

**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 2014

SFB/TR 15 Seminars

Berlin		
Date	Speaker (Institution)	Title
April 14	Fabio Michelucci (CERGE, Prague)	Do Not Panic: How to Avoid Inefficient Rushes Using Multi-Stage Auctions
April 28	Mehmet Baç (Sabanci University)	Opinion Expressions under Social Sanctions
Munich		
Date	Speaker (Institution)	Title
April 7	Marina Halac (Columbia Business School)	Tba
April 8	Antonio Cabrales (UCL)	Tba
April 29	Adam Szeidl (CEU)	Tba
Mannheim		
Date	Speaker (Institution)	Title
March 11	Berthold Herrendorf (Arizona State University)	Wages, Human Capital, and the Allocation of Labor across Sectors
March 11	Allan Collard-Wexler (NYU)	Reallocation and Technology: Evidence from the U.S. Steel Industry
March 18	Robin S. Lee (NYU Stern School of Business)	Insurer Competition and Negotiated Hospital Prices
March 25	Sinem Hidir (Toulouse School of Economics)	Strategic Inaccuracy in Bargaining
April 1	Maarten Janssen (University of Vienna)	Non-reservation Price Equilibria and Consumer Search
April 8	Li Hao (University of British Columbia)	Discriminatory Information Disclosure

Conferences Organized by SFB/TR15 Members

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad	XI. Tax Day, Max Planck Institute for Tax Law and Public Finance	March 18-19
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Roland Strausz	coorganizes 2nd Berlin IO Day	March 13

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

A4 (Schmidt)		
Name	Topic	Dates
Joachim Winter	"Plan switching and inertia in Medicare Part D: Evidence from administrative data"; University of Southern California	February 7
Joachim Winter	"Us and them: Distributional preferences in small and large groups"; University of Stirling	February 25
Joachim Winter	"Individual behavior as a pathway between early-life shocks and adult health: Evidence from hunger episodes in post-war Germany"; University of Essex	March 3
Joachim Winter	Schaeffer Center for Health Policy and Economics, University of Southern California	March 13-21
Florian Englmaier	Annual Meeting of the Committee for Industrial Economics of the Verein für Socialpolitik (Hamburg) Papier "Price Discontinuities in an online used Car Market"	February 27
Florian Englmaier	ETH Zürich Papier "Electoral Cycles in Savings Bank Lending"	March 12
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Elmar Wolfstetter	Research Stay at Korea University, Seoul	February 14 - March 10
Elmar Wolfstetter	Optimal Bid Disclosure in License Auctions with Downstream Interaction, seminar presentation, Dept. of Economics, Korea University, Seoul	February 20
B8 (Adam)		
Name	Topic	Dates
Prof. Tim Adam	Forschungsaufenthalt Universität Berkeley, Kalifornien, USA	February 24, 2014 – March, 17, 2014
C5 (Nocke)		
Name	Topic	Dates
Nicolas Schutz	"Information and Price Dispersion: Evidence from Retail Gasoline" (joint with Dieter Pennerstorfer, Philipp Schmidt-Dengler, Christoph Weiss and Biliana Yontcheva) at the MaCCI Annual Meeting	March 15
Nicolas Schutz	Discussion of "Price Disclosure Rules and Consumer Price Comparison" by Torben Stuehmeier at the MaCCI Annual Meeting	March 15
Andras Niedermayer	Discussion of "Entry by takeovers", joint with Antonio Rosato	March 15
C6 (Peitz/Stahl)		
Name	Topic	Dates
Malin Arve	Long-Term Procurement under Uncertainty: Optimal Design and implications for Renegotiation and Tender Procedures (SFB TR 15 Seminar, Berlin)	February 10
Malin Arve	Workshop on Public procurement and Concession Design: Theory and Applications , Sao Paulo, Brazil (discussant)	March 21-22

Malin Arve	"Long-Term Procurement under Uncertainty: Optimal Design and implications for Renegotiation and Tender Procedures" at Workshop on Regulatory Environment and Institutions in Public Procurement, Rio de Janeiro, Brazil	March 24-25
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Internal Research Visits of SFB/TR 15 Members

A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Matthias Lang (A7)	visits project B3 and A10	March 14-17

New Discussion Papers

C6 (Peitz/Stahl)		
Name	Title	Number
Raffaele Fiocco	<p>The strategic value of partial vertical integration</p> <p>Abstract: We investigate the incentive for partial vertical integration, namely, partial ownership agreements between manufacturers and retailers, when the retailers are privately informed about their production costs and engage in differentiated good price competition. Partial vertical integration entails an "information vertical effect": the partial misalignment of profit objectives within a partially integrated manufacturer-retailer hierarchy involves costs from asymmetric information that reduce the hierarchy's profitability. This translates into an opposite "competition horizontal effect": the partially integrated hierarchy commits to a higher retail price than under full integration, which strategically relaxes competition. The equilibrium degree of vertical integration trades off the benefits of softer competition against the informational costs.</p> <p>Keywords: asymmetric information, partial vertical integration, product differentiation, vertical mergers, vertical restraints. JEL Classification: D82, L13, L42</p>	455

B5 (Eckel/Schnitzer) / A4 (Schmidt)		
Name	Title	Number
Iris Kesternich, Heiner Schumacher, Joachim Winter	<p>Professional norms and physician behavior: homo oeconomicus or homo hippocraticus?</p> <p>Abstract: Physicians' treatment decisions determine the level of health care spending to a large extent. The analysis of physician agency describes how doctors trade off their own and their patients' benefits, with a third party (such as the collective of insured individuals or the taxpayers) bearing the costs. Professional norms are viewed as restraining physicians' self-interest and as introducing altruism towards the patient. We present a controlled experiment that analyzes the impact of professional norms on prospective physicians' trade-offs between her own profits, the patients' benefits, and the payers' expenses for medical care. We find that professional norms derived from the Hippocratic tradition shift weight to the patient in the physician's decisions while decreasing his self-interest and efficiency concerns.</p> <p>Keywords: social preferences, allocation of medical resources, professional norms JEL classification: A13, I19, C72, C91</p>	456

Publications

A4 (Schmidt)		
Name	Topic	Dates
Kesternich, I., Siflinger, B., Smith, J. P., Winter, J.	"The effects of World War II on economic and health outcomes across Europe." Review of Economics and Statistics, 96(1), 103-118 (2014)	
Schmidt, Klaus M., Spann, Martin and Robert Zeithammer	Pay What You Want as a Marketing Strategy in Monopolistic and Competitive Markets", (2014) Management Science, forthcoming.	
A8 (Rady)		
Name	Topic	Dates
Sven Rady (joint with Godfrey Keller)	"Breakdowns", Theoretical Economics	forthcoming
B7 (Marin)		
Name	Topic	Dates
Alexander Tarasov	"Preferences and Income Effects in Monopolistic Competition Models", Social Choice and Welfare: Volume 42, Issue 3 (2014), p. 647-669	March 2014
C6 (Peitz/Stahl)		
Name	Topic	Dates
Jeanne Hagenbach	"Certifiable Pre-Play Communication: Full Disclosure" with F. Koessler and E.Perez-Richet, in Econometrica	forthcoming