

Index

- Action-Only, social learning, 271–274
- Action-Plus-Advice, social learning, 276–277
- advice, 1, 30
- advice, approaches to, 30–41
 - in Battle of the Sexes, 85–104
 - of bosses, 245–265
 - choice under influence of, 10–11
 - conclusions on, 394–406
 - defining, 21–22
 - different forms of, 177–178
 - economics approach to, 31–37
 - and economic mechanisms, 317
 - following, 30–41, 386
 - giving, 30–41, 384–386
 - insight into human nature, 400–401
 - and mechanism design, 9–10
 - in Minimum-Effort Game, 175–209
 - naive, 22–23
 - private and public, 224–226
 - psychologist approach, 37–41
 - and social learning, 267–292
 - and school matching, 384–386
 - technical, 23–24
 - in Trust Game, 138–167
 - in 2/3's Guessing Game, 214–238
 - types of, 22–30
 - in Ultimatum Games, 111
 - verbal, 386–387
 - wise, 24–26
- Advice-Only, social learning, 275–276
- Advice-Only, treatment, 83, 117, 146
- Advice-Plus-History, 146
- advisors, 1
- advisors, motivation, 128–133
- Agranov, M., 34
- Akerlof, G. A., 28, 29
- Alaoui, L., 217, 223
- almost-common knowledge, 54, 177
- amount returned (AR), 154
- amount sent (AS), 154
- Anderlini, L., 49, 59, 66, 68
- Andersen, S., 64, 271
- Aumann, Robert, 46, 113
- Austen, Jane, 5
- babbling equilibrium, 33, 276
- backward induction advice (BI), 129, 131
- backward induction arguments, 128
- Banerjee, A. V., 64
- bargaining, 111–113
 - conventionality, 122–127
 - conventions, 113–117
 - impact of advice, 127–135
 - outcomes with advice, 119–122
- Baseline experiment, 83
- Battalio, R. C., 179
- Battle of the Sexes, 85–86, 175
 - evolution of conventions, 93–97
 - game, 86–87
 - results, 87–93
 - social/belief learning, 97–103
 - stable conventions in, 57–59
- Becker, DeGroot, Marschak (BDM) procedure, 301
- belief, 194–198, 205–208
 - biases, 308–314
 - optimal updating of, 308–314
- belief formation, 69
- Belief-Elicitation Game, 300–301
- Bell, R. O., 179
- Berg, J., 81, 140, 166
- Best Response Advice (BRA), 129
- Bikhchandani, S., 64, 65
- Binmore, K., 53, 54, 171
- Black Lives Matters, 62
- Bonaccio, S., 37
- bosses, *See* meddlesome boss, advice of
- Boston mechanism, 324
- Brehmer, B., 38
- car, purchasing, 25
- Carlsson, H., 181
- Çelen, B., 64, 269, 271, 277, 279
- CEOs, 6, 7
- Chakraborty, A., 33

- Chamley, C. P., 270
- chatting and matching experiment, 321–355, 356
- experimental design, 326
 - chat, content of, 348
 - comparing phases, 336
 - experimental results (phase 1), 333
 - stability, 342
 - welfare, 344
- chauvinistic bias, 295
- Che, Y. K., 35
- cheap-talk games, 32–34
- Chi, M. T., 246
- Choi, S., 217, 223
- Chwe, Michael, 62, 209
- clients, creating, 300–301
- coaching, 26–28
- cognitive anchor, 216, 227
- cognitive hierarchies, 232–237
- common *p*-beliefs, 205–208
- common knowledge, 171–174
- common-knowledge advice, 177–178
- Common-Knowledge Hypothesis, 219
- common-knowledge hypothesis, 216
- common problem, 30
- communication games, 31
- concurring decisions*, 277
- conditional behavior, 50
- conservative bias, 296
- contrary decisions*, 278
- Control Guessing (Control) treatment, 222
- conventionality, 122–127
- conventional behavior, *See* pot roast, Jewish story
- conventional offer, 114
- conventions, 51–54
- in Battle of the Sexes, 57–59
 - defining, 52–53
 - evolution of, 93–97
 - in lab, 59–62
 - and punishments, 63
 - stable equilibrium conventions, 54
- conventions, emergence of, 5
- coordination, 85–86
- cutoff equilibrium*, 272
- cutoffs, observed/predicted, 279–283
- Dal Bo, P., 53
- Dalal, R. S., 37, 38
- Dasgupta, U., 34
- decision-making, 2
- Dewatripont, M., 36
- Diamond, D., 176
- Dickhaut, J., 81, 140, 166
- Dur, R., 36
- Dybvig, P., 176
- Dynastic Games, 45, 49
- dynastic games, 66–70
- e-mail, example, 54
- economics approach, advice, 31–37
- efficiency, 368–372
- efficiency, talking oneself to, 188–205
- advice quality, 198–201
 - beliefs, 194–198
 - minimum choices, 188–194
 - path dependence, 188–205
- Electronic Mail Game, 53
- estimation, structural, 376–383
- Experimental Currency Units (ECUs), 326–331
- experts, creating, 298–300
- Fairness advice (FA), 129
- Fehr-Schmidt, 100, 144
- Fehr, E., 53
- Feng, B., 295
- fairness, *See* various entries
- first round minimum, 201
- focus hypothesis, 216
- Focus Hypothesis., 219
- Folk Theorems, 67
- Forward induction arguments, 55
- forward induction arguments, 54–57
- Frechette, 53
- Fudenberg, D., 46
- Fukuyama, Francis, 139
- Gächter, S., 53
- Gale-Shapley deferred acceptance mechanism, 325
- Geanakoplos, J., 171
- General Theory of Employment Interest and Money* (Keynes), 214
- generational games
- dynastic games, 66–70
 - overlapping generations, 70–71
- generational player, 55
- Gerardi, D., 49, 59, 66, 68

410 INDEX

- giving advice, 30–41
 - economics approach to, 31–37
 - psychologist approach, 37–41
- Goltsman, M., 34
- grim-trigger strategy, 49
- Gunnar, E., 37, 38
- Hagafors, R., 38
- Harbaugh, R., 33
- Hassidim, A., 362
- High Information Private Advice Treatment (HPri), 221
- Hirshleifer, D., 64, 65
- History-based advice (HBA), 129
- History-only, treatment, 117
- Holt, C. A., 64, 271
- horizontal advice, *See* school choice matching problem
- Horner, J., 34
- imitation set*, 274
- inheritance, 5
- Intergenerational Game, 7, 45–51, 54
 - design/procedures, 80–82
 - treatments, 82–84
- intuitive response, 23
- Investment Game, 297–298
- Israel, 112
- Japan, 112
- Judge Advisor System (JAS), 37
- Judge-Advisor System, 247
- Kahneman, D., 23
- Kandori, M., 46, 70, 71
- Kariv, S., 64, 269, 271, 277, 279
- Kartik, N., 35
- Keynes, John Maynard, 214, 215
- Kleinberger, E., 296
- Kloosterman, A., 4
- Kolmogorov-Smirnov test, 284, 285
- Kremer, M., 176
- Kubler, D., 64
- Langunoff, R., 49, 59, 66, 68
- learning
 - adaptive, reinforcement, 361
 - Intergenerational, social, 361
 - Introspective, 338
 - with meddlesome boss, 245
 - Social versus experiential, 374–383
- Learn-While-You-Earn environment, 28, 247
- Lewis, David, 41, 52, 53, 171
- Low-Information Private-Advice Treatment (LPri), 221
- MacGeorge, E. L., 295
- Margalit, Ullman, 85
- market for advice, 294–297
 - belief biases, 308–314
 - creating clients, 300–301
 - creating experts, 298–300
 - Investment Game, 297–298
 - results, 301–308
- Maskin, E., 46
- matching, 321–323
 - Boston mechanism, 324
 - and chatting, 321–323
 - experimental design, 326–331
 - Gale-Shapley deferred acceptance mechanism, 325
 - school choice, 323–325
- McCabe, K., 81, 140, 166
- Mean-Public-Advice treatment (MPub), 221
- mechanism designer, 360–365
- meddlesome boss, advice of, 245–248
 - advice following, 257–260
 - advice giving, 260–263
 - advice giving/following, 256–257
 - decision problem, 248–249
 - experimental procedures, 249–253
 - optimal action, 252–253
 - results, 253–263
 - surprise quiz behavior, 253–256
- Merlo, A., 27, 247, 251
- Millay, Edna St. Vincent, 26
- Minimum-Effort Game, 175–177
 - background of, 178–181
 - different forms of knowledge, 177–178
 - efficiency, 188–205
 - experimental design, 181–188
- Mirror Equilibrium, 275
- mirror image transformation, 280
- Monderer, D., 54
- Morris, S., 176
- Nagel, Rosemarie, 220
- naive advice, 22–23
- narratives, 28–30

- Nash equilibrium, 50, 55, 112
 network externality, 85
neutral decisions, 278
 Newey-West estimator, 257
 non-selfish disequilibrium, 93
 norms, 51–54
 norms of partiality, 85
 nudge, 26
- O-Ring theory of development, 176
 objective-type distribution, 218
 observational learning, 27
 offers, 146–148
 Okuna-Fujiwara, Masahiro, 112
 Olszewski, W., 34
 optimal action, 252–253
 other (OA), 129
 other-regarding preferences and fairness
 in Battle of the Sexes Game p. 86–87
 in Trust Game, 143–145
 in Ultimatum game, 128–133
 Ottaviani, M., 36
 overlapping generations, 70–71
 Overlapping Generations Games, 45
 Oxford English Dictionary, 21
- Pareto-inferior equilibrium, 175, 176
 Pavlov, G., 34
 payoff matrix, 180
 payoffs, 8, 61
 Penta, A., 217, 223
 perception rents, 295
 players, 46
 political realm, 62
 pot roast, Jewish story, 50–51
 Prasnikar, Vesna, 112
 prediction advice (PA), 129
 preliminaries, social learning, 271
 presidents, 6
 Price-Elicitation Game, 300–301
 private advice
 Minimum-Effort Game, 177–178
 2/3rd's Guessing Game, 224–226
 Private-Advice Plus History, 182
 Psychology, 38, 39
 public advice, 171–174
 Minimum-Effort Game, 177–178
 2/3rd's Guessing Game, 226–232
 Public-Advice Almost-Common-Knowledge,
 182, 183, 192
- Public-Advice-Common-Knowledge, 182,
 183, 192
 punishments, 7, 63
- Quandt, R. E., 90
 QWERTY keyboard, 85
- Random-Public-Advice Treatment (1Pub),
 221
 rankings, changes in, 337–342
 Receiver (Advisee), *See* economics approach,
 advice
 reciprocity, 159–162
 and fairness, 162–164
 Rees-Jones, A., 362
 regime estimation, 104–109
 Regime I, 90
 Regime II, 91
 Regime III, 91
 Regime IV, 91
 Regime V, 91
 religion, choosing, 4
 representative bias, 296
 return behavior, 152–156
 Rob, R., 181
 Roth, Alvin, 112
 Rubinstein, A., 23, 46, 53, 54, 111, 171
- Samet, D., 54
 school matching problem, 323–325
 experimental design, 326–331
 matching problem, 326–329
 networks, 329–331
 results, 331–355
 treatments, 331
 school matching under the influence of
 intergenerational advice, 360–392
 experimental design for, 365–366
 explaining results, 374–376
 results, 368–376
 treatments, 366–368
 school-matching mechanisms, 9
 Schotter, A., 4, 27, 28, 34, 53, 57, 247, 251,
 279
 Schrah, G. E., 38
 selfish disequilibrium, 93
 Sender (Advisor), *See* economics approach,
 advice
 sender payoff, increasing, 149–151
 Shapley, L. S., 46

412 INDEX

- Shin, H. S., 176
signaling equilibria, 277
 simulation, structural, 376–383
 Sniezek, J. A., 38
 Snower, D. J., 29
 Sobel, J., 32
 social learning problem, 7
 social learning, term, 7, 8, 45
 social learning experiment, 63–65, 97–100, 267–268
 experimental design, 268–270
 experimental results, 277–292
 other regarding preferences, 100–103
 questions, 277–287
 theory/predictions, 270–277
 societal problem, 4–6
 Sopher, B., 57
 Sørensen, P. N., 36
 spite (SP), 130
 Squintani, F., 34
 stability, 342–343
 stable equilibrium conventions, 54–57
 stage-game equilibrium state, 92
 strategy classification, 332–333
 strong convention, 114
 structural break, estimation, 104–109
 Sugden, R., 53
 Sunstein, C. R., 26
 super folk theorem, 67
 supergames, 45–51
 surprise quiz behavior, 27, 253–256
 Swank, O. H., 36
 System-1, 23
 System-2, 23

 technical advice, 23–24
 Thaler, R. H., 26
 Tirole, J., 36
 trust, 138–140
 advice and receivers, 156–158
 increase in, 164–166
 offers and advice, 146–148
 and receiver behavior, 152–158
 and reciprocity, 159–162
 sent/followed advice, 148–149
 Trust Game, 140–141
 general experiment features, 145–146
 intergenerational version of, 141–146
 reciprocity-fairness relationship in, 162–164
 sender behavior and, 146
 truth-telling, 368–372
 Truthful equilibrium, 275
 2/3's Guessing Game, 171, 214–217
 background for, 217–220
 cognitive hierarchies, 232–237
 experimental design, 220–222
 hypotheses, 222–224
 results, 224–232
 Tyson, Mike, 27

 Ultimatum Game, 3, 111–113
 bargaining conventions, 113–117
 unfulfilled expectations cause rejections, 133–135
 United States, 112

 Van Damme, E., 181
 Vanderschraaf, Peter, 54
 Van Huyck, J., 179
 verbal advice, 386–387
 vertical advice, *See* intergenerational advice, learning under influence of
 VHS video format, 85
 volatility, 372–374

 Weiszacker, G., 64
 Welch, I., 64, 65
 welfare changes, 344–348
 Windows, 85
 wise advice, 24–26

 Yaniv, I., 296
 Yugoslavia, 112

 Zamir, Shmuel, 112