

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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SABE Conference in New York May 2007

Many thanks to Doug Rebne and Deborah Wilson for organizing the conference at New York University. It was a tremendous effort and much appreciated. The Herbert Simon Lecture was given by Edmund Phelps who, of course, is 2006 winner of the Nobel Prize in Economics. A SABE Legacy Lecture marking SABE's 25th anniversary was delivered by Shlomo Maital. Rainer Plassmann, Secretary General of CEEP (European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest) was also a keynote speaker. In addition there were many excellent papers of great interest and, as always, it was an outstanding opportunity to catch up with existing friends and make new ones.

Graduate Student Best Paper Award

At the New York conference there were five submissions for the Graduate Student Best Paper Awards. The Committee noted that two papers were especially strong. The \$1000 prize was split between the two. The prize recipients and the paper titles are:

Kirabaeva, Koralai. 'Equity Bias Under Ambiguity'. Cornell University, USA.
Niessen, Alexandra and Stefan Ruenzi. 'Sex Matters: Gender Differences in a Professional Setting'. University of Cologne and Center for Financial Research.

Congratulations!

Call for papers:

2008 Joint IAREP and SABE Conference in Rome

September 3rd – 6th, 2008

ECONOMICS and PSYCHOLOGY: METHODS AND SYNERGIES

Dear Colleagues and Friends,

The 2008 Joint IAREP and SABE Conference will be held in Rome at LUISS – a small private university in a pleasant location in a wonderful city. The conference will include the fifth Kahneman lecture, and we are glad to announce that **Alvin Roth**, George Gund Professor of Economics and Business Administration at Harvard University, will deliver it. Natalia Karelaia will present the 'Up and Coming Bright Young Thing' lecture. We are also delighted to

announce that the Herbert Simon lecture will be given by **Jack Knetsch**, Emeritus Professor of Economics at Simon Fraser University.

Submissions for the conference will be invited early in 2008. Single papers as well as symposium sessions or workshops may be submitted. Abstracts for all papers must be submitted through the conference website by **the end of May 2008**. Individual papers or posters, and proposals for specific sessions or workshops may be on any subject within Economic Psychology and Behavioural Economics. As is traditional, there is a theme of the conference; **economics and psychology: methods and synergies**. We believe that both disciplines have much to learn from each other, and we particularly welcome submissions connected with methodology – both practical and philosophical, concerning both data collection and data analysis. Submissions, however, do not need to be strictly within this theme. On the website of the Conference all information will be given, as well as the titles of planned or submitted symposia. Informative abstracts (300 to 500 words) should be submitted through the conference website www.luiss.it/iarep2008 when the call is made.

A Scientific Committee headed by John Hey and Simon Kemp will review the abstracts. The criteria for review are: theoretical and practical impact, empirical and theoretical basis, clarity of ideas and structure. Original, not yet published works are preferred. Authors will be notified by the end of June 2008 whether their paper has been accepted. Full texts of accepted papers will be included in the CD of the Conference Proceedings if received by August 15th and if the registration fee has been paid by the end of June. For further information, and regular updates about the conference arrangements, please see the same website (<http://www.luiss.it/iarep2008>). There you can register as an Interested Person and receive regular updates. You can always contact either the organizing committee (iarep2008@luiss.it) or one of us (jdhl@york.ac.uk or ddicagno@luiss.it) by email. We are looking forward to meet you in Rome.

The conference will start with a Welcome Reception at 19.00 on Wednesday the 3rd of September 2008 and finish after the Conference Dinner in the evening of Saturday the 6th of September 2008.

John Hey

Daniela Di Cagno

Call for Papers on "Economic Analyses of Programs and Laws to Enhance Marriage Quality and Stability" for Special Issue of *Review of Economics of the Household*

High levels of marital instability, non-marital childbearing, and single parenthood have important implications for many social and economic outcomes, including poverty, economic and social mobility, criminal activity, and educational problems. In recent years a number of policy instruments have been introduced in an attempt to raise directly the propensity to marry, to reduce divorce, and to enhance the quality of marriages and parental cohabitation. Such

government programs and legal interventions include marriage education and relationship skills classes, mediation among couples seeking a divorce, and premarital counseling. In the U.S.A., some of these programs are part of the Healthy Marriage Initiative. The *Review of Economics of the Household* is planning a special issue containing economic analyses of any kind of program or law—based in the U.S.A. or elsewhere--aimed at enhancing and stabilizing marriages and other long-term relationships between parents.

Potential topics include but are not limited to: 1) the costs and benefits of such interventions; 2) experimental and non-experimental evidence about the impact of such interventions; and 3) the implications of economic theories of the household for the assessment of such programs. Both empirical and theoretical papers are welcome. Papers that combine theoretical and empirical analysis are particularly appreciated by the *Review*. Interested contributors should submit a paper to the *Review of Economics of the Household* at <http://www.springerlink.com/content/1573-7152/?k=> by February 15, 2008. A copy should be sent to the editor of the special issue, Robert I. Lerman, at blerman@ui.urban.org. Questions should also be addressed to the special issue editor.

The ICAPE 2007 Conference

On June 1-3, 2007, the International Confederation of Associations for Pluralistic Economics (ICAPE) met for their second triennial conference at the University of Utah in Salt Lake City. The ICAPE meeting was enjoyable, well organized, and the weather was warm and dry, nice summer conditions. The meeting drew more than 200 scholars (twice what the 2003 meeting had) from 27 countries and diverse traditions of thought. ICAPE is a consortium of over 50 organizations (including SABE) representing many different heterodox economic schools of thought. One interesting and noteworthy perception of a number of conference speakers is that behavioral economics (or at least some strands of it) are becoming part of the economics mainstream.

Here are some notes on a few of the more noteworthy participants. John Davis had keen observations on the changing patterns of the mainstream and heterodoxy in economics. David Colander, describing himself as an economist watcher, made astute comments about what is going on among mainstream economists and provided interesting suggestions about how heterodox economists might deal with it. Gar Alperovitz had interesting insights into the positive and hopeful developments in contemporary American capitalism. Deirdre McCloskey was at her humorous best in dealing with the pathologies of mainstream economics. Yanis Varoufakis spoke about his efforts to create a new doctoral program in economics at the University of Athens, Greece starting in 2003. The program was described as a “most peculiar success” because of its rigorous teaching of neoclassical economic orthodoxy and what is wrong with it along with much history of economic thought and use of original sources.

John Tomer

SABE/IAREP Conference in Halifax, Nova Scotia, July 2009

Planning has already started for 2009 and information will be appearing on the website:

<http://www.smudevel.smu.ca/events/sabe/welcome.html>

SABE Session at ASSA2008 New Orleans, January 4-6

The SABE session at ASSA will be held at 8am, Saturday, January 5, 2008 in Sheraton at Room Napoleon C2.

Theme: Controlled and Natural Experiments in Behavioral Economics

Presiding chair*: Mark Pingle, University of Nevada, Reno

1. James Heckman, University of Chicago
'Controlled and Natural Experiments in Economics'.
2. Herbert Gintis, University of Massachusetts-Amherst
'Behavioral Game Theory and Human Nature'.
3. Michelle Baddeley, Chris Burke, Phillipe Tobler, and Wolfram Schultz, University of Cambridge
'A Behavioral Analysis of Herding Games'.
4. Sean Flynn, Vassar College
Michael Donnelly, Board of Governors of the Federal Reserve System
'Does Labor Contract Completeness Drive Unionization? Some Experimental Evidence'.
5. Nathan Berg, University of Texas at Dallas
Werner Güth, Max Planck Institute of Economics
'On Logical Inconsistency and Forgiveness'.
6. Natalia Ovchinnikova, St. Lawrence University
Hans Czap, St Lawrence University
Gary Lynne, University of Nebraska-Lincoln
Chris Larimer, University of Northern Iowa
'Experiments Related to Care for the Environment'.

*The original presiding chair, George Akerlof, is unable to attend for personal reasons.

SABE Sessions at EEA2008 Boston, March 7-9, 2008*

Session [I]: Chair/Organizer, Bijou Yang Lester, LeBow College of Business, Drexel University
Theme: Affordable Loss, Experiments of WTP & WTA, and Critiques of Behavioral Economics

1. Nicholas Dew, Naval Postgraduate School
Saras D. Sarasvathy, University of Virginia
Stuart Read, IMD, Switzerland
Robert Wiltbank, Willamette University
'Affordable Loss: Behavioral Economic Aspects of the Plunge Decision'.
2. Shahrabani Shosh, Management and Economics Department, the Max Stern Academic College of Emek Yezreel, Israel
Shavit Tal, Department of Management and Economics, The Open University of Israel, Israel.
Benzion Uri, Department of Economics, Ben-Gurion University, Beer-Sheva 84105, Israel,
and Management and Economics Department, The Max Stern Academic College of Emek Yezreel, Emek Yezreel, Israel.
'WTP and WTA in Competitive and Non-competitive Environments'
3. Alessandro Lanteri, Faculty of Economics, University of Eastern Piedmont, Italy
Anna Carabelli, Faculty of Economics, University of Eastern Piedmont, Italy
'What's Behavioral Economics Like? Loss Aversion, Endowment Effect, and Some Unanswered Questions about Realisticness and Relationship with the Mainstream'.

Session [II]: Chair/Organizer- Bijou Yang Lester, LeBow College of Business, Drexel University
Theme: Nonprofit Entry and Exit, Effects of Youth Bicycle Helmet Laws, and Solving the St. Petersburg Paradox.

1. Teresa D. Harrison, LeBow College of Business, Drexel University
'Patterns of Entry and Exit in the Nonprofit Sector'.
2. Christopher S. Carpenter, The Paul Merage School of Business, University of California, Irvine
Mark Stehr, LeBow College of Business, Drexel University
'Intended and Unintended Effects of Youth Bicycle Helmet Laws'.
3. Marie Pfiffelmann, Louis Pasteur University, France
'How to Solve the St. Petersburg Paradox in Rank-Dependent models?'

*The SABE sessions at EEA tend not to have a unified theme because the papers are not solicited with a specific one. In fact, these sessions become a forum for behavioral economists to showcase their ideas to fellow economists. In addition, we also invite those non-behavioral

economists to join us to show that SABE is non-exclusive. In other words, behavioral or non-behavioral all are welcome. Papers this year at EEA include four of behavioral themes and two non-behavioral. Since we are advised to have three papers in one session, one behavioral has to be included in the other along with two non-behavioral. The final schedule for the SABE sessions at EEA will be available at its website next year.

Center for Behavioral and Experimental Science

The University of Texas of Dallas has established a Center for Behavioral and Experimental Economic Science (CBEES) in the School of Economic, Political and Policy Sciences. Catherine Eckel was recruited in 2005 to build the Center along with a graduate program in Behavior and Experimental Economics. Core faculty now include Eckel, Ernan Haruvy (University of Texas at Austin, 1999), Sherry (Xin) Li (University of Michigan 2006), Chetan Dave (U. Pittsburgh, 2004), and Rachel T. A. Croson (Harvard University, 1994), who joined the group in 2007 from the Wharton School at U. Pennsylvania. For more information, see the website at <http://cbees.utdallas.edu>.

Recent Developments in Behavioral Economics **Edited by Shlomo Maital**

This collection of 23 papers dating from 1998 to 2005, together with an original introduction by Shlomo Maital, was published in 2007 by Edward Elgar Publishing. It is divided into eleven parts:

- I Historical Origins of Behavioral Economics – two papers.
- II Methodologies for Researching Behavior and Decision Choices – three papers.
- III Rational Choice in Childhood – one paper.
- IV Present-Future Choice – one paper.
- V Saving – one paper.
- VI Risk – two papers.
- VII Investing Money – three papers.
- VIII Effort, Pay and Poverty – two papers.
- IX Seeking Happiness – three papers.
- X Social Norms and Culture – three papers.
- XI Preferences – two papers.

The 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 and Website

The SABE Board is:

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The SABE Website is: <http://www.usask.ca/economics/SABE>

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.