

# **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.

---

---

Vol. 12, No. 1  
Spring 2004

Editor: Simon James

School of Business and Economics, University of Exeter, Streatham Court, Exeter EX4 4PU  
United Kingdom

Contributions for the next issue are very welcome – email: [S.R.James@ex.ac.uk](mailto:S.R.James@ex.ac.uk)

---

---

### **Newsletter Contents**

<b>Shlomo Maital, President Elect</b>	<b>2</b>
<b>SABE/IAREP 2004 Conference</b>	<b>2</b>
<b>IAREP 2005 Conference in Prague</b>	<b>17</b>
<b>Behavioral Economics Handbook</b>	<b>18</b>
<b>The Journal of Socio-Economics</b>	<b>19</b>
<b>Hugh Schwartz – latest book</b>	<b>19</b>
<b>Books of Interest</b>	<b>19</b>
<b>SABE Officers and Board</b>	<b>22</b>

### **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](mailto:nrekart@unl.edu) or send her a note – to Nancy Rekart, Office Supervisor, 102 Filley Hall, University of Nebraska-Lincoln, NE 68583-0922, USA.

## **Shlomo Maital, President Elect**

Following nomination by the nominations committee chaired by Gary Lynne and an electronic ballot, Shlomo Maital is confirmed as President Elect, SABE. Congratulations!

### **Society for the Advancement of Behavioral Economics (SABE) / International Association for Research in Economic Psychology (IAREP) 2004 Joint Meeting**

**Drexel University, Philadelphia, PA, USA**

**July 15 - July 18, 2004**

### **Theme: “Cross-Fertilization Between Economics and Psychology”**

The psychological influence on economics can be found in the development of mainstream economics, such as “self-interest” dictates decision-making (Adam Smith), utility based on the human emotion of happiness (Jeremy Bentham), “animal spirit” driving volatile investment behavior (John Maynard Keynes), “rational expectations” rendering public policy ineffective (Robert Lucas), to name just a few. Although the position of the rational choice model in contemporary economics has seemed to be unshakable, a challenge to that model has been emerging. In 1978 the importance of behavioral economics was first recognized officially by the granting of the Nobel Prize to Herbert Simon for conceptualizing bounded rationality and has garnered more attention recently. Thus it is not surprising that the 2001 John Bates Clark Medal was awarded to Matthew Rabin, a behavioral economist. It is encouraging that Daniel Kahneman, a psychologist who introduced the concepts of preference reversal and framing, along with Vernon Smith, a pioneering experimental economist, obtained the Nobel Prize in 2002 for their accomplishments in enhancing behavioral economics. It is time for scholars in the social sciences who are interested in the development of economic psychology, behavioral economics, experimental economics and game theory to get together to foster cross-fertilization between economics and psychology in order to enrich the broader field of social science. The European and North American associations most concerned with these developments welcome colleagues from the rest of the world to convene in Philadelphia in 2004 in order to explore further the continuing collaboration of research that draws on both economic and psychological perspectives.

#### **Conference Website:**

<http://www.lebow.drexel.edu/sabe-iarep>

#### **Highlights of the Conference:**

- Keynote speakers will be Vernon Smith, Nobel Laureate in 2002 for his pioneering work in experimental economics, and Paul Slovic, an internationally prominent economic psychologist known for his research in risk management. Vernon Smith will give the first-ever Herbert Simon Memorial Lecture (established by SABE), while Paul Slovic will give the first Daniel Kahneman Lecture (established by IAREP).

- A plenary section will be offered to discuss the behavioral approach to public policy issues.
- An evening cruise on Delaware River provided by the Spirit of Philadelphia includes a buffet dinner, three-hour live entertaining, DJ and dance floor. A cash bar is served on board.
- A reception will be hosted by Dean George Tsetsekos of Drexel University.
- There will be 142 papers presented in 41 regular sessions and 2 poster sessions in the two and one-half day conference.

## Conference Hotel Arrangements:

Conference participants are expected to make their own arrangements and pay for hotels at the following hotels. Please identify yourself as members of SABE or IAREP for a discount rate:

1. Hilton Inn at Penn, 3600 Samson Street, Philadelphia, PA, 19104 (located near the conference site). Toll free reservation number: 1-800-Hiltons (or local number: 215-222-0200). Fax: 215-222-4600. Basic room rate: \$115.00 per night plus 14% taxes. Check-in time: after 3pm. Checkout time: by noon.
2. Sheraton University, 36<sup>th</sup> and Chestnut Street, Philadelphia, PA, 19104 (located near the conference site). Toll free reservation number: 877-459-1146 (or regular number: 215-387-8000). Fax: 215-387-7920. Basic room rate: \$99.00 per night plus 14% taxes. Check-in time: after 3pm. Checkout time: before noon.
3. Penn Tower Hotel, Civic Center Boulevard at 34th Street, Philadelphia, PA 19104-4385 (located near the conference site). Reservation number: 215-387-8333. Fax: 215.386.8306. Basic room rate: \$125.00 per night plus 14% taxes. Check-in time: after 3pm. Checkout time: by noon.
4. Holiday Inn Express Midtown, 1305 Walnut Street, Philadelphia, PA, 19107 (located in the downtown area, 13 blocks from the conference site). Reservation number: 215-735-9300, Fax: 215-732-2593. Email: [midtown@himidtown.com](mailto:midtown@himidtown.com). Basic room rate: \$92.00 per night plus 14% taxes. Check-in time: after 3pm. Checkout time: 1pm. Taxis and subway can provide transportation to and from the conference site.
5. Student housing at Drexel University is available at the following rate:

	Traditional Dorm	Suite Style
Double Room	\$28	\$35
Single Room	\$34	\$41

The [Housing Reservation Form](#) may be downloaded here. Please fill it out completely and send to the address designated in the form.

The deadline for the Student Housing reservation will be June 26, 2004.

### Contact Person:

For more information, contact the organizer of the conference:

Bijou Yang Lester  
Department of Economics & International Business  
Drexel University  
32<sup>nd</sup> & Market Street, 11-501  
Philadelphia, PA 19104  
Tel: 215-895-6973  
Fax: 215-895-6975

---

## CONFERENCE PROGRAM

### Thursday, July 15

***Thursday, 2:00-3:30pm***  
SABE Board Meeting

***Thursday, 3:30-5:00pm***  
IAREP Board Meeting

***Thursday, 3:00-5:00pm***  
Registration (Pearlstein Center, Drexel University)

Friday, July 16, 2004

*Friday, 7:30-8:30am*

**Continental Breakfast and Registration**

*Friday, 8:30-10:00am*

**Introduction**

The Daniel Kahneman Lecture: Paul Slovic, University of Oregon  
Title: Affect, Reason, Risk, and Rationality

*Friday, 10:00-10:15am*

**Break**

*Friday, 10:15-11:45am*

**Session A1: Foundations 1 - Chair: David George**

1. What is Behavioral Economics? by John F. Tomer
2. Introspection, by David George
3. The Use of the Words Intuition, and Intuitive (and Some Synonyms) in Economic Literature, by Roger Frantz

**Session A2: How much can (economic) agents know –**

**Chair: Paul Ormerod**

1. Information extraction in complex economic systems, by Rich Colbaugh and Kristin Glass
2. Impact of topology on networked economic system dynamics, by Matt Gaston
3. How much can firms know? by Paul Ormerod and Bridget Rosewell
4. A Method for Inferring Decision Thresholds: Examples from Complex Decision Environments, by C. Gustav Lundberg and Brian M. Nagle

**Session A3: Consumer Behavior - Chair: Simon James**

1. Continuous gambling as a consumer commodity, by Bartłomiej Dzik
2. Symmetric beliefs, irrational exuberance and household consumption behavior, by Joshy Easaw and Atanu Ghoshray
3. Mental accounting principles in the metaeconomics: consumer's decisions with others-interest, by Natalia Ovchinnikova
4. Heterogeneity in belief structures regarding cultural consumption: A case study on the reading of fiction, by Daan van Bel

**Session A4: Experiments and Games - Chair: Kurtis Swope**

1. Personality, rationality, and fairness in bilateral bargaining, by Pamela Schmitt and Kurtis Swope, John Cadigan
2. Credible signaling as a mechanism for maintaining cooperation: Evidence from real-time trust dilemmas, by Ryan O. Murphy, Amnon Rapoport, and J. Neil Bearden

3. Minimum effort incentives in team production, by Enrique Fatas, and Tibor Neugebauer, Javier Perote
4. Productivity and overcrowding in tournaments: An experimental analysis, by Donald Vandegrift and Abdullah Yavas, Paul M. Brown

Session A5: The Paradoxes of Happiness in Economics –

Chair: Charlotte Phelps

1. Can happiness research contribute to development economics? by Carol Graham
2. Is happiness shared doubled and sadness shared halved?: social influence on enjoyment of pleasant and unpleasant consumption experiences, by Rajagopal Raghunathan and Kim Corfman
3. Symbolic meaning of money and satisfaction with life, by Ekaterina Uglanova

*Friday, 11:45am-1:15pm*

**Lunch**

*Friday, 1:15-2:45pm*

Session B1: Rational Action - Chair: Mark Pingle

1. Deliberation cost: A foundation for Behavioral Economics, by Mark Pingle
2. The generalized secretary problem: An experimental study, by J. Neil Bearden Amnon Rapoport, and Ryan O. Murphy
3. A rational model of advice acquisition, by Robert D. Sorkin, Shenghua Luan, and Jesse Itzkowitz
4. Obsessive-compulsive disorder and treatment intensity: An economic perspective, by Gideon Yaniv

Session B2: Decision Making for Business and Transportation –

Chair: Hugh Schwartz

1. Heuristics and corporate decision making: The underlying analyses of business economists, by Hugh Schwartz
2. Inert or reasoned? Medium-distance travel decision making strategies, by N.J.A. van Exel
3. Quality of business forecasts and their economic consequences, by Sergei P. Aukutsionek and Alexis V. Belianin
4. Organizational culture and “remote work”: discussing the acculturation on the international outsourcing process, by Guilherme Marques de Azevedo and Helene Bertrand

**Session B3: Monetary Calculation and the Euro - Chair: Erich Kirchler**

1. The Euro: Perception of a Loss in Purchasing Power, by Bernadette Kamleitner, Erich Kirchler, and Eva Hofmann
2. Do People Think about Dollar or Percentage Differences? Experiments, Pricing Implications, and Market Evidence, by Ofer Azar
3. The Figures of Money Illusion on the Formation of Nominal Prices and Benford's Law, by Tarek El Sehity, Erik Hoelzl, and Erich Kirchler
4. Time Frame, Value Orientation, Study Orientation and Attitudes Toward Different Aspects of Joining to European Union, by Renata Kranjcec and Marko Polic

**Session B4: Common Pool Resources and the Environment –  
Chair: Gary Lynne**

1. Cross-Fertilization Between Economics, Psychology and Institutional Design or Institutional Ergonomics for CPR-problems, by Dr. Martin Beckenkamp
2. Resolving the conflict in joint interests over global warming, by Colby Kruse and John Sautter, and Gary Lynne
3. Contemporary environmental policy and management: toward a comprehensive commitment to quality, by Thomas R. Sadler
4. How to play fair in an environmental context? - Bridging psychological and economic methods, by Cornelia Ohl and Heidi Ittner

**Session B5: Personality and Labor Markets - Chair: David George**

1. Female labour market participation choice: does personality matter? by Empar Pons and Ellen K. Nyhus
2. Personality preferences in laboratory economic experiments, by Kurtis J. Swope, John Cadigan, Pamela M. Schmitt, and Robert Shupp
3. Inflexible hours: A behavioral economic foundation for oversupplied hours of labor, by Morris Altman and Lonnie Golden
4. Gender differences in the use of high-variance strategies in tournaments, by Donald Vandegrift and Paul M Brown

*Friday, 2:45-3:00pm*

**Break**

*Friday, 3:00-4:30pm*

**Session C1: Foundation2 - Chair: Shlomo Maital**

1. Reclaiming Moral Sentiments: Behavioral Economics and the Ethical Foundations of Capitalism, by Shlomo Maital

2. Towards a history of economic psychology, by Vera Rita de Mello Ferreira
3. Template Matching Technique for Personality Classification, by Paul J. Albanese

### Session C2: Behavioral Finance - Chair: Victor Ricciardi

1. Implicit measurement to improve the validity of subjective measurement in economics,  
by Gewei Ye and Fred van Raaij
2. Beyond disclosure: prospect theory and biases in mutual fund selection, by Erin Gaeta
3. A risk perception primer: a narrative research review of the risk perception literature in  
behavioral accounting and behavioral finance, by Victor Ricciardi

### Session C3: Consumer Behavior and the Creation and Change of Consumption Technology - Chair: Ulrich Witt

1. Consuming the Imagination: The Case of Romantic Tourism, by Andreas Chai
2. The high-tech art of spending money, by Richard N. Langlois
3. Is variable quality income-normal or income-inferior: a further examination of a  
variable quality effect in consumer demand theory, by William Wadman
4. A multi-disciplinary behavioral model of personal financial indebtedness: an example  
using military enlisted personnel, by Brice Stone, Rosy Vasquez, Jonathan Fast, and  
Larry Price

### Session C4: Conceptualizing Taxation - Chair: Catherine Eckel

1. Taxation and work effort: an experimental approach, by Louis Levy-Garboua, David  
Masclat, and Claude Montmarquette
2. The Reference point in and framing of taxpayers' decisions, by Stephan Muehlbacher and  
Erich Kirchler
3. Income tax evasion as dependant of effort, by Stephan Muehlbacher and Erich Kirchler

### Session C5: Behavioral Political Economy - Chair: Lonnie Golden

1. Does uneven expected risk promote poverty and instability? by Thomas E. Chamberlain
2. Behavioral economics and international trade: developing a political economy model  
of trade protection, by Hamid Hosseini
3. The emerging Polish capitalism endures on the basis of individual factors, by Ewa  
Gucwa-Lesny
4. The behavior of "animal spirits" in the process of globalization in twentieth century, by  
Pellegrino Manfra



Session C6: Economics and Ethics: Honoring Romesh Diwan - Chair: Suresh Desai

1. Ethics, economics and Gandhian economics, by Roberto Burlando
2. Ethical planning and Buddhist economics, by Glen Alexandrin
3. Social responsibility of business: A Gandhian Perspective, by Suresh Desai

*Friday, 4:30-5:30pm*

The Herbert Simon Memorial Lecture: Vernon Smith, George Mason University

Title: Behavioral Research and the Foundation of Economics

*Friday, 5:30-7:30pm*

**Reception by George Tsetsekos, Dean, Bennett S. LeBow College of Business, Drexel University**

Saturday, July 17, 2004

*Saturday, 7:30-8:30am*

**Continental Breakfast and Registration**

*Saturday, 8:30-10:00am*

Session D1: Dual Motive Theory - Chair: John Tomer

1. Toward a new dual motive metaeconomic theory of behavioral economics, by Gary Lynne
2. A behavioral model of the dual motive approach to behavioral economics and social exchange, by Gerald A. Cory
3. Neural modeling of the dual motive theory of economics, by Daniel S. Levine
4. The evolutionary neuroscience of human reciprocal sociality, by Daniel R. Wilson

Session D2: Perspectives on Health Economics –

Chair: Kerry Anne McGeary

1. The Family and Medical Leave Act: ethical and economic effects on employee relations, by Douglas M. McCabe
2. Labor market and labor force effects of depression: among the near elderly, by Kerry Anne McGeary and Linda Pederson

3. Effects of cigarette price and delinquency on youth smoking, by Cecil Reynolds, and  
Brice Stone
4. Informal caregivers valuation of their time inputs: with a little help from an anchor, by  
N.J.A. van Exel, W.B.F. Brouwer, B. van den Berg, and M.A. Koopmanschap

**Session D3: Malleable Preferences and Changes in Consumption Behavior -**

**Chair: Richard N. Langlois**

1. Rational fads and fashions, by Luciano Andreozzi and Marina Bianchi
2. A (partial) rehabilitation of sensory utilitarianism in Economics -- The case of  
consumption in the long run, by Ulrich Witt
3. Culture and emerging consumption patterns in low-income countries, by Christian  
Zellner

**Session D4: Savers' Behavior - Chair: Fred van Raaij**

1. Behavioral Economics Applicability to Retirement Decision Making, by Wendy C.  
Bicovny
2. A qualitative exploration of saving representations, motivations and causal attributions  
in Turkey, by Jale Minibas-Poussard, Ozge Sahin, and Marina Bastounis

**Session D5: Neuroeconomics - Chair: David Lester**

1. Cognitive conflict and control in moral judgment, by Joshua Greene
2. Law and Neuroeconomics, by Terrence Chorvat, Kevin McCabe, and Vernon Smith
3. Estimating consumer emotions from measurements of feelings, by Flemming Hansen and  
Lars Bech Christensen
4. Prefrontal cortex dysfunction and income: A study of neuroeconomics, by Marcello  
Spinella, Bijou Yang, and David Lester

*Saturday, 10:00-10:15am*

**Break**

*Saturday, 10:15-11:45am*

**Round Table Session: Behavioral Approaches to Public Policy**

**- Chair: Bijou Yang Lester**

1. The Formation of Beliefs and Their Impact on the Conduct of Monetary Policy, by Rick  
Lang
2. Long-term Projections of National Health Spending Relative to GDP: Implications  
from Behavioral Economics, by Mark Freeland
3. The Continuous Work History Sample (CWHS), by Michael Haynes

4. Why do they do that? Exploring the connection between consumer behavior and consumer protection policies, by Jeanne M Hogarth

*Saturday, 11:45am-1:15pm*

**Lunch**

*Saturday, 1:15-2:45pm*

**Session E1: Foundations 3 - Chair: Roger Frantz**

1. Socio-psychological aspects of economic processes, by Marianne Ehrlich
2. The Behavioral Economics of Harvey Leibenstein, and Nobel Laureat George Akerloff, by Roger Frantz
3. Discussing a constructivist approach in economic psychology: theoretical and methodological aspects, by Erminio Gius, Manola Alfredetti, and Nicola Mazzoni

**Session E2: Risk - Chair: Linda Pelzmann**

1. Risk perception in deregulated markets, by Linda Pelzmann
2. Baseline risk, framing, and preference for risk reductions, by Judith A Covey
3. Risk attitude, win loving and the evaluation of lotteries: an experimental study, by Tal Shavit, Shosh Shahrabani, and Uri Benzion

**Session E3: Personality and Organizational Behavior –**

**Chair: Charlotte Phelps**

1. Motivation in charismatic and cognitive leadership theory, by Silke Scheer
2. The role of perceived organizational justice, work locus of control, organizational self-esteem and perceived self-efficacy at work, by Marina Bastounis, Remi Finkelstein, and Jale Minibas-Poussard

**Session E4: Saving - Chair: Stephen E. G. Lea**

1. Savings motives and the prediction of saving, by Paul Webley and Carole Burgoyne
2. What is the residual: saving or consumption? by Ellen K. Nyhus
3. Parents as piggy-bank: the savings choices of young people, by Annette Otto and Paul Webley
4. Individual differences and predictors of saving behaviour in transition economy, by Anna Rabinovich and Paul Webley

**Session E5: Altruism 1 - Chair: Simon Kemp**

1. The human adaptation for culture and its behavioral implications, by Christian Cordes
2. An experimental test of reciprocity and equity using binary choices, by Jordi Brandts, Enrique Fatas, and Francisco Lagos

3. Heterogeneous agents in public goods experiments, by Roberto M. Burlando and Francesco Guala
4. When does the information about probabilities count? by Tadeusz Tyszka and Tomasz Zaleskiewicz

*Saturday, 1:15-2:45pm*

Session P1/Poster Session: Mood, Caution, and Decision-Making – Chair: Arrigo Pedon

1. Mood and service satisfaction: The role of mood prior to an interruption of service experience in satisfaction judgments, by Benjamin Sierra Diez, Olga Montesinos Munoz, and Carlos Falces Delgado
2. “Caution Theory” as an Explanation of the Endowment Effect, by Gerrit Roth
3. Decision on ethical investment: an experimental approach, by Maria Grazia Borrello, Arrigo Pedon, and Manuela Morricone
4. Entering the University in the UK: integrating instrumental and expressive factors, by Dimitrios Tsivrikos, Brian Young, and Jolanda Jetten

*Saturday, 2:45-3:00pm*

**Break**

*Saturday, 3:00-4:30pm*

Session F1: Cognitive Economics - Chair: Roger A. McCain

1. Cognitive economics, creativity, and the economics of the arts, by Roger A. McCain
2. Opportunity cost affects leisure activities: An illustration of reading fiction, by M. Stokmans
3. Individual learning in different social contexts, by Marco Novarese

Session F2: Ethical Investment - Chair: Ellen K. Nyhus

1. An explorative study for the explanation of ethical behaviour on asset markets, by Eva Hofmann, Elfriede Penz, and Erich Kirchler
2. Asking for a loan: an explorative research in personal constructivist perspective, by Manola Alfredetti and Susanna Mazzon
3. Ethical finance between saving and investment, by Maria Grazia Borrello, Arrigo Pedon, and Paula Benevene

**Session F3: Rationality and Public Policy - Chair: Morris Altman**

1. Behavioral economics, the rationality assumption, and public policy, by Morris Altman
2. Learning as we go: the evolution of cooperative legal theory, behavioral game theory and its application to the law, by Elizabeth Chorvat
3. Behavioral economics and the broader scholarly enterprise, by Rick Szostak

**Session F4: Perceptions, Frames, Economies - Chair: Paul Webley**

1. Money as tool, money as drug: The psychology of a strong incentive, by Stephen E. G. Lea and Paul Webley
2. Regret and topical accounting: Is cyclical bidding the bases of the laboratory winner's curse? by Rahmat Hidayat
3. Explaining economic and social phenomenon: models with low cognition, interacting agents, by Rich Colbaugh and Paul Ormerod
4. Perception of economic competition by French and Hungarian teenagers, by Christine Roland-Levy and Marta Fulop

**Session F5: Altruism 2 - Chair: Gary Lynne**

1. Altruistic and spiteful behaviour: application to oligopoly theory, by Pedro Baptista Maia Gomes
2. Competition vs. cooperation: more experimental evidence, by Marie Edith Bissey, Claudia Canegallo, Guido Ortona, and Francesco Scacciati
3. A test of psychological biases in the cognitive heuristics of business school pedagogy, by Todd Brown, John Sautter and Levi Littvay
4. An individual decision versus social optimum: The case of vaccination, by Shosh Shahrabani, Amiram Gafni, and Uri Ben-Zion

*Saturday, 3:30-4:30pm*

**Session P2/Poster Session: Savings, Marketing and Tourism – Chair: Arrigo Pedon**

1. Personality, past behaviour and saving intention: a test of an extended model of the theory of planned behaviour, by Luigina Canova and Anna Maria Manganelli Rattazzi
2. Political marketing: characteristics of the media and knowledge strategies of the voters, by Arrigo Pedon, Manuela Morricone, and Maria Grazia Borrello
3. Marketing advertisement for early childhood: comparing parents and children, by Manuela Morricone, Arrigo Pedon, and Maria Grazia Borrello
4. The social and cultural impact of tourism, by R. Maeran, M. Fontana, A. Pedon, and M. G. Borrello

*Saturday, 4:30-5:30pm*  
**SABE/IAREP Joint Business Meeting**

*Saturday, 5:45-6:30pm*  
**Ride to waterfront**

*Saturday, 6:30-10:00pm*  
**Boat Ride (including dinner, DJ, and dance)**

Sunday, July 18, 2004

*Sunday, 7:30-8:30am*  
**Continental breakfast and Registration**

*Sunday, 8:30-10:00am*

Session G1: Incentives and Learning - Chair: Alexander Poddiakov

1. "Trojan horse" teaching in strategies of economic behavior, by Alexander Poddiakov
2. Does university research improve university teaching? by Simon James
3. Which incentives work, and when? An experimental analysis of incentives for trainers, by Omar Azfar and Clifford Zinnes

Session G2: Family and Financial Stress –

Chair: Andreza Maria Neves Manfredini

1. Legal overdraw of one's account and some factors that influence it, by Renata Kranjcec and Marko Poli
2. Subjective financial stress and coping resources: A comparative analysis of whites, blacks, and hispanics, by Suzanne Bartholomae, Jonathan J. Fox, and Patrick C. McKenry
3. The meaning of money to the parents, by Andreza Maria Neves Manfredini and Aline Morais Duque

Session G3: Substance Abuse, Productivity, and Social Inequality - Chair: Garima Malik

1. The role of parenting style in child substance use, by Garima Malik
2. Professional role of the cashier, productivity of sales points and affiliation of clients, by Manuela Morricone and Arrigo Pedon, Paula Benevene
3. Lay perceptions of social inequality, by Roland Pepermans

**Session G4: Cognitive Economics - Chair: Louis Levy-Garboua**

1. Cognitive consistency and preference reversal with a single lottery, by Serge Blondel and Louis Levy-Garboua
2. Reflections in the looking-glass of Opportunity, by Wilson Wong and Paul Webley

**Session G5: Behavioral Public Finance 1 - Chair: Jonathon Baron**

1. An experimental test of the crowding out hypothesis, by Catherine Eckel and Philip J. Grossman, M. Rachel Johnston
2. Departing from versus returning to the status quo: Income framing, spending, and saving, by Nicholas Epley, Lorraine Chen Idson, and Dennis Mak
3. Preferences for funding particular government services from flat or progressive tax, by Simon Kemp

*Sunday, 10:00-10:15am*

**Break**

*Sunday, 10:15-11:45am*

**Session H1: Human Nature - Chair: Donald A. Hantula**

1. Foraging theory and its implications for behavioral economics, by Donald A. Hantula and Carter L. Smith
2. Why multilevel selection matters, by Alexander J. Field
3. Intergenerational transmission of preferences: The case of religion, by Miguel ç. Malo
4. Emotions in economic discourse: a psychoanalytic approach, by Harold Wolozin

**Session H2: In the Tradition of Gary Becker - Chair: Shoshana Grossbard-Shechtman**

1. Becker's economic theory of marriage: Un-Chicago? by Shoshana Grossbard-Shechtman
2. Beckerian altruism, by Friedel Bolle and Alexander Kritikos

**Session H3: Consumer Marketing - Chair: Gerrit Antonides**

1. The endowment effect for emotional and analytic product evaluations, by Gerrit Antonides, Xiang Yan Meng, and Fergus Bolger
2. The role of consumption in the constitution of the identity, by Paula Benevene, Arrigo Pedon, and Maria Grazia Borrello
3. Inertia equity: status quo bias reversal in brand switching, by Gewei Ye
4. Family influences on brand equity: An exploratory analysis on young adult consumers, by Rafael Bravo, Elena Fraj, and Eva Martinez

#### **Session H4: Innovation and Diffusion - Chair: Morris Altman**

1. A behavioral model of endogenous growth and induced technical change, by Morris Altman
2. Information search and exchange behavior by readers of fiction under different combinations of innovativeness and opinion leadership, by Harold W.J.M. Miesen
3. Patterns of diffusion and contagion in digital photography, by Hermann Pengg

#### **Session H5: Behavioral Public Finance 2 - Chair: Roger A. McCain**

1. Approval voting and parochialism, by Jonathan Baron, Nicole Y. Altman, and Stephan Kroll
2. The impact of endowment heterogeneity and origin on contributions in best-shot public good games, by Stephan Kroll, Todd L. Cherry, and Jason F. Shogren
3. Heuristics and biases in attitudes towards tax, by Edward McCaffery and Jonathan Baron



## **IAREP CONFERENCE IN PRAGUE 2005**

### **'ABSURDITY IN THE ECONOMY'**

The Jubilee IAREP Congress, the 30th, will be held in Praha, Czechia, on the site of the oldest University in Central Europe: Charles University (founded in 1348). The organiser will be Karel Riegel, with the Institute of Psychology Charles U. and Cappa (Czech association of work and organizational Psychology)

The main theme will cover all aspects of rationality and absurdity: from pure rational thinking, through bounded rationality, to the non-rational - or irrational - so well described by the writer Franz Kafka, who was a citizen of Prague and clerk of an assurance agency. The transition of economies was not like a walk through a rosarium (as in beautiful Bath for example), but rather more like a laboratory of economic thought. Independent variables were not only the euphoria that came from new freedoms, but also naivety and inexperience on the one hand and legal and moral deficits on the other. The resulting profound changes brought not only the standard, functioning market economy, but also emotions, depressions, disenchantment and, even a sense of absurdity. Underestimation, in the same way as overestimation of market possibilities, leads as a rule to a whole family of economic consequences like bankruptcy, corruption,, unemployment, and its psychological co-(Johny)walkers: distrust (of currency, or stocks and shares for example), dissocialization (not only children, but adults too), an increase in the proportion of risky and hazardous behaviors (such as gambling etc). So there is a wide range of general and specific research problems to be approached from theoretical, methodological and applied perspectives, and members of IAREP are invited to address these. Another aim of the Congress is to contribute to ways of solving the problems emerging in practice. For that reason, some of the thematic sessions will be focused on specific topics. There will be an 'Internet Conference' on the web as a special forum for those who will not be able to join the meeting in person.

As the Prague meeting represents IAREP's 30th year, the Congress presents an opportunity both to recapitulate and evaluate all that has already been achieved in the field of economic psychology, as well as outlining perspectives for future development. Depending on the demand, the organiser will prepare some pre-Congress workshops, a programme for accompanying persons, social events (such as a visit to Karlovy Vary, a boat cruise on Vltava River, a guided tour of ancient Prague, a University promotion ceremony and so on) as well as some post-Congress tours.

The conference will be in September 2005. We look forward to welcoming you all in Prague in 2005! For details of other events, go to the IAREP web site at <http://www.ex.ac.uk/IAREP/>

## Behavioral Economics Handbook

*Foundations and Extensions of Behavioral Economics: A Handbook*, edited by Morris Altman and to be published by M.E. Sharpe is making good progress. Morris is waiting for a few more manuscripts and is beginning the integration progress. The contributors and contributions are:

Altman, Morris	Introduction; X-efficiency and Efficiency Wage Theories
Antonides, Gerritt & Fergus Bolger	Classroom Experiments in Behavioral Economics
Augier, Mie	Evolution of Behavioral Economics: Contrasting Methods
Bergmann, Barbara	Behavioral Approaches to Labor Market and Family Policy
Day, Richard	Adaptive Economizing and Economic Behavior
Eckel, Catherine	Heterogeneity and the Economic Agent
Field, Alexander	Evolutionary Theory and Political/Economic Behavior
Folbre, Nancy	Economics of the Family and Behavioral Ecology of Gender
Frantz, Roger	Intuition
George, David	Preferences Formation and Metapreferences
Golden, Lonnie	Labor
Guth, Werner, et al	A Behavioral Approach to Distribution and Bargaining
Hosseini, Hamid	Neoclassical Theory and Behavioral Economics at Carnegie
James, Simon	Taxation and the Contribution of Behavioral Economics
Kaufman, Bruce	Emotions and Economic Theory
Kirchler, Erich & Eva Hofman	Economic Decisions in the Household
Lea, Stephen	How To Do As Well as You Can: The Psychology of Economic Behaviour and Behavioural Ecology
Lewis, Alan, John Cullis and Philip Jones	Ethical Investment Preferences
Lunt, Peter	Economic Psychology and Economic Theory
Lynn, Michael	Tipping and Economics
Lynne, Gary	Toward a Metaeconomics of the Multiple Self
MacFadyen, Alan James	Belief Systems in Neo-Classical and Behavioral Economics
Maital, Shlomo	Reclaiming Moral Sentiments: Behavioral Economics and the Ethical Foundations of Capitalism
Perlman, Mark	Authority Systems Underlying Alternative Economic Modeling
Pingle, Mark	Deliberation Cost: A Foundation for Behavioral Economics
Schwartz, Hugh	Microeconomic Analyses of Real Life Decision Making
Sontheimer, Kevin	Behavioral and Neoclassical Economics
Todd, Peter M.	Heuristics
Tomer, John	Organizational Capital and Personal Capital: the Role of Intangible Capital Formation in the Economy
Ulen, Thomas	Behavioral law
Webley, Paul & Ellen K. Nyhus	Discounting, Self-control and Saving
Yang, Bijou Lester	Economics of Suicide
Yaniv, Gideon	Rational Health-Compromising Behaviors and Economic Interventions
Zaleskiewicz, Tomasz	Behavioral finance

## 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>

### Hugh Schwartz

Hugh has published his latest book *Urban Renewal, Municipal Revitalization: The Case of Curitiba, Brazil*, ISBN 0-914927-43-4. This is the first major account in English of one of the most successful urban renewals of the Twentieth Century. It is likely to be of interest to Latin Americanists, urban planners, transport and behavioral economists. Further information is available from Hugh - [hughschwar@aol.com](mailto:hughschwar@aol.com).

### Books of Interest

Paul J. Albanese, *The Personality Continuum and Consumer Behavior*, Westport, CT: Greenwood Publishing Group, 2002.

Morris Altman, *Human Agency and Material Welfare: Revisions in Microeconomics and their Implications for Public Policy*, Boston, Dordrecht, London: Kluwer Academic Publishers, 1996.

Morris Altman, *Worker Satisfaction and Economic Performance: Microfoundations of Success and Failure*. Armonk, NY: M.E. Sharpe, 2001.

Gerrit Antonides, *Psychology in Economics and Business*, Dordrecht: Kluwer, 1991.

J.L. Baxter, *Behavioral Foundations of Economics*, Marmillan Press/St Martin's Press, 1993.

Kenneth Button, ed., *The Collected Essays of Harvey Liebenstein*, 2 Vols. New York University Press, 1989.

Samuel Cameron, *The Economics of Sin: Rational Choice or No Choice At All?* Northampton, MA: Elgar, 2002.

Young Back Choi, *Paradigms and Conventions: Uncertainty, Decision Making and Entrepreneurship*, Ann Arbor: University of Michigan Press, 1993.

- Richard Cyert and James G. March, *A Behavioral Theory of the Firm*, 2<sup>nd</sup> ed. Cambridge, Mass: Blackwell Business, 1992.
- Peter E. Earl, *Behavioral Economics*, Edward Elgar Publishing, 1998.
- Nancy Folbre, *Economics and Family Values*, New York: The New Press, 2001.
- Roger S. Frantz, *X-Efficiency: Theory, Evidence and Applications*, Boston: Kluwer, 1988.
- Roger S. Frantz, Hardinger Singh and James Gerber, eds, *Behavioral Decision Making: Handbook of Behavioral Economics*, Greenwich: JAI Press, 1991.
- Bruno S. Frey, *Economics as a Science of Human Behavior: Towards a New Social Science Paradigm*, Boston, Dordrecht and London: Kluwer, 1992.
- Daniel Friedman and Shyam Saunders, *Experimental Economics: A Primer for Economists*, New York: Cambridge University Press, 1994.
- Gerd Gigerenzer and Reinhard Selten (eds.) *Bounded Rationality: The Adaptive Toolbox*, Cambridge, MA: The MIT Press, 2002.
- David George, *Preference Pollution: How Markets Create the Desires We Dislike*, Ann Arbor: University of Michigan Press, 2001.
- Benjamin Gilad and Stanley Kaish, eds., *Handbook of Behavioral Economics*, 2 vols. Greenwich: JAI Press, 1986.
- Shoshana Grossbard-Shechtman, *On the Economics of Marriage: A Theory of Marriage, Labor, and Divorce*. Boulder, Colorado: Westview Press, 1992.
- Charles Hampden-Turner and Alphons Trumpenaars, *Seven Ways of Wealth Creation*. New York: Doubleday, 1993.
- Daniel Kahneman, Paul Slovic and Amos Tversy, eds, *Judgement Under Uncertainty: Heuristics and Biases*, Cambridge; Cambridge University Press, 1982.
- Simon James, ed., *Taxation: Critical Perspectives on the World Economy*. Four volumes, London and New York, Routledge, 2002.
- Simon James and Christopher Nobes, *The Economics of Taxation, Principles, Policy and Practice*, 7<sup>th</sup> ed., revised, Prentice Hall, 2003.
- Bill Jordon, Simon James, Helen Kay and Marcus Redley, *Trapped in Poverty: Labour Market Decisions in Low Income Households*. London: Routledge, 1992.
- Bill Jordan, Marcus Redley and Simon James, *Putting the Family First: Selves, Decisions and Citizenship*, University College London Press, 1994.
- Robert Kuttner, *The Economic Illusion: False Choices Between Prosperity and Social Justice*. Philadelphia: University of Pennsylvania Press, 1987.
- Stephen E.G. Lea, Paul Webley and Brian M. Young, eds., *New Directions in Economic Psychology: Theory, Experiment and Application*. United Kingdom: Edward Elgar Publishing, 1992.
- Tony Lawson, *Economics and Reality*, London and New York, Routledge, 1997.
- Harvey Leibenstein, *Inside the Firm: The Inefficiencies of Hierarchy*. Cambridge, Mass: Harvard University Press, 1987.
- David Lester & Bijou Yang, *The Economy and Suicide: Economic Perspectives on Suicide*, Commack, NY: Nova Science Publishers, 1997.
- David Lester & Bijou Yang, *Suicide and Homicide in the 20th Century: Changes Over Time*, Commack, NY: Nova Science Publishers, 1998.

- Alan Lewis, Paul Webley and Adrian Furnham, *The New Economic Mind: The Social Psychology of Economic Behaviour*. New York and London: Prentice Hall, 1995.
- George Lowenstein and Jon Elster, eds, *Choice over Time*, New York: Russell Sage Foundation, 1992.
- Shlomo Maital and Sharon Maital, eds., *Economics and Psychology*. United Kingdom: Edward Elgar Publishing, 1993.
- Shlomo Maital, *Executive Economics: Ten Essential Tools for Managers*. New York: The Free Press, 1994.
- Roger McCain, *A Framework for Cognitive Economics*, New York: Praeger, 1992.
- Marvin E. Rozen, *The Economics of Organizational Choice: Workers, Jobs, Labor Markets, and Implicit Contracting*. Ann Arbor: University of Michigan Press, 1991.
- Hersh Shefrin, *Beyond Greed and Fear; Understanding Behavioral Finance and the Psychology of Investing*, Boston: Harvard Business School Press, 2000.
- Robert J. Shiller, *Irrational Exuberance. With a New Preface by the Author*, Princeton University Press, 2001.
- Andrei Schleifer, *Inefficient Markets: An Introduction to Behavioral Finance*, Oxford University Press, 2000.
- Hugh Schwartz, *Rationality Gone Awry? Decision Making Inconsistent with Economic and Financial Theory*, Praeger, 2000.
- Herbert A. Simon, *Administrative Behavior: A Study of Decision-Making Processes in Administrative Organizations*, The Free Press, 1997.
- Richard H. Thaler, *The Winner's Curse: Paradoxes and Anomalies of Economic Life*. New York: The Free Press, 1992.
- Richard H. Thaler, ed., *Advances in Behavioral Finance*, New York: Russell Sage Foundation, 1993.
- John F. Tomer, *Organizational Capital: The Path to Higher Productivity and Well-Being*. New York, Praeger, 1987.
- John F. Tomer *The Human Firm: A Socio-Economic Analysis of Its Behavior and Potential in a New Economic Age*, New York: Routledge, 1999.
- Karl-Erik Warneryd, *The Psychology of Saving: A Study on Economic Psychology*, Edward Elgar, 1999.
- Karl-Erik Warneryd, *Stock Market Psychology: How People Value and Trade Stocks*, Edward Elgar, 2001.
- Klaus Weiermair and Mark Perlman, eds., *Studies in Economic Rationality: X-Efficiency Examined and Extolled*. Ann Arbor: University of Michigan Press, 1990.

## **SABE Officers and Board**

Morris Altman, University of Saskatchewan, Canada, President.

Shlomo Maital, President Elect.

Gary Lynne, University of Nebraska, Secretary.

Bijou Yang-Lester, Drexel University, Treasurer

Simon James, University of Exeter, UK, Editor, SABE Newsletter.

Gerrit Antonides, Wageningen University, The Netherlands.

Roger Frantz, San Diego State University.

Flora Gill, University of Sydney, Australia

Shoshana Grossbard-Shechtman, San Diego State University

Ewa Gucwa-Lesny, University of Warsaw, Poland.

Louis Levy-Garboua, University of Paris I (Pantheon-Sorbonne), France.

Peter Lunt, University College, London.

Charlotte Phelps, Temple University.

Mark Pingle, University of Nevada, Reno.

Douglas Rebne, New York University.

Kevin Sontheimer, University of Pittsburgh

John Tomer, Manhattan College.