

**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. 3

**March 2010**

### SFB/TR 15 Seminars

<b>Berlin</b>		
Date	Speaker (Institution)	Title
February 8	Raffaele Fiocco, University Bocconi, Italy	"Deregulation of Interdependent Markets"
<b>Bonn</b>		
Date	Speaker (Institution)	Title
Giuseppe Dari Mattiachi	University of Amsterdam, Netherlands	"Luxury in Ancient Rome: Scope, Timing and Enforcement of Sumptuary Laws"
Antonio M. Osorio da Costa	University Carlos III., Madrid, Spain	"Repeated Interaction and the Revelation of Player's Type: A Principal-Monitor-Agent Problem"
Daniel Cerquera	ZEW, Germany	"Recommended Retail Prices and Collusion in Pharma Markets: The Case of ED Drugs"
Dennis Gärtner	Universität Zürich, Switzerland	"Making Sense of Non-Binding Retail-Price Recommendations"
<b>Munich</b>		
Date	Speaker (Institution)	Title
March 23	Charles Manski, Northwestern University, USA	"Identification of Treatment Response with Social Interactions"

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

<b>A2 (Konrad)</b>		
Name	Topic	Dates
Kai A. Konrad	"Taxation and Market Power" Uppsala University, Sweden	February 23
Kai A. Konrad	"The Lifeboat Problem" Stockholm University, Sweden	January 25 - February 25
Kai A. Konrad	"The last refuge of a scoundrel? Patriotism and tax compliance" GREMAQ - Toulouse School of Economics, France	March 2
<b>A4 (Rady/Schmidt)</b>		
Name	Topic	Dates
Joachim Winter	Interdisciplinary Center for Economic Science, George Mason University USA	March 24 - 31
Klaus Schmidt	UC Berkeley USA	February 28 - March 2

## Internal Research Visits of SFB/TR 15 Members

A1 (Bester/Srausz)		
Name		Dates
Florian Morath (A2)		February 9 - 12

## New Discussion Papers

A8 (Heidhues/Rady)		
Name	Title	Number
Paul Heidhues, Nicolas Melissas	<p>Technology Adoption, Social Learning, and Economic Policy</p> <p><i>Abstract.</i> We study a two-player dynamic investment model with information externalities and provide necessary and sufficient conditions for a unique switching equilibrium.</p> <p>When the public information is sufficiently high and a social planner therefore expects an investment boom, investments should be taxed. Conversely, any positive investment tax is suboptimally high if the public information is sufficiently unfavorable. We also show that an investment tax may increase overall investment activity.</p> <p>JEL classification: D62, D83</p>	306

A7 (Wolfstetter)		
Name	Title	Number
Thomas Giebe	<p>“Innovation Contests with Entry Auction”</p> <p><i>Abstract.</i> We consider procurement of an innovation from heterogeneous sellers. Innovations are random but depend on unobservable effort and private information. We compare two procurement mechanisms where potential sellers first bid in an auction for admission to an innovation contest. After the contest, an innovation is procured employing either a fixed prize or a first-price auction. We characterize Bayesian Nash equilibria such that both mechanisms are payoff-equivalent and induce the same efforts and innovations. In these equilibria, signaling in the entry auction does not occur since contestants play a simple strategy that does not depend on rivals' private information.</p> <p>JEL classification: D21, D44, D82, H57, O31, O32</p>	307

## Dissertations and Habilitations

A2 (Konrad)		
Name	Topic	
Cédric Wasser	Signaling, and Contests - Three Essays in Auction Theory	January 1
A7 (Wolfstetter)		
Name	Topic	
Florian Morath	On Knowledge and Ignorance. The strategic role of information in conflicts	January 29

## Publications

A4 (Rady/Schmidt)		
Name	Topic	Dates
Klaus Schmidt (joint with Ernst Fehr (NA))	"On Inequity Aversion: A Reply to Binmore and Shaked", Journal of Economic Behavior and Organization, Publisher: Elsevier	January 8

## New/Leaving Staff

A8 (Heidhues/Rady)		
Name	Topic	Dates
Benno Bühler	Dipl.-Ing.; Dipl.-Kfm., is joining project A1, EA part-time	January 1 - September 30
Nicolas Klein	is taking a leave of absence to visit the Economics Department at Yale University	January 1 - September 30

## Visitors

A5 (Schweizer/von Hagen)		
Name	Speaker (Institution)	Date
Giuseppe Dari Mattiachi	University of Amsterdam, Netherlands	February 3
Antonio M. Osorio da Costa	University Carlos III., Madrid, Spain	January 27
Daniel Cerquera	ZEW, Germany	January 19
C8 (Falk/Heidhues)		
Name	Speaker (Institution)	Date
Dennis Gärtner	Universität Zürich, Switzerland	January 12

**B4 (Kräkel)**

Name	Speaker (Institution)	Date
Söhnke Bartram	Lancaster University, UK	January 15

**C5 (Kamecke/Röller)**

Name	Speaker (Institution)	Date
Jo Seldeslachts	University of Amsterdam (Netherlands), Topic: "RJVs and collusion"	January 3 - 17

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