Behavourial and Experimental Economics Summer School 2022

The course will combine theory and practice. It is well known that microeconomic theories usually depend on assumptions about individual preferences or reasoning, which cannot be observed in natural environments. To overcome this drawback, it will be shown that experiments in the laboratory help to check whether the assumptions made about individuals are descriptive of their behaviour. Such experiments involve both studies of individual choice and of the interactive behaviour that is the concern of the theory of games. Following the recent trends we will also discuss the implementation and analysis of implementation of field experiments and natural experiments, which take place outside the lab.

Monday

9:00 - 11:00 Introduction to Behavioural and Experimental Economics I
(Pol Campos-Mercade)
- Definition of Behavioural Economics
- Methods in Experimental Economics: lab, field, surveys
- Key puzzles and findings

11:30 - 13:00 Introduction to Behavioural and Experimental Economics II
(Friederike Mengel)
- Experiments and Behavioural Analysis across different fields of Economics
- Behavioural Economics and Policy

14:00 - 15:30 Lab: Participate in “Typical Experiments” in social preferences
(Pol Campos-Mercade)
- Participate in a Public Goods Game
- Participate in Dictator Games
**Tuesday**

9:00-11:00  Eliciting Preferences in the Lab and Field I
            (Friederike Mengel)
            - Uncertainty Attitudes
            - Time Preferences
            - Social Preferences

11:30-13:00  Eliciting Preferences in the Lab and Field II
             (Friederike Mengel)
             - Social Interaction: Beliefs and Preferences

14:00-15:30  Lab: What are your preferences?
             (Pol Campos-Mercade)
             - Reduced and structural form analysis with Stata

**Wednesday**

9:00-11:00  Experimental Economics: Data Analysis and Best Practices
             (Friederike Mengel)
             - Data Analysis: Descriptives, Statistical tests, Reduced form and structural analysis
             - Best Practices: Pre-registration, Replication, Documentation, Power analysis.

11:30-13:00  Criticism of Behavioural Economics
             (Friederike Mengel)
             - The “as if” paradigm; Learning; Evolutionary Selection; Aggregation

14:00-16:00  Student Presentations
             - Students will have the chance to present their research and receive feedback.
Thursday

9:00-11:00  Topic: Learning and Opinion Dynamics in Networks
            (Friederike Mengel)

            - How do people interacting in social networks process information? Can we predict consensus? Polarization?

11:30-13:00  Topic: Identity, Social Norms, Discrimination
             (Friederike Mengel)

            - How does social identity affect our decision-making? What is the role of social norms? And how can we use experiments to study discrimination?

14:00-15:30  Topic: Incentives
              (Pol Campos-Mercade)

              - Economic theory on incentives
              - Early and recent work on how incentives affect behavior

Friday

9-11  Current Trends in Experimental Economics
      (Pol Campos-Mercade)

      - Methodological trends
      - Topic trends
LITERATURE

Overview papers:
- Falk, A., & Heckman, J. J. (2009). Lab experiments are a major source of knowledge in the social sciences. science, 326(5952), 535-538.

Topic papers:

Applications, Behavioural Economics and Policy

Uncertainty Attitudes

Time Preferences


Social Preferences


Data Analysis and Best Practices


Criticisms

- Surowiecki, J. (2004), The wisdom of crowds.

Learning and Opinion Dynamics in Networks
- Golub, B, and M.O. Jackson (2012), Naïve Learning in Social Networks and the Wisdom of the Crowds, American Economic Journal: Microeconomics 2(1).

Identity, Social Norms and Discrimination
- Cunningham, T. and J. de Quidt (2022), Implicit Preferences.

Incentives