



## Upcoming Seminars

### Monday, 18.11.2024

13.30-14.30

AWI room 00.010

### Departmental Seminar

Lisa Chauvet, Sorbonne

"Foreign Aid and Power Play: Political Cycles in World Bank's Procurement Allocation"

(Host: Axel Dreher)

### Wednesday, 20.11.2024

12.15-13.15

AWI room 00.010

### Internal Seminar

Sorell de Silva

"Subsidizing Legal Production Inputs in an Open-Access Resource System"

(Host: Timo Dimitriadis)

### Thursday, 21.11.2024

14.00-15.00

ZEW Room Heinz König Hall

### ZEW Research Seminar

Roberto Rozzi, University of Siena

"Endogenous peer based discrimination"

### Departmental Seminar

Lisa Chauvet, Sorbonne

"Foreign Aid and Power Play: Political Cycles in World Bank's Procurement Allocation"\*

This paper examines the existence of political cycles in the awarding of World Bank procurement contracts around elections. We consider elections in the home country of firms winning these contracts, whether the firms come from the aid recipient country (i.e. domestic firms) or from other supplier countries (i.e. foreign firms). Our findings indicate that domestic firms are more likely to secure larger contracts around elections in their home country, especially when corporate donations to candidates are allowed. Additionally, our results reveal an increase in contract sizes awarded to foreign firms before elections in their home country. This cross-border political cycle appears to be driven by strong aid partnerships and historical colonial ties between the supplier and recipient countries.

\* joint work with Antoine Boucher and Marin Ferry

### Internal Seminar

Sorell de Silva

"Subsidizing Legal Production Inputs in an Open-Access Resource System"

Managing common-pool resources in a developing country setting is challenging and compliance to regulation that is intended to reduce over-exploitation is low. We run a randomized controlled trial on 938 boat owners at Lake Victoria to test whether a subsidy program for legal fishing nets can increase compliance to production input regulation. The intervention (treatment group) is a subsidy on legal fishing net panels, where participants are offered to purchase legal net panels at a reduced price. In a control group, legal net panels can only be purchased at market price. After a self-reporting period of twelve weeks, the intervention is repeated to study whether boat owners switch back to illegal production inputs after observing potential changes in productivity.

## ZEW Seminar

Roberto Rozzi, University of Siena

"Endogenous peer based discrimination"\*

We consider a dynamic labor market where employers can either be conformist or rational. There are two types of workers. Employers only observe each worker's type and each type's expected productivity. We examine how employers' behavioral rules evolve across steps based on static equilibrium outcomes. Behavioral rules evolve according to a fitness depending on the number of conformists and conformists pay a cognitive cost for considering additional information. We find that the two evolutionary stable states are such that either all employers are rational or all of them are conformist: only the second kind of state produces inequalities. External social pressure, the number of jobs, and the magnitude of the conformity cognitive cost influence the likelihood of a society with only conformist employers. Initially, we assume equal remuneration among employers and later demonstrate that our results hold even when worker remuneration differs across employers.

\*joint with Luca Sandrini, ZEW Mannheim

## Talks and Research visits

**Anca Balietti** presented the paper "Strategic Ignorance and Perceived Control", joint with Angelika Budjan, Tillmann Eymess, and Alice Soldà at the *Ludwig Erhard ifo Research Workshop* in Fuerth on November 7;

**Christoph Becker** gave a talk titled "Personalizing Probabilistic Survey Scales" (joint work with Peter Duersch, Thomas Eife and Alexander Glas) at the *University of Vienna* on November 8;

**Clément Staner** presented his paper entitled "Emotional Echoes: Emotion dynamics and reference-dependent preferences" at the *Newcastle Experimental Economics Workshop 2024* at the *Newcastle University Business School, UK*, held on 7 and 8 November.