

# 2021 **ESA** Global Online Around-the-Clock Conference Program (FINAL)

**July 7- 9, 2021**

**Economic Science Association**

Last Revised 17:21:44 PDT, 2021.07.08

**All time in PDT, Los Angeles Time (NY+3, France+9, China+15, and Melbourne+17)**

# Program Overview

## Wednesday, July 7, 2021

- **00:00-8:00am PDT (Los Angeles Time): EU Cycle 1**
  - **00:00-1:00: Plenary-- Michal Bauer, [Zoom Link](#)**
    - Title: Triggers of Inter-group Hostility
    - Host: Michele Belot
  - 1:00-2:40: EU Sessions 1
  - 3:00-4:40: EU Sessions 2
  - 5:00-6:00: Social Event-- Off-topic session:
    - **The ESA Ethical Guidelines Discussion (I)**
    - Hosts: Ben Greiner, Michal Krawczyk, Dorothea Kuebler, Jeroen van de Ven, and Marie-Claire Villeval
  - 6:00-7:00: Social Events: Topic session
    - **The Future of Experimental Economics**
    - Hosts: Friederike Mengel
  - 7:00-8:00: EXECUTIVE COMMITTEE MEETING (Committee Member Only)
- **8:00-16:00 PDT (Los Angeles Time): NA Cycle 1**
  - **8:00-9:00: Plenary-- Rachel Kranton, [Zoom Link](#)**
    - Title: Deconstructing experimental findings of group bias
    - Host: Yan Chen
  - 9:00-10:40: NA Sessions 1
  - 11:00-12:40: NA Sessions 2
  - **13:00-14:00: Plenary-- Ragan Petrie, [Zoom Link](#)**
    - Title: Do charities know what triggers donations?
    - Host: Laura Gee
  - 14:00-15:00: Social Events: Off-topic Sessions
    - **The ESA Ethical Guidelines Discussion (II)**
    - Hosts: Catherine Eckel
  - 15:00-16:00: Social Events: Off-topic Sessions
    - **Faculty vs Non-faculty Classic Economic Game Challenge**
    - Hosts: Walter Yuan, MobLab & Joseph Wang, National Taiwan University
    - Two teams, faculty vs non-faculty, going head to head on classic economic games! The top performer on the winning team (with the higher per capita earnings) gets to choose autographed books by Al Roth and Matt Jackson or an Amazon gift card of 100 USD, with other members entering a lottery for the rest. Secure your slot, pre-registration available at this [Google signup sheet](#). (Walk-ins welcome, though you may miss the first few rounds registering on the spot.)
- **16:00-23:59 PDT (Los Angeles Time): AP Cycle 1**
  - **16:00-17:00: Plenary-- Erte Xiao, [Zoom Link](#)**
    - Title: Incentives to Persevere
    - Host: Shirley Wang
  - 17:00-18:40: AP Sessions 1
  - 19:00-20:40: AP Sessions 2
  - 21:00-22:00: Social Events: Off-topic Sessions
    - **The ESA Ethical Guidelines Discussion (III)**
    - Hosts: Lata Gangadharan
  - 22:00-22:59: Social Events: Topic Sessions
    - **Cross Country Online Game Challenge**
    - Hosts: Shirley Wang, Remin University, Nathanael Berger MobLab, & Phil Limberg, MobLab
    - You join the team from your block (Asia-Pacific, Europe, Americas) to play classic economic games. The block team with the highest per capita earnings will be eligible for exciting prizes: The top performer gets to choose autographed books by Al Roth and Matt Jackson or an Amazon gift card of 100 USD, with other members entering a lottery for the rest. Secure your slot, pre-registration available at this [Google signup sheet](#). (Walk-ins welcome, though you may miss the first few rounds registering on the spot.)
  - 23:00-23:59: Social Events: Hang-out!
    - **Interaction with Presenters**
    - Hosts: GSH

## Thursday, July 8, 2021

- **00:00-8:00am PDT (Los Angeles Time): EU Cycle 2**
  - 1:00-2:40: EU Sessions 3
  - 3:00-4:40: EU Sessions 4
  - **5:00-6:00: Plenary-- Ingvild Almas, [Zoom Link](#)**
    - Title: Gender and Decision Making
    - Host: Roel van Veldhuizen
  - 6:00-7:00: Social Events: Hang-out!
    - Interaction with Presenters
    - Hosts: GSH
  - **7:00-8:00: Members Meeting, [Zoom Link](#)**
    - Summary: Business and Information for all ESA members -- please join the conversation! Newly elected officers, upcoming conference sites, new replication policy, mentoring, ESA's budget, the new ESA ethical guidelines and the new contract for ESA journals will be announced, along with ideas to improve visibility and publication opportunities for your research.
- **8:00-16:00 PDT (Los Angeles Time): NA Cycle 2**
  - **8:00-9:00: Plenary-- Dan Friedman, [Zoom Link](#)**
    - Title: Market Mysteries, Old and New
    - Host: Tim Cason
  - 9:00-10:40: NA Sessions 3
  - 11:00-12:40: NA Sessions 4
  - 13:00-14:00: Social Events: Hang-out!
    - **Interaction with Presenters**
    - Hosts: GSH
  - 14:00-15:00: Social Events: Hang-out!
    - **Interaction with Presenters**
    - Hosts: GSH
- **16:00-23:59 PDT (Los Angeles Time): AP Cycle 2**
  - **16:00-17:00: Plenary-- Nobuyuki Hanaki, [Zoom Link](#)**
    - Title: An experiment on the Nash program: Comparing two bargaining implementations of the Shapley value
    - Host: Lata Gangadharan
  - 17:00-18:40: AP Sessions 3
  - 19:00-20:40: AP Sessions 4
  - 21:00-22:00: Social Events: Topic Sessions
    - **Cross Country Studies**
    - Hosts: Shirley Wang, Remin University & Stefan Trautmann, University of Heidelberg
    - During this social event we want to discuss cross-country studies with student or maybe broader population samples. We want to talk about what insights we can expect to gain from such cross-country comparison of economic behavior and attitudes, and what methods and tools can be used to implement cross-country research. We also want to consider which pitfalls to avoid when it comes to design and implementation, but also with respect to the interpretation of experimental results.
  - 22:00-23:00: Social Events-- Topic Sessions
    - **Nudges and Policy**
    - Hosts: Lionel Page
  - 23:00-0:00: Social Events: Hang-out!
    - **Interaction with Presenters**
    - Hosts: GSH

## Friday, July 9, 2021

- **00:00-8:00am PDT (Los Angeles Time): EU Cycle 3**
  - 1:00-2:40: EU Sessions 5
  - 3:00-4:40: EU Sessions 6
  - **5:00-6:00: Plenary-- Ernst Fehr, [Zoom Link](#)**
    - Title: Framing and Attention - The Attentional Foundations of Framing Effects
    - Host: Marie-Claire Villeval
  - 7:00-8:00: Social Events: Hang-out!
    - **Interaction with Presenters**
    - Hosts: GSH

- Plenary talks will be available at the [ESA YouTube Channel](#) after the conference.

## ESA 2021 Global Around-the-Clock Conference Program Details

### Wednesday, July 7, 0:00am - 1:00am PDT (Los Angeles Time)

#### Plenary Talk: Triggers of Inter-group Hostility-- Michal Bauer. [Zoom Link](#)

ESA Support Staff: [Eldar Dadon](#)

### Wednesday, July 7, 1:00am - 2:40am PDT (Los Angeles Time)

#### Session 1, Advice. [Zoom Link](#)

ESA Support Staff: [Laura Manukyan](#)

- Marie-Pierre Dargnies, : [Trust in an expert depending on the expert's gender and the individual's characteristics: An experiment](#)
- Julia Rose, Burgundy School of Business: [Client-Advisor Matching in the Finance Industry](#).

#### Session 2, Asset Markets 1. [Zoom Link](#)

ESA Support Staff: [Philip Melnikov](#)

- Edward Halim, Nanyang Technological University: [Delegated Portfolio Management and Incentive Contract in Social Trading Networks: An Experiment](#)
- Prachi Hejib, University of East Anglia: [The effects of information provision on decisions over risky assets](#)
- Xiaoyu Zhou, FAU Erlangen-- Nuernberg: [Information aggregation over separated markets. An experiment](#)
- Thomas Stoeckl, Management Center Innsbruck, Department Business & Management: [Regulation of insider trading and short selling. Evaluating the joint effects of two market interventions.](#)

#### Session 3, Biases 1. [Zoom Link](#)

ESA Support Staff: [Silvia F. Castro](#)

- Paolo Crosetto, INRA - GAEL: [The rise and fall of context effects](#)
- Katharina Momsen, University of Innsbr: [Information Search and Default Bias](#)
- Yigit Oezcelik, University of Liverpool: [Non-numerical and social anchoring in a ratings](#)

#### Session 4, Contests, Conflicts, and Losses. [Zoom Link](#)

ESA Support Staff: [Dominik Bruckner](#)

- Biljana Meiske, Max Planck Institute for Tax Law and Public Finance: [Productivity Shock and Conflict: The Role of Loss Aversion](#)
- Simeon Schudy, LMU Munich: [The Efficacy of Tournaments for Non-Routine Team Tasks](#)
- Ayse Gul Mermer, University of Amsterdam, CREED: [Fierce Competitors and Drop-Outs: Contests with Loss-Averse Agents](#)

#### Session 5, Fairness and Reciprocity. [Zoom Link](#)

ESA Support Staff: [Manela Karunadasa](#)

- Simon Siegenthaler, University of Texas, Dallas: [Leading-by-example: legitimizing pay disparity through risk](#)
- Christian Koch, University of Vienna: [Anti-migration sentiments and fairness perceptions](#)
- Jan Schmitz, Radboud University: [Reciprocity in multi player interactions - Evidence from the lab and the field](#)

#### Session 6, Games 1. [Zoom Link](#)

ESA Support Staff: [Hovo Manukyan](#)

- Daehong Min, New York University Abu Dhabi: [Viable Nash Equilibria: An Experiment](#)
- Evan Friedman, University of Essex: [Stochastic Choice and Noisy Beliefs in Games: an Experiment](#)
- ZAFER Akin, American University in Dubai: [Asymmetric Guessing Games](#)

#### Session 7, Industrial Organization 1. [Zoom Link](#)

ESA Support Staff: [Satarupa Mitra](#)

- Francois Cochard, UNIVERSITE DE FRANCHE-COMTE: [How to Fight Multi-market Cartels: An Experimental Comparison between the American and the European Leniency Programs](#)

- Matthew Walker, Durham University Business School, UK: [A Theoretical and Experimental Investigation into the Welfare Consequences of Late Payments](#)
- Felix Holzmeister, University of Innsbruck, Department of Economics: [The Economics of Label Credence Goods](#)

## Session 8, Nudging. [Zoom Link](#)

ESA Support Staff: [Eldar Dadon](#)

- Ivan Soraperra, University of Amsterdam: [Behavioral Nudges to Curb OTC Sales of Antibiotics: A RCT study in Ethiopia](#)
- Abigail Hurwitz, The Hebrew University of Jerusalem: [Enhancing Longevity Awareness to Improve Retirement Security](#)
- Taisuke Imai, LMU Munich: [CO2 emissions and consumption behavior: The role of beliefs, information, and attitudes](#)

## Session 9, Social Norms 1. [Zoom Link](#)

ESA Support Staff: [Haoran Yang](#)

- Daniele Nosenzo, Aarhus University: [The Coordinating Power of Social Norms](#)
- Eugenio Verrina, GATE-Lyon: [Personal norms - and not only social norms - shape economic behavior](#)
- Caroline Graf, Vrije Universiteit Amsterdam: [Social Norms Offer Explanation for Inconsistent Effects of Incentives on Prosocial Behavior](#)
- Anouk Schippers, University of Groningen: [Sharing with minimal regulation? Evidence from neighborhood book exchange](#)

## Session 10, Voting. [Zoom Link](#)

ESA Support Staff: [Monika Pompeo](#)

- Moumita Deb, University of Birmingham: [Experiments in Information Acquisition and Voting](#)
- Joao Ferreira, University of Southampton: [The Expressive Power of Voting Rules](#)
- Francesco Capozza, Erasmus University Rotterdam: [Political Competition, Cognitive Dissonance and Political Beliefs](#)

## Wednesday, July 7, 3:00am - 4:40am PDT (Los Angeles Time)

### Session 1, Artificial Intelligence. [Zoom Link](#)

ESA Support Staff: [Laura Manukyan](#)

- Jan Rene Judek, Faculty of Business: [Reducing Algorithm Aversion Through Experience](#)
- Marco Lorenz, Georg-August-University Goettingen: [The Tragedy of Algorithm Aversion](#)
- Ivan Barreda-Tarrazona, Universitat Jaume I: [Artificial vs. emotional intelligence in Prisoner's Dilemma](#)
- Moritz von Zahn, Leibniz Institute for Financial Research SAFW: [Expl\(AI\)ned: The Impact of Explainable Artificial Intelligence on Human Learning and Information Processing](#)

### Session 2, Asset Markets 2. [Zoom Link](#)

ESA Support Staff: [Philip Melnikov](#)

- Doron Sonsino, Sarnat school of Business Administration, Center for Academic Studies, Or Yehuda and Ben-Gurion University, Economics Department: [The decrease in confidence with forecast extremity: A survey of results and implications](#)
- Anita Kopanyi-Peuker, Radboud University: [The Role of the End Time in Experimental Asset Markets](#)
- Steve Heinke, University of Basel: [Mental Capabilities, Heterogeneous Trading Patterns and Performance in an Experimental Asset Market](#)
- Dominik Schmidt, Management Center Innsbruck: [Insider trading legislation and trader migration](#)

### Session 3, Cooperation 1. [Zoom Link](#)

ESA Support Staff: [Silvia F. Castro](#)

- Francesca Pancotto, University of Modena and Reggio Emilia: [Resilience and Cooperation](#)
- Vincent Laferrriere, University of Lausanne: [Multigame contact and cooperation](#)
- Daniela Ruetzler, University of Innsbruck: [The ontological roots of human cooperation](#)
- Yongping Bao, University of Bremen: [Sustaining Cooperation with Correlated Information](#)

### Session 4, Covid-19 1. [Zoom Link](#)

ESA Support Staff: [Dominik Bruckner](#)

- Shambhavi Priyam, Max Planck Institute for Research on Collective Goods: [Expectations and Trust in Government during the COVID-19 Pandemic](#)
- Dominik Meier, University of Basel: [What motivates people to volunteer during a pandemic?](#)
- Ximeng Fang, University of Bonn: [Does information about local COVID-19 incidence rates increase the use of digital contact tracing apps?](#)
- Astrid Hopfensitz, Toulouse School of Economics: [Married individuals more likely to comply with protective health measures against COVID-19: evidence from a large multinational sample](#)

## Session 5, Gender 1. [Zoom Link](#)

ESA Support Staff: [Manela Karunadasa](#)

- Christian Thoeni, University of Lausanne: [Is there really nothing to see here? On gender differences in preferences](#)
- Sefa Erkus, Karabuk University: [Gender Differences in Public Speaking Aversion on Video Conferences](#)
- Nathalie Roemer, Leibniz University Hannover: [Do gender differences in the promotion of own ideas lead to gender differences in support received?](#)
- Robert Stueber, WZB: [Preference for Homogeneity? Occupational Segregation and Gender Stereotypes](#)

## Session 6, Overconfidence. [Zoom Link](#)

ESA Support Staff: [Hovo Manukyan](#)

- Marieta Valente, Universidade do Minho, Portugal: [Exploring perceptions and expectations of grades in a quantitative course: results from an incentivized experiment](#)
- Adrian Hillenbrand, University of Bonn: [Delegation under Overconfidence](#)
- Marta Kozakiewicz, Bonn University: [Belief-Based Utility and Signal Interpretation](#)
- Lia Flores, University of Porto: [Overplacement in logical reasoning skills due to political differences](#)

## Session 7, Public Goods 1. [Zoom Link](#)

ESA Support Staff: [Satarupa Mitra](#)

- Anna Cartwright, Coventry University: [Predicting Efficiency in Threshold Public Good Games: A Learning Direction Theory Approach](#)
- Vincent Theroude, GATE-LSE: [Heterogeneity in endowments in Public Good Games: a meta-analysis](#)
- Shuwen Li, Shanghai Jiao Tong University: [Climate policies under collective risk: Provision of local irrigation systems in the lab and field](#)

## Session 8, Redistribution. [Zoom Link](#)

ESA Support Staff: [Eldar Dadon](#)

- Florian Schneider, University of Zurich: [Preferences for the allocation of production rewards between capital and labor](#)
- Jan Hausfeld, University of Amsterdam: [Redistribution beyond equality and status quo - heterogeneous societies in the lab](#)
- Fabio Tufano, University of Nottingham: [Testing a condensed methodology to estimate distributional preferences a la Fisman et al. \(2007\)](#)
- Nina Weber, King's College London: [Experience of social mobility and support for redistribution: Beating the odds or blaming the system](#)

## Session 9, Time Preferences. [Zoom Link](#)

ESA Support Staff: [Haoran Yang](#)

- Ben Greiner, Wirtschaftsuniversität Wien: [Time preferences towards the end of life](#)
- Michele Belot, Cornell University: [Eliciting time preferences when income and consumption vary: Theory, Validation and Application to Job Search](#)
- Sili Zhang, University of Zurich: [How Preference Misperceptions Confound the Identification of Time Preferences](#)

## Session 10, Trust. [Zoom Link](#)

ESA Support Staff: [Monika Pompeo](#)

- Giorgia Romagnoli, NYU: [Fostering trust: When the rhetoric of sharing can backfire](#)
- Heloise Clolery, CREST: [Measuring Trust without Error: a Comparison between Surveys and Games](#)
- Dina Tasneem, American University of Sharjah: [Trust and Citizen Engagement in Participatory Governance](#)
- Diya Abraham, Vienna University of Economics and Business: [Social comparisons and effort provision: The psychological effect of being less trusted than one's peers](#)

## Wednesday, July 7, 5:00am - 6:00am PDT (Los Angeles Time)

**Social Event, Off- topic session: The ESA Ethical Guidelines Discussion. Ben Greiner, Michal Krawczyk, Dorothea Kuebler, Jeroen van de Ven, and Marie-Claire Villeval. [Zoom Link](#)**

ESA Support Staff: [Philip Melnikov](#)

## Wednesday, July 7, 6:00am - 7:00am PDT (Los Angeles Time)

**Social Event, Topic session: The Future of Experimental Economics-- Friederike Mengel. [Zoom Link](#)**

ESA Support Staff: [Luis Avalos](#)

## Wednesday, July 7, 7:00am - 8:00am PDT (Los Angeles Time)

### Executive Committee Meeting. [Zoom Link](#)

ESA Support Staff: [Mouli Modak](#)

## Wednesday, July 7, 8:00am - 9:00am PDT (Los Angeles Time)

### Plenary Talk: Deconstructing experimental findings of group bias-- Rachel Kranton. [Zoom Link](#)

ESA Support Staff: [Mouli Modak](#)

## Wednesday, July 7, 9:00am - 10:40am PDT (Los Angeles Time)

### Session 1, Applied Economics. [Zoom Link](#)

ESA Support Staff: [Mouli Modak](#)

- Xiannong Zhang, Washington University in St. Louis: [The impact of negative links: theory and evidence](#)
- Sabine Kroeger, Department of Economics, Laval University: [Do People Vote Sincerely under Preferential Voting?](#)
- Stanton Hudja, Baylor University: [An Experimental Exploration of Reasonable Doubt](#)
- Cesar Mantilla, Universidad del Rosario: [Environmental valuation using bargaining games: an application to water](#)

### Session 2, Choice Architecture. [Zoom Link](#)

ESA Support Staff: [Swechha Chada](#)

- Thomas Rietz, University of Iowa: [Investment defaults and retirement savings allocations](#)
- Nora Szech, KIT: [Choice Architecture and Incentives Increase COVID-19 Vaccine Intentions and Test Demand](#)
- Andrea Sorensen, University of St. Thomas: [Individual compliance with disease-preventive behaviors: Experimental evidence](#)
- Lanny Zrill, Langara College: [Default-Setting and Default Bias: Does the Choice Architect Matter?](#)

### Session 3, Decision Theory 1. [Zoom Link](#)

ESA Support Staff: [Shan Gui](#)

- Maivand Sarin, University of Cologne: [In Your Name! The Effect of Intermediaries on Discrimination](#)
- Paul Healy, Ohio State University: [Testing Elicitation Mechanisms Via Team Chat](#)
- Kevin Laughren, Simon Fraser University: [Experimentally Decomposing Inattention](#)
- Jason Paulo Tayawa, The Ohio State University: [Drivers of Oveprecision: Overweighting and Neglecting Correlation of Multiple Signals](#)

### Session 4, Markets and Repeated Games. [Zoom Link](#)

ESA Support Staff: [Tianyi Li](#)

- Liang Qiao, THE UNIVERSITY OF ARIZONA: [Will gifts disrupt online market reputation systems? An experimental study.](#)
- Katerina Sherstyuk, University of Hawaii, Dept of Economics: [Experimental Commodity Markets with Storage](#)
- Tim Cason, Purdue University: [Investment Incentives in Tradable Emissions Markets with Price Floors](#)
- David Cooper, Florida State University: [IRPD Games with Changing Discount Rates](#)

### Session 5, Methodology. [Zoom Link](#)

ESA Support Staff: [Daniel Gomez-Vasquez](#)

- Carola Grebitus, Arizona State University: [It's complex -- How does offering more products affect consumer decision making?](#)
- Lina Diaz, George Mason University: [Estimating Social Preferences Using Stated Satisfaction: Novel Support for Inequity Aversion](#)
- Francesco Bogliacino, Universidad Nacional de Colombia: [Measuring Norms: Assessing the Bicchieri-Xiao elicitation method](#)

### Session 6, Norms. [Zoom Link](#)

ESA Support Staff: [Duan Liu](#)

- Eugen Dimant, University of Pennsylvania: [Social Proximity and the Erosion of Norm Compliance](#)
- Marta Maras, Gettysburg College: [Intentionality Matters for Third-Party Punishment but not Compensation in Trust Games](#)
- Rafael Charris, Universidad Nacional de Colombia: [The effect of Negative Shocks on pro-social and anti-social behavior](#)

## Wednesday, July 7, 11:00am - 12:40pm PDT (Los Angeles Time)

## Session 1, Decision Theory 2. [Zoom Link](#)

ESA Support Staff: [Tianyi Li](#)

- Cary Deck, University of Alabama: [Exploring the Intensity of Higher-Order Risk Attitudes](#)
- Russell Golman, Carnegie Mellon University: [The Demand for, and Avoidance of, Information](#)
- Barry Sopher, Rutgers University: [Maximizing the Growth Rate of Wealth vs Maximizing Expected Utility of Wealth: The St. Petersburg Gamble Revisited](#)
- Hyundam Je, Texas A&M University: [Preferences for the Resolution of Risk and Ambiguity](#)

## Session 2, Field Experiments 1. [Zoom Link](#)

ESA Support Staff: [Shanshan Zhang](#)

- King King Li, Shenzhen Audencia Business School, Shenzhen University: [What Drives Excessive Borrowing and Under-Borrowing? A Field Experiment](#)
- Holly Dykstra, Harvard Kennedy School: [Patience Across the Payday Cycle](#)
- Paul Feldman, Johns Hopkins University: [Measuring the Time Preferences of Experienced Producers](#)
- Natalia Valdez Gonzalez, Texas A&M University: [A Tale of the Tortoise and the Hare: Monetary Incentives, Social Status and Physical Activity](#)

## Session 3, Lying and Communication. [Zoom Link](#)

ESA Support Staff: [Matthew Gomies](#)

- Junya Zhou, Purdue University: [Costly Verification and Commitment in Persuasion](#)
- Daniel Parra, WZB Berlin Social Science Center: [Does lying for others dominate lying aversion?](#)
- Siyu Wang, Wichita State University: [Is It What You Say, or How You Say It? An Experimental Investigation of Communication Messages](#)
- Fangtingyu Hu, University of Minnesota: [Strategic Responses to Lying](#)

## Session 4, Norms and Trust. [Zoom Link](#)

ESA Support Staff: [Shan Gui](#)

- Austin Bradley, Virginia Tech: [Investigating Trust Using Natural Language Processing](#)
- Diego Aycinena, Universidad del Rosario: [Measuring norms: Assessing the Krupka-Weber elicitation method](#)
- Yufei Ren, University of Minnesota Duluth: [Is a high level of trust and trustworthiness within the organization a good thing to the firm?](#)
- Diya Ganguly, University of Nebraska-Lincoln: [Role of gender identity on conservation effort choice in an agricultural land leasing context: A Lab Experiment](#)

## Session 5, Public Goods 1. [Zoom Link](#)

ESA Support Staff: [Daniel Gomez-Vasquez](#)

- Braxton Gately, University of Arkansas: [Paved with Good Intentions: Group Identity and Partial Willful Ignorance in Public Goods Games](#)
- Kanatip Winichakul, University of Pittsburgh: [The Gift of Giving: Disclosing Tribute Donation Size and Taboo Charitable Behavior](#)
- Brock Stoddard, Appalachian State University: [Framing and Inequality in Public Goods Games](#)
- Jason Aimone, Baylor University: [Dynamics of Public Goods Contributions Under Probabilistic Punishment](#)

## Wednesday, July 7, 1:00pm - 2:00pm PDT (Los Angeles Time)

### Plenary Talk: Do charities know what triggers donations-- Ragan Petrie. [Zoom Link](#)

ESA Support Staff: [Duan Liu](#)

## Wednesday, July 7, 2:00pm - 3:00pm PDT (Los Angeles Time)

### Social Event, Off- Topic session: The ESA Ethical Guidelines Discussion-- Catherine Eckel. [Zoom Link](#)

ESA Support Staff: [Matthew Gomies](#)

## Wednesday, July 7, 3:00pm - 4:00pm PDT (Los Angeles Time)

### Social Event, Off-topic Session: Faculty vs Non-faculty Classic Economic Game Challenge-- Walter Yuan, MobLab and Joseph Wang, National Taiwan University. [Zoom Link](#)

ESA Support Staff: [Shanshan Zhang](#)



## Wednesday, July 7, 4:00pm - 5:00pm PDT (Los Angeles Time)

### Plenary Talk: Incentives to Persevere-- Erte Xiao. [Zoom Link](#)

ESA Support Staff: [Lan Zhou](#)

## Wednesday, July 7, 5:00pm - 6:40pm PDT (Los Angeles Time)

### Session 1, Bounded rationality. [Zoom Link](#)

ESA Support Staff: [Wendan Zhang](#)

- Lawrence Choo, Southwestern University of Finance and Economics: [Can market selection reduce anomalous behaviour in games?](#)
- Jingyi Meng, Nankai University: [Workload and Economic Decision-Making: Stress versus Financial Resources](#)
- Joseph Tao-yi Wang, National Taiwan University: [Simulating Zero-Intelligence Traders to match Classroom Double Auction Market Results](#)

### Session 2, Leadership. [Zoom Link](#)

ESA Support Staff: [Yunwen He](#)

- Yaxiong Li, University of Auckland: [\(Un\)Willing to lead? Men, Women and the Leadership Gap](#)
- Masao Fukutomi, Kyoto University, Japan: [An Experimental Study of Guilt Aversion in Group Decision Making](#)
- Yutong Li, Renmin University of China: [Gender Differences, Individual Qualifications, and Leader Selection Mechanisms](#)
- Nor Izzatina Abdul Aziz, Institut Kajian Malaysia dan Antarabangsa (IKMAS), National University of Malaysia: [Social Status and public spiritedness in representation: Experimental evidence from Borneo](#)

### Session 3, Risk, uncertainty, and ambiguity 1. [Zoom Link](#)

ESA Support Staff: [Bhagya Gunawardena](#)

- Vinayak Alladi, University of Sydney: [The Impact of Background Ambiguity On Risk Taking: Evidence From The Lab](#)
- Jiatong Han, Zhejiang University: [Incentive matters in risk preference elicitation: Evidence from a lab-in-the-field experiment](#)

### Session 4, Contests and rankings. [Zoom Link](#)

ESA Support Staff: [Xiduo Chen](#)

- Hanlin Lou, University of Technology Sydney: [Choosing the best pond to motivate performance: relative feedback and performance in groups](#)

### Session 5, Health, education, and labour markets. [Zoom Link](#)

ESA Support Staff: [Shuya He](#)

- Marcello Puca, University of Bergamo: [Discrimination and Stereotypes in the Age of Covid19: Evidence from a Field Experiment](#)
- Weiguang Deng, Hunan University: [Discriminations against Marital and Childbearing Status in Employments: A Field Experiment from China](#)
- Yuxin Yao, East China Normal University: [Peer Effects of Ability and Misbehaviors in Classroom: Evidence from a Seat Randomization Experiment](#)
- Elena Keller, UNSW Sydney: [Exploring the demand for fertility treatments: a revealed-preference experiment](#)

## Wednesday, July 7, 7:00pm - 8:40pm PDT (Los Angeles Time)

### Session 1, Bargaining. [Zoom Link](#)

ESA Support Staff: [Lan Zhou](#)

- Ailin Leng, Nanjing Audit University: [A Rubinstein Bargaining Experiment in Continuous Time](#)
- Duk Gyoo Kim, University of Mannheim: [Multilateralism Paradox of Network in Bargaining](#)
- Na Zuo, Shandong University: [Can Virtual Bargaining Explain Coordination in Public Good Games Characterizing Team Production? With a lab experimental test.](#)
- Ta-wei Hung, National Taiwan University: [Emotional Bargaining After Litigation: An Experimental Study of the Coase Theorem](#)

### Session 2, Corruption and dishonesty. [Zoom Link](#)

ESA Support Staff: [Yunwen He](#)

- Yidong Huang, Shanghai International Studies University: [Economic Preferences and State-Level Corruption](#)
- Jingzhuo Wu, Tsinghua University: [Social Relations and Lying: An Experimental Study](#)
- Shuguang Jiang, Zhejiang University of Finance&Economics: [Group Monitoring, Endogenous Crackdown, and Anti-corruption: An Experiment](#)

- Yixin Chen, Renmin University of China: [Will government officials behave more honestly? Experiment based on samples of civil servants and students](#)

### Session 3, Other-regarding preferences 1. [Zoom Link](#)

ESA Support Staff: [Bhagya Gunawardena](#)

- Sara Gil Gallen, University degli studi di Bari - Aldo Moro: [Equality of opportunity in a random dictator's game](#)
- Senran Lin, Southwestern University of Finance and Economics: [The reciprocal spillover effects of informal risk sharing on formal insurance](#)
- Qing Zhang, Hunan University of Technology and Business: [Intertemporal Trust Game](#)
- Yuta Shimodaira, Osaka University: [Evaluation of Social Preference Representation Using CES Function](#)

### Session 4, Social dilemmas 1. [Zoom Link](#)

ESA Support Staff: [Xiduo Chen](#)

- Yihan Xiao, Tsinghua University: [The Effect of Observability on the Volunteer's Dilemma](#)
- Yexin Zhou, Beijing Normal University: [Reward, Punishment and Children's Cooperation Preference](#)
- Chi Cui, Northeast Normal University, China: [A Signal of Following Social Norms Promotes Cooperation in Public Goods Game](#)
- Ozan Isler, Queensland University of Technology: [Strong reciprocity and selfish intuitions explain cooperation in maintenance and provision dilemmas](#)

### Session 5, Financial markets and institutions. [Zoom Link](#)

ESA Support Staff: [Shuya He](#)

- Tsz Kwan Tse, Osaka University: [Making Better Decisions in Financial Market: Human Forecaster vs. Algorithmic Forecaster](#)
- Jieyi Duan, Institute of Social and Economic Research, Osaka University: [An Experimental Study on Quantitative Easing](#)
- Juanjuan Meng, Peking University: [Can All Humans Benefit from AI Assistance? Algorithm Aversion and Overconfidence](#)

### Session 6, Industrial organisation. [Zoom Link](#)

ESA Support Staff: [Wendan Zhang](#)

- Muhammed Bulutay, Technische University Berlin: [Imperfect Tacit Collusion and Asymmetric Price Transmission](#)
- Surjasama Lahiri, Deakin University: [The Effect of Competition on Fine Print in Contracts: Theory and Experiment](#)
- Binglin Gong, East China Normal University: [Can adjusted reputation score improve market efficiency? -Theory and Experiment](#)
- Ryo Mikami, Osaka University: [Consumer Search and Stock-out: A Laboratory Experiment](#)

## Wednesday, July 7, 9:00pm - 10:00pm PDT (Los Angeles Time)

**Social Event, Off- Topic session: The ESA Ethical Guidelines Discussion-- Lata Gandaharan. [Zoom Link](#)**

ESA Support Staff: [Yunwen He](#)

## Wednesday, July 7, 10:00pm - 11:00pm PDT (Los Angeles Time)

**Social Event, Topic session: Cross Country Online Game Challenge-- Shirley Wang, Nathanael Berger, & Phil Limberg. [Zoom Link](#)**

ESA Support Staff: [Bhagya Gunawardena](#)

## Wednesday, July 7, 11:00pm - 0:00am PDT (Los Angeles Time)

**Social Event, Hangout: Interaction with Presenters. [Zoom Link](#)**

ESA Support Staff: [Lan Zhou](#)

## Thursday, July 8, 1:00am - 2:40am PDT (Los Angeles Time)

**Session 1, Auctions. [Zoom Link](#)**

ESA Support Staff: [Wendan Zhang](#)

- Sander Onderstal, University of Amsterdam: [A wind tunnel test of wind farm auctions](#)
- Dirk Engelmann, Humboldt University Berlin: [Winner's and Loser's Curse in Single-Unit and Multi-Unit Auctions](#)
- Radosveta Ivanova-Stenzel, Technische University Berlin: [Cognitive Abilities and Spillovers between Auction Formats](#)

## Session 2, Biases 2. [Zoom Link](#)

ESA Support Staff: [Laura Manukyan](#)

- Frieder Neunhoeffer, University of Amsterdam, Ca' Foscari University Venice: [The pigeonholing effect - On subscription traps and context-dependent preference reversals](#)
- Henrik Orzen, University of Mannheim: [Escalating commitment to a failing course of action - A re-examination](#)
- Amnon Maltz, University of Haifa: [Context Effects in Strategic Environments](#)

## Session 3, Communication. [Zoom Link](#)

ESA Support Staff: [Haoran Yang](#)

- Eli Spiegelman, Vanier College: [Would you believe that?! Irrelevant information influences behavioral responses to cheap talk](#)
- Andreas Ziegler, University of Amsterdam: [Optimal \(un-\)coordination under uncertainty: testing information design in the laboratory](#)
- Konstantinos Ioannidis, University of Amsterdam: [Habitual communication](#)

## Session 4, Covid-19 2. [Zoom Link](#)

ESA Support Staff: [Silvia F. Castro](#)

- Luca Corazzini, University of Venice: [Narratives on COVID-19 and Policy Opinions: A Survey Experiment](#)
- Joanna Rachubik, University of Warsaw: [Willingness to get vaccinated against COVID-19: an experimental study on a Polish representative sample](#)
- Hurwitz, Abigail, The Hebrew University of Jerusalem: [COVID-19 vaccines may also reduce personal financial fragility - a field study in Israel](#)
- Adriana Carolina Pinate, Gran Sasso Science Institute: [Altruism in the time of COVID-19: We are all in this together, but who is we?](#)

## Session 5, Discrimination 1. [Zoom Link](#)

ESA Support Staff: [Philip Melnikov](#)

- Yi Sheng, Tilburg University: [Discriminatory Tastes](#)
- Hamideh Mohtashami Borzadaran, University of Birmingham: [Discrimination during Brexit?](#)
- Pol Campos-Mercade, Lund University: [Irrational Statistical Discrimination](#)
- Gonul Dogan, University of Cologne: [Social Exclusion](#)

## Session 6, Experimental Methodology. [Zoom Link](#)

ESA Support Staff: [Manela Karunadasa](#)

- Aleksandr Alekseev, University of Regensburg: [The Power of Incentives](#)
- Yefim Roth, University of Haifa: [The role of attention in checking decisions](#)
- Lorenzo Estepa Mohedano, Universidad Loyola: [Beans vs. Slider: Eliciting probabilities in the field](#)
- Daniel Navarro-Martinez, Pompeu Fabra University: [Increasing the external validity of social preference games by reducing measurement error](#)

## Session 7, Games 2. [Zoom Link](#)

ESA Support Staff: [Hovo Manukyan](#)

- Aleksei Chernulich, New York University Abu Dhabi: [A Natural Experiment on the Value of Strategic Unpredictability: Sign Stealing in Baseball](#)
- Cyril Bosch Rosa, TU Berlin: [Coordination under Loss Contracts](#)
- xu zhibo, none: [Level-k Analysis on Dynamic Game with Incomplete Information and Uncertainty: An experimental study](#)

## Session 8, Individual Decisions 1. [Zoom Link](#)

ESA Support Staff: [Satarupa Mitra](#)

- Alexander Neverov, Institute of PsychoEconomic Researches: [The influence of information-processing style on economic results of individual agents in conditions of fundamental uncertainty](#)
- Lukasz Tanajewski, Kozminski University: [Preference and inconsistency in decision making: a model combining binary choice with WTP/A range data](#)
- Manuel Grieder, Zurich University of Applied Sciences (ZHAW): [How Choice Complexity in Liberalized Markets Hurts the Demand for Green Electricity](#)

## Session 9, Intervention/RCT 1. [Zoom Link](#)

ESA Support Staff: [Eldar Dadon](#)

- Henning Hermes, NHH Bergen / Department of Economics: [Behavioral Barriers and the Socioeconomic Gap in Child Care Enrollment](#)
- Pau Balart, Universitat de les Illes Balears: [Unraveling Soft-Commitment: Evidence from a Natural Field Experiment on Recycling](#)

- Michael Brock, UNIVERSITY OF EAST ANGLIA: [The Can Challenge: Exploring the Best Way to Incentivise Recycling Behaviour](#)

## Session 10, Motivated Reasoning. [Zoom Link](#)

ESA Support Staff: [Dominik Bruckner](#)

- Max Lobeck, Paris School of Economics: [Motivating Beliefs in a Just World](#)
- Jantsje Mol, University of Amsterdam: [Strategic confusion: searching extra trees to avoid seeing the forest](#)
- Davide Domenico Pace, University of Amsterdam: [Fair Shares and Selective Attention](#)

## Session 11, Social Preferences. [Zoom Link](#)

ESA Support Staff: [Monika Pompeo](#)

- Lingqing Jiang, University of Essex: [Oops!... I Did It Again: Understanding Mechanisms of Persistence in Prosocial Behavior](#)
- Chiara Nardi, IMT School for Advanced Studies Lucca: [Social and Moral Distance in Risky Settings](#)
- Ann-Katrin Kienle, University of Applied Sciences of the Grisons: [Under pressure: stress and the support of neediness](#)

## Thursday, July 8, 3:00am - 4:40am PDT (Los Angeles Time)

### Session 1, Asset Markets 3. [Zoom Link](#)

ESA Support Staff: [Laura Manukyan](#)

- Christoph Huber, University of Innsbruck: [Market Shocks and Professionals' Investment Behavior - Evidence from the COVID-19 Crash](#)
- Thomas Stoeckl, Management Center Innsbruck, Department Business & Management: [Analyzing concentration patterns in experimental asset markets](#)
- Dominik Schmidt, Management Center Innsbruck: [Having a say on insider trading regulation. An experiment studying traders' choice of regulation](#)

### Session 2, Bargaining and Self Image. [Zoom Link](#)

ESA Support Staff: [Haoran Yang](#)

- Franziska Heinicke, University of Mannheim: [Bargaining under the threat of a nuclear option](#)
- Jose Ignacio Rivero, THEMA - CY Cergy-Paris University: [Bargaining With Moral Agents](#)
- Benoit Tarrow, University Lyon 2 and GATE: [Social preferences through choices between menus of allocations: An experiment](#)
- Vasilisa Petrishcheva, Duesseldorf Institute for Competition Economics: [Willful Ignorance and Reference-Dependence of Self-Image Concerns](#)

### Session 3, Consumer Behavior. [Zoom Link](#)

ESA Support Staff: [Silvia F. Castro](#)

- Rocco Caferra, University of Bari: [Consumer willingness to pay a price premium for bio-based products: Do certifications matter?](#)
- Mario Intini, University of Bari Aldo Moro, Italy: [Cheaper or eco-friendly products: what do consumers prefer? An experiment in the transport sector](#)
- Ayse Tugba Atasoy, RWTH Aachen University: [Default vs. Active Choices: An Experiment on Electricity Tariff Switching](#)
- Frauke Stehr, Maastricht University: [Making Up for Harming Others - An Experiment on Voluntary Compensation Behavior](#)

### Session 4, Cooperation 2. [Zoom Link](#)

ESA Support Staff: [Philip Melnikov](#)

- Huanren Zhang, University of Southern Denmark: [Cooperation in infinitely repeated games under the shadow of inequality](#)
- Ro'i Zultan, Ben-Gurion University of the Negev: [Perceptions of conflict: parochial cooperation and outgroup spite revisited](#)
- Christine Grimm, WU Vienna: [Cooperation, Punishment and Endogenous Information Manipulation](#)
- Simona Cicognani, Utrecht School of Economics: [Cooperating when the end is near: the impact of cognitive ability and task complexity](#)

### Session 5, Creativity and Innovation. [Zoom Link](#)

ESA Support Staff: [Manela Karunadasa](#)

- Maria del Pino Ramos Sosa, Universidad Loyola Andalucia: [Evaluating creativity in a creative field: how cognitive ability, 2D:4D and risk preferences influence creativity](#)
- Marina Schroeder, Leibniz University Hannover: [Teams Do Not Outperform Individuals in a Simple Creative Task](#)
- Ayse Gul Mermer, University of Amsterdam, CREED: [Does Communication Help to Coordinate on Early Adoption of Innovation?](#)
- Katharina Bruett, University of Amsterdam: [How teams can overcome free riding in strategic experimentation](#)

### Session 6, Gender 2. [Zoom Link](#)

ESA Support Staff: [Hovo Manukyan](#)

- Simone Haeckl, UiS University of Stavanger: [Closing the gender STEM gap - A large-scale randomized-controlled trial in elementary schools](#)
- Diogo Geraldes, Utrecht School of Economics: [An Experiment on Gender Representation in Majoritarian Bargaining](#)
- Michalis Drouvelis, University of Birmingham: [Gender differences in performance: the role of social incentives](#)
- Helena Fornwagner, University of Innsbruck: [Predictably competitive: What faces can tell us about competitive behavior](#)

### **Session 7, Identity 1. [Zoom Link](#)**

ESA Support Staff: [Satarupa Mitra](#)

- Wenbo Zou, University of California, Davis: [Ingroup Bias in a Social Learning Experiment](#)
- Evgeniya Chabanova, University of Mainz, Goethe University Frankfurt am Main: [Does choosing who you are explain how you behave?](#)
- Subhashish Modak Chowdhury, University of Bath: [In-group versus Out-group Preferences in Intergroup Conflict: An Experiment](#)
- Maria Jose Vazquez, ETEA Foundation, Development Institute, Universidad Loyola Andalucia: [I don't belong here! A simple model on intergroup cooperation and an experimental test with stigmatized individuals](#)

### **Session 8, Individual Decisions 2. [Zoom Link](#)**

ESA Support Staff: [Eldar Dadon](#)

- Luca Henkel, University of Bonn: [Experimental Evidence on the Relationship between Perceived Ambiguity and Likelihood Insensitivity](#)
- Yair Antler, Tel Aviv University: [An Experimental Analysis of the Prize-Probability Tradeoff in Stopping Problems](#)
- Roel van Veldhuizen, Lund University: [Time Pressure: Preferences and Performance Effects](#)

### **Session 9, Labor Market 1. [Zoom Link](#)**

ESA Support Staff: [Dominik Bruckner](#)

- Essi Kujansuu, European University Institute: [Fairness of Wage Cuts](#)
- Karen Hauge, Ragnar Frisch Centre for Economic Research: [Supported Employment or treatment-as-usual? Results from a large-scale randomized field experiment](#)
- Marina Krauss, University of Augsburg: [Child Care and Maternal Labor Supply: A Field Experiment](#)
- Todd Kaplan, University of Exeter: [Increasing Employment Through the Partial Release of Information](#)

### **Session 10, Lying 1. [Zoom Link](#)**

ESA Support Staff: [Monika Pompeo](#)

- Margarita Leib, University of Amsterdam: [Collaborative Dishonesty: A Meta-Study](#)
- Sorraivich Kingsuwankul, Gate Lab, University of Lyon: [Risk taking with unethical money: An experimental study](#)
- Aslihan Akdeniz, University of Amsterdam: [The evolution of honesty by partner choice](#)

### **Session 11, Punishment. [Zoom Link](#)**

ESA Support Staff: [Anand Kumar](#)

- Stefanie Jaussi, University of Bern, Institute for Organization and HR: [Keep your eyes on the prize: How to make penalty contracts work](#)
- Christoph Buehren, Clausthal University of Technology: [The Demand for Punishment to Promote Cooperation Among Like-Minded People](#)
- Jonathan Staebler, GESS/ University of Mannheim: [I Can Feel You - How Experience Shapes Third-Party Punishment](#)

## **Thursday, July 8, 5:00am - 6:00am PDT (Los Angeles Time)**

### **Plenary Talk: Gender and Decision Making-- Ingvild Almas. [Zoom Link](#)**

ESA Support Staff: [Hovo Manukyan](#)

## **Thursday, July 8, 6:00am - 7:00am PDT (Los Angeles Time)**

### **Social Event, Hangout: Interaction with Presenters. [Zoom Link](#)**

ESA Support Staff: [Luis Avalos](#)

## **Thursday, July 8, 7:00am - 8:00am PDT (Los Angeles Time)**

### **Members Meeting. [Zoom Link](#)**

ESA Support Staff: [Luis Avalos](#)

## Thursday, July 8, 8:00am - 9:00am PDT (Los Angeles Time)

### Plenary Talk: Market Mysteries, Old and New-- Dan Friedman. [Zoom Link](#)

ESA Support Staff: [Swechha Chada](#)

## Thursday, July 8, 9:00am - 10:40am PDT (Los Angeles Time)

### Session 1, Decision Theory 3. [Zoom Link](#)

ESA Support Staff: [Swechha Chada](#)

- King King Li, Shenzhen Audencia Business School, Shenzhen University: [Investor's Memory Recall Bias: Theory and Field Experiment](#)
- Elif Osun, University of Maryland: [Gender Differences in Preference to Give Advice](#)
- Carola Grebitus, Arizona State University: [The influence of violating attribute cut-offs on utility for Medjool dates from Arizona](#)

### Session 2, Field Experiments 2. [Zoom Link](#)

ESA Support Staff: [Mouli Modak](#)

- Christian Koenig genannt Kersting, University of Innsbruck: [Grit, Discounting, & Time Inconsistency](#)
- King King Li, Shenzhen Audencia Business School, Shenzhen University: [To Go Electric or to Burn Coal? A Randomized Field Experiment](#)
- Joaquin Gomez-Minambres, Lafayette College: [Menu-Dependent Food Choices and Food Waste](#)
- Hernan Bejarano, CIDE & Chapman, Economic Science Institute: [Haggling for a Smoke: A Natural Field Experiment on Price Discrimination in Mexico City's Informal Cigarette Markets](#)

### Session 3, Markets. [Zoom Link](#)

ESA Support Staff: [Matthew Gomies](#)

- Daniel Stephenson, Virginia Commonwealth University: [Competition and Convergence in Complementary Contests](#)
- Yue Deng, George Mason University: [Secondary Markets and the Opioid Crisis: Evidence from a Laboratory Experiment](#)
- Brett Williams, University of California, Santa Cruz: [Opening the Book: Price Information's Impact on Market Efficiency in the Lab](#)
- Xiaomin Bian, Ohio state university: [Exclusive Dealing with Committed Price](#)

### Session 4, Other-regarding Preferences 1. [Zoom Link](#)

ESA Support Staff: [Shan Gui](#)

- Marcos Nazareth Gallo, California Institute of Technology: [Social Perceptions Predict Outcomes of In-Field Correspondence Studies](#)
- Paul Cheung, University of Maryland: [Revealed Reciprocity](#)

### Session 5, Psychology 1. [Zoom Link](#)

ESA Support Staff: [Daniel Gomez-Vasquez](#)

- Felipe Montealegre, Universidad Nacional de Colombia: [Negative shocks predict change in cognitive function and preferences: assessing the negative affect and stress hypothesis](#)
- Santiago Sautua, Universidad del Rosario, Department of Economics: [Emotional Influence on Information Processing in Decisions under Uncertainty](#)
- ANTONIO ARECHAR, CIDE: [Misinformation discernment around the globe: How shifting attention to accuracy can reduce misinformation online in 16 countries.](#)

### Session 6, Public Goods 2. [Zoom Link](#)

ESA Support Staff: [Tianyi Li](#)

- Caleb Cox, Virginia Commonwealth University: [Inequality and the Allocation of Collective Goods](#)
- Sabine Kroeger, Department of Economics, Laval University: [Information regime changes and path dependence - An experimental analysis of public goods contributions in heterogeneous groups](#)
- Jason Ralston, Whitman College: [Plotting Prevenge: Punishment Strategies in a Public Goods Environment](#)
- Andrea Robbett, Middlebury College: [Polarization and Group Cooperation](#)

## Thursday, July 8, 11:00am - 12:40pm PDT (Los Angeles Time)

### Session 1, Finance. [Zoom Link](#)

ESA Support Staff: [Swechha Chada](#)

- Sascha Fuellbrunn, Radboud University: [Privatizing gains and socializing risks: Does responsibility affect risky decision making for others?](#)
- Douglas Davis, Virginia Commonwealth University: [Stress Tests and Information Disclosure: An Experimental Analysis](#)
- Huan Xie, Concordia University: [Experimental Asset Markets with An Indefinite Horizon](#)

## Session 2, Game Theory. [Zoom Link](#)

ESA Support Staff: [Mouli Modak](#)

- Mouli Modak, Purdue University: [Do Multiple Contacts Matter?](#)
- Joe Ballard, Florida State University: [Dynamic Coordination with Switching Costs](#)
- Valon Vitaku, Texas A&M: [School Choice: Biometrically-Informed Mechanism Design](#)
- Mir Adnan Mahmood, The Ohio State University: [An Experimental Investigation of Global Games with Strategic Substitutes.](#)

## Session 3, Labor Market. [Zoom Link](#)

ESA Support Staff: [Matthew Gomies](#)

- Laura Gee, Tufts University: [Salary Disclosure and Hiring: Field Experimental Evidence from a Two-Sided Audit Study](#)
- Elif Demiral Saglam, Austin Peay State University / HKS: [Signaling Competitive Traits](#)
- Daniel Martin, Northwestern University, Kellogg School of Management: [A Robust Test of Prejudice for Discrimination Experiments](#)
- Rimvydas Baltaduonis, Gettysburg College: [Overconfident or Just Playing to Type? Gender Norms, Contract Selection, and Performance](#)

## Session 4, Lying. [Zoom Link](#)

ESA Support Staff: [Shanshan Zhang](#)

- Eugen Dimant, University of Pennsylvania: [Nudging Enforcers: How Norm Perceptions and Motives for Lying Shape Sanctions](#)
- Keh-Kuan Sun, Washington University in St. Louis: [Lying Aversion and Vague Communication: An Experimental Study](#)
- Michael Thaler, Princeton University: [The Supply of Motivated Beliefs](#)
- Alexander Brown, Texas A&M University: [Direct revelation with lying aversion](#)

## Session 5, Other-regarding preferences 2. [Zoom Link](#)

ESA Support Staff: [Daniel Gomez-Vasquez](#)

- Ian Chadd, Rensselaer Polytechnic Institute: [Hidden Identity and Social Preferences: Evidence From Sexual Minorities](#)
- Mariana Blanco, Universidad del Rosario: [How to make a criminal: Antisocial Behavior after negative shocks](#)
- Shakun Mago, University of Richmond: [Anchor or Asset? The Role of Outside Obligations in Negotiations](#)
- Hernan Bejarano, CIDE & Chapman, Economic Science Institute: [When the rich do \(not\) trust the \(newly\) rich: Experimental evidence on the effects of positive random shocks in the trust game](#)

## Session 6, Psychology 2. [Zoom Link](#)

ESA Support Staff: [Tianyi Li](#)

- Mary Rigdon, Rutgers University: [Prosocial Option Closes Entry Gap into Competition](#)
- Shuya He, University of Arizona: [Don't tell anyone I lost to a girl! Gender stereotypes and hiding low performance](#)
- Stefan Trautmann, University of Heidelberg: [Preferences for Precautionary Redistribution?](#)

## Thursday, July 8, 1:00pm - 2:00pm PDT (Los Angeles Time)

### Social Event, Hangout: Interaction with Presenters. [Zoom Link](#)

ESA Support Staff: [Shan Gui](#)

## Thursday, July 8, 2:00pm - 3:00pm PDT (Los Angeles Time)

### Social Event, Hangout: Interaction with Presenters. [Zoom Link](#)

ESA Support Staff: [Luis Avalos](#)

## Thursday, July 8, 4:00pm - 5:00pm PDT (Los Angeles Time)

### Plenary Talk: An experiment on the Nash program: Comparing two bargaining implementations of the Shapley value-- Nobuyuki Hanaki. [Zoom Link](#)

ESA Support Staff: [Lan Zhou](#)

## Thursday, July 8, 5:00pm - 6:40pm PDT (Los Angeles Time)

### Session 1, Environmental economics. [Zoom Link](#)

ESA Support Staff: [Lan Zhou](#)

- Armenak Antinyan, Wenlan School of Business, Zhongnan University of Economics and Law: [Take me with you! Economic Incentives, Nudging Interventions, and Reusable Shopping Bags: Evidence from a Randomized Controlled Trial](#)
- Daniel John Zizzo, University of Queensland: [Commitments and badges as nudges to low-carbon food shopping baskets](#)
- Lorenz Goette, National University of Singapore: [The habit-forming effects of feedback: evidence from a large-scale field experiment](#)
- Christoph Drobner, Technical University Munich: [Signaling pro-social behavior with pro-environmentalism](#)

### Session 2, Risk, uncertainty, and ambiguity 2. [Zoom Link](#)

ESA Support Staff: [Yunwen He](#)

- Agnieszka Tymula, University of Sydney: [Dynamic prospect theory - two core decision theories coexist in the gambling behavior of monkeys](#)
- Eungik Lee, NYU: [Resolution of Uncertainty: Values versus Probabilities](#)
- Yuxin Su, Claremont Graduate University: [The Intergenerational Transmission of Risk Preferences: Evidence from Field Experiments in China and Korea](#)
- Yongchun Peng, Department of Economics, School of Economics and Management, Tsinghua University, China: [Risky Decisions under Individual and Social Reference Dependence](#)

### Session 3, Search and time preference. [Zoom Link](#)

ESA Support Staff: [Bhagya Gunawardena](#)

- Xueting Wang, The University of Sydney: [Present-biased time preference for monetary rewards - a meta-analysis](#)
- Gergely Horvath, Division of Social Sciences, Duke Kunshan University: [Alleviating behavioral biases at job search: Do nudges work?](#)
- Chen Sun, Humboldt University Berlin: [Measuring Preferences over Intertemporal Profiles](#)
- Maros Servatka, Macquarie Graduate School of Management: [Time Costs and Search Behavior](#)

### Session 4, Financial decision making. [Zoom Link](#)

ESA Support Staff: [Wendan Zhang](#)

- Anirudh Dhawan, University of Technology Sydney: [Getting burned by frictionless financial markets](#)
- Stephen Cheung, The University of Sydney: [Drivers of the choice to self-manage one's investments](#)
- Elise Payzan-LeNestour, University of New South Wales: [Craving for Money? Empirical Evidence from the Laboratory and the Field](#)

### Session 5, Communication. [Zoom Link](#)

ESA Support Staff: [Shuya He](#)

- James Fisher, USAA: [Interacting Cascades: An Experiment on Inter-Group Information Spillovers](#)
- Jianxin Wang, George Mason University: [Alcohol Consumption, Promise and Trust: Evidence from a Lab-in-the-field Experiment](#)
- Sixuan Chen, Nanjing University of Science and Technology: [Honesty and leadership](#)
- Yuet Lyu, National Taiwan University: [Monolingualism in the Lab](#)

## Thursday, July 8, 7:00pm - 8:40pm PDT (Los Angeles Time)

### Session 1, Other-regarding preferences 2. [Zoom Link](#)

ESA Support Staff: [Lan Zhou](#)

- Michiko Ogaku, Nagasaki University: [The Incentive Effect of Coarse and Refined Reporting: Theory and Experiment](#)
- Shu Chen, Shanghai International Studies University: [Is socially responsible investment driven by altruism? A tDCS study](#)
- Jing Yu, Beijing Institute of Technology: [Selecting a public-spirited allocator: the role of cooperative preference and demographics](#)
- Yunwen He, Tsinghua University: [Asymmetric Reciprocity](#)

### Session 2, Risk, uncertainty, and ambiguity 3. [Zoom Link](#)

ESA Support Staff: [Yunwen He](#)

- Tomohito Aoyama, Hitotsubashi University: [Preference for randomization and validity of random incentive system: an experiment](#)
- Marcus Roel, Beijing Normal University: [The Impact of Information on Goal-Setting and Performance: A Field Experiment](#)
- Filip Fidanoski, UNSW Business School: [On the consistency of latent risk preferences across contexts](#)

### Session 3, Social dilemmas 2. [Zoom Link](#)



ESA Support Staff: [Bhagya Gunawardena](#)

- Xue Xu, School of Economics, Nankai University: [Cooperation in infinitely repeated games with private monitoring](#)
- Yexin Zhou, Beijing Normal University: [Framing effect and children's conditional cooperation under the inequality of endowment](#)
- Yohei Mitani, Kyoto University: [Does Informing Public Actions Contribute to Successful Risk Mitigation? An Experimental Study of Strategic Interactions and Voluntary Cooperation in the light of the COVID-19 Pandemic](#)
- Mengxing Wei, School of Economics, Nankai University: [Psychological and Social Determinants of Cooperation and Punishment in Social Dilemmas: Theory and Evidence](#)

#### **Session 4, Auctions. [Zoom Link](#)**

ESA Support Staff: [Xiduo Chen](#)

- Lana Friesen, University of Queensland: [Mind your Ps and Qs! Variable Allowance Supply in the US Regional Greenhouse Gas Initiative](#)
- Zhi Zhu, Zhejiang University, Hangzhou, China: [The Default Effects of Online Rating: A Field Experiment](#)
- Zhi Li, Xiamen University: [Alternative Carbon Emissions Permits Market Designs: A Lab-in-Field Experiment in China](#)

#### **Session 5, Norms. [Zoom Link](#)**

ESA Support Staff: [Shuya He](#)

- Manuel Munoz, New York University Abu Dhabi: [The erosion of unity: How changes in social norms impact minority groups](#)
- Shuguang Jiang, Zhejiang University of Finance&Economics: [Confucian Culture, Moral Reminder, and Gift Exchange](#)
- Jierui Yang, Tilburg University: [Hot versus cold reciprocity](#)

#### **Session 6, School choice. [Zoom Link](#)**

ESA Support Staff: [Wendan Zhang](#)

- Wooyoung Lim, Hong Kong University of Science and Technology: [TIE-BREAKING AND EFFICIENCY IN THE LABORATORY SCHOOL CHOICE](#)
- Siqi Pan, University of Melbourne: [Costly information acquisition in centralized matching markets](#)
- Natsumi Shimada, Institute of Social and Economic Research, Osaka University: [An experimental study on strategic preference formation in two-sided matching markets](#)

### **Thursday, July 8, 9:00pm - 10:00pm PDT (Los Angeles Time)**

#### **Social Event, Topic session: Cross Country Studies-- Shirley Wang & Stefan Trautmann. [Zoom Link](#)**

ESA Support Staff: [Xiduo Chen](#)

### **Thursday, July 8, 10:00pm - 11:00pm PDT (Los Angeles Time)**

#### **Social Event, Topic session: Nudges & Policy-- Lionel Page. [Zoom Link](#)**

ESA Support Staff: [Wendan Zhang](#)

### **Thursday, July 8, 11:00pm - 0:00am PDT (Los Angeles Time)**

#### **Social Event, Hangout: Interaction with Presenters. [Zoom Link](#)**

ESA Support Staff: [Shuya He](#)

### **Friday, July 9, 1:00am - 2:40am PDT (Los Angeles Time)**

#### **Session 1, Cooperation 3. [Zoom Link](#)**

ESA Support Staff: [Laura Manukyan](#)

- Alexandra Baier, University Innsbruck: [Ostracism and Theft in Heterogeneous Groups](#)
- Andreas Nicklisch, Hochschule fuer Wirtschaft und Technik: [Social Norm Enforcement, Beliefs, and Victimization: Evidence from Syrian Refugee Camps in Jordan](#)
- Bjoern Hartig, Royal Holloway, University of London: [Size Matters! Only Big Threats Encourage Cooperation](#)

#### **Session 2, Covid-19 3. [Zoom Link](#)**

ESA Support Staff: [Philip Melnikov](#)

- Tassilo Sobotta, Martin-Luther-University Halle-Wittenberg: [Coalition formation in a third-party social dilemma](#)
- Christian Zihlmann, University of Fribourg (CH): [Hindsight bias causally decreases trust in government: Evidence from the COVID-19 outbreak](#)
- Fernanda Leite Lopez de Leon, University of Kent: [The effects of emergency government cash transfers on beliefs and behaviors during the COVID pandemic: Quasi-Experimental Evidence from Brazil](#)

### Session 3, Gender 3. [Zoom Link](#)

ESA Support Staff: [Silvia F. Castro](#)

- Yuki Takahashi, University of Bologna: [Gender Differences in the Cost of Corrections in Group Work](#)
- Jakob Moeller, Wirtschaftsuniversität Wien: [Participation in voluntary competitions and gender discrimination](#)
- Adrian Munoz, Universidad Autónoma de Madrid: [Gender Differences in Dishonesty](#)

### Session 4, Industrial Organization 2. [Zoom Link](#)

ESA Support Staff: [Dominik Bruckner](#)

- Loukas Balafoutas, University of Innsbruck: [Virtue signaling in markets for credence goods](#)
- Tobias Werner, DICE, University of Duesseldorf: [Algorithmic and Human Collusion: Experimental Evidence](#)

### Session 5, Intervention/RCT 2. [Zoom Link](#)

ESA Support Staff: [Manela Karunadasa](#)

- Marius Dietsch, Johannes Gutenberg University Mainz: [Financial Education via Gamification: Evidence from a Large-scale Field Trial](#)
- Raisa Sherif, Max Planck Institute for Tax Law and Public Finance, Munich: [Are pro-environment behaviours substitutes or complements? Evidence from the field](#)

### Session 6, Labor Market 2. [Zoom Link](#)

ESA Support Staff: [Hovo Manukyan](#)

- Shahin Baghirov, Koc University: [Managing Reputation in a Principal-Agent Problem](#)
- Miao Jin, Peking University: [Consumption Peer Effects: Evidence from Hierarchy in the Workplace](#)
- Matthias Stefan, University of Innsbruck: [Monetary and Social Incentives in Multi-Tasking: The Ranking Substitution Effect](#)

### Session 7, Lying 2. [Zoom Link](#)

ESA Support Staff: [Satarupa Mitra](#)

- Michel Tolksdorf, Technische Universität Berlin: [Unethical behavior towards groups](#)
- Aljaz Ule, CREED, Amsterdam School of Economics: [Dynamics of deception between strangers](#)
- Susanna Grundmann, University of Cologne: [Measuring Individual Preferences for Truth-Telling](#)

### Session 8, Matching and Algorithm Aversion. [Zoom Link](#)

ESA Support Staff: [Eldar Dadon](#)

- Timm Opatz, Max-Planck-Institut für Innovation und Wettbewerb: [Reciprocating Preferences in Two-sided Matching: An Experimental Investigation](#)
- Peter Katuscak, RWTH Aachen University: [Does expectation-based loss aversion explain preference misreporting in strategy-proof matching mechanisms?](#)
- Wolfgang Luhan, Max Planck Institute for Innovation and Entrepreneurship: [Should a Robot be King? On the Acceptance of Algorithmic Decisions](#)
- Caterina Giannetti, Georg-August-Universität Göttingen: [Reducing the disposition effect with robo-advisers: A stock trading lab-in-the-field experiment](#)

### Session 9, Motivated Reasoning and Ask Avoidance. [Zoom Link](#)

ESA Support Staff: [Haoran Yang](#)

- Maximilian Spaeth, University of Göttingen: [Its me again... Ask Avoidance and the Dynamics of Charitable Giving](#)
- Claire Rimbaud, GATE Lyon Saint-Etienne: [Avoiding Your Conscience: Belief-Dependent Preferences and Information Acquisition](#)
- Linh Vu, University of Amsterdam: [Willful ignorance: a Meta-analysis](#)

### Session 10, Public Goods 2. [Zoom Link](#)

ESA Support Staff: [Monika Pompeo](#)

- Edward Cartwright, De Montfort University: [Leadership in a public good game: Does the leader need to be pro-social or just say they are pro-social?](#)
- Lan Zhou, Renmin University of China: [Absolute versus Relative: Asymmetric Framing and Feedback Design in a Heterogeneous-Endowment Public Goods Game](#)
- Milos Fisar, WU: [Delegation and overhead aversion with multiple threshold public goods](#)

## Friday, July 9, 3:00am - 4:40am PDT (Los Angeles Time)

### Session 1, Biases 3. [Zoom Link](#)

ESA Support Staff: [Laura Manukyan](#)

- Bouke Klein Teeselink, Yale School of Management: [Does Losing Lead to Winning? An Empirical Analysis for Four Different Sports](#)
- Jan Mueller-Dethard, University of Mannheim: [Can Agents Add and Subtract When Forming Beliefs? Evidence from the Lab and Field](#)
- David Albrecht, Maastricht University: [Debt Aversion: Theory and Experiment](#)

### Session 2, Covid-19 4. [Zoom Link](#)

ESA Support Staff: [Philip Melnikov](#)

- Michal Krawczyk, University of Warsaw: [Fear and rationality of decision-making in the face of the pandemic](#)
- Thomas Rittmannsberger, University of Innsbruck: [The effect of social norms on COVID-19 vaccination readiness: Evidence from a nation-wide survey experiment](#)
- Marco Islam, Lund University: [Motivated Risk Assessments](#)

### Session 3, Discrimination 2. [Zoom Link](#)

ESA Support Staff: [Silvia F. Castro](#)

- Darya Korlyakova, Center for Economic Research and Graduate Education - Economics Institute: [Misperceived Discrimination and Task Performance](#)
- Regine Oexl, University of Innsbruck: [Demographics and Discrimination](#)
- Margaret Samahita, University College Dublin: [The inelastic demand for affirmative action](#)

### Session 4, Identity 2. [Zoom Link](#)

ESA Support Staff: [Dominik Bruckner](#)

- Florian Heine, Tilburg University: [Prosocial Risk Taking and Intergroup Conflicts: Investigating in a Volunteer's Dilemma Experiment](#)
- Lenka Fiala, Tilburg University: [Statistical Role Models](#)
- Arno Appfelstaedt, University of Cologne: [Group Image Concerns](#)
- Florian Hett, Johannes Gutenberg-University Mainz: [Social identity and belief polarization](#)

### Session 5, Intervention/RCT 3. [Zoom Link](#)

ESA Support Staff: [Manela Karunadasa](#)

- Gwen-Jiro Clochard, CREST - Ecole polytechnique: [Using Contact to Improve the Relationship between the Police and the Population](#)
- Daniel Salicath, University of Cologne: [Information intervention to promote safe water consumption: An RCT in areas affected by groundwater arsenic in India](#)

### Session 6, Lying 3. [Zoom Link](#)

ESA Support Staff: [Hovo Manukyan](#)

- Georgia Michailidou, New York University Abu Dhabi (NYUAD): [Lie O'clock: Experimental Evidence on Intertemporal Lying Preferences](#)
- Timo Promann, University of Hamburg: [You Lie? I Lie? How Social Norms and Reputational Concerns Affect Honesty](#)
- Alice Solda, Heidelberg University: [Keeping Promises: The effect of Credibility on Cooperation in a Social Dilemma](#)

### Session 7, Macroeconomics. [Zoom Link](#)

ESA Support Staff: [Satarupa Mitra](#)

- Ismael Rodriguez-Lara, Universidad de Granada: [Preventing \(panic\) bank runs](#)
- Stefanie J. Huber, University of Amsterdam: [Animal Spirits and Endogenous Cycles: New Empirical Evidence](#)
- Cornelia Strauss, University of Giessen: [Monetary Policy, Efficiency Wages, and Employment. Experimental Evidence on a Missing Link](#)

### Session 8, Risk aversion. [Zoom Link](#)

ESA Support Staff: [Eldar Dadon](#)

- Moritz Loewenfeld, Toulouse School of Economics: [Does correlation really matter in risk taking? An experimental investigation](#)
- Johannes Lohse, University of Birmingham: [Cognitive abilities and risk taking: the role of preferences](#)

### **Session 9, Self Control and Expectations. [Zoom Link](#)**

ESA Support Staff: [Haoran Yang](#)

- Pascal Kieren, University of Mannheim: [Expectation Formation Under Uninformative Signals](#)
- Andrej Woerner, Ludwig Maximilian University of Munich: [Should individuals choose their own incentives? - Evidence from a Mindfulness Meditation Intervention](#)
- Huseyn Ismayilov, ADA University: [Commitment vs. Flexibility: The Role of Experience](#)

### **Session 10, Social Norms 2. [Zoom Link](#)**

ESA Support Staff: [Monika Pompeo](#)

- Christian Koenig genannt Kersting, University of Innsbruck: [On the Robustness of Social Norm Elicitation](#)
- Yilong Xu, University of Heidelberg: [Noblesse Oblige: Holding High-Status Individuals to Higher Standards](#)
- Andrea Isoni, University of Warwick: [Voluntary Interaction and the Principle of Mutual Benefit](#)

### **Session 11, Tax Morale and Corruption. [Zoom Link](#)**

ESA Support Staff: [Anand Kumar](#)

- Francesca Federico, University of Modena and Reggio Emilia: [Cooperation and Corruption](#)
- Alessandro Cascavilla, University of Bari: [Family Affairs or Government's duty? The tax morality of a mobile society](#)
- Topi Miettinen, Hanken School of Economics and Helsinki GSE: [The role of reporting institutions and image motivation in tax evasion and incidence](#)

## **Friday, July 9, 5:00am - 6:00am PDT (Los Angeles Time)**

### **Plenary Talk: Framing and Attention - The Attentional Foundations of Framing Effects-- Ernst Fehr. [Zoom Link](#)**

ESA Support Staff: [Laura Manukyan](#)

## **Friday, July 9, 6:00am - 7:00am PDT (Los Angeles Time)**

### **Social Event, After-conference good-bye hang out. [Zoom Link](#)**

ESA Support Staff: [Silvia F. Castro](#)

## Abstracts

### Trust in an expert depending on the expert's gender and the individual's characteristics: An experiment

Marie-Pierre Dagnies

ABSTRACT:

We use an experiment online to investigate trust in experts depending on the expert's gender and the participants' characteristics. Participants play the Monty Hall game, a decision game for which most participants have a false intuition about the payoff-maximizing action. Before making the final decision determining whether they win the prize or not, each participant receives a recommendation from an expert. For some participants, the expert is male (Oliver), for others the expert is female (Mary). The first batch of data collected show that overall a low proportion of participants (20%) chooses to follow the recommendation of the expert. There is no significant difference in the trust placed in the male expert and the female expert. However, the analysis of the data, in particular of the open comments written by the participants suggests the mistrust in the experts has a dual cause: participants question both the competence of the expert to provide a useful recommendation and the truthfulness of the expert (fearing they may aim at lowering the participant's chances of getting the prize). More data will be collected shortly.

**Author(s):** Marie-Pierre Dagnies

**Topic:** Decision Theory: Other, Unknown: Unknown

[Back to session: Advice](#)

---

### Client-Advisor Matching in the Finance Industry

Julia Rose  
Burgundy School of Business

ABSTRACT:

In an experimental study with 441 subjects from the general population and 126 financial professionals, we test a novel matching procedure to assign advisors to clients. This matching is based on two simple self-assessed measures for risk-return preferences and the risk bearing capacity. Our findings show that a matching based on similarity in those risk attitudes is not only preferred by clients, but also significantly increases the delegation probability of investment decisions as well as overall client satisfaction compared to random matching. Additionally, we find that advisors are both willing and able to incorporate clients' preferences in their investment decisions on the clients' behalf. A potential drawback of the matching mechanism is that advisors have incentives to misrepresent their own attitudes if they compete for clients. The experimental results do not show evidence of this effect in practice, providing further support for the applicability of the proposed mechanism.

**Author(s):** Julia Rose

**Topic:** Markets: Finance, Field Experiments: General

[Back to session: Advice](#)

---

### Reducing Algorithm Aversion Through Experience

Jan Rene Judek  
Faculty of Business

ABSTRACT:

In the context of an experiment, we examine the persistence of aversion towards algorithms in relation to learning processes. The subjects of the experiment are asked to make one share price forecast (rising or falling) in each of 40 rounds. A forecasting computer (algorithm) is available to them which has a success rate of 70%. Intuitive forecasts made by the subjects usually lead to a significantly poorer success rate. Feedback provided after each round of forecasts and a clear financial incentive lead to the subjects becoming better able to estimate their own forecasting abilities. At the same time, their aversion to algorithms also decreases significantly.

**Author(s):** Ibrahim Filiz, Jan Rene Judek, Marco Lorenz, Markus Spiwoks

**Topic:** Decision Theory: Risk, Decision Theory: Other

[Back to session: Artificial Intelligence](#)

---

### The Tragedy of Algorithm Aversion

Marco Lorenz  
Georg-August-University Goettingen

ABSTRACT:

Algorithms already carry out many tasks more reliably than human experts. Nevertheless, some subjects have an aversion towards algorithms. In some decision-making situations, an error can have serious consequences, in others not. In the context of a framing experiment, we examine the connection

between the consequences of a decision-making situation and the frequency of algorithm aversion. This shows that the more serious the consequences of a decision are, the more frequently algorithm aversion occurs. Particularly in the case of very important decisions, algorithm aversion thus leads to a reduction of the probability of success. This can be described as the tragedy of algorithm aversion.

**Author(s):** Ibrahim Filiz, Jan Rene Judek, Marco Lorenz and Markus Spiwoaks

**Topic:** Decision Theory: Preferences, Decision Theory: Bounded Rationality

**Link:** [www.ostfalia.de/cms/de/w/galleryes/forschung/fakw\\_WWP-21-02-The-Tragedy-of-Algorithm-Aversion.pdf?disableDirectEdit=true](http://www.ostfalia.de/cms/de/w/galleryes/forschung/fakw_WWP-21-02-The-Tragedy-of-Algorithm-Aversion.pdf?disableDirectEdit=true) [Back to session: Artificial Intelligence](#)

---

## Artificial vs. emotional intelligence in Prisoner's Dilemma

**Ivan Barreda-Tarrazona**  
**Universitat Jaume I**

ABSTRACT:

We conduct a laboratory experiment in which individual human participants play both one-shot and repeated prisoner's dilemma (RPD) games. In the baseline, participants play with other human subjects, while in the treatment they are paired with an artificial intelligence (AI). We ex-ante create five sessions with homogeneous human participants in terms of gender composition, altruism and reasoning ability (three for the "all human" condition and two for the AI condition). In the two sessions corresponding to the AI treatment, participants play the aforementioned games against an artificial intelligence trained upon data from the previous three all human sessions. In all games, we elicit players' beliefs regarding cooperation using an incentive compatible method. Besides, after each individual decision, we collect self reported information on the main reason for it (rational or particular emotion). Expectations of partner cooperation at the beginning of each task are not significantly different between treatments. However, trust in the partner AI cooperating gets significantly lower in subsequent periods, particularly for the RPD tasks. This happens even if the AI has cooperated significantly more than human partners in cases when human subjects did not expect cooperation. Also, decisions seem to be less emotion-driven in the AI treatment, particularly in the last period of each task. Despite similar expectations of partner cooperation at the beginning of each task, we observe that cooperation is actually significantly lower with an AI than with humans. This initial shock to cooperation significantly spreads to all periods of the RPD tasks: cooperation ranges between 60% and 80% in the Humans treatment while it ranges between 20% and 40% in the AI treatment. Human players seem to have tried to outwit the AI rather than cooperate with it.

**Author(s):** Ivan Barreda-Tarrazona, Ainhoa Jaramillo-Gutierrez, Marina Pavan and Gerardo Sabater-Grande

**Topic:** Decision Theory: Beliefs, Games: Repeated Games

[Back to session: Artificial Intelligence](#)

---

## Expl(AI)ned: The Impact of Explainable Artificial Intelligence on Human Learning and Information Processing

**Moritz von Zahn**  
**Leibniz Institute for Financial Research SAFW**

ABSTRACT:

To overcome inefficiencies associated with the black-box nature of machine learning (ML) systems, researchers, practitioners, and regulators alike increasingly call for explainability methods that allow different human stakeholders to understand better how and why systems generate specific predictions. Focusing on lay users and local explanations, the paper at hand employs an experiment to outline how explainability shapes knowledge transfers from the machine to users and influences users' information processing. We find that an asymmetric learning from machine explanations takes place. Observing explanations that are in line with their prior beliefs causes participants to reinforce their predilections. However, no learning occurs when explanations suggest that priors are incorrect. Additionally, we find that users tend to rely more on isolated intuitive explanations than the overall prediction if they seem to be inconsistent. This leads to worse decision-making relative to an opaque system. Our results show that explainability can be a double-edged sword. On the one hand, it may lead users to question system outputs more frequently. On the other hand, it may entail selective knowledge transfers justifying and reinforcing subjective beliefs. This emphasizes that explainability is no miracle cure to fairness and accountability concerns associated with machine learning systems.

**Author(s):** Kevin Bauer, Moritz von Zahn, Oliver Hinz

**Topic:** Decision Theory: Learning, Games: Information

[Back to session: Artificial Intelligence](#)

---

## Delegated Portfolio Management and Incentive Contract in Social Trading Networks: An Experiment

**Edward Halim**  
**Nanyang Technological University**

ABSTRACT:

We design an asset market experiment that incorporates the element of social trading, a social platform that enables investors to observe trading performance of their peers and delegate their trading activity to top performing investors. Participants are randomly divided into two groups: the first group consists of socially connected investors (social traders), and the second group comprises isolated investors (non-social traders). Social traders can obtain information about the trading performance of their peers and are allowed to delegate part (or all) of their wealth to the top-two performers within their group. We vary the extent to which the delegated investors (portfolio managers) are liable for the losses incurred from the investment. Our

result shows that while social trading may not yield greater welfare to the members; it enables the top performers to enjoy higher payoff than the rest of the market (including the socially isolated). Delegated traders engage in less risk-taking when the symmetry between conferring bonus upon exceeding a performance threshold and penalizing the agent for incurring losses, is maintained.

**Author(s):** Edward Halim, Yohanes E. Riyanto, and Nilanjan Roy

**Topic:** Markets: Finance, Markets: Other

[Back to session: Asset Markets 1](#)

---

## The effects of information provision on decisions over risky assets

**Prachi Hejib**

University of East Anglia

ABSTRACT:

Investment platforms provide lots of information in the form of different summary statistics to help individuals make asset allocation decisions. However, it is not always clear how these affect consumer decisions if some information is provided and some is not. This can be difficult to disentangle in real life and can be concerning for both consumers and regulators as it may have unintended consequences. Understanding what drives this behaviour and how investment plans can be designed to alleviate such problems is important. Our experimental framework aims to systematically study how summary statistics can influence decision-making among risky assets. In the experiment, each participant faces 25 pairs of lotteries from Loomes and Sugden (1998). The lotteries are represented by a bar, which shows how the earnings from that option depend on a draw from 1 to 100 and its segments represent the corresponding payoffs (£0, 10, £20). This representation of the lotteries provides a complete description of the lottery, in that it presents, for each possible state of the world, the corresponding payoff, if the lottery is chosen. In a stripped-down environment, we consider an across-subjects 2x2 design in which we vary the presence or absence of two simple summary statistics; average returns (mean) and/or variability (standard deviation) alongside the bar describing the lottery. The lotteries are specially chosen subset from Loomes and Sugden (1998) where more than 50% of participants chose the lower expected value lottery of the pair. Though, our baseline results are highly likely to replicate those of Loomes and Sugden (1998), we expect that the provision of information about expected returns is likely to increase the proportion of choices of the higher-expected-value lottery. Summary statistics, by definition, contain no additional information, insofar as they are derived from the full record of historical returns. Nevertheless, decision-makers may focus on these summary statistics, as being easier to understand or being more salient, and attend less to information about the full distribution of returns – even if the full distribution of returns is relevant to their investment goals. References?Loomes, G. and Sugden, R., 1998. Testing different stochastic specifications of risky choice. *Economica*, 65(260), pp.581-598.

**Author(s):** Prachi Hejib, Theodore Turocy, Stefania Sitzia

**Topic:** Decision Theory: Other, Decision Theory: Risk

[Back to session: Asset Markets 1](#)

---

## Information aggregation over separated markets. An experiment

**Xiaoyu Zhou**

FAU Erlangen-- Nuernberg

ABSTRACT:

Experiments find that Arrow-Debreu markets can aggregate diverse information well when traders interact in the same market (e.g., Plott and Sunder, 1988; Plott, 2000; Choo et al., 2019). However, developments in finance suggest that traders can sometimes be excluded from certain market interactions. Prominent examples include “dark pools” and over-the-counter (OTC) markets. The above examples can be characterised by distinct separated markets where traders in each market are only able to participate and observe the activities in their respective markets. Nevertheless, the separated markets are sometimes “connected” by intermediaries (e.g., large financial institutions) who are endowed with the unique opportunity to trade and arbitrage across the different markets. These intermediaries can help promote market liquidity (e.g., Allen and Santomero, 2001), and through their activities, potentially facilitate the transfer of information from one market to another. This raises pertinent question as to the information transmission over the separated markets. Against this backdrop, this paper investigates the information aggregation properties of Arrow-Debreu markets over separated markets. We base our experiment on the seminar work of Plott and Sunder (1988). Our design involves two separated markets, I and II, in which a series of state-contingent securities are traded. We consider two types of traders: Blue traders: can only trade in either market I or II and Red traders: can trade in both markets I and II. To study information aggregation, nature first chooses the true state X, Y or Z with equal probability. Then, blue traders in market I are informed about one of the states that can be ruled out whilst the blue traders in market II are informed about another of the states that can be ruled out. In contrast, the red traders receive no information about the true state. Given the above, each market can only determine the true state from the information that is endowed in the other market. This allows us to investigate whether intermediaries (Red traders) can facilitate the diffusion of information across markets even when they have no incentives to do so. The results indicate that Arrow-Debreu market can be successful at aggregating information over separated markets. And it does not depend on the relative number of intermediaries (red traders). We also find that red traders are more likely to hold correct beliefs, though this does not translate into higher profits. Taken together, we show that Arrow-Debreu markets can even aggregate information well when information about the true state of the world is dispersed over separated markets. More importantly, we show that even when financial market intermediaries have no immediate incentives to reveal information, they may facilitate the transfer of information across different markets.

**Author(s):** Lawrence Choo; Todd R. Kaplan

**Topic:** Games: Information, Markets: Other

[Back to session: Asset Markets 1](#)

---

## **Regulation of insider trading and short selling. Evaluating the joint effects of two market interventions.**

**Thomas Stoeckl**  
Management Center Innsbruck, Department Business & Management

ABSTRACT:

Modern capital markets are subject to many interventions and regulations, some of which prevent traders from realizing their (full) trading intentions. While we have a certain understanding about these regulations' individual effects, the picture is less clear about their joint effects. This paper considers the interaction of two regulations, namely rules limiting short selling and rules limiting insider trading. We find that (i) traders submit larger limit orders and trade more assets when short positions are possible. Furthermore, (ii) informed traders reduce their market activity when short-selling is banned and---to a lesser extent---when their trading is sanctioned. (iii) Regarding market quality measures, we observe that mispricing and spreads are lowest in markets with short selling and informed trading. Finally, (iv) informed traders' profits before punishment and redistribution are greatest in markets where neither short selling nor informed trading are permissible. After accounting for punishment and redistribution, informed traders' profits are significantly greater when informed trading is allowed than when it is banned.

**Author(s):** Merl, R., Stoeckl, T. & Palan, S.  
**Topic:** Markets: Finance, Markets: Market design and Matching  
[Back to session: Asset Markets 1](#)

---

## **The decrease in confidence with forecast extremity: A survey of results and implications**

**Doron Sonsino**  
Sarnat school of Business Administration, Center for Academic Studies, Or Yehuda and and Ben-Gurion University, Economics Department

ABSTRACT:

The risk-return tradeoff is one of the fundamental principles of finance, but surveys illustrate that even professional investors misperceive the risk-return relation at the cross-section. Evidence regarding the perception of risk conditional on the expected return is rare. The current survey returns to the results of five preceding forecasting experiments, showing that forecast-confidence deteriorates with the extremity of the forecast. The negative (forecast-extremity) and (forecast-confidence) correlation shows across diverse samples and at the individual level. It reflects in longer 90% confidence intervals for the target return, higher estimates of the perceived volatility of the return, and weaker belief in the accuracy of median forecasts. We illustrate that the correlation shows for positive and negative forecasts, and relate the result to the familiar inclination of forecasters to contrarily hedge their point predictions. Numeric simulations show that if the decrease in confidence with the expected return is steep enough, then more optimistic Cumulative Prospect Theory (CPT) investors may exhibit smaller willingness to invest in the risky asset. Such rapid decrease in confidence is rare in the experiments, but permutation tests prove that if the correlation between expected returns and perceived volatility is dissolved, the responsiveness of CPT investors to the expected return would significantly increase. The results are discussed in light of anomalies documented in the behavioral finance literature.

**Author(s):** Doron Sonsino  
**Topic:** Decision Theory: Risk, Markets: Finance  
[Back to session: Asset Markets 2](#)

---

## **The Role of the End Time in Experimental Asset Markets**

**Anita Kopanyi-Peuker**  
Radboud University

ABSTRACT:

This paper systematically investigates what the role of different end times is on bubble formation and learning in a call market experiment. We implement a repeated asset market with a high cash-to-asset ratio where each market is repeated 3 times with the same 6 subjects per market. We vary the trading horizon between short (about 15 periods) and long (about 30 periods) horizons, as well as the end time between definite and indefinite ending. Our results show that bubbles do not disappear in any of our treatments. No matter whether we implement long or short horizons, and whether subjects exactly know when a market round ends, bubbles arise in later repetitions of the same market. We find that the mean prices are (weakly) significantly lower in the long treatments than in the short treatments, but these mean prices are still more than twice as high as the fundamental value.

**Author(s):** Anita Kopanyi-Peuker, Matthias Weber  
**Topic:** Markets: Finance, Unknown: Unknown  
[Back to session: Asset Markets 2](#)

---

## **Mental Capabilities, Heterogeneous Trading Patterns and Performance in an Experimental Asset Market**

**Steve Heinke**  
University of Basel

ABSTRACT:



We develop and test a framework of mental information representation in an asset market setting. The model predicts heterogeneous trading behavior as a consequence of two distinct mental capabilities: analytical skills and mentalizing, where the former involves quantitative, objective aspects of a decision problem, and the latter an accurate assessment of others' behavior and intentions. Individual differences in capabilities induce specific, differential trading patterns and performances, despite the availability of identical information. The most successful traders are strong in both capabilities, while the general relation between success and mental capabilities is non-monotone. The experimental data strongly supports the theoretical conjectures.

**Author(s):** Andreas Hefti, Steve Heinke, Frederic Scheider,

**Topic:** Markets: Finance, Decision Theory: Learning

**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2832767](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2832767)

[Back to session: Asset Markets 2](#)

---

## **Insider trading legislation and trader migration**

**Dominik Schmidt**

**Management Center Innsbruck**

ABSTRACT:

One argument frequently advanced in support of insider trading regulation is the claim that regulation promotes public confidence in the stock market and preserves its integrity. There exists, however, contradicting evidence on traders' preference for markets with and without regulation. In this study, we implement an experimental framework where two markets with varying combinations of regulatory regimes operate simultaneously to study traders' preferences and migration behavior between the markets. We find that uninformed traders' participation is higher in markets without regulation, when they can choose between markets with different regulatory regimes. Moreover, informed traders are more active in limit order submission in unregulated markets, while uninformed traders do not condition their submissions on the regulatory regime. Both trader groups execute more transactions in unregulated markets.

**Author(s):** Robert Merl, Stefan Palan, Thomas Stoeckl

**Topic:** Markets: Finance, Methodology: Experimental Design, Tools and Practices

[Back to session: Asset Markets 2](#)

---

## **Market Shocks and Professionals' Investment Behavior - Evidence from the COVID-19 Crash**

**Christoph Huber**

**University of Innsbruck**

ABSTRACT:

We investigate how the experience of extreme events, such as the COVID-19 market crash, influence risk-taking behavior. To isolate changes in risk taking from other factors, we ran controlled experiments with finance professionals in December 2019 and March 2020. We observe that their investments in the experiment were 12 percent lower in March 2020 than in December 2019, although their price expectations had not changed, and although they considered the experimental asset less risky during the crash than before. This lower perceived risk is likely due to adaptive normalization as the volatility during the shock is compared to volatility experienced in real markets (which was low in December 2019, but very high in March 2020). Lower investments during the crash can be supported by higher risk aversion, not by changes in beliefs.

**Author(s):** Christoph Huber, Juergen Huber, Michael Kirchler

**Topic:** Markets: Finance, Decision Theory: Risk

**Link:** [osf.io/fgxpb/](https://osf.io/fgxpb/)

[Back to session: Asset Markets 3](#)

---

## **Analyzing concentration patterns in experimental asset markets.**

**Thomas Stoeckl**

**Management Center Innsbruck, Department Business & Management**

ABSTRACT:

In this paper, we discuss, contrast, and apply two approaches of quantifying concentration patterns among traders in experimental asset markets. The calculation procedure considers the specific characteristics of asset market data and ensures that measures are comparable across studies with different parameter settings. To illustrate the application and interpretation of the measures, we analyze asset holding concentration from five studies investigating bubble formation in a multi-period setting. The results indicate that the concentration in asset holdings among investors increases uniformly over time in all studies. The increase is particularly pronounced at the beginning and the last third of periods of the experiment. Moreover, higher C/A-ratios imply higher level of concentration. In contrast, the relationship between concentration patterns and bubble measures is less clear.

**Author(s):** Stoeckl, T., Palan, N. & Palan, S.

**Topic:** Markets: Finance, Methodology: Experimental Design, Tools and Practices

[Back to session: Asset Markets 3](#)

---

## Having a say on insider trading regulation. An experiment studying traders' choice of regulation

**Dominik Schmidt**  
Management Center Innsbruck

### ABSTRACT:

Today, most developed capital markets have regulations restricting insider trading in place. In the adoption process of insider trading legislation, many stakeholders contribute their interests and often it is not clear whether these interests are in line with the interests of the people actually acting on financial markets. This assertion is supported by accumulating evidence raising doubts as to the effectiveness of insider trading regulation, questioning the dominance of the currently prevailing practice. In this paper, we study traders' choice of regulation in an experimental market setting, conditional on traders' prospects of becoming an informed trader. We find that in markets where uninformed traders have no chance of receiving inside information, elections turned out 15 times (47%) against and 17 times (53%) in favor of regulation. This result contrasts with the results of markets where all traders have a chance of receiving inside information. In these markets, 26 (81%) elections turned out against and six (19%) elections in favor of regulation.

**Author(s):** Stefan Palan, Thomas Stoeckl

**Topic:** Markets: Finance, Methodology: Experimental Design, Tools and Practices

[Back to session: Asset Markets 3](#)

---

## A wind tunnel test of wind farm auctions

**Sander Onderstal**  
University of Amsterdam

### ABSTRACT:

Offshore renewable energy is rapidly becoming a dominant source of global energy supply. A government designing a wind farm auction faces both an adverse selection problem and a moral hazard problem. We study the effectiveness of two instruments that the government may use to mitigate both problems: a price guarantee and a price subsidy. The price guarantee mitigates the permit's risk which may attenuate the adverse selection problem in that an efficient but risk averse bidder is less likely to lose against an inefficient but risk seeking competitor. The price subsidy attenuates the moral hazard problem as the winning electricity producer faces stronger incentives to build the wind farm and operate and maintain it properly over its expected lifetime. Governments are increasingly relying on auctions to grant offshore wind permits, yet auctions are not yet widespread. This makes it timely to study the effects of auction-specific characteristics, including those that have not been used in practice yet. Therefore we study them using a laboratory experiment. We will do so in a setting characterized by both a private and a common value element. The bidders vary in terms of marginal effort costs about which they are incompletely informed. In the experiment, we will exploit a 2x2 experimental design. The experimental treatment conditions are (1) whether or not the government offers a price guarantee, and (2) whether or not the government subsidizes the electricity produced. We observe that the average government payoff is greater with price guarantee than without and that it is only greater with subsidy than without in the case of a price guarantee. We conclude that the auction + price guarantee + subsidy is easy to implement and may revolutionize the way in which windfarm locations are allocated.

**Author(s):** Marco Haan, Xinyu Li, Sander Onderstal, Jasper Veldman

**Topic:** Markets: Auctions, Games: Information

[Back to session: Auctions](#)

---

## Winner's and Loser's Curse in Single-Unit and Multi-Unit Auctions

**Dirk Engelmann**  
Humboldt University Berlin

### ABSTRACT:

We show theoretically that naive bidding, ignoring the implications of winning the auction, leads not only to a winner's curse in a single-unit second-price auction, but also to a corresponding loser's curse in a multi-unit auction where  $n-1$  units are sold to  $n$  bidders at a uniform price equal to the lowest bid if the distribution of valuations is symmetric. We experimentally study an application to a wallet auction. Average bidding behavior in the single-unit auction is remarkably close to naive bidding, but average bidding in the multi-unit auction is even more timid than naive bidding would suggest.

**Author(s):** Dirk Engelmann, Ben Greiner

**Topic:** Markets: Auctions, Games: Other

[Back to session: Auctions](#)

---

## Cognitive Abilities and Spillovers between Auction Formats

**Radosveta Ivanova-Stenzel**  
Technische University Berlin

## ABSTRACT:

We study experimentally the relationship between cognitive skills and bidding behavior in first- (FPA) and second-price (SPA) sealed-bid private value auctions. We employ a within-subject design such that a participant experiences either the format order FPA-SPA or the reverse order. This allows us to study spillover effects across different formats in the context of auctions. We find a strong order effect in terms of bids and profits. The order effect indicates spillovers between auction formats that cannot be captured by a simple notion of learning. In particular, subjects with low cognitive abilities improve the quality of their bids in SPAs after experiencing FPAs, while medium-ability subjects' bid shading in the FPA deteriorates after experiencing SPAs first. Low-ability subjects might not really understand optimal bidding in SPAs better after FPAs, but their adaptive heuristic seems to be more suitable for a change in format than the one by medium-ability subjects.

**Author(s):** Thomas Giebe, Radosveta Ivanova-Stenzel, Martin Kocher

**Topic:** Markets: Auctions, Games: Other

[Back to session: Auctions](#)

---

## Bargaining under the threat of a nuclear option

**Franziska Heinicke**  
University of Mannheim

### ABSTRACT:

This paper addresses bargaining with a nuclear option. There are important real-world settings in which such an option is present and can be used to cause considerable harm. Being in control of a nuclear option is commonly seen as the ultimate threat and therefore as being effective in putting maximal pressure on the other party. However, going nuclear is often very costly to the nuclear-option holder herself and thus might not always be credible. We study the effect of a nuclear option in an unstructured one-shot bargaining experiment to test whether a nuclear option can indeed improve the bargaining position of the party holding the threat. We find that the command over a nuclear option increases the number of successful negotiations -- but only for pareto-non-improving situations. The nuclear option does not benefit the nuclear-option holder in most cases but substantially reduces the other party's payoff. The situation is particularly dire for the other party if she would have had more bargaining power but now is not able to utilize it due to the threat of the nuclear option.

**Author(s):** Franziska Heinicke, Wladislaw Mill, Henrik Orzen

**Topic:** Games: Bargaining, Public Choice: Other

[Back to session: Bargaining and Self Image](#)

---

## Bargaining With Moral Agents

**Jose Ignacio Rivero**  
THEMA - CY Cergy-Paris University

### ABSTRACT:

Overwhelmingly, the literature studying bargaining processes assumes that individuals engage in them with the sole purpose of maximising their material well-being. Notwithstanding, recent theoretical developments (see Alger and Weibull (2013)) supported by a growing body of experimental evidence (Capraro and Rand (2018), Miettinen et al. (2020), Alger and van Leeuwen (2021)) have put forth the notion that human beings also take moral considerations into account when making decisions. In this paper I explore the consequences of introducing moral concerns of a Kantian flavour in a simple one-shot bargaining game where a seller negotiates with a potential buyer. I allow for both complete and incomplete information. In this latter version, the buyer is not informed of the quality of the product being bargained over, while the seller is. The game does not a priori rule out coordination failures that may prevent socially desirable trade from taking place. In fact, when agents only care about their own material payoff (that is, they are homo oeconomicus) the game features equilibria where no trade takes place. In the model with complete information, I find that allowing for partial moral concerns dramatically modifies the game's outcome: when trade creates a positive surplus, coordination failures do not occur. The extent to which the agents are morally concerned does not influence this, as long as they are not fully homo oeconomicus or fully moral. I also analyse a version of the model with altruistic individuals (in the sense that they care about their counterpart's payoff and not about whether their decision is right or wrong, as moral players do). I find that as the degree of altruism increases, the set of inefficient equilibria "smoothly" shrinks, while that of efficient equilibria is enlarged. For a sufficiently high degree of altruism, only efficient equilibria remain. These results carry through to the incomplete information version of the model where the expected value of the good is larger than its cost when quality is high. In contrast, when this is not case (essentially capturing a "lemons" type situation) morality only increases the probability of full trade in mixed strategy equilibria. Finally, I allow for the trade of low quality items to produce a negative social surplus. In this context, morality does not do away with all socially undesirable trade. However, it does eliminate the most inefficient equilibria.

**Author(s):** Jose Ignacio Rivero

**Topic:** Social Behavior: Norms and Morals, Markets: Industrial Organization

**Link:** [www.dropbox.com/s/bxhuzyhinpk1qh3/Bargaining\\_Moral\\_Agents\\_Abstract\\_RIVERO.pdf?dl=0](http://www.dropbox.com/s/bxhuzyhinpk1qh3/Bargaining_Moral_Agents_Abstract_RIVERO.pdf?dl=0)

[Back to session: Bargaining and Self Image](#)

---

## Social preferences through choices between menus of allocations: An experiment

**Benoit Tarrowx**  
University Lyon 2 and GATE

## ABSTRACT:

This paper aims to elicit social preferences through choice between menus of social allocations. We report the results of an experiment which consists of the following two-stage choice problem. In a first stage, a decision-maker (DM) has to choose between menus of allocations between herself and a recipient. This choice is private, i.e., the recipient does not observe the choice made by the DM and she does not know that the DM has to make such a choice. In the second stage the DM has to choose an allocation in the menu she has selected in the first stage. We consider two treatments: in treatment T1, the recipient observes the choice made by the DM and all the available allocations in the menu; in treatment T2, the only information given to the recipient is her own payoff but she has no information about the available allocations and the final payoff of the DM. The choice of a menu allows us to identify the importance that the DM places on social image and self-image (See Dillenberger and Sadowski (2012), Evren and Minardi (2015) and Saito (2015) for theoretical investigation). To see this, consider a DM who prefers the allocation (16,4) (16 for herself and 4 for the recipient) to (12,8). Suppose now that, in the first stage, she has the choice between the following menus:  $\{(16,4);(12,8)\}$  and  $\{(16,4)\}$ . If she prefers  $\{(16,4)\}$ , then it means that she is reluctant to choose (16,4) to (12,8) in the second stage. She reveals she cares about social image and/or self-image (in T1) and about self-image (in T2), i.e., she reveals she is ashamed and/or guilty of being selfish. We can similarly identify the role of social-image and self-image for an altruistic DM. Our experiment works as follows. In the first stage, subjects in position of DM face a series of choice between menus of social allocations between themselves and a passive recipient (40 binary comparisons of menus). In the second stage, one of their choice is randomly picked and they have to choose an allocation in the pre-selected menu. We run the two treatments T1 and T2 as defined above. The preliminary results from a lab experiment (which was run in Lyon with 166 subjects in position of decision-maker) indicate that a significant part of our subjects care about their social image. More precisely, on average, almost half of them seem to be ashamed of being selfish in T1. That is, they exhibit a preference for a selfish allocation (s) to a more equal one (e) and a preference for {s} to {s,e} (and a preference for {s,e} to {e}). We find that 37% of subjects on average has such a preference pattern in T2 and the proportion of subjects preferring larger set is larger than in T1. This indicates that self-image seems to matter.

**Author(s):** Fabrice Le Lec and Benoit Tarrow

**Topic:** Social Behavior: Other-regarding Preferences, Social Behavior: Norms and Morals

[Back to session: Bargaining and Self Image](#)

---

## Willful Ignorance and Reference-Dependence of Self-Image Concerns

**Vasilisa Petrishcheva**

**Duesseldorf Insitute for Competition Economics**

## ABSTRACT:

Based on theoretical predictions, I conduct a laboratory experiment to explore whether (a) self-image concerns are reference-dependent and (b) loss aversion applies to self-image concerns. I let subjects work on an IQ test, a self-image relevant task, and induce an exogenous shift in complexity designed to put them at either gain or loss in self-image. Then, I elicit their willingness to acquire feedback. Taking into consideration potentially asymmetric belief updating, I analyze whether subjects who experience loss in self-image are more likely to acquire feedback compared to those with a loss in this domain.

**Author(s):** Vasilisa Petrishcheva

**Topic:** Decision Theory: Beliefs, Games: Information

[Back to session: Bargaining and Self Image](#)

---

## The rise and fall of context effects

**Paolo Crosetto**

**INRA - GAEL**

## ABSTRACT:

In this paper we provide choice-process experimental evidence that the attraction, compromise and similarity effects are a short-term phenomenon, that disappears when individuals are given time and incentives to revise their choices. These effects are the most prominent example of context effects, and they appears when manipulating the options in a choice set. While widely replicated, the effects are usually tested in hypothetical or payoff-irrelevant situations and without following the choice process. We run a laboratory experiment where we incentivize choice, vary the difference in utility between options and track which option participants consider best over time. We find that the effects are a transitory phenomenon that emerge only in the early stages of the choice process to later disappear. Participants are fast then slow: they first choose the focal, dominant options and then progressively revise their choices until choice shares come to correspond to price differences only. We expand our analysis by considering differences in utility among options and differences in the presentation of options (numerical or graphical). We also consider differences in the choice processes followed by individuals (intuitive vs. deliberative). This allows us to ascribe more precisely the role of fast and slow cognitive process in the emergence and disappearance of context effects.

**Author(s):** Paolo Crosetto, Alexia Gaudéul

**Topic:** Decision Theory: Preferences, Methodology: Experimental Design, Tools and Practices

**Link:** [ideas.repec.org/p/gbl/wpaper/2019-06.html](https://ideas.repec.org/p/gbl/wpaper/2019-06.html)

[Back to session: Biases I](#)

---

## Information Search and Default Bias

**Katharina Momsen**  
University of Innsbr

ABSTRACT:

We investigate a novel channel for default bias: information avoidance. In an online experiment with 2,300 participants, we vary the degree of information provided, and the presence of a default when choosing between two compiled donation options worth \$100. Both options consist of several charities each, but charities as well as the corresponding donation differ. We construct the options such that one option is better aligned with participants' preferences. We alter the availability of information about the options, i.e., the charities that are part of an option and the corresponding donation. Information can either be revealed in a stepwise manner, or it is completely available up-front. We find that a pre-selected default induces subjects to reveal less information. Even when all information is provided up-front, we observe default bias, and choices are worse aligned with individuals' preferences. Subjects with a self-selected default status make subpar decisions, as they are reluctant to revise their choices even if they reveal information. Information avoidance is also applied strategically: subjects with a randomly determined, seemingly favorable default reveal substantially less information when they stick to the pre-selected option.

**Author(s):** Katharina Momsen, Sebastian O. Schneider

**Topic:** Applied Economics: Charitable Giving, Social Behavior: Other

[Back to session: Biases 1](#)

---

## **Non-numerical and social anchoring in a ratings**

**Yigit Oezcelik**  
University of Liverpool

ABSTRACT:

Ratings have become an important part of our everyday lives. When making a purchase, deciding where to eat or even which doctor to visit, many of us consult ratings. However, how accurate and trustworthy are consumer-provided ratings? Decades of research in behavioural economics has shown that human decision-making is imperfect and prone to errors and biases. The anchoring effect is among the most commonly studied behavioural biases. This paper investigates whether ratings are prone to the anchoring bias. If ratings are affected by the bias, this might hamper their informativeness with detrimental consequences for buyers and sellers. In this paper, we present an (online) experiment in which we investigate the anchoring bias in a rating environment. Hereby, we diverge from the literature by focusing on visual (non-numerical) anchors and also consider a social anchoring since ratings are provided in social settings. Early analysis of results indicates anchoring effects. As expected, ratings are highest under a high anchor, followed by the social anchor and lowest in the low anchor treatment. Surprisingly, in all treatments the ratings are higher than the rational rating.

**Author(s):** Yigit Oezcelik, Michel Tolksdorf

**Topic:** Decision Theory: Bounded Rationality, Games: Information

[Back to session: Biases 1](#)

---

## **The pigeonholing effect - On subscription traps and context-dependent preference reversals**

**Frieder Neunhoeffer**  
University of Amsterdam, Ca' Foscari University Venice

ABSTRACT:

This paper explores a novel menu effect in the context of subscriptions that violates the transitivity principle of rational choice theory. Providers typically capitalize on arranging offers such that a longer but costlier option is chosen over the cheaper but shorter alternative. We find that sizing the shorter subscription down to single-use raises its attraction. This suggests that the presence of a single-use option prompts rational evaluation based on a realistic estimate to use the subscription again. Instead, when both alternatives represent time spans, an irrational mind may discern them along the same category - referred to as pigeonholing - with the consequence that other comparative criteria come to the fore. Two-dimensional models, present in most behavioral theories, fail to explain this type of preference reversal. Inspired by the intuition of transaction utility and the availability heuristic, we propose a generalization of salience theory to capture the effect of pigeonholing.

**Author(s):** Frieder Neunhoeffer

**Topic:** Decision Theory: Bounded Rationality, Decision Theory: Preferences

[Back to session: Biases 2](#)

---

## **Escalating commitment to a failing course of action - A re-examination**

**Henrik Orzen**  
University of Mannheim

ABSTRACT:

We report the results from an experiment inspired by a seminal study (Staw, 1976) that introduced the notion of "escalation of commitment", a variant of the sunk cost fallacy. This topic has received much attention outside of economics, and we investigate whether the escalation phenomenon can be reproduced using standard protocols established in experimental economics. The focus is on how decision makers respond to a signal about a previous

investment depending on (i) whether or not they were responsible for that investment, (ii) whether the signal is positive or negative, and (iii) whether or not the signal is associated with a loss or gain. We characterize theoretical conditions under which escalation—increased follow-up investments after receiving a negative signal—may occur. Our data indicates that subjects react differently to negative feedback when this feedback is linked to a financial loss and when they have been responsible for the initial investment. We also observe gender effects.

**Author(s):** Nikolai Martens and Henrik Orzen

**Topic:** Decision Theory: Bounded Rationality, Decision Theory: Risk

[Back to session: Biases 2](#)

---

## Context Effects in Strategic Environments

**Amnon Maltz**  
University of Haifa

ABSTRACT:

Context effects have been studied extensively in consumer choice but little is known about their impact in strategic environments. This paper provides new evidence that adding "irrelevant strategies," such as a dominated action or one that is completely identical to an existing strategy, has significant impact on players' actions and the game's outcome. We argue that these findings are important for many real-life strategic interactions. The article experimentally examines three context effects in a simple setting of two-player simultaneous-move games: the attraction effect, the compromise effect and what we dub as the duplicates effect (the effect of adding a dominated strategy, an extreme strategy and an identical strategy, respectively). We ask whether players whose strategy set is extended alter their preferences over the unchanged strategies and do the opponents anticipate this behavioral bias. Within the realm of coordination games, we find positive answers in the case of the attraction and duplicates effects. More generally, we suggest that an (irrelevant) added strategy may serve as a coordination device. The compromise effect is not found although it does seem to be anticipated. In games in which one player has a dominated strategy, the effects generally disappear.

**Author(s):** Ayala Arad and Benjamin Bachi and Ayala Arad

**Topic:** Games: Other, Games: Coordination

[Back to session: Biases 2](#)

---

## Does Losing Lead to Winning? An Empirical Analysis for Four Different Sports

**Bouke Klein Teeselink**  
Yale School of Management

ABSTRACT:

Berger and Pope (2011) show that being slightly behind increases the likelihood of winning in professional and collegiate basketball. We extend their analysis to large samples of Australian football, American football and rugby matches, but find little to no evidence of such an effect for these three sports. When we revisit the phenomenon for basketball, we do find supportive evidence for National Basketball Association (NBA) matches from the period analyzed in Berger and Pope. However, we find no significant effect for NBA matches from outside this sample period, for collegiate matches, and for matches from the Women's NBA. High-powered meta-analyses across the different sports and competitions do not reject the null hypothesis of no effect of being slightly behind on winning.

**Author(s):** Bouke Klein Teeselink, Martijn J. van den Assem and Dennie van Dolder

**Topic:** Applied Economics: Other, Games: Contests

**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3669174](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3669174)

[Back to session: Biases 3](#)

---

## Can Agents Add and Subtract When Forming Beliefs? Evidence from the Lab and Field

**Jan Mueller-Dethard**  
University of Mannheim

ABSTRACT:

One major paradox in economics is the co-existence of over- and underinference to new information. In this paper, we propose that both phenomena can be jointly explained by a common paradigm: the violation of a counting heuristic. To test this, we draw on evidence from both the lab and the field. First, we conduct three preregistered bookbag-and-poker-chip experiments with 1800 participants. In a setting in which subjects repeatedly observe binary signals to learn about an underlying state of the world, we exogenously manipulate the number of same-directed signals that gets interrupted by a single opposite-directed signal. This design allows us to identify when people over- versus underinfer and to employ precise tests on underlying mechanisms. Our experimental findings show that agents underinfer after a sequence of same-directed evidence. Whenever such a sequence is interrupted by a contrary signal, individuals strongly overinfer and update their expectations about four times more than Bayes presumes. These effects are independent of the signals' diagnosticity and do not rely on extreme priors. Next, we apply our experimental insights to financial markets. Using a long time-series of daily U.S. stock returns, we investigate return reactions after earnings surprises. Consistent with our experimental data, we show that market reactions after opposite-directed earnings surprises are significantly more extreme than after same-directed ones. These differences are not corrected immediately and persist for up to three months until prices converge. As mechanism, we identify that agents selectively allocate their cognitive resources. They overinfer when the new information is inconsistent with their prior since it indicates that their beliefs deviate from reality,

while they underinfer when the information is consistent since it indicates that their beliefs are “good enough”. Overall, our results provide novel insights to the co-existence of both over- and underinference as well as why this is the case.

**Author(s):** Pascal Kieren, Martin Weber  
**Topic:** Decision Theory: Beliefs, Markets: Finance  
[Back to session: Biases 3](#)

---

## **Debt Aversion: Theory and Experiment**

**David Albrecht**  
**Maastricht University**

### **ABSTRACT:**

Borrowing and saving decisions are among the most important and economically significant choices people face in their lifetime. An unwillingness to save may have severe implications such as insufficient retirement savings. In the same way, borrowing too much or too little can have negative economic consequences. Debt aversion, defined as unwillingness to take on debt even if economically beneficial, has received increased attention by researchers lately, for its adverse effects on financial decision-making such as failure to invest in tertiary education (Field, 2009; Caetano et al., 2019) and energy-efficient technologies (Schleich et al., 2021) or credit self-rationing of entrepreneurs (Nguyen et al., 2020). In this paper, we propose a formal model of debt aversion, and use a novel experiment to elicit and to jointly estimate debt aversion with preferences over time, risk and losses. In the experiment participants can accept or reject different debt and saving contracts, defined over real monetary payments. Using participants' choices, we can identify whether they systematically prefer saving contracts over debt contracts, controlling for time preferences, present bias, risk aversion and loss aversion. To this end, we employ maximum likelihood estimations to structurally estimate the preference parameters of our model of debt aversion. We find that participants are on average debt averse, thus establishing debt aversion as dimension of individual preferences in its own right, that is distinct from other relevant preferences, for instance loss aversion. On the population level, we estimate around 86 percent of individuals to exhibit debt aversion. Further, testing the relation of debt aversion and individual characteristics, we find that debt aversion is negatively associated with cognitive ability, and positively associated with participants' savings. Moreover, we demonstrate robustness of debt aversion to a wide array of alternative modeling specifications and influencing factors.

**Author(s):** Thomas Meissner, David Albrecht  
**Topic:** Decision Theory: Preferences, Methodology: Experimental Design, Tools and Practices  
[Back to session: Biases 3](#)

---

## **Would you believe that?! Irrelevant information influences behavioral responses to cheap talk**

**Eli Spiegelman**  
**Vanier College**

### **ABSTRACT:**

This paper reports a cheap talk deception experiment in which the underlying game is random, either of common or conflicting interest. A first hypothesis is that when the uncertainty about the underlying game is more vague (specifically, when the message receiver does not know the probabilities of the game types), then the message will be more focal. While this hypothesis receives little empirical support, the realization of the game type itself has a strong effect on the Sender's strategy and beliefs. Common-interest realizations generate not just more truthful messages, but also greater expectation that the messages will be followed. This is puzzling, as it implies that the Sender expects Receiver behavior to depend on information the Receiver clearly does not know. More puzzling still, this effect is persistent: when the Sender plays the game again as a Receiver without receiving feedback, her beliefs about and reaction to the message received are strongly influenced by the (transparently irrelevant) realization of the previous interaction. The results suggest that the strategic requirements for a strategy to be focal may sometimes be quite weak. It also has implications in line with a literature on spillovers and behavioral contamination across repeated interactions.

**Author(s):** Eli Spiegelman  
**Topic:** Social Behavior: Communication, Decision Theory: Bounded Rationality  
[Back to session: Communication](#)

---

## **Optimal (un-)coordination under uncertainty: testing information design in the laboratory**

**Andreas Ziegler**  
**University of Amsterdam**

### **ABSTRACT:**

When persuading multiple interacting receivers, senders can adapt their communication strategies to the strategic environment of the receivers. I test whether the optimal communication strategy involves public (private) signals when the strategic environment of the receivers features strategic complements (substitutes). This prediction arises in information design (Bergemann & Morris, 2019), and can guide i.e. governmental information release. In a laboratory experiment, I test comparative static predictions on (i) how the optimal structure depends on the receivers' strategic environment and (ii) whether obedience, which captures receivers' incentives to trust signals, is predictive of receivers' following behavior. 78% of recommendations are followed by receivers and receivers trust signals more strongly when incentives to follow increase, consistent with theoretical predictions. Contrary to theoretical predictions, I find that public communication strategies perform at least as well as private strategies, independent of

the strategic environment of the receivers. As theoretically predicted, public information structures that employ common signals across all receivers perform well with strategic complements. However, public structures do not perform worse than private structures also with strategic substitutes, as receivers are more likely to follow signals from public rather than private structures.

**Author(s):** Andreas Ziegler  
**Topic:** Games: Information, Social Behavior: Communication  
[Back to session: Communication](#)

---

## Habitual communication

**Konstantinos Ioannidis**  
**University of Amsterdam**

### ABSTRACT:

Communication is typically modeled as a strategic game of asymmetric information. A key finding is that when preferences diverge, communication becomes less informative. I present evidence that habit formation affects the informativeness of communication. In a 2 by 2 between-subjects treatment design, subjects play overall 60 rounds of a cheap talk sender-receiver game with either (fully) conflicting, partially aligned or (fully) common interests. The 60 rounds are divided in two parts of 30 rounds each. Treatments vary in (i) whether sender and receiver start with having conflicting or common interests in all 30 rounds of part one and (ii) whether they subsequently move on to having partially aligned interests throughout all the remaining 30 rounds or only occasionally so (randomly in 10/30 rounds). Communication under partially aligned interests is more informative for subjects who started with common interests in part one, but only if they face the new environment randomly. This effect persists over time. With partially aligned interests, overcommunication is only observed for subjects who started with the common interest environment.

**Author(s):** Konstantinos Ioannidis  
**Topic:** Games: Information, Social Behavior: Communication  
**Link:** [www.konstantinosioannidis.com/](http://www.konstantinosioannidis.com/)  
[Back to session: Communication](#)

---

## Consumer willingness to pay a price premium for bio-based products: Do certifications matter?

**Rocco Caferra**  
**University of Bari**

### ABSTRACT:

The present work, based on an artefactual field experiment conducted in Italy, demonstrates the existence of a “green premium,” referring to increased consumer willingness to pay (WTP) for bio-based over conventional products, and a “certified green premium,” referring to an additional increase in consumer WTP for certified bio-based products over and above other bio-based products. Moreover, it shows that, across different product typologies (i.e. hand soap, food bags, colored pens), demand for conventional products is generally more elastic than demand for bio-based and certified bio-based products. Accordingly, the results suggest that the introduction of an instrument mix combining an eco-label based on a certification of sustainability with a tax on conventional products and a subsidy on certified sustainable goods may support the market uptake of certified sustainable bio-based goods. In this way, regulatory and policy tools might increase the application of circular bioeconomy strategies. **Keywords:** artefactual field experiment; bio-based products; circular bioeconomy; sustainability certification; willingness to pay. **JEL:** C93; P23; Q58

**Author(s):** Piergiuseppe Morone; Rocco Caferra; Idiano D'Adamo; Pasquale Marcello Falcone; Enrica Imbert; Andrea Morone  
**Topic:** Applied Economics: Other, Applied Economics: Other  
[Back to session: Consumer Behavior](#)

---

## Cheaper or eco-friendly products: what do consumers prefer? An experiment in the transport sector

**Mario Intini**  
**University of Bari Aldo Moro, Italy**

### ABSTRACT:

The importance of preserving the environment by limiting CO2 emissions is a crucial issue today. One sector that contributes greatly to the increase in CO2 emissions is transport. In this paper, we assess the importance that consumers attach to the environment when they buy a car. Cars are characterized by a long lifespan and associated production and operating costs, specific per type of car. It is well known that consumers pay particular attention to their choice about these aspects. Using a laboratory experiment, we want to find out whether consumers prefer eco-friendly products more than cheaper and non-eco-friendly ones. Furthermore, we analyze whether the results are different if we consider individual versus social choices. We find that the electric car is preferable to the petrol car, especially when the charging position is well located and there is the possibility for rapid recharging. Conversely, consumers do not seem to be sensible to the degree of eco-friendliness: they do not choose the more ecological of two electric cars with different environmental impacts. Concerning the experimental methodology applied, we find a different behavior between “paid” and “unpaid” groups and between social and individual choices. Finally, we note that if there is a form of public economic incentive, consumer choices are more eco-friendly.



## **Default vs. Active Choices: An Experiment on Electricity Tariff Switching**

**Ayse Tugba Atasoy**  
**RWTH Aachen University**

### **ABSTRACT:**

In distinct decision environments, consumers fail to financially optimize their decisions. In liberalized electricity markets, consumers frequently do not optimize their electricity choices and stick with the default providers instead, despite the ability to choose among an increasingly large set of electricity suppliers and benefit from lower cost options. In this paper, we study the effect of different contextual features of the choice environment (i.e., default and active choice enforcement) and search costs (i.e., high and low) on the quality of electricity contract choices, with the help of a randomized controlled laboratory experiment. We provide evidence that the default contract rule lowers the decision quality compared to the active decision rule in both search cost environments. Default rules lower the quality of contract choices especially for the individuals with lower cognitive ability. Contrary to the expectations, we observe that the number of alternatives has no effect on the quality of electricity choices. Our findings have important implications for regulatory rule setting in the electricity market.

**Author(s):** Ayse Tugba Atasoy, Reinhard Madlener  
**Topic:** Markets: Industrial Organization, Applied Economics: Other  
**Link:** [www.fcnc.eonerc.rwth-aachen.de/global/show\\_document.asp?id=aaaaaaaaaqotejo](http://www.fcnc.eonerc.rwth-aachen.de/global/show_document.asp?id=aaaaaaaaaqotejo)  
[Back to session: Consumer Behavior](#)

---

## **Making Up for Harming Others - An Experiment on Voluntary Compensation Behavior**

**Frauke Stehr**  
**Maastricht University**

### **ABSTRACT:**

We study to what extent consumers forego personal gains to avoid or reduce the harm their choices impose on others. In the absence of regulation, such voluntary compensation provides a way for consumers to internalize negative externalities on their own. However, the tangibility of consumption externalities is often reduced by diffusion of both the harm created and the responsibility in creating the externality. We conduct a laboratory experiment to investigate how the presence of diffusion affects voluntary compensation. We find that subjects are generally willing to compensate at least some of the harm their consumption creates for other subjects. Diffused responsibility for the externality, however, reduces compensation levels and leads to larger overall net externalities as compared to a baseline condition without diffusion. Diffusion of the harm caused by consumption, on the other hand, does not change compensation choices and externalities. Overall, while the introduction of voluntary compensation reduces the harm created by consumption, the net externality still remains high across all treatments.

**Author(s):** Frauke Stehr, Peter Werner (Maastricht University)  
**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other  
[Back to session: Consumer Behavior](#)

---

## **Productivity Shock and Conflict: The Role of Loss Aversion**

**Biljana Meiske**  
**Max Planck Institute for Tax Law and Public Finance**

### **ABSTRACT:**

This paper studies the consequences of a productivity shock on conflict behavior allowing for loss aversion. In the context of the Hirshleifer-Skaperdas conflict game, I show theoretically that, if agents hold expectation based loss preferences as la Koszegi and Rabin (2006, 2007), both positive and negative productivity shocks lead to changes in conflict behavior. Particularly, a negative productivity shock is expected to lead to an increase in conflict investments among loss-averse agents (and to a decrease among gain-seeking ones), and the vice versa applies in case of the positive productivity shock. Furthermore, in absence of a productivity shock, conflict investments are predicted to increase in loss aversion. An experiment (N=496) was conducted to test these predictions. Experimental results show that while negative productivity shock (channeled through loss aversion) does have predicted effects, a positive productivity shock fails to reduce conflict among loss-averse participants (whereas it does lead to an increase in conflict investments among gain-seeking participants).

**Author(s):** Biljana Meiske  
**Topic:** Decision Theory: Preferences, Decision Theory: Preferences  
[Back to session: Contests, Conflicts, and Losses](#)

---

## **The Efficacy of Tournaments for Non-Routine Team Tasks**

**Simeon Schudy**  
**LMU Munich**

ABSTRACT:

Tournaments are often used to improve performance in innovation contexts in which teams perform non-routine tasks. Tournaments may not only be effective because they provide monetary incentives but also because they render teams' identity and social image concerns salient. This study provides causal evidence on the relative importance of these behavioral aspects vis-a-vis monetary prizes in a non-routine task. Using a natural field experiment with more than 1,700 participants, we exogenously vary salience of team identity, social-image concerns, and whether teams face monetary incentives. We find that increased salience of team identity alone does not improve team performance. Social image due to a public ranking affects mostly top-performing teams, whereas additional monetary incentives improve outcomes for all teams across the performance spectrum. Further, the introduction of tournaments does not reduce teams' willingness to explore original solutions and does not crowd out intrinsic motivation to perform similar tasks in the future.

**Author(s):** Florian Englmaier, Stefan Grimm, Dominik Grothe, David Schindler, and Simeon Schudy

**Topic:** Field Experiments: General, Applied Economics: Labor Market

[Back to session: Contests, Conflicts, and Losses](#)

---

## **Fierce Competitors and Drop-Outs: Contests with Loss-Averse Agents**

**Ayse Gul Mermer**  
**University of Amsterdam, CREED**

ABSTRACT:

Competition is often presumed to enhance performance, yet empirical evidence points out a puzzling phenomenon. High-ability players are inspired by competition and expend effort aggressively (workaholics) while low-ability players expend very little or no effort (drop-outs). What is the driving force behind the observed bimodal behavior? What are the implications for the design of optimal incentive mechanisms? In this paper, I study all-pay contests in the presence of expectation-based loss-averse players. I show that the predictions of the model align well with the observed behavior: high-ability players, holding high expectations, overexert effort while low-ability players, holding low expectations, withhold or withdraw effort in comparison to the standard predictions. Expectation-based loss aversion serves as a key driver of this bifurcated behavior. Moreover, I characterize the optimal prize structure. I find that the optimal prize structure hinges on the interaction of the following two countervailing forces. An additional prize motivates drop-outs to exert effort, while it de-motivates workaholics due to decreased value of larger prizes. Which of these two forces dominates, and thus the optimal allocation of prizes, depends on the interplay between the number of competitors, the ability dispersion of competitors, and the degree of loss-aversion. In the presence of loss-averse individuals, awarding multiple prizes might become optimal in cases where a single prize is predicted to be optimal under standard economic assumptions.

**Author(s):** Ayse Gul Mermer

**Topic:** Games: Contests, Applied Economics: Labor Market

**Link:** [sites.google.com/site/aysegulmermer/research](https://sites.google.com/site/aysegulmermer/research)

[Back to session: Contests, Conflicts, and Losses](#)

---

## **Resilience and Cooperation**

**Francesca Pancotto**  
**University of Modena and Reggio Emilia**

ABSTRACT:

Natural disasters put an enormous strain on civic capital, which can result in a decrease in trust and cooperation in the affected communities. However, the existing level of civic capital can buffer the effects of the disaster, determining completely different dynamics even in neighboring regions. In order to investigate the determinants of long-term resilience to natural disasters, we designed a 2x2 lab in the field experiments conducted in Marche and Emilia-Romagna, two Italian regions that were affected by major earthquakes in 2016 and 2012, respectively. We collected data in neighboring and comparable municipalities that were affected or not by earthquakes and we compared inhabitants' prosocial choices in a Public Good Games and a Distribution game. Our results show that people affected by the earthquake were more prosocial, but the relationship between behaviors, residence and civic capital is not linear. We also study the determinants of cooperation among all participants and find out that cooperation is determined by individual preference for fairness of the group of our participants as well as by the norm of civic capital that belong to the cultures of the regions where we run our experiments. Studying more in depth civic capital, we find that it is not directly affected by the dramatic event and appears to be a long term feature embedded in the cultures of the underlying communities. On the contrary, preference for fairness is directly affected by the amount of damage - and not the mere residence in the area of the earthquake - that the individual has suffered, indicating a second level interaction of this preference with cooperation, while stressing how the request for redistribution is an important factor through which the event can affect the trust of people in the institutions. Short term redistribution preference could disappear with time and leave space for distrust in institutions, if they were ineffective. Finally, in accordance with other studies about the North-South institutional divide in Italy, better pre-quake institutions might be more capable of managing the external shock and the following recovery as more embedded communities are expected to respond more pro-actively

**Author(s):** Francesca Giardini ; Francesca Pancotto ; Simone Righi

**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other-regarding Preferences

[Back to session: Cooperation I](#)

---

## Multigame contact and cooperation

Vincent Laferriere  
University of Lausanne

### ABSTRACT:

Multigame contact refers to cases where an individual engages in two or more strategic interactions with the same other individual. By improving a player's ability to punish, multigame contact is thought to foster cooperation (Bernheim & Winston, 1990). Previous experimental studies find mixed evidence on the positive effect of multigame contact on cooperation. Using results from a laboratory experiment, we investigate if and how multigame contact affects cooperation. We compare cooperation rates and subjects' behavior when they play two indefinitely repeated prisoner's dilemmas either with the same partner, or with two different partners. Our novel experimental design allows us to compare cooperation rates and behaviors varying the number of partners and the expected length of a repeated game. In agreement with theoretical accounts, we find that multigame contact has systematic effects on behavior: subjects link the strategies in the two games when they play with the same partner. However, in contrast to the theoretical accounts we find no systematic effect on average cooperation rates. Multigame contact is a double-edged sword: although it helps subjects reaching simultaneous cooperation in both games (full cooperation), it also makes cooperation only in one of the two games less likely.

**Author(s):** Joao Montez, Catherine Roux, Christian Thoeni, and Vincent Laferriere

**Topic:** Games: Repeated Games, Games: Other

[Back to session: Cooperation 1](#)

---

## The ontological roots of human cooperation

Daniela Ruetzler  
University of Innsbruck

### ABSTRACT:

Understanding the ontological roots of human cooperation toward strangers is important to understand better the human ability to cooperate and in social dilemmas and maintain public goods. Using a novel experimental framework, we examine with a large sample of 964 children, aged 3 to 6, when the ability to cooperate in a repeated prisoner's dilemma game evolves and how it depends on three fundamental pillars of human cooperation, direct and indirect reciprocity as well as third-party punishment. We find that third-party punishment exhibits a striking positive effect on cooperation and even gets stronger with age. Yet, direct and indirect reciprocity do not increase cooperation levels. Thus, our results support predictions following from a gene-culture coevolution approach.

**Author(s):** Zvonimir Basifa, Angelo Romano, Claudia Zoller, Daniela Glyzle-Ruetzler, Parampreet C. Bindra, Matthias Sutter

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Other-regarding Preferences

[Back to session: Cooperation 1](#)

---

## Sustaining Cooperation with Correlated Information

Yongping Bao  
University of Bremen

### ABSTRACT:

We investigate cooperation in the indefinitely repeated prisoners' dilemma when players receive correlated public signals of their actions in an experiment. In one treatment, public signals are perfectly correlated if both players choose the same action, otherwise independent. In another treatment, public signals are always independent. Theoretically, the implemented correlation structure allows for perfect cooperation based on a simple grim-trigger strategy which conditions on the public signals. Our experimental results show that a substantial fraction of subjects use this strategy in the treatment with correlated signals. However, correlated signals do not result in more cooperative actions as behavior is more lenient if signals are independent.

**Author(s):** Yongping Bao, Fabian Dvorak, Sebastian Fehrler

**Topic:** Games: Repeated Games, Games: Information

[Back to session: Cooperation 1](#)

---

## Cooperation in infinitely repeated games under the shadow of inequality

Huanren Zhang  
University of Southern Denmark

### ABSTRACT:

We use a large experiment to investigate the effect of payoff inequality on cooperation in infinitely repeated prisoner's dilemmas with different continuation probabilities. Our novel experimental design provides empirical benchmarks based on counterfactual behaviors where players face exactly the same monetary incentives where payoff asymmetry is not a concern. The experimental results show that inequality from mutual cooperation

significantly decreases cooperation, while inequality from mutual defection does not have a significant effect. Inequality from mutual cooperation is also found to undermine the gains from increased continuation probability.

**Author(s):** James Bland, Olivier Bochet, Nikos Nikiforakis, Huanren Zhang  
**Topic:** Games: Repeated Games, Social Behavior: Other-regarding Preferences  
[Back to session: Cooperation 2](#)

---

## **Perceptions of conflict: parochial cooperation and outgroup spite revisited**

**Ro'i Zultan**  
**Ben-Gurion University of the Negev**

### **ABSTRACT:**

Experimental team games provide valuable data to help understand behavior in intergroup conflict. Past research employing team games suggests that individual participation in conflict is driven mostly by parochial cooperation, rather than outgroup spite. We argue that motives in conflict depend on whether conflict is framed and perceived at the group or individual level. In a controlled laboratory experiment, we manipulate perception of the conflict level by varying the framing of the conflict, keeping the objective strategic aspects of conflict fixed. While parochial cooperation is the main motivation under an individual frame (replicating prior results), outgroup spite emerges as an important motivation when conflict is perceived at the group level. Furthermore, under an individual frame intragroup communication and chronic prosociality are related only to parochial cooperation, but are similarly related to both parochial cooperation and outgroup spite under a group frame. We conclude that perceptions of conflict are crucial for understanding the motivations that guide individual behavior in intergroup conflict. While experimental team games naturally focus on the strategic aspects of conflict, it is possible to extend the experimental paradigm to incorporate the perception of conflict. We discuss how these insights shed new light on past results, and how they may inform future work.

**Author(s):** Ori Weisel and Ro'i Zultan  
**Topic:** Social Behavior: Group Behavior, Games: Contests  
[Back to session: Cooperation 2](#)

---

## **Cooperation, Punishment and Endogenous Information Manipulation**

**Christine Grimm**  
**WU Vienna**

### **ABSTRACT:**

Information is a powerful tool for influencing behavior. It is of particular interest to individuals who want to manipulate others. While previous literature on cooperative settings concentrates on exogenous uncertainty, this project examines endogenous information manipulation as a strategic decision. Specifically, with a laboratory experiment, I investigate endogenously arising uncertainty of information transmission in a well-known cooperative setting with both freeriding and payback possibilities—the Public Good Game with punishment. The analysis extracts the effect of information manipulation on welfare, cooperation, and punishment decisions. Additionally, the design allows for a first investigation of information manipulation behavior in this rich setting.

**Author(s):** Christie Grimm  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Lying and Cheating  
[Back to session: Cooperation 2](#)

---

## **Cooperating when the end is near: the impact of cognitive ability and task complexity**

**Simona Cicognani**  
**Utrecht School of Economics**

### **ABSTRACT:**

We study the relation between cognitive ability, task complexity and cooperation in finitely repeated social dilemmas. To do this, we implement a laboratory experiment in which we replicate the design of Embrey et al. (2017, The Quarterly Journal of Economics), by adding two main novelties: i) a final cognitive reflection test and a personality questionnaire; ii) the comparison between two different stage-games, which differ in complexity. The experiment has a  $2 \times 2$  factorial between-subject design. The first treatment variable is the stage-game played. In the Prisoner's dilemma -PD condition, participants face a finitely repeated Prisoner's dilemma, whereas in the Traveler's dilemma -TD condition they face a finitely repeated Traveler's dilemma. In both conditions, the stage-game is repeated eight times, in thirty supergames. As in Embrey et al. (2017), this long horizon allows us to study how cooperation unravels with experience. The intuition behind adding the Traveler's dilemma, which is equivalent to playing a Prisoner's Dilemma when choices are restricted to only two, is to investigate how cooperation evolves in a more complex decisional setting. Our behavioral hypothesis is that cooperation is less likely to occur in the more difficult stage-game, i.e., in the TD condition. The second treatment variable is represented by the implementation of incentivized control questions. Namely, participants face two conditions: Incentives or No Incentives. In the Incentives treatment, at the beginning of the experiment, subjects face a series of six control questions. They know that a correct answer to each control question is worth 0.50 Euros added up to their final earnings. After answering to all control questions, they are provided feedback on each question, and in case of wrong answer, the correct answer is indicated, together with a brief explanation taken from the instructions. The amount of money earned from the incentivized control questions is clearly indicated on the computer screens at the end of the feedback provided. In the No Incentives

scenario, participants do not receive additional money in case of correct answers to the control questions, but are provided with feedback as in the Incentives case. Differently from Embrey et al. (2017), whose experimental protocol did not incorporate control questions, we want to control for participants' understanding of experimental instructions of the stage-games. Furthermore, the motive of including an incentivized type of control questions is to test whether these lead to a higher level of understanding and to different behavioral patterns in the game played over the several repetitions. The experiment involved 128 participants, divided into 8 sessions. It was conducted at the Bologna Laboratory for Experiments in Social Sciences (BLESS) and programmed with the software z-Tree (Fischbacher, 2007). Subjects were students from the University of Bologna, recruited through ORSEE (Greiner, 2004). Each session started with a first part in which the PD/TD game was played, in the  $2 \times 2$  factorial between subject design previously outlined. The length and number of supergames was indicated in the instructions, so that it was known to every participant. Moreover, participants were provided information on the complete history of play up to that moment in the game (their choices and their partner's choices, together with their payoffs). They knew that they were randomly matched into pairs for a supergame. The first part was followed by a second part with a dictator game and a third part in which we elicited risk preferences through the Bomb Risk Elicitation Task procedure BRET (Crosetto and Filippin, 2013). Finally, we proceeded with a socio-demographic questionnaire, a cognitive reflection test (Frederick, 2005), and the Hexaco Personality Inventory (Ashton and Lee, 2009). Our results indicate that cooperation increases with experience, with no evidence of unraveling even in the last supergames, when subjects have gained substantial experience with the game. In terms of treatment effects, we observe that cooperation is easier to achieve and sustain in the Prisoner's Dilemma as compared to the cognitively more demanding Travelers' Dilemma. This is robustly valid across all rounds and supergames. The incentivization of Control Questions seems to produce a positive short-term effect on cooperation, in the early supergames played. Furthermore, we find that subjects with higher cognitive abilities (captured by the Cognitive Reflection Test), and subjects with a better understanding of the instructions tend to cooperate more. Generosity and risk attitudes, as measured in the Dictator Game and in the Bomb Risk Elicitation Task, respectively, do not correlate with cooperation at the individual level. Yet, Emotionality reduces cooperation, whereas Agreeableness is positively associated to cooperation rates. Finally, we estimate how Cognitive Reflection is linked to four possible strategies implemented: i) Always Defect, ii) Always Cooperate, iii) Grim Trigger; iv) Threshold Strategies, and how Low vs. High cognitively able subjects learn how to play strategies over rounds and supergames. Keywords: Finitely repeated social dilemmas; Cognitive abilities; Personality traits. JEL Codes: C72; C73; C92.

**Author(s):** Maria Bigoni, Simona Cicognani

**Topic:** Decision Theory; Learning, Games: Repeated Games

[Back to session: Cooperation 2](#)

---

## Ostracism and Theft in Heterogeneous Groups

**Alexandra Baier**  
Universtity Innsbruck

ABSTRACT:

Ostracism, or exclusion by peers, has been practiced since ancient times as a severe form of punishment against transgressors of laws or social norms. The purpose of this paper is to offer a comprehensive analysis on how ostracism affects behavior and the functioning of a social group. We present data from a laboratory experiment, in which participants face a social dilemma on how to allocate limited resources between a productive activity and theft, and are given the opportunity to exclude members of their group by means of majority voting. Our main treatment features an environment with heterogeneity in productivity within groups, thus creating inequalities in economic opportunities and income. We find that exclusion is an effective form of punishment and decreases theft by excluded members once they are re-admitted into the group. However, it also leads to some retaliation by low-productivity members. A particularly worrisome aspect of exclusion is that punished group members are stigmatized and have a higher probability of facing exclusion again. We discuss implications of our findings for penal systems and their capacity to rehabilitate prisoners.

**Author(s):** Alexandra Baier , Loukas Balafoutas , and Tarek Jaber-Lopez

**Topic:** Social Behavior: Group Behavior, Games: Repeated Games

[Back to session: Cooperation 3](#)

---

## Social Norm Enforcement, Beliefs, and Victimization: Evidence from Syrian Refugee Camps in Jordan

**Andreas Nicklisch**  
Hochschule fuer Wirtschaft und Technik

ABSTRACT:

In the period following war and violent conflicts, how do individuals succeed in living together as part of a functioning society again? Social norms and their enforcement through, for instance, peer punishment can promote cooperation. Yet, punishment may also backfire. We ask whether the experience of war affects prosocial behavior and peer punishment among refugees incorporating to the analysis the expected cooperation rate of other participants. We conduct two one-shot experiments, namely a dictator game and an altered version of the prisoners' dilemma with a subsequent peer retaliation stage, with Syrians living in Jordan. To quantify their level of war exposure, we create a victimization index that accounts for personal war experiences. We have two main findings. First, victimization does not correlate with prosocial behavior which is determined by participants' social preferences. Second, victimized participants who cooperate are more likely to punish a cooperater if they have negative cooperation expectations about the other player as well as victimized participants who defect if they have positive cooperation expectations. These findings show that victimization from war can negatively affect how peer punishment enforces social norms when beliefs are accounted for.

**Author(s):** Nora El-Bialy, Elisa Fraile Aranda, Andreas Nicklisch, Lamis Saleh, Stefan Voigt

**Topic:** Decision Theory: Beliefs, Applied Economics: Economic Development

[Back to session: Cooperation 3](#)

---

## Size Matters! Only Big Threats Encourage Cooperation

**Bjoern Hartig**  
Royal Holloway, University of London

### ABSTRACT:

Subjects play a repeated stranger-matching prisoners' dilemma game with opt-in fee for both players framed as escrow account payments. After a game, all fees can be consensually returned or unilaterally destroyed. With low fees, cooperation breaks down at a similar rate as without fees. However, cooperation rates remain stable with high fees. The effect is primarily driven by cooperators remaining active and willing to cooperate, not by defectors dropping out or turning to cooperation. Destruction of the fees is rare and never triggered by defectors, but occurs slightly more with high fees. Fees have no effect on participation rates.

**Author(s):** Bjoern Hartig, Zhou Xiaoyu

**Topic:** Social Behavior: Other-regarding Preferences, Unknown: Unknown

[Back to session: Cooperation 3](#)

---

## Expectations and Trust in Government during the COVID-19 Pandemic

**Shambhavi Priyam**  
Max Planck Institute for Research on Collective Goods

### ABSTRACT:

This paper studies how expectations about the COVID-19 pandemic vary over time in two countries with differing levels of trust in their federal governments. Data for this study is collected online from USA and India. It looks at how factors like trust in government, perception about peers, and experiencing sickness in close circles relate to expectation about returning to pre-COVID-19 state in each country. The results show significant differences between outcomes of the two countries, and trust in government being predictive of expectations related to health, employment, and education.

**Author(s):** Shambhavi Priyam

**Topic:** Applied Economics: Other, Applied Economics: Labor Market

[Back to session: Covid-19 1](#)

---

## What motivates people to volunteer during a pandemic?

**Dominik Meier**  
University of Basel

### ABSTRACT:

The Covid-19 pandemic has led to a wave of solidarity across the globe. Local communities quickly mobilized to provide support for people who belong to the risk group. We study one example of this behavior, namely volunteering to buy and deliver groceries for people who belong to the risk group or for people who are in quarantine. We have data from an app in Switzerland that coordinated these deliveries, i.e., the app matched people who wanted their groceries delivered with people close by who are willing to deliver those groceries on a voluntary basis. The app went in service just as the first wave hit Switzerland. Over the course of about 9 months, more than 26'000 people registered to deliver groceries. Over the same time period, almost 68'000 successful deliveries were recorded. We ask what observed characteristics can explain why some people volunteer their time and potentially risk an infection to support those in need and discuss how the results relate to the larger volunteer motivation literature. We use negative binomial regression and extended cox models to analyze how observed characteristics (e.g., age, gender, Covid deaths and cases, percentage of elderly people by location) relate to the number of deliveries made by a person. Looking at the demand side, we find that communities with a higher percentage of elderly people place more deliveries. On the supply side we find that the percentage change in daily deaths (averaged over 7 days) is associated with the probability of a person making a (further) delivery. The direction of this association depends on the number of deliveries a person already made: it is positive for the first few deliveries a person made but eventually turns negative. We also find a positive association between the probability of a person making a (further) delivery and the absolute number of daily deaths. Again this association depends on the number of deliveries a person already made, but now in the other direction: the more deliveries a person already made, the stronger this relationship becomes.

**Author(s):** Dominik Meier

**Topic:** Applied Economics: Charitable Giving, Social Behavior: Other-regarding Preferences

[Back to session: Covid-19 1](#)

---

## Does information about local COVID-19 incidence rates increase the use of digital contact tracing apps?

**Ximeng Fang**  
University of Bonn

### ABSTRACT:

Adoption of digital contact tracing (DCT) apps can provide critical relief for public health authorities in ring-fencing outbreaks of infectious diseases, especially when infection incidence is high. We conduct a large-scale randomized online experiment (N = 1,115,404) on social media to encourage adoption of the German DCT app during the COVID-19 pandemic. Our intervention provides locally-targeted feedback and regional comparisons on county-level incidence rates, in addition to the standard promotion video used by the German government. Providing the information increases view-rates and click-through rates of the ad by 30% compared to a regular promotion video for the app. Highlighting that one's county is above the state average increases ad viewing and click-through rates by an additional 15%. These effects are largely driven by higher initial attention to the ad, i.e. the extensive margin. However, we observe an overall negative relationship between the effectiveness of the treatment and local incidence rates, indicating an adverse pattern of heterogeneity. We test the same interventions in separate study using a representative online survey (N = 6,060) and observe small but statistically significant treatment effects on favorability towards the contact tracing app.

**Author(s):** Ximeng Fang, Lorenz Goette, Zihua Chen  
**Topic:** Applied Economics: Other, Field Experiments: General  
[Back to session: Covid-19 1](#)

---

## **Married individuals more likely to comply with protective health measures against COVID-19: evidence from a large multinational sample**

**Astrid Hopfensitz**  
Toulouse School of Economics

ABSTRACT:

Marriage and parenthood are important life course events that impact our behaviors and our values. Here, we study whether marriage and parenthood influence compliance with protective health measures against COVID-19. Based on data collected among 46,450 respondents in 67 countries, our results reveal a non-significant effect of parenthood, but a robust and significant effect of marriage, among both men and women and across a large range of different cultures. This marriage effect on compliance is higher for men (approximately 5%) than for women (approximately 2%) – although, on average, women report a 7% higher compliance rate than men. A decomposition of this marital gap on compliance reveals that individual risk perceptions play a minor role, while pro-social characteristics linked to morality and social belonging explain more than 38% of the marital gap. We discuss how these findings can be used to improve the effectiveness of international public health campaigns aimed at promoting protective health measures around the world.

**Author(s):** Sylvie Borau, Helene Couprie and Astrid Hopfensitz  
**Topic:** Social Behavior: Other-regarding Preferences, Psychology and Biology: Gender and Individual Differences  
[Back to session: Covid-19 1](#)

---

## **Narratives on COVID-19 and Policy Opinions: A Survey Experiment**

**Luca Corazzini**  
University of Venice

ABSTRACT:

Narratives impact people's opinions on relevant policy issues, and their political context may influence these effects. Indeed, some specific contexts may be more easily swayed by certain stories that provide explanations for current social and economic phenomena. We explore this issue by considering the ongoing COVID-19 pandemic as a natural experiment that creates the ideal conditions for existing narratives to gain momentum and spread. In particular, we run a survey experiment in the US by exposing subjects to two media-based popular explanations on the causes of the COVID-19 pandemic. The Lab narrative attributes the upstart of the pandemic to human error and scientific misconduct in a laboratory in China, while the Nature narrative describes the genetic and biological causes of the virus. We find evidence that subjects' beliefs on the origins of the disease are influenced by the narrative they are presented with. Moreover, the Lab narrative leads subjects living in Republican-leaning states to express less favorable opinions about trade openness and the relevance of climate change relative to those living in Democratic-leaning states. Thus, our findings provide support for the idea that recalling stories that are part of larger narratives can lead to divergence of opinions on crucial issues leading to an increase in policy polarization. Finally, we explore the underlying features of social contexts associated with US states' political orientation, that moderate the impact of narratives on policy opinions.

**Author(s):** Armenak Antinyan, Thomas Bassetti, Luca Corazzini, Filippo Pavese  
**Topic:** Social Behavior: Communication, Social Behavior: Norms and Morals  
**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3764436](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3764436)  
[Back to session: Covid-19 2](#)

---

## **Willingness to get vaccinated against COVID-19: an experimental study on a Polish representative sample**

**Joanna Rachubik**  
University of Warsaw

ABSTRACT:

In many countries, a significant percentage of the population opts out of vaccinations, even mandatory ones, partly inspired by anti-vaccine movements. A reluctance to vaccinate has been particularly spectacular in recent months in the form of a significant number of people who do not want

to be vaccinated against COVID-19. On a variety of dimensions, social campaigns can emphasize the many arguments that potentially raise vaccination acceptance - that it is safe, effective, developed, and recommended by doctors and scientists, free of charge, or available in limited numbers (therefore psychologically more valuable). The effectiveness of these messages is not measured systematically and precisely enough. To address this issue, we conducted a survey in February and March of this year on a large, representative sample of adult Poles (n=6213). We presented respondents with different sets of information about vaccination on COVID. After reading the information packet, respondents indicated whether they would be willing to be vaccinated. Then, we asked respondents to justify their answers, indicate what or who would change their opinion, and indicate their attitudes toward conspiracy theories promulgated by anti-vaccinationists. We also have a number of socioeconomic variables describing the respondents. An analysis of the determinants of individual response choices indicates that changing attitudes toward COVID-19 vaccines is problematic. None of our statements disclosed to the respondents systematically altered the frequency of responses to the question about willingness to vaccinate. Moreover, 2/3 of those not willing to be vaccinated indicated that they would not change their opinion even if the vaccine was confirmed to be safe and effective after the first months of vaccination. Demographic variables had a strong influence on responses: men, older respondents, those living in cities, with higher education, better off and willing to vote for the Left, Civic Coalition, Poland 2050, rather than for Law and Justice or (especially) the Confederation, were more likely to be vaccinated. On the other hand, the willingness to vaccinate was lower among those who believed in virus-related conspiracy theories, of whom there were surprisingly many. Furthermore, among the significant explanatory variables were trust in science, doctors, and the European Union (but not the government). In summary, our results call into question the relevance of ad hoc public campaigns focused on vaccination alone, especially as long as, given the inadequate supply of the vaccines, they can only be a source of frustration for people who would be willing to be vaccinated but rightly expect to have to wait months for their turn.

**Author(s):** Michal Krawczyk, Raman Kachurka, Joanna Rachubik

**Topic:** Decision Theory: Preferences, Field Experiments: General

[Back to session: Covid-19 2](#)

---

## **COVID-19 vaccines may also reduce personal financial fragility - a field study in Israel**

**Hurwitz, Abigail**

**The Hebrew University of Jerusalem**

**ABSTRACT:**

Covid-19 pandemic had strongly affected public health and financial status of individuals around the world. A year after Covid-19 outbreak, vaccination rates are increasing, with Israel being the first country to achieve high vaccination rates. Yet, unemployment rates are recovering very slowly in most countries, as uncertainty regarding the development of both the pandemic and economic circumstances remain high. The current paper investigates the impact of vaccination process on personal financial fragility, that is, the ability to meet an unexpected mid-size expense within a month (Clark et al., 2020). Israel was the first country in the world to execute an extensive vaccination procedure. In a period of only 2.5 months, more than 50% of the Israeli population was vaccinated. To examine the impact of being vaccinated on personal financial fragility, we developed and fielded two internet studies in Israel, approaching the same participants. The first study, fielded just before vaccines were offered to individuals aged 50 years old and under. The second study, about two months later, was fielded at a point in which it was possible for any Israeli adult to easily receive a vaccine. Using a within subject design, we find that financial fragility decreased significantly among vaccinated individuals, comparing to those not vaccinated. In addition, financial fragility decreased significantly more among people who estimate a decrease in their subjective probability of attracting the Covid-19 virus. We further find that our result is mostly derived from women. The result holds after controlling for various socio-demographics and attitudes. We offer and test several potential explanations for our findings: changes in emotions (anger; anxiety; happiness); income; and health status. Specifically, we control for self-reported health status, showing that for the most part it does not significantly affect financial fragility. We also control for self-reported financial damage due to the Covid-19 outbreak. We find that participant reporting higher financial damage also report significantly higher increase in personal financial fragility. Moreover, we find support in our data for the hypothesis that getting a vaccine affected emotions, mostly among women. Specifically, we find that among vaccinated women anxiety and anger decreased, while among non-vaccinated women anxiety and anger increased. We find no evidence for changes in happiness. Medical literature provides evidence to the effectiveness of vaccines in preventing Covid-19 infections. Vast literature has demonstrated that from an economic point of view, Covid-19 damages the most vulnerable in society. We contribute to this literature by showing that vaccines additionally affect reported personal financial fragility, partly, by reducing anxiety and anger.

**Author(s):** Hurwitz, Abigail; Lahav, Eyal

**Topic:** Decision Theory: Other, Field Experiments: General

[Back to session: Covid-19 2](#)

---

## **Altruism in the time of COVID-19: We are all in this together, but who is we?**

**Adriana Carolina Pinate**

**Gran Sasso Science Institute**

**ABSTRACT:**

Theory posits that in situations of existential threat, selfish motivations will be outweighed by altruistic ones, and cooperation will be parochial. Yet, the global character of the COVID-19 pandemic makes unclear which level of group inclusiveness individuals will privilege. In an online experiment, participants from the U.S. and Italy chose to allocate a monetary bonus to a charity active in COVID-19 relief efforts at the local, national, or international level, or to keep the bonus for themselves. We found that personal exposure to COVID-19 increased donations relative to those not exposed, even as levels of environmental exposure (numbers of cases locally) had no effect. Only one-third of individuals acted entirely selfishly. Donors predominantly benefitted the local level (state in the U.S., region in Italy); donations toward country and world levels were half as large. Social identity was a moderating factor in both countries. These results confirm and qualify existing theories.



## Coalition formation in a third-party social dilemma

**Tassilo Sobotta**

**Martin-Luther-University Halle-Wittenberg**

### ABSTRACT:

A pandemic event like the spread of COVID-19 stresses the health care systems in many countries due to the high numbers of patients. Thus, there is a great need for an effective vaccine against diseases like COVID-19 worldwide. However, if there is a vaccine it will be limited in the beginning and those countries who can afford it will buy as much as they can to protect their own citizens. This so-called “vaccine nationalism” can prolong the pandemic due to an inefficient distribution of the vaccines. While countries with a broad access to vaccines will benefit due to a slowdown of the pandemic in their region, this strategy will cost lives, give the virus further opportunity to mutate and evade vaccines and will undermine a global economic recovery. Many low-income countries do not have the financial capabilities to compete on the vaccine markets with high-income countries, so that they could be outsiders in this market and are dependent on help. In these situations, the call for solidarity of rich countries with developing countries is present to help the poor countries to slow the spread of the pandemic. When a few countries do not help while at least some countries support countries in need, those who do not give could benefit from the help provided by others because this can help to stop the spread of the virus globally without bearing the costs. Countries may opt to be free-riders in these situations, hoping to benefit from the efforts of others while choosing not to make any effort themselves. Therefore, there are some ongoing international efforts to coordinate a global COVID-19 response like COVAX, a coalition of some high-income countries to support low-income countries getting access to a vaccine. This coalition established by the WHO and other international institutions aims to provide equal access to vaccines globally by pooling resources. Theoretical studies predict a rather pessimistic outcome regarding international agreements in such situations: If an agreement of a coalition maximizes the members' benefits while individual agents have a strong incentive to free-ride, only a few participants will form a coalition without sanctions on non-members of the coalition (Barrett 1994, 2016; Nordhaus 2015). I analyze this finding by means of a laboratory experiment: The basic idea is that cooperative agreements can be achieved through the formation of coalitions of members committed to help a third-party in need – with or without sanctions on free-riding agents outside the coalition. I use a social dilemma game in which four decision-makers can cooperate for the sake of an affected but inactive third-party – a so called “third-party social dilemma”. Gains from cooperation only go to a third-party, there are no individual monetary benefits for active participants. Cooperative behavior can be exploited by other participants, so that the social welfare maximizing outcome is hard to achieve. I test whether a coalition of participants that want to help the third-party can overcome this dilemma situation. The study analyzes two mechanisms that can enhance cooperation: Coalitions with a binding agreement (a so called “coalition of the willing”) and a coalition with a binding agreement that also triggers sanctions on free-riding participants outside the coalition. In the first treatment, participants can signal their willingness to join a coalition conditional on the number of members. Members of the coalition cannot free-ride, while non-members can choose their contribution to a public good. In the punishment treatment non-members of the coalition are sanctioned when they do not choose full cooperation and at least one participant joined the coalition and opted for the sanctioning institution. The more participants enter the coalition the severe sanctions on non-members are. Results show that participants are willing to join a coalition to help a third-party. But there are no stable coalitions without sanctions. Instead, if the coalition triggers sanctions on free-riding participants outside the coalition, almost all groups reach full cooperation.

**Author(s):** Tassilo Sobotta

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Norms and Morals

[Back to session: Covid-19 3](#)

---

## Hindsight bias causally decreases trust in government: Evidence from the COVID-19 outbreak

**Christian Zihlmann**

**University of Fribourg (CH)**

### ABSTRACT:

People often believe ex-post that an outcome was obvious from the very beginning, a tendency called hindsight bias. While theory predicts that hindsight bias distorts ex-post evaluations of others' actions, causal evidence on such an effect is absent. In an incentivized experiment in March and April 2020 with 778 participants, we show that during the first wave of COVID-19 in the United States, people systematically misremember their own past belief about how to best fight coronavirus: In April 2020, at the peak of the first wave, participants think they were already supporting stricter measures at the onset of the first wave in March 2020, even though they did not. Further, our experimental design allows us to exploit experimentally induced variation in the extent of hindsight bias to document a causal effect of hindsight bias on trust in the government. As the COVID-19 pandemic unfolded, stronger hindsight bias causes significantly lower trust in the government.

**Author(s):** Holger Herz, Deborah Kistler, Christian Zehnder, Christian Zihlmann

**Topic:** Public Choice: Voting and Rent Seeking, Decision Theory: Beliefs

[Back to session: Covid-19 3](#)

---

## The effects of emergency government cash transfers on beliefs and behaviors during the COVID pandemic: Quasi-Experimental Evidence from Brazil

**Fernanda Leite Lopez de Leon**  
University of Kent

**ABSTRACT:**

This paper estimates the impacts of emergency cash transfers on individuals' behaviour and beliefs about the coronavirus. It focused on the impacts of 'Auxilio Emergencial' (AE), a large-scale cash-transfer aimed at low-income individuals in Brazil, that has helped more than 67.2 million individuals. The data comes from an online survey conducted among 2,382 individuals during the first peak of the pandemic, in August-September 2020. The AE primarily goal was to help individuals navigate their financial situations during the pandemic. We also hypothesize that the cushion provided by the cash-transfer operated by changing individuals' beliefs about the seriousness of the pandemic and information consumption. To identify the effects of the cash-transfer, we exploit the AE income eligibility criteria, that arguably generates quasi-experimental variation in individuals' access to the cash-transfer. We targeted 'likely eligible' participants, and compare outcomes based on individuals' AE eligibility status. In the regressions, we control for an extensive set on demographic and economic covariates to account for confounder effects. We find that the AE eligible were 5.5 percentage points less likely to contract COVID, exerted higher assessments (15-20%) for chance of death if contracted covid and have shown more covid misconceptions. We do not detect differences in precaution behavior (e.g. hand washing, social distancing), except that AE eligibles seem to have worked less hours and were less likely to leave the house to go to work. Overall, our findings indicate modest but positive impacts of 'Auxilio Emergencial' in helping individuals to financially cope during the pandemic. We also exploit the logistic aspect of AE payments to test how (exogenous) financial pressure affect coronavirus related beliefs. We find that AE recipients that received the aid instalment recently, were significantly more likely to trust health experts, and to rank them above President Bolsonaro.

**Author(s):** Fernanda Leite Lopez de Leon, Bansi Malde  
**Topic:** Applied Economics: Other, Social Behavior: Other  
[Back to session: Covid-19 3](#)

---

## **Fear and rationality of decision-making in the face of the pandemic**

**Michal Krawczyk**  
University of Warsaw

**ABSTRACT:**

The new coronavirus has been referred to as the worst global crisis since WWII. While actions of governments and individuals (notably implementing social distancing) may slow down the spread of the virus, saving lives, they come at great psychological and economic costs. Both the governments and individuals are thus facing a challenge of making reasonable judgments and decisions when facing a fearsome threat. In this project we investigate to what extent the framing of various puzzles of judgment and decision-making under risk in terms of COVID affects the ability and willingness to stick to the normative, proscribed ("rational") solutions. In an online experiment involving two student samples and a representative sample of adult Poles (total n=4200), we compare the prevalence of these deviations to those observed in two logically equivalent but less emotionally taxing, neutral framings (related to unemployment and to common cold). We find that prevalence of rational judgments depends on the treatment and it does so in interactions with the specific types of puzzles: COVID framing does not universally lead to more or less rational choices.

**Author(s):** Raman Kachurka, Michal Krawczyk, Joanna Rachubik  
**Topic:** Decision Theory: Bounded Rationality, Decision Theory: Risk  
[Back to session: Covid-19 4](#)

---

## **The effect of social norms on COVID-19 vaccination readiness: Evidence from a nation-wide survey experiment**

**Thomas Rittmannsberger**  
University of Innsbruck

**ABSTRACT:**

**Introduction & Background** Recent surveys show that large parts of the German population do not intend to get vaccinated against COVID-19, jeopardizing the goal of reaching herd immunity. While mandatory vaccination would be the most effective way to circumvent this problem, it was ruled out for political reasons in Germany as in most other countries. Looking for non-coercive ways to increase vaccination intentions, it seems promising to take advantage of social norms, given that vaccination is perceived as a social contract (Korn et al., 2020). Theory suggests that individuals' behavior and beliefs are influenced by the behaviors and beliefs of others (Mutz, 1998). This is also supported by a recent survey-experiment by Bicchieri et al. (2020), that shows that social norms substantially impact people's willingness to comply with precautionary measures against the spread of the COVID-19 virus. In the context of vaccination, this suggests that individuals' vaccination intentions are higher if others (are perceived to) vaccinate too, and lower if (perceived) uptake rates in society are low (Hershey et al., 1994). Many cross-sectional studies have linked social norms to vaccination behavior, yet, without being able to establish a causal link (for a review see Brewer et al., 2017). It is crucial to develop a better understanding of how social norms influence vaccination behavior, particularly as (possibly false) beliefs about low vaccination willingness may potentially lead to low vaccination readiness. **Method** We conduct an information provision experiment (IPE) with a national representative sample of the German population to determine whether social norms influence the intention to vaccinate against COVID-19. Therefore, we elicited social norms in a first survey (from the 24th of March to the 1st of April, 2021), and run the second survey, where we implement the IPE in the first half of April, 2021. We randomly assign respondents to two different groups (treatment or control group). In both groups we first ask respondents about their perception of the social norm. Afterwards, we present participants in the treatment group with the result (the social norm) from the first survey, while subjects in the control group receive no additional information. Finally, we ask subjects in both groups about their intentions to get the COVID-19 vaccine. The study is IRB-approved and pre-registered at the American Economic Association. **Preliminary Results & Discussion** We can only report very preliminary results from the first survey here: To date, we find that the intention to get the COVID-19-vaccination in the German general

population is 69.70%, while subjects believe that the intention to vaccinate is at 63.69%. Hence, we expect enough room for belief-updating in the information-provision experiment and look forward to see whether social norms impact COVID-19 vaccination readiness. References Bicchieri, C., Fatas, E., Aldama, A., Casas, A., Deshpande, I., Lauro, M., Parilli, C., Spohn, M., Pereira, P., and Wen, R. (2020). In science we (should) trust: expectations and compliance during the covid-19 pandemic. Brewer, N. T., Chapman, G. B., Rothman, A. J., Leask, J., and Kempe, A. (2017). Increasing vaccination: Putting psychological science into action. *Psychological Science in the Public Interest*, 18(3):149–207. Hershey, J. C., Asch, D. A., Thumasathit, T., Meszaros, J., and Waters, V. V. (1994). The roles of altruism, free riding, and bandwagoning in vaccination decisions. *Organizational Behavior and Human Decision Processes*, 59(2):177–187. Korn, L., Böhm, R., Meier, N. W., and Betsch, C. (2020). Vaccination as a social contract. *Proceedings of the National Academy of Sciences*, 117(26):14890–14899. Mutz, D. C. (1998). *Impersonal Influence: How Perceptions of Mass Collectives Affect Political Attitudes*. Cambridge Studies in Public Opinion and Political Psychology. Cambridge University Press, Cambridge.

**Author(s):** Silvia Angerer, Daniela Glyzle-Ruetzler, Philipp Lergetporer & Thomas Rittmannsberger

**Topic:** Social Behavior: Norms and Morals, Decision Theory: Beliefs

[Back to session: Covid-19 4](#)

---

## Motivated Risk Assessments

**Marco Islam**  
**Lund University**

ABSTRACT:

I conduct a field experiment in combination with two longitudinal surveys (N = 434) to study the dynamics of risk assessments in times of COVID-19. Both surveys take place two weeks apart and elicit the perceived risk of COVID-19 related to different activities as well the engagement in those activities over time. In between the two surveys participants (students aged 18-29) are offered a gift card as an incentive to visit a local café. My main treatment variation are different values of that gift card (15 SEK vs. 100 SEK). Not surprisingly, I find that students who received a high incentive to visit the cafe (the 100kr gift card) are significantly more likely to do so than students who received a low incentive. More importantly, however, I also find that two weeks after survey 1, students in the high incentive treatment perceive the risk of COVID-19 associated with a café visit significantly lower than students who received the 15 SEK incentive. The data indicates that the divergence in risk perceptions happens just before participants visit the café suggesting that it is a consequence of motivated reasoning rather than ex-post belief updating. The result appears robust to alternative explanations.

**Author(s):** Marco Islam

**Topic:** Decision Theory: Beliefs, Decision Theory: Risk

[Back to session: Covid-19 4](#)

---

## Evaluating creativity in a creative field: how cognitive ability, 2D:4D and risk preferences influence creativity

**Maria del Pino Ramos Sosa**  
**Universidad Loyola Andalucia**

ABSTRACT:

This paper conducts a field experiment aimed to check the correlation between creativity, risk aversion and the ratio between the length of the second and fourth digit (2D:4D). Data were collected from 183 subjects during the festival “La notte della Taranta”, the biggest concert in Europe dedicated to traditional music held in the south of Italy. By making use of experiments and a questionnaire, we analyzed the link between creativity and subjects' individual characteristics. We found that subjects with high cognitive ability performed better in the creativity test. No significant relationship was found between creativity and the frequency of choosing risky options by the subjects, although the relation is negative, contributing to the mixed results found in the literature. In addition, we found no relation between creativity and 2D:4D for both hands

**Author(s):** Giuseppe Attanasi (Universite C?te d'Azur, France), Michela Chessa (Universite C?te d'Azur, France), Adriana Pinate (Gran Sasso Science Institute, Italy), M.P. Ramos-Sosa (LoyolaBehLab, Universidad Loyola Andalucia, Spain)

**Topic:** Field Experiments: General, Psychology and Biology: Cognition

[Back to session: Creativity and Innovation](#)

---

## Teams Do Not Outperform Individuals in a Simple Creative Task

**Marina Schroeder**  
**Leibniz University Hannover**

ABSTRACT:

We compare the performance of teams with that of individuals in a simple creative task—generating a title for a short video. We assess the quality of titles using the click rate as well as the subjective assessment of the fit between the title and the video. Whereas teams are costlier to organizations, we find no significant differences in the performance of teams relative to individuals. As a result, in the task we use in this paper, allocating creative work to individuals is more efficient than allocating it to teams.

## Does Communication Help to Coordinate on Early Adoption of Innovation?

**Ayse Gul Mermer**  
University of Amsterdam, CREED

### ABSTRACT:

Innovation is at the core of growth and welfare, while a compelling empirical finding is that firms tend to take up innovative technologies at a slower pace than the technological progress justifies. One potential channel resulting in delays in adoption is the free-riding incentives in competitive environments, where lessons from the investment are public goods. We investigate whether communication could serve as an instrument to combat this market failure. To do so, we employ a model in which players are deciding when to make risky investments. The lessons from these investments are public goods while the firm making the earliest investment is paying the irreversible cost of investment. We theoretically find that introducing communication leads to earlier investment times, and increasing the number of firms results in delays in equilibrium. In a laboratory experiment, we explore the effect of communication on adoption times. We find that, on average, the delay of adoption is significantly lower when there are 2 firms, while insignificantly so when there are 4 firms. We report that, when there are 4 firms, communication takes place in the majority of cases helping subjects to coordinate on early adoptions at the first half of our experiment, while it fails to do so as subjects get experienced, sweeping away the beneficial effect of communication at the aggregate level. We further find that, when there are 2 firms, communication takes place only half of the time, and opting for communication is used as a signaling mechanism by subjects to coordinate on asymmetric equilibrium.

**Author(s):** Ayse Gul Mermer, Sander Onderstal, Joep Sonnemans  
**Topic:** Social Behavior: Communication, Games: Coordination  
**Link:** [sites.google.com/site/aysegulmermer/research](https://sites.google.com/site/aysegulmermer/research)  
[Back to session: Creativity and Innovation](#)

---

## How teams can overcome free riding in strategic experimentation

**Katharina Bruett**  
University of Amsterdam

### ABSTRACT:

Experimentation is at the core of innovation. This project studies collaborative experimentation in teams. I focus on the inherent two-dimensional free-riding problem; Agents create a payoff as well as an informational externality, which both induce free riding. This theoretically results in inefficiently low experimentation. In particular, agents' experimentation being observable decreases experimentation because of a discouragement effect through changes in beliefs. In a laboratory experiment, I study how distinct elements of the experimentation environment affect strategic experimentation. I vary (i) the observability of experimentation and (ii) whether agents work on joint or separate projects. Teams largely overcome the free-riding problem. Both observability of experimentation and experimenting jointly increase experimentation levels. There is no lack of sophistication in updating beliefs that drives this, neither do subjects disregard the effect their experimentation has on others. Instead, the data can be best explained by a combination of myopia and the salience of group membership.

**Author(s):** Katharina Bruett  
**Topic:** Games: Information, Social Behavior: Group Behavior  
[Back to session: Creativity and Innovation](#)

---

## Discriminatory Tastes

**Yi Sheng**  
Tilburg University

### ABSTRACT:

We study whether other-regarding preferences depend on the ethnic background of others with a representative sample. More specifically, we run experiments in Germany and the Netherlands and ask the participants to do allocation tasks between themselves and a majority or minority recipient. With individual-level and aggregate-level structural estimation, we find no significant discrimination in social preferences against the minority group. However, when we group the sample by their attitudes towards ethnic diversity in finite-mixture estimation, we can see that people with a negative attitude are more likely to be selfish than those with a positive attitude. When the recipient is Turkish or Moroccan, the effect is larger.

**Author(s):** Yi Sheng; Sigrid Suetens  
**Topic:** Social Behavior: Other-regarding Preferences, Methodology: Lab, Field and External Validity  
[Back to session: Discrimination I](#)

---

## Discrimination during Brexit?

**Hamideh Mohtashami Borzadaran**  
**University of Birmingham**

ABSTRACT:

We conduct a correspondence study to assess the extent of labour market discrimination between British and non-British (EU) nationals in the UK hospitality sector during the Brexit implementation period. We send fictitious CV's to help-wanted ads and explore the roles of applicant quality, nationality and residency, and whether these interact with details of the job advertised, or with regional characteristics. The timing of our study provides a unique window into hiring decisions during a time of political uncertainty and potentially increased anti-immigrant sentiment in the UK. Overall, our findings suggest that EU job applicants faced few obstacles in the UK hospitality sector during the Brexit negotiations. The limited discriminatory behaviour that we observe varies spatially and is mostly evident in lower invitation premia for high quality applicants from Eastern Europe.

**Author(s):** Michalis Drouvelis, Johannes Lohse, Rebecca McDonald, Hamideh Mohtashami Borzadaran

**Topic:** Field Experiments: General, Applied Economics: Labor Market

[Back to session: Discrimination 1](#)

---

## **Irrational Statistical Discrimination**

**Pol Campos-Mercade**  
**Lund University**

ABSTRACT:

Models of statistical discrimination typically assume that employers make rational inference from (education) signals. However, there is a large amount of evidence showing that most people do not update their beliefs rationally. We use a model and two experiments to show that if employers are conservative, in the sense of signal neglect, there is more discrimination than when employers are rational. Such irrational statistical discrimination demotivates high-skilled workers from disadvantaged groups from pursuing education as they anticipate employer conservatism. In line with the theory, our data show that excess discrimination caused by employer conservatism is especially important when signals are very informative. Out of the overall hiring gap in our data around 40% can be attributed to rational statistical discrimination, a further 40% is due to irrational statistical discrimination, and the remaining 20% is unexplained or potentially taste-based.

**Author(s):** Friederike Mengel

**Topic:** Applied Economics: Labor Market, Games: Other

[Back to session: Discrimination 1](#)

---

## **Social Exclusion**

**Gonul Dogan**  
**University of Cologne**

ABSTRACT:

I test whether social exclusion affects performance. In the workplace, social exclusion could stem from one's characteristics unrelated to work or low effort. Since social exclusion is psychologically costly, irrespective of the cause of social exclusion, being excluded is predicted to decrease subsequent performance, and the threat of exclusion is predicted to increase performance. I test these in laboratory and online experiments. Social exclusion increases performance if it is informative about one's relative effort, however, social exclusion has no effect on performance when it is due to an arbitrary exclusion criteria. The increase in performance after exclusion only emerges as a result of reduced effort under the threat of exclusion. Finally, if exclusion criteria is probabilistically determined, performance is not affected by the threat of exclusion nor exclusion itself.

**Author(s):** Gonul Dogan

**Topic:** Games: Information, Psychology and Biology: Other

[Back to session: Discrimination 1](#)

---

## **Misperceived Discrimination and Task Performance**

**Darya Korlyakova**  
**Center for Economic Research and Graduate Education - Economics Institute**

ABSTRACT:

There is a long-standing concern that if a discriminated group reduces effort in response to expected discrimination, these expectations reinforce negative stereotypes about productivity of the group and perpetuate inequality. So far, this concern has been empirically tested by studying correlations between beliefs about discrimination against one's own group and job-related attitudes or behavior. The literature has found that individuals who perceive higher discrimination are less satisfied with their job, less committed to the organization, more likely to be absent at work, and more intended to leave the firm (e.g. Ensher, Grant-Vallone, & Donaldson, 2001; Jones, Ni, & Wilson, 2009; Foley, Kidder, & Powell, 2002). In these studies, beliefs about discrimination are usually non-incentivized and behavior is often self-reported. Despite the abundance of correlational research, the causal evidence is lacking on how expectation of facing discriminatory treatment by employers affects minorities' behavior. We attempt to fill this gap by

conducting an online experiment in the US with a diverse sample of 2000 African Americans. We randomly assign our participants to two groups and elicit their prior beliefs about discrimination against African Americans in a previous survey. In the treatment group, subjects are subsequently informed about the actual frequency of discrimination against African Americans. The information-provision stage is omitted for the control group. To study the effects of revised expectations about discrimination against own racial group on effort, we present our participants with a Math task. We inform subjects that the overall task earnings will be divided between them and a White person by the impartial observer, another White respondent. The observer may know both individuals' races and task performances. As additional outcome variables, we (i) collect subjects' posterior beliefs about discrimination against own racial group, (ii) elicit their preference for a race-blind allocation of the Math task earnings and (iii) measure participants' willingness to exaggerate their own task performances. We find that the vast majority of our participants (96.2%) initially overestimate discrimination against African Americans. Misperceptions prevail across all demographic groups and they are large in magnitude. A median subject believes that 35 percent of White respondents allocated at least the same amount to an African American person as to a White person. The actual percentage of such White respondents, based on the previous survey results, is 87 percent. Information provision causes significant and economically meaningful shifts in subjects' beliefs about discrimination against African Americans. From an ex-ante perspective, it is unclear how changes in expected discrimination should affect minorities' effort. In principle, shifting downward minorities' beliefs about discrimination against them could motivate them to perform better, because now a fairer reward for their effort is expected. At the same time, minorities who receive favorable news about their possible discrimination may feel less in need of compensating their race disadvantage by impressing the impartial White observer with their hard work. Hence, their performance may decrease compared to the untreated subjects. Our findings corroborate the second prediction. Treated individuals attempt fewer Math problems; the information effects on task performance are negative but insignificant. Pre-specified heterogeneity analysis by gender reveals that negative information effects on effort are driven by males, who attempt and solve correctly significantly fewer Math problems compared to their untreated counterparts. The treatment does not seem to move other outcomes. Overall, our findings do not support the common worry that minorities' inflated expectations about discrimination induce them to underperform. Nevertheless, these results should be seen only as the first step in exploring experimentally the important link between perceived discrimination and minorities' effort. References Ensher, E. A., Grant-Vallone, E. J., & Donaldson, S. I. (2001). Effects of perceived discrimination on job satisfaction, organizational commitment, organizational citizenship behavior, and grievances. *Human Resource Development Quarterly*, 12(1), 53-72. Foley, S., Kidder, D. L., & Powell, G. N. (2002). The perceived glass ceiling and justice perceptions: An investigation of Hispanic law associates. *Journal of Management*, 28(4), 471-496. Jones, J. R., Ni, J., & Wilson, D. C. (2009). Comparative effects of race/ethnicity and employee engagement on withdrawal behavior. *Journal of Managerial Issues*, 195-215.

**Author(s):** Darya Korlyakova

**Topic:** Applied Economics: Labor Market, Applied Economics: Other

[Back to session: Discrimination 2](#)

---

## Demographics and Discrimination

**Regine Oexl**  
**University of Innsbruck**

ABSTRACT:

A first step in understanding the underlying mechanisms of taste-based discriminatory behavior is to identify who engages more often in such behavior. We provide correlations between a wide variety of individual characteristics and discriminatory behavior as well as xenophobic attitudes. In particular for gender, we show that results change, depending on whether we control for several characteristics or not. This shows the importance of looking at including a number of demographic characteristics as controls before claiming that a certain gender discriminates more or less than another.

**Author(s):** Anna Rita Bennato, Glenn Dutcher, Regine Oexl

**Topic:** Psychology and Biology: Gender and Individual Differences, Applied Economics: Charitable Giving

[Back to session: Discrimination 2](#)

---

## The inelastic demand for affirmative action

**Margaret Samahita**  
**University College Dublin**

ABSTRACT:

We study the drivers of preference for affirmative action (AA) in two pre-registered online experiments (N=1,700). Participants act as employers who hire from a pool of workers using either the standard rule, hiring the two most productive workers, or the AA rule, where one of the two hired workers must be female. We implement three treatments to disentangle the preference for AA stemming from i) presumed gender difference in productivity, ii) presumed gender difference in institutional barriers, or iii) other non-material motives. First, we exogenously vary employers' beliefs by providing information about no gender gap in productivity. Second, we communicate the employers' choice to a later group of workers, thus reversing the working-hiring order and changing the institutional barriers faced by female workers. Finally, we remove the employers' incentive, thus potentially making AA choice cheap talk. We do not find significant differences in hiring rule choice across treatments, despite the information and reverse-order treatments significantly altering beliefs about gender difference in productivity. Our results suggest that AA choice reflects a more innate preference for advancing female workers that is inelastic to its perceived cost.

**Author(s):** Demid Getik, Marco Islam, Margaret Samahita

**Topic:** Applied Economics: Labor Market, Applied Economics: Labor Market

[Back to session: Discrimination 2](#)

---

## The Power of Incentives

**Aleksandr Alekseev**  
**University of Regensburg**

ABSTRACT:

I study the optimal design of monetary incentives in economic experiments. I define a problem of minimizing experimental budget for a given level of power and significance by varying the level of monetary incentives across treatments. I prove that this problem has a solution in several common experimental settings. I illustrate the properties of the solution using some existing experiments. In some cases, providing low monetary incentives for a large number of subjects is optimal. In other cases, somewhat counter-intuitively, providing high monetary incentives for a relatively small number of subjects turns out to be cost-efficient. I discuss the implications of my results for the design of new economic experiments, as well as replications.

**Author(s):** Aleksandr Alekseev

**Topic:** Methodology: Experimental Design, Tools and Practices, Methodology: Lab, Field and External Validity  
[Back to session: Experimental Methodology](#)

---

## **The role of attention in checking decisions**

**Yefim Roth**  
**University of Haifa**

ABSTRACT:

Mainstream economics and experimental decision making rests on the “Read, Understand and Believe” (RUB) assumption (Erev, 2020). That is the subjects of the experiments are assumed to read the experimental instructions, understand and also believe them. The current paper investigate the validity and necessity of the RUB assumptions in online experiments. Specifically, we whether subjects who read the instructions based on a simple reading comprehension attention test, differ from those who do not read instructions in checking experiments (Roth, 2020; Roth, Wänke, & Erev, 2016). Based on a large number of studies and experimental conditions (N\_Total=2500) we show that the attentive participants (those who pass a simple attention check) behave very similarly to physical lab participants, while the inattentive majorly differ (exhibit lower maximization rates). Interestingly, even using highly qualified participants does not eliminate this bias. The paper conclude with some boundary conditions, showing that in long shot experiments the difference in behavior of the attentive and inattentive participants disappears.

**Author(s):** Roth Yefim, Yakobi Ofir

**Topic:** Methodology: Lab, Field and External Validity, Methodology: Experimental Design, Tools and Practices  
[Back to session: Experimental Methodology](#)

---

## **Beans vs. Slider: Eliciting probabilities in the field**

**Lorenzo Estepa Mohedano**  
**Universidad Loyola**

ABSTRACT:

Individuals make choices based on their beliefs about future events; hence, eliciting beliefs is crucial to understand human behavior. In the field, eliciting beliefs is usually done using visual aids to facilitate such task among low educated populations. Our study compares the traditional visual aids (e.g., beans and beads) with manual sliders to measure probabilities as a proxy of subjective beliefs. To do so, we conduct four survey experiments: two in Nigeria, one in Honduras and one in Spain, which tests the differences in distribution, time spent and violations of probability properties between beans and sliders. Our findings suggest that the use of slider yields the same mean responses, but lower variance of probabilities. The slider also results in more accurate responses when converting frequencies into probabilities. Overall, we do not find significant differences in violations of probability properties and time spent under each type of visual aid. These results suggest that sliders can be considered as a more accurate and statistically efficient tool to elicit subjective probabilities in the field.

**Author(s):** Lorenzo Estepa Mohedano, Diego A. Jorrat, Victor Orozco, Ericka Rascon Ramirez

**Topic:** Applied Economics: Economic Development, Applied Economics: Charitable Giving  
[Back to session: Experimental Methodology](#)

---

## **Increasing the external validity of social preference games by reducing measurement error**

**Daniel Navarro-Martinez**  
**Pompeu Fabra University**

ABSTRACT:

An increasing number of studies call into question the external validity of so-called social preference games, which are one of the foundations of modern behavioral and experimental economics. In this paper, we show that these games have a low correlation with single prosocial behaviors in the field, but this correlation can be substantially increased by aggregating behaviors to reduce measurement error. We tracked people's daily prosocial behaviors for two weeks using a day-reconstruction method; the same people also played three different social preference games on six different occasions: dictator game, dictator game with taking option and public goods game. We show that, as more prosocial behaviors and game rounds are sampled and aggregated to reduce measurement error, the games become much better predictors of average prosociality. The predictive power of the

games is further increased by using statistical methods designed to reduce measurement error. These findings suggest that social preference games capture important underlying dispositions of real-world prosociality, and they could be successfully used to predict aggregated prosocial inclinations. This has crucial implications for the external validity and applicability of games.

**Author(s):** Xinghua Wang, Daniel Navarro-Martinez

**Topic:** Methodology: Lab, Field and External Validity, Social Behavior: Other-regarding Preferences  
[Back to session: Experimental Methodology](#)

---

## **Leading-by-example: legitimizing pay disparity through risk**

**Simon Siegenthaler**  
University of Texas, Dallas

ABSTRACT:

Experimental research has repeatedly demonstrated the prevalence of coordination failure and inefficient equilibrium behavior in team production games. We report on a new set of laboratory and online experiments showing that when leaders make their contributions before other team members do, teams achieve efficient coordination. The efficacy of leadership is, however, undermined when introducing pay inequality between the leader and the other team members. We hypothesize that pay inequality is more acceptable when leaders are subjected to bigger strategic risks than team members. The results confirm this intuition, as teams do play more productive equilibria in the initial rounds of interaction. However, in later rounds, as repeated interaction mitigates strategic risk and thus the justification for pay disparity becomes weaker, some team members lower their efforts and coordination breaks down.

**Author(s):** Aurelie Dariel, Nikos Nikiforakis, Simon Siegenthaler

**Topic:** Games: Coordination, Games: Repeated Games  
[Back to session: Fairness and Reciprocity](#)

---

## **Anti-migration sentiments and fairness perceptions**

**Christian Koch**  
University of Vienna

ABSTRACT:

Recent years have seen a surge in populism and anti-migration sentiments around the world. While numerous explanations have been suggested why people may reject migrants, anti-migration sentiments may still be surprising from an economics viewpoint as migration is often associated with large economic gains. We propose a novel experimental design analyzing rejection of migrants in the lab. We focus on the interaction of economic incentives and people's fairness perceptions. Recent contributions on fairness highlight how much those perceptions depend on procedural elements or moral wiggle rooms and we explore whether these elements may play a role in the migration context.

**Author(s):** Christian Koch, Jean-Robert Tyran, Linda Deszoe

**Topic:** Social Behavior: Other-regarding Preferences, Public Choice: Voting and Rent Seeking  
[Back to session: Fairness and Reciprocity](#)

---

## **Reciprocity in multi player interactions - Evidence from the lab and the field**

**Jan Schmitz**  
Radboud University

ABSTRACT:

This paper studies how the number of people who trust affects reciprocity. Data from three different sources (observational data from crowdlending, data from the lab and data from online experiments) suggest that the number of people who trust significantly undermines reciprocity. The results are robust when including experimental treatments controlling for the proportional damage to each trustor, or treatments controlling for inequality between trustors. Behavioral economic nudges appealing to trust and trustworthiness significantly affected reciprocity. The effect of trust appeals was larger if more people trusted. The findings have important implications for agency problems which are not confined to bilateral interactions.

**Author(s):** Jan Schmitz

**Topic:** Applied Economics: Other, Social Behavior: Other-regarding Preferences  
[Back to session: Fairness and Reciprocity](#)

---

## **Viable Nash Equilibria: An Experiment**

**Daehong Min**  
New York University Abu Dhabi



## ABSTRACT:

This paper examines the usefulness of Kalai (2020)'s measure of the "viability" of a Nash equilibrium. We experimentally study a class of "participation" games, which differ in the number of players, the success threshold, and the payoff to not participating. We find that Kalai's measure captures well how the viability of the "everyone-participates" (eP) equilibrium depends on the success threshold; the measure does not capture other elements of the game which affect the likelihood that the eP equilibrium is played.

**Author(s):** Duk Gyoo Kim, Daehong Min, John Wooders

**Topic:** Games: Other, Games: Other

[Back to session: Games 1](#)

---

## Stochastic Choice and Noisy Beliefs in Games: an Experiment

**Evan Friedman**  
University of Essex

### ABSTRACT:

We conduct an experiment in which we elicit subjects' beliefs over opponents' behavior multiple times for a given game without feedback. We find that the large majority of individual subjects have stochastic belief reports, which we argue cannot be explained by learning or measurement error. Using both actions and beliefs data, we test directly the assumptions, or axioms, underlying equilibrium models with "noise in actions" (quantal response equilibrium) and "noise in beliefs" (noisy belief equilibrium). We find that, while both types of noise are important in explaining observed behaviors, there are systematic violations of the axioms. We discuss possible explanations and some implications for modelling stochastic choice in games.

**Author(s):** Evan Friedman, Jeremy Ward

**Topic:** Games: Other, Decision Theory: Beliefs

**Link:** [www.dropbox.com/s/a0x3bnqwdeyuv68/SCNB.pdf?dl=0](http://www.dropbox.com/s/a0x3bnqwdeyuv68/SCNB.pdf?dl=0)

[Back to session: Games 1](#)

---

## Asymmetric Guessing Games

**ZAFER Akin**  
American University in Dubai

### ABSTRACT:

This paper theoretically and experimentally investigates the behavior of asymmetric players in guessing games. The asymmetry is created by introducing  $k > 1$  replicas of one of the players. Two-player and restricted N-player cases are examined in detail. Based on the model parameters, the equilibrium is either unique in which all players choose zero or mixed in which the weak player ( $k = 1$ ) imitates the strong player ( $k > 1$ ). A series of experiments involving two and three-player repeated guessing games with unique equilibrium is conducted. We find that equilibrium behavior is observed less frequently and overall choices are farther from the equilibrium in two-player asymmetric games in contrast to symmetric games, but this is not the case in three-player games. Convergence towards equilibrium exists in all cases but asymmetry slows down the speed of convergence to the equilibrium in two, but not in three-player games. Furthermore, the strong players have a slight earning advantage over the weak players, and asymmetry increases discrepancy in choices (defined as the squared distance of choices from the winning number) in both games.

**Author(s):** ZAFER AKIN

**Topic:** Games: Other, Games: Repeated Games

**Link:** [mpa.ub.uni-muenchen.de/103871/1/MPRA\\_paper\\_103871.pdf](http://mpa.ub.uni-muenchen.de/103871/1/MPRA_paper_103871.pdf)

[Back to session: Games 1](#)

---

## A Natural Experiment on the Value of Strategic Unpredictability: Sign Stealing in Baseball

**Aleksei Chernulich**  
New York University Abu Dhabi

### ABSTRACT:

What is the strategic value of being unpredictable? In soccer, what advantage does the kicker gain by being unpredictable in the direction of the kick? In tennis, what edge does the server forgo if the receiver can anticipate the direction of the serve? What advantage does the batter gain if he knows the type of pitch that will be delivered? The degree to which a kicker, server, or pitcher has an incentive to be unpredictable will determine the degree to which players have an incentive to learn to be unpredictable and, more generally, to play a mixed-strategy equilibrium. This paper uses data from major league baseball to estimate the strategic value of being unpredictable, exploiting the fact that the Houston Astros engaged in "sign stealing" in the 2017 season. We find that the strategic value of being unpredictably is economically significant.

**Author(s):** Aleksei Chernulich, Romain Gauriot, and John Wooders

**Topic:** Games: Other, Games: Contests

[Back to session: Games 2](#)

---

## Coordination under Loss Contracts

Ciril Bosch Rosa  
TU Berlin

ABSTRACT:

In this paper, we study the effects that loss contracts---prepayments that can be clawbacked later---have on group coordination when there is strategic uncertainty. We compare the choices made by experimental subjects in a minimum effort game. In control sessions, incentives are formulated as a classic gain contract, while in treatment sessions, incentives are framed as an isomorphic loss contract. Our results show that loss contracts reduce the minimum efforts of groups and worsen coordination between group members, both leading to lower payoffs. However, these results depend strongly on the group's gender composition; groups with a larger proportion of women are better at coordinating and exert more effort.

**Author(s):** Steffen Ahrens, Lea Bitter, Ciril Bosch-Rosa  
**Topic:** Games: Coordination, Applied Economics: Labor Market  
**Link:** [papers.boschrosa.com/NegativeEffort.pdf](https://papers.boschrosa.com/NegativeEffort.pdf)  
[Back to session: Games 2](#)

---

## Level-k Analysis on Dynamic Game with Incomplete Information and Uncertainty: An experimental study

xu zhibo  
none

ABSTRACT:

The paper presents an experiment designed to study how people play a two-person two-stage dynamic game with incomplete information and uncertainty, a strictly competitive game related to real-world Casino games (Black Jack and Texas hold'em Poker), and to study the effect of different experimental description methods on equilibrium and level-k play. To identify players' strategic sophistication, a Bayes level-k analysis is introduced. The experimental data shows that around half of the subjects are strategic thinkers and the Bayes level-k thinking dominates in strategic play. Furthermore, the comparison between the direct-response description and the strategy-method description reveals that subjects behave strategic play less in the strategy-method description.

**Author(s):** Miguel Costa-Gomes, Zhibo Xu  
**Topic:** Decision Theory: Bounded Rationality, Methodology: Experimental Design, Tools and Practices  
[Back to session: Games 2](#)

---

## Is there really nothing to see here? On gender differences in preferences

Christian Thoeni  
University of Lausanne

ABSTRACT:

Over the past decades experimental economics has produced a large corpus of stylized facts on risk, time, and social preferences. This data permits to look for systematic gender differences in preferences. While there is some evidence for gender differences, as e.g. in risk preferences, the question about their relevance for gender differences in outcomes remains debated. A major pillar in this literature is Janet Hyde's gender similarities hypothesis, which posits that gender differences are either nonexistent or too small to have explanatory power for differential socio-economic outcomes between men and women. In this article I challenge the empirical basis of the gender similarities hypothesis in preferences. First, I show that there is a misconception about the relevance of small effect sizes. Second, I show that the current literature on gender effects substantially underestimates gender differences in preferences.

**Author(s):** Christian Thoeni  
**Topic:** Psychology and Biology: Gender and Individual Differences, Decision Theory: Preferences  
[Back to session: Gender 1](#)

---

## Gender Differences in Public Speaking Aversion on Video Conferences

Sefa Erkus  
Karabuk University

ABSTRACT:

More recently, an emerging literature has suggested that the willingness to speak in public is an important determinant of leadership preferences. Although it's so important for career prospects and for leadership positions, research shows that two-thirds of the population have fear of public speaking to varying degrees. In particular, women have reported higher fear of public speaking compared to men. Most of the existing literature have focused on willingness to speak in public in a traditional face-to-face environment. However, Covid-19 has changed the way and platforms we communicate. It has increased the usage of video conference platforms than before. Nowadays, employees have been attending work meetings via

video conferences. People have been interviewing through video calls for new jobs. This technology has given us flexibility but besides all this ease, there may be some negative effects on our daily life. For example, in a recent survey, %45 of female business leaders say that it is difficult for women to speak up in virtual meetings. Is there really any gender difference in public speaking on video conferences? Are women more averse to speak in public on online platforms than men? In this study, we analyze gender differences in willingness to speak on video conferences. We conduct two field experiments to analyze whether in online settings incentivized men and women show the difference in preferences for speaking in public. In the first experiment, we define public speaking aversion as a binary preference and for the second experiment as a continuous preference. The first field experiment which we conducted on Zoom involved more than 500 students who could gain extra twenty points for the final exam if they present their homework in front of the class while keeping their cameras on during the presentation. The second experiment which we conducted on Microsoft Teams involved more than 400 students who could earn money if they give a five-minute presentation in front of the class. Although we find a relation between leadership orientation and public speaking aversion, we do not find any significant gender differences in public speaking aversion in both experimental settings.

**Author(s):** Sefa Erkus  
**Topic:** Psychology and Biology: Gender and Individual Differences, Field Experiments: General  
[Back to session: Gender 1](#)

---

## **Do gender differences in the promotion of own ideas lead to gender differences in support received?**

**Nathalie Roemer**  
**Leibniz University Hannover**

ABSTRACT:

We study whether gender differences in the promotion of own ideas can explain the underrepresentation of females in innovation-related fields. We conduct an online experiment in which innovators generate creative ideas and write a text in which they promote their ideas to potential supporters. Supporters face binary choices between ideas and are incentivized to choose the higher value idea. Between treatments, we vary whether supporters are provided with written promotion, information on the idea and on the gender of the innovator. We show that support received by women is affected by the information provided.

**Author(s):** Nathalie Roemer, Marina Schroeder  
**Topic:** Applied Economics: Labor Market, Psychology and Biology: Gender and Individual Differences  
[Back to session: Gender 1](#)

---

## **Preference for Homogeneity? Occupational Segregation and Gender Stereotypes**

**Robert Stueber**  
**WZB**

ABSTRACT:

Many occupations are highly segregated with respect to gender. In predominantly male or female professions, there is often discrimination against the under-represented gender. This perpetuates gender imbalances. The discrimination could be due to perceived job-specific productivity differences between men and women. Alternatively, it could result from the belief that teams whose members have the same gender perform better. We investigate the two possible explanations in a novel experiment that varies the initial gender composition of the teams. We employ three tasks that differ with respect to gender stereotypes. We find that women are picked more often for the “female task” and men for the “male task.” We also observe a preference for heterogeneous teams, especially in the task with complementarities, but also in the gender-stereotypical tasks. Elicited expectations about the choices of others reveal that subjects expect the gender stereotypes of tasks but that they underestimate the preference for heterogeneity.

**Author(s):** Urs Fischbacher; Dorothea Kuebler; Robert Stueber  
**Topic:** Psychology and Biology: Gender and Individual Differences, Applied Economics: Labor Market  
**Link:**  
[www.dropbox.com/s/l81x9wc6xdpiewd/Preference%20for%20Homogeneity%20Occupational%20Segregation%20and%20Gender%20Stereotypes.pdf?dl=0](http://www.dropbox.com/s/l81x9wc6xdpiewd/Preference%20for%20Homogeneity%20Occupational%20Segregation%20and%20Gender%20Stereotypes.pdf?dl=0)  
[Back to session: Gender 1](#)

---

## **Closing the gender STEM gap - A large-scale randomized-controlled trial in elementary schools**

**Simone Haackl**  
**UiS University of Stavanger**

ABSTRACT:

We examine individual-level determinants of interest in STEM and analyze if a digital web application for elementary-school children can increase children's STEM interest with a specific focus on narrowing the gender gap in STEM. Coupling a randomized controlled trial with lab experimental and survey data, we can analyze the effect of the digital intervention and shed light on the mechanisms. We confirm the hypothesis that girls demonstrate lower interest in STEM as compared to boys overall. Moreover, girls have less pronounced competitive preferences and math confidence than boys at the baseline. The treatment increases girls' interest in STEM and decreases the gender gap via an increase in STEM confidence and

competitive preferences. Our findings suggest that an easy to implement digital intervention may have the potential to foster gender equality for young children and may contribute later in life to a reduction of gender inequalities in the labor market such as occupational sorting and the gender wage gap.

**Author(s):** Kerstin Grosch, Simone Haeckl, Martin G. Kocher

**Topic:** Field Experiments: General, Psychology and Biology: Gender and Individual Differences

[Back to session: Gender 2](#)

---

## **An Experiment on Gender Representation in Majoritarian Bargaining**

**Diogo Geraldés**

**Utrecht School of Economics**

ABSTRACT:

Women are largely underrepresented in political and business decision making bodies across the world which has led to widespread calls for equitable representation. To investigate the effect of gender representation in collective decision making, we experimentally manipulate the composition of triads ranging from all female (FFF), female majority (FFM), male majority (MMF), to all male (MMM). Subjects negotiate via majority rule the division of a common fund. We find that increasing female representation results in more inclusive splits, and thus, higher chances of unanimous agreements while minimal winning coalitions (MWCs) increase monotonically in the number of males. MWCs are disproportionately more likely to be same-gender in MMF, which leads to a gender gap in earnings compared to FFM. When provisional MWCs form prior to a final agreement, excluded men are more proactive than excluded women in attempting to break the coalition by making alluring offers, which partially explains why mixed-gender MWCs are less frequent in MMF compared to FFM.

**Author(s):** Diogo Geraldés (Utrecht School of Economics) | Andrzej Baranski (NYUAD) | Ada Kovaliukaite (NYUAD) | James Tremewan (University of Auckland)

**Topic:** Psychology and Biology: Gender and Individual Differences, Games: Bargaining

[Back to session: Gender 2](#)

---

## **Gender differences in performance: the role of social incentives**

**Michalis Drouvelis**

**University of Birmingham**

ABSTRACT:

The provision of social incentives, where performance benefits a charitable cause, has been frequently used in modern organizations. In this paper, we quantify the impact of social incentives on individuals' performance under two incentive schemes: piece rate and tournament. We introduce social incentives by informing individuals that 50% of their earnings will be donated to a charity of their own choice. Our findings indicate that, in the presence of social incentives, women increase their performance by approximately 23% and 27% in the piece rate and tournament payment schemes, respectively. These effects are sizeable and significant. We further examine whether social incentives influence women's willingness to compete and find no evidence about this due to women's lower willingness to take risks, in general.

**Author(s):** Michalis Drouvelis

**Topic:** Applied Economics: Charitable Giving, Psychology and Biology: Gender and Individual Differences

[Back to session: Gender 2](#)

---

## **Predictably competitive: What faces can tell us about competitive behavior**

**Helena Fornwagner**

**University of Innsbruck**

ABSTRACT:

Competition for limited resources is ubiquitous in social and economic life and has sparked a large body of research on the determinants of competitive behavior. While we know a lot about the role of contextual factors and personality traits, no link has been established between competitive behavior and physical appearance. In this study, we document for the first time a strong positive association between attractiveness, measured through ratings of headshots from experimental participants, and the competitive behavior of female participants in the form of opting for a tournament payment scheme in a real-effort task. We also show that individuals are better than chance at predicting the competitiveness of experimental participants, just by looking at their headshots. These findings significantly advance our understanding of the factors that underlie competitive attitudes and of the role of observable physical characteristics as telltale signs of behavior.

**Author(s):** Loukas Balafoutas (University of Innsbruck), Helena Fornwagner (University of Regensburg), Brit Grosskopf (University of Exeter)

**Topic:** Psychology and Biology: Gender and Individual Differences, Methodology: Experimental Design, Tools and Practices

**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3810616](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3810616)

[Back to session: Gender 2](#)

---

## **Gender Differences in the Cost of Corrections in Group Work**

**Yuki Takahashi**  
University of Bologna

ABSTRACT:

Women undercontribute their ideas to a group relative to equally knowledgeable men. Because it reduces group efficiency and women's visibility in a group, literature proposes behavioral interventions to promote women's contribution. However, a contribution can result in correcting others. In a setting where the right answer is not necessarily clear as in most group work, correcting others can induce their negative feelings and hinders the effectiveness of such interventions. This paper examines women's cost of correcting male group members and its consequence to the group efficiency in a setting where the correctness of the correction is only partially observable. I design a quasi-laboratory experiment where participants first try a joint task with several other participants, select their partner from those participants, and then work on the joint task with the partner they have selected. Being selected into teams is important in group work because one's output depends on team members. I show that the main determinant of group members' partner selection is a given participant's contribution to the joint task, they correctly believe women and men are equally good at the joint task, there is no gender difference in the contribution or propensity to correct others. However, when comparing participants with the same contribution, both male and female group members are significantly less likely to select as a partner a participant who has corrected their action. In addition, male group members (and also female group members, but to a much lesser extent) react more negatively to a correction that corrects their wrong action. Bayesian updating based on overconfidence does not fully explain the results: even group members who are told that they are not good at the joint task react negatively to a correction, albeit to a lesser extent. Although I do not find that male or female group members react more negatively to women's correction relative to men's correction, these findings suggest that behavioral interventions to increase women's contribution must be tailored very carefully and that corrections, which should increase group efficiency in theory, do not necessarily do so in a real-world due to non-rational frictions.

**Author(s):** Yuki Takahashi  
**Topic:** Psychology and Biology: Gender and Individual Differences, Social Behavior: Group Behavior  
[Back to session: Gender 3](#)

---

## Participation in voluntary competitions and gender discrimination

**Jakob Moeller**  
Wirtschaftsuniversität Wien

ABSTRACT:

In light of the persistence of gender gaps in labor market outcomes, policy measures have been implemented to encourage women to enter highly competitive, male-stereotypical and well-paid jobs. However, there is reason to believe that women experience backlash from entering such male domains and from “acting male”. In this research project, we conduct an experiment to investigate whether neutral spectators put women at a disadvantage in a male-stereotypical domain when income inequalities arise and competition is voluntary.

**Author(s):** Simone Haeckl, Jakob Moeller, Anita Zednik  
**Topic:** Psychology and Biology: Gender and Individual Differences, Social Behavior: Norms and Morals  
[Back to session: Gender 3](#)

---

## Gender Differences in Dishonesty

**Adrian Munnoz**  
Universidad Autónoma de Madrid

ABSTRACT:

Dishonesty has an enormous impact in any facet of our society. It can cause even billions of annual losses in workplaces, so the efforts to understand dishonest behavior have grown nowadays. One of the main questions yet to be answered is whether there might be gender differences in dishonesty: Do men behave more dishonestly than women? Although the literature points towards a positive answer to that question, there is still no clear consensus about it. In the current work, we studied gender differences in dishonesty in a large sample (2452 participants) using a new paradigm recently developed by Pascual-Ezama et al. (2020) based on a variation of the classic “die-under-cup” task. This new paradigm allows us to individually identify different dishonesty profiles, and look for gender differences among them. The results show no significant differences in dishonesty between men and women when there is no reward. However, with small rewards men are more prone to behave dishonestly compared to women. Also, the most “radically” dishonest individuals that cheated maximizing the reward tend to be men. Overall, different dishonesty profiles show different gender modulations. The results provide novel insights showing that gender differences might be shaped by diverse factors rather than just differences associated to gender.

**Author(s):** Adrian Munnoz Garcia, Beatriz Gil-Gomez de Lianno and David Pascual Ezama  
**Topic:** Social Behavior: Lying and Cheating, Psychology and Biology: Gender and Individual Differences  
[Back to session: Gender 3](#)

---

## Ingroup Bias in a Social Learning Experiment

**Wenbo Zou**  
University of California, Davis

## ABSTRACT:

Does social learning and subsequent private information processing differ depending on whether the observer shares the same group identity as the predecessor? In this paper, we conduct a lab experiment to answer this question, in which subjects first observe a social signal and then receive a private signal. We find that subjects put greater weights on the social signal if they share with the predecessor the same group identity that is induced in the experimental environment. We also provide suggestive evidence that such ingroup bias cannot be explained by an ingroup-outgroup difference in beliefs of the predecessor's rationality. Moreover, heterogeneous effects of group identity exist in weights given to the subsequent private signal: Compared to when the predecessor is an outgroup, those who have learned from an ingroup put a greater (lower) weight on the private signal if it contradicts (confirms) the social signal. We conjecture that such group effects are consistent with that group identity is a framing device that can be easily replaced by alternative decision heuristics.

**Author(s):** Xue Xu, Wenbo Zou

**Topic:** Decision Theory: Beliefs, Decision Theory: Learning

[Back to session: Identity 1](#)

---

## Does choosing who you are explain how you behave?

**Evgeniya Chabanova**

**University of Mainz, Goethe University Frankfurt am Main**

## ABSTRACT:

A large body of evidence shows that the social identity individuals perceive is related to their behavior. However, it remains unclear whether the individual choice of identity also causally explains how people act. By using a novel laboratory experiment, we pin down the causal effect of how the choice of identity translates into economic behavior. We find that individuals choose to identify with groups whose characteristics are more similar to theirs and whose social status is higher. We then show that differences in these chosen identities also causally explain variation in dictator game behavior: a higher perceived similarity between dictator and recipient causes dictator to behave more prosocially when interacting with the recipient from this group. Surprisingly, we also find that while people are not willing to identify with lower status groups, they are nevertheless willing to comfort recipients from these groups by offering more equal splits.

**Author(s):** Kevin Bauer, Evgeniya Chabanova, Florian Hett

**Topic:** Social Behavior: Other-regarding Preferences, Social Behavior: Other

[Back to session: Identity 1](#)

---

## In-group versus Out-group Preferences in Intergroup Conflict: An Experiment

**Subhasish Modak Chowdhury**

**University of Bath**

## ABSTRACT:

Individuals participating in a group conflict have different preferences, e.g., maximizing their own payoff, maximizing the group's payoff, or defeating the rivals. When such preferences are present simultaneously, it is difficult to distinctly identify the impact of those preferences on conflict. In order to separate in-group and out-group preferences, we conduct an experiment in which human in-group or out-group players are removed while keeping the game strategically similar. Our design allows us to study (i) how effort in a group conflict vary due to in-group and out-group preferences, and (ii) how the impact of these preferences vary when the two groups have explicitly different social identities. The results of our experiment show that the presence of in-groups enhances concern about individual payoffs. A further presence of out-groups moderates the concern for individual payoffs through an additional concern for own group payoffs. The negative effect of the in-group preferences and the positive effect of the out-group preferences are weaker when group members have a common social identity.

**Author(s):** Subhasish M. Chowdhury; Anwasha Mukherjee; Roman M. Sheremeta

**Topic:** Games: Contests, Social Behavior: Group Behavior

**Link:** [ideas.repec.org/p/prs/mprapa/105690.html](https://ideas.repec.org/p/prs/mprapa/105690.html)

[Back to session: Identity 1](#)

---

## I don't belong here! A simple model on intergroup cooperation and an experimental test with stigmatized individuals

**Maria Jose Vazquez**

**ETEA Foundation, Development Institute, Universidad Loyola Andalucia**

## ABSTRACT:

People tend to identify with their group and often cooperate more with ingroups than with outgroups, i.e., the so-called intergroup bias or ingroup favoritism. However, outgroup favoritism is often observed as well, especially among low-status, negatively stereotyped groups. While it is known that even trivial assignment of individuals to groups ("minimal" groups) can trigger intergroup bias, the channels that lead to group identification and subsequent intergroup bias remain obscure. What is one's ingroup when there are multiple alternative sources of group identity? In this paper, we introduce and test a simple multiplicative model on intergroup bias in cooperation that can capture both ingroup favoritism and outgroup favoritism. The model defines a group's utility (GU) for the individual as the interaction between the perceived value of the group and its self-relevance (i.e., how

important the group is for the individual, due to self-identification or any other factor). Perceived value gives the sign of the effect of a group identity on the individual's utility whereas self-relevance defines the strength of such an effect. In intergroup encounters, the individual compares the GU of the groups involved and favors the group with higher GU. We experimentally test the model using a one-shot prisoner's dilemma game (played with anonymous ingroup and outgroup counterparts in random order, without feedback) with a sample of users of a mentoring program comprising negatively stereotyped, stigmatized young adults (S; n=112) as well as non-stigmatized ones (NS; n=82). The experiment allows us to study the effect of three channels which are hypothesized to modulate a group's perceived value and/or self-relevance: minimal grouping, perceived similarity, and repeated interaction history. In the game, the ingroup is an anonymous randomly selected participant from the same program center (i.e., a minimal group based on administrative reasons), whereas the outgroup belongs to another center. Ingroup perceived similarity is proxied by the probability that the ingroup counterpart is (also) S or NS, from 0% to 100% probability. Ingroup interaction history is proxied by the time the participant had been in the program center prior to the experiment, from 0 to 74 weeks. We find opposite effects of the three variables on intergroup bias for S vs. NS participants. For S [NS] individuals without prior interaction history with the ingroup, i.e., the "most minimal" grouping, we observe outgroup [ingroup] favoritism. For S [NS] individuals, a longer interaction history with the ingroup is associated with more ingroup [outgroup] favoritism, regardless of ingroup similarity. For S [NS] individuals, ingroup perceived similarity increases outgroup [ingroup] favoritism. Our model can explain the observed patterns: the perceived value of the S [NS] identity is negative [positive] and repeated interaction with the ingroup increases [reduces] the ingroup's perceived value among S [NS] individuals. Similarity does not seem to impact the ingroup's perceived value; if anything, it operates through self-relevance.

**Author(s):** Antonio M. Espin, Maria J. Vazquez-De Francisco & Pablo Brannas-Garza

**Topic:** Social Behavior: Other-regarding Preferences, Field Experiments: General

[Back to session: Identity 1](#)

---

## Prosocial Risk Taking and Intergroup Conflicts: Investigating in a Volunteer's Dilemma Experiment

**Florian Heine**  
Tilburg University

ABSTRACT:

Intergroup conflicts often involve individuals who voluntarily make personal sacrifice and take great risk to provide public goods. We investigate prosocial risk taking and intergroup conflicts by extending the Volunteer's dilemma along two dimensions: risk-taking and intergroup competition. We argue that intergroup competition engenders a sense of group identity and motivates group members to contribute to public goods in the absence of leadership. To identify such motivational change, we come up with the group competition treatment, where two groups compete for a public good in a sequential move. We find experimental evidence that intergroup competition significantly increases the volunteering rate of providing a public good and can mitigate the negative impact of risk on intra-group cooperation. In response to intergroup competition, males are more likely to volunteer when volunteering involves risk of failures, while females are responsive only if volunteering guarantees the success of public goods production. Risk aversion influences volunteering in ways that are inconsistent to the expected utility theory. The role which individual heterogeneity may play in the evolution of parochial altruism is explored and discussed to understand the observed heterogeneous treatment effects of risk aversion and genders.

**Author(s):** Florian Heine, Arjen van Witteloostuijn, and Tse-Min Wang

**Topic:** Games: Contests, Public Choice: Public Goods and Common Pool Resource

**Link:** [fheine.weebly.com/uploads/6/2/5/1/62510193/prosocial\\_risk\\_taking\\_and\\_intergroup\\_conflicts.pdf](http://fheine.weebly.com/uploads/6/2/5/1/62510193/prosocial_risk_taking_and_intergroup_conflicts.pdf)

[Back to session: Identity 2](#)

---

## Statistical Role Models

**Lenka Fiala**  
Tilburg University

ABSTRACT:

I study whether the reason why role models change people's behavior is because they communicate that a person of a specific identity has been able to succeed. I use an online experiment to isolate the effect of providing such information about past successful participants ('statistical role models') on subjects' decision to enter a risky, yet relatively high-paying math task, and their subsequent performance on the task. I set my study in the context of gender stereotypes regarding mathematical ability, systematically manipulate the salience of stereotypes associated with the task, and test the mechanisms that drive participation and performance in these settings. I find that while the information and stereotype treatments successfully manipulate beliefs about aggregate gender success rates, this does not affect any of the measures associated with individual task choice or success (self-confidence, math ability, and effort), leaving both outcomes of interest unaffected.

**Author(s):** Lenka Fiala

**Topic:** Psychology and Biology: Gender and Individual Differences, Applied Economics: Labor Market

**Link:** [static1.squarespace.com/static/57e8e1e18419c20a8e26051b/t/6001cb634ab6a76aec4e0aa7/1610730341596/JMP\\_Jan15.pdf](http://static1.squarespace.com/static/57e8e1e18419c20a8e26051b/t/6001cb634ab6a76aec4e0aa7/1610730341596/JMP_Jan15.pdf)

[Back to session: Identity 2](#)

---

## Group Image Concerns

**Arno Appfelstaedt**  
University of Cologne

## ABSTRACT:

Do people care about the image of groups to which they belong? Do Christians care whether Christians as a group are perceived as moral? Do students of Harvard feel pride when they tell others that Harvard graduates are known for being exceptionally philanthropic? Would they feel shame if instead they had to report that Harvard graduates are exceptionally selfish? Social image concerns – the extent to which people care about what others think of them – have been shown to be an important driver of economic as well as moral behaviors. In many instances however, people act not just as representatives of themselves but also as representatives of groups they belong to. Inferences about whether her in-group is moral, smart, or generous, may affect the well-being and behavior of the individual as much as inferences about herself. In this paper, we identify and quantify (for the first time) the extent to which people have concerns about the social image of their in-group. We present an experimental paradigm that allows us to separate group image concerns from individual image concerns. Our experiment provides several metrics for the strength of group image concerns: first, we measure how much money people are willing to forgo to give their group a better image. Second, we use a money-metric approach to measure people's willingness to report both good and bad things about their group – provided that these reports cannot reveal anything about the individual herself. Using this measure, we are able to quantify the extent to which individuals associate shame and pride with their in-group's image. The experiment is currently underway. First results will be presented at the conference.

**Author(s):** Arno Apffelstaedt, Goenuel Dogan, Fabian Hoffmann

**Topic:** Social Behavior: Group Behavior, Social Behavior: Other-regarding Preferences

[Back to session: Identity 2](#)

---

## Social identity and belief polarization

**Florian Hett**

**Johannes Gutenberg-University Mainz**

## ABSTRACT:

We study the role of social identity and 'groupiness' for the polarization of political beliefs using an online experiment with a representative sample of the US population, deployed the week before the 2020 US presidential election. In our online experiment, approximately 1,000 participants have to predict both the outcome of the 2020 presidential election and policy-sensitive statistics a year after the election conditional on its outcome. To update their initial predictions, individuals receive or can select articles on the respective topics from different news sources. We ask whether (i) people update their beliefs in reaction to consuming information in a biased way, (ii) display a bias in their demand for information, and (iii) whether groupiness as measured by other-other allocation games is associated with both these effects.

**Author(s):** Kevin Bauer, Yan Chen, Florian Hett, Michael Kosfeld

**Topic:** Decision Theory: Beliefs, Social Behavior: Other

[Back to session: Identity 2](#)

---

## The influence of information-processing style on economic results of individual agents in conditions of fundamental uncertainty

**Alexander Neverov**

**Institute of PsychoEconomic Researches**

## ABSTRACT:

The problem of relation between cognition, economic behavior and institutional framework is one of the most important question in economic psychology today. Modern science knows that real economic agents have cognitive limits. Many researches show that the information asymmetry is a very important part of the economic behavior determination. Equally important that the institutional framework influence on choices. However, the detection to influence the information-processing styles on institutional framework of economic situation as researches goal is not common yet. We used combine design: the lab experiment on decision-making and the eye-tracking technology to solving this task. Our research includes the two stages. In the first step, we highlighted the styles of working with information. In the second step, a 10-iteration economic decision-making process lab experiments under conditions of fundamental uncertainty were implementing. The 35 participants took part in first step. The each participant read a volume of economic information about the rules of 10-iteration economic decision-making process lab experiment. The rules consisted in the format of one A4 paper, 14-point Times New Roman, on a computer screen, with the 367 logical elements. The content of the information was a formalized rule of forthcoming economic activity. All information was relevant for future economic situation. The working time with the information was not limited. Information during processing was dividing into 12 blocks, according to the semantic load of each of them. The measurements were carrying out on a screen with a resolution of 1920x1080 image with instructions on Russian or English 1094x773 pix using Tobii Pro Studio Enterprise Edition v3.4.8. By gender, respondents were divided into Male = 16, Female = 19. The average age of the participants was  $\pm 23.2$  years. We used the standard filter "I-VT filter" for the unloading data. After the first stage, the data analysis was realizing. We made a clustering, which based on the total duration on the development of information and on the structure of the transition from one event (information assimilation stage) to another. This parameter indirectly indicates the speed of information processing and its assimilation as knowledge, i.e. the speed of the process of forming the image of economic activity. The clustering's results have showed the four information-processing styles. The first style is characterized by emphasis in working with information on the transition from one semantic unit to another (more than 50% of all events), with symmetry in the distribution of zones of sustained attention and switching attention beyond information (25.29% and 24.14%, respectively). This style is characterizing by the largest number of transitions within the information field and the high quality of concentration on information. The latter suggests that this style is characterizing by high selectivity in working with information, probably that associated with the selection of information according to pre-selected criteria (the targets). The second style demonstrated a tendency to an average level of switching with an increase in concentration of attention on semantic blocks. At the same time, the number of distractions from information in the process of work decreases (19.37%). The second style has an average level of attention switch ability with the least time spent on switching. It is characterizing by the least amount events, but at the same time, the greatest duration of distraction



from the information field. The third style demonstrated the smallest share of saccades – 43.23%, with relative equality of fixations (concentration of attention) and distraction from information (30.33% and 26.44%, respectively). This style is characterizing by a greater “stuck” on the information blocks and a less pronounced generalization and synthetic nature of the information field. This suggests that this style is closest to the analytical type of work with information. The fourth style has the largest share of concentration and the least share of distraction from information (35.83% and 14.84%, respectively). This style is distinguishing by the highest level of concentration of attention within the information field, but relative to the first type - it is somewhat less focusing on the selectivity of working with information. This style is characterizing by a higher motivation for future economic activity with a smaller share of conscious goal-setting regarding future activities. In second step of our study, we suggested that selection of information process is one of the main factors in economic decision making in conditions of information redundancy. That is why we chose the next way of research. The decision making process was held under the time pressure, because the amount of information required a considerable amount of time, but time to each period was limit ten minutes. In total, there were 10 iterations of the sales or buying of goods. The results of our experiment showed that the group of subjects of the first style of working with information demonstrates a high proportion of bankrupts when making and implementing economic decisions (almost a third). At the same time, the respondents of this group in half of the cases show the average level of the results of the quality of the economic decisions taken. However, only almost one in five was able to show high efficiency at the end of the game. Representatives of the second style do not differ in the presence of highly efficiency ones, and the share of bankrupts, as well as in the first style, is almost a third. They have the highest share of average efficiency (67%). The respondents of the third style rank second in terms of average efficiency (60%), with the remaining 40% being equally dividing between highly efficiency and bankrupt. The most successful were the respondents who clearly expressed the characteristics of the fourth style of working with information. They do not have bankrupts and demonstrate the highest efficiency indicators. Representatives of this style were not only able to maintain their starting conditions, but also improved them in almost half of the cases (44%). Aware of the limitations imposed by the design of the experimental sessions, their results still suggest a certain relationship between the information handling style, on the one hand, and the final efficiency of the economic agent, on the other.

**Author(s):** Alexander Neverov, Dmitry Vaskov, Armen Airapetian  
**Topic:** Psychology and Biology: Cognition, Decision Theory: Ambiguity  
**Link:** <http://www.cper.ru>  
[Back to session: Individual Decisions 1](#)

---

## Preference and inconsistency in decision making: a model combining binary choice with WTP/A range data

Lukasz Tanajewski  
Kozminski University

### ABSTRACT:

People's decisions result from a preference-driven stochastic process in which the valuations of the options are compared in the brain. Also, they are distorted by inconsistency in human behavior, recently demonstrated to come from endogenous fluctuations in the midbrain. The aim is to propose an experimental approach for disentangling preferences from inconsistency. Since preferences should not change depending on how they are measured, the mutual consistency of preferences revealed by choices and subsequent willingness to pay/accept (WTP/A) elicitation is explored here. To infer about consistency, the model accounts for two possible sources of preference reversal in choice and WTP/A: (1) contingent WTP/A valuation does not provide true WTP/A (tWTP/A) for options offered in prior binary choices; (2) even if tWTP/A values are equal for two options, there could be a systematic bias towards one course of action in binary choice. To address (1), range-WTP/A elicitation method of asking participants for two prices is used to account for participants' uncertainty in reporting WTP/A (with tWTP/A uniformly distributed in the interval between these two prices). When calculating the probability that tWTP/A is greater for a given course of action (X) than for an alternative (Y), two error probabilities are parametrized in the model: (?) probability that  $tWTP/A(X) < tWTP/A(Y)$  conditional on  $range-WTP/A(X) > range-WTP/A(Y)$  and (?) probability that  $tWTP/A(X) > tWTP/A(Y)$  conditional on  $range-WTP/A(X) < range-WTP/A(Y)$ . To address (2), probability of choosing X over Y for  $tWTP/A(X) = tWTP/A(Y)$  is parametrized in the model to allow bias towards X (if  $>0.5$ ) or Y (if  $<0.5$ ). An unbiased decision maker chooses X over Y if  $tWTP/A(X) > tWTP/A(Y)$ . Accounting for the uncertainty of tWTP/A values and for bias, a decision maker chooses X over Y with (bias-adjusted) probability that  $tWTP/A(X) > tWTP/A(Y)$ . Therefore, that probability is fitted to choice data to find the model parameters through maximum likelihood estimation. Next, for every choice, the probability of consistency and the probability of choosing X over Y conditional on consistency are calculated, where the latter refers to a preference-driven stochastic process of choosing X over Y. For illustration, a within-subject experiment to explore the effect of increased working memory load (IWML) on self-control in food choice is presented. Twenty-six participants (including ten participants who underwent choice session in the fMRI scanner) made (i) the incentivized series of choices between self-control (X) and temptation (Y) in food consumption, where food item X was earlier rated as healthier and less tasty by a participant, compared to item Y, followed by (ii) range-WTP elicitation of all the items presented in the choice session (employing range-BDM procedure). Every choice (out of sixty) and every range-WTP elicitation were made twice: in high and in low WML condition. Probability of consistency and probability of self-control conditional on consistency were calculated for every choice in both conditions. Participants who improved consistency upon IWML, were poorer in self-control under IWML. For participants with diminished consistency upon IWML, self-control was strengthened under IWML. The findings suggest that IWML strengthened preference of high over low calorie foods, while  $\diamond$  for some participants  $\diamond$  IWML also deteriorated cognitive processing of taste evaluation, which resulted in poorer consistency and improved self-control under IWML. These findings cannot be obtained from choice data (due to inability to disentangle IWML effect on consistency from IWML effect on self-control) or from range WTP data directly combined with choices (without modelling (1) and (2) one cannot conclude about consistency due to preference reversal in choice and WTP).

**Author(s):** Xaukasz Tanajewski  
**Topic:** Methodology: Experimental Design, Tools and Practices, Psychology and Biology: Neuroeconomics  
[Back to session: Individual Decisions 1](#)

---

## How Choice Complexity in Liberalized Markets Hurts the Demand for Green Electricity

Manuel Grieder  
Zurich University of Applied Sciences (ZHAW)

## ABSTRACT:

Many countries have liberalized their residential electricity markets or are considering to do so. Liberalization provides consumers with more freedom of choice but also leads to higher choice complexity as consumers face a much larger number of different electricity contracts to choose from. We hypothesize that consumers react to this increased choice complexity in liberalized markets by applying simplified decision strategies that allow them to reduce cognitive effort. In particular, we predict that with increasing size of choice sets, consumers focus more on simple price attributes of electricity contracts and less on the relatively complex environmental attributes, leading to a decrease in the demand for green electricity. In two online experiments conducted in a representative (n=610) and a student sample (n=1,212) in Switzerland, we find that indeed when faced with a larger choice set participants focus more on prices and choose cheaper electricity contracts containing less renewable and more conventional energy than when faced with a smaller choice set. In addition, we also find evidence that a tax on conventional energy is a more effective policy instrument for shifting demand towards renewables than behavioral instruments in the form of social norm interventions. Our results suggest that a liberalization of the household electricity market has to be carefully managed such that consumers are not overwhelmed and do not shift their demand to cheaper but less environmentally-friendly energy sources.

**Author(s):** Rebekka Baerenbold, Manuel Grieder, Renate Schubert  
**Topic:** Applied Economics: Other, Psychology and Biology: Cognition  
**Link:** [dx.doi.org/10.2139/ssrn.3628373](https://dx.doi.org/10.2139/ssrn.3628373)  
[Back to session: Individual Decisions 1](#)

---

## Experimental Evidence on the Relationship between Perceived Ambiguity and Likelihood Insensitivity

**Luca Henkel**  
**University of Bonn**

### ABSTRACT:

What determines likelihood insensitivity in choices under ambiguity? This paper investigates ambiguity perception - the extent to which a decision-maker has difficulties assigning a single probability to each possible event - as a potential determinant, a mechanism that is proposed by multiple prior models. I test this mechanism with an experiment where I separately elicit a measure of likelihood insensitivity from choice behavior and a belief-based measure capturing ambiguity perception. The latter measure is validated using an exogenously induced increase in the degree of ambiguity. I find that increases in ambiguity perception caused by the exogenous increases in ambiguity lead to increases in likelihood insensitivity. Further, ambiguity perception and likelihood insensitivity are significantly positively correlated. Taken together, these findings provide strong support for an ambiguity perception based explanation of likelihood insensitivity.

**Author(s):** Luca Henkel  
**Topic:** Decision Theory: Ambiguity, Methodology: Experimental Design, Tools and Practices  
**Link:** [uni-bonn.sciebo.de/s/hSkwr4URWOruK6l](https://uni-bonn.sciebo.de/s/hSkwr4URWOruK6l)  
[Back to session: Individual Decisions 2](#)

---

## An Experimental Analysis of the Prize-Probability Tradeoff in Stopping Problems

**Yair Antler**  
**Tel Aviv University**

### ABSTRACT:

We experimentally examine how individuals stop risky processes such as the evolution of prices when they have commitment power. We find types who consistently choose stopping rules with large potential losses and small potential gains to induce a high winning probability (L-types), although such choices entail a considerable downside risk. A smaller proportion of types choose stopping rules with the opposite characteristics. While the latter pattern is consistent with cumulative prospect theory, the former pattern is inconsistent with prominent decision theories. We suggest that L-types solve the prize-probability tradeoff in a qualitative manner, putting more emphasis on the winning probability.

**Author(s):** Yair Antler, Ayala Arad  
**Topic:** Decision Theory: Ambiguity, Decision Theory: Bounded Rationality  
**Link:** [5018ee9c-1913-4ae8-95a9-1de9d52b4c1f.filesusr.com/ugd/60b4e9\\_fc441306b0ff4580926b37ff3f22a349.pdf](https://5018ee9c-1913-4ae8-95a9-1de9d52b4c1f.filesusr.com/ugd/60b4e9_fc441306b0ff4580926b37ff3f22a349.pdf)  
[Back to session: Individual Decisions 2](#)

---

## Time Pressure: Preferences and Performance Effects

**Roel van Veldhuizen**  
**Lund University**

### ABSTRACT:

We design a new experiment to measure the effect of time pressure on performance in cognitive tasks as well as individual preferences for working under time pressure. In the experiment, participants first solve adding-numbers games under different time limits and then choose their own payment schemes. Our within-subject design allows us to look into individual heterogeneity in the ability to perform under time pressure. Results from our

experiment could shed light on the use of time pressure as an incentive device and lay the groundwork for future research into the ability to deal with time pressure as an individual trait that is relevant for education and labor market outcomes.

**Author(s):** Thomas Buser, Roel van Veldhuizen, Yang Zhong

**Topic:** Applied Economics: Labor Market, Psychology and Biology: Gender and Individual Differences  
[Back to session: Individual Decisions 2](#)

---

## **How to Fight Multi-market Cartels: An Experimental Comparison between the American and the European Leniency Programs**

**Francois Cochard**

**UNIVERSITE DE FRANCHE-COMTE**

**ABSTRACT:**

In this paper, we report the results of an experiment aiming at comparing the American (Amnesty Plus) and the European leniency programs enforced by the competition authorities to fight multi-markets cartels. When a firm has been convicted due to the detection of a cartel, leniency means that the firm may obtain partial or full immunity if it cooperates and brings in evidence about this cartel. The US strengthened leniency programs for cartel in multimarket settings in order to incite the members of a first cartel previously detected and convicted to reveal their membership in cartels on other markets. With regard to the European program, Amnesty Plus may have a pro-collusive effect by encouraging the cartels' formation, as it reduces the expected cost from conviction. Our results do not confirm this procollusive effect. However, we show that the incentive to report is significantly higher under Amnesty Plus, both before and after a first cartel has been detected.

**Author(s):** Karine Brisset, Francois Cochard, Eve-Angeline Lambert

**Topic:** Markets: Industrial Organization, Markets: Other  
[Back to session: Industrial Organization 1](#)

---

## **A Theoretical and Experimental Investigation into the Welfare Consequences of Late Payments**

**Matthew Walker**

**Durham University Business School, UK**

**ABSTRACT:**

We analyse how late payments affect market entry and price competition. Buyers first send a signal to potential suppliers about their intended payment date. Suppliers then decide whether to incur a fixed and irreversible cost to enter into price competition. After the seller and winning bid is determined, the buyer chooses the ex-post payment date, which may or may not coincide with the ex-ante date promised. We show that in theory, if firms value payment made or received late below its nominal value, payment delays feed into higher consumer prices and reduced competition. This outcome depends on the distribution of discount factors in the population, which we interpret as a proxy for a firm's financial strength. Reneging on a promise to pay on-time entails a cost for the buyer. If this cost is not set carefully, a welfare loss arises. We find support for the main predictions of the model in an experiment. The probability that a buyer follows an on-time payment strategy responds to the size of the cost of reneging and free-riding behaviour emerges among weak buyers when the fine is not set high enough. We provide further experimental evidence that seller over-entry can distort payment behaviours in the market. Our findings have implications for the horizontal effects of payment practices and for the design of regulatory interventions to deter late payments.

**Author(s):** Matthew Walker, Kyle Hyndman

**Topic:** Markets: Industrial Organization, Games: Information  
**Link:** [mjwalker19.github.io](https://github.com/mjwalker19)  
[Back to session: Industrial Organization 1](#)

---

## **The Economics of Label Credence Goods**

**Felix Holzmeister**

**University of Innsbruck, Department of Economics**

**ABSTRACT:**

Many vertically differentiated credence goods involve the use of labels as an institution to communicate attributes of the products sold. Typical examples of label credence goods are products that are differentiated by process-attributes, e.g., whether foods has been produced organically or not, or whether electricity has been generated with green technologies. In a laboratory experiment with more than 1,300 participants, we examine the determining factors of efficiency in label credence goods markets. While theory predicts that reputation building, verification, and monitoring increase market efficiency, we find that reputation increases efficiency only in monopoly treatments, and verification only in competition treatments. Monitoring, however, has a significant and sizeable effect on efficiency across various institutions. Contrary to the model predictions we find that seller competition drives down prices, significantly reduces the share of green products traded, and cuts market efficiency to levels below the no-trade benchmark.

**Author(s):** Blanco, Esther; Holzmeister, Felix; Kerschbamer, Rudolf; Walzl, Markus  
**Topic:** Markets: Industrial Organization, Markets: Other

## Virtue signaling in markets for credence goods

**Loukas Balafoutas**  
**University of Innsbruck**

### ABSTRACT:

Many economic transactions are plagued by asymmetric information and misaligned incentives between two contracting parties. This is particularly true in markets for credence goods, where the buyer is often unable to assess the suitability of a purchased good or service. As sellers who exhibit other-regarding preferences will act in ways that better serve the buyers' interests, the latter will often look for cues or signals that allow them to distinguish between other-regarding and self-interested sellers. At the same time, if sellers are aware that signals of moral character are used by buyers as a means of selecting their interaction partners, they may attempt to generate them strategically. This generates a virtue signaling environment. We study theoretically how sellers' past actions in a donation task may act as signals of their moral character in a credence goods market. We derive conditions under which such signals are used by sellers and perceived as credible by buyers. The model's predictions are tested in a laboratory experiment.

**Author(s):** Loukas Balafoutas, Alexandros Karakostas, Daniel Zizzo

**Topic:** Markets: Industrial Organization, Social Behavior: Norms and Morals  
[Back to session: Industrial Organization 2](#)

---

## Algorithmic and Human Collusion: Experimental Evidence

**Tobias Werner**  
**DICE, University of Duesseldorf**

### ABSTRACT:

This paper investigates the competitive effects of self-learning pricing algorithms. There exist growing concerns among academics and regulators that those algorithms could learn to collude tacitly on non-competitive prices and thereby harm consumers. First, I show that algorithms learn to collude with each other in a simulated market environment where they face a perfectly inelastic demand function. Next, I conduct laboratory market experiments with human participants and self-learned algorithms. Across different treatments, I vary the market size and the share of firms that use an algorithm for their pricing decisions. I provide evidence that collusion becomes more prominent as more firms in the market use self-learned pricing algorithms. This increase in price levels is driven by the strategies that algorithms learn to enforce collusion. Furthermore, self-learned algorithms manage to cooperate with human players if both populate the same market. My results indicate that algorithmic collusion is an obstacle for markets compared to traditional markets and should therefore be taken seriously from a regulatory perspective.

**Author(s):** Tobias Werner

**Topic:** Markets: Industrial Organization, Games: Repeated Games  
[Back to session: Industrial Organization 2](#)

---

## Behavioral Barriers and the Socioeconomic Gap in Child Care Enrollment

**Henning Hermes**  
**NHH Bergen / Department of Economics**

### ABSTRACT:

Child care is an essential tool to support child development and to mitigate educational inequality early in life. While children from families with lower socioeconomic status (SES) tend to benefit more from child care, their enrollment rates are substantially lower. We investigate whether alleviating behavioral barriers in the early child care application process reduces this SES gap. In a randomized controlled trial with more than 600 families with infant children in Germany, we implement a behavioral intervention that provides parents with information about child care and application assistance. Nine months after the intervention, treated lower-SES families are 21 percentage points more likely to apply for a child care slot, and 16 percentage points more likely to be enrolled in child care. The treatment has no effect on higher-SES families. In consequence, it closes the SES gap in application probability entirely, and halves the SES gap in enrollment. Treatment effects are particularly strong for families who plan to enroll their child at relatively young age and for parents who believe that returns to child care with respect to child development are high. Analyses of supply-side constraints indicate that treatment effects are concentrated in areas with high competition for child care slots. In sum, we demonstrate that the socioeconomic gap in child care enrollment is substantially determined by behavioral barriers, implying that policies aimed at mitigating these barriers may foster equality of opportunity early on.

**Author(s):** Henning Hermes, Philipp Lergetporer, Frauke Peter, Simon Wiederhold

**Topic:** Applied Economics: Other, Field Experiments: General  
[Back to session: Intervention/RCT 1](#)

---

## Unraveling Soft-Commitment: Evidence from a Natural Field Experiment on Recycling

**ABSTRACT:**

Taking advantage of the implementation of a novel recycling system in Palma (Spain) that allows to record individual real-time data on the usage of bio-waste containers, we run a field experiment involving 1,533 households to test the effectiveness of soft-commitments in fostering recycling. We offered to a random set of households the possibility of signing a non-binding commitment on recycling practices and found that it had a positive impact on recycling habits. Soft-commitment increases regular participation in biowaste recycling by 7 percentage points. This represents a 23-28% increase relatively to the control group of households that participated in the intervention but to whom the soft-commitment was not offered. We also show that the effect of soft-commitment persists almost one year after having been offered. Using a two-part model, we show that soft-commitment increases the amount of household that participates in recycling (extensive margin) but, conditional on recycling, it does not affect the proportion of weeks that they recycle (intensive margin).

**Author(s):** Eduard Alonso , Pau Balart, Lara Ezquerro , Innigo Hernandez-Arenaz

**Topic:** Field Experiments: General, Social Behavior: Group Behavior

[Back to session: Intervention/RCT 1](#)

---

## **The Can Challenge: Exploring the Best Way to Incentivise Recycling Behaviour**

**Michael Brock**  
**UNIVERSITY OF EAST ANGLIA**

**ABSTRACT:**

This field experiment implements two possible incentive mechanisms to assess how likely each is for yielding greater levels of engagement in recycling as a service. The first is a piece-rate system, similar to that already used in many European countries. The second uses a lottery-based system, its selection reinforced by evidence from experimental literature within behavioural economics showing lotteries can be very effective in stimulating effort through the competitive environment it creates (Davis & Reilly, 1998; Konrad, 2009). We also recognise an opportunity to model subject behaviour using the Bass Model (Bass, 1969) from the marketing literature. This enables us to gather a deeper understanding of the diffusion process among individuals for adopting the recycling service and make further predictions that could be generalised to other environments. The most important factors that are found to influence recycling can be classified as social, psychological, and economic factors (see for example the meta-reviews by Kninkmeyer, 2017; Miafodzyeva and Brandk, 2013; Varotto and Spagnolli, 2017). Our study focuses on both the economic factors and location settings. Regarding the former, we look specifically at the effectiveness of probabilistic rewards versus piece-rate incentives in increasing the engagement in the recycling behaviour, with a specific focus on drinks cans. Economic factors can come in the form of positive rewards that individuals receive for their participation in recycling activities. Incentives such as prizes, lottery tickets, vouchers, monetary rewards, sponsoring a party, have been shown to increase the engagement in recycling (consider having all references except for Diamond and Loewy here as citation only Iyer and Kashyap 2007). Luyben and Bailey 1979 found that monetary rewards increased the amount of recycled papers more than just having access to the recycling facility. In two related studies Geller et al. (1975) and Wtmer and Geller (1976) found that individual raffles were more effective than group ones in increasing the amount of paper recycled, and that both were more effective than no reward at all. Recycling in one context has been shown not to carry over to other contexts. For example, people recycle less while on holidays (Barr et al., 2010), at university (Scott, 2009) or in the workplace (Marans and Lee, 1993, Lee et al. 1995). Despite this, recycling in the workplace, compared to the domestic one, has received little attention. What is more, recycling in university dormitories is classified in the meta-analysis by Oke (2015) as recycling in the workplace. Only a handful of those studies are run in work offices like those in our study, and the majority of them employ surveys as an investigative method (Marans and Lee, 1993, Lee et al. 1995). Our study offers valuable insights into how Norfolk County Hall's employees respond to monetary incentives. The field experiment involved a Monitoring Phase (MP) in which can recycling was simply monitored, and an Incentive Phase (IP) in which recycling was not only monitored but also monetarily incentivised. We implemented the experiment in two different environments: a residential environment (RE), and a workplace environment (WE). Participants in RE were households living in two different social housing areas in Norwich. Participants in WE were Norfolk County Hall employees. In MP we monitored for 10 weeks the number of cans recycled that participants were instructed to place in the special bins prepared by the experimenters. This data serves as a benchmark to evaluate the effectiveness of the monetary incentives implemented in IP. IP consists of three treatments: the No-Incentive treatment (NI), the Pay-per can treatment (PPC), and the Lottery treatment (L). Overall, our results can be partly explained by demographics differences across locations. In RE we believe that the low level of income of this group to be the main determinants for this result. Casual chats with residents and the large number of can recycled by some flats, suggests that monetary rewards are the main reason for engaging in recycling. Some residents found cash payment to be particularly appealing (A couple told us that they wanted to buy a car with the money from can recycling! They were very serious about it, to the point that they were collecting cans also from the streets to increase their "revenues"). The possibility of raising some money with this activity might explain why in the absence of incentives recycling is almost non-existent, and also why the Lottery scheme was not as successful, as residents might have found it too risky to bear the cost of recycling without the certainty of that behaviour being rewarded. The analysis of the diffusion process confirms this conjecture, as monetary rewards seem to act as extrinsic motivator. In WE both incentive schemes prove very successful. Unlike in RE, we do not believe that monetary rewards were the main drivers. First, the baseline treatment and no-incentive condition demonstrate a good level of engagement. Second, the money raised in the incentive treatments was given to the floor managers rather than paid to the single employee. The higher level of proximity in WE compared to RE might instead be the reason behind the success of our interventions. As explained earlier, proximity makes behaviour highly observable and this can increase the social pressure into the desired recycling activity. As a result of this proximity, monetary rewards can also stimulate competition across floors into who recycles the most, particularly so in the L treatment, in which engagement levels can be indirectly inferred by knowing who has won the contest. This might also explain why this incentive scheme was more successful than the PPC one. The engagement in recycling behaviour, in principle, is comparable to the conscious adoption of a public service available to all citizens across all demographic groups. The adoption of a product or a service (public or private) concerns primarily the consumer behaviour and ultimately marketing literature. Among many, Menese and Palacio (2005) compare recycling to the adoption of a product and enforce the need of establishing successful marketing strategies to incentives the recycling behaviour. We follow a similar reasoning and we borrow the Bass model to interpret our experimental data and analyse the engagement in recycling from a service adoption perspective. The Bass diffusion model, while extensively employed in the marketing literature, we believe that it has never been used to understand the diffusion mechanic and the role of proximity in recycling behaviour. The Bass model analysis supports the interpretation of our results.

In RE we find a sharp difference in the diffusion process between the baseline and the incentive treatments. By contrast in WE the difference is very mild. Diffusion in the workplace can be explained in the MP by recycling habits at home influencing recycling in the workplace. However not only is this not consistent with findings in the literature (McDonald, 2011), it does not even explain differences in the diffusion processes across floors between NI and both incentive treatments, PPC and L. However, compared to the NI, in all respects equal to MP, we observe a much stronger diffusion process. This can only be explained by the introduction of incentives in other floors that not only stimulates recycling in those floors but also has a positive influence on the floors that were not monetarily incentivised. What does then explain the recycling behaviour observed in the MP? And what explains this sort of “spin-off” effect observed in the IP? The MP can be considered in itself a novelty. Even though no monetary incentive is present, a behavioural incentive to recycle is perhaps introduced, by simply introducing a new recycling scheme. The introduction of this new scheme is comparable to an innovation introduced on the market regarding a product or product's features, in line with the ground elements of the Bass Model. The innovation itself positively (on average) affects the diffusion of a product or a service. We believe that this can partly explain what we observe in the baseline period in WE. However, novelty alone cannot explain the increase in recycling witnessed in the subsequent NI treatment, that can instead be more plausibly explained by the prolonged physical closeness that characterises the WE environment. Close daily proximity in a workplace makes interactions among individuals more likely compared to residential areas, increasing the chances of informational exchanges by word of mouth. The novelty of the MP feeds in the diffusion mechanism and is supported by the observability of the recycling behaviour. The proximity among individuals and the observability of their behaviour seem a suitable explanation for the spin-off effect observed in WE. In the RE environment the novelty of the MP is not as effective as in WE. This is possibly due to the lower level of proximity among participants, which makes the recycling behaviour less observable, but more importantly, to the lack of monetary rewards. Overall, our analysis brings forward important insights relevant for the literature and the design of recycling policies. First, we contribute by analysing the experimental evidence through the Bass model, which, to the best of our knowledge, has never been employed in this particular setting. The Bass model provides a robust analysis of the adoption of the service and serves also as a benchmark for future analogous investigations. It is common in the literature to employ the estimated Bass parameters of an industry sector (or of a specific product) to estimate the potential adopters of products or services that haven't yet been launched in the market. Thus, our estimations are suitable to provide a forecast of the diffusion process of the recycling service within different environments and conditions. Our second main contribution lies in the inclusion of different environments in our field experiments. A large portion of the literature has focused on household behaviour, a smaller portion on university students and only a handful of studies on recycling in the workplace. To the best of our knowledge, these studies have mainly employed surveys, rather than field experiments with monetary rewards as we do. The use of monetary rewards to incentivise pro-social behaviour has been criticized in the literature (e.g. Varotto and Spagnoli, 2017) on several grounds and can be considered as a limitation of our work. Specifically, pro-social behaviour is sustained only when monetary incentives are in place but reverts to normal when they are removed. It might negatively affect intrinsic motivations to recycling because of the strong association between reward and behaviour. It is costly and not a viable way from an economic perspective. Whilst we are aware and not necessarily disagree with this, we believe that in workplaces it is possible to design non-monetary incentive systems that mimic the monetary ones in the way they work. The results in WE suggest that the success of the recycling scheme was enhanced by the incentives, but we found evidence that the driver was not the income arising from those rewards. We therefore could design mechanisms that stimulate the same behavioural response but do not offer monetary rewards. This could be for example the introduction of a contest in which different teams (e.g. divisions) in a company compete for a symbolic prize, a trophy, won by who recycles the most. This type of mechanism could also be introduced in University departments and involve staff, both academic and non, as well as students. These interventions could be implemented alongside informational campaigns around recycling, and this would further weaken the link between behaviour and rewards. Other types of interventions could still include monetary rewards designed so to reward rather than the amount recycled the act of recycling. These could be for example random checks into recycling bins to reward those that have recycled the most. This type of incentives follows a random reinforcement schedule that has been shown in behavioural psychology to be the most successful in producing a permanent behavioural change. The success of the recycling scheme in the WE is also primarily supported by proximity among individuals, which leads us to believe that in high density residential areas, novel mechanisms such as those suggested above, could prove successful as well. Household recycling could also result in behavioural spillovers from adherence to workplace recycling schemes. While recycling habits at home have been shown not to translate into recycling in the workplace the other way round has not been investigated. Therefore, this research can be seen as a starting point for a wide range of future investigations that should look more closely at the role of incentives that mimic that of the monetary one, the importance of proximity in recycling in contexts other than working places, and behaviour spillovers arising from recycling in the workplace. This study invites interesting questions on how to best increase public involvement in recycling and other pro-environmental action. A key feature of this study was providing payment for recycling. In light of a report published in 2018 (EIWG Report), the UK Government has committed to implement a Deposit Return Scheme on drinks containers. This current plan offers no premium for returning bottles and cans beyond the price increment paid at the checkout. However, our findings imply that, for a ‘significant minority’ within the population (particularly those on low incomes), offering small rewards for such action could really raise their propensity to engage with this process. Keywords: Recycling; Field Experiment; Incentives; Bass Model; Environmental Policy JEL Codes: C93; Q58

**Author(s):** Stefania Sitzia, Michael Brock, Lucia M. Murgia, Jiwei Zheng

**Topic:** Field Experiments: General, Applied Economics: Other  
[Back to session: Intervention/RCT 1](#)

---

## Financial Education via Gamification: Evidence from a Large-scale Field Trial

**Marius Dietsch**  
**Johannes Gutenberg University Mainz**

### ABSTRACT:

By running a large-scale field trial, we investigate the effectiveness of a gamified experiential learning treatment within a Fintech financial aggregation app. With about 250k participants of which about 25k take part in a financial literacy survey, we analyze whether and to what extent a non-incentivized gamified financial education tool changes households' current account balances, overdrafts, and savings volumes over time. By specifically looking at the treatment's differential impact on participants' self-perceived financial literacy, we hypothesize those with higher reported literacy to benefit more than others. While the tool has no impact on overall savings and overdraft behavior, we find the treatment to increase average monthly current account balances by about 55 Euros while reducing overall logins into the app. This effect stems from existing and less engaged customers and is not influenced by self-reported financial literacy.

**Author(s):** Andreas Hackethal, Michael Kosfeld, Florian Hett, Andrej Gill, Marius Dietsch

**Topic:** Field Experiments: General, Applied Economics: Other

## **Are pro-environment behaviours substitutes or complements? Evidence from the field**

**Raisa Sherif**  
Max Planck Institute for Tax Law and Public Finance, Munich

### ABSTRACT:

This paper uses a field experiment among adolescents in India to study how interventions designed to increase one pro-environment activity (namely, recycling single-use plastic carry bags), spill over to other pro-environment activities. I show using lab and field experiments combined with survey data that (i) providing information on the need to recycle does not change recycling behaviour, whereas (ii) providing incentives along with the information leads to higher recycling. There is a positive spillover from the incentive treatment to other pro-environment activities. This positive spillover is observed among subjects who respond to the incentives and increase recycling. Notably, the positive spillover is also observed among those in this treatment who do not respond to the incentives and do not change recycling behaviour. This evidence indicates strong complementarities among pro-environment behaviours and suggests that interventions may have unaccounted positive effects on non-target environment behaviours.

**Author(s):** Raisa Sherif  
**Topic:** Field Experiments: General, Applied Economics: Other  
[Back to session: Intervention/RCT 2](#)

---

## **Using Contact to Improve the Relationship between the Police and the Population**

**Gwen-Jiro Clochard**  
CREST - Ecole polytechnique

### ABSTRACT:

The relationship between the police and parts of the youth in France is tense, and violent outbreaks sporadically occur. In this paper, I conduct a lab-in-the-field experiment to test the effect of very short face-to-face meetings between police officers and high-school students in two high-schools in Paris' suburbs. The data was collected during March 2021, and is still being processed, but preliminary results indicate that the contact has a positive and significant effect on the amount sent in the trust game if the person met is a police officer, corresponding to approximately 0.9 tokens additional tokens sent, or 0.25 standard deviations. The effect, however, does not appear to translate to an increase of trust towards police officers in general.

**Author(s):** Gwen-Jiro Clochard  
**Topic:** Social Behavior: Group Behavior, Social Behavior: Other  
[Back to session: Intervention/RCT 3](#)

---

## **Information intervention to promote safe water consumption: An RCT in areas affected by groundwater arsenic in India**

**Daniel Salicath**  
University of Cologne

### ABSTRACT:

We use a randomized controlled trial in Bihar, India, to test the effectiveness of an information intervention about arsenic in groundwater that focused on raising awareness and recommending low-cost mitigation techniques. The intervention enhanced knowledge and increased adoption of healthy water treatment practices and reduced the use of unhealthy ones. We also find a reduction in measured arsenic quantity in the primary drinking water source and significant improvements in mental health eight weeks after the intervention. The initial results suggest low-cost and low-effort information interventions can be an effective tool to change behavior.

**Author(s):** Shambhavi Priyam, Daniel Salicath and Matthias Sutter  
**Topic:** Applied Economics: Economic Development, Field Experiments: General  
[Back to session: Intervention/RCT 3](#)

---

## **Fairness of Wage Cuts**

**Essi Kujansuu**  
European University Institute

### ABSTRACT:

I study how workers' effort responds to different kinds of wage cuts and whether employers anticipate these reactions correctly. Workers and employers engage in a laboratory real-effort gift exchange market with negative shocks. Hiring happens by initial offers before potential shocks are announced. The non-binding offers can then be adjusted. Effort is non-contractible and determined after workers learn their final wages. To predict responses to wage cuts, I use a model of social preferences and negative reciprocity. Without shocks, employers should never cut wages. Adjustment might be,

however, justifiable after a shock if sharing its burden is considered to be fair. With a laboratory experiment, I find that although wage cuts are counterproductive, their effects are insignificant in the absence of shocks. After shocks, wage cuts are punished, regardless of whether the shock hits employers or workers. Surprisingly, it does not matter whether the shock hits predominately the employer or the worker as in both cases the cuts lead to considerably lower effort.

**Author(s):** Essi Kujansuu

**Topic:** Social Behavior: Norms and Morals, Markets: Other

**Link:** [drive.google.com/file/d/1NliF15Wp6-KDFjwZhk1ZZbe629eoBJ4C/view?usp=sharing](https://drive.google.com/file/d/1NliF15Wp6-KDFjwZhk1ZZbe629eoBJ4C/view?usp=sharing)

[Back to session: Labor Market 1](#)

---

## Supported Employment or treatment-as-usual? Results from a large-scale randomized field experiment

**Karen Hauge**

**Ragnar Frisch Centre for Economic Research**

ABSTRACT:

A high share of people with reduced work capacity end up outside of the labor market. Supported Employment is a methodology that was developed in the US to help people into employment. While traditional vocational rehabilitation focused on training and preparing before placement in the ordinary job market, the focus of Supported Employment is fast placement in the ordinary job market while simultaneously receiving support to keep the job (so-called «place-then-train»). Several RCT-studies from the US, as well as other countries, have shown that Supported Employment increases employment relative to other programs. However, many of these studies rely on small samples and focus on people with severe mental illnesses. We report the results from a large randomized field experiment conducted in a European setting. The field experiment was conducted from 2014-2017 in 6 Norwegian counties in collaboration with the Norwegian Labour and Welfare Administration, and included 3737 participants. The study population consists of people with reduced work capacity who needed help to find or keep employment in the ordinary job market, and who normally would have been applied into one of two train-then-place programs. We compare the labor market outcomes for those who were randomized to Supported Employment with those who were randomized to the treatment-as-usual. We evaluate the effect of the intervention using administrative register data which give us the possibility to follow the participants in up to 6 years, month-by-month, without attrition. The evaluation suggests that the experiment was successful in the sense that the randomization was without manipulation and that program participation was in line with the randomization. We do not find any lasting differences in labor market outcomes between the two treatment groups. Our results, based on a large sample of people with reduced work capacity, therefore implies that Supported Employment does not entail improved quality relative to existing programs.

**Author(s):** Helene Berg, Karen Hauge, Simen Markussen, Tao Zhang

**Topic:** Applied Economics: Labor Market, Field Experiments: General

[Back to session: Labor Market 1](#)

---

## Child Care and Maternal Labor Supply: A Field Experiment

**Marina Krauss**

**University of Augsburg**

ABSTRACT:

Despite a considerable convergence during the past decades, gender gaps in labor-market outcomes still persist. Especially full-time employment rates differ substantially between men and women. Increasing evidence suggests that motherhood and child care obligations are among the key drivers of gender inequalities in the labor market. We provide first experimental evidence on the effects of publicly provided child care below the age of three on maternal full-time employment. We exploit a randomized intervention with more than 600 parents in Germany that had large positive effects on child care enrolment for families with lower socioeconomic status (SES). We find a large positive effect of the intervention on full-time employment rates of lower-SES mothers: Eighteen months after the treatment, when children are aged between two and three years, the treatment increased lower-SES mothers' full-time employment by about 8 percentage points. Given that only 5 percent of lower-SES mothers in the control group work full-time, our intervention more than doubles the probability to work full-time for lower-SES mothers. At the same time, the gender gap in full-time employment in the lower-SES sample is reduced by 11 percent due to our intervention. Our results suggest that child care provision below the age of three is an effective tool to mitigate the gender gap in full-time employment.

**Author(s):** Henning Hermes, Philipp Lergetporer, Frauke Peter, Simon Wiederhold

**Topic:** Field Experiments: General, Applied Economics: Labor Market

[Back to session: Labor Market 1](#)

---

## Increasing Employment Through the Partial Release of Information

**Todd Kaplan**

**University of Exeter**

ABSTRACT:

We investigate whether an agency can increase employment by strategically releasing partial information about workers' skills and abilities to employers. Theoretically, we find that such an increase is possible and that there exists a range of employment levels that can be supported in equilibrium. We test this possibility using laboratory experiments with subjects as employers and agencies. We find that full information about workers



leads to employer profits that are consistent with theory. Revealing coarser and not necessarily verifiable information about workers increases employment at the expense of the employers' profits but not to the highest theoretically achievable levels.

**Author(s):** Surajeet Chakravarty and Luke Lindsay  
**Topic:** Games: Information, Applied Economics: Labor Market  
[Back to session: Labor Market 1](#)

---

## Managing Reputation in a Principal-Agent Problem

**Shahin Baghirov**  
**Koc University**

ABSTRACT:

This paper theoretically and experimentally analyzes a repeated principal-agent game with varying relative stakes. We study an environment with asymmetric information. The principal hires an informed agent to observe the state and take action accordingly. There is a high probability that the principal and the agent have misaligned preferences. Repeated play becomes valuable in such a setting by improving the equilibrium payoff of the principal. The agent has reputation incentives that motivate her to take action matching the true state in the initial periods rather than maximize her own period payoff. As Morris (2001) calls, the "discipline effect" of the reputation incentives benefits the principal. We show it is optimal for the principal to start the interaction small and increase the stakes gradually. The agent's reputation incentives are managed so that the reputation evolves slowly. We test these predictions in four treatments via online experiments. Each period receives an equal stake in one treatment. In the other three treatments, the interaction starts small, and the stakes increase at different speeds. We show that the smaller the interaction starts, the higher the reputation incentives of the agent. More importantly, we show that the principal earns a higher payoff in starting-small (gradualism) treatments than the equal-stakes treatment. We contribute to the literature on gradualism by showing it is a valuable tool to improve equilibrium payoffs in the particular principal-agent framework with asymmetric information.

**Author(s):** Shahin Baghirov  
**Topic:** Decision Theory: Beliefs, Games: Repeated Games  
[Back to session: Labor Market 2](#)

---

## Consumption Peer Effects: Evidence from Hierarchy in the Workplace

**Miao Jin**  
**Peking University**

ABSTRACT:

Peer effect within homogenous groups, such as neighbors, are well-documented in the literature. This paper explores peer effect from a novel hierarchical perspective using data from workplace. With the employer-employee match information and credit card consumption records from a bank, we find that individual's consumption is significantly influenced by coworkers of all hierarchical layers. Interestingly, peer effects with coworkers at higher layer are positive correlated with the probability of getting a raise in salary. For raised individuals, their peer effects with higher-layer workers increase significantly both before and after the raise; while for the non-raised workers, there is a similar increase before but declines immediately after their colleagues' salary raises. Our findings suggest that promotion incentive can be a novel motivation underlying the peer effect in a hierarchical context.

**Author(s):** Miao Jin; Yu-Jane Liu; Juanjuan Meng; Yu Zhang  
**Topic:** Social Behavior: Other, Applied Economics: Other  
[Back to session: Labor Market 2](#)

---

## Monetary and Social Incentives in Multi-Tasking: The Ranking Substitution Effect

**Matthias Stefan**  
**University of Innsbruck**

ABSTRACT:

Rankings are intended as incentive tools on labor markets. Yet, when agents perform multiple tasks -- not all of which can be ranked with respect to performance --, rankings might have unintended side-effects. Based on a dynamic model of multi-tasking, we present an experiment with financial professionals in which we identify hidden ranking costs when performance in one task is ranked while in another prosocial task it is not. We find that subjects lagging behind (leading) in the ranked task devote less (more) effort to the prosocial task. We discuss implications for optimal incentive schemes in organizations with multi-tasking.

**Author(s):** Matthias Stefan, Jorgen Huber, Michael Kirchner, Matthias Sutter, Markus Walzl  
**Topic:** Decision Theory: Preferences, Social Behavior: Other  
**Link:** [econpapers.repec.org/paper/innwpaper/2020-06.htm](http://econpapers.repec.org/paper/innwpaper/2020-06.htm)  
[Back to session: Labor Market 2](#)

---

## Collaborative Dishonesty: A Meta-Study

**Margarita Leib**  
University of Amsterdam

### ABSTRACT:

Whereas dishonesty is often a social phenomenon, it is mostly studied in individual settings. The last decade has seen extensive multi-disciplinary work in economics, psychology, management, and related fields studying the extent to which people are dishonest in settings where dishonesty is independent of others. However, dishonesty often depends on others and requires collaboration. For instance, in Volkswagen's emission scandal, engineers had to collaborate with their peers to manipulate emissions test results to meet US standards, causing damage of 59 early deaths and \$450 million. We present the first meta-analysis on collaborative dishonesty, drawing on data from 51,640 decisions, made by 3,264 participants across 43 experimental treatments. Results reveal that in collaborative settings people lie substantially. They lie more when their partners lie; in later stages of the interaction; and when the financial temptation to lie is high. Further, early decisions have big impact on the overall dishonesty of the dyads. We conclude by identifying open theoretical questions and setting an agenda for future research. Most notably, our meta-study highlights the importance of studying the collaborative roots of dishonesty.

**Author(s):** Margarita Leib, Nils C. Koebis, Ivan Soraperra, Ori Weisel, & Shaul Shalvi  
**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Group Behavior

[Back to session: Lying 1](#)

---

## Risk taking with unethical money: An experimental study

**Sorravich Kingsuwankul**  
Gate Lab, University of Lyon

### ABSTRACT:

The previous literature has shown that people use money differently according to whether it has been earned through personal effort or by being lucky. Since sometimes money is also earned through unethical means, we investigate whether dishonestly earned money is treated more as a windfall income or as the result of costly effort, which could be the case if dishonestly-earned money came at a psychological cost. We conducted an online experiment to test whether people make different decisions under the risk of losing an endowment, depending on whether this endowment was previously earned through a moral choice, effort or randomness. We found that in the context of risk taking, individuals treat dishonestly-earned money more like a windfall gain from luck than as an effort-based income. The increase in risk taking with dishonestly-earned money is especially prevalent among risk averse individuals.

**Author(s):** Sorravich Kingsuwankul, Marie Claire Villeval  
**Topic:** Decision Theory: Risk, Social Behavior: Lying and Cheating

[Back to session: Lying 1](#)

---

## The evolution of honesty by partner choice

**Aslihan Akdeniz**  
University of Amsterdam

### ABSTRACT:

How can honesty evolve, if one can gain from lying? We experimentally test how, in the presence of asymmetric information, honesty allows people to credibly commit to behaving prosocially, and that partner choice then explains why honesty in people has been selected for. Our results show that there is a strong preference for honest partners, driven by an expected positive correlation between honesty and prosociality, and that this is also rationalized as honest people behave indeed more prosocially. By comparing treatments with communication and without communication, we further study how communication can scaffold the connection between honesty and prosociality. We show that honest individuals are consistently prosocial independent of whether there is explicit communication or not. Less honest individuals on the other hand use the asymmetry in information to their advantage when this requires them to deceive their partners implicitly, but not when it requires them to tell an explicit lie. Honesty therefore credibly signals commitment to prosociality and makes honest people more attractive partners, which can then compensate for the costs of honesty, and explain how honesty can evolve.

**Author(s):** Aslihan Akdeniz, Stephan Jagau, Shaul Shalvi, Matthijs van Veelen  
**Topic:** Social Behavior: Lying and Cheating, Psychology and Biology: Emotions

[Back to session: Lying 1](#)

---

## Unethical behavior towards groups

**Michel Tolksdorf**  
Technische University Berlin

### ABSTRACT:

This paper experimentally studies lying behavior in situations where other people are directly affected by the lie. We contrast lying towards individuals, small groups (groups of three) and large groups (groups of 6) as one dimension and whether the total damage caused by the lie is shared among or multiplied by those who are affected by the lie. The damage distribution only affects groups differently, which leaves the lie towards individuals as a unifying benchmark. Early results suggest that participants lie less when groups are affected independent of how damage is distributed when the group is small. For larger groups efficiency concerns seem relevant, as damage that is multiplied induces more truth-telling than damage that is shared among the group, i.e. where individual harm is lessened. In ongoing exploratory analysis we link stated motivations of the participants with their revealed behavior. This might reveal what drives apparently less rational lying behavior, such as downward lying or non-exhaustive upward lying.

**Author(s):** Vera Angelova and Michel Tolksdorf

**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Other-regarding Preferences  
[Back to session: Lying 2](#)

---

## **Dynamics of deception between strangers**

**Aljaz Ule**  
**CREED, Amsterdam School of Economics**

**ABSTRACT:**

Little is known how dishonesty, and any associated psychological costs, develop with time. On one hand, a truth-telling norm may emerge with social sanctions imposed on cheaters. On the other hand, past experience of dishonesty may with time reduce any reservations against cheating. In this project we investigate the development of honesty in a repeated deception game between strangers. For 100 periods, groups of 6 subjects play sender-receiver games with random matching and we vary the information that senders see about past honesty of their current receivers. We compare the resulting dynamics to the development of generosity in equivalent repeated helping games. Unsurprisingly, we find that reputation decreases deception. Surprisingly, we also find that people are more likely to be generous than to tell truth, with no evidence supporting a stable cost of lying. One explanation is that vicious cycles are more common in interactions that involve deception.

**Author(s):** Aljaz Ule and Ziga Velkavrh

**Topic:** Social Behavior: Lying and Cheating, Games: Repeated Games  
[Back to session: Lying 2](#)

---

## **Measuring Individual Preferences for Truth-Telling**

**Susanna Grundmann**  
**University of Cologne**

**ABSTRACT:**

Fraudulent behaviors are prevalent in many markets, particularly, when lying at the individual level is not observable. Aggregate data from controlled environments suggest heterogeneous preferences for truth-telling which are determined by the combination of an intrinsic motivation to be honest and the desire to be seen as honest. However, aggregate data do not allow us to understand which truth-telling types (co)exist and how prevalent each type is. Both are crucial for the cost-effective design of institutions. We propose a novel experimental measure of individual preferences for truth-telling that keeps true states of the world unobservable. The key idea of the experiment is not to rely upon actual reports, but to measure participant's intention to i) be dishonest and ii) avoid being seen as dishonest. This allows to identify the importance of both motives at the individual level without knowing whether participants actually lied. First results suggest systematic heterogeneity in preference types, for whom one or both underlying motives matter. Also, the intention to be dishonest turns out to be predictive of behavior in two incentivized validation tasks. The intention to be seen as honest appears to matter most for participants who have some, but not too strong intentions to be dishonest. Based on these findings, we propose an even simpler version of our measure suited for representative samples allowing for individual-level predictions of behavior in many other domains.

**Author(s):** Susanna Grundmann, Simeon Schudy, Lisa Spantig

**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Norms and Morals  
[Back to session: Lying 2](#)

---

## **Lie O'clock: Experimental Evidence on Intertemporal Lying Preferences**

**Georgia Michailidou**  
**New York University Abu Dhabi (NYUAD)**

**ABSTRACT:**

In standard lying utility models, benefits and costs typically occur presently and simultaneously. However, lying and its products often develop asynchronously. Considering established and emerging evidence about the role of discounting on effort exertion, charitable giving, and altruism, we set out to study lying behaviour in time dynamic contexts. We develop an experiment in which we manipulate the intensity and time occurrence of stakes, externalities, and image costs of lying aiming to make structural inferences about the intertemporal properties of lying preferences.

**Author(s):** Georgia Michailidou, Hande Erkut

**Topic:** Social Behavior: Lying and Cheating, Decision Theory: Preferences

---

## You Lie? I Lie? How Social Norms and Reputational Concerns Affect Honesty

**Timo Promann**  
University of Hamburg

### ABSTRACT:

People frequently engage in dishonest behavior, which entails large costs to individuals, organisations, and society. Consider fraudulent practices in organizations inciting corruption, tax fraud, and related malfeasance (prominent examples include Enron, Volkswagen, or Wirecard), for instance, which bear large costs to society (e.g. Dyck et al., 2013). A commonly applied remedy to increase moral behavior is to address reputational concerns by increasing observability and transparency. For example, in 2001, Norway implemented a system of public disclosure for tax reports, through which citizens could see what their friends and neighbors have reported (Bo et al., 2015). Similarly, companies often implement a “four-eyes principle” to increase honest behavior. The idea is simple: By increasing people's reputational concerns through e.g., higher observability or transparency, people behave more honestly. Despite the widespread popularity of these approaches, previous studies on the effects of reputational concerns on honest behavior yield inconsistent results. On the one hand, in some situations reputational concerns increase honesty (Bo et al., 2015; Bodenschatz & Irlenbusch, 2019). The system of public disclosure in Norway increases income reports (Bo et al., 2015). On the other hand, some studies found no, or even a negative relationship between reputational concern and honesty (Weisel & Shalvi, 2015). To illustrate, people lied more often, rather than less often, when another person could observe them but benefited from their dishonesty (Weisel & Shalvi, 2015). These disparate findings present a puzzle that is yet unresolved: When and why do reputational concerns increase honesty? To advance theory and guide the development of effective policies and intervention to curtail dishonesty, it is crucial to understand the circumstances under which reputational concerns increase honesty. One possible explanation for the inconsistent effects is that situations differ in the extent to which people expect others to behave (dis)honestly. Observing others actual behavior can alter ones empirical expectations on what constitutes the social norm in a given context (Bicchieri, 2016). In Norway, people might have clear expectations of other people's high social expectations towards their honesty, and therefore reputational concerns increase people's conformity to the underlying social norm of honesty. On the other hand, when another person benefits from your dishonesty and you observe this person lying, people might expect that their observer's social expectations towards them points into the opposite direction of honesty. Here, reputational concerns through observability have been shown to increase dishonest behavior. We propose that reputational concerns increase honesty to the degree that the underlying social norm is to be honest. If instead the social norm is to be dishonest, reputational concerns can have a backfiring effect and rather increase people's dishonesty. We test this proposition by manipulating people's perception of the social norm as well as their reputational concerns. Following Bicchieri & Dimant (2019), we aim to nudge social norms by manipulating subject's empirical expectations on social expectations. For that, participants will be informed about how others behaved (dishonest norm or honest norm). We will then induce reputational concerns by making participant's decisions observable by their social norm group or not (high vs. low reputational concerns). We expect that reputational concerns increase honesty when the norm is to be honest, yet that reputational concerns can have a backfiring effect when the norm is to be dishonest, i.e., reputational concerns could make people act more according to the underlying social norm – in this case of dishonesty and thereby encourage dishonesty. This experiment will have theoretical as well as practical implications for theories on honesty and important implications for policy-makers and organizations alike. For organizations implementing the four-eyes principle, knowing that this policy could backfire if the social norm is to be dishonest, is crucial. Taken together, we postulate the following three main hypotheses: H1: People are more honest in the honest norm condition in comparison to the dishonest norm condition. H2: People are influenced by reputational concerns. H3: Reputational concerns and social norms have an interactive effect on honesty. Specifically, reputational concerns increase honesty under the honest norm condition, yet decrease honesty under the dishonest norm condition.

**Author(s):** Christoph Huber, Christos Litsios, Annika Nieper, Timo Promann  
**Topic:** Social Behavior: Norms and Morals, Social Behavior: Lying and Cheating  
[Back to session: Lying 3](#)

---

## Keeping Promises: The effect of Credibility on Cooperation in a Social Dilemma

**Alice Solda**  
Heidelberg University

### ABSTRACT:

Pledges are public statements by individuals in which they declare how they will behave in a future situation. Pledges have been shown to positively affect cooperation in social dilemmas. However, their effectiveness relies on how credible others perceive these public statements to be. A large body of experimental evidence shows that individuals are heterogeneous in their propensity to keep their word. In this paper, we examine the impact of credibility - measured as past promise-keeping behavior- on cooperation in a social dilemma. To address this question, we designed an experiment in which we (i) elicit some participants' credibility and then (ii) manipulate whether one's credibility is observable by others in a subsequent maintenance game. We use a modified version of the promise-keeping game (PKG) by Charness and Dufwenberg (2006) to elicit trustee's credibility. Each trustee is then matched with two participants (that they haven't encountered before) and take part in a repeated maintenance game. We implement heterogeneity in beliefs about the trustee's credibility by providing trustees' group members with feedback about the trustee's decision in the PKG at the beginning of the maintenance game. In the observable treatment, group members can observe whether the trustee made a promise and whether the trustee kept that promise or not. In the hidden treatment, group members are only informed about whether the trustee made a promise or not, but cannot observe the trustee's final decision. The maintenance game is composed of two stages: First, participants indicate how much they intent to withdraw from a pre-existing public good. They then make their actual withdrawal decisions after observing their group members' intentions. This design allows us to measure the causal effect of credibility on cooperation intentions and actual cooperation both at first acquaintance and throughout the game. Preliminary results show that trustees who kept their promise in the PKG foster more cooperation at first acquaintance and throughout the game when their past promise-keeping behavior is made public. In contrast, trustees who did not kept their promise leads to lower cooperation at first acquaintance and throughout the game when their group members can observe their past promise-keeping behavior. We found no effect of credibility on pledges.

## Preventing (panic) bank runs

**Ismael Rodriguez-Lara**  
Universidad de Granada

### ABSTRACT:

We study experimentally how to prevent bank runs using a mechanism inspired in Andolfatto et al. (2017). They propose a mechanism that eliminates bank runs as a coordination problems among depositors (Diamond and Dybvig (1983)) by offering depositors the possibility to relocate their funds to a priority account. We implement this mechanism in an experimental environment and find that bank runs that occur because of coordination problems are prevented. Further, this mechanism eliminates panic bank runs a la Kiss et al. (2018) that occur when depositors can observe the action of others. While the theoretical prediction is that depositors will not use the priority account in equilibrium, we find that depositors relocate their funds to this account, especially if their choices are not observed by others.

**Author(s):** Kiss, H.J.; Rodriguez-Lara, I.; Rosa-Garcia, A.  
**Topic:** Markets: Macroeconomics, Markets: Finance  
[Back to session: Macroeconomics](#)

---

## Animal Spirits and Endogenous Cycles: New Empirical Evidence

**Stefanie J. Huber**  
University of Amsterdam

### ABSTRACT:

Economic theory suggests that agents take their decisions based on their expectations of aggregate macroeconomic outcomes. Psychology, on the other hand, highlights the importance of the limbic systems, which provide people with simple stop-or-go decisions that are driven by impulsive behavior rather than sophisticated reasoning. This psychological concept of decision-making has repeatedly found its way into the economic literature under the term “animal spirits” (Keynes (1936), Howitt and McAfee (1992), Akerlof and Shiller (2010), Farmer (2012)). In this paper, we propose a behavioral model to explain the cyclical features of aggregate outcomes. Cycles arise endogenously in a constant environment set-up without any exogenous shocks. The only source of uncertainty is the choices of other agents in the market. The key factors driving the aggregate cycles is a triplet of agents' impulsive decisions: i) they keep investing if they had a positive personal investment experience, ii) they start investing if they see that all other investors got lucky by investing today iii) they stop investing if they had a negative personal investment experience. All these actions are impulsive and not necessarily consistent with their actual expectations. We test our model in the context of a labor market using a laboratory experiment. The model matches and explains a large part of the cycles in the aggregate labor supply in the experimental data without any exogenous shocks to the labor demand (vacancies).

**Author(s):** Angela Fiedler, Stefanie J. Huber, and Luba Petersen  
**Topic:** Markets: Macroeconomics, Markets: Finance  
**Link:** [sites.google.com/site/stefaniehuber/](https://sites.google.com/site/stefaniehuber/)  
[Back to session: Macroeconomics](#)

---

## Monetary Policy, Efficiency Wages, and Employment. Experimental Evidence on a Missing Link

**Cornelia Strauss**  
University of Giessen

### ABSTRACT:

A frequently addressed, yet prevailing puzzle in macroeconomics is why wages do not fall sufficiently in recessions to avert surges in unemployment. In this paper, we test the hypothesis that the nominal money supply affects employment although agents in the economy can freely adjust nominal wages. This hypothesis covers a complete causal chain from monetary policy to employment. We do find that changes in the economy-wide money supply have an effect on the employment rate, yet, this effect runs contrary to previous findings. Our paper studies a stylized labor market with flexible nominal wages from a theoretical as well as an experimental perspective. In the paper money serves the same three roles it does in real life, namely it is a medium of exchange, a unit of account and a – temporary – store of value. The results suggest that fiat money acquires value endogenously. In the course of the first market game a strong reciprocal relationship develops in which sellers respond with high effort to high nominal wages. After an exogenous monetary shock that leads to an economy-wide reduction of the amount of money, subjects do adjust wages downwards. Sellers decrease effort in response, however, this effect is not significant. In the long run, a stable reciprocal relationship reestablishes in which effort choices correspond to those of the first part, while wages are comparatively higher. To our surprise, the employment rate increased after the monetary shock.

**Author(s):** Max Albert, Cornelia Strauss  
**Topic:** Social Behavior: Other-regarding Preferences, Applied Economics: Labor Market  
[Back to session: Macroeconomics](#)

---

## Reciprocating Preferences in Two-sided Matching: An Experimental Investigation

**Timm Opitz**

**Max-Planck-Institute for Innovation and Competition**

ABSTRACT:

Matching markets intend to form mutually beneficial stable relationships. The stability criterion guarantees that no participant can benefit from breaking up a formed match. Under the deferred acceptance mechanism (DA), matches ought to be stable. This result builds on the assumptions of strict and invariable preference orders under complete information. Empirical evidence on whether preferences actually meet these assumptions is lacking. In a theory-guided experiment, we test whether agents have reciprocating preferences. We hypothesize that agents prefer to interact with someone who prefers interacting with them. Hence, agents adjust their own preference ranking once they know how other participants ranked them. We document how this affects the stability of the DA, investigate subsequent cooperation behavior in the formed teams and discriminate between belief-based and preference-based explanation for preference changes. This contributes to the literature on the design and robustness of (centralized) matching markets.

**Author(s):** Timm Opitz, Christoph Schwaiger

**Topic:** Markets: Market design and Matching, Decision Theory: Preferences

[Back to session: Matching and Algorithm Aversion](#)

---

## Does expectation-based loss aversion explain preference misreporting in strategy-proof matching mechanisms?

**Peter Katuscak**

**RWTH Aachen University**

ABSTRACT:

Expectation-based loss aversion (EBLA) has been suggested as an explanation of true preference misreporting in strategy-proof matching mechanisms. EBLA implies disappointment aversion. Reporting the true ranking might create an expectation that proves too optimistic ex post, leading to a disappointment. To avoid such disappointment, it might be optimal to over-rank a less desirable, but a more probable, option over a more desirable, but less probable, option. We test this hypothesis in a simple experiment with only two options. Varying probabilities of availability of different options in a between-subject design, we find a small and statistically insignificant effect in the direction predicted by EBLA. However, responses to debriefing questions suggest that the small effect is more likely to be due to a preference vs. probability tradeoff thinking rather than EBLA.

**Author(s):** Roy Chen, Peter Katuscak, Thomas Kittsteiner, Katharina Kutter

**Topic:** Markets: Market design and Matching, Decision Theory: Bounded Rationality

[Back to session: Matching and Algorithm Aversion](#)

---

## Should a Robot be King? On the Acceptance of Algorithmic Decisions

**Wolfgang Luh**

**Max Planck Institute for Innovation and Entrepreneurship**

ABSTRACT:

While AI-assisted decision-making is getting more widespread, it is important to understand how it affects the acceptance of the proposed decisions by those affected. In this paper, we use a laboratory experiment to study if the use of AI for decision-making can improve the outcomes not through better decisions as such but through wider acceptance of these decisions and improved procedural fairness. On the one hand, a non-human agent has no stakes in allocation decisions as it would be in the case if a decision is made by an involved party and is free of biases that may affect a third-party decision maker. On the other hand, a non-human decision maker may be perceived as inherently less moral, since a human agent is the key to any system of morality and ethics. We develop an experimental design to examine the acceptance of decisions based on various decision parameters in different contexts.

**Author(s):** Marina Chugunova and Wolfgang Luh

**Topic:** Public Choice: Voting and Rent Seeking, Social Behavior: Norms and Morals

[Back to session: Matching and Algorithm Aversion](#)

---

## Reducing the disposition effect with robo-advisers: A stock trading lab-in-the-field experiment

**Caterina Giannetti**

**Georg-August-University Goettingen**

ABSTRACT:

We report results from a stock trading lab-in-the-field experiment, lasting three weeks, to study how algorithms (i.e. robo-advisors) can be better designed to help investors to commit to rational investment strategies. In the first week, participants could trade without any type of restrictions. In the second week, depending on the treatments, participants had to rely every two rounds on two types of algorithms: one blocked trading; the other type

traded for them according to Bayesian rules. We also varied the rigidity of both types of algorithms, whereby some participants could override algorithmic trading, and some could not. Finally, in the last week, participants decided whether to use the robo-adviser as in the second week. The majority of participants chose not to rely on an algorithm, but those who did preferred robo-advisers that were doing active trading and could be overridden. Allowing overrides of advice did not significantly reduce trading performance. Participants who performed better on their own were more likely to opt for a robo-adviser in the third week. This shows that while those who need advice the most - being more subject to the disposition effect - are less likely to seek it, this issue can be alleviated by offering active robo-advisers that can be overridden.

**Author(s):** Alexia Gaudeul and Caterina Giannetti

**Topic:** Markets: Finance, Unknown: Unknown

**Link:** [www.thinkforwardinitiative.com/research/using- robo- advisers- as- commitment- devices](http://www.thinkforwardinitiative.com/research/using- robo- advisers- as- commitment- devices)  
[Back to session: Matching and Algorithm Aversion](#)

---

## Motivating Beliefs in a Just World

**Max Lobeck**  
**Paris School of Economics**

ABSTRACT:

This paper studies whether individuals distort their beliefs about the relative importance of effort and luck to motivate themselves to exert effort. To that end, I develop a novel experimental design where past experience of success or failure serves as a noisy signal about the true importance of effort in success. To test whether beliefs are distorted to motivate future effort, I vary the moment in time when subjects are informed about a real effort task to be performed later in the experiment. Subjects who receive the information before belief elicitation can, hence, distort beliefs to motivate effort in the later task. The results show that, in this case, individuals are more likely to believe that their effort is important for success. Motivating belief distortion is particularly pronounced for subjects who receive discouraging news about the true state of the world. I additionally test whether motivating belief distortion affects subjects' willingness to distribute money between two \textit{other} individuals as a third-party spectator. I do not find evidence that distributive behavior differs across the two treatment groups. The results of this paper advance our understanding of how individuals form luck-effort beliefs by showing that they do not only depend on past or current events but they are also endogenous to the incentive structure individuals expect to face.

**Author(s):** Max Lobeck

**Topic:** Social Behavior: Other-regarding Preferences, Decision Theory: Beliefs

**Link:** [www.parisschoolofeconomics.eu/docs/lobeck-max/lobeck2020motivatingbeliefsjustworld.pdf](http://www.parisschoolofeconomics.eu/docs/lobeck-max/lobeck2020motivatingbeliefsjustworld.pdf)  
[Back to session: Motivated Reasoning](#)

---

## Strategic confusion: searching extra trees to avoid seeing the forest

**Jantsje Mol**  
**University of Amsterdam**

ABSTRACT:

Recent theoretical and experimental work on motivated reasoning finds robust evidence for willful ignorance: people willfully avoid free but inconvenient information, such as how their choices affect the payoffs of others. In this paper, we conjecture that in some cases people will not avoid information, but rather engage in excessive information search and aim for what we call 'strategic confusion'. These people will keep searching conflicting evidence (e.g. medical information, tax regulations, environmental impacts) in the hope of finding too complex information and justify non-action (e.g. no vaccination, not reporting certain assets, not switching diets). We test the existence of strategic confusion in a lab experiment, using a novel variation of the Dana-Weber-Kuang task in which participants can progressively sample information about the payoff structure under high and low variance.

**Author(s):** Jantsje M. Mol and Shaul Shalvi

**Topic:** Social Behavior: Lying and Cheating, Games: Information

**Link:** [www.jantsje.nl](http://www.jantsje.nl)

[Back to session: Motivated Reasoning](#)

---

## Fair Shares and Selective Attention

**Davide Domenico Pace**  
**University of Amsterdam**

ABSTRACT:

Fairness views often serve to justify economic privilege. To understand the formation of such views, we experimentally investigate how subjects allocate their visual attention to the contributions of merit and luck in the generation of a surplus, and how they decide on its division. We find that subjects who randomly obtained an advantaged position pay less attention to information about true merit and retain more of the surplus. Both the attentional and behavioral patterns persist when dictators subsequently divide money between pairs of advantaged and disadvantaged subjects in the role of a benevolent judge. Moreover, attention has a substantial causal effect: forcing subjects to look for one second more at merit information

relative to overall outcomes reduces the effect of having an advantaged position on allocations by about 25%. These findings suggest that attention-based policy interventions may be effective in reducing polarized views on inequality.

**Author(s):** Dianna Amasino, Davide D. Pace, Jo? van der Weele

**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other-regarding Preferences  
[Back to session: Motivated Reasoning](#)

---

## **Its me again... Ask Avoidance and the Dynamics of Charitable Giving**

**Maximilian Spaeth**  
University of Goettingen

ABSTRACT:

This article analyzes the impact of repeated donation requests on charitable giving. In a laboratory experiment, participants receive once an endowment and can transfer a share of it to a charity. Implementing three donation decision stages (instead of one) leads to a slight increase in donations. A treatment in which participants can avoid the repetition of the ask yields the highest average donation. One third of participants choose to avoid the repetition. "Non-avoiders" donate significantly more than "avoiders". Importantly, non-avoiders also transfer significantly more than the participants in the treatment with one decision stage. This finding suggests that offering an avoidance option might a suitable strategy to identify the most promising targets of fundraising, namely those individuals who enjoy donating repeatedly.

**Author(s):** Maximilian Spaeth

**Topic:** Applied Economics: Charitable Giving, Social Behavior: Other-regarding Preferences  
[Back to session: Motivated Reasoning and Ask Avoidance](#)

---

## **Avoiding Your Conscience: Belief-Dependent Preferences and Information Acquisition**

**Claire Rimbaud**  
GATE Lyon Saint-Etienne

ABSTRACT:

A large body of evidence shows that individuals care about the welfare of others. Yet, these apparently pro-social preferences have been shown to fade away in the presence of uncertainty about the relationship between actions and outcome. In contrast, little is known about this effect when uncertainty concerns others' expectations. In this paper, we investigate whether individuals avoid the consequences of their stated belief-dependent preferences by strategically seeking information in a self-serving way. To address this question, we developed a model of information acquisition from which we can derive testable hypotheses about the optimal strategy for different types of belief-(in)dependent preferences. We then test our main predictions in an online experiment with a modified trust-game. Our design allows us to (i) identify participants with belief-based preferences and (ii) investigate their information acquisition behavior. We find that most individuals classified as belief-dependent seek self-serving information to reduce the monetary cost of their belief-dependent preferences.

**Author(s):** Claire Rimbaud, Alice Sold-

**Topic:** Decision Theory: Beliefs, Social Behavior: Other-regarding Preferences  
[Back to session: Motivated Reasoning and Ask Avoidance](#)

---

## **Willful ignorance: a Meta-analysis**

**Linh Vu**  
University of Amsterdam

ABSTRACT:

Research endeavors in the last two decades have highlighted that decision making is prone to willful ignorance. While deliberate avoidance is beneficial to the decision maker to maximize self-interest, this behavior can induce adverse externalities to others, from another individual in the small scale of a social interaction, to the labor force in the large scale of a consumer market. To obtain a comprehensive understanding of this topic, we present the first meta-analysis on willful ignorance. The aggregated results from 34 papers indicate that in an ambiguous setting, a significant amount of subjects rely on ignorance to make the selfish choice while protecting themselves from learning the impact of their action. This increase in selfish choices made leads to a significant reduction in the recipients earning when full information is lacking. We propose an explanation for this deliberate tendency as a violation of one's rationality. Most notably, our study highlights the need for interventions that promote thoughtful and sustainable decision making.

**Author(s):** Linh Vu, Margarita Leib, Ivan Soraperra, Jo? van der Weele, Shaul Shalvi

**Topic:** Decision Theory: Ambiguity, Social Behavior: Other-regarding Preferences  
[Back to session: Motivated Reasoning and Ask Avoidance](#)

---

## **Behavioral Nudges to Curb OTC Sales of Antibiotics: A RCT study in Ethiopia**



**ABSTRACT:**

Since their introduction, antibiotics drastically reduced the threat of severe bacterial infections. However, their widespread use decreases the efficacy and contributes to the rise of bacterial resistance. For this reason, antibiotics are classified as a prescription-only drug in most of the countries. Nevertheless, over-the-counter (OTC) sales of antibiotics is common in many developing countries. In this paper we test a behavioral intervention aimed to reduce OTC sales of antibiotics in Ethiopia, a country where the illegal sale of antibiotics is widespread. In collaboration with the Addis Ababa Food Medicine Health Care Administration and Control Authority (FMHACA), we run a RCT field experiment targeting (more than 800) pharmacists in Addis Ababa examining the casual effect of an information campaign with 3 different treatments: (i) a coercive letter to the pharmacy—in which the pharmacist is informed that selling antibiotics without prescription is against the law—; (ii) a moral appeal letter to the pharmacy—in which pharmacists are reminded of their critical role in encouraging the rational use of antibiotics—; and (iii) the compulsory placement of a poster informing both pharmacist and costumers about the prohibition to sell antibiotics without prescription in the pharmacy premises. Using simulated patients (i.e., mystery shoppers) reporting symptoms of Urinary tract infection and Pediatric pneumonia, we estimated the short run (three weeks after the campaign) and the long run (five months after the campaign) effects of the three information campaigns. Our results show that: (i) OTC sales of antibiotics are common before the campaign, with 54% of the pharmacies dispensing antibiotics without prescription; (ii) all interventions significantly reduce OTC dispensing of antibiotics in the short run (the letters by 24 percentage points and the poster by 13 percentage points); (iii) the effects are weaker but persistent when evaluated 3 months later.

**Author(s):** Maria Vittoria Levati, Ivan Soraperra, Saba Yifredew  
**Topic:** Field Experiments: General, Social Behavior: Norms and Morals  
[Back to session: Nudging](#)

---

## **Enhancing Longevity Awareness to Improve Retirement Security**

**Abigail Hurwitz**  
**The Hebrew University of Jerusalem**

**ABSTRACT:**

Many people have only a vague idea about what life expectancy and longevity risk mean, which may lead them to save suboptimally for retirement or to not purchase longevity insurance. This paper employs an online experiment using vignettes to investigate alternative ways of describing both life expectancy and longevity risk, to assess whether these can raise peoples' awareness of possible retirement shortfalls. We show that merely prompting people to think about financial decisions changes their perceptions regarding subjective survival probabilities. Moreover, providing this information boosts respondents' interest in saving and demand for longevity insurance. Additional evidence from a field experiment shows that life expectancy information also promotes peoples' interest in obtaining advice about long-term saving products.

**Author(s):** Abigail Hurwitz, Olivia S. Mitchell and Orly Sade  
**Topic:** Applied Economics: Other, Unknown: Unknown  
[Back to session: Nudging](#)

---

## **CO2 emissions and consumption behavior: The role of beliefs, information, and attitudes**

**Taisuke Imai**  
**LMU Munich**

**ABSTRACT:**

People have imprecise beliefs about CO2 emissions in their everyday activities. Correcting these misperceptions might push consumers toward the reduction of their carbon footprints, provided that they care for the environment. In this paper, we investigate the scope of information-provision interventions that are designed to correct for misperceptions and change behavior. Our empirical strategy combines two types of data: (i) consumers' beliefs about CO2 emissions of common food items, house appliances, and means of transport; and (ii) consumers' attitudes towards mitigating CO2 emissions. We obtain the data by surveying a representative sample of the US population. For the beliefs, we leverage an intuitive graphical interface that incentivizes truthful reporting of the respondents' point estimates for the emissions as well as their subjective uncertainty around these point estimates. For the attitudes, we elicit the respondents' willingness to pay to mitigate CO2 emissions through a series of incentivized tradeoffs between emissions and monetary rewards. A unique feature of our experimental design is that it elicits both perceptions and willingness to mitigate CO2 emissions from the same respondents, while current research typically elicits only the former. This allows us to investigate whether those who underestimate the emission size will change their behavior if their beliefs are corrected—a necessary condition for information policies to be effective. Overall, we find that the majority of respondents underestimate the magnitude of CO2 emissions generated by the products under consideration. However, they have a good understanding of the ordinal ranking of CO2 emissions. Moreover, they are willing to give up monetary rewards to avoid CO2 emissions, and their marginal willingness to pay for emission reduction declines with emission size. Finally, combining our measures of beliefs and attitudes in a structural model allows us to discuss the likely effect of information provision that reduces uncertainty and corrects biases in beliefs.

**Author(s):** Taisuke Imai, Davide Pace, Peter Schwardmann, Joel van der Weele  
**Topic:** Applied Economics: Other, Unknown: Unknown  
[Back to session: Nudging](#)

---

## Exploring perceptions and expectations of grades in a quantitative course: results from an incentivized experiment

**Marieta Valente**  
Universidade do Minho, Portugal

### ABSTRACT:

Understanding the determinants of student performance and academic success has been a topic of interest in the Education literature. Several studies have focused on student characteristics, teachers' and the teaching environment and even institutional features. Student characteristics include gender effects as well as socio-economic and educational background. Additionally, perceptions held by students also seem to play a role in explaining performance and success, namely intrinsic perceptions about academic self-efficacy, or about the usefulness of the degree or course, for example, which in turn affect self-motivation. The literature has thus established a relation between student self-perceptions and educational outcomes. In terms of students' capacity to predict their grades, few studies have been carried out. Attwood et al. (2013) implemented a questionnaire to 109 high school students to explore the relation between expected GCSE grades and actual grades. Overpredictions were found to be far more frequent than underpredictions, and male students tended to be more overconfident than female students. Chevalier et al. (2009) studied higher education students and also found a similar gender effect in terms of overestimation of predicted grades. The economic background of students was also significant. Perry et al. (2018) implemented their study in several English secondary schools based on the observation that grade expectations were used to define grade targets, either by schools or by students, and found that higher grade expectations indeed corresponded to higher grades. In this study we use an incentivized questionnaire to elicit students' grade predictions. To the best of our knowledge this is the first study using an experimental economics approach to this research question. We put forward the hypothesis that asking for students' predictions in an incentivized manner increases the truthfulness of predictions, and thus the salience of the explained variable. We can then explore with more accuracy the factors that explain academic success and, more importantly, explain predicted academic success. The study was carried out in a Portuguese public university through a survey administered in the first day of classes of the chosen course. The course was a quantitative course (Introductory Applied Statistics) in the first year of three undergraduate degrees of a non-quantitative nature (public administration, political science and international relations). It is indeed the only inherently quantitative course in the three-year degrees and can potentially serve a signalling mechanism for future employers of the student' analytical skills. Additionally, the quantitative nature of the course invokes the concept of "statistics anxiety" or "maths anxiety" present in the Education literature. The data was collected over three academic years, during which the lecturer, teaching methods and course material were held constant. The preliminary results show that gender plays a role in the likelihood of overestimating the final grade as well as self-motivation, with female students less likely to overestimate than their male counterparts. Furthermore, students motivated by the course nature, are more likely to overestimate their performance, and students motivated by the course nature, are more likely to overestimate their performance. We do not find that motivational variables play a role for the final result, whereas being a women has a grade premium relative to male students. Given the incentivized way the study was designed, it has the potential to enrich the literature on determinants for academic success and the capacity to anticipate one's grade. Keywords: student performance, grade expectation, incentivized experiment. References: Attwood, G., Croll, P., Fuller, C., Last, K., 2013. The accuracy of students' predictions of their GCSE grades. *Educational Studies*, 39(4), 444-454. Chevalier, A., Gibbons, S., Thorpe, A., Snell, M., Hoskins, S., 2009. Students' academic self-perception. *Economics of Education Review*, 28(6), 716-727. Perry, T., Davies, P., Qiu, T., 2018. Great grade expectations? The role of pupil expectations in target setting. *International Journal of Educational Research*, 89, 139-152.

**Author(s):** Marieta Valente, Nuno Soares, Carla Sa, Silvia Sousa

**Topic:** Applied Economics: Other, Field Experiments: General

[Back to session: Overconfidence](#)

---

## Delegation under Overconfidence

**Adrian Hillenbrand**  
University of Bonn

### ABSTRACT:

Efficient delegation is key to the success of project and research teams. However, under-delegation is as prevalent as there are attempts to address the problem. In this project, we will investigate whether overconfidence is a key driver of under-delegation. Persistently overconfident principals will allocate an inefficiently high share of a task to themselves. More importantly, they will attribute failure to miss goals to their co-worker's ability. This might lead to a vicious circle in which principals become more and more pessimistic about the co-worker's ability and end up delegating less and less. Based on this mechanism, we propose and then test remedies to improve efficient delegation. First, we want to show that reducing overconfidence leads to more efficient delegation, providing a causal test of the mechanism. Then, we study remedies focusing on team composition and team feedback.

**Author(s):** Claudia Cerrone, Adrian Hillenbrand, Andreas Kluepfer, Wladislaw Mill

**Topic:** Psychology and Biology: Cognition, Applied Economics: Other

[Back to session: Overconfidence](#)

---

## Belief-Based Utility and Signal Interpretation

**Marta Kozakiewicz**  
Bonn University

### ABSTRACT:

People tend to overestimate their abilities and chances of success, even though inaccurate beliefs lead to costly mistakes. How can these beliefs persist in an environment with frequent feedback? I propose a new test of the hypothesis that people interpret favorable feedback to be more informative.

Using experimental data, I provide the first causal evidence that the utility from beliefs affects one's perception of signal informativeness. To establish causality, I adopt a matching estimator approach and construct a counterfactual outcome of a subject who observes the same signal, but the signal is not affecting his belief-based utility. I find a strong and significant effect: subjects interpret favorable signals to be more informative due to the changes in belief-based utility. The results cast a new light on the origins of overconfidence and illuminate mechanisms that perpetuate it in the face of feedback.

**Author(s):** Marta Kozakiewicz

**Topic:** Decision Theory: Beliefs, Decision Theory: Learning

**Link:** [marta-kozakiewicz.github.io/assets/kozakiewicz\\_jmp.pdf](https://marta-kozakiewicz.github.io/assets/kozakiewicz_jmp.pdf)

[Back to session: Overconfidence](#)

---

## Overplacement in logical reasoning skills due to political differences

**Lia Flores**  
**University of Porto**

ABSTRACT:

Psychologists have long identified the tendency of humans to overestimate their skill relative to their peers (overplacement). Moreover, social identity theory predicts people evaluate in-group members more positively than out-group members. In this study we hypothesised that this differential treatment may result in greater overplacement when interacting with an out-group member. We tested this hypothesis with 301 US voters affiliated with either the Republican or Democratic party in the run-up to the 2020 Presidential election, a time when political identities were salient and highly polarised. While group affiliation seems to have an effect at the start, such effect is not intensified any further when participants are asked to update their beliefs.

**Author(s):** Lia Flores and Miguel Fonseca

**Topic:** Decision Theory: Beliefs, Social Behavior: Other

[Back to session: Overconfidence](#)

---

## Leadership in a public good game: Does the leader need to be pro-social or just say they are pro-social?

**Edward Cartwright**  
**De Montfort University**

ABSTRACT:

We study leadership by example in a public good game. The social value orientation (SVO) of leaders is elicited to determine if they are classified as pro-social or pro-self. If followers are not informed of the leaders SVO then aggregate contributions are higher, on average, if the leader is pro-social. This is because pro-social leaders contribute more than pro-self leaders. Against this benchmark we compare four treatments, in a 2x2 between subject design, where leaders can send a message to followers about their SVO. The treatments differ in the reliability of the message. In a baseline treatment SVO is independently calculated and the leader can only tell the truth. At the opposite extreme the leader self-evaluates SVO and can lie to followers. We find that the possibility for leaders to self-evaluate SVO and lie about SVO has a positive effect on contributions. This is because: pro-self leaders tend to claim they are pro-social, followers respond positively to a leader who claims they are pro-social, and leaders who lie about being pro-social tend to increase their own contribution. Ultimately, therefore, efficiency with a pro-self leader (who claims they are pro-social) replicates that with a pro-social leader.

**Author(s):** Edward Cartwright and Yidan Chai

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Lying and Cheating

[Back to session: Public Goods 2](#)

---

## Absolute versus Relative: Asymmetric Framing and Feedback Design in a Heterogeneous-Endowment Public Goods Game

**Lan Zhou**  
**Renmin University of China**

ABSTRACT:

Individual contributions to public goods can be framed as absolute amounts or as relative proportions of endowments. We examine the effect of asymmetric framing and feedback on cooperation level when group members are heterogeneously endowed. We develop a reference-dependent theory in which group members use absolute or relative contribution level of others as a reference point in their contribution decisions. The theoretical results show that relative framing increases contribution of high-endowment type more than the absolute framing, while the opposite is true for the low-endowment type. Therefore, the group contribution level is highest when high-income members are framed with relative metrics and low-income members are framed with absolute metrics. We test our theory by conducting a laboratory experiment where players with heterogeneous endowments play the public goods game in groups of 4 members. We employ a 4 by 2 design where the framing can be either uniform (absolute or relative for all players) or asymmetric (different for players with different endowment levels) and there can be either no feedback or feedback on the highest contribution among group members. Experimental results confirm most of the basic treatment effects while also challenge some of the asymmetric framing effects. Our study, from both theoretical and experimental perspectives, contributes to a better understanding of how endowment, framing, and feedback separately and jointly affect individual play in public goods provision.

## Delegation and overhead aversion with multiple threshold public goods

**Milos Fisar**  
WU

### ABSTRACT:

Existing experimental studies typically model individual funding of social projects as contributions to a threshold public good. We examine contributors' behavior when faced with multiple threshold public goods and the possibility of coordinating contributions via an intermediary. Employing the experimental design developed by Corazzini, Cotton, and Reggiani (2020), we vary both the size of a 'destination rule', which places restrictions on the intermediary's use of a contributor's funds, as well as the overhead cost of the intermediary, modeled as a sunk cost incurred by the intermediary regardless of whether any public good is successfully funded. In an online experiment with live interaction, we show that subjects behave in line with equilibrium predictions with regard to the size of the destination rule, only increasing their contributions when there is no threat of expropriation by the intermediary. However, we also find that the positive effect of a high destination rule is undone in the presence of overhead costs. While this is in direct conflict with the theory that predicts no role of such costs, it is in line with the well-documented finding of 'overhead aversion' often exhibited by donors when selecting charities.

**Author(s):** Diya Abraham, Luca Corazzini, Milos Fisar, Tommaso Reggiani  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Applied Economics: Charitable Giving  
[Back to session: Public Goods 2](#)

---

## Predicting Efficiency in Threshold Public Good Games: A Learning Direction Theory Approach

**Anna Cartwright**  
Coventry University

### ABSTRACT:

In this paper we propose a tractable model of behavior in threshold public good games. The model is based on learning direction theory. We find that individual behavior is consistent with the predictions of the model. Moreover, the model is able to accurately predict the success rate of groups in providing the public good. We apply this to give novel insight on the assurance problem by showing that the problem (of coordinating on the inefficient equilibrium of no contributions) is only likely with a relatively low endowment. In developing the model we compare and contrast best reply learning and impulse balance theory. Our results suggest that best reply learning provides a marginally better fit with the data.

**Author(s):** Federica Alberti, Edward Cartwright, Anna Cartwright  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Games: Repeated Games  
**Link:** [repec.port.ac.uk/EconFinance/PBSEconFin\\_2021\\_01.pdf](https://repec.port.ac.uk/EconFinance/PBSEconFin_2021_01.pdf)  
[Back to session: Public Goods 1](#)

---

## Heterogeneity in endowments in Public Good Games: a meta-analysis

**Vincent Theroude**  
GATE-LSE

### ABSTRACT:

Can groups of unequal individuals cooperate efficiently? In this study, we explore the effects of endowment inequality on contribution with a meta-analysis of the economic experiments introducing endowment inequalities in public goods games. This allows us to explore the effect of (the level of) inequality (i) on aggregate contributions, (ii) on individual patterns of contributions and (iii) on the mitigating effect of some mechanisms, such as punishment or communication. To conduct our meta-analysis, we included 27 studies, for which we retrieved the raw data, either from repositories or from the authors directly. The resulting database comprises over 85000 observations, from more 6900 experimental subjects distributed in over 100 treatments. It presents a large panel of levels of endowment heterogeneity (measured by the Gini index of endowment), mechanisms (punishment, communication...) and other parameters (number of periods, MPCR...). We use regression analyses to quantify the effect of inequality on aggregate contributions, the mitigating role of different mechanisms and individual patterns of contributions. The following results are preliminary. Overall, we find a strong negative effect of endowment inequality on contributions: the elasticity of aggregate contributions to the Gini index of endowment ranges between -0.1 to -0.2, depending on the econometric specification. This relation remains if we restrict our sample to groups in which there is some inequalities. This suggests that not only the existence, but also the strength of inequality matters. Strikingly, cooperation collapses faster in unequal groups than in equal groups. The negative effect of inequality is mitigated when mechanisms such as punishment or communication are introduced. At the individual level, we find that relatively "rich" participants contribute significantly less in proportion of their endowment than relatively "poor" participants.

**Author(s):** Remi Suchon & Vincent Theroude  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Methodology: Other  
[Back to session: Public Goods 1](#)

---

## Climate policies under collective risk: Provision of local irrigation systems in the lab and field

Shuwen Li  
Shanghai Jiao Tong University

### ABSTRACT:

The increasing frequency of extreme weather events has imposed new challenges to small farmers, especially in developing countries. In this paper, we aim to find efficient ways for governments to partner with the local farmers so that modern irrigation channels can be constructed to avoid losses from drought. Using a framed threshold public goods game of loss avoidance, we focus on testing whether government subsidies increase rate of successful irrigation system provision. We collect data in the field using farmers in rural Henan, China, as well as in the lab using college students in the US. Results show that with no subsidy, the rate of provision is below the social optimum. Subsidies substantially increase the likelihood the irrigation project is undertaken, though groups remain under-insured in relation to the social optimum. A one-to-one matching subsidy appears to be at least as effective as lump-sum grants under same budget, and the success rate is significantly higher with the former scheme than the latter under high risk of loss in the field.

**Author(s):** Shiyan Zhai, Shuwen Li, Daniel Houser

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Group Behavior

[Back to session: Public Goods I](#)

---

## Keep your eyes on the prize: How to make penalty contracts work

Stefanie Jaussi  
University of Bern, Institute for Organization and HR

### ABSTRACT:

Many lab experiments on incentive framing have found that penalties induce higher effort than bonuses. However, there are also many studies that did not find this effort-enhancing effect of penalties. In a first experiment, we consider the relevance of the upfront payment in producing this effect of penalties. We find that penalty contracts where participants receive the upfront payment physically before working on a real effort task induce more effort than economically-equivalent bonus contracts. When comparing penalty contracts with cash upfront payment and without, we find that the latter induce significantly less effort. One potential reason could be the higher salience of the upfront payment when it is administered directly in cash. In a second experiment conducted online, we show that a significant effort-enhancing effect of penalty contracts can be observed when payments are sufficiently salient, even when there is no actual money transfer upfront. This is achieved by visualizing payments with images of dollar bills. In treatments where payments are only verbally described, penalty framed contracts do not lead to higher effort provision than bonus contracts. We conclude that penalty contracts can induce higher effort than bonus contracts if the payments at stake are salient enough.

**Author(s):** von Bieberstein, F., Essl, A., Friedrich, K. & Jaussi, S.

**Topic:** Methodology: Experimental Design, Tools and Practices, Special Topic: Experimental Payments

[Back to session: Punishment](#)

---

## The Demand for Punishment to Promote Cooperation Among Like-Minded People

Christoph Buehren  
Clausthal University of Technology

### ABSTRACT:

We use an experiment to test the hypothesis that groups consisting of like-minded cooperators are able to cooperate irrespective of punishment and therefore have a lower demand for a costly punishment institution than groups of like-minded free riders, who are unable to cooperate without punishment. We also predict that the difference in the demand for punishment is particularly large when members know about the composition of their group. The experimental results confirm these hypotheses. However, the information about the composition of the group turns out to be even more important than we expected. It helps cooperative groups to avoid wasting resources for an unneeded punishment institution. In uncooperative groups, it helps members to recognize the need for punishment early on and not to follow an uncooperative path that produces a persistently competitive attitude. These findings highlight the role of group composition and information for institution formation and that lessons learned by one group cannot be readily transferred to other groups.

**Author(s):** Christoph Buehren, Astrid Dannenberg

**Topic:** Public Choice: Public Goods and Common Pool Resource, Public Choice: Voting and Rent Seeking

**Link:** [www.uni-marburg.de/en/fb02/research-groups/economics/macroeconomics/research/magks-joint-discussion-papers-in-economics/papers/2020-papers/44-2020\\_buehren.pdf](http://www.uni-marburg.de/en/fb02/research-groups/economics/macroeconomics/research/magks-joint-discussion-papers-in-economics/papers/2020-papers/44-2020_buehren.pdf)

[Back to session: Punishment](#)

---

## I Can Feel You - How Experience Shapes Third-Party Punishment

**Jonathan Staebler**  
GESS/ University of Mannheim

ABSTRACT:

In this paper, we experimentally investigate the effect of a previous experience on third-party punishment decisions for the experienced situation. Since third-party punishment serves as an enforcement mechanism of social norms and depends on emotions, it is important to understand how these social norm perceptions and emotions arise. We posit that a previous experience plays a crucial role hereby. We develop a set of hypotheses related to the overall experience, the type of experience, and the role in the experience. The type of experience consists either of a norm transgression or a norm following or exceeding experience, and the role of a subject either of a setter or receiver of an experience, or of an observer. We design an online experiment, in which we measure the difference in the willingness to punish in a between-subjects design, with an identical punishment stage and identical wealth of punishing subjects across treatments, but differing in what precedes the punishment phase. We elicit changes in emotions and social norms perceptions within-subjects. We employ a modified dictator game, where dictators can transfer either 0, 10, 40, or 50. The experience stage consists of being a dictator, recipient, or observer, followed by punishment decisions, elicited via the strategy method. In the baseline treatment, there is no experience stage. Preliminary findings suggest that experience, its type, and the role of subjects matter for their punishment decisions. Therefore, we show that accounting for previous experiences enriches the existing knowledge of third-party punishment.

**Author(s):** Katarina   ellarova, Jonathan Staebler

**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other-regarding Preferences  
[Back to session: Punishment](#)

---

## Preferences for the allocation of production rewards between capital and labor

**Florian Schneider**  
University of Zurich

ABSTRACT:

Production in a society is typically assumed to be a function of labor and capital inputs. Historically, the allocation of production between capital and labor has long been of interest to economists. Recently, increasing capital shares and related inequality have renewed interest in the topic. In this project, we examine what people consider to be the fair distribution of the returns from production between labor and capital. To elicit distributional preferences, we build on the spectator approach of Almås, Cappelen and Tungodden (2020). Moreover, we investigate how potential heterogeneities in fairness views relate to socio-economic status and policy attitudes (support for capital gain taxes and minimum wages).

**Author(s):** Florian Schneider, Vanessa Valero and Roberto Weber

**Topic:** Social Behavior: Norms and Morals, Public Choice: Other  
[Back to session: Redistribution](#)

---

## Redistribution beyond equality and status quo - heterogeneous societies in the lab

**Jan Hausfeld**  
University of Amsterdam

ABSTRACT:

Selfishness and fairness are important drivers of redistribution, but recently an additional motive got into focus. In heterogeneous societies, ingroup preferences can be an important determinant of redistribution decisions. In a laboratory experiment, we investigate the relative importance of different motives while we remove selfishness as a motive. We create heterogeneity by providing subjects with information about a social group of recipients (political orientation, nationality or random), we manipulate how initial inequality is generated (earned, arbitrary or unfair) and the shape of the distribution. Further, we extend the redistribution mechanism to go beyond the usually applied limits of status quo and equality. We find ingroup favoritism to be the strongest motive; decision-makers use extreme forms of redistribution almost exclusively to favor members of their own social group. We complement the behavioral data with eye-tracking data, showing that attention to the social group information and to poor outliers are indicative of redistribution.

**Author(s):** Urs Fischbacher, David Grammling, Jan Hausfeld

**Topic:** Social Behavior: Other-regarding Preferences, Psychology and Biology: Neuroeconomics  
[Back to session: Redistribution](#)

---

## Testing a condensed methodology to estimate distributional preferences a la Fisman et al. (2007)

**Fabio Tufano**  
University of Nottingham

ABSTRACT:

Estimating individual distributional preferences has become a widely used technique in behavioural economics research. A frequently utilised methodology to do so has been put forward by Fisman, Kariv and Markovits (2007). In their methodology, subjects make distributional choices in 50 modified dictator games, which are then used to estimate two distinct utility parameters. One captures the relative weight for the own payoff ( $\alpha$ ) and

the other describes an efficiency-equity trade off ( $\theta$ ). In this study, we use the original and new data to explore whether we can reduce the number of distributional choices made by subjects whilst still accurately estimating preference parameters. Simulation results, already obtained by us, show high accuracy in estimating both parameters when using as few as 20 dictator games. Moreover, collected experimental data supports the high accuracy of our proposed methodology. Therefore, we develop and propose a condensed methodology that can accurately estimate distributional preference parameters in a time and budget efficient manner.

**Author(s):** Malte Baader, Simon Gaechter, Chris Stamer, Fabio Tufano

**Topic:** Methodology: Experimental Design, Tools and Practices, Social Behavior: Other-regarding Preferences

[Back to session: Redistribution](#)

---

## **Experience of social mobility and support for redistribution: Beating the odds or blaming the system**

**Nina Weber**  
**King's College London**

**ABSTRACT:**

Perceptions of social mobility in society are one of the most important determinants of individuals' preferences for redistribution and tolerance for economic inequalities. How the experience of social mobility affects people's redistributive preferences is however so far little understood. Using cross-country survey data, a newly generated dataset on social mobility and a survey experiment, I examine the effects of experienced social mobility on support for redistribution at the individual level. The survey data, including respondents from 27 countries questioned across three decades, indicates a divide between people who experienced downward mobility as opposed to upward mobility – experiencing downward mobility increases support for redistribution while experiencing upward mobility does not affect redistributive preferences. This finding can be explained by how people's own mobility experience affects their perceptions of opportunities within society. In line with the self-serving bias, those with negative mobility experiences 'blame the system' and extrapolate from their negative experience onto society at large, which increases their demand for redistribution. Conversely, those who experienced positive mobility believe they 'beat the odds' and, therefore, do not extrapolate from their experience onto perceptions of societal mobility, leading to no less support for redistribution. This relationship suggests significant implications at the aggregate: As overall absolute mobility increases, ceteris paribus, demand for redistribution rises. In an online survey experiment I test the causality of this mechanism.

**Author(s):** Nina Weber

**Topic:** Social Behavior: Other-regarding Preferences, Decision Theory: Preferences

[Back to session: Redistribution](#)

---

## **Does correlation really matter in risk taking? An experimental investigation**

**Moritz Loewenfeld**  
**Toulouse School of Economics**

**ABSTRACT:**

Two prominent alternatives to expected utility theory, regret theory and salience theory, rely on the assumption that when a decision maker chooses between two lotteries, not only the marginal distribution of the lotteries, but also the correlation of payoffs across states impacts risk taking. Recent experimental studies on salience theory seem to provide evidence in favor of such correlation effects. However, these studies fail to control for event-splitting effects (ESE). In the first part of this paper, we seek to disentangle the role of correlation and event-splitting in two settings: 1) the common consequence Allais paradox as studied by Bruhin et al. (2018); Frydman and Mormann (2018); 2) choices between Mao pairs as studied by Dertwinkel-Kalt and Köster (2019). In both settings, we find evidence suggesting that recent findings supporting correlation effects are largely driven by ESE. Once controlling for ESE, we find no consistent evidence for correlation effects. We further test for correlation effects in a novel task that allows to detect correlation effects even when they are of second-order importance only. In this setting, we find a precisely estimated null effect. Finally, we demonstrate that when changing the correlation structure implies a change from state-wise domination to FOSD, this can lead to an increase in the number of suboptimal choices. The observed choice patterns contradict both salience and regret theory. Our results thus shed doubt on these theories but also provide evidence that correlation effects exist in some cases.

**Author(s):** Moritz Loewenfeld, Jiakun Zheng

**Topic:** Decision Theory: Risk, Decision Theory: Preferences

[Back to session: Risk aversion](#)

---

## **Cognitive abilities and risk taking: the role of preferences**

**Johannes Lohse**  
**University of Birmingham**

**ABSTRACT:**

A growing literature in economics suggests that cognitive abilities and risk preferences could be related. However, since neither risk preferences nor cognitive abilities can be observed directly, it is unclear whether measured associations point towards a true relationship or instead result from systematic measurement errors. Previous studies, which have raised this concern, only test this proposition indirectly. In this paper, we complement their approach by providing a direct test that sheds light on the existence and direction of a link between risk preferences and cognitive abilities once

systematic measurement errors are taken into account. Using a lab experiment that employs a repeated choice design, we give participants the opportunity to revise an initial choice made in a simple lottery task. We measure cognitive abilities via the cognitive reflection task and affect individuals' access to cognitive resources by exogenously varying their cognitive load across treatments. Our results provide evidence that cognitive abilities remain strongly correlated with risk preferences after errors are controlled for.

**Author(s):** Johannes Lohse and Michalis Drouvelis

**Topic:** Applied Economics: Charitable Giving, Applied Economics: Charitable Giving

**Link:** [www.researchgate.net/profile/Johannes-Lohse-2/publication/341272883\\_Cognitive\\_abilities\\_and\\_risk\\_taking\\_the\\_role\\_of\\_preferences/links/5eb700f592851cd50da3c218/Cognitive-abilities-and-risk-taking-the-role-of-preferences.pdf](http://www.researchgate.net/profile/Johannes-Lohse-2/publication/341272883_Cognitive_abilities_and_risk_taking_the_role_of_preferences/links/5eb700f592851cd50da3c218/Cognitive-abilities-and-risk-taking-the-role-of-preferences.pdf)

[2/publication/341272883\\_Cognitive\\_abilities\\_and\\_risk\\_taking\\_the\\_role\\_of\\_preferences/links/5eb700f592851cd50da3c218/Cognitive-abilities-and-risk-taking-the-role-of-preferences.pdf](http://www.researchgate.net/profile/Johannes-Lohse-2/publication/341272883_Cognitive_abilities_and_risk_taking_the_role_of_preferences/links/5eb700f592851cd50da3c218/Cognitive-abilities-and-risk-taking-the-role-of-preferences.pdf)  
[Back to session: Risk aversion](#)

---

## Expectation Formation Under Uninformative Signals

**Pascal Kieren**  
University of Mannheim

ABSTRACT:

Can individuals distinguish informative from uninformative signals when forming beliefs? The neoclassical theory of probabilistic beliefs assumes that people update their prior beliefs according to Bayes' Theorem whenever new (informative) information arrives. In reality however, not every signal contains new information, either because the signal is simply uninformative, or because the information is ambiguous. In this article, we study whether individuals can distinguish objective pieces of new information from pieces which do not contain information. In a modified bookbag-and-poker-chip experiment (Grether, 1980) with 600 participants, subjects repeatedly observe new signals to learn about an underlying state of the world. In this environment, we exogenously manipulate both the informational content of signals (informative vs. uninformative) and the valence of signals (high vs. low payoffs). Our design allows us to test (i) whether individuals can distinguish informative from uninformative signals, and (ii) whether the belief updating process is affected by the valence of uninformative signals. We find that individuals update their priors even after observing signals which contain no information about the underlying state of the world. Importantly, the direction in which they update depends on the valence of the signal. Subjects who observe positive uninformative signals increase their prior beliefs, while subjects who observe negative uninformative signals decrease their priors. Whereas a Bayesian forecaster would not update his prior beliefs after observing an uninformative signal, individuals tend to adjust their priors with about 34% of the strength as if the observed signal would contain information. This bias becomes even more pronounced when the valence of the uninformative signals is at odds with subjects' prior beliefs and the more uninformative signals individuals observe. Our results provide novel insights why individuals form and entertain false beliefs in environments where potentially new information is easily accessible but costly to verify (e.g. online media).

**Author(s):** Pascal Kieren; Martin Weber

**Topic:** Decision Theory: Beliefs, Decision Theory: Learning

[Back to session: Self Control and Expectations](#)

---

## Should individuals choose their own incentives? - Evidence from a Mindfulness Meditation Intervention

**Andrej Woerner**  
Ludwig Maximilian University of Munich

ABSTRACT:

This paper theoretically and experimentally investigates the effects of letting people choose their own incentive schemes. We conduct a field experiment in which we pay participants monetary rewards for completing daily online mindfulness meditation sessions. While we randomly assign some participants to either a constant incentive scheme (monetary reward for every completed meditation session) or a streak incentive scheme (larger monetary reward for each completed series of three consecutive sessions), we allow other participants to choose between the two schemes. In contrast to our theoretical predictions, we find that participants who could choose their preferred incentive scheme complete significantly less meditation sessions than participants that were randomly assigned. We show that this result is not driven by poor selection as participants partially separate in accordance with their expected meditation frequency, suggesting that letting people choose their own incentives may have a detrimental effect on their motivation.

**Author(s):** Andrej Woerner, Giorgia Romagnoli, Birgit Probst, Nina Bartmann, Jonathan N. Cloughesy, Jan Willem Lindemans

**Topic:** Field Experiments: General, Applied Economics: Other

**Link:** [drive.google.com/file/d/1F6QY\\_tPjJLxrs06udSnJrOaNbjVcIJ9-/view?usp=sharing](https://drive.google.com/file/d/1F6QY_tPjJLxrs06udSnJrOaNbjVcIJ9-/view?usp=sharing)

[Back to session: Self Control and Expectations](#)

---

## Commitment vs. Flexibility: The Role of Experience

**Huseyn Ismayilov**  
ADA University

ABSTRACT:



Experience might increase people's self-awareness about their self-control problems, and this might lead to higher demand for commitments. Using data from a natural field experiment conducted with university students, I study whether experience leads to an increase in the take-up of commitments. Students make up to eleven commitment vs. flexibility decisions regarding submission of course assignments over a period of (up to) two semesters. I find that most students never make commitments. Somewhat surprisingly, I also find that the fraction of commitments is highest for the first assignment and gradually decreases. This decrease is driven by the fact that students who make commitments gradually stop doing so at some point. There is also a 'restart effect' where the fraction of commitments increases at the start of a new semester, but this effect disappears with the next assignment.

**Author(s):** Huseyn Ismayilov

**Topic:** Decision Theory: Preferences, Field Experiments: General

[Back to session: Self Control and Expectations](#)

---

## The Coordinating Power of Social Norms

**Daniele Nosenzo**  
Aarhus University

ABSTRACT:

A popular empirical technique to measure norms uses coordination games to elicit what subjects in an experiment consider appropriate behavior in a given situation (Krupka and Weber, 2013). The Krupka-Weber method works under the assumption that subjects use their normative expectations to solve the coordination game. However, subjects might use alternative focal points to coordinate, in which case the method may deliver distorted measurements of the social norm. We test the vulnerability of the Krupka-Weber method to the presence of alternative salient focal points in two series of experiments with more than 3000 subjects. We find that the method is robust, especially when there are clear normative expectations about what constitutes appropriate behavior.

**Author(s):** Francesco Fallucchi, Daniele Nosenzo

**Topic:** Methodology: Experimental Design, Tools and Practices, Social Behavior: Norms and Morals

[Back to session: Social Norms I](#)

---

## Personal norms - and not only social norms - shape economic behavior

**Eugenio Verrina**  
GATE-Lyon

ABSTRACT:

While social norms have received great attention within economics, little is known about the role of personal norms. We propose a simple utility framework and design a novel two-part experiment to study their relevance across various economic games and settings. We show that personal norms — together with social norms and monetary payoff — are highly predictive of individuals' behavior. Moreover, they are: i) distinct from social norms across a series of economic contexts, ii) robust to an exogenous increase in the salience of social norms, and iii) complementary to social norms in predicting behavior. Our findings support personal norms as a key driver of economic behavior.

**Author(s):** Zvonimir Basić and Eugenio Verrina

**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other

**Link:** [homepage.coll.mpg.de/pdf\\_dat/2020\\_25online.pdf](http://homepage.coll.mpg.de/pdf_dat/2020_25online.pdf)

[Back to session: Social Norms I](#)

---

## Social Norms Offer Explanation for Inconsistent Effects of Incentives on Prosocial Behavior

**Caroline Graf**  
Vrije Universiteit Amsterdam

ABSTRACT:

Incentives have surprisingly inconsistent effects when it comes to encouraging people to behave prosocially. Classical economic theory struggles to account for these effects, as it predicts an increased supply of behavior that is incentivized. More recent theories therefore posit a reputational cost offsetting the benefits from receiving an incentive -- yet unexplained effects of incentives remain, for instance across incentive types and countries. We propose that social norms can offer an explanation for these inconsistencies. Ultimately, social norms determine the reputational costs or benefits resulting from a given behavior, and thus variation in the effect of incentives may reflect variation in norms. We implemented a formal model of prosocial behavior integrating social norms, which we empirically tested on the real-world prosocial behavior of blood donation. Blood donation is crucial for the functioning of medical systems, but also presents an ideal testing ground for our theory: Various incentive policies for blood donors exist across countries, enabling a comparative approach. Our preregistered analyses reveal that social norms can indeed account for the varying effects of financial and time incentives on individual-level blood donation behavior across 28 European countries. That is, incentives are associated with higher levels of prosociality when norms regarding the incentive are more positive. The results indicate that social norms play an important role in explaining the relationship between incentives and prosocial behavior. More generally, our approach highlights the potential of integrating theory from across the economic and behavioral sciences to generate novel insights, with tangible consequences for policy making.

## Sharing with minimal regulation? Evidence from neighborhood book exchange

**Anouk Schippers**  
University of Groningen

### ABSTRACT:

Informal peer-to-peer services to share or barter goods often succumb to free riding behavior because they lack the tools to enforce compliance and reciprocity. We collect unique quantitative data on an increasingly popular and apparently viable form of unregulated peer-to-peer in-kind exchange: the neighborhood book exchange that is facilitated by privately-owned public bookcases, also known as little free libraries. Over a six-month period we track the stock and transactions at 56 of these libraries and elicit the social norms that guide informal book exchange. We find that free libraries are frequently visited and able to maintain the quality and quantity of their stock with a minimum of informal, non-enforced rules. Our evidence shows limited free riding (visitors supply 70% of all books) and points to the importance of having a benevolent owner and the presence of strong social norms as key factors in explaining their success.

**Author(s):** Anouk Schippers and Adriaan R. Soetevent  
**Topic:** Markets: Other, Public Choice: Public Goods and Common Pool Resource  
[Back to session: Social Norms 1](#)

---

## On the Robustness of Social Norm Elicitation

**Christian Koenig genannt Kersting**  
University of Innsbruck

### ABSTRACT:

We study the robustness of Krupka and Weber's method (2013) for eliciting social norms. In two experiments with more than 1200 participants, we find that participants' response patterns are invariant to differences in the salience of the monetarily incentivized coordination aspect. We further demonstrate that asking participants for their personal first and second order beliefs without monetary incentives results in qualitatively identical responses. In addition, we observe that participants give sensible responses whether or not they understand the task or their monetary incentives. Overall, Krupka and Weber's method produces remarkably robust response patterns.

**Author(s):** Christian Koenig-Kersting, Stefan T. Trautmann  
**Topic:** Social Behavior: Norms and Morals, Methodology: Lab, Field and External Validity  
[Back to session: Social Norms 2](#)

---

## Noblesse Oblige: Holding High-Status Individuals to Higher Standards

**Yilong Xu**  
University of Heidelberg

### ABSTRACT:

Although there is evidence for the generosity of high-status individuals, there seems to be a strong perception that the elites are selfish and contribute little to others' welfare, and less so than poorer people. We argue that this perception may derive from a gap between normative and empirical expectations regarding the behavior of the elites. In two large-scale survey experiments, we show that high-status individuals are indeed held to higher ethical standards in both the US and China. We then present direct evidence for a gap between people's normative expectations of how the rich should behave, and their empirical expectations of how they actually do: empirical expectations are generally lower than both normative expectations and actual giving.

**Author(s):** Stefan Trautmann; Xianghong Wang; Yijie Wang  
**Topic:** Social Behavior: Norms and Morals, Social Behavior: Group Behavior  
[Back to session: Social Norms 2](#)

---

## Voluntary Interaction and the Principle of Mutual Benefit

**Andrea Isoni**  
University of Warwick

### ABSTRACT:

Most theories of non-selfish behaviour are based on observations of non-voluntary interactions. We argue that non-selfish behaviour takes fundamentally different forms in voluntary interactions, such as market transactions. We hypothesise the existence of an injunctive norm – the Principle of Mutual Benefit, which requires that an individual who enters an interaction voluntarily conforms to common expectations about behaviour within it. This norm can induce patterns of behaviour at odds with existing social preference theories, and allow extrinsic incentives for fulfilling contracts to crowd in trustworthiness. In a new experiment, we find support for many of the model's predictions.

**Author(s):** Andrea Isoni, Robert Sugden, Jiwei Zheng

**Topic:** Social Behavior: Other-regarding Preferences, Social Behavior: Norms and Morals

[Back to session: Social Norms 2](#)

---

## **Oops!... I Did It Again: Understanding Mechanisms of Persistence in Prosocial Behavior**

**Lingqing Jiang**  
University of Essex

ABSTRACT:

We test whether asking individuals to donate blood leads to a persistent change in behavior, and examine the underlying mechanism. In a field experiment, we randomize a phone call, asking blood donors to turn out, and follow them over up to 18 months. We observe significant behavioral persistence for at least one year. We use naturally occurring rainfall as a second instrument for donor turnout to test whether behavioral persistence is due to habit formation (Stigler and Becker, 1977) or a persistent increase in motivation independent of past donation. Our results strongly favor habit formation as the underlying mechanism.

**Author(s):** Adrian Bruhin, Lorenz Goette, Simon Haenni, Lingqing Jiang

**Topic:** Applied Economics: Charitable Giving, Field Experiments: General

[Back to session: Social Preferences](#)

---

## **Social and Moral Distance in Risky Settings**

**Chiara Nardi**  
IMT School for Advanced Studies Lucca

ABSTRACT:

This paper reports the results of probabilistic dictator game experiments in which we manipulate the social and moral distance between dictators and recipients. The reduction in moral distance significantly increases both the probability of a positive allocation and the allocation amount, whereas the reduction in social distance is less effective. We propose a model that accounts not only for ex ante and ex post fairness concerns, but also for the potential effect of altruism on allocation decisions. We find support for this model in our data, in the sense that decreasing social and/or moral distance significantly increases the odds of fair choices.

**Author(s):** Anastasios Koukoumelis, Maria Vittoria Levati, Chiara Nardi

**Topic:** Applied Economics: Charitable Giving, Social Behavior: Other-regarding Preferences

[Back to session: Social Preferences](#)

---

## **Under pressure: stress and the support of neediness**

**Ann-Katrin Kienle**  
University of Applied Sciences of the Grisons

ABSTRACT:

Welfare states redistribute money to help those in need. At the same time, stress at work increases. In this study I assume that stress while income generation results in prosocial behavior. I hypothesize that input in form of stress leads to gender-, age- and income-specific differences especially in case of altruism. For this reason, I conducted a laboratory experiment in which I quantified the stress of 200 participants. After an encryption task, participants were allowed to allocate their earned income with a needy participant. Some of the recipients lacked a little and some a lot of income to overcome the financial threshold for further participation. I measured stress during income generation as well as distribution decision and compared the data with the resting values of the individuals' heart rate variability (HRV). The results indicate that stressed participant allocate more money to their needy opponent. The effect can be observed at low levels of need and is mainly due to the female participants. Under stress, they give far more than needed by the recipient. Non-stressed men do not distribute noticeably different than stressed men. Therefore, stress triggers more generous behavior in women beyond need thresholds.

**Author(s):** Ann-Katrin Kienle

**Topic:** Decision Theory: Other, Social Behavior: Other-regarding Preferences

[Back to session: Social Preferences](#)

---

## **Cooperation and Corruption**

**Francesca Federico**  
**University of Modena and Reggio Emilia**

ABSTRACT:

Corruption is a widespread phenomenon that correlates with economic growth, institution quality, social inequalities. It is an impediment to cooperation, since it threatens the integrity of institutions. Institutions sustain cooperation by punishing free-riders, giving a way out to the social dilemma between selfish interest and collective welfare. However, the possibility of bribery compromises the efforts made to enforce cooperation. Transparency is one of the main tool that civil society has to fight corruption, although there might be the temptation to reduce monitoring, since it is a costly activity. We design a modification of a Public Goods Game, a Bribe Game, where the possibility of bribing and a transparency mechanism are introduced. The transparency mechanism allows players to buy information about the umpire and react opting out if the umpire does not match their intentions. We examine which conditions allow the transparency mechanisms to be efficient in curbing bribery, by verifying the correlation between the level of corruption and the acquisition of information.

**Author(s):** Francesca Pancotto, Francesca Federico, Simone Righi

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Norms and Morals

[Back to session: Tax Morale and Corruption](#)

---

## **Family Affairs or Government's duty? The tax morality of a mobile society**

**Alessandro Cascavilla**  
**University of Bari**

ABSTRACT:

The aim of this paper is to shed lights on the relationship between intergenerational mobility and tax morale, defined as the intrinsic motivation in paying taxes. Individuals are more willing to pay taxes if they deem that the government will put in place policies that lead to more opportunities for the future generations. Employing the European Values Study data, we show that higher intergenerational mobility increases tax morale among European countries. This linkage is stronger and significant in countries where there is a commitment of the government in guaranteeing more opportunities to citizens regardless of their familiar or parental starting condition (more defamiliarized countries). In fact, sorting countries according to the welfare system, data show that intergenerational mobility is significantly associated with tax morale in liberal and sociodemocratic countries only, where there is a greater degree of defamiliarization. As proof, we further show that the positive linkage between intergenerational mobility and tax morale is significant only for individuals who show less family ties. Hence, we argue that the fairness in tax payment should be seen in the light of the efficiency of the welfare state in providing policies that guarantee more opportunities across generations.

**Author(s):** Alessandro Cascavilla, Rocco Caferra, Andrea Morone

**Topic:** Applied Economics: Labor Market, Applied Economics: Other

[Back to session: Tax Morale and Corruption](#)

---

## **The role of reporting institutions and image motivation in tax evasion and incidence**

**Topi Miettinen**  
**Hanken School of Economics and Helsinki GSE**

ABSTRACT:

We study effects of tax reporting mechanisms on evasion and incidence in experimental double auction markets where counterfactual reporting and market outcomes are observed after convergence. We compare markets without taxes to cases where (i) taxes are automatically levied, (ii) taxes are based on seller reports and taxes paid in case low probability audit discovers evasion, or (iii) there is reporting by both the buyers and the sellers, and the audit probability is increasing in the gap between the units reported by the seller and her customers. The latter mimics the so called third-party reporting in tax enforcement. We find that about half the sellers fully evade when only sellers report, but that 80% report truthfully under third-party reporting. Moreover, in the treatment with evasion, prices do not fully reflect the lower costs of evaders. Therefore tax incidence does not conform with predictions of the standard model, but is instead heavily distorted towards the buyers, unlike in other treatments where the standard model predicts incidence quite well. Pricing, incidence and reporting patterns in all treatments can be explained by a model of lying with image concerns based on Gneezy et al. (2018).

**Author(s):** Kaisa Kotakorpi, Satu Metsaelampi, Tuomas Nurminen

**Topic:** Markets: Other, Social Behavior: Lying and Cheating

[Back to session: Tax Morale and Corruption](#)

---

## **Time preferences towards the end of life**

**Ben Greiner**  
**Wirtschaftsuniversität Wien**

ABSTRACT:

Using large-scale in-person and online surveys with embedded experiments, we study how time preferences vary with age and subjective life expectancy. We find that, as economic theory would predict, people become more impatient with increasing age and decreasing life expectancy. Evidence is mixed for the hypotheses that inheritability increases patience, and that anticipation of a decrease of patience over time leads to a future-bias in discounting.

**Author(s):** Ben Greiner, Anita Zednik

**Topic:** Decision Theory: Preferences, Psychology and Biology: Gender and Individual Differences

[Back to session: Time Preferences](#)

---

## Eliciting time preferences when income and consumption vary: Theory, Validation and Application to Job Search

**Michele Belot**  
Cornell University

ABSTRACT:

We propose a simple method for eliciting individual time preferences without estimating utility functions even in settings where background consumption changes over time. It relies on lottery tickets with high rewards. In a standard intertemporal choice model high rewards decouple lottery choices from variation in background consumption. We validate our elicitation method experimentally on two student samples: one asked in December when their current budget is reduced by extraordinary expenditures for Christmas gifts; the other asked in February when no such extra constraints exist. We illustrate an application of our method with unemployed job seekers which naturally have income/consumption variation.

**Author(s):** Michele Belot, Paul Muller and Philipp Kircher

**Topic:** Decision Theory: Preferences, Applied Economics: Labor Market

**Link:** <ftp.iza.org/dp14091.pdf>

[Back to session: Time Preferences](#)

---

## How Preference Misperceptions Confound the Identification of Time Preferences

**Sili Zhang**  
University of Zurich

ABSTRACT:

Intertemporal trade-offs exist in most economic decisions. Economists often identify time preferences from intertemporal choices, assuming that people correctly perceive their future preferences. This paper demonstrates that individuals often hold state-dependent misperceptions of their preferences, and that these misperceptions systematically confound the identification of time preferences, which may lead to ineffective policy design. I first outline the identification problem using a theoretical framework, which predicts that misperceptions in a good state can generate present-focused-like behavior, and that misperceptions in a bad state can generate future-focused-like behavior. I then conduct a real-effort experiment that varies in time horizons and decision states to illustrate both the identification problem and potential solutions. I find evidence of state-dependent misperceptions in both predictions of tiredness and choices about future work compensations. These misperceptions can lead to different point estimates of time preference parameters depending on the exact decision state in which work choices are made. In fact, most variations in choices in the experiment are driven by the variation in decision states instead of the variation in time horizons. I also find that most gap between choices in different states can be mitigated by having more experiences, however, the gap persists among those with a higher level of misperceptions.

**Author(s):** Sili Zhang

**Topic:** Decision Theory: Preferences, Decision Theory: Bounded Rationality

[Back to session: Time Preferences](#)

---

## Fostering trust: When the rhetoric of sharing can backfire

**Giorgia Romagnoli**  
NYU

ABSTRACT:

The main function of most of the platforms that enable or facilitate sharing economies is to increase the level of trust between users and providers. The way the platform positions itself and its communication strategy can have a decisive impact on trust. Moreover, the same communication strategy can have a different effect depending on the nature of the platform, and specifically, depending on whether it is a pure-sharing platform, such as Couchsurfing or Blablacar, or a market-oriented for-profit platform, such as Airbnb and Uber. In this experiment, we study how the nature of the platform interacts with the communication strategy in shaping trust. In particular, we consider two communication strategies, one highlighting the trust dimension and the other highlighting the profitability of the interaction, and we show how these strategies can have different effects on trust for pure-sharing and market-oriented for-profit platform. Our main experiment augments a standard trust game (Berg et al., 1995) with the introduction of a third player. This third player can choose to send a pre-coded message which, depending on the treatment, encapsulates different communication strategies. In the Money treatment, the message stresses the higher monetary rewards that can be gained with high levels of trust. In the Trust treatment, the focus of the message is diverted away from the material domain, and directed to evoke positive feelings of trust and reciprocity. The second treatment variation, interacting with the former in a 2X2 design, is concerned with the monetary incentives of the third player. In the No-profit condition (intended to replicate the pure-sharing platforms), the third player earns a flat-fee which is unaffected by the amount of trust displayed in the

trust game. In the For-profit condition (intended to replicate the commercial platforms), the third player earns a fee which is proportional to the amount of trust displayed in the trust game. These two variations generate four between-subject treatments: Money No-Profit, Money For-Profit, Trust No-Profit, Trust For-Profit. With a difference-in-difference approach, we can explore the interactions between the earning model and the communication strategy of the platform. Our results show that, while in the No-profit condition the type of message is inconsequential for the achieved level of trust, in the For-Profit condition, the Trust message achieves significantly lower levels of trust compared to the Money message. These results show that leveraging a rhetoric of trust can actually backfire for profit oriented platforms. In a follow-up study (for which we are presently analyzing the data) we explore possible mechanisms that explain the results. For this purpose, we elicit beliefs about the amounts reciprocated by the receiver as well as shared opinions regarding the honesty and trustworthiness of the third player's message as a function of the payoff structure.

**Author(s):** Simona Cicognani, Giorgia Romagnoli, Shaul Shalvi, Ivan Soraperra  
**Topic:** Social Behavior: Communication, Social Behavior: Other-regarding Preferences  
[Back to session: Trust](#)

---

## Measuring Trust without Error: a Comparison between Surveys and Games

**Heloise Clolery**  
**CREST**

ABSTRACT:

The literature assessing the impact of trust on economic variables is tremendous and still growing. Trust, however, is a complex notion often measured with errors. The use of attitudinal surveys as an indicator of trust prevails but is criticized. In this paper, we contribute to the ongoing debate on whether trust, as measured by surveys, correlates with the behavior observed in trust games. We argue that the lack of correlation is due to measurement errors. Drawing on the work of Gillen et al. (Experimenting with measurement error: Techniques with applications to the caltech cohort study, *Journal of Political Economy*, 2019), we will use the ORIV method to remove the measurement error bias. Our results will provide evidence on whether the two measurement methods can be used interchangeably as good indicators of trust. Furthermore, we will estimate by how much the standard OLS regression results in the trust literature are biased by measurement errors.

**Author(s):** Heloise Clolery, Guillaume Hollard, Fabien Perez and Ines Picard  
**Topic:** Methodology: Experimental Design, Tools and Practices, Social Behavior: Other  
[Back to session: Trust](#)

---

## Trust and Citizen Engagement in Participatory Governance

**Dina Tasneem**  
**American University of Sharjah**

ABSTRACT:

In this experimental study, we attempt to understand the relationship between trust and citizen engagement in participatory governance, utilizing the unique setting of a public procurement project in Bangladesh. In this model of civic engagement, in each project site, a citizen-monitoring group is formed to oversee the quality of implementation and report any irregularities to the authorities. The study investigates whether the intra-group trust level affects the performance of the citizen-monitoring group in the monitoring task and/or the interpersonal interaction resulting from the participation in the citizen-monitoring group affects the level of trust. We measured trust using both a simplified trust game and a survey. Our finding is inconclusive to the question of whether trust level in the community affects the performance of the citizen-monitoring group. While we find no such indication from the trust games the data on generalized trust from the survey shows a positive effect of trust on monitoring group performance. We find stronger support for the hypothesis that participation in the monitoring group affects the level of trust. According to our findings, the effect has been negative in this case. An additional aspect of our study is figuring out a simplified design that allows us to collect behavioral data effectively from a population that lacks general and technological literacy and/or to implement the experiment remotely under extraordinary circumstances (such as COVID – 19 pandemic).

**Author(s):** Mehnaz Rabbani, Semab Rahman, Dina Tasneem  
**Topic:** Field Experiments: General, Applied Economics: Economic Development  
[Back to session: Trust](#)

---

## Social comparisons and effort provision: The psychological effect of being less trusted than one's peers

**Diya Abraham**  
**Vienna University of Economics and Business**

ABSTRACT:

We study how a subjective comparison made by a principal when deciding which of two agents to trust influences the agents' level of effort provision. Employing a lab experiment, we quantify the pure psychological effect of being more/ less trusted by a third party relative to someone else. Unlike previous experimental studies exploring intention-sensitive behavior of agents, we keep the rewards associated with different levels of trust constant thus removing the possibility that material reciprocity concerns could play any role in the agents' subsequent choice of effort for the principal. We find an asymmetric effect on effort provision: while those who are less trusted than their peers reduce their level of effort provision relative to a control group in which no intentional trust or distrust can be inferred, we do not find a corresponding increase in effort by those who are more trusted. We find

suggestive evidence that this asymmetric effect is driven in part by the negative emotions experienced by agents who are less trusted. These findings suggest that payoff irrelevant decisions in firms (for e.g. task assignment) could have detrimental consequences if such decisions convey different levels of subjective trust in agents.

**Author(s):** Diya Abraham, Ondrej Kráľ, Rostislav Staněk.

**Topic:** Social Behavior: Other-regarding Preferences, Applied Economics: Labor Market  
[Back to session: Trust](#)

---

## Experiments in Information Acquisition and Voting

**Moumita Deb**  
University of Birmingham

ABSTRACT:

Is majority voting an effective way of aggregating information in small to medium sized groups when voters have to acquire information from sources of varying quality? We investigate this question in a theoretically informed lab experiment, where participants can obtain relevant information by choosing between two sources of instrumental but imperfect information. Both sources are informative on a true state of nature, but one is more informative than the other. The less informative source grants an additional 'consumption benefit'. There are thus strong incentives to free-ride on the information acquisition of others. To understand whether such free riding harms the quality of group decisions, we compare four different information environments between subjects. We vary the observability of group-members' information acquisition choices and the signal realisations. In the baseline, signal source choices and signal realisations are unobservable. In the "Source" treatment, the signal source choices are observable, but the realisations are not. In the "Source and Signal" treatment, the signal source choice and the signal realisation are both observable. In the final treatment, "Endogenous", participants decide whether they wish to reveal their source-choice and/or realisation of their signal. They can misrepresent their information. We find that in the "source and signal" treatment, participants acquire low quality information significantly more often. However, this does not harm their eventual outcomes since this treatment yields a high average payoff per person. This suggests that free-riding on other group-members' information acquisition does not harm overall decision quality in an otherwise information rich environment. In sum, we present the first evidence regarding the effect of acting in various information environments, on outcomes such as endogenous information acquisition, voting patterns and payoffs.

**Author(s):** Siddhartha Bandyopadhyay, Moumita Deb, Johannes Lohse and Rebecca McDonald  
**Topic:** Games: Information, Social Behavior: Group Behavior  
[Back to session: Voting](#)

---

## The Expressive Power of Voting Rules

**Joao Ferreira**  
University of Southampton

ABSTRACT:

There are several voting rules that are commonly used to settle collective decisions. An extensive literature has emerged which judges these voting rules in terms of desirable axiomatic properties, such as the ability to always elect the Condorcet winner or the ability to resist strategic voting. A promising complementary way to judge voting rules, for which much less is known, is to compare the expressive utility that voters derive from voting with each rule. In this paper, we propose a simple ordinal theory of expressive voting that allows to compare voting rules in terms of their expressive power: we say that voting rule A has more expressive power than voting rule B if A allows to express more preferences than B and all preferences that are possible to express with B can be expressed with A. Our theory provides a testable implication, according to which expected turnout increases with expressive power. We run an online experiment to test this implication in a controlled environment. We find that if voters are made aware of different voting rules, turnout is higher in voting rules with higher expressive power. This brings support to the descriptive implications of our theory. Overall, we argue that the expressive power of voting rules provides a new criterion to judge voting rules with descriptive and normative appealing features.

**Author(s):** Sacha Bourgeois-Gironde and Joao Ferreira  
**Topic:** Public Choice: Voting and Rent Seeking, Decision Theory: Preferences  
[Back to session: Voting](#)

---

## Political Competition, Cognitive Dissonance and Political Beliefs

**Francesco Capozza**  
Erasmus University Rotterdam

ABSTRACT:

We study how the results of a political competition lead to political polarization of voter's beliefs. The most recent example of the political polarization in the US is the Trumpist assault to Capitol Hill. The severity of the voters' polarization has led political commentators to define the U.S. as "two separate countries in one" (Carnegie Endowment for International Peace, 2020). Moreover, the gap in how Democrat and Republican supporters experience the political activity is widening (Pew Research, 2020). First, we assess whether winning or losing an election leads to polarization, by looking at pre- and post-elections survey data from the ANES (from 1980 to 2016). Second, we rely on cognitive dissonance theory (CDT) to explore the underlying mechanism behind the post-elections' political polarization. CDT postulates that humans are driven to reduce cognitive inconsistency,

for example after winning or losing an election. On this theoretical grounds, we derive a tractable, micro-founded model of beliefs changes and plan to test its main predictions in a large-scale online experiment. To isolate the effect of CDT on political polarization, we control for other possible routes leading to polarization: the emotional attachment to the candidates, the effort exerted in political campaigns and the importance of the debated issues. Third, we assess whether Democrat and Republicans supporters react differently to the announcement of a political outcome. Finally, we relate how changes in political beliefs, via cognitive dissonance, concretely reflect in political actions though charitable giving. The results of the present research will deliver many important implications for how we organize our societies and how we interpret polarization. For example, the results will inform whether people change beliefs after taking a relevant action, which can be voting, distributing flyers, joining a demo or even a simple “like” on Facebook. By knowing what is the impact of these actions on political polarization, the policymakers could build the necessary tools to ensure the safeguard of a free and tolerant society.

**Author(s):** Tanja Atriga-Gonzalez, Francesco Capozza, Georg Granic  
**Topic:** Public Choice: Voting and Rent Seeking, Decision Theory: Beliefs  
[Back to session: Voting](#)

---

## The impact of negative links: theory and evidence

**Xiannong Zhang**  
Washington University in St. Louis

ABSTRACT:

I study the impact of negative links through signed network formation. First, I propose a game-theoretical model to study how negative links reshape stable networks. I characterize the properties of pairwise stable and strong stable networks and discuss models' implications through two applications: the military alliance network and the school bullying network. I vary the relative gain of negative links and show that stable networks are assortative and agents tend to be homogenous when the gains are high; stable networks are more star-like when the gains are low. Second, I conduct a continuous-time online experiment to study the behavioral changes related to negative links. I find that subjects are more myopic and less farsighted when negative links are introduced. This is the first paper to both theoretically and behaviorally analyze the impact of negative links.

**Author(s):** Xiannong Zhang  
**Topic:** Applied Economics: Other, Applied Economics: Other  
**Link:** [www.dropbox.com/s/Ingoy0tc6wjfr8a/The%20impact%20of%20negative%20links%20-%20theory%20and%20evidence.pdf?dl=0](http://www.dropbox.com/s/Ingoy0tc6wjfr8a/The%20impact%20of%20negative%20links%20-%20theory%20and%20evidence.pdf?dl=0)  
[Back to session: Applied Economics](#)

---

## Do People Vote Sincerely under Preferential Voting?

**Sabine Kroeger**  
Department of Economics, Laval University

ABSTRACT:

The paper reports on a laboratory experiment that study voters' behavior under Preferential Voting. Preferential Voting is a complex voting procedure under which voters rank-order candidates. Its adoption has been advocated in several countries based, among other things, on the argument that the complexity of this system will induce voters to vote sincerely, i.e., submit their true ranking of the candidates. We have conduct a laboratory experiment to test this conjecture. We find that a large fraction of the participants did not vote sincerely and that a small, but significant, fraction voted strategically. We also identify several heuristics adopted by the participants.

**Author(s):** Philippe Chabot, Arnaud Dellis, Sabine Kroeger  
**Topic:** Public Choice: Voting and Rent Seeking, Decision Theory: Other  
[Back to session: Applied Economics](#)

---

## An Experimental Exploration of Reasonable Doubt

**Stanton Hudja**  
Baylor University

ABSTRACT:

The impact of defining reasonable doubt on jury outcomes is highly debated, yet unknown. This paper uses an online experiment to analyze how different reasonable doubt definitions influence subjects' willingness to convict defendants. In our experiment, subjects have the opportunity to convict a defendant who may have taken money from another subject. We provide subjects with jury instructions and then ask them if they are willing to convict based on different probabilities of guilt. We vary whether jury instructions have a reasonable doubt definition and the reasonable doubt definition. By taking reasonable doubt definitions from various states, we are able to address the question of whether reasonable doubt definitions matter. In addition to addressing whether reasonable doubt definitions matter, we decompose various definitions to uncover the factors that influence jurors.

**Author(s):** Stanton Hudja; Jason Ralston; Jason Aimone; Lucas Rentschler; Charles M. North; Wilson Law  
**Topic:** Applied Economics: Other, Unknown: Unknown  
[Back to session: Applied Economics](#)



---

## Environmental valuation using bargaining games: an application to water

**Cesar Mantilla**  
Universidad del Rosario

### ABSTRACT:

We characterize a general bargaining game that can be used with environmental valuation purposes. In this game, a jointly endowed asset is divisible into smaller units of two types: those with and without an associated costly attribute. Bargaining parties can use monetary transfers to their counterpart, in exchange for accruing more units of the jointly endowed asset. We show that, in the cooperative and non-cooperative bargaining solutions, the cost of the attribute is perfectly absorbed by the monetary transfer. Outcomes differing in the allocation of the units with the costly attribute allows us to identify whether the players' valuation of the attribute corresponds to its induced value (i.e., its cost), or whether this attribute is over- or under-valued. We show an application to the valuation of water in a lab-in-the-field experiment conducted with Colombian farmers. We find evidence that the players' valuation of in-plot access to water dwells between 2.1 and 3.5 times its induced cost in the experiment.

**Author(s):** Cesar Mantilla and Margarita Gafaro

**Topic:** Applied Economics: Economic Development, Games: Bargaining

[Back to session: Applied Economics](#)

---

## Investment defaults and retirement savings allocations

**Thomas Rietz**  
University of Iowa

### ABSTRACT:

We study how a change in the University of Iowa pension plan affected participant behavior. In 2006, the default investment changed from a money market fund to a target date fund. We find that participants who joined under the money-market default quickly moved away from that fund, whereas most who joined under the target date default stayed with the default for at least 3 years. To understand these differences, we combine administrative data from TIAA and the University with data from a related experiment. In general, participants who joined under the target date default allocated more to equity, even when comparing participants who did not accept either default investment. This contributes to the behavioral literature on defaults, providing an example of a default that is largely ignored.

**Author(s):** Robert McDonald, Dave Richardson and Thomas Rietz

**Topic:** Decision Theory: Other, Field Experiments: General

**Link:** <http://www.biz.uiowa.edu/faculty/trietz/papers/TIAA-Iowa%20Default%20Paper.pdf>

[Back to session: Choice Architecture](#)

---

## Choice Architecture and Incentives Increase COVID-19 Vaccine Intentions and Test Demand

**Nora Szech**  
KIT

### ABSTRACT:

Willingness to vaccinate and test are critical in the COVID-19 pandemic. We study the effects of two measures to increase vaccination and testing: “choice architecture” and monetary compensations. Choice architecture has the goal of “nudging” people into a socially desired direction without affecting their choice options. Compensations reward vaccine takers and are already in use by some organizations. Yet there is the concern that compensations may decrease vaccination if compensations erode intrinsic motivation to vaccinate. We show that both approaches, compensations and choice architecture, significantly increase COVID-19 test and vaccine demand. Yet, for vaccines, low compensations can backfire.

**Author(s):** Marta Serra-Garcia, Nora Szech

**Topic:** Decision Theory: Preferences, Field Experiments: General

**Link:** <bibliothek.wzb.eu/pdf/2021/ij21-302.pdf>

[Back to session: Choice Architecture](#)

---

## Individual compliance with disease-preventive behaviors: Experimental evidence

**Andrea Sorensen**  
University of St. Thomas

### ABSTRACT:

The rise and spread of COVID-19 has made individual compliance with disease-preventive behaviors such as wearing face coverings, social distancing, staying home when sick, hand washing, and vaccination critically important to reducing the spread and saving lives. From an economic perspective, these disease-preventive behaviors vary in terms of the private and external benefits they provide. Because of this, individual compliance

may vary across behaviors, and interventions aimed at increasing compliance may be more successful for some behaviors than others. The experiments in this paper characterize a simplified version of the disease-prevention environment. Individuals face a possible loss, representative of getting sick, and are given the option to pay a small cost to decrease either their own probability of loss, others' probabilities of loss, or both, depending on the treatment. Additionally, each decision environment is tested in three different frames, positive, negative, and neutral. In the positive frame, the positive externality created by paying the cost is emphasized in environments with an externality. In the negative frame, the negative externality created by not paying the cost is emphasized in environments with an externality. An additional treatment includes a "moral nudge", in which subjects read the University's mission statement to "advance the common good" prior to participating in the experiment. Initial results suggest that in baseline treatments, individual behavior is well predicted by the Nash equilibrium, which is sub-optimal for environments with an externality. Individuals do, however, choose to pay the cost more often in treatments with a positive frame on the externality, and even more often in treatments with a negative frame on the externality. Additional sessions are needed to confirm these initial results and to further investigate the "moral nudge".

**Author(s):** Andrea Sorensen

**Topic:** Applied Economics: Other, Social Behavior: Other-regarding Preferences

[Back to session: Choice Architecture](#)

---

## **Default-Setting and Default Bias: Does the Choice Architect Matter?**

**Lanny Zrill**  
**Langara College**

ABSTRACT:

The presence of pre-selected default options has been shown to influence individual decision making in various contexts including the choice of health insurance and retirement contributions. Even so, it is not well understood how individuals with heterogeneous preferences react to the procedure used to select the default options. We develop an econometric approach to test and compare default bias across different default-setting rules while controlling for heterogeneous preferences. Using a within-subjects experimental design involving choices among lotteries, we apply this approach to compare four different default-setting rules: Random defaults, Custom defaults selected based on an individual's own past choices, Social defaults selected based on others' choices, and Expert defaults selected based on a normative criterion. We find that the content of default-setting rules matters: default bias is present for all non-random default-setting regimes. In an environment with no time dimension nor explicit adjustment costs, this provides evidence in favor of the endorsement effect as an important mechanism behind observed default bias.

**Author(s):** David J. Freeman; Hanh T. Tong

**Topic:** Decision Theory: Bounded Rationality, Methodology: Experimental Design, Tools and Practices

[Back to session: Choice Architecture](#)

---

## **In Your Name! The Effect of Intermediaries on Discrimination**

**Maivand Sarin**  
**University of Cologne**

ABSTRACT:

Literature within economics has shown a change in behavior when people decide for others compared to a situation where they decide for themselves. In this project, the effect of intermediaries, defined as decision-makers who act on behalf of others, on discrimination is investigated. A novel incentivized discrete choice experiment is employed. Decision-makers choose from a list of candidates with either typical western or typical middle-eastern first names. The study finds that while, on average, there is no discrimination when decision-makers decide for themselves, significant discrimination emerges when they act on behalf of another person and have an incentive to match the other's choice. The study further shows that this finding can neither be fully explained by a preference for discrimination nor by the traditional notion of statistical discrimination based on beliefs over candidates' performance. Instead, the study finds strong evidence that inaccurate beliefs about others' discriminatory behavior drive the effect. Thus, from a general perspective, the study contributes to long-standing literature that is in the search for reasons why people discriminate.

**Author(s):** Maivand Sarin

**Topic:** Decision Theory: Beliefs, Social Behavior: Other-regarding Preferences

[Back to session: Decision Theory 1](#)

---

## **Testing Elicitation Mechanisms Via Team Chat**

**Paul Healy**  
**Ohio State University**

ABSTRACT:

A fundamental difficulty in testing the incentive compatibility of a mechanism is that, if types are unobservable, one cannot verify if reports are truthful. Here, we use team chat messages to observe directly the beliefs of participants, and also whether they discuss attempts to deviate or manipulate the mechanism. We do this for a binarized scoring rule, a multiple price list, and a treatment with no payment information given. We find very little evidence of manipulation. Instead, deviations from objectively-given beliefs stem from confusion and errors. Showing complicated incentive information to subjects increases this error on "easy" problems, but reduces it on "hard" problems.

**Author(s):** Paul J. Healy & John Kagel  
**Topic:** Decision Theory: Beliefs, Methodology: Experimental Design, Tools and Practices  
**Link:** [healy.econ.ohio-state.edu/present/Healy\\_Kagel-ElicitationInTeams45Min.pdf](https://healy.econ.ohio-state.edu/present/Healy_Kagel-ElicitationInTeams45Min.pdf)  
[Back to session: Decision Theory 1](#)

---

## Experimentally Decomposing Inattention

**Kevin Laughren**  
Simon Fraser University

ABSTRACT:

Most non-routine economic choices require a consumer to first gather some information, then choose an action. Rational Inattention (RI) describes a consumer who is not fully informed because the marginal cost of gathering more information outweighed the marginal benefit ex ante. Many consumer choices which appear to be mistakes can be plausibly explained as cases of RI, but when is a mistake more serious? This paper presents a simple information gathering problem implemented in an online experiment to separately measure three stages of the choice process: the intention to collect information, the collection of information, and the processing of collected information into action. This design permits an axiomatic test of whether individuals behave as if they have a known attention cost function, and distinguishes RI from mistakes which are more costly and correctable. The median percentage of choices which are consistent with the axioms is 99%, and 32% of participants generate a dataset which is perfectly consistent with the costly information representation axioms, suggesting participants respond strategically to information costs and benefits. RI can account for 70% of mistakes, but over a quarter of mistakes occur after choosing to gather information, split between dynamic inconsistency (18%) and ineffective attention (8%).

**Author(s):** Kevin Laughren  
**Topic:** Decision Theory: Bounded Rationality, Methodology: Experimental Design, Tools and Practices  
**Link:** [kevinlaughren.com/wp-content/uploads/2021/04/Laughren-experimentally-decomposing-inattention-v18Dec2020.pdf](https://kevinlaughren.com/wp-content/uploads/2021/04/Laughren-experimentally-decomposing-inattention-v18Dec2020.pdf)  
[Back to session: Decision Theory 1](#)

---

## Drivers of Overprecision: Overweighting and Neglecting Correlation of Multiple Signals

**Jason Paulo Tayawa**  
The Ohio State University

ABSTRACT:

Decision makers are prone to ascribe higher precision to their information in political, financial, and goods market settings. It has been shown that such overprecision, the belief that one's information is more precise than it actually is, leads to more polarized beliefs, over-investment, and lower social welfare. We investigate the two distinct biases that drive overprecision, namely, overweighting and correlation neglect. Overweighting relates to excessive response from the accuracy of one's information while correlation neglect relates to the ignorance of the correlation of one's information sources. The presence of both drivers leads to the formation of extreme overprecision. We propose an experiment that disentangles the two biases in an environment with multiple signals. To do so, we propose a debiasing method that shuts down one bias while holding the other fixed. This design allows us to determine if the biases covary or are orthogonal to each other. We hypothesize that correcting for overweighting does not correct correlation neglect. If they are found to be independent, then we can pinpoint the bias that contributes more to the level of overprecision.

**Author(s):** Jason Paulo Tayawa, Ancilla Marie Inocencio  
**Topic:** Decision Theory: Beliefs, Decision Theory: Other  
[Back to session: Decision Theory 1](#)

---

## Will gifts disrupt online market reputation systems? An experimental study

**Liang Qiao**  
THE UNIVERSITY OF ARIZONA

ABSTRACT:

The online reputation system is critical in mitigating the adverse selection resulting from information asymmetry, which prevails in electronic markets. There is a concern about gifting, a typical sellers' strategic behavior, that it may corrupt the reputation system. To study the effect of gifting on the online reputation system, I conduct a laboratory experiment using an infinitely repeated market transaction under two conditions: the gift market and the no-gift market. In the gift market, sellers can transfer money (send gifts) to buyers who purchased their products before rating, but gifting is not allowed in the no-gift market. Results show that gifting does not affect the period-average market efficiency, while the period-specific efficiency increases faster in the gift market. Reputation is similarly valuable to sellers in that sellers with a given reputation earns equally in two markets. Since buyers value products and gifts equally, transferring money is less efficient in building reputation than providing better products. However, sellers in the gift market keep sending gifts to buyers via transferring money.

**Author(s):** Liang Qiao  
**Topic:** Markets: Other, Games: Repeated Games  
[Back to session: Markets and Repeated Games](#)

---

## Experimental Commodity Markets with Storage

**Katerina Sherstyuk**  
University of Hawaii, Dept of Economics

### ABSTRACT:

Storage is a central feature of commodity markets that has been studied extensively outside the lab. We use laboratory and online economic experiments to test the predictions of the canonical model of markets with stochastic supply in a controlled environment. Theoretically, storage decreases intertemporal price volatility and improves dynamic efficiency of the market. The empirical literature points to many apparent departures from stochastic dynamic competitive equilibrium, including possible excess price autocorrelation, excessive storage even under apparent negative returns, and occasional commodity bubbles. In our experiment, storage improves efficiency of experimental markets compared to the markets without storage, but we observe dynamic inefficiencies due to too little storage. We find that just a few savvy traders profit greatly and can push markets toward greater efficiency, and further explore the conditions that may lead to improved dynamic efficiency of the market. Finally, we compare the performance of these complex markets in the laboratory and online to draw implications for experimental methodology.

**Author(s):** Michael J. Roberts, Krit Phankitnirundorn and Katerina Sherstyuk

**Topic:** Markets: Other, Markets: Industrial Organization

[Back to session: Markets and Repeated Games](#)

---

## Investment Incentives in Tradable Emissions Markets with Price Floors

**Tim Cason**  
Purdue University

### ABSTRACT:

Emissions uncertainty has led regulators to include price controls in many cap-and-trade markets. We study how these controls affect firms' incentives to invest in new abatement technologies in a model with abatement cost uncertainty. Price floors increase investment incentives because they raise the expected benefits from lowering abatement costs. We also report a market experiment that features abatement cost uncertainty and the opportunity for cost-reducing investment, with and without a price floor. Trade occurs through a continuous double auction market. Consistent with the theoretical model, investment is significantly greater with the price floor in place. Emissions permit prices also respond as predicted to abatement investments and emissions shocks.

**Author(s):** Tim Cason, John Stranlund, and Frans de Vries

**Topic:** Markets: Other, Applied Economics: Other

**Link:** [www.krannert.purdue.edu/faculty/cason/papers/Investment\\_Price\\_Floor.pdf](http://www.krannert.purdue.edu/faculty/cason/papers/Investment_Price_Floor.pdf)

[Back to session: Markets and Repeated Games](#)

---

## IRPD Games with Changing Discount Rates

**David Cooper**  
Florida State University

### ABSTRACT:

There is a large body of evidence indicating that cooperation in IRPD games is sensitive to discount rates (Dal Bo and Frechette, 2018). The evidence comes from studies where the discount rate was varied between sessions, but there is no reason to assume discount rates are stable in real world settings. In this experiment, we compare behavior with fixed discount rates versus behavior when discount rates vary within and/or between supergames. Holding the current discount rate fixed, cooperation rates vary depending on whether subjects have experienced different discount rates either earlier in the same supergame or in earlier supergames. With experience, subjects learn to respond to changes in the discount rate. There is no evidence that subjects initially understand the significance of differing discount rates. Instead, their response to varying dynamic incentives appears to be entirely learned. Past experience appears to be more important than current dynamic incentives in determining whether cooperation occurs.

**Author(s):** David Cooper and Matt Gentry

**Topic:** Games: Repeated Games, Decision Theory: Learning

[Back to session: Markets and Repeated Games](#)

---

## It's complex -- How does offering more products affect consumer decision making?

**Carola Grebitus**  
Arizona State University

### ABSTRACT:

When consumers buy products they have to make choices, and they might use a different decision strategy every time. Depending on how complex the decision is, strategies will likely differ. More complex choices are more likely to be made using heuristics, i.e., rules of thumb, and less complex

choices can be made using compensatory strategies. Choice complexity is dependent on the amount of products and the amount of information present (Payne et al., 1993). For instance, for some products, only two or three options might be available, e.g., specialty or ethnic foods. For other products more than 20-30 options can be available, e.g., different yogurt varieties. The more options available and the more information present, the more complex is the decision. This can lead decision makers to switch from processing all information and making a trade-off between them, i.e., compensatory decision, to process information selectively, i.e., adaptive decision making/heuristic (Bettman et al., 1998). In the case that not all information is used, this can cause decision errors (Payne et al., 1993). Our study analyzes the use of compensatory versus adaptive decision strategies when choices differ in complexity. We do so by combining choice experiments with eye tracking. This allows us to measure how much attention decision makers pay to the information presented in the choice experiments. We vary the complexity of the choice experiments by presenting different amounts of products to choose from. Since we are tracking eye movements, we can analyze the use of decision strategies when making choices that differ in complexity. The objective is to shed light on how complexity in decision making drives use of compensatory and adaptive decision strategies. Previous literature has used eye-tracking to provide insight into choice making for increasingly complex decision under time pressure (Reutskaja et al., 2011), and has investigated the impact of choice complexity on decision-making strategy and final choice (Dellaert et al., 2012). Studies have found that choice complexity affects the error of decision making (Caussade et al., 2005; Jacobsen et al., 2012). Grebitus and Roosen (2018) found that in more complex choices more product alternatives were ignored. We are building on previous research by taking into account what effect the number of product alternatives has on using compensatory or adaptive decision strategies. The use of an eye tracker allows us to determine which strategy was used to make a choice because it enables us to evaluate which and how much information was acquired by the decision maker (Payne et al., 1993). For example, when information is ignored this is an indicator for use of adaptive decision strategies. Our experimental design accounts for the relationship between decision strategy and choice-making relative to the number of products presented in a choice set. We collected our data in a laboratory experiment in 2017. We combined discrete choice experiments with eye-tracking. Complexity is modeled by varying the number of products presented in the choice experiment. Eye tracking measures fixations where information is processed (Wedel and Pieters, 2007). The eye movement is tracked while participants make their choices. We measure the use of different decision strategies by recording the attention towards products and specific product information while subjects are making choices. This allows us to account for selectivity in information processing to identify whether a compensatory or adaptive decision strategy was used. The experiment includes two treatments. In treatment one the choice sets had two product alternatives and in treatment two they had four product alternatives. Comparing the use of information in the two treatments, i.e., whether the decision maker makes a perfect trade-off between all information presented or not informs on the use of decision strategies. Data are analyzed using random parameter logit models focusing on eye fixations. Preliminary results indicate that fixation count by alternative significantly affects choice for both, the two-product and four-product design. This suggests that the amount of attention paid to product alternatives affects choice.

**Author(s):** Carola Grebitus (Arizona State University, USA) and Jutta Roosen (Technical University Munich, Germany)

**Topic:** Methodology: Lab, Field and External Validity, Methodology: Experimental Design, Tools and Practices

[Back to session: Methodology](#)

---

## Estimating Social Preferences Using Stated Satisfaction: Novel Support for Inequity Aversion

**Lina Diaz**  
George Mason University

### ABSTRACT:

Fehr and Schmidt (1999) is among the most renowned models in behavioral economics, positing a generalized aversion to inequality that is stronger when one's own payoff is lower—rather than higher—than others; i.e., “envy” is stronger than “guilt.” While aggregate-level estimates based on revealed preferences in laboratory games have supported the model, the assumption that guilt is stronger than envy is often violated at the individual level. This paradox may be due to limitations of the revealed-preference approach. Instead, we directly ask subjects to report their satisfaction with payment-profiles that hold their own payment constant while varying another subject's payment; we then use stated satisfaction to estimate the Fehr and Schmidt (1999) model. An advantage of avoiding games is that eliciting stated satisfaction is relatively easy to implement and is less prone to being confounded with motives like reciprocity in the estimation of inequity aversion; also the absence of tradeoffs between own and others' payoffs is cognitively less demanding for subjects. Our unstructured approach does not limit the expression of social preferences to inequity aversion, yet our methodology yields significant support for Fehr and Schmidt (1999). At the individual level, 86% of subjects exhibit at least as strong envy as guilt, and 76% (65%) of subjects weakly(strongly) adhere to the model. Our individual-level estimates are robust to changing the value of one's own constant payment and to changing the range of the other subject's payments. Methodologically, eliciting satisfaction can be an easy-to-implement complement to choice-based preference-measures in contexts other than social preferences that are of interest to economists.

**Author(s):** Lina Diaz, Daniel Houser, John Ifcher, Homa Zarghamee

**Topic:** Methodology: Experimental Design, Tools and Practices, Social Behavior: Other-regarding Preferences

[Back to session: Methodology](#)

---

## Measuring Norms: Assessing the Bicchieri-Xiao elicitation method

**Francesco Bogliacino**  
Universidad Nacional de Colombia

### ABSTRACT:

Recently, experimental economists have turned to several methods to elicit normative expectations that underpin social norms. The method introduced by Bicchieri and Xiao (2009) uses a two-step procedure: after eliciting non-incentivized Personal Normative Beliefs (PNB), they then incentivize subjects to accurately estimate the PNBs of other subjects. Since the PNB is elicited without incentives and many normative views are potentially controversial, there is some risk that this method is susceptible to Social Desirability Bias. The main goal of this paper is to explore the robustness of this method in the presence of social influence that might induce Desirability Bias; thus we compare normative expectations and PNBs elicited under two different protocols that vary in the extent to which reports may be influenced by Social Desirability Bias.

## Social Proximity and the Erosion of Norm Compliance

**Eugen Dimant**  
University of Pennsylvania

### ABSTRACT:

We study how individuals' compliance with norms of pro-social behavior is influenced by other actors' compliance in a dynamic and non-strategic experimental setting. We are particularly interested in the role that social proximity among peers plays in eroding or upholding norm compliance. Our results suggest that social proximity is crucial. In settings without known proximity, norm compliance erodes swiftly because participants only conform to observed norm violations of their peers while ignoring norm compliance. With known social proximity, participants conform to both types of observed behaviors, thus halting the erosion of norm compliance. Our findings stress the importance of the broader social context for norm compliance and show that, even in the absence of social sanctions, conformity can be sustained in repeated interactions, provided there is group identification, as is the case in many social encounters in natural and online environments.

**Author(s):** Cristina Bicchieri (UPenn), Eugen Dimant (UPenn), Simon Gaechter (UNottingham), Daniele Nosenzo (Aarhus)  
**Topic:** Social Behavior: Norms and Morals, Social Behavior: Group Behavior  
**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3355028](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=3355028)  
[Back to session: Norms](#)

---

## Intentionality Matters for Third-Party Punishment but not Compensation in Trust Games

**Marta Maras**  
Gettysburg College

### ABSTRACT:

We investigate how the intentionality of investors or trustees' actions affects third party compensation and punishment interventions after a trust game. Investors and trustees are randomly assigned to conditions where they either make intentional choices or their choices are made by a random machine. Overall, we find that lack of reciprocity is punished more than lack of trust, and third parties exhibit strong preferences for compensation over punishment. We find that only punishments are affected by the intentionality of parties' actions, whereas compensation occurs in all conditions, whether lack of trust or reciprocity has been intentional or unintentional.

**Author(s):** Cristina Bicchieri, Marta Maras  
**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other-regarding Preferences  
[Back to session: Norms](#)

---

## The effect of Negative Shocks on pro-social and anti-social behavior

**Rafael Charris**  
Universidad Nacional de Colombia

### ABSTRACT:

A large empirical literature argues that negative economic shocks induce antisocial behavior, mainly through incentives effect. However, there is also a literature that claims that negative shocks experienced because of violence or natural disasters increase prosocial behavior. In this paper, we explore the prediction of incentives effects in both settings, using a norm compliance model and we test them using a set of experiments

**Author(s):** Francesco Bogliacino, Rafael Charris, Camilo Gomez, Felipe Montealegre  
**Topic:** Social Behavior: Norms and Morals, Social Behavior: Other-regarding Preferences  
[Back to session: Norms](#)

---

## Exploring the Intensity of Higher-Order Risk Attitudes

**Cary Deck**  
University of Alabama

### ABSTRACT:

Risk apportionment is the standard method for identifying higher order risk preferences. However, previous theoretical work only provides for identifying the sign of such risk attitudes. This paper provides a theoretical basis for using risk apportionment to measure the intensity of risk attitudes of any arbitrary order; develops a simple, systematic, generalizable procedure for capturing relative and absolute nth order risk attitudes; and reports

the results of a laboratory experiment implementing the procedure. The participants exhibit a wide range of risk intensities spanning risk neutrality, prudent neutrality and temperance neutrality, casting doubt on the applicability of commonly assumed preference models.

**Author(s):** Cary Deck, Rachel Huang, Larry Tzeng, Lin Zhao

**Topic:** Decision Theory: Risk, Decision Theory: Preferences

[Back to session: Decision Theory 2](#)

---

## The Demand for, and Avoidance of, Information

**Russell Golman**

**Carnegie Mellon University**

ABSTRACT:

We apply a previously developed “information gap” framework to better understand and predict information seeking and avoidance. The resulting theory posits that, beyond the conventional desire for information as an input to decision making, two additional motives contribute to the demand for information: curiosity—the desire to fill information gaps, i.e., to answer specific questions that capture attention; and motivated attention—the desire to savor good news and ignore bad news, i.e. to obtain information we like thinking about and avoid information we do not like thinking about. Five experiments (N = 2,361) test three of the primary hypotheses derived from the theory about the demand for information both when information is neutrally-valenced and when it is ego-relevant. People are more inclined to acquire information: a) when it seems more important, even when the information is not instrumental for decision making (Experiments 1A & 2A); b) when it is more salient, manipulated by how recently the information gap was opened (Experiments 1B & 2B); and c) when it has higher valence—i.e., when individuals anticipate receiving more favorable news (Experiment 2C). This set of findings demonstrates that we gain insight into informational preferences by recognizing how information gaps attract attention.

**Author(s):** Russell Golman, George Loewenstein, Andras Molnar, Silvia Saccardo

**Topic:** Decision Theory: Other, Psychology and Biology: Cognition

[Back to session: Decision Theory 2](#)

---

## Maximizing the Growth Rate of Wealth vs Maximizing Expected Utility of Wealth: The St. Petersburg Gamble Revisited

**Barry Sopher**

**Rutgers University**

ABSTRACT:

Some remarkable recent work (Peters, 2011) has demonstrated that Bernoulli's conjectured solution to the “St. Petersburg Paradox”—to maximize the expected value of the natural log of wealth—is the exact solution to a completely different problem—to maximize the time averaged growth rate of one's wealth. This “time resolution of the St. Petersburg paradox” can be understood as highlighting more generally the need to take account of whether the wealth generation process is ergodic or not. In particular, if we provisionally accept the hypothesis that the growth rate of one's wealth is a suitable optimand for an economic agent to focus upon, then the transformation of wealth represented by what is conventionally called the utility function takes on a new meaning: it is the transformation of wealth whose stochastic behavior is ergodic—meaning that both the “ensemble” or “cross sectional” distribution is the same as the “time average” distribution. Notably, this transformation depends not upon individual risk preferences, but rather upon the physical environment. For example, the St. Petersburg Gamble, which has a geometric distribution over time, requires the natural log transformation to yield an ergodic process, while a simple binomial gamble (win a dollar or win 0 with equally probability in each round, for example) requires no transformation of wealth—it is already ergodic. So the appropriate function to optimize with differs, for the same individual, across different gambles. We report on an experiment designed to exploit the implications of Peter's theory. We compare gambling behavior in a truncated (to 10 periods) version of the St. Petersburg Gamble to behavior in a 10 period Binomial Gamble. We conceive of the experiment as a horse race between risk-neutral expected utility and the growth rate maximization hypothesis. These two hypotheses yield distinct predictions for the threshold of the cost of playing the gamble above which a decision maker should not be willing to play the St Petersburg Gamble, but rather similar predictions for the two theories for the Binomial Gamble. Our results are, briefly, that the vast majority of subjects are remarkably consistent, behaving as if they have a distinct threshold in mind for each type of gamble, for a given initial (endowed) wealth level that they have to work with, and from which they pay the cost of playing the gamble, or which they keep if they do not play the gamble. The threshold levels increase systematically with the initial wealth level, but the implied transformation of wealth (or utility function) ends up being too variable to be consistent with either hypothesis. Further, overall behavior in the St. Petersburg gamble is generally closer to risk neutral behavior than is behavior in the Binomial Gamble. A third alternative hypothesis that the initial wealth subjects are endowed with amounts to “house money” and is not integrated into wealth, is explored. Overall, the full implications of the multiplicative nature of wealth dynamics in the St. Petersburg Gamble does not seem to impinge on decision makers' thinking. A future experiment in which subjects have decision aids to given them feedback on hypothetical decisions they might make before deciding to gamble or not is discussed. Peters, Ole. “The Time Resolution of the St Petersburg Paradox.” *Philosophical Transactions of the Royal Society A* 369, no. 1956 (December 13, 2011): 4913–31

**Author(s):** Jacqueline Gelman and Barry Sopher

**Topic:** Decision Theory: Risk, Decision Theory: Preferences

[Back to session: Decision Theory 2](#)

---

## Preferences for the Resolution of Risk and Ambiguity

**Hyundam Je**  
Texas A&M University

ABSTRACT:

We provide the first examinations of uncertainty resolution with respect to the resolution of ambiguity rather than risk. While previous studies have experimentally elicited preferences for uncertainty resolution, all have only examined preferences for the resolution of risk. We elicit both preferences for uncertainty and risk resolution within-subjects and observe their correlations. We find that there exists a preference for early resolution of ambiguity as well as risk, and these two preferences are highly correlated. There is suggestive evidence the attitude toward ambiguity aversion also affects this relationship. Our theoretical summary of dynamic models under uncertainty shows only one model of ambiguity aversion (Hayashi and Miao, 2011) can plausibly explain our experimental findings. Our results also shed light on whether examining uncertainty resolution only in the domain of risk produces a biased picture of an individual's overall preferences on uncertainty resolution.

**Author(s):** Alexander L. Brown, Huiyi Guo, Hyundam Je  
**Topic:** Decision Theory: Ambiguity, Decision Theory: Ambiguity  
[Back to session: Decision Theory 2](#)

---

## What Drives Excessive Borrowing and Under-Borrowing? A Field Experiment

**King King Li**  
Shenzhen Audencia Business School, Shenzhen University

ABSTRACT:

We investigate the determinants of excessive/under-borrowing. Our study differs from the literature by measuring excessive/under-borrowing, and estimating the effect of self-control, financial literacy, and misperception of interest rates, in addition to present bias. We observe both excessive borrowing and under-borrowing, with higher proportion of subjects exhibiting the latter. Subjects with better self-control are less likely to exhibit excessive borrowing, and are more likely to exhibit under-borrowing. It suggests that excessive (under-) borrowing can be due to over-estimation (under-estimation) of self-control. Subjects with better financial literacy are less likely to exhibit excessive borrowing. An additional level of better self-control leads to 10.34% lower borrowing interest rate in real-life. An additional level of better financial literacy leads to 3.44% lower interest rate. Borrowers exhibiting interest rate misperception pay about 11.49% higher interest rate. The findings on the role of financial literacy and misperception of interest rate suggest that excessive-borrowing is not merely a self-control problem, and it can be reduced through appropriate financial education.

**Author(s):** Li King King, Liu Dan, Mai Xin Da, Zhang Qiu Ju, Ren Xiao Yu, Xu Gao Qian, Zhang Kai  
**Topic:** Field Experiments: General, Markets: Finance  
**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3795838](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=3795838)  
[Back to session: Field Experiments 1](#)

---

## Patience Across the Payday Cycle

**Holly Dykstra**  
Harvard Kennedy School

ABSTRACT:

Individuals often behave impatiently when making financial decisions, which can have long-term economic consequences. This paper proposes and tests that the timing of decisions relative to payday—which leads to strong cyclical fluctuations in liquidity for many individuals—influences the level of patience they have. In a large pre-registered online experiment, I ask participants to adopt a commitment device that binds them to being patient. Participants who make this decision eight days before their payday, rather than one day after payday, are 38% more likely to take up commitment. This is consistent with a mechanism where projection-biased agents have self-control problems. By documenting the importance of the timing of financial decisions relative to payday, this paper offers a new policy tool as well as new evidence on the behavioral dynamics that affect everyday savings and consumption choices.

**Author(s):** Holly Dykstra  
**Topic:** Applied Economics: Other, Decision Theory: Beliefs  
**Link:** [scholar.harvard.edu/files/holly-dykstra/files/payday.pdf](http://scholar.harvard.edu/files/holly-dykstra/files/payday.pdf)  
[Back to session: Field Experiments 1](#)

---

## Measuring the Time Preferences of Experienced Producers

**Paul Feldman**  
Johns Hopkins University

ABSTRACT:

There have been substantial innovations in the elicitation of time preferences. Notwithstanding, there is a lack of empirical evidence of any significant gains. Recent methods justify their estimates by obtaining comparable mean discount rates to prior elicited rates and to credit card rates. To provide more meaningful comparisons, we evaluate three prominent methods within subjects in a field experiment with experts (older farmers); with larger



rewards, delays, and horizons; and more participants. The three methods contrasted are joint time and risk elicitation, discrete-time budgets, and a direct method (for eliciting the discount function). Unlike prior studies, we find smaller median individual yearly discount rates with distributions skewed towards zero. These results are robust across the methods. Our within-subject design allows for sharper contrast and indicate the discrete-time budgets discount rates have the highest correlation with the other two methods. Moreover, risk preferences are uncorrelated with time preferences. We provide some guidance to sort between methods.

**Author(s):** Paul Feldman, Paul Ferraro, and Collin Weigel

**Topic:** Decision Theory: Preferences, Methodology: Experimental Design, Tools and Practices

**Link:** [sites.google.com/view/pfeldman/research](https://sites.google.com/view/pfeldman/research)

[Back to session: Field Experiments I](#)

---

## **A Tale of the Tortoise and the Hare: Monetary Incentives, Social Status and Physical Activity**

**Natalia Valdez Gonzalez**  
Texas A&M University

**ABSTRACT:**

We conduct a field experiment to understand the role of social status and monetary incentives as motivation to increase physical activity. We find that social status alone does not induce a change in physical activity. However, when social status is combined with monetary incentives, we find an effect in the number of daily steps. This effect is heterogeneous. Individuals with a low activity level increase the number of steps by 12%, while those with high activity levels show a decrease in the number of steps by 25%. The increased motivation of the low activity group and the crowding-out effect of the high activity group are reminiscent of the hare and the tortoise fable. There are no changes in the number of steps in the control, indicating that the use of pedometers did not induce a change in the level of physical activity. An exogenous social status treatment –uncorrelated with physical activity– provides robustness to our findings and rules out potential experimenter demand effects and other factors driving the results. Our results call for a cautionary approach for analyzing the role of social status –in many cases unobserved in social media– for physical activity intervention programs.

**Author(s):** Natalia I. Valdez Gonzalez, Jennifer Y. Kee, Marco A. Palma, J. Ross Pruitt

**Topic:** Field Experiments: General, Social Behavior: Group Behavior

[Back to session: Field Experiments I](#)

---

## **Costly Verification and Commitment in Persuasion**

**Junya Zhou**  
Purdue University

**ABSTRACT:**

This paper studies the role of verification in communication and its interaction with commitment. The framework features partial commitment and costly verification. The model suggests that when the verification cost is low, it can significantly improve information transmission with low commitment while its influence is limited when commitment is high or the cost is high. I test the theoretical predictions in an experiment and find that subjects react to verification cost in line with the main qualitative implications of the theory. The main departure comes from senders' choices in the hidden communication plan in which they show lying aversion.

**Author(s):** Junya Zhou

**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Communication

[Back to session: Lying and Communication](#)

---

## **Does lying for others dominate lying aversion?**

**Daniel Parra**  
WZB Berlin Social Science Center

**ABSTRACT:**

I study whether people take advantage of privileged positions to avoid their lying costs. I use a sequential cheating game in dyads in which if at least one member of the dyad lie, both benefit from it. Consequently, the first-mover can avoid the cost of lying by reporting truthfully if he or she expects that the second-mover will lie. In this setting, two channels may affect lying behavior: generating a positive externality in others and having the possibility to avoid the cost of lying. I conducted two online experiments using an observed lying game (N=925) and a mind lying game (N=1009). I use treatment variations to turn off the second-mover possibility of lying, the positive externality of the first-mover on the second mover, and the decisions' sequentiality. I found that participants use the positive externality as an excuse to lie even if they could rely on second-mover incentives. However, when they cannot signal the lie's prosociality to the second mover, they try to free-ride on the partner's lie.

**Author(s):** Daniel Parra

**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Norms and Morals

[Back to session: Lying and Communication](#)

---

## Is It What You Say, or How You Say It? An Experimental Investigation of Communication Messages

**Siyu Wang**  
Wichita State University

### ABSTRACT:

Prior studies have shown that free-form communication facilitates cooperation more than restricted-form. We investigated the reasons behind it by comparing different formats of messages in a sequential game where the buyer sets the price and then the seller determines the quality of the product. Before any decision is made, the seller could send the buyer a promise, a threat, a free-form message, or alternatively a message chosen from a previously constructed free-form talk. We find that: (i) while a threat is ineffective compared to the baseline, a promise significantly promotes cooperation; (ii) a free-form message further improves cooperation, but a selection from free-form messages is only as effective as a promise; (iii) the notion of promise and honesty is frequently raised in free-form messages and such a message enhances cooperation; (iv) these two notions are more effective in fostering cooperation when they are constructed by the senders as opposed to being chosen by the senders. Our results indicate that the intention behind constructing the message rather than the richness of the message drives the improvement from restricted-form to free-form.

**Author(s):** Xiangdong Qin; Siyu Wang; Zhiren Wu  
**Topic:** Social Behavior: Communication, Games: Coordination  
[Back to session: Lying and Communication](#)

---

## Strategic Responses to Lying

**Fangtingyu Hu**  
University of Minnesota

### ABSTRACT:

While much of the previous research focuses on the lie-teller, the lie-receiver remains understudied. We provide an overarching view of how people respond to possible lies and articulate the motivations behind those responses. We differentiate non-strategic responses and strategic responses. We find evidence that receivers are being strategically, rather than genuinely, friendly towards dishonest reports by a long-term partner. Such difference is driven by one's expectations of future reciprocity, instead of pure emotional reactions. Our findings carry important implications for the use of performance evaluation in human resource practices.

**Author(s):** Fangtingyu Hu, Avner Ben-Ner  
**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Norms and Morals  
[Back to session: Lying and Communication](#)

---

## Investigating Trust Using Natural Language Processing

**Austin Bradley**  
Virginia Tech

### ABSTRACT:

Communication matters in economic decision making, even in games with simple, unique equilibria. However, the exact mechanism through which this effect happens remains unclear. Previous investigations have only been able to handle ad hoc hypotheses due to having a limited data. In this paper, we employ Natural Language Processing on data from a large-scale principal-agent game run on Amazon's MTurk system with one way communication from agents to principals. These NLP methods, combined with our dataset of over 1000 messages, allow us to approach the data with minimal substantive assumptions to investigate the mechanisms underpinning trust. The structure of our dataset clearly links principals' choices whether to trust agents to their received messages, allowing us to identify new features that increase a message's perceived trustworthiness. Further, knowing the agents' ultimate decisions, we also identify features of messages which predict that they are likely untrustworthy. Comparing the features which predict perceived and actual trustworthiness yields a set of features predicting which messages are likely to be both deceptive and effective. These laboratory findings may help identify types of online interactions where there is a higher likelihood of deception.

**Author(s):** Austin Bradley, Alec Smith  
**Topic:** Social Behavior: Communication, Games: Bargaining  
[Back to session: Norms and Trust](#)

---

## Measuring norms: Assessing the Krupka-Weber elicitation method

**Diego Aycinena**  
Universidad del Rosario

### ABSTRACT:

Economists have been giving increasing attention to the influence of social norms in human behavior. To better understand such influence, experimental economists have turned to several methods to elicit normative expectations that underpin social norms. The method introduced by

Krupka and Weber (2013) uses a coordination game (with multiple equilibria), where subjects are incentivized to match the modal responses (regarding social appropriateness) of other participants. The method relies on the focality of collectively-shared norms to induce coordination. The main goal of this paper is to explore the properties, drawbacks, and robustness of the KW method and variations on them. In particular, we examine whether it can be improved by adding a neutral option that may allow examining an asymmetry in normative expectations. That is, if a social norm prescribes an action that benefits a party, deviating from the prescribed action in a self-serving manner and costly to the other party (e.g., injustice) may be perceived as normatively different from deviating in a generous to the other and self-costly manner (e.g. beneficence). We also examine if including an incentive-compatible option to declare the unawareness of a social norm improves accuracy when we test situations that have normative components vs those that do not.

**Author(s):** Aycinena, Diego; Bogliacino, Francesco; Kimbrough, Erik

**Topic:** Social Behavior: Norms and Morals, Methodology: Experimental Design, Tools and Practices

[Back to session: Norms and Trust](#)

---

## **Is a high level of trust and trustworthiness within the organization a good thing to the firm?**

**Yufei Ren**

**University of Minnesota Duluth**

**ABSTRACT:**

Although research in different fields has explored trust and trustworthiness to some extent, there is a lack of dyadic research examining how trust and trustworthiness in the employment relationship influence organizational performance and turnover in the workplace. We elicited 3000 employees' and managers' trust and trustworthiness attitudes toward each other using a virtual experiment. We find out that compared to employees, managers are more likely to trust the employees and also expect the employees to trust them more. On the other hand, managers are more like to perceive their employees as less trustworthy. We also examine how these trust and trustworthiness perceptions influence the work unit outcomes. We find out that trustworthiness, not trust, impacts organizational performance. In particular, on average, the extent to which the employees believe that their managers are trustworthy is negatively associated with the probability that the firm can achieve its profit goal. Furthermore, organizations in which employees believe that their managers are less trustworthy are likely to have a higher turnover rate.

**Author(s):** Feng Lv, Lin Xiu, Xin Liang

**Topic:** Social Behavior: Other, Applied Economics: Labor Market

[Back to session: Norms and Trust](#)

---

## **Role of gender identity on conservation effort choice in an agricultural land leasing context: A Lab Experiment**

**Diya Ganguly**

**University of Nebraska-Lincoln**

**ABSTRACT:**

Adoption of conservation-friendly land-use practices on a significant portion of farmland in the United States is predicated on the land ownership and environmental attitudes of the landowner and tenant. An emerging pattern of agricultural land ownership indicates an increase in the number of women who own a significant portion of farmland in the United States. Implementation of sustainable long run conservation practices in these agricultural areas is contingent on the type of lease, renters (mostly male) are offered. Additionally, surveys of women landowners indicate that women find it difficult to mandate that the renters adopt specific conservation practices under the terms of the rental agreement. The overall objective of this study is to identify the differences in lease choice and conservation effort choice between 1) female landowners and their male tenants and 2) male landowners and their male tenants. For this purpose, we develop a theoretical model which is set up within the context of a sequential-move game. We use the principal-agent framework and identity theory to model the leasing agreement between the two parties and arrive at subsequent land use choice and equilibrium payoffs. We then use a controlled lab experiment to evaluate behavior on the basis of model findings. A laboratory setting allows us to implement the key intervention, in our case altering the gender of the landowner in a bargaining framework with a male tenant, to draw causal inferences about the impact of gender on lease choice and conservation effort choice. We contribute to the economic experimental literature by analyzing the interaction between gender of participants and the type of contract executed between a landowner and a tenant. We implement a two-person between-subject experimental design where participants play a multi-round sequential game, after being assigned the role of a landowner or a tenant. The landowner's strategy choice consists of three possible rental contracts they can offer to the tenant. In response to receiving these contracts, the tenant will choose between implementing high or low conservation effort. The landowner can offer to the tenant: i) a fixed rental contract with a penalty for implementing low conservation effort, ii) a fixed rental contract with a discount for implementing high conservation effort, or iii) a fixed rental contract with neither a discount nor a penalty. A discounted rental contract is promoted by extension but not observed in the field yet. Similarly, the penalty in the contract is usually not observed in the field. However, using the discount and the penalty as incentives in the lab allow us to identify correlations between the gender of the landowner, the choice of contract and the subsequent effort choice by the tenant. Our main treatment variable is the gender of the landowner (female versus male) and whether it is revealed or not. In the control sessions, the gender of the landowner is not revealed and not made salient. In treatment sessions gender is revealed and made salient. After completing the game, participants answer a questionnaire that elicits their gender stereotyping tendencies which gives us a gender stereotyping score for each participant. When it comes to contract choice, we hypothesize that female landowners will offer more contracts with discounts than male landowners; moreover, they will also offer higher rental discounts than male landowners. Regarding effort choice, we hypothesize that male tenants will choose high effort for male landowners than female landowners, regardless of the contract offered. Our analysis identifies how the effort choice outcome of the participants is impacted by the contract choice and the gender of the landowner using a binomial logistic regression model. The explanatory variables include the contract choice, discount offered (if discounted contracts are offered), treatment dummies and the gender stereotyping scores. The results of our model identify the role of gender of the landowner on conservation outcomes on leased farmland. If male tenants only respond with high effort when offered a discount by female landowners and display a tendency to "obey" a male landowner more than a female landowner, then by benchmarking this behavior this study

serves to highlight the need for gender-oriented conservation policy interventions to ensure the long run sustainability and provision of ecosystem services on farmland.

**Author(s):** Diya Ganguly, Simanti Banerjee, Christopher R. Gustafson

**Topic:** Social Behavior: Norms and Morals, Methodology: Experimental Design, Tools and Practices

[Back to session: Norms and Trust](#)

---

## **Paved with Good Intentions: Group Identity and Partial Willful Ignorance in Public Goods Games**

**Braxton Gately**

**University of Arkansas**

ABSTRACT:

I investigate whether the propensity to remain partially ignorant of the consequences of one's decisions is compounded by group identity in public goods games. Particularly, I seek to answer two research questions. First, do agents in a public goods games use information acquisition as a self-deception mechanism that enables free-riding? Second, if so, is the amount of information acquired different when the other contributors are part of one's ingroup than when the other contributors are part of the other contributor's outgroup? I use a 2 x 2 experimental design which varies the certainty level in the experiment along one dimension (Certainty – Uncertainty) and whether or not group identity has been induced along the other (Identity – No Identity). I offer three hypotheses rooted in a theoretical model. First, under certainty, contributions will be higher with induced group identity than with no group identity if subjects have strong ingroup attachment and low outgroup attachment, and lower with induced group identity than with no group identity if subjects have equal attachments to both ingroup and outgroup members. Second, under uncertainty, contributions will be higher with induced group identity than with no group identity if subjects believe that the benefit to ingroup participants is greater than outgroup participants. Third, under uncertainty, search rates will be higher with induced group identity than with no group identity if subjects believe that ingroup members will be benefitted more than outgroup members. Data collection and experimental results are forthcoming.

**Author(s):** J. Braxton Gately

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Group Behavior

[Back to session: Public Goods 1](#)

---

## **The Gift of Giving: Disclosing Tribute Donation Size and Taboo Charitable Behavior**

**Kanatip Winichakul**

**University of Pittsburgh**

ABSTRACT:

Tribute donations are a ubiquitous form of charitable giving. Donors make contributions on behalf or in memory of others, and honorees are notified of these donations. When charities notify honorees, however, it is common practice not to disclose tribute donation amounts. But does this industry standard of concealing donation amounts benefit charities? In this paper, I run a laboratory experiment to explore tribute giving and whether the type of honoree acknowledgment impacts donations. In particular, I examine whether disclosing tribute donation amounts affects the likelihood that donors give on behalf of others, the size of donations, and future giving.

**Author(s):** Kanatip Winichakul

**Topic:** Applied Economics: Charitable Giving, Applied Economics: Charitable Giving

[Back to session: Public Goods 1](#)

---

## **Framing and Inequality in Public Goods Games**

**Brock Stoddard**

**Appalachian State University**

ABSTRACT:

In many social dilemmas, cooperation can be framed as giving decisions or taking decisions. An important example is environmental policy encouraging “green” behavior. Such policy can be framed as individuals giving to the environment by making green decisions or as individuals taking from the environment by not making green decisions. Beyond the frame, inequality potentially poses another obstacle to voluntary contributions. Do rich and poor members react differently to how a social dilemma is framed? Similarly, do more productive members react differently to framing than less productive members? We examine these questions using a VCM public goods game. In each give and take frame, we examine two kinds of inequality. Heterogeneous endowment varies group members' initial resource endowment, leading to rich and poor subjects. Heterogeneous production varies members' contribution productivity in creating a public good. The key preliminary finding is that the poor in heterogeneous endowment respond differently across give and take frames. An established result that we find support for is that, in give-framed public goods games, the poor contribute a larger percentage of their endowment than the rich. However, we do not find this to be true in take-framed public goods games; the poor contribute significantly lower amounts in take-framed games than in give-framed games. Additional analysis will examine extreme behavior across the treatments.

**Author(s):** Caleb Cox, Abhijit Ramalingam, Brock Stoddard

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Group Behavior

## **Dynamics of Public Goods Contributions Under Probabilistic Punishment**

**Jason Aimone**  
**Baylor University**

### **ABSTRACT:**

Criminal Justice systems and decisions to commit crimes are embedded within a strategic environment of punishment that involves uncertainty of both the commission of crimes and uncertainty regarding the implementation punishment. We use a set of experimental voluntary contribution mechanism (VCM) games to study the effect of costly probabilistic punishment on contribution amounts. We study how punishment and contributions amounts evolve over finitely repeated games and how these patterns vary depending on how likely it is for punishment to be effective. We use a typing procedure to examine correlations between contribution type (e.g. altruist, conditional cooperator, etc.) and retaliatory punishment behavior. Our study sheds light on how costly probabilistic punishment shapes cooperation in a group setting.

**Author(s):** Amanda Short, Jason Ralston, Jason Aimone, Lucas Rentschler, Charles North  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Public Choice: Other

[Back to session: Public Goods 1](#)

---

## **Investor's Memory Recall Bias: Theory and Field Experiment**

**King King Li**  
**Shenzhen Audencia Business School, Shenzhen University**

### **ABSTRACT:**

We conduct a field experiment to investigate the memory recall bias of real-life investors who are asked to recall their best performing stock (BPS) and worst performing stock (WPS). We find that investor are more likely to remember BPS than forgetting, while such pattern is not observed for WPS. Further, investors with higher discount rate are more likely to forget WPS. Investors who pay more attention to stock prices are more likely to forget WPS. The proportion of investors who forget WPS and remember BPS is higher than the proportion of investors who forget BPS and remember WPS. Experience in investment play an important role that the less experienced investors are more likely to forget WPS than BPS, while more experienced investors do not exhibit this bias. We propose a theory of investor's memory recall preference to account for the findings.

**Author(s):** King King Li, and Kang Rong  
**Topic:** Field Experiments: General, Applied Economics: Charitable Giving

[Back to session: Decision Theory 3](#)

---

## **Gender Differences in Preference to Give Advice**

**Elif Osun**  
**University of Maryland**

### **ABSTRACT:**

This paper experimentally investigates whether there is a gender difference in advice giving in a gender-neutral and risk-free task where the incentives of the advisor and the decision make are perfectly aligned. The results indicate that women shy away from giving advice compared to men. The gender difference is driven by the difficult questions in which knowing the exact correct answer is not likely. Self-confidence explains some of the gender gap, but not all. The gender gap disappears if advice becomes enforceable, suggesting that the gender difference in advice giving may be driven by rejection aversion.

**Author(s):** Elif Osun  
**Topic:** Decision Theory: Preferences, Psychology and Biology: Gender and Individual Differences

[Back to session: Decision Theory 3](#)

---

## **The influence of violating attribute cut-offs on utility for Medjool dates from Arizona**

**Carola Grebitus**  
**Arizona State University**

### **ABSTRACT:**

Using choice experiments we make the assumption that the passive bounded rationality model applies, which means that participants attend to and process all information that is presented and make a trade-off between all presented attributes when choosing their preferred product option. This assumption is based on the use of compensatory decision strategies in which a better value of one attribute can compensate for a poorer value of another attribute (Payne et al., 1992). However, adaptive decision strategies can also be used in which not all available information will be used to

make a choice (Caplin, 2016; Gigerenzer, Gaissmaier, 2011). An example for this is the use of attribute cut-offs which are a minimum acceptable level that decision makers set for themselves for a specific attribute (Huber, Klein, 1991). They use their cut-off to screen product alternatives. Theoretically, those who don't meet the cut-off should be eliminated from their consideration set. For example, if a decision maker wants to purchase a new car, and brand is a valid cut-off (s)he will not consider cars with brands other than the preferred brand. Hence, modeling choices without accounting for attribute cut-offs can bias estimates (Swait, 2001) because the model will still treat ignored attribute levels as part of the decision even though they were not considered in the decision process (Hensher et al., 2005). This has implications on utility estimation. In addition, the question arises what happens if a decision maker has a cut-off for an attribute but still chooses an option that violates this. For instance, if only domestic car brands are considered but the decision maker violates her cut-off and chooses a foreign brand, how does this affect utility? One could argue that utility for domestic cars should go down due to the violation. However, if the option containing foreign brand is chosen nonetheless, it could also lead to increased utility due to other attributes of that option. Hence, our objective is to advance discrete choice modeling by accounting for cut-off levels and informing on effects of attribute cut-offs and potential violation on utility. To do so, we conducted a laboratory experiment in the U.S. combining a choice experiment with an assessment of cut-off values in the context of healthy and sustainable food choices. To be able to evaluate the role of decision strategies during choice making, we use eye tracking to measure attention to the choice attributes. Preliminary results show that 41% of participants had no cut-off levels, about one-third had at least one cut-off level. Almost two-thirds had a cut-off for price. We start by using Tobit models to show that attribute cut-offs for product labeling increased attention. Having cut-offs for price did not have significant effects on attention and subsequently the used decision strategies. Next, we will proceed to test how this affects, and what the effect of violating attribute cut offs is on choice modeling in terms of model performance and utility levels. References: Caplin, A. (2016). Measuring and Modeling Attention. *Annual Review of Economics*, 8(1), 379-403.; Gigerenzer, G., & Gaissmaier, W. (2011). Heuristic Decision Making. *Annual Review of Psychology*, 62(1), 451-482.; Hensher, D. A., Rose, J., & Greene, W. H. (2005). The implications on willingness to pay of respondents ignoring specific attributes. *Transportation*, 32(3), 203-222.; Huber, J., & Klein, N. M. (1991). Adapting Cutoffs to the Choice Environment: The Effects of Attribute Correlation and Reliability. *Journal of Consumer Research*, 18(3), 346-357.; Payne, J. W., Bettman, J. R., Coupey, E., & Johnson, E. J. (1992). A constructive process view of decision making: Multiple strategies in judgment and choice. *Acta Psychologica*, 80(1), 107-141.; Swait, J. (2001). A non-compensatory choice model incorporating attribute cutoffs. *Transportation Research Part B: Methodological*, 35(10), 903-928.

**Author(s):** Carola Grebitus (Associate Professor, Arizona State University, USA); Mohammed H. Alemu (Postdoctoral Researcher, University of Copenhagen, Denmark); Ellen Van Loo (Assistant Professor, Wageningen University, The Netherlands)

**Topic:** Decision Theory: Preferences, Methodology: Lab, Field and External Validity

[Back to session: Decision Theory 3](#)

---

## Grit, Discounting, & Time Inconsistency

**Christian Koenig genannt Kersting**  
University of Innsbruck

ABSTRACT:

We study the association of the perseverance-of-effort (PoE) and the consistency-of-interests (CoI) components of the psychological measure of grit, with economic measures of impatience and decreasing impatience, respectively, in the general population. We find that impatience is associated with grit through the PoE component. No association of time inconsistency with grit is found. Predicting participants' dissatisfaction with their financial and health outcomes and behaviors, we find that, despite their correlation, both impatience and grit are predictive for both outcomes. Our findings suggest that it may be beneficial for empirical studies of intertemporal decisions to include both economic impatience and psychological grit measures.

**Author(s):** Christian Koenig-Kersting, Stefan T. Trautmann  
**Topic:** Decision Theory: Preferences, Field Experiments: General

[Back to session: Field Experiments 2](#)

---

## To Go Electric or to Burn Coal? A Randomized Field Experiment

**King King Li**  
Shenzhen Audencia Business School, Shenzhen University

ABSTRACT:

Coal heating in residential houses is an important source of indoor and outdoor air pollution, which brings about health damage. We conduct a randomized field experiment to investigate potential obstacles to electric heating by conducting 3 types of SMS campaign containing either electricity cost, or health damage, or social information on the heating methods by others, to households in rural villages in northern China. We find that a majority of households overestimate their electricity expense, and underestimate the health damage from coal heating. When households are given feedback on accurate electricity expenses, the demand for electric heating decreases by 52 percent; and this effect is stronger for households who underestimate energy cost, and are concerned about the heating price; while it has no significant impact on those with cost overestimation. Among households who perceive correctly and attach importance to the health impact from coal heating, providing information on the health damage from coal heating increases the demand for electric heating by 55.8 percent and 25.6 percent, respectively. Moreover, providing social comparison information on the heating methods chosen by others only has a positive effect on a small proportion of households who tend to follow others' heating preferences.

**Author(s):** Hanming Fang, King King Li, and Peiyao Shen  
**Topic:** Field Experiments: General, Applied Economics: Economic Development

[Back to session: Field Experiments 2](#)

---

## Menu-Dependent Food Choices and Food Waste

Joaquin Gomez-Minambres  
Lafayette College

### ABSTRACT:

We use a combination of randomized field experiments and online surveys to test how the menu design affects food choices and food waste. In our field experiment, participants face one of two menus: a narrow menu that only displays a small portion of food, or a broad menu that also contains bigger portions. While all options are equally available in both menus, they differ in how easy and fast the different choices can be made. Our results show that, compared to the broad menu, participants in the narrow menu ordered smaller portions of food. Importantly, food intake was similar across conditions, leading to significant food waste reduction under the narrow menu. Our online survey suggest that these results are consistent with a combination of anchoring and menu-dependent self-control theories. We discuss the implication of our results to menu design in real world settings.

**Author(s):** Joaquin Gomez-Minnambres (Lafayette College), Hongxing Liu (Lafayette College) and Danyi Qi (Louisiana State University)

**Topic:** Field Experiments: General, Decision Theory: Preferences

**Link:** [digitalcommons.chapman.edu/esi\\_working\\_papers/332/](https://digitalcommons.chapman.edu/esi_working_papers/332/)

[Back to session: Field Experiments 2](#)

---

## Haggling for a Smoke: A Natural Field Experiment on Price Discrimination in Mexico City's Informal Cigarette Markets

Hernan Bejarano  
CIDE & Chapman, Economic Science Institute

### ABSTRACT:

Knowing more about how the illicit market for single cigarettes sets or negotiates prices and extracts profits is not only of interest to cigarette manufacturers and tobacco regulators but also concerns the sizeable tranche of society in low and middle-income countries involved in selling and consuming loose/single cigarettes from street sellers. What factors do affect prices in this market? A common finding in recent economic experiments is that gender-based price discrimination often occurs (Gneezy, 2009; Castillo et al. 2013). In addition, theories of rational and visceral addiction, alike, predict that the willingness-to-pay for an addictive substance is likely to be higher among individuals with lower levels of substance tolerance than those with higher levels of substance tolerance (Hart, 2013). The effect of substance use on willingness-to-pay should therefore be observable in negotiation outcomes for addictive substances. In our natural field experiment, we collected 1,549 observations of negotiations for single cigarettes in 16 informal street markets across Mexico City to test if price discrimination occurred and whether buyer gender and smoking status were potentially causing its occurrence. We found first and third-degree discrimination. Findings of a gender and smoking status interaction suggest sellers positively discriminate female smokers compared to male smokers but fail to price discriminate between female and male non-smokers.

**Author(s):** Hernan Bejarano, Rodrigo Cordova, and Lissandra ELlyne

**Topic:** Field Experiments: General, Applied Economics: Economic Development

[Back to session: Field Experiments 2](#)

---

## Competition and Convergence in Complementary Contests

Daniel Stephenson  
Virginia Commonwealth University

### ABSTRACT:

This paper experimentally investigates contests where agents allocate resources to compete over divisible complementary prizes. The unique Nash equilibrium is shown not to depend on the level of competitiveness. Yet adaptive models predict faster convergence to equilibrium in less competitive settings. As predicted by the adaptive best response model, the empirical rate of convergence to the unique Nash equilibrium was observed to be faster in less competitive settings. These results suggest that adaptive models can provide useful insights into the rate at which the behavior of boundedly rational agents converges towards the predictions of Nash equilibrium over time.

**Author(s):** Daniel Stephenson

**Topic:** Games: Contests, Markets: Auctions

[Back to session: Markets](#)

---

## Secondary Markets and the Opioid Crisis: Evidence from a Laboratory Experiment

Yue Deng  
George Mason University

### ABSTRACT:

The opioid crisis is responsible for hundreds of thousands of deaths and trillions of dollars in costs. The secondary market for opioids contributes substantially to those numbers. While shutting down the secondary market can alleviate the health threat induced by the drug diversions, it could also

trigger increased unnecessary prescriptions, leaving the welfare consequences of closing secondary market distribution ambiguous. Drawing on Schnell's (2017) model of secondary markets and the opioid crisis, we design a laboratory experiment to investigate the effect of secondary markets on patient and physician behaviors. We find that, as compared to when the secondary market is absent, in the presence of a secondary market patients visit physicians more frequently and physicians provide more prescriptions. Consequently, we find that shutting down this distribution channel reduces total consumption of opioids, and positively impacts overall health outcomes. Our results provide clear evidence that policies aimed at restricting secondary markets would significantly contribute to mitigating the opioid crisis.

**Author(s):** Yue Deng, Daniel Houser  
**Topic:** Markets: Industrial Organization, Markets: Other  
[Back to session: Markets](#)

---

## Opening the Book: Price Information's Impact on Market Efficiency in the Lab

**Brett Williams**  
University of California, Santa Cruz

ABSTRACT:

Trader behavior and market convergence are studied in a general equilibrium two-good setting through the use of the continuous double auction. The transaction history varies across sessions in its accessibility. Congruently, the orderbook, which houses the traders' bids and asks, differs across sessions in the visual and interactive availability of active orders. The set of active bids and asks shown to traders may range from only the best bid and ask in the market to the full set of active orders; similarly, the set of visible transactions spans the full history of the trading period to only a trader's own transactions. I leverage this variation to identify the impacts of differing levels of market transparency on outcomes such as price and allocation efficiency, order volume and timing, and learning. Additional sessions are run in a partial equilibrium setting to investigate a subset of intermediate cases (between the full book and no book) left by recent literature.

**Author(s):** Brett Williams  
**Topic:** Markets: Market design and Matching, Markets: Other  
[Back to session: Markets](#)

---

## Exclusive Dealing with Committed Price

**Xiaomin Bian**  
Ohio state university

ABSTRACT:

Exclusive contracts prevent a buyer from buying the products of a different seller. Thus, exclusive contracts have anticompetitive effects if a buyer can sign such contracts with an incumbent to deter efficient entry. When the exclusive contract is a bundle of committed price and compensation, we show that the incumbent deters entry successfully by committing a price lower than its cost. However, if the game lasts for infinitely many periods and contracts are signed for many periods, entry occurs as long as the discount factor is large enough. The shorter the contracts are signed, the earlier and easier entry occurs. It implies that contracts should be restricted with shorter periods and be monitored on suspicious clauses for antitrust concerns. We also run a lab experiment to check the theoretical predictions. The experiment is still in the pilot stage.

**Author(s):** Xiaomin Bian  
**Topic:** Markets: Industrial Organization, Games: Contests  
[Back to session: Markets](#)

---

## Social Perceptions Predict Outcomes of In-Field Correspondence Studies

**Marcos Nazareth Gallo**  
California Institute of Technology

ABSTRACT:

Disparities in outcomes across social groups are found in nearly every modern human society domain, including education, the labor market, and healthcare. Despite progress in documenting these disparities, much remains unknown about their origins. We have collected previously published studies of correspondence experiments in the United States and Canada and performed a meta-analysis. These are experiments in which resumes or other indicators in housing, hiring, and other decisions are sent to decision-makers which are identical except for ethnic/gender/demographic information, e.g., Bertrand & Mullainathan (2004). We have also used perception ratings of warmth and competence of targets in each study to predict outcomes. We find that these perceptions have some explanatory power in predicting published results.

**Author(s):** Marcos Nazareth Gallo  
**Topic:** Social Behavior: Other-regarding Preferences, Methodology: Lab, Field and External Validity  
[Back to session: Other-regarding Preferences 1](#)

---

## Revealed Reciprocity



**Paul Cheung**  
University of Maryland

ABSTRACT:

I propose and characterize the General Reciprocity Model in a framework of context-dependent choice. In the model, the second mover can establish their own rules or expectations regarding when or why to reciprocate. The model disentangles, while preserving, the unconditional baseline social preference from reciprocity: reciprocity occurs when people deviate from their baseline preference due to the context and first mover's choice. The revealed reciprocity result of the model coincides with the workhorse criteria to identify reciprocity in an experiment. Therefore, our model enables us to investigate the behavioral implication underlying this intuition. Moreover, I impose two additional assumptions on the model, namely category consistency and diminishing sensitivity, for situations where the first mover has fewer options to choose from (i.e. contextual shrinkage). These assumptions help identify reciprocity and baseline preference even when the ideal "no context" data are not available. Applications to several previous experiments on reciprocity are discussed for illustrating the identifications from the model.

**Author(s):** Paul Cheung

**Topic:** Social Behavior: Other-regarding Preferences, Decision Theory: Preferences

**Link:** [drive.google.com/file/d/1PQJ\\_u1V32Lx6GrWft\\_dGm7iNLLnW6YM/view?usp=sharing](https://drive.google.com/file/d/1PQJ_u1V32Lx6GrWft_dGm7iNLLnW6YM/view?usp=sharing)  
[Back to session: Other-regarding Preferences 1](#)

---

## Negative shocks predict change in cognitive function and preferences: assessing the negative affect and stress hypothesis

**Felipe Montealegre**  
Universidad Nacional de Colombia

ABSTRACT:

In the context of the current COVID-19 pandemic, households throughout the world have to cope with negative shocks. Previous research has shown that negative shocks impair cognitive function and change risk, time and social preferences. In this study, we analyze the results of a longitudinal multi-country survey conducted in Italy (N = 1652), Spain (N = 1660) and the United Kingdom (N = 1578). We measure cognitive function using the Cognitive Reflection Test and preferences traits (risk, time and social preferences) using an experimentally validated set of questions to assess the differences between people exposed to a shock compared to the rest of the sample. We measure four possible types of shocks: labor market shock, health shock, occurrence of stressful events, and mental health shock. Additionally, we randomly assign participants to groups with either a recall of negative events (more specifically, a mild reinforcement of stress or of fear/anxiety), or to a control group (to recall neutral or joyful memories), in order to assess whether or not stress and negative emotions drive a change in preferences. Results show that people affected by shocks performed worse in terms of cognitive functioning, are more risk loving, and are more prone to punish others (negative reciprocity). Data do not support the hypotheses that the result is driven by stress or by negative emotions.

**Author(s):** Francesco Bogliacino, Cristiano Codagnone, Felipe Montealegre, Frans Folkvord, Camilo Gomez, Rafael Charris, Giovanni Liva, Francisco Lupianez-Villanueva & Giuseppe A. Veltri

**Topic:** Applied Economics: Charitable Giving, Applied Economics: Charitable Giving

**Link:** [doi.org/10.1038/s41598-021-83089-0](https://doi.org/10.1038/s41598-021-83089-0)  
[Back to session: Psychology 1](#)

---

## Emotional Influence on Information Processing in Decisions under Uncertainty

**Santiago Sautua**  
Universidad del Rosario, Department of Economics

ABSTRACT:

In two laboratory experiments, we investigate the effect of incidental emotions on decision-making under ambiguity, both in the presence and absence of information about past outcomes. In the experiments, the subjects make investment decisions and report their expectations of success after watching a short video clip with either negative or positive content. Incidental emotions induced by the video clip have differential effects on expectations and investments depending on whether the subjects have information about prior outcomes. When subjects lack such information, a negative emotional state reduces investments, consistent with prior evidence that some negative emotions reduce risk-taking. By contrast, following strong bad news about past outcomes, a negative emotional state attenuates the tendency to reduce expectations and investments. In fact, in this situation, a significant proportion of subjects engage in contrarian behavior, increasing expectations and investments. These patterns are consistent with subjects following a strategy of "affective compensation," whereby they attempt to alleviate the discomfort resulting from the combination of a negative emotional state and bad news. Overall, our findings underscore the need for additional research investigating how the interaction between emotional states and new information affects decision-making under uncertainty.

**Author(s):** Silvia Lopez-Guzman and Santiago I. Sautua

**Topic:** Psychology and Biology: Emotions, Decision Theory: Learning

[Back to session: Psychology 1](#)

---

## Misinformation discernment around the globe: How shifting attention to accuracy can reduce misinformation online in 16 countries.

**ANTONIO ARECHAR  
CIDE**

ABSTRACT:

This study examines sharing of true and false covid-19 news across 16 countries. We test the generalizability of prior findings from American subjects that (i) accuracy judgments are more discerning than sharing judgments, (ii) having participants evaluate the accuracy of a non-covid headline, or showing them minimal digital literacy tips, increases sharing discernment, and (iii) more reflective participants show higher truth discernment. Data collection is ongoing and preliminary results will be presented.

**Author(s):** Antonio A. Arechar, Adam Berinsky, Ziv Epstein, Kiran Garimella, Jackson Lu, Gordon Pennycook, David G. Rand, Robert M. Ross, Jerry Zhang

**Topic:** Psychology and Biology: Cognition, Social Behavior: Other  
[Back to session: Psychology 1](#)

---

## **Inequality and the Allocation of Collective Goods**

**Caleb Cox  
Virginia Commonwealth University**

ABSTRACT:

We examine the allocation of a voluntarily-provided collective good with inequality in endowments or productive capabilities. After group members choose their contributions to a collective good, a third-party allocator distributes the resulting value among the group members. With and without inequality, we find that allocators significantly improve efficiency compared to automatic equal division of the collective good. However, inequality creates a conflict between various notions of equitable distribution, potentially diminishing the allocator's ability to incentivize contribution. Our results show that inequality in endowments or productive capabilities indeed reduces the effectiveness of allocators compared to the baseline case of equality.

**Author(s):** Caleb Cox, Brock Stoddard  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Other-regarding Preferences  
[Back to session: Public Goods 2](#)

---

## **Information regime changes and path dependence - An experimental analysis of public goods contributions in heterogeneous groups**

**Sabine Kroeger  
Department of Economics, Laval University**

ABSTRACT:

We experimentally investigate the path dependence of voluntary contributions in a public good game with heterogeneous agents who vary in their ability to increase the public good. More specifically, we analyze whether contribution norms observed in a first phase of the experiment under a specific information regime carry over to a second phase with a more or a less transparent regime. We find evidence of path dependence that varies by the ability of agents. Efficient contribution norms establish under common knowledge about heterogeneity and transparency of contributors' ability, and they carry over to another game with less transparency. Other contribution norms that emerged under less transparency are also initially sticky, but they eventually evolve toward an efficient norm under a more transparent information regime. Thus, path dependence may impede but does not prevent efficient contribution norms to prevail in fully transparent settings.

**Author(s):** Gerlinde Fellner-Roehling, Sabine Kroeger, Erika Seki  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Norms and Morals  
[Back to session: Public Goods 2](#)

---

## **Plotting Prevenge: Punishment Strategies in a Public Goods Environment**

**Jason Ralston  
Whitman College**

ABSTRACT:

We use a set of experimental voluntary contribution mechanism (VCM) games to study the effect of costly probabilistic punishment on contribution amounts. Our primary treatment variables allow us to vary probabilities of punishment, information regarding the contributions of group members, and the occurrence of type I errors being made. Our methods and rich data set allow for a detailed typing procedure using punishment participant punishment strategies, which can evolve according to different informational treatments and punishment conditions. We also use a Fischbacher et al. 2001 typing procedure to examine correlations between contribution type (e.g. altruist, conditional cooperator, etc.) and punishment type.

**Author(s):** Jason Ralston, Jason Aimone, Lucas Rentschler, Charles North  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Other-regarding Preferences  
[Back to session: Public Goods 2](#)

---

## Polarization and Group Cooperation

**Andrea Robbett**  
Middlebury College

ABSTRACT:

Does increased partisanship undermine the ability of politically heterogeneous groups to function and cooperate in apolitical settings? On the eve of the 2020 U.S. elections, we conducted an online experiment in which Democrats and Republicans played repeated public goods games, both with and without punishment. Absent punishment, mixed party groups are less cooperative and efficient than homogeneous groups. However, polarized groups fare no worse than those in which political affiliations are unknown. We find no differences in cooperation across groups that are able to punish free-riding behavior. Thus, knowing that one is in a group with likeminded individuals can serve as a substitute for an enforcement mechanism, but polarized groups can, at some efficiency cost, achieve similar contributions when sanctions are possible.

**Author(s):** Andrea Robbett and Peter Hans Matthews  
**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Other-regarding Preferences  
**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3770834](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3770834)  
[Back to session: Public Goods 2](#)

---

## Privatizing gains and socializing risks: Does responsibility affect risky decision making for others?

**Sascha Fuellbrunn**  
Radboud University

ABSTRACT:

Agents commonly take risky decisions that influence the financial well-being of their principals. We study decision-making environments in which the agent's incentive are convex, i.e. they participate in the upside but not on the downside. In an earlier study (Füllbrunn and Luhan, 2020), we show that such limited liability leads to excessive risk-taking by agents yielding a clash between social and egoistic preferences. With this study, we extend our knowledge base by manipulating the effects for the principals in a 2 x 2 design. First, we change the nature of the investment by increasing risk and switching between negative and positive expected values. We remove the argument to invest due to positive expected value. Second, we change the level of responsibility by substantially increasing the number of principals keeping the agents incentives constant. When social preferences play a role, as shown in an environment without convex incentives, the severity of the decision should reduce risk-taking.

**Author(s):** Sascha Fuellbrunn and Wolfgang Luhan  
**Topic:** Social Behavior: Other-regarding Preferences, Social Behavior: Other  
[Back to session: Finance](#)

---

## Stress Tests and Information Disclosure: An Experimental Analysis

**Douglas Davis**  
Virginia Commonwealth University

ABSTRACT:

To improve the stability of the banking system the Dodd Frank Act mandates that central banks conduct periodic evaluations of banks' financial conditions. An intensely debated aspect of these 'stress tests' regards how much of that information should be disclosed to financial markets. This paper uses an environment constructed from a model by Goldstein and Leitner (2018) to gain some behavioral insight into the policy tradeoffs associated with disclosure. Experimental results indicate that variations in disclosure conditions are very sensitive to overbidding for bank assets. Absent overbidding, however, optimal disclosure robustly improves risk sharing even when banks behave non-optimally.

**Author(s):** Caleb Cox ,Douglas Davis , Oleg Korenok and John Lightle  
**Topic:** Markets: Finance, Games: Information  
[Back to session: Finance](#)

---

## Experimental Asset Markets with An Indefinite Horizon

**Huan Xie**  
Concordia University

ABSTRACT:

We study indefinitely-lived assets in experimental markets and find that the traded prices of these assets are on average about 40% of the risk neutral fundamental value. Neither uncertainty about the value of total dividend payments nor horizon uncertainty about the duration of trade can account for this low traded price, while the temporal resolution of payoff uncertainty plays a crucial role. We find that probability weighting under the Epstein and

Zin (1989) recursive preference specification can rationalize the low traded price in our indefinite-horizon asset markets, while risk attitudes do not play such an important role.

**Author(s):** John Duffy, Janet Hua Jiang, Huan Xie

**Topic:** Markets: Finance, Methodology: Other

[Back to session: Finance](#)

---

## Do Multiple Contacts Matter?

**Mouli Modak**  
**Purdue University**

ABSTRACT:

We experimentally investigate how interaction in multiple strategic settings simultaneously influences the collusive behavior of agents. We build on the theory developed by Bernheim and Whinston (1990), which studies multi-market contact between price-setting firms, to derive the conditions under which agents can support collusion in symmetric and asymmetric environments (i.e., in the symmetric environment, every individual receives the same payoffs, in the asymmetric environment, one individual receives higher payoffs than the other). Theoretically, under both symmetry and asymmetry of payoffs, multiple contacts can facilitate collusion. We additionally show that symmetry and asymmetry are strategically equivalent in achieving tacit collusion under our payoff structure. We test our theoretical prediction experimentally. We find no significant increase in collusion due to multiple interactions when analyzing the average actions individuals chose. While we do not see a significant difference in average actions, theory and our analysis of the experimental data suggest that the effects of multiple contacts can be uncovered by studying the strategies that generated the observed actions. Consequently, we conduct an econometric investigation of the underlying strategies. To this end, we extend popular strategies (e.g., Grim Trigger, Tit-for-Tat, etc.) to condition on the history observed in multiple strategic settings. Our strategy estimation finds that only for asymmetric payoffs, subjects use these new strategies while our theory shows strategic equivalence.

**Author(s):** Mouli Modak

**Topic:** Games: Repeated Games, Games: Other

**Link:** [www.dropbox.com/s/fk33th6naziao25/main.pdf?dl=0](http://www.dropbox.com/s/fk33th6naziao25/main.pdf?dl=0)

[Back to session: Game Theory](#)

---

## Dynamic Coordination with Switching Costs

**Joe Ballard**  
**Florida State University**

ABSTRACT:

A key component to the efficient functioning of an organization is the successful coordination of activities by its constituent divisions. However, in many organizational settings, different departments may be unable to process or understand the actions or techniques employed by others, let alone determine whether the procedures across departments are compatible. Moreover, it is often costly for each department to modify its established set of procedures. In this paper, we study coordination in a repeated interaction between two parties in search of compatible platforms. Neither party is able to discern which pairings of available platforms are compatible at the outset of the relationship, and switching from one platform to the other is costly for each party. Focusing on efficient symmetric equilibria, our model predicts that parties remain on their current platform with certainty if their common belief about compatibility is above a fixed threshold (that depends on the switching cost), while for beliefs below the threshold, the equilibrium probability of switching increases as the common belief converges toward zero. Nevertheless, due to the presence of switching costs, the equilibrium switching rate remains below 0.5 for each belief. We conduct an experiment to test whether behavior supports the equilibrium predictions of the model, varying (i) whether success occurs deterministically or stochastically when parties are on compatible platforms and (ii) the cost of switching platforms.

**Author(s):** Joe Ballard and Luke Boosey

**Topic:** Games: Repeated Games, Games: Coordination

[Back to session: Game Theory](#)

---

## School Choice: Biometrically-Informed Mechanism Design

**Valon Vitaku**  
**Texas A&M**

ABSTRACT:

We study school choice mechanisms in the lab to test whether the existence of justified-envy differentially impacts subjects with identical earnings. The three widely-used mechanisms – immediate-acceptance, deferred-acceptance and top trading cycles – present a fundamental trade-off between Pareto efficiency, elimination of justified-envy and incentive compatibility. Instead of directly eliciting responses on the perception of trade-offs, we gauge biometric reactions when justified-envy is present by complementing our study with eye-tracking and GSR devices. While previous results have provided welfare measures with regards to allocative outcomes, we aim to augment these results with welfare measures concerning both the experience of the mechanism and other regarding preferences of the allocations.

## **An Experimental Investigation of Global Games with Strategic Substitutes.**

**Mir Adnan Mahmood**  
The Ohio State University

### **ABSTRACT:**

We experimentally investigate the Global Games equilibrium selection principle of Harrison and Jara-Moroni (2021) in a game where actions are strategic substitutes. In our experiment, subjects take part in a 3 agent, binary action, simultaneous game. Action 0 yields a fixed payoff, whereas Action 1's payoff depends on a random state parameter and is decreasing in the number of agents choosing 1. Payoffs are heterogeneous across agents which results in an ordering of player "types". Intermediate values of the state result in multiple equilibria when the state is known with certainty. In contrast, Harrison and Jara-Moroni show that there is a unique equilibrium in cutoff strategies in the setting where agents observe a sufficiently precise, yet noisy private signal about the state. Furthermore, these cutoffs are monotonic in player types. This cutoff behavior persists as noise vanishes, resulting in a unique equilibrium in the limit, resolving the issue of multiplicity. Our experiment tests these predictions by varying the level of signal noise across treatments.

**Author(s):** Mir Adnan Mahmood  
**Topic:** Games: Information, Games: Other  
[Back to session: Game Theory](#)

---

## **Salary Disclosure and Hiring: Field Experimental Evidence from a Two-Sided Audit Study**

**Laura Gee**  
Tufts University

### **ABSTRACT:**

What is the effect of job candidates disclosing their salary history on callbacks and salary offers? If these effects differ by a job candidate's gender or the amount they disclose, then disclosure might also impact inequality in the labor market. We implement a field experimental design we call a two-sided audit study, in which recruiters evaluate job applications with randomized characteristics under randomly assigned salary disclosure conditions. We begin by estimating the effects of candidates' salary disclosure on outcomes such as callbacks and salary offers. Then, we combine our estimates to examine the likely effect of recent laws that ban employers from asking candidates for their salary history like those passed in Massachusetts, California, New York City, and Chicago on wage inequality.

**Author(s):** Amanda Agan, Bo Cowgill and Laura K. Gee  
**Topic:** Applied Economics: Labor Market, Field Experiments: General  
[Back to session: Labor Market](#)

---

## **Signaling Competitive Traits**

**Elif Demiral Saglam**  
Austin Peay State University / HKS

### **ABSTRACT:**

We investigate the impact on perceived and actual employability when job candidates signal different personal tastes for competitions. Using three experiments, with over 2000 participants in total, we show that candidates who are not willing to compete at all risk being perceived as less productive, while those who signal a willingness to compete with others may be perceived as less socially skilled. Displaying a willingness to self-compete, i.e. to challenge oneself to improve over time, does, however, increase the likelihood of being perceived as both productive and socially skilled. These findings hold for both female and male candidates

**Author(s):** Demiral, Elif E; Mollerstrom, Johanna  
**Topic:** Applied Economics: Labor Market, Applied Economics: Other  
[Back to session: Labor Market](#)

---

## **A Robust Test of Prejudice for Discrimination Experiments**

**Daniel Martin**  
Northwestern University, Kellogg School of Management

### **ABSTRACT:**

Lab and field experiments have proven to be an important source of empirical evidence on discrimination. We show that when average outcomes in a discrimination experiment satisfy a simple condition, then this provides evidence that decision-makers are prejudiced – regardless of what they learned about individuals in each demographic group before making their decisions. We also provide extensions of this test that allow for incorrect beliefs and selection motives. We demonstrate this test using the lab experiment of Reuben, Sapienza, and Zingales (2014) and the field experiment of Bertrand and Mullainathan (2004). We find robust evidence of prejudice in both.

**Author(s):** Daniel Martin and Philip Marx

**Topic:** Applied Economics: Labor Market, Methodology: Experimental Design, Tools and Practices

[Back to session: Labor Market](#)

---

## **Overconfident or Just Playing to Type? Gender Norms, Contract Selection, and Performance**

**Rimvydas Baltaduonis**  
Gettysburg College

ABSTRACT:

We investigate how gender norms interacts with worker overconfidence to affect selection of labor contracts and performance. Our experimental data suggests that gender norms explain much of the variation in contract selection and performance, reducing the estimated influence of overconfidence. Similar to previous literature, we find evidence of greater overconfidence among male subjects and greater underconfidence among females, but both of these effects are muted after controlling for gender norms. Our findings suggest that firms that use incentive contracts to select attractive (in a productivity sense) employees should exercise caution before implementing those selection mechanisms. (JEL D83, J24, J33, J16)

**Author(s):** Brendan Cushing-Daniels, Marta Maras

**Topic:** Applied Economics: Labor Market, Social Behavior: Norms and Morals

[Back to session: Labor Market](#)

---

## **Nudging Enforcers: How Norm Perceptions and Motives for Lying Shape Sanctions**

**Eugen Dimant**  
University of Pennsylvania

ABSTRACT:

The enforcement of social norms is the fabric of a functioning society. Through the lens of two experiments, we examine how motives for lying and norm perceptions steer enforcement. Our contribution is to investigate the extent to which norm breaches are sanctioned, how norm-nudges affect the observed punishment behavior, and how the enforcement is linked to norm perceptions. Using a representative U.S. sample, Experiment 1 provides robust evidence that norm-enforcement is not only sensitive to the extent of the observed transgression (= size of the lie) but also to its consequences (= whether the lie remedies or creates payoff inequalities). We also find norm enforcers to be sensitive to different norm-nudges that convey social information about actual lying behavior or its social disapproval. To explain the punishment patterns, Experiment 2 examines how norms are perceived across different transgressions and how norm-nudges change these perceptions. We observe a malleability of social norm perceptions: norm nudges are most effective when pre-existing norms are vague. Importantly, we also find that punishment patterns in the first experiment closely follow these norm perceptions. Our findings suggest that norm enforcement can be successfully nudged and thus represent an expedient alternative to standard incentive-based interventions.

**Author(s):** Eugen Dimant (UPenn), Tobias Gesche (ETH Zurich)

**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Norms and Morals

**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3664995](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3664995)

[Back to session: Lying](#)

---

## **Lying Aversion and Vague Communication: An Experimental Study**

**Keh-Kuan Sun**  
Washington University in St. Louis

ABSTRACT:

An agent may benefit from misleading the audience's belief about the state of the world. While a more blatantly misleading message may be more effective than a vaguely misleading message, however, they may affect one's internal cost of dishonesty and social identity of honesty differently. Thus, a sophisticated agent must balance the degree of truthfulness and vagueness of the message. We explore the extent to which these two types of lying costs affect people's sophisticated use of vague messages in communication and vice versa in a simple experimental setting. To this end, we introduce a novel experiment design that isolates the internal cost of lying and the social identity cost of appearing dishonest. In particular, the design varies the relevance of the social identity concern across anonymous and non-anonymous treatments. Our setup extends the framework of Fischbacher and Föllmi-heusi (2013) by implementing a richer message space with vagueness. The experimental data shows that subjects employ more vague messages in treatments in which the social identity concern is relevant. In treatments in which the social identity concern is irrelevant, on the other hand, we find that most subjects exploit vagueness so as to be consistent with the truth, yet at the same time leveraging the imprecision to their own benefit in a more undisguised manner. We also find a smaller but non-trivial-sized group of truth-tellers who do not take advantage of vague messages even against potential opportunities for monetary gain. The result opens a new set of questions on the motivations behind the preferences for truth-telling.

## The Supply of Motivated Beliefs

**Michael Thaler**  
Princeton University

### ABSTRACT:

I study people's beliefs about others' motivated reasoning and the implications for news provision. I consider a sender-receiver setting in which senders are aware that receivers engage in motivated reasoning. Theoretically, senders will prefer to send disinformation to receivers when they know more about the receivers' motivated beliefs and when they are incentivized to be thought of as truthful. Data from a large online experiment suggest that people largely believe that others engage in motivated reasoning towards holding stances that align with their politics, and that sending disinformation about politics could be profitable. Theoretical results suggest that echo chambers and political polarization across news audiences lead to a greater supply of and demand for disinformation, and that news suppliers may profit from targeting a narrow audience and distorting information as opposed to appealing to a more diverse base.

**Author(s):** Michael Thaler  
**Topic:** Social Behavior: Lying and Cheating, Decision Theory: Beliefs  
[Back to session: Lying](#)

---

## Direct revelation with lying aversion

**Alexander Brown**  
Texas A&M University

### ABSTRACT:

Mechanism design relies heavily on the idea of direct revelation. If a principal can design a mechanism in which agents have messages that are weakly dominant strategies and whenever they play those weakly dominant strategies the objective of the principal is obtained, then the principal “can” simply use a delegation mechanism. That is, the principal can simply ask agents directly for their information and proceed as if they had delegated to them the choice of a strategy in their mechanism. Dasgupta, Hammond, and Maskin (1979) and Repullo (1985) note that this restriction to direct messages is not completely without loss of generality. In a delegation mechanism, strategy profiles where individuals report incorrect information may also be weakly dominant strategy equilibria that are preferred by all agents to the social planner's outcome. Thus, while a delegation mechanism provides each agent a weak incentive to report truthfully, it is possible that all agents can be better off if they coordinate on a lie. The preceding analysis neglects that delegation mechanisms make not revealing one's private information an explicit lie. Recent research has shown people are lying averse; it is as if they suffer monetary costs from not telling the truth. We investigate whether lying aversion mitigates these authors' concerns. Part of our contribution is to design an experiment in an intuitive principal-team context that captures the tradeoff for team members between truthfulness and the incentive to cooperate to extract more surplus from the principal.

**Author(s):** Alexander L. Brown, Ethan Park, and Rodrigo A. Velez  
**Topic:** Markets: Market design and Matching, Social Behavior: Lying and Cheating  
[Back to session: Lying](#)

---

## Hidden Identity and Social Preferences: Evidence From Sexual Minorities

**Ian Chadd**  
Rensselaer Polytechnic Institute

### ABSTRACT:

Using the context of sexual minorities, we experimentally study how these hidden identities interact with discriminatory behavior along pro-social domains, and individuals' responses in anticipation of such behavior. We design a novel Icon Task where participants are allowed to voluntarily signal their sexual identity by choosing the Pride icon (rainbow flag), prior to participating as recipients in a dictator game. We find that recipients who chose the Pride icon are more likely to be perceived as non-heterosexual, and dictators discriminate based on their perceptions of recipients' sexual identity. Heterosexual dictators who are Republican or voted for Trump allocate about 14%-17% less of their endowment to recipients whom they perceive to be non-heterosexual. On the recipients' end, women are less likely to choose the Pride icon when they know the icon will be used to identify them in the dictator game. We posit that women may in general be more likely to anticipate discriminatory behavior. Our findings have broad implications and contribute to the discourse on the role of identity and discrimination in economic decision making.

**Author(s):** Billur Aksoy, Ian Chadd, Boon Han Koh  
**Topic:** Social Behavior: Other-regarding Preferences, Psychology and Biology: Gender and Individual Differences  
[Back to session: Other-regarding preferences 2](#)

---

## How to make a criminal: Antisocial Behavior after negative shocks

Mariana Blanco  
Universidad del Rosario

### ABSTRACT:

We study whether income inequality generates predatory anti-social behavior in a laboratory experiment. In the experiment, income inequality can be the result of differences in ability across individuals with equal opportunities, it may be determined by (negative) income shocks, or may result from a combination of both ability and bad luck. After their place in the income distribution is determined, subjects are allowed to "take" any share of the income of subjects in every part of the income distribution. We find that anti-social behavior is not explained by subjects' relative income but rather by the process that determined their position in the income distribution. Specifically, we find that while being in the bottom of the income distribution does not generate a differential taking behavior, experiencing a negative shock does correlate with disproportionate predatory behavior, regardless of the position in the income distribution. Our results suggest that people do not have predatory intentions per se, but they find themselves in situations that exacerbate their antisocial instincts.

**Author(s):** Mariana Blanco, Dan Houser, Juan F. Vargas  
**Topic:** Social Behavior: Other-regarding Preferences, Social Behavior: Other  
[Back to session: Other-regarding preferences 2](#)

---

## Anchor or Asset? The Role of Outside Obligations in Negotiations

Shakun Mago  
University of Richmond

### ABSTRACT:

In this study, we explore whether information about outside obligations is of help or hindrance to employees in negotiations. We model the relationship between an 'employee' with an outside obligation, whose performance determines the firm's profit, and an 'employer' with power-to-give, who decides the employee's wage. We examine how information about the outside obligation impacts negotiations and the resulting distribution of surplus across employees. We find that when these obligations are known, they yield higher wage offers to employees with high obligations, but have a similarly significant but negative impact on employees without such obligations. Since the employer simply redistributes the surplus between employees, responding to employee's outside obligation does not impose additional costs on the employer. We find no evidence of gender bias in wage offers among any of the employer/employee combinations. Based on these findings, we consider how employment policies about information sharing may explain some of the gender wage gap, and how seemingly equitable policies may still perpetuate inequity among employees.

**Author(s):** Shakun Mago; Jennifer Pate; Laura Razzolini  
**Topic:** Social Behavior: Other-regarding Preferences, Psychology and Biology: Gender and Individual Differences  
[Back to session: Other-regarding preferences 2](#)

---

## When the rich do (not) trust the (newly) rich: Experimental evidence on the effects of positive random shocks in the trust game

Hernan Bejarano  
CIDE & Chapman, Economic Science Institute

### ABSTRACT:

We study behavior in a trust game where first-movers initially have a higher endowment than second-movers but the occurrence of a positive random shock can eliminate this inequality by increasing the endowment of the second-mover before the decision of the first-mover. We find that second-movers return less (i.e., they are less trustworthy) when they have a lower endowment than first-movers, compared with the case in which first and second-movers have the same endowment. Second-movers who received the positive shock return more than those who didn't. In fact, second-movers who received the positive shock return more than second-movers who had the same endowment as the first-mover from the outset. First-movers do not seem to anticipate this behavior from second-movers. They send less to second-movers who benefited from a shock. Our results suggest that in addition to inequalities the source of these inequalities also plays an important role in decisions considering trust and trustworthiness.

**Author(s):** Hernan Bejarano, Joris Guillet, Ismael Rodriguez-Lara  
**Topic:** Decision Theory: Preferences, Social Behavior: Other-regarding Preferences  
**Link:** [osf.io/download/600c5e7875226b011d51a625/](https://osf.io/download/600c5e7875226b011d51a625/)  
[Back to session: Other-regarding preferences 2](#)

---

## Prosocial Option Closes Entry Gap into Competition

Mary Rigdon  
Rutgers University

### ABSTRACT:



Our research investigates the hypothesis that women have a lower desire to compete than men, an idea widely embraced by economists and offered as an explanation for why women are a minority in high-ranking economic and political positions and for the existence of a gender pay gap in labor markets. We advance the hypothesis that women are as competitive as men once the incentive for winning include factors that matter to women. Allowing winners an opportunity to share some of their winnings with the low performers has gendered consequences for competitive behavior. We ground our work in an evolutionary framework in which entering and winning competitions brings asymmetric benefits and costs to men and women. In the new environment, the potential to share some of the rewards from competition with others may afford women the benefit of reaping competitive gains without incurring some of its potential costs. An experiment supports our hypothesis: a gender gap in entry decisions closes once a prosocial option is included to an otherwise identical winner-take-all incentive scheme. Besides providing a novel experiment that challenges the paradigm that women are not as motivated to compete as men, our work proposes some suggestions for policy: including socially-oriented rewards to contracts may offer a novel tool to close the persistent labor market gender gap.

**Author(s):** Alessandra Cassar and Mary L. Rigdon

**Topic:** Psychology and Biology: Gender and Individual Differences, Applied Economics: Labor Market

**Link:** [maryrigdon.org](http://maryrigdon.org)

[Back to session: Psychology 2](#)

---

## Don't tell anyone I lost to a girl! Gender stereotypes and hiding low performance

**Shuya He**  
University of Arizona

ABSTRACT:

It has been asserted that males incur a psychological cost when they are outperformed by a female competitor. We conduct a laboratory experiment that allows us to measure this cost, for performance in a mathematical task. The experiment is conducted in both the US and China. We find that in our Chinese sample, males are willing to pay more to hide the fact that they have performed worse than another individual than women are, while there is no gender difference in the US. In China, females are willing to pay more to hide poor performance when losing to another female than to a male. In the US, the opposite pattern is observed; women have a greater cost of revealing that they have lost to a man than to another woman. The gender of the counterpart is not a determinant of males' willingness to hide poor performance. An incentivized questionnaire reveals that a stereotype that males would outperform females exists in the Chinese sample, but not among our American participants.

**Author(s):** Shuya He, Charles Noussair

**Topic:** Psychology and Biology: Gender and Individual Differences, Social Behavior: Other-regarding Preferences

**Link:** [eller.arizona.edu/sites/default/files/Econ-WP-20-07.pdf](http://eller.arizona.edu/sites/default/files/Econ-WP-20-07.pdf)

[Back to session: Psychology 2](#)

---

## Preferences for Precautionary Redistribution?

**Stefan Trautmann**  
University of Heidelberg

ABSTRACT:

We report the result of the first measurement of attitudes toward risk attitude in a social context and inequality attitudes in a risky context, for both gains and losses, in a large representative population sample. These measurements are of theoretical importance in welfare economics. We relate our attitude measurements to respondents' distribution behavior with and without background risk in a separate allocation task. Respondents exhibit social risk aversion, inequality aversion and social risk prudence, while inequality prudence is not a predominant attitude. We find that the attitude measures have predictive power for behavior in the allocation task. Although we find strong support for a preference for equality, we find no evidence for precautionary redistribution in the presence of background risk.

**Author(s):** Gijs van de Kuilen

**Topic:** Social Behavior: Other-regarding Preferences, Decision Theory: Risk

[Back to session: Psychology 2](#)

---

## Can market selection reduce anomalous behaviour in games?

**Lawrence Choo**  
Southwestern University of Finance and Economics

ABSTRACT:

We use an experiment to study whether market selection can reduce anomalous behaviour in games. In different treatments, we employ two alternative mechanisms, the random mechanism and the auction mechanism, to allocate the participation rights to the red hat puzzle game, a well-known logical reasoning problem. Compared to the random mechanism, the auction mechanism significantly reduces deviations from the equilibrium play in the red hat puzzle game. Our findings show that under carefully designed incentives, market competition can indeed reduce anomalous behaviour in games.

**Author(s):** Lawrence Choo and Xiaoyu Zhou

**Topic:** Decision Theory: Bounded Rationality, Markets: Auctions

## Workload and Economic Decision-Making: Stress versus Financial Resources

**Jingyi Meng**  
Nankai University

### ABSTRACT:

In many professionals, workload has great seasonal variations. As workload increases, workers' economic decisions may be distorted by the elevated stress, which may or may not be offset by the associated increase in financial income, if any. In this paper, we exploit the dramatic increase in workload in the delivery industry before and after the Double-11 sales season in China. By randomizing the timing that workers in a delivery sorting center participate in our online survey experiment, we find that experiencing the sharp increase in workload makes workers more impatient and more present biased; these effects diminish after receiving the wage income for the sales season. After receiving the wage, workers also become less risk-averse, and perform better in cognitive reflection test. We provide suggestive evidence that both stress levels and the extent of liquidity constraint exhibit some mediation effects.

**Author(s):** Jingyi Meng, Wenbo Zou

**Topic:** Applied Economics: Labor Market, Decision Theory: Preferences

[Back to session: Bounded rationality](#)

---

## Simulating Zero-Intelligence Traders to match Classroom Double Auction Market Results

**Joseph Tao-yi Wang**  
National Taiwan University

### ABSTRACT:

We simulate zero-intelligence traders under various supply-demand conditions in classroom double-auction markets to reproduce negative price auto-correlation and buyer rank-order correlation, as well as positive seller rank-order correlation, found in classroom experimental markets collected by MobLab and reported in Lin et al. (NHB 2020). Compared to the default setting, larger markets tend to have rank-order correlations closer to zero, while smaller markets tend to have rank-order correlations further from zero. Price-change auto-correlations vary only slightly. These differences in zero-intelligence simulation results shed new light on whether they are able to explain classroom experimental data, and reinforces how classic experimental results are replicated in classroom experiments.

**Author(s):** Chung Yang and Joseph Tao-yi Wang

**Topic:** Markets: Other, Decision Theory: Beliefs

[Back to session: Bounded rationality](#)

---

## Choosing the best pond to motivate performance: relative feedback and performance in groups

**Hanlin Lou**  
University of Technology Sydney

### ABSTRACT:

The effect of relative performance feedback, especially ordinal rank feedback, on performance has been broadly discussed in recent decades. However, there are few studies on the relationship between the impacts of providing relative performance feedback and the choice of comparison group. Based on prospect theory and theory of goals as reference points, this paper develops a theoretical framework for how revealing rank information affects motivation. It suggests that how individuals respond to the rank achieved depend on their reference point choice. In particular, individuals have more incentive to exert effort as they get close to the reference point adopted. We conjecture that splitting a large comparison group into multiple smalls gives individuals more chance to be closer to the reference point, making them more sensitive to ranking information. This paper introduces two natural experiments conducted in a primary school and a middle school. The results show that rank feedback provision has positive effects on subsequent performance, and the effect tends to be enhanced in smaller same-ability groups.

**Author(s):** Hanlin Lou

**Topic:** Field Experiments: General, Applied Economics: Other

[Back to session: Contests and rankings](#)

---

## Discrimination and Stereotypes in the Age of Covid19: Evidence from a Field Experiment

**Marcello Puca**  
University of Bergamo

### ABSTRACT:

We study whether individuals coming from COVID19 hot-spots are discriminated in access to touristic services in Italy. We carry out an email correspondence study in which we pose simple queries to more than 5,000 local hotels, bed and breakfasts, and other touristic service providers. In doing so, we exploit the heterogeneous early diffusion of COVID19 Italian cases, that during the first epidemic wave were mostly concentrated in Northern Italy. We find that emails from putatively northern-sounding senders are almost 1 percentage points less likely to receive an answer compared to emails signed with a neutral-sounding surname. Moreover, queries coming from northern-sounding surnames are less likely to be accepted by potential hosts. Further analysis suggests that the differential in the likelihood of answering is due to the negative stereotype associated to northern Italian citizens rather than inferring the geographic origin of the sender. Our results shed some light on the discussion for the design of COVID19 "passports".

**Author(s):** Marcello Puca; Paolo Buonanno; Flavio Porta  
**Topic:** Social Behavior: Group Behavior, Decision Theory: Risk  
[Back to session: Health, education, and labour markets](#)

---

## **Discriminations against Marital and Childbearing Status in Employments: A Field Experiment from China**

**Weiguang Deng**  
**Hunan University**

### **ABSTRACT:**

Using field experiments, we address these issues: Are there discriminations against marital and childbearing status in the labor market in China? Is there a gender difference in such discriminations? Who is and which positions are more vulnerable to discriminations in marriage and childbearing? Our research contributes to the literature in many ways. First, by exploring the discriminations against marital and childbearing status in the labor market, we provide clues for establishing of strategies to eliminate discriminations. Second, through investigating the relationship between fertility and employment, we deepen the understanding of the factors affecting fertility behaviors. Third, we assess the impact of the two-child policy from the aspects of employment, fertility, population quality, etc. On the online recruitment platform, we randomly send 4 fake resumes, in which the marital and childbearing status respectively are unmarried, married without child, married with one child, married with two children, to real positions. There is a clear discrimination against women's marital and childbearing status in the labor market. Married women (especially those with two children) are more likely to be discriminated against than single women. Women who already have children (especially those who are married and have two children) are more likely to be discriminated against than women who have not. Men who have two children are more likely to be discriminated against than men who have one child in marriage. In other cases, the impact of marital and childbearing status on men employments is statistically insignificant. Individuals who are economic majors, highly educated, graduated from elite schools, and highly skilled are more vulnerable to discrimination in the job market against marriage, childbearing, and having two children. There are obvious occupational differences in marriage and childbearing discriminations: sales jobs discriminate against married and child-bearing people, especially women; researchers and civil servants are not vulnerable to discriminations in marriage and childbearing; service jobs are very friendly to married and child-bearing people. There are discriminations against marital and childbearing status in highly paid positions, especially for women. Discriminations in marriage and childbearing are not related to the fluctuations in wages and other benefits. Because individuals with high human capital are more vulnerable to discriminations in marriage and childbearing, the two-child policy may not be conducive to improving the quality of the population. We call for legislation to prohibit companies from requiring job applicants to fill in information on marriage and childbearing on their resumes and asking about their marital and childbearing status during interviews.

**Author(s):** Weiguang Deng  
**Topic:** Applied Economics: Labor Market, Psychology and Biology: Gender and Individual Differences  
[Back to session: Health, education, and labour markets](#)

---

## **Peer Effects of Ability and Misbehaviors in Classroom: Evidence from a Seat Randomization Experiment**

**Yuxin Yao**  
**East China Normal University**

### **ABSTRACT:**

A large number of literature has documented peer effects in the education context. However, the literature studying peer effects from misbehaviors is scarce. Misbehaviors, including externalizing problems and internalizing problems, are important outcomes of noncognitive skills. In this paper we exploit a field experiment which randomly assigns each student to a deskmate in classroom upon enrollment in the middle schools. By combing survey data from primary schools, we use a linear-in-mean and value-added model to estimate peer effects from deskmates' ability and their misbehaviors at the same time. We find a significant and positive peer effect from deskmates' Chinese test scores, but deskmates' misbehaviors do not have meaningful effects. We explore possible channels that negative effects from deskmates' misbehaviors might be compensated, like time use after class and parents' guidance.

**Author(s):** C. Simon Fan, Xiangdong Wei, Yuxin Yao\*  
**Topic:** Applied Economics: Labor Market, Field Experiments: General  
[Back to session: Health, education, and labour markets](#)

---

## **Exploring the demand for fertility treatments: a revealed-preference experiment**

**Elena Keller**  
**UNSW Sydney**

## ABSTRACT:

Background: Fertility treatments are established technologies to increase the chance of a live birth, with in vitro fertilization (IVF) being the most common treatment type. In contrast, elective egg freezing (EEF) is a novel technology to prolong fertility. It is becoming increasingly common, yet there is limited data on the characteristics of women who are accessing this technology and what they perceived the benefits to be. Objective: We will explore the effects of various participant characteristics on the demand for fertility treatments including EEF and IVF, and determine price and income elasticities of demand within an incentive-compatible revealed-preference experiment. Our study will address the current gap in knowledge regarding the demand for fertility treatments, particularly EEF. It will also contribute to the limited literature on incentive-compatible revealed-preference laboratory experiments in the healthcare sector. Methods: Approximately 150 adult female participants of reproductive age between 24-25 years old and without children will be recruited from a pool of students registered at the BizLab, University of New South Wales. The experiment will consist of three treatments corresponding to different levels of government reimbursement for IVF and EEF with two decision periods (a 'planning period' and a 'family-formation period') to explore how demand for treatments changes based on the level of health insurance coverage. In each period, participants will have to indicate their preferred treatment choice with the goal of achieving a live birth within each treatment. The experiment will be followed by risk and time preference elicitation tasks. Compensation will be based on decisions made and associated cumulative outcomes to achieve proper incentivization. The experiment will be pre-registered on the Open Science Framework Platform once all pilot sessions have been completed. Ethics: Ethics approval has been obtained from the UNSW Sydney Human Research Ethics Committee (HC200851).

**Author(s):** Elena Keller, Andreas Ortmann, Georgina M. Chambers

**Topic:** Applied Economics: Other, Markets: Other

[Back to session: Health, education, and labour markets](#)

---

## (Un)Willing to lead? Men, Women and the Leadership Gap

**Yaxiong Li**  
**University of Auckland**

### ABSTRACT:

We explore the causes behind the gender gap in leadership; as one moves up the organizational hierarchy, one encounters fewer women. We use the weak-link game paradigm to simulate intra-organization coordination problems, where participants can volunteer for leadership roles. The leaders' job is to resolve potential coordination failures. We look at whether: (1) there are systematic gender differences in the willingness to lead and (2) followers are less likely to follow female leaders. We find that, compared to men, fewer women volunteer to lead, particularly when the leader's gender is revealed to the followers. But, by and large, male and female leaders choose similar messages and/or actions in this game, and controlling for those, groups achieve similar levels of coordination success regardless of the leader's gender. We do not find evidence of resistance against female leadership, even though anticipation of such backlash may lie behind the female reluctance to lead.

**Author(s):** Yaxiong Li; Ananish Chaudhuri; Erwann Sbai

**Topic:** Psychology and Biology: Gender and Individual Differences, Applied Economics: Labor Market

[Back to session: Leadership](#)

---

## An Experimental Study of Guilt Aversion in Group Decision Making

**Masao Fukutomi**  
**Kyoto University, Japan**

### ABSTRACT:

Why are groups significantly more selfish than individuals? We hypothesize that being in a group significantly reduces the feelings of guilt for letting down the opponent. We conducted several variants of dictator and ultimatum games to test our hypothesis. The experimental literature that compares individual and group-representative decisions indicates that people behave more selfishly when they are given the responsibility to act on behalf of a group than when they make a decision solely on their own behalf. We propose a new explanation for this phenomenon in dictator games in light of guilt aversion. While an individual-alone facing an opponent considers one's beliefs about the opponent's expectations, an individual acting on behalf of one's group would be more concerned about one's own group member's expectations. We use a within-subject experiment to investigate the effect of guilt aversion on group-representative decisions in the dictator game. Instead of trying to manipulate first or second-order beliefs, we directly compare decisions made in a group dictator game with those made in two variants of a group ultimatum game. In the in-group ultimatum game, the division proposed by a group representative can be accepted or rejected by one's own group member so that the group representative's beliefs concerning one's group member's expectations are clearly relevant for decision-making. On the other hand, in the out-group ultimatum game, the division proposed by a group representative can be accepted or rejected by the opponent group representative so that the proposing group representative's beliefs concerning the opponent group representative's expectations are relevant for decision-making. We find that the average group representative's offer made in the group dictator game is significantly lower than one made in the out-group ultimatum game, and not significantly different from one made in the in-group ultimatum game. Our result suggests that, the reason why people behave more selfishly when they are given the responsibility to make decisions on behalf of their group, is because they are concerned about their group member's expectations more than the opponent's ones.

**Author(s):** Masao Fukutomi and Yohei Mitani

**Topic:** Social Behavior: Group Behavior, Social Behavior: Other-regarding Preferences

[Back to session: Leadership](#)

---

## Gender Differences, Individual Qualifications, and Leader Selection Mechanisms

**Yutong Li**  
**Renmin University of China**

ABSTRACT:

This study examines how leader selection is affected by gender differences and incentive mechanisms. Groups are composed of male and female members. They earn income through answering questions first individually and then by groups when group answers are submitted by a leader. They vote the group leader based on group members' information about ability, responsibility score, willingness to lead, and personal background. We measure individual responsibility by the willingness to pay a personal cost for the benefit of the group. Three incentive mechanism form the experimental treatments: first, in the ability treatment, group income is mainly determined by leader's ability and all members in a group get the same level of income; second, in the bonus treatment, the group leader can earn a bonus or higher relative income; third, in the responsibility treatment, the group leader pays a leadership cost to submit a correct answer for the group and earns a lower relative income. We find that in general, female members are less willing and less likely to be selected as a leader. In the responsibility mechanism, highly responsible members are more willing and more likely to be selected as a leader. In the ability and bonus treatments, more people are willing to lead. Controlling for ability and responsibility scores, the gender difference in votes received seem to be explained by one's willingness to be the leader. In particular, women's stronger willingness to lead did not increase the votes they receive. Despite the weaker expressed willingness to be the leader, the elected female leaders are as effective as the male leaders, and seem to perform better in the responsibility treatment once they become leaders.

**Author(s):** Yutong Li, Xianghong Wang, Jie Zheng

**Topic:** Applied Economics: Labor Market, Psychology and Biology: Gender and Individual Differences

[Back to session: Leadership](#)

---

## **Social Status and public spiritedness in representation: Experimental evidence from Borneo**

**Nor Izzatina Abdul Aziz**  
**Institut Kajian Malaysia dan Antarabangsa (IKMAS), National University of Malaysia**

ABSTRACT:

A representative exists within a group to improve its social outcome. A common function of a representative, be it a policymaker, a head of an academic department, or a village leader, is to make a recommendation to their respective group members. To examine the concept of representative as an agent of the group, we introduced a sender-receiver agency game in which an agency relationship is established between representative and group members when the recommendation of the representative is accepted by group members. At the start of the game, every player is informed of each other's potential payoffs. Group members (receivers) are aware of the possible conflict of interest faced by the randomly appointed representative (sender), i.e. the recommendation made might be skewed in favour of the representative, and concurrently a representative knows the risk that his/her public-spirited recommendation might be rejected by suspicious group members. We implemented this sender-receiver game in Sarawak (Borneo), Malaysia among the indigenous tribe of Kayan. The tribe has pre-existing social strata and village leadership is typically in the hands of the aristocrats of the village. We found that there are more representatives were willing to engage in public-spirited representation than behaved self-interestedly. Belonging to an aristocrat family is the only social status characteristics that could explained public-spirited representations by these senders. On the other hand, closeness of relationship with the sender predicts the likelihood of receivers to accept the assigned sender's recommendations.

**Author(s):** Nor Izzatina Abdul Aziz, Abhijit Ramalingam, Robert Sugden

**Topic:** Field Experiments: General, Social Behavior: Group Behavior

[Back to session: Leadership](#)

---

## **The Impact of Background Ambiguity On Risk Taking: Evidence From The Lab**

**Vinayak Alladi**  
**University of Sydney**

ABSTRACT:

Although it has been established, empirically and theoretically, that background risk impacts decision-making, no studies have examined the impacts of background ambiguity (rather than risk) on risk-taking. We present results from a within-subject experiment in which subjects made a series of investment decisions by allocating a portion of their controlled wealth towards a risky asset in the presence of various forms of background uncertainty (both risk and ambiguity). Our main result is that 44% of our subjects showcased some form of background ambiguity aversion, defined as being more averse to background ambiguity than to background risk. In the aggregate, subjects invest approximately 6 p.p. less on average in the risky asset when there was background ambiguity as opposed to background risk. In addition, we find that contrary to Gollier and Pratt's (YEAR) theoretical work on background risk, individuals classified as having CARA (constant absolute risk aversion) and DARA (decreasing absolute risk aversion) are also background risk-averse. Finally, we use variation in income and socioeconomic status and find evidence that poor individuals react less to background uncertainty (both risk and ambiguity) than the rich.

**Author(s):** Mahdi Akbari, Vinayak Alladi, Agnieszka Tymula,

**Topic:** Decision Theory: Ambiguity, Decision Theory: Risk

[Back to session: Risk, uncertainty, and ambiguity 1](#)

---

## **Incentive matters in risk preference elicitation: Evidence from a lab-in-the-field experiment**

**Jiatong Han**  
Zhejiang University

ABSTRACT:

Using survey questions to elicit customers' risk preferences is a common way for finance company. However, it's hard to say whether the risk preferences elicited via surveys are the true preferences or not. In this study, we conducted a lab-in-the-field experiment to elicit investors' risk preferences in a finance company. Specifically, we used the Holt-Laury task in the experiment and investors were paid based on their decisions in the task. The results show that the risk preferences elicited via Holt-Laury task can predict the fraction of risky products in investors' real portfolio, while the risk preferences elicited via surveys cannot. This study highlights the importance of incentives in risk preference elicitation and provides practical insights for finance companies.

**Author(s):** Fadong Chen, Jiatong Han  
**Topic:** Decision Theory: Preferences, Decision Theory: Risk  
[Back to session: Risk, uncertainty, and ambiguity 1](#)

---

## **A Rubinstein Bargaining Experiment in Continuous Time**

**Ailin Leng**  
Nanjing Audit University

ABSTRACT:

I conduct an experiment to study bargaining behaviour in continuous time. Each of the two players can make a proposal at any time she wants. However, after making an offer, a player must wait for a specific period of "waiting time" before she can make a new offer or accept an offer. Also, the player's share is discounted by her discount rate for every unit of time before an agreement is reached. In the equilibrium, the agreement is reached immediately, and a player's share increases with her waiting time and decreases with her discount rate. Results show that the differences in the waiting time and discount rates mainly affect a player's proportion of the discounted share.

**Author(s):** Ailin Leng  
**Topic:** Games: Bargaining, Games: Bargaining  
[Back to session: Bargaining](#)

---

## **Multilateralism Paradox of Network in Bargaining**

**Duk Gyoo Kim**  
University of Mannheim

ABSTRACT:

We study a multilateralism paradox upon a three-player buyout bargaining on a chain network. Three players are endowed with resource shares, which also work as probabilities of becoming a proposer in the buyout process. Bilateral bargaining, where a proposer can only negotiate with one of the connected players at a time, can lead to a faster agreement than multilateral bargaining, where a center player as a proposer can negotiate with both leaf players. We conduct a lab experiment to test whether and to what extent the restrictions imposing one-on-one communication affect bargaining outcomes and efficiencies. Experimental evidence confirms the center player's different willingness to be bought out, one of the key aspects driving the multilateralism paradox. However, due to the complexity of calculating the continuation values, the bargaining efficiency is overall low.

**Author(s):** Duk Gyoo Kim, Joosung Lee  
**Topic:** Games: Bargaining, Games: Networks  
[Back to session: Bargaining](#)

---

## **Can Virtual Bargaining Explain Coordination in Public Good Games Characterizing Team Production? With a lab experimental test.**

**Na Zuo**  
Shandong University

ABSTRACT:

Standard non-cooperative game theory predicts free-riding in public good games, but varying degrees of cooperative behavior and supra-Nash equilibrium contributions are often observed in the lab. We develop an N-player theoretical model applying the concept of Virtual Bargaining to study cooperative behavior in public goods characterizing team production. Virtual Bargaining is a modeling framework that characterizes how players may construct a tacit agreement to coordinate behavior in the absence of explicit agreement, and mutually best-respond with respect to maximization of their worst-payoff function. Based on the theoretical results, we design an experiment to test whether players exhibit behavior consistent with the Virtual Bargaining predictions.

**Author(s):** Scott Gilpatric  
**Topic:** Games: Coordination, Psychology and Biology: Cognition

---

## Emotional Bargaining After Litigation: An Experimental Study of the Coase Theorem

**Ta-wei Hung**  
National Taiwan University

### ABSTRACT:

Although the Coase Theorem guarantees efficiency regardless of property right assignment, Ward Farnsworth, based on interviews with lawyers, contests that animosity created during litigation will hinder any deal afterwards. We conduct 120 rounds of an unstructured bargaining game with one-sided incomplete information, and induce subjects to be angry at their negotiation opponents. We find that the Light treatment, with a legal setting shown in videos, induces negative emotions on both parties, though the uninformed is more affected. As a result, the uninformed party initially demands 9% more and the informed party offers 9–15% more (as if sensing opponent anger). However, in the Strong treatment where the raging uninformed party harmed and stirred up hatred of the informed party in an unfair contest prior to bargaining, average initial offers and demands both drop back to Control group levels. Deal rates in both treatments drop by only 3–4%, as if subjects are spiteful. In fact, modelling the last instance of the bargaining process as a chicken game, we can generate this 3% drop by estimating a quantal response equilibrium (QRE) with other-regarding preferences, which finds similar precision ( $\lambda$ ) across treatments, but spite (negative  $\alpha$ ) in treatments where animosity is induced. To predict final deals, we estimate the least absolute shrinkage and selection operator (LASSO) penalty regression and find that 60 rounds of process data sufficient to predict outcomes of a hold-out sample even across treatments. Using alternatives such as Ridge Regression and Elastic Net do not improve accuracy much.

**Author(s):** Yun-chien Chang, David Ta-wei Hung, Chang-ching Lin, Joseph Tao-yi Wang

**Topic:** Games: Bargaining, Psychology and Biology: Emotions

[Back to session: Bargaining](#)

---

## Economic Preferences and State-Level Corruption

**Yidong Huang**  
Shanghai International Studies University

### ABSTRACT:

Using newly published data from the Global Preference Survey which cover 74 countries (Falk et al., 2018), we document robust evidence that economic preferences are partly responsible for state-level corruption. Specifically, xed e ects estimation results show that patience, trust, and altruism discourage corruption, while negative reciprocity encourages corruption. We examine the role of economic freedom and government e ectiveness as the mechanisms underlying the effect of negative reciprocity. We also nd that the e ects of patience and negative reciprocity are greater in a more stable political environment, and smaller in a society with faster economic growth.

**Author(s):** Xiaolan Yang; Yidong Huang; Wenchao Li

**Topic:** Decision Theory: Preferences, Decision Theory: Other

[Back to session: Corruption and dishonesty](#)

---

## Social Relations and Lying: An Experimental Study

**Jingzhuo Wu**  
Tsinghua University

### ABSTRACT:

Does social relation have an impact on lying behavior? Under what kind of conditions is the impact intensified or attenuated? We conducted a laboratory experiment consisting of five treatments to study these questions. The first treatment serves as a control group (Control) in which social relation does not exist; the other four treatments with social relations differ from each other in the aspect of payoff structure. Specifically, the first dimension allows the first mover to determine the payoff(s) of 1 (herself) or 2 (both of them) player(s), and the second dimension allows the second mover to impose the punishment toward the first mover with or without cost. These four treatments are referred to as 1N, 1C, 2N, and 2C, respectively. We find significant divergence in the first movers' lying behavior under different treatments. First movers lie to a larger extent when lying does not affect second movers' payoff and when the punishment by the second mover is costly. We also find significant difference in the second movers' behavior, under different treatments and different behavioral modes of the first movers. Second movers tend to punish those dishonest first movers by the way of lying themselves, especially when the first movers' dishonest behavior decreased their payoff, while they are relatively less willing to do so when they must pay for the punishment. Interestingly, in the two treatments of free punishment, second movers punish dishonest first movers harder when the dishonest behavior is related to their own interest; in the two treatments of costly punishment, the punishment imposed on dishonest first movers becomes milder under the same condition, probably because the incentive for second movers to make up for the loss outweighs the willingness to punish. Moreover, second movers tend to also reward those honest first movers by the way of lying themselves. Our study provides more insight about how social relations affect lying, which has important policy implications for mechanism design aimed at encouraging honest behavior.

**Author(s):** Jingzhuo Wu, Jie Zheng

**Topic:** Social Behavior: Lying and Cheating, Social Behavior: Other-regarding Preferences

## Group Monitoring, Endogenous Crackdown, and Anti-corruption: An Experiment

Shuguang Jiang  
Zhejiang University of Finance&Economics

### ABSTRACT:

We explore the effectiveness of an anti-corruption mechanism that combines the top-down institutions and the bottom-up monitoring from the masses. Based on a repeated stranger matching harassment bribe game, we introduce the interventions of the group monitoring and the endogenous crackdown. With the group monitoring, participants in the role of citizens can pay a fixed cost to monitor, while the corrupt officials' probability of being punished increases with the number of citizens who choose to pay. With the endogenous crackdown, the probability of punishing corrupt officials increases to 50% automatically in the next period if more than 60% of citizens choose to monitor in the current period. Though citizens face the social dilemma of anti-corruption, a high proportion of citizens paid to monitor, and this significantly decreases the officials' bribe demanding. The endogenous crackdown mechanism further increases the monitoring of citizens and decreases the bribe demanding of officials.

Author(s): Shuguang Jiang, Qian Wei, Lei Zhao  
Topic: Public Choice: Voting and Rent Seeking, Social Behavior: Group Behavior  
[Back to session: Corruption and dishonesty](#)

---

## Will government officials behave more honestly? Experiment based on samples of civil servants and students

Yixin Chen  
Renmin University of China

### ABSTRACT:

Abstract: How to reduce cheating behavior and build a fair and orderly integrity competition environment is an important topic in our current society. This paper uses laboratory experiments to study the behavior and influence mechanism of civil servant and student samples in the dice deception experiment. It turns out that there are certain differences in the behavior of the student sample and the civil servant sample. There has always been an obvious phenomenon of lying in the sample of students in the experiment, and the lying strategy will be adjusted according to the income of the experiment in order to obtain material and non-material benefits. However, the civil servant samples never showed significant deception in the experiment, and the results of the robustness test are still valid. Further research found that gender, age and job position have a certain influence on cheating behavior. This paper uses student samples and civil servant samples to conduct dice deceptive behavior laboratory experiments for the first time. It finds the differences in the behavior of different groups and proposes possible explanations from the perspective of professional environment. The research findings of this paper have important reference significance for strengthening the credit system construction of civil servants. Keywords: Cheating; Professional culture; Non-student samples; Laboratory experiments

Author(s): Dai Zhixin; Chen Yixin  
Topic: Social Behavior: Lying and Cheating, Methodology: Experimental Design, Tools and Practices  
[Back to session: Corruption and dishonesty](#)

---

## Making Better Decisions in Financial Market: Human Forecaster vs. Algorithmic Forecaster

Tsz Kwan Tse  
Osaka University

### ABSTRACT:

The rise of AI algorithms in the financial market indicates that financial advisors have to decide whether to rely on AI algorithms or their own forecast. Our experiments investigate whether participants rely on robots more after comparing their own performance and robot performance. Firstly, we study whether participants make a better (worse) decision after receiving good (bad) robot advice. Secondly, we study whether participants rely on good (bad) robot more (less) after seeing them perform. Thirdly, we study whether participants rely on good robots more when they are allowed to modify freely. In our experiment, we design the treatments by varying the performance level of robots and the opportunity to learn about own and robots' performance. Our results show that participants (1) make a better (worse) decision after receiving good (bad) robot advice, (2) trust robots more after seeing them perform, no matter how the performance level of the robots is, and (3) do not rely on good robots more when they are allowed to modify freely.

Author(s): TszKwan TSE, Nobuyuki HANAKI, Bolin MAO  
Topic: Markets: Finance, Applied Economics: Other  
[Back to session: Financial markets and institutions](#)

---

## An Experimental Study on Quantitative Easing



**Jieyi Duan**  
**Institute of Social and Economic Research, Osaka University**

ABSTRACT:

Several empirical studies have demonstrated that Quantitative easing (QE) affects the prices of financial assets. Nevertheless, only a few studies aim to replicate such an effect in the Lab and investigate its mechanism. This study re-examines the interpretation of Penalver et al. (2020) on the effect of QE under the experimental framework of Crockett et al. (2018), where participants earn the payment by smoothing the consumption instead of just speculating. In the experiment, participants can trade the bonds to each other by experimental currency each period. In the treatments where QE operation exists, the computer purchases a certain amount of bonds from participants after a certain number of periods experienced. The data reports that QE operation can raise the bond market prices significantly before the QE operation occurs. Moreover, the data shows evidence that high-level mispricing before the QE operation is associated with a high-level intervention price of the previous round, which implies that the belief that the computer purchases the bonds with a high-level market price can lead to the bond mispricing. As a result, our data support the interpretation of Penalver et al. (2020).

**Author(s):** Jieyi Duan, Nobuyuki Hanaki

**Topic:** Markets: Macroeconomics, Markets: Finance

**Link:** [www.dropbox.com/s/rg4b6611nudq1ni/Extended\\_abstract\\_Duan\\_Hanaki.pdf?dl=0](http://www.dropbox.com/s/rg4b6611nudq1ni/Extended_abstract_Duan_Hanaki.pdf?dl=0)

[Back to session: Financial markets and institutions](#)

---

## Can All Humans Benefit from AI Assistance? Algorithm Aversion and Overconfidence

**Juanjuan Meng**  
**Peking University**

ABSTRACT:

To what extent can AI assistance improve human decision comparing to human or AI alone? It is a crucial question that has profound policy implications. We experimentally study this issue in a setting of loan approval decision based on historical cash loan data. We find that human decision with AI assistance improves upon human decision alone, but still cannot beat AI alone. However, subjects demonstrate algorithm aversion in the form of AI information underweighting, which is significantly related to overconfidence. AI assistance narrows the performance gap among subjects; surprisingly, due to the underweighting bias some originally good-performers suffer from it.

**Author(s):** Zeyang Chen✉ Yu-Jane Liu✉ Juanjuan Meng✉ Zeng Wang

**Topic:** Decision Theory: Beliefs, Applied Economics: Labor Market

[Back to session: Financial markets and institutions](#)

---

## Imperfect Tacit Collusion and Asymmetric Price Transmission

**Muhammed Bulutay**  
**Technische University Berlin**

ABSTRACT:

We investigate the role tacit collusion plays in Asymmetric Price Transmission (APT), the tendency of prices to respond more rapidly to positive than to negative cost shocks. Using a laboratory experiment that isolates the effects of tacit collusion, we observe APT pricing behavior in markets with 3, 4, 6, and 10 sellers, but not in duopolies. Furthermore, we find that sellers accurately forecast others' prices, but nevertheless consistently set their own prices above the profit-maximizing response, particularly in the periods immediately following negative shocks. Overall, our findings support theories in which tacit collusion plays a central role in APT.

**Author(s):** Muhammed Bulutay, David Hales, Patrick Julius, Weiwei Tasch

**Topic:** Markets: Industrial Organization, Games: Repeated Games

**Link:** [www.econstor.eu/handle/10419/231385](http://www.econstor.eu/handle/10419/231385)

[Back to session: Industrial organisation](#)

---

## The Effect of Competition on Fine Print in Contracts: Theory and Experiment

**Surjasama Lahiri**  
**Deakin University**

ABSTRACT:

We investigate the relationship between competition and product quality, where quality is unobservable but can be verified before purchase through the costly reading of contractual 'fine print'. We model our environment using a Hotelling-type linear city framework where firms choose both quality and prices leading to an endogenous type signaling game. Competition is measured via changes in buyers' transportation costs and our main finding shows that an increase in competition as a result of a decrease in buyers' transportation costs lowers both firms' prices and their probability of offering high-quality products. We design an experiment to test this prediction and investigate the theoretical complexity and potential underlying influences of

behavioral elements like risk and other-regarding preferences. We study subjects' price and quality choices, as a firm, in response to increasing transportation costs. Broad evidence supporting our theoretical hypothesis is found and our results are robust to controlling for subjects' risk and other-regarding preferences. Our results imply that e-commerce platforms, which are typically characterized by such competition, may charge lower prices but provide relatively more onerous fine print than offline platforms.

**Author(s):** Surjasama Lahiri  
**Topic:** Games: Other, Markets: Industrial Organization  
[Back to session: Industrial organisation](#)

---

## Can adjusted reputation score improve market efficiency? -Theory and Experiment

**Binglin Gong**  
East China Normal University

ABSTRACT:

Reputation system is an important mechanism to solve adverse selection and moral hazard problems. However, in reality reviewers are heterogeneous and the scores they give might be misleading for people with different standards, especially when sample sizes are small or when reviewers are self-selected. In this study we first design two adjusted average reputation scores based on first-order information and second-order information and build economic models to show their effects on market efficiency. Then we test their effects over simple average reputation scores and a baseline treatment without reputation system in a lemon market experiment.

**Author(s):** Binglin Gong, East China Normal University  
**Topic:** Markets: Industrial Organization, Markets: Market design and Matching  
[Back to session: Industrial organisation](#)

---

## Consumer Search and Stock-out: A Laboratory Experiment

**Ryo Mikami**  
Osaka University

ABSTRACT:

We investigate the overall impact of stock-out on individual consumers' information search behavior through both search-theoretic and experimental approaches. As the probability of stock-out increases, search intensity decreases, while the expected number of searches may increase. Such increases in stock-out probability also deter consumers from participating in the market.

**Author(s):** Yuta Kittaka and Ryo Mikami  
**Topic:** Markets: Industrial Organization, Methodology: Experimental Design, Tools and Practices  
**Link:** [www.iser.osaka-u.ac.jp/library/dp/2020/DP1104.pdf](http://www.iser.osaka-u.ac.jp/library/dp/2020/DP1104.pdf)  
[Back to session: Industrial organisation](#)

---

## Equality of opportunity in a random dictator's game

**Sara Gil Gallen**  
University degli studi di Bari - Aldo Moro

ABSTRACT:

Saito (2013) has produced a theoretical model showing that not only the equality of the results have an essential role in the social preferences of the subjects, but also the equality of opportunity. The main goal of this paper is to measure the sensitivity to equality of opportunity of subjects depending on who has the property of an indivisible good randomly assigned in a dictator game. Preliminary data analysis shows that the dictator is more selfish by selecting greater probabilities to appropriate the indivisible good than to keep it when she is on his/her property. In other words, the dictator is more selfish in the appropriation game. Therefore, the envy feeling of the subjects has a stronger effect than their guilt feeling.

**Author(s):** Giuseppe Attanasi, Andrea Morone and Piergiuseppe Morone  
**Topic:** Social Behavior: Other, Public Choice: Other  
[Back to session: Other-regarding preferences 1](#)

---

## The reciprocal spillover effects of informal risk sharing on formal insurance

**Senran Lin**  
Southwestern University of Finance and Economics

ABSTRACT:

People are sometimes reluctant to purchase insurance. One explanation is that they acknowledge the crowding-out effect on informal risk-sharing in the corresponding market and the spillover effect on informal risk-sharing in other markets. In particular, we show that such spillover may exist through a reciprocal motivation channel, i.e., the tendency to match behavioral kindness (unkindness) to kindness (unkindness) from others. We explore this channel in the forms of Dufwenberg and Kirchsteiger (2004) and derive testable hypotheses. To test the validity of our theory, we design an experiment where in the control group two players need to make risk-sharing decisions simultaneously in two independent markets, while in the treatment group we allow one player (i.e. the insured) to purchase formal insurance in one market beforehand. In addition, we elicit players' risk attitudes as well as their first-order and second-order beliefs. Our theory predicts that both the insured's belief regarding the uninsured's cooperative intention and his knowledge about the uninsured's risk attitude can influence his insurance take-up decision. In particular, when the insured believes the uninsured is more risk-averse and has a higher tendency to cooperate, he is more likely to give up the formal insurance in the corresponding market to trade for the risk-sharing opportunity in the other market. These predictions allow us to make a clear-cut distinction between reciprocity and other behavioral channels such as altruism.

**Author(s):** Senran Lin, Dong Yan, Jiakun Zheng

**Topic:** Social Behavior: Other-regarding Preferences, Applied Economics: Other

[Back to session: Other-regarding preferences 1](#)

---

## Intertemporal Trust Game

**Qing Zhang**

**Hunan University of Technology and Business**

ABSTRACT:

We experimentally investigate the effect of timing of implementation of decisions on trust and trustworthiness. In the “Now” treatment, a standard trust game is run and subjects receive payment in the same date of the experiment. In the “Later” treatment, subjects make decisions in the same date as the now treatment, while the decisions are implemented (and hence payment) in a week. The later treatment captures a key feature of social interactions where decisions are often implemented in the future rather than immediately. Consistent with our model, we find that both trust and trustworthiness are lower in the later treatment. Our result thus suggests that less patient individuals will have less incentive to undertake an altruistic action when the decision is implemented with a delay.

**Author(s):** Qing Zhang, King King Li

**Topic:** Social Behavior: Other-regarding Preferences, Social Behavior: Norms and Morals

[Back to session: Other-regarding preferences 1](#)

---

## Evaluation of Social Preference Representation Using CES Function

**Yuta Shimodaira**

**Osaka University**

ABSTRACT:

We check the validity of social preferences' measurement using the standard CES utility function proposed by Andreoni & Miller (2002, Ect) and Fisman, Kariv, & Markovits (2007, AER). Thöni (2015, J. Behav. Exp. Econ.) has pointed out some measurement problems using the standard CES utility function model. For individuals whose utility function is strongly concave or has sharp curvature, another parameter, the share parameter, becomes meaningless. We modify the CES utility function to cover the whole curvature range, from sharp (i.e., the Leontief function) to linear. Besides, we conduct an online experiment to reveal the validity of the modified utility function parameters to measure social preferences. We implement a generalized dictator game experiment using a two-dimensional graph as in Fisman et al. (2007), and at the same time, a public goods game experiment, a Social Value Orientation measurement experiment, and questionnaires asking about political attitudes and socioeconomic status on Amazon Mechanical Turk.

**Author(s):** Yuta Shimodaira, Kohei Shiozawa, and Keigo Inukai

**Topic:** Social Behavior: Other-regarding Preferences, Methodology: Experimental Design, Tools and Practices

[Back to session: Other-regarding preferences 1](#)

---

## The Effect of Observability on the Volunteer's Dilemma

**Yihan Xiao**

**Tsinghua University**

ABSTRACT:

A Volunteer's Dilemma is a Public Good Game in which at least one person needs to be a volunteer who makes a costly effort to benefit all players in the group. A dilemma lies in the conflict between private choice and public interest, and players have an incentive to free-ride on others' potential volunteerism. We experimentally examine the impact of observability of the production of a public good on the volunteer's dilemma under a dynamic setting, finding a trade-off between the frequency of the public good produced and the size of the public good across different information environments. In the observable volunteer's dilemma, the probability of players becoming volunteers and the production of public goods is lower; but the time lapsed in initiating and joining the production of the public goods is lower. The inability to observe others' behavior reduces the probability of

free riding, but substantially slows down the production of the public good. Building upon these results, we further adjust the game parameters with the aim of finding a setting which can ameliorate this social dilemma: reduced volunteer costs, increased group size, and offered compensation and recognition to volunteers afterwards. Our study contributes to the literature by investigating how individuals' cooperation behavior depends on information environments and payoff structures, and has useful policy implications for situations in which improved social welfare outcomes are hindered by the Volunteer's Dilemma.

**Author(s):** Jaimie W. Lien (Chinese University of Hong Kong) ; Yihan Xiao (Tsinghua University); Jie Zheng (Tsinghua University)

**Topic:** Public Choice: Public Goods and Common Pool Resource, Games: Information

[Back to session: Social dilemmas 1](#)

---

## **Reward, Punishment and Children's Cooperation Preference**

**Yexin Zhou**

**Beijing Normal University**

**ABSTRACT:**

Based on a large-scale field experiment of public goods games from more than 1600 students aged 7-17, this paper compares and discusses the effects of different incentive mechanisms, including endogenous reward, exogenous reward, endogenous punishment and exogenous punishment, on children's cooperation preference. First, we found that all the mechanisms could significantly promote children's cooperation level, but the effects are different. Exogenous mechanisms are more effective than endogenous mechanisms, and punishment is more effective than reward. However, at the same time, some students still showed a tendency to maintain the same supply level of public goods even there existed an institution. Then, we asked children about their preference for rewards/punishments and found that reward is more popular. More cooperative individuals are more likely to be supporters of incentive policies. Thirdly, we introduced uncertainty into reward/punishment and found that mechanisms with 50% probability of enactment could also improve children's cooperation significantly, but the effects are inferior to certain ones. Furthermore, we found a significant positive correlation between students' supply level and their belief in the contribution of other members. Finally, we found heterogeneous effects of rewards and punishments on different group of subjects. Girls contributed more facing rewards rather than punishments, while boys showed the opposite side. Compared with previous studies, this paper systematically analyzed the role of reward and punishment in the improvement of children's cooperation. Our findings provide experimental evidence for policymakers to adopt cost-saving and individualized incentive measures to guide the development of children's non-cognitive skills.

**Author(s):** Yexin Zhou, Siwei Chen, Jubo Yan

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Norms and Morals

[Back to session: Social dilemmas 1](#)

---

## **A Signal of Following Social Norms Promotes Cooperation in Public Goods Game**

**Chi Cui**

**Northeast Normal University, China**

**ABSTRACT:**

This paper studies how a signal of following social norms affects people's cooperative behavior. We make a comparison between the effect of signaling and that of internalized social norms on cooperation. The result shows that signaling mechanism can effectively promote cooperation although it leads some subjects to pretend to be norms-followers. It may be because good environment including intrinsic norms-followers makes those pre-tenders more prosocial and cooperative than before. Therefore, there is difference between the signaling mechanism and the internalization of social norms. It demonstrates that appropriate institution is able to have positive effects on people's behavior and signaling is profitable for people to make cooperation. This paper provides a realistic and feasible method for promoting social cooperation in the developing countries, and it also complements the studies on diversification of cooperation. **Keywords:** public goods game; cooperation; signaling; internalization of social norms

**Author(s):** Ming Dai, Alexandros Karakostas

**Topic:** Public Choice: Public Goods and Common Pool Resource, Social Behavior: Norms and Morals

[Back to session: Social dilemmas 1](#)

---

## **Strong reciprocity and selfish intuitions explain cooperation in maintenance and provision dilemmas**

**Ozan Isler**

**Queensland University of Technology**

**ABSTRACT:**

Humans frequently cooperate for collective benefit, even in one-shot social dilemmas. This provides a challenge for theories of cooperation. Two cognitive process views offer conflicting explanations. The Social Heuristics Hypothesis argues that people rely on cooperative intuitions and predicts that deliberation reduces cooperation. The Self-Control Account emphasizes control over selfish intuitions and is consistent with strong reciprocity—a preference for conditional cooperation in one-shot dilemmas. Here, we reconcile these alternative explanations with each other as well as with the prevalence of strong reciprocity preferences. Using time-limit manipulations, we experimentally investigate one-shot cooperation across two main dilemma types—provision and maintenance. We replicate previous findings showing cooperation is higher in provision than maintenance, and study how dilemma type affects cognitive processes underlying this result. We find higher self-regard in maintenance compared to provision across measures

including: the perception of the dilemma, as measured by reaction time patterns of cooperation; social dilemma understanding; perceptions of social appropriateness; beliefs about others' cooperation; and cooperation preferences. Crucially, and consistent with the Self-Control Account, people are intuitively selfish in maintenance, with deliberation increasing cooperation. In contrast, consistent with the Social Heuristics Hypothesis, deliberation tends to increase the likelihood of free-riding in provision. Despite these dilemma-specific asymmetries, we find that preferences, coupled with beliefs, successfully predict the high levels of cooperation across maintenance and provision dilemmas. We conclude that, while the effects of intuitions are context-dependent and small, preference for strong reciprocity is the primary driver of one-shot cooperation. We therefore advance the Intuitions and Strong Reciprocity account as a unifying framework and consider its implications for research and policy.

**Author(s):** Simon Gaechter, A. John Maule, Chris Starmer

**Topic:** Public Choice: Public Goods and Common Pool Resource, Psychology and Biology: Cognition

**Link:** [www.ozanislir.net/](http://www.ozanislir.net/)

[Back to session: Social dilemmas 1](#)

---

## Interacting Cascades: An Experiment on Inter-Group Information Spillovers

**James Fisher**  
USAA

ABSTRACT:

Abstract We report the results of an experiment on information spillovers in networks. Our treatments compare the “Interacting Cascade” (of Fisher and Wooders 2017), where two groups share a member in common who theoretically facilitates information spillovers between them, to the “Basic Cascade” (of Bikhchandani et al. 1992), where there is no common member. We find that the common member successfully enables information spillovers between groups, albeit at about one-third of the “intensity” predicted by equilibrium theory; decompositions show that the base-rate fallacy accounts for less than one-fifth of this shrinkage. We further measure, test, and decompose additional types of information spillovers.

**Author(s):** James Fisher and John Wooders

**Topic:** Games: Networks, Games: Information

**Link:** [www.dropbox.com/s/mbamfz89trilsd4/ICE%2012.27.2020.pdf?dl=0](http://www.dropbox.com/s/mbamfz89trilsd4/ICE%2012.27.2020.pdf?dl=0)

[Back to session: Communication](#)

---

## Alcohol Consumption, Promise and Trust: Evidence from a Lab-in-the-field Experiment

**Jianxin Wang**  
George Mason University

ABSTRACT:

While business drinking is widely believed to promote trust and trustworthiness, experimental tests of this conjecture have not yet appeared. Here we use a trust game in a lab-in-the-field experiment to fill this gap. In particular, we focus on the effectiveness of a trustee's cheap-talk promise in promoting trust and trustworthiness after one has either consumed or not consumed alcohol. We find that trustees' promises enhance trustors' trust behaviors in both sober and intoxicated groups. However, trustees' promises only enhance trustworthy behavior in sober trustees, but not intoxicated trustees. We speculate that the underlying mechanism may be the detrimental impact of alcohol on the formation of higher order beliefs. This may interrupt the formation of guilt and leave promises ineffective as a commitment device.

**Author(s):** Jianxin Wang and Daniel Houser

**Topic:** Psychology and Biology: Cognition, Social Behavior: Communication

[Back to session: Communication](#)

---

## Honesty and leadership

**Sixuan Chen**  
Nanjing University of Science and Technology

ABSTRACT:

We study, theoretically and with laboratory experiments, whether suspicions over a leader's honesty impact leadership effectiveness and group efficiency. Our model predicts that honest leaders are most effective in honest environments, but honest leaders are less effective in dishonest environments. Dishonest leaders are least effective. We test our hypotheses in a public goods game in which the leaders can suggest contribution amounts. Leaders are elected, and in some treatments it is common knowledge that it is possible to cheat during the election process. We find that, consistent with our hypotheses, the most effective leadership and highest group efficiency emerges when leaders can signal their honesty and group members can also signal the group's honesty. Interestingly, honest leaders who cannot signal their honesty are no more effective than leaders suspected of being dishonest. Our findings highlight the importance of honesty in leadership, as well as the importance of providing mechanisms that enable leaders to signal their honesty.

**Author(s):** Sixuan Chen, Jianxin Wang, Daniel Houser, Yongmei Liu

**Topic:** Social Behavior: Norms and Morals, Social Behavior: Group Behavior

[Back to session: Communication](#)

---

## Monolingualism in the Lab

**Yuet Lyu**  
National Taiwan University

### ABSTRACT:

We investigate the emergence and persistence of monolingualism in the lab. In a sender-receiver game with no conflict of interest, the sender sends a message (without prior meaning) regarding a privately observed state to two other receivers who need to choose actions to match the state. Subjects simultaneously play both roles of sender and receiver in a three-member society. Through repeated play, they learn how to "speak" and "listen" to their group members. We also employ the strategy method for senders to elicit the message for each state and incentivize the use of a same language. This design allows us to observe "multilingualism" and "monolingualism" in the lab. To induce convergence to structural languages, we introduce half of the states first for 10 rounds before introducing the rest, which are 90-degree transposes of the initial states for the treatment group. 17 out of 22 three-member societies converge to monolingualism in 40 rounds. While the treatment groups indeed converge to structural languages more often, but slower since their "native" structural languages are perceived as superior and dampens learning. After the same language emerges, we observe the learning process of "immigrants" who move to another society. Results show that immigrants learn faster in societies with more structural languages.

**Author(s):** Yuet Lyu, Joseph Tao-yi Wang  
**Topic:** Games: Coordination, Unknown: Unknown  
[Back to session: Communication](#)

---

## Take me with you! Economic Incentives, Nudging Interventions, and Reusable Shopping Bags: Evidence from a Randomized Controlled Trial

**Armenak Antinyan**  
Wenlan School of Business, Zhongnan University of Economics and Law

### ABSTRACT:

Little is known about the impact of policy interventions other than taxes and bans aimed at reducing the demand for single-use plastic bags. We report results from a field experiment run in a large supermarket chain to test interventions based on environmental nudges and financial bonuses. Relative to the baseline with no intervention, both the bonus and the nudge effectively reduce disposable bag purchase. Free reusable bags combined with the nudge or the bonus are more effective than the nudge or the bonus alone. Finally, the bonus is more effective than the nudge, irrespective of the absence/presence of reusable bags.

**Author(s):** Armenak Antinyan; Luca Corazzini  
**Topic:** Field Experiments: General, Applied Economics: Other  
**Link:** [ideas.repec.org/p/ven/wpaper/202108.html](https://ideas.repec.org/p/ven/wpaper/202108.html)  
[Back to session: Environmental economics](#)

---

## Commitments and badges as nudges to low-carbon food shopping baskets

**Daniel John Zizzo**  
University of Queensland

### ABSTRACT:

There is increasing concern over the carbon footprint of grocery shopping. Part of the problem could be ascribed to the limited self-control of consumers whilst food shopping. Commitments have been seen to facilitate self-control in field experiments (Baca-Motes et al., 2013; Schwartz et al., 2014); and a badge could provide further motivation by rewarding the achievement of a sustainability goal (Gneezy et al., 2012). 725 participants from the general public made a voluntary or forced commitment to a carbon footprint threshold before online grocery shopping. An online badge was available to some participants, if the threshold was kept. Participants physically received one of their shopping baskets, keeping any unspent budget. The online badge was ineffective in reducing the carbon footprint, but results show a significant reduction of around 2,000g of CO<sub>2</sub>e in shopping baskets for participants who committed. Commitment mechanisms appear effective in activating self-control and suggest the importance of providing real-time CO<sub>2</sub>e information of shopping baskets to facilitate a shift to more sustainable consumption patterns.

**Author(s):** Natasha Auch, Luca Panzone and Daniel John Zizzo  
**Topic:** Applied Economics: Other, Social Behavior: Norms and Morals  
**Link:** [www.danielzizzo.com](http://www.danielzizzo.com)  
[Back to session: Environmental economics](#)

---

## The habit-forming effects of feedback: evidence from a large-scale field experiment

**Lorenz Goette**  
National University of Singapore

## ABSTRACT:

Many behaviors display remarkable persistence: how often we go to the gym, when we wash hands, how much energy and water we use, all appear to be highly correlated over time. In several studies, it has also been shown that the impact of interventions, ranging from financial incentives to providing feedback on one's behavior, on these behaviors lingers beyond their duration. In this paper, we provide a unique test of competing models of persistence in behavior. We propose a new attention-based behavioral mechanism for habit formation and contrast its predictions with the Stigler and Becker (1977) consumption-based habit mechanism. We test both mechanisms using a large-scale field experiment in shower water consumption. Our experiment varies cycles of household-level real-time feedback that temporarily draws attention to individuals' water consumption. Combining this design with real-time consumption data, we test the mechanism for persistence in behavior that our experiment generates. We develop structural empirical models for each of the mechanisms, and test their predictive power in cross-validation exercises to discriminate between the two non-nested models. Our results strongly support a dynamic attention-based model of habit over the workhorse habit stock model used in economics.

**Author(s):** David Byrne, Lorenz Goette, Leslie Martin, Lucy Delahey, Alana Jones, Amy Miles, Samuel Schoeb, Thorsten Staake, Verena Tiefenbeck  
**Topic:** Applied Economics: Other, Field Experiments: General  
[Back to session: Environmental economics](#)

---

## Signaling pro-social behavior with pro-environmentalism

**Christoph Drobner**  
**Technical University Munich**

### ABSTRACT:

Do subjects exploit the signaling function of stated pro-environmental preferences for pro-social behavior? In our laboratory experiment, subjects state their pro-environmental preferences and subsequently play a cooperation or trust game. In this environment, we exogenously vary that subjects make transfers conditional or unconditional on the stated pro-environmental preferences of their matching partner, providing the opportunity to signal pro-environmental preferences. Our results show that stronger pro-environmental preferences elicit higher transfers from matching partners but subjects do not exploit this signaling function by manipulating their stated pro-environmental preferences. However, the opportunity to signal pro-environmental preferences entirely removes the correlation with cooperative behavior, suggesting that strategic incentives crowd out socially desirable spillover effects of pro-environmental preferences.

**Author(s):** Fabienne Cantner, Christoph Drobner, Sebastian J. Goerg  
**Topic:** Social Behavior: Other, Public Choice: Public Goods and Common Pool Resource  
[Back to session: Environmental economics](#)

---

## Getting burned by frictionless financial markets

**Anirudh Dhawan**  
**University of Technology Sydney**

### ABSTRACT:

The evolution of stock markets into highly accessible, low-cost, virtually frictionless venues has been praised by policymakers and institutional investors. But could frictionless markets actually harm individual investors by increasing impulsive trading driven by heuristics and biases? Using laboratory experiments, we examine how investor performance is impacted by various trading frictions: transaction costs, time delays in placing orders, and tasks requiring cognitive effort. High transaction costs and time delays have no effect or harm performance, while cognitive tasks benefit participants that are most prone to underperforming. Frictions can yield benefits when they help inattentive investors consider information they might otherwise neglect.

**Author(s):** Anirudh Dhawan, Benjamin Loos, Marco Navone, Talis Putnins  
**Topic:** Markets: Finance, Markets: Finance  
[Back to session: Financial decision making](#)

---

## Drivers of the choice to self-manage one's investments

**Stephen Cheung**  
**The University of Sydney**

### ABSTRACT:

We report an experiment to examine the factors that influence a decision-maker's choice to either delegate or self-manage their investment tasks. Participants in our study were presented with two separate, but related, tasks: one that involved constructing a self-chosen investment portfolio, and another that involved choosing to invest in either the self-chosen portfolio or one that had been constructed by a professional. We varied the order in which these tasks were presented, as well as the composition of the delegated portfolio, on a between-subjects basis. We find that simply asking participants to construct a self-chosen portfolio before presenting them with the delegated option makes them roughly 24 percentage points more likely to invest in their self-chosen portfolio. By contrast there is no effect of offering a growth versus a balanced asset allocation as the delegated option. We also find that females are more likely to delegate, and that this is mediated by the gender difference in risk tolerance.

## Craving for Money? Empirical Evidence from the Laboratory and the Field

**Elise Payzan-LeNestour**  
University of New South Wales

### ABSTRACT:

In a series of controlled laboratory experiments, we provide evidence for “Craving by Design” (CbD) hypothesis, where people knowingly expose themselves to negative tail risk due to craving for monetary gains. We then document the “cheap call selling anomaly:” selling calls priced below \$1 has consistently delivered negative long-term returns and negative skew, which is puzzling when viewed from the prevailing body of knowledge alone, though expected when the latter is augmented with CbD hypothesis. These findings bring novel insights into the topic of limited self-control, the issue of problem gambling in recreational gamblers, and the motivations underlying investor decisions.

**Author(s):** Elise Payzan-LeNestour and James Doran  
**Topic:** Psychology and Biology: Neuroeconomics, Markets: Finance  
**Link:** [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3545804](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3545804)  
[Back to session: Financial decision making](#)

---

## Dynamic prospect theory - two core decision theories coexist in the gambling behavior of monkeys

**Agnieszka Tymula**  
University of Sydney

### ABSTRACT:

Research in behavioral economics and reinforcement learning has given rise to two influential theories describing human economic choice under uncertainty. The first, prospect theory, assumes that decision-makers use static mathematical functions, utility and probability weighting, to calculate the values of alternatives. The second, reinforcement learning theory, posits that dynamic mathematical functions update the values of alternatives based on experience through reward prediction error (RPE). To date, these theories have been examined in isolation without reference to one another. Therefore, it remains unclear whether RPE affects a decision-maker's utility and/or probability weighting functions, or whether these functions are indeed static as in prospect theory. Here, we propose a dynamic prospect theory model that combines prospect theory and RPE, and test this combined model using choice data on gambling behavior of captive macaques. We found that under standard prospect theory, monkeys, like humans, had a concave utility function. Unlike humans, monkeys exhibited a concave, rather than inverse-S shaped, probability weighting function. Our dynamic prospect theory model revealed that probability distortions, not the utility of rewards, solely and systematically varied with RPE: after a positive RPE, the estimated probability weighting functions became more concave, suggesting more optimistic belief about receiving rewards and over-weighted subjective probabilities at all probability levels. Thus, the probability perceptions in laboratory monkeys are not static even after extensive training, and are governed by a dynamic function well captured by the algorithmic feature of reinforcement learning. This novel evidence supports combining these two major theories to capture choice behavior under uncertainty.

**Author(s):** Agnieszka Tymula, Yuri Imaizumi, Takashi Kawai, Jun Kunimatsu, Masayuki Matsumoto, Hiroshi Yamada  
**Topic:** Decision Theory: Risk, Decision Theory: Learning  
[Back to session: Risk, uncertainty, and ambiguity 2](#)

---

## Resolution of Uncertainty: Values versus Probabilities

**Eungik Lee**  
NYU

### ABSTRACT:

We compare preferences for resolution of uncertainty when the uncertainty is resolved about a probability rather than a value. In various existing frameworks—e.g., Kreps and Porteus (1978)—, preferences over gradual versus one-shot resolution do not depend on whether values or probabilities define the object of uncertainty. Yet, in our experiment, a large majority of subjects preferred to resolve uncertainty about a value gradually, but chose to resolve probabilistic uncertainty all at once. We also find that subjects' preferences were affected by feedback—particularly with value uncertainty. Subjects were less likely to resolve uncertainty gradually once they learned that the best outcomes were no longer possible.

**Author(s):** Kathleen Ngangoue, Andrew Schotter  
**Topic:** Decision Theory: Risk, Decision Theory: Preferences  
[Back to session: Risk, uncertainty, and ambiguity 2](#)

---

## The Intergenerational Transmission of Risk Preferences: Evidence from Field Experiments in China and Korea



**Yuxin Su**  
Claremont Graduate University

ABSTRACT:

In East Asian countries, especially China and Korea, parents greatly impact their children's decisions. This study investigates how the parent-child relationship affects the similarity of parents and children's risk preferences. We conduct a field experiment with 196 sets of workers and their parents at two companies in China and Korea. We find the existence of intergenerational transmission of risk preferences. More specifically, we show that higher levels of parental involvement and financial parenting increase the similarities between parents and their children's risk preferences in China. In contrast, a more demanding parenting style contributes to intergenerational transmission in Korea. We provide evidence that the transmission mechanisms in East Asian Countries are different from those in the West. This study helps us to better understand the formation of an individual's risk preference.

**Author(s):** Bobae Hong, Kichang (David) Kim  
**Topic:** Decision Theory: Risk, Field Experiments: General  
[Back to session: Risk, uncertainty, and ambiguity 2](#)

---

## **Risky Decisions under Individual and Social Reference Dependence**

**Yongchun Peng**  
Department of Economics, School of Economics and Management, Tsinghua University, China

ABSTRACT:

Reference-dependence has been one of the primary theories in explaining risk preferences. While Prospect Theory and other related theories often focus on an individual reference point, recent studies have found strong evidence that risk attitudes vary based on social considerations, although consistent results across different settings have yet to be fully established. Most prior studies have examined reference-dependence from either individual or social perspectives, but seldom from both simultaneously. This paper provides experimental evidence for the interaction effects and mechanisms of dual reference dependence in the individual and social domains, and its difference from single domain reference-dependence, as well as compared to no reference-dependence. We conduct an incentivized laboratory experiment with 4 treatments designed to measure individual and social reference-dependence separately and jointly. The measurement of risk attitudes is a range of fair gamble lotteries of varying risk levels which allow the possibility for crossing into the gain or loss domains in the social and/or individual contexts. The cross-treatment comparison of lottery decisions by subjects allows us to determine the relative influences of the two types of reference points based on varying circumstances of subjects' positions in the gain and loss domains. Our experiment provides a clean test of the relative influences of individual and social reference points in risky decision contexts.

**Author(s):** Jaimie W. Lien , Yongchun Peng , Jie Zheng  
**Topic:** Decision Theory: Risk, Decision Theory: Preferences  
[Back to session: Risk, uncertainty, and ambiguity 2](#)

---

## **Present-biased time preference for monetary rewards - a meta-analysis**

**Xueting Wang**  
The University of Sydney

ABSTRACT:

Quasi-hyperbolic discounting is one of the most well-known and used models to capture self-control problems. The underlying assumption of the model is that agents have a "present bias" toward current consumption, as all future rewards are downweighed relative to rewards in the present, in addition to the standard exponential discounting of delayed rewards. To create a meta-analytic dataset of present bias estimates, we searched all major research databases using the intersection of a set of methodology keywords with a set of topic keywords. We identified 63 articles with 85 estimates of present bias parameter. The literature shows that people are on average present biased towards money ( $\beta=0.82$ ), but substantial heterogeneity across studies exists. The source of heterogeneity comes from the subject pool, methodology (e.g. BDM auction), geographical location of data collection, payment method, the study place (e.g. online vs. lab). Reward type also has an influence on the estimates of present-bias parameter: individuals show stronger present bias towards real effort and health outcomes compared to monetary rewards. There is evidence of publication bias in the direction of overestimating present-bias, but the present bias still exists after correcting for potential publication bias.

**Author(s):** Stephen Cheung, Agnieszka Tymula, Xueting Wang  
**Topic:** Decision Theory: Other, Decision Theory: Other  
[Back to session: Search and time preference](#)

---

## **Alleviating behavioral biases at job search: Do nudges work?**

**Gergely Horvath**  
Division of Social Sciences, Duke Kunshan University

ABSTRACT:

In an online experiment, we study the effectiveness of policy interventions in reducing the impact of behavioral biases on job search. Due to the present bias, individuals set a lower search effort and a lower reservation wage than the optimal values, while sunk-cost fallacy makes individuals reduce their reservation wage over the search spell. We compare the effects of search cost reduction and nudging on alleviating these biases. We find that search cost reduction increases the investment in search effort and the individual welfare but not the reservation wage. Conversely, nudging increases the reservation wage, but not the investment in search effort or individual welfare. Furthermore, we show that both search cost reduction and nudging are effective in alleviating the impact of sunk-cost fallacy on the choice of the reservation wage. Our results suggest that behavioral interventions should be part of active labor market policies.

**Author(s):** Gergely Horvath

**Topic:** Applied Economics: Labor Market, Applied Economics: Other

[Back to session: Search and time preference](#)

---

## Measuring Preferences over Intertemporal Profiles

**Chen Sun**  
**Humboldt University Berlin**

ABSTRACT:

We develop a simple method for measuring intertemporal preferences: directly measuring preferences over intertemporal profiles, that is, combinations of outcomes at several points in time. The method is parameter-free and independent of time horizon effects. It requires weak assumptions on preferences to be measured, and hence can be used to test a wide range of models. It is easy to implement, clear to subjects, incentive compatible, and as efficient as existing methods if identical assumptions are imposed. By applying the method, we document two characteristics of preferences over monetary gain profiles. First, utility curvature is smaller for higher stakes, but no evidence shows that (generalized) discount factors change with the stake (the magnitude effect). Second, people are overly impatient when it is possible to have all rewards on the earliest date (the all-sooner effect).

**Author(s):** Chen Sun

**Topic:** Decision Theory: Preferences, Unknown: Unknown

[Back to session: Search and time preference](#)

---

## Time Costs and Search Behavior

**Maros Servatka**  
**Macquarie Graduate School of Management**

ABSTRACT:

Sequential search is often costly and time-consuming. The time cost is usually unknown ex ante and its presence and duration must be inferred as the search progresses. We disentangle the effect of time cost on search behavior from people's (in)ability to perceive time delay between offers. We find that people are able to infer the existence of the time cost, but their inference is imperfect. We also compare the effect of time cost with the effect of monetary cost and find that the time cost reduces the amount of exerted search, but not as much as the monetary cost does. Discriminating between the effects is critical for increasing the empirical validity of search models and designing mechanisms capable of improving the quality of decisions, especially in unfamiliar or infrequently encountered situations.

**Author(s):** Yu-Chin Hsiao, Simon Kemp, Maros Servatka, Matt Ward, Le Zhang

**Topic:** Applied Economics: Other, Decision Theory: Other

[Back to session: Search and time preference](#)

---

## Mind your Ps and Qs! Variable Allowance Supply in the US Regional Greenhouse Gas Initiative

**Lana Friesen**  
**University of Queensland**

ABSTRACT:

We investigate the new institutional design for the US Regional Greenhouse Gas Initiative (RGGI). The scheme incorporates two allowance reserves that adjust the supply of allowances in the event of unexpectedly high or low allowance demand. These reserves are enacted if the clearing price breaches a predetermined set of trigger prices. Our experiment finds trigger prices act as focal points: the distribution of clearing prices is bimodal and aligns with the trigger prices. Further, decreasing the range between trigger prices increases total revenue but decreases allocative efficiency. The regulation is more sensitive to changes in trigger prices than reserve quantities.

**Author(s):** Lana Friesen, Lata Gangadharan, Peyman Khezr, and Ian A. MacKenzie

**Topic:** Applied Economics: Other, Markets: Auctions

[Back to session: Auctions](#)

---

## The Default Effects of Online Rating: A Field Experiment

**Zhi Zhu**  
Zhejiang University, Hangzhou, China

ABSTRACT:

Most of the previous research about online rating focus on the biased distributions of rating results and how to identify consumers' true consumption experiences and the true quality of products. Rare studies have investigated the effects of default setting on online ratings. To examine this question, this study conducted a field experiment on an e-commerce platform. In the experiment, the default value was set to five-star, zero-star, or a random value between one to four-star. Moreover, the order of star ratings and text reviews was also randomized. We collected 2,210 valid ratings (reviews) on 398 products of 14 categories from an online platform. We find that when the default rating is 5-star, there are more unrated behavior than that of a random default star and consumers give higher ratings than that of both random star and 0-star. In the condition of default 0-star, there is a greater proportion of lower ratings (1-star, 2-star) and this reduces the extremity bias of online ratings, while in the other two conditions, higher ratings (4 stars, 5 stars) are dominated. Compared to rating first, consumers post higher ratings when they input text comments first. Our study provides practical insights for companies about how to design the online feedback system and for government about how to regulate the system.

**Author(s):** Fadong Chen, Zhi Zhu, Shuzhong Ma

**Topic:** Decision Theory: Bounded Rationality, Decision Theory: Other

[Back to session: Auctions](#)

---

## Alternative Carbon Emissions Permits Market Designs: A Lab-in-Field Experiment in China

**Zhi Li**  
Xiamen University

ABSTRACT:

China is going to start a national carbon market which would double the volume of worldwide CO<sub>2</sub> emissions covered by taxes or emission trading systems (ETS) when fully implemented. A key component of the market is the initial allocation of the tradable emissions permits. With a unique opportunity of recruiting five hundred of potential market participants, we investigate alternative emissions permit allocation designs in a series of lab-in-the-field experiments. Specifically, we compare the three existing mechanisms of free allocation (grandfathering), uniform price auction (UPA), and consignment auction (CA) in terms of price discovery, trading volumes, and compliance behavior. In our setup, all firms receive free permits initially and need to buy back a share of the permits under the two auction mechanisms with auction revenues returned to the firms (CA) or not (UPA) in the primary market, followed by a spot (secondary) market for all mechanisms with the continuous double auction. We find enforced consigned permit transactions in the primary market induce a higher price closer to the marginal benefit of permits, which facilitates price discovery and increases trading volumes in the spot market and ultimately results in more efficient allocations. Both auctions reduce non-compliance compared with grandfathering, which could be attributed to the process of auction in the primary market which makes firms better prepared for the future. Our results provide insights on the emissions permits allocation design for the national carbon market in China and other countries alike.

**Author(s):** Zhi Li, Da Zhang, Xiliang Zhang

**Topic:** Markets: Auctions, Markets: Finance

[Back to session: Auctions](#)

---

## The erosion of unity: How changes in social norms impact minority groups

**Manuel Munoz**  
New York University Abu Dhabi

ABSTRACT:

Individuals from minority groups may abandon their social norm to adopt that of the mainstream majority, when doing so promotes inter-group contact and economic mobility. However, minority individuals may persist on an inefficient norm if others in their social network oppose change by imposing barriers. In this paper, I study how changes in norms impact the economic position of minority groups focusing on the two most prominent barriers to norm change: social sanctions and pluralistic ignorance. I develop a theory to characterize equilibrium outcomes and find that despite the barrier faced, if the entire minority adopts the mainstream norm in unison and form network connections with the majority, efficiency is highest. But also, that a divided minority where some become mainstream and integrate and others oppose and segregate, is stable but inefficient. I test this experimentally and find that social sanctions are barriers that divide the minority and prevent economic mobility more often than pluralistic ignorance, despite the efficiency gains of acting in unison. I also test whether sharing a common norm improves attitudes across groups and find that minority members act less generously towards the majority the more divided the minority is. The majority, however, is unresponsive to the changes in norms of the minority.

**Author(s):** Manuel Munoz

**Topic:** Games: Networks, Social Behavior: Group Behavior

[Back to session: Norms](#)

---

## Confucian Culture, Moral Reminder, and Gift Exchange

**Shuguang Jiang**  
Zhejiang University of Finance&Economics

## ABSTRACT:

We developed a newly designed gift exchange game with the attribute of soft corruption that can test subjects' behaviors acting both as a gift giver and as a gift recipient. In the experiment, we use the priming technique to make the Confucian culture mentally salient and measure its impact on subjects' behaviors in the gift exchange game. Besides, we introduce another mechanism called "moral reminder" to constitute a 2x2 treatment design with Confucian culture priming. We show that priming Confucian culture cannot reduce the behavior of gift-giving in absence of the intervention of moral reminder, while has a small effect of reducing gift-giving with the intervention of moral reminder. Regardless of moral reminder, priming Confucian culture promotes gift recipients' fairness. We suggest that Confucian culture has an impact on gift exchange behavior via influencing subjects' moral considerations while this is restricted by wiggle room that is morally justifiable.

**Author(s):** Shuguang Jiang, Qian Wei

**Topic:** Social Behavior: Norms and Morals, Public Choice: Voting and Rent Seeking

[Back to session: Norms](#)

---

## Hot versus cold reciprocity

**Jierui Yang**  
Tilburg University

## ABSTRACT:

We study if reciprocity in a trust game varies depending on whether the decision is taken in a hot decision-making state versus a cold one. To do so, we compare reciprocal decisions elicited via the direct response method and strategy method. We formulate predictions considering psychological aspects or aspects of the strategic environment that can predict a difference between hot and cold decision-making. Our data show that reciprocation rates were significantly higher under cold decision-making than under hot decision-making. This result is in line with the conjecture that individuals can commit to reciprocity under cold decision-making, while under hot decision-making, they cannot. We also rule out differences in second-order beliefs, complexity, and stakes as possible alternative explanations.

**Author(s):** Riccardo Ghidoni, Sigrid Suetens, Jierui Yang

**Topic:** Games: Other, Psychology and Biology: Emotions

[Back to session: Norms](#)

---

## The Incentive Effect of Coarse and Refined Reporting: Theory and Experiment

**Michiko Ogaku**  
Nagasaki University

## ABSTRACT:

We compare the incentive effect of two-grade reporting rules, namely, coarse and refined reporting. As a backdrop, we consider students whose performance in an exam will be disclosed to a potential employer. The disclosure rule is either a coarse-reporting in the form of pass or fails grade or a refined-reporting in the form of a raw score between 0 and 100. We are interested in analyzing which reporting rule would motivate students to work harder? Existing theories provide two predictions. First, a refined-reporting will provide a stronger incentive than a coarse-reporting if the former can better reflect the differences in effort levels of students with varying abilities. Second, a coarse-reporting provides a stronger incentive than a refined-reporting if the former allows a mediocre ability type to be pooled together with better types. We bring these theoretical predictions into a laboratory economic experimental test and show that subjects' behavior is consistent with the first prediction. Our result sheds some light on the optimal design of performance evaluation.

**Author(s):** Yukihiro Funaki, Edward Halim, Michiko Ogaku, Yohanes Eko Riyanto

**Topic:** Social Behavior: Other-regarding Preferences, Decision Theory: Beliefs

[Back to session: Other-regarding preferences 2](#)

---

## Is socially responsible investment driven by altruism? A tDCS study

**Shu Chen**  
Shanghai International Studies University

## ABSTRACT:

Socially responsible investment (SRI) is a fast-growing investment strategy that integrates environmental and social impacts into investment considerations. Altruism is usually believed to be the motive of SRI, while other motives such as profit-maximization or risk-aversion may also account for investing in socially responsible corporations. This study aims to verify the existence of altruistic motive in SRI by testing whether modifying the activity in the right temporoparietal junction (rTPJ) using transcranial direct current stimulation (tDCS) impacts SRI decisions, given that the rTPJ has been proved to be crucial in altruistic decision-making. We found that enhancing the activity in rTPJ significantly increased the participants' level of altruism and willingness to invest in the SRI fund while inhibiting the activity in rTPJ decreased the above variables. Our study helps to understand more about the motives of SRI and provides implications for the neural mechanism of moral-versus-material decision-making.

## Selecting a public-spirited allocator: the role of cooperative preference and demographics

Jing Yu

Beijing Institute of technology

ABSTRACT:

We experimentally examine if and how people's cooperative preferences and demographics are associated with their allocation behavior in a hierarchical mechanism (an allocator has absolute power over the inputs of every group member in social dilemmas). Using variants of the public goods game, we find that after gaining the allocation power, conditional cooperators – in particular self-serving ones – tend to be more selfish than stated in their contribution schedules. Yet, there is a significantly positive correlation between people's cooperative preferences and their allocation fairness/efficiency. Controlling for this correlation, we also detect gender and age effects in that women and older subjects are significantly more other-regarding in their allocation behavior.

Author(s): Jing Yu

Topic: Social Behavior: Other-regarding Preferences, Public Choice: Public Goods and Common Pool Resource

[Back to session: Other-regarding preferences 2](#)

---

## Asymmetric Reciprocity

Yunwen He

Tsinghua University

ABSTRACT:

When individuals differ in terms of their abilities/costs of generosity, an asymmetric reciprocity concern arises in settings involving trust. We study this issue in a series of trust game scenarios, in which the abilities of matched senders and receivers are randomly assigned. In addition to the main reciprocity game, in which players know about the upcoming opportunity for reciprocity, we also implement an unknown reciprocity game (in which players are not aware of the subsequent reciprocity opportunity), and a dictator game as a control. In general, more capable senders are willing to give more in the first stage, but the amount returned by the receivers does not differ significantly by their ability. Senders in the known reciprocity opportunity game do not exhibit greater generosity compared to the unknown reciprocity game. However, receivers in the former are more rewarding towards senders than in the latter game, to respond to their trust. Furthermore, controlling for the amount received, they reciprocate more substantially in response to more costly transfers made by the senders - that is, the trusting behavior of the highly-capable senders are discounted based on their low costs or efforts. We further vary the information condition about the receiver's ability for senders. Public information about the receiver's ability leads senders to hold back their trust substantially when encountering a less capable receiver. On the other hand, the receiver's reciprocation is unaffected by whether his own multiplier is known to the sender. Therefore, the results indicate that the receivers generally tend to act in conformity with the expectation of senders. Our study helps reveal how heterogeneous ability endowments affect individuals' giving and reciprocating tendencies in society.

Author(s): Yunwen He, Jaimie W. Lien, Yang Yang, Jie Zheng

Topic: Social Behavior: Other-regarding Preferences, Decision Theory: Preferences

[Back to session: Other-regarding preferences 2](#)

---

## Preference for randomization and validity of random incentive system: an experiment

Tomohito Aoyama

Hitotsubashi University

ABSTRACT:

Random Incentive System (RIS) is a standard method to incentivize participants in economic experiments. However, recent theoretical studies point out a possibility of its failure when participants concern about ambiguity. We conducted an experiment to investigate the relationship between the validity of RIS and participants' preferences under ambiguity. We obtained the following results: (1) participants' preferences for randomization and conformity with reversal of order axiom are heterogeneous after controlling ambiguity attitude, (2) preferences for randomization does not significantly increase inconsistent choices under RIS, (3) modifying RIS following Baillon et al. (2021) does not significantly reduce inconsistent choices.

Author(s): Tomohito Aoyama, Nobuyuki Hanaki

Topic: Methodology: Experimental Design, Tools and Practices, Decision Theory: Ambiguity

[Back to session: Risk, uncertainty, and ambiguity 3](#)

---

## The Impact of Information on Goal-Setting and Performance: A Field Experiment

**Marcus Roel**  
**Beijing Normal University**

ABSTRACT:

We investigate how information impacts goalsetting and performance by conducting a field experiment in a college physical education course that varies whether students know or not know their true ability when they set their goals. We document that all students intend to set challenging goals, either based on their actual or estimated abilities. However, only a small proportion of students predict their performance accurately; under- and over-estimation are equally common. Consequently, consistent with our theoretical prediction, receiving information about one's ability significantly improves goals - increasing goals set by underconfident students while decreasing goals set by the overconfident ones. We find that providing information significantly raises final test performance for underconfident students. However, we do not find any effect on performance for overconfident students. The control group performs similarly to both goal-setting treatment groups, which is likely driven by private, unelicited goal-settings of at least some of its members.

**Author(s):** Haoran He, Marcus Roel, Ronghai Su, Qian Weng  
**Topic:** Field Experiments: General, Decision Theory: Preferences  
[Back to session: Risk, uncertainty, and ambiguity 3](#)

---

## On the consistency of latent risk preferences across contexts

**Filip Fidanoski**  
**UNSW Business School**

ABSTRACT:

There are presently more than 100 ways how to elicit risk preferences. Unfortunately, the results of the different elicitation mechanisms [EMs], often differ (and occasionally even contradict each other), making it difficult to identify latent risk preferences. Many EMs have not yet been compared directly to each other. Also, the comparisons that have been made have been afflicted by problematic design and implementation choices, as well as questionable estimation techniques. Specifically, we are interested in understanding why various EMs, or contexts, provide risk-preference estimates that often are inconsistent across EMs even if the domain (another potential contextual variant) is the same. Robust elicitation of latent risk-preferences remains a challenge for scholars and policymakers alike, given their importance for (the calibration of) many economic models. Our research complements the literature by providing response on the following: 1) What is the degree of consistency and convergence within, and across revealed [Random Lottery Pair Design (RLP), Multiple Price List (MPL), Dynamic Experimental Estimation of Preferences (DEEP), Staircase Task (ST), Portfolio Choice (PC), Bomb Risk Elicitation Task (BRET)] and stated [Domain-Specific Risk-Taking (DOSPERT) and Socio-Economic Panel Study (SOEP)]? 2) Is there logical choice consistency in decision-making under risk and what is the relevance of the multiple switching behaviour [MSB]? 3) How noise specification affects risk-preference estimates and which utility model and parametric specifications fit best our data? 4) What is the difference in the risk attitudes elicited through revealed and stated or hypothetical EMs i.e. whether the hypothetical bias exists and how it matters? 5) How socio-demographic and personal characteristics, state, and life events are moderating risk-preference estimates across contexts i.e. what are determinants of conditional context consistency? We have conducted a pre-registered experiment in the Business School Experimental Research Laboratory at the University of New South Wales in December-January. We have collected data for 119 subjects. Among the findings so far, 38% of subjects are consistent across BRET and MPL.

**Author(s):** Filip Fidanoski, Vinayak Dixit, Andreas Ortmann  
**Topic:** Decision Theory: Risk, Methodology: Experimental Design, Tools and Practices  
[Back to session: Risk, uncertainty, and ambiguity 3](#)

---

## TIE-BREAKING AND EFFICIENCY IN THE LABORATORY SCHOOL CHOICE

**Wooyoung Lim**  
**Hong Kong University of Science and Technology**

ABSTRACT:

We consider a simple school choice problem with coarse priorities where Deferred Acceptance (DA) may result in inefficient stable outcomes due to tie-breaking. Earlier theoretical literature proposed the Stable Improvement Cycle (SIC) mechanism and Choice-augmented Deferred Acceptance (CADA) mechanism as remedies for inefficiencies in environments with coarse priorities. However, neither of these mechanisms is strategy-proof, and an equilibrium analysis is needed to fully investigate their effectiveness. In our simple environment, we theoretically analyze equilibrium behavior in DA, SIC, and CADA mechanisms and show that efficiency gain exists in SIC but not in CADA relative to DA according to the predictions from the Nash equilibria in weakly undominated strategies. These predictions are largely confirmed by our experimental data from two environments with different sizes of the economy.

**Author(s):** Wonki Jo Cho, Isa E. Hafalir, Wooyoung Lim  
**Topic:** Markets: Market design and Matching, Social Behavior: Lying and Cheating  
[Back to session: School choice](#)

---

## Costly information acquisition in centralized matching markets

**Siqi Pan**  
University of Melbourne

ABSTRACT:

Every year during school and college admissions, students and their parents devote considerable time and effort to acquiring costly information about their own preferences. In a market where students are ranked by universities based on exam scores, we explore ways to reduce wasteful information acquisition—that is, to help students avoid acquiring information about their out-of-reach schools or universities—using a market design approach. We find that, both theoretically and experimentally, a sequential serial dictatorship mechanism leads to less wasteful information acquisition and higher student welfare than a direct serial dictatorship mechanism. This is because the sequential mechanism informs students about which universities are willing to admit them, thereby directing their search. Additionally, our experiments show that the sequential mechanism has behavioral advantages because subjects deviate from the optimal search strategy less frequently under the sequential than under the direct mechanism. We also investigate the effects of providing historical cutoff scores under the direct mechanism. We find that the cutoff provision can increase student welfare, especially when the information costs are high, although the effect is weaker than that of a sequential mechanism.

**Author(s):** Rustamdjan Hakimov, Dorothea Kuebler, Siqi Pan  
**Topic:** Markets: Market design and Matching, Games: Information  
[Back to session: School choice](#)

---

## **An experimental study on strategic preference formation in two-sided matching markets**

**Natsumi Shimada**  
Institute of Social and Economic Research, Osaka University

ABSTRACT:

We study an experiment of the students-proposing deferred acceptance mechanism (DA) in matching markets where firms are matched with students. We investigated the three different situations: (i) Students do not know firms' preferences and firms submit their true preferences, (ii) Students know firms' preferences and firms submit their true preference, (iii) Students know firms' preferences and firms submit a higher ranking to students who give them higher ranking. This experiment confirms that the matching results under DA influence students' preference formation, which decreases the degree of stability. If firms do not submit their true preferences, students also do not submit their true preferences. As a result, the situation induces instability.

**Author(s):** Natsumi Shimada  
**Topic:** Markets: Market design and Matching, Markets: Other  
[Back to session: School choice](#)

---

## **Cooperation in infinitely repeated games with private monitoring**

**Xue Xu**  
School of Economics, Nankai University

ABSTRACT:

I study experimentally whether cooperation can be sustained and how players act in infinitely repeated prisoner's dilemmas with private monitoring, where there is a known probability that in the stage game the player will privately receive a different action from the other player's true choice. I compare a private monitoring treatment to a perfect monitoring treatment both when the theoretically predicted difference in their highest payoffs achieved is sharp and when the difference is mild. I find that cooperation levels are significantly lower with private monitoring than with perfect monitoring in either case, and the negative impact of private monitoring on cooperation is mildly weaker when the difference mentioned above is smaller. Additionally, players in the private monitoring treatments are less responsive to the previous (received) cooperative action of the other player than those in the perfect monitoring treatments would do. This fact also holds for a longer history of (received) cooperative actions of the other player, but to a lesser extent.

**Author(s):** Xue Xu  
**Topic:** Games: Repeated Games, Games: Information  
[Back to session: Social dilemmas 2](#)

---

## **Framing effect and children's conditional cooperation under the inequality of endowment**

**Yexin Zhou**  
Beijing Normal University

ABSTRACT:

Based on public goods and public bads field experiments on a large sample of more than 1,600 rural students, this study explores “framing effect” in children's conditional cooperation under the “2×2” treatments of “the endowment equality-inequality” and “public goods-public bads”. Field evidence shows that the framing effect is heterogeneous under different conditional contribution levels; besides, the low-endowed subjects show higher levels of cooperation under the positive frame, while the high-endowed cooperate more under the negative frame. In general, the role of framing effect is weaker

when endowment is unequal than when it is equal. Experimental results also suggest that children's conditional cooperation shows a downward trend, which is inconsistent with previous conclusions of unconditional cooperation experiments. The results have implications for the improvement of the level of social cooperation in this post-epidemic era, highlight that frame matters more under equality.

**Author(s):** Yexin Zhou, Xinyu Li, Jubo Yan

**Topic:** Decision Theory: Preferences, Games: Coordination

[Back to session: Social dilemmas 2](#)

---

## **Does Informing Public Actions Contribute to Successful Risk Mitigation? An Experimental Study of Strategic Interactions and Voluntary Cooperation in the light of the COVID-19 Pandemic**

**Yohei Mitani**  
Kyoto University

ABSTRACT:

Non-pharmaceutical interventions are critical in mitigating the spread of the novel coronavirus disease (COVID-19). The effect of an agent's mitigation effort depends on the efforts of neighboring agents. Given this spatially weighted risk externalities, the COVID-19 epidemic calls attention to the ability to think about others. The literature suggests that policy interventions are required to facilitate cooperation where risk externalities exist. However, we do not yet have evidence of the effect of revealing information about others' behavior on successful risk mitigation under different degrees of intervention. In this paper, we use a laboratory experiment to investigate whether informing public actions contributes to successful risk mitigation at different degrees of intervention. Our baseline result confirms that a risk mitigation strategy that relies on voluntary measures is not likely to be effective. Next, our main result illustrates that the effectiveness of revealing information about others' behavior on successful risk mitigation depends on intervention degrees and whether mitigation choices are strategic complements or substitutes. By drawing lessons from experimental results, we offer a significant behavioral insight into designing and evaluating risk mitigation measures in connection with the COVID-19 epidemic.

**Author(s):** Yohei Mitani; Naoya Yukizaki

**Topic:** Public Choice: Other, Decision Theory: Risk

[Back to session: Social dilemmas 2](#)

---

## **Psychological and Social Determinants of Cooperation and Punishment in Social Dilemmas: Theory and Evidence**

**Mengxing Wei**  
School of Economics, Nankai University

ABSTRACT:

It is a puzzle why people punish in social dilemmas. This study theoretically and experimentally explores the psychological and social determinants of cooperation and punishments in the voluntary contribution mechanism with punishment (VCMP). Our results show that the determinants of punishment are psychological and may lie in the belief-based emotions of frustration, anger, indignation, outrage, and a hardwired preference for reciprocity. We also find that the determinants of contributions lie in the anticipation of future punishment, and the emotion of shame from breaking a norm of contributions, arising from a proclivity to follow such norms (Bicchieri, 2006; Elster, 2011).

**Author(s):** Sanjit Dhami, Mengxing Wei

**Topic:** Social Behavior: Norms and Morals, Decision Theory: Beliefs

[Back to session: Social dilemmas 2](#)

---