

**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. 9

September 2012

SFB/TR 15 Seminars

Mannheim

Date	Speaker (Institution)	Title
September 11	Stefano Dellavigna (University of California, Berkeley)	Page Limits at the AER: Revealed Preferences at Submission
September 18	Andrea Pozzi (Einaudi Institute for Economics and Finance)	Demand or Productivity: What Determines Firm Growth?
September 25	Frank Riedel (Bielefeld University)	Strategic Ambiguity in Games

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

A2 (Konrad)

Name	Topic	Dates
Kai A. Konrad	Evolutionarily stable in-group favoritism and out-group spite in intergroup conflict, 68th Annual Congress of the International Institute of Public Finance, Dresden	August 16
Florian Morath	Brothers in arms - an experiment on the alliance puzzle, 68th Annual Congress of the International Institute of Public Finance, Dresden	August 16

A7 (Strausz/Wolfstetter)

Name	Topic	Dates
Martin Pollrich	"Informational opacity and honest certification", EEA-ESEM 2012, Malaga	August 27 - 31
Cédric Wasser	"The k+1-price auction with asymmetric shares", EEA-ESEM 2012, Malaga	August 27 - 31

B7 (Marin)

Name	Topic	Dates
Dalia Marin	Presented her paper "The Theory of the Firm Goes Global: Implications for Developing Countries" at the Invited Session "Firms and Entrepreneurship in Developing Countries" at the European Association Congress 2012, Malaga	August
Alexander Tarasov	Presented his paper (joint with Dalia Marin) "Firm Organization and Trade in Tasks" at the European Trade Study Group, Leuven	September

New Discussion Papers

A4 (Schmidt)		
Name	Title	Number
Björn Bartling Klaus M. Schmidt	<p>Reference Points in Renegotiations: The Role of Contracts and Competition</p> <p>Abstract: Several recent papers argue that contracts provide reference points that affect ex post behavior. We test this hypothesis in a canonical buyer-seller relationship with renegotiation. Our paper provides causal experimental evidence that an initial contract has a highly significant and economically important impact on renegotiation behavior that goes beyond the effect of contracts on bargaining threatpoints. We compare situations in which an initial contract is renegotiated to strategically equivalent bargaining situations in which no ex ante contract was written. The ex ante contract causes sellers to ask for markups that are 45 percent lower than in strategically equivalent bargaining situations without an initial contract. Moreover, buyers are more likely to reject given markups in renegotiations than in negotiations. We do not find that these effects are stronger when the initial contract is concluded under competitive rather than monopolistic conditions.</p> <p><i>Keywords:</i> renegotiation, bargaining, reference points, contracts, competition <i>JEL-Classification:</i> C78, C91, D03, D86</p>	385

Publications

A1 (Bester/Tröger)		
Name	Topic	Dates
Bester, H. and D. Krämer	"Exit options in incomplete contracts with asymmetric information", Journal of Economic Theory, 147 (5), 1947–1968	2012
B4 (Kräkel)		
Name	Topic	Dates
Kräkel, Matthias	Sandbagging, Journal of Sports Economics	forthcoming
Kräkel, Matthias Gürtler, Oliver	Dismissal Tournaments, Journal of Institutional and Theoretical Economics	forthcoming
Kräkel, Matthias Gürtler, Oliver	On the Virtues of Hiring Lemons, Managerial and Decision Economics	forthcoming
Kräkel, Matthias Schöttner, Anja	Internal Labor Markets and Worker Rents, Journal of Economic Behavior and Organization	forthcoming

New/Leaving Staff

A4 (Schmidt)		
Name	Topic	Dates
Caspar Siegert	joined project A4	August 1
A8 (Rady)		
Name	Topic	Dates
Ludwig Straub	is leaving project A8 to continue his doctoral studies at MIT	August 31

Visitors

B5 (Schnitzer/Eckel)		
Name	Speaker (Institution)	Date
Claudia Buch	IAW Tübingen, Research Stay	July 30 – August 10

SFB/TR 15 speaker: Prof. Dr. Klaus M. Schmidt. Editorial: Alexandra Frank, Ludwigstr. 28 RG, 80539 München.
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