



Upcoming Seminars

Monday, 31.10.2016

Departmental Seminar

17.15-18.15
AWI 00.010

John Stranlund, University of Massachusetts
(invited by Timo Goeschl)
"Deterring Poaching of a Common Pool Resource"

Wednesday, 2.11.2016

Internal Seminar

12.15-13.15
AWI 00.010

Isabel Marcin
"Strategic Communication of Endogenous Information and
Social Image"

Thursday, 3.11.2016

Lecture Series: The End of Globalization?

18.00-19.30 **s. t.**
Campus Bergheim,
Hörsaal

Andrew K. Rose, University of California Berkeley
"Has the European Monetary Union Increased Trade?"

Departmental Seminar

John Stranlund

"Deterring Poaching of a Common Pool Resource"

We present results from common pool resource experiments designed to examine the ability of a group of resource users, called insiders, to simultaneously manage their own exploitation and defend their resource from poaching by outsiders. The insiders can use communication and peer monitoring and sanctions to coordinate their decisions. In addition, they can sanction any poaching they observe. We vary the insiders' ability to observe the behavior of the outsiders from no observability to partial and full observability. We find a striking non-monotonicity between observability of the outsiders and levels of poaching. Poaching was higher under partial observability than zero observability, and was lower and more stable under full observability. Although full observability allowed the insiders to better coordinate their own harvests, they were unable to fully deter poaching because their sanctions were far too low and they were unwilling to punish low levels of poaching. Our results suggest that the coordinated defense of a common pool resource may be very difficult, especially in realistic settings in which outside threats are imperfectly observed.

Internal Seminar

Isabel Marcin

"Strategic Communication of Endogenous Information and Social Image"

In communication games it is commonly assumed that information is exogenously given to the sender. Yet, in reality, the sender's information is often a product of her expertise. Consequently, a message may not only reveal information about a certain state of the world, but also about the sender's expertise and may thus affect her social image. This paper examines the effect of endogenous information on truth-telling. In particular, I study a cheap talk game with endogenous information and completely misaligned preferences and vary the social status of information. In two treatments I provide senders with multiple-choice questions on (1) general knowledge and (2) tabloid topics. I find that truth-telling rates are significantly higher in the former case and the driving channel is the ability to signal expertise.

Lecture Series: The End of Globalization?

Andrew K. Rose

"Has the European Monetary Union Increased Trade?"

The downside of EMU is clear; monetary union prevents its members from pursuing nationalistic monetary policies to offset idiosyncratic business cycles and their effects. This loss is potentially offset, at least in part, by any stimulus that monetary union gives to trade. So the latter effect – that of currency union on trade – is of concern to policy-makers. It is also a topic of academic interest; my 2000 Economic Policy paper met with a tsunami of skepticism. As I show, there are literally dozens of estimates of

the effect of EMU on trade. They vary enormously; in this presentation, I ask why there are so many opinions, and what a reasonable person should conclude. I find that including more observations -either over time, or especially by country- seems to increase the estimated effect of EMU on trade. If I include all the data, my estimate of the export-enhancing effect of EMU is around .43, or 54%.

New and Leaving Staff

Christoph Becker (room 01.015) has worked in the department as a research assistant at the Chair of Behavioral Finance & Contract Theory since May 2015. He has just finished his Master's degree in Economics at the University of Heidelberg and will start his doctoral studies in November at the Chair of Stefan Trautmann. His research interests include decisions under uncertainty and the description-experience gap.



**Editorial deadline for issue 23/2016 of the newsletter:
Wednesday, November 2, 2016, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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please contact the address above.