



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

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## AWI This Week

### **Monday, 18.07.11**

### **Workshop "Political Economy"**

AWI 01.034

16:15 – 17:15

Christian Bjornskov, Aarhus University  
"An Offer You Can't Refuse: Murdering Journalists as an Enforcement Mechanism of Corrupt Deals"

17:30 – 18:30

Daniel Finke, IPW, Heidelberg University  
"Pooling vs. Delegation: Collective Decision Making Under Uncertainty"

18:45 – 19:45

Rachel Croson, University of Texas, Dallas  
"Trust and trustworthiness"

### **Wednesday, 20.07.11**

### **Departmental Seminar**

17:15 - 18:45

Katrin Schmelz, MPI of Economics, Jena

AWI 00.010

"Cultural Determinants of Reactions to Control:  
Evidence from a Large-Scale Internet Experiment"

### Workshop "Political Economy"

Christian Bjornskov

"An Offer You Can't Refuse: Murdering Journalists as an Enforcement Mechanism of Corrupt Deals" \*

Anecdotal evidence suggests that journalists and bureaucrats in some countries are killed when they try to blow the whistle on corruption. We demonstrate in a simple game-theoretical model how murders can serve as an enforcement mechanism of corrupt deals under certain regime assumptions. Testing the main implications in an unbalanced panel of 179 countries observed through three periods, we find that corruption is strongly related to the incidence of murders on journalists in countries with almost full press freedom. While our results provide evidence that journalists are killed for corrupt reasons, they also suggest that some countries may have to go through violent periods when seeking to secure full freedom for the press.

\* with Andreas Freytag

Daniel Finke

"Pooling vs. Delegation: Collective Decision Making Under Uncertainty"

Collective decision making over complex policy proposals can be a costly, i.e. time consuming and nerve-racking, process. The ubiquitous remedies to reduce complexity and inefficiency are delegation, decentralization and specialization. Yet, highly decentralized and specialized policymaking processes must be accompanied by some powerful central coordination and/ or regulatory authority. Otherwise decisions are taken under uncertainty, bearing the risk of suboptimal and inefficient outcomes. We ran a series of laboratory experiments designed to study the effect of delegation and pooling on collective decision making. We are interested in the cognitive shortcuts and heuristics which guide individual behaviour in majority decision making under uncertainty. Moreover, the experiments are designed to compare the effects of delegation and pooling on the collective outcome.

### Departmental Seminar

Katrin Schmelz

"Cultural Determinants of Reactions to Control: Evidence from a Large-Scale Internet Experiment" \*

With the help of a large-scale internet study, we investigate experimentally the feedback effect from the political regime on the aversion to control in employment relationships. In our experimental design, the principal has the possibility to control the agent by choosing one out of three enforcement levels before the agent chooses an effort level. We implement a repeated trial environment and elicit incentivized beliefs before each repetition. Reunified Germany offers a great opportunity to analyze the long-term effects of an oppressive political regime on reactions to control in employment relationships. In former East Germany, institutionalized restrictions of citizens' choice sets was common practice. Our working hypothesis is that 45 years of

heavy state intervention and indoctrination has instilled in people the view that the controls are justified and usually perceived by individuals as legitimate. In the first wave we rely on student samples from two East German and two West German locations. Born in the time of German reunification, students in both parts of Germany have experienced the same political regime but different values might have been transmitted to them by their parents and teachers. In the second wave we address the German population within an age range of 25 to 65 years. These older participants have experienced different political regimes in the East and in the West, and the influence of the political regime is likely to vary with age.

\* with Anthony Ziegelmeyer

## Talks and Research Visits

**Andrea Leuermann** presented the paper "Politics or Parents? - Conserving Socialist Influence by Cultural Transmission" (joint with Sarah Necker) ESA International Conference in Chicago, July 7-10.

**Jörg Oechssler** presented the paper "Finitely repeated games with social preferences" at the ESA International Conference in Chicago, July 7-10.

**Benjamin Roth** presented the paper "Does Good Advice come Cheap? – On the Assessment of risk preferences other" (joint with Andrea Leuermann) at the ESA International Conference in Chicago, July 7-10.

**Christiane Schwieren** presented the paper "Predicting behavior across games - can personality help?" at the ESA International Conference in Chicago, July 7-10.

**Alec Sproten** gave a talk on "Should I gamble or not? On the relationship between decision-making under uncertainty, brain function, and age" (joint with Gil Sharvit, Carsten Diener, Christian Fiebach and Christiane Schwieren) at the ESA International Conference in Chicago, July 7-10.

**Jürgen Eichberger** was invited to chair sessions and join the Round Table discussion on "Links between Decision Theory and General Equilibrium" at the Summer Workshop in Economic Theory (SWET11), Paris School of Economics, on July 4-6.

**Editorial deadline for issue 20/2011 of the newsletter:  
Wednesday, July 20, 2011, 12 o'clock  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

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please contact the address above.