

*Seminar*

**“Does Gradualism Build Cooperation? Evidence from A Finitely Repeated Investment Experiment”**

*(in English)*



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**Date: 13 April 2018 (Friday)**

**Time: 10:30am – 12:00pm**

**Venue: LBYG06, G/F, B.Y. Lam Building**

**Abstract:** This paper examines the effect of gradualism – increasing the stake of investment slowly over time rather than requiring a high stake of investment immediately – in co-operation building using a finitely repeated binary trust (investment) experiment. Our theoretical predictions build on a behavioral repeated-game model with incomplete information about the type (rational or reciprocal) of trustees. The experimental results find that gradualism helps build high-stake cooperation in the investment relationship: The gradualism treatment has a higher initial reciprocation rate of the trustee, which leads to higher rates of subsequent investment from the trustor and successful mutual cooperation among the trustor and the trustee. However, the rates of investment, reciprocation and mutual cooperation for all treatments sharply decrease in the end (“end-of-game” effect).

**Biography:** Maoliang Ye is an associate professor at the School of Economics and Wang Yanan Institute for Studies in Economics of Xiamen University. He got his Ph.D. degree in Public Policy from Kennedy School of Government and Graduate School of Arts and Sciences at Harvard University in 2012, and worked at Renmin University of China from 2012 to 2015. His research interests fall into behavioral & experimental economics, public economics, labor economics, development economics, and political economy. He is currently working on pro-social behavior (e.g., voluntary provision of public goods, cooperation, and coordination), social preferences, teamwork, redistribution and charity, subjective well-being & mental health, as well as economic/political psychology (especially regarding inequality, fairness, distribution, redistribution, governmental taxation and expenditures, and the role of government). He has published in international journals such as Journal of Comparative Economics, European Journal of Political Economy, and Social Indicators Research. One of his working paper is under the second round minor revision request at Management Science.

**All Are Welcome**

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