

Experimental Economics

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Description

This short course will introduce the student to the methods of experimental economics. I run most of my experiment in Bologna where we have a state-of-the art laboratory here in Bologna in case someone plans to carry out experimental research (BLESS, via Ranzani 14/b, <http://www2.dse.unibo.it/bless/>) that is open also to EUI students. In Bologna in some years we also offer a crash course for a software dedicated to program experiments (<http://www2.dse.unibo.it/bigoni/courses/ztree/>). You can contact maria.bigoni@unibo.it if interested.

Exam

To be announced.

Calendar

Location: tba

Lecture 1 (5 Oct at 1 pm) **Introduction to Experiments**

Lecture 2 (12 Oct at 3 pm) **Social preferences**

Lecture 3 (19 Oct at 3 pm) **Cross-cultural studies**

Lecture 4 (26 Oct at 3 pm) **Long-term interaction**

Lecture 5 (9 Nov at 3 pm) **Macro experiments**

Readings

Some desk reference in experimental economics:

- Camerer, Colin (2003) Behavioral Game Theory. Experiments in Strategic Interaction, Princeton University Press
- C. R. Plott and V.L. Smith (Edited by) Handbook of Experimental Economic Results, Elsevier North-Holland Publishing (2008)
- Nicholas Bardsley, Robin Cubitt, Graham Loomes, Peter Moffatt, Chris Starmer & Robert Sugden (2010), Experimental Economics: Rethinking the Rules, Princeton University Press
- Alessandra Cassar and Dan Friedman (2004) Economics Lab: An Intensive Course in Experimental Economics, Routledge

Introduction to experiments

- Smith, Vernon, An Experimental Study of Competitive Market Behavior, *Journal of Political Economy*, 1962, 70, 32
- Palfrey, T. and R. Porter (1991) Guidelines for submission of manuscripts on experimental economics, *Econometrica*, 59, 4, 1197-98
- Smith, Vernon (1982), “Microeconomic Systems as an Experimental Science,” *American Economic Review*, 72, 5, Dec., 923-955.
- Mullainathan, S., and R. Thaler (2000) Behavioral Economics, International Encyclopedia of the Social and Behavioral Sciences.

- Julian Jamison, Dean Karlan and Laura Schechter, 2008. To deceive or not to deceive: The effect of deception on behavior in future laboratory experiments. *Journal of Economic Behavior and Organization* 68 (3-4), 477-488.
- Fréchette, Guillaume R. (2015), *Laboratory Experiments: Professionals versus Students*, in *Handbook of Experimental Economic Methodology*, Guillaume R. Fréchette and Andrew Schotter (editors), Oxford University Press, pp: 360-390.

Social preferences

- Camerer, Colin (2003) *Behavioral Game Theory. Experiments in Strategic Interaction*, Princeton University Press, Chapter 2 (Dictator, Ultimatum, and Trust Games)
- Fehr, E. and Schmidt, K. (1999). 'A Theory Of Fairness, Competition, And Cooperation', *The Quarterly Journal of Economics*, vol. 114(3), pp. 817-868
- Ernst Fehr, Helen Bernhard, and Bettina Rockenbach (2008) Egalitarianism in young children, *Nature* 454, 1079-1083
- David Cesarini, Christopher T. Dawes, James H. Fowler, Magnus Johannesson, Paul Lichtenstein, and Björn Wallace (2008) Heritability of cooperative behavior in the trust game, *PNAS* March 11, 2008 vol. 105 no. 10 3721-3726
- When Does 'Economic Man' Dominate Social Behavior?" by Colin F. Camerer and Ernst Fehr. *Science*, Vol. 311, 6 January 2006.

Cross-cultural studies

- Maria Bigoni, Stefania Bortolotti, Marco Casari, Diego Gambetta (2014) Amoral Familism, Social Capital, or Trust? The Behavioral Foundations of the Italian North-South Divide, *Economic Journal*, forthcoming
- Stefania Bortolotti, Marco Casari, Francesca Pancotto (2014) Norms of Punishment: Experiments with Students and the General Population, *Economic Inquiry*, forthcoming
- Bohnet, I., Greig, F., Herrmann, B. and Zeckhauser, R. (2008). 'Betrayal Aversion: Evidence from Brazil, China, Oman, Switzerland, Turkey, and the United States', *American Economic Review*, vol. 98(1), pp. 294-310
- Henrich, J., Boyd, R., Bowles, S., Camerer, C., Fehr, E., Gintis, H. and McElreath, R. (2001). 'In Search of Homo Economicus: Behavioral Experiments in 15 Small-Scale Societies', *The American Economic Review*, vol. 91(2), pp. 73-78
- Herrmann, B., Thoenig, C. and Gaechter, S. (2008). 'Antisocial Punishment across Societies', *Science*, vol. 319(5868), p. 1362

Long-term interaction

- Gabriele Camera and Marco Casari (2009) Cooperation among strangers under the shadow of the future, *American Economic Review*, 99, 3, 979-1005
- Money and Trust among Strangers, (with G. Camera and M. Bigoni), *Proceedings of the National Academy of Science*, August 26, 2013
- Guillaume Fréchette and Sevgi Yuksel, *Infinitely Repeated Games in the Laboratory: Four Perspectives on Discounting and Random Termination*, 2014

Macro experiments

- Money and Trust among Strangers, (with G. Camera and M. Bigoni), *Proceedings of the National Academy of Science*, August 26, 2013
- M. Bigoni, G. Camera, M. Casari (2014) Money is more than memory, working paper

(This document: 14 Sept 2015)