

CESS(New York University)-CREED
Amsterdam 2009 Workshop on Experimental Economics

Friday 8 and Saturday 9 May there will be the CESS-CREED 2009 workshop. Junior researchers from NYU will present their work on Friday at the Tinbergen Institute. In the evening there will be a dinner at Brasserie Harkema (Nes 67) starting at 18.30 hrs. On Saturday there is a social event: we will visit the medieval castle of the Muiderslot. Probably we will go by bus (101) from Amstel station. We will meet at 1.35 at the meeting point of Amstel station. If you want to join for dinner/or the social event, please send an email to T.J.S.Offerman[at]juva.nl.

Program Friday May 8 (Tinbergen Institute, Roeterstraat 31, Room 4.10)

8.40 AM -9.00 AM Welcome: coffee and cookies

9.00 AM – 10.00 AM

Chloe Tergiman: The Legislative Process and Public Good Provision

10.00 AM – 11.00 AM

Emanuel Vespa: An Experimental Investigation of Malapportionment in Bicameral Legislatures

Recent research in Political Economy has focused on how different institutional settings affect the incentives of agents who make collective decisions. This paper deals with an important characteristic of legislative design: malapportionment, a concept that captures the situation when representation in the legislative body taken as a whole is not a proportional image of the represented population. In federalist countries malapportionment is introduced through bicameralism: representation in the Senate is not proportional to population. While malapportionment is considered to be very successful in affecting the effective allocation of resources in favor of overrepresented minorities, the precise mechanism by which political power translates into the allocation of resources is an open research question. Ansolabehere, Snyder and Ting (APSR 2003) argue that under certain conditions it is the allocation of power to propose how to allocate funds and not the allocation of power to vote on the proposal that matters for affecting the allocation of resources. This paper presents an experimental design to test the relevance of proposal power in affecting the allocation of resources. It is argued that the theoretical result depends on the fact that within the chosen bargaining technology the legislator who makes the proposal gets to keep for his district a relatively large share of the funds. Previous experiments and empirical studies on this bargaining structure in a unicameral context have documented that proposers receive a share well below the equilibrium prediction. The experiment will not only inform on whether observed proposer power is enough to reproduce the outlined results, but also will be the first to test experimentally standard hypothesis in a bicameral environment.

11.00 AM – 11.30 AM: Break

11.30 AM – 12.30 AM

Sen Geng: An Experimental Test of Information Value in the Observational Learning Environment

Do people buy information at all in strategic environments? More precisely, we wonder if people buy information telling them all the past decisions in the observational learning environment where they make once-for-all binary decisions sequentially and observe only their immediate predecessor's decision for free. For a rational decision maker, the latter he is on the decision line, the more likely he is to buy history information if nobody before him has bought information. However, once a person before him bought information and included it in the decision, he can benefit from the decision and hence free ride. Given a fixed information acquisition cost, theory predicts that decision makers in some positions along the decision line will buy information while others will not. I conduct an experiment including three treatments to test the theory and in particular the effect of free-riding consideration on information acquisition. In one treatment, decision makers have to figure out who buy information and who don't buy information by themselves. In another two treatments, decision makers are either insured that nobody before them buys information or told that who buys information.

12.30 AM – 1.30 PM: Lunch

1.30 AM – 2.30 PM

Alistair Wilson: Costly Communication

I develop a theoretical model for group deliberation with costs for both listening to and talking to others. The model is brought to the laboratory and the equilibrium predictions tested.

2.30 AM – 3.30 PM

Marina Agranov : Vagueness and Inequality: an Experimental Study

(with Andrew Schotter)

This paper suggests one reason for using a vague communication strategy when a precise one is available. The reason is that in situations where payoff inequality is likely to interfere with coordination (as in the Battle of the Sexes Game), being vague about the game being played and its payoffs may help to mask this inequality. Using controlled laboratory experiment, we show that vague words (as well as intervals) outperform precise communication strategy in what we call the “Announcement Game.”

6.30 PM Dinner at Brasserie Harkema

Saturday 1.35 PM : Convene at Amstel station to visit the Muiderslot