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AWI This Week

Monday, 26. 4. 10 Departmental Seminar

17.15-18.45 Frank Stähler, University of Würzburg
AWI 00.010 "Parallel Trade without Vertical Control"

Wednesday, 28. 4. 10 Departmental Seminar

17.15-18.45 Gary Charness, UC Santa Barbara
AWI 00.010 "Participation"

Departmental Seminar

Frank Stähler

"Parallel Trade without Vertical Control"*

This paper assumes that wholesalers cannot control a retailer in a foreign country once the retailer has ordered inventories and has compensated the wholesaler. Under incomplete information, the retailer, but not the wholesaler, knows the quality of the wholesaler's good as perceived by consumers in the foreign country. The paper discusses the implications of economic integration and of retailer heterogeneity. If parallel trade is prohibited, the wholesaler will offer a set of contracts to the retailer, each designed for a different type. However, if parallel trade is allowed, a separating equilibrium exists only without parallel trade. Parallel trade makes both the wholesaler and foreign consumers worse off.

*with Keith Maskus

Departmental Seminar

Gary Charness

"Participation"*

We show experimentally that whether and how communication achieves beneficial social outcomes in a hidden-information context depends crucially on whether low-talent agents can participate in a Pareto-improving outcome. Communication is effective (and patterns of lies & truths quite systematic) when this is feasible, but otherwise completely ineffective. We examine the data in the light of two potentially relevant behavioral models: cost-of-lying and guilt-from-blame.

*with Martin Dufwenberg

Jour Fixe

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Talks and Research Visits

Jan Schnellenbach has participated in a hearing on local governments in the current business cycle stimulus programme. The hearing took place in the Federal Budget Committee of the German Bundestag in Berlin, April 19.

Wendelin Schnedler has presented his joint work with Adam Dominiak on "Randomization and Uncertainty Attitudes" at GATE in Lyon, March 8.

New and Leaving Staff

Sylvia Sparn-Haida started at the registrar's office for bachelor students (room 00.017), March 2010.



Monica Dornia-Schmidt started as secretary at the Chair for Economic Policy (room 01.018), March 2010.



**Editorial deadline for issue 8/2010 of the newsletter:
Wednesday, April 28, 2010, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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