



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Monday, 12.12.11

Departmental Seminar I

17.15-18.45

AWI 00.010

Nora Szech, University of Bonn

"Tie-Breaks and Bid-Caps in All-Pay Auctions"

Thursday, 15.12.11

Departmental Seminar II

14.00-15.00

AWI 00.010

Robert Sugden, University of East Anglia

"Implementing theoretical models in the laboratory,
and what this can and cannot achieve"

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 I

Nora Szech

"Tie-Breaks and Bid-Caps in All-Pay Auctions"

We revisit the complete information all-pay auction with bid-caps introduced by Che and Gale (1998), dropping their assumption that tie-breaking must be symmetric. Any choice of tie-breaking rule leads to a different set of Nash equilibria. Compared to the optimal bid-cap of Che and Gale we obtain that in order to maximize the sum of bids, the designer prefers to set a less restrictive bid-cap combined with a tie-breaking rule which slightly favors the weaker bidder. Moreover, the designer is better off breaking ties deterministically in favor of the weak bidder than symmetrically except when bidding costs are strongly convex.

Departmental Seminar II

Robert Sugden

"Implementing theoretical models in the laboratory, and what this can and cannot achieve"

We investigate the methodology used in a significant genre of experimental economics, in which experiments are designed to test theoretical models by implementing them in the laboratory. Using two case studies, we argue that such an experiment is a test, not of what the model says about its target domain, but of generic theoretical components used in the model. The properties that make a model interesting as a putative explanation of phenomena in its target domain are not necessarily appropriate for such tests. We consider how this research strategy has been legitimized within the community of experimental economists.

Talks and Research Visits

Joerg Oechssler gave a talk on "Does intense competition lead to exploitation?" at the workshop on "Market Design and the Public Sector in Laboratory Experiments", Max Planck Institute for Tax Law and Public Finance, Munich, November 28-29.

Bram Driesen gave a talk on "Proportional concessions and the leximin solution" in the *Corvinus Game Theory Seminar*, Budapest, November 14.

New Publications

The paper *Explaining uniformity in rule design: The role of citizen participation in enforcement*, by Timo Goeschl and Ole Jürgens, has been accepted for publication in the *International Review of Law and Economics*.

Miscellaneous

Timo Goeschl has been elected to the 8-member Council of the European Association of Environmental and Resource Economists for four years.

**Editorial deadline for issue 31/2011 of the newsletter:
Wednesday, December 14, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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