Instructor: Erte Xiao  
Email: exiao@sas.upenn.edu

Office Hours: Thursday: 2:00pm-3:00pm or by appointment.

Course Overview:  
Punishment is an important tool for promoting cooperation in social environments including families, companies, markets and courts. This seminar uses experimental research in economics, law and psychology to explore critical issues in punishment and cooperation. Why do people sometimes incur costs to themselves in order to punish others? How do people behave under punishment threats? Why do punishment threats sometimes have detrimental effects on cooperation? How are emotions and punishment connected? Students will investigate these and related research questions. Each student will design an experiment that can inform a single research topic. Each student will make classroom presentations and submit term-papers detailing her topic and the way she address it using laboratory or field experiments.

Readings:  
There is no text book for this class. We will discuss papers on punishment and social norms drawn from the economics, psychology and law literatures. Students should complete the assigned readings before class.

Grading:  
The course grade will be based on class participation (25%), paper presentations (15%), paper reviews (10%) and a project (50%). In most classes one student will be asked to lead a discussion of an assigned research paper. The discussion leader will submit a short review of that paper before his/her presentation, and the other class members will submit written questions regarding the assigned paper.
Lecture Schedule

- **Jan. 21**  Introduction to Behavioral Game Theory
Suggested reading:

- **Jan. 28**  Cooperation in public goods game
Discussion paper:

Suggested reading:

- **Feb. 4**  Cooperation and Punishment
Discussion paper:

Suggested reading:

- **Feb. 11**  Why people punish
Discussion paper:


Suggested reading:


- **Feb. 18** Third party punishment

Discussion paper:


Suggested reading:


- **Feb. 25** Identification and punishment

Discussion paper:


Suggested reading:


**S13:** Bernhard, Helen, Fehr, Ernst and Fischbacher, Urs, “Parochial altruism in humans”, *Nature*, 442, 24 August 2006, 912-915.

- **Mar. 3** Detrimental effect of punishment (I): Incentive Effect

Discuss paper:


Suggested reading:

- Mar. 10  Spring Break

- Mar. 17 Detrimental effect of punishment (II): Intention Effect
Discussion paper:

Suggested reading:

- Mar 24  Methodology (Experiment Design)
Suggested reading:

- Mar 31  Public punishment in organizations
Discussion paper:

Suggested reading:

- **Apr. 7** Public punishment and norm salience
  Discussion paper:

Suggested reading:

- **Apr. 14** Invited Lecture (TBA)

- **Apr. 21** Informal sanctions and formal sanctions
  Discussion paper:

Suggested reading:

- **Apr. 28** Project Presentations

- **May 12** Paper due