



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
BERGHEIMER STR. 58, 69115 HEIDELBERG, TEL. 06221/54-2941, FAX: 06221/54-3592  
REDAKTION: FREYA SCHADT, EMAIL: NEWSLETTER@AWI.UNI-HEIDELBERG.DE

---

## AWI This Week

**Monday, 17.10.11**

**Departmental Seminar**

17.15-18.45

Felix Bierbrauer, University of Cologne

AWI 00.010

"Mechanism Design and Intentions"

## 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.

## Abstract

Felix Bierbrauer, University of Cologne

"Mechanism Design and Intentions"\*

We introduce intentions-based social preferences into a Bayesian mechanism design framework. If social preferences are observable, any tension between material efficiency, incentive compatibility, and voluntary participation can be resolved. Hence, the classical impossibility results that the conventional mechanism design literature has established are turned into possibility results. We also investigate different possibilities how to incorporate kindness sensations into assessments of welfare. For the case of unobservable social preferences, we suggest a notion of psychological robustness. Psychologically robust mechanisms can be implemented without any need to acquire information about the intensity of social preferences. We show that the mechanisms which have been the focus of the conventional mechanism design literature need to be modified only slightly to achieve psychological robustness.

\*with Nick Netzer

## Talks and Research Visits

**Hans Diefenbacher** presented his paper "Beyond GDP – grundsätzliche Überlegungen und praktische Vorschläge in der internationalen Diskussion", at the Statistische Woche Leipzig, September 21; he lectured on "Wohlstandsmodelle und Entwicklungsziele" at a conference of the Global Policy Forum Europe, Bonn, October 10.

**Hans Diefenbacher** participated in the expert hearing in the Bundeskanzleramt in Berlin to discuss the draft of the "Fortschrittsberichts 2012" to the national sustainability strategy, September 12.

**Andrea Leuermann** presented the paper "Does good advice come cheap? - On the assessment of risk preferences of others" (joint with Benjamin Roth) at the 10th Tiber Symposium on Psychology and Economics in Tilburg, August 19.

## New Working Papers

Johannes Diederich and Timo Goeschl: "Willingness to Pay for Individual Greenhouse Gas Emissions Reductions: Evidence from a Large Field Experiment", AWI Discussion Paper Series, 517, September 2011.

## New and Leaving Staff

Sandra Schmidt started working at the department in October as assistant professor for empirical economics. Previously, she was employed at the Centre for European Economic Research in Mannheim. Her research interests are applied econometrics and monetary policy.



Israel Waichman started working at the department in October as assistant professor for environmental economics. Previously, he was employed at the University of Kiel. His research centers on environmental, experimental and behavioral economics.



Florian Kauffeldt started working at the AWI as a postgraduate at the chair of Jürgen Eichberger (Wirtschaftstheorie I), September 1.



**Editorial deadline for issue 23/2011 of the newsletter:  
Wednesday, October 19, 2011, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

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