

CNEE Spring Workshop June 4th 2019

Program

Venue ; Copenhagen Business School, Department of Economics - 1st Floor, Porcelænshaven 16A, 2000 Frederiksberg. Room: 2.80 (on the second floor).

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10am-10:30am Check-in and breakfast
10:30am- 12pm Presentations (30 minutes each)

Felix Døssin: "Suboptimal paternalism"

Discussions about the legitimacy and welfare consequences of paternalistic interventions usually begin with the assumption that regulators are both benevolent and competent. We present experimental evidence that neither need be the case. In our experiment, individuals choose whether to restrict the choice of another participant and we see that regulation decreases choice efficiency. This is due to the fact that more competent individuals are no more likely to implement a choice restriction despite being presented with evidence that they are in fact more competent as well as the fact that a significant fraction of individuals choose to implement intentionally harmful restrictions.

Håkan Holm: "Mood effects in the Field (in progress)"

Economists are increasingly acknowledging the role played by mood, defined as any short-lived emotional state, in decision-making. Laboratory experiments that randomly manipulate the mood of subjects find that mood does affect behavior. However, less is known about how much mood matters in real life, that is, outside the highly controlled laboratory setting. How large is the economic impact of mood effects, and is this something that is taken into account by economic actors? Answering these questions requires a careful study of mood effects in a field setting. Our paper does this in a data set of millions of Swedish and UK car inspections, a setting in which there exists a belief that extraneous factors such as weather and weekday affect inspection results through inspectors.

Aga Nowinska: "Psychological underpinnings of distance and knowledge sharing"

Extant literature has successfully demonstrated that distance among employees affect the sharing of knowledge, scholars have however not yet investigated underlying the mechanisms. We aim at filling in this gap with a mix-method approach. We first analyze micro-level data on 796 knowledge-sharing dyads of employees located in the same five-floor building featuring multi-person offices. We find that employees are more likely to stick within the boundaries of their own offices when searching for knowledge. We subsequently investigate the underlying mechanisms with the use of a randomized on-line survey and find that perceived similarity among peers from one office drives the individual behavior of reaching outside. The search for knowledge within one office is driven by a perceived good atmosphere and a feeling of affiliation. We finally assess the change in the studied mechanisms in various space designs, such as offices with and without a lounge or a watercooler, in an on-line experiment. While the mechanisms we found in the survey are still at play, we additionally find that the employees are more likely to reach out outside of their office, in presence of the watercooler, when there is legitimacy in their own office. We contribute theoretically with investigating psychological mechanisms underlying knowledge sharing.

12pm-1pm

Lunch

1pm-2:20pm

Ideas presentations (20 minutes each)

Helene Normann Rønnow: "Cognitive load and the effect of Sin Taxes"

The experiment will try to replicate the findings from Shiv & Fedorikin (1999), which is that high cognitive load increase the propensity to choose unhealthy food items over healthy. The experiment will additionally explore the effect of a Sin Tax, when the customer is under high cognitive load. Experimental studies have shown that implementing Sin Taxes reduces the consumption of unhealthy food items and calories. However, the effect of Sin Taxes when the consumers are under high cognitive load have not yet been explored. Using the theory of dual system, we expect that consumers under high cognitive load will pay less attention to prices and thereby reducing the effect of Sin Taxes.

Alice Pizzo: "Standing by default. A field experiment which test the effect of having elevated office-tables when people show up for work"

While most people are well-aware that a variation between standing up and sitting down at office tables is a better option than sitting down the full working day, most people fail to make the variation (Buckley et al., 2014). Our research idea is to promote variation by a simple behavioral default intervention. We will test the intervention in a field experiment set in an office environment. In partnership with a company that produces smart tables that can be controlled remotely and have the function to be set at different heights, the purpose is to study the working behavior of employees with regard to their posture at their desk: how much time do they spend working standing up? For how long do they sit? The idea is to measure the presence of the person in front of the desk as well as the time the employee spends working at a certain position. Participants would be randomized into a control group and a treatment group, for which the tables would be set up in correspondence to a standing position every morning before they come in. The aim is to investigate whether this procedure incentivizes the standing position and leads to a change of behavior/habit formation.

Goytom Abraha Kahsay: "Incentives, Monitoring and Public Sector in Ethiopia"

Widespread corruption, low quality of public service delivery, and high absenteeism rates among public sector employees continue to be big obstacles for economic and social development as well as good governance in many developing countries, particularly among African countries. A growing literature investigates the effect of incentives and monitoring in addressing these challenges (see Finan et al. (2017) for recent review). Recent field experiments provide mixed evidence on the effect of incentives and monitoring among public sector employees. The literature on incentives and monitoring also suggests several trade-offs: effort-ability trade-off, ability-motivation trade-off, and crowding-out effects. Preliminary results of our Randomized Control Trial (RCT) which focuses on incentives and monitoring among forest user groups (FUGs) in Ethiopia indicate positive effects: Higher effort and accountability among FUG leaders, introduction of new rules, and increased involvement of FUG members in decision making. However, very little is known about the mechanisms through which incentives and monitoring affect performance of full-time salaried public sector employees. Thus, understanding how and when incentives and monitoring introduces detrimental trade-offs could be crucial for improving their effectiveness in reducing corruption and improving service delivery. In this project, we propose to investigate two policy interventions (monitoring and performance-based incentives) among public sector employees in Regional State of Tigray, Ethiopia, using a Randomized Control Trial (RCT). Specifically, the project aims to investigate: (i) selection and motivation effects of monitoring and introducing performance-based incentives: and (ii) Effectiveness of performance-based incentives and monitoring in terms performance employees, quality and public satisfaction of service delivery, and level of corruption. We will implement our interventions in two sectors: education and land administration. The selection of sectors for our study is motivated the current state of public service quality, willingness of the regional government, ongoing e-governance initiatives, and variations in potential rent to be captured. The project proposes a mix of complementary methodological approaches and data sources. At the core of the project is a randomized control trial (RCT). The performance of our interventions will be compared against the control group. We will collect a baseline and follow-up (one year after the intervention) data on a range of variables which will help us measure outcomes of the interventions. Specifically, to measure our outcome variables, we will utilize a mix of data sources: focus-group discussions with key stakeholders, and person-level surveys, artefactual field experiments, registered data, and mystery shopping. The contributions of the proposed project are three-fold. First, it will present evidence on mechanisms through which incentives and monitoring affect quality of public service delivery. Second, it will present new evidence on the interaction between availability of rent and the proposed policy instruments. Finally, the results of our project will contribute to policy design by presenting rigorous evidence on alternative (potentially scalable) policy instruments which may be crucial to reducing corruption and improving service delivery in the regional state and Ethiopia in particular and other African countries in general.

Luigi Butera: " Optimal recognition thresholds"

Acknowledging socially desirable behaviors at or above predetermined thresholds is a ubiquitous practice among governments and non-profits. Despite the widespread use of such schemes, little is known about the optimal configuration of the thresholds to increase desirable behaviors. We want to firstly determine whether such social recognition increases desired behavior, and secondly determine how such recognition programs should be optimally designed. We use charitable giving as an application.

2:20pm-3pm

Coffee break and discussions

3pm-4:30pm

Presentations (30 minutes each)

Toke Fosgaard: "Cheating in The Lab and Crime in The Field: A Study Combining Experimental and Register Data"

Criminal activities are per definition behaviors which we, as a society, disprove, and the criminal acts themselves and the associated activities to prevent crime constitute large costs. Not surprising a large research literature has investigated the characteristics of those committing crimes. Here we expand this research by incorporated behavioral measures from the lab. In particular, we invite a representative sample from the general population to participate in a laboratory study measuring their tendency to cheat in the dice-task. In combination with rich register data on all participants, we are able link crime behavior with the behavior in the lab. We find that cheating in the lab is associated with criminal activities in real life situations. Our findings, suggests that there is a systematic trait of misconduct which carries through from small stakes in the lab to big and serious real life decisions. A possible implication is that small scale tasks, like the dice-task, can be useful for targeting those that are likely to be committing crimes.

Roel van Veldhuizen: "Can simple advice eliminate the gender gap in willingness to compete?"

A recent literature has demonstrated that men and women differ in their willingness to sort into competitive environments. We investigate whether a simple information intervention that makes people aware of this fact decreases the gender gap in willingness to compete. We find that the information intervention indeed lowers the gender gap, both in a laboratory experiment and in a lab-in-the-field experiment with Swedish high school students. Further, we find that the intervention weakly improves the ex-post efficiency of outcomes. Our results have potentially important implications for the literature on competitiveness and gender differences in labor market outcomes.

Hjördis Hardardottir: "Many balls in the air makes time fly: The effect of multitasking on time perception and time preferences"

In this paper, we studied how increasing the cognitive demands of multitasking affects time preferences. The novelty of this paper is that it studied how time perception mediates the effect of multitasking on time preferences. Results from experimental psychology have demonstrated that people tend to experience the passage of time as quicker when they are busy with cognitively-demanding tasks. If time is experienced as passing faster, the future should be experienced as being closer, and patience should increase. However, a standard prediction from behavioral economics is that being cognitively loaded leads to less patient decisions. Our hypothesis is that increases in patience, driven by the speeding up of time, and decreases in patience, driven by decreased cognitive capacity, added together explain the total effect of increasing the cognitive demands of multitasking on time preferences. We also shed light on whether the observed relationship between time preferences and time perception within subjects is mirrored when comparing between subjects.

4:30pm

Drinks, snacks and goodbyes

List of participants

Name	Affiliation
Luigi Butera	Copenhagen business School
Toke Fosgaard	University of Copenhagen, IFRO
Margaret Samahita	Lund University
Giulio Zichella	Copenhagen business School
Håkan Holm	Lund University
Hjördis Hardardottir	Lund University
Helene Normann Rønnow	University of Copenhagen
Roel van Veldhuizen	Lund University
Marco Islam	Lund University
Alice Pizzo	University of Copenhagen
Orsola Garofalo	Copenhagen Business School
Felix Døssing	University of Copenhagen - Econ
Goytom Abraha Kahsay	University of Copenhagen
Aga Nowinska	Copenhagen Business School
Morten Lau	Copenhagen Business School