

**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. 6

**June 2015**

### SFB/TR 15 Seminars

<b>Munich</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
June 1	Luigi Pascali (Warwick)	"The Wind of Change: Maritime Technology, Trade and Economic Development"
June 1	Ludwig Straub (MIT)	"Positive Long Run Capital Taxation: Chamley-Judd Revisited". (Micro Workshop)
June 2	Michèle Tertilt (University of Mannheim)	"Does Female Empowerment Promote Economic Development?" (Hans-Möller-Seminar)
June 8	Devesh Rustagi (Goethe University Frankfurt)	tba (Micro Workshop)
June 15	Ricard Gil (Johns Hopkins University)	tba (Micro Workshop)
June 16	James Malcomson (Oxford)	"Relational Incentive Contracts with Persistent Private Information" (Hans-Möller-Seminar)
June 17	Davide Del Prete (Sapienza Rome)	tba
June 22	Aniko Öry (Yale University)	tba (Micro Workshop)
June 23	Esteban Rossi-Hansberg (Princeton)	tba, (Hans-Möller-Seminar)
June 29	Dan Kovenock (Chapman University)	tba (Micro Workshop)
June 30	Roman Sheremeta (Case Western)	"Why are people so competitive? Explaining overbidding phenomenon in contests", (Hans-Möller-Seminar)
<b>Berlin</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
June 1	Toomas Hinnosaar (Collegio Carlo Alberto)	On the impossibility of protecting risk-takers
June 8	William Fuchs (Haas UC Berkeley)	Transparency and Distressed Sales under Asymmetric Information and Information Spillovers in Asset Markets with Correlated Values
June 15	Hans Theo Normann (Uni Düsseldorf)	Continuous Conflicts in Coupled Populations
June 22	Levent Celik (National Research University Higher School of Economics, Moscow)	Optimal product design
June 29	Volker Nocke (Uni Mannheim)	tba

<b>Bonn</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
June 2	Gillian Hadfield (University of Southern California)	Building Legal Order in Ancient Athens
June 10	Dan Barron	Policies in Relational Contracts
June 10	Hamid Sabourian (Cambridge University)	tba
June 12	Pedro Bordalo (Royal Holloway University of London)	tba
June 17	Fuhito Kojima (Stanford University)	tba
June 23	Carsten Gerner-Neuerle (LSE)	tba
June 24	Alex Wolitzky (MIT)	tba
June 26	Drew Fudenberg (Harvard University)	tba
<b>Mannheim</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
May 12	Matthew Backus (Cornell University)	Cheap Talk, Round Numbers, and the Economics of Negotiation
May 26	Takeshi Murooka (University of Munich)	The Timing of Active-Choice Policy

### Conferences Organized by SFB/TR15 Members

<b>A2 (Konrad)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Kai Konrad	XV. Tax Day, Max Planck Institute for Tax Law and Public Finance	May 12-13

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

<b>A2 (Konrad)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Nadja Dwenger	Research Stay at Harvard University	Jan – May 2015
Kai Konrad	Endogenous Group Formation in Experimental Contests, 58. Tagung des Finanzwissenschaftlichen Ausschusses, Zurich	May 27
<b>A4 (Schmidt)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Joachim Winter	"Three Measures of Disease Prevalence", NBER Conference on the Economics of Aging, Carefree, Arizona	May 1
<b>A5 (Krähmer/Schweizer)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Urs Schweizer	Keynote lecture: "Efficient Incentives from Obligation Law and the Compensation Principle" NWDTC Economics Conference 2015, University of Liverpool	May 14/15
<b>A7 (Strausz/Wolfstetter)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Roland Strausz	Optimal Sales Contracts with Withdrawal Rights, Tilburg University	April 8
Roland Strausz	Sequential versus static screening: an equivalence result, Tagung des Theoretischen Ausschusses	May 28-30
Andreas Asseyer	Research Visit, Toulouse School of Economics	October 13, 2014 – April 12, 2015
<b>A9 (Corneo)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Guido Neidhöfer	Intergenerational Mobility and the rise and fall of Inequality, Research Seminar, Vienna University of Economics and Business (WU Wien)	June 10
<b>B5 (Eckel/Schnitzer)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Anna Gumpert	„The organization of knowledge in multinational firms“ at the RWTH Aachen	April 28

<b>B7 (Marin)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Dalia Marin	"Trade in Tasks and the Organization of Firms" (joint with Jan Schymik and Alexander Tarasov) at the Workshop on "Trade and Institutions" at the University of Ferrara	May 21
Dalia Marin	"Europe's Export Superstars - it's the Organization!" (joint with Jan Schymik and Jan Tschke) at the Vienna Institute for International Economic Studies	May 13
<b>C8 (Falk)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Armin Falk	Patience and the Wealth of Nations, CEU Budapest	April 28, 2015
Hannah Schildberg-Hörisch	Formation of human prosociality – causal evidence on the role of social environment, 8 <sup>th</sup> Maastricht Behavioral and Experimental and Economics Symposium	June 8, 2015
Hannah Schildberg-Hörisch	Reducing overconfidence, University of Bochum	June 3, 2015
Matthias Wibrál	Research visit at Maastricht University	April 28 – May 12, 2015
Matthias Wibrál	fMRI experiments of framing effects, Maastricht University	May 11, 2015

## New Discussion Papers

A8 (Rady)		
Name	Title	Number
Peter Wagner	<p><b>Who goes first? Strategic Delay and Learning by Waiting</b></p> <p><b>Abstract:</b> This paper considers a "war of attrition" game in which agents learn about an uncertain state of the world through private signals and from their peers. I provide existence and uniqueness results for a class of equilibria that satisfy a "full-participation" condition, and show that asymmetries in the distribution of information can lead to excessive stopping and an oversupply of information relative to the social optimum.</p>	500
A4 (Schmidt)		
Name	Title	Number
Florentin Krämer, Klaus Schmidt, Martin Spann, Lucas Stich	<p><b>Delegating Pricing Power to Customers: Pay What You Want or Name Your Own Price?</b></p> <p><b>Abstract:</b> Pay What You Want (PWYW) and Name Your Own Price (NYOP) are customer-driven pricing mechanisms that give customers (some) pricing power. Both have been used in service industries with high fixed capacity costs in order to appeal to additional customers by reducing prices without setting a reference price. In this experimental study we compare the functioning and the performance of these two pricing mechanisms. We show that both mechanisms can be successfully used to endogenously price discriminate. PWYW can be very successful if there is an additional promotional benefit to using PWYW and if marginal costs are not too high. PWYW is a very aggressive competitive strategy that achieves almost full market penetration. NYOP is a less aggressive strategy that can also be used if marginal costs are high. It reduces price competition and segments the market. Low valuation customers are more likely to use NYOP while high valuation customers prefer a posted price seller.</p> <p><i>JEL Classification Numbers:</i> D03, D21, D22, D40, L11, M31 <i>Keywords:</i> Customer-driven pricing mechanisms; Pay What You Want; Name Your Own Price; Competitive Strategies; Marketing; Laboratory Experiment.</p>	501

A9 (Corneo)		
Name	Title	Number
Timm Bönke, Guido Neidhöfer	<p><b>Parental background matters: Intergenerational mobility and assimilation of Italian immigrants in Germany</b></p> <p><b>Abstract:</b> We investigate the hypothesis of failed integration and low social mobility of immigrants. An intergenerational assimilation model is tested empirically on household survey data and validated against administrative data provided us by the Italian Embassy in Germany. Although we confirm substantial inequality of educational achievements between immigrants and natives, we find that the children of Italian immigrants exhibit high intergenerational mobility and no less opportunities than natives to achieve high schooling degrees. These findings suggest a rejection of the failed assimilation hypothesis. Additionally, we evaluate different patterns by time of arrival, Italian region of origin and language spoken at home.</p> <p><i>Keywords:</i> Intergenerational Mobility; Education; Integration and Assimilation of Immigrants. <i>JEL Classification:</i> I24, J15, J62.</p>	502

## Publications

B4 (Kräkel)		
Name	Topic	Dates
Lorens Imhof, Matthias Kräkel	"Ex-Post Unbalanced Tournaments", <i>RAND Journal of Economics</i>	Forthcoming
Matthias Kräkel, Daniel Müller	"Merger Efficiency and Managerial Incentives", <i>International Journal of Industrial Organization</i>	Forthcoming
B7 (Marin)		
Name	Topic	Dates
Alexander Tarasov	"Trade Openness and Cross-country Income Differences" (with Christian Hepenstrick), 2015, <i>Review of International Economics</i> 23(2), 271-302.	

## Miscellaneous

C8 (Falk)		
Name	Topic	Dates
Armin Falk	Wirtschaft für Morgen, Sigmar Gabriel im Gespräch mit Armin Falk, BMWi Berlin	April 7, 2015

## New/Leaving Staff

<b>A1 (Bester/Träger)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Prof. Dr. Matthias Lang	Changed from A7 to A1	Mai 2015
<b>A4 (Schmidt)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Lisa Fey	Left SFB	Mai 15

## Visitors

<b>A4 (Schmidt)</b>		
<b>Name</b>	<b>Speaker (Institution)</b>	<b>Date</b>
Anja Sautmann	Brown	June 14-28
Ludwig Straub	MIT	May 27 – July 22
Ricard Gil	Johns Hopkins University	June 10-15
<b>B5 (Eckel/Schnitzer)</b>		
<b>Name</b>	<b>Speaker (Institution)</b>	<b>Date</b>
Eduardo Morales	Princeton University	June 8
Natalia Ramondo	University of California at San Diego	June 29
<b>B7 (Marin)</b>		
<b>Name</b>	<b>Speaker (Institution)</b>	<b>Date</b>
Luigi Pascali	University of Warwick	June 1
Davide Del Prete	Sapienza Rome	June 17

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