



Upcoming Seminars

Monday, 19.4.2021

Departmental Seminar

13.30-14.30
Virtual seminar room

Kai Barron, WZB, Berlin
(invited by Alice Solda)
"Everyday econometricians: Selection neglect and overoptimism when learning from others"

Wednesday, 21.4.2021

Internal Seminar

12.15-13.15
Virtual seminar room

Alice Solda
"Avoiding Your Conscience: Information Acquisition and Belief-Dependent Preferences"

Abstracts

Departmental Seminar

Kai Barron

"Everyday econometricians: Selection neglect and overoptimism when learning from others"*

In this paper, we design an investment game which allows us to study the influence of selected data when learning from others actions. Using the theoretical study of selection neglect in Jehiel (2018) as a guide, we (i) test for the presence of selection neglect in an investment context, and (ii) examine some comparative static predictions of the model. We find strong evidence that subjects naively extrapolate from the data they observe, thereby producing selection neglect—even though they are fully informed about the data generating process. As theoretically predicted, the degree of bias increases when other decision makers become more informed, or become more rational. It decreases when signals are correlated.

*with Steffen Huck and Philippe Jehiel

Internal Seminar

Alice Solda

"Avoiding Your Conscience: Information Acquisition and Belief-Dependent Preferences"*

Pro-social individuals face a trade-off between their monetary and moral motives. A growing body of evidence now shows that individuals can exploit uncertainty about the relationship between actions and outcomes to reconcile this trade-off. However, little is known about how uncertainty about others' expectations affects pro-social behavior. In this paper, we investigate whether individuals with belief-dependent preferences avoid the monetary cost of behaving according to their moral standards by strategically acquiring information about others' expectations. We test the predictions of an information acquisition model in an online experiment using a modified trust-game, in which we exogenously manipulate second-movers' beliefs about first-movers' expectations. Our design enables to (i) identify participants with belief-based preferences and (ii) investigate their information acquisition strategy. We find that most individuals classified as belief-dependent seek information in a way that is consistent with payoff-maximizing behavior.

*with Claire Rimbaud, University of Lyon

Virtual Talks

Jürgen Eichberger gave talks on "Games in Context" at the School of Economics and Finance, HSE Perm, Russia (virtual), March 22, March 29 and April 12.

Reiner Manstetten (Philosophisches Institut), Andreas Kuhlmann (Deutsche Energieagentur – dena), Malte Faber und Marc Frick (ZEW, Mannheim) gave a talk at the ZEW on *Foundations of socio-ecological transformations: Social contract, global governance and the role of time. A constructive critique of the WBGU-report*, March 17th, 2021.

New Publications

Adam Dominiak & Jürgen Eichberger (2021). "Games in Context: Equilibrium under Ambiguity for Belief Functions". *Games and Economic Behavior*, forthcoming.

Santiago Gómez, Daniel Mejía and Santiago Tobón: "The deterrence effect of surveillance cameras on crime", Forthcoming on Journal of Policy Analysis and Management.

Miscellaneous

Dietmar Fehr became an affiliate member in the Public Economics Area of the CESifo network in April 2021.

Editorial deadline for issue 07/2021 of the newsletter:
Wednesday, April 21, 2021, 12 p.m.
newsletter@awi.uni-heidelberg.de