

PRESENTATIONS

CIFREM THIRD YEAR DOCTORAL STUDENTS

Thursday, 23 September 2010
3.00 PM – CIFREM seminar room
Via Rosmini, 70
Trento

FEATURE-BASED CHOICE AND SIMILARITY IN NORMAL-FORM GAMES: AN EXPERIMENTAL STUDY

Abstract

In this paper we test the effect of descriptive “features” on initial strategic behavior in normal form games, where “descriptive” are all those features that can be modified without altering the (Nash) equilibrium structure of a game. We observe that our experimental subjects behave according to some simple heuristics based on descriptive features, and that these heuristics are stable even across strategically different games. This suggests that a categorization of games based on features may be more accurate in predicting agents' initial behavior than the standard categorization based on Nash equilibria, as shown by the analysis of individual behavior. Analysis of choice patterns and individual response times suggests that non-equilibrium choices may be due to the use of incorrect and simplified mental representations of the game structure, rather than to beliefs in other players' irrationality. Of the four stationary concepts analyzed (Nash equilibrium, QRE, action sampling, and payoff sampling), QRE results the best in fitting the observed data.

Speaker: Sibilla Di Guida - CIFREM Ph.D candidate

SMALLNESS AND REMOTENESS AS RESOURCES: EVIDENCE FROM THE TOURISM PERFORMANCE OF ISLAND ECONOMIES

Abstract

Small remote island economies are known to face a number of economic challenges, in particular, in their trade relations. In addition, their geographical handicap—remoteness—enhances their vulnerability. The cost of distance is well-documented in the economics literature. This paper takes an optimistic position and puts forward the strengths of islands. It investigates the impact of remoteness and islandness on tourism performance. Remote islands are found to be well-endowed in nature and scenery which plausibly play a major role in promoting tourism. The results of an empirical analysis favour the hypothesis that nature has a positive impact on tourism performance (revealed comparative advantage) and tourism demand. Interestingly while being distant is detrimental to tourism performance, being both an island and remote is favourable. Tourism demand is negatively affected by being an island, a small country, or a remote country but favoured by being a small island or a remote island.

Speaker: Shamnaaz Sufrauj – CIFREM Ph.D candidate

cifrem@economia.unitn.it (tel. 0461/282290)