



UNIVERSITY OF
LEICESTER

SCHOOL OF
BUSINESS

NETWORK OF THE BEHAVIOURAL AND EXPERIMENTAL ECONOMISTS BASED IN THE UK (BEE-UK)

1ST ANNUAL CONFERENCE

11-12 July 2024



KEYNOTE SPEAKER:
Lata Gangadharan
Monash University



LOCATION:
University of Leicester
School of Business



Roundtable on the Origin of Behavioural and Experimental Economic Research in the UK

Prof Robert Sugden, *University of East Anglia*
Prof Chris Starmer, *University of Nottingham*
Prof John Hey, *University of York*
Prof Graham Loomes, *Warwick Business School*



Behavioural &
Experimental
Economists UK



NETWORK OF THE BEHAVIOURAL AND EXPERIMENTAL ECONOMISTS BASED IN THE UK (BEE-UK)

Day 1: Thursday, 11 July 2024

11:00-12:00	First BEE-UK Annual General Meeting Room: Brookfield 0.45
12:00-12:50	Registration and Lunch*
12:50-13:00	Welcome Remarks

Plenary Session 1

Session chair: Vanessa Valero Room: **Brookfield 0.02/0.03**

13:00-13:30	Johannes Abeler <i>University of Oxford</i> The effect of the social environment during childhood on preferences in adulthood
13:30-14:00	Joao Ferreira <i>University of Southampton</i> Should CEOs' salaries be capped? A survey experiment on preferences for limiting income and wealth
14:00-14:30	Leonie Gerhards <i>King's College London</i> Voter's perceptions of politicians' consistency and promises: experimental evidence
14:30-14:40	Poster Session Teaser
14:40-15:00	Refreshments*

Parallel Session A1

Games/Social Preferences

Session chair: Tingyan Jia

Room: **Brookfield 0.02/0.03**

Parallel Session A2

Decision-Making/Risk Preferences

Session chair: Paul Schaefer

Room: **Brookfield 0.09**

15:00-15:30	Joo Young Jeon <i>University of Reading</i> Political Identity, Financial Identity, and Joy of Destruction: An Experiment with Republicans and Democrats	Boon Han Koh <i>University of Exeter</i> Belief elicitation under ambiguity
15:30-16:00	Despoina Alempaki <i>Warwick Business School</i> Narratives, actions and impact in dishonesty	Dina Rabie <i>London School of Economics</i> Choice inconsistencies and higher order risk preferences in risk and intertemporal decision tasks
16:00-16:30	Michalis Drouvelis <i>University of Birmingham</i> Fairness perceptions and pro-social behavior in luck and merit-based societies	David Walker-Jones <i>University of Surrey</i> Difficult decisions
16:30-16:50	Refreshments*	
16:50-18:20	Roundtable on the Origin of Behavioural and Experimental Economic Research in the UK John Hey (University of York), Graham Looms (Warwick Business School), Chris Starmer (University of Nottingham) and Robert Sugden (University of East Anglia) Room: Brookfield 0.02/0.03	

*The asterisks indicate the times at which the poster session will take place



NETWORK OF THE BEHAVIOURAL AND EXPERIMENTAL ECONOMISTS BASED IN THE UK (BEE-UK)

Day 2: Friday, 12 July 2024

8:30-9:00	Refreshments
9:00-10:00	KEYNOTE LECTURE Lata Gangadharan (Monash University) Session chair: Fabio Tufano Room: Brookfield 0.02/0.03
10:00-10:20	Refreshments

Parallel Session B1

Games

Session chair: Kaustav Das
Room: **Brookfield 0.02/0.03**

Parallel Session B2

Applications: Environment and Education

Session chair: Vanessa Valero
Room: **Brookfield 0.09**

10:20-10:50	Claudia Cerrone City University London The decoy effect in social networks	Anomitro Chatterjee London School of Economics Do injunctive norms promote collective action? Framed field experiments on water conservation in Pakistan
10:50-11:20	Aleksei Chernulich Durham University An experimental comparison of compensation auctions	Amalia Di Girolamo University of Birmingham Talent is everywhere, opportunity is not: online role model mentoring and students' aspirations
11:20-11:50	Konstantinos Ioannidis University of Cambridge Heterogeneous cognitive effort restores general equilibrium when goods are indivisible: theory and experimental test	Irene Mussio University of Leeds Clear waters, bright futures: how low-cost information interventions can increase health preventive behaviors
11:50-12:10	Refreshments	

Plenary Session 2

Session chair: Ofer Azar

Room: **Brookfield 0.02/0.03**

12:10-12:40	Subhasish Modak Choudhury University of Sheffield Eliciting preferences about the idea of 'love marriage' in rural India: results from a list experiment
12:40-13:10	David Cooper University of East Anglia, University of Iowa Team play in indefinitely repeated prisoner's dilemma games with Imperfect Monitoring
12:40-13:40	Helena Fornwagner University of Exeter Gender-inclusive language and economic decision-making
13:40-14.40	Vote of Thanks and Lunch

Poster Presenters

Ashley Luckman (Univ. of Exeter) • Ashley Perry (London Business School) • Bijun Zhu (Warwick Business School)
En Hua Hu (Univ. of Toronto) • Khaled Elsayed (King Faisal Univ.) • Natasha Brooks (Univ. of Essex)
Tong Fang (Univ. of Nottingham) • Parvaneh Pasandi (Royal Holloway Univ.) • Yi Shi (Univ. of Essex)
Yifan Li (Univ. of Nottingham) • Zeyu Qiu (Univ. of Birmingham)



Useful Information

Presentations

Presentations will last 30 minutes, including questions. We suggest spending around 25 minutes on the presentation and leave 5 minutes for questions, but the presenters are free to divide the time based on their own preference.

The chair will be responsible for keeping the session on schedule. There will be two parallel sessions.

Plenary sessions will be held in **Brookfield 0.02/0.03**

Sessions in the A1 and B1 stream will be held in **Brookfield 0.02/0.03**.

Sessions in the B2 and B2 stream will be held in **Brookfield 0.09**.

Keynote presentations will be held in **Brookfield 0.02/0.03**

You can upload the slides to the computer using a USB drive. Please upload your slides ahead of your session.

Location: Brookfield Campus

The conference will be held at the **School of Business, University of Leicester**.

If you are arriving by car, parking is available at Brookfield and is located at the rear of the campus, accessed via Holmfield Road. If you are using Sat Nav please use the postcode LE2 1SD. On arrival at the car park please drive up to the barrier and press the intercom. You will then be let into the car park.

For those of you arriving via train, Brookfield is a 20-25 walk from the train station along London Road. Alternatively, you can take a taxi from the station. A taxi rank is located at the front entrance to the station.



Address:

University of Leicester School of Business
266 London Road
Leicester, LE2 1RQ

Map: <https://maps.app.goo.gl/RswyP4zDTd8ZAo5Y6>

Accommodation: College Court

If you have accommodation booked at College Court, check in is 2:00pm and check out by 10:00am. Your accommodation includes a continental breakfast served from 7:30am – 9:00am.

Further information about the facilities at College Court will be provided upon check in.



Address:

College Court
Knighton Rd, Knighton,
Leicester LE2 3UF
Phone: 0116 244 9669

Map: <https://maps.app.goo.gl/8qRzahvcZTbmeGZz8>

If you are arriving by car, complimentary parking is available for guests.

Please use the postcode LE2 3TQ for Sat Nav. For those arriving by train, it is a short 10-minute taxi ride.

On arrival at the conference please head for the Atrium, following the signs for the Summer School, where we will register you.

Conference Dinner: College Court

The Conference Dinner is booked for 8.00pm, on Thursday 11th July, at College Court.

The taxis for transferring to College Court, from Brookfield, on Thursday 11th July will arrive at 6.40pm.

Contact

The conference organising committee: Kaustav Das, Matteo Galizzi, Mert Gumren, Fabio Tufano and Vanessa Valero
For inquiries, please email ulsb.events@le.ac.uk



Plenary Session 1

Day 1: Thursday, 11 July 2024

The effect of the social environment during childhood on preferences in adulthood

Johannes Abeler (*University of Oxford*), Toke Reinhold Fosgaard, Lars Garn Hansen

Preferences are key for shaping decision-making, yet it remains an open question where preferences originate from. We investigate the causal effect of the childhood social environment on adults' preferences. We utilize a natural experiment in Denmark, which randomized refugees to different neighbourhoods in the 1990s. We experimentally measure risk, time, and social preferences of adult refugees who were children at the time of arrival in Denmark. Using rich administrative register data on the entire Danish population, we can measure a very broad range of aspects of the childhood social environment. We find that the randomly allocated childhood environment significantly affects adults' preferences, in particular, patience.

Should CEOs' salaries be capped? A survey experiment on preferences for limiting income and wealth

Joao Ferreira (*University of Southampton*), Stratos Ramoglou, Foivos Savva, Michael Vlassopoulos

This paper investigates preferences for limiting top incomes and wealth through a survey-based experiment. Employing a revealed preferences approach, we classify participants into three types: strong limitarians (who advocate limits regardless of inequality levels), weak limitarians (motivated by inequality aversion), and non-limitarians. We find that a significant majority of US participants support such limits, with up to 28% of them classified as strong limitarians. In terms of underlying motivations, strong limitarians are less concerned about the negative impacts of limits on economic efficiency and are more concerned about inequality, as well as the impact of wealth concentration on corruption and the environment. Our findings have important implications for economic theories of social preferences and can inform policy discussions on CEO compensation and wealth taxation.

Voter's perceptions of politicians' consistency and promises: experimental evidence

Leonie Gerhards (*King's College London*), Tim Friehe

Politicians strive for consistency in their political positions, sometimes against the public interest. This is rational, as research has shown that voters elect politicians based on signals such as their consistency in the past. We use data from online experiments to show how politicians' consistency and campaign promises influence voters' election decisions. Based on our results, voters perceive a politician's consistency as a signal of their trustworthiness and skills. We also find that, in their election decision, voters punish smaller campaign promises less if they stem from more consistent politicians; that is, they seem to substitute higher promises for greater consistency.



Parallel Session A1: Games/Social Preferences

Day 1: Thursday, 11 July 2024

A1

Political Identity, Financial Identity, and Joy of Destruction: An Experiment with Republicans and Democrats

Joo Young Jeon (*University of Reading*), Subhasish M. Chowdhury, Shakun Datta Mago

We aim to investigate the concept of ‘nastiness’ within the framework of Joy of Destruction (JoD) games. Participants in the online platform Prolific were given the opportunity to reduce the other participant’s income at no cost to themselves. The experiment employed four conditions, manipulating whether participants had access to information about the other participant’s income and political affiliation (Democrat or Republican). Income for the other participant was set at 50% higher than the participant’s own. Destruction options included no reduction, a 1/3 reduction, or a 2/3 reduction of the other participant’s income. The study results supported our hypotheses. First, overall, the participants are more likely to reduce the other participant’s income when learning about the income inequality between themselves and the other participant. Second, knowing the other participant’s political affiliation escalates destructive behaviour. However, the effects of knowing income and political affiliation vary across Republicans and Democrats. It seems that inequality aversion and identity effect work in opposite directions for Republicans, but the identity effect dominates inequality aversion for Democrats.

Narratives, Actions and Impact in Dishonesty

Despoina Alempaki (*University of Warwick*), Valeria Burdea and Xueheng Li

People’s moral actions are systematically influenced by different responsabilizing arguments (narratives). However, the extent of this influence may depend on the impact of the (im)moral action. In this study, we focus on narratives that people use when faced with a trade-off between being honest and maximising own material payoff. We investigate experimentally the effect of such narratives on other people’s actions in similar situations and how this differs when these actions have higher or lower consequences for other people. In addition, we examine which of the main components of these narratives (the action suggested and the corresponding justification) is driving the effect. Our results highlight the importance of impact: narratives have a positive influence on truth-telling, but only when they significantly harm another party. The effect is driven both by the justification itself and the signal of an honest action. Interestingly, even negative narratives promote truth-telling. Our results highlight the differential effect of moral narratives based on the harm dishonesty generates on third parties.

Fairness perceptions and pro-social behavior in luck and merit-based societies

Michalis Drouvelis (*University of Birmingham*), Zeyu Qiu

We experimentally study the impact of merit- and luck-based inequalities on cooperative behavior and fairness perceptions, as a mediator, in explaining differences across treatments. Using a large sample from non-student populations (N=542), we examine behavior in one-shot public good games in treatments where individuals’ income is randomly allocated (“Luck”) or performance dependent (“Merit”). First, we find that individuals in groups with merit-based inequality perceive it fairer to cooperate less. Second, contributions reflect these fairness perceptions: merit-based groups cooperate less than luck-based groups. Third, this effect on cooperation is driven primarily by rich individuals in merit-based societies. Our findings have important implications for policy making targeted at promoting public good contributions.



Parallel Session A2: Decision-Making/Risk Preferences

Day 1: Thursday, 11 July 2024

A2

Belief Elicitation under Ambiguity

Boon Han Koh (*University of Exeter*), Alexander Coutts, Christoph Drobner, Chris Woolnough

Beliefs play a critical role in many economic, political, and life decisions. Hence, researchers have been interested in eliciting individuals' beliefs to better understand their decision-making processes. In recent years, researchers have developed sophisticated methods to elicit the beliefs of individuals in an incentive compatible manner. To date, much of the discussion around the incentive compatibility of these methods remains agnostic about ambiguity preferences. This is surprising in light of the fact that one could classify many beliefs elicited in experimental settings as being ambiguous. We show theoretically that the binarized scoring rule (BSR) is not incentive compatible in the presence of ambiguity, and we predict the direction of distortions. Our theory-guided experiment tests the extent to which belief reports under the BSR are distorted, and whether these distortions are in the predicted direction. The results further permit recommendations for how to elicit beliefs in the presence of ambiguity.

Choice Inconsistencies and Higher Order Risk Preferences in Risk and Intertemporal Decision Tasks

Dina Rabie (*London School of Economics and Political Science*), Gerd Muehlheusser, Andreas Nicklisch

Using a laboratory experiment, we examine if choice inconsistencies observed in risk and time games are correlated with prudence and temperance preferences. We tie together two pieces of evidence in the literature that (1) choice inconsistency when interacted with risk aversion is a better predictor of financial field behavior than risk aversion alone, and that (2) including prudence and temperance preferences in risk analysis closes the gap between lab-measured risk aversion and field behavior. We find a strong negative relationship between prudence and choice inconsistency under risk and among temporally distant options. This relationship is strongest when the risk of the future is augmented with a lottery draw. We also find a negative relationship between temperance and choice inconsistency. Temperance, however, is a weaker predictor of choice inconsistency than prudence.

Difficult Decisions

David Walker-Jones (*University of Surrey*), Yoram Halevy, Lanny Zrill

We investigate the problem of identifying incomplete preferences in the domain of uncertainty by proposing an incentive-compatible mechanism that bounds the behavior that can be rationalized by very general classes of complete preferences. Hence, choices that do not abide by the bounds indicate that the decision maker cannot rank the alternatives. Data collected from an experiment that implements the proposed mechanism indicates that when choices cannot be rationalized by Subjective Expected Utility they are usually incompatible with general models of complete preferences. Moreover, behavior that is indicative of incomplete preferences is empirically associated with deliberate randomization.



Plenary Session 2

Day 2: Friday, 12 July 2024

Eliciting Preferences about the Idea of 'Love Marriage' in Rural India: Results from a List Experiment

Subhasish Modak Chowdhury (University of Sheffield), Arijita Dutta, Anindita Sen

The Arranged marriage is a type of marriage that is planned and agreed by parents or other family members of the couple, instead of the couple themselves. It is the most acceptable form of marriage in India. Love marriage, where the marital partner is chosen by the couple themselves is often associated with stigma, especially in the rural parts in India. Love marriages are often faced with social problems such as child marriage, dowry, honor killing etc. There is no empirical evidence that such a mindset has changed over the last century, and hence policies related to the same are scarcely implemented. In this study we investigate the mindset around the true preference of Love marriage and its declaration. Standard surveys cannot elicit true preferences regarding this issue due to the stigma and the related social desirability bias. Hence, along with direct surveys, we employ the method of list experiment within a primary survey. List experiments (or item count techniques) are experimental methods frequently employed in political economy sphere to elicit true preferences of a population across sensitive issues where social desirability bias may exist. However, it is rarely employed in developing countries and in social issues such as the one we investigate. The results show that while about 85% of the subjects declare Love marriage to be 'unacceptable' if asked directly, this proportion goes down to about 33% while eliciting true preference in the list experiment – showing a 52% of social desirability bias. Interestingly, this bias tends towards a conservative view instead of a progressive one that is observed in the western world. Such social desirability bias in our data is more acute for the scheduled tribe respondents, and for older subjects, for males, and Further analyses show that such differences are more acute for the poor, the lowest caste subjects, and it decreases with the level of education. We also propose a new bootstrap method to statistically test these results. These results show the latent changes in the social norms regarding LM in India and shed light on possible policy changes.

Team Play in Indefinitely Repeated Prisoner's Dilemma Games with Imperfect Monitoring

David Cooper (University of Iowa and University of East Anglia), John Kagel (Ohio State), Shi Qi (William & Mary)

We compare behavior between teams and individuals in infinitely repeated prisoners' dilemma ("IRPD") games with perfect (old) monitoring and imperfect (new) monitoring. Beyond choice data, we focus on using the dialogues between teammates to better understand what strategies are chosen and why these strategies are selected. We find that teams learn to cooperate faster than individuals in both environments and play by teams is more stable than play by individuals in both environments. For either teams or individuals, cooperation is lower with imperfect monitoring. Strategies are identified from chat and compared with the distribution of strategies estimated via SFEM. The implied distribution of strategies vary widely between the two methods for perfect monitoring, but not for imperfect monitoring. SFEM suggests strategies change dramatically between perfect and imperfect monitoring, but this is much less true when strategies are identified from chat. More generally, strategies are not very descriptive of how subjects actually think about the games. We observe a strong tendency to improvise and innovate which cannot easily be attributed to random errors. We explore what motivates innovation and how to best model this phenomenon.

Gender-inclusive language and economic decision-making

Helena Fornwagner (University of Exeter), Loukas Balafoutas, Emily Hauser, Oliver Hauser

Providing inclusive environments has become a primary tenet of modern societies and organizations. The use of gender-inclusive language (GIL) is often considered an instrument that can promote inclusion, yet little is known about its effects on relevant economic behaviors and on gender gaps in the labor market. GIL avoids the masculine "default" (common to many languages) by either explicitly mentioning both masculine and feminine (pro)nouns, or replacing them with non-gendered (pro)nouns. Here we study the causal impact of GIL on competitiveness and leadership in the laboratory, with two different language samples---English and German---which differ, among other things, in the extent to which gender is embedded linguistically. We vary GIL in experimental instructions across three treatments (N = 2,205): a masculine baseline condition, a condition with feminine and masculine (pro)nouns, and a condition with non-gendered (pro)nouns. We find that female-identified and male-identified participants compete, stand for leadership, and vote on leader candidates similarly across all treatments, in either language. Furthermore, we find no treatment differences in participants' feelings of inclusion and perceived entitlement. In sum, there is a lack of support for GIL having short-term causal effects on competitive and leadership behavior and inclusion perceptions.



Parallel Session B1: Games

Day 2: Friday, 12 July 2024

B1

The decoy effect in social networks

Claudia Cerrone (City University of London), Francesco Feri, Anita Gantner and Paolo Pin

While documented in a variety of individual decisions, the decoy effect has received surprisingly little attention in strategic decisions, with some exceptions (Galeotti et al., 2022). We experimentally study the decoy effect in a social network, with the aim of determining whether decoys can be used to push people towards socially desirable behaviours. In our benchmark game, players are arranged in a network and face the risk to lose money. Each player must decide whether to buy risk protection or not. The risk protection reduces the direct risk of those who buy it, but not their background risk, which depends on the number of other players buying the risk protection. Buying protection also has a positive externality on the risk of others. In the game with decoy, we introduce an additional risk protection option that is strictly dominated by the first one. We find that the effect of the decoy crucially depends on a player's position in the network. The decoy increases the frequency of the socially desirable action only for players who have less neighbours and thus less possibility to freeride.

"Duels Between Duals," An Experimental Comparison of Compensation Auctions

Aleksei Chernulich (Durham University), with Matt Van Essen and John Wooders

We study two auctions for solving the bargaining problem of allocating K homogenous goods among N bidders, when each bidder has an equal claim to a unit of the good. In the ascending compensation auction, a bidder who drops out of the auction surrenders his claim to a unit of the good and receives compensation equal to the price at which he drops out. In the descending compensation auction, a bidder who drops out wins a unit of the good and pays the price at which he drops as compensation to the $N-K$ bidders not allocated a unit. The auctions are duals of one another and have a number of attractive theoretical properties. The auctions are ex-post efficient, payoff equivalent, and each has a connection with a Shapley value associated with the underlying allocation problem. We use an experiment to test the theoretical equivalences of these two auctions as well as to compare the relative performance.

Heterogeneous cognitive effort restores general equilibrium when goods are indivisible: theory and experimental test

Konstantinos Ioannidis (University of Cambridge), Peter Bossaerts, Robert Woods, Nitin Yadav

The absence of general economic equilibrium in markets with indivisible goods has hindered the attainment of Pareto optimal allocations. Traditional price-based market designs overlook scarcity and struggle with implementing efficient allocations (Kojima et al., 2020). Individuals in such economies face NP-hard 0-1 knapsack problems, challenging the assumption that they can efficiently solve them (Murawski & Bossaerts, 2016). Human decision-making often approximates solutions rather than aiming for optimality (Bossaerts et al., 2023). To address this, we exploit cognitive heterogeneity to restore equilibrium existence by making budget allocation problems sufficiently complex. We hypothesize that equilibrium will emerge in markets where individuals face challenging allocation decisions. A pilot study with 20 participants will be followed by at least 5 sessions over the next month to test this hypothesis. We expect prices to converge to a region where allocation decisions become difficult, preventing everyone from demanding scarce goods and allowing markets to equilibrate. If prices deviate from this region, volatility will persist, inducing participants to adjust their trading behavior based on fluctuating prices.



Parallel Session B2: Applications: Environment and Education

Day 2: Friday, 12 July 2024

B2

The Power to Conserve: A Field Experiment on Electricity Use in Qatar

Anomitro Chatterjee (London School of Economics)

High resource users often have the strongest response to behavioral interventions promoting conservation. Yet, little is known about how to motivate them. We implement a field experiment in Qatar, where residential customers have some of the highest energy use per capita in the world. Our dataset consists of 207,325 monthly electricity meter readings from a panel of 6,096 customers. We employ two normative treatments priming identity - a religious message quoting the Qur'an, and a national message reminding households that Qatar prioritizes energy conservation. The treatments reduce electricity use by 3.8% and both messages are equally effective. However, this masks significant heterogeneity. Using machine learning methods on supplemental survey data, we elucidate how agency, motivation, and responsibility activate conservation responses to our identity primes.

Talent is Everywhere, Opportunity is Not: Online Role Model Mentoring and Students' Aspirations

Amalia Di Girolamo (University of Birmingham), Pietro Biroli, Giuseppe Sorrenti, Maddalena Totarelli

This study explores whether it is possible to affect children's aspirations and ambitions through a classroom-based intervention. We design and implement ORME, an Online Role-model Mentoring program, which consists of exposing children to online meetings with a group of role models. We evaluate ORME with a Randomized Controlled Trial targeting 7th-grade students (12-13 years old) in Campania, an Italian region historically plagued by stagnating economic conditions, the presence of organized crime, and a generalized lack of trust in institutions. One year after the intervention, children exposed to ORME are 8.3 and 9.6 percentage points more likely to enroll in academic and top-tier tracks, respectively. The potential mechanism of this effect is through an increase in aspirations, self-efficacy, and self-reported effort.

Clear Waters, Bright Futures: How Low-Cost Information Interventions Can Increase Health Preventive Behaviors

Irene Mussio (University of Leeds), Rafi Amir-ud-Din, Muhammad Khan, Zahra Murad

Contaminated drinking water poses a significant, long-term health challenge in developing countries. With the aim of shedding light on the most effective presentation of this information in awareness campaigns, we run a cluster-randomized control trial involving 1,388 households in Punjab, Pakistan that provides information about fecal matter presence in drinking water. This intervention increases the likelihood of adopting in-home water purification. Those informed of both water contamination and potential water treatment methods exhibit an even higher likelihood of behavior change. Specifically, a few months after the intervention, 40% of the households provided with the water quality test results and 48% of the households provided with the water quality test results and information on water purification measures actually implement water purification measures. This is compared to only 1.5% of the households implementing water purification measures when not given any information on water quality or purification measures. The statistical likelihood of households changing water purification measures controlling for a number of observable household characteristics is also close to our raw data-based findings, at 38% and 51% in both treatments, respectively. This prediction increases confidence in our design, data collection process and our findings. In addition, we find that this study is evidence of the efficacy and cost effectiveness of low-cost information-based interventions, offering valuable insights for health policy in resource-constrained settings.



Poster Sessions

1 Preference for receiving descriptive or experiential information in risky choice

Ashley Luckman (University of Exeter), Sebastian Olschewski, Leonardo Weiss-Cohen, Mikhail S Spektor, Emmanouil Konstantinidis

Making risky choices is an unavoidable part of life: from choosing investments and medical treatments, to buying consumer products. When making a decision, people can learn about their options in two different ways: by reading descriptive summaries, (e.g. warning labels on medication); or from direct personal experience (e.g. prior adverse reactions). While extensive research has been conducted on how people's risk-preferences differ based on the type of information given, the Description-Experience Gap, recently interest has grown in situations where both types of information are potentially available. In a series of four experiments we ask people to choose between receiving descriptions of or sampling from available risky lotteries. We find a consistent preference for descriptive information that is partially dependent on both the time taken to acquire descriptions and implied completeness of the two information sources.

2 Performance-Feedback

Ashley Perry (London Business School), Jean-Pierre Benoit (LBS), Ernesto Reuben (NYU Abu Dhabi)

We conduct an online experiment to study how effective qualitative feedback is in updating beliefs, how it is used to inform decision-making, and whether there are gender differences. We run a panel study where writers complete an essay task, which is graded by evaluators who also provide written feedback on the task performance. In one treatment, writers face a choice to compete. In another, a choice to edit. Using sentiment analysis, we show that feedback is inflated when evaluators know that writers will see it. Nonetheless, it is still interpreted appropriately. There are no gender differences in the feedback given or how it is interpreted. However, we find that prior to feedback women underestimate their performance relative to men. This suggests that, in order to correct for this prior difference, feedback should be gender specific. Furthermore, we find evidence of two channels through which feedback impacts the choice to compete: a belief channel and an encouragement channel. We have some suggestive evidence that women are more responsive to the encouragement channel and less responsive to the belief channel than men. Finally, choosing to edit improves the grade performance.

3 Common ground, We-thinking, and Prosocial behaviour

Bijun Zhu (Warwick Business School), Nick Chater (Warwick Business School), Hossam Zeitoun (Warwick Business School)

We examine the impact of common ground, and different levels of perceived common property on people's prosocial behaviour through a 2x3 experiment based on the dictator game. We hypothesise that common ground, and different levels of perceived common property may determine whether people

engage in prosocial behaviour. We suggest that these factors may shape which norms dictators infer are appropriate through "we-thinking". Our results show that manipulating perceived common property has a large direct effect on the amount given by the dictator. We also find that common ground increases dictators' perception of the money being "ours", perhaps because common ground triggers "we-thinking", and hence increases the amount given. The results suggest that social norms explain dictators' choices better than social preferences such as altruism and guilt aversion. Specifically, dictators' prosocial behaviour is more likely to result from aiming to infer and conform with social norms rather than achieving particular outcomes.

4 Confidence in Inference

En Hua Hu (University of Toronto)

I study a decision-maker who chooses between objects, each associated with a sample of signals. I axiomatically characterize the set of choices that are consistent with established models of belief updating. A simple thought experiment yields a natural choice pattern that lies outside this set. In particular, the effect of increasing sample size on choice cannot be rationalized by these models. In a controlled experiment, 95% of subjects' choices violate models of belief updating. Using a novel incentive-compatible confidence elicitation mechanism, I find confidence in correctly interpreting samples influences choice. As suggested by the thought experiment, many subjects display a sample size neglect bias which is positively associated with higher confidence.

5 The Impact of Loss Aversion and Framing Effects on Decision-Making in Tourism and Hospitality: A Cognitive Biases Perspective

Khaled Elsayed (King Faisal University)

This paper investigates the influence of cognitive biases, specifically loss aversion and framing effects, on decision-making within the tourism and hospitality industry. Drawing on a comprehensive review of academic literature, this study explores the theoretical foundations of cognitive biases and their implications for decision-making processes in the context of tourism and hospitality. By examining the interplay between loss aversion, framing effects, and decision-making, this paper aims to provide an understanding of how these cognitive biases shape the choices made by tourists, hospitality managers, and other stakeholders in the tourism and hospitality sector. The findings of this research have significant implications for the development of strategies to mitigate the impact of cognitive biases and enhance decision-making in tourism and hospitality.

6 How Robust are Risk Preferences? An Experimental Study

Natasha Brooks (University of Essex)

There is a myriad of research in experimental economics on the elicitation of risk preferences. However, risk preferences are often modelled as an immutable characteristic of an individual.



Poster Sessions

In this project, we investigate the sensitivity of risk preferences to different features of the economic environment. To do so, we conduct an experiment where each subject participates in one of three risk elicitation treatments based on the Gneezy and Potters (1997) investment task. In particular, our treatments vary (1) whether risk preferences are elicited in a static or dynamic setting and (2) whether subjects receive insurance coverage against bankruptcy. Our results can help to shed light on the robustness of individual preferences more generally.

7 Strategic use of a cognitive bias in bargaining

Parvaneh Pasandi (Royal Holloway University of London),
Francesco Feri (Royal Holloway University of London),
Anita Gantner (University of Innsbruck)

The decoy effect describes the widely observed phenomenon that expanding the choice set can increase the likelihood of choosing a particular alternative. This stands in contrast to Luce's axiom of regularity, on which choice theory is based. The decoy effect has been observed not only in individual decision-making scenarios but also in interactive situations where parties are negotiating for a mutual agreement. Our research question is whether players themselves use the decoy effect in a strategic way to gain an advantage in bargaining. The initial findings from our research offer a fresh perspective on bargaining strategies by examining the intuitive use of a specific cognitive bias for personal advantage. By using elicited beliefs, we can uncover how individuals may instinctively employ this bias without fully understanding its mechanics. This emerging insight has the potential to refine our comprehension of negotiation tactics and human behavior. However, our analysis is ongoing, and we are exploring additional behavioral factors among our participants, including their risk-taking tendencies, cognitive skills, and social preferences. These further investigations will provide a more comprehensive view of the underlying mechanisms that influence decision-making in bargaining contexts.

8 The role of payoffs in repeated prisoner's dilemma games

Tong Fang (University of Nottingham), **Simon Gächter**,
Martin Sefton, and **Daniel Seidmann**

The Prisoner's dilemma game (henceforth PD) is considered a workhorse for understanding social dilemmas. It has been found that the cooperation level varies with the payment parameters. We investigated such a relationship in the finitely repeated PDs using parameter-based percentage incentives. An orthogonal between-subject experiment was conducted, and subjects were asked to play a PD game with a fixed partner for 85 periods. The long horizon allows learning, negotiation or reputation building to fully take into effect and reweighs the benefits and risks of playing cooperation. This study also emphasizes the role of early plays in finitely repeated PDs, distinguishing from studies which asked subjects to play multiple repeated PDs. Our study suggests that pair cooperation level increases with the gains of mutual cooperation over mutual defection and the stability of one's choice decreases with the gains of unilateral defection against cooperation. We also found that most endgame unravelling of cooperation is led by unilateral defection.

9 On the Nature of Conditional Cooperation: Theory and Evidence

Yi Shi (University of Essex)

This paper explores the nature of conditional cooperation in strategic interactions by introducing two restrictions, quasi-monotonicity and reciprocity, on decision-makers' preferences. Preferences are quasi-monotonicity if people prefer the choice that enhances their payoff at least as much as it does for others. Our experimental findings in a series of dictator games demonstrate that quasi-monotonicity offers a better explanation of subjects' behavior compared to the conventional assumption of monotonicity. Furthermore, we theoretically and experimentally show that a zero probability event is able to influence decision makers' cooperative tendencies – which we term 'reciprocity'. Our experimental results from a series of sequential prisoner's dilemma games illustrate that subjects' decisions and beliefs, to a large extent, are context dependent and can be explained by reciprocity.

10 Feedback vs No feedback: an experiment on reinforcement heuristics

Yifan Li (University of Nottingham)

Reinforcement Heuristics, which can be simplified as win-stay and lose-shift decision patterns, is a phenomenon where people tend to repeat successful choices and change failed choices. In our experiment, we want to explore whether feedback on subjects' own choices affects their likelihood of succumbing to this specific heuristic. Also, by using the hierarchical clustering method, we want to classify different types of decision-makers in our experiment based on their decision pattern.

11 Fairness perceptions and pro-social behavior in luck and merit-based societies

Zeyu Qiu (University of Birmingham), **Michalis Drouvelis**
(University of Birmingham)

We experimentally study the impact of merit- and luck-based inequalities on cooperative behavior and fairness perceptions, as a mediator, in explaining differences across treatments. Using a large sample from non-student populations (N=542), we examine behavior in one-shot public good games in treatments where individuals' income is randomly allocated ("Luck") or performance dependent ("Merit"). First, we find that individuals in groups with merit-based inequality perceive it fairer to cooperate less. Second, contributions reflect these fairness perceptions: merit-based groups cooperate less than luck-based groups. Third, this effect on cooperation is driven primarily by rich individuals in merit-based societies. Our findings have important implications for policy making targeted at promoting public good contributions.