

Module 4 – Économie expérimentale et théorie des jeux

Code module : **A2D2/TC24**

Nombre de crédits : **2 ECTS**

Responsable : **Marc WILLINGER**

Dates : **Octobre-Novembre 2009**

Objectifs du module :

L'économie expérimentale représente une des avancées méthodologiques essentielles des dernières années en sciences économiques. L'objectif du cours est de présenter aux étudiants les apports principaux de la méthode pour l'analyse des comportements des agents. On s'intéressera principalement aux interactions entre ces agents, en référence au cadre conceptuel de la théorie des jeux.

Description résumée du module :

The course covers several important topics in experimental economics, with a special emphasis on social interactions. The course starts with a presentation of the main findings for experimental market interactions under various institutions : double auction, posted offers, auction markets and bargaining (chap. 2 – 4). Key experimental findings for non-market interactions linked to social dilemma games are discussed in chap. 5. Chap. 6 and 7 discuss experimental issues with respect to interactions under limited information and asymmetric information. Finally, anomalies observed in experiments on individual choice are presented in chap. 8. Methodological aspects will be introduced throughout the course. An extended list of references is provided. Suggested readings are given chapter by chapter. Several handbooks might be useful depending on the topic (see reference list).

Compétences :

- Utilisation autonome des méthodes présentées dans le module
- Choix de la méthode la plus adaptée à une question de recherche
- Aptitude à fournir d'autres explications de comportements industriels atypiques.

Programme :

DATES	CONTENU	INTERVENANTS
Séance 1	Introduction	M. WILLINGER
Séance 2	Market experiments Double-auction markets Posted-offers markets Asset markets	
Séance 3	Auctions experiments Private value auctions Common value auctions	
Séance 4	Bargaining experiments Ultimatum bargaining Multi-stage bargaining	
Séance 5	Social dilemma games Cooperation and free-riding Collective incentives Trust games	
Séance 6	Expectations and coordination Guessing games Cobweb markets	
Séance 7	Asymmetric information Principal-agent experiments Information cascades and social learning	
Séance 8	Individual choice experiments Risk and lottery choice Uncertainty Time preference and discounting	
Séance 9	Neuroeconomics	

Méthodes pédagogiques :

Cours magistral, travail bibliographique

Mode d'évaluation :

Examen en salle

Bibliographie :

Articles

- Anderson L., Holt C., (1995), "Information cascades in the laboratory", *American Economic Review*, 1996.
- Andreoni J. (1990), "Impure Altruism and Donations to Public Goods : A theory of Warm-Glow giving ?", *Economic Journal*, 100, 464-477.
- Anderson S., Goeree J., Holt C. (1999), "A theoretical analysis of altruism and decision errors in public goods games", *Journal of Public Economics*, 70, 1998, 297-323.
- Benhabib J., Bisin A., Schotter A. (2007), „Present bias, quasi-hyperbolic discounting, and fixed costs“, *working paper* (NYU).
- Berg J., Dickhaut J., McCabe K. (1995), "Trust, Reciprocity and Social History", *Games and Economic Behaviour*, 10, 122-142.
- Bikhchandani S., Hirschleifer D and Welch I, (1992), "A theory of fads, fashion, customs and cultural change as information cascades", *Journal of Political Economy*, 100, 992-1026.
- Bolton G. (1997), "The rationality of splitting equally", *Journal of Economic Behavior and Organisation* , 32, 365-381.
- Bolton G., Zwick R. (1995), "Anonymity versus punishment in ultimatum bargaining", *Games and Economic Behaviour*, 10, 95-121.
- Bolton G., Ockenfels A., (2000), « ERC : A theory of Equity, Reciprocity and Fairness », *American Economic Review*, 90, 166-193.
- Camerer C., Fehr E., (2006), "When Does Economic Man Dominate Social Behavior?" *Science*, 311, 47.
- Camerer C., Thaler R. (1995), "Anomalies : Ultimatums, dictators and manners", *Journal of Economic Perspectives*, 9, 195-206.
- Carpenter J., Harrison G., List J. (2004), « Field experiments in Economics : an introduction »
- Cox J. (2004), "How to identify trust and reciprocity", *Games and Economic Behavior*, 46, 260–281.
- Fehr E., (2002), "The economics of impatience", *Nature*, 415, 269-272.
- Fehr E., Schmidt K. (1999), "A theory of fairness, competition and cooperation", *Quarterly Journal of Economics*, 114, 817-868.
- Fehr E., Gächter S. (2000), "Cooperation and Punishment in Public Good Experiments", *American Economic Review*, 90, 980-994.
- Fehr E., Klein A., Schmidt K. (2007), "Fairness and contract design", *Econometrica*, 75, 1, 121–154.
- Fehr, E. and Tyran, J.-R., (2007), "Limited rationality and strategic interaction: the impact of the strategic environment on nominal inertia", *Forthcoming in Econometrica*.
- Fehr E., Tyran J.-R. (2005), "Individual Irrationality and Aggregate Outcomes", *Journal of Economic Perspectives*, 19, 4, 43–66.
- Fernandez-Villaverde J., Mukherji A. (2006), "Can we really observe hyperbolic discounting ? ", *working paper*, 415.
- Fischbacher U., Gächter S. (2006), "Heterogeneous social preferences and the dynamics of free riding in public goods", *CeDEx Discussion Paper No. 2006–01*.
- Fischbacher U., Gächter S., Fehr E., (2001), "Are people conditionally cooperative? Evidence from a public goods experiment." *Economics Letters* , 71, 397-404.
- Gleaser E., Laibson D., Scheinkman J., Soutter C. (2000), "Measuring Trust", *Quarterly Journal of Economics*, 2000, 811-846.
- Knack S., Keefer P. (1997), "Does social capital have an economic payoff ? A cross-country investigation", *Quarterly Journal of Economics*, CXII, 1997, 1251-1288.
- Gneezy U., List J., Wu G., (2006), "The uncertainty effect: when a risky prospect is valued less than its worst possible outcome", *The Quarterly Journal of Economics*, 1283-1309.
- Güth, W., Schmittberger R., Schwarze B., (1982), "An Experimental Analysis of Ultimatum Bargaining", *Journal of Economic Behavior and Organization*, 3, 367-88.
- Harrison G., Rutström E. (2007), "Risk Aversion in the Laboratory", *Working Paper 07-03*, Department of Economics, College of Business Administration, University of Central Florida, 2007, Forthcoming, J. C. Cox and G.W. Harrison (eds.), *Risk Aversion in Experiments* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 12, 2008).
- Heemeijer P., Hommes C., Sonnemans J., Tuinstra J. (2008) "Price Stability and Volatility in Markets with Positive and Negative Expectations Feedback: An Experimental Investigation", Center for Non-linear dynamics in economics and finance, *working paper*.
- Henrich J., Boyd R., Bowles S., Camerer C., Fehr E., Gintis H., McElreath R., Alvard M., Barr A., Ensminger J., Henrich N., Hill K., Gil-White F., Gurven M., Marlowe F., Patton J., Tracer D. (2005), "'Economic man' in cross-

- cultural perspective : Behavioral experiments in 15 small-scale societies”, *Behavioral And Brain Sciences* (2005) 28, 795–855.
- Holt C., Laury S., (2002), “Risk Aversion and Incentive Effects”, *The American Economic Review*, Vol. 92, No. 5, 1644-1655.
- Holt C., Laury S., (2005), “Risk Aversion and Incentive Effects: New Data Without Order Effects,” *American Economic Review*, 95(3), 902-912.
- Kagel J., Levin D. (1986), “The winner’s curse and public information in common value auctions”, *American economic review*, 1986, 76, 894-920.
- Kahneman, D., Tversky, A. (1979). Prospect theory: An analysis of decisions under risk. *Econometrica*, 47, 313-327.
- Keser, C., (1996), “Voluntary contributions to a public good when partial contribution is a dominant strategy”, *Economics Letters*, 50, 359-366.
- Keser C., Van Winden F., 2000, “Conditional cooperation and voluntary contributions to public goods”, *Scandinavian Journal of Economics*, 102, 1, 2000, 23-39.
- Keser C., Willinger M. (2000), "Principals' Principles when agents' actions are hidden", *International Journal of Industrial Organization*, 18, 2000, 163-185.
- Keser C., Willinger M. (2007), “Theories of Behavior in principal-agent relationships with hidden action”, *European Economic Review*, 51, 1514-1533, 2007.
- Levitt S., List J. (2007), “What Do Laboratory Experiments Tell Us About the Real World?”, *University of Chicago and NBER*.
- Nagel R. (1995), "Unravelling in Guessing Games : an Experimental Study", *American Economic Review*, 85-5, 1313-1326.
- Lee I., (1993), “On the convergence of information cascades”, *Journal of Economic Theory*, 61, 395-411.
- Lei, V., Noussair, C., Plott, C., (2001), “Non-speculative bubbles in experimental asset markets: lack of common knowledge of rationality vs. actual irrationality”, *Econometrica*, 69, 831-59.
- Metha J., Starmer C., Sugden R., (1994), “The nature of salience : an experimental investigation of pure coordination games”, *American Economic Review*, 84, 3, 658-673.
- Nalbantian, H., A. Schotter (1997), “Productivity under Group Incentives: An Experimental Study”, *American Economic Review*, 87, 314-41.
- A. Roth, V. Prasnikar, S. Zamir, M. Okuno-Fujiwara (1991), "Bargaining and market behavior in Jerusalem, Ljubljana, Pittsburgh and Tokyo : an experimental study", *American Economic Review*, 81, 1068-1095.
- Roth (1995), "Bargaining experiments", in *Handbook of experimental economics*, Kagel & Roth (eds), Princeton, 1995.
- Singer T., Fehr E., (2005), “The Neuroeconomics of Mind Reading and Empathy”, *AEA Papers and Proceedings*, 95 2, 240-345.
- Smith V. (1962), “An Experimental Study of Competitive Market Behavior”, *The Journal of Political Economy*, 70, 2, 111-137.
- Smith V. (1982), “Microeconomic Systems as experimental science”, *The American Economic Review*, 72, 5, 923-955.
- Smith V. (1982), “Markets as Economizers of Information: Experimental Examination of the Hayek Hypothesis”, *Economic Inquiry*, 20, 165-179.
- Smith, V., G. Suchanek, A. Williams (1988), "Bubbles, Crashes, and Endogenous Expectations in Experimental Spot Asset Markets," *Econometrica*.
- Spraggon, J. (2002), “Exogeneous Targeting Instruments as a Solution to Group Moral Hazards”, *Journal of Public Economics*, 84, 427-456.
- Xiaoquan Z., Zhu F., (2007), “Group Size and Incentive to Contribute: A Natural Experiment at Chinese Wikipedia”, 31, 2007.

Books and Textbooks

- Bergstrom T., Miller J. (2000), *Experiments with economics principles*, Mc Graw Hill
- Camerer C. (2003), *Behavioral Game Theory*, Princeton University Press.
- Davis D., Holt C. (1993), *Experimental Economics*, Princeton University Press.
- Eber N., Willinger M. (2005), *Introduction à l'économie expérimentale*, collection Repères, la Découverte.
- Friedman D., Sunder S. (1994), *Experimental economics: A primer for economists*, Cambridge University Press.
- Kagel J., Roth A. (eds), (1995), *Handbook of experimental economics*, Princeton, 1995.
- Roth A. (ed.), (1987), *Laboratory experimentation in economics : six points of view*, A. Roth (ed), Cambridge, 1987.