



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Monday, 5. 7. 10

Departmental Seminar

17.15-18.45

AWI 00.010

Marie Claire Villeval, CNRS, University of Lyon

"Intermittent Reinforcement and the Persistence of
Behavior: Experimental Evidence"

Wednesday, 7. 7. 10

Internal Seminar

17.15-18.45

AWI 00.010

Jörg Oechssler

"Exploitation"

Departmental Seminar

Marie Claire Villeval

"Intermittent Reinforcement and the Persistence of Behavior: Experimental Evidence"

Whereas economists have made extensive studies of the impact of levels of incentives on behavior, they have paid little attention to the effects of regularity and frequency of incentives. We contrasted three ways of rewarding participants in a real effort experiment in which individuals decided when to exit the situation: continuously (all periods paid); a fixed intermittent reinforcement schedule (one out of three periods paid); and a random intermittent reinforcement schedule (one out of three periods paid on a random basis). In all treatments, monetary rewards were withdrawn after the same unknown number of periods. Overall, intermittent reinforcement leads to more persistence and higher total effort, while participants in the continuous condition exit as soon as payment stops or decrease effort dramatically. Randomness increases the dispersion of effort, inducing both early exiting and persistence in behavior; overall, it reduces agents' payoffs. One interpretation is that both the continuity and the randomness of the reinforcement schedules influence adjustments that participants make across time to their reference points in earnings expectations. We discuss implications for crosstemporal economic phenomena subject to regime shifts.

* with Robin M. Hogarth

Jour Fixe

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Talks and Research Visits

Christian Conrad presented his paper "On the transmission of memory: inflation persistence and the Great Moderation" (joint with Simone Elmer and Menelaos Karanasos) at the *Annual Meeting of the Swiss Society of Economics and Statistics in Fribourg*, June 25.

Johanna Kühnel participated in the conference *Recent Developments in Macroeconomics*, held at the ZEW in Mannheim, June 24-25.

Lars P. Feld travelled to Abuja/Nigeria, Brasilia/Brazil, Washington/USA and Ottawa/Canada as the lead consultant for an international comparative study of the Forum of Federations on *Intergovernmental Coordination and Accountability*, which focuses mainly on lower- and middle-income countries, June 16-26, 2010.

Malte Faber participated as member of a Scientific Council of the Federal Ministry of Education and Research at the workshop *Sustainability Economics* in Berlin, June 13-15, 2010.

Editorial deadline for issue 18/2010 of the newsletter:
Wednesday, July 7, 2010, 12 o'clock
newsletter@awi.uni-heidelberg.de

If you would like to receive the newsletter by email,
please contact the address above.