**WEEKLY RECAP – 17 Jan 2019**

Just a quick email with a bit of info regarding my progress to precede our meeting tomorrow:

1. I’ve read all the material you sent me last week, as well as the original Ellsberg article that expounds the paradox.
2. Below is a summary of all the searches that I have undertaken so far (not that I have been particularly systematic in my perusal of the results). In any case, here is my best estimation of the state of the literature insofar as it relates to our prospective project:
   1. There is a lot of research re the ambiguity aversion -- but most of it definitely focuses on the economics of it. Most of it focuses on the mathematical, philosophical, modelling etc and does not involve experimentation.
   2. There is also a lot of experimental econ work which uses money and gambling tasks, card games etc.
   3. The effect is generally regarded as being very robust. Although there is considerable work trying to understand when it exists and when it doesn’t. The most interesting thereof seems to be the ‘comparative ignorance’ theory from Tversky and Fox (see [here](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.395.8835&rep=rep1&type=pdf) – although these findings diminishing or circumscribing the ambiguity effect themselves [may not be robust](http://static.luiss.it/hey/ambiguity/papers/Chow_Sarin_2001.pdf))
   4. [This paper](https://epub.ub.uni-muenchen.de/23817/1/Kocher.pdf) looks promising for the idea that the ambiguity aversion isn’t necessarily as ubiquitous as it may seem (although it also uses the econ paradigm of bets and games etc.).
   5. To conclude, I am somewhat confident that the type of study we are proposing is novel in the field; while there are some studies which give a ‘real world’ context to ambiguity aversion, they ordinarily focus on only one area -- e.g. Health ([link](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4205160/pdf/nihms539588.pdf)) , trust, online behaviour, asset markets. Even in these studies however, the data is often behavioural (in a stricter sense) rather than the vignette approach that we are looking at taking.
3. I’ve taken the liberty of crafting a few more possible vignettes to add to the few which you have already made. Please seebelow.

**WEEKLY RECAP – 24 Jan 2019**

Below is a little recap of where I am at so far in relation to this project.

1. I have continued to draft (roughly) some vignettes in the two-choice fashion as we discussed last week. I’ll send them to you tomorrow morning. I have endeavoured to include a ‘gain’ and ‘loss’ possibility for each scenario. I didn’t go ahead with an option for ‘discreet’ and ‘continuous’ possibilities (using the terminology we adopted last week) within each scenario at this stage because:
   1. [This paper](https://cloudfront.escholarship.org/dist/prd/content/qt9zr2296h/qt9zr2296h.pdf) by Sule Duney and Ben Newell from UNSW (thanks for the recommendation) shows that giving subjects a glint of information about the distribution of the uncertain variable does not ordinarily affect the presence of the ambiguity aversion (see table 1 of the paper). Here, there was no difference in the level of ambiguity aversion and inconsistent decision making by participants who were given:
      1. the traditional Ellsberg problem with absolute uncertainty of the distribution of the black and yellow balls;
      2. a ‘50-50’ condition in which participants were told that the uncertain balls were either *all* black or *all* yellow; and
      3. the ‘equal probability’ condition which implied that the number of black balls could be anything from 1 to 60 with an equal probability.
      4. **NB.** there was a fourth condition, the ‘normal distribution’ condition which did reduce the ambiguity aversion that participants manifested and showed a much greater instance of consistent decision making. Here, “the scenario suggested that the number of black balls could be anything from 0 to 60 but middle values (close to 30) are more probable than extreme values (close to 0 and 60)”.

On this basis, it may be unlikely that we would observe differences in our study on this point, unless we further explore the ‘normal distribution’ idea which might make our vignettes overly complex, less real world, and difficult for people to understand. This may not be worthy of our time and efforts.

1. In relation to the gain/loss matter – I have yet to do a ‘deep dive’ on this but my present inkling (based primarily on the summary of the research found on pages 104-105 ‘ambiguity seeking for losses’ [here](https://pdfs.semanticscholar.org/8e1a/49f6611989d984239f599b88760ece497e17.pdf)) is:
   1. It is definitely worthwhile looking at both gains and losses because, as you are well aware, gains and losses are frequently treated differently by participants in the decision-making literature; and
   2. The literature regarding ambiguity aversion often shows differences for how gains and losses under uncertainty are dealt with: some studies find ambiguity aversion only for gains and not for losses, some find it for both, and some studies even find ambiguity *seeking* for losses – all in all, the literature here is not clear and so we should definitely seek to include this variable in our vignettes.
2. Finally, I haven’t gotten quite as far on the project this week as I might have liked. For next week I’m planning to dedicate more time to it, set up a more systematic process for my literature search etc., as well as use Github to keep you updated on this.

**THINGS TO DO BEFORE NEXT MEETING ON 4 FEB**

* Write about 20 or so vignettes
* Have a list of 5-10 papers that are super relevant, have understood them and made some notes.