Monday, 19.12.11

17.15-18.45

Departmental Seminar

Roberto Weber, University of Zurich

"Pre-Play Communication with Forgone Costly Messages: Experimental Evidence on Forward Induction"

Jour Fixe

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.
Abstract

Departmental Seminar

Roberto Weber

"Pre-Play Communication with Forgone Costly Messages: Experimental Evidence on Forward Induction”*

We experimentally study optional costly communication in stag-hunt games. In contrast to prior research on these games where the communication option is absent, we find that there is a tendency for efficiency to be achieved without communication. This observed difference between unavailable and unused options is reminiscent of forward induction and poses an interesting challenge for theory. The non-equilibrium approach to forward induction, viz., extensive-form rationalizability, agrees with our data to the extent that it rules out strictly dominated strategies. Govindan and Wilson’s (*Econometrica*, 2009) recent definition of forward induction (GW-FI), which makes use of putative equilibrium outcomes as reference points, has added explanatory power. We apply GW-FI to the effective game in which players are restricted to semantically plausible strategies. Among the pure-strategy equilibrium outcomes GW-FI selects the one where efficiency is achieved without communication.

*with Peter H. Kriss and Andreas Blume

Talks and Research Visits

**Bram Driesen** will give a talk on "Lexicographic solutions and proportional concessions" in Besancon (Université de Franche-Comté) on December 15, and in Saarbrücken (Saarland University) on December 19.

**Joerg Oechssler** gave a talk on "Imitation - Theory and Experimental Evidence" at DICE, University of Düsseldorf, December 13.


**Axel Dreher** gave a talk on "The Effectiveness of Aid for Development", Institute for Economic Analysis (CSIC) and a talk on "The costs of favoritism: Is politically-driven aid less effective?", Barcelona Graduate School of Economics, Barcelona, Spain, December 12-13.

**Andreas Roider** has visited NYU Stern School of Business from December 5-16, where on December 9th he gave a talk on "Optimal incentive contracts under moral hazard when the agent is free to leave" (joint with Florian Englmaier and Gerd Mühlheusser).
New Publications


Julia Müller and Christiane Schwieren: *Can Personality Explain what is Underlying Women’s Unwillingness to Compete?*, *Journal of Economic Psychology*, forthcoming.

Krishna Chaitanya Vadlamannati and Indra de Soysa: *Do Pro-Market Economic Reforms Drive Human Rights Violations? An Empirical Assessment, 1981-2009*, *Public Choice*, forthcoming. Recently, the findings of this paper were subject of discussion in Danish financial daily, Børsen:(http://borsen.dk/arkiv/artikel/3163806/) and in Australian Broadcast Corporation’s (ABC) online news segment: (http://www.abc.net.au/unleashed/3613530.html).

Merry Christmas and a Happy New Year 2012

Editorial deadline for issue 1/2012 of the newsletter: 
Wednesday, January 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.