



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

### **Monday, 2.6.14**

#### **Departmental Seminar**

17.15-18.45

Roland Winkler, TU Dortmund University

AWI 00.010

"Government Spending, Entry and the Consumption  
Crowding in Puzzle"

### **Wednesday, 4.6.14**

#### **Internal Seminar**

12.15-13.15

Andreas Reischmann, University of Heidelberg

AWI 00.010

"Conditional vs. Voluntary Contribution Mechanism –  
An Experimental Study"

### Departmental Seminar

Roland Winkler

"Government Spending, Entry and the Consumption Crowding-in Puzzle"\*

This paper documents empirically that net firm entry robustly rises after a US government spending expansion. We use this new finding to test the empirical validity of various model features that have been put forward to generate a crowding-in of consumption after an expenditure shock. In particular, we show that models with endogenous entry can simultaneously generate an increase in consumption and firm entry in response to a positive government expenditure shock if entry has a very strong negative effect on markups, if labor supply is highly elastic, or if public consumption is utility- or productivity-enhancing. Model features that dampen the wealth effect, such as credit-constrained consumers or GHH preferences, instead tend to reduce entry as well as consumption.

\*with Vivien Lewis

### Internal Seminar

Andreas Reischmann

"Conditional vs. Voluntary Contribution Mechanism - An Experimental Study"

This study presents a lab experiment on the performance of the new Conditional Contribution Mechanism for the provision of public goods. The mechanism gives all agents the possibility to condition their contribution on the total level of contribution provided by all agents. In the experiment the performance of the mechanism is compared to the performance of the Voluntary Contribution Mechanism. In an environment with binary contribution and linear valuations subjects play the mechanisms in a repeated setting over 20 periods in two different treatments. One treatment covers complete information and homogeneous valuations while the other one covers heterogeneous valuations and incomplete information. In both treatments a significantly higher contribution rate can be observed when the Conditional Contribution Mechanism is used."

## Talks and Research Visits

**Christine Binzel** was invited to present her paper "Does the Arrival of a Formal Financial Institution Alter Informal Sharing Arrangements? Experimental Evidence from Village India" (joint with Erica Field and Rohini Pande) at the WZB Conference "Barriers to Development: The Interplay between External Constraints and Individual Preferences", Berlin, May 22-23.

**Zeno Enders** gave a talk on "Gerechtigkeitsüberlegungen in der Wirtschaftspolitik" within series of lectures on justice organised by the  $\delta$ elta Verein associated with the Department of Philosophy at the University of Heidelberg, May 22.

**Jonas Dovern** presented the paper "Does Joint Modeling of the World Economy Pay Off? Evaluating Multivariate Forecasts from a GVAR?" at the CES seminar, Munich, May 19.

## New Publications

Benjamin Roth and Andrea Voskort: *Stereotypes and false consensus: How financial professionals predict risk preferences* has been accepted for publication in the *Journal of Economic Behavior & Organization*, special issue on empirical behavioral finance.

**Editorial deadline for issue 14/2014 of the newsletter:  
Wednesday, June 4, 2014, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

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please contact the address above.