

Game theory and strategic interaction

collective good provisions

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Systemevaluation 2019

- Dient der Einschätzung der Studienbedingungen am Soziologischen Institut
- Ziel ist eine Vollerhebung, weshalb es wichtig ist, dass jede und jeder teilnimmt
- Die Ergebnisse werden an der nächsten Vollversammlung (HS19) vorgestellt und diskutiert
- Wichtig: Bitte den Fragebogen **nur 1 Mal** ausfüllen!
- LINK: www.suz.uzh.ch/syse

Individual work

- Define a collective good
- Inasmuch are collective goods and prisoner's dilemmas comparable?
- Based on the knowledge from the lecture, what would homo oeconomicus do?
- What would you expect in real life?

Please join the experiment!

- Or: rebrand.ly/try



Open group discussion

- What are your experiences?
- What is the effect of rewards (treatment: increasing points)? What is the effect of punishment (treatment: decreasing points)?
- What is the difference between your experiences and game theory classes you had before?

Group 1

- Find 3 examples of collective goods!
 - What would rational and selfish actors do? Discuss how people typically behave in these situations (based on your experience)

Group 2

- Find 3 examples of punishment as an enforcing device of collective good provisions
 - How is punishment implemented (e.g. avoidance, third-party or coercion)? In which ways is it costly to punish and how costly is it? Is there typically a second-order free-riding problem?

Group 3

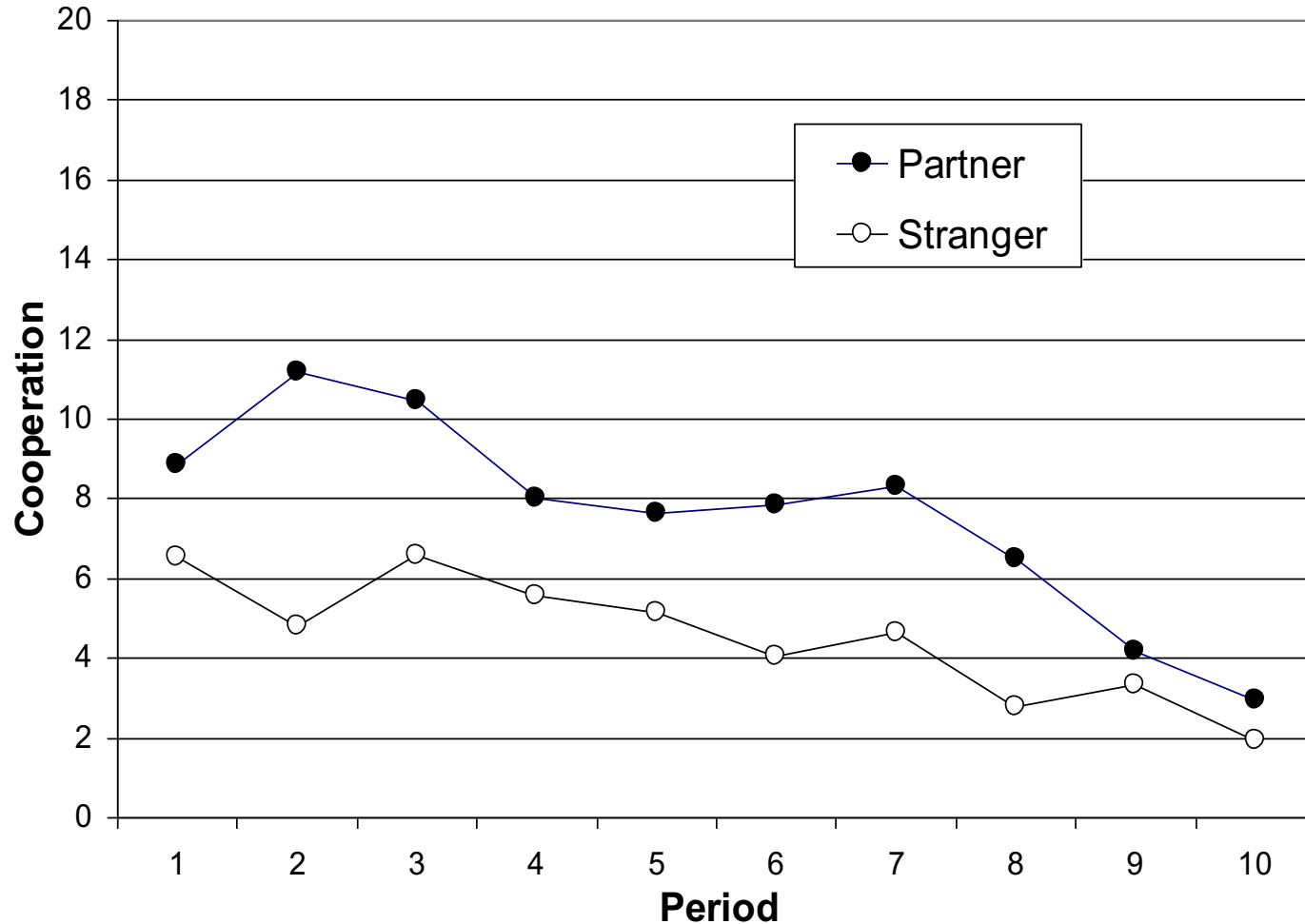
- Find 3 examples of rewards as an enforcing device of collective good provisions
 - How are rewards implemented? In which ways are rewards costly? Is there typically a second-order free-riding problem?

Discussion:

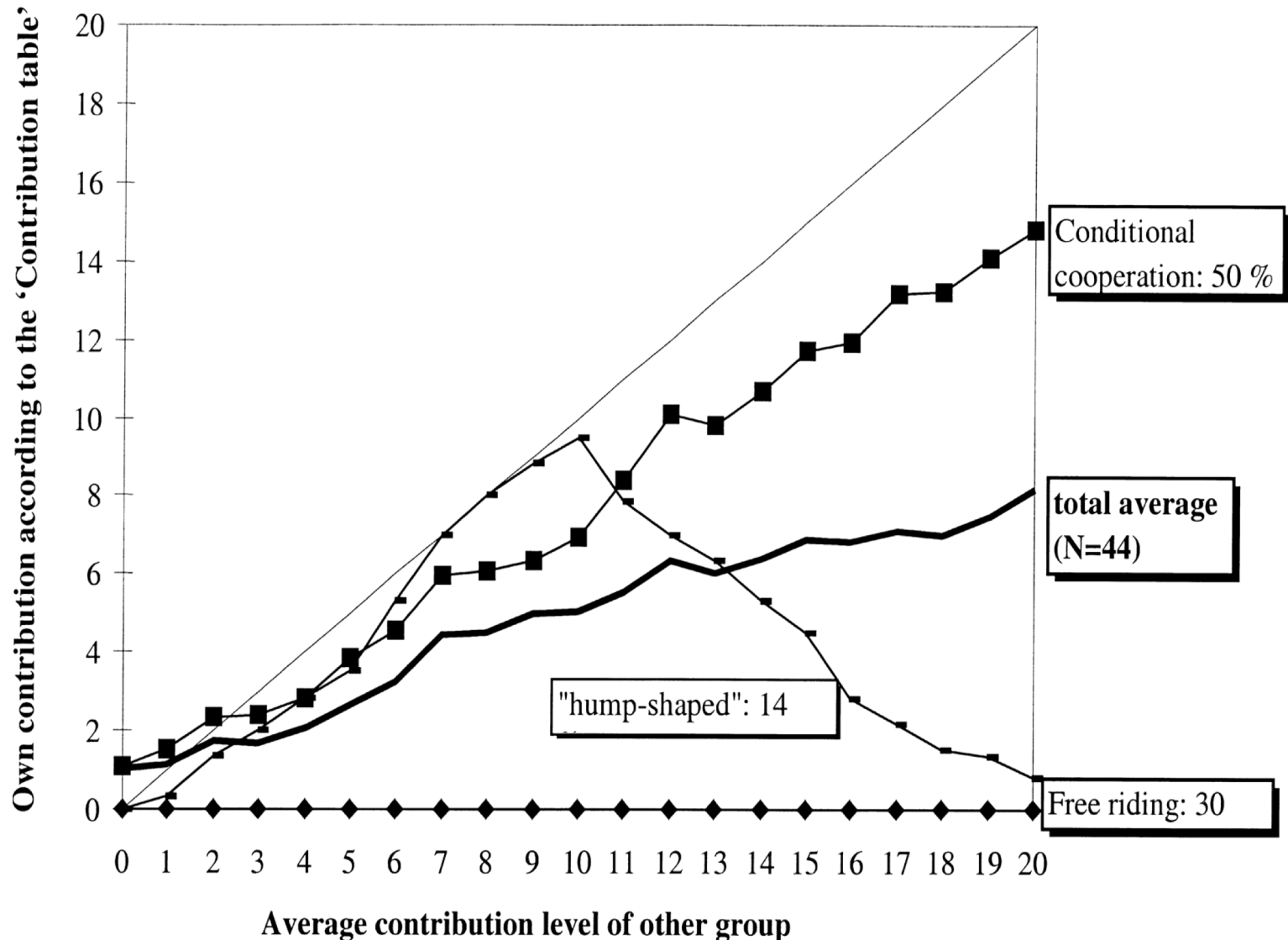
What are other mechanisms for the emergence of cooperation?

Results I: Decay of cooperation

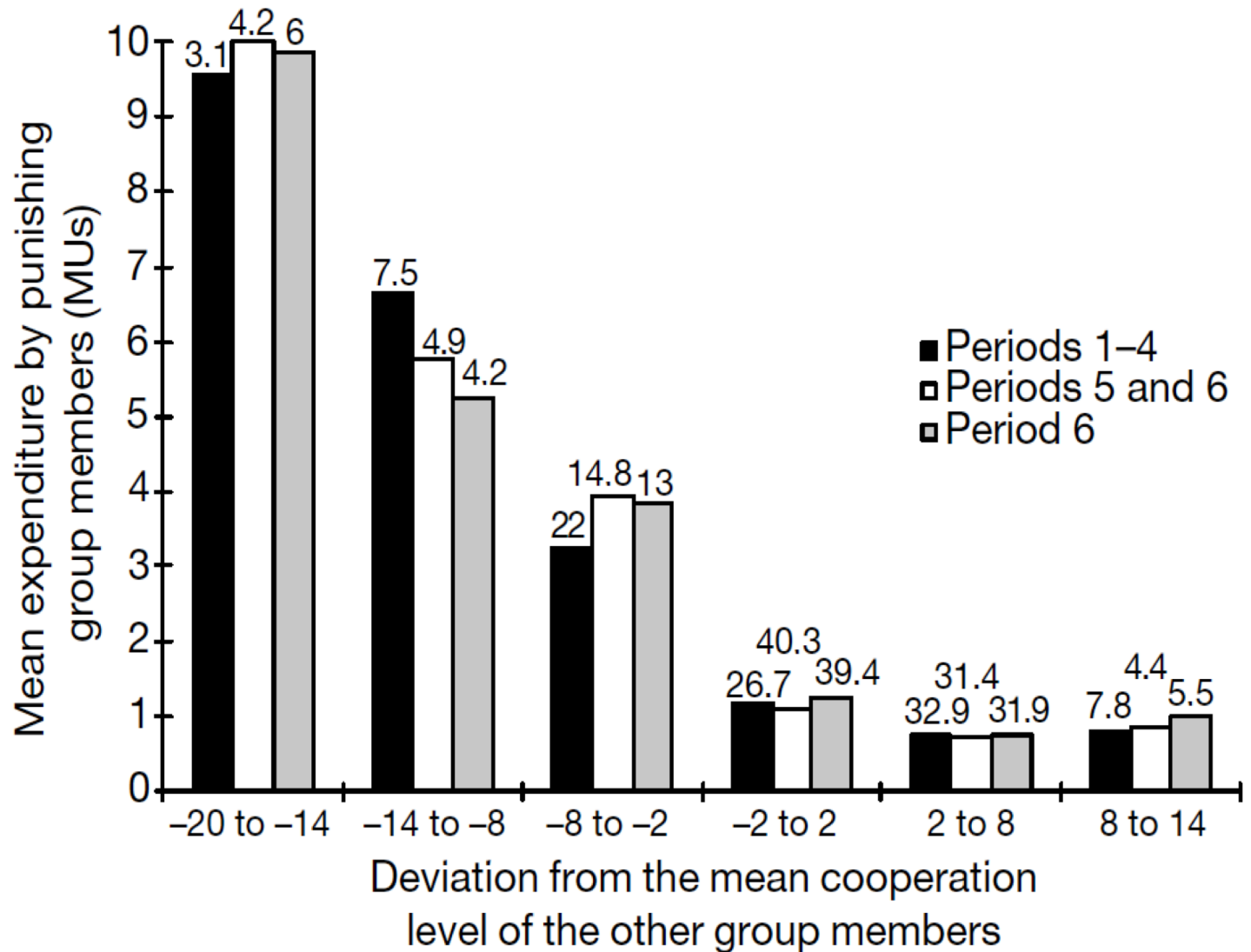
Cooperation of Partners and Strangers (Source: Fehr and Gächter AER 2000)



Results II: Proximate mechanism: imperfect conditional cooperation

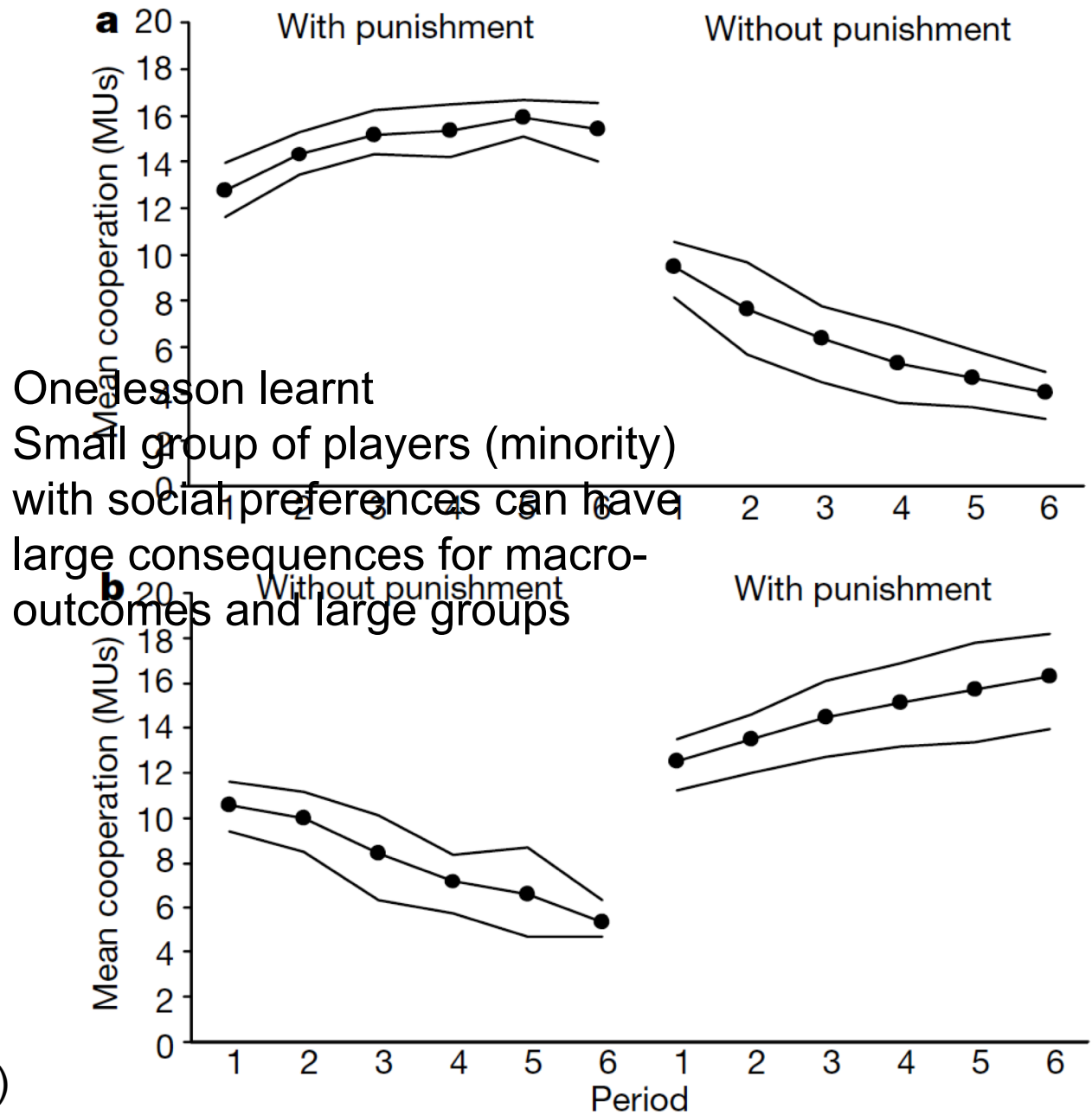


Results III: Sanctioning behavior



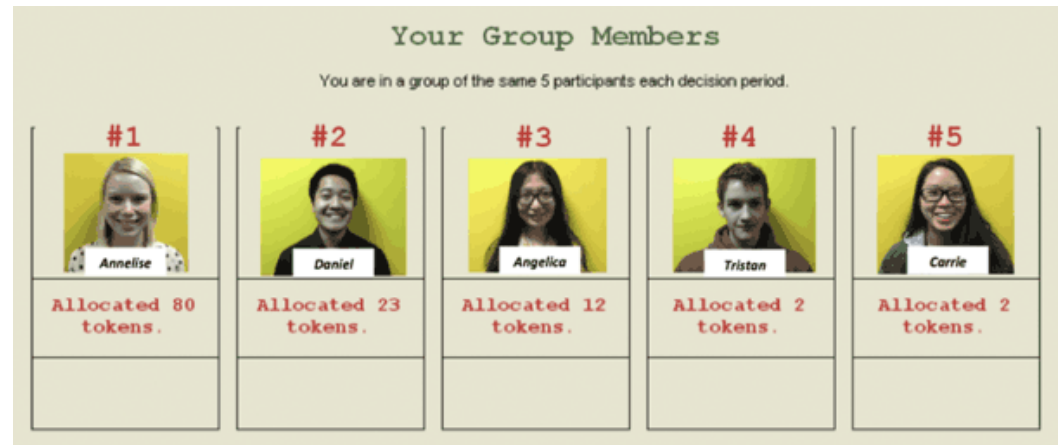
**One lesson learnt:
Small group of players (minority)
with social preferences can have
large consequences for macro-
outcomes and large groups**

Results IV: Effects of sanctions

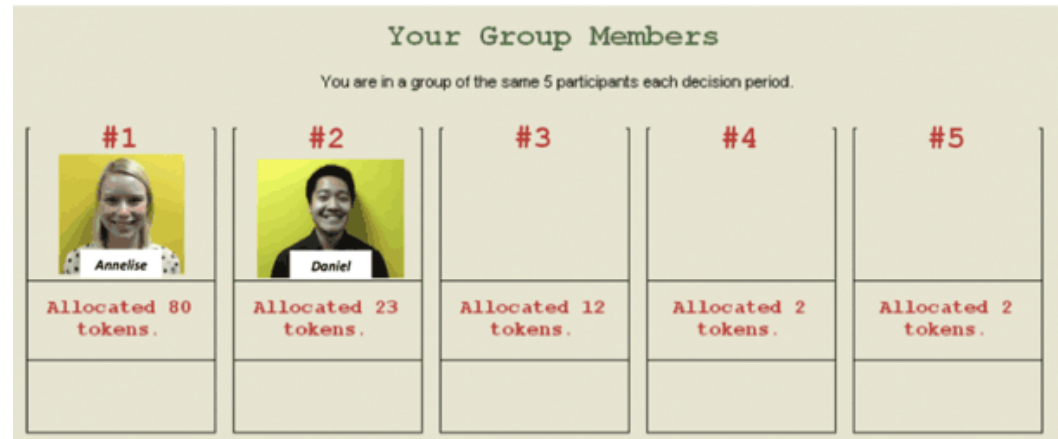


Results V: Aversion from shame more powerful motivator than anticipation of prestige

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Treatment ALL



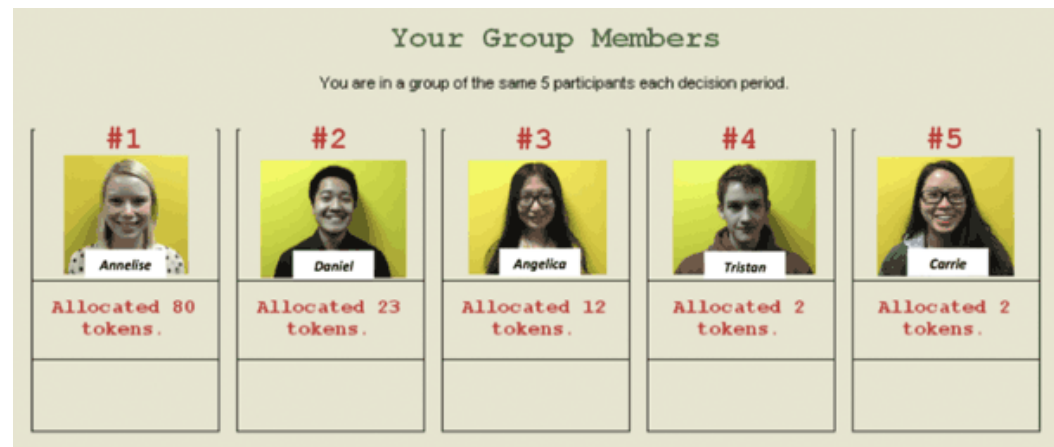
Treatment TOP



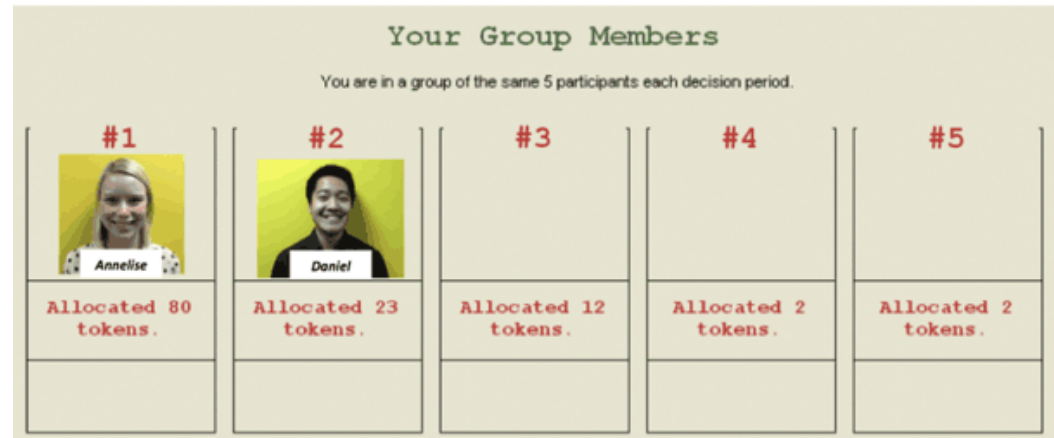
Treatment NONE

Results V: Aversion from shame more powerful motivator than anticipation of prestige

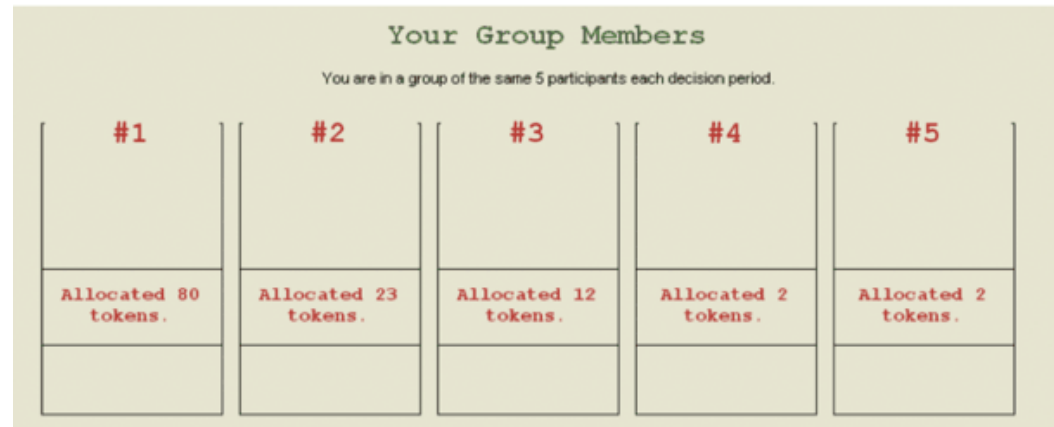
Samek, A. S., & Sheremeta, R. M. (2014). "Recognizing contributors: an experiment on public goods." *Experimental Economics*, 17(4), 673-690.



Treatment ALL

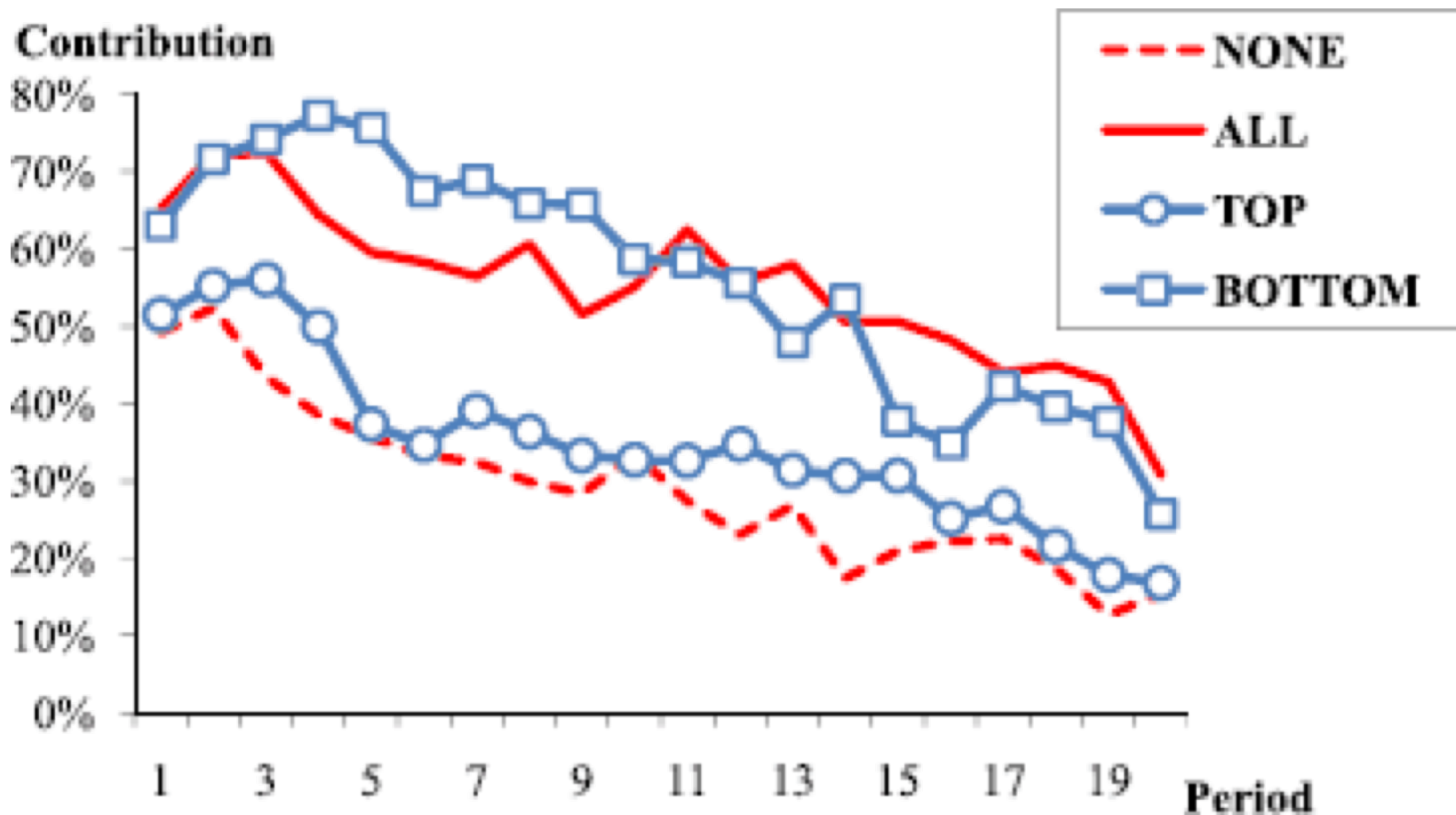


Treatment TOP



Treatment NONE

Results V: Aversion from shame more powerful motivator than anticipation of prestige



Samek, A. S., & Sheremeta, R. M. (2014). "Recognizing contributors: an experiment on public goods." *Experimental Economics*, 17(4), 673-690.