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## AWI This Week

### **Monday, 14. 12. 09      Departmental Seminar**

17.15-18.45	Erwin Bulte, Tilburg University
AWI 00.010	"A Dark Side of Social Capital? Kinship, Consumption, and Savings"

### **Wednesday, 16.12.09      Internal Seminar**

17.15-18.45	Johannes Diederich
AWI 00.010	"What Drives Individual Willingness-to-pay for Climate Protection?"

### Departmental Seminar

Erwin Bulte

"A Dark Side of Social Capital? Kinship, Consumption, and Savings"\*

We explore if traditional sharing norms in kinship networks are associated with consumption and accumulation decisions of poor black households in Kwazulu-Natal, South Africa. Our results are consistent with the interpretation that households try to evade their "sharing obligations" by (i) accumulating durables that are non-sharable at the expense of durables that may be shared, (ii) increasing consumption of non-durables, and (iii) reducing savings in liquid assets. By attenuating accumulation incentives, kinship sharing may come at the expense of income growth — if so, a culturally-induced poverty trap can possibly eventuate. We demonstrate tentative evidence that more extensive kinship networks are associated with lower incomes, especially for the subsample of households that is relatively well off.

\*with Salvatore di Falco

### Internal Seminar

Johannes Diederich

"What Drives Individual Willingness-to-pay for Climate Protection?"\*

The willingness of citizens to bear the economic sacrifices required for mitigating climate change is a key policy question. Prior studies on the willingness-to-pay (WTP) for climate protection (mostly contingent valuation studies) indicate that people may in general support ambitious goals in climate policy. We design a field experiment employing a large representative sample to shed light on the nature of this WTP. The literature on pro-social behavior and public goods provides various motivational drivers to consider for contributions over and above Nash. We build a model of preferences accounting for motives such as altruism, 'warm glow' of giving, image motivation, justice perceptions, and moral obligation. This guides the experimental disentangling and quantification of the "motivational microstructure" in WTP for climate protection.

\*with Timo Goeschl

## Talks and Research Visits

**Hartmut Sangmeister** gave a lecture on "Human Capital, Innovation, and International Competitiveness of Latin American Economies" during the Latin American Day 2009 at the University of St.Gallen/Switzerland on December 4.

**Alexa Schönstedt** gave a lecture on "The Unequal Right to Education in Latin America - a Survey" during the Latin American Day 2009 at the University of St.Gallen/Switzerland on December 4.

**Timo Goeschl** visited the Toulouse School of Economics to give a presentation in their weekly seminar series. The paper presented was on "Instrument Choice and Motivation Crowding" on December 7.

## Visitors

Ujjayant Chakravorty, Professor and Canada Research Chair in Environmental and Energy Economics at the University of Alberta, is visiting the AWI from Dec. 7 to 12 to work with Timo Goeschl and Ole Groen. His office is in Room 312, Bergheimer Str. 20.

## New Publications

Hartmut Sangmeister: *Brasiliens neue Rolle in der Weltwirtschaft*, in: Feld, Andreas/Erkens, Rainer (Hrsg.), *Mehr als Samba und Caipirinha. Brasilien auf dem Weg ins 21. Jahrhundert*, Gumpersbach: Theodor Heuss Akademie 2009, S.27-46.

Adam Dominiak and Jean-Philippe Lefort: *Unambiguous Events and Dynamic Choquet Preferences* has been accepted by *Economic Theory*.

***Merry Christmas and a Happy New Year 2010  
to all friends of the AWI Newsletter!***

**Editorial deadline for issue 1/2010 of the newsletter:  
Wednesday, January 6, 2010, 12 o'clock  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

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please contact the address above.