



Departmental Seminar

TIME:

Monday, November 23, 13.30-14.30 h

PLACE:

Virtual seminar room

Gabriele Camera, Chapman University

"Introducing New Forms of Digital Money: Evidence from the Laboratory"

Central banks are considering issuing new forms of digital money (CBDCs). A strategic analytical framework is used to investigate this currency innovation in the laboratory, contrasting a traditional "plain" tokens baseline to treatments where "sophisticated" tokens yield small payoffs. This theoretically beneficial innovation precluded the emergence of a stable monetary system, and lowered welfare. Similar problems emerged when sophisticated tokens complemented or replaced plain tokens. This evidence underscores the importance of combining theoretical with experimental investigation to guide currency innovation and the design of CBDCs.

Internal Seminar

TIME:

Wednesday, November 25, 12.15-13.15 h

PLACE:

Virtual seminar room

Arjun Sengupta

"Promises and Opportunity Cost"*

This paper experimentally investigates the hypothesis that promise-keeping behavior is affected by the opportunities that a counterpart foregoes by relying on the promise. We present two motivational mechanisms that could drive such an effect. One is that people dislike causing harm through a promise, and the natural way to measure such harm is to take into account what the counterpart would have received had she not relied on the promise. The other is that people may dislike causing regret in another person. We test these ideas in the context of an experimental trust game. The main treatment variable is the payoff that the first mover forgoes if he "trusts". Consistent with our main hypothesis, we find that an increase in this foregone payoff increases promise-keeping behavior. The experiment is designed to rule out alternative explanations for such an effect. Our evidence suggests that the mechanism driving the effect may involve an aversion to causing regret in others.

*with Christoph Vanberg

Talks and Research Visits

Christoph Becker presented the paper "Reverse Bayesianism: Revising Beliefs in Light of Unforeseen Events" (joint with Tigran Melkonyan, Eugenio Proto, Andis Sofianos and Stefan Trautmann) at the RUD Doctoral consortium, October 29, and the INFORMS Annual Meeting, November 10.

New Working Papers

AWI Discussion Paper Series, November 2020:

Dietmar Fehr and Martin Vollmann: *Misperceiving Economic Success: Experimental Evidence on Meritocratic Beliefs and Inequality Acceptance*; Thomas Eife: *The General Equilibrium Effects of the Shale Revolution*; Alessio d'Amato, Timo Goeschl, Luisa Lorè, and Mariangela Zoli: *Date Marks, Valuation, and Food Waste: Three In-Store 'Eggsperiments'*.

New Publications

Becker, C. K., E. Ert, S. T. Trautmann, and G. van de Kuilen (2020). Experiencing Risk: Higher-order Risk Attitudes in Description- and Experience-based Decisions. *Journal of Experimental Psychology: Learning, Memory & Cognition*, forthcoming.

Editorial deadline for issue 13/2020 of the newsletter:
Wednesday, December 3, 2020.
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