



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
GRABENGASSE 14, 69117 HEIDELBERG, TEL. 06221/54-2941, FAX: 06221/54-3592
REDAKTION: FREYA SCHADT, EMAIL: SEKRETARIAT.VERTRAGSTHEORIE@UNI-HEIDELBERG.DE

AWI This Week

Monday, 6.10.08

Departmental Seminar

17.15-18.45

AWI 1017

Simon Grant, Rice University, Houston, Texas

"Generalized Utilitarianism and Harsanyi's Impartial Observer Theorem"

Wednesday, 8.10.08

Internal Seminar

17.15-18.45

AWI 1017

Adam Dominiak, University of Heidelberg

"Raiffa revisited: preferences for randomization"

Departmental Seminar

Simon Grant, Rice University

["Generalized Utilitarianism and Harsanyi's Impartial Observer Theorem"](#)

Abstract:

We provide an axiomatization of generalized utilitarian social welfare functions in the context of Harsanyi's impartial observer theorem. To do this, we reformulate Harsanyi's problem such that lotteries over identity (accidents of birth) and lotteries over outcomes (life chances) are independent. We show how to accommodate (first) Diamond's critique concerning fairness and (second) Pattanaik's critique concerning differing attitudes toward risk. In each case, we show what separates them from Harsanyi by showing what extra axioms return us to Harsanyi. Thus we provide two new axiomatizations of Harsanyi's utilitarianism.

(with Atsushi Kajii, Ben Polak, and Zvi Safra)

invited by Jürgen Eichberger

Talks and Research Visits

On Thursday, October 2, Andreas Irmen is going to present his latest paper "Population, Pensions and Economic Growth", co-authored with Burkhard Heer, Free University of Bozen, at the Massachusetts Institute of Technology (MIT), Cambridge.

Jürgen Eichberger participated as discussant in the conference ["IX. Symposium zur Ökonomischen Analyse der Unternehmung"](#) (Sept. 29 – Oct. 1, 2008) at the University of Augsburg.

Wendelin Schnedler gave a lecture on "You Don't Always Get What You Pay For: A Note on Success Bonuses, Expected Income, and Effort" at ["IX. Symposium zur Ökonomischen Analyse der Unternehmung"](#) (Sept. 29 - Oct. 1, 2008)

Andreas Roider participated as discussant in the conference ["IX. Symposium zur Ökonomischen Analyse der Unternehmung"](#) (Sept. 29 – Oct. 1, 2008) at the University of Augsburg.

From September 23, 2008 till September 26, 2008 Jörg Oechssler, Wendelin Schnedler and Christiane Schwieren attended the annual meeting of Verein für Socialpolitik in Graz.

Lars P. Feld served as chairman and Jörg Oechssler as member of the organizing committee of the Scientific Program of the Annual Meeting of the German Economic Association (Verein für Socialpolitik) held in Graz.

On September 18, 2008, Lars P. Feld gave an invited talk entitled "Das Finanzreferendum als Institution für eine rationale Finanzpolitik" at the Liberal Institute in Zurich.

On September 15, 2008 Frank Müller-Langer presented his paper "[An Analysis of the Welfare Effects of Parallel Trade Freedom](#)" at the Munich School of Management at Ludwig-Maximilian-University.

Nathalie Jorzik participated in the conference "[ETSG 2008 Warsaw Tenth Annual Conference](#)", September 11-13, 2008, at the University of Warsaw and Warsaw School of Economics.

From September 8, 2008 to September 12, 2008 Andreas Roider visited the University of Bielefeld (Gerd Mühlheusser).

Lars P. Feld presented his paper "Fiscal Federalism, Decentralization and Economic Growth: A Meta-Analysis" at the 64th Congress of the International Institute of Public Finance (IIPF) held in Maastricht on August 22, 2008 and at the Annual Meeting of the German Economic Association (Verein für Socialpolitik) held in Graz on September 25, 2008.

Jan Schnellenbach presented his paper "[Still a Director's Law? On the Political Economy of Income Redistribution](#)" at the 64th Congress of the International Institute of Public Finance (IIPF) held in Maastricht on August 24, 2008 and at the Annual Meeting of the German Economic Association (Verein für Socialpolitik) held in Graz on September 26, 2008.

Thushyanthan Baskaran presented his paper "[Fiscal Decentralization and Public Debt](#)" at the 64th Congress of the International Institute of Public Finance (IIPF) held in Maastricht on August 23, 2008 and at the Annual Meeting of the German Economic Association (Verein für Socialpolitik) held in Graz on September 25, 2008.

On August 29, 2008 Andreas Roider presented his paper "Cooling-Off in Negotiations: Does It Work?" (joint with J. Oechssler and P. Schmitz) at the [Tiber Symposium on Psychology and Economics](#), Tilburg University.

From August 20 till August 23, 2008 Peter Dürsch, Johanna Kühnel and Andrea Leuermann attended the "Lindau Meeting of Nobel Laureates in Economics".

Visitors

[Simon Grant](#) from Rice University, Houston, Texas, is staying at the AWI for research with Prof. Eichberger from Sept. 21 to Oct. 19, 2008 (room 4144).

New Working Papers

Christian Conrad und Menelaos Karanasos (Brunel University)
"[Modeling Volatility Spillovers between the Variabilities of US Inflation and Output: the UECCC GARCH Model](#)" Discussion Paper Series No. 475.

Frank Müller-Langer (2008) "[An Analysis of the Welfare Effects of Parallel Trade Freedom](#)", German Working Papers in Law and Economics: Vol. 2008: Article 9.

Hans-Bernd Schäfer and Frank Müller-Langer (2008) "[Strict Liability Versus Negligence](#)", German Working Papers in Law and Economics: Vol. 2008: Article 5.

New Publications

Wendelin Schnedler and Marisa Ratto: "[Too few Cooks Spoil the Broth: Division of Labour and Directed Production](#)" in: *The B. E. Journal of Economic Analysis & Policy* Vol.8: Iss.1 (Topics), Article 27, 2008. ([Pressemitteilung](#) der Universität Heidelberg).

Andreas Roider: "[Delegation, Risk, and Project Scope](#)", *Journal of Institutional and Theoretical Economics*, forthcoming.

Joerg Oechssler, Andreas Roider, and Patrick W. Schmitz: "[Cognitive Abilities and Behavioral Biases](#)" in: *Journal of Economic Behavior and Organization* (forthcoming).

Lars P. Feld, Christoph A. Schaltegger and Jan Schnellenbach. On Government Centralization and Fiscal Referendums, *European Economic Review* 52 (4), 2008, 611 – 645.

Lars P. Feld, Justina Fischer and Gebhard Kirchgässner, The Effect of Direct Democracy on Income Redistribution: Evidence for Switzerland, forthcoming in: *Economic Inquiry* 46, 2008.

Lars P. Feld and Emmanuelle Reulier, Strategic Tax Competition in Switzerland: Evidence from a Panel of the Swiss Cantons, forthcoming in: *German Economic Review* 9 (4), 2008.

Christoph A. Schaltegger and Lars P. Feld, Do Large Cabinets Favor Large Governments?, Evidence from Sub-federal Jurisdictions, forthcoming in: *Journal of Public Economics* 92, 2008.

Christoph A. Schaltegger and Lars P. Feld, Are Fiscal Adjustments Less Successful in Decentralized Governments?, forthcoming in: *European Journal of Political Economy* 24, 2008.

Lars P. Feld, Fiscal Federalism and Economic Growth in OECD Countries, in: Andreas Bergh and Rolf Höijer (eds.), *Institutional Competition*, Edward Elgar, Cheltenham 2008, 202 – 229.

Lars P. Feld and Gebhard Kirchgässner, On the Effectiveness of Debt Brakes: The Swiss Experience, in: Reinhard Neck and Jan-Egbert Sturm (eds.), *Sustainability of Public Debt*, MIT Press, Cambridge/London 2008, 223 – 255.

Lars P. Feld, Für eine wirksame Begrenzung der Verschuldung von Bund und Ländern in Deutschland, in: Kai A. Konrad and Beate Jochimsen (eds.), *Föderalismus-kommission II – Neuordnung von Autonomie und Verantwortung*, Peter Lang, Frankfurt et al. 2008, 43 – 75.

Lars P. Feld, Aufgabenverteilung und Finanzbeziehungen in einer bundesstaatlichen Ordnung, in: Helfried Bauer, Hans Pitlik and Margit Schratzenstaller (eds.), *Reformen der vertikalen Aufgabenverteilung und Verwaltungsmodernisierung im Bundesstaat*, Schriftenreihe „Öffentliches Management und Finanzwirtschaft“, Band 9, NWV – Neuer Wissenschaftlicher Verlag, Wien and Graz 2008, 36 – 55 and 207 – 224.

Lars P. Feld, Zu Ratio und Empirie von Schuldenschränken im föderalen Kontext, in: Ralf Thomas Baus, Annegret Eppler and Ole Wintermann (eds.), *Zur Reform der föderalen Finanzverfassung in Deutschland. Perspektiven für die Föderalismusreform II im Spiegel internationaler Erfahrungen*, Schriftenreihe des EZFF, Band 31, Nomos, Baden-Baden 2008, 98 – 116.

Lars P. Feld, Tax Compliance, forthcoming in: Gert Tinggaard Svendsen and Gunnar Lind Haase Svendsen (eds.), *Handbook of Social Capital: The Troika of Sociology, Political Science and Economics*, Edward Elgar, Cheltenham 2009.

Lars P. Feld and Bruno S. Frey, Tax Evasion and the Psychological Tax Contract, forthcoming in: James Alm, Jorge Martinez-Vazquez and Benno Torgler (eds.), *Tax Compliance and Tax Evasion*, Routledge, London 2009.

Lars P. Feld and Gebhard Kirchgässner, Wirkungen direkter Demokratie – Was sagt die politische Ökonomie?, forthcoming in: Hermann K. Heußner and Otmar Jung (eds.), *Mehr direkte Demokratie wagen – Volksbehren und Volksentscheid: Geschichte – Praxis – Vorschläge*, 2. Auflage, Olzog, München 2008.

Lars P. Feld, Regeln für eine wirksame Schuldenbremse, *Frankfurter Allgemeine Zeitung* Nr. 4, January 5, 2008, p. 13.

Lars P. Feld and Christoph Schaltegger, Behindert der Föderalismus eine Haushaltskonsolidierung? Konkurrenz zwischen den Kantonen als Voraussetzung für gesunde Staatsfinanzen, *Neue Zürcher Zeitung* Nr. 202, August 30/31, 2008, p. 29.

Lars P. Feld, Formales Gewissen: Deutschland braucht neue Schuldenschränken. Und diese sollten nicht nur für den Bund gelten, sondern auch für die Länder und die Sozialversicherungen, *Wirtschaftswoche* Nr. 37, September 8, 2008, p. 58.

Miscellaneous

In September 2008, Lars P. Feld joined the Kronberger Kreis, the scientific advisory board of the Stiftung Marktwirtschaft.

On October 2, 2008, a workshop on *Efficiency of the Public Sector*, jointly organized by Friedrich Heinemann from the Centre for European Economic Research (ZEW), Mannheim and Lars P. Feld takes place at the ZEW.

AWI "Stammtisch"

On Thursday, October 9, there will be a regulars table for AWI Members in the pub "Peppers" in the old town, only 5 minutes away from AWI. We will meet in front of the AWI at 20:00, but feel free to join us there whenever you like. Further meetings in the

future will be fixed this evening. If you have any questions, write an email to jan.schrader@awi.uni-heidelberg.de or andrea.leuermann@awi.uni-heidelberg.de.

On November 13 to 15, the AWI will host the Kirchberger Rencontre, a bi-annual meeting of political economists trained in the Zurich tradition (organized by Lars P. Feld).

On December 21-22, 2009 the AWI will host the VI. Christmas Meeting of German Economists Abroad. Further details will be announced shortly before the event.

New and Leaving Staff

On September 1, 2008 Prof. [Christoph Vanberg Ph. D.](#) has taken up a position as Juniorprofessor (Mikroökonomik) at the AWI.

In September 2008, Lars P. Feld declined an offer for a full professorship at the University of Luzern (Switzerland). He is happy to continue his research and teaching at the University of Heidelberg.

In October 2008, Sarah Necker and Christian Pfeil join the team at the Chair of Public Economics.

Dr. Jan Schnellenbach will hold a guest professorship (Vertretungsprofessur) of Public Economics at the University of Hamburg for another term (six months).

Zohal Hessami and Christine Gozian left the Chair of Public Economics as to the beginning of October.

Florian Preis left the AWI as to beginning of October.

**Editorial deadline for issue 2 / 2008 of the newsletter:
Wednesday, October 8th, 2008, 12 o'clock
sekretariat.vertragstheorie@uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact sekretariat.vertragstheorie@uni-heidelberg.de