

Behavioral Economics: Debates and Open Questions – Syllabus

Lecturer:

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Objective:

This is an introductory course to theoretical and experimental behavioral economics for graduate students in economics. However, unlike most introductory courses in this topic, a large emphasis will be put on studying contemporary debates and open questions in the field in order to provide graduate students who wish to conduct research in the field with the right understanding of the current state of the literature and with topics they can further explore in their own research.

Length:

We will have five meetings of two hours each.

Students' assessment

Each student can choose one of the following three options:

- 1) Writing a "referee report" on one of the papers from the reading list below*
- 2) Presenting in class (20 min presentation) one of the papers from the reading list below*
- 3) Designing an experimental setup that can help solve one of the debates presented in class (a research proposal for a theoretical model could also be considered)

* Students may suggest a paper that is not in the list but is related to one of the topics discussed in class

Course Outline:

Topic	Content	Papers
Group size	The effect of group size on contribution to public goods	Isaac et al. (1994) Holt & Laury (2008) Andreoni (2007)
Social preferences	Inequality aversion Social welfare maximization The extent of selfishness	Fehr & Schmidt (1999) Charness & Rabin (2002) Andreoni & Miller (2002) Iriberry & Rey-Biel (2011)
Social norms (1)	Injunctive vs descriptive norms What matters, one's private opinions or public actions	Cialdini (2003) Clark & Oswald (1998) Bernheim (1994) Benabou & Tirole (2011) Manski & Meishar (2003)
Social norms (2)	Identifying the norm and the curvature of sanctions on norm deviations	Krupka & Weber (2013) Hermann et al (2008) Michaeli & Spiro (2015, 2016) te Velde (2016)
Lying aversion	Small lies vs. large lies	Fischbacher & Föllmi-Heusi (2013) Hurkens & Katrik (2009) Mazar et al (2008) Abeler et al (2014) Gneezy et al (2013) Kajackaite & Gneezy (2015).
The economics of religion	How to explain religious devotion and related issues	Berman (2000) Iannaccone (1992,1994) Levy & Razin (2012,2014)

Bibliography/Reading list

Group size

Isaac, R. M., Walker, J. M., & Williams, A. W. (1994). Group size and the voluntary provision of public goods: experimental evidence utilizing large groups. *Journal of public Economics*, 54(1), 1-36.

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Campos-Mercade, P. (2016). An Economic Study on Helping Behavior and Group Size. Mimeo, Lund University.

Social Preferences

Rabin, M. 1993. "Incorporating fairness into game theory and economics". *American Economic Review* 83 (5), 1281–1302.

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Gary Charness and Matthew Rabin, 2002, "Understanding Social Preferences with Simple Tests", *The Quarterly Journal of Economics*, 817-869.

J. Andreoni and J. Miller 2002, "Giving According To GARP: An Experimental Test Of The Consistency Of Preferences For Altruism", *Econometrica*, Vol. 70, No. 2, 737-753.

Iriberri, N., & Rey-Biel, P. (2011). The role of role uncertainty in modified dictator games. *Experimental Economics*, 14(2), 160-180.

Social Norms

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Herrmann, B., Thöni, C., & Gächter, S. (2008). "Antisocial Punishment across Societies." *Science*, Vol. 319, No. 5868, pp. 1362-1367.

Kandel E., Lazear, E. P., (1992), "Peer Pressure and Partnerships," *The Journal of Political Economy*, Vol. 100, No. 4, pp. 801-817.

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Bénabou, R., & Tirole, J. (2011), "Laws and norms". National Bureau of Economic Research (No. w17579).

Carvalho, J. P. (2013). "Veiling". *The Quarterly Journal of Economics*, Vol 128, Iss 1, pp. 337-370.

Manski, C.F., Mayshar, J. (2003). "Private Incentives and Social Interactions: Fertility Puzzles in Israel," *J. of the European Economic Association*, Vol. 1, No.1, pp. 181-211.

Krupka, E. L., & Weber, R. A. (2013). "Identifying social norms using coordination games: Why does dictator game sharing vary?" *Journal of the European Economic Association*, Vol. 11, No. 3, pp. 495-524.

Michaeli, M. & Spiro, D., (2015), "Norm conformity across societies," *J. of Public Economics*, Vol. 132, pp. 51-65.

Michaeli, M. & Spiro, D., "From Peer Pressure to Biased Norms," forthcoming in the *American Economic Journal: Micro*.

Vera L. te Velde, (2016), "Heterogeneous norms: Social image and social pressure when people disagree". Mimeo.

Lying Aversion

Fischbacher, U., & Föllmi-Heusi, F. (2013). Lies in disguise — an experimental study on cheating. *Journal of the European Economic Association*, 11(3), 525-547.

Hurkens, S., & Kartik, N. (2009). Would I lie to you? On social preferences and lying aversion. *Experimental Economics*, 12(2), 180-192.

Mazar, N., Amir, O., & Ariely, D. (2008). The dishonesty of honest people: A theory of self-concept maintenance. *Journal of marketing research*, 45(6), 633-644.

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The economics of religion

Berman, E. (2000), "Sect, Subsidy, and Sacrifice: An Economist's View of Ultra-Orthodox Jews," *The Quarterly Journal of Economics*, 115(3), 905-953.

Iannaccone, L. R. (1992), "Sacrifice and Stigma: Reducing Free-riding in Cults, Communes, and Other Collectives," *Journal of Political Economy*, 100(2), 271-291.

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