



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

### Monday, 2.7.12

17.15-18.45

AWI 00.010

### Departmental Seminar

Hyejin Ku, Florida State University

"Fair Trade and Worker Incentives: Evidence from a Natural Experiment in Florida"

### Tuesday, 3.7.12

14.15-15.15

AWI 02.036

### Economics & Politics Seminar

Christoph Sajons, Pompeu Fabra

"Is Bob the Banker more electable than Bob the Builder? The effect of profession information on voter satisfaction and behavior in open-list elections"

### Wednesday, 4.7.12

17.15-18.45

AWI 00.010

### Departmental Workshop

Stefan Klonner

"Economic Distress and Farmers' Suicides in South India"

## 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

Hyejin Ku

"Fair Trade and Worker Incentives: Evidence from a Natural Experiment in Florida"

This paper theoretically and empirically studies the economic effects of fair trade programs on producers. In particular, a fair trade-induced price premium and its impact on the work incentives of hired labor are examined in the context of a natural experiment involving a large tomato farm in Florida and major fast-food chains in the US. This study points out that a standard fair trade program that is intended to serve as a pure transfer to low-income workers may alter their work incentives, potentially leading to unforeseen welfare consequences. On the basis of a panel dataset detailing the harvesting activities of tomato pickers before and after the implementation of the program, this paper addresses the following issues: (1) Do farm workers respond to incentives? (2) If they do, are their responses efficient? (3) What are the implications of workers' productivity responses for their welfare and for the profits of the farm? By investigating these issues, this paper aims to provide a new perspective on the design and implementation of fair trade programs. Understanding these issues precisely should be of interest to consumers and producers of fair trade products depending on what they seek to achieve through fair trade programs.

### Economics & Politics Seminar

Christoph Sajons

"Is Bob the Banker more electable than Bob the Builder? The effect of profession information on voter satisfaction and behavior in open-list elections"

This study examines whether stating the profession of candidates on the ballot in open-list elections affects voter satisfaction and behavior when most of the candidates are unknown. Using data from an experimental survey of voters in the local elections in Barcelona, Spain, in which varying amounts of information about the candidates were randomly assigned to the respondents, I find that providing profession information has two main effects: (1) It raises voters' satisfaction with the selected candidates and the electoral system as a whole, leading to stronger support for open-list elections. (2) It changes the composition of the elected body as voters use it to identify more "qualified" candidates, i.e., those working in high-skill professions. Additional results show that profession information also helps the voters to express their own political opinion more explicitly.

## Departmental Workshop

Stefan Klöner

"Economic Distress and Farmers' Suicides in South India"

This paper analyzes sources of extreme agrarian distress in semi-arid India. We use district-level data on farmers' suicides for the years 1998 to 2004 from two states in Southern India. Using panel techniques, we estimate the effects of transitory economic shocks and structural changes in agriculture on the incidence of suicides of adults whose primary occupation is agriculture. We find that three major types of transitory economic shocks, rainfall, price variation and agricultural yield, are not statistically significant predictors of farmers' suicides in a given year. On the other hand, we find that the shift from subsistence crops to cash crops, especially cotton and sugarcane, has been decreasing agrarian distress - which is in contrast with claims in the popular press. We also find some evidence that increased access to financial services in rural areas has helped decrease farmers' suicides.

## Talks and Research Visits

**Bram Driesen** gave a talk on "Lexicographic Solutions for the Bargaining Problem" at the University of Lille 1, June 26.

## Miscellaneous

Zeno Enders discussed a paper of Jaume Ventura at the conference "Debt and Credit, Growth and Crises" of the Banco de España and the World Bank, Madrid, June 18-19.

Zeno Enders participated in the 1. Workshop of the DFG Schwerpunktprogramm 1578 "Financial Market Imperfections and Macroeconomic Performance", Mannheim. June 15-16.

**Editorial deadline for issue 17/2012 of the newsletter:  
Wednesday, July 4, 2012, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

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