

LINEEX x CEE-M workshop in experimental economics

Tuesday, May 28, 2024

📍 Faculté d'Économie - Université de Montpellier

Room: salle 416

9:30 - 10:15	Adriana Alventosa University of Valencia Leniency degree and cartel (in)stability in the lab
10:15 - 11:00	Gabriel Bayle CEE-M Intergenerational common pool resource management: Consideration of future generations and transmission of preferences
11:00 - 11:45	Levent Neyse WZB, Berlin Incubator for collaborative and transparent economic sciences - lab2
12:00 - 13:30	Lunch break
13:30 - 14:15	Marc Willinger CEE-M Eyetracking behavioral strategies in beauty contest games
14:15 - 15:00	Neus Planells University of Valencia Pro-environmental behavior and public policies: An experimental approach
15:00 - 15:45	Rustam Romaniuc MBS, CEE-M Reporting behavior across countries

Additional information:

Should you have any questions, please contact Rustam Romaniuc:

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LABORATORY
FOR RESEARCH
IN BEHAVIOURAL
EXPERIMENTAL ECONOMICS



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ABSTRACTS

Adriana Alventosa (University of Valencia)

Leniency degree and cartel (in)stability in the lab

Previous literature on collusion has suggested that leniency programmes may have perverse effects. The reason behind this is that this type of mechanism seems to destabilize cartels, but they may have incentives to re-emerge quickly. In this paper, we experimentally investigate how the degree of leniency (full vs. partial) affects cartel stability and recidivism. We also examine the potential emergence of tacit collusion when communication is used by Competition Authorities to track and investigate firms. In a context with strong incentives for collusion and self-reporting of anti competitive behavior, we show that full leniency programmes are more effective in destabilizing cartels because they induce more reporting than partial leniency programmes, but recidivism prevails as a major problem. Furthermore, costly communication reduces the frequency of communication but fails to reduce anti competitive behavior because it encourages tacit collusion between firms.

Gabriel Bayle (CEE-M)

Intergenerational common pool resource management: Consideration of future generations and transmission of preferences

This research project is currently in development for the "Fête des Sciences 2024". It examines intergenerational decision-making in the management of common pool resources. It addresses two primary research questions: how considerations for "imaginary future generations" impact current decision-making processes, and how conservation norms are transmitted from parents to children. For the first question, we aim to employ nudging strategies to highlight various temporal horizons, including those where the player is not present, to explore how decisions can be influenced by absent future scenarios. For the second question, we intend to investigate the connection between decisions made by parents and those by their children, analyzing if and how preferences are transmitted across different generations. Utilizing a design inspired by Hauser et al. (2014), the study will conduct experiments with both adults and children using age-appropriate games to simulate resource management scenarios. This innovative approach seeks to enhance our understanding of how various generations perceive and manage environmental sustainability, emphasizing the role of immediate and future-oriented decision-making.

Levent Neyse (WZB, Berlin)

Incubator for collaborative and transparent economic sciences - lab2

The ongoing replicability and reproducibility crisis in the social sciences has revealed the importance of transparency and good scientific practice in the field of economics. Transparency – i.e., making procedures, datasets, and analysis codes publicly available – enables the scientific community to re-test the published results. Pre-analysis plans where study details are committed to in advance avoid researchers using the various “researcher degrees of freedom” that lead to unreliable p-values. In addition, replication studies are getting increased attention. However, replications are not systematic, and there is

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heterogeneity in knowledge and tools of sound scientific practices. Much work remains to be done to improve the credibility of results, where meta-science can guide the field towards a *better* scientific practice. Lab2 (“Lab square”) is a hub for replications and meta-science based at WZB Berlin. The two overarching aims of Lab2 are to increase the credibility of scientific results in the field of economics and to guide the field to engage in *better* scientific practice. Lab2 brings together a global consortium of economic laboratories, a strong scientific advisory board, and academic institutional partners. We run three sets of activities at Lab2. i) Research: we collaboratively run replication studies and meta-science-related studies. ii) Knowledge Transfer: we inform the scientific community and the public about the new findings and tools regarding transparency, replication studies, and meta-science. iii) Scientific Support and Education: we train junior researchers and graduate students on methods of transparency, replication studies, and meta-science.

Marc Willinger (CEE-M)

Eyetracking behavioral strategies in beauty contest games

We study experimentally two variants of the beauty contest game (BCG+ and BCG-, thereafter) with an interior equilibrium. Subjects choose an integer number between 1 and 100. The winner is the one whose chosen number is closest to $2/3 \times (\text{mean} + 30)$ in BCG+ or $100 - 2/3 \times \text{mean}$ in BCG-. For both games, the unique equilibrium, assuming IEWDS, is 60. The key difference between the two elimination processes is alternation. Under positive feedback elimination occurs only on one side of the equilibrium point, either the upper side or the lower side, depending at which extremity of the interval the reasoning process is initiated. In contrast, under negative feedback, elimination alternates on both sides of the equilibrium point, whatever the extremity that is chosen as the starting point. We use eye-tracking to identify whether subjects rely on one-sided elimination under BCG+ and two-sided elimination with alternation under BCG-.

Neus Planells (University of Valencia)

Pro-environmental behavior and public policies: An experimental approach

Pro-Environmental Behaviour (PEB) encompasses actions taken by individuals to reduce their negative environmental impact, reflecting a conscious intention to contribute to environmental change. Previous literature on policy interventions and PEB suggested effective interventions often hinge on existing predispositions, emphasizing a preference for environmental care. This suggests that influencing individuals through others' preferences, social norms, and behavioral consequences is effective when intrinsic values or preferences align. This study, following an experimental approach, aims to identify intrinsic values among individuals with notable PEB and exploring means to influence those with low environmental values or no interest in environmental issues. The results indicate the existence of a nonzero intrinsic value, confirming existing literature. Additionally, recycling incurs a cost, and intriguingly, the intrinsic value is influenced by the policy adopted by the social planner. This introduces the possibility of modifying and enhancing citizens' PEB through policy interventions.

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Rustam Romaniuc (MBS, CEE-M)

Reporting behavior across countries

I will present the experimental design of a project that aims at measuring peer reporting norms and behaviors across individuals who are likely to hold different views in terms of the personal and social norms related to reporting a peer. We are planning to conduct experiments in several Western (USA, UK, France, Spain) and Eastern (Vietnam, China, Japan) countries. Previous cultural studies have shown that westerners demonstrate an increased motivation to stand up for “justice”, while in eastern countries people tend to consider “loyalty” to the group as a more important virtue than standing out for justice. Our study will experimentally measure individual willingness to report a peer who misbehaved as well as personal and social norms associated with the act of denunciation. Furthermore, we plan to study the impact of financial incentives on peer reporting behavior and norms. The effect of financial incentives may greatly depend on the extent to which people consider that reporting is the right thing to do and how they value justice relative to loyalty to group members.