

Newsletter 29/2019

ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN BERGHEIMER STR. 58, 69115 HEIDELBERG, TEL. 06221/54-2941 REDAKTION: FREYA SCHADT, EMAIL: NEWSLETTER@AWI.UNI-HEIDELBERG.DE

Upcoming Seminars

| Monday, 9.12.2019 | Departmental Seminar |
|-------------------|---|
| 13.30-14.30 | Georg Kirchsteiger, Université libre de Bruxelles |
| AWI 00.010 | (invited by Jörg Oechssler) |
| | "Communication without cheap cheap talk" |
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Wednesday, 11.12.2019 Internal Seminar

12.15-13.15 Sina Klein

AWI 00.010 "The link between Honesty-Humility and cheating

behavior: Testing boundary conditions"

Abstracts

Departmental Seminar

Georg Kirchsteiger

"Communication without cheap cheap talk"*

The paper studies the interplay between extrinsic communication costs and intrinsic costs of lying in a two-sided asymmetric information context. There are two types of players: defectors for whom defection is a dominant strategy, and conditional cooperators who want to cooperate if the other player does the same. We consider three treatments: No communication (NC), cheap talk (CT), and a treatment with extrinsic communication costs (F). When taking intrinsic costs of lying into account, the theoretical analysis suggests that the signaling rate will be higher in CT than in F. On the other hand, cooperators react differently to the same signal structure in CT than in F: While with cheap talk they actually cooperate only if both players have sent the signal, with extrinsic communication costs in F they also choose cooperation if only one side signals. Overall, the two effects should cancel out: Contrary to standard signaling models, our model predicts that even moderate extrinsic communication costs should not promote cooperation in presence of intrinsic lying costs. We test this model experimentally, and our data confirm the theoretical predictions qualitatively.

*with Hamid Aghadadashli, Georg Kirchsteiger, and Patrick Legros

Internal Seminar

Sina A. Klein

"The link between Honesty-Humility and cheating behavior: Testing boundary conditions"

Dishonest behavior is prevalent in various everyday situations, ranging from private context (e.g., cheating in romantic relationships), semi-public settings (e.g., tax evasion), to large public crises (e.g., cheating on pollution emissions tests). Corresponding to this significance of dishonesty for inter-individual relations and society at large, the investigation of cheating behavior and its determinants is of high importance. Previous research on individual differences in cheating behavior has consistently shown that high Honesty-Humility – the tendency to behave modest and avoid manipulating others – is associated with less cheating behavior. However, previous studies almost always used small incentives for the decision-making individual him- or herself. Thus, the present work investigates whether higher incentive sizes or cheating for a person in need change this pattern, thereby investigating possible boundary conditions for the link between Honesty-Humility and cheating behavior.

Talks and Research Visits

Christina Gathmann presented her paper "Proportional Representation, Political Responsiveness and Child Mortality" at the Research Seminar in Economics and Management of the University of Lucerne/Switzerland, November 28.