

Manuel Staab

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Current Position

Postdoctoral Fellow, Aix-Marseille School of Economics (2020 - current)

-Research fields: game theory, information economics, economics of networks

Education

PhD in Economics, London School of Economics, (2013-2018)

-Thesis: 'Essays on peer effects in social groups and information misperception'

-Advisors: Balázs Szentes and Francesco Nava

MRes in Economics, London School of Economics, (2012-2013)

MSc in Economics, London School of Economics, (2011-2012)

BSc in Economics and Economic History, London School of Economics, (2008-2011)

Work & Teaching Experience

Senior Consultant, Game Theory and Procurement Consulting, TWS Partners, (2018 – 2020)

-Advising clients on market design in negotiations and procurement using insights from game theory, mechanism design and behavioural economics; design and implementation of structured negotiations and complex auction formats like multiproduct, multiunit auctions; direct involvement in sourcing projects with contract values between 150 million EUR and 1,500 million EUR; development of workshop and teaching materials on game theory for procurement professionals

Graduate Teaching Assistant, London School of Economics, (2011-2013, 2016-2018)

-Teaching Assistant for *Microeconomic Principles*, *Macroeconomic Principles*, as well as the summer school course *Intermediate Microeconomics*

LSE Fellow in Economics, London School of Economics, (2013 - 2016)

-Teaching Assistant for MSc level course *Advanced Microeconomics*, and the MRes level course *Microeconomics*

Adjunct Instructor (Lecturer), Richmond, The American University, (2013 - 2017)

-Courses taught include *Intermediate Microeconomics*, *Principles of Investment*, *Introduction to Microeconomics*

Conferences and Seminars

2022 European Winter Meeting of the Econometric Society (EWMES) [*upcoming*]; BSE Summer Forum ('Coordination and Social Interaction' workshop); Stony Brook Int'l Conference on Game Theory, Int'l Conference on Public Economic Theory (PET); Institute for Advanced Studies in Toulouse (IAST)

2021 European Winter Meeting of the Econometric Society (EWMES); European Workshop on Economic Theory (EWET); ASSET Annual Conference

2019 Birkbeck (University of London)

2018 EEA Annual Congress; Game Theory and Management (GTM); University of Fribourg

Refereeing

Review of Economic Dynamics, Economic Inquiry

Research

The Formation of Social Groups under Status Concern

revise & resubmit at the Journal of Economic Theory

I study the interaction of two forces in the formation of social groups: the preference for high quality peers and the desire for status among one's peers. While equilibrium groups generally exhibit some form of assortative matching between individual type and peer quality, the presence of status concern reduces the potential degree of sorting and thus acts as a force for greater heterogeneity within groups. I analyse the effect of status concern for the provision of groups under different market structures and particularly focus on the implications for segregation and social exclusion. I find that status concern reduces the potential for and benefit from segregation - both for a social planner and a monopolist - but the interaction of preference for quality and status can make the exclusion of some agents a second-best outcome. The paper also highlights a novel channel for positive welfare effects of transfers: price discrimination and redistribution can be necessary to overcome the limitations on equilibrium groups imposed by status concern. In contrast to models without status concern, such transfers can lead to more rather than less segregation and outcome inequality.

The Benefits of Being Misinformed

with Marcus Roel

revise & resubmit at the Journal of the European Economic Association

We explore how two fundamental mistakes in information processing - incorrect beliefs about the world and misperception of information - can be mitigated by a benevolent information moderator who has no superior access to information but is more skilled at interpreting it. We introduce a simple sender-receiver model in which a moderator (i.e., sender) can intercept and manipulate signals that contain information about a payoff-relevant state. We characterize when such manipulation can be beneficial, both for a decision maker unaware of any interference (naïve), and one who takes it into account (sophisticated). Contrasting the optimal moderation policies for both types, we find that sophistication allows the moderator to beneficially intervene in more cases but can render moderation less effective. A particularly interesting case arises when moderator and decision maker completely disagree about which action should follow which signal. It is shown that if there are at least three states, such complete disagreement can be caused by only small differences in how information is interpreted. We provide necessary and sufficient conditions for the possibility of complete disagreement and examine the consequences for moderation and welfare. What might look to an outside observer like malicious misinformation can make the decision maker strictly better-off, yet completely misinformed.

Optimal sharing in social dilemmas

with Maria Kleshnina, Valentin Huebner, Christian Hilbe, and Krishnendu Chatterjee

Public goods games are frequently used to model strategic aspects of social dilemmas and to understand the evolution of cooperative behaviour among members of a group. While providing a baseline case, a (local) public goods model implies an equal sharing of returns. This appears an unsatisfying modelling choice in contexts where contributors are heterogeneous, and returns can be divided freely. Furthermore, it is intrinsically linked to the negative effect of inequality on cooperation, which is observed both theoretically and experimentally. To better understand the link between inequality and cooperation when returns can be shared flexibly, we characterise sharing behaviour that maximises contributions in an infinitely repeated voluntary contribution game, where players differ in both their endowments as well as the productivities of their contributions. In sharp contrast to egalitarian sharing, we find that endowment inequality makes cooperation easier to sustain when returns can be shared unequally. Maybe surprisingly, this qualitative relation between endowment inequality and cooperation is independent of players' productivities. We derive a unique sharing rule as a function of productivities and endowments that is weakly superior to all other sharing rules. This rule generically departs from both equal as well as proportional sharing. If inequality is high, for example, individuals with the highest endowment need to be compensated more in absolute terms, but their relative share may be significantly less than their proportional contribution. Our analytical findings are qualitatively supported by numerical simulations of simple evolutionary learning dynamics.

Misperceiving bad news: the effect of feedback on task motivation and belief updating

with Kerstin Grosch, Sabine Fischer, and Maria Kleshnina

Utilizing a Bayesian framework, we examine in a multi-stage lab experiment how individuals update beliefs about their abilities based on their own experiences as well as external feedback. Beyond the general issue of belief formation, we focus on how and to what extent external performance feedback can contribute to a more accurate self-assessment and improved outcomes. More specifically, participants are asked to solve a set of logical puzzles in two comparable rounds and are incentivized to accurately guess their performances. After the initial round, they receive feedback (treatment) regarding their performance, or not (control). We find that, on average, individuals in both groups adjust their guesses in the right direction after the initial round, providing evidence that they learn from experience. This holds for participants who are under- and overconfident in their ability (i.e., assess their performance initially as too low/high). Feedback does not improve the average accuracy of guesses, but this is driven by strongly overconfident individuals who seem to ignore the information from external feedback (but nevertheless adjust their performance estimates downward in the treatment and control group). Under- and moderately overconfident participants improve their guesses with feedback. Beyond the effect on self-assessment, negative feedback appears to crowd out task motivation, leading to a lower performance in the second round.

Work in progress

The Evolution of Status Preferences in Anti-Coordination Games

This paper analyses how preferences over consumption rank and risk-taking behaviour can emerge as an evolutionary stable equilibrium when agents face an (anti-)coordination task. If information about relative consumption is available, this cannot be ignored, and evolutionary stable strategies are determined by consumption rank. This suggests status preferences to be salient in settings where miscoordination is particularly costly.

Being categorical or flexible? Decision-making rules that facilitate cooperation

with Maria Kleshnina, Kerstin Grosch, and Krishnendu Chatterjee

Optimal contributions in asymmetric public goods games

with Valentin Huebner, Maria Kleshnina, Christian Hilbe, and Krishnendu Chatterjee