

Newsletter 17/2019

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

Upcoming Seminars

Monday, 1.7.2019	Departmental Seminar
13.30-14.30	Michèle Belot, European University Institute
AWI 00.010	(invited by Christiane Schwieren)
	"Maternal Stress and Food Preferences: A Lab Experiment with Low Income Mothers"
Tuesday, 2.7.2019	Interdisziplinäres Fakultätsseminar
12.15-13.15 AWI 01.030	Helmut Anheier (Soz): "Dahrendorf Quandary / Rodrik Trilemma"
AWI 01.030	Aurel Croissant (Pol): "Ungleichheit und soziale Kohäsion; Populismus"
Tuesday, 2.7.2019	Departmental Seminar II
13.45-14.45	Gary Bolton, UT Dallas
AWI 01.030	(invited by Stefan Trautmann)
	"When a Nudge Backfires: Using Observation with Social and Economic Incentives to Promote Pro- Social Behavior"
Wednesday, 3.7.2019	Internal Seminar
12.15-13.15	Frikk Nesje

Abstracts

Departmental Seminar

Michèle Belot

"Maternal Stress and Food Preferences: A Lab Experiment with Low Income Mothers"*

We present evidence from a laboratory experiment on the effects of acute stress on food consumption among low-income mothers. We evaluate the effects of a stressful task on immediate and planned food consumption, and specifically on the nutritional content of the foods chosen. Immediate consumption is measured by in-laboratory consumption of a low calorie and high calorie snack; planned consumption is measured by incentivized food purchases in a specifically designed food choice tool. Measurements of participants' salivary cortisol and heart rate were taken over the course of the experimental sessions to assess the stressfulness of the stress task. Contrary to previous findings in the literature, we find no evidence of an effect of acute stress on the nutritional content of immediate or planned food choices.

*with Jonathan James, Martina Vecchi, and Nicolai Vitt

Departmental Seminar II

Gary Bolton

"When a Nudge Backfires: Using Observation with Social and Economic Incentives to Promote Pro-Social Behavior"*

Both theory and recent empirical evidence on nudging suggests that observability of behavior acts as an instrument for promoting (discouraging) pro-social (anti-social) behavior. Our study questions the universality of these claims. We employ a novel four-party setup to disentangle the roles three observational mechanisms play in mediating behavior. We systematically vary the observability of one's actions by others as well as the (non-)monetary relationship between observer and observee. Observability involving economic incentives crowds-out anti-social behavior in favor of more pro-social behavior. Surprisingly, social observation without economic incentives fails to achieve any aggregate pro-social effect, and if anything it backfires. Additional experiments confirm that observability without additional monetary incentives can indeed backfire. However, they also show that the effect of observability on pro-social behavior is increased when social norms are made salient.

*with Eugen Dimant and Ulrich Schmidt

Internal Seminar

Frikk Nesje

"Cross-dynastic intergenerational altruism"

As society, we face many long-term problems. Managing them requires trading off the interests of different generations. In public guidelines, the compromise between the present and the future is typically informed by saving behavior in the market. While it is thought that the approach reveals the present generation's altruism for future concern for the next generation as such as welfare weights on descendants also in

other dynasties. This gives rise to preference externalities because savings for one's own descendants benefit present members of other dynasties. In a stationary Markov-perfect equilibrium, equilibrium saving does not fully reflect altruism for future generations, with the wedge increasing in the number of dynasties. The analysis makes two additional contributions. It provides a new microfoundation for declining discount rates permitting heuristic derivation of the saving rates, and exposes a limitation to, and extends, Sen's "isolation paradox".

Talks and Research Visits

Marcel Oestreich, Assistant Professor of Economics at Brock University, Canada, has started his research visit at the Alfred-Weber-Institute. Marcel is an expert on environmental economics, applied game theory, and empirical finance and has published in the top field journals in these areas. He will be in Heidelberg until November and can be found in office #326, Bergheimer Str. 20.



Adam Dominiak, Virginia Tech, will stay for research visit with Jürgen Eichberger until July 9.

Zeno Enders gave the keynote lecture at the second Workshop on Macroeconomic Research at the Cracow University of Economics. The lecture was about "Expectations in Macroeconomics". Cracow, June 25-26.

Rajesh Ramachandran participated at a workshop on *Social and Economic Dimensions of Health and Morbidity* for a grant awarded by the Wellcome Trust as part of their Small Grants in Humanities and Social Sciences scheme, Kings College London, June 24-25.

Zain Chaudhry presented his paper "Mobilizing Women Voters: Experimental Evidence from Pakistan" at the Annual Conference of the European Political Science Association (EPSA), at Queen's University, Belfast, 20-22 June.

At the GLAD research workshop June 20-21 2019, the following papers were presented: **Johannes Matzat**: "Coming to America: Refugee inflows and political impacts" (with Axel Dreher and Krisztina Kis-Katos); **Lukas Wellner**: "Chinese Aid and Public Opinion: Evidence from 2,054 Jurisdictions within 127 Countries" (with Axel Dreher and Friederike Lenel).

Rajesh Ramachandran gave a talk on "Language Policy and Development: Contemporary and Historical Perspectives" at the Summer School in Development Economics, Prato, June 19 and he presented the papers "Vernacularization and Economic Development" (with Christine Binzel and Andreas Link) at the Barcelona Summer Forum Workshop on Towards Sustained Economic Growth: Geography, Institutions, and Human Capital, June 18 and "Stunting in India: Role of Education, Behaviour and Social Identity" (with Ashwini Deshpande) at the Research Group on Development Economics, German Economic Association, Berlin, June 14-15.

Christina Gathmann, Anna Hautmann and **Matthias Quinckhardt** attended the International Workshop "Natural Experiments and Controlled Field Studies" in

Ohlstadt/Ammersee, June 14-16, where Matthias Quinckhardt presented a poster on "The mechanisms of the alignment bias in a mature democracy: Evidence from Germany".

Gerda Asmus presented her paper "The Emergency: British detention camps and the origins of distrust in Kenya" (joint with Richard Bluhm and Tobias Korn) at the Annual International Conference of the Research Group on Development Economics (AEL), at DIW and KfW, Berlin, 13-14 June.

Gaspare Tortorici presented the paper "Post-Disaster Migration. Evidence from the 1908 Messina and Reggio Calabria Earthquake" (joint with Yannay Spitzer and Ariell Zimran) at the Fourth Annual Meeting of the *Associazione per la Storia Economica* (ASE), Modena, June 7-8.

New Publications

Gaspare Tortorici, Rowena Gray and Gaia Narciso (2019). "Globalization, Agricultural Markets and Mass Migration: Italy, 1881-1912". Explorations in Economic History, forthcoming.

Miscellaneous

Timo Goeschl attended the *Dialogue on Climate Economics* in Berlin on June 12-14. This was the kick-off event for phase II of the BMBF program on the Economics of Climate Change. Timo (re)presented the COMPLIANCE project (joint with the Universities of Kassel and Mannheim and the ZEW), which the Research Center for Environmental Economics coordinates.

Editorial deadline for issue 18/2019 of the newsletter: Wednesday, July 3, 2019, 12 p.m. newsletter@awi.uni-heidelberg.de

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