

Bargaining over Risk

Project Seminar in Behavioural Economics, Master-of-Economics
Programme

Summer Semester 2023

Irenaeus Wolff

Abstract

In this seminar, we will join forces to carry out an exemplary research project focused on the question of how people bargain over risk. A lot is known about the role of fairness preferences in bargaining over sure pay-offs. There also is some literature on situations in which players negotiate over uncertain outcomes, but this literature is scattered and incomplete. The proposed exemplary research project sets out to study bargaining over risk in a relatively comprehensive way, using a laboratory experiment. Course participants will do a literature search, write a proposal, help in conducting the experiment, analyze the data, and write a report on the project.

Literature (Starting point): Saito, Kota (2013). “Social Preferences under Risk: Equality of Opportunity versus Equality of Outcome”, *American Economic Review* 103(7): 3084–3101, (except for the axiomatization).

Requirements: Decent knowledge of game theory.

1 Organisation

Meetings: Mondays, 10:00-11:30, (roughly) on a bi-weekly basis
First Meeting: 17th April, 2023.