



**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. 3

## March 2013

### SFB/TR 15 Seminars

Mannheim		
Date	Speaker (Institution)	Title
March 12	Marc Möller (University of Bern)	Competition in the Presence of Individual Demand Uncertainty

### Conferences Organized by SFB/TR15 Members

Name	Topic	Dates
Matthias Kräkel	16th Colloquium on Personnel Economics, University of Tübingen (joint with Uschi Backes-Gellner, Oliver Fabel and Kerstin Pull)	19. - 21. February 2013

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

A4 (Schmidt)		
Name	Topic	Dates
Klaus Schmidt	Research Visit, Harvard University, Department of Economics	February 15 – July 21
Klaus Schmidt	Complementary Patents and Market Structure, Searle Roundtable Conference on Technology Standards, Northwestern University	February 7 – 8
Klaus Schmidt	Use and Abuse of Authority: A Behavioral Foundation of the Employment Relation, Harvard University, Harvard-MIT Applied Theory Seminar	February 25
Klaus Schmidt	Loss Aversion and Ex-post Inefficient Renegotiation, MIT Sloan School, Organizational Economics Seminar	February 26
Klaus Schmidt	"Loss Aversion and Ex-post Inefficient Renegotiation, Princeton University	March 12
Klaus Schmidt	"Loss Aversion and Ex-post Inefficient Renegotiation, Boston University	March 19
Fabian Herweg	Price Discrimination in Input Markets: Quantity Discounts and Private Information, ETH Zurich	March 18 – 20
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, Northwestern University	24.10.12
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, Chicago Fed	January 2
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, NYU Stern	January 17
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, Warwick	January 22
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, Bocconi	January 25

Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, - IIES (Stockholm)	January 28
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, - Sciences Po, Paris	January 30
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, Toulouse School of Economics	February 1
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, EIEF	February 7
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, University of Mannheim	February 18
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, - University Pompeu Fabra	February 22
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, - University of Iowa	February 27
Robert Ulbricht	Credit Crunches, Information Failure, and the Persistence of Pessimism, University of Frankfurt	March 11

#### A7 (Strausz/Wolfstetter)

Name	Topic	Dates
Roland Strausz	Consumer Standards as a Strategic Device to Mitigate Ratchet Effects in Dynamic Regulation, Industrieökonomischer Ausschuss des Vereins für Socialpolitik, Würzburg	20. - 22.2.2013

#### B4 (Kräkel)

Name	Topic	Dates
Petra Nieken	Gender Differences in Competition and Sabotage, 16th Colloquium on Personnel Economics, University of Tübingen	19. - 21. February 2013

#### B7 (Marin)

Name	Topic	Dates
Alexander Tarasov	presented his paper "Trade in Tasks and the Organization of Firms" (joint with Dalia Marin) at the DIW Applied Micro Seminar in Berlin	February 15th
Alexander Tarasov	presented his paper "Trade in Tasks and the Organization of Firms" (joint with Dalia Marin) at the Economic Geography and International Trade (EGIT) Workshop in Berlin	February 23rd
Dalia Marin	presented her paper "Do Multinationals Transplant their Business Model?" at the European Bank for Reconstruction and Development (EBRD) in London	February 7th

#### B8 (Adam)

Name	Topic	Dates
Tobias Berg	ASSA Meetings (San Diego), Conference Presentation („Loan Officer Incentives and the Limits of Hard Information“)	January 2 - 6, 2013
Tobias Berg	Research Visit to NYU/Stern	September 2012 – February 2013
Tobias Berg	Research Seminar at Fordham University, Title: "The Total Costs of Corporate Borrowing: Don't Ignore the Fees",	February 27, 2013

<b>C5 (Nocke)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Volker Nocke	Research Visit to Toulouse School of Economics (Research Collaboration with Patrick Rey on "Vertical Integration and Foreclosure in Multilateral Relations")	February 6 - 10
Volker Nocke	MaCCI Annual Conference, Mannheim (Invited Lecture: "Horizontal Mergers: New Work on an Old Problem")	February 15 - 16
Volker Nocke	Annual Meeting of the "Industrieoekonomischer Ausschuss" of the German Economic Association, Wuerzburg (Talk: "Cross-Border Price Effects of Mergers and Acquisitions: A Framework for Competition Policy")	February 20 - 22
Nicolas Schutz	MaCCI Annual Meeting, Mannheim, "Cross-Border Price Effects of Mergers and Acquisitions - A Quantitative Framework for Competition Policy" (joint with Holger Breinlich and Volker Nocke)	February 15 - 16
Nicolas Schutz	Paris School of Economics, Theory-Organizations-Markets Seminar, "Cross-Border Price Effects of Mergers and Acquisitions - A Quantitative Framework for Competition Policy" (joint with Holger Breinlich and Volker Nocke)	February 21
Andras Niedermayer	MaCCI Annual Meeting, Mannheim (Predatory Fee-Setting, with Simon Loertscher)	February 15 - 16
<b>C6 (Peitz/Stahl)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Raphael Levy	"Humouring both parties: a model of two-sided reputation" (with Matthieu Bouvard), University of Bonn	March 20, 2012
Martin Peitz	MaCCI Annual Conference, Mannheim (Information Congestion in Media Markets, with Simon Anderson)	February 15 - 16
<b>C9 (Schmidt-Dengler/von Thadden)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Naoki Wakamori	Research Seminar at Nagoya University, Japan (Talk: Why Do Shoppers Use Cash: Evidence from Shopping Diary Data)	January 25
Naoki Wakamori	Oral Presentation at Asian Meeting of the the Econometric Society (AMES), Dehli, India (Talk: Why Do Shoppers Use Cash: Evidence from Shopping Diary Data)	December 20 - 22
Naoki Wakamori	Oral Presentation at Consumer Finances and Payment Diaries Workshop, Bank of Canada, Ottawa, Canada (Talk: Why Do Shoppers Use Cash: Evidence from Shopping Diary Data)	October 18 - 19
Naoki Wakamori	Oral Presentation at European Association for Research in Industrial Economics (EARIE), Rome, Italy (Talk: Portfolio Considerations in Differentiated Product Purchases: An Application to the Japanese Automobile Market)	September 2 - 4
Isis Durrmeyer	External Research visit at Paris, CREST, joint work on Automobile Prices in Market Equilibrium with Unobserved Price Discrimination" with Xavier D'Haultfoeuille	December 14 - 19

## New Discussion Papers

A7 (Strausz/Wolfstetter)		
Name	Title	Number
Luke Hu, Elmar G. Wolfstetter	<p><b>License auctions with exit (and entry) options: Alternative remedies for the exposure problem</b></p> <p><b>Abstract:</b> Inspired by some spectrum auctions, we consider a stylized license auction with incumbents and one entrant. Whereas the entrant values only the bundle of several units (synergy), incumbents are subject to non-increasing demand. The seller proactively encourages entry and restricts incumbent bidders. In this framework, an English clock auction gives rise to an exposure problem that distorts efficiency and impairs revenue. We consider three remedies: a (constrained) Vickrey package auction, an English clock auction with exit option that allows the entrant to annul his bid, and an English clock auction with exit and entry option that lifts the bidding restriction if entry failed.</p> <p>Keywords: Auctions, package auctions, combinatorial clock auctions, spectrum auction, bundling, synergies. 2000 MSC: D21, D43, D44, D45G34</p>	394
A5 (Schweizer/Krähmer)		
Name	Title	Number
Dennis L. Gärtner Jun Zhou	<p><b>Delays in Leniency Application: Is There Really a Race to the Enforcer's Door?</b></p> <p><b>Abstract:</b> This paper studies cartels' strategic behavior in delaying leniency applications, a take-up decision that has been ignored in the previous literature. Using European Commission decisions issued over a 16-year span, we show, contrary to common beliefs and the existing literature, that conspirators often apply for leniency long after a cartel collapses. We estimate hazard and probit models to study the determinants of leniency-application delays. Statistical tests find that delays are symmetrically affected by antitrust policies and macroeconomic fluctuations. Our results shed light on the design of enforcement programs against cartels and other forms of conspiracy. <i>Journal of Economic Literature</i></p> <p><i>Classification Numbers:</i> D43, K21, K42, L13. <i>Keywords:</i> corporate leniency program, cartel, leniency application delays</p>	395

A8 (Rady)		
Name	Title	Number
Godfrey Keller Sven Rady	<p><b>Breakdowns</b></p> <p><b>Abstract:</b> We study a continuous-time game of strategic experimentation in which the players try to assess the failure rate of some new equipment or technology. Breakdowns occur at the jump times of a Poisson process whose unknown intensity is either high or low. In marked contrast to existing models, we find that the cooperative value function does not exhibit smooth pasting at the efficient cut-off belief. This finding extends to the boundaries between continuation and stopping regions in Markov perfect equilibria. We characterize the unique symmetric equilibrium, construct a class of asymmetric equilibria, and elucidate the impact of bad versus good Poisson news on equilibrium outcomes.</p> <p>Keywords: Strategic Experimentation, Two-Armed Bandit, Bayesian Learning, Poisson Process, Piecewise Deterministic Process, Markov Perfect Equilibrium, Differential-Difference Equation, Smooth Pasting, Continuous Pasting.</p> <p>JEL Classification Numbers: C73, D83, O32.</p>	396

## Publications

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad, Thomas R. Cusack	"Hanging together or being hung separately: the strategic power of coalitions where bargaining occurs with incomplete information", Journal of Conflict Resolution	Forthcoming

## Miscellaneous

C2 (Harhoff)		
Name	Topic	Dates
Dietmar Harhoff	As of March 1st 2013 Dietmar Harhoff has taken over the direction of a new research department at the Max Planck Institute for Intellectual Property and Competition Law, Munich, as third director of the institute. The department has been named Munich Center for Innovation and Entrepreneurship Research (MCIER). MCIER engages in research to explore and analyze the determinants, outcomes and implications of innovation and entrepreneurship processes. Research topics pursued under Dietmar Harhoff's guidance at the Institute for Innovation Research, Technology Management and Entrepreneurship (INNO-tec) at Ludwig Maximilians University will be continued and extended at the newly founded MCIER.	01.03.2013

<b>C5 (Nocke)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Volker Nocke	Volker Nocke was appointed Associate Editor of the Journal of Economic Theory	February
Volker Nocke	Volker Nocke was elected a member of the Steering Committee of the Association of Competition Economics (ACE)	February
Volker Nocke	Volker Nocke was elected Vice-Chairman of the "Industrieoekonomischer Ausschuss" of the German Economic Association	February

### **New/Leaving Staff**

<b>B8 (Adam)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Hermann Elendner	Berufung als Junior-Professor Humboldt-Universität zu Berlin	
Tobias Berg	Ruf auf eine Junior-Professur (Tenure-Track) Universität Bonn	

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 Editorial deadline for SFB/TR 15 newsletter No. 3: Wednesday, February 27<sup>th</sup>, 2013