

# Workshop

in

# Behavioral Public Economics



**Organizers:**

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

**Sponsors:**

Norface  
U Vienna  
WU Vienna

# Program

## Wednesday, Sept 7

Pre-conference event at Haus der Industrie, Schwarzenbergplatz 4, 1031 Wien (Take Tram D to stop Schwarzenbergplatz)

18:30 – 20:00

**John List (U Chicago):** “How Field Experiments provide insight for education and early childhood development – an evidence based view”

Followed by informal reception (drinks and fingerfood)

## Thursday, Sep 8

Takes place at Sky lounge, 12<sup>th</sup> floor, Oskar-Morgenstern-Platz 1, 1090 Vienna (5’ walk from your hotel Deutschmeister)

12:00 – 12:20

Get together, Coffee

12:20 – 12:30

Opening address

Jean-Robert Tyran

(1)

12:30 – 13:30

Title: *Cutthroat capitalism versus cuddly socialism: Are Americans more meritocratic and efficiency-seeking than Scandinavians?*

Presenter: **Ingvild Almas (NHH Bergen)**

(2)

13:30 – 14:30

Title: *Centralized vs. Decentralized Management: An Experimental Study*

Presenter: **David Cooper (Florida State U)**

Coffee break 14:30 – 15:00

(3)

15:00 – 16:00

Title: *Democracy, rights and dictatorship: an experiment on inclusive governance*

Presenter: **Shaun Hargreaves Heap (King’s College London)**

Coffee break: 16:00 – 16:15

(4)

16:15 – 17:15

Title: *Competition for Status Creates Superstars: An Experiment on Public Good Provision and Network Formation*

Presenter: **Theo Offerman (U Amsterdam)**

18:00 – 19:00

Guided Tour [Museum KHM](#)

Dinner 19:30

Restaurant [Glacis Beisl](#)

## Friday, Sep 9

09:00 – 09:30

Get together, Coffee

(5)

09:30 – 10:30

Title: *Real-time feedback for resource conservation: behavioral impact and underlying mechanisms*

Presenter: **Lorenz Goette (U Bonn)**

Coffee break 10:30 – 11:00

(6)

11:00 – 12:00

Title: *What you don't know... Can't hurt you? A field experiment on relative performance feedback in higher education*

Presenter: **Nagore Irriberry (U Basque Country)**

Lunch 12:00 – 14:30

Restaurant [Motto am Fluss](#)

(7)

14:30 – 15:30

Title: *Information and the Schooling Decision for Middle School Children in the Dominican Republic*

Presenter: **Lucas Coffman (Harvard University)**

Coffee break 15:30 – 16:00

(8)

16:00 – 17:00

Title: *We are all scientists now: 12 things I wish experimentalists did (more of)*

Presenter: **John List (U Chicago)**

(9)

17:00 – 17:30

Concluding remarks & discussion

Rupert Sausgruber / Jean-Robert Tyran

Dinner 18:30

Heuriger [Mayer am Pfarrplatz](#)

# Book of abstracts

Thursday, 12:30-13:30

**Ingvild Almas (NHH Bergen)**

*Cutthroat capitalism versus cuddly socialism: Are Americans more meritocratic and efficiency-seeking than Scandinavians?*

There is a striking difference in income inequality and redistributive policies between the United States and Scandinavia. To study whether there is a corresponding cross-country difference in social preferences, we conducted the first large-scale international social preference experiment, with nationally representative samples from the United States and Norway. We introduce a new experimental approach, which combines the infrastructure of an international online market place and the infrastructure of a leading international data collection agency. A novel feature of our experiment is that Americans and Norwegians make real distributive choices in identical situations where they have complete information about the source of inequality and the cost of redistribution. We show that Americans and Norwegians differ significantly in fairness views, but not in the importance assigned to efficiency. The study also provides robust causal evidence of fairness considerations being much more fundamental for inequality acceptance than efficiency considerations in both countries.

Thursday, 13:30-14:30

**David Cooper (Florida State U)**

*Centralized vs. Decentralized Management: An Experimental Study*

We study the tradeoffs between centralized and decentralized management using a new experimental game, the decentralization game. This game models an organization with two divisions and one central manager. Each division must choose or be assigned a product type. Both divisions benefit from coordinating their product types, but each prefers to coordinate on products that are close to its local tastes. Central management aims to maximize the sum of division payoffs. Which product type achieves this goal varies with taste shocks which are known to the divisions but not the central management. Contrary to the theory, overall performance is higher under centralization, where the central manager assigns products to divisions after receiving messages from the divisions about the state of the world (i.e. the taste shock), than under decentralization where the divisions choose their own products. Communication between divisions and suggestions from central managers modestly improve performance under decentralization. Nonetheless, centralization remains the best performing organizational form.

Thursday, 15:00-16:00

**Shaun Hargreaves Heap (King's College London)**

*Democracy, rights and dictatorship: an experiment on inclusive governance*

We examine with an experiment three mechanisms through which the inclusivity in governance arrangements might affect the performance of an organisation. It is the first experiment to consider the influence of inclusivity along two dimensions, 'voting' and 'rights', and their distinct possible contributions to performance. We find that the inclusivity of governance arrangements can affect performance and that each dimension of inclusivity matters, but for different decision problems within an organisation. 'Rights' matter for motivation whereas 'voting' matters for processing and aggregating information; and the decisive difference for performance comes from 'rights,' not 'voting'.

Thursday, 16:15-17:15

**Theo Offerman (U Amsterdam)**

*Competition for Status Creates Superstars: An Experiment on Public Good Provision and Network Formation*

We investigate a mechanism that facilitates the provision of public goods in a network formation game. We show how competition for status encourages a core player to realize efficiency gains for the entire group. In a laboratory experiment we systematically examine the effects of group size and status rents. The experimental results provide very clear support for a competition for status dynamic that predicts when, and if so which, repeated game equilibrium is reached. Two control treatments allow us to reject the possibility that the supergame effects we observe are driven by social motives.

Friday, 09:30-10:30

**Lorenz Goette (U Bonn)**

*Real-time feedback for resource conservation: behavioral impact and underlying mechanisms*

Energy and water consumption pose major challenges to society: resource consumption creates environmental pollution with all its social and economic costs, and energy and water scarcity contribute to regional tensions and conflicts. This has generated a strong policy interest in developing and understanding behavioral interventions to foster resource conservation. Previous interventions provide information about past behavior, aggregated at the household level. In this research project, we go the opposite direction: we provide behaviour-specific

feedback in real time, as the individual engages in the behavior. Three large-scale field experiments show that real-time feedback produces reliable and large conservation gains, much larger than what previous interventions, using household-level feedback have achieved (Study 1, Switzerland). We show that real-time feedback operates through better behavioral control that is distinct from building up psychological pressure to act (Study 2, Switzerland). We also show how behavioural-economics mechanisms, namely goal-setting that acts as a reference point, can reinforce conservation efforts (Study 3, Singapore). Overall, the results from these studies suggest that real-time feedback is a highly effective mechanism to reinforce resource conservation, and could easily be deployed to large populations.

**Friday, 11:00-12:00**

**Nagore Iriberry (U Basque Country)**

*What you don't know... Can't hurt you? A field experiment on relative performance feedback in higher education*

This paper studies the effect of providing feedback to college students on their position in the grade distribution by using a randomized control experiment. This information was updated every six months during a three-year period. In the absence of treatment, students' underestimate their position in the grade distribution. The treatment significantly improves the students' self-assessment. We find that treated students experience a significant decrease in their educational performance, as measured by their accumulated GPA and number of exams passed, and a significant improvement in their self-reported satisfaction, as measured by survey responses obtained after information is provided but before students take their exams. Those effects, however, are short lived, as students catch up in subsequent periods. Moreover, the negative effect on performance is driven by those students who underestimate their position in the absence of feedback. Those students who overestimate initially their position, if anything, respond positively.

**Friday, 14:30-15:30**

**Lucas Coffman (Harvard University)**

*Information and the Schooling Decision for Middle School Children in the Dominican Republic*

We conduct a large-scale evaluation of interventions that present information on the potential cost and benefits of schooling to 7th and 8th grade students in the Dominican Republic. The evaluation includes 1,800 schools, over 50 percent of all public middle schools in the country. The broadest intervention consists of four 15-minute videos that discuss the benefits of additional schooling, watched by classes altogether. We vary whether these videos present the

benefits qualitatively – e.g. schooling may increase wages — or quantitatively — for example, wage averages and distributions at different levels of schooling — allowing us to isolate the impact of providing quantitative information on the returns to schooling. We also conduct one-on-one video sessions through a novel tablet application, both with parents and children. Finally, we also hang posters in classes, designed to highlight and reinforce key information provided in the videos. To understand the mechanics behind our results, as well as the schooling decision in general, we also conduct a panel series of surveys covering 30,000 students to measure beliefs of the potential value of education and students' educational plans. We present preliminary results of the impacts of the interventions on standardized test scores, after-school employment, and schooling aspirations.

Friday, 16:00-17:00

**John List (U Chicago)**

*We are all scientists now: 12 things I wish experimentalists did (more of)*

# List of Participants

## Organizers

[Rupert Sausgruber](#) (WU Vienna)

[Jean-Robert Tyran](#) (U Vienna)

## List of Speakers

[Ingvild Almas](#) (NHH Bergen)

[Lucas Coffman](#) (Harvard U)

[David Cooper](#) (Florida State U)

[Lorenz Goette](#) (U Bonn)

[Shaun Hargreaves Heap](#) (King's College London)

[Nagore Irriberry](#) (U Basque Country)

[John List](#) (U Chicago)

[Theo Offerman](#) (U Amsterdam)

## Other Participants

Atabek Atayev

Peter Bednarik

Ulrich Berger

William Burton

Ayşegül Engin

Ben Greiner

Roman Hoffmann

Melis Kartal

Bernhard Kittel

Martin Kocher

Ilona Reindl

Georg Sator

Christian Schitter

Victoria Schreitter

Axel Sonntag

Florian Spitzer

Marianne Stephanides

Mariya Teteryatnikova

Juha Tolvanen

Stefan Traub

James Tremewan

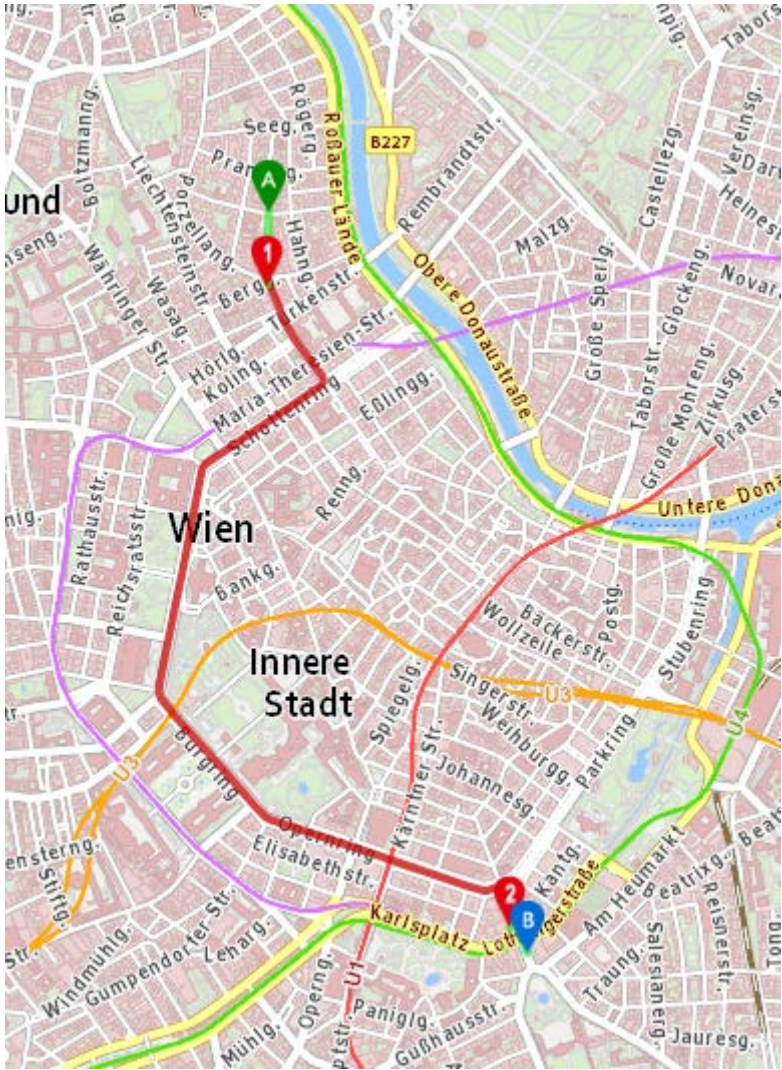
Alexander K. Wagner





Anita Zednik



# Locations

7th Sep, Pre-workshop event (Haus der Industrie, Schwarzenbergplatz 4, 1030 Wien)



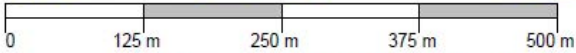
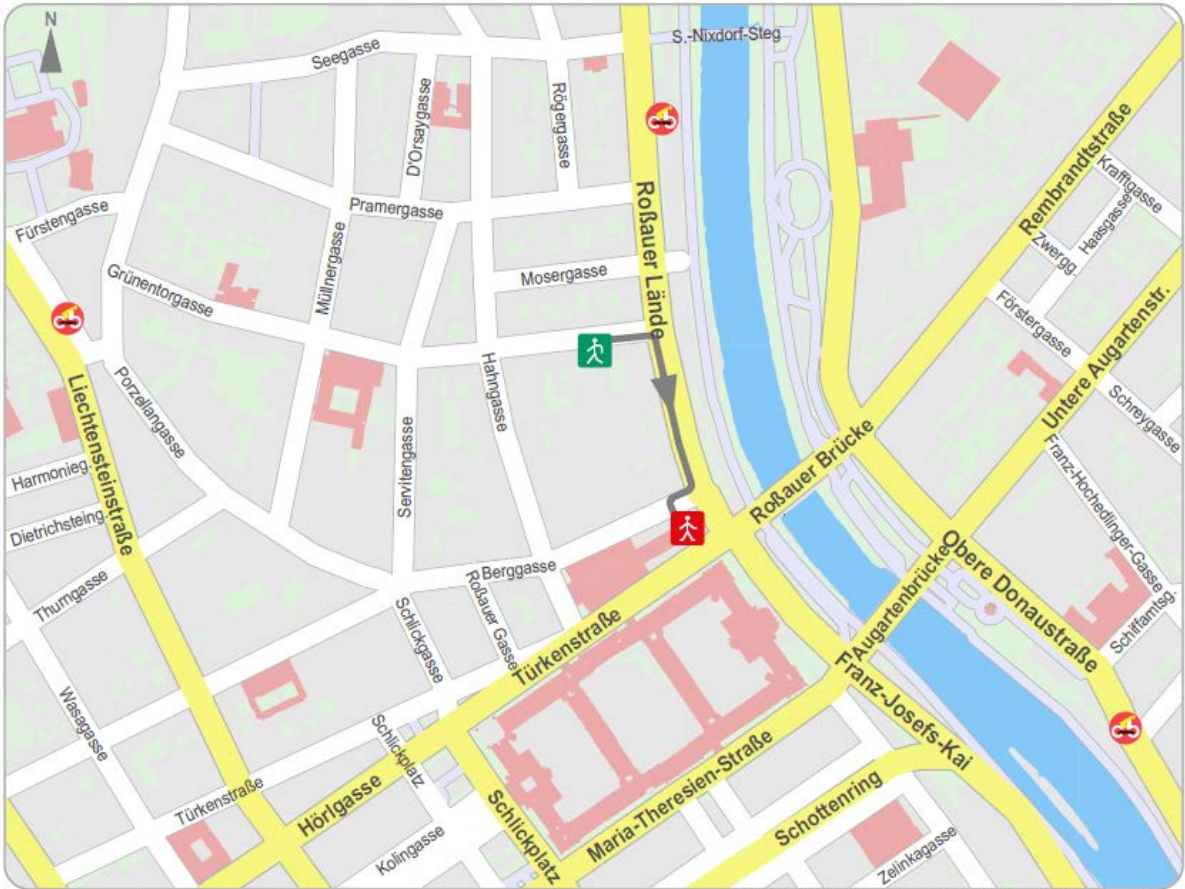
 (Hotel Deutschmeister) ---->  (Schlickgasse, Tramway D) ---->  (Schwarzenbergplatz) ---->  (Haus der Industrie)

## Sep 8th – Sep 9th, Workshop location

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



# How to get from Hotel Deutschmeister to the Workshop location



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- Footpath
- Departure with walk
- Arrival with footpath
- Citybike Vienna



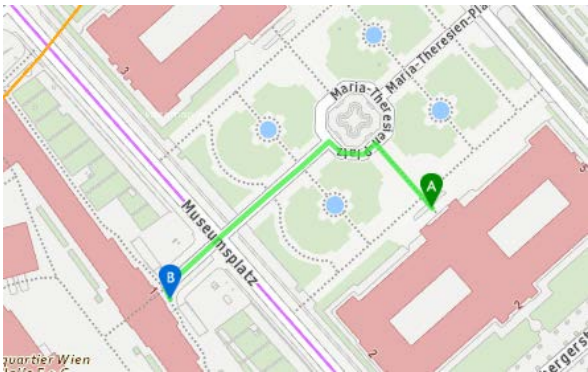
8th Sep, Kunsthistorisches Museum (Maria Theresien-Platz, 1010 Vienna)

From Schlickgasse take Tramway "D" (direction "Hauptbahnhof Ost S") to Burgring.



(Oskar-Morgenstern-Platz 1) ----> (Schlickgasse, Tramway D) ----> (Burgring) ----> (Museum)

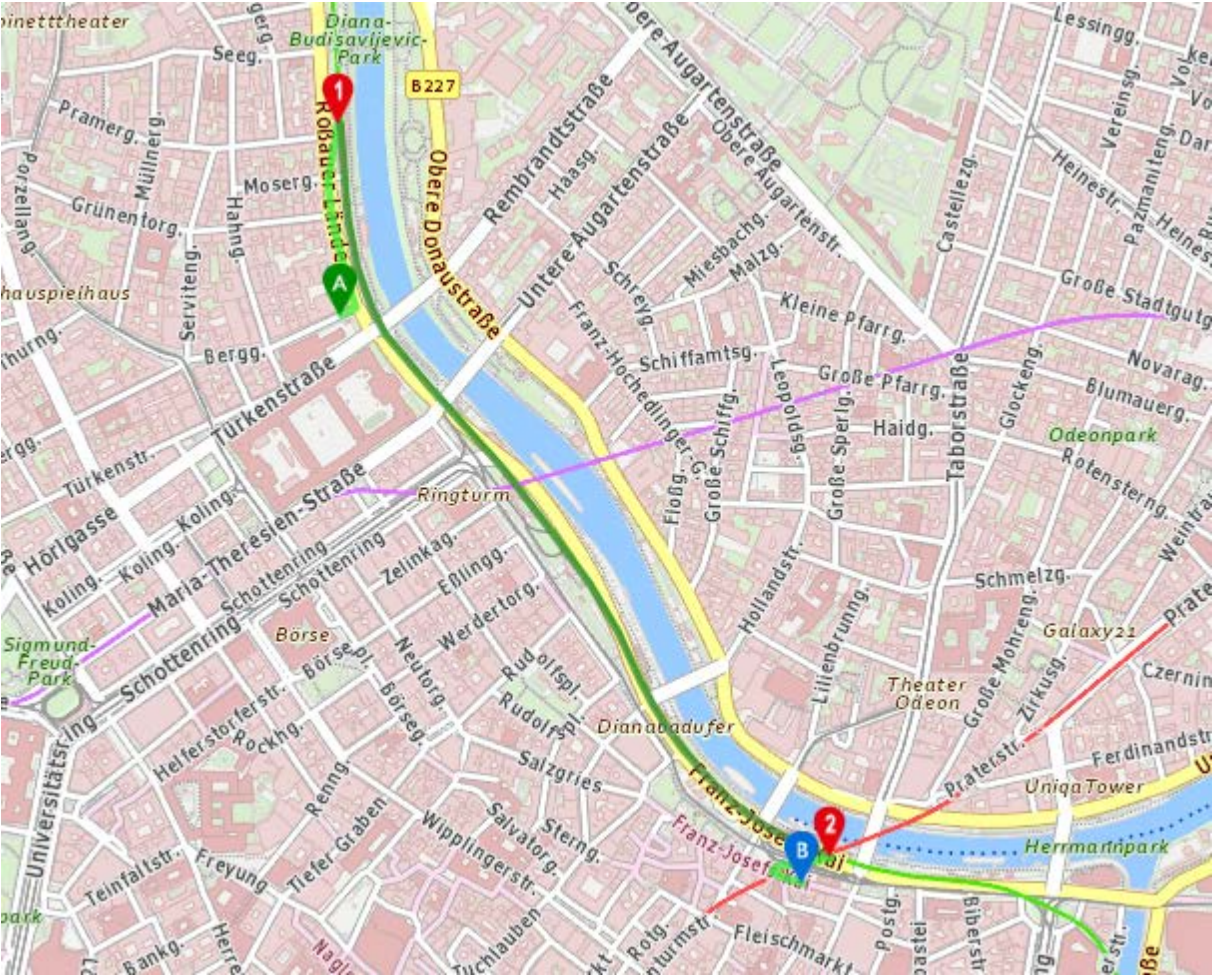
Dinner, 8th Sep, Glacis Beisl (Museumsplatz 1, 1070 Wien)



(Museum) ----> (Glacis Beisl)

Lunch 9th Sep, Restaurant “Motto am Fluss” (Franz Josefs Kai 2, 1010 Vienna)

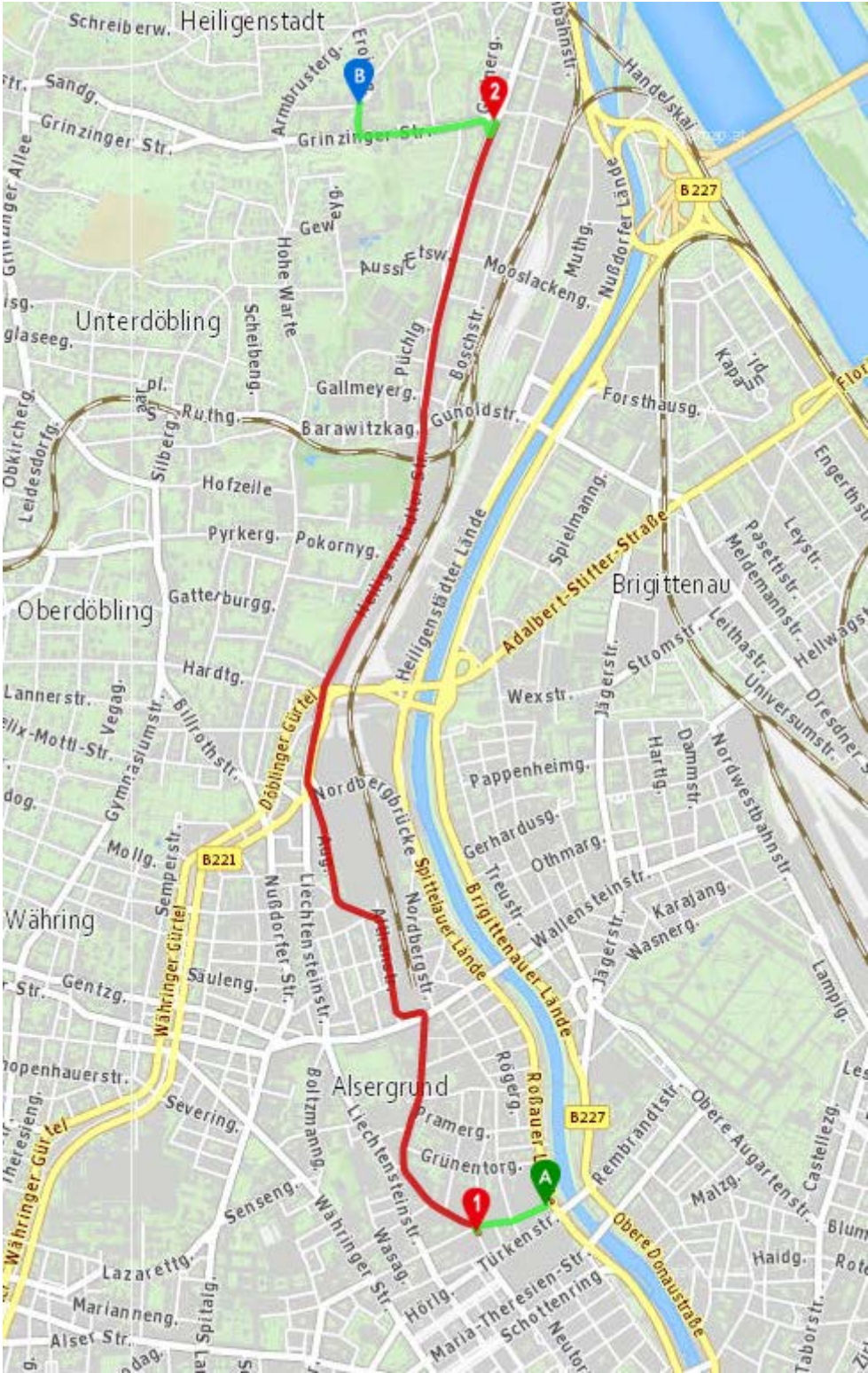
From Roßauer Lände take Underground „U4“ (direction “Hütteldorf”) to Schwedenplatz.









Dinner 9th Sep, Heuriger „Mayer am Pfarrplatz“ (Pfarrplatz 2, 1190 Vienna)

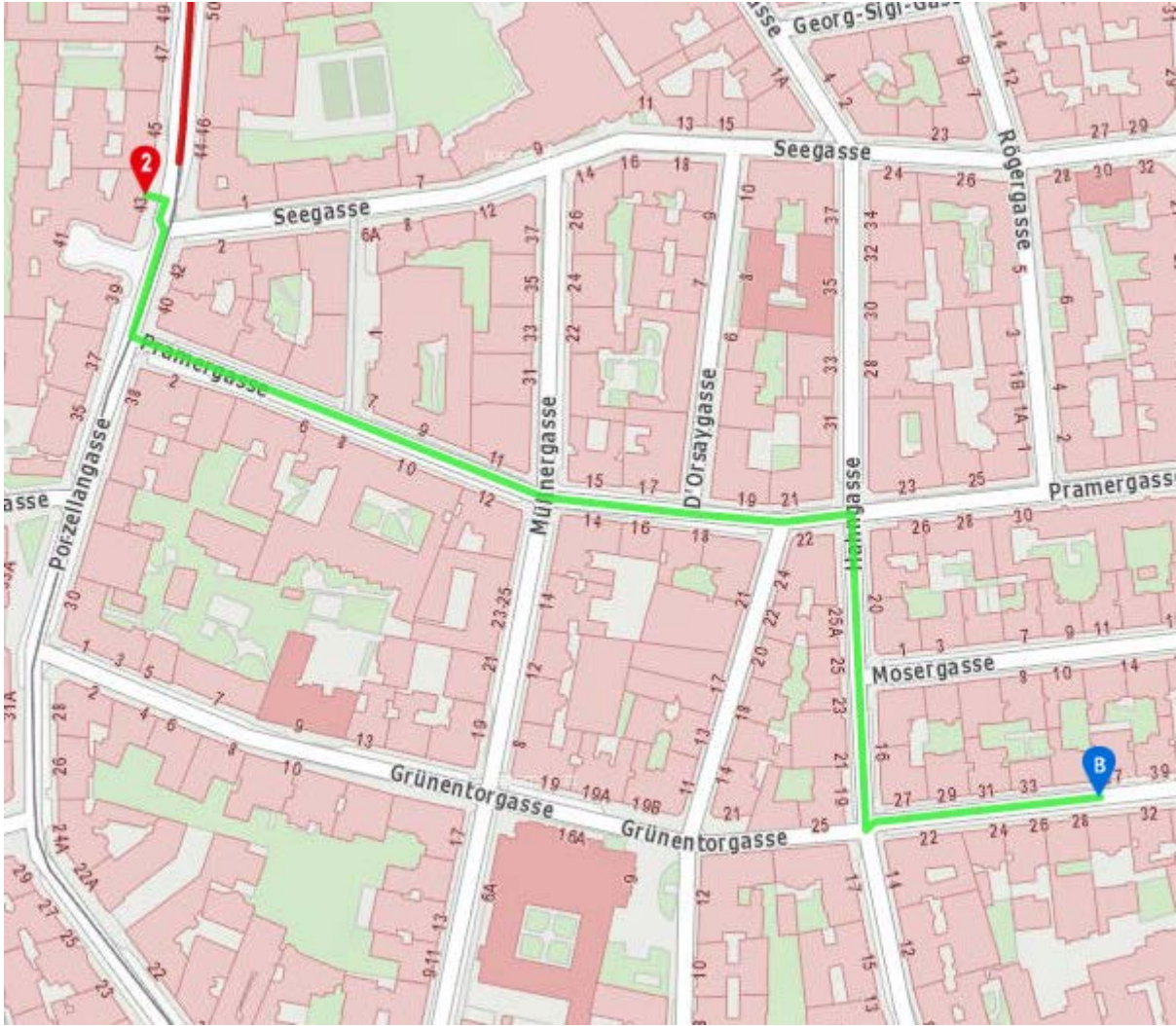
From Schlickgasse take Tramway „D“ to Grinzing Straße.





 (Oskar-Morgenstern-Platz 1) ---->  (Schlickgasse, Tramway D) ---->  (Grinzing Straße) ---->   
(Mayer am Pfarrplatz, Pfarrplatz 2)

Hotel Deutschmeister is at Grünentorgasse 30, 1090 Vienna

When coming home from the Heurigen on Thursday with Tramway „D“, exit at “Seegasse”, 5’ walk.



 (Seegasse) ---->  (Hotel Deutschmeister)