after the internal SFB meeting) at Bonn University. Invited speakers are Michael Massmann (Free University Amsterdam) and Oliver Gürtler (University of Cologne). The idea of the workshop is to present and discuss work in progress or research ideas. Each participant will have up to 90 minutes for presenting his/her work. We will bring together groups of 5-6 people of similar methodological background, who are expected to contribute ideas, methods, applications, and solutions. Depending on the number of participants we will arrange for parallel or shorter sessions. You may submit your paper (together with some questions that you would like to discuss at the workshop) beforehand and we will distribute it to the participants. There will be no formal discussants or beamer presentations, but you are encouraged to prepare a handout for the other participants. Travel expenses will be covered by the local SFB projects and the final program will be sent to all participants after the registration deadline. Please register by email (see below). The registration deadline is October 10, 2010. If you have questions or additional ideas, do not hesitate to contact us. Very truly yours, Thomas Giebe (thomas.giebe@wiwi.hu-berlin.de) Klaas Staal (kstaal@uni-bonn.de)</p>

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URL: <http://www.sfbtr15.de>, phone 0228/73-7931, fax 0228/73-6884, e-mail: pmertens@uni-bonn.de, editorial deadline for SFB/TR 15 newsletter No. 11: Wednesday, October 27<sup>th</sup>, 2010