FAMILY NAME OF SPEAKER	GIVEN NAME OF SPEAKER	TITLE	AUTHORS	ABSTRACT
Adi Prima	Rizal	Valuation and preference heterogeneity For Complementary Food in Cambodia	Rizal Adi Prima, Mulia Nurhasan, Chhoun Chamnan, Frank Wieringa, Soren Boye Olsen	Health interventions in developing countries indicate that with small cost, investment on health can improve condition of the poor significantly. The puzzling fact is, even for heavily subsidized products, the adoption and demand of these products by the poor are low. The poor seems unable to appreciate the value of such investment. Psychological studies and behavioral theory has shown that individual decision making and preferences are highly responsive to heuristics and external influences; In Cambodia 40 percent of under five-year-olds have chronic malnutrition. The lack of affordable, high-quality complementary foods (CF) is aggravated by the low demand for it. Our paper explores the result of field experiments on the valuation for novel product of locally made CF by infant caretakers in urban poor community in Phnom Penh, Cambodia. We exploit the Willingness to Pay (WTP) through Becker-De groot-Marshak bidding game. Respondents were randomly assigned to different budget line (in the form of porridge coupons) to allow us to extract changes in WTP within subject in two points of time. As expected, WTP changed significantly when the budget line shifted. And respondents with more take-home coupons spend it more, compared to respondents with less. There were positive correlations between social economic status with liquidating the coupons. Further exploration to understand the behavior in spending for complementary product is required. This paper is part of an ongoing study, which is expected to be finalized in early February 2013.

| Aida | Takeshi | Social Capital as an Instrument for Common Pool Resource Management: A Case Study of Irrigation Management in Sri Lanka | Takeshi Aida | This paper investigates the effect of social capital between irrigation canal head-enders and tail-enders on their water allocation problem. In irrigation management, the water allocation problem between head-enders and tail-enders is one of the serious problems. Using unique natural and artefactual field experiment data as well as general household survey data collected by JICA, this study finds that social capital, especially trust toward their tail-enders, has a significantly positive effect on satisfaction with water usage among head-enders. Considering the fact that the incentive structure of irrigation water allocation for head-enders closely resembles that in the dictator and trust games, this finding also supports the validity of experimentally measured social capital. In addition, this study deals with the simultaneity bias between satisfaction level and experimentally measured social capital, and finds that OLS estimators are downward biased, which is consistent with the hypothesis that scarcity of resources enhances social capital. |

| Ali Bchir | Mohamed | Does the exposure to a natural hazard affects risk and time preferences? Some insights from Lahars in Peru. | Bchir Mohamed Ali ; Willinger Marc | Natural hazard such as tsunamis, floods, hurricanes, etc. are difficult to insure and hard to mitigate. In coming years, as a consequence of climate change, these natural disasters will tend to become more frequent and will often affect densely populated areas, especially in developing countries. How this natural hazard shapes preferences is therefore an important issue. In particular, are people who are exposed to natural hazards more (less) risk-averse than people who are unexposed? In order to answer this question, we run incentivized experiments with individuals exposed to the lahars risk. Lahars are sediments laden flows originated near or on volcanoes. The design compares individuals in the city living in exposed area to individuals living in non exposed areas. We elicit risk and time preference. Our results show that only poor subjects are more risk seeker and more impatient in exposed areas than in non exposed area. |

| Angerer | Silvia | Getting more patient " The development of time preferences in children | Philipp Lergetporer, Silvia Angerer, Daniela Rutzler and Matthias Sutter | We examine the evolution of intertemporal preferences among more than 1,400 elementary school children aged 6 to 11 years in an incentivized experiment. We ran our experiments in all primary schools in Meran, a town in South Tyrol, Italy, with an equal distribution of German and Italian speaking citizens. Besides studying age effects, we investigate differences in impatience between language groups. Our design comprises three binary choices between a fixed payment today and a larger, but delayed, payment where stake sizes of the latter are increased across treatments.
Our preliminary findings suggest that, across all age groups, subjects are more patient the larger the delayed payment. Furthermore, the willingness to delay gratification increases with age. On top of that we show that children from Italian speaking schools are significantly less patient. This result is prevalent among all age groups. Interestingly, we find hardly any gender effects, however.
JEL classification C91, D90 |

Asai	Yukiko	Parental Leave Reforms and the Employment of New Mothers: Quasi-experimental Evidence from Japan	Yukiko Asai	This study assesses the impact of changes in the income replacement rate of parental leave on new mothers' labour force participation after childbearing. The Japanese government increased the parental leave income replacement rate from 0% to 25% in 1995 and from 25% to 40% in 2001, creating two natural experiments. I identify the causal effect of these reforms by comparing the changes in the regular employment status of mothers who gave birth after the reform to the change for mothers who gave birth before the reform. The treatment and control groups are randomly assigned based on the date of the birth of their new children, which cannot be perfectly controlled by mothers. Because the government implemented the reform shortly after the date that the policy was amended, mothers were unable to anticipate the implementation date of the reform and were unable to control the timing of childbirth to qualify for the reform. The data I use in this study come from the Japanese Employment Status Survey (1997 and 2002) by the Statistics Bureau. Based on the results from the DD and DDD estimates, I find that the 2001 and 1995 reforms both have no significant impact on probability of regular employment after childbirth for treatment mothers, that is, there is no significant difference in the relative outcomes of treatment mothers and those who did not qualify for the reform.

Balafoutas	Loukas	Security of property as a public good	Francisco Campos-Ortiz, Louis Putterman, T.K. Ahn, Loukas Balafoutas, Mongoljin Batsaikhan, Matthias Sutter	We study experimentally the protection of property in five widely distinct countries?Austria, Mexico, Mongolia, South Korea and the United States. Our main results are that the security of property varies with experimental institutions, and that our subject pools exhibit significantly different behaviors that correlate with country-level property security, trust and quality of government. Subjects from countries with higher levels of trust or perceptions of safety are more prone to abstain initially from theft and devote more resources to production, and subjects from countries with higher quality political institutions are more supportive of protecting property through compulsory taxation. This highlights the relevance of socio-political factors in determining countries' success in addressing collective action problems including safeguarding property rights.

| Bartling | Bjorn | Reference Points in Renegotiations: The Role of Contracts and Competition | Bjorn Bartling (University of Zurich) and Klaus M. Schmidt (University of Munich) | Several recent papers argue that contracts provide reference points that affect ex post behavior. We test this hypothesis in a canonical buyer-seller relationship with renegotiation. Our paper provides causal experimental evidence that an initial contract has a highly significant and economically important impact on renegotiation behavior that goes beyond the effect of contracts on bargaining threatpoints. We compare situations in which an initial contract is renegotiated to strategically equivalent bargaining situations in which no ex ante contract was written. The ex ante contract causes sellers to ask for markups that are 45 percent lower than in strategically equivalent bargaining situations without an initial contract. Moreover, buyers are more likely to reject given markups in renegotiations than in negotiations. We do not find that these effects are stronger when the initial contract is concluded under competitive rather than monopolistic conditions. |

Bartling	Bjorn	Does Willful Ignorance Deflect Blame? An Experimental Study	Bjorn Bartling (University of Zurich), Florian Engl (University of Zurich), and Roberto Weber (University of Zurich)	This paper explores experimentally whether willful ignorance is an effective strategy to avoid being blamed for consequences of actions for others. We implemented dictator games where the dictator could remain willfully ignorant about the recipient's payoffs, and where a third party could inflict punishment upon the dictator after observing the outcome of the game. On the one hand, we find that a dictator who stays ignorant is on average punished significantly less if his action turns out to have adverse effects on others compared to a dictator who reveals the consequences for others before taking the action. On the other hand, we find that a dictator who stays ignorant is on average punished significantly more if his action has no adverse effects on others compared to a dictator who reveals the consequences for others before taking the action. In expectation, staying ignorant does not yield a significantly different payoff than revealing the consequences for others before taking an action. We conclude that willful ignorance can help to deflect blame if an adverse outcome occurs but that ignorance itself is seen as a vicious action regardless of the nature of the outcome.

| Begum | Lutfunnahar | Identifying Gender Bias in Parental 'Attitude" An Experimental Approach | Lutfunnahar Begum | This paper attempts to identify parental attitude towards different gender children, using an experimental approach. This study differs from the existing literature on gender bias in its focus on parental 'attitude" towards different-gender children rather than looking at the ultimate parental decision of resource allocation among children. The experiment was conducted in a number of villages of Khulna district in Bangladesh, with randomly selected households, who have at least two school aged (6-18 years) children of different gender. The parents of the households were given an endowment to divide between an anonymous girl and an anonymous boy. The households were randomly assigned to one of the four mutually exclusive groups, corresponding to different experiment conditions, viz., private, individual decisions without allocation restrictions; private, individual decisions with allocation restrictions; joint decisions without allocation restrictions; and, joint decisions with allocation restrictions. The results suggest that there is no systematic cultural bias in parental attitudes towards the gender of a child. I do not find any significant difference in the attitudes of fathers and mothers; neither have I found any significant differences in individual versus joint decisions. The results suggest that subjects revealed their true preferences under the experimental set-up. My main results are robust in alternative treatment conditions and alternative specifications. |

Billinger	Stephan	Private virtues and public vices: A meta-study of trust, altruism, and corruption	Stephen Mark Rosenbaum, Stephan Billinger, Nils Stieglitz	Corruption has traditionally been associated with an absence of prosocial norms such as trust and altruism. The prevailing view in the literature avers that the existence of corruption is indicative of an absence of prosocial norms such as trust. In other words, there is a posited negative relationship between pro-social norms and corruption levels. This paper challenges this view by examining market corruption " one-shot exchange transactions between strangers. Transpiring in the shadow of the law (absent legal remedies to uphold contracts) and being non-iterative (absent reciprocal trust), mutually-beneficial market corruption requires strong generalized trust and altruism. As such, prosocial norms facilitate corruption since they structure and enable market corrupt acts, and we predict a positive relationship between corruption levels and prosocial norms. To test this conjecture, we conduct meta-analyses of two experiments tapping into normative behavior " the trust game and the dictator game - which are then correlated to corruption levels (measured by Transparency International´s Corruption Perceptions Index, CPI) at the time when the experiments were conducted. Interestingly, we find no evidence of a negative correlation between corruption levels and pro-social behavior. Rather, the meta-study reveals statistically significant evidence of stronger altruistic behavior in societies with higher levels of corruption, together with a positive correlation between trust and corruption levels. Our findings lend tentative support to our prediction that the presence of prosocial norms facilitates corruption. Our findings have important implications for theory and practitioners combating corruption.

Bong Han	Doo	Consumers' Willingness to Pay for Mandatory BSE Testing of Beef in Korea: An Analysis Using Contingent Valuation and Choice Experiment Methods	Doo Bong Han, Rodolfo M. Nayga, Jr., Sanghyun Lee, Ji Yong Lee	Koreans consume about 40 percent of the total beef consumption provided by locally raised cattle, with the rest coming from abroad. With the increasing demand for beef also comes increasing concerns for safety of beef products. Outbreaks of mad cow disease (BSE) have significantly increased demand for food safety programs in relation to the beef market. One of the issues getting much attention is the question of whether Korea should follow Japan's strategy of testing all slaughtered domestic cattle for BSE. No other study, however, has examined Korean consumers' valuation for such a program. In this study, we assess Korean consumers' willingness to pay for a mandatory testing of all domestic cattle in Korea for BSE. We utilize two methods to estimate willingness to pay values: a contingent valuation (CV) method and choice experiment (CE) method. Specifically, we used a double-bounded dichotomous choice approach for the CV method and used the following attributes for the CE method: BSE testing (labeling or no labeling), country of origin (domestic, USA, Australia, and Canada) and price (using different levels of price). Various econometric models are then developed to estimate the WTP values from both the CV and CE studies. Results of our study have significant implications for food safety policies, and specifically on whether mandatory testing of domestic beef in Korea is feasible or not.

| Branas Garza | Pablo | Second-to-fourth digit ratio has a non-monotonic impact on altruism | Pablo Branas-Garza, Jaromi r Kov a ri k, Levent Neyse | The gene-culture co-evolution emphasizes the joint role of culture and genes for the emergence of altruistic and cooperative behaviors and behavioral genetics provides estimates of their relative importance. However, these approaches cannot assess which biological traits determine altruism or how. We analyze the association between altruism in adults and the exposure to prenatal sex hormones, using the second-to-fourth digit ratio. We fin nd an inverted U-shaped relation. Subjects with both high and low digit ratios give less than individuals with intermediate digit ratios. We repeat the exercise with the same subjects seven months later and find similar association, even though subjects' behavior differs the second time they play the game. Hence, prenatal events contribute to the variation of human preferences. We then construct proxies of the median digit ratio in the population (using more than 1000 diferent subjects), show that subjects' altruism decreases with the distance of their ratio to these proxies, and argue that non-monotonic relation between biological factors and behavioral traits might be a general phenomenon. |

| Celen | Bogachan | On Blame and Reciprocity: Theory and Experiments | Bogachan Celen, Mariana Blanco, Andrew Schotter | The theory of reciprocity is predicated on the assumption that people are willing to reward kind acts and to punish unkind ones. This assumption raises the question as to how to de?ne "kindness." In this paper we o" r a novel de?nition of kindness based on a notion of blame. This notion states that in judging whether player i is kind or unkind to player j, player j has to put himself in the position of playeri and ask if he would act in a manner that is worse than i does. If player j would act in a worse manner than player i acted, then we say that player j does not blame player i. If, however, player j would be nicer than player i was, then we say that player j blames player i. We consider this notion a natural, intuitive and empirically functional way to explain the motives of people engaged in reciprocal behavior. After developing the conceptual framework, we test this concept by using data from two laboratory experiments and ?nd signi?cant support for the theory. |

| Chaudhuri | Ananish | Incentives, Information and Psychological Competition in a Real Effort Task | Paul Brown, Linda Cameron, Ananish Chaudhuri and Tony So | There is a large literature looking at the impact of various incentive schemes in general and tournaments in particular on performance. The basic insight coming out of this literature is that tournaments in general improve performance. We explore aspects of these questions using a multiple cue probabilistic learning task requiring real effort. We compare the impact of extrinsic incentive schemes, where pay is explicitly tied to performance such as piece rates and tournaments, with intrinsic schemes, where players earn a flat salary regardless of performance. In order to separate out the role of psychological competition as opposed to the incentive effects, within our tournament treatments we vary the information that our subjects receive where in some treatment they are paid using a winner-take-all tournament scheme and learn about their relative standing while in others they are unaware of how they are performing vis-a-vis a pair member. We also use psychological questionnaires to control for trait anxiety and intrinsic motivation. We find that after controlling for levels of anxiety during the task, overall we get better performance (as measured by lower forecasting errors) in the piece-rate and salary treatments, where participants face less competitive pressure. We also find that women perform worse than men in all treatments except for salary. We vary the degree of task difficulty and find interesting differences in performance under various schemes. Our results have implications for the design of incentive schemes and suggest that we need to take better account of intrinsic motivation. |

| Chaudhuri | Ananish | Context, common knowledge and gender differences in trust and reciprocity | Ananish Chaudhuri and Tirnud Paichayontvijit | We explore the role of context and common knowledge and their impact on gender differences in behavior in a finitely repeated version of the Berg, Dickhaut and McCabe (1995) trust game with random re-matching. In our control treatment participants only receive written instructions. In the "common knowledge" treatment we read the written instructions out loud. Finally, in our "context" treatment we provide an explanation of the game being played. We find interesting treatment differences in that the levels of trust and reciprocity are higher in our experimental treatments compared to the control treatment with the levels of trust and reciprocity being highest in the treatment with context. We find no significant gender differences in either trust or reciprocity in the control treatment; however, men are significantly more trusting in the context treatment.
JEL Classification: C72, C91, D83
Keywords: Trust; Reciprocity; Gender; Experiments; Context |

Chen	Roy	Social Identity in Online Microfinance	Roy Chen, Yan Chen, Yang Liu, Qiaozhu Mei	We investigate the effects of lending team competition on pro-social lending on Kiva.org, the first peer-to-peer microlending site which matches citizen lenders with entrepreneurs in developing countries. We find that lenders are more similar to their team members than to those outside the team. When choosing a team, lenders pay more attention to team rank than to member characteristics. Furthermore, joining a lending team increases lending, but mostly for those who are not already engaged in the site. Lenders who join teams make 1.8 more loans per month than their counterparts who do not join teams, which translates to at least $45 per month. Next, using a random sample of team forum data, we find that teams who post many links to specific loans increase their lending level. We find that team competition plays a significant role in lending behavior. Finally, we run a field experiment on Kiva, posting forum messages that either link to specific loans or set a team goal. We find that forum messages give a temporarily increase to team lending, with the interaction of links and goals also providing a further increase.

Chen	Wei	Epiphany Learning Model	James Wei Chen	Most learning models assume players learn from previous experience and gradually change theirbehavior accordingly. However, some experimental results show that players change their behavior abruptly, as if they got an epiphany at some point. Our model assume that players gradually accumulate information from past experience, and once the accumulated information attend some level, they will change their behavior from that point on. Data from two previous experiments were used to estimate this model, and we compare the result with the EWA learning model.

| Chen | Yi-Yi | Political Rallies and Voting | Yi-Yi Chen | The goal of this research is to study the effects of political rallies on voter behavior. I first present a theoretical model and then use experiments to test the model.
In the model there are two types of voters: base supporters (those who always turn out to vote for their preferred candidates) and passive supporters (those who vote strategically). A randomly chosen voter may be a base supporter (pi probability) or a passive supporter (1-pi probability). Candidates can decide whether or not to organize rallies to reveal the numbers of the base supporters. Two hypotheses are derived. Hypothesis 1: Suppose the sizes of the parties are equal. Then the party with a smaller pi value is more likely to hold a rally to eliminate the disadvantage of the smaller pi. Hypothesis 2: Suppose that the pi values of the two parties are equal and the size of a party is twice bigger than that of another party. Then the big party should hold a rally, while the small party should not because the big party can prevent small parties' passive supporters from voting by holding a rally.
To investigate the hypotheses, I have been performing laboratory experiments and will focus on two things. (a) I will examine the experimental data regarding the rally effects on passive supporters' behavior. (b) I will examine if candidates are aware of the rally strategies suggested by the model. |

Clot	Sophie	Do Good Deeds Make Bad People?	Sophie Clot, Gilles Grolleau, Lisette Ibanez	Committing to a virtuous act in a preceding choice may lead to behave less virtuously in the succeeding decision. This concept has been recently named in psychology the "licensing effect" Environmental policies promoting positive behaviours might thus fail on the long run by generating unexpected negative externalities on economies (associated to uncertain aggregated effects). On the other side, motivational crowding theory claims that external intervention can backfire. So, should policies still favour voluntary good practices or establish mandatory rules instead? Behavioral economics strongly suggests that subsequent decisions depend on pre-existing intrinsic motivations of individuals when faced with a voluntary or mandatory virtuous 'act" In this paper, we propose to explore the interactions between policies and motivation on sequential behavior. We report the results of a pilot experimental study examining licensing effect in the environmental realm, using a 2 (mandatory or voluntary nature of the virtuous act) X 2 (more intrinsically or less intrinsically motivated individuals) between subjects design. We found that licensing effect happened in different ways among treatments. More intrinsically motivated and less intrinsically motivated subjects reacted adversely to the two policy scenarios. Licensing effect is more salient when combining less intrinsically (resp., more intrinsically) motivated individuals and voluntary (resp. mandatory) conditions.

| Cobo Reyes | Ramon | Social comparison and wage delegation: An Experimental Study | Gary Charness, Ramon Cobo-Reyes, Juan A. Lacomba, Francisco Lagos and Jose Maria Perez | This article examines whether the social comparison has any behavioral effect on workers' performance when employers can decide either to choose the employee's wage or to let him choose it. In a partners matching benchmark, firms can delegate the wage decision to neither, one or both workers. We conduct three treatments in which we vary the information workers receive. Our data show that the social comparison -both unequal wages and the unequal possibility to choose their own salary- affects workers' performance. Moreover, we find that the effect on the effort choices when the firm discriminates in delegating the wage decision is stronger than the effect of wage discrimination. Regarding employers' behavior, we find that when workers receive information about the delegation decisions of the firms, firms significantly reduce the number of times in which they delegate the wage choice to just one of their two workers. |

| Deck | Cary | Do People Discount in Strategic Settings? | Cary Deck, Salar Jahedi | Several studies have shown that people exhibit a strong present bias, greatly discounting any future benefit or cost. However, most of the direct laboratory evidence of this phenomenon has focused on individual choice experiments. This paper investigates the degree to which present bias affects behavior in four commonly studies strategic settings: a prisoner's dilemma game, a stag-hunt game, a first price auction and a second price auction. In all four settings, observed behavior is consistent with a two week delay in rewards having a comparable effect to a 20% reduction in present rewards. These results provide strong evidence that present bias is a robust phenomenon in strategic settings. |

Devetag	Giovanna	Does Reputation Make Cognitive Biases Disappear? The Linda Problem on Facebook and Mechanical Turk	Giovanna Devetag, Francesca Ceccacci, Paola de Salvo	This paper reports the results of online experiments designed to test whether and to what extent the incidence of cognitive fallacies increases when people interact on social networks. In particular, we hypothesize that imitation, herding, and pressure to conform, likely to arise on social networks, may amplify judgmental errors with respect to more traditional lab environments. For this purpose, we use the very well known Linda problem first studied by Kahneman and Tversky (1983) and we set up an experiment on Facebook: in the "Private" treatment of the experiment, participants must send their answers to the Linda problem in the form of a private message to the experimenter, while in the "Public" treatment the answers must be posted on the experiment public "wall" so that each participant can see previous answers before posting his own. We then replicate the same experiment on Mechanical Turk (an online labor market) adding monetary incentives. Our results can be summarized as follows: in the Facebook experiment, contrary to our hypothesis, there is no significant difference in the percentage of correct responses between the Private and the Public treatment, and in both the Private and the Public treatment the majority of respondents identify the correct answer, thus failing to exhibit the conjunction fallacy. On Mechanical Turk, on the contrary, roughly 70% of respondents commit the conjunction fallacy, a datum which closely replicates previous conjunction fallacy experiments conducted on Mechanical Turk and on Internet boards (Paolacci et al. 2010), although the violation rate is significantly different from that reported in Kaheman and Tversky (1983). Introducing a bonus for the correct answer improves performance by more than 50% in the Private treatment, but not in the Public treatment, suggesting that imitation may have a detrimental effect on MT. We explain the apparently anomalous findings from the Fecbook experiment with a combination of self-selection and willingness to signal one's ability to his peers. □

| Dimova | Dilyana | The Role of Consumer Mortgage Leverage in Generating Financial Crises | Dilyana Dimova | Consumer leverage can generate financial crises characterized by increased bankruptcy and tightened credit access for borrowers and which can impact the real economy via reduced demand for goods. This paper embeds financial frictions in the housing mortgage contracts of homeowners to demonstrate that financial institutions and producers are not the only agents whose leverage can contribute to a volatile economy. Even at moderate levels, household indebtedness can also be the source of financial downturns such as the subprime mortgage crisis. Using two disturbances that triggered the subprime mortgage crisis - the oversupply of houses and the relaxation of borrowing conditions - the model demonstrates the role of consumer credit frictions in precipitating recessions. Excessive housing supply can depress housing prices thus reducing the value of the real estate collateral used in the mortgage and worsening the leverage and bankruptcy prospects of indebted homeowners. A relaxation of borrowing conditions turns credit-constrained households into a potential source of disturbances themselves when market optimism allows them to overleverage with little downpayment. In both cases, excessive consumer leverage reduces household credit access for a lengthy after-shock period and diverts resources from their consumption. This reduced demand may propagate the downturn to the rest of the economy depressing output in other sectors. Adding credit constraints in the financial sector that provides housing mortgages deepens the negative impact of the shocks and makes recovery even more protracted. |

| Dugar | Subhasish | When Does Cheap-Talk (Fail to) Increase Efficient Coordination? | Subhasish Dugar and Quazi Shahriar | Can cheap-talk always help achieve maximum efficiency in situations that require coordination? Utilizing a class of two-person two-action coordination games, we show experimentally that cheap-talk may or may not be informative, rending it helpful for or detrimental to efficiency (relative to no cheap-talk condition) and that the nature of coordination outcome crucially hinges upon two key equilibrium-selection criteria: Payoff- and Risk-dominance. To explain our data, we develop a level-k model of thinking in which players tremble while choosing their actions and incur?lying costs. Econometric estimations confirm the superior explanatory power of our model over Ellingsen and Ostling (2010) model. |

Eko Riyanto	Yohanes	Asset Markets with Insider Traders: An Experimental Analysis	Edward Halim and Yohanes E. Riyanto	In an experimental asset market setting, we examine the impacts of insider trading and insider trading regulations on asset bubbles and investors' trading behaviors. Our experimental asset market is modeled as a continuous double auction market. We consider two types of insider trading regulations. The first one is the mandatory disclosure of trading activities by corporate insiders, and the second one is the mandatory minimum holding period restriction within which the assets purchased by insider traders cannot be traded. There are two types of traders in our experimental setting, namely the normal traders and insider traders. The latter have better information about the expected dividend than the former. In the presence of mandatory disclosure of trading activities, normal traders are able to observe insiders' trading activities and may use them as a barometer to guide their own trading activities. They may perceive insiders' trading activities as a signal of future profitability of the firm. Our experimental results show that, relative to the baseline treatment whereby insider traders are present but no insider trading regulation is in place, the trade volume and the total amount of bids and offers are higher when insider traders and a mandatory disclosure requirement are present. However, relative to the baseline treatment, the trade volume and the total bids and offers are lower when insider traders and a mandatory minimum holding period restriction are present. Asset bubbles tend to be exacerbated when insider traders learn that the good dividend state is forthcoming.

Eriksen Heen	Eirik	R&D Cooperation and Investment an Experimental Analysis	Matthew R. Roelofs, Stein E. AEtbye, and Eirik E. Heen	We study the incentives for firms to share knowledge when they engage in R&D in an attempt to make an uncertain innovation. The initial stock of knowledge may be unevenly distributed and we look at how this and competition intensity affect the type of cooperative agreements that the firms will find profitable. We investigate when and if firms find R&D cooperation acceptable and how the sharing of knowledge and investment in R&D is affected by the endogenous outcome of the sharing agreement. The theoretical predictions show that some kind of cooperative arrangement will always dominate the "go at it alone" solution. Experimental evidence shows that when cooperation is optimal some will not ever wish to give up their advantage and still go it alone. The experimental data implies that firms reach an investment level that is closer to the cooperative equilibrium when sharing knowledge than when not sharing knowledge. The difference between theory and behavior is most noticeable for laggards at the outset where they vastly overinvest. This could be due to a wish to catch up.

Feltovich	Nick	Inflation tax in the lab: an experimental study of posted prices and directed search with costly money	Nejat Anbarci, Richard Dutu, Nick Feltovich	We use a laboratory experiment to study buyer and seller behaviour in a posted--price market with directed search. Capacity-constrained sellers post prices, which are observed by buyers who then simultaneously choose which seller to visit. As is well-known, this environment gives rise to frictions, and thus inefficiency. Additionally, buyers are required to hold cash in order to purchase, and they face a non-negative "inflation tax" from holding cash. We vary the cost of holding cash: 0, 5, or 30 percent of the cash balance. We also vary the market structure: symmetric (2 buyers and 2 sellers) or asymmetric (2 buyers and 3 sellers).
				In our experimental results, we find evidence that the inflation tax affects behaviour. Even though sellers do not incur any inflation costs directly, both average seller posted prices and average transaction prices decrease as the inflation rate rises. We also find that the elasticity of price with respect to the inflation cost is higher at low inflation rates than at high ones. Also, while prices are lower across-the-board in the 2x3 market than in the 2x2 market, the effect of the inflation rate is quantitatively similar in both markets.

| Fooken | Jonas | Heart Rate Variability as a physiological relevance indicator in and outside of the laboratory | Jonas Fooken | This paper studies the role of heart rate variability (HRV) as a relevance indicator in decisions during an economic experiment and in out-of-laboratory decisions. HRV is used as a physiological relance indicator that reflects the sympathovagal balance of decision-makers and is connected to their mental states. In the study of this paper participants' HRV is recorded during two 24-hour periods, of which one includes a university exam. In the experiment participants take decisions that inform about their social preferences and their willingness to take risk; participants also do performance tasks in the experiment that require effort and ability and that simulate the exam situation. During the experiment participants' HRV is recorded, which allows to link decisions to their physiological state. The study finds a significant relationship between HRV and social preferences (based on decisions in a public good game and the decision to exert third-party punishment in a dictator game). The connection between HRV and risk taking and performance in the tasks does not appear to be significant. Comparing within-laboratory changes in HRV to changes between daily-life activities (during normal mental activity and during the exam) show that changes in the context of social decisions observable in the experiment are substantial in terms of their magnitude. Hence, although only reflecting and not driving behaviour, HRV can be used as a valuable relevance indicator for economic decisions in the laboratory mirroring significant changes in non-laboratory settings. |

Fujimaki	Shun	Research on the sunk cost effect in nonhuman animals	Shun Fujimaki and Takayuki Sakagami	The sunk cost effect is roughly defined as the tendency to persist in an endeavor once an investment in money, effort, or time has been made. Strictly speaking, there might be three requirements for this effect. Firstly, there should be the signals which mean inefficient or non-optimal investments if people still continue their efforts. Secondly, the occurrence of persistence is resulted from only its past investments or efforts. Thirdly, people cannot maximize their profits or minimize their losses. Many studies with humans and nonhuman animals have been conducted. But most of the studies with nonhuman animals in natural settings had a problem that they met only the second requirement. In natural settings, the signals were not always presented and it was ambiguous whether or not the continuation of the investments produced the optimal results. The present study examined the sunk cost effect with pigeons under the controlled experimental conditions that solve above mentioned problems. The results of our experiments suggested that nonhuman subjects could show the sunk cost effect when they have the experiences that their past investment to the non-optimal alternative yielded the larger profit.

| Fukumoto | Kentaro | Boundary that Matters?: Causal Inference of the School Quality Effect on Land Prices | Kentaro Fukumoto and Atsushi Yoshida | According to the hedonic model, the effect of areal policy such as school quality is reflected, or capitalized, in land prices. The conventional OLS, however, suffers from endogeneity bias, measurement error, and omitted variable bias. To solve these problems, this paper proposes spatial differences-in-differences (DID). We match literally the nearest two sample points in a small block to make a pair. If the two points belong to different school-attendance areas, the pair is a treatment pair. Otherwise, the pair is a control pair. If school quality matters for land price, the variance of pairwise land price gap of the treatment pairs should be larger than that of the control pairs. Another new method, spatial and temporal DID, exploits introduction of school choice program to improve robustness against omitted variable bias. When applying these methods to data of Tokyo, F-test fails to reject the null hypothesis; thus, the capitalization theory is not supported. |

Ghosh	Sudeep	Familiarity or Imitation? Investigating Home Bias in an Experimental Asset Market	Sudeep Ghosh and Tom Vinaimont	In this study we investigate potential behavioral based explanations for the home bias phenomenon, i.e the concentration of equity portfolios towards domestic stock. Attempts to explain the phenomenon as hedging against home-country specific risks or as a consequence of market frictions have met with limited success. Consequently, studies have leaned towards behavioral factors such as familiarity and social interaction as potential explanations. Specifically, it has been argued that investors prefer to invest in familiar assets to the extent of ignoring the benefits from standard portfolio diversification. Alternatively, it has also been argued that investors have a proclivity towards assets that are also held by others in their social network. However, both familiarity and imitation have similar effects on common holdings, geography of the holdings and correlated trading patterns. To mitigate this likelihood of confounds with archival data, we use an experimental asset market. In our experiment we isolate the impact of familiarity, both due to informational and non-informational proximity and social interaction on investor portfolios. We find strong evidence that familiarity, both due to informational and non-informational proximity creates significantly large deviation from optimal portfolio diversification, while the evidence for non-diversification due to imitation of portfolio holdings by subjects within the same social network is weaker. We also examine potential gender difference effect on portfolio diversification.

| Grossman | Philip | Within and Across Class Envy: Anti-Social Behaviour in Hierarchical Groups | Philip J. Grossman and Mana Komai | Models of social preferences (i.e. inequality aversion), assuming society is defined by a hierarchy based on income or wealth, predict that the poor envy the rich. Reference Group Theory predicts that the poor (rich) envy others from the same social group or class. We report results from a game designed to stimulate feelings of envy. Players are defined both by their place within an overarching hierarchy as well as by their place within the hierarchy of their specific class (i.e. their reference groups). We find that, while across class envy is common; within class envy motivates the most anti-social behaviour. |

| Han | Ruokang | Psychophysical time and anomalies in intertemporal and probabilistic choices | Han, Ruokang; Takahashi, Taiki | People exhibit inconsistent time preference in intertemporal choice (e.g. time preference reversal) and paradoxical risk preference in probabilistic choice (e.g. Allais paradox). The normative economic theory considered these behaviors as anomalies because they violate the assumption of rationality. The conventional economic models prevalently adopted objective magnitude of stimulus (e.g. calendar time) to predict time preference in intertemporal choice. However, people tend to use subjective magnitude such as internal subjective time to make decisions. The introduction of logarithmic subjective time based on Weber-Fechner law was found to mitigate the degree of inconsistency in time preference. Furthermore, behavioral psychology posits that probabilistic choices are inherently time-relevant in that people required more trials for a longer time to win the lotteries with smaller probability. In other words, we need to wait longer for obtaining more uncertain rewards. Hence nonlinear subjective time may also influence our decision under uncertainty. In this study, we conducted experiments to demonstrate the effect of logarithmic psychophysical time on both intertemporal and probabilistic choices. We asked subjects to perform paper-and-pencil tasks of time and probability discounting and indicate their subjective magnitude of time until receipt of delayed/uncertain rewards by drawing lines on a 180mm scale. The results suggested that both time and probability discount functions were closer to the normative model when psychophysical time was introduced into the models. We concluded that distortion of subjective time from calendar time may cause anomalous behaviors in decision over time and under uncertainty. The relevance with behavioral economics and neuroeconomics will be discussed. |

Hatori	Tsuyoshi	Preference Construction by Choice	Tsuyoshi Hatori, Satoshi Fujii, and Kazuhisa Takemura	The objective of this study is to examine the effects of prior choice making upon preference construction. According to theories on post-decision processes like differentiation and consolidation theory (Svenson, 1991) and cognitive dissonance theory (Festinger, 1964), preferences are likely to be reconstructed in line with a preceding choice. On the basis of these theories, the present study hypothesizes that preferences are constructed such that aspects which are superior (inferior) on a chosen alternative come to be weighted higher (lower) than before. The hypothesis was tested in a questionnaire survey targeting at 100 university students in Japan. Questionnaires comprised two sessions, each regarding (1) bicycle and (2) commute for university. In each session, participants were firstly asked to evaluate the desirability of the attributes of alternatives that they previously chose in their real-life contexts. For bicycles, the attributes were (a) price and (b) design. For commute, the attributes were (a) commuting time and (b) comfort. Next, participants were asked to make choices from a pair of alternatives, which varied only in the prementioned attributes. The data on decision tasks were used to estimate the weights of attributes in utility functions of respective participants. The obtained data gave supports to the hypothesis; weights of superior (inferior) attributes of the alternative that was chosen increased (decreased), as time passed since the decision was made. This result implies the validity of the causal relation in which choices shapes preferences, which is reverse to what is generally assumed in decision research.

Hizen	Yoichi	A Referendum Experiment with Participation Quorums	Yoichi Hizen	This paper analyzes a yes-no referendum in which its outcome is valid only if the voter turnout is greater than a predetermined level. Such a participation quorum is argued to induce the minority group of voters to abstain strategically with the intention to spoil the outcome by achieving a low voter turnout. We first construct a game-theoretic model to derive a theoretical prediction about the relationship between quorums and voting outcomes. It is shown that there exist multiple equilibria, and that strategic abstention can happen if such a participation quorum is imposed. To examine which type of outcome is more likely to be realized, we then conduct a laboratory experiment. We observe that (i) if the quorum is small, all voters go to the poll, and (ii) if the quorum is large, voters in the ex-ante majority group go to the poll whereas voters in the ex-ante minority group tend to abstain. As a result, it is less likely that the ex-post minority group wins the referendum, but it frequently happens that the voting outcome is made invalid due to low voter turnout when the quorum is large.

| Ishikawa | Ryuichiro | Effect of uncertainty about others' rationality in experimental asset markets: An experimental analysis | Eizo Akiyama, Nobuyuki Hanaki, Ryuichiro Ishikawa | We investigate the extent to which the deviations of prices from the fundamental values in an experimental asset market are due to subject's' uncertainty about others' rationality. We do so by comparing the forecasted prices initially submitted by subjects in two market environments: (a) All the six traders are human subjects (6H) and (b) One human subject is interacting with five profit maximizing computer traders who assume all the traders are also maximizing profit (1H5C). Subjects are told explicitly about the behavioral assumption of computer traders (in both 6H and 1H5C) as well as which environments they are in. Results from our experiments show that there is no significant difference between the distribution of the initial deviations of the forecasted prices from the fundamental values in two markets. Although, as subjects learn by observing the realized prices, the magnitude of such deviation becomes significantly smaller in 1H5C than in 6H markets. We also conduct additional experiments where those subjects who have experienced 1H5C market interact with five inexperienced subjects. The price forecasts initially submitted by these experienced subjects follow the fundamental value despite the fact that subjects are explicitly told that all the other five traders in the markets are inexperienced subjects. These findings do not support the hypothesis that the uncertainty about others' rationality plays major role in causing the substantial deviation of forecasted prices from the fundamental values in these asset market experiments. |

| Jiang | Ting | whom do you trust in a bribery game? | Ting Jiang, Jan Willem Lindemans | This study investigates the role of social preferences, ingroup bias and culture in enabling bribery. Since bribery contracts are not enforceable in courts, we hypothesize that social preferences are important for bribery?not in the sense that they refrain people from corrupt behavior, but in the sense that they generate the trust necessary to enable corruption. Furthermore, we hypothesize that bribery will work better within social groups, because of an ingroup bias in social preferences, and that ingroup bribery works better in some cultures because of cultural differences in ingroup bias. Our bribery game experiments in the Netherlands, Italy, China and Japan confirm some of our hypotheses. We also find evidence of blackmail. Moreover, an analysis of chat data allows us to draw conclusions about the cognitive processes behind successful and failed bribery deals. |

| Jimenez | Natalia | Job insecurity and life projects: The role of dismissal barriers institutions | Gary Charness, Ramon Cobo-Reyes, Natalia Jimenez, Juan A. Lacomba and Francisco Lagos | This paper compares the performance of three different types of contracts. The novel aspect of our experimental design is that workers have the chance of investing the money obtained from the labor market in order to increase their profits. The two first types are the standard period-by-period contract and a permanent one. We also propose a new type of contract (automatic renewal) in which workers are re-hired if their effort level is equal or higher than the desired effort demanded by the firm. We find that efficiency (measured as the sum of both workers and firms' profits) is maximized with the "automatic renewal" contract. Results also show that the presence of dismissal barriers institutions in the labor market may help workers to make investment decisions more accurately, because subjects wait for a safer job position. |

Jindapon	Paan	Media Effects in Persuasive Communication	Paan Jindapon (University of Alabama) and Carlos Oyarzun (University of Queensland)	Based on Crawford and Sobel's (1982) model of strategic communication, Cai and Wang (2006) find that experimental subjects consistently overcommunicate, i.e., the senders' messages and the receivers' actions are more correlated than predicted by theory. Groseclose (2011) reexamines Cai and Wang's data and identifies media effects on the receivers' actions. In particular, when sender bias is positive, the average action of the receivers is statistically higher than the average state of the world. Since we are interested in media persuasion, unlike Cai and Wang's experiment, the receiver's action in our model is either accept or reject a policy recommended by the sender and the sender's incentive is private information. Unlike standard cheap-talk games, our persuasive communication game has a unique perfect Bayesian equilibrium and it allows us to separate communication and persuasion. The results from our experiment suggest (i) overcommunication, biased senders' messages are not as exaggerated as predicted, and (ii) underpersuasion, the receivers do not accept the senders' policies as often as predicted by theory. We estimate a two-parameter version of McKelvey and Palfrey's (1998) Agent-Quantal Response Equilibrium (AQRE) and find that the receivers overweight the probability that a sender is biased. As a result, the receivers overdiscount the senders' messages and underpersuasion is present. Since the senders believe that they are more likely to receive distorted messages than they actually do, the biased senders will include less exaggeration in equilibrium and that explains why overcommunication occurs in the experiment.

Jitsophon	Sarunyu	The Effect of Change in Minimum Wage Law on Gift-Exchange: An Experiment in Thailand	Sarunyu Jitsophon and Tomoharu Mori (Gradudate School of Economic, Osaka University)	In previous experimental studies, experimenters have been using explicit and artificial change in wage and minimum wage to study their effect on workers` productivity through the change in workers` perception of fair wage. In this study, we make use of the actual change in minimum wage law in Bangkok, Thailand on April 2012 to study the influence of minimum wage law on worker`s perception of their reference wage as well as the effect of implicit change in wage premium on workers` productivity. We have conducted two identical sessions of real-effort experiment using a simple task, one before (March) and one after (September) the 40% increase in minimum wage from 215 Baht to 300 Baht. Since the wage paid to the subjects in both treatments is 300 Baht, subjects who participated in March session perceived that they receive 40% wage premium while subjects who participated in September session perceived that they receive no wage premium. March`s subjects reciprocate the wage premium gift by exerting 9-16% more effort than September's subjects.  The result provides the evidence that minimum wage law can influence subjects` perception of reference wage. In addition, while wage premium gift can induce workers to exert more effort; however in this setting, it is more cost efficient for the firm to increase their productivity by hiring more workers instead.

Juarez	Ruben	Coalition Formation in Games with Externalities: Nationality and Religion	Ruben Juarez	We develop an online experiment where agents endowed with different power form coalitions with other agents, and the coalition that forms with the largest power wins a monetary prize that is split between its members. We are interested in the case where agents may or may not be affected by externalities such as religion and nationality. We test whether the traditional theoretical equilibrium, the CORE, is indeed a good predictor when it is non-empty. On the other hand, when the CORE is empty, we propose and test two additional relaxations of the core that always exist.

| Kameda | Tatsuya | Do cooperators always cooperate? A laboratory test of "role switching" in a producer-scrounger game | Tatsuya Kameda, Hye-rin Kim, and Wataru Toyokawa | Producer-scrounger games (Giraldeau & Caraco, 2000) represent various natural group tasks well for both humans (Kameda, Tsukasaki, Hastie & Berg, 2011) and non-human animals (Foster, 2004). Theoretical analyses (Motro, 1991) predict emergence of an ES mixed equilibrium, where every agent plays the producer role with probability p, and the scrounger role with 1-p. However, mixed strategies were rarely observed in past laboratory research with humans, while "role-fixations" often occurred within groups, in which some agents produced and others consistently scrounged (Kameda & Nakanishi, 2002, 2003). How can we reconcile such patterns? One possibility may be that agents switch roles and adjust overall production across different opportunities or groups. To test this hypothesis, we conducted a laboratory experiment with humans, where 16 individuals played a producer-scrounger game in four 4-person groups over two consecutive sessions. Based on production levels in the first session, we sorted subjects into new 4-person groups for the second session, with the previous top, 2nd, 3rd, or worst producers grouped together. Results showed that average production differences between the groups decreased while fixation of producer-scrounger roles within groups emerged in the second session. Implications of these findings for role divisions in collective human behavior are discussed. |

| Kamijo | Yoshio | Solving coordination failure without an external incentive: Gradualism, endogeneity and modification matter | Yoshio Kamijo, Hiroki Ozono, Kazumi Shimizu | In this paper, we examine three devices that can enhance a coordination success in a repeated multile-choice stag hunt game. The three are gradualism, endogeneity, and modification. The gradualism means that it starts at an easy coordination problem and changes gradually to more difficult but profitable problem. The endogeneity implies that gradual increase of the difficulty level occurs only if the coordination to the Pareto superior equilibrium is attained in the previous period. The modifications requires that in the case of coordination failure, the level of the next coordination game should be adjusted to an easier one at which they could succeed in coordination in the past. By a laboratory experiment, we find that the combination of the three devices is quite important and very useful to achieve a coordination success. |

| Kawagoe | Toshiji | Thought Process in Strategy Choice in Infinitely Repeated Prisoner's Dilemma Games: An Experiment | Takayuki Mino and Toshiji Kawagoe | In this experiment, we examine infinitely repeated Prisoner's dilemma games. We ask our subjects to choose a repeated game strategy ex ante. Subjects confront with many opponents with different repeated game strategies. In the experiment, subject confront with either Always Defect strategy (All-D) or Tit for Tat strategy (TFT). Given the distribution of these strategies and discount rate, subject chooses Always Cooperate strategy (All-C) or TFT. We utilize Mouselab system in this experiment. It is a tool to observe and record subject's search process with mouse movement on the computer screen. Analyzing these mouse movements enables us to have valuable information about thought processes of a decision maker. In our experiment, especially we focus on subjects' behaviors under uncertainty situation. Under uncertainty situation, subjects don't know a part of the opponent strategy distribution. Our results show that maximin expected utility theory explains subjects' behaviors better in uncertain situation. |

| kawata | keisuke | Committee Search with Ex-ante Heterogeneous Agents: Theory and Experimental Evidence | Keisuke Kawata, Masaru Sasaki | The objective of this paper is to develop a committee search model with ex-ante heterogeneous agent and design a laboratory experiment for an infinite-horizon sequential committee search model in order to test some of the theoretical implications. In the theoretical part, we find that the probability of voting to stop searching depends on the voting rule. Moreover, under the majority voting, agents are not less picky in committee search. However, in the experimental laboratory, this result is hold only if the altruistic preference is controlled. |

| Kitamura | Tomoki | An Experimental Analysis of Bubble: Private Information and Trading Behavior | Munenori NAKASATO (Aoyama Gakuin University) and Tomoki KITAMURA (NLI-Research Institute) | Why a bubble occurs is partly explained by asymmetric information or the interaction between rational and behavioral investors. In this paper, we experimentally investigate the relationship between investor's perceptions about the existence of asymmetric information and trading behavior. When it is common knowledge that private information may exist but no such information exists in actuality, investors tend to make perceptions about unknown information related to stock prices. A bubble occurs after investors believe that stock prices could accurately reflect private information. This mechanism of bubble emergence is different from that discussed in past studies on asymmetric information or interaction. In this study, we prepared two treatments?treatment A: no investor has actual private information and treatment B: some investors have private information. We employed a within subject design wherein the subjects traded stocks first under treatment A, next under treatment B, and finally, under treatment A again. In the first treatment A, we found that the stock price was almost fair considering the expected value of dividends. In treatment B, the stock price converged to the price that fully reflects private information. In the second treatment A, the stock price did not converge to the fair price. The investors behaved as per treatment B, thereby creating a bubble in the market. This result confirms that trading behavior differs according to investors' perception about the existence of private information. |

| Kocher | Martin | Endogenous leadership | Martin G. Kocher and Philipp Wichardt | Leading by example has been shown to increase voluntary contributions in charitable giving and in the provision of a public good. In experiments it is usually implemented by assigning leadership to a random group member or by a vote. In reality, however, leadership emerges endogenously. We devise an experiment that takes endogeneity into account and that is able to study the determinants of leadership on the individual level as well as its overall consequences on efficiency. Furthermore, endogenous leadership treatments are compared to exogenous leadership treatments. Interestingly, we show that the benefits from endogenous leadership in terms of efficiency are rather small, compared to an appropriate control condition. With an improvement rule of one's contribution, endogenous leadership however leads to significantly higher contributions. Several personal characteristics are closely linked to the decision of taking the lead. We also study the specific dynamics of contributions in the treatments with endogenous leadership. |

| Larner | Jeremy | Strategic vs parametric risk: are risk attitudes affected by social presence? | Swee-Hoon Chuah, Robert Hoffmann and Jeremy Larner | Previous studies investigating risky decisions in strategic games have found indications that subjects often behave in a more risk-seeking manner when playing against computer opponents in comparison with playing against humans. This has been explained in a number of ways, including social preferences, social presence and betrayal aversion. We ran an experiment where subjects played matching pennies, chicken, battle of the sexes and stag hunt games to test whether a uniform change in risk preferences could be observed. We found some support for a change in risk preferences (although it was sensitive to the game played), and used a number of treatments in order to investigate which of these explanations best suited observed behaviour. |

| LEE | YI-SHAN | Long-shot Tactics and End-game Desperation | Yi-Shan Lee and Joseph Tao-yi Wang | We propose a rational model to explain the use of counter-intuitive tactics in dynamic (two-person) tournaments. The model predicts when and why both leaders and trailers sometimes intentionally take "risky" tactics in order to win the final victory in high incentive tournaments widely used in the mutual fund market, professional sports, competition for executive positions and so on. We then conduct a controlled laboratory experiment on this dynamic tournament with interim performance feedback, and find results that coincide with theoretical predictions in the following three ways: First, players follow model prediction 78% of the time. Second, regression analysis shows that 95% of players follow prediction when theory suggests the "safe" (piece-rate) tactic, while when theory suggests the "risky" (long shot) scheme, trailers follow this prediction 74% (81% when it dominant) of the time, even after controlling for players' ability, gender and risk attitude. Also, we find that gender and risk preferences play a role in leaders' behavior when theory predicts indifference. Finally, the experimental distribution of final performance difference is also close to what theory predicts. |

| Lee | Chia-lin | How to Maximize the Value of Co-branding Alliances - the Perspective of Consumer Evaluations | Chia-Lin Lee | Co-branding alliances have experienced a tremendous growth in the past 10 years (e.g., the Sony-Ericsson mobile), and the value of such an alliance heavily counts on the favorable consumer evaluations. Therefore, the present study aims to answer two important questions: (1)which type of brand pair would make sense to consumers? and (2) even in a logical case, will the value of co-brand and the partnering brands garner satisfying results (i.e., a synergy effect/positive spillover effect occurs)? To answer the first question, we adapt the expectancy-value model (Fishbein and Ajzen, 1975) to mathematically prove that the brand pair with a moderately difference seems to be the most logical case to the consumers (cf. Geylani et al., 2008). To solve the second question, we employ an laboratory experiment to argue that the value of co-brand is not necessarily larger than the sum of the value of two constituent brands, and that each of the partnering brands does not necessarily get increasing value after the alliance is in effect. Limitations and practical implications are provided. |

| Lergetporer | Philipp | The effects of parochialism and age on cooperative behavior: An experimental investigation | Matthias Sutter, Daniela Rutzler, Silvia Angerer and Philipp Lergetporer | We study the development of cooperative behavior with more than 1100 children aged from 6 to 11 years in an incentivized experiment. Our subject pool comprises almost all school children in Meran, a city in South Tyrol which is characterized by a balanced ratio of Italian and German speaking citizens. This allows us to investigate the evolution of cooperative behavior among and between members of different language groups which live next-door to one another. To address this question, we ran a 2-player public goods game with scholars from all Italian and German speaking schools. In our within-subject-design, children were paired with partners (i) from their own class (in-group treatment), (ii) from their own language group but another school and (iii) from another language group (out-group treatments). Furthermore, beliefs of the partner's contributions were elicited in each treatment. Our preliminary results indicate that cooperation rates increase significantly with age. Subjects contribute more to partners from their own class as compared to pupils from other schools. In our out-group treatments, we find that cooperation is significantly higher among members of the same language group. These patterns are prevalent in all age groups. Furthermore, we find that subjects systematically overestimate their partner's contributions. As children advance in age, the magnitude of this divergence becomes less pronounced. |

| Li | Jingping | Gender Differences in Image Preferences | Li Jingping, Yohanes Eko. Riyanto | In this paper, we present an experimental study on gender differences in image preferences in a charitable giving context. We utilize the fundraising strategy known as "category reporting" in a lab donation game. With "category reporting", a charity pre-specifies one or several category brackets, each with a threshold amount and sometimes a title of recognition. Donors whose giving meet or exceed a certain threshold will be publicly acknowledged at that category level by the charity. Based on this practice, we introduce two treatment effects into the experimental design: the category effect (the low level or the high level) and the publicity effect (reporting or no reporting). We show that category setting and public reporting are effective in changing men's giving behavior, but not women's. Women's average donations do not vary much with the category level or the publicity channel. However, men give much more in the treatment with high category level and public reporting, compared to their decisions in other treatments. This study verifies the image incentive in charitable giving (Harbaugh 1998a; Benabou and Tirole, 2006), and provide evidence of heterogeneity of image references between genders: men value a generous image more than women and they conform to the profile of "prestige-seeker" in pro-social behaviors more than women do. |

| Li | Jiawen | Role-reversal consistency in trust game -- A belief elicitation based experiment | Miguel A. Costa-Gomes, Yuan Ju and Jiawen Li | Following the experimental study on role-reversal consistency in the ultimatum bargaining game, this paper reports an experimental test of whether people in a trust game treat others in the same way they expect to be treated. In this experiment, subjects play both roles of a modified version of the trust game (Berg et al., 1995). Based on subjects' belief about how the others would treat them, we define two types of consistency: the sender-consistency and the returner consistency. We find that about two thirds of the subjects are either consistent as a sender or as a returner. Moreover, we find that for subjects who play as senders before they play as returners, their level of consistency as returners is lower in a treatment where they get to know how the others treat them, than in a treatment when such information is suppressed. We also find a lower level of consistency for subjects who maximize their monetary earnings. |

| Liang | Jie | Other-regarding or Self-fulfilling --An experiment on working after disappointment | Jie Liang, Arijit Das, Yinxi Liu, Hui Xu | Abstract: It is a common sense that an individual would feel disappointed when his work results overpass other team members while his final reward is determined by the poorest performance of the group. One question is raised: How people decide the level of their working effort in the next period while having experienced disappointing feeling in the previous one? In this study, we try to test two hypotheses of the potential impacts of disappoint feeling: disappointment aversion and self-achievement. To do so, we conducted a laboratory experiment by applying a classical repeated minimum effort game under a real effort task at India. We use two different measurements of disappointment to estimate the effort supply of this individual in the next period. The study finds the existence of both the disappointment aversion and self-fulfillment seeking motivation for an individual under different scenarios. The effort supply does depend negatively on the disappoint feeling that has been shortly experienced, proving the motivation of disappoint aversion. Nevertheless, the subject's motivation of self-achievement will dominate the behavior after having experienced continuously worsening disappointed feeling and therefore, one's effort supply in the next period does not doomed to rely any more on the performance of one's team members. |

Liang	Jie	How large the regional group identity matters in the decision of choosing working mates?	Arijit Das, Jie Liang, Yinxi Liu, Hui Xu	This study aims to analyze how the regional identity matters in an individual's decision making of choosing team mates. We designed a laboratory experiment which was conducted at Jawaharlal Nehru University (New Delhi, India) that individuals could freely rank the players in an order of preference to work with in the later-on group real task work. In the control sessions, individuals are randomly grouped into two groups, informed the random group identity and average working effort of each player; while in treatment sessions, individuals are grouped into two groups according to their regional identity and are also informed the regional group identity and the average working effort of each player. We have used favorite food questionnaire as a novel approach of identity priming of introducing regional identity. Our study finds that when making decisions to choose their team mates, subjects are not only considering average working effort, rather they tend showing bias towards group identity to certain extant; no matter they are in control group or treatment group. Furthermore, the degree of bias is significantly influenced by subjects' background, such as education, major and working ability. In sum, the effect of regional identity is not as large as most people expect, compared with other personal demographic characters.

| Lin | Yu-Hsuan | Do we Overshoot the Emission Reduction Target ? The Experiment on The Endogenous Minimum Participation Rule under Ambiguity | Yu-Hsuan Lin | The decisions in the international environmental negotiation are based on the scientific . Nevertheless, some evidences are not clear or even conflicting. The literature on public goods claims that when there is uncertainty, the free-riding effect could be mitigated (Bailey et al., 2005). Meanwhile, other studies claims that the coalition formation, such as the minimum participation rule, could ease the free-riding in the public good provision (McEvoy and Cherry, 2010). The rule has been employed in the Kyoto Protocol and other major international agreements. Our experimental study aims to investigate the combined effect of ambiguous information and the endogenous minimum participation thresholds. |

| Mahmud | Minhaj | Religious Identity, Minority Status and Trust: Evidence from a Field Experiment | Gautam Gupta, Minhaj Mahmud, Pushkar Maitra, Santanu Mitra, and Ananta Neelim | It is now well accepted that trust is crucial for economic and social development. There is also evidence that religious identity affects individuals' behavior when interacting with others. Using a field experiment conducted in Bangladesh and West Bengal, India, two regions, which are similar in terms of socio-economic characteristics, ethnicity and language but have different religious composition, this paper examines whether religious identity or minority status affects trust behavior among different segments of the population. Our results show that it is minority status rather than religious identity that affects behavior. In particular, we find that in both countries individuals belonging to the minority group (Muslims in India and Hindus in Bangladesh) exhibit in-group favoritism in trust behavior, while individuals belonging to the majority group in both countries show out-group favoritism in case of trustworthiness. |

| Mahmud | Minhaj | Measuring Happiness: Do We Need a Happiness Index for Developing Countries? | Minhaj Mahmud and Yasuyuki Sawada | Using unique data from Bangladesh exclusively corrected for this study, overall happiness is explained as a function of domain specific happiness questions as well as other explanatory variables such as income, wealth, religion and social capital. The present paper is, to our knowledge, the first to apply a two-layer approach to a developing country. According to our empirical results, the most important happiness domain, by far, is happiness with the financial situation. The overall net pattern suggests that income and other conventional economic variables explain a large part of the variation in total happiness. In fact, income is closely related with domain-specific happiness, even with non-economic happiness, e.g., social life--this is consistent with the Easterlin Paradox or the concavity of the happiness function. Moreover, their relative economic conditions compared to others in their village are very important for overall happiness. This is consistent with a hypothesis that income and happiness will move hand in hand in developing countries, suggesting that income is a good summary measure of well-being and welfare. While this is of course just one country out of many, we believe that much of the results obtained provide important insights to other developing countries. |

| Masuda | Takehito | The Minimum Approval Mechanism Implements the Efficient Public Good Allocation Theoretically and Experimentally | Takehito Masuda, Yoshitaka Okano and Tatsuyoshi Saijo | We propose the minimum approval mechanism (MAM) for a standard linear public good environment with two players. Players simultaneously and privately choose their contributions to the public good in the first stage. In the second stage, they simultaneously decide whether to approve the other's choice. Both contribute what they choose in the first stage if both players approve; otherwise, both contribute the minimum of the two choices in the first stage. The MAM implements the Pareto-efficient allocation in backward elimination of weakly dominated strategies (BEWDS) and is unique under plausible conditions. Contributions in the MAM experiment overall averaged 94.9%. The data support BEWDS rather than subgame perfect Nash equilibria. Quantifying subjects' responses to the questionnaire showed that the majority of subjects in the MAM found a heuristic or an algorithm named diagonalization and supported the notions of minimax regret and iterated best response, all of which mimic BEWDS outcomes. |

| Mayer | Susanne | Voluntary Leadership in Teams and the Leadership Paradox | Susanne Mayer (Vienna University of Economics and Business, Austria), Christian Hilbe (Max-Planck-Institute for Evolutionary Biology, Germany) | Previous theoretical research has highlighted the importance of positive productivity spillovers for the endogenous emergence of leadership in collective action. According to these approaches, leadership evolves because the potential leader correctly anticipates that her additional efforts increase the productivity of her followers. However, these studies focused on pairwise interactions only. In our model, we are interested in the emergence of leadership in teams with an arbitrary number of agents. We first show by an example that the previous pairwise results cannot be generalized: Even if the leader's contributions increase the productivity of all other team members, leadership may not arise due to strategic interactions among the potential followers. On the other hand, we prove that if the group of followers is sufficiently homogenous, then leadership emerges endogenously if and only if the leader is able to trigger positive productivity spillovers. To date, we are not aware of any experiment taking account of positive productivity spillovers as explanation for the endogenous emergence of leadership. One may therefore also regard our theory itself as a potential complement to present approaches in experimental economics. |

McGee	Peter	From Rival to Boss: Promotions with Continued Interaction	Peter McGee, Andrew McGee	Tournament models of corporate promotion have been widely studied by economists because they have the appealing feature that even when output is noisy, principles need only to be able to observe relative output of employees. It is also well known that tournaments sometimes introduce perverse incentives to engage in inefficient behavior, such as sabotaging a rival. Existing tournament models, however, have stopped at the tournament's edge. The combination of evaluation criteria that may be unclear to tournament participants and animosity from the competition may introduce feelings of injustice that spill over into the workplace when an employee is supervised by a former peer. When subordinates have the opportunity to withhold effort to punish a manager, tournaments may further distort effort provision. This paper presents the results of a laboratory experiment where feelings of procedural injustice are induced. Subjects first engage in a standard tournament with one other subject, followed by followed by a piece-rate stage in which the winner from the tournament receives a fraction of the loser's output in the second stage. We find that lingering feelings of injustice lead to a significant reduction in effort by tournament losers in the second stage that can only be explained as spiteful behavior. In additional treatments, we consider potential structural changes designed to minimize the counterproductive behavior, such as rotating managers.

| Mitani | Yohei | Anonymity versus Mechanism in Voluntary Contributions: An Experimental Evidence | Yohei Mitani | We conduct an induced-value laboratory experiment to explore the linear and interaction effects of a provision point (i.e. mechanism effects) and social approval (i.e. named effects) in voluntary contributions. Our results are consistent with previous findings: Provision point mechanism produces higher contributions; Named environment increases average contributions. Our contributions to the literature include the following findings: Mechanism has stronger effect on mean contributions than reducing social distance; Named environment reduces the magnitude of mechanism effects; Named effect is stronger in voluntary contribution mechanism than provision point mechanism; Named environment significantly increases contributions when subjects have acquaintance in their group; Both named environment and provision point significantly reduce free-riders; Provision point increases the frequency of donations that are consistent with cost-sharing and individual rationality constraint. |

Monakhov	Mikhail	Dopamine D4 Receptor Gene predicts Economic Risk Attitude in Han Chinese	Mikhail Monakhov, Yushi Jiang, Poh San Lai, Anne Chong, Liu Jianjun, Chiea Chuen Khor, Songfa Zhong and Richard P. Ebstein and Soo Hong Chew	Evidence from twin studies points to a moderate role for heredity in contributing to individual differences in attitude towards risks measured using incentivized decision making tasks. Recent studies involving small samples of mainly Caucasian subjects offer preliminary evidence that the long allele of dopamine D4 receptor (DRD4) exon III polymorphism may be associated with a greater propensity to take on financial risk. In a sample of 2677 Han Chinese subjects from Singapore and Beijing, highly significant association was observed between the exon III VNTR long alleles and being risk tolerant in male subjects but not in female subjects. We did not observe association between this polymorphism and risk related personality traits that were assessed using TCI-R and NEO-PI. Enabled by a sizable sample, this is the first study to examine robustly exon III long alleles in a Chinese population, demonstrating an association between DRD4 and risk preference and strengthening significantly previous findings.

| Mori | Tomoharu | The Cost and Benefit of Control: Experimental Study in Japan and Thailand | Sarunyu Jitsophon and Tomoharu Mori | We investigate the effect of minimum production quota and its effect on dynamic effort provision using two series of real-effort experiments with simple tasks. In the first part, we conducted experiments in Japan and Thailand to study the impact of setting very low quota by comparing the productivity in "very low" quota and "no quota" treatment. Subjects are paid fixed wage with no given incentives to exert more than minimal effort. We found that production in "very low" quota treatment is lower than "no quota" treatment. Subjects who have reached their quota choose to shirk by exerting lower or even no effort at all. Subjects who have no quota continue to work at a stable pace throughout the experiment. In the second part, we conducted similar experiment with the introduction of low, medium, and high production quota treatments. The most productive treatment is "medium quota" followed by "high quota" and "low quota" While "high quota" can induce the subjects to exert more effort, they do not perform as well subject with "medium quota" since some of "high quota" subjects gave up on being able to reach the almost impossible goal. We conclude that there exists an "optimal goal" which is high enough to induce the subject to work harder while at the same time is realistic to reach, that can be used to maximize workers` productivity. |

Mottaleb	Khondoker	The Effects of Natural Disasters on Farm Household Income and Expenditure: A Study on the Rice Farmers in Bangladesh	Khondoker A. Mottaleb,1,2 Samarendu Mohanty,2 Hoa Thi Khanh Hoang,3	While millions of households in the world depend on rice cultivation for income and employment, volatility in rice income and negative income shocks due to crop failure stems from natural disasters, an almost regular phenomenon in rice farming in Asia and Africa. Importantly, the predicted changes in global climate are likely to increase the income volatility of rice farmers by multiplying the severity and frequency of extreme events as such cyclones, floods, and droughts in the major rice-growing areas. Income volatility, particularly negative income shocks, may force households in developing countries to lower their expenditure on health and education, as the literature suggests. Drastic reduction in education and health expenditure due to negative income shocks can affect children's health and education, and hence human capital formation in the long run in developing countries. To ensure human capital formation in agriculture-based developing countries, it is important to understand the magnitude of income losses and farmers' education and other expenditures behavior under negative income shocks, particularly in regions where natural disasters are frequent at present and may be more frequent in the near future. Using the Household Income and Expenditure Survey (HIES) data of the government of Bangladesh and applying the "difference-in-difference" estimation method in a natural experiment setting, this article reveals that income loss of rice farmers affected by a tropical cyclone that hit the coastal region in May 2009 was enormous. Policies are drawn based on the findings.

| Munro | Alistair | Risky rotten kids: Experimental Evidence from Parents and Adolescent Children in Rural Uganda. | Alistair Munro and Yuki Tanaka | According to the well-known rotten kid theorem, under certain conditions (including the ability of the parent to control the final intrahousehold allocation of resources), even a selfish child will choose actions that maximize household income. In the risky rotten kid theorem, again under various conditions, parents and child will have the same measured attitudes to risk. Using a Holt-Laury mechanism, we test this idea, employing a sample of parents and their adolescent children from rural Uganda. Contrary to the theory we find that children have much lower levels of measured risk aversion than their parents. The results cannot be explained in terms of age, differences in understanding or standard departures from expected utility theory, such as cumulative prospect theory. |

| Nagae | Akira | Effects of the Japanese disability employment policy on shareholder wealth | Akira Nagae | Japan's disability employment policy, a quota-levy system, aims to equalize the cost sustained by firms due to the employment of disabled persons. This study examines the ramifications of information disclosure on firms' rate of disability employment using data from a 2003 event incidentally held in both Tokyo and Osaka.
Using the event study methodology, we verified the difference between the stock price changes observed in two groups after information disclosure: one group comprised firms that employ fewer disabled employees than legally required and the other of firms that satisfy the standards set by the instrumental variable (IV) estimation. Because we used the past firm attributes for IV we estimated the cross-sectional relationship between the proportion of disabled employees and each firm's profit in 2000, when the information was collected. In addition, we verified whether the efficient market hypothesis holds with respect to the information.
Results indicated that the penalty imposed by the Japanese disability employment policy may be ineffective in promoting the employment of the disabled. Moreover, the law imposes a suboptimal level of disability employment on small- and medium-sized firms and manufacturing firms. Furthermore, no equalization of the costs of employing the disabled occurs between the manufacturing and non-manufacturing firms. Therefore, we conclude that a more inclusive assessment of disability employment policies is necessary. |

Nakamaru	Mayuko	Evolution of cooperation in rotating indivisible goods game: rotating savings and credit association is an example	Shimpei Koike, Mayuko Nakamaru and Masahiro Tsujimoto	Collective behavior is theoretically and experimentally studied through a public goods game in which players contribute resources or efforts to produce goods (or pool), which are then divided equally among all players regardless of the amount of their contribution. However, if goods are indivisible, only one player can receive the goods. In this case, the problem is how to distribute indivisible goods. Here we propose a new game, namely the "rotating indivisible goods game". In this game, the goods are not divided but distributed by regular rotation. An example is rotating savings and credit associations (ROSCAs), which exist all over the world and serve as efficient and informal institutions for collecting savings for small investments. In a ROSCA, members regularly contribute money to produce goods and to distribute them to each member on a regular rotation. It has been pointed out that ROSCA members are selected based on their reliability or reputation, and that defectors who stop contributing are excluded. We elucidate mechanisms that sustain cooperation in rotating indivisible goods games by means of evolutionary simulations. First, we investigate the effect of the peer selection rule by which the group chooses members based on the players' reputation, also by which players choose groups based on their reputation. Regardless of the peer selection rule, cooperation is not sustainable in a rotating indivisible goods game. Second, we introduce the forfeiture rule that forbids a member who has not contributed earlier from receiving goods. These analyses show that employing these two rules can sustain cooperation in the rotating indivisible goods game, although employing either of the two cannot.

Narita	Yohei	Democratic and Dictatorial Decisions of Punishment: An Experimental Study from Linear Public Goods Game	Yohei Narita, Yoshio Kamijo, Yukihiko Funaki	Every rule of a system is determined through a certain institution, such as democracy or dictatorship. Even under the same rule, performance of the member of system may differ depending on different institutions. This research investigates two different institutions for a linear public goods game with central punishment institution. Specifically under this central punishment institution, a threshold is used to decide whether or not those participants of the game are punished. The way in which the threshold is determined differs according to the different institution. The one institution is democracy, in which the threshold for punishment is unanimously determined by all the members. The other institution is dictatorship, in which a person who does not participate public goods game determines the threshold for punishment. In our experiment, we compare the effects of the two different institutions on degrees of contributions of the members. We found degrees of contributions of the members under the democratic decision are higher than under the dictatorial decision.

Neugebauer	Tibor	An experimental comparison of security markets: call-auction vs. double-auction	Reinhard Selten, Tibor Neugebauer	The paper presents an original experimental market design with multiple multi period lived securities where production decisions by human managers are responsible for the cashflows from firms to shareholders. In these conditions of cash-flow uncertainty, two empirically relevant market-institutions, the call-auction and double-auction are examined. Our data indicate higher risks of mispricing, lower levels of liquidity and trading volume, higher levels of leverage and higher frequencies of bankruptcy in the call-auction than in the double-auction. We also look at behavioral pattern to find that leveraging, momentum trading, and higher trading frequency do not lead to above-average returns in either market institution.

| Nguyen | Quang | On the Role of Reference Dependence and Hyperbolic Discounting Preferences in Labor Supply: Insights from an Optimal Stopping Time Model | Quang Duc Nguyen | We incorporate rational expectation based reference dependent preferences and hyperbolic discounting into the optimal stopping framework to study the agent's decision on the working duration. A key insight from our theoretical model is that not only income target but patience, as well as the interaction between the two, plays a role in that decision. Less patient agents may work for a shorter duration; a revenue target plays the role of a commitment device helping them to follow through with the optimal stopping time scheme. We also develop an estimation strategy based on both the reduced form and the structural model approach. Using data for Hawaii longline fishery we find that less patient captains seem to have shorter fishing trips. We also find some evidence that fishermen have references (targets) for revenue when making decisions about the length of fishing trips. Together, the findings suggest the necessity to integrate both reference dependence and hyperbolic time preferences into the model of labor supply. |

| Nishimura | Naoko | Demand Reduction in Average-Pricing Multi-unit Discriminatory Auction with Other-Regarding Buyers | Naoko Nishimura and Tatsuyoshi Saijo | Demand Reduction in Average-Pricing Multi-unit Discriminatory Auction with Other-Regarding Buyers by Naoko Nishimura (Shinshu University) and Tatsuyoshi Saijo (ISER Osaka University) We consider a variation of multi-unit sealed-bid discriminatory auction for identical objects with one seller and many buyers. The buyers possess multi-unit demand and they can submit that number of bids. The seller is allowed to submit an ask bid. There, all the submitted bids are listed in the descending order, and take the average from above successively. All the buyers whose bids are included in the average no less than the ask bid win the objects and pay their bids. We label this form of auction as the average-pricing auction. It was employed by the Japanese central rice auction established to set the standard price in the domestic rice market. We examined the performance of the average-pricing auction in comparison with the standard multi-unit discriminatory auction. We showed theoretically that these two forms of auction share the same Nash equilibrium set which contains a unique proper equilibrium where the ask price coincides with the competitive price. Experimentally, however, we observed a dramatic difference in bidding behavior. In particular, we identified "demand reduction" phenomenon that impedes the efficiency of the average-pricing auction. This bidding pattern indicates some cooperative conduct among buyers with various values, which is inconsistent with the Nash as well as the collusive behavior. This is exactly what happened in Japanese central rice auction market which was finally abolished in 2011 for its too small transactions. |

| Nuryakin | Chaikal | Fukubukuro: An Experiment on Consumer Willingness to Pay for Shrouded and Bundled Goods. | Chaikal Nuryakin and Alistair Munro | Fukubukuro (or lucky bag) is a familiar retailinstitution in Japan and other countries, used to dispose of unwantedstock in New Year sales. In fukubukuro, widely used in the electronicsand consumer goods industries, retailers bundle goods into bags. General information about the contents is provided, but details ofbrands and specification are concealed. We conduct a preliminary laboratory experiment to test whether bundling and concealing attributes raises consumer willingness to pay.In the computer-based laboratory experiment we use a Multiple Price List (MPL) procedure to elicit individual willingness to pay for the products.

Keywords: fukubukuro, elicitation, experiments, wtp.
JEL Classification: C91, D81. |

| Okano | Yoshitaka | Toward Solving Social Dilemma: Theory and Experiment | Xiaochuan Huang, Takehito Masuda, Yoshitaka Okano, Tatsuyoshi Saijo | We propose the AC mechanism for solving social dilemma: if some choose cooperation and some choose defection in the first stage, players who choose cooperation can go to the second stage to decide whether or not to change their own choices to defection after knowing other's choices. Theoretically, AC mechanism implements cooperation in backward elimination of weakly dominated strategies (BEWDS) assuming that all the players are payoff maximizers, while it does not implement cooperation in subgame perfect equilibria (SPE). Experimentally, we observe that the overall average cooperation rate with AC mechanism is 57.8% through 7 rounds in the first experiment, 90.8% through 15 rounds in the second experiment, and 89.8% through 15 rounds in the third experiment. The cooperation rate is low at the first 5 or 6 rounds while raises above 90% after that. We also find that BEWDS has better predictive performance than SPE under data and questionnaire analysis. |

Ong	Qiyan	The Value of Voice	Qiyan Ong, Yohanes Eko Riyanto, Steven Sheffrin, Walter Theseira	Individuals commonly have the opportunity to voice or express their opinions before decisions are made in many important settings including litigation and trials, industrial relations, political allocations, and business relations. Yet relatively little is known about how much they value the opportunity to voice in these decision-making processes, and how voice affects their attitudes towards the decisions made. Using an experimental approach based on the ultimatum game, we elicited responders' willingness to pay (WTP) for the opportunity to send a message before the proposer decides on the allocation using the Becker-DeGroot-Marschak (BDM) mechanism. We randomly assigned two treatments on the opportunity to pay for voice to responders; half were given the opportunity to pay to send a message to proposers, and the other half the opportunity to send a message to a third party with no influence over the outcome of the game. We find that not only are most responders willing to pay some amount above zero for the opportunity to voice to proposers (84%), strikingly, more than half of the responders (57%) are willing to pay for the opportunity to voice to an inconsequential third party. Responders who voice to the third party have lower minimum acceptable offers (MAOs) than those who value but did not have the opportunity to voice. This difference in MAOs is driven by the value expressive effect of voice (the inherent value of voice) as well as the income effect from paying for voice. On the other hand, responders who voice to proposers have higher MAOs compared to responders who voice to the third party. To explain this differences in MAOs, we turn to additional data collected during the experiment. We elicit responders' first order belief, i.e. responders' expectations of the offers they will receive from the proposer before they observe the proposer's offer. We find that higher MAOs from responders who have voiced to proposers are mainly driven by their expectations of proposers' offers. In other words, preferences over fairness are reference-dependent, and that the frame of reference based on expectations is formed largely when the responder has the opportunity to communicate with the proposer. Does voice improves the social efficiency of the game? We find that among the responders who are willing to pay for voice, the number of participants who successfully divide the allotted sum of money does not differ depending on whether responders express their opinions to the proposers. Overall, it appears that there is economic value to voice. Part of the value of voice is intrinsic, shown by respondents having positive willingness to pay for voice to a third party. However, the other part appears to be strategic, as the mechanisms through which voice affects preferences over minimum acceptable offers differ between those who have purchased voice to the proposer and those who have purchased voice to a third party. Our study shows that people like to express their opinions, and are more likely to accept unfair outcomes when they could express their opinions to a third party and when the opportunity for voice is costly. However, by allowing them to express their opinions to a decision maker reverses this effect by committing them to their expected outcome. Finally, allowing responders to express their opinions to proposers before offers are made does not appear to enhance efficiency.

| Ortmann | Andreas | The Allais Paradox: Perception and evidence | Pavlo Blavatskyy & Andreas Ortmann | The Allais paradox, or the common consequence effect, is arguably one of the most well-known behavioral regularities in individual decision making under risk. The common perception in the literature is that the Allais paradox is a robust empirical finding, which motivated the development of numerous generalized non-expected utility theories. In this paper we argue, based on a meta-analysis of sorts, that such perception does not accurately reflect experimental evidence on the Allais paradox. |

| Otsubo | Hironori | Contests with Incumbency Advantages: An Experiment Investigation of the Effect of Limits on Spending Behavior and Outcome, | Hironori Otsubo | This paper experimentally investigates the effect of limits on campaign spending and outcome in an electoral contest where two candidates, an incumbent and a challenger, compete for office in terms of the amount of campaign expenditure. The candidates are asymmetric only in that the incumbent wins the contest in case of a tie. Theory predicts that in the presence of such asymmetry spending limits put the challenger at a disadvantage and tightening the limits leads to further entrenchment of the incumbent. The experimental results confirmed the theoretical predictions regarding the effect of limits on campaign spending and outcome but yielded partial support to other predictions. |

| Pede | Val | Social Relationship and Behavioral Spillover: The Case of Irrigated and Rainfed Farmers in Bohol, the Philippines | Takuji W. Tsusaka, Kei Kajisa, Valerien O. Pede and Hogeun Park | Behavioural game experiment, spatial econometrics, and household survey are blended in the single paper to investigate two channels of behavioural spillover among farmers in the formation of social preference: social relationship (e.g. kinship and workplace-relationship) and geographical relationship (e.g., neighbour in residence or farming field). Dictator game and public goods game experiments quantitatively elicit altruistic behaviour and contributory behaviour to public work, respectively. Social relationship as well as geographical distance among all the sample farmers is obtained through a field survey and GPS recording, respectively. Subsequently, behavioural spillover is assessed using spatial econometric technique. Particular attention is paid to the contrast between irrigated and non-irrigated areas. Our presumption is that geographical network becomes an effective spillover channel in irrigated areas through the real-life experience of collaboration in water resource management, while social relationship is important in both agro-ecologies. It is expected that (i) in rainfed areas, both altruistic behaviour and contributory behaviour to public work spill over only through social network; (ii) the spillover of altruism is greater among friends and relatives than among coworkers, as altruism should be associated more with non-work activities; and (iii) the spillover of contributory behaviour is stronger among coworkers in farming. |

| Rosenbaum | Stephen | Let´s be (intrinsically) honest: A review of the experimental literature on honesty | Stephen Rosenbaum, Nils Stieglitz, Stephan Billinger - University of Southern Denmark | Honesty toward strangers can be considered an important norm of any given society (Fischbacher and Heusi, 2008; Gneezy, 2005), yet previous experimental work tapping into the presence or otherwise of honesty norms remains surprisingly scarce. Moreover, the few experimental studies which have attempted to examine honesty norms suffer from a number of methodological limitations which cast doubt on their findings. For example, in psychological experiments into honesty (cf. Frank et al., 1993; Milgram, 1963), subjects suffered no monetary costs for misrepresenting type (Mazar et al., 2008). Similarly, field experiments into honesty (cf. Pruckner and Sausgruber, 2009; West, 2010; Yezer et al., 1996) may be contaminated by the presence of peer monitoring etc. (Levitt and List, 2007). Finally, previous lab experiments (cf. Bucciol and Piovesan, 2011; Fischbacher and Heusi, 2008) rely on self-reporting (e.g. regarding which dice score was thrown) rather than direct observation. The present paper then proposes the Revelation Game (Rosenbaum et al., 2012) as a means of circumventing the limitations associated with previous experimental work into honesty norms. In the Revelation Game, subjects are individually and privately presented with a windfall gain and, absent overt observation and punishment, choose to either reveal this serrendipitous amount to the experimenter or simply pocket the cash. Results from the first Revelation Game, conducted with subjects in two Central Asian republics, are then discussed. |

| Saijo | Tatsuyoshi | Second Thought makes Players Cooperative in Social Dilemma: Theory and Experiment | Tatsuyoshi Saijo, Xiaochuan Huang, Takehito Masuda and Yoshitaka Okano | The Simplified Approval Mechanism implements cooperation in theory and works well from period 1 in experiment if the number of players is two. However, the cooperation rate in period 1 dropped 60 to 70% if the number of players is three in experiment. In order to overcome this problem, we introduce the second thought stage in the simplified approval mechanism called SAMST. Players who chose defection have a chance to change from defection to cooperation in the second thought stage. The SAMST essentially implements cooperation and is robust against mistakes of the players. That is, the success rate for achieving cooperation does not drop even though player's mistake probability in the choice of strategies goes up. The experiment will be conducted around the beginning of December 2012. |

| Sawada | Yasuyuki | Incentives and Social Preferences in a Traditional Labor Contract: Evidence from Rice Planting Experiments in the Philippines | Jun Goto, Takeshi Aida, Keitaro Aoyagi, and Yasuyuki Sawada | This paper investigates the interplay between economic incentives and social norms in formulating rice planting contracts of the Philippines. Intriguingly, in our study area, despite the potential of infestation of opportunistic behaviors by workers, a fixed wage (FW) contract has been dominant for rice planting since the 1960s. To account for such a seemingly-inefficient contractual arrangement, we conduct field experiments by randomly assigning three distinct labor contracts, i.e., FW, individual piece rate (IPR), and group piece rate (GPR) contracts. Individual workers' performance data from field experiments are then combined with data on social preferences elicited by laboratory experiments. Five main empirical findings emerge. First, our basic results show the positive incentive effects in IPR, moral hazard problems in FW, and free-riding behavior in GPR, which are consistent with standard theoretical implications. Second, while, under FW, social preferences such as altruism and guilt aversion play an important role in stimulating incentives, introducing monetary incentives crowds out such intrinsic motivations. Third, other non-monetary factors such as self-selection of team members and social connections significantly change incentives under FW contract. Fourth, as alternative hypotheses, our empirical results are consistent with the hypothesis of intertemporal incentives arising from performance based contract renewal probabilities. Our results are also supportive to implications of the interlinked contract of labor and credit transactions in mitigating moral hazard problems. Yet, we reject the optimality of FW contract due to large effort measurement errors. |

| Seki | Erika | The effect of information provision on voluntary contributions to public goods: A field experiment on blood donation | Sobei Oda, Erika Seki, and Yan Zhou | When the provision of public goods requires contributions from individuals with different abilities, it becomes important to solicit efficient voluntary contributions from heterogeneous individuals. Blood banks are one type of such public good. They perform a challenging task to ensure a balanced supply of blood types to provide effective blood transfusion services. This study designs a field experiment in conjunction with a blood donation campaign to examine whether making potential donors aware of their potential contribution (the net marginal product of their donation) induces efficient individual donation behaviour. In conjunction with blood donation campaigns at the university, we conducted a field experiment with two treatments: one treatment with information about desired donors' profiles for 400ml whole blood donations and the other without such information. We find that the provision of information about the desired donors' profile actually enhances the propensity of able donors to donate, whereas the information provision tends to depress the stated intention to donate. |

| Shachat | Jason | Discrete heterogeneity and learning in private value auctions: explanations of withering rationality and gender differences | Jason Shachat and Lijia Wei | This paper presents a Hidden Markov model of discrete strategic heterogeneity and learning in private values auctions. The model includes three latent bidding rules in the auction: constant absolute mark-up, constant percentage mark-up, and strategic best response. Strategy switching is endogenous and depends upon the observed history of a bidder's past auction experience. We apply this model to a new experimental data set reporting participation in repeated auctions with treatment variables on forward and reverse auction framing, and number of bidders. The experiment design also includes collection of detailed information on female subjects' menstrual cycles as well hormone measurements from saliva samples. Using the proposed model we show that proportion of best response bidders decreases over time, while the use of constant absolute mark-up increases. This primary driver of this result is subjects' increased propensity to switch strategies when they experience ex post regret with an auction outcome. We also show that this affect is stronger for women who are in the high fertility phase of their menstrual cycle. This combined with less aggressive strategies is the source of differences in gender earning. Compared to the forward auction, these gender gaps are much smaller in reverse auction. |

| Shachat | Jason | Auctioning the right to play the Ultimatum Game | Jason Shachat and J. Todd Swarthout | We conduct experiments in which we auction of the limited number of rights to play the first and second mover positions in subsequent ultimatum games to two separate and larger groups. We observe convergence to a Nash equilibrium of the ultimatum game; the sum of the first and second mover auction prices is on average within one dollar of the total amount available to split in the bargaining game, first mover proposal are consistent with those prices, and second movers do not reject these offers. However, the equilibrium selected varies across sessions, and thus depends upon the adaptive process and individual session histories. The equilibrium payoffs selected are typically (6, 4), (7, 3), and (8, 3). Thus riskiness of the Nash equilibrium and social preferences are important. However, fairness is not a preference phenomenon but rather a focal point. |

| Shimokawa | Satoru | Two Conflicting Learning Effects of Calorie Labeling: Laboratory Snack Experiment | Satoru Shimokawa | Despite the worldwide implementation of calorie labeling, some previous studies indicate that calorie labeling may be ineffective or even cause to increase people's calorie intake. To better understand the mechanism behind the ineffectiveness and the perverse effect of calorie labeling, we design two laboratory snack experiments that provide two distinct measures of learning and estimate the effect of calorie labeling on the calories purchased. While the effect of calorie labeling is conventionally decomposed into saliency and learning effects, we further decompose the learning effect into two types: learning-underestimation and learning-overestimation effects. We also examine how the decomposed effects are associated with individual risk attitude and patience. In our Hong Kong sample, the learning effect is positive when people learn from the labeling that they were overestimating the calorie contents (i.e., positive learning-overestimation effects). In contrast, the learning effect is negative but insignificant when people learn that they were underestimating the calorie contents (i.e., insignificant learning-underestimation effects). All the three decomposed effects are smaller for more risk-averse people. The saliency effect is smaller for more loss-averse people. The learning-overestimation effect is larger for less patient people, while the learning-underestimation effect is smaller for less patient people. |

| Siegenthaler | Simon | Adverse Selection or Costly Delay: Experimental Evidence on Bargaining with Interdependent Values | Olivier Bochet, Simon Siegenthaler | This paper provides experimental evidence on bargaining under adverse selection when the uninformed party makes offers to the informed party. The theory developed in D. Vincent (JET 1989), R. Evans (RES 1989) and Deneckere and Liang (Econometrica 2006) concludes that an uninformed party's ability to make infinitely many offers in conjunction with discounting constitutes an effective screening mechanism. In a first step, we extent their result to cover the general finite horizon case. If the number of stages is large enough, the equilibrium of the finite and infinite horizon game coincide. We then test the screening mechanism in the laboratory. The experiment shows that, as predicted by theory, screening through repeated offers mitigates adverse selection. However, the trading process exhibits more delay than predicted and not all trading pairs reach an agreement. Efficiency falls short of the theoretical prediction and is not significantly different from the one realized in a take-it-or-leave-it setting. |

| Sola | Carles | Escalation bias in recruitment and performance evaluation | Angelovski, A., Brandts, J. and Sola, C. | We analyze in the context of a real effort experiment the idea of escalation bias in performance appraisal. We design an experiment where managers select employees based on a personality test and then evaluate them in a real effort task. The task is subjective and each manager evaluates workers previously recommended, not recommended or assigned. We show that the bias exists and is significant. That is, managers give higher evaluations to those workers previously recommended in comparison to the evaluation that external, neutral agents would give to the same workers. Moreover, we analyze the effect of two variables that could contribute to eliminate this bias: incentives and role playing. We show that introducing these two mechanisms does not eliminate the bias, just transforms the bias into a more subtle bias. Additionally, we show how this kind of bias also effects peer evaluations. |

| Solano | Angel | The Effect of Elections on Third-Party Punishment: An experimental Analysis | Ramon Cobo-Reyes, Natalia Jimenez, Angel Solano-Garcia | In this paper we analyze the behavior of an official who is elected democratically rather than being appointed exogenously. To this aim, we conduct an economic experiment in which officials are third party punishers in a public goods game. We consider two different scenarios which differ in the degree of cooperation within the society. We find that officials increase their punishment when they face elections in both scenarios. The increase in punishment is larger in the more cooperative scenario although differences are not statistically significant. Contrary to candidates' expectations, voters always vote for the least severe candidate. |

| Song | Changcheng | Insurance Take-up in Rural China: Learning from Hypothetical Experience | Jing Cai and Changcheng Song | This paper uses a novel experimental design to test the role of experience and information in insurance take-up in rural China, where weather insurance is a new and highly subsidized product. We randomly selected a group of poor households to play insurance games and find that it increases the actual insurance take-up by roughly 48%. To pinpoint mechanisms, we test whether the result is due to: (1) changes in risk attitudes, (2) changes in the perceived probability of future disasters, (3) learning the objective benefits of insurance, or (4) the experience of hypothetical disaster. We show that the overall effect is unlikely to be fully explained by mechanisms (1) to (3), and that the experience acquired in playing the insurance game matters. To explain these findings, we develop a descriptive model in which agents give less weight to disasters and benefits which they experienced infrequently. Our estimation also suggests that experience acquired in the recent insurance game has a stronger effect on the actual insurance take-up than that of real disasters in the previous year, implying that learning from experience displays a strong recency effect. |

| Song | Changcheng | An Experiment on Reference Points and Expectations | Changcheng Song | I conducted a controlled lab experiment to test to what extent expectations and the status quo determine the reference point. In the experiment, I explicitly manipulated stochastic expectations and exogenously varied expectations in different groups. In addition, I exogenously varied the time of receiving new information and tested whether individuals adjust their reference points to new information, and the speed of the adjustment. With this design, I jointly estimated the reference points and the preferences based on the reference points. I find that both expectations and the status quo influence the reference point but that expectations play a more important role. Structural estimation suggests that the model of the stochastic reference point fits my data better than that with expected utility certainty equivalent as the reference point. The results also suggest that subjects adjust their reference points quickly, which further confirms the role of expectation as reference point. |

Spiliopoulos	Leonidas	Beyond fictitious play beliefs: Incorporating pattern recognition and similarity matching	Leonidas Spiliopoulos	Belief models capable of detecting 2- to 5-period patterns in repeated games by matching the current historical context to similar realizations of past play are presented. The models are implemented in a cognitive framework, ACT-R, and vary in how they implement similarity-based categorization?using either an exemplar or prototype approach. Empirical estimation is performed on the elicited-belief data from two experiments (Nyarko and Schotter, 2002; Rutstrom and Wilcox, 2009) using repeated games with a unique stage mixed-strategy Nash Equilibrium. Model comparisons are performed by cross-validation both within and between these two datasets, and using data from completely unrelated non-strategic tasks. Subjects' beliefs are best described by 2-period pattern detection. Parameter estimates exhibited considerable instability across the two belief-elicitation datasets, and surprisingly, using median values from a wide variety of unrelated studies led to better predictions. This finding has implications for the robustness and generalizability of results in the literature derived from limited and specific problem domains.

| Taguchi | Satoshi | An Experimental Comparative Institutional Analysis on Auditing System: Does the Option to Hire an Auditor Make a Manager Honest? | Satoshi Taguchi, Yoshio Kamijo | The purpose of this paper is to study whether or not the manager's action would change depending on who has the option to hire an auditor. Now there are many corporate accounting scandals (e.g. the Enron scandal) in the world and who has the option to hire an auditor is very important issue. For example, this problem has been discussed in the Sarbanes-Oxley Act of 2002 in the U.S., but this is still controversial. So we test this problem by experiments. The methodology in this research is based on an experimental game theory (Camerer 2003). In this study, we adopt a trust game (Berg et al.1995) because it has one of the essential factors of corporate accounting scandals. Although the game theory anticipated that there would be no difference depending on who had the audit option, our experiments showed that there was difference. Especially when the manager had the option, the investor trusted the manager but the manager betrayed the investor in the long run. |

Takahashi	Yoshiaki	Consumer collective action lawsuit: insights from behavioral economics	Yoshiaki Takahashi	European Commission and other OECD countries such as Japan and United Kingdom now examine to introduce consumer collective (group) action lawsuit. This paper presents the results of a longitudinal survey study (N=11,984) that examines how lawsuit scheme affects decision-making by individuals if they participate in consumer detriment cases. When consumers suffer consumer detriments, their appropriate actions through courts or other alternative dispute resolution system contribute to eliminate unconscionable business practices and to correct market failure. However, even if consumers have this important role, it is wonder whether these consumer victims are always rational to take actions. Behavioral economics reveals that default effect is one of important behavioral bias and a review in the UK suggests that consumer collective action may have default effect through victims' decision-making by choosing "opt-in" or "opt-out" basis in a country. Main results here shows that: 1) rates to participate in hypothetical consumer cases in opt- out scheme are statistically higher than in opt-in scheme; 2) rates to participate in 2-stage procedure are statistically lower than opt-in scheme; 3) effects of different approved plaintiffs on participation rates were mixed; 4) high probability to lose decreased participation rates; 5) lawsuit fee did not change participation rates much; and 6) the amount of consumer damage may increase participation rates. These results suggest that policy makers should take into account of consumers' behavioral pattern. In particular, opt-out scheme is better for consumer collective actions to obtain enough participation rates.

Takahashi	Nobuyuki	Do people help those who helped a free-rider? ?An experimental study to examine strategies in direct reciprocity settings-	Rie Mashima and Nobuyuki Takahashi	Indirect reciprocity is one mechanism that allows for unilateral resource giving among n-persons (i.e., generalized exchange). Using analytical methods and computer simulations, previous studies have examined a number of strategies that make indirect reciprocity possible (e.g., Nowak and Sigmund, 1998a, b; Leimar and Hammerstein, 2001; Ohtsuki and Iwasa, 2004, 2006; Panchanathan and Boyd, 2003). Currently researchers all agree that the key to the emergence of indirect reciprocity is discriminate altruism based on not only 1st-order information (others' previous behaviors: whether they gave or did not give) but also 2nd-order information (reputation regarding the targets of others' previous behaviors: whether they gave to a "good" or "bad" person). However, still there can be a number of possible strategies which make indirect reciprocity possible. Among them, Takahashi and Mashima (2006) concluded that the strategies that call for people to give to those who previously gave to givers, not give to those who gave to non-givers, and not give to non-givers. In other words, they suggested that differentiating between justified and unjustified giving is important. As the first step to examine this issue, Mashima and Takahashi (2008) conducted a vignette study to examine people's patterns of evaluations toward others in situations of indirect reciprocity, and were able to confirm Takahashi and Mashima (2006)'s conclusion. However, these results are only self-reported strategies, not actual behaviors. As the next step, the current study examines people's actual strategies when faced with situations of real resource exchange. We conducted a laboratory experiment with thirty-two undergraduate students. Participants played a repeated giving game in eight-person groups. In each round, participants were endowed 50 yen and asked to decide whether to give it to one of the other participants or keep it for themselves. When they made their decisions, participants could see 1) 1st-order information: whether each target gave or did not give in the last round and 2) 2nd-order information: whether the person had given to a giver or a non-giver in the last round. In actuality, however, all the information was manipulated by the computer program in order to systematically examine people's behavioral patterns. Thus, there were always three types of targets: (i) someone who gave to a giver, (ii) someone who gave to a non-giver, and (iii) a non-giver. The dependent variable was "the preference score for each type of target" which indicates to what extent each participant gave to (or avoided) the target of each type selectively rather than randomly. Results showed that participants used not only 1st-order information (they gave more to previous givers than to previous non-givers) but also 2nd-order information (they gave more to targets who had given to givers than to targets who had given to non-givers). These results are consistent with Takahashi and Mashima (2006)'s conclusion, suggesting that the key to the emergence of indirect reciprocity is to exclude not only free-riders but also indiscriminate givers who help free-riders.

Takasaki	Yoshito	Health information can discourage antenatal care: Evidence from a randomized experiment in northern Nigeria	Yoshito Takasaki and Ryoko Sato	Antenatal care is critical for reducing maternal and infant mortality and morbidity risks. Although antenatal care has become more and more common in developing areas, take-up rates are still considerably low among the rural poor in Sub-Saharan Africa. Based on a randomized experiment among over 900 pregnant women in northern Nigeria, this paper examines why further promoting antenatal care is difficult. We randomly assign 100 villages to one of the following: first with cash transfer conditional on individual women's take-up in a month, second with the provision of information about antenatal care, third with both interventions, and fourth with no intervention. Unless women are at the late stage of pregnancy at the time of intervention, significant treatment effects exist: on one hand, conditional cash transfer (CCT) alone increases take-up not only within a month, but also later, depending on women's education; on the other hand, information alone has no impact and CCT combined with information yields temporary effects only. At the same time, CCT, especially combined with information, does not strongly alter behaviors of potentially targeted women " those who have never taken antenatal care in their past pregnancy, first-time pregnant women, and those who have not yet taken antenatal care in their current pregnancy at the time of intervention. We show evidence that women's perceptions about health information differentiated by their education/experience and CCT weaken not only its direct treatment effects, but also the effects of CCT combined. Implications for better promoting antenatal care are discussed.

| Takemura | Kazuhisa | Probability weighting function and value function based on unified psychological model | Kazuhisa Takemura, Hajime Murakami, Yuki Tamari, Takashi ideno | This paper shows a unified psychometric model explaining probability weighting function and value function and shows some empirical examples based on psychological experiments. The proposed model is an extension of "Mental ruler model" (Takemura,1998,2001) which assumes that a decision maker constructs a mental ruler to evaluate options for judgment and?decision. A mental ruler is assumed to have two endpoints (reference points) like an ordinal physical ruler. It is assumed that a mental ruler is constructed on the support for a subjectively framed situation which is dependent on the focused situation. Contrary?to?the?most of the utility?theories?and?the prospect theory,?the evaluation function is an S-shaped function,?which?is?concave?below and convex above a certain point between the endpoints of the support for the mental ruler. The mental ruler is considered to hold the subadditivity of following two kinds (Tversky & Fox, 1995; Tversky & Wakker, 1995): (i) Lower Subadditivity and (ii) Upper Subadditivity. This property denotes an event for which the evaluation function of the mental ruler becomes convex downward when m (x) is high. This is the same as the property of the certainty effect indicating the weighting of probability 1 is much greater than the probability less than 1, as explained using the prospect theory. The mental ruler model, however, forecasts that this property holds not only with the weighting probability but also with the values of the outcomes. This prediction is completely contrary to the property of the diminishing marginal utility in the utility theory or in the prospect theory. In the utility theory or the prospect theory, a function that is concave downward is always assumed, although the mental ruler model includes the assumption that a function exists that is convex downward around the upper bound. |

| Takeuchi | Ai | Sustaining cooperation in social dilemmas: Comparison of centralized punishment institutions | Yoshio Kamijo, Tsuyoshi Nihonsugi, Ai Takeuchi, and Yukihiko Funaki | This study investigates two centralized punishment institutions for a linear public goods game. These institutions require a certain contribution level, and sanction those players who under-contribute. The two differ in whom, among those who do not meet the requirement receives sanctions. In one institution, all the violators are sanctioned, and in the other, only the worst violator(s) is sanctioned. Theoretically, the public goods game with the latter institution yields contributions that are equal to or greater than the former institution with the same requirement and sanction level. The results of an experiment supported this theoretical prediction. However, there was a discrepancy between the theory and the laboratory observation in that the institution with the theoretically optimal requirement did not yield the highest profit. Keywords: Linear public goods game, sanction, punishment institutions, laboratory experiment |

Takizawa	Hirokazu	Affirmative Action in School Choice Problem: An Experiment	Toshiji Kawagoe, Taisuke Matsubae, and Hirokazu Takizawa	The paper presents an experimental study of affirmative action policies in school choice problems. Based on the Gale-Shapley mechanism, we studied four different affirmative action policies (mechanisms) in the laboratory: The first mechanism (DA1) sets the cap on the number of majority-group students; In the second mechanism (DA2), one minority-group student is favored regardless of the priority ordering in each school; The third mechanism (DA3) sets the cap on the number of minority-group student for each school's preferential quota; Finally, the fourth mechanism (DA4) guarantees the minimum number of quota for minority students. Theoretically DA1 and 4 are equivalent, and so are DA2 and 3. With priority ordering and quota for each school being fixed, we create two different environments by changing preferences of students. Theory predicts that in Environment 1 (ENV1), DA2 and DA3 should achieve the more efficient matching, while in Environment 2 (ENV2), four mechanisms should induce the same matching. Our experiment shows that (1) while truth-telling is a dominant strategy in each mechanism, the ratio of subjects following that strategy was at most 60% in overall experiments; (2) In ENV1, the average payoffs in DA2 and 3 were significantly higher than those of DA1 and 4; (3) In ENV2, the average payoffs were not significantly different. While the results (2) and (3) confirm the theoretical predictions, the welfare of minority group students was not necessarily improved in DA2 and 3 in ENV1. We conjecture that the lack of group strategy proof may cause these negative results.

| Tanaka | Shinsuke | Environmental Regulation and Industrial Performance: Evidence from Unexpected Externalities in China | Gary Jefferson; Shinsuke Tanaka; Wesley Yin | The conventional neoclassical model argues that environmental regulations impede industrial performance. In this paper, we shed light on two features of environmental regulations in developing countries that have received little attention and that give rise to unexpected outcomes with respect to industry performance. First, compliance to regulations is likely to provide positive forces leading to improved productivity because a) induced innovation and/or the adoption of cleaner technologies among polluting firms enhance industrial activities, and b) regulations stimulate market dynamics through the entry of more efficient firms and the exit of less efficient ones. Second, regulations carry externality effects for non-polluting energy-intensive firms, when the energy sector is prone to regulations, as is more often the case with developing countries. The Two Control Zone (TCZ) policy in China provides a natural experimental setting, in which we can exploit two sources of plausibly exogenous variation in regulatory stringency; only cities that were designated as a TCZ city were subject to heavy regulations, whereas only polluting firms within a city were targeted by the policy. We find evidence that pollution-intensive firms substantially improved economic performance, whereas energy-intensive firms received negative externalities. Further evidence highlights enhanced competitiveness through increased market dynamics. The findings are robust to the inclusions of city-specific trends, industry-specific trends, and key ex ante determinants of firm growth. |

| Tarui | Nori | | Why does real-time information reduce energy consumption? | Nori Tarui, John Lynham, Kohei Nitta, Tatsuyoshi Saijo | Smart meters provide electricity consumers with real-time information about their electricity usage and prices. Existing studies estimate how much energy conservation is achieved when such real-time feedbacks are available. However, they do not explain why smart meters reduce energy consumption. We explore the mechanisms through which real-time information affects behavior by conducting a randomized-control trial with households. The experiment investigates whether learning about energy use via real-time feedback is sufficient to sustain energy conservation, or whether having a constant reminder of energy use is necessary for energy conservation. We randomly assigned 65 households to a control group and two treatment groups, and collected daily electricity consumption data from each household throughout the experiment. The experiment consists of three periods (0,1,2), totaling three months. While no households received real-time feedbacks in period 0, the members of the two treatment groups received real-time information via in-home displays about energy consumption in period 1. In-home displays were then removed from the "Learning" treatment group at the end of period 1 while the other ("Saliency" treatment group continued to have in-home displays for the duration of period 2. We find a statistically significant treatment effect on those with in-home displays. We also find that learning and saliency both play a limited role in enhancing energy conservation. We discuss policy implications on effective energy conservation programs, e.g. those that enhance consumers' learning about energy use versus those that improves the saliency of energy use. |

| Theseira | Walter | Cognitive Bias Matters for Road Pricing Design: Evidence from Behavioral Experiments | Qiyan Ong, Yohanes Eko Riyanto, and Walter Theseira | This paper reports results of computerized experiments that test for behavioural biases by motorists when facing different road pricing mechanisms. Road pricing or congestion charging has in recent years become a widely used mechanism for managing transportation demand in urban areas. Our study uses strongly incentivized computerized experiments on actual motorists that simulate transportation decisions. We hold the monetary payoff structure to be constant across treatments, while varying only the salience of road pricing and the pricing mechanism. Our experiments were conducted on actual adult motorists, who are already familiar with road pricing, rather than the typical undergraduate subject pool. We find evidence that providing additional periodic information that summarizes the total charges paid recently by the motorist for road pricing appears to reduce driving on priced roads, suggesting that the salience of charges matters. We also find evidence that motorists who have to calculate the total charges payable, based on a distance formula, behave as though those charges are lower, compared with charges that are simply presented as a flat toll. This suggests that cognitive biases in information processing also matter. Taken together, our results suggest that road pricing design decisions could actually change the elasticity of demand for travel, if these behavioural biases are consistently exhibited over time by real motorists. Further research including field experiments may be warranted. |

| Uto | Nobuyuki | An experimental study of Double-Track auction | Nobuyuki Uto, Yoshio Kamijo and Yukihiko Funaki | The double-track auction is designed by Sun and Yang (2009) to allocate efficiently multiple heterogeneous indivisible goods. A set of goods is divided into two sets, set A and set B. Any two goods in each set are substitutes, but any two goods across the two sets A and B are complement.
The auctioneer changes the prices of goods in one set, A, upward but those in the other set, B, downward. Sun and Yang (2009) show that the auction mechanism converges a competitive equilibrium. In this paper, we implemented a simple experiment of this mechanism with two goods which are complements and two agents. We show one problem of the double-track auction by showing the result of our experiment. The subjects could not reach the competitive equilibrium price and stops at some price vectors. We call these kinds of price vector as Pitfall price vector.
This is because many subjects did not seek only for maximum utility but also for positive utility, although they are assumed to seek only for maximum utility in theory. Then, at the Pitfall price vector, the auction mechanism does not work and can not reach the competitive equilibrium price. |

| Veszteg | Robert | Monetary incentives and game-theoretical payoffs in laboratory experiments | Yukihiko Funaki, Robert Veszteg | Experimental research in economics uses performance-dependent monetary incentives to implement game-theoretical games in the laboratory. While the set of players and the set of strategies are unambiguously defined and controlled by the experimenter, game-theoretical payoffs are typically either assumed to coincide with monetary payoffs, or are estimated ex-post based on observed actions and some-sort of hypothesized rational behavior. We follow a different path and report results from a experiment on simple 2-person games in which participants were repeatedly asked to report their expectations on the opponent's behavior, and their own level of satisfaction for each possible outcome of the game. This approach helps to analyze subjects' behavior from a different point of view, and allows us to reflect on experimental methodology by directly comparing monetary incentives with (perceived) game-theoretical payoffs. In particular, we find that repetition and experience in general - and independently of framing - successfully align payoffs with monetary incentives, and most subjects seek to maximize money earnings in the experimental laboratory. However, a small - but non-negligible - fraction of the subject pool consistently perceives the game and, therefore, acts in a different unexpected way. |

Wada	Ryoko	The Unconsciousness of the Time Discounting in the CVM Cause the Biases of Evaluations of Environment?; ?The Case of Yastu Tidal Flat in Japan.	Ryoko Wada	The main issue in evaluating the environment via contingent valuation method has been measuring the gap between willingness to pay (WTP) and willingness to accept for the environment as a static problem. However, there is a time lag between the payment to improve the environment and the results from investment. Thus, if we analyze cost-benefits in the dynamic settings, discounted future utility from a better environment should be compared to the amount paid beforehand. Our paper focuses on the time discounting and evaluation of the environment. We carried out the experiment in both 2011 and 2012 with 37 subjects who applied through a web site. Our fist finding is there are biases of the answers for the WTP when the questionnaire is made unconscious of the time las between payment and the reward; time unconscious questionnaire may cause an overestimate of the WTP. Our second finding is that people who are willing to pay a lot for the preservation of tideland have lower discount rates and frequently participate in the activities for the recovery of the big earthquake. Although the other attributes including the volume of donating to the 2011 earthquake, the income of last year, sex, age and the communal ties did not affect the WTP. Our results shows that a too largely discounted future may severe obstruct for the preservation of the environment, however, clarifying the need for an appropriate method of pay forward.

| Wang | Guohong | Incentives Behind Firm's Cooperative and Noncooperative Behaviors in Bertrand Duopoly -- An Experiment | Oliver Kirchkamp, Guohong Wang | In this article, by complementing the modeling of absorptive capacity, we advance duopoly-based framework for R&D cooperation. Firms can invest in R&D by themselves or by forming research joint venture (RJV). The R&D effort invested, which is subject to spillovers, is targeted on reducing product cost as well as on improving firms' absorptive capacity. Thus not only firms themselves but also their competitors benefit from their R&D investment. We examine in a laboratory experiment to explore the effect of knowledge spillover rate and absorptive capacity on firms' R&D cooperation strategies. For two scenarios of knowledge spillovers, a baseline treatment without contract possibilities and a contrast treatment with a binding R&D contract are run. It is shown that firms cooperate in RJV not only for higher profit but also for sustaining their competence advantage. RJV avoids duplicate expenditures and leads to smooth development of absorptive capacity. The profit generated in cooperative duopoly is always higher than that in competitive case. Furthermore, we also find that R&D cooperation implicitly facilitates price collusion. |

| Wang | Joseph | Experimental Implementations and Robustness of Fully Revealing Equilibria in Multidimensional Cheap Talk | Ernest K. Lai, Wooyoung Lim and Joseph Tao-yi Wang | We design laboratory experiments that recreate the strategic environment of two informed financial experts (senders) engaging in cheap talk with the uniformed general investing public as a single decision maker (receiver) in a 2x2 state space, such as whether the economy is good enough to warrant investment in stocks and/or bonds. Interests are overall misaligned, but each sender has no conflict of interest with the receiver along one dimensional components of the true state, which the receiver exploits in equilibrium to induce full revelation. Confirming theory, we observe frequencies of receivers identifying the true state significantly higher when there are two experts instead of one. However, subjects could not achieve the fully revealing equilibrium when we require it to be supported by "implausible beliefs." This means that investors can potentially benefit from asking for a second opinion when the known conflicts of interests are misaligned among experts. Nonetheless, this benefit crucially hinges on receivers knowing who to listen to and punish out-of-equilibrium ("lying") experts. A equilibrium model with a fraction of honest senders rationalizes our findings. |

| Wang | Joseph | The Role of Payoff Focal Points in Location Coordination Games: An Experimental Study | Wei-Ting Liao and Joseph Tao-yi Wang | In a pure coordination game with multiple Nash Equilibrium, subjects can only randomly make their decision when there is no focal point. When a payoff focal point exist, the focal point itself can attract subjects to choose, and hence, subjects can coordinate more often when focal points are present even if the payoff of the focal point is lower. As the payoff of the focal point increases, the chances of achieving coordination also increases. In contrast, when the payoff of the focal point is low, subjects would attempt to coordinate on locations around the focal point. We construct a mixed strategy equilibrium that involves choosing focal points as part of the mixed strategy and present some experimental support for the roles of focal points. |

Watanabe	Naoki	A Methodological Note on a Weighted Voting Experiment	Eric Guerci, Nobuyuki Hanaki, Naoki Watanabe, Gabriele Esposito, Xiaoyan Lu	We conducted a sensitivity analysis of results in weighted voting experiments by varying the following two features of the protocol by Montero, Sefton, and Zhang (2008): (a) the way subjects' roles are reassigned in each round (random versus semi-fixed role) and (b) the number of proposals that subjects can approve simultaneously at a time (multiple versus single approval). We found that the differences in experimental protocol have significant impacts on the observed relative frequencies among possible minimum winning coalitions, as well as the observed dynamics during the bargaining processes.

| Wickstrom Ostervall | Linnea | Altruism, time preferences, and common resource conservation: A field study on preferences and antibiotics use | Linnea Wickstrom Ostervall | Effective antibiotics are a common resource. Depletion occurs with their use, as all use of antibiotics fosters resistance. Hence it's not a matter of if; it's a matter of when bacteria become resistant to currently available antibiotics. As no major new contributions to the arsenal of antibiotics have been made during the past decades, we are facing the threat of neither being able to cure common infections nor perform advanced surgery. Hence, we need to limit antibiotics use in order to delay resistance, with the hope of buying enough time to find replacements. However, this is difficult in practice since externalities weaken the link between own use and future availability. This study examines the role of time preferences and other-regarding preferences in antibiotics use. Previous studies have shown that time preferences and other-regarding preferences may matter for common resource conservation. The method employed is a lab experiment taken to the field. At 18 participating clinics in the County of Stockholm, Sweden, questionnaires were distributed to patients during one week in the midst of the flu season early March 2012. The results indicate that altruism is " as expected " associated with less antibiotics use. Time preferences do not appear to play a role.

Keywords
common resources, altruism, other-regarding preferences, time preferences, antibiotics use |

| Wilkening | Tom | Handing Out Guns at a Knife Fight: Behavioral Limitations of Subgame-Perfect Implementation | Tom Wilkening, Michael Powell, and Ernst Fehr | Maskin and Tirole (1999) challenge the microfoundations of incomplete contracting models by demonstrating that subgame-perfect implementation mechanisms can always be used to obtain first-best outcomes when payoff-relevant information is observable but non-verifiable. These mechanisms add off-equilibrium arbitration clauses to a contract which either party can invoke in the event of a lie by the other party. The arbitration clauses induce truth telling by imposing large fines for lies or the misuse of arbitration but require individuals to take selfishly optimal actions which have a large impact on the other party's payoffs. In this experiment, we study the sensitivity of the Maskin and Tirole model to negative reciprocity. Consistent with a model of negative reciprocity, we find that buyers retaliate against legitimate calls for arbitration. Fearful of retaliation, sellers make suboptimal investments and let small lies go unchallenged. More often than not, players prefer not to subject themselves to the mechanism when given the choice to opt out. Attempts to mitigate the negative effects of reciprocity by reducing fines and adjusting the distribution of payoffs leads buyers to fear that truthful announcements will be challenged. These results highlight the importance of behavioral considerations when designing real world mechanisms. |

| Willinger | Marc | The trade-off between welfare and equality in a public good experiment | Agathe Rouaix, Charles Figuieres, Marc Willinger | We report the results of an experiment on voluntary contributions to a public good in which we implement a redistribution of the group endowment among group members in a lump sum manner. We study the impact of redistribution on group contribution, on individuals' contributions and on welfare. Our experimental results show that welfare increases when equality is broken, as predicted by theory (Itaya, De Meza & Myles, 1997). The increase of contribution of those who become richer over-compensates the reduced contribution of those who become poorer. We also find that subjects' behavior in income inequality situations, strongly depends on their initial income condition with respect to others. Those who become poorer after redistribution contribute less than those who were poor from the beginning, suggesting that becoming poor and being poor entail different behaviours. |

| Yamauchi | Chikako | Children of Migrants: The Impact of Parental Migration on their Children's Education and Health | Xin Meng and Chikako Yamauchi | China is experiencing a rapid economic growth, and accompanying this process is the largest rural-to-urban migration of workers. This has created more than 50 million rural children who grow up without the parents. In this paper, we use the Rural-Urban Migration in China (RUMiC) Study, a unique longitudinal data, to study the impact of parental migration on the health and education outcomes of these left-behind children. In order to address the endogeneity of parental migration, we use as instruments the variance in the weather characteristics such as the amount of rainfall, temperature and wind speed, when parents were young. The results show that children who spent less time with the mothers are significantly short, and children who spent less time with the fathers exhibit significantly lower scores in the Chinese and math tests. |

| Yasuda | Yosuke | An Experimental Study of The Tokyo Mechanism for School Choice Problem | Toshiji Kawagoe, Yusuke Narita, Kentaro Tomoeda and Yosuke Yasuda | We present an experimental study of three school choice mechanisms " the Tokyo, the Boston, and the Gale-Shapley (GS) mechanisms. The Boston is the most influential in practice in the U.S. and other countries, but criticized for its poor incentive and welfare performance. The GS, on the other hand, is strategy-proof and achieves stable matching, while recent studies have shown its inefficiency compared to other non-strategy proof mechanisms, when schools have weak priorities. The Tokyo is used in Tokyo and many other places in Japan. Under this mechanism, each student has exactly one district school and its seat is guaranteed, i.e., each student can never be assigned to a school which is worse than her district school. A student applying from other district is accepted if the school has vacant capacity, and her priority, determined by lottery numbers, is higher than other applicants. The Tokyo is not strategy-proof as the Boston, while less risky due to the above feature. In our experiment with six students and three schools that have weak priorities, we compare these three mechanisms in several preference profiles. Our results show that 1) efficiency is the highest under the Boston when truth-telling is equilibrium, 2) efficiency is the highest under the GS when truth-telling is not equilibrium (under the Boston), and 3) efficiency achieved under the Tokyo is always in-between. Thus, the welfare performance of the Tokyo is less sensitive to preference profiles than other two well-known mechanisms. |

| Yuan | Walter | Next Generation Social Science Games on Web, Tablets, and Smartphones | Stephanie Wang, Thomas Palfrey | While experiments have been an integral part of teaching the natural sciences for centuries, they haven't gained similar traction in social science classrooms, largely due to lack of accessible, scalable, and robust platforms, both hardware and software, for such real time interactions. However, with the exponential growth of Internet and wireless technologies for the masses, time is ripe to overcome the previously insurmountable barriers. At MobLab, we are developing a full suite of popular interactive games, such as many variations on bargaining, markets, auctions, voting, matrix games, etc., for use in economics, political science, finance, and management classes. In addition to web browsers, all of the games can be run natively and concurrently on iPad, iPhone, and Android phones in either standalone or networked mode. A preliminary suite has been developed and are being piloted at several universities this Fall. Supplementary materials for instructors and real-time analysis of data are included features. We will demonstrate the intuitive and flexible console for instructors to configure, run, and analyze the data in a matter of minutes. Preliminary classroom pilot results will be discussed. |

| Zhang | Jipeng | Prosocial Behavior with Hierarchy Leadership | Jipeng Zhang | This paper investigates the effect of hierarchy leadership on followers' prosocial behavior in a setting of charitable giving. Our theoretical model shows that the response of followers' giving to leader's giving depends on followers' self-identity and social image concern, as well as the relative social status between followers and their leader. We test the theoretical predictions by designing a field experiment that varies the distance in social status between leader and followers. The empirical findings show that hierarchy leadership has an important negative effect on prosocial behavior, and social distance discourages the positive response from followers to leader's prosocial action. |

| Zhang | Jianlin | Other's Perception Matters: The Value of Social Perception | Yohanes E. Riyanto and Jianlin Zhang | Concerns for social perception have often been suggested in the literature as a complementary explanation to theories of altruism, fairness and reciprocity. People are often fair because they intrinsically dislike being perceived as unfair. We investigated individual preferences for social perception using a two-stage modified dictator-game experiment. In stage one, allocators chose a dividing-rule to split money. Two dividing rules were available. One resulted in an equal division and maximizes welfare, and the other one resulted in an unequal division and a second-best welfare. In stage two, recipients were asked to write messages commenting on their matched allocators' decision. Allocators were only informed about the availability of these messages prior to entering stage two. In one treatment, by default allocators receive the messages, but in the other treatment they do not. Allocators were then given an opportunity to bid to conceal-or-reveal the messages. We elicited subjects' willingness-to-pay to reveal or conceal the messages using Becker-DeGroot-Marschak mechanism. We showed that when by default allocators receive the messages, selfish allocators spent about 40% of their endowment to conceal the messages. However, when by default allocators do not receive the messages, fair-minded allocators spent about 25% of their endowments to reveal the messages. Interestingly, though they were aware of the possibility of receiving negative messages, some selfish allocators still want to reveal the messages suggesting the existence of heterogeneity in the value of social perceptions. |

| Zhang | Le | To be pro-social or anti-social (or both)? That's the question… | Le Zhang (UNSW) and Andreas Ortmann (UNSW) | The literature on dictator [D] games seems to demonstrate that some people are quite altruistic (nice), whereas the literature on joy-of-destruction [JoD]games shows that some people may be quite nasty. We study to what extent these behaviors are context dependent. In other words, if people are nice or nasty, are they consistently so? Or are niceness and nastiness dependent on circumstances? And what role does efficiency play in this context? We study these issues in a counter-balanced within-subject design of one-shot D and JoD games with three treatments (between subjects). We find that people's niceness, and nastiness, are indeed choice set, and context, dependent. There is considerable heterogeneity in types and relatively little choice behaviour that can be considered unambiguously inconsistent, or outright both altruistic and nasty. We also find that subjects pay considerable attention to efficiency considerations. Mach-IV scores and other demographic characteristics have larger " but not large " effects on niceness (giving decision) than nastiness (destruction decision) where they essentially make no difference. Importantly, the order of decision elicitation implicit in our counter-balanced within-subject design, and the definition of the relevant reference point (especially for giving decisions), matter for the interpretation of the results. |

| Zhijian | Wang | Test MaxEnt in social strategy transitions with experimental two-person constant sum 2 AE2 games | Bin Xu, Zhijian Wang | Using laboratory experimental data, we test the uncertainty of social state transitions in various competing environments of fixed paired two-person constant sum 2 AE2 games. It firstly shows that, the distributions of social strategy transitions are not erratic but obey the principle of the maximum entropy (MaxEnt). This finding indicates that human subject social systems and natural systems could share wider common backgrounds. |