



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. 1

## January 2014

### SFB/TR 15 Seminars

Berlin		
Date	Speaker (Institution)	Title
December 9	Tymofiy Mylovanov (University of Pennsylvania)	A Model of Formation of Mass Opinion
December 16	Andriy Zapechelnyuk (University of Glasgow)	Optimality of non-competitive allocation rules
January 6	Christian Seel (Maastricht University)	The Value of Information in Asymmetric All-Pay Auctions
January 13	Rene Kirkegaard (University of Guelph)	Local Incentive Compatibility in Moral Hazard Problems: A Unifying Approach
January 20	Jean-Marc Tallon (Université Paris 1)	Ambiguity and the Historical Equity Premium
January 27	Konrad Stahl (Uni Mannheim)	Market Transparency, Adverse Selection, and Moral Hazard
Bonn		
Date	Speaker (Institution)	Title
December 4	Keith Chen (UCLA)	"Language Structure and Economic Behavior"
December 4	V. Bashkar (UCL)	"Learning and the ratchet effect: An impossibility result"
December 10	Rosa Ferrer (Univ. Pompeu Fabra)	"Gender gaps in performance: Evidence from young lawyers"
December 11	Joel Sobel (UC San Diego)	"Effective Communication in Cheap Talk Games"
Munich		
Date	Speaker (Institution)	Title
January 7	Steffen Huck (UCL)	"From Imitation to Collusion: Long-run Learning in a Low-Information Environment"
January 13	Christoph March (TUM)	"Do We Follow Private Information when We Should? Laboratory Evidence on Naive Herding"
January 14	Diego Puga (CEMFI)	"tba"
January 20	Carmit Segal (University of Zurich)	"tba"
January 23	Edward Lazear (Stanford)	"tba"
January 28	Dominic Rohner (UNIL)	"tba"

## Conferences Organized by SFB/TR15 Members

<b>A7 (Strausz/Wolfstetter)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Elmar Wolfstetter	Optimal Information Disclosure in License Auctions, CERGE, Prague	December 4
Roland Strausz	Ex post information rents and disclosure in sequential screening, Bocconi University (Milan)	December 10
<b>A9 (Corneo)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Giacomo Corneo	"Work norms, social insurance, and the allocation of talent", Centre for Studies in Social Sciences, Calcutta:	December 2-6
Giacomo Corneo	"Work norms, social insurance, and the allocation of talent", Indira Gandhi Institute of Development Research - Mumbai	December 9-11
<b>B5 (Schnitzer/Eckel)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Kesternich, Iris	Us and Them: Distributional Preferences in Small and Large Groups (joint with Michael Kosfeld, Heiner Schumacher, Joachim Winter), International Economic Policy Research Seminar, Goethe-Universität Frankfurt	November 06
Kesternich, Iris	Individual Behavior as Pathway between Early-Life Shocks and Adult Health: Evidence from Hunger Episodes in Post-War Germany (joint with Bettina Siflinger, James Smith, Joachim Winter), Augsburg Workshop on the Economics of Health Behaviors and Prevention, Universität Augsburg	November 29
Kesternich, Iris	Us and Them: Distributional Preferences in Small and Large Groups (joint with Michael Kosfeld, Heiner Schumacher, Joachim Winter), ECONOMICS SEMINAR SERIES, Aarhus University	December 10
Schnitzer, Monika	Measuring Spillovers of Venture Capital, (joint with Martin Watzinger), NBER, Boston, USA	October 28
Schnitzer, Monika	Experimente in der Wirtschaftspolitik, Bayerische Akademie der Wissenschaften, München	December 14
Schnitzer, Monika	Measuring Spillovers of Venture Capital, TU Dresden	December 3
<b>C5 (Nocke)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Nicolas Schutz	Seminar at CORE (Louvain-la-Neuve, Belgium), "Cross-Border Price Effects of Mergers and Acquisitions: A Quantitative Framework for Competition Policy" (joint with Holger Breinlich and Volker Nocke)	December 12
Nicolas Schutz	Seminar at University of Essex, "Anticompetitive Vertical Merger Waves" (joint with Johan Hombert and Jerome Pouyet)	December 10

Nicolas Schutz	discussed a paper by ("Price and Quality Dispersion in a Offshoring Market: Evidence from the Semi-Conductor Production Services", by David Byrne, Brian Kovak and Ryan Michaels) at the Essex Trade Workshop.	December 12
<b>C8 (Falk)</b>		
Name	Topic	Dates
Hannah Schildberg-Hörisch	Which factors determine the shape of economic preferences of children?, Universität Trier, Forschungskolloquium	November 26
Hannah Schildberg-Hörisch	How does parental socioeconomic status shape a child's personality?, Workshop on self-control, self-regulation and education, Aarhus University	December 2-4

## New Discussion Papers

<b>B4 (Kräkel)</b>		
Name	Title	Number
Ola Kvaløy Petra Nieken Anja Schöttner	<p><b>Hidden Benefits of Reward: A Field Experiment on Motivation and Monetary Incentives</b></p> <p><b>Abstract:</b> We conducted a field experiment in a controlled work environment to investigate the effect of motivational talk and its interaction with monetary incentives. We find that motivational talk significantly improves performance only when accompanied by performance pay. Moreover, performance pay slightly reduces performance unless it is accompanied by motivational talk. These effects also carry over to the quality of work. Performance pay alone leads to more mistakes. Adding motivational talk makes the difference. In treatments with performance pay, motivational talk increases output by about 20 percent and reduces the ratio of mistakes by more than 40 percent.</p> <p><i>JEL Classification:</i> C93, M52, J33 <i>Keywords:</i> Verbal Motivation, Performance Pay, Field Experiment</p>	451

**A4 (Schmidt)**

Name	Title	Number
Fabian Herweg Daniel Müller	<p><b>Overconfidence in the Markets for Lemons</b></p> <p><b>Abstract:</b> We extend Akerlof (1970)'s "Market for Lemons" by assuming that some buyers are overconfident. Buyers in our model receive a noisy signal about the quality of the good that is on display for sale. Overconfident buyers do not update according to Bayes' rule but take the noisy signal at face value. We show that the presence of overconfident buyers can stabilize the market outcome by preventing total adverse selection. This stabilization, however, comes at a cost: rational buyers are crowded out of the market.</p> <p>JEL classification: D82; L15 Keywords: Adverse Selection; Market for Lemons; Overconfidence</p>	452

**Publications****B4 (Kräkel)**

Name	Topic	Dates
M. Kräkel (joint with L. Imhof)	"Bonus Pools and the Informativeness Principle", European Economic Review	forthcoming
M. Kräkel (joint with L. Imhof)	"Tournaments with Gaps", Economics Letters	forthcoming
P. Nieken (joint with Dirk Sliwka)	"Management Changes, Reputation, and "Big Bath"-Earnings Management", Journal of Economics & Management Strategy	forthcoming

**Visitors****B5 (Schnitzer/Eckel)**

Name	Speaker (Institution)	Date
Manova, Kalina	Stanford University, California, USA	December 8 – 18
Garetto, Stefania	Boston University, USA	December 15 – 17
Niepmann, Friederike	Federal Reserve Bank of New York, USA	December 16

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