



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, 11.6.2018**

#### **Departmental Seminar**

13.30-14.30

AWI 00.010

Matthias Pelster, University of Paderborn

(invited by Joerg Oechssler)

"About the Fear of Reputational Loss: Social Trading and the Disposition Effect"

### **Tuesday, 12.6.2018**

#### **Economics and Politics Seminar**

13.45-14.45

AWI 01.030

Gary Magee, Monash University

"Bad News From the Front: Military Fatalities and the Death Penalty in Nazi Germany"

### **Wednesday, 13.6.2018**

#### **Internal Seminar**

12.15-13.15

AWI 00.010

Tillmann Eymess

"Conforming with Norms of Cooperation"

### Departmental Seminar

Matthias Pelster

"About the Fear of Reputational Loss: Social Trading and the Disposition Effect"

This article studies the relationship between giving financial advice and the disposition effect in an online trading environment. Our empirical findings suggest that leader traders are more susceptible to the disposition effect than investors who are not being followed by any other trader. Using a difference-in-differences approach, we show that becoming a first-time financial advisor increases the disposition effect. This finding holds for investors who engage in foreign exchange trading and for investors who trade stocks and stock market indices. The increased behavioral bias may be explained by leaders feeling responsible to their followers, by a fear of losing followers when admitting a poor investment decision, or by an attempt by newly appointed leaders to manage their social image and self-image.

### Economics and Politics Seminar

Gary Magee

"Bad News From the Front: Military Fatalities and the Death Penalty in Nazi Germany"

Do factors that influence one's emotional state impact the outcome of court cases? To consider this question, we study the effect of legally irrelevant events on the sentencing outcomes of around 2,500 individual defendants tried before the People's Court in Nazi Germany. Our analysis exploits exogenous variation in battle deaths and bombing raids to estimate their effect on the likelihood that defendants charged with treason and high treason received the death penalty. The defendants in our study were civilians who did not supply information that led to battle deaths or air raids. Their alleged acts of treason and high treason were not military-related. Hence, the events analysed in the paper were strictly irrelevant to whether or not the defendants were guilty of the crimes they were charged with. Our findings support the notion that an individual's emotional state matters in decision-making. Specifically, we find that doubling the number of battle fatalities made judges 5 per cent more likely to impose the death penalty. A major bombing raid in the same month as a defendant was sentenced increased the likelihood of receiving the death penalty by 20 percentage points.

## Internal Seminar

Tillmann Eymess

"Conforming with Norms of Cooperation"\*

Policy interventions often aim at changing behavior by affecting social norms. In fact, for many communally owned resources that have to rely on voluntary cooperation, changing social norms is the only way to improve governance. Taking the conceptual definitions of normative behavior by Bicchieri et al. (2017) as a starting point, we develop a theory to explain (i) how cooperation may evolve with and without the opportunity to sanction behavior of other players, and (ii) how cooperation may be affected by a manipulation that aims to influence agents' beliefs about the behavior of others in a cooperative or non-cooperative way. We report data from a repeated public good game experiment among fishermen at Lake Victoria, Tanzania (N=588). In no-sanction treatments, we find that cooperation rates decline over time and observe no difference between cooperative and non-cooperative manipulation. With sanctioning however, we find that cooperation rates remain stable over the course of the repeated game in both treatments, and that cooperation rates are significantly higher in the cooperative than in the non-cooperative belief manipulation. Results emphasize the importance for policy makers to provide feedback mechanisms explicitly linked to the behavior in question.

\*with Florian Diekert and Israel Waichman

## Talks and Research Visits

**Christian Conrad** presented the paper "Two are better than one: volatility forecasting using multiplicative component GARCH models" (joint with Onno Kleen) at the QFFE 2018 - Quantitative Finance and Financial Econometrics conference, Aix-Marseille School of Economics, May 31, 2018.

**Sarah Langlotz** presented the paper „Stimulant or depressant? Opium and the geography of conflict in Afghanistan“ (joint work with Kai Gehring and Stefan Kienberger) at the Spring Meeting of Young Economists, at the University of the Balearic Islands, Palma de Mallorca, May 31.

**Malte Faber** was invited to participate at the panel discussion of the final session of the International Congress Karl Marx 2018. Constellations, Transformations and Perspectives, University of Trier, May 23-25.

**Ole Monscheuer** attended the 21st IZA Summer School in Labor Economics in Inning/Ammersee, May 21-27, and presented his paper "National Attachment and the Integration of Second Generation Immigrants in the U.S.".

**Christina Gathmann** presented her paper "Death and Politics: Has Proportional Representation Contributed to the Decline in Mortality?" at the Research Seminar of the Institute of Economics, Ulm University, May 24.

## Visitors

Christian Bjørnskov is teaching at the AWI for Axel Dreher's chair of *International and Development Politics*, during summer term 2018. He stays in room 01.012a.

## New Publications

Malte Faber published the essay "Die politische Ökonomie bei Karl Marx" in Beatrix Bouvier and Rainer Autz (Eds.) (2018) Karl Marx 1818-1883 Leben. Werk. Zeit. Katalog, Große Landesausstellung, Trier 05-21.10.2018, Rheinisches Landesmuseum, Theiss: 290-299.

## New Working Papers

Michael Schleicher, Stefan Klonner, Rainer Sauerborn, Alie Sié, and Aurélia Souares: "The Demand for Health Insurance in a Poor Economy: Evidence from Burkina Faso", AWI Discussion Paper Series No. 648, May 2018.

**Editorial deadline for issue 15/2018 of the newsletter:  
Wednesday, June 13, 2018, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

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