

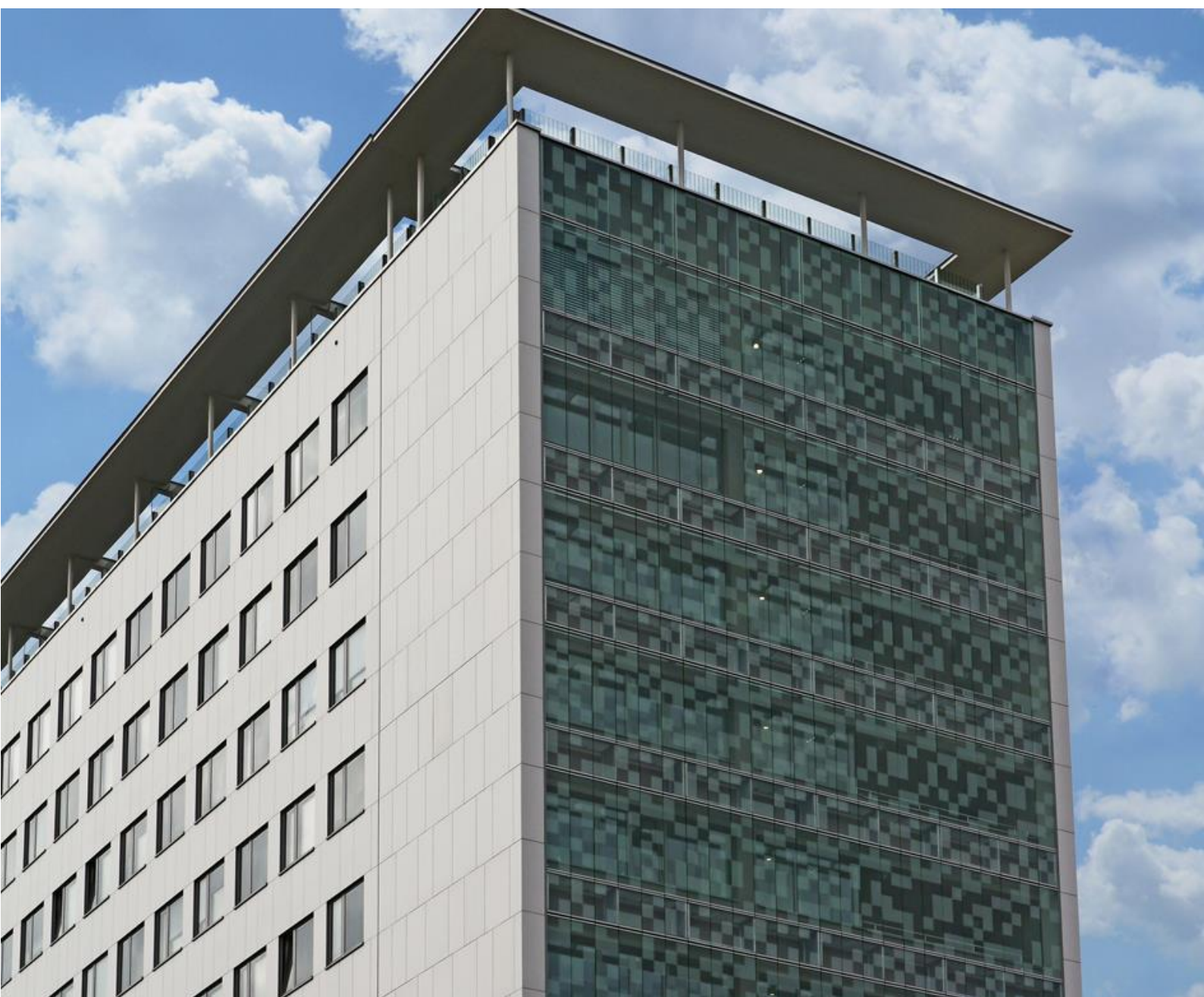


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**VCEE**

**VIENNA CENTER FOR EXPERIMENTAL ECONOMICS**

**ANNUAL REPORT 2014**



# ANNUAL REPORT 2014

## Vienna Center for Experimental Economics (VCEE)

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REPORT for the period 01.01.2014 – 31.12.2014

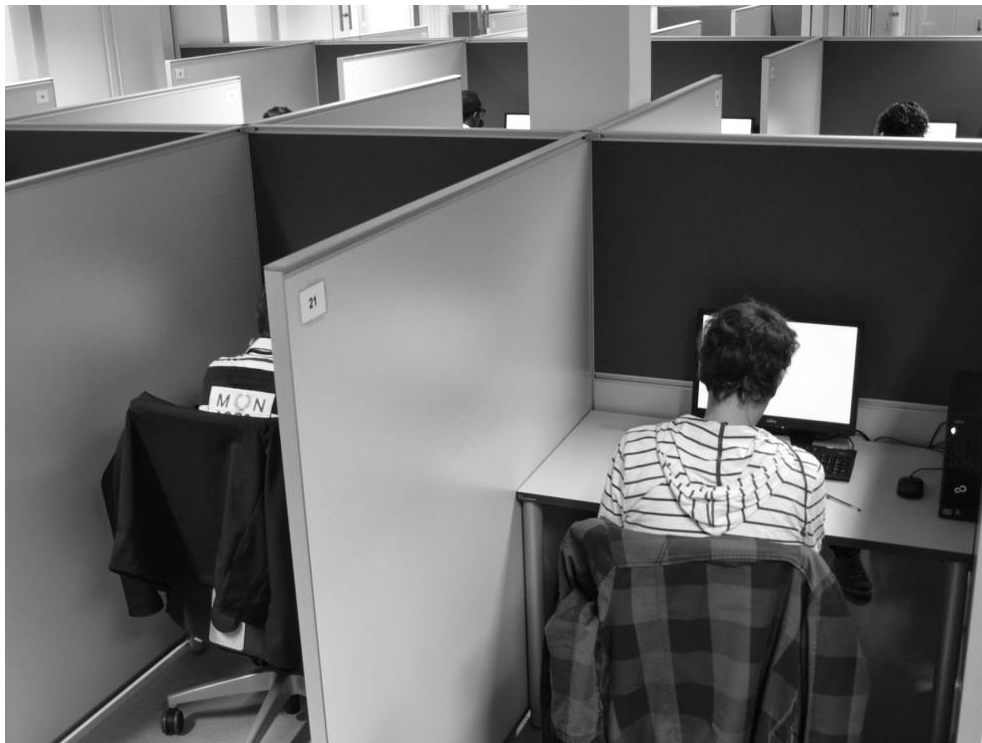
<http://vcee.univie.ac.at>

### Offices

Faculty of Business, Economics  
and Statistics  
Oskar-Morgenstern-Platz 1  
1090 Vienna  
Austria

### Experimental Laboratory

Altes AKH Campus  
Spitalgasse 2  
Hof 1.1  
1090 Vienna  
Austria



*Participants in an experiment at our laboratory on the Campus.*

## FOREWORD

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I am happy to report that our Center, the VCEE, has been most successful along several dimensions in 2014.

The VCEE team has grown stronger as we have been able to attract new colleagues. Alexander Wagner is an externally funded assistant professor working on Behavioral Economics and Political Economy. Four colleagues have joined us as affiliates. Two of them are Austrians who were successful abroad and like to keep their ties to Vienna strong and alive: Georg Kirchsteiger (UL Brussels) and Boris Maciejovsky (UC Riverside). Two are colleagues from our Business department: Steffen Keck and Markus Reitzig. Ilona Reindl has joined us as a new PhD student.

In terms of publications, we have had a fantastic year. We published several papers in “top-five” journals such as *American Economic Review* and the *Review of Economic Studies*. In addition, we have many excellent publications forthcoming and we have produced a stream of promising working papers.

In terms of external funding, several projects have been ongoing, and while the long-term project “Labor and the Welfare State” has ended in November, we have been able to secure a follow-up EU-funded project on “Fairness, Personal Responsibility, and the Welfare State,” to start in spring 2015.

The operations of our state-of-the-art laboratory at the University Campus run smoothly. We have had about 2'800 subject participations over the last year and have spent a total of about 60'000 Euros on conducting experiments.

In terms of services to the profession, co-director Wieland Müller and I have been appointed to the editorial board of the leading journal in the profession, *Experimental Economics*, and to its new companion journal, the *Journal of the Economic Science Association*. Members of VCEE provide many services both at U Vienna and to the profession at large, as detailed in the last part of this report.

In terms of exchange of ideas and dissemination of results, we have organized three workshops, a seminar series, and VCEE members have presented their work at various conferences and seminars. In 2014, more than 30 international academics visited the Center.

The VCEE team spends considerable effort on teaching. Experimental economics is popular among students and we are very pleased to supervise seven talented PhD students and several Master students working on their theses.

Jean-Robert Tyran  
(Managing Director)

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## EXECUTIVE SUMMARY

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### Purpose of the Center

The Vienna Center of Experimental Economics (VCEE) provides infrastructure for conducting experimental research at the University of Vienna and is a forum for discussion and exchange of ideas.

The primary focus of the VCEE is to investigate the relevance of bounded rationality and social preferences in the economy, society and the state. In addition, the VCEE contributes to research and teaching in other branches of experimental economics and to the development of experimental methods and of behavioral economic theory.

Laboratory experiments are an important tool of research in economics. To be able to use this method effectively, we operate a 150 m<sup>2</sup> state-of-the-art experimental laboratory located on the premises of the University Campus. The lab includes 28 workstations and a control room. Operations began in fall 2011. Today, we can draw on a pool of several thousand subjects for recruiting and run close to 3'000 subjects through the lab per year.

VCEE primarily serves the research needs of its own members and provides infrastructure for research in experimental economics at the University of Vienna more generally. However, experienced experimentalists from other institutions and Universities are also welcome to submit applications for using our laboratory facilities. We try to accommodate all suitable applications. In case of

capacity constraints, internal applications (by VCEE members; members of the faculty of Business, Economics and Statistics; researchers at other faculties of U Vienna) are prioritized over external ones (researchers from other institutions in Austria and abroad). Applicants are requested to consult our guidelines for users which can be obtained from the lab manager.

The VCEE is more than just an experimental lab. We aim at engaging in debate and intellectual exchange in all aspects of experimental economics. Since experiments can be used to investigate almost all issues in economics and the social sciences, we are open to a broad range of issues and research questions as long as the investigations are methodologically sound and ethically unproblematic. We particularly welcome interaction with researchers from management, political science, psychology or sociology.

To promote intellectual exchange and to provide a platform for debate, we organize workshops, run an active seminar series for internal and external presenters and maintain our network of experienced academics as affiliates.

VCEE is also a hub for education in behavioral and experimental economics at U Vienna. We offer a broad range of courses on experimental methods and its applications at the Master level and educate about half a dozen of PhD students.

## Research and Publications

Research at the VCEE resulted in a total of ten publications in refereed journals in 2014. Members of VCEE have published six working papers and ongoing research has been presented at various conferences.



Seven students currently work on their PhD theses. Specific research topics studied include:

- Lobbying and electoral systems
- Clamping down on corruption
- Efficient market design
- Emotions and cooperation
- Distributional preferences under risk with a social reference point
- Intrinsic motivation
- Benefits of democracy
- Discrimination in the workplace

## Workshops, visitors and international networking

The VCEE maintains an active visitor program to strengthen its international research network and visibility. In 2014, we have been able to host more than 30 short-term international visitors, including a fair number from high-profile institutions in the U.S. such as Caltech, Carnegie Mellon, Columbia, Harvard and Stanford, and in Europe such as LSE, Oxford, Tilburg, Rome, PSE Paris, Copenhagen, and Zurich. We also had visitors

from Australia (Monash) and from the World Bank.

In addition to continuing its successful seminar series, the VCEE has hosted three workshops, one on Behavioural Public Economics in June, one on Public Organizations in September, and one to exchange ideas with our colleagues from U Innsbruck in March.

## Teaching

Our faculty continues to offer a large number of courses on Experimental and Behavioral Economics. Recent courses by Jean-Robert Tyran include a lecture on “Behavioral and Experimental Economics” and two seminars on “Rethinking Public Economics” and “Topics in Behavioral and Experimental Economics” for Masters students. Natalia Shestakova and James Tremewan jointly offered a seminar on “Designing and Implementing an Economic Experiment” for Master and Doctoral students. James Tremewan also teaches “Bargaining and Coalition Formation, Theory and Experiments” and “Lobbying and Corruption: Theory and Experiments”, both for Bachelor students. Next year, Wieland Müller will again offer a PhD course in “Experimental Economics” at the Vienna Graduate School of Economics (VGSE).

## ORGANIZATION, FACULTY AND STAFF

The VCEE thanks all collaborators for their efforts in ensuring the smooth operations of the laboratory facilities and for creating ideal conditions for effective research.

The VCEE is jointly directed by **Wieland Müller** and **Jean-Robert Tyran**, with the position of managing director alternating between the two. Müller also holds a professorship in Tilburg and Tyran a professorship in Copenhagen.

The activities of the laboratory are managed by Owen Powell, who heads a team of a handful of student assistants employed on a part-time basis. Administrative support is mainly provided by **Sandra Weissenböck** (head administrator) and Sylvie Hansbauer (accounting), while IT support is handled by Andreas Öller.

The VCEE and the Department of Economics have jointly made extensive efforts to attract highly qualified and talented junior faculty to Vienna. We are indeed a rather international team. We hold passports from Canada, Germany, New Zealand, Russia, Switzerland and Turkey. Our efforts have been extraordinarily successful, which we are extremely proud of. The junior faculty currently consists of:

**Owen Powell** is the manager of the lab. He received a PhD from Tilburg University and joined us in 2011 after visiting Carlos III of Madrid as an assistant professor. His main research interests are in the fields of experimental finance, behavioral economics, growth and growth accounting.



**Melis Kartal** holds a PhD from New York University and joined us in 2012 as an assistant professor. Some of her research interests include micro-economic theory, experimental economics and political economy.

**Natalia Shestakova** holds a PhD from CERGE-EI in Prague and joined us in 2011 as an assistant professor. Her main research interests are in behavioral economics, contract theory and industrial organization.

**James Tremewan** received a PhD from the Toulouse School of Economics and joined us in 2011 as an assistant professor. He is mainly interested in multilateral bargaining, coalition formation, and belief elicitation.

**Alexander K. Wagner** holds a PhD from the Toulouse School of Economics and joined us in 2014. He is mainly interested in behavioural economics, applied game theory, political economy and strategy and decision making.

Affiliate faculty members are experts in experimental economics who frequently contribute to the activities of the VCEE (e.g. as co-authors, presenters or seminar participants). Current affiliates are:

**Steffen Keck** (U Vienna)

**Bernhard Kittel** (U Vienna)

**Georg Kirchsteiger** (U Brussels)

**Boris Maciejovsky** (UC Riverside)

**Markus Reitzig** (U Vienna)

**Rupert Sausgruber** (WU Vienna)

**Sigrid Suetens** (U Tilburg)

**Erik Wengström** (Lund U)

The research activities at the lab were assisted by the following students in 2014:

- Anna Albert
- Lucia Baratech
- Anna Dimitrova
- Manuel Schwaninger
- Pablo Torija

Seven PhD and three MA students (one which finished) carried out research at the VCEE in 2014. They have all contributed to the effective functioning of the VCEE and to a vibrant academic atmosphere.

## Current PhD students

- **Eryk Kryowski:** discrimination, anonymity, behavioral public economics
- **Christopher Nell:** public economics, tax evasion
- **Alexander Rabas:** labour economics, gender wage gap, personality
- **Ilona Reindl (Joined in 2014):** collective action, club formation, threshold public goods, heterogeneous agents
- **Florian Spitzer:** trust and reputation, credence goods, antisocial preferences
- **Thomas Stephens:** redistribution and taxation, bounded rationality, honesty
- **Elke Weidenholzer:** decision making by children

## Completed Masters Theses

- **Santiago Cordova:** “Is social disapproval effective to deter corrupt behavior?”



## Visitors

The VCEE operates a visitor program which provides a platform for the presentation and discussion of recent research, as well as the exchange of new ideas and developments in the field of experimental research. Short-term visitors usually give a seminar presentation.

Israel WAICHMANN (U Heidelberg), March 21, 2014

Dirk ENGELMANN (U Mannheim), April 4, 2014

Jürgen BRACHT (U Aberdeen), May 9, 2014

Thomas STÖCKL (U Innsbruck), May 23, 2014

Guido FRIEBEL (Goethe U), May 23, 2014

Johannes ABELER (U Oxford), June 5-6, 2014

Marina AGRANOV (Caltech), June 5-6, 2014

Björn BARTLING (U Zürich), June 5-6, 2014

Kai KONRAD (MPI Munich), June 5-6, 2014

Lydia MECHTENBERG (U Hamburg), June 5-6, 2014

Stefan MEIER (Columbia U), June 5-6, 2014

Charles NOUSSAIR (Tilburg U), June 5-6, 2014

Erte XIAO (Carnegie Mellon U); June 5-6, 2014

Muriel NIEDERLE (Stanford U), June 20, 2014

Michelle BELOT (U Edinburgh), Sept. 8-9, 2014

Lea CASSAR (U Zurich), Sept. 8-9, 2014

Erika DESERRANNO (LSE), Sept. 8-9, 2014

Robert DUR (Erasmus U), Sept. 8-9, 2014

Rema HANNA (Harvard U), Sept. 8-9, 2014

Andreas LEIBBRANDT (U Monash), Sept. 8-9, 2014

Philip KEEFER (World Bank), Sept. 8-9, 2014

Joanne REINHARD (Behavioural Insights Team), Sept. 8-9, 2014

Michael SANDERS (Behavioural Insights Team), Sept. 8-9, 2014

Mirco TONIN (U Southampton), Sept. 8-9, 2014

Michael VLASSOPOULOS (U Southampton), Sept. 8-9, 2014

Patrick WARREN (Clemson), Sept. 8-9, 2014

Charles NOUSSAIR (Tilburg), Oct. 9, 2014

Lisa BRUTTEL (U Potsdam), Oct. 10, 2014

Matteo RIZZOLLI (Free U Bozen), Oct. 10, 2014

Holger HERZ (U Zurich), Nov. 14, 2014

Giancarlo SPAGNOLO (U Rome 2), Dec. 1, 2014

Steffen ALTMANN (U Copenhagen), Dec. 12, 2014



## WORKSHOPS AND SEMINARS

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### Workshop in Behavioral Public Economics, 5<sup>th</sup> & 6<sup>th</sup> June, 2014

The purpose of this workshop was to bring together a small group of researchers to discuss recent and prospective developments in the field of behavioural public economics. The workshop was part of the “National Research Network S103” funded by the Austrian Science Fund.

#### *Organizers*

Rupert SAUSGRUBER (WU Vienna)

Jean-Robert TYRAN (U Vienna)

#### *Presenters:*

Johannes ABELER (U Oxford)

Marina AGRANOV (Caltech)

Björn BARTLING (U Zürich)

Kai KONRAD (MPI Munich)

Lydia MECHTENBERG (U Hamburg)

Stephan MEIER (Columbia U)

Charles NOUSSAIR (Tilburg U)

Erte XIAO (Carnegie Mellon U)

Bernhard KITTEL

Mario KRAPPENBAUER

Wieland MÜLLER

Owen POWELL

Ilona REINDL

Vitold SANOTSKYY

Georg SATOR

Nadine SCHMID-GREIFENEDER  
(WU Vienna)

Manuel SCHANINGER

Natalia SHESTAKOVA

Florian SPITZER

Thomas STEPHENS (WU Vienna)

Alexander WAGNER

Katharina WICK

Adam ZYLBERSZTEJN (WU Vienna)

#### *Other participants:*

Tamás CSERMELY (WU Vienna)

Georg DIRNBERGER

Gülsah EKIZER

Elina GALABOVA

Georg KANITSAR

Melis KARTAL

## Workshop in Public Organizations, 8<sup>th</sup> & 9<sup>th</sup> September, 2014

The aim of the workshop was to bring together researchers who are interested in all aspects of public organizations, that is, organizations involved in the production and delivery of public services. The definition of public organizations cuts across the traditional public versus private sector division, as it recognizes that increasingly, a variety of organizations in the private sector (non-profits, NGOs, social enterprises, charities etc.) are involved in delivering public services either alone or in collaboration with governments. Areas of interest include but are not restricted to: the motivation of workers, managers and owners of public organizations, management and organizational practices in the delivery of public services, the funding of public organizations through philanthropy and other means, the role of partnerships between the government and public organizations and the scope for regulation.

### *Organizers*

Mirco TONIN (U Southampton)

Jean-Robert TYRAN (U Vienna)

Michael VLASSOPOULOS (U Southampton)

### *Presenters:*

Michelle BELOT (U Edinburgh)

Andreas LEIBBRANDT (U Monash)

Philip KEEFER (World Bank)

Joanne REINHARD (Behavioural  
Insights Team)

Michael SANDERS (Behavioural  
Insights Team)

Rupert SAUSGRUBER (WU Vienna)

Patrick WARREN (Clemson)

Lea CASSAR (U Zurich)

Erika DESERRANNO (LSE)

Robert DUR (Erasmus U)

Rema HANNA (Harvard U)

### *Other Participants:*

Tamas CSERMELY (WU Vienna)

Simone HÄCKL (WU Vienna)

Orsolya LELKES (European Centre)

Christopher NELL

Ilona REINDL

Georg SATOR

Nadine SCHMID-GREIFENEDER  
(WU Vienna)

Manuel SCHWANINGER

Thomas Alexander STEPHENS (WU  
Vienna)

Florian SPITZER

Alexander K. WAGNER

The Best Paper Award on “Public Organizations”, sponsored by Unicredit & Universities with a prize money of 2'000 Euro each, has been awarded at the occasion of this workshop.

The winners are Lea Cassar (U Zurich, middle left) for the paper: “Optimal Contracting with Endogenous Project Mission,” and Erika Deserranno (LSE, middle right) for the paper “Framed Incentives, Selection and Retention of Community Health Promoters in Uganda”



For the prize committee: Michael Vlassopoulos (U Southampton, left), Jean-Robert Tyran (U Vienna, 2nd from left) and Mirco Tonin (U Southampton, not on picture). For Unicredit & Universities Annalisa Aleati (Scientific Director, right) and Giannantonio De Roni (Secretary General, 2nd from right).

## **2<sup>nd</sup> Experimental Day Vienna-Innsbruck, March 14, 2014**

The purpose of this workshop was to bring researchers from U Innsbruck and U Vienna together to discuss recent research and to strengthen ties. The workshop was held at the premises of the Campus of U Vienna (Alte Kappelle)

### *Organizer*

Wieland MÜLLER (U Vienna)

### *Presenters:*

From U Innsbruck: Loukas Balafoutas, Anita Gantner, Diana Gaspari, Tanja Hörtnagl, Daniel Neururer, Manuela Oberauer, Levent Yilmaz.

From U Vienna: Melis Kartal, Bernhard Kittel, Fernando Quevedo, Florian Spitzer, Thomas Stephens.



## SEMINARS

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### January 17

Thomas Alexander Stephens (WU):

"Does Investment Behaviour in the Lab Predict Financial Wealth in Life?"

Mariya Teteryatnikova & James Tremewan (U Vienna):

"An Experimental Test of Network Stability"

### March 21

Israel Waichmann (U Heidelberg):

"A Re-Investigation of the Pure Group Size Effect: Free-riders, Contributions, and Beliefs"

### April 4

Dirk Engelmann (U Mannheim):

"Who Cares for Social Image?"

Melis Kartal & James Tremewan (U Vienna):

"Two Experimental Designs on Lobbying"

### April 11

Owen Powell & Natalia Shestakova (U Vienna):

"Bubbles and Experience"

### May 23

Thomas Stöckl (U Innsbruck):

"When Chasing the Offender Hurts the Victim: Insider Trading Legislation and the Risk of Collateral Damage"

Guido Friebe (Goethe U):

"Sorting of Motivated Agents: Evidence from Applicants to the German Police"

### June 20

Muriel Niederle (Stanford U):

"Working Over Time: Dynamic Inconsistency in Real Effort Tasks"

### October 10

Lisa Bruttel (U Potsdam):

"Beyond Reasonable Doubt"

Matteo Rizzolli (Free U Bozen):

"Thou Shall Not Steal: Experimental Evidence on the Innate Sense of Property"

### November 14

Holger Herz (U Zurich):

"What Makes a Price Fair? An Experimental Study of Market Experience and Endogenous Fairness Norms"

Alexander K. Wagner (VCEE):  
"The Chairman's Paradox in Experimental Committees"

#### **December 1**

Giancarlo Spagnolo (U Rome 2):  
"Flexibility and Cooperation with Imperfect Monitoring"

#### **December 12**

Steffen Altmann (U Copenhagen):  
"Limited Memory, Deadlines, and Incentives: Theory and Experimental Evidence"

Rudolf Vetschera (U Vienna):  
"The Multiple Dimensions of Negotiation Processes: A Unified Approach"

## **PUBLICATIONS AND WORKING PAPERS**

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### **Publications**

(Below, we list journal articles that have appeared in print 2014. VCEE members have many exciting papers forthcoming in addition to those listed below)

#### **"Who is (more) Rational"**

W. Müller with S. Choi, S. Kariv, and D. Silverman  
[American Economic Review](#), 104, (6), 1518-1550.

#### **"Naked Exclusion in the Lab: The Case of Sequential Contracting"**

W. Müller with J. Boone and S. Suetens  
[Journal of Industrial Economics](#), 62 (1), 137-166.

#### **"Output commitment through product bundling: Experimental evidence"**

W. Müller with J. Hinlopen and H.T. Normann  
[European Economic Review](#), 65 (1), 164-180.

#### **"Taxation and Market Power"**

W. Müller with K. A. Konrad and F. Morath  
[Canadian Journal of Economics](#), 47 (1), 173-202.

#### **"The Impact of Asset Repurchases and Issues in an Experimental Market"**

O. Powell with E. Haruvy and C. Noussair  
[Review of Finance](#), 18 (2), 681-713.

### **“Self-Organization for Collective Action. An Experimental Study of Voting on Sanction Regimes”**

J.-R. Tyran with T. Markussen with L. Putterman  
[Review of Economic Studies](#), 81 (1), 301-324.

### **“Does Money Illusion Matter? Reply”**

J.-R. Tyran with E. Fehr  
[American Economic Review](#), 104 (3), 1063-1071.

### **“Competition, Cooperation, and Collective Choice”**

J.-R. Tyran with T. Markussen, E. Reuben  
[Economic Journal](#), 124 (574), F163-F195.

### **“Second Thoughts on Free Riding”**

J.-R. Tyran with U. Nielsen and E. Wengström  
[Economics Letters](#), 122 (2), 136-139.

### **“Discriminatory Taxes are Unpopular - Even when they are Efficient and Distributionally Fair”**

J.-R. Tyran with R. Sausgruber.  
[Journal of Economic Behavior and Organization](#), 108 (1), 463-476.

## **Working Papers**

(click on the [titles](#) to read the paper)

### **“The Price of Prejudice”**

M. Hedegaard and **J.-R. Tyran**

#### *Abstract:*

We present a new type of field experiment to investigate ethnic prejudice in the workplace. Our design allows us to study how potential discriminators respond to changes in the cost of discrimination. We find that ethnic discrimination is common but remarkably responsive to the "price of prejudice", i.e. to the opportunity cost of choosing a less productive worker on ethnic grounds. In addition, we find that the standard theory of statistical discrimination fails to

explain observed choices, and that taking ethnic prejudice into account helps to predict the incidence of discrimination.

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### **“Fairness is Intuitive”**

A.W. Cappelen, U.H. Nielsen, B. Tungodden, **J.-R. Tyran** and **E. Wengström**

#### *Abstract:*

In this paper we provide new evidence showing that fair behavior is intuitive to most people. We find a strong association between a short response time and fair behavior in

the dictator game. This association is robust to controls that take account of the fact that response time might be affected by the decision-maker's cognitive ability and swiftness. The experiment was conducted with a large and heterogeneous sample recruited from the general population in Denmark. We find a striking similarity in the association between response time and fair behavior across groups in the society, which suggests that the predisposition to act fairly is a general human trait.

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### **“Corruption in Committees: An Experimental Study of Information Aggregation through Voting”**

R. Morton and **J.-R. Tyran**

*Abstract:*

We investigate experimentally the effects of corrupt experts on information aggregation in committees. We find that non-experts are significantly less likely to delegate through abstention when there is a probability that experts are corrupt. Such decreased abstention, when the probability of corrupt experts is low, actually increases information efficiency in committee decision-making. However, if the probability of corrupt experts is large, the effect is not sufficient to offset the mechanical effect of decreased information efficiency due to corrupt experts. Our results demonstrate that the norm of “letting the expert decide” in committee voting is influenced by the probability of corrupt experts, and that influence can have, to a limited extent, a positive effect on information efficiency.

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### **“Medical Insurance and Free Choice of Physician Shape Patient Overtreatment. A Laboratory Experiment”**

S. Huck, G. Lünser,  
**F. Spitzer** and **J.-R. Tyran**

*Abstract:*

In a laboratory experiment designed to capture key aspects of the interaction between physicians and patients in a stylized way, we study the effects of medical insurance and competition in the guise of free choice of physician. Medical treatment is an example of a credence good: only the physician (but not the patient) knows the appropriate treatment, and even after consulting, the patient is not sure whether he got proper treatment or got an unnecessary treatment, i.e. was overtreated. We find that with insurance, moral hazard looms on both sides of the market: patients consult more often and physicians overtreat more often than in the baseline condition. Competition decreases overtreatment compared to the baseline and patients therefore consult more often. When the two institutions are combined, competition is found to partially offset the adverse effects of insurance: most patients seek treatment, but overtreatment is moderated.

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## “Judicial Error and Cooperation”

T. Markussen, L. Putterman and  
J.-R. Tyran

### *Abstract:*

Cooperation can be induced by an authority with the power to mete out sanctions for free riders, but law enforcement is prone to error. This paper experimentally analyzes preferences for and consequences of errors in formal sanctions against free riders in a public goods game. With type I errors, even full contributors to the public good may be punished. With type II errors, free riders may go unpunished. We find that judicial error undermines cooperation and that the effects of type I and II errors are symmetric. To investigate their relative (dis-)like for error, we let subjects choose what type of error to prevent. By use of an incentive-compatible mechanism, we find that subjects prefer type II over type I errors. We find that the strength of this preference is fully in line with a motive to maximize income and does not indicate any additional psychological or fairness bias against type I errors.

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## “Measuring mispricing in experimental markets”

O. Powell

### *Abstract:*

Mispricing (the difference between prices and their underlying fundamental values) is an important characteristic of markets. The literature on the topic consists of many different measures. This state of affairs is unsatisfactory, since different measures may produce different results. Stockl et al. (2010) partially address this problem by proposing (among other things) that measures of mispricing be independent of certain nominal variables: the number of dividend payments and the absolute level of fundamental values. Their conditions rule out all previous measures used in the literature and lead them to propose new measures in response. This paper proposes that mispricing measures be independent of an additional variable: the unit of account. This condition rules out the measures proposed by Stockl et al. (2010) and serves as the basis for a new measure of market mispricing, the Geometric Average Deviation (GAD). The unit of account condition is relevant to many market settings, and thus calls into question the endings of previous research based on other measures that fail to satisfy this condition. An application illustrates the potential impact of this new measure on previous experimental results.

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## ACTIVITIES OF INDIVIDUAL MEMBERS

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(In alphabetical order, by last name)

### Melis Kartal, Assistant Professor

#### **Presentations**

- *Seminars:* VCEE seminar (U Vienna)

#### **Participation at conferences and workshops**

- *Workshops:* Behavioral Public Economics

#### **Refereeing for**

- *Institutions:* Social Science Research Network. *Journals:* Experimental Economics, Journal of Theoretical Politics

### Eryk Kryowski, PhD Student

#### **Presentations**

- *Seminar:* VGSE seminar (U Vienna); *Conference:* ESA European Meeting, Prague

#### **Participation at conferences and workshops**

- *Workshop:* Spring School in Behavioral Economics, San Diego

### Wieland Müller, Director

#### **Participation at conferences and workshops**

- *Workshops:* ESI Workshop on Institutions, Games and Experiments (MPI Jena); Behavioral Public Economics (VCEE, Vienna)

#### **Presentations**

- *Workshop:* ESI Workshop on Institutions, Games and Experiments (MPI Jena); *Seminars:* U Hamburg

#### **Other activities and affiliations**

- *Other Affiliation* (part time): U Tilburg, Department of Economics (Full Professor)
- *Research fellow:* VCEE (Vienna, Co-Director), CentER (Tilburg), TILEC (Tilburg), ENCORE (Amsterdam)

- *Academic services* at U Vienna: Head of Department of Economics; Chair hiring committee professorship “Industrial Organization/International Economics”, Member hiring committee tenure track position “Microeconomics”
- *Academic services external*: Main supervisor of completed PhD thesis (Ayse Mermer, U Tilburg), Member scientific committee of the European Association for Research in Industrial Economics (EARIE)
- *Editorial tasks*: Member Editorial Board: Experimental Economics, Journal of the Economic Science Association

#### **Refereeing for**

- *Journals*: American Economic Review, Econometrica, Review of Economic Studies, Games and Economic Behavior, European Economic Review, Experimental Economics, Journal of Economic Behavior and Organization, International Journal of Game Theory, Journal of Institutional and Theoretical Economics, Journal of Industrial Economics, *Publisher*: Book reviewer for Cengage Learning

### **Christopher Nell, PhD Student**

#### **Presentations**

- *Conferences and workshops*: ESA Asia-Pacific meetings, *Seminars*: Monash U, Australia

### **Owen Powell, Lab Manager**

#### **Presentations**

- *Conference*: GfeW Tagung (Passau), *Seminars*: VCEE seminar (U Vienna)

#### **Participation at conferences and workshops**

- *Workshops*: Behavioral Public Economics (U Vienna), *Conferences*: Experimental Finance (Zurich)

#### **Refereeing for**

- *Journals*: European Economics Review, Experimental Economics, Journal of Behavioral and Experimental Finance, Review of Finance

### **Ilona Reindl, PhD Student**

#### **Presentations**

- *Conferences*: GfeW Annual meeting (Passau)

#### **Participation at conferences and workshops**

- *Workshops*: Behavioral Public Economics, Public Organizations (U Vienna)

## Natalia Shestakova, Assistant Professor

### **Presentations**

- *Seminars:* VGSE seminar (U Vienna)

### **Participation at conferences and workshops**

- *Workshops:* Behavioral Public Economics (U Vienna)

## Florian Spitzer, PhD Student

### **Presentations**

- *Conferences:* Economic Science Association European meeting (Prague), 9<sup>th</sup> Nordic Conference on Behavioral and Experimental Economics (Aarhus), 9<sup>th</sup> Alhambra Experimental Workshop / Alhambra meets Barcelona. *Workshops:* Workshop on Experimental Markets (BI Oslo), 2<sup>nd</sup> Experimental Day Vienna / Innsbruck

### **Participation at conferences, workshops and summer schools**

- *Conferences:* Law, Governance and Behavioral Economics – an Interdisciplinary Research Perspective (U Graz), 5 Years of Applied Behavioral Science in Public Policy (Roskilde); *Workshops:* Behavioral Public Economics (U Vienna), Public Organizations (U Vienna); *Summer schools:* Inaugural Winter Experimental Social Sciences Institute (Abu Dhabi)

### **Refereeing for**

- *Journals:* Games and Economic Behavior, Journal of Economic Behavior & Organization

## Thomas Stephens, PhD Student

### **Presentations**

- 5<sup>th</sup> International Workshop on Experimental Economics (Xiamen University, China), 9<sup>th</sup> Nordic Conference on Behavioral and Experimental Economics, (Aarhus, Denmark), Workshop on Labor Markets and Welfare States, (WU Vienna), 2nd Experimental Day Vienna-Innsbruck (U Vienna), VCEE Seminar (U Vienna)

### **Participation at conferences and workshops**

- *Workshops:* Behavioral Public Economics (U Vienna), Public Organizations (U Vienna)

## James Tremewan, Assistant Professor

### **Presentations**

- *Seminars:* VCEE seminar (U Vienna)

### **Refereeing for**

- Journal of Economic Dynamics and Control

## Jean-Robert Tyran, Director (contact person)

### **Presentations**

- *Conferences and workshops:* Academy of Behavioral Economics (GDI, Zurich), Experimental Markets (at BI Oslo), What can Institutional Economists Learn from Field and Laboratory Experiments? (at U Lund). *Seminars:* Brown U (Providence, RI), Columbia U (New York), Humboldt U (Berlin), NYU (New York), VSE (Prague)

### **Other activities and affiliations**

- *Research grants:* Austrian Science Fund, "Experimental Investigation of Labor Markets" (joint with Rupert Sausgruber), 2011-14, Norwegian Research Council: "Experimental Markets with Search Frictions and Network Externalities" (joint with Leif Helland and Espen Moen), 2012-15; German Research Foundation, "Representative Democracy: Theory and Experiments" (joint with Alexander Wagner), 2014-2017
- *Research fellow:* CEPR (Center for Economic Policy Research, London), EPRU (Economic Policy Research Unit, Copenhagen), The Choice Lab (NHH Bergen, Norway), CAMA (Center for Applied Macroeconomic Analysis, Australian National U), NRN (Austrian Center for Labor Economics and the Analysis of the Welfare State). Part-time professor at U Copenhagen
- *Academic services at U Vienna:* Vice-Dean of the Faculty of Business, Economics, and Statistics; Co-Director at VCEE; Committee member: Back-to-research-grant
- *Academic services external:* Examiner for tenure decisions: U Basel, Ben-Gurion U of Negev, U Zurich; Member of PhD committee: U Heidelberg, U Padova; Member of evaluation group to assess the Faculty for Management, Economics and Social Sciences, U Cologne; Member of Board of the Society for the Advancement of Behavioral Economics (SABE); Member of *iv.future.lab* (Think tank of the Federation of Austrian Industries)
- *Conference Organization:* Workshop in "Public Organizations" (with M. Tonin and M. Vlassopoulos), Workshop in "Behavioral Public Economics" (with R. Sausgruber); Program Committee for annual meeting of German Economic Association (Hamburg)
- *Editorial tasks:* *Associate Editor:* Journal of Behavioral and Experimental Economics, Judgment and Decision Making; *Editorial Board:* European Journal of Political Economy, Experimental Economics, Journal of Experimental Political Science, Journal of the Economic Science Association

### **Refereeing for**

- *Journals:* American Economic Journal: Policy, Economic Journal, European Economic Review, European Journal of Political Economy, Experimental Economics, Journal of Behavioral and Experimental Economics, Journal of Economic Behavior and Organization, Journal of Political Economy, Journal of Public Economics, Journal of the European Economic Association, Judgment and Decision Making, Quarterly Journal of Economics, Review of Economic Studies. *Organizations:* Austrian National Bank (Jubiläumsfonds)

## **Alexander K. Wagner, Assistant Professor**

### **Presentations**

- *Seminars:* VCEE seminar at U Vienna, Alhambra Experimental Workshop.

### **Participation at conferences and workshops**

- *Workshops:* Behavioral Public Economics, Public Organizations

### **Other activities**

Project grant from German Research Foundation, “Representative Democracy: Theory and Experiments”, 2014-17 ([link](#))

### **Refereeing for**

- *Journals:* Journal of Economic Psychology, Scandinavian Journal of Economics