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# **6th Bernoulli Lecture for the Behavioral Sciences**

**You learn the most when you find your beliefs to be false:  
three examples from experimental economics**

**Nobel Laureate Vernon L. Smith,**  
Chapman University, USA



**Monday, November 14, 2016, 18:15**

Aula, Kollegienhaus, Petersplatz 1, Basel

## 6th Bernoulli Lecture for the Behavioral Sciences

You learn the most when you find your beliefs to be false:  
three examples from experimental economics  
by Nobel Laureate Vernon L. Smith, Chapman University

The Bernoulli Network for the Behavioral Sciences at the University of Basel and the Vereinigung Basler Ökonomen are pleased to present the 6th Bernoulli Lecture for the Behavioral Sciences by the Nobel Laureate Vernon L. Smith, who will speak on "You learn the most when you find your beliefs to be false: three examples from experimental economics."

The event takes place at the Aula of the University of Basel on Monday, November 14, 2016 from 6.15 to 7.45 pm. It is free and open to the public.

Vernon L. Smith was awarded his Nobel Prize in Economic Sciences, along with Daniel Kahneman, in 2002 for ground breaking work on experimental economics. Smith received the Nobel recognition for "having established laboratory experiments as a tool in empirical analysis, especially in the study of alternative market mechanisms." He is currently Professor of Economics and Law at Chapman University in Orange County, California.

Vernon L. Smith has authored or co-authored more than 300 articles and books on capital theory, finance, natural resource economics and experimental economics. Previous faculty appointments include the University of Arizona, Purdue University, Brown University, the University of Massachusetts, and George Mason University. He has served as a consultant on the privatization of electric power in Australia and New Zealand and participated in numerous private and public discussions of energy deregulation in the United States. He completed his undergraduate degree in electrical engineering at the California Institute of Technology, his master's degree in economics at the University of Kansas, and his Ph.D. in economics at Harvard University.

Smith's lecture, "You learn the most when you find your beliefs to be false: three examples from experimental economics," will address three propositions that were once commonly believed by economists, but that were not valid:

- First, in the 1960s there was the belief that efficient competitive market outcomes are not attainable in the absence of complete information on supply and demand.
- Second, in 1980s; the belief that price bubbles in asset markets will not occur if asset value is known and transparent.
- Third, in the 1990s; the belief that anonymously matched people will fail to cooperate in single play trust games.

Laboratory experiments were prominent in transforming these false beliefs and the process of overcoming professional resistance to these propositions was instrumental to the acceptance of the sub-field of experimental economics – a quite unintended consequence of that exploration process. Smith uses these examples to argue that it is when we challenge the validity of our personal beliefs that we stand to learn the most; when we must reexamine what we think we know, and learn from the experience.

The **Bernoulli Lecture for the Behavioral Sciences** honors researchers who have contributed significantly to the development of the behavioral sciences, particularly in the fields of Psychology and Economics. The Bernoulli lectures are organized yearly by the **Bernoulli Network for the Behavioral Sciences**, a joint initiative of the Faculty of Psychology and the Faculty of Business and Economics of the University of Basel, with the aim of fostering interdisciplinary dialogue in the behavioral sciences. This year's 6th Bernoulli lecture is organized in collaboration with the **Vereinigung Basler Ökonomen**, the alumni organization of the Faculty of Business and Economics of the University of Basel.