

Summer Semester 2020

Masterseminar “The Economics of Fairness”

Content:

The “Economics of Fairness” refers to a growing field of research within behavioral and experimental economics that investigates the impact of fairness considerations on decision making in economic settings. Four decades of research have shown that fairness motives are essential for understanding human behavior in a wide range of economic situations such as markets, bargaining, and redistribution. At the same time, there seems to exist a large heterogeneity in what people view as fair and the importance people attach to fairness.

Goal of this seminar is to familiarize participants with the scientific method of economic laboratory experiments to help them understand and interpret the experimental evidence on the “Economics of Fairness”. Seminar participants will be introduced to the concept of social preferences and its related behavioral theories in order to understand the implications of fairness considerations for decision making in economic settings.

Representative Literature:

Alexander W Cappelen and Bertil Tungodden. *The Economics of Fairness*. Edward Elgar Publishing, 2019.

Ernst Fehr and Klaus M. Schmidt (1999), ‘A Theory of Fairness, Competition and Cooperation’, *Quarterly Journal of Economics*, 114 (3), 817–68.

Gary E. Bolton and Axel Ockenfels (2000), ‘ERC: A Theory of Equity, Reciprocity, and Competition’, *American Economic Review*, 90 (1), 166–93.

Gary Charness and Matthew Rabin (2002), ‘Understanding Social Preferences with Simple Tests’, *Quarterly Journal of Economics*, 117 (3), 817–69.

Performance Requirements:

Presentation + Term Paper

Preliminary Schedule:

The seminar will take place during the lecture period. There will be one block session in the first or second week of the lecture period. Participants will get an introduction into the scientific method of conducting economic laboratory experiments. At the end of the block session, the topics will be allocated among the seminar participants. The presentations will be held in a second block session roughly in the middle of the lecture period. The term paper is to be handed in shortly before the lecture period ends.

If you have any questions, please write an e-mail to: svenja.hippel@uni-wuerzburg.de