



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

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

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad	"Deception, Choice and Audit Design – The Importance of being Earnest", Workshop on Institutions, Games and Experiments, MPI of Economics, Jena	February 1
A5 (Krähmer/Schweizer)		
Name	Topic	Dates
Urs Schweizer	"Efficient Incentives from Obligation Law and the Compensation Principle", EMLE Law & Economics Workshop 2014, Bologna	February 14
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Roland Strausz	Annual Meeting of the Committee for Industrial Economics, University of Hamburg	February 26-28
Matthias Lang	Communicating Subjective Evaluations, CESifo Area Conference on Applied Microeconomics, CESifo Munich	February 28-March 1
Roland Strausz	Ex Post Information Rents and Disclosure in Sequential Screening, CESifo Area Conference on Applied Microeconomics, CESifo Munich	February 28-March 1
A8 (Rady)		
Name	Topic	Dates
Sven Rady	"Strongly Symmetric Equilibria in Bandit Games", University of Warwick	March 5
B4 (Kräkel)		
Name	Topic	Dates
Petra Nieken	Hidden Benefits of Reward: A Field Experiment on Motivation and Monetary Incentives, Seminar at California State University, East Bay, Hayward	March 3
Petra Nieken	Hidden Benefits of Reward: A Field Experiment on Motivation and Monetary Incentives, Eastern Economic Association, Boston	March 8
B5 (Eckel/Schnitzer)		
Name	Topic	Dates
Kesternich, Iris	"Us and them: distributional preferences in small and large groups"(joint with Michael Kosfeld, Heiner Schumacher, Joachim Winter) at the CES SEMINAR, KU Leuven, Belgium	February 11

B7 (Marin)		
Name	Topic	Dates
Alexander Tarasov	presented his paper "Trade and the Spatial Distribution of Transport Infrastructure" (joint with Gabriel Felbermayr) at the International Workshop "Imperfect competition and spatial Economics: Theoretical and empirical aspects" in Saint Petersburg	February 11

New Discussion Papers

A4 (Schmidt)		
Name	Title	Number
Fabian Herweg, Heiko Karle and Daniel Müller	<p>Incomplete Contracting, Renegotiation, and Expectation-Based Loss Aversion</p> <p>Abstract: We consider a simple trading relationship between an expectation-based loss-averse buyer and profit-maximizing sellers. When writing a long-term contract the parties have to rely on renegotiations in order to ensure materially efficient trade ex post. The type of the concluded long-term contract affects the buyer's expectations regarding the outcome of renegotiation. If the buyer expects renegotiation always to take place, the parties are always able to implement the materially efficient good ex post. It can be optimal for the buyer, however, to expect that renegotiation does not take place. In this case, a good of too high quality or too low quality is traded ex post. Based on the buyer's expectation management, our theory provides a rationale for "employment contracts" in the absence of non-contractible investments. Moreover, in an extension with non-contractible investments, we show that loss aversion can reduce the hold-up problem.</p> <p><i>JEL classification:</i> C78; D03; D86 <i>Keywords:</i> Behavioral Contract Theory; Expectation-Based Loss Aversion; Incomplete Contracts; Renegotiation</p>	454

Publications

A4 (Schmidt)		
Name	Topic	Dates
Klaus M. Schmidt	Complementary Patents and Market Structure, Journal of Economics and Management Science, Vol. 23 (1), Spring 2014, 68-88	

A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Roland Strausz (joint with Dungsoo Shin)	"Delegation and Dynamic Incentives", RAND Journal of Economics	forthcoming
B4 (Kräkel)		
Name	Topic	Dates
Petra Nieken (joint with Simon Dato)	Gender Differences in Competition and Sabotage Journal of Economic Behavior and Organization	forthcoming

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