



IAREP

International Association
for Research in Economic Psychology

<http://www.iarep.org/>

Spring 2020 IAREP Newsletter

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Date: June 25, 2020

1. Letter from the IAREP President

By Rob Ranyard

Dear IAREP members:

The IAREP Managing Committee sends you good wishes and our hopes that you stay safe and well. All our plans for 2020 have been severely disrupted by the coronavirus pandemic, and IAREP is no exception. As you know, the annual IAREP conference in Kristiansand, Norway, organized by Ellen Nyhus and the local committee, had been postponed from June to September. The local organizing team closely monitored the situation and regrettably, the uncertainty regarding travel restrictions continues. Consequently, after discussion between IAREP and SABE officers and conference organizers, the conference must now be rescheduled to June 2021. This will become the joint 2021 annual IAREP-SABE conference in Kristiansand, with the joint IAREP-SABE conference in Nice rescheduled to July 2022. We are grateful to the local organizers of both conferences, especially Ellen Nyhus and Giuseppe Attanasi, for their work in making these changes possible.

The implications for IAREP activities of postponing the 2020 conference are explained later in the newsletter. In particular, arrangements for our newly sponsored Early Career Researchers' workshop and the 2021 IAREP General Assembly meeting, which will be held online.

Thanks to everyone who submitted proposals to our calls for workshops and summer schools in the previous newsletter. As usual, we had several excellent proposals, and we funded as many as our funds would allow. Several events have had to be postponed or were changed to online delivery, in response to the pandemic. We wish the organizers of our sponsored workshops and summer schools good luck with their events, and look forward to their reports in due course.

Last year we were delighted to report that the new Co-Editors in Chief of the Journal of Economic Psychology, Carlos Alos-Ferrer and Eldad Yechiam had taken up their roles. A mid-year report of the editors is below.

2. 45th IAREP conference in Kristiansand, Norway is postponed to June 10 to 13, 2021 and will be a joint IAREP-SABE conference

By Ellen Nyhus

The 45th IAREP conference in Kristiansand is now postponed to June 10 to 13, 2021. The previously announced date, from September 24 to 27, 2020, is cancelled. The conference in 2021 will be a joint IAREP-SABE conference.

The conference committee will contact all conference participants with detailed information. Up-to-date information will soon be available on the conference website:

<https://www.uia.no/en/conferences-and-seminars/iarep-conference-2020>

The IAREP managing committee and the conference organizing committee feel that the travel restrictions and social distancing requirements of the coronavirus epidemic prevent an in-person

conference event. A virtual event would require the conference organizers to hire a third-party organization to provide the technical assistance, which would lead to significant costs.

3. Virtual IAREP General Assembly Meeting 2020 on September 25, 2020

We would like to schedule a virtual GA Meeting for Friday, September 25, at 9 am (US Eastern time)/3 pm (Europe)/11 am +1 (Sydney). Please mark your calendars!

Agenda items include decisions about the 2020/2021 IAREP budget and membership. A Zoom link to join the GA will be distributed closer to the date of the IAREP General Assembly meeting.

4. IAREP Conference Awards

Ph.D. Student Best Paper Awards will not be issued in 2020.

Ph.D. Student Conference Fee Waiver Awards will be newly announced in 2021, with preference given to the students who were awarded the waiver in 2020.

2020 Ph.D. Student Conference Fee Waiver Awardees:

- Karlijn Hoyer, Tilburg University, The Netherland
- Isadora Stangherlin, University Rio Grande do Sul, Brazil
- Sanchayan Banerjee, London School of Economics, United Kingdom
- Syedah Ahmad, University Groningen, The Netherlands
- Feidhlim McGowan, Trinity College Dublin, Ireland

5. IAREP Early Career Researcher's workshop to be held virtually on September 27, 2020

By Michal Krol

The IAREP pre-conference for junior researchers is now scheduled as a virtual event for Thursday, September 24, 2020. 10 students submitted their research.

IAREP members are welcome to attend the virtual event. A final agenda and technical information will be available closer to the workshop date.

Workshop organizer: Michal Krol m3krol@gmail.com

6. IAREP-SABE conference at the Université Côte d'Azur in Nice to be held in 2022

By Giuseppe Attanasi

The IAREP-SABE 2022 Conference will be held at the Université Côte d'Azur's Campus Saint Jean d'Angély as a joint conference of our two associations. This campus is located at the center of Nice. The conference will be held at the University Conference Centre.

The conference is planned for a date at the end of June or the beginning of July 2022.

The conference location will in walking distance from the historical center of the city and the seaside, especially the Promenade des Anglais. Nice offers traditional French-Italian food, music, and an atmosphere that will inspire the social events of the conference. Nice is easily reachable by flight from the Europe, North Africa, Middle East and U.S. through the Nice Côte d'Azur Airport.

Conference Organizers: Giuseppe Attanasi, Agnès Festré and Michela Chessa
Université Côte d'Azur
Groupe de Recherche en Droit, Economie, Gestion (GREDEG)
Complexity and Cognition Laboratory
Laboratory of Experimental Economics
Project Complexity and Dynamics of Interactions, Networks and Markets

7. Annual SABE conference 2020 to be held virtually on July 22-26, 2020

By Alexis Belianin

The SABE 2020 is held on July 22-26, 2020 as a virtual conference. It is organized by the International Laboratory for Experimental and Behavioural Economics at the Higher School of Economics in Moscow, Russia. For more information, see: <https://sabe2020.hse.ru/>

We encourage IAREP members to participate in the conference and attend the roundtables and keynote presentations at the conference. The registration fee is 60 US Dollars. Waivers of the fee are issued for students and researchers from low-income countries.

Deadline for conference registration is July 1, 2020.

For information, please contact Alexis Belianin at sabe2020@hse.ru or abelianin@hse.ru

8. SABE-TFI Student Essay Awards 2020

By Shabnam Mousavi

Eligible are students whose research has implication for making the world a safer place by improving financial decision-making skills of people. It is a great platform for students to showcase their work, as their ideas will appear on the TFI platform (in form of an interview) as well as SABE's. Details about the second round of the SABE-TFI Student Essay Awards 2020 are here: <https://sabeconomics.org/news/tfi-sabe-call-2020-second-round/>

Requirement: Submission of a 1000-1200 words essay by the deadline

Deadline: September 16, 2020

Prize: 1st place=1000 Euro, 2nd place= 500 Euro

Other perks: Publication of research and interview by TFI

9. Funded IAREP workshop and summer school proposals for 2020/2021

By Căzilia Loibl

The IAREP managing committee received six proposals for workshops and summer schools in January. We decided to fund the six proposals and to award an equal amount of 1,200 Euro to each submission.

We decided that we will not conduct a call for proposals in 2021 because we will not have membership income in 2020. This also aligns with the plans of the awarded workshops and summer schools, several of which will be postponed to 2021.

Awardees:

1. ECMCRC Summer School on Behavioral and Neuroscientific research for Economics, Finance & Accounting of the European Capital Markets Cooperative Research Centre
Organizers: Pierangelo Rosati (pierangelo.rosati@dcu.ie), Lisa Van der Werff, Riccardo Palumbo, Giuseppe Attanasi

Location: Virtual event from the DCU Business School, Dublin City University Dates

Date: July 6 to 10, 2020, as virtual event

Website: <https://www.ecmcr.org/2nd-ecmcr-summerschool/>

Note: The conference will refund the registration fee of the best paper proposal for the Special Issue in the Journal of Behavioral Economics for Policy (JBEP). Deadline for proposals is July 11, 2020.

2. CEBEX Summer School on Behavioral Sciences 2020

Organizers: Vojtěch Zíka, Dominik Stříbrný (dominik.stribrny@cebex.org)

Location: Virtual and in-person from Center for Behavioral Experiments (CEBEX), Prague, Czech Republic

Date: July 20 to 22 and July 27 to 30, 2020

Website: <http://cebex.org/css/>

Note: This summer school offers up to 6 ECTS credits for attending their six online courses.

3. The Art and Science of Applying Behavioural Science: Gathering Evidence on the Process of Collaborating with Non-academic Partners

Location: University of Stirling, United Kingdom

Organizer: Dr. David Comerford, david.comerford@stir.ac.uk

Date: Postponed to October 2020

4. Empirical Methods in Behavioral Economics (EMBE-2020)

Organizers: Urs Fischbacher, Levent Neyse (leventn@gmail.com), David Richter and Carsten Schröder

Location: German Economics Research Institute (DIW), Berlin, Germany

Date: Postponed to December 2020

5. The role of monetary incentives in experimental methods for testing hypothesis on human behaviors and social interactions

Location: University of Florence, Italy

Organizer: Prof. Chiara Rapallini (chiara.rapallini@unifi.it) on behalf of the Interuniversity

Center for Experimental Economics (CIES-Centro Interuniversitario di Economia Sperimentale)

Date: Postponed to January or February 2021

6. European Group of Process Tracing Studies (EGPROC)

Location: Tilburg University, The Netherlands

Organizers: Rima-Maria Rahal (R.M.Rahal@tilburguniversity.edu), Christoph Kogler, Marcel Zeelenberg

Date: Postponed to 2021

10. 2020 Mid-Year Report from the Editors of the Journal of Economic Psychology

By Carlos Alos-Ferrer and Eldad Yechiam

The journal is going strong. Our Impact Factor (Journal Citation Reports, two-year citation window) increased to 1.561 in 2018 compared to 1.338 in 2017. We are above journals with a partially-comparable coverage as JEBO (1.404), JBEE (1.104), or JNPE (0.567), but still below JBDM (1.791) or less-specialized journals as Experimental Economics (2.012). We have had a 20% increase in submissions in the Jan-June 2020 period compared to the same period in 2019, although this might be due to the fact that many researchers have more time for research as a consequence of the reduction in commuting times and administrative tasks due to COVID-19. At the same time, we are experiencing some difficulties securing reviewers, with many researchers citing COVID-19 as a reason. For the first time, we have rejected some papers due to lack of reviewers (see also alosferrer.wordpress.com), and we are turning down papers from some subfields where researchers are particularly prone to decline our invitation. We also remark that we are frequently returning papers to authors for editing when they do not comply with our guidelines, and that authors can avoid this delay by carefully reading our Guide for Authors and triple-checking the paper before submission.

The current overall rejection rate for papers submitted in 2019 is 84.5%, with an additional 5.8% being withdrawn or removed after failure to respond. A total of 6.8% of the 2019 submissions have been accepted, and the rest are either with the authors for a revision or under re-evaluation after one or several revisions. Of the papers submitted in 2020 so far, 75% have already been rejected.

The editors remark that 2021 will mark the 40th anniversary of the journal, and that one of the next issues will include the traditional Editorial by a new editorial team. We decided not to have it at the beginning of our tenure, but rather delay it until we could report the changes we have implemented. Among those changes, and as announced in the IAREP meeting in Dublin, on January 2020 we moved away from double-blind refereeing. We have also moved from the EVISE platform to Editorial Manager, streamlined the submission process, and eliminated the previous need for Administrative Assistants. Unlike in other journals, submissions now reach the Editors' mailbox the very second authors complete the submission (there is no need to send enquiries on this: if it is in the system, we have it, regardless of status).

11. Call for book reviewers for Journal of Economic Psychology

By Căzilia Loibl

The Journal of Economic Psychology is always looking for authors to write a book review. Book reviews are a popular, much downloaded part of the journal.

Book reviews in the journal are about 2,000 words long and include a general overview of the book as well as a discussion of the chapters. If you are willing to provide a book review or have suggestions for a book that could be of interest to IAREP members and readers of JOEP, please send an email to Căzilia Loibl (loibl.3@osu.edu).

Reviewer perk: Every reviewer receives a free copy of the reviewed book from the publisher.

12. Call for papers: Sustainability Special Issue "New Patterns in Consumer Behavior"

By Cinzia Castiglioni

I would like to draw the attention to an upcoming special issue in Sustainability on "New Patterns in Consumer Behavior", co-edited by myself and Prof. Edoardo Lozza. The special issue will collect a selection of papers presenting original and innovative contributions to the study of new patterns in consumer behavior, including, but not limited to, new consumption strategies, decline of hyper-consumerism in favor of a new frugality, sustainable and ethical consumption (organic, fair trade, or second-hand products), increasing interest in 'free-from' and functional food, new relationships with brands, etc.

The deadline for submissions is August 31, 2020.

Website: https://www.mdpi.com/journal/sustainability/special_issues/New_Behavior

Contact: Cinzia Castiglioni, Cinzia.Castiglioni@unicatt.it

13. Special essay contribution: "Economic Psychology and the Coronavirus Crisis"

By Erich Kirchler

In the coronavirus crisis, we are experiencing strong behavioral regulation through legal means. Would it be possible to implement the necessary restrictions without prohibitions, by nudging people in the direction of the desired behavior? Certain situations require clear measures that apply to everyone and regulate everyone's behavior. Thus, the constitutions of many countries allow for certain restrictions on our fundamental rights during a pandemic. When physical distancing is necessary to protect public health and the time spent in public needs to be minimized, when working from home and wearing face masks in stores seem prudent, concrete instructions in the form of legal regulations are appropriate. Libertarian-paternalistic methods such as nudging would create a situation in which some people do not follow the "nudges."

We currently find ourselves in a "social dilemma." This means we are in a situation in which the individual finds it advantageous to exercise their freedom, to not behave according to the rules – in other words, not to cooperate. When the majority of the population follows the

recommendations, the person who does not cooperate has an advantage. Yet if many people behave in a self-interested, utility maximizing way, everyone suffers. Individuals who engage in non-cooperative behavior tend to demotivate cooperative actors and thus quickly find imitators. However, those acting out of self-interest not only put themselves at risk, but also many other people. Thus, the enormous societal costs would be borne not only by those who elected to make use of their fundamental right to freedom of movement, but by the entire society. For this reason, clear, strict measures and compliance monitoring are necessary.

Understanding and Accepting Rules

Even though nudging is not the preferred “strategy of the hour,” this does not mean that measures grounded in psychology are not sensible. The highest priority is to concretely and factually communicate the current state of knowledge and appropriate measures in light of current conditions.

The democratic form of government is currently facing a difficult test, because it must protect the inviolability of individuals’ fundamental rights while also preserving the well-being of society as a whole.

Feeling threatened by an invisible enemy that begins far away yet slowly but surely creeps closer, until it finally has the entire world in its grip, crippling it, creates feelings of fear, insecurity, and loss of control. Consequently, people are constantly on the search for information, become addicted to it even. We talk constantly about the threatening unknown so that we can finally understand it, make it tangible. We seek to create a “social representation” of the new phenomenon, of the invisible enemy, in order to obtain an image of it, to become capable of action, to plan and thus to protect ourselves. For example, calling the virus an invisible enemy involves the use of a metaphor of war.

In order to help us view the measures put in place by the government as appropriate and follow them voluntarily, we need concrete factual information communicated professionally by credible experts. Clearly differentiating between thoroughly verified and inaccurate information is also important. We need concrete pointers to places where empirically proven information is available, and clear warnings about fake news are necessary. Partial victories resulting from the measures to stem the spread of the virus are also important, as they increase confidence. Trust in experts’ professional competence and in the scientific institutions advising policymakers is fundamental. Also fundamental for acceptance and compliance with the imposed measures is trust that political decision-makers have the population’s well-being as their highest goal. This is why the measures imposed must be clearly communicated and concretely tailored to the current situation, and why their desired and actual effects must appear comprehensible.

Adaptation and Social Learning

Social comparisons and social norms, or observing that other people in public are following the rules, suggest to us that we should follow the legal regulations ourselves. Social comparisons can also be helpful for coping with changed demands at home.

For many people, working from home represents a monumental transition that has led to challenges for both work and family life. Entire occupational categories that had become accustomed to largely face-to-face working conditions now not only need to “invent” a way to work online, but are also struggling with new software and hardware. Many people are unaccustomed to spending the day with their partner and children. In addition to paid work, they need to guide their school-aged children’s learning and engage them in play. More than a few have found that these many unfamiliar demands have placed strain on their relationships.

The situation is not better for people who have lost their jobs and have to stay home all day. Time drags, boredom and social isolation set in, and one day looks just like the next. Recommendations on structuring one’s time, maintaining habitual routines, laying out a plan for working from home, making time for social connections with physical distancing, and creating spatial and temporal niches for oneself are helpful. Knowing that other people are coping with similar challenges and learning how they are dealing with them can likewise be helpful. Seeing how other people are structuring their everyday lives and making ends meet in conversation and via media reports enables people to try out appropriate coping strategies themselves. Social comparisons help us adjust to change. Other people’s behavior in comparable situations provides an opportunity for learning and orientation.

Cooperation and the Social Contract

The imposed public health measures have created massive economic costs, pushing self-employed workers and companies to the brink of ruin, with still unforeseeable consequences. While the workload in some industries has risen enormously, in other industries huge numbers of people have shifted to short-time work (reduced hours with continued compensation, partly paid by the state) or have become unemployed. Cooperation and solidarity are the dictate of the hour. Health and preserving jobs have been deemed the highest priorities. “No matter how high the costs” is the motto and comforting slogan for many people who are threatened by the current economic situation.

Until now, proponents of turbocapitalism have placed unlimited trust in the power of the free market, preaching and defending the benefits of harsh competition. This not only promoted the exploitation of people and the state, it also led to significant disparities in income and prosperity in many countries. Increased profits were the yardstick used to measure success. However, the credo of profit orientation cannot provide a useful answer to the current global crisis. We were warned about worldwide crises, watched in shock yet from a safe distance as the COVID-19 outbreak ravaged China, yet did not stop doing everything we could to increase our returns, come hell or high water. “Corporate social responsibility” has been a professed goal of companies for a while now; however, it served less as a behavioral maxim and more as a marketing instrument.

The fact that politicians have united across party lines in the current situation to place health above economic profits demonstrates their appreciation for the well-being of society as a whole and is worthy of emulation. Responsibility for societal well-being, solidarity and cooperation are needed among political actors, companies, and workers. We ought to have demanded long before the worldwide shutdown that companies voluntarily acknowledge their social responsibilities, exhibit solidarity, maintain the social contract, and avoid recklessly chasing profits.

Anyone who uses the government assistance currently being offered as an opportunity for lay-offs, who reduces their employees' hours on paper through short-time work while still requiring them to work full-time hours, who stops paying rent despite high profits in the past, or who continues to operate their business despite the shutdown because their primary concern is their shareholders' profits is not only engaging in self-interested behavior lacking in solidarity – they should also expect social condemnation. The announcement by an international maker of sports equipment that they would cease to pay rent for their stores triggered a wave of condemnation. The company quickly came to understand that not everything that is permitted is also socially accepted. Perhaps the coronavirus crisis will lead to a strengthening of the collective will, which does not merely represent the sum of individual interests, but rather seeks to improve everyone's well-being, and sustainably transform solidarity and cooperation into guiding rules of behavior.

Re-nationalization as a paradoxical reaction to a global challenge

The cooperation between policymakers, companies, and citizens observed within countries stands in clear juxtaposition to the cutting of ties to the outside world. People tend to classify others based on various characteristics and thus form social categories or groups. Each of us belongs to different groups, such as our family, the group of employed people, the group of Austrian citizens, etc. There are other categories to which we do not belong. Belonging to groups and setting ourselves apart from others is important because it allows us to generate our social self-image, self-esteem, and social identity. We try to achieve a positive social identity by valorizing the group to which we belong in terms of certain characteristics, while tending to devalue or discriminate against other groups.

Theories of “social categorization” and “social identity” provide an explanation for the apparent paradox of closing ranks within a country to search for solutions to our problems while cutting ourselves off from others and closing borders. However, climate change and COVID-19 are not national but rather global crises, and they demand joint global solutions. Yet fear of the coronavirus threat has strengthened feelings of unity within each country, and not international cooperation. Suggested solutions at the European or international level remain outstanding. Competition among countries has grown stronger: Like robber barons, countries snatch away personal protective equipment already in transit to another country by offering more money, or confiscate deliveries to their neighbors in order to keep the desperately needed goods in their own country. The tendency to valorize one's own nation and devalue others has grown stronger.

However, although social identity theory is able to plausibly explain the dynamics of differentiating between “us” and “them” and discriminatory tendencies, international cooperation should not be abandoned in favor of closing ranks on the national level and setting ourselves apart from others, because the greatest challenges of our time are global problems that spread across national borders. Thus, the UN, EU, and their member-states currently need to find a way to achieve solidarity and cooperation. It remains to be seen whether they will be able to successfully take joint action and support one another.

Errors of explanation and glorification in hindsight

What will happen when the coronavirus crisis has been overcome? Will we remember the objective of placing human health before all else and seeking to preserve jobs? Psychologists have identified a phenomenon known as hindsight bias and are well aware of the weaknesses and tricks our memories can play.

Experiences fade, while memories are constructed in hindsight – and this reconstruction of the past is influenced by one’s current motives. This can lead to marked distortions of what actually happened in the past.

Currently, trust in the professionalism of politicians in power is high. The vast majority of citizens share their goals: protecting health and preserving jobs come before economic interests! This is leading voters to flock towards the parties in power, according to public opinion researchers. But how will our attitudes change when the coronavirus crisis has been overcome, but the economic costs are still being borne?

In hindsight, after we have once again gotten away safely, we will perceive the austerity measures imposed as oppressive, complain about the lack of jobs, and believe the economic sacrifices made were too high. The material losses will be painful, and the “rebuilding” phase will last longer than our patience can take. What we currently see as necessary measures to protect human life will not be remembered as such. We will search for people to blame for leading us into this precarious economic situation and think less about the paramount goal of protecting our health. Perhaps we will blame politicians whose strategies the majority of us agree with today.

If the difficult economic conditions last for a while, we will look for quick solutions and not have the patience to focus on factual considerations that will slowly lead us back to prosperity. Some of us will become receptive to the simple answers and salvation promised by populists, who will lead us to believe that they know exactly where the problem lies, who the enemy is, and that they will take up our plight and lead us out of our predicament. We must not follow these “pied pipers”. Thus, it is important that we do not make the mistake of remembering the present in a distorted way in hindsight. The memory of our current concerns and current objectives must be kept alive so that we do not allow ourselves to be thrown back into deplorable forms of nationalism as a result of the crisis, the subsequent costs, and the measures taken to address them.

This essay is a translation of a publication in the journal “Die Wirtschaft,” April 8, 2020, “Nudging oder klare Verhaltensregeln (<https://www.die-wirtschaft.at/die-wirtschaft/nudging-oder-klare-verhaltensregeln-195827>). This translation is published in agreement with the editor of the journal “Die Wirtschaft.”

14. IAREP Contact Information

To become a member of IAREP and receive this newsletter twice per year, please contact Agata Gaşiorowska, Honorary Treasurer, SWPS Uniwersytet, agasiowska@swps.edu.pl or visit our membership website: <http://iarep.org/index.php/membership>

This newsletter was edited by Căzilia Loibl. Feedback is always welcome: loibl.3@osu.edu
Current and past newsletters are on the web, see: <http://www.iarep.org/>

Please contact IAREP honorary treasurer Agata Gaşiorowska (agasiowska@swps.edu.pl) with membership questions.

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