Behavioral and Experimental Economics GATE-Lab-NTU Workshop (BEELS)

Date: May 16, 2024
Host: Nanyang Technological University (NTU), Singapore
Venue: Conference Room, SHHK-05-57, 48 Nanyang Avenue Singapore 639818

Programme

May 16, Thursday

08:30-08:40 Welcome Address and Opening Remarks

08:40-09:20 Presentation 1
Speaker: Tai-Sen HE (NTU)

09:20-10:00 Presentation 2
Speaker: Fabio GALEOTTI (GATE, CNRS)

10:00-10:20 Morning Tea

10:20-11:00 Presentation 3
Speaker: Yohanes Eko Riyanto (NTU)

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Speaker: Adam ZYLBERSZTEJN (GATE, University Lyon 2)

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12:20-13:00 Lunch

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15:20-16:00 Presentation 9
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Speaker: Te BAO (NTU)

Presentation List

08:40-09:20 Presentation 1

Tai-Sen HE (NTU). Re-Examining the Linguistic-Savings Hypothesis within English: Evidence from Monolinguals [with Josie I Chen and Yue Han]

Abstract: Despite a growing body of literature supporting Chen's (2013) linguistic-savings hypothesis (LSH), direct causal evidence remains limited. Recent studies—including Chen, He, and Riyanto (2019) and Angerer et al. (2021)—administered linguistic manipulation on the use of the future tense within weak future-time-reference (w-FTR) languages to examine the LSH but found null results. One explanation for such results is that speakers of w-FTR languages may not be adequately "trained" to differentiate between present and future tenses. To address this concern, the present study re-examines the LSH within English, a strong future-time-reference language, using English monolinguals. Our design features a time preference task with two linguistic conditions: future tense (FT) and non-future tense (NFT). While the FT condition uses future tense to describe delayed rewards, the NFT condition uses present tense by omitting future tense marking. The descriptions in both conditions are grammatically correct and sound natural to native speakers. Yet we found no behavioral differences between the two linguistic conditions in the time preference task. Overall, consistent with prior studies testing the instantaneous causal effect of future time reference on intertemporal decision-making, the null results obtained in the present study lend no further support for the LSH.

09:20-10:00 Presentation 2

Fabio GALEOTTI (GATE, CNRS). Beliefs and Group Dishonesty: The Role of the Strategic Interaction and Complicity [with Rainer Michael Rilke and Eugenio Verrina]

Abstract: Dishonest behavior often takes place in groups where actions are interconnected and beliefs about others' behavior may play an important role. We study how the relationship between beliefs and dishonesty is influenced by the nature of the strategic interaction (complements or substitutes) and the psychological connection between group members (complicity). We find that dishonesty increases (decreases) in the belief that the counterpart is dishonest in a setting of strategic complements (substitutes). The magnitude of the relationship between belief and dishonesty is similar in the two settings. Complicity does not greatly influence the relationship between beliefs and behavior. We only find a level effect of complicity under strategic substitutes for subject with high lying costs. We conclude that beliefs and the type of strategic interaction strongly shape group dishonesty, while the psychological connection due to complicity plays a minor role.

10:00-10:20 Morning Tea

10:20-11:00 Presentation 3

Yohanes Eko RIYANTO (NTU). Less is More: Choice Overload, Saliency, and Deservingness in Online Charitable Donations [with Masyhur A. Hilmy and Gedeon Lim]

Abstract: Online charitable donations can serve as a vital source of mutual aid, but the proliferation of donation choices may overwhelm donors and reduce giving. In partnership with an Indonesian online donation platform, we conducted a field experiment to explore how choice set size and beneficiary traits affect online giving. We found that smaller choice sets significantly increase donation likelihood and amounts, primarily by heightening donor attention and reducing information overload. Donors spend more time deliberating over their donation decisions. In addition, regardless of the choice set size, donors are more likely to donate to beneficiaries with greater perceived deservingness. Strikingly, this preference is more pronounced in smaller choice sets, possibly due to the heightened saliency of beneficiary characteristics. Taken together, our results highlight the susceptibility of online donor behavior to choose overload and demonstrate the potential role of choice architecture in optimizing online donations and altruistic decision-making.

11:00-11:40 Presentation 4

Adam ZYLBERSZTEJN (GATE, University Lyon 2). Anonymity, nonverbal communication and prosociality in digitized interactions: An experiment on charitable giving [with Zakaria Babutsidze, Nobuyuki Hanaki, Marie-Sophie Roul]

Abstract: We empirically examine the value of modern digital communication tools for inducing prosocial behavior. In our online experiment (N = 594), charity members transmit a standardized message to potential donors through alternative digital communication channels varying the amount of nonverbal content (written message in the baseline TEXT condition vs. voice recording in AUDIO vs. video-recorded discourse in VIDEO). We find partial support for

the initial conjecture that individuals are more cooperative towards strangers the less anonymous the latter become to the former. Compared to the baseline TEXT condition, our AUDIO treatment induces a nearly 40% increase in the average donation. However, the transmission of nonverbal cues may backfire: the effect observed in the richest VIDEO condition has only half the magnitude of the one in AUDIO. We attribute this phenomenon to the "avoiding the ask" behavior previously documented in the charity giving literature. We also rule out the possibility that these treatment effects stem from perceptual mechanisms by which these changes in prosociality are driven by the differences in the perception of charity members in the stimuli, suggesting that the treatment effects capture the intrinsic value of reducing anonymity for promoting prosociality in the digital world.

11:40-12:20 Presentation 5

Jonathan YEO (NTU). Ingroup bias with multiple identity dimension [with Daniel Sgroi and Shi Zhuo]

Abstract: Group identity is known to exert a powerful socio-psychological influence on behaviour but has largely been explored as a uni-dimensional phenomenon. Theoretically, an increase in the number of identity dimensions considered should make it harder to draw clear boundaries between people. Therefore, we ask whether broadening awareness of identity to multiple dimensions could help alleviate ingroup biases. We explore this in an online experiment, focusing on two different political dimensions of identity. In the control arm, we induced (narrow) awareness of a single identity dimension; in the treatment arm, we induced (broad) awareness of both dimensions. Subsequently, we used a third-party allocation task to measure ingroup bias on each dimension. Crucially, revealed identity information was held constant across arms during the decision. We found that broader awareness did not decrease ingroup bias and in one setting increased it. We provide supplementary analysis to examine possible mechanisms for our counter-intuitive findings.

12:20-13:00 Lunch

13:00-13:40 Presentation 6

Jona KRUTAJ (GATE, CNRS). Political Tribalism and Voter Preferences [with Fabio Galeotti and Daniel John Zizzo]

Abstract: We measure whether voters engage in political tribalism in voting decisions: namely, whether they are willing to sacrifice expected financial returns to choose a candidate who is closer to their own political identity. We also measure whether such evidence of political tribalism is more than what can be observed with an alternative, sport-related, natural world group identity, or with a traditional minimal group identity manipulation. We do this by designing two simple economic experiments that provide clear information on how competent different political candidates are and provide a choice to voters to go for the expected more competent candidate or an alternative candidate, who may be closer in terms of their political

(or other) preferences. We also control for confusion as a possible explanation. We find that around one voter out of five in our sample engages in political tribalism, which is at least twice the amount that may be explained by confusion. There is limited or no evidence of sport identity or our minimal group identity manipulation mattering.

13:40-14:20 Presentation 7

Jonathan TAN (NTU). Inference from Field and Laboratory Experiments in Economics: Empirical Evidence [with Zhao Zichen and Daniel John Zizzo]

Abstract: Experimental economics publications test and make claims that are based on inferences from the experimental datasets they are based on. A claim is within-domain if, with respect to a given domain (profession, age, gender, country of experiment, or experimental asset), it is representative of the domain that characterizes its underlying experimental dataset. The field avails access to a range of samples and assets, but do field experiments publications engage in within-domain inference, in general and relative to laboratory experiment publications? This is important as there is a higher evidentiary threshold for the external validity of claims based on out-of-domain inference Our study evaluates the extent to which data from field and laboratory experiments match (i.e. correspond) to the key claims tested, as an indicator of external validity, in 520 publications in 2018 and 2019 at leading general and field journals in Economics. We find that claims from field experiments, particularly in the realm of policy testing, are more likely to match the key claims compared to laboratory experiments. However, depending on the domain, less than 20% or only up to around 65% of field experiments achieve a match. Around four out of five field experiments fail to match in at least three out of the five domains. We conclude that out-of-domain inference also applies to many field experiments. Further, we find that publications by top 20 institutions authors or with experiments conducted in majority White countries are more likely to generalize.

14:20-15:00 Presentation 8

Marie Claire VILLEVAL (GATE, CNRS). Selective Information Sharing and Group Delusion [with Anton Suvorov and Jeroen van de Ven]

Abstract: Although in many situations groups make better decisions than individuals, groups also often make mistakes. We investigate experimentally one possible source of sub-optimal decision-making by groups: the selective and asymmetric sharing of ego-relevant information among team members. We show that good news about one's performance is shared more often with team members than bad news. The biased information sharing within teams, together with selection neglect by the receivers, induces higher team confidence compared to an unbiased exchange of performance feedback. As a result, weak teams end up making worse investment decisions in a bet whose success depends on the team ability. The endogenous social exchange of ego-relevant information may thus lead to detrimental group delusion. We do not find strong evidence that the size of the team has an impact on team confidence and success.

15:00-15:20 Afternoon Tea

15:20-16:00 Presentation 9

Jubo YAN (NTU). Interpersonal Projection Bias in Predicting Consumption Utility: An Experimental Test

Abstract: The ability of predicting others' preference and behavior is crucial in decision making. Yet, people seem to be overly influenced by their own preference when predicting others behavior (i.e., false consensus). I ask whether such mispredictions are due to the lack of information or interpersonal projection bias. We report results from a laboratory experiment that tries to disentangle the underlying reason of false consensus. The experiment utilizes a natural variation in own state (full vs. hungry) to examine how experimental subjects predict others' behavior when they are incentivized to guess a randomly chosen subject's (i) hunger level, (ii) willingness to pay (WTP) for food items, and (iii) WTP for nonfood items. I then provide subjects the objective information to observe their respond to the information update. Interestingly, when the objective information is provided, our subjects do not update their predictions to the full extent. Our results (i) confirm the false consensus in predicting contemporary consumption value; (ii) show that the interpersonal project bias in a main driving force behind false consensus.

16:00-16:40 Presentation 10

Siri ISAKSSON (FAIR). Will Artificial Intelligence Get in the Way of Achieving Gender Equality? [with Daniel Carvajal and Catalina Franco]

Abstract: The promise of generative AI to increase human productivity relies on developing skills to become proficient at it. There is reason to suspect that women and men use AI tools differently, which could result in productivity and payoff gaps in a labor market increasingly demanding knowledge in AI. Thus, it is important to understand if there are gender differences in AI-usage among current students. We conduct a survey at the Norwegian School of Economics collecting use and attitudes towards ChatGPT, a measure of AI proficiency, and responses to policies allowing or forbidding ChatGPT use. Three key findings emerge: first, female students report a significantly lower use of ChatGPT compared to their male counterparts. Second, male students are more skilled at writing successful prompts, even after accounting for higher ChatGPT usage. Third, imposing university bans on ChatGPT use widens the gender gap in intended use substantially. We provide insights into potential factors influencing the AI adoption gender gap and highlight the role of appropriate encouragement and policies in allowing female students to benefit from AI usage, thereby mitigating potential impacts on later labor market outcomes.

16:40-17:20 Presentation 11

Te BAO (NTU). Cognitive Uncertainty, GPT, and Contribution in Public Goods Game [with Jiaoying Pei]

Abstract: This paper establishes a connection between cognitive noise (Enke and Graeber, 2023) and the level of contribution in the public goods game. Our experimental results demonstrate that a cooperative advice can assist individual in either gaining a better understanding of their true social preference, or translating their true social preferences into contribution actions that maximize their utility as the game repeats. Further, we argue that cognitive noise complements, rather than replaces, taste-based social preference to explain the contribution decision. Our correlational data supports the notion that cognitive uncertainty is positively correlated with contribution in the public goods game at the aggregate level, or cognitive uncertainty lead people to behave as if they are more cooperative. However, there is heterogeneity, where cognitive noise is negatively correlated with the contribution level of some participants at an economically significant extent. These findings suggest the significance of only considering contribution decisions that exceed a certain cognitive certainty threshold in a public goods game if they are to be taken at face value. We also find that advice from the Generative Pre-trained Transformer (hereafter referred to as "GPT") reduces cognitive uncertainty for all participants, though the impact of the advice does not seem to depend on whether or not the participants are informed the advice was made by GPT.