

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. Website: www.sabeonline.org

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

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Contributions for the SABE Newsletter

I should like to emphasise the invitation on the front page for more contributions to the Newsletter. They would be very welcome and can be sent to me at srjames@ex.ac.uk. Possibilities include new books, book reviews, details of relevant conferences or anything else that might be of behavioural interest. This edition contains a new section on significant papers published by members. This is an experiment but is likely to become permanent so please send me details of yours.

Simon James

New SABE Website

On the new SABE website www.sabeonline.org you will find detailed information on SABE's activities at the upcoming January 2009 ASSA meeting in San Francisco. You will also find information on the joint SABE-IAREP meeting in Halifax 2009 and there will be information on the San Diego and Cologne conferences soon.

SABE/IAREP Conference in Rome September 2008

This past September 3-6, just under 300 scholars from SABE and IAREP (International Association for Research in Economic Psychology) met in Rome at LUISS Guido Carli University for a joint conference. Plenary lectures were delivered by Al Roth, Stephano Della Vigna, and Jack Knetsch. In nine other parallel sessions, scholars in SABE and IAREP shared their work. A wonder dinner concluded the conference.

For those of you who were unable to attend, here are three one sentence summaries of the talks presented by the three plenary speakers. In the Kahneman lecture, Al Roth of Harvard University discussed how the "repugnance" that the public holds for particular transactions (e.g. sale of kidneys) restricts markets, influences efficiency, and shapes the form of creative market oriented solutions that can obtain government and social approval. In the "Up and Coming Bright Young Thing" lecture, Stephano Della Vigna of UC Berkeley illustrated how natural experiments in the media provide evidence that extending economic theory beyond the norm using psychology can bear fruit, including evidence that media can "unduly persuade" and that violent movies can influence the rate of crime. In the Herbert Simon Lecture, Jack Knetsch of Simon Frasier University discussed the finding that people commonly value losses more than gains, stressing that this result implies the impact of a given policy change on welfare cannot be assessed accurately without considering the reference point from which those impacted will view the policy change.

At the conclusion of the Lecture, Mark Pingle, the current SABE President, presented the 2008 Appreciation Award to Bijou Yang Lester, the former President, for her devotion, dedication and leadership.

SABE thanks John Hey and Daniela Di Cagno for their work as the principal organizers of this successful conference.

SABE/IAREP Conference in Halifax, Nova Scotia, 7 – 11 July 2009
Call for Papers

Conference Theme: “Behavioral Economics, Economic Psychology: Theory and Policy”

Dear Colleagues,

Behavioral economics and economic psychology have made significant advances over the past two decades impacting on economic theory and public policy. These realms of research are influenced by research in economics, psychology, sociology, biology, neuroscience, institutions as well as being informed by traditional empirical studies and evidence derived from experimental economics and surveys, interviews, and simulations. Thus, behavioral economics and economic psychology are enriched by a knowledge base that spans the disciplinary divide.

The IAREP-SABE Conference aims at providing voice to economists, psychologists and other academics to rigorously discuss and debate their latest research in a welcoming scholarly environment. We welcome paper submissions as well as session submissions, be they of a theoretical or empirical bent, on all relevant topics relating to behavioral economics and economic psychology.

We welcome your online submissions: please go to our Conference website:

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

The deadline for submissions is March 15, 2009. You will be notified by April 30, 2009, whether or not your submission has been accepted for presentation.

All sessions will take place at Saint Mary’s University.

Some Conference Highlights:

George Akerlof (University of California, Berkeley). <http://elsa.berkeley.edu/~akerlof/> will present one of SABE’s two Herbert Simon Memorial Lectures

Gerd Gigerenzer (Max Planck Institute for Human Development, Centre for Adaptive Behavior and Cognition, Berlin) [http://ntfm.mpib-berlin.mpg.de/mpib/FMPro?-db=MPIB_Mitarbeiter.FP5&-lay=L1&-format=MPIB_Mit.htm&-op=eq&ID_Name=gigerenzer&-find] will present the other of SABE’s Herbert Simon Memorial Lecturers.

Ilana Ritov (The Hebrew University of Jerusalem) [<http://pluto.mscc.huji.ac.il/~msiritov/ilanaritov.htm>] will present IAREP’s Kahneman lecture.

We look forward to seeing you in July 2009 in beautiful Halifax, Nova Scotia.

Yours sincerely,

Morris Altman (Academic convener)

Sonja Novkovic (Local convener)

SABE Conference in San Diego 2010

SABE 2010 will be held in San Diego. A unique feature will be that, in addition to general parallel sessions, this conference will include three mini conferences within the conference, where a focus will be placed upon a particular line of research. The three mini-conference topics will be (1) family, (2) neuroscience, and (3) unifying the social sciences. Shoshana Grossbard and Rodger Frantz have made much progress organizing this conference. Do include San Diego in your plans, for it will be an exceptionally stimulating conference.

SABE/IAREP Conference in Cologne, Germany 2010

In addition to the San Diego Conference in 2010 there will be a joint SABE/IAREP conference in Cologne, Germany, organized by Detlef Fetchenhauer and Julia Pradel. Information will be available on the SABE website soon - www.sabeonline.org. SABE thanks Detlef Fetchenhauer of IAREP for taking the lead in organizing this conference .

SABE at the 2009 ASSA meetings

SABE Poster Session at 2009 ASSA Meetings in San Francisco

John Smith smith@camden.rutgers.edu of Rutgers University Camden will organize the SABE poster sessions at the ASSA from this coming 2009 meeting onward. You can still present a poster at the upcoming January, 2009 meeting in San Francisco if you have interest. Go to <http://www.sabeonline.org/Call-For-Posters-SF2009.html> to get the pertinent information.

For many years, Morris Altman has been organizing this poster session for SABE. Thank you, Morris, for this work, and your continued efforts on behalf of SABE.

SABE Session at 2009 ASSA Meeting in San Francisco

Catherine Eckel has organized a fine session for SABE at the upcoming 2009 ASSA Meeting in San Francisco. If you are attending the ASSA meeting, please attend the session, for the ability of SABE to obtain additional future sessions at ASSA meetings is enhanced by strong attendance at the existing session. The session is entitled [*Cognitive Ability, Preferences and Poverty*](#) and will be held 8:00 a.m. - 10:00 a.m on Sunday January 4, Sierra Suite B, San Francisco Marriott Hotel. You can preview the contents of the session at <http://www.sabeonline.org/Sabe-2009-Session.html>

SABE Sessions at the Eastern Economic Association 2009

February 27 - March 1

Sheraton New York Hotel, New York City

SABE Session I: Organizer: Bijou Yang Lester, Drexel University

Theme: “Composite Choices, Quasi-Wages for Household Producers, and Tacit Knowledge”

1. “An Exploratory Analysis of Composite Choices: Weighing Rationality Verses Irrationality”
Bijou Yang Lester, Drexel University, lesterby@drexel.edu
2. “Complete Income Pooling and Quasi-Wages for Household Producers”
Jens Bonke & Shoshana Grossbard
Presenter: Shoshana Grossbard, San Diego State University, shosh@mail.sdsu.edu
Jens Bonke, Rockwool Foundation, Denmark, jb@rff.dk
3. “Hayek and Tacit Knowledge”
Roger Frantz, San Diego State University, rfrantz@mail.sdsu.edu

SABE Session II: Organizer: Bijou Yang Lester, Drexel University

Theme: “A Dynamic Gravity Theory, Exchange Rates and Investment, and Housing Market and Debt-Financed Income Tax Cut”

1. “A Theory of Dynamic Gravity”
Maria P. Olivero & Yoto V. Yotov
Presenter: Yoto V. Yotov, Drexel University, Yotov@drexel.edu
2. “Exchange Rates and Investment: A Canadian Puzzle?”
Marissa L. Ginn, Analysis Group, Inc., MGinn@analysisgroup.com
3. “Housing Market and Debt-Financed Income Tax Cut in DSGE Model”
Maria-Teresa Punzi & Tatiana Mihailovschi-Muntean
Presenter: Tatiana Mihailovschi-Muntean, Trent University, tmmuntean@trentu.ca
Maria-Teresa Punzi, University of Alicante, punzi@merlin.fae.ua.es
4. “Foreign Direct Investment and Contract Enforcement”
Pinar Uysal, Boston College, uysalpi@bc.edu

International Confederation of Associations for Pluralism in Economics (ICAPE)

At the meetings in Rome, the SABE Board members voted to upgrade our membership in the International Confederation of Associations for Pluralism in Economics (ICAPE) from “observer” to “director” via paying \$100 instead of \$10 membership dues. For those SABERs whose interests are more aligned with ICAPE, please take advantage of this alliance with ICAPE and check out their websites at <http://icape.org> and their activities at ASSA, etc. The contact person for ICAPE is Frederic S. Lee, University of Missouri-Kansas City, at leefs@umkc.edu.

John Tomer has been the SABE representative for years in contact with IAREP and assumes the Directorship on behalf of SABE. If you have any questions, ideas or suggestions about ICAPE or matters related to the alliance with ICAPE please contact John at jtomer@juno.com and Mark Pingle at Pingle@unr.edu.

Are you interested in becoming a SABE Country Representative?

If you are interested in becoming more involved in SABE, desiring to facilitate the development of behavioral economics, one way you can do it is to become a SABE country representative. A SABE country representative acts to facilitate the development of behavioral economics within the representative's country by:

- Becoming aware of researchers within the country who are conducting research in behavioral economics.
- Encouraging researchers who are conducting behavioral economics in your country to join SABE, attend SABE conferences, and organize sessions for SABE conferences.
- Provide information to SABE (e.g., notable within country behavioral economics activity, within country seminars or mini conferences) so SABE can recognize and promote within country activities and research programs to the larger SABE membership
- Work with others within country to develop mini-conferences, workshops, or other activities that promote the dissemination of behavioral economics or facilitate behavioral economics research.
- Coordinate with and help develop other country representatives as is useful for developing behavioral economics in a particular region or part of the world.

Within the U.S., SABE could use multiple representatives who would relate their efforts to the regional conferences held by the Western Economics Association, Southern Economics Association, and the Eastern Economics Association.

Please contact Mark Pingle pingle@unr.edu if you are interested in becoming a SABE country representative, or a regional representative for SABE within the U.S.

News about the cooperation between SABE and IAREP

Before and during the joint IAREP/SABE conference in Rome in September 2008, several decisions have been made in order to reinforce the ties between the two organizations. One is that the newsletter of each organization will now also be distributed to the other organization. Also, the process of reinforcing the cooperation between SABE and IAREP will continue. The details will be worked out by a joint committee of SABE and IAREP. Morris Altman, Gerrit Antonides and Louis Levy-Garboua represent SABE on this committee; David Leiser, Alan Lewis and Rob Ranyard represent IAREP and Ofer Azar represents both SABE and IAREP and chairs the committee.

Ofer Azar

Economic Science Association, 2009 Asia Pacific Meeting
March 25 –29, 2009

The 2009 Asia Pacific meeting of the Economic Science Association (APESA09), focusing on behavioral and experimental economics, will be hosted in Israel by the University of Haifa on March 25 –29, 2009.

The Economic Science Association (ESA; www.economicsscience.org), founded by Nobel Laureate Vernon Smith, is devoted to the study of economics as an observational science. The ESA welcomes participation by economists, as well as scholars in psychology, business, political science, and other related fields.

The conference (organized by Doron Kliger) is expected to issue a formal call for papers within the forthcoming fortnight. For receiving further information and updates by electronic mail, please email at ayala1999@gmail.com. Please feel free to share this announcement with your colleagues and further distribute.

Doron Kliger
Department of Economics, University of Haifa

Conference on Work, Organizational and Economic Psychology, Vienna
September 9-11, 2009

‘Decisions and Change in Work, Organization and the Economy’

We are pleased to announce the 6th Meeting of the ‘Work- and Organizational Psychology’ Division, to be held in Vienna, September 9-11, 2009. The meeting is organized by the Economic Psychology Group at the Faculty of Psychology, University of Vienna. The theme of the meeting is "Decisions and Change in Work, Organization and the Economy". In addition to current topics in work and organizational psychology, this year's meeting also covers topics in economic psychology. We will also provide an attractive social program.

Although the main working language will be German, parts of the meeting will be conducted in English. We therefore invite you to submit abstracts either in English or German language. If you don't speak German, please contact us directly (aow2009.psychologie@univie.ac.at) and we will provide detailed information in English.

Please note our homepage <http://www.univie.ac.at/aow2009/> and the following deadlines:

Submission of Abstracts: 1 December 2008 - 13 March 2009

Submission of symposia proposals: 1 December 2008 - 13 March 2009

Notification about acceptance: 30 April 2009

Registration for presenters: 1 December 2008 - 30 June 2009

Deadline for reduced early registration fees: 30 June 2009

Deadline for cancelation: 15 August 2009

We look forward to seeing you in Vienna.

Erich Kirchler, Christian Korunka and Erik Hölzl

Intangible Capital: Its Contribution to Economic Growth, Well-being and Rationality by John Tomer

Tomer extends and deepens his original formulation of intangible capital, providing an analytical framework for better understanding macro and microeconomic phenomenon and why and how society and individuals fall below potential. A key strength of Tomer's approach is that he broadens traditional economic analyses, demonstrating how both theory and one's insights into socio-economic reality can be enriched by integrating often difficult to formulize concepts into our modeling framework. Tomer provides us with a challenging and important contribution to economic analysis, enticing us to explore the important types of capital that have for too long been locked out of the economist's toolbox.

Morris Altman

Cambridge Handbook of Economic Psychology edited by Alan Lewis

Published in June 2008 the contents of the *Cambridge Handbook of Economic Psychology* are as follows:

Part I. Introduction, Theory and Method: 1. Introduction Alan Lewis; 2. Theory and method in economics and psychology Denis Hilton.

Part II. Finance: 3. The economic psychology of the stock market Karl-Erik Wärneryd; 4. Stock prices: insights from behavioural finance Werner F. M. De Bondt; 5. Inter-temporal choice and self-control: saving and borrowing Paul Webley and Ellen K. Nyhus; 6. Financial decisions in the household Carole Burgoyne and Erich Kirchler; 7. Corporate social responsibility: the case of long term and responsible investment Danyelle Guyatt.

Part III. Consumer Behaviour in the Private Sector: 8. Consumption and identity Russell Belk; 9. Wealth, consumption and happiness Aaron Ahuvia; 10. Comparing models of consumer behaviour Gerrit Antonides.

Part IV. Consumer Behaviour in the Public Sector: 11. Lay perceptions of government economic activity Simon Kemp; 12. How big should government be? John G. Cullis and Philip R. Jones; 13. Integrating explanations of tax evasion and avoidance Valerie Braithwaite and Michael Wenzel.

Part V. Environment: 14. Sustainable consumption and lifestyle change Tim Jackson; 15.

Environmentally significant behaviour in the home Paul C. Stern; 16. Economic and psychological determinants of car ownership and use Tommy Gärling and Peter Loukopoulos; 17. Environmental morale and motivation Bruno S. Frey and Alois Stutzer; 18. Contingent valuation as a research method: environmental values and human behaviour Clive L. Spash; Part VI. Biological Perspectives: 19.

Neuroeconomics: what neuroscience can learn from economics Terry Lohrenz and P. Read Montague; 20. Evolutionary economics and psychology Ulrich Witt; 21. Evolutionary psychology and economic psychology Stephen E. G. Lea.

Papers Published by Members

Significant papers published recently by members are as follows:

Shoshana Grossbard

Shoshana has just completed a paper “How ‘Chicagoan’ are Gary Becker’s Economic Models of Marriage?” October 2008.

Her latest papers are:

1. David Bishai and Shoshana Grossbard. ‘Far Above Rubies: The Association between Bride Price and Extramarital Sexual Relations in Uganda’, *Journal of Population Economics*, forthcoming.
2. Shoshana Grossbard and Lisa Jepsen. ‘The economics of gay and lesbian couples: Introduction to a special issue on gay and lesbian households’, *Review of Economics of the Household*, forthcoming.
3. Olivia Ekert-Jaffe and Shoshana Grossbard. ‘Does Community Property Discourage Unpartnered Births?’ *European Journal of Political Economy*, 24(1):25-40, 2008.

Simon James

1. Simon James and Alison Edwards, ‘Developing Tax Policy in a Complex and Changing World’, *Economic Analysis and Policy*, 2008, 38(1), 35-53.
2. John Hasseldine, Peggy Hite, Simon James and Marika Toumi, ‘Persuasive Communications: Tax Compliance Enforcement Strategies for Sole Proprietors’ *Contemporary Accounting Research*, 2007, 24(1), 171-194.

Bijou Yang Lester

1. Bijou Yang and David Lester, ‘Reflections on Rational Choice: The Existence of Systemic Irrationality’, *Journal of Socio-Economics*, 2008, 37, 1218-1233.
2. Bijou Yang, and David Lester, ‘Calculating Jail Suicide Rates: A Rebuttal to Michael O’Toole’, *American Jails*, January/February 2008, 45-46.
3. Marcello Spinella, M., Bijou Yang and David Lester, ‘Development of the Executive Personal Finance Scale’, *International Journal of Neuroscience*, 2007, 117, 301-313.
4. Bijou Yang, and David Lester ‘Recalculating the Economic Cost of Suicide’, *Death Studies*, 2007, 31, 351-361.

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/wps/find/journaldescription.cws_home/620175/description#description

International Journal of Industrial Organization – Special Issue

Experiments in Industrial Organization

Experimental economics is among the fastest growing areas of economic research. From controlled laboratory experiments to field and internet experiments, experimental methods have evolved over the past decade both in the methods they employ and in the increasing range of economic phenomena they address. The purpose of this special issue is to showcase some of these advances applied to industrial organization. We welcome experimental papers that address the following topics, among others:

- competitiveness and market structure
- price dispersion, price transparency and search markets
- horizontal and vertical mergers
- entry (deterrence) and exit
- conditions facilitating and limiting collusion
- the role of competition/antitrust policy (e.g. leniency programmes)

All appropriate submissions will be peer reviewed. Authors are invited to submit their manuscripts through the *IJIO*'s website, <http://ees.elsevier.com/ijio/>. Under "article type", select "Special Issue: Experiments in IO". The deadline for submissions is February 16, 2009.

Hans-Theo Normann (Goethe University Frankfurt) and Bradley Ruffle (Ben-Gurion University) will serve as editors for this special issue.

SABE Officers and Board

Officers: Mark Pingle, President
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John Tomer, Executive Director
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Shoshana Grossbard
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Cornelia Ohl
Charlotte Phelps
Jean-Robert Tyran

Nancy Rekart – thanks from SABE

We should very much like to record our appreciation of Nancy Rekart's secretarial support for SABE and to wish her a very long and happy retirement.