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AWI This Week

Monday, 6.5.13

Departmental Seminar

17.15-18.45

AWI 00.010

Pohan Fong, City University of Hong Kong

"Endogenous Limits on Proposal Power in Distributive Politics"

Wednesday, 8.5.13

Departmental Workshop

17.15-18.45

AWI 00.010

Jörg Oechssler and Alex Roomets

"A Test of Mechanical Ambiguity"

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

Pohan Fong

"Endogenous Limits on Proposal Power in Distributive Politics"*

We apply the analytical framework of Diermeier and Fong (2011) to distributive politics, and present a dynamic model of legislative bargaining in which policy making proceeds until the proposer has no more incentive to make a new proposal to replace the previously approved policy. We characterize stationary Markov perfect equilibria for the game and show that in all pure-strategy equilibria, a majority of voters without proposal power have an incentive to protect each others' benefits to secure their own long-term bargaining positions in the legislature. Our theory leads to a set of testable implications: (1) All nonproposing players who receive positive benefits in the long run all receive an equal amount. (2) There is a positive correlation between the size of the proposal committee and the size of supermajority coalition that receives positive benefits in the long run. (3) The value of proposal power is decreasing in the size of the proposal committee.

*with Daniel Diermeier

Departmental Workshop

Jörg Oechssler and Alex Roomets

"A Test of Mechanical Ambiguity"

We implement an experiment to elicit subjects' ambiguity attitudes in the spirit of Ellsberg's three-urn problem. The procedure includes three design elements that (together) have not been featured in similar experiments: Strict ambiguity preferences, a single decision, and a mechanical randomization device with an unknown distribution (to both subjects and experimenters). We use this device in order to eliminate possible 'strategic' ambiguity related to subject's 'beliefs about the experimenters' motivations. In addition, we survey 39 experimental studies on Ellsberg's two- and three-urn problems, and find ...that, on average, slightly more than half of subjects are classified as ambiguity averse. Our results, with our new design, fall on the low end of the range of results in the surveyed studies.

Also, surprise ending.

Talks and Research Visits

Christoph Vanberg gave a talk on "The Dynamics of Coalition Formation: a real-time multilateral bargaining experiment", University of Paderborn, April 29.

Axel Dreher gave a talk on "Geopolitics, Aid, and Growth" at the *Foreign Aid Conference*, Princeton University, Princeton, USA, April 26-27.

Benjamin Roth presented the paper "Stability of ambiguity preferences - An experiment" (joint with Peter Dürsch and Daniel Römer), at the University of Regensburg, April 24.

Visitors

Lukas Figge is visiting the Chair of Prof. Axel Dreher for the coming six weeks. He does his PhD under the supervision of Prof. Pim Martens on globalization, complexity and sustainability at Maastricht University. During his visit in Heidelberg, he will focus on the relationship between the ecological footprint, globalization and other drivers of global environmental change. He sits at the Chair of Development and International Politics in AWI room 01.022.

**Editorial deadline for issue 10/2013 of the newsletter:
Thursday, May 8, 2013, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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