

CHARLES UNIVERSITY
FACULTY OF SOCIAL SCIENCES

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**Essays in Behavioural and Experimental
Economics**

Abstract for Dissertation thesis

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Abstract

The dissertation consists of three papers presenting applications of experimental as well as statistical methods to the topics of behavioural economics. The first paper introduces a series of laboratory experiments in which I apply the experimental methods to a complex decision making problem. The second and third papers present quantitative syntheses of the literature on the classical topics of behavioural economics. The general introduction connects these chapters together. Detailed abstracts for individual papers are presented at the beginning of each chapter.

In the first paper, I experimentally examine two complex multi-unit auction mechanisms with an opportunity to communicate and thus collude while comparing these mechanisms in terms of efficiency. Strikingly, allowing for communication increases efficiency in examined auction formats. A cheap-talk collusive agreement resulted in a better allocation compared to the treatments without communication. I hypothesize that complex auction formats makes the decision-making of bidders too complicated and causes inefficiency, especially in auctions with large numbers of goods.

In the second paper, I provide a meta-analysis of a key parameter estimated by both lab and field experiments in economics — the individual discount rate. I examine the extent to which the variance of the discount rate can be attributed to observable differences in experimental design as well as the selective reporting in the literature. I employ Bayesian and frequentist model averaging to address the model uncertainty and identify the drivers that affect the individual discount rate the most. The results show publication bias against unintuitive results. The corrected mean annual discount rate is less than half the size of the simple mean of the reported values.

In the third paper, I study whether financial incentives motivate people to work better. I take stock of emerging research in economics, collect a total of 1568 estimates from 44 different studies, and codify 39 variables to capture the underlying nature of the effect incentives have on motivation and performance. I perform a meta-analysis on this dataset. A range of statistical tests suggests the overall effect is virtually zero. I employ Bayesian and frequentist model averaging to identify the most prominent effect determinants. Among these, publication bias pushes this effect upwards the most.