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AWI This Week

Monday, 20.10.14

Departmental Seminar

17.15-18.45

AWI 00.010

Joanna Godlewska, University of Białystok

"The conditions of the development of a green economy at the local level (the case of Poland)"

Tuesday, 21.10.14

Economics & Politics Seminar

14.15-15.45

AWI 02.036

Kumar Aniket, University of Cambridge

"Beyond Microcredit: Giving the Poor a Way to Save Their Way out of Poverty"

Wednesday, 22.10.14

Internal Seminar

12.15-13.15

AWI 00.010

Christoph Vanberg

"Legislative bargaining with heterogeneous disagreement values: theory and experiments"

Wednesday, 22.10.14

Macro & Econometrics Seminar

17.00-18.00

AWI 00.010

Zeno Enders

"Growth Expectations, Undue Optimism, and Short-Run Fluctuations"

Departmental Seminar

Joanna Godlewska

"The conditions of the development of a green economy at the local level (the case of Poland)"

Green economy is an alternative for an economy contributing to the ecological crisis. The aim of the lecture is to present the concept and diagnosis of conditions for the development of a green economy at the local level. The rationale and basis for the concept of a green economy will be discussed. The relation between green and sustainable development are indicated. The key areas of the green economy (renewable energy, energy efficiency in buildings, sustainable transport, ecological infrastructure, sustainable agriculture and ecological production) with particular reference to financing possibilities are also discussed.

Economics & Politics Seminar

Kumar Aniket

"Beyond Microcredit: Giving the Poor a Way to Save Their Way out of Poverty"

The implicit assumption in microfinance literature has been that offering the poor credit is the most efficient way to alleviate poverty. This paper examines the optimal design of group-lending microfinance institutions that offers both saving and borrowing opportunities. Offering saving opportunities requires restricting credit within the group. This leads to negative assortative matching within the group along wealth lines, i.e., there is significant wealth heterogeneity within the endogenously formed groups. Further, the paper shows that under some reasonable assumptions, the microfinance institutions that offer both borrowing and saving opportunities are able to reach poorer individuals than institutions that only offer borrowing opportunities.

Internal Seminar

Christoph Vanberg

"Legislative bargaining with heterogeneous disagreement values: theory and experiments"*

We study a version of the Baron-Ferejohn multilateral bargaining game in which failure to pass a proposal in a given round may result in the termination of negotiations ('disagreement'). In case of disagreement, each player receives an exogenous payoff. We investigate the implications of heterogeneity in disagreement values under different q -majority rules. We provide a sufficient condition for immediate agreement in a stationary subgame perfect equilibrium, and characterize equilibrium payoffs and continuation values in such equilibria. Under all q -majority rules, continuation values are (weakly) increasing in disagreement values. Under unanimity rule, equilibrium payoffs are strictly increasing in disagreement values.

Under all less-than-unanimity rules, expected payoffs are decreasing or non-monotone in disagreement values, and the player with the largest disagreement value never achieves the highest payoff. We conduct experiments involving three players using majority and unanimity rule, and find qualitative support for these predictions. We also experimentally implement a version of the game in which disagreement values are private information. In this condition, we find significantly more delay under unanimity rule as compared to majority rule. We also find some evidence indicating that players more often vote 'no' under unanimity rule, perhaps in order to signal that they have a high breakdown value.

*with L. Miller and M. Montero

Talks and Research Visits

Matthias Hartmann presented the paper "Cross-sectional evidence on the relation between monetary policy, macroeconomic conditions and low-frequency inflation uncertainty"(joint with Christian Conrad) in the research seminar of the Department of Economics at the Westfälische Wilhelms-Universität Münster, October 15.

Visitors

Alec Sproten, Friedrich-Alexander Universität Erlangen-Nürnberg, stays at the AWI for research visit with Christiane Schwieren, October 15-17.

Andreas Leibbrandt, Monash University, is staying for a research visit (01.006) at the chair of Jörg Oechssler, October 15, 2014, to January 15, 2015.

Miscellaneous

As of October 15th, Stefan Trautmann has been appointed Associate Editor at Management Science. He will handle submission in the field of Decision Theory/Decision Analysis.

**Editorial deadline for issue 23/2014 of the newsletter:
Wednesday, October 22 , 2014, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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