



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 2015**

Munich, December 2, 2015

Dear all,

This is our final SFB TR 15 Newsletter. For the last 12 years more than 140 scientists worked together in 26 projects. We had many exciting workshops, conferences and summer schools, we collaborated among ourselves and with hundreds of visitors from other universities. Several hundred publications in major international journals are the result of our research, including at least 35 publications in the top five journals. I am particularly proud to report that 75 young researchers left the SFB and are now working as professors at other universities all over the world. Another 30 SFB postdocs are still in the pipeline. Altogether, the SFB was hugely successful and I would like to thank all of you for the great collaboration over such a long period of time.

The old SFB is coming to an end, but fortunately there are already two initiatives for new SFBs: Munich and Berlin have just been asked by the DFG to submit a full proposal for an SFB on "Rationality and Competition". Bonn and Mannheim started working on a separate proposal.

Let's keep our fingers crossed that both of these endeavors will be successful. I very much hope that we will continue to cooperate in new constellations for many years to come.

Best wishes

Klaus Schmidt

PS: The final report on the SFB still has to be finalized. At the end of the year we will ask all of you to update your publication list, and we would be grateful for a swift reply. The report will be submitted to the DFG and distributed to all of you in early 2016.

**SFB/TR 15 Seminars**

<b>München</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
01.12.2015	Frederic Vermeulen (U Leuven) Hans-Möller-Seminar	Household consumption when the marriage is stable
07.12. 2015	Ben Greiner (University of New South Wales) Micro Workshop	Conflict Resolution vs. Conflict Escalation in Online Markets
08.12.2015	Kjell Salvanes (NHH Bergen) Hans-Möller-Seminar	tba
14. 12. 2015	Felix Vardy (UC Berkeley) Micro Workshop	tba
15.12.2015	Florian Scheuer (Stanford)	The Taxation of Superstars
<b>Mannheim</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
24.11.2015	Francis Bloch (Université Paris)	Dynamic assignment of objects to queuing agents with private values
01.12.2015	Konrad Mierendorff (University College London)	Auctions with Limited Commitment
08.12.2015	Andras Kiss	tba
<b>Berlin</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
14.12.2015	Brit Grosskopf (University of Exeter)	tba
07.12.2015	Klaus Ritzberger (Vienna Graduate School of Finance)	tba
<b>Bonn</b>		
<b>Date</b>	<b>Speaker (Institution)</b>	<b>Title</b>
3.11.2015	Lars Klöhn (LMU München)	tba

04.11.2015	Christian Krestel (Aalto University)	Optimal Stopping with Regret
5.11.2015	Erik Snowberg (Caltech)	Experimenting with Measurement Error: Techniques with Applications to the Caltech Cohort Study
6.11.2015	Georg Weizsäcker (HU Berlin)	The Standard Portfolio Choice Problem in Germany
11.11.2015	Philipp Külpmann (Universität Bielefeld)	Procrastination and Projects
11.11.2015	Gilat Levy (LSE)	Perceptions of Correlation, Communication, and Ambiguity
13.11.2015	Devin Pope (The University of Chicago Booth School of Business)	Attribution Bias in Economic Decision Making
17.11.2015	Daniel Chen (ETH Zürich)	tba
18.11.2015	Felix Bierbrauer (University of Cologne)	Robust Mechanism Design and Social Preferences
18.11.2015	Matthias Messner (Università Bocconi)	Selling to the Mean
20.11.2015	Daniel Chen (Toulouse School of Economics)	tba
24.11.2015	Christian Leuz (University of Chicago)	tba
25.11.2015	Yeon-Koo Che (Columbia University)	tba
27.11.2015	Martin Hackmann (Penn State)	tba
02.12.2015	Larbi Alaoui (Universitat Pompeu Fabra)	tba
09.12.2015	Johannes Hörner (Yale University)	tba
04.12.2015	Hannes Schwandt (University of Zurich)	tba
15.12.2015	Peter Cziraki (University of Toronto)	tba
16.12.2015	Florian Scheuer (Stanford University)	tba

### Conferences Organized by SFB/TR15 Members

A2 (Konrad)		
Name	Topic	Dates
Kai Konrad	XVII. Tax Day at Max Planck Institute for Tax Law and Public Finance, Munich	09.11.2015- 10.11.2015
A5 (Schweizer/Krähmer)		
Name	Topic	Dates
Lauermann, Stephan	SFB Workshop: Dynamic Incentives	27.11.2015 - 28.11.2015

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

A1 (Bester/Tröger)		
Name	Topic	Dates
Lang, Matthias	“First-Order and Second-Order Ambiguity Aversion”, Workshop on “Ambiguity in Games and Mechanisms”, Paris	26.11.2015
Salim, Claudia	“Platform Takeover and Investments”, Spanish Economic Association, Girona	10.12.2015
A2 (Konrad)		
Name	Topic	Dates
Kai Konrad	“Brothers in Arms: Theory and Experimental Evidence on Alliances” at 9 <sup>th</sup> Workshop on Political Economy at CESifo Dresden	27.11.2015
A5 (Schweizer/Krähmer)		
Name	Topic	Dates
Lauermann, Stephan	Seminar at European University Institute (EUI) in Florence	24.11.2015
Lauermann, Stephan	Seminar at University College London	06.10.2015
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Elmar Wolfstetter	Research stay at Korea University	21.11.2015 - 09.12.2015
Elmar Wolfstetter	Research stay at Shanghai University of Finance and Economics	30.10.2015 - 19.11.2015

Martin Pollrich	Participated in the workshop on "Dynamic Incentive Problems" in Bonn	27.11.2015-28.11.2015
Roland Strausz	Participated in the workshop on "Dynamic Incentive Problems" in Bonn	27.11.2015-28.11.2015
Roland Strausz	"A Theory of Crowdfunding - a mechanism design approach with demand uncertainty and moral hazard" at the workshop on auctions and procurement design in Cologne	10.11.2015
<b>B5 (Eckel/Schnitzer)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Watzinger, Martin	"Measuring Spillovers of Venture Capital" (joint with Monika Schnitzer), NBER Summer Institute, Cambridge, USA	12.07.2015
Watzinger, Martin	"Antitrust, Patents, and Cumulative Innovation: How `Ma Bell' gave birth to the Silicon Valley" (joint with Thomas Fackler, Markus Nagler and Monika Schnitzer), MIT Cambridge, USA	21.11.2015
<b>C8 (Falk)</b>		
<b>Name</b>	<b>Topic</b>	<b>Dates</b>
Armin Falk	The Nature and Predictive Power of Preferences: Global Evidenc, London School of Economics and Political Science, Psychology and Economics Seminar	11.10.2015

## New Discussion Papers

A7 (Strausz/Wolfstetter)		
Name	Title	Number
Strausz, Roland	<p><b>A Theory of Crowdfunding - a mechanism design approach with demand uncertainty and moral hazard</b></p> <p>Abstract:</p> <p>Crowdfunding provides the innovation that, before the investment, entrepreneurs contract with consumers. Under demand uncertainty, this improves a screening for valuable projects. Entrepreneurial moral hazard threatens this benefit. Focusing on the trade-off between value screening and moral hazard, the paper characterizes optimal mechanisms. Current crowdfunding schemes reflect their salient features. Efficiency is sustainable only if returns exceed investment costs by a margin reflecting the degree of moral hazard. Constrained efficient mechanisms exhibit underinvestment. Crowdfunding blurs the distinction between finance and marketing, but complements rather than substitutes traditional entrepreneurial financing. As a screening tool for valuable projects, crowdfunding unambiguously promotes social welfare.</p> <p><i>Keywords:</i> Crowdfunding, finance, marketing, demand, uncertainty, moral hazard</p>	527

A2 (Konrad)		
Name	Title	Number
Luisa Herbst, Kai A. Korad, Florian Morath	<p><b>Balance of power and the propensity of conflict</b></p> <p>Abstract: We study the role of an imbalance in fighting strengths when players bargain in the shadow of conflict. Our experimental results suggest: In a simple bargaining game with an exogenous mediation proposal, the likelihood of conflict is independent of the balance of power. If bargaining involves endogenous demand choices, however, the likelihood of conflict is higher if power is more imbalanced. Even though endogenous bargaining outcomes reflect the players' unequal fighting strengths, strategic uncertainty causes outcomes to be most efficient when power is balanced. In turn, the importance of exogenous mediation proposals depends on the balance of power.</p> <p><i>Keywords:</i> Conflict, balance of power, contest, bargaining, Nash demand game, conflict resolution, asymmetries, experiment</p>	528

## Publications

A4 (Schmidt)		
Name	Topic	Dates
Iris Kesternich, Bettina Sifflinger, James P. Smith, Joachim Winter	<p>“Individual behavior as a pathway between early-life shocks and adult health: Evidence from hunger episodes in post-war Germany.” <i>Economic Journal</i>, vol. 125, pp. F372-F393</p>	2015
Daniel Houser, John List, Marco Piovesan, Anya Samek, Joachim Winter	<p>“Dishonesty: From parents to children.” <i>European Economic Review</i></p>	forthcoming

A5 (Schweizer/Krähmer)		
Name	Topic	Dates
Stephan Lauer Asher Wolinsky	"Search with Adverse Selection", Econometrical	

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