



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Thursday, 08.01.09

Departmental Seminar

18.00-19.30

AWI 1017

David Schmeidler, University of Tel Aviv

"Objective and Subjective Rationality in a Multiple Prior Model"

Monday, 12.01.09

Departmental Seminar

17.15-18.45

AWI 1017

Simon Weidenholzer, University of Vienna

"On Price Dispersion, Search Externalities, and the Digital Divide"

Tuesday, 13.01.09

Alfred-Weber-Lecture

18.15

Alte Aula der Universität,
Grabengasse 1

Meinhard Miegel, Chairperson of the Board of Directors
of Denkwerk Zukunft in Bonn

"Ökonomische und politische Konsequenzen des
demographischen Wandels"

Wednesday, 14.01.09

Internal Seminar

17.15-18.45

AWI 1017

Christiane Schwieren

"Approach/avoidance tendency and behaviour in
experimental games"

Departmental Seminars

David Schmeidler

"Objective and Subjective Rationality in a Multiple Prior Model" *

A decision maker is characterized by two binary relations. The first reflects decisions that are rational in an "objective" sense: the decision maker can convince others that she is right in making them. The second relation models decisions that are rational in a "subjective" sense: the decision maker cannot be convinced that she is wrong in making them. We impose axioms on these relations that allow a joint representation by a single set of prior probabilities. It is "objectively rational" to choose f in the presence of g if and only if the expected utility of f is at least as high as that of g given each and every prior in the set. It is "subjectively rational" to choose f rather than g if and only if the minimal expected utility of f (relative to all priors in the set) is at least as high as that of g .

*with Itzhak Gilboa, Fabio Maccheroni, Massimo Marinacci
Invited by Jürgen Eichberger

Simon Weidenholzer

"On Price Dispersion, Search Externalities and the Digital Divide" *

We propose a model of price competition between sellers of a single good, where consumers are heterogeneous in the number of firms from which they are able to compare prices. In this heterogeneity we allow for the maximal generality, so that any consumer is characterized by the cardinality of her comparison set. We first prove that, under non-trivial conditions, any equilibrium shows price dispersion. We then move to comparative statics of symmetric equilibria, showing that any buyer, by increasing the number of firms she is considering, produces an externality on the other buyers. This externality can be at the same time negative for low-informed consumers and positive for the high-informed ones (the so-called "digital divide"). We provide an example in which a consumer, by sampling more information, may even damage all the other buyers.

*with Manfred Nermuth, Giacomo Pasini und Paolo Pin

Internal Seminar

Christiane Schwieren

"Approach/avoidance tendency and behaviour in experimental games"

Recently, a growing interest among behavioural economists in personality variables can be observed. In most studies involving personality measures so far, the Big Five or related measures are used. We focus on a different personality construct that seems to be well fitted to be related to economic behaviour: Approach-avoidance tendency. The behavioural approach system is assumed to regulate approach tendencies towards something desired (a reward or a chance for a reward, for

example). A behavioural avoidance system is assumed to regulate avoidance tendencies, i.e., the tendency to move away from something unpleasant (a loss or the risk of a loss, for example). We use standardized scales to measure approach-avoidance tendency in our subjects and relate their values on these scales to behaviour in several experimental games. The presentation will give first results of a larger study and discuss the usefulness of this measure for analysing behaviour in economic experiments.

Miscellaneous

Gerhard Schick MdB, Die Grünen, will talk within the lecture-series "Arbeitsplätze und Einkommen in Deutschland sichern! Konzepte und Reformansätze aus der Politik" on January 14, 2009, 18.00 h, in Heuscheuer 2, invited by Alfred-Weber-Institute (Manfred Rose and Lars P. Feld) and the Rotary Club.

In December 2008, the Leopoldina has elected Lars P. Feld member of the Academy. (<http://www.leopoldina-halle.de/cms/de/pressemitteilungen/einzelansichtpressemitteilung/article/2/deutsche-aka-16.html>).

New and Leaving Staff

In January 2009, Benedikt Fritz joins the team at the Chair of Public Economics.

**Editorial deadline for issue 2/2009 of the newsletter:
Wednesday, January 14, 2009, 12 o'clock
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact the address above.