

**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. 11

November 2010

SFB/TR 15 Seminars

Mannheim

Date	Speaker (Institution)	Title
October 5	Michelle Goeree, University of Zurich	"Do Research Joint Ventures Serve a Collusive Function?"
October 12	Malin Arve, Toulouse School of Economics	"Procurement and Debt"
October 19	Itai Ater, Recanati School of Business	"The effect of the Internet on on-time performance in the airline industry"
October 26	Andrea Attar, IDEI and University of Roma II, Tor Vergata	"Non-Exclusive Competition in the Market for lemons"

München

Date	Speaker (Institution)	Title
November 2	Frank Riedel, University of Bielefeld	"Intertemporal Equilibria with Knightian Uncertainty"
November 8	Hans Hvide, University of Aberdeen	"Are Founders Non-Substitutable? Evidence from Nascent Firms where the Founder Dies"
November 9	David Laibson, Harvard	"tba"
November 22	Jan Eeckhoudt, University Pompeu Fabra	"Assortative Learning"
November 23	Andrea Ichino, University of Bologna	"Don't spread yourself too thin. The impact of task juggling on workers' speed of job completion"
November 30	Imran Rasul, UCL	"Reserve Price Effects in Auctions: Estimates from multiple rd Designs"

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

A2 (Konrad)

Name	Topic	Dates
Kai A. Konrad	"The Lifeboat Problem", VfS-Jahrestagung, Deutschland	September 7 - 9
Kai A. Konrad	"Privacy and Taxation", Meeting of the Italian Association of Public Economics, Italien	September 20 - 21
Kai A. Konrad	"Die europäische Staatsschuldenkrise: Gibt es Wege aus dem Samariterdilemma?", Deutsche Hochschule für Verwaltungswissenschaften Speyer, Deutschland	October 8

A4 (Rady/Schmidt)		
Name	Topic	Dates
Klaus Schmidt	"You Owe Me", University of Innsbruck, Austria	October 28
Klaus Schmidt	"Screening, Competition, and Job Design", University of Stockholm, Sweden	November 10
Klaus Schmidt	"Standards, Innovation Incentives, and the Formation of Patent Pools", Conference of the Swedish Competition Authority on The Pros and Cons of Standard Setting, Sweden	November 11
Florian Englmaier	"The Role of Information in Performance Schemes: Evidence from a Field Experiment", Toulouse School of Economics, France	November 18
A8 (Rady)		
Name	Topic	Dates
Ludwig Reßner	"Dynamic Duopoly with Inattentive Firms", Helsinki Center of Economic Research, Finland	November 22 - 26
B3 (Hellwig)		
Name	Topic	Dates
Felix Bierbrauer	"Political Competition and Mirrleesian Income Taxation: A first pass", Silvaplane Workshop on Political Economy, Pontresina	July 24 - 28
Felix Bierbrauer	"Public-Good Provision in a Large Economy", Econometric Society World Congress, Shanghai	August 17 - 21
Jos Jansen	"Too Much Information Sharing? Welfare Effects of Sharing Acquired Cost Information", EEA Congress, Glasgow	August 23 - 26
B4 (Kräkel)		
Name	Topic	Dates
Petra Nieken	ISNE 2010, Trinity College, Dublin, Ireland (talk: "Information Policy in Tournaments with Sabotage")	September 24 - 25
Petra Nieken	XI. Symposium zur ökonomischen Analyse der Unternehmung, Frankfurt (talk: "Information Policy in Tournaments with Sabotage")	September 29 - October 1
Matthias Kräkel	XI. Symposium zur ökonomischen Analyse der Unternehmung, Frankfurt (talk: "Competitive Careers as a Way to Mediocracy")	September 29 - October 1
Matthias Kräkel	"Corporate Careers in the Shadow of Bankruptcy", EBS University, Germany	October 13
B5 (Marin/Schnitzer)		
Name	Topic	Dates
Monika Schnitzer	Finance Research Seminar, University of St. Gallen, Switzerland (talk: "Financial Constraints and Innovation: Why poor countries don't catch up (joint with Yuriy Gorodnichenko) ")	October 12 - 13

Dalia Marin	French Senate, Paris, France (talk: "Germany and the New International Division of Labour")	October 15
Francesca Fabbri	"CEO Pay in Germany: A Panel Analysis for 1977-2008", University of Linz, Austria	October 27

C2 (Harhoff/Stahl)

Name	Topic	Dates
Stefan Wagner	University of Camerino and CESPRI/Bocconi University (Italy), Host: Grid Thoma	October 11 - 15

C5 (Kamecke/Röller)

Name	Topic	Dates
Volker Nocke	Research Seminar, UC Berkeley, USA (talk: "Merger Policy with Merger Choice")	November 4
Volker Nocke	Federal Trade Commission & Northwestern University Microeconomics Conference, Washington, D.C., USA (talk: "Merger Policy with Merger Choice")	November 18 - 19
Volker Nocke	Duke-Northwestern-Texas IO Theory Conference, Duke University, USA (talk: "Merger Policy with Merger Choice")	November 20 - 21
Volker Nocke	Research Seminar, New York University, USA (talk: "Merger Policy with Merger Choice")	November 30

C6 (Peitz/Stahl)

Name	Topic	Dates
Konrad Stahl	ESMT (Germany), Host: Hendrik Röller	September 28 - October 1
Konrad Stahl	"Cross Ownership and Control in Competitive Markets", Joint Seminar, Institute for Advanced Studies and University of Vienna, Austria	October 5
Konrad Stahl	Institute of Advance Studies (Austria), Host: Klaus Ritzberger	October 5 - 8
Konrad Stahl	CIE Conference, University of Copenhagen, Denmark (talk: "Trust and Investment - An empirical Assessment")	October 12
Konrad Stahl	University of Copenhagen (Denmark), Host: Thomas Roende	October 12 - 15
Konrad Stahl	University of Zurich (Switzerland), Host: Armin Schmutzler	November 1 - 3

New Discussion Papers

A7 (Wolfstetter)

Name	Title	Number
Elmar Wolfstetter (joint with Wei Ding (NA), Cuihong Fan (NA))	<p>“Horizontal mergers with synergies: first-price vs. profit-share auction”</p> <p><i>Abstract:</i> We consider takeover bidding in a Cournot oligopoly when firms have private information concerning the synergy effect of merging with a takeover target. Two auction rules are considered: standard first-price and profit-share auctions, supplemented by entry fees. Since non-merged firms benefit from a merger if the synergies are low, bidders are subject to a positive externality. Nevertheless, pooling does not occur; and the profit-share auction is strictly more profitable than the first-price auction, regardless of whether firms observe the synergy parameter or only the winning bid before they play the oligopoly game.</p> <p>JEL classification: G34, D44, H23, L13, D43</p>	336

C5 (Kamecke/Röller)

Name	Title	Number
Tomaso Duso (joint with Klaus Gugle (NA), Florian Szücs (NA))	<p>“An Empirical Assessment of the 2004 EU Merger Policy Reform”</p> <p><i>Abstract:</i> Based on a database of 326 merger cases scrutinized by the European Commission between 1990 and 2007, we evaluate the economic impact of the change in European merger legislation in 2004. We first propose a general framework to assess merger policy effectiveness, which is based on standard oligopoly theory and makes use of stock market reactions as an external assessment of the merger and the merger control decision. We then focus on four different dimensions of effectiveness: 1) legal certainty; 2) frequency and determinants of type I and type II errors; 3) rent-reversion achieved by different merger policy tools; and 4) deterrence of anticompetitive mergers. To infer the economic impact of the merger policy reform, we compare the results of our four tests before and after its introduction. Our results suggest that the policy reform seems to have been only a modest improvement of European merger policy.</p> <p>JEL classification: L4, K21, C13, D78</p>	337

A1 (Bester/Strausz) and C5 (Kamecke/Röller)

Name	Title	Number
Erik R. Fasten, Dirk Hofmann	<p>„Two-sided Certification: The market for Rating Agencies“</p> <p><i>Abstract:</i> Certifiers contribute to the sound functioning of markets by reducing a symmetric information. They, however, have been heavily criticized during the 2008-09 financial crisis. This paper investigates on which side of the market a monopolistic profit-maximizing certifier offers his service. If the seller demands a rating, the certifier announces the product quality publicly, whereas if the buyer requests a rating it remains his private information. The model shows that the certifier offers his service to sellers and buyers to maximize his own profit with a higher share from the sellers. Overall, certifiers increase welfare in specific markets. Revenue shifts due to the financial crisis are also explained.</p> <p>JEL classification: G14, G24, L15, D82</p>	338

Publications**A1 (Bester/Strausz)**

Name	Topic	Dates
Roland Strausz (2010)	"Regulatory Risk under Optimal Monopoly Regulation", Economic Journal, Peer-reviewed:yes, Kind of outlet:Scientific journals	forthcoming

A2 (Konrad)

Name	Topic	Dates
Kai A. Konrad (joint with Dan Kovenock (NA)) (2010)	"Contests with stochastic abilities", Economic Inquiry, 89-103, Kind of outlet:Scientific journals	

B3 (Hellwig)

Name	Topic	Dates
Felix Bierbrauer (joint with Marco Sahm) (2010)	"Optimal Democratic Mechanisms for Income Taxation and Public Good Provision", Journal of Public Economics, 453-466, Peer-reviewed: yes, Kind of outlet: Scientific journals	

C5 (Kamecke/Röller)

Name	Topic	Dates
Tomaso Duso (joint with Astrid Jung (NA)) (2010)	"Product Market Competition and Lobbying Coordination in the U.S. Mobile Telecommunications Industry ", Journal of Industry, Competition, and Trade	forthcoming

Volker Nocke (joint with Michael Whinston (NA)) (2010)	"Dynamic Merger Review", Journal of Political Economy	forthcoming
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C8 (Falk)

Name	Topic	Dates
Hannah Schildberg-Hörisch (joint with Christina Strassmair (NA)) (2012)	"An experimental test of the deterrence hypothesis", Journal of Law, Economics, & Organization, Peer-reviewed:yes, Kind of outlet:Scientific journals	forthcoming

New/Leaving Staff

A4 (Rady/Schmidt)

Name	Topic	Dates
Ludwig Straub	joined project A4 as of October 1	

A8 (Rady)

Name	Topic	Dates
Benno Bühler	left project A8 as of September 30	
Gilbert Spiegel	joined project A8 as of October 1	
Paul Heidhues	has taken up a professorship at the European School of Management and Technology in Berlin	

Visitors

B5 (Marin/Schnitzer)

Name	Speaker (Institution)	Date
Monika Mrazova	London School of Economics (Great Britain) Topic: "Trade agreements when profits matter"	November 8 - 10

C6 (Peitz/Stahl)

Name	Speaker (Institution)	Date
Tobias Klein	Tilburg University (Netherlands)	November 8 - 10
Leonardo Felli	London School of Economics and Political Sciences (United Kingdom)	November 22 - 26
Johannes Koenen	University of Bonn (Germany)	November 22 - January 26

Miscellaneous

A7 (Wolfstetter)		
Name		Date
Thomas Giebe	The sixth SFB/TR15 workshop for young researchers took place in Bonn, Oct 22-23. Participants were Thomas Giebe (Berlin, organizer), Oliver Gürtler (Cologne, invited speaker), Michael Massmann (Amsterdam, invited speaker), Andras Niedermayer (Mannheim), Klaas Staal (Bonn, organizer), Piers Trepper (Munich), and Cédric Wasser (Berlin).	October 22 - 23
C6 (Peitz/Stahl)		
Name		Date
Konrad Stahl	Participation in Annual Conference of the Association for Competition Economics, University of East Anglia, Norwich	
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Name		Date
SFB TR15	<p>The Internal SFB TR 15 conference took place in Bonn.</p> <p>Please visit our website to access presentation materials and other conference information:</p> <p>http://www.sfbtr15.de/369.html</p>	October 20-22

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