



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. 1

January 2011

SFB/TR 15 Seminars

Bonn		
Date	Speaker (Institution)	Title
December 7	Nicola Gennaioli, Universitat Pompeu Fabra	“Standardized Enforcement: Access to Justice vs Contractual Innovation”
December 9	Nicola Pavoni, University College London	“Optimal Income Taxation with Asset Accumulation”
December 14	Juan-Jose Ganuza, Universitat Pompeu Fabra	“Minimizing Errors, Maximizing Incentives: Optimal Court Decisions and the Quality of Evidence”
Berlin		
Date	Speaker (Institution)	Title
December 6	Marc Möller, Madrid Carlos III (joint with Ghazala Azmat)	“Choosing Where to Compete - Theory and Evidence”
December 13	Mark Thordal-Le Quement, Bonn University	“Persuasion and rhetorical moderateness”
Munich		
Date	Speaker (Institution)	Title
January 11	Nick Netzer, University of Zurich	"An Exploration Into the Theory of Psychological Mechanism Design"
January 18	Georg Kirchsteiger, UL Brussels	"How (Not) To Decide: Procedural Games"
January 24	Nikos Nikiforakis, University of Melbourne	"tba"
January 25	Pieter Gautier, VU Amsterdam	"tba"

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

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad	“Informationelle Selbstbestimmung und Besteuerung- eine allokatiospolitische Analyse”, Walter Euken Institut, Deutschland	December 3-4, 2010
A4 (Rady/Schmidt)		
Name	Topic	Dates
Joachim Winter	“Fairness and Cheating”, ASSA Meetings, Denver, USA	January 8
B3 (Hellwig)		
Name	Topic	Dates
Philipp Weinschenk	Econometric Society European Winter Meeting, Rome, Italy (talk: "Skill Formation under Incomplete Information")	November 4-5, 2010
Philipp Weinschenk	Nordic Behavioral and Experimental Economics Conference, Helsinki, Finland (talk: "Rater Bias in Performance Appraisal: On Horns, Halos, and Incentive Provision (joint with Daniel Müller)")	November 12-13, 2010
B4 (Kräkel)		
Name	Topic	Dates
Matthias Kräkel	“Externalities in Recruiting”, University of Bern, Schweiz	November 17, 2010
Petra Nieken	“Information Policy in Tournaments with Sabotage”, EBS Universität für Wirtschaft und Recht, Germany	December 1, 2010
B5 (Marin/Schnitzer)		
Name	Topic	Dates
Francesca Fabbri	“Inter-ethnic Unions, Human Capital and Economic Outcomes”, International Food Policy Research Institute (IFPRI), Washington DC, US	December 15, 2010

C5 (Kamecke/Röller)		
Name	Topic	Dates
Volker Nocke	Michigan State University, USA (talk: "Merger Policy with Merger Choice")	December 6, 2010
Robert Schmidt	University of Bonn (Germany), Host: Eugen Kovac	December 6-10, 2010
Volker Nocke	Toulouse School of Economics (France), Host: Patrick Rey	January 6-30

New Discussion Papers

A5 (Schweizer)		
Name	Title	Number
Jun Zhou	<p>“The Timing of Out-of-Court Settlements Revisited: Theory and Cross-Sectional Evidence from Texas since 1988”</p> <p><i>Abstract:</i> Legal institutions play an important role in affecting delay in settlement. But little research has investigated the institutional causes of delay. The empirical literature is ambiguous regarding the impact of trial-court delay on settlement delay. I analyze the timing of bargaining and the causes of delay using a cross-section of insurance claims in Texas over a 20-year span. I discuss a dynamic model of pretrial negotiation to illustrate how changes in the legal systems might affect the duration of settlement. Comparative statics results are then corroborated with empirical estimates of a hazard function adjusted to account for the heterogeneity of claims and the time dependence suggested by theory. Statistical tests are consistent with the theoretic prediction that delay in trial courts expedites out-of-court settlement. I also find that alternative dispute resolution, a legal process designed to save transaction costs, reduces the rapidity of settlement. Prejudgment interest, a law introduced to reduce delay, actually causes a greater delay in settlement. The results have implications for efficiency of the judicial system and reform efforts aiming to reduce delay.</p> <p><i>JEL Classification Numbers:</i> C78, K41</p> <p><i>Keywords:</i> settlement delay, trial-court delay, prejudgment interest, alternative dispute resolution</p>	347

Jun Zhou	<p>“Determinants of Noneconomic Damages in Medical Malpractice Settlements and Litigations: Evidence from Texas since 1988”</p> <p><i>Abstract:</i> There have long been claims that compensations for noneconomic damages are random because tort law does not provide clear guidance regarding these compensations. I investigate, in both settled and tried medical malpractice cases, whether noneconomic damage payments are arbitrary and what determines the probability and size of these payments. I find that payments for noneconomic damages are not completely random. They vary, in predictable ways, with observable characteristics of the case. The data suggest similar patterns in non-medical malpractice cases. I end by discussing the implications of my findings for the debate on the efficiency and rationale of noneconomic damage compensation.</p> <p><i>JEL Classification Numbers:</i>K13, K32, K41</p>	348
----------	--	-----

Miscellaneous

C2 (Harhoff/Stahl)		
Name	Topic	Date
Stefan Wagner	Nach dem erfolgreichen Abschluss seiner Habilitation 2010 tritt Dr. Dr. habil. Stefan Wagner zum 1. Februar 2011 eine Stelle als Assistant Professor an der ESMT European School of Management and Technology in Berlin an.	February 1