



2nd CeDEx China Workshop on Behavioural and Experimental Economics

5th – 6th May, 2023

*At New International Conference Centre
University of Nottingham Ningbo China*

Programme

Friday May 5

12:00 – 13:15 Lunch at Staff Restaurant, on campus (Map: building 8, Student Canteen – Staff Restaurant is on the second floor)

13:15 – 13:30 Registration, New International Conference Centre (Map: building 26)

Session 1 – Beliefs and Information (Chair: **Gergely Horvath**)

13:30 – 14:00 **Manwei Liu**, Nanjing Audit University, *The Persistent Impact of Biased Narratives: Evidence from an Online Experiment*

14:00 – 14:30 **Lawrence Choo**, Southwestern University of Finance and Economics, *On the endogeneity between stock market prices and bank runs. An Experiment*

14:30 – 15:00 **Marcus Roel**, Beijing Normal University, *How Many Others Apply for Jobs I Am Applying for? The Effect of Perceived Labor Markets Competition on Search*

15:00 – 15:30 **Gergely Horvath**, Duke Kunshan University, *Peer effects through receiving advice in job search: An experimental study*

15:30 – 16:00 **Group photo** and tea/coffee break

16:00 – 16:15 *Address (via video link)*

Chris Starmer, University of Nottingham

Session 2 – Social Identity (Chair: Tom Lane)

16:15 – 16:45 **Wenting Zhou**, Xian Jiatong-Liverpool-Suzhou University, *Investigating Peer Review Behaviour between Genders: A Field Experiment*

16:45 – 17:15 **Shuo Yang**, Wuhan University, *Group Identity, Cooperation and Peer Punishment*

17:15 – 17:45 **Tom Lane**, University of Nottingham Ningbo China, *The Strategic Use of Social Identity*

19:00 Dinner at Sofitel (transport will be provided)

Saturday May 6

Session 3 – Social Norms (Chair: Xueheng Li)

9:00 – 9:30 **Xian Zhang**, University of Nottingham Ningbo China, *Social Norms and the Zero Price Effect*

9:30 – 10:00 **Ying Chen**, University of Nottingham Ningbo China, *Social Norm Nudging in Public Good Provision*

10:00 – 10:30 **Xueheng Li**, Nanjing Audit University, *Indignation and the Evolution of Cooperation Norms*

10:30 – 11:00: Tea/Coffee break

Session 4 – Risk and Experimental Methodology (Chair: Gavin Kader)

11:00 – 11:30 **Jan Jozwik**, University of Nottingham Ningbo China, *Ambiguity and technology adoption under index insurance: Experimental evidence from Ghana*

11:30 – 12:00 **Di Wang**, Southwestern University of Finance and Economics, *Risk resolved in the past vs. in the future*

12:00 – 12:30 **Orestis Kopsacheilis**, Technical University of Munich, *Order Effects in Preference Elicitations*

12:30 – 13:00 **Gavin Kader**, Southwestern University of Finance and Economics, *Seemingly Innocent Assumptions when Estimating Treatment Effects in Experiments*

13:00 Lunch at Staff Restaurant, on campus (Map: building 8, Student Canteen – Staff Restaurant is on the second floor)

Book of Abstracts

(Presented in order of the schedule)

Session 1 – Beliefs and Information

Manwei Liu, Nanjing Audit University, *The Persistent Impact of Biased Narratives: Evidence from an Online Experiment*

Abstract: Can people counteract biased narratives---the qualitative interpretation of objective facts or events---through subsequent information acquisition? Using an online experiment, we investigate this question by first randomly assigning participants to read different narratives that contain the same facts, and then offering them the opportunity to acquire more balanced arguments. We document three main findings. First, participants shift their attitudes towards the standpoint of the randomly assigned narrative, knowing that the narrative is biased and randomly assigned. Second, the opportunity to read additional arguments does not prompt participants to adjust their attitudes shaped by the original narrative. Third, when evaluating subsequent arguments, participants see arguments aligned with the randomly assigned narrative as more convincing, which likely contributes to their inability to counteract biased narratives. Taken together, our results demonstrate a persistent effect of biased narratives in a setting where counteracting is given the best chance.

Lawrence Choo, Southwestern University of Finance and Economics, *On the endogeneity between stock market prices and bank runs. An Experiment*

Abstract: In situations of financial stress, depositors often use the stock price of their bank to guide their withdrawal behaviour, under the premise that the stock price contains information about the bank's financial health. The inference of "bad news" from stock prices can trigger a self-fulfilling bank run. If traders anticipate such behaviour, would stock prices still be revealing about the bank's health? In this study, we use an experiment that links the asset markets to the Diamond Dybvig (1983) bank-run game. Whilst our experiment finds that stock prices can be revealing about the bank's health, we also find that stock prices are inflated when traders know that depositors can observe the market price. Depositors use market prices to guide their withdrawal decisions. Finally, we find that stock market prices can exacerbate bank runs.

Marcus Roel, Beijing Normal University, *How Many Others Apply for Jobs I Am Applying for? The Effect of Perceived Labor Markets Competition on Search*

Abstract: Job seekers' expectations about labor market prospects are crucial in determining their search behavior and outcomes in search models, yet clear empirical evidence is lacking. We conduct a large-scale information-provision experiment on a Chinese job board to analyze the causal impact of beliefs about labor market competition on job search. We vary whether information about last month's applications per vacancy in the job seeker's preferred occupation is provided and whether a personal daily application goal is elicited. We document that job seekers have large misperceptions about competition. Being provided with information, job seekers update their beliefs about the upcoming month's competition in a way that is consistent with Bayesian updating. While we find that the intended search effort (goal) increases in beliefs, neither job seekers' real effort nor their tendency to switch to other, non-preferred occupations is affected by those beliefs. In contrast to the prediction from a sequential search model, we find that both the lowest wage offered (reservation wage) and the lowest required work experience among the jobs job seekers apply for in the month after the intervention increase in their beliefs. This surprising behavioral response is driven by currently employed job seekers, and can be rationalized by gambling for higher-quality jobs when landing a job becomes more difficult. For the unemployed, the reservation wage and lowest experience are rigid. We further show that neither this seemingly risky adjustment nor the rigidity affects their job-matching outcomes negatively.

Gergely Horvath, Duke Kunshan University, *Peer effects through receiving advice in job search: An experimental study*

Abstract: We study experimentally whether receiving advice from an experienced decision-maker improves decisions in an infinite-horizon search task where individuals typically choose a lower reservation wage than the optimal value. In the experiment, advisors complete 10 rounds of search and leave advice to their advisees who also complete 10 rounds of search after seeing the advice. We find that advisors tend to recommend a lower reservation wage than their own suboptimal choices. The recommendation is based on their choice of reservation wage in the period when they accepted an offer, which is typically their lowest reservation wage choice over their search spell. Advisees follow this recommendation and choose a reservation wage that is further away from the optimal value leading to significant treatment differences between the advisors and advisees. Receiving advice thus does not facilitate the optimal choice. Our results highlight the negative influence of peers on the job search process through advice.

Session 2 – Social Identity

Wenting Zhou, Xian Jiatong-Liverpool-Suzhou University, *Investigating Peer Review Behaviour between Genders: A Field Experiment*

Abstract: The peer-review mechanism is commonly employed in group projects to evaluate individual contributions, as they can be more accurately observed by insiders than outsiders. However, females and males tend to have different behaviour patterns when they evaluate peers' contributions. Additionally, without a compatible incentive system, peer review may not always accurately reflect contributions. We conducted a field experiment to investigate peer-review behaviour with a tournament. Our results demonstrate significant gender differences in peer evaluation. Females tend to evaluate peers' contributions more seriously rather than giving the same evaluation to all. Moreover, females tend to be stricter in peer review and give lower evaluations than males. Furthermore, the peer-review mechanism is effectively used as a reward-punishment tool, with hard-working peers being rewarded with high evaluations, even if it puts the reviewers' own interests at risk in the tournament. Meanwhile, shirking peers are punished with lower scores reflecting their contribution levels.

Shuo Yang, Wuhan University, *Group Identity, Cooperation and Peer Punishment*

Abstract: Cooperation is essential but difficult to sustain in social dilemmas. We conduct a lab experiment to investigate how group identity and peer punishment can influence cooperation in a heterogeneous community with different social groups. Participants from randomly assigned groups contribute to their community's public good and can costly punish one another. We find that compared to a homogeneous community without groups, punishers in a heterogeneous community punish discriminatorily: they punish ingroup equal-contributors less but punish ingroup under-contributors more harshly. Punishees respond to ingroup and outgroup punishment more favorably by increasing contributions differentially more than in the homogeneous community. Consequently, peer punishment raises cooperation and economic efficiency even more in the heterogeneous community than in the homogeneous one. These effects hinge upon group categorization and full information on participants' group identities. Our findings provide valuable insights on policymaking to increase public goods provision and suggest that peer punishment is more powerful in heterogeneous communities than previously documented in homogeneous communities.

Tom Lane, University of Nottingham Ningbo China, *The Strategic Use of Social Identity*

Abstract: The importance of social identities (e.g. race, gender, political ideology) in economic interactions is well established. However, social identity is multidimensional, and little is known about how people strategically manipulate the visibility or salience

of their various identity types. This paper experimentally explores scenarios where one party can choose between different identity characteristics to truthfully reveal about oneself before entering an economic exchange. Results demonstrate this choice has substantial potential to influence payoffs: an individual can increase own earnings by around 56% by revealing the characteristic most favoured by their counterpart, relative to revealing the one least favoured. Anticipating discriminatory treatment, individuals make strategic revelation choices, and benefit from a broadly accurate understanding of which social identity dimensions counterparts will more strongly discriminate along. However, they only reap a fraction of the available returns from strategic social identity revelation, partly because beliefs about counterparts' likely behaviour are saddled with misperceptions (for instance, overestimation of likely in-group favouritism). Approximately half of individuals are willing to sacrifice expected payoffs to make their preferred characteristics visible, suggesting intrinsic utility is derived from social identity. The study contributes to our understanding of endogenous social identity, and is the first to investigate the phenomenon in a multidimensional context.

Session 3 – Social Norms

Xian Zhang, University of Nottingham Ningbo China, *Social Norms and the Zero Price Effect*

Abstract: Social norms are believed to be an explanation for the zero price effect. Through a coordination game, we measure the changes in the social appropriateness and found that the social appropriateness of high consumption at zero price is significantly lower than it is at 1 cent. As suggested by previous research, our natural field experiment observed an increase in the percentage of takers and a decrease in the amount taken by each taker, when the price is reduced from 1 cent to zero. Such results do not significantly differ in different product contexts. The two opposite effects of zero price determine the magnitude and the direction of the overall effect, possibly explaining the mixed findings in the existing literature. Moreover, Conditional Logit estimations show social appropriateness dominates the decision on amount taken at the price of zero whereas the material benefit of consumption becomes the dominant effect at a positive price. This explains why individuals choose to take less at the price of zero than 1 cent.

Ying Chen, University of Nottingham Ningbo China, *Social Norm Nudging in Public Good Provision*

Abstract: We investigate the effect of norm-based information on cooperative behavior. We conduct a laboratory experiment (n = 502) and an online experiment (n

= 110), in which all decision scenarios of the two studies are embedded into a standard linear public goods game. We elicit subjects' (i) perceptions of injunctive norm and personal norm, (ii) perceptions of descriptive norm and (iii) amounts of contribution in the laboratory experiment after showing them tailored information using results from the online experiment. We find that when information favorable for cooperation is revealed: (i) perceptions of injunctive norm are nudged toward the direction of supporting cooperation, since subjects tend to rate decisions of high-level contribution as very socially appropriate, as are their perceptions of personal norm and descriptive norm; (ii) the magnitude of such positive effect on norms depends on the content of information, i.e., whether it shows attitudes toward contribution or actions; (iii) average contribution increases, but insignificantly. These results illuminate how social norm nudging works.

Xueheng Li, Nanjing Audit University, *Indignation and the Evolution of Cooperation Norms*

Abstract: This study explores the role of emotions in sustaining social norms by incorporating the belief-dependent emotion of indignation into a population psychological game. By examining a stochastic dynamic that tracks individuals' beliefs, I demonstrate that cooperation norms can persist under both global and local interactions. In addition, mobility promotes the emergence and stability of cooperation norms, leading to positive correlations between mobility, community size, cooperation, and punishment of defectors. This study is among the first to use stochastic stability analysis in addressing the issue of multiple equilibria in psychological games and elaborating the role of emotions in supporting cooperation in the long run.

Session 4 – Risk and Experimental Methodology

Jan Jozwik, University of Nottingham Ningbo China, *Ambiguity and technology adoption under index insurance: Experimental evidence from Ghana*

Abstract: This paper investigates the effect of ambiguity on technology adoption under index insurance. I conduct an artefactual field experiment with Ghanaian cocoa farmers. Experimental subjects had an option to invest in a package of fertilizer bundled with index insurance. The returns depended both on the subjects' investment choices and on a stochastic weather realization. The key ingredient of the study was whether the exact probability of bad weather was known or not. A large negative effect on fertilizer investments was found in treatments with either small or large ambiguity. The effect of large ambiguity was also found to be significantly stronger,

suggesting that technologies with which farmers are relatively more experienced are more likely to be adopted under index insurance schemes.

Di Wang, Southwestern University of Finance and Economics, *Risk resolved in the past vs. in the future*

Abstract: Uncertainty in our life can be due to lack of information about either the past or the future. The former refers to the case where people make decisions when risk has been resolved but the outcome remains unknown. We study how people's risk preferences differ for these two sources of risk and whether people prefer one of the source of risk over the other. With a lab experiment, we find that subjects are slightly more risk-averse under risk resolved in the past, that they generally prefer risk resolved in the future, and that this preference for risk resolved in the future is largely related to risk seeking behavior. Our findings provide evidence of a potentially important type of source preference and have implications for the design of the information structure of dynamic choice problems.

Orestis Kopsacheilis, Technical University of Munich, *Order Effects in Preference Elicitations*

Abstract: Eliciting preferences accurately is of vital importance for policy applications. The plethora of elicitation methods that have been developed can be broadly distinguished between methods that rely on subjects directly stating their preferences (self-reports) and those that are indirectly inferring such preferences through choices (behavioral measures). In this paper we ask if researchers should be concerned with potential 'order effects' when choosing to elicit preferences through both methods. We conduct three, pre-registered, studies where we elicit preferences about risk, time-discounting and altruism in variations of two conditions: 'Behavioral Measures First' and 'Self-Reports First'. Echoing past literature, we find that inferred preferences differ significantly across the two methods with people in self-reports appearing to be more risk tolerant, patient and altruistic compared to behavioral measures. Importantly, we find significant and systematic order effects. Eliciting Self-Reports first boosts inferred risk tolerance, patience and altruism while eliciting Behavioral Measures first increases consistency across methods. We explore how monetary incentivisation and introducing financial context modulates these results and discuss the implications of our findings in the context of nudging interventions as well as our understanding of the nature of preferences.

Gavin Kader, Southwestern University of Finance and Economics, *Seemingly Innocent Assumptions when Estimating Treatment Effects in Experiments*

Abstract: Heterogeneous subjects and observation dependence are amongst the most critical issues to tackle when it comes to estimating treatment effects in experiments. Although techniques exist to help overcome these issues, seemingly innocent yet important sources of heterogeneity and dependence are often overlooked in experimental economics. We consider chronotype - the natural inclination of our bodies to sleep at certain times - and personality - proxied by the Big Five personality traits - as two essential sources of heterogeneity, which, when unaccounted for, can lead to estimation of and inference on treatment effects that are misinterpretable. Our experimental design includes classical tasks in individual decision-making, strategic decision-making, and performance tasks. We also introduce new and more challenging logical reasoning-based questions in the same spirit of cognitive reflection tests. Additionally, we incorporate a newly devised attention-based task in combination with others that are not commonly used in experiments in economics. With this design, we investigate the impact of both the synchrony effect (chronotype matched vs. mismatched) and personality by randomly assigning participants to a morning or evening session with chronotype being determined by the Morningness-Eveningness Stability Scale improved (MESSi).

List of confirmed workshop participants

Meiqi Chen, University of Nottingham Ningbo China

Ying Chen, University of Nottingham Ningbo China

Lawrence Choo, Southwestern University of Finance and Economics

Jen-yu Chou, University of Nottingham Ningbo China

Saileshsingh Gunessee, University of Nottingham Ningbo China

Gergely Horvath, Duke Kunshan University

Jan Jozwik, University of Nottingham Ningbo China

Gavin Kader, Southwestern University of Finance and Economics

Orestis Kopsacheilis, Technical University of Munich

Tom Lane, University of Nottingham Ningbo China

Xueheng Li, Nanjing Audit University

Lu Liu, University of Nottingham Ningbo China

Manwei Liu, Nanjing Audit University

Xuyan Lou, University of Nottingham Ningbo China

Shravan Luckraz, Zhejiang University of Finance and Economics

Chen Qu, University of Nottingham Ningbo China

Marcus Roel, Beijing Normal University

Di Wang, Southwestern University of Finance and Economics

Youzong Xu, University of Nottingham Ningbo China

Shuo Yang, Wuhan University

Zhixian Yu, University of Nottingham Ningbo China

Xian Zhang, University of Nottingham Ningbo China

Xiaoyu Zhang, University of Nottingham Ningbo China

Wenting Zhou, Xian Jiatong-Liverpool-Suzhou University

Guide Book

Getting to the University

Airplane

1. From Ningbo Lishe Airport

A taxi from the airport costs around 30 RMB for a 12km journey.

2. From Hangzhou Xiaoshan Airport

Take the shuttle bus from the airport to Hangzhou Train Station then get the high-speed train to Ningbo Train Station.

3. From Shanghai Hongqiao Airport

Transfer by foot to Hongqiao Train Station then get the high speed train to Ningbo Train Station.

4. From Shanghai Pudong Airport

Take a taxi or the Metro to Hongqiao Train Station, then take the high speed train to Ningbo. A taxi to Hongqiao Train Station will take about one hour and costs around 250 RMB. To get to Hongqiao Train Station via Metro, take Line 2 and transfer at Guanglan Lu station.

Train

The easiest way to get to the University from Ningbo Train Station is by taxi. The fare is around 30 RMB for an 11km journey. Buses 159, 161 and 369 run from the station and stop near campus.

Car

1. Hangzhou-Ningbo Express Way G92/S

After passing the Dazhujia toll gate turn right onto Qianhu North Road. Drive 4km south before turning left onto Taikang East Road. The University is on the right.

2. Ningbo Ring Road G1501

After passing the Yunlong toll gate turn left onto Yinzhou Avenue and drive 3.5km west. Turn right onto Qianhu South Road before turning right onto Taikang East Road. The campus is on the right. Visitor parking on campus is by permit only. If you need visitor parking, please email: facilities@nottingham.edu.cn

Coach

A taxi from Ningbo Central Coach Station costs around 30 RMB for an 11km journey. Buses 115, 132, and 368 run from the coach station and stop near campus.

Taxi

Show taxi drivers the following address to reach the University campus:

宁波市鄞州区高教园区泰康东路199号

The University of Nottingham Ningbo China, 199 Taikang East Road, Ningbo



- Fire assembly point 紧急疏散集合点
- Building entrances 建筑入口
- Clinic 诊所
- Reception 问询处
- ATM 取款机
- Accessible Toilet 无障碍卫生间
- Accessible Entrance 无障碍出入口
- Subway 地铁口 (在建)
- Bus stop 公交车站
- Bicycle parking 自行车停放处
- Car parking 机动车停车场
- Basement parking 机动车地下停车场
- Academic buildings 教学办公建筑
- Residences 宿舍公寓
- Other services 其他服务

- Trent Building (TRENT) 行政楼 1
- Student Recruitment and Admission Office 招生办 A
- Arabica Restaurant 阿三摩卡餐厅 B
- The Sir Peter Mansfield Building (PMB) 理工楼 2
- YANG Fujia Building 杨福家楼 3
- Auditorium 思源报告厅 4
- The Portland Building (PB) 学生服务楼 5
- Starbucks Coffee Shop 星巴克咖啡 C
- The Hub 学生服务中心 D
- Li Dak Sum Yip Yio Chin Kenneth Li Library 李达三秉耀珍 优耀李本俊图书馆 6
- Staff Hotel 教师宾馆 7
- LA Hotel 博雅国际交流中心 E
- Student Canteen 学生餐厅 8
- Villas 别墅 9,10
- Student Residences 学生宿舍 11-20, 22, F
- The Third Canteen 第三餐厅 3
- The Third Space 第三空间 (四舍楼) G
- Sir Colin Campbell Building (Sports Centre) 体育馆 21
- Residence 宿舍楼 23
- Clinic 医务室 H
- Wellbeing service 身心健康指导中心 I
- The Lord Dearing Building (DB) 新教学楼 24
- The D.H. Lawrence Auditorium (New Audi) 新报告厅 25
- New International Conference Centre (NICC) 新国际会议中心 26
- Centre for Sustainable Energy Technologies (CSET) 可持续能源技术研究中心 27
- Staff Apartments 教师公寓 28
- Sir David and Lady Susan Greenaway Building (IAMET) 海洋经济研究院 29
- Innovation and Enterprise Building (IEB) 国际创新创业大楼 30
- International Conference Centre (ICC) 国际会议中心 35
- Music Plaza 小悉尼 36
- Outdoor Sports Facilities 室外运动场地 37
- Ornamental Gardens 公园 38

Wi-Fi

This is a quick configuration guide for connecting to the UNNC wireless network (SID: **UoN-welcome**).

1. Choose the WIFI SID: UoN-welcome on your mobile phone.
2. Click the Create Account for your first register.
3. Edit your detailed information to register.
4. Check and click the item: I accept the terms of use and click Register.
5. Click the Log in.
6. Click the activate in the mail from pass@nottingham.edu.cn

Note:

- After you activated, your account will be enabled. And its Expiration Time is 7 days later.
- Eduroam is available for those whose institutions subscribe to the global service.

