

# FAKULTÄT FÜR WIRTSCHAFTS- UND SOZIALWISSENSCHAFTEN

# **Fachbereich VWL / Department of Economics**

# **EconNewsletter**

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# OCTOBER 28 – NOVEMBER 1, 2019

**NEWSLETTER 2019-22** 

### SEMINAR CALENDAR

#### **HCHE Research Seminar**

Prof. Kim Rose Olsen PhD, University of Southern Denmark: Gatekeeper practice and returns to diagnostic services: impact of increased use of lumbar magnetic resonance imaging on sick leave for patients with low back pain

Monday October 28 16:30-18:00 Esplanade 36, R. 4011/13

#### **Environmental and Development Economics**

Prasenjit Banerjee, University of Manchester: Politicians and their promises in an uncertain world: Evidence from a lab-in-the-field experiment in India Wednesday October 30 12:15–13:45 WiWi 0079 (VMP 5)

#### Research Seminar "Labour Economics"

- no seminar -

# **Hamburg Lectures on Law & Economics**

- no seminar -

# Forschungsseminar "Quantitative Wirtschaftsforschung"

- no seminar -

#### **PhD Seminar**

- no seminar -

### **Research Seminar "Microeconomics"**

- no seminar -

#### **ABSTRACTS**

## **Environmental and Development Economics**

Prasenjit Banerjee, University of Manchester:

Politicians and their promises in an uncertain world: Evidence from a lab-in-the-field experiment in India

#### Abstract:

In emerging economies, pro-social policy outcomes may be prevented by bureaucratic inefficiency, capture by elected or non-elected office holders, or by other hurdles. For local citizens, uncertainty about the true cause of such failures often prevails. We study the pro-sociality of politicians' decision-making in a modified dictator game with real politician participants in rural India. In our game, a recipient citizen does not know whether dictator politician capture or bad luck is to blame when receiving zero. Using a 2 × 2 design, we investigate how the combination of two non-monetary instruments affect politician behaviour in this hard to govern environment. The first instrument, a (non-binding) promise, is a commitment device; the second introduces a minimal relational lever between the politician and the recipient. We find that politician-dictator giving becomes dramatically more pro-social, from zero- to 50:50-giving, when these two instruments are combined. Our results provide new insights about the scope for norm-based, low-cost mechanisms to tackle governance-related asymmetric information challenges in developing-country settings.

# **ACTIVITIES OF DEPARTMENT MEMBERS**

#### **New Publications**

■ **Loermann, J. (2019),** "The impact of CHF/EUR exchange rate uncertainty on Swiss exports to the Eurozone: evidence from a threshold VAR", *Empirical Economics*, forthcoming, https://doi.org/10.1007/s00181-019-01780-8.

The <u>next EconNewsletter</u> will be published **on Monday**, **November 4, 2019**. <u>Editorial deadline</u>: **Friday**, **November 1, 2019**.

### **EconNewsletter**

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