

ALFRED-  
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## Newsletter 30/2010

ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
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### AWI This Week

**Monday, 20. 12. 10**

**Departmental Seminar**

17.15-18.45

Andy Schotter, NYU

AWI 00.010

"Intrinsic and Instrumental Reciprocity: An Experimental Study"

### Jour Fixe

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

### Departmental Seminar

Andy Schotter

"Intrinsic and Instrumental Reciprocity: An Experimental Study"

We experimentally test a repeated veto game: in each of an infinite number of periods, Nature generates a pair of payoffs, one for each player. Although the sum of the players' payoffs is positive, with positive probability one of the players receives a negative payoff. Players simultaneously decide whether to approve such a proposal. If either of the players vetoes the proposal, both players get zero; otherwise, they receive the value generated by Nature. In this context, we devise an experiment to distinguish between alternative explanations of generous behavior (accepting negative payoffs): altruism, intrinsic backward-looking reciprocity (reciprocal kindness), and instrumental forward-looking (or equilibrium) reciprocity. Our results are broadly consistent with the hypothesis that observed sacrifices are motivated by equilibrium selfish, forward-looking reciprocal behavior. Subjects make favors in the expectation that the beneficiary will reciprocate in future periods. Our results also suggest that, ignoring this element of reciprocity in the data may overstate the effect of altruism or intrinsic (kindness) reciprocity.

\* with Luis Cabral and Erkut Ozbay

### Talks and Research Visits

**Joerg Oechssler** attended the 2010 International Workshop on Experimental Economics and Finance in Xiamen, China, and gave a keynote lecture on "Imitation: Theory and Experimental Evidence", December 15-16.

**Christiane Schwieren** gave a talk at Universitat Pompeu Fabra, Barcelona on "Eye-tracking levels of reasoning", November 25.

### New and Leaving Staff

Jean-Philippe Lefort, Post-doc researcher at the chair of Jürgen Eichberger, goes back to France. Over the past 3 years, he prepared several papers for publication in cooperation with AWI researchers. Moreover, he was in charge of seminars and lectures in mathematics and decision theory for Master students.

***Merry Christmas and a Happy New Year 2011  
to all friends of the AWI Newsletter!***

**Editorial deadline for issue 01/2011 of the newsletter:  
Wednesday, December 22, 2010, 12 o'clock.  
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,  
please contact the address above.