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Vienna Center for Experimental Economics

Annual Report 2022



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Foreword

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The year 2022 was one of our busiest lab years since 2018. Our lab team, managed by Geoffrey Castillo and Philipp KÜlpmann, worked constantly to get a very substantial amount of work done. This marks a significant milestone in our research efforts and our quest for providing outstanding infrastructure and service for experimental economics research at the University of Vienna.

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In the year 2022, we bid farewell to Victor González-Jiménez (who joined Erasmus University in Rotterdam). We welcomed Johannes Hölzemann as an assistant professor (who, prior to coming to Vienna, was a post-doctoral researcher at the Department of Economics at the University of Toronto) and Ada Kovaliukaite who joined us as a post-doctoral researcher (after completing a post-doctoral position at the Division of Social Science at New York University Abu Dhabi).

Co-director Jean-Robert Tyran ended a four and a half year term as Vice-Rector for Research and International Affairs of the University of Vienna. I am sure that the VCEE will benefit from his many experiences and insights he gained in this position. He is now in full research mode again.

In July 2022, co-director Martin Kocher (currently on leave) was sworn in as Federal Minister of Labor and Economics (after having been Federal Minister since January 2021). We congratulate Martin on this new appointment and wish him political acumen in his very responsible position.

I thank all colleagues (including our student lab assistants) for their work and contributions to the research activities and the scientific life at our Center. We remain committed to our mission of pursuing original and innovative research.

Wieland Müller,
Managing Director of the VCEE



VCEE in 2022: a few numbers

249

sessions

run in the VCEE Lab

10

Faculty
at the VCEE

13

talks

in seminars or conferences

3

outreach activities

to the general public

8

visitors

to the VCEE

8

lab assistants

85,050 €

paid to subjects

in the VCEE lab

9

publications

in international journals

8

courses

taught by VCEE members

2

grants

received by VCEE members

4,002

subject participations

in experiments

Summary

Purpose of the Center

The Vienna Center of Experimental Economics (VCEE) provides the infrastructure for conducting experimental research at the University of Vienna. It is also a forum for the discussion and the 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 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 m² 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 the autumn of 2011. Today, we can draw on a pool of several thousand subjects for recruiting; in 2022 we had 4,002 subject participations.

The 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 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 the University of Vienna) are prioritized over external ones (researchers from other institutions in Austria and abroad). If you are interested in running an experiment in our lab, please get in touch.

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 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.

The VCEE is also a hub for education in behavioral and experimental economics at the University of 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 9 publications in 2022. Members of the VCEE have presented ongoing research at various conferences. Specific research topics studied include:

- » context-dependent preferences,
- » decision in committees and political economy,
- » dishonesty,
- » experimental game theory,
- » social preferences,
- » tax compliance and tax evasion, and
- » trust and cooperation.

Workshops, Visitors, and International Networking

In order to strengthen its international research network and visibility, the VCEE maintains an active visitor program. In 2022, we had 8 visitors. The VCEE also organises an internal workshop where its members can present their projects at an early stage.

Teaching

Our members continue to offer many courses:

- » Johannes Hölzemann taught Microeconomics

- » Christian Koch taught Topics in Behavioral and Experimental Economics and Principles Public Economics
- » Wieland Müller taught Behavioral and Experimental Economics, Decision and Game Theory, and Seminar in

Experimental Economics

- » Yan Xu taught Applied Economics and Thinking, Predicting and good Decision-Making

People at the VCEE

Faculty



[Wieland Müller](#) is the managing director of the VCEE. He also holds a professorship at Tilburg University.



[Geoffrey Castillo](#) is senior scientist and co-lab manager.



[Si Chen](#) is assistant professor at the Department of Economics.



[Linda Dezső](#) joined us from the Department of Applied Psychology in February 2019.



[Johannes Hölzemann](#) joined us in September 2022. He is assistant professor at the Department of Economics.



[Christian Koch](#) is assistant professor at the Department of Economics.



[Martin Kocher](#) is co-director of the VCEE (on unpaid leave). He is Federal Minister of Labour and Economy in the Government of Austria.



[Philipp Külpmann](#) is senior scientist and co-lab manager.



[Jean-Robert Tyran](#) is co-director of the VCEE. He also holds a professorship at the University of Copenhagen.



[Yan Xu](#) is assistant professor at the Department of Economics.

Affiliate Faculty

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

- » Ben Greiner
- » Melis Kartal
- » Steffen Keck
- » Erich Kirchler
- » Georg Kirchsteiger
- » Bernhard Kittel
- » Boris Maciejovsky
- » Markus Reitzig
- » Rupert Sausgruber
- » Axel Sonntag
- » Sigrid Suetens
- » Alexander K. Wagner
- » Erik Wengström

Research Assistants

In 2022 the following students assisted the research activities at the lab:

- » Jan Bücken
- » Panagiota Charalampidou
- » Sebastian Ertner
- » Adél Horvath
- » Julian Mayrhuber
- » Max Meiners
- » Jannik Pointecker
- » Polina Samoilenko
- » Klara Weinhappl
- » Daniel Werjant

PhD Students

Several PhD students carried out research at the VCEE in 2022. They have all contributed to the effective functioning of the VCEE and to the creation of a vibrant academic atmosphere. They are:

- » Julian Polzin,
- » Sigma Samhita, and
- » Georg Schmidt.

Seminars and Events

VCEE Seminar

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

- » Alexia Gaudeul, Competence Centre for Behavioural Insights, European Commission, 28 January
- » Agne Kajackaite, Berlin Social Science Center, 18 March
- » James Tremewan, Higher School of Economics, 8 April
- » Michal Bauer, CERGE-EI and Charles University Prague, 13 May
- » Guillaume Fréchette, New York University, 24 June
- » Ingar Haaland, Norwegian School of Economics, 14 October

- » Maria Kogelnik, University of Amsterdam, 4 November
- » Esther Blanco, University of Innsbruck, 18 November

VCEE Workshop

In our workshop, VCEE members present their experimental designs and receive feedback from their peers. In 2022 we had the following presentation:

- » Georg Schmidt, “Strategic teaching in a monopoly with personalized pricing”, 11 March.

Research Outputs

Publications

“Are groups always more dishonest than individuals? The case of salient negative externalities”

Geoffrey Castillo, Lawrence Choo, and Veronika Grimm
Journal of Economic Behavior and Organization

“Inequitable wages and tax evasion”

James Alm, Linda Dezső, and Erico Kirchler
Journal of Behavioral and Experimental Economics

“Exploiting context-dependent preferences to protect borrowers”

Barna Bakó, Linda Dezső, and Gábor Neszveda
Journal of Financial Services Marketing

“The economic crisis during the COVID-19 pandemic has a negative effect on tax compliance: Results from a scenario study in Austria”

Katharina Gangl, Andre Julian Hartmann, Matthias Kasper, Erico Kirchler, Martin Kocher, Martin Müller, and Axel Sonntag.
Journal of Economic Psychology

“Teams and individuals in standard auction formats: decisions and emotions”

Maria Karmeliuk, Martin Kocher, and Georg Schmidt
Experimental Economics

“Comparing theories of one-shot play out of treatment”

Philipp Kűlpmann and Christoph Kuzmics
Journal of Economic Theory

“Fake News, Voter Overconfidence, and the Quality of Democratic Choice”

Melis Kartal and Jean-Robert Tyran
American Economic Review

“Demand Estimation Using Managerial Responses to Automated Price Recommendations”

Daniel Garcia, Juha Tolvanen, and Alexander K. Wagner
Management Science

“Ambiguous Platforms and Correlated Preferences: Experimental Evidence”

Juha Tolvanen, James Tremewan, and Alexander K. Wagner
American Political Science Review

Working Papers

“Cournot meets Bayes-Nash: A discontinuity in behavior in finitely repeated duopoly games”

Cédéric Argenton, Radosveta Ivanova Stenzel, Wieland Müller

Abstract: We conduct a series of Cournot duopoly market experiments with a high number of repetitions and fixed matching. Our treatments include markets with (a) complete cost symmetry and complete information, (b) slight cost asymmetry and complete information, and (c) varying cost asymmetries and incomplete information. For the case of complete cost symmetry and complete information, our data confirm the well-known result that duopoly players achieve, on average, partial collusion. However, as soon as any level of cost asymmetry or incomplete information is introduced, observed average individual quantities are remarkably close to the static Bayes-Nash equilibrium predictions.

“Continuous Inclusion of Other in the Self”

Benjamin Beranek, Geoffrey Castillo

Abstract: The Inclusion of Other in the Self (IOS) scale is a popular tool to measure interpersonal closeness that is increasingly being used in economics. We develop and validate a continuous version of the IOS scale. This Continuous IOS scale gives a more precise measure and solves a no-overlap avoidance bias present in the standard IOS scale. We also propose a version of the standard IOS scale that, contrary to existing implementations, meets its theoretical requirements. Our IOS scales are easy-to-use, well-documented, and available at <https://github.com/geoffreycastillo/ios-js>.

Seminars and Conferences Presentations

“How does the way we represent lotteries affect risk preferences?”

Geoffrey Castillo

12th International Conference of the French Association of Experimental Economics (ASFEE), Lyon, France
1 Jul 2022

“Tax Amnesties and Tax Compliance: An Experimental Study”

[Christian Koch](#)

The International Conference on Public Economic Theory: PET 2022, Marseille, France
8 Jun 2022

“Anti-immigration stances: An experimental investigation of economic and behavioral factors”

[Christian Koch](#)

2022 European Economic Science Association Conference, Bologna, Italy
1 Sep 2022

“Anti-immigration stances: An experimental investigation of economic and behavioral factors”

[Christian Koch](#)

Annual Meeting of the Austrian Economic Association 2022, Vienna, Austria
21 Sep 2022

“Strategic Use of Ambiguity”

[Philipp K  lpmann](#)

Annual Meeting of the Austrian Economic Association 2022, Vienna, Austria
20 Sep 2022

“Fake News, Voter Overconfidence, and the Quality of Democratic Choice”

[Jean-Robert Tyran](#)

Universit   Paris-1 Panth  on-Sorbonne, Paris, France
1 Feb 2022

“Keynote lecture anniversary conference Belgrade”

[Jean-Robert Tyran](#)

85th anniversary conference, Faculty of Business and Economics, University of Belgrade: Digitalization and sustainability, Belgrade, Serbia
15 Sep 2022

“Self-signaling in voting”

[Jean-Robert Tyran](#)

Psychology and Law, Vienna, Austria
6 Oct 2022

“Self-signaling in voting”

[Jean-Robert Tyran](#)

Prague University of Economics and Business, Prague, Czech Republic
10 Nov 2022

“Self-signaling in voting”

[Jean-Robert Tyran](#)

New York University Abu Dhabi, Abu Dhabi, United Arab Emirates
13 Dec 2022

“Commitment and communication in Bayesian persuasion: theory and experiment”

[Yan Xu](#)

Wirtschaftsuniversit  t Wien (WU), Vienna, Austria
18 Apr 2022

“Commitment and communication in Bayesian persuasion: theory and experiment”

[Yan Xu](#)

2022 European Economic Science Association Conference, Bologna, Italy
1 Sep 2022

“Commitment and communication in Bayesian persuasion: theory and experiment”

[Yan Xu](#)

Concordia University, Quebec, Canada
11 Nov 2022

Outreach

“Mit Experimenten Wirtschaft und Gesellschaft besser verstehen”

[Jean-Robert Tyran](#)

Fraunhofer-Institut f  r Techno- und Wirtschaftsmathematik ITWM, Kaiserslautern, Germany
10 May 2022

“Evidence-based policy: the role of a public university”

[Jean-Robert Tyran](#)

Evidence-based policy making: a Collaborative Event of WIFO, IHS and CEU, Vienna, Austria
19 May 2022

“Using Experiments to promote our understanding of the economy and society”

[Jean-Robert Tyran](#)

University of Economics in Bratislava, Bratislava, Slovakia
28 Nov 2022

Externally Funded Projects

“Understanding Social Mobility — An experimental approach”

Ada Kovalyukaite and [Jean-Robert Tyran](#)

Funded by the Austrian National Bank

“Self-serving Views on Redistributive Fairness”

[Linda Dezs  ](#) and Jean-Robert Tyran

Funded by the Austrian Science Fund (FWF)