

Workshop

in

Behavioral Public Economics

2018



Organizers:

Rupert Sausgruber (WU Vienna) and Jean-Robert Tyran (U Vienna)

Sponsors:

U Vienna
WU Vienna

Program

Monday, Sept 10

12:00 - 12:20

Get together, Coffee

12:20 - 12:30

Opening address

Jean-Robert Tyran

(1)

12:30 - 13:30

Title: *News We Like to Share: How News Sharing on Social Networks Influences Voting Outcomes*

Presenter: **Kirill Pogorelskiy (U Warwick)**

(2)

13:30 - 14:30

Title: *Deliberative Structures and Their Impact on Voting Behavior under Social Conflict*

Presenter: **Lydia Mechtenberg (U Hamburg)**

Coffee break 14:30-15:00

(3)

15:00 - 16:00

Title: *Subjective Evaluation: The Role of (Institutionalized) Conflicts for Motivation*

Presenter: **Christian Zehnder (U Lausanne)**

Coffee break: 16:00-16:15

(4)

16:15 - 17:15

Title: *Trust the Police? Self-Selection of Motivated Agents into the German Police Force*

Presenter: **Michael Kosfeld (U Frankfurt)**

17:45 - 18:45

Guided Tour Museum: [mumok](#)

Dinner 19:30

Restaurant [Stiegl-Ambulanz](#)

Tuesday, Sept 11

09:00 - 09:30

Get together, Coffee

(5)

09:30 - 10:30

Title: *On Prosocial Promises in the Marketplace: Experimental Evidence from Variants of the Ultimatum Game*

Presenter: **Andreas Lange (U Hamburg)**

Coffee break 10:30-11:00

(6)

11:00 - 12:00

Title: *Cooperation, Sanction and Age: Evidence from Behavior among Children and Adolescents*

Presenter: **Peter Martinsson (U Gothenburg)**

Lunch 12:15 - 14:30

Restaurant [Motto am Fluss](#)

(7)

14:30 - 15:30

Title: *The Effects of Feasible Goals on Academic Achievement*

Presenter: **Erik Wengström (Lund U)**

Coffee break 15:30-16:00

(8)

16:00 - 17:00

Title: *The Structure of Health Incentives and Habit Formation: Evidence from a Field Experiment*

Presenter: **Justin Sydnor (U Wisconsin-Madison)**

(9)

17:00 - 17:30

Concluding remarks & discussion

Rupert Sausgruber / Jean-Robert Tyran

(10)

18:30 - 20:00

Public VBEN Lecture: "*Vertrauen als Schmiermittel für Wirtschaft und Gesellschaft*"

Presenter: **Michael Kosfeld (U Frankfurt)**

Location: Julius Raab Stiftung, im Forum Mozartplatz, Mozartgasse 4, 1040 Vienna

List of Abstracts

Monday, 12:30-13:30

Kirill Pogorelskiy (U Warwick)

News We Like to Share: How News Sharing on Social Networks Influences Voting Outcomes

We study the relationship between news sharing on social media and information aggregation by voting. Our context-neutral laboratory experimental treatments mimic the features of social networks in the presence of media bias to address concerns that voters getting political news via social media may become more polarized in their voting behavior. Our results suggest that these concerns are warranted: subjects selectively share news that is favorable to their party and take biased news signals at face value in their voting decisions, ignoring news sources. Given these patterns of individual behavior, the welfare implications of social networks reflect the underlying quality of the shared news: with unbiased media, social networks raise collective decision-making efficiency, but efficiency deteriorates markedly in the presence of media bias, as news signals become less reliable.

Monday, 13:30-14:30

Lydia Mechtenberg (U Hamburg)

Deliberative Structures and Their Impact on Voting Behavior under Social Conflict

Inequalities in democracies are multi-faceted. They not only incorporate differences in economic opportunities, but also differences in access to information and social influence. In a lab experiment, we study the interaction of these inequalities to provide a better understanding of socio-political tensions in modern societies. We identify the *tragedy of the elite*, the dilemma that privileged access to information about a fundamental state that mediates political conflict creates lying incentives for the better informed. In our experiment, an electorate consists of two groups, one informed and one uninformed about an uncertain state of the world. Incentives depend on this state. Before voting the two groups can communicate. We study four different communication protocols which vary the access to communication channels of the two groups and are meant to represent societies with different degrees of openness. We hypothesize that the deliberative structures affect group identities, preferences, and voting. Our observed outcomes largely coincide with those predicted by our theoretical analysis.

Monday, 15:00-16:00

Christian Zehnder (U Lausanne)

Subjective Evaluation: The Role of (Institutionalized) Conflicts for Motivation

In the management literature the need to reduce organizational conflict is a frequent topic. Economists, in contrast, have argued that functional employment relationships require a certain level of conflict, because a healthy conflict culture helps to overcome incentive problems caused by incomplete contracts and asymmetric information. In this paper we use a laboratory experiment to explore the role of conflicts in a principal-agent setup with subjective performance evaluation. We provide empirical evidence that conflicts can indeed be efficiency-enhancing even in complex environments. At the same time, however, our study also demonstrates that establishing a conflict culture is a delicate matter. If conflicts are encouraged in a careless, hands-off manner, the destructive side of conflicts is likely to dominate. A functioning conflict culture requires a careful management of norms. In our experiment we find that conflicts have positive net effects only if an explicit code of conduct is established and conflicts are institutionalized through a grievance process.

Monday, 16:15-17:15

Michael Kosfeld (U Frankfurt)

Trust the Police? Self-Selection of Motivated Agents into the German Police Force

We conduct experimental games with police applicants in Germany to investigate whether intrinsically motivated agents self-select into this type of public service. Our focus is on trustworthiness and the willingness to enforce norms of cooperation as key dimensions of intrinsic motivation in the police context. We find that police applicants are more trustworthy than non-applicants, i.e., they return higher shares as second-movers in a trust game. Furthermore, they invest more in rewards and punishment when they can enforce cooperation as a third party. Our results provide clear evidence for self-selection of motivated agents into the German police force, documenting an important mechanism that influences the match between jobs and agents in public service.

Tuesday, 09:30-10:30

Andreas Lange (U Hamburg)

On Prosocial Promises in the Marketplace: Experimental Evidence from Variants of the Ultimatum Game

We report experimental findings on motivations for bundling activities in the marketplace, i.e. for linking selling private goods with public good provision. For this, we introduce a prosocial ultimatum game where a proposer can suggest a split between himself, the responder and a charitable donation. We vary the enforceability of the donation pledge, the competitive pressure, as well as the availability of alternative donation channels.

Our results suggest that accepting a prosocial offer does not yield a warm-glow sensation to responders. We observe that proposers deviate from the initial donation pledges after their offer was accepted, thereby demonstrating that bundling is used as a strategic device. The extent of such cheating can be limited by ex post providing the responder with information of the actual donation decision of the proposer. We further identify a surprising channel through which competition limits the extent of not following through with prosocial promises.

Tuesday, 11:00-12:00

Peter Martinsson (U Gothenburg)

Cooperation, Sanction and Age: Evidence from Behavior among Children and Adolescents

We use public goods experiments to investigate the evolution of cooperative preferences by age in three age groups: 10, 14 and 17 years old. Moreover, we conducted our experiments in four different continents to test for robustness of our results. By and large, the results show that cooperative behavior increases by age. In line with development psychology theories, e.g., social learning and cognitive development, we observe a significant increase in contribution from age of 10 to 14, which is explained by a significantly decrease of free-riders. Moreover, when exogenous sanctions are imposed, where there is a probability of being monitored and a fine is imposed if contributing 20% or less of the endowment, we find that the youngest children are more affected by this sanctioning. Overall, these findings indicate, in line with development psychology theories, that 10 year old are more affected by direct consequences while older show a high degree of reasoning.

Tuesday, 14:30-15:30

Erik Wengström (Lund U)

The Effects of Feasible Goals on Academic Achievement

We run a pre-registered experiment with 628 students at a public university to study the effects of incentivized goals on academic achievement. We offer half of the students 300€ conditional on attaining a goal GPA. We place the goal in the middle of the GPA distribution and explore the (potentially different) treatment effects for high and low ability students. We complement these data with lab-in-the-field data in which we measure students' WTP for this policy, GPA beliefs, and preferences. On average, the effect of having an incentivized goal is small and nonsignificant. The only students positively affected are those who were precisely on the threshold of attaining the goal. This effect is mainly driven by males. Furthermore, we find an unexpected result: treated students are much more likely to drop out from the program. This effect is mainly driven by females.

Tuesday, 16:00-17:00

Justin Sydnor (U Wisconsin-Madison)

The Structure of Health Incentives and Habit Formation: Evidence from a Field Experiment

The use of incentives to encourage healthy behaviors is increasingly widespread, but we have little evidence about how to structure incentive programs. We explore this issue using a large field experiment on incentives for employees of a Fortune 500 company to use their workplace gym. We compare the effectiveness of a treatment with constant incentives over 8-weeks to two treatments that vary incentives over time. One variable treatment front-loaded incentives, which could, in theory, help those who procrastinate and fail to overcome startup costs. We find, however, that the front-loaded incentive did not increase participation on the extensive margin relative to the constant incentive and was less effective at sustaining exercise over time. The second variable incentive was designed to leverage temporary habit-formation and turned incentives on and off over a longer period of time. This novel sporadic incentive showed slightly stronger effects than the constant incentive. We discuss how the feasibility of creating self-sustaining habits affects the relative benefits of consistent versus periodic incentives.

List of Participants

Organizers

Rupert Sausgruber (WU Vienna)

Jean-Robert Tyran (U Vienna)

Speakers

Michael Kosfeld (U Frankfurt)

Andreas Lange (U Hamburg)

Peter Martinsson (U Gothenburg)

Lydia Mechtenberg (U Hamburg)

Kirill Pogorelskiy (U Warwick)

Justin Sydnor (U Wisconsin-Madison)

Erik Wengström (Lund U)

Christian Zehnder (U Lausanne)

Other Participants

Moritz Absenger

Geoffrey Castillo

Linda Dezsö

Ben Greiner

Simone Häckl

Melis Kartal

Christian Koch

Martin Kocher

Philipp Külpmann

Georg Sator

Georg Schmidt

Axel Sonntag

Thomas A. Stephens

Róbert Veszteg

Alexander K. Wagner

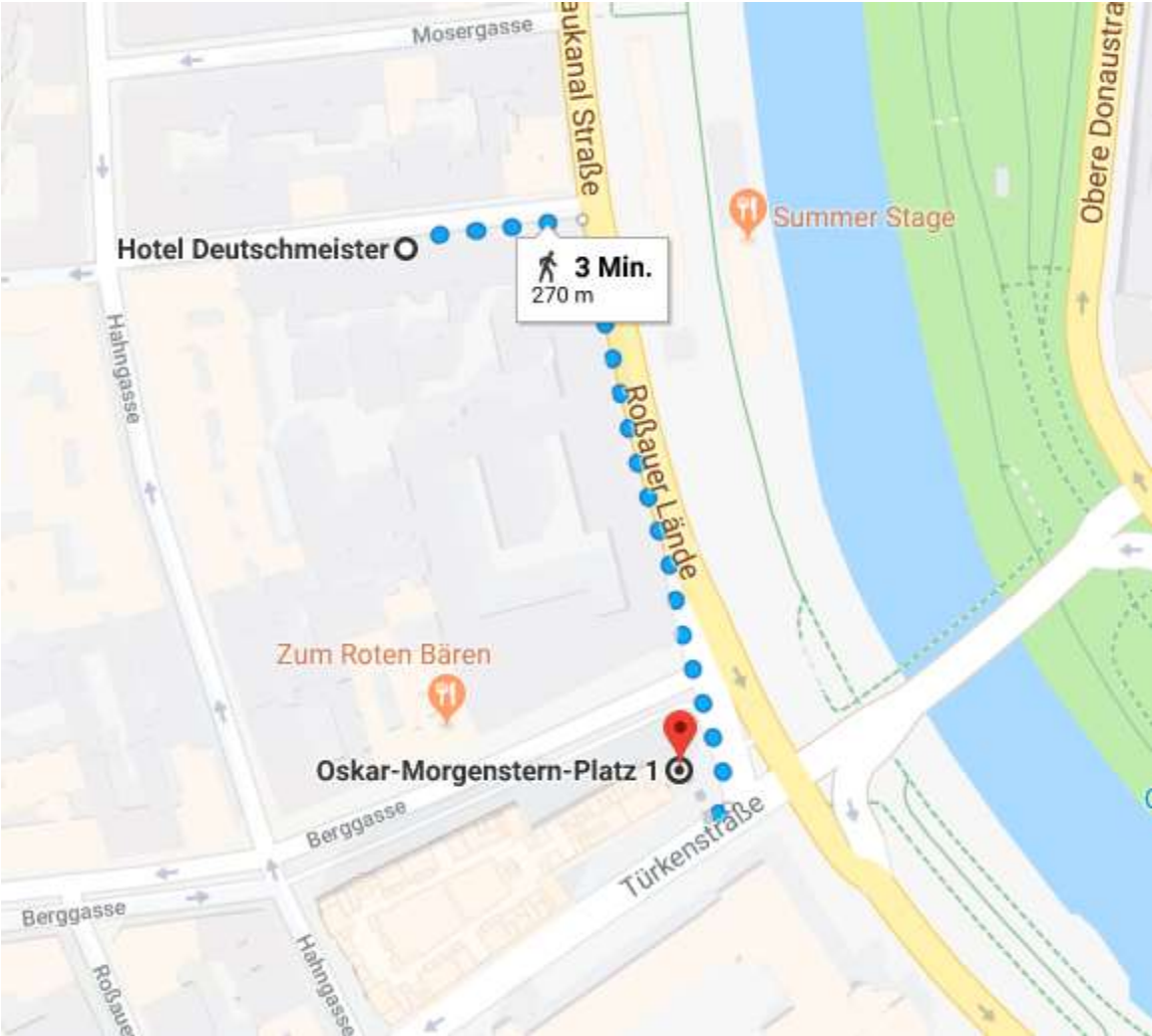
Locations

Sept 10-11: Workshop location

All presentations will be held at the **Faculty of Business, Economics and Statistics, Oskar-Morgenstern-Platz 1, 1090 Vienna**; in the “Sky Lounge”, 12th floor.

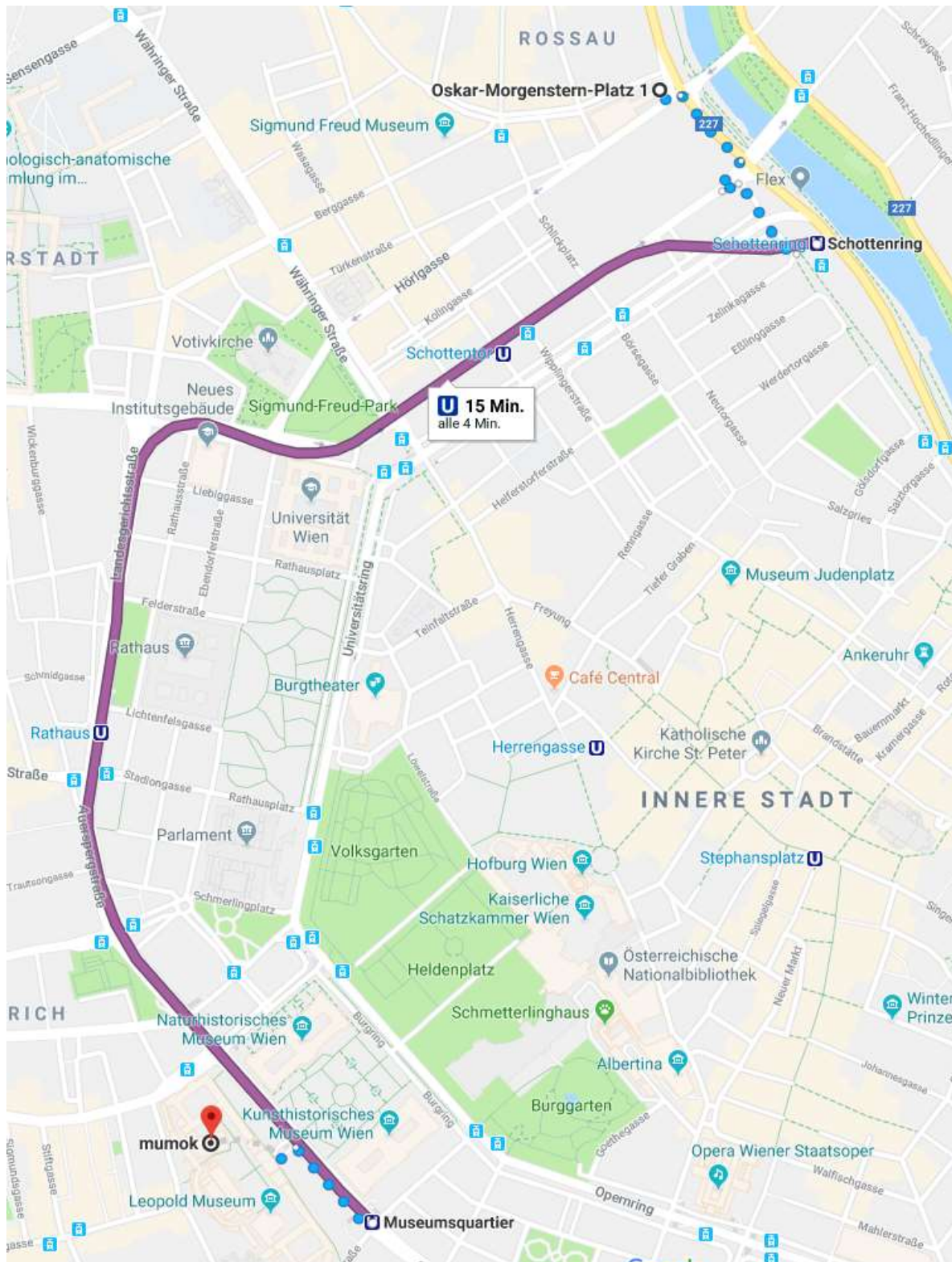


How to get from Hotel Deutschmeister to the Workshop location



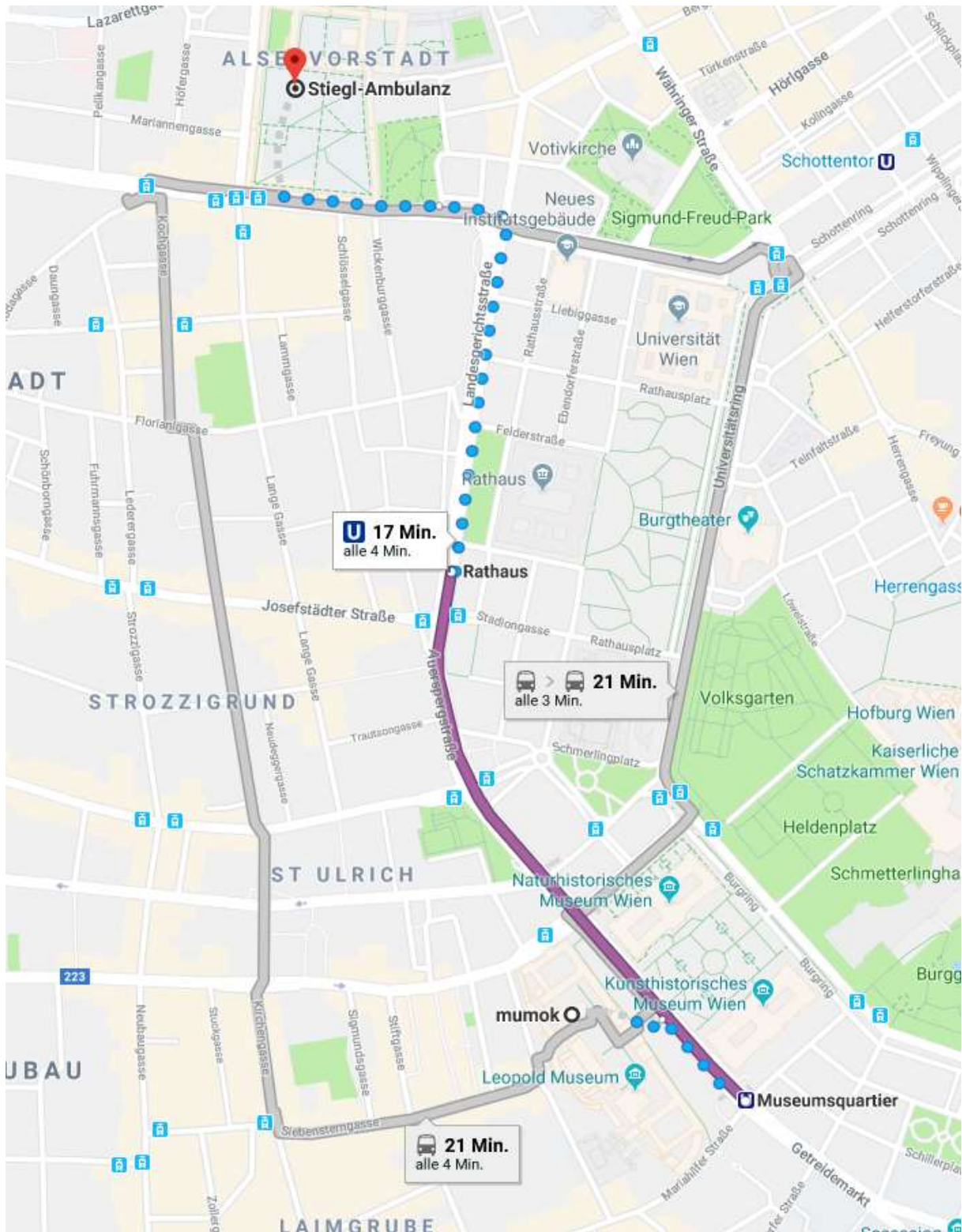
Museum, 10 Sept: mumok (Museumsplatz 1, 1070 Vienna)

Walk from Oskar-Morgenstern-Platz to metro station “Schottenring”, take the metro line U2 (direction “Karlsplatz”) to “Museumsquartier” (4 stops).



Dinner, 10 Sept: Stiegl-Ambulanz (Altes AKH, Alser Str. 4, 1090 Vienna)

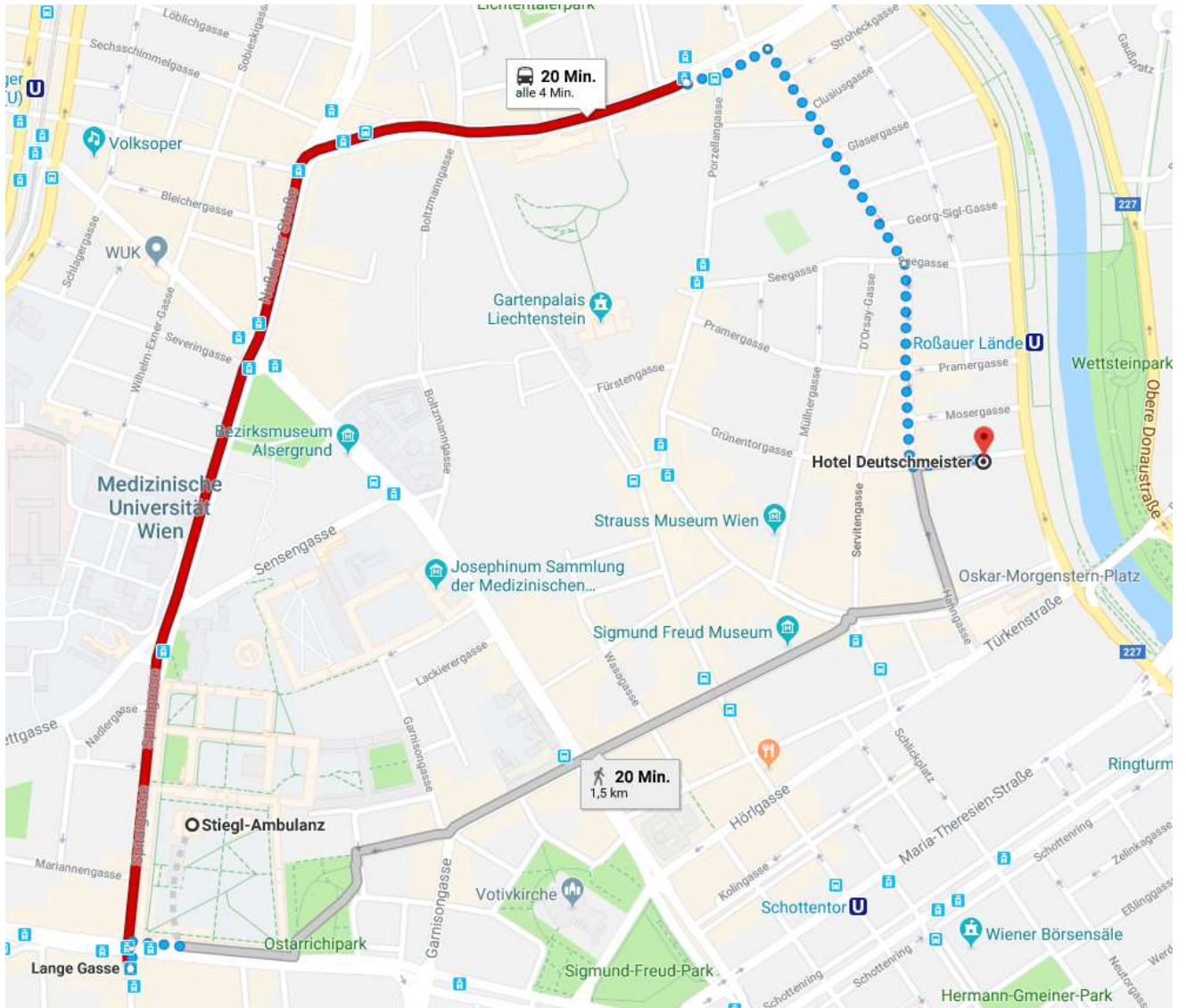
Walk from mumok to metro station “Museumsquartier”, take the metro line U2 (direction “Seestadt”) to “Rathaus” (2 stops), then walk to Stiegl-Ambulanz (10-15 min).



10 Sept: Coming back to Hotel Deutschmeister from dinner at Stiegl-Ambulanz:

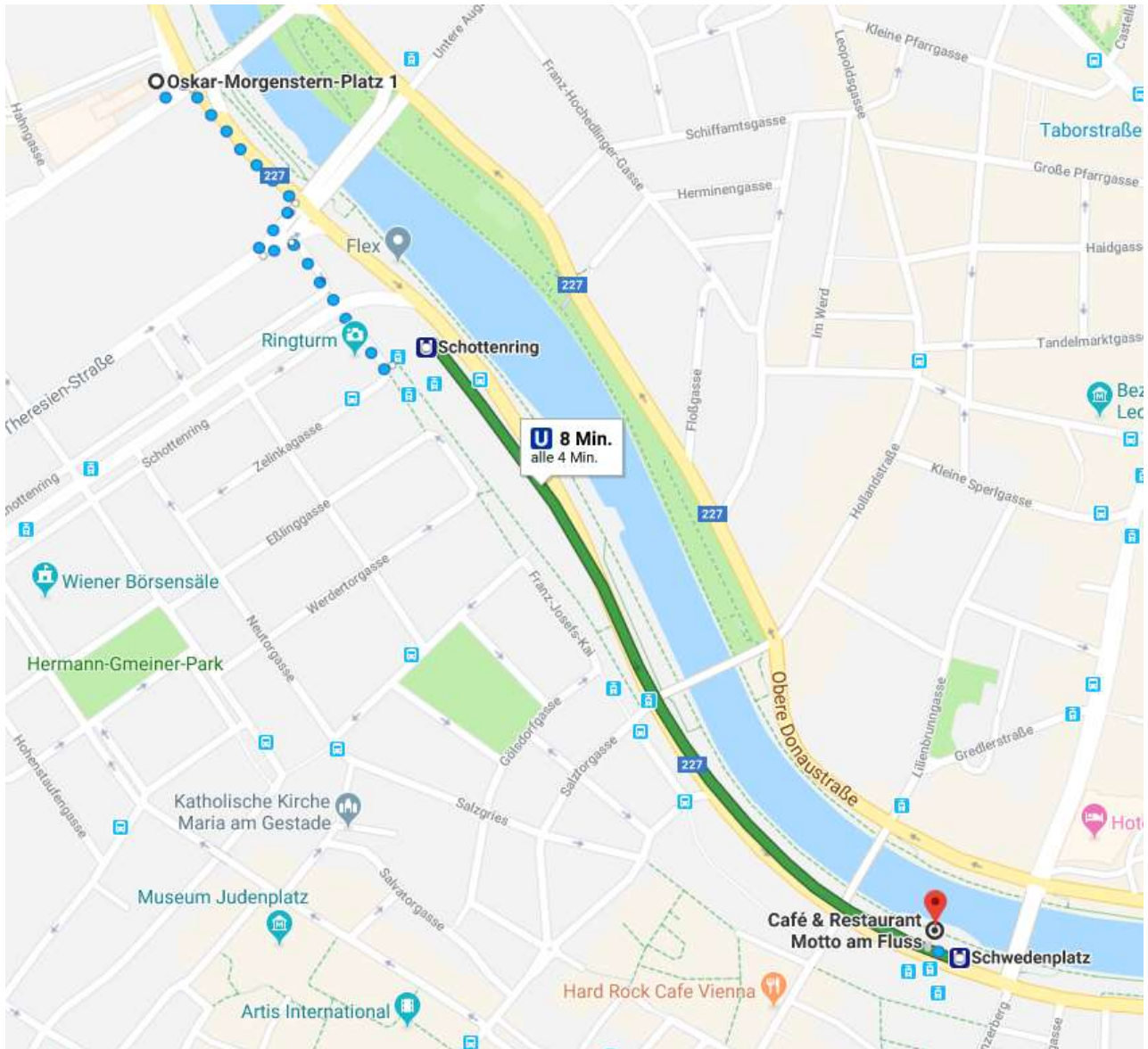
Take tram line 5 from “Lange Gasse” (direction “Wien Praterstern”) to “Franz-Josefs-Bahnhof” (4 stops), then walk to the hotel (10 min).

Alternatively, walk through the city center (20 min walk).



Lunch, 11 Sept: Restaurant “Motto am Fluss” (Franz-Josefs-Kai 2, 1010 Vienna)

Walk from Oskar-Morgenstern-Platz to metro station “Schottenring”, take the metro line U4 (direction “Hütteldorf”) to “Schwedenplatz” (1 stop).



11 Sept: Public VBEN Lecture (Forum Mozartplatz, Mozartgasse 4, 1040 Vienna)

Walk from Oskar-Morgenstern-Platz to metro station “Schottenring”, take the metro line U4 (direction “Hütteldorf”) to “Schwedenplatz” (1 stop), then take the metro line U1 (direction “Oberlaa”) to “Taubstummengasse” (3 stops).

