



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. 12

December 2014

SFB/TR 15 Seminars

Bonn		
Date	Speaker (Institution)	Title
November 5	Michael Mandler (University of London)	Coarse, Efficient Decision Making
November 7	Petr Saveljev (Vanderbilt University)	Understanding the Mechanisms Linking Personality and Education with Longevity
November 7	Daniel Markovits (Yale Law School)	The Distributional Preferences of an Elite
November 12	Emre Ozdenoren (London Business School)	Rank Dependent Contracts
November 14	David Huffman (Swarthmore College)	The Complementarity of Trust and Institutions for Economic Outcomes
November 19	Christoph Kuzmics (Bielefeld University)	Communication before Coordination with Independent Private Values: Why Pedestrians sometimes Bump into Each Other
November 21	Jörg Gross (Maastricht University)	Building the Leviathan - Voluntary Centralization of Power Sustains Cooperation
November 28	Simone Quercia (University of Bonn)	The Behavioral Anatomy of the Tragedy of the Commons and the Voluntary Provision of Public Goods
Berlin		
Date	Speaker (Institution)	Title
November 3	Paolo Bartoletti (University of Pavia)	A General Theory of Endogenous Market Structures
December 1	Juuso Välimäki (Aalto University)	Large Common Value Auctions with Risk-Averse Bidders
December 8	Vitor Farinha Luz (EUI)	Characterization and Uniqueness of Equilibrium in Competitive Insurance
December 10	Martin Peitz (Uni Mannheim)	Tba
Munich		
Date	Speaker (Institution)	Title
December 2	Michael Weber (University of Chicago)	"Are Sticky Prices Costly? Evidence From The Stock Market"
December 8	Matthias Kräkel (University of Bonn)	Tba
December 9	Volker Nocke (Universität Mannheim)	"Exclusive Dealing and Vertical Integration in Multilateral Relationships"
December 15	Bernd Irlenbusch (University of Cologne)	Tba
December 16	Tarek Hassan (Chicago Booth)	Tba
December 22	Alexander Teytelboym (University of Oxford)	Tba

Mannheim		
Date	Speaker (Institution)	Title
October 14	Dino Gerardi Collegio Carlo Alberto	The Ratchet Effect Implies no Learning: Dynamic Contracting without Commitment
October 21	Matthias Lang Humboldt Universität zu Berlin	Communicating Subjective Evaluations
October 28	Oren Sussman Saïd Business School and University of Oxford	The resolution of ex-territorial financial distress: a study of the shipping industry
November 4	Pasquale Schiraldi London School of Economics	Simultaneous First-Price Auctions with Preferences over Combinations: Identification and Application
November 11	Roland Strausz Humboldt-Universität Berlin	Ex post information rents in sequential screening
November 18	Marit Hinnosaar Collegio Carlo Alberto	Sales and nonlinear prices when consumers have time inconsistent preferences
November 25	Larbi Alaoui Universität Pompeu Fabra	Endogenous Depth of Reasoning
December 2	Rosario Crino CEMFI	Financial Frictions, Product Quality, and International Trade

Conferences Organized by SFB/TR15 Members

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad	XIII Tax Day, Max Planck Institute for Tax Law and Public Finance	November 11-12
Name	Topic	Dates
Martin Peitz, Chengsi Wang, Andras Niedermayer	Workshop on Consumer Search	November 6-8

Internal Research Visits of SFB/TR 15 Members

Name	Topic	Dates
Matthias Fahn	University of Bonn	January/February 2015

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

A2 (Konrad)		
Name	Topic	Dates
Kai Konrad	Targeted campaign competition, loyal voters and supermajorities, NUI Maynooth, Ireland	November 14

A4 (Schmidt)		
Name	Topic	Dates
Klaus Schmidt	"New Payment Models for the Media" at the Conference on "TV, Economics, and Society" at the WZB Berlin	November 20
Florian Englmaier	"Morale, Relationships, and Wages: An Experimental Study" (joint with Carmit Segal), University of Innsbruck	November 6
Florian Englmaier	"Electoral Cycles in Savings Banks Lending" (with T Stowasser), University of Tübingen (Tübingen/D, P)	December 10
Florian Englmaier	"Electoral Cycles in Savings Banks Lending" (with T Stowasser), University of St. Gallen (St. Gallen/CH, P);	December 11
Joachim Winter	"Plan switching and inertia in Medicare Part D: Evidence from administrative data", CESifo Conference on Behavioral Economics, Munich	October 26
Joachim Winter	"Plan switching and inertia in Medicare Part D: Evidence from administrative data", University of Regensburg	November 24
Joachim Winter	"Plan switching and inertia in Medicare Part D: Evidence from administrative data", KU Leuven	November 29
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Roland Strausz	Ex post information rents in sequential screening, LACEA-LAMES 2014 Meeting in Sao Paulo, Brazil	November 20-22
Roland Strausz	Ex post information rents in sequential screening, Universität Mannheim	November 11
Roland Strausz	Optimal Sales Contracts with Withdrawal Rights	November 24
Dongyu Guo	Asymmetric price adjustments: A supply side approach, ASSET in Aix-en-Provence, France	November 6-8
A8 (Rady)		
Name	Topic	Dates
Peter Wagner	"Incentives for Multilateral Experimentation", Conference on Learning in Strategic Settings, Université de Montréal	November 21-22
C5 (Nocke)		
Name	Topic	Dates
Nicolas Schutz	Presentation of "Information and Price Dispersion: Theory and Evidence" (joint with Dieter Pennerstorfer, Philipp Schmidt-Dengler, Christoph Weiss and Biliana Yontcheva) at the MaCCI Consumer Search Workshop	November 8
Andras Niedermayer	Presentation of "Predatory Fee Setting" (joint with Simon Loertscher) at the MaCCI Consumer Search Workshop	November 7
Andras Niedermayer	Presentation "Optimal Percentage Fees" (joint with Simon Loertscher) at seminar at UC Louvain	October 27
Andras Niedermayer	Presentation of "Crises and Rating Agencies" (joint with Petra Loerke) at the CIREQ-Concordia Seminar at Concordia University	November 28
Andras Niedermayer	Research visit at Concordia University, cooperation with Artyom Shneyerov on "Foreclosure Auctions"	November 17- November 28

C8 (Falk)		
Name	Topic	Dates
Hannah Schildberg-Hörisch	Reducing overconfidence, University of Paderborn	December 8
Armin Falk	Fundamental Human Preferences: A Global Perspective, University of Konstanz	December 16
Armin Falk	Measurements and Determinants of Preferences, Symposium: "Do I like what I prefer?" University Konstanz	December 17
Matthias Wibral	How Malleable Are Choice Brackets? The Case of Myopic Loss Aversion, University of Kiel	November 27

New Discussion Papers

A1 (Bester/Tröger)		
Name	Title	Number
Helmut Bester, Matthias Dahm	<p>Credence Goods, Costly Diagnosis, and Subjective Evaluation</p> <p>Abstract: We study contracting between a consumer and an expert. The expert can invest in diagnosis to obtain a noisy signal about whether a low-cost service is sufficient or whether a high-cost treatment is required to solve the consumer's problem. This involves moral hazard because diagnosis effort and signals are not observable. Treatments are contractible, but success or failure of the low-cost treatment is observed only by the consumer. Payments can therefore not depend on the objective outcome but only the consumer's report, or subjective evaluation. A failure of the low-cost treatment delays the solution of the consumer's problem by the high-cost treatment to a second period. We show that the first-best solution can always be implemented if the parties' discount rate is zero; an increase in the discount rate reduces the range of parameter combinations for which the first-best can be obtained. In an extension we show that the first-best is also always implementable if diagnosis and treatment can be separated by contracting with two different agents.</p> <p><i>Keywords:</i> credence goods, information acquisition, moral hazard, subjective evaluation <i>JEL Classification No.:</i> D82, D83, D86, I11</p>	483

A4 (Schmidt)		
Name	Title	Number
Fabian Herweg, Klaus M. Schmidt	<p>Auctions vs. Negotiations: The Effects of Inefficient Renegotiation</p> <p>Abstract: For the procurement of complex goods the early exchange of information is important to avoid costly renegotiation ex post. We show that this is achieved by bilateral negotiations but not by auctions. Negotiations strictly outperforms auctions if sellers are likely to have superior information about possible design improvements, if renegotiation is costly, and if the buyer's bargaining position is sufficiently strong. Moreover, we show that negotiations provide stronger incentives for sellers to investigate possible design improvements than auctions. This provides an explanation for the widespread use of negotiations as a procurement mechanism in private industry.</p> <p>JEL classification numbers: D03; D82; D83; H57. Keywords: Auctions; Negotiations; Procurement; Renegotiation; Adaptation Costs; Loss Aversion; Behavioral Contract Theory.</p>	484

Publications

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad and Florian Morath	"Evolutionary determinants of war", Defence and Peace Economics	forthcoming
A4 (Schmidt)		
Name	Topic	Dates
Melanie Lührmann, Marta Serra-Garcia, Joachim Winter	"Teaching teenagers in finance: does it work?", Journal of Banking and Finance, forthcoming	
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Daniel Krähmer and Roland Strausz	"Optimal Sales Contracts with Withdrawal Rights", Review of Economic Studies	forthcoming
C6 (Peitz/Stahl)		
Name	Topic	Dates
Malin Arve	Procurement and Predation: Dynamic Sourcing from Financially Constrained Suppliers (Journal of Public Economics)	September 2014
Andras Niedermayer (C5)	For-Profit Search Platforms (joint with Artyom Shneyerov, International Economic Review)	August 2014

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