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AWI This Week

Monday, 24. 10. 11

Departmental Seminar

17.15-18.45

Christos Kotsogiannis, University of Exeter

AWI 00.010

"Coordinating Climate and Trade Policies: Pareto Efficiency and the Role of Border Tax Adjustments"

Wednesday, 26. 10. 11

Departmental Workshop

17.15-18.45

Holger Rau, DICE Düsseldorf

AWI 00.010

"Step-Level Public Goods: Experimental Evidence?"

Thursday, 26. 10. 11

Institute for Political Science

12.30

William R. Clark, University of Michigan

Campus Bergheim
02.040

"Why Do Some Autocracies Perform so well?"

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

Christos Kotsogiannis, University of Exeter

"Coordinating Climate and Trade Policies: Pareto Efficiency and the Role of Border Tax Adjustments"*

This paper explores the role of trade instruments in globally efficient climate policies, focusing on the central issue of whether border tax adjustment (BTA) is warranted when carbon prices differ internationally. It shows that tariff policy has a role in easing cross-country distributional concerns that can make non-uniform carbon pricing efficient, and that Pareto-efficiency requires a form of BTA when carbon taxes in some countries are constrained, a special case being identified in which this has the simple structure envisaged in practical policy discussion. It also stresses - a point that has been overlooked in the policy debate - that the case for BTA depends critically on whether climate policies are pursued by carbon taxation or by cap-and-trade.

*with Michael Keen

Departmental Workshop

Holger Rau

"Step-Level Public Goods: Experimental Evidence?"*

In a step-level public-good experiment, we investigate how the order of moves (simultaneous vs. sequential) and the introduction of a second step-level which is not feasible in standard Nash equilibrium affects public-good provision in a two-player game. We find that the sequential order of moves significantly improves public-good provision and payoffs, even though second movers often punish when first movers who give less than half of the threshold contribution. The additional step level leads to higher contributions but does not improve public-good provision and lowers payoffs. Based on an existing experimental data set, we calibrate Fehr and Schmidt's (1999) model of inequality aversion to make quantitative predictions. We find that actual behavior fits remarkably well with these predictions in a quantitative sense, but there are also two contradictions to the model's predictions.

*with Hans-Theo Normann

Talks and Research Visits

Peter Duersch presented his paper "Taking Punishment into Your Own Hands: An Experiment on the Motivation Underlying Punishment" (joint with Julia Müller) at the University of Paderborn, October 17.

Julia Müller presented the paper "Can Personality Explain What is Underlying Women's Unwillingness to Compete?" (joint with Christiane Schwieren) at the GfEW Annual meeting in Nürnberg, October 6-8.

Krishna Chaitanya Vadlamannati gave a talk on "*What do we know about Research on Maoist Conflict in India so far? Approaching Research on Maoist Conflict in India from an Interdisciplinary Interest*", at a conference organized by Indian-Norwegian Cooperation (INDNOR-program), Research Council of Norway and Norwegian University of Science and Technology, Trondheim, Norway, October 3-5.

Krishna Chaitanya Vadlamannati presented his working papers "*The Needy Donor: An Empirical Analysis of India's Aid Motives*" on September 9, and "*Fighting Corruption or Fighting Elections? The Politics of Fighting Corruption: A Sub-national Study of India, 1988-2009*" September 10, at The Poverty Reduction, Equity, and Growth Network (PEGNet) conference 2011 on poor countries, poor people, and the new global players at the GIGA German Institute of Global and Area Studies, Hamburg, Germany.

Krishna Chaitanya Vadlamannati presented his working paper "*A Race to the Bottom in Labour Standards? An Empirical Investigation*" at 13th Annual Conference: 2011 European Trade Study Group organized by Copenhagen Business School, University of Copenhagen, Denmark, September 8-13.

New Working Papers

Thomas A. Eife: "Explaining the Persistent Effect of the Euro-Changeover on German Restaurant Prices", AWI Discussion Paper Series, no. 518, October 2011.

New Publications

The paper "Instrument Choice and Motivation: Evidence from a Climate Change Experiment" by Timo Goeschl and Grischa Perino (University of East Anglia) has been accepted for publication in *Environmental and Resource Economics*. The authors detect motivation crowding effects of price, but not of quantity instruments. Crowding by price instruments is short-term, but not long-term persistent.

Miscellaneous

Wendelin Schnedler, University of Paderborn, (former postdoc at the Chair of Jörg Oechssler) obtained the title "private lecturer" (Priv.-Doz.), after his presentation "Motivational Crowding Out" at the Faculty of Economics and Social Sciences, University of Heidelberg, October 19. Congratulations!

Best wishes to Juliane Dreßler from the Library CBB, who has celebrated her wedding. Her name changed into Juliane Hochstein.

New and Leaving Staff

Krishna Chaitanya Vadlamannati started working at the AWI as a PhD candidate and Research Associate under Axel Dreher at the Chair of International Economics and Development Politics. His research interests are Social effects of Globalization and Market-Economic policy reforms, Causes and Consequences of civil conflicts within India and Sub-Saharan Africa, Development Politics (Indian sub-national context), and Political economy of Foreign Direct Investments with regional focus on Indian sub-regions and Sub-Saharan Africa.



Dennis Pohl started working at the department as a postgraduate with the working group of International Economics of Switgard Feuerstein, October 1.



**Editorial deadline for issue 24/2011 of the newsletter:
Wednesday, October 26, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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