



Upcoming Seminars

Monday, 17.6.2019

Departmental Seminar

13.30-14.30
AWI 00.010

Raphael Schönle, Brandeis University, MA
(invited by Zeno Enders)
"Micro-Macro Moments:
Time- vs. State-Dependent Pricing"

Tuesday, 18.6.2019

Interdisziplinäres Fakultätsseminar

12.15-13.15
AWI 01.030

Marlon Barbehön (Pol): "Erinnerung und Erwartung in der politischen Praxis"
Christina Gathmann (Ökon): "Migration und Integration"

Wednesday, 19.6.2019

Internal Seminar

12.15-13.15
AWI 00.010

Jörg Oechssler
"The conditional contribution mechanism for repeated public goods - the general case"

Departmental Seminar

Raphael Schönle

"Micro-Macro Moments: Time- vs. State-Dependent Pricing"

We propose a new methodology to discriminate among models that uses both micro and macro moments to discipline model choice. The key insight lies in using macro moments conditional on micro moments to discipline the response of the main variable of interest following a key policy shock. Some of the micro moments may be sufficient statistics. In an application to discriminate among leading price-setting models, Calvo and menu cost, we show that both Calvo and menu cost models match key micro price moments. However, only Calvo replicates the irrelevance of kurtosis for monetary non-neutrality following a monetary policy shock. Our menu cost model can match the irrelevance of kurtosis, but at the cost of missing key micro price moments.

Internal Seminar

Jörg Oechssler

"The conditional contribution mechanism for repeated public goods - the general case"*

We present a new and simple mechanism for repeated public good environments. In the Conditional Contribution Mechanism (CCM), agents send two messages of the form, "I am willing to contribute x units to the public good if in total y units are contributed." This mechanism offers agents risk-free strategies, which we call unexploitable. We prove that if agents choose unexploitable messages in a Better Response Dynamics model, all stable outcomes of the CCM are Pareto efficient. We conduct a laboratory experiment to investigate whether observed behavior is consistent with this prediction. We find that indeed almost 80% of outcomes are Pareto optimal. Furthermore, comparison treatments with the Voluntary Contribution Mechanism show that the CCM leads to significantly higher contribution rates.

*with Andreas Reischmann and Andis Sofianos

Talks and Research Visits

Rajesh Ramachandran participated at the *CEPR Workshop on the Economics of Religion*, Venice, June 10-11.

Frikk Nesje presented "Cross-dynastic intergenerational altruism" at the University of Oslo, June 7.

Jürgen Eichberger attended D-TEA (Decision: Theory, Experiments, Applications) and RUD (Risk, Utility, and Decision), and chaired sessions at both conferences. Both conferences collocated at the Paris School of Economics over the week of June 3-7, 2019. D-TEA had as annual theme "Ambiguity". Both conferences took place in honor of David Schmeidler's 80th birthday.

Karlijn van den Broek was invited to sit on an expert panel on climate change campaigns at the TivoliVredenburg Utrecht, the Netherlands, June 5. This event called "who's afraid of climate change?" is part of a series of public engagement talks organized by TivoliVredenburg.

New Working Papers

Fabian Krüger and Lora Pavlova: "Quantifying Subjective Uncertainty in Survey Expectations", *AWI Discussion Paper Series*, No. 664, May 2019.

Miscellaneous

Christian König gen. Kersting, Ph.D. student at the Chair of Behavioral Finance & Vertragstheorie, successfully defended his doctoral theses on "Essays in Behavioral Finance: Risk, Ambiguity, and Strategic Uncertainty", June 7.

**Editorial deadline for issue 16/2019 of the newsletter:
Wednesday, June 19, 2019, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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