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AWI This Week

Monday, 11. 04. 11 Departmental Seminar

17.15-18.45 Anna Dreber, Stockholm School of Economics
AWI 00.010 "Biological correlates of risk taking"

Wednesday, 13. 04. 11 Departmental Workshop

17.15-18.45 Bram Driesen, University of Heidelberg
AWI 00.010 "The Kalai-Smorodinsky bargaining solution with loss aversion"

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.

Departmental Seminar

Anna Dreber

"Biological correlates of risk taking"

Individuals vary to the extent that they are willing to take risk, with women and older individuals typically being more risk averse than men and younger individuals. Some of this individual variation can be attributed to non-biological variables, such as the macroeconomic environment during childhood. This talk will focus on the association between biological variables and risk preferences. I will discuss the role of hormones and specific genes in explaining individual variation in economic risk taking as well as other types of risk taking, including social risk taking.

Departmental Workshop

Bram Driesen

"The Kalai-Smorodinsky bargaining solution with loss aversion"

We consider bargaining problems under the assumption that players are loss averse, i.e., experience disutility from obtaining an outcome lower than some reference point. We follow the approach of Shalev (2002) by imposing the self-supporting condition on an outcome: an outcome z in a bargaining problem is self-supporting under a given bargaining solution, whenever transforming the problem using outcome z as reference point, yields a transformed problem in which the solution is z . We show that n -player bargaining problems have a unique self-supporting outcome under the Kalai-Smorodinsky solution. For all possible loss aversion coefficients we determine the bargaining solutions that give exactly these outcomes, and characterize them by the standard axioms of Scale Invariance, Individual Monotonicity, and Strong Individual Rationality, and a new axiom called Proportional Concession Invariance (PCI). A bargaining solution satisfies PCI if moving the utopia point in the direction of the solution outcome does not change this outcome.

Talks and Research Visits

Hans Diefenbacher was invited to give a lecture "Wachstum ante portas" as part of the Berlin Sustainability Talk, Freie Universität Berlin, March 30.

Wendelin Schnedler held a lecture on "Hidden Action, Identification and Organization Design" at the University of Bern, March 30.

Andrea Leuermann and Sarah Necker presented their paper "Politics or Parents? - The Evolution of Germans' Values since Reunification" at the SOEP Symposium 2011 at the HWK Delmenhorst, March 18.

Timo Goeschl was one of the three invited speakers at the *Annual Meeting of the German Physics Association*, the largest in Europe, which featured a plenary session dedicated to geo-engineering research this year. His talk covered the current state of knowledge on the international economics of these new technologies (Technische Universität Dresden, March 15).

Hans Diefenbacher participated in an expert workshop of the Umweltministerium Baden-Württemberg in Stuttgart and gave an introduction to "Monetarisierung von Naturgütern: Chancen, Grenzen, Risiken", March 14.

Timo Goeschl presented the paper "Beyond Money: A Large-Scale Quasi-Field Experiment on Germans' Willingness to Reduce Greenhouse Gas Emissions" at the London School of Economics on February 15, at Cambridge University on February 16, and at the University of Manchester on February 17.

Timo Goeschl presented the paper "Long-Term Environmental Problems and Strategic Intergenerational Transfers" (joint work with D. Heyen and J. Moreno-Cruz) at Oxford, Feb. 14.

Andrea Leuermann presented her paper "Politics or Parents? - The Evolution of Germans' Values since Reunification" (joint with Sarah Necker) at the University of Bonn, February 11.

Christiane Schwieren presented her paper "What's Underlying Women's Unwillingness to Compete: Personality and Motivation as Predictors" (joint with Julia Müller) at the ASIA PACIFIC ECONOMIC SCIENCE ASSOCIATION MEETING 2011 in KUALA LUMPUR, MALAYSIA, February 10-12.

Christian Conrad presented his paper "On the transmission of memory: inflation persistence and the Great Moderation" (jointly with Simone Elmer and Menelaos Karanasos) at the Freie Universität Berlin, Quantitativ Ökonomisches Colloquium, February 10, 2011.

Christiane Hellmanzik presented her paper 'Democracy and economic outcomes: evidence from the superstars of modern art' at the University of Konstanz, February 8.

New Working Papers

Julia Müller & Christiane Schwieren: *Can Personality Explain what is Underlying Women's Unwillingness to Compete?*, February 2011, AWI Discussion Paper Series No. 511.

Johanna Kuehnelt: *Population Aging, the Composition of Government Spending, and Endogenous Economic Growth in Politico-Economic Equilibrium*, February 2011, AWI Discussion Paper Series No. 510.

New Publications

Gatti, Goeschl, Groom, Swanson: "The Biodiversity Bargaining Problem" in *Environmental and Resource Economics*, Vol. 48, No. 4, pp. 609-628.

Hans Diefenbacher und Roland Zieschank: *Woran sich Wohlstand wirklich messen lässt – Alternativen zum Bruttoinlandsprodukt*. München: oekom-Verlag, 2011, S.109

Hans Diefenbacher und Roland Zieschank: *Measuring Welfare in a Sustainable Economy*, in: Wachowiak, Marta/Kielczewski, Dariusz/Diefenbacher, Hans (Hrsg.): *Nachhaltiger Konsum? Die Entwicklung des Verbraucherverhaltens in Deutschland und Polen*. Heidelberg: FEST, 41 – 60.

Hans Diefenbacher: *Szenario Arbeitswelt*, in: Welzer, Harald/Wiegandt, Klaus (Hrsg.): *Perspektiven einer nachhaltigen Entwicklung*. Frankfurt: S. Fischer, 152 – 177.

Conrad, C., D. Rittler and W. Rotfuß (2010). "Modeling and explaining the dynamics of European Union allowance prices at high-frequency." *Energy Economics*, forthcoming.

Roider, A. and P. Schmitz (2011), "Auctions with Anticipated Emotions: Overbidding, Underbidding, and Optimal Reserve Prices", *Scandinavian Journal of Economics*, forthcoming.

Miscellaneous

The Research Center for Environmental Economics organized an Young Economists' Workshop on Environmental and Resource Economics at Heidelberg on Feb. 6 to 8. Thirty PhD students and postdocs drawn from Germany, Austria, and Switzerland attended for the two-day workshop.

In the summer term, Wendelin Schnedler works as a stand-in professor in managerial economics at the University of Paderborn. During his absence, the internal seminar will be chaired by Peter Dürsch.

We are very happy to announce that Prof. Dr. Christian Conrad has accepted an offer for a W3-professorship in Empirical Economics at the AWI. Previously, he was a juniorprofessor at the AWI. He has taken up the position on March 1, 2011.

Andreas Roider has received an offer for a W3-Professorship of Economics at the University of Regensburg.

Malte Faber was asked by the German Council of Environmental Advisors [Sachverständigenrat für Umweltfragen (SRU)] to give an introductory presentation on "The `new` growth debate" and to be available for an expert discussion on this issue in Berlin on February 25, 2011.

New and Leaving Staff

Christiane Hellmanzik, Ph.D., postdoc at the AWI, has received and accepted an offer for a W1-juniorprofessorship at the University of Hamburg starting April 1, 2011. Congrats!

Bram Driesen, Ph.D., has taken up a postdoc position at the AWI starting April 1, 2011. Previously, he was a postdoc at Obuda University, Budapest. His research interests are in the fields of bargaining theory, decision making under uncertainty, and fictitious play.



**Editorial deadline for issue 06/2011 of the newsletter:
Wednesday, April 13, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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please contact the address above