



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
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## AWI This Week

### Monday, 15.4.13

#### Departmental Seminar

17.15-18.45  
AWI 00.010

Sascha O. Becker, University of Warwick  
"Do entrepreneurs matter?"

### Wednesday, 17.4.13

#### Departmental Workshop

17.15-18.45  
AWI 00.010

Vera Eichenauer and Kai Gehring  
"Geopolitics, Aid and Growth"

## Jour Fix

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

Sascha O. Becker

"Do entrepreneurs matter?"\*

In the large literature on firm performance, economists have given little attention to entrepreneurs. We use deaths of more than 500 entrepreneurs as a source of exogenous variation, and ask whether this variation can explain shifts in firm performance. Using longitudinal data, we find large and sustained effects of entrepreneurs at all levels of the performance distribution. Entrepreneurs strongly affect firm growth patterns of both very young firms and for firms that have begun to mature. We do not find significant differences between small and larger firms, family and non-family firms, nor between firms located in urban and rural areas, but we do find stronger effects for founders with high human capital. Overall, the results suggest that an often overlooked factor -- individual entrepreneurs -- plays a large role in affecting firm performance.

\*with Hans K. Hvide

### Departmental Workshop

Vera Eichenauer and Kai Gehring

"Geopolitics, Aid and Growth"\*

We investigate the effects of short-term geostrategic motivations on the effectiveness of foreign aid. Donor countries' political motives might reduce the effectiveness of conditionality, channel aid to inferior projects or affect the way aid is spent in other ways, reduce the aid bureaucracy's effort, and might impact the power structure in the recipient country. We investigate whether geostrategic motives matter by testing whether the effect of aid on economic growth is reduced by the share of years a country has served on the United Nations Security Council (UNSC) in the period the aid has been committed, which provides quasi-random variation in commitments. Our results show that the effect of aid on growth is significantly lower when aid has been granted for political reasons. We conclude that short-term political favoritism reduces growth.

\*with Axel Dreher

## Talks and Research Visits

**Christoph Vanberg** presented "The Dynamics of Coalition Formation: An Experiment in Continuous Time" at the Copenhagen Business School, April 8.

Talks given at the *European Public Choice Society Annual Meeting*, Zurich, April 3-6: **Axel Dreher, Vera Eichenauer and Kai Gehring**: "Geopolitics, Aid, and Growth"; Axel Dreher with Kai Gehring: "*Information Transmission and Fiscal Decentralization: Theory and Evidence*"; **Alexandra Rudolph**: "Structural Equation Approach on International Human Trafficking"; **Maya Schmaljohann**: "Enhancing Foreign Direct Investment via Transparency? Evaluating the Effects of the EITI on FDI".

**Axel Dreher** presented the paper "Geopolitics, Aid, and Growth" at the *Instituto Universitário de Lisboa* (ISCTE-IUL), Lisbon, March 22.

**Jörg Oechssler** gave a talk on "Imitation under Stress", University of Innsbruck, March 21.

**Axel Dreher** gave a talk on "Geopolitics, Aid, and Growth" at the *Warwick Political Economy Workshop* in Venice, Italy, March 9-10.

At *The Public Choice Society at Fifty Years*, New Orleans, March 7-10, the following papers were presented: **Hannes Koppel**: "Doing Good for Me, My Group, or the Collective? On the Structure of Conflict and Actors' Social Value Orientation in Nested Multi-Level Conflicts", and **Christoph Vanberg**: "The Dynamics of Coalition Formation: An Experiment in Continuous Time".

**Zeno Enders** presented the paper "Global Banking, Trade, and the International Transmission of the Great Recession" at the Second Workshop of the DFG Priority Program on Financial Market Imperfections and Macroeconomic Performance in Cologne, March 1-2.

**Malte Faber** (AWI), Thomas Petersen (Philosophisches Seminar) und Willi Schwarz (Risk-Department of the Commerzbank, Frankfurt) gave a lecture on "The Financial Crisis and the Euro Crisis from an Economic and a Philosophical Perspective" at the DAI (Deutsch-Amerikanisches Institut), Heidelberg, February 21.

**Christoph Vanberg** presented his paper "Legislative bargaining with free timing of moves: two experiments" at the University of Essex, February 6, and at the University of East Anglia, February 12.

**Zeno Enders** presented the paper "Undue optimism and economic activity" at the Schumpeter Seminar of the Humboldt University Berlin, February 12.

**Axel Dreher, Vera Eichenauer and Kai Gehring**: at the Political Economy of International Organizations VI, February 7-9, Universities of Mannheim and Heidelberg, Germany, "*Geopolitics, Aid, and Growth*", and also **Axel Dreher**: "*The Determinants of Election to the United Nations Security Council*".

## New Publications

Christian Bjørnskov, Axel Dreher, Justina A.V. Fischer, Kai Gehring and Jan Schnellenbach: "Inequality and Happiness: When Perceived Social Mobility and Economic Reality Do Not Match", *Journal of Economic Behavior & Organization*, forthcoming.

Timo Goeschl, Daniel Heyen, and Juan Moreno-Cruz (Georgia Tech): "The Intergenerational Transfer of Solar Radiation Management Technologies and Atmospheric Carbon Stocks" has been accepted at *Environmental and Resource Economics*.

Jürgen Eichberger: "Technology Adoption and Adaptation to Climate Change - A Case-Based Approach" (with Ani Guerdjikova), *Climate Change Economics* 3, forthcoming 2013.

Jürgen Eichberger: "Ambiguity, Data and Preferences for Information - A Case-Based Approach" (with Ani Guerdjikova), *Journal of Economic Theory*, forthcoming 2013.

Jürgen Eichberger: "When is Ambiguity Attitude Constant?" (with Simon Grant and David Kelsey), *Journal of Risk and Uncertainty* 45, 239-263, 2012.

Jürgen Eichberger: "Generalized Neo-Additive Capacities and Updating" (with Simon Grant and Jean-Philippe Lefort), *International Journal of Economic Theory* 8, 237-257, 2012.

Jürgen Eichberger: "Agreeable Trade with Optimism and Pessimism" (with Adam Dominiak and Jean-Philippe Lefort), *Mathematical Social Sciences* 64, 119-126, 2012.

Bernd Klauer, Reiner Manstetten, Thomas Petersen and Johannes Schiller in cooperation with Beate Fischer, Frank Jöst, Mi-Yong Lee and Konrad Ott published the results of their research project "Das Konzept der Bestände als eine Entscheidungshilfe für die Politik" (financed by the Ministry for Education and Research BMF during the years 2007 to 2010) in a monography under the title *Die Kunst langfristig zu denken (The Art of Long-Term Thinking)*, Nomos-Verlag, Baden-Baden, 2013.

## Miscellaneous

Daniel Rittler, former PhD student at the chair of Christian Conrad, has successfully defended his doctoral thesis on "The Carbon Market, Oil and the Macroeconomy", April 9.

Axel Dreher took part at the Annual Conference of "Verein für Socialpolitik: Research Committee Economic Policy", Düsseldorf, March 12-14.

Hannes Koppel, research fellow at the chair of Christoph Vanberg, has successfully defended his doctoral thesis on "Innate and Institutional Factors Affecting Other-Regarding Behavior and Reasoning in Economic Games – Experimental Evidence" at the University of Jena, March 20.

Hannes Oeler, PhD student of Axel Dreher, has successfully defended his doctoral thesis on "Essays on the Allocation, Effectiveness and Coordination of Development Aid", February 12.

## New and Leaving Staff

**Daniel Römer** has moved on from Heidelberg at the end of February and is now working at the Center for European Economic Research- ZEW in Mannheim as a research associate. Daniel was involved as a project leader and post-doc at the Research Center for Environmental Economics. Specifically, he led the BMBF-funded project INFINUM that examined public information as a tool in environmental regulation. He can be reached at [roemer@zew.de](mailto:roemer@zew.de).

**Johannes Jarke** will join the Economics Department at the University of Hamburg as a post-doc on April 1<sup>st</sup>. Johannes completed his PhD here at Heidelberg in early February. His research was funded through INFINUM, a BMBF-sponsored research project at the Research Center for Environmental Economics.

**Editorial deadline for issue 7/2013 of the newsletter:  
Wednesday, April 17, 2013, 12 o'clock  
[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.