

# CEE-M Spring Experimental Economics Workshop

**Date:** Thursday, May 12, 2022

**Time:** 9:30am – 3:00pm

**Place:** Salle TBC, Faculté d'Economie, Avenue Raymond Dugrand 34960

**Organizers:** Dimitri Dubois, Rustam Romaniuc, Marc Willinger

## WORKSHOP PROGRAM

9:25 - 9:30	Welcoming words
9:30 - 10:30	<b>Stefano Fiorin (Bocconi University)</b> Modernizing the State During War: Experimental Evidence from Afghanistan
10:30 - 10:45	Coffee break
10:45 - 11:45	<b>Eugen Dimant (University of Pennsylvania)</b> Strategic Behavior with Tight, Loose, and Polarized Norms
11:45 - 12:15	<b>Andrea Guido (Burgundy School of Business)</b> Moral Suasion in Collective Action Problems: Evidence from a Long-Term Experiment
12:15 - 14:00	Lunch break
14:00 - 14:30	<b>Rustam Romaniuc (Montpellier Business School)</b> A Large-Scale Experiment of Behavioral Interventions to Increase Youth Turnout
14:30 - 15:00	<b>Eli Spiegelman (Burgundy School of Business)</b> Discrimination in the Large and the Small: Social Exclusion and Sensitivity to Notional Fines

## ADDITIONAL INFORMATION

Should you have any questions, please contact Rustam Romaniuc:

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# CEE-M Spring Experimental Economics Workshop

## ABSTRACTS

STEFANO FIORIN (BOCCONI UNIVERSITY)

### **Modernizing the State During War: Experimental Evidence from Afghanistan**

Modern states have the capacity to identify their employees and pay them for their work. This paper reports evidence from a randomized evaluation of a major reform intended to improve the Afghan government's ability to perform these essential functions, which involved over 30,000 employees of the Ministry of Education between 2018 and 2020. The first element of the program, designed to eliminate 'ghost' workers, required employees to register for a mobile money wallet with biometric identification. This policy change helped eliminate thousands of "ghosts" from the payroll (2.8%-6% of all employees), and suggests that up to 17.6% of remaining employees are "stand-ins" who do not actually work. The second reform transitioned employees from receiving their salary in cash to receiving it via direct mobile money transfers. This led to a 26 percentage point increase in support for the reform to be scaled nationally, and caused employees to dramatically increase activity on the mobile money network, demonstrating a potential pathway toward promoting financial inclusion. Because the experiment spanned both secure and contested regions, we can examine whether state control complemented the reform. Our results highlight the importance of long-term horizons in state-building efforts and the importance of physical security as a prerequisite for bureaucratic modernization. We find that progress is possible, even in the shadow of war and while the broader state is under threat.

EUGEN DIMANT (UNIVERSITY OF PENNSYLVANIA)

### **Strategic Behavior with Tight, Loose, and Polarized Norms**

A large body of literature has shown that social norms can be a powerful driver of human actions, and norm interventions often focus on shifting beliefs about average or majoritarian behavior. This work addresses a less studied aspect of norms, namely the role that their strength, tightness, and degree of polarization play. In the context of strategic decision-making, we investigate both theoretically and empirically how behavior responds to different distributions of one's peers' behavior. We focus on the difference between tight (i.e., characterized by low behavioral variance), loose (i.e., characterized by high behavioral variance), and polarized (i.e., characterized by U-shaped behavior) norm environments. Our results show that in addition to the mean, the variance, and shape of the observed behavior matter. In particular, we find that variance in observed behavior begets variance in one's own behavior. Tight, loose, and polarized norms are thus self-sustaining. In addition, we find that personal values matter more for behavior in loose and polarized norm environments.

ANDREA GUIDO (BURGUNDY SCHOOL OF BUSINESS)

### **Moral Suasion in Collective Action Problems: Evidence from a Long-Term Experiment**

The use of moral appeals is a cheap and widely-used behavioral intervention to affect others behavior. Yet, extant experimental work has reported null evidence on the effect of moral suasion on cooperation. One conjecture explaining such an evidence is the existence of compensating behavior. In this work, we aim at testing whether people's tendency to follow rules determines their reaction towards utilitarian messages. By designing a long-term online

## CEE-M Spring Experimental Economics Workshop

experiment, we elicit subjects' rule-following type and observe their behavior in a repeated Common Pool Resources game, with and without messaging. Our results show that people who are intrinsically inclined to follow rules shift behavior in compliance with the message content, while people who are less inclined to follow rules react in the opposite direction.

### RUSTAM ROMANIUC (MONTPELLIER BUSINESS SCHOOL)

#### **A Large-Scale Experiment of Behavioral Interventions to Increase Youth Turnout**

Voter turnout is an important measure to assess the health of democracy and civic engagement. In the last three decades, voter turnout has been continuously decreasing in France when it comes to legislative, regional, municipal, and European elections. Although the turnout rate for the presidential elections did not experience a significant decrease due to its saliency, it faces another serious problem like any other level of election: the low turnout rate of young citizens (defined as citizens aged between 18 to 29 years old). Since voting is a habitual behavior and the failure of habit formation might lead to lower and lower political participation in society, it is important to understand what behavioral mechanisms can increase youth turnout. We partnered with 8 laboratories in experimental economics in France to test the effect of three behavioral interventions using a large sample of students from eight different cities and employing the same experimental setting. Experiments were conducted online before and after the first round of the 2022 presidential election and involved more than 3800 subjects. Our team tested an intervention where subjects were asked to form a plan (intention-implementation condition) to vote, an intervention that combines descriptive social information with a message that pits one's group against another group that has a higher turnout (social information condition), and an intervention where subjects were asked to write a motivational letter to convince a peer to vote (advice-giving condition). We find that none of the behavioral interventions that we tested has a significant impact on youth turnout. Our results are in line with a series of recent papers using large-scale experiments and showing null effects of nudges when used to change human behavior.

### ELI SPIEGELMAN (BURGUNDY SCHOOL OF BUSINESS)

#### **Discrimination in the Large and the Small: Social Exclusion and Sensitivity to Notional Fines**

This study investigates how exclusion from a decision-making process influences people's respect for the decisions made. Subjects played a 10-round linear public goods game (LPG), in which mild law, in the sense of a non-deterrent penalty, was sometimes applied to uncontributed tokens. Fines were applied based on votes by the individuals in a round-specific matching group. A first dimension of exclusion, exclusion "in the large", was implemented through the induction of near-minimal identities: half the participants in any session were assigned the red identity, while the rest were blue. Only red votes counted in the determination of whether a fine would be applied. In the ID condition, this was made salient, while it was not indicated in the No-ID condition. We define and measure effective exclusion as the difference in contribution between color groups in the No-ID condition. Symbolic exclusion, by contrast, is studied as the difference between the ID and No-ID conditions for each color group. We find no evidence that effective exclusion influences

## CEE-M Spring Experimental Economics Workshop

behavior in our experiment. However, symbolic exclusion – that is, the added information that exclusion was based on arbitrary group assignment – affects both excluded and “privileged” groups in different ways. The second dimension of exclusion, exclusion “in the small”, varied the number of participants in the matching group whose votes were counted. Based on the literature on so-called democracy premiums, we expected that when more people’s votes counted, the fines would be more effective. However, we do not see this pattern emerge in our data. Thus, while we do find interesting results on questions of discrimination, the democracy premium as such is not replicated in our study. We conclude with some suggestions as to why this might be the case.