Experiments in Economics, Political and Social Science Course Syllabus
European University Institute
Winter Term 2014

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Time
Tuesday 8:45-10:45, plus
Wednesday 8:45-10:45.
Starting 25 February (Tuesday) and finishing 26 March (Wednesday).
There is one additional course on 25 March from 17:00-19:00.

Location
First two weeks plus last week: Priest’s room on ground floor in Villa San Paolo (ECO).
Weeks three and four: Theater in the Badia Fiesolana.

Course description
Experimental methods are an extremely useful tool to augment our understanding of economic, social and political behavior. This course is intended as an introduction to the use of experiments and these methods in economics, political and social science. It assumes no prior knowledge of experimental methods, though. The topics have been chosen to appeal to economists, political and social scientists alike by covering key issues of social behavior, such as cooperation or bargaining. In addition to an introduction to methods and various topics, the last week (with 6 hours) is entirely devoted to teaching students how to program experiments on their own, which will be particularly useful for researchers who intend to run experiments in their PhD or later on in their career.

Course objectives
After taking this course the participants will

- have gained insights into the foundations and assumptions of experimental methods,
- have developed an understanding of the key concepts and terminology used in experimental research,
- have gained insight into fundamental contributions of selected topics,
- be able to critically read experimental text and conclusions drawn from experiments,
• be able to develop and apply basic experimental designs that might be useful in their own research,
• know how to program simple experiments on their own with the software ZTree. *(please bring your notebook for the programming sessions in the last week!)*

**Requirements**
The course grade will consist of two independent contributions of students.

Each week, all students are required to submit “thought questions” based on each week’s mandatory readings. These short (one to two paragraph - max) questions are to be sent to both professors no later than 12:00 noon the day before the class meeting. The central point of these ‘thought questions’ is to get a sense of what the students find to be the most interesting, confusing or thought provoking things in that week’s readings. We will discuss the policy briefs in class.

Second, students are expected to write a 10-15-pages paper (with 1.5 line spacing, 12pt font, and 2.5 cm margins) about a research idea that they develop during the course. This paper should include an interesting (and supposedly novel) research question, a motivation for it, a treatment of closely related literature, the experimental design (specifying exactly the rules of the experiment) and hypotheses. Over-long papers will not be accepted. Deadline for handing in the paper in pdf-format (to both professors) is **9 April 2014**.

**Topics and literature**
References with an asterisk (*) are mandatory reading before the course. The rest is optional and will be largely covered in the course.

**Topic 1: Experimental Methods**
**Aim of class:** Introduction to experimental research in economics, political and social science.

**Topic 2: Cooperation**
**Aim of class:** We examine a broad variety of factors that influence the level of cooperation of humans. We cover, among others, the role of punishment and reward, endogenous institutional choice, leadership, or third party interventions.


**Topic 3: Bargaining**

**Aim of class:** We discuss bargaining behavior in a series of well-known, and often used, paradigms, including the ultimatum game, dictator game, trust game, or gift exchange game.


Applied Topic A: Tax Compliance

Aim of class: This topic is about tax compliance and how experiments can help us gain insights into questions about cultural norms and behavior.


Applied Topic B: Experimental behavior of children and adolescents

Aim of class: Here we discuss how children and adolescents make decisions in experiments. This topic has strong ties to research in psychology, and it investigates the foundations of rational and strategic choice in young humans.


**Applied Topic C: Programming an experiment in zTree (taught by Dr. Wolfgang Luhan, Ruhr University Bochum)**

**Aim of class:** This final part of the course introduces students to the most widely used software for programming experiments, zTree. Students shall work on their own computers under the guidance of Dr. Luhan, and they will learn to program simple experiments. The sequence of topics in this part will be as follows:

1. Introduction: the Software
2. Parts of the Program
3. Elements of the Stagetree
4. First example: Public Goods Game
5. Programs I
6. Predefined variables
7. Programs II: table functions
8. Programs III: if-command


A print-out of two old manuals (from 2000 and 2001) will be made available both in the Badia and the VSP-library.