

THE SABE NEWSLETTER

THE SOCIETY FOR THE ADVANCEMENT OF BEHAVIORAL ECONOMICS

Statement of Purpose

SABE is an association of scholars who are committed to rigorous economic analysis and are interested in learning how other disciplines – for example, psychology, sociology, anthropology, history, political science, and biology - further our understanding of economic behavior. An important function of SABE is to serve as a forum for research which may not find either comprehension or acceptance in conventional economics societies. SABE also aims at facilitating communication between economists and scholars trained in related disciplines.

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Contributions for the next issue are very welcome – email: S.R.James@ex.ac.uk

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SABE/IAREP 2006 Conference in Paris

Many thanks again to Louis Lévy-Garboua and Christine Roland-Lévy of IAREP and their efficient team of helpers for making the Paris Conference so productive and memorable. I hope they invite us back again soon!

SABE 2007 Conference in New York

The SABE 2007 Conference will take place from Tuesday May 15th (early/evening registration only) through Friday May 18th. Featured speakers will include Mr. Rainer Plassmann, Secretary-General of the European Confederation of Public Employers. Session proposals may be directed initially to deborahwilson1123@yahoo.com.

Plenary events and more will take place in the heart of Greenwich Village. Other sessions will take place at NYU's Midtown and/or Financial District (Downtown) facilities. To facilitate the broadest possible base of participation, dormitory accommodation will supplement the city's myriad commercial lodging possibilities. It is hoped to have further information on accommodation in January. The guideline for conference costs is that they are not expected to be more than the Paris 2006 Conference.

Provisionally, the conference theme will address the impact of behavioral economics on both public and private/corporate decision-making. The organizing question being: "In historical, sectoral, international/comparative and/or methodological terms, what is the 'state-of-the-movement' in terms of its impact on economics-informed decision-making?" Essay contributions will be sought and, if the response warrants it, a volume on the topic will be produced. Of course, the conference will also serve as venue for the latest research and scholarship in behavioral economics, irrespective of topics, and published in the form of the Proceedings.

Comments and suggestions are most welcome and may be addressed to Doug Rebne (dr73@nyu.edu). Volunteers for service on the program committee would be much appreciated.

Graduate Student Paper Competition

Following the ballot of the SABE Membership there will now be a formal graduate student paper competition. The arrangements covering graduate students are:

1. All graduate students are registered at a discount rate.
2. As many as three graduate student papers will be selected each year for the award.
3. Prize package: (i) a one year free subscription to the Journal of Socio-Economics, and (ii) a cash prize of \$1000.

4. A Graduate Student Paper Evaluation Committee will be appointed by the President. This Committee will have three members.
5. Any student paper if deemed of merit by the Committee may also be entered in the competition.
6. Papers written solely by the student will be favored, although papers having faculty as a secondary author(s) will also be considered.
7. The *Journal of Socio-Economics* will consider the winning papers for publication unless the author (s) declines.

SABE Sessions at Eastern Economic Association

February 23-25, 2007

Crowne Plaza Time Square Manhattan Hotel, New York City

Session 1: Chair/Organizer- Bijou Yang Lester

Theme: Evolutionary and Behavioral Economics, Post-War Perceived Risk of Terrorism and Systemic Irrationality

1. Ulrich Witt, Max Plank Institute of Economics, Jena, Germany. 'Evolutionary Economics and Behavioral Economics.'
2. Benzion Uri, Department of Economics, the Max Stern Academic College of Emek Yezreel, Israel, Shahrabani Shosh, Management and Economics Department, the Max Stern Academic College of Emek Yezreel, Israel and Shavit Tal, Department of Economics, Ben-Gurion University, Israel. 'Effects of post-war fear and anger on perceived risk of terrorism: a comparison of different Israeli groups'.
3. Bijou Yang Lester, Professor of Economics, LeBow College of Business, Drexel University, U.S.A. 'Reflections of Rational Choice: The Existence of Systemic Irrationality'.

Session 2: Chair/Organizer, Morris Altman

Theme: Fast and Frugal X-efficiency, Experimental Learning and the Legal Rule of Double Game

1. Morris Altman, Department of Economics, University of Saskatchewan, Canada. 'Implication of Behavioral Economics for Production Theory and Material Welfare'
2. Alessandro Lanteri and Marco Novarese, Center for Cognitive Economics, Università Amedeo Avogadro, Italy. 'Formation and Feedback: An Experimental Approach'
3. Anne Duch'ene, Assistant Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A. 'How Lawyers Protect Innovation: the Rules of the Double Game?'

Session 3: Chair/Organizer, Mark Stehr

Theme: Cooperative Simulation Game, Strategic Game Approach to Regulatory Decision, and Taxation Impact on Smokeless Cigarette Usage

1. Roger McCain, Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A. 'Coalition Formation by Affiliation: An Evolutionary Agent-Based Simulation Study.'
2. Konstantinos Serfes, Assistant Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A. Adam D. Renhoff, Assistant Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A.

Session 4: Chair/Organizer, Marco Novarese

Theme: The General Equilibrium Approach to Open Macroeconomic and Financial Pass-through

1. Alina Luca, Assistant Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A, Maria Olivero, Assistant Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A. 'Can Devaluation in LDCs Be Contractionary? The Role of Liability Dollarization and Imperfect Competition in Banking.'
2. Maria Olivero, Assistant Professor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A. 'International Real Business Cycles: Are Countercyclical Margins in Banking the Missing Transmission Mechanism?'
3. Roger Aliaga Diaz, Instructor of Economics, Bennett S. LeBow College of Business, Drexel University, U.S.A., 'Balance Sheet Channel Versus Bank Lending Channel: A theoretical Assessment of the Identification Strategies.'

IAREP 2007 Conference - September 9th to 12th – Call for Papers

The 32nd Annual Conference of the International Association for Research in Economic Psychology will take place in Ljubljana in the hotel Lev near the city center. It is being organized by Marko Polic and the University of Ljubljana. The main theme is *Values and Economy* but individual papers or posters and proposals for specific sessions or workshops may be on any area of Economic Psychology. Informative abstracts should be sent by April 15, 2007 by email to IAREP2007@ff.uni-lj.si as Microsoft Word or Rich Text format documents (.doc or .rtf). The Program Committee will review the abstracts and authors will be notified by June 1, 2007 whether their paper has been accepted. Full papers will be included in the Conference Proceedings if received by July 15 and if the registration fee has been paid by June 15.

2008 Conference in Rome

Plans are forming for a conference in Rome in the second week of September 2008. Further information to follow in due course.

Handbook of Contemporary Behavioral Economics

Foundations and Developments

Edited by Morris Altman, University of Saskatchewan

At a time when both scholars and the public demand explanations and answers to key economic problems that conventional approaches have failed to resolve, this groundbreaking handbook of original works by leading behavioral economists offers the first comprehensive articulation of behavioral economics theory. Borrowing from the findings of psychologists, sociologists, political scientists, legal scholars, and biologists, among others, behavioral economists find that intelligent individuals often tend not to behave as effectively or efficiently in their economic decisions as long held by conventional wisdom. The manner in which individuals actually do behave critically depends on psychological, institutional, cultural, and even biological considerations.

Handbook of Contemporary Behavioral Economics includes coverage of such critical areas as the Economic Agent, Context and Modeling, Decision Making, Experiments and Implications, Labor Issues, Household and Family Issues, Life and Death, Taxation, Ethical Investment and Tipping, and Behavioral Law and Macroeconomics. Each contribution includes an extensive bibliography.

Selected Contents:

List of Tables and Figures

Introduction, *Morris Altman*

Part 1: Inside the Economic Agent

1. Inside Economic Man: Behavioral Economics and Consumer Behavior, *Paul Albanese*
2. Physiology and Behavioral Economics: The New Findings from Evolutionary Neuroscience, *Gerald A. Cory, Jr.*
3. Intuition in Behavioral Economics, *Roger Frantz*
4. Introspective Economics: Broadening Psychology's Reach, *David George*
5. Integrating Emotions into Economic Theory, *Bruce E. Kaufman*
6. On the Economics of Subselves: Toward a Metaeconomics, *Gary D. Lynne*

Part 2: Context and Modeling

7. X-efficiency and Efficiency Wage Theories, *Morris Altman*
8. Group Selection and Behavioral Economics, *Alexander J. Field*
9. Beliefs in Behavioral and Neo-Classical Economics, *Alan James MacFadyen*
10. Reclaiming Moral Sentiments: Behavioral Economics and the Ethical Foundations of Capitalism, *Shlomo Maital*
11. Bounded Rationality: Two Interpretations from Psychology, *Jorg Rieskamp, Ralph Hertwig, and Peter M. Todd*
12. Behavioral vs. Neoclassical Economics: Paradigm Shift or Generalization? *Kevin Sontheimer*
13. Organizational Capital and Personal Capital: The Role of Intangible Capital Formation in the Economy,
John F. Tomer

Part 3: Decision Making

14. How to Do as Well as You Can: The Psychology of Economic Behavior and Behavioral Ecology,

Stephen E. G. Lea

15. Discounting, Self-control and Saving, *Ellen K. Nyhus and Paul Webley*

16. Rational Choice Theory versus Cultural Theory—On Taste and Social Capital, *Peter Lunt*

17. Deliberation Cost as a Foundation for Behavioral Economics, *Mark Pingle*

18. In-depth Interviews as a Means of Understanding Economic Reasoning: Decision Making as Explained by

Business Leaders and Business Economists, *Hugh Schwartz*

Part 4: Experiments and Implications

19. Classroom Experiments in Behavioral Economics, *Gerrit Antonides, Fergus Bolger, and Ger Trip*

20. A Behavioral Approach to Distribution and Bargaining, *Werner Guth and Andreas Ortmann*

21. The Context, or Reference, Dependence of Economic Values: Further Evidence and Some Predictable Patterns,

Jack L. Knetsch and Fang-Fang Tang

22. Experiments and Behavioral Economics, *Robert J. Oxoby*

Part 5: Labor Related Issues

23. Behavioral Labor Economics, *Nathan Berg*

24. Flexible Labor, *Lonnie Golden*

Part 6: Household and Family Issues

25. Chicks, Hawks, and Patriarchal Institutions, *Nancy Folbre*

26. Economic Decisions in the Private Household, *Erich Kirchler and Eva Hofman*

Part 7: Life and Death

27. A Prolegomenon to Behavioral Economic Studies of Suicide, *Bijou Yang and David Lester*

28. Rational Health-Compromising Behavior and Economic Intervention, *Gideon Yaniv*

Part 8: Taxation, Ethical Investment, and Tipping

29. Taxation and the Contribution of Behavioral Economics, *Simon James*

30. Ethical Investing: Where Are We Now? *John Cullis, Philip Jones, and Alan Lewis*

31. Tipping in Restaurants and around the Globe: An Interdisciplinary Review, *Michael Lynn*

Part 9: Development, Behavioral Law, and Macro

32. Insufficient Social Capital and Economic Underdevelopment, *Hamid Hosseini*

33. Economic Development, Equality, Income Distribution, and Ethics, *Erik Thorbecke*

34. Behavioral Law and Economics: An Introduction, *Thomas S. Ulen*

Elements of Behavioral Monetary Economics, *Tobias F. Rotheli*

35. Behavioral Finance, *Tomasz Zaleskiewicz*

About the Editor and Contributors

Impact of e-Commerce on Consumers and Small Firms

This book, edited by Salvatore Zappalà and Colin Gray, containing papers from IAREP promoted workshops in 2003 has now been published. More information is available from the Ashgate website: at:

<https://www.ashgate.com/shopping/title.asp?key1=&key2=&orig=results&isbn=0%207546%204416%202>

NEP Report on Neuroeconomics

You are cordially invited to join the NEP report on Neuroeconomics. It is a new NEP report aiming at providing its subscribers with a public-access to up-to-date scholarly communication in Neuroeconomics. It is a voluntary initiative enabling you to receive alerts about new working papers added to RePEc. Data about papers are collected automatically from fully operational RePEc archives. You are encouraged to contribute with working papers and any relevant information. To subscribe please go to <http://lists.repec.org/mailman/listinfo/nep-neu/> and follow the fairly easy process of signing up.

Ranking of Behavioral Economics and Socio-economics Journals

A recent working paper by SABE Board member Ofer Azar ranks 17 journals in behavioral economics and socio-economics using citation analysis. The number of articles that cited each journal in these fields was recorded for 2001-2005, 1996-2000, and 1996-2005. In all periods the *Journal of Economic Behavior & Organization* ranked first and the *Journal of Economic Psychology* second. In 2001-2005, the *Journal of Socio-Economics*, which is affiliated with SABE and is edited by Morris Altman, ranked third. Data on abstract views and paper downloads in RePEc also suggests that *JEBO* ranks first, but *JoEP* and *JSE* now rank similarly. A link to the paper is available at <http://www.oferazar.com/>.

Journal of Socio-Economics

The mission of the Journal of Socio-Economics is to promote interdisciplinary dialogue about economic processes, institutions and policies. The core disciplines of interest to the journal are those belonging to the social sciences. But other sciences and the humanities are relevant and welcome. Biology, history and philosophy are of particular interest. The journal is interested in pure theory, empirical studies, policy analyses and literature reviews. The JSE is a widely distributed, peer reviewed journal with a long historical association with SABE. For further information see:

<http://www.elsevier.com/homepage/sae/econworld/econbase/soceco/frame.htm>

SABE Officers and Board

Following the 2006 election the new SABE Board is:

Officers:

Bijou Yang-Lester, Incoming President
(also the current Treasurer)
Mark Pingle, President-elect
John Tomer, Executive Director
Gary Lynne, Secretary
Simon James, Editor of the Newsletter

Members-at-large:

Morris Altman
Gerrit Antonides
Ofer Azar
Nathan Berg
Catherine Eckel
Roger Frantz
Flora Gill
Art Goldsmith
Shoshana Grossbard
Ewa Gucwa-Lesney
Louis Levy-Garboua
Cornelia Ohl
Charlotte Phelps

SABE BYLAWS

Society for the Advancement of Behavioral Economics

ARTICLE I

Purpose

SABE is an association of scholars who are committed to rigorous economic analysis and are interested in learning how other disciplines — such as psychology, sociology, anthropology, history, political science, and biology — further our understanding of economic behavior. An important function of SABE is to serve as a forum for research which may not find either comprehension or acceptance in conventional economics societies. SABE also aims at facilitating communication between economists and scholars trained in related disciplines.

ARTICLE II

Membership

Membership is open to anyone who subscribes to the purposes of the Society and pays the dues. Members have the right to vote in elections of the Society, to receive the Society's Newsletter and other communications, and to participate in its conferences.

ARTICLE III

Officers

The Executive Board is responsible for guiding and directing the affairs of the Society. The Board shall be composed of up to twenty members and a minimum of 14 members, including the following Officers: President, President-elect, Executive Director, Secretary, Treasurer, the Editor(s) of the Newsletter. Other Board members are Members-at-large. The Executive Director, Editor(s) of the Newsletter, Secretary and Treasurer shall be chosen by the Board to hold office for a four year term under conditions specified by the Board. The terms of office shall expire at the end of the annual business meeting in the final year of their term

The Executive Director is responsible for keeping the regular affairs of SABE on an even footing. This includes responsibility for keeping members informed, making sure that Officer and Board nominations, elections, and other changes occur at appropriate times, educating Officers and Board members regarding their responsibilities, and assisting in the planning of conferences

and other SABE events.

ARTICLE IV

Elections

The President and President-elect shall each be elected for a two year term. Ordinarily, the President-elect will become the next President after he or she serves the two year term as President-elect and is subsequently elected as President. The President can serve more than one term in office, but not consecutively. Other elected Board members shall be elected for a four year term and can serve no more than three consecutive terms. It is desirable to stagger the terms of Board members. Prior to the election, the President, in consultation with the Executive Board, shall appoint a Nominating Committee consisting of three members.

The Nominating Committee should, after inviting suggestions from the Membership, nominate candidates for Board positions occupied by officers whose terms are expiring. The Nominating Committee shall submit its nominations to the Board. The Secretary shall send ballots containing the candidates' names to the Membership with instructions for their return and report the results of the election to the Board and Membership in sufficient time so that the results are available prior to the annual business meeting in the second year of the President's term. Candidates obtaining a simple majority of the vote shall be elected. In the event of a tie, the Executive Board shall decide the election.

ARTICLE V

Filling Board Vacancies

If a Board vacancy arises, the Executive Board is responsible for appointing a replacement to serve for the duration of the term of the vacant position.

ARTICLE VI

Meetings and Conferences

There shall be at least one business meeting open to all members of the Society each year. There shall also be at least one meeting of the Executive Board annually. If it is advantageous to do so, one meeting time may suffice to serve both purposes. This meeting will normally be held during the time of the annual conference.

At this stage in SABE's development, it is anticipated that SABE will organize its own conference once every two years and organize sessions in a conference jointly sponsored with another organization in the intervening year. Normally, the President-elect will organize SABE's own conference in the second year of his or her term. The jointly sponsored conference might be organized by the President or someone selected by the President, in consultation with the

Executive Board, in the first year of his or her term. SABE may engage in a variety of other conference related activity.

ARTICLE VII

Newsletter

The Society's Newsletter shall be the main vehicle for keeping the membership and others informed of the affairs of the Society. To serve this purpose well, the Newsletter should appear at least once annually.

ARTICLE VIII

Committees

Committees may be established by the Board to achieve certain of the Society's purposes. The powers of each committee shall be prescribed by the Board. Any member of the Society is eligible to be a member of a committee.

ARTICLE IX

Finances

Membership dues shall be determined by the Board. The Treasurer is responsible for deposits and withdrawals of the Society's funds, for keeping accurate records of the Society's financial condition, and for advising the Board on financial matters. The Treasurer shall keep a current list of the Society's members and shall submit a report of the Society's financial condition at the time of the annual business meeting.

ARTICLE X

Amendments

The Board shall have the power to recommend amendments of the Bylaws. For adoption, amendments require a two-thirds affirmative vote of the mailed ballots returned by the Society's members. Members must have at least thirty days to respond.

The Newsletter and Mailing List

If you have a change of email or regular mail address please e-mail Nancy Rekart at nrekart@unl.edu or send her a note – to Nancy Rekart, Office Supervisor, 102 Filley Hall, University of Nebraska-Lincoln, NE 68583-0922, USA.