

MUNI
ECON

Young Economists' Meeting

10 - 11 June 2019

yem2019.econ.muni.cz

Welcome to Brno

"Among Czechs, Moravia's capital has a dull rep: a likeable enough place where not much actually happens. That 'nothing to do here' feel was cemented in the early 2000s by the hit local film Boredom in Brno (Nuda v Brně), and, sadly, not many people have gone back to reappraise their opinions. The reality, however, is very different. Tens of thousands of students who attend university here ensure a lively cafe and club scene that easily rivals Prague's. The museums are great too. And if you add in some excellent microbreweries and at least two of the country's best restaurants, there's plenty to reward more than a transit stop."

Lonely Planet



Cathedral of Saints Peter and Paul also known as Petrov and Zelný trh

You won't regret spending an extra day or two in Brno. The city offers many great things to see and do, yet is not spoiled by tourism and commerce. In 2016 Brno was listed among the top 10 of the best alternative city breaks in Europe by The Guardian and in the list of 52 Places to Go by The New York Times. Brno is internationally recognized for its modernist architecture – the Stiasni villa, a magnificent functionalist villa with a three-hectare garden, is located just 500m from the Faculty.

To get to know the city and learn what to do, visit www.gotobrna.cz.

Keynote Lectures

Game Theory and Emotions



Eyal Winter

Eyal Winter is the Andrews and Elizabeth Brunner Professor of Economics at Lancaster University and the Silverzweig Professor of Economics at the Center of the Study of Rationality at the Hebrew University, specializing in Game Theory, Behavioral Economics, Decision Making. He was awarded the Humboldt Prize for excellence in research in 2011. He is an elected council member of the International Game Theory Society, and an elected fellow of the Economic Theory Society. He held senior positions at Washington University, the University of Manchester and the European University Institute, and was invited to present his research works at numerous universities.

www: www.ma.huji.ac.il/~mseyal/

Migration, Health, and Well-Being

Catia Nicodemo is a senior research fellow at the Centre for Health Service Economics & Organisation, Department of Economics, University of Oxford. She works on research projects related to health economics, immigration, and work-related health risk.

www: www.econ.upf.edu/~cnicodemo/



Catia Nicodemo

Conference Schedule

Monday June 10

Venue: Kabaret Špaček, Kopečná 46, Brno

- 16:30 – 17:00 Registration
- 17:00 – 18:15 Keynote lecture by Eyal Winter
Game Theory and Emotions
- 18:15 – 22:30 Dinner

Tuesday June 11

Venue: Faculty of Economics and Administration, Lipová 41a, Brno

- from 8:00 *Registration*
- 8:30 – 9:30 Behavioral and Experimental Economics 1.I P403
Behavioral and Experimental Economics 1.II S402
Labor Economics 1 S401
- 9:30 – 10:00 *Coffee break*
- 10:00 – 11:00 Behavioral and Experimental Economics 2.I P403
Behavioral and Experimental Economics 2.II S402
Labor Economics 2 S401
- 11:00 – 11:20 *Coffee break*
- 11:20 – 12:20 Behavioral and Experimental Economics 3 P403
Labor Economics 3 S401
- 12:20 – 13:15 *Lunch*
- 13:15 – 14:30 Keynote lecture by Catia Nicodemo P403
Migration, Health, and Well-Being
- 14:30 – 15:30 Behavioral and Experimental Economics 4 P403
Labor Economics 4 S401
- 15:30 – 16:00 *Coffee break*
- 16:00 – 17:00 Behavioral and Experimental Economics 5 P403
Labor Economics 5 S401

Venue: Restaurant Mitrovski, Veletržní 716/13, Brno

- 19:00 – 22:30 Goodbye dinner

Behavioral and Experimental Economics 1.I

8:30-9:30 P403

- Darya Korlyakova Learning about Ethnic Discrimination
Katarína Čellárová Distinguishing Reciprocity from the Joy of Destruction:
An Anatomy of Money Burning Game
Jana Cahlikova Scapegoating: Experimental Evidence

Behavioral and Experimental Economics 1.II

8:30-9:30 S402

- Vladimír Novák Status Quo and Beliefs Polarization of Inattentive Agents
James Tremewan Ambiguous Policy Platforms

Behavioral and Experimental Economics 2.I

10:00-11:00 P403

- Zahra Murad Fighting Alone or Fighting for a Team: An Experiment on Multiple
Pairwise Contests
Victor Gonzalez-Jimenez The Dark Side of Monetary Bonuses: Theory and Experimental
Evidence
Thi Thanh Tam Vu Pro-sociality and Contract Design: a Lab Experiment

Behavioral and Experimental Economics 2.II

10:00-11:00 S402

- Diya Elizabeth Abraham The Effects of Feeling (Un)trusted on Exploration in an Ambidex-
trous Decision Task
Katharina Pfeil Notches All Around - The Effect of Tax Discontinuities on
Individual Tax Evasion
Christine Grimm Strategic Manipulation of Contribution Information in Public Good
Games With Punishment

Behavioral and Experimental Economics 3

11:20-12:20 P403

- Sven Hartmann Television and Family Stereotypes: Evidence from East Germany
Brecht Neyt Education Level and Mating Success– Undercover on Tinder
Rostislav Staněk Do Richer People Give More to Charity? Lab-in-the-Field
Experiments With Participants of a Randomized Controlled Trial

Behavioral and Experimental Economics 4

14:30-15:30 P403

- Sonkurt Sen Skills Accumulation With Malleable Ability: Evidence from a
Growth Mindset Intervention
Pol Campos-Mercade Incentivized Goals and Academic Performance
Tommaso Reggiani Residential Discrimination and Trustworthiness

Behavioral and Experimental Economics 5

16:00-17:00 P403

- Joo Young Jeon Eye-image in Experiments: Social Cue or Experimenter Demand
Effect?
Marianne Stephanides The Economics of Colors
Eugenio Levi An Experimental Test of Keynes' 'Animal Spirits'

Labor Economics 1

8:30-10:30 Room S401

- Sekou Keita Say It Like Goethe: Language Learning Services Abroad and the Self-Selection of Immigrants
- Jarmila Oslejova Employment and Wage Returns to Citizenship for Immigrants Across Two Naturalization Regimes in Belgium
- Davit Adunts Seasonal Migration and Education of Children Left Behind: Evidence from Armenia

Labor Economics 2

10:00-11:00 Room S401

- Jonas Feld Are Minimum Wages Affecting Immigration Rates? Evidence from EU Countries
- Jan Wickerath Rush Hours and Urbanization
- Štěpán Mikula Air Pollution and Migration: Exploiting a Natural Experiment from the Czech Republic

Labor Economics 3

11:20-12:20 Room S401

- Lorenzo Neri The More, the Merrier? The Impact of Gentrification on Student Achievement
- Gilabert Paulino Font Taking Cover: Human Capital Accumulation in the Presence of Shocks and Health Insurance
- Simon Amez Smartphone Use and Academic Performance: Correlation or Causal Relationship?

Labor Economics 4

14:30-15:30 Room S401

- Ekaterina Travova Under Pressure? Performance Evaluation of Police Officers as an Incentive to Cheat: Evidence from Drug Crimes In Russia
- Martin Guzi Driven By History: The Czech Presidential Elections
- Ondřej Krčál Made for the Job or By the Job? A Lab-in-the-field Experiment With Firefighters

Labor Economics 5

16:00-17:00 Room S401

- Audrey Au Yong Lyn Prohibition Without Protection: Marriageable Age Law Reforms and Adolescent Girls' Fertility in Mexico
- Kristína Hrehová Long Commutes and Relationship Stability: Evidence from Germany.
- Geghetsik Afunts Who Divorces Who: Educational Homogamy and Changes in Marital Stability

General Information

Guidance for Presenters and Session Chairs

The conference features five sessions in two panels. We suggest speakers prepare a 20-minute presentation and upload their slides in ppt or pdf on the computer before the session begins. Each room is equipped with a computer, a projector and a whiteboard. Papers will be presented in the order listed in the program. The last presenter will chair the session and keep time.

Best Paper Award

The winning paper will be announced before the keynote lecture on Tuesday. ♣ next to abstract indicates papers nominated for the Award.

Coffee Breaks and Lunch

The coffee breaks and lunch will be on the 4th floor. A ring of the bell will announce the start of each session.

WiFi

Wireless Internet is available through *eduroam* network. If you require access information, please contact the registration desk.

Getting around

Brno provides a great public transport system that runs 24/7 - buses, trams, and trolleybuses during the day, night buses after 11 pm. The conference venue (Faculty) is 10 minutes by tram no. 1 (direction: Ečerova) from the main train station to the stop Lipová. The fare is 20 Kč (about 0.8 Euro) for a 15-minute ticket, or 25 Kč (about 1 Euro) for a 60-minute ticket. The tickets can be bought from the yellow ticket vending machines at the bus/ tram stop, or at the newspaper stalls. SMS tickets can be purchased as well but only with a Czech phone number.

Due to reconstructions, the trains do not stop at the Brno main train station ("Brno - hlavní nádraží"). You will arrive at "Brno - Dolní nádraží" where bus no. 61 will take you to the main train station - the transfer is included in your train ticket.

Behavioral and Experimental Economics Panel

Learning about Ethnic Discrimination

Darya Korlyakova

CERGE-EI

Rational and behavioral theories tend to disagree on whether people prefer to learn from accurate or like-minded information sources, especially about controversial and emotional issues. This disagreement motivates the following question: Which sources do people choose to acquire information about ethnic discrimination? In addition, it is unclear whether people select sources with the highest potential to shift their beliefs. This raises the second question: Which sources cause the strongest updating of beliefs about ethnic discrimination? To answer these questions, we conduct a two-wave survey experiment with a large sample representative of Czech population. A novel feature of our design is that exogenous information provision from three sources (ordinary people, human resource managers and researchers studying ethnic minorities) is complemented with endogenous information acquisition from the same sources. We find that individual's beliefs respond most strongly to information from experts (researchers and HR managers). Consistent with the strength of belief updating, more individuals prefer to acquire information from experts over information from ordinary people. We suggest that perceived source accuracy could explain our results. Self-reported attitudes to ethnic minorities (Asians in this study) and charity donations are unresponsive to information treatment. Together, rationality in information acquisition and belief updating is in line with standard economic theory.

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Distinguishing reciprocity from the joy of destruction: An anatomy of money burning game

Katarína Čellárová, Ondřej Krčál and Rostislav Staněk

Masaryk University

The joy of destruction game is typically used to measure the anti-social behavior. Two players decide at the same time if they want to burn the partner's money for a small cost. While some authors claim that motives behind money burning lie in the pleasure of being nasty, other scientists suggest to explain it by an inequality aversion, or by reciprocity that comes from simultaneous decision-making. We replicated

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laboratory experiment by Abbink & Sadrieh (2009) and added steps to distinguish between reciprocity and pleasure of being nasty. Four stages included replication of the original experiment, beliefs elicitation, strategy method decisions and control for inequality aversion. In addition, participants filled the questionnaire with a measurement of IRI – interpersonal reactivity index. Design of experiment enables us to distinguish between four types of subjects – nice, reciprocal, inequality averse and destructive. From 300 subjects attending our experiment, those who decided to burn partner's money formed only 8.7% of all participants. Almost half of the subjects acted reciprocal, with a belief about the partner's action positively correlated with actual burning and following partner's decision in strategy method questions. Inequality aversion was the driver of behavior for a 6% of subjects, and pleasure of being nasty was behind burning of only 1.7% subjects. Destructors burned money regardless of partner's action, and had significantly lower IRI than others. Our results suggest that anti-social behavior in the joy of destruction game is driven by reciprocity, with minor influence of inequality aversion. We did not find an evidence that pleasure of being nasty is the reason why people choose to burn in this game.

Scapegoating: Experimental Evidence

Michal Bauer, **Jana Cahliková**, Julie Chytilová, Gerard Roland and Tomáš Želinský

Max Planck Institute for Tax Law and Public Finance

What are the underlying mechanisms behind the contagion of inter-group harm among masses? We explore how group identity shapes the willingness to engage in scapegoating, i.e., to punish innocent individuals for the actions of somebody else. We develop a novel experimental paradigm – the Scapegoat Punishing game – implemented among youth in Eastern Slovakia, a region with inter-ethnic tensions between the majority group and the Roma minority. An impartial Punisher receives information that a Wrongdoer malevolently reduced the earned income of an anonymous person from the Punisher's group. We manipulate signals about the ethnicity of the Scapegoat, a completely innocent person, and the Wrongdoer. We find strong biases in punishment. First, people punish more severely Wrongdoers from an out-group, as compared to in-group members, for the same misbehavior. Second, a non-negligible fraction of subjects punish Scapegoats for actions of Wrongdoers. Such scapegoating is twice as large for Roma Scapegoats as compared to Scapegoats from the majority group. This magnified tendency to punish the minority Scapegoats is not driven by collective punishment or unconditional hate against Roma. These behavioral phenomena can help to explain why harmful behavior against minorities can easily spread among masses.

Status Quo and Beliefs Polarization of Inattentive Agents

8:30
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Andrei Matveenko and **Vladimír Novák**

CERGE-EI

Many real-world situations involve a choice between the implementation of a new policy with an unknown outcome and the preservation of the status quo. We investigate the role of the value of a known policy with a certain payoff on the belief polarization of agents. We model agents to be rationally inattentive: some information about the new policy can be acquired before the choice is made, but doing so is costly. We show that even small changes in the agents' perception of the status quo can lead to opinion polarization. Such behavior is caused by agents not learning about the states separately but by endogenously pooling them into groups and acquiring only necessary information for disentangling the groups of states. As a consequence, the agents might update their expected belief from the new policy wrongly, away from the true payoff.

Ambiguous policy platforms

8:30
S402

Alexander Wagner, Juha Tolvanen and **James Tremewan**

University of Auckland

We use a laboratory experiment to study how the appeal of ambiguous platforms depends on the uncertainty that voters have about candidates' preferences. The experiment builds on the predictions from Tolvanen (2019). We develop two treatments, one with two candidates free to choose any platform, and one where one candidate always runs with the centrist platform. When one candidate is a known centrist, we expect extreme candidates to more often choose an ambiguous platform and extreme voters to vote more for ambiguous platforms. Our results are in line with these hypotheses, but only for candidates who understand correlations, and voters who are strategically sophisticated, cognitive requirements of the equilibrium predictions.

Fighting alone or fighting for a team: An experiment on Multiple Pairwise Contests

10:00
P403
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Lingbo Huang and **Zahra Murad**

University of Portsmouth

People who compete alone may entertain different psychological motivations from those who compete for a team. We examine how psychological motivations influence individual competitive behavior in response to a head start or a handicap when competing alone or competing for a team. We find that

contestants' behavior in both individual and team contests exhibits a psychological momentum effect, whereby leaders fight harder than trailers. However, the momentum effect is significantly larger in individual contests than in team contests and further disappears in team contests that are enriched with pre-play communication. The rational model, which predicts neither momentum effects nor treatment differences, fails to explain our findings. The findings can be better explained by a combination of two behavioral models: disappointment aversion and the responsibility-alleviation effect.

10:00
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The Dark Side of Monetary Bonuses: Theory and Experimental Evidence

Patricio S. Dalton **Victor Gonzalez-Jimenez** and Charles N. Noussair

University of Vienna

To incentivize workers and boost performance, firms often offer monetary bonuses for the achievement of production goals. Letting the worker set her own goal is not only beneficial in settings in which the principal does not have complete information about the abilities of the worker on the delegated task, but also creates a motivation in the worker associated to the desire of not falling short from it. This paper studies whether paying monetary bonuses when goals are reached can crowd-out the intrinsic motivation that the goal creates. We develop a theoretical model which predicts that if the worker is sufficiently loss averse, offering a monetary payment to reach a goal will be counterproductive, because the loss averse worker will set a lower goal, which in turn will negatively affect performance. Results from a controlled laboratory experiment corroborates this prediction. This paper highlights the limits of monetary bonuses as an effective incentive.

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Pro-sociality and contract design: a lab experiment

Thi Thanh Tam Vu, Maria Bigoni and Matteo Ploner

University of Trento

A unifying theme in the literature on organizations is the importance of workers' pro-social motivation on effort provision: in a task yielding a pro-social outcome, effort levels of pro-socially motivated workers under no incentive pay contract can approach those generated by high-powered piece-rate contract. This suggests that employers should condition their contract offer on workers' pro-sociality to maximize profits. Using a classic principal-agent setting, we present the first experimental evidence on the contingency of workers' pro-sociality on their effort provision and employers' contract choice and profit.

The Effects of Feeling (Un)trusted on Exploration in an Ambidextrous Decision Task

10:00
S402

Diya Elizabeth Abraham, Johanna Gruenauer and Vladimír Novák

Masaryk University and WU Vienna

Research on organizational ambidexterity acknowledges the role played by key decision makers in whether a firm can strike the right balance between the search for new knowledge (exploration) on the one hand and the use of existing knowledge (exploitation) on the other. Despite extensive work on the concept of organizational ambidexterity, the understanding of the factors that shape individual exploration and exploitation tradeoff decisions is still in the early stages. Research on intrinsic motivation suggests that the feeling that one is trusted (or untrusted) might be an important factor that affects individual exploration. According to this literature, intrinsic motivation is increased when an individual feels a sense of responsibility and impact of her/his choices on the outcome as well as when s/he perceives that there are high expectations of her/his competence with respect to the assigned task. Greater intrinsic motivation leads the individual to search for more information (explore) in order to achieve the best possible outcome while lower intrinsic motivation should decrease the time spent in search and lead to more time spent in utilizing existing knowledge (exploitation). We thus hypothesized that feeling trusted (untrusted) would increase (decrease) the level of exploration exhibited by trustees compared to the control treatment via the intrinsic motivation channel. We use a novel method of inducing felt trust and untrust and a modified version of the two-armed bandit task to measure exploratory behavior. Our preliminary analysis indicates the asymmetrical impact of trust on exploration, i.e. that feeling untrusted does significantly reduce the likelihood of exploration compared to the control, but feeling trusted does not increase exploration. We also find that feeling untrusted negatively impacts performance in this task. These effects persist after controlling for risk aversion, gender and age. Implications of these findings and future research looking into the phenomena of trust and exploration are discussed.

Notches All Around - The Effect of Tax Discontinuities on Individual Tax Evasion

10:00
S402

Pfeil Katharina

Walter Eucken Institut and University of Freiburg

Tax exemption limits for marginal employment (e.g., the mini-job threshold in Germany) or VAT exemptions aim at incentivizing individuals to take up employment and to honestly report transactions. While such thresholds are common in many tax and social security systems or welfare programs, their disincentives are debated. Individuals may adjust to the discontinuity either by decreasing labor supply or by under-declaring income. In this study, we examine the causal effects of continuous versus discontinuous tax systems on tax evasion. In a lab experiment with a real-effort task, subjects choose between two different incomes and report their income. We predict that individuals evade more when choosing between a lower tax-free income and a higher taxable income above the threshold than when choosing between

two taxable incomes in a continuous system. This will inform our understanding of the influence of policy instruments such as tax exemption limits on compliance. We aim to contribute to the literature on the behavioral effects of kinks and notches in tax systems.

Strategic Manipulation of Contribution Information in Public Good Games with Punishment

10:00
S402

Christine Grimm

Vienna University of Economics and Business

The reliability of information holds the potential for considerably influencing decisions made by individuals. This comes with the ability to damage or to increase the efficiency of social groups. While former work focuses on exogenously induced misinformation and its impact on decision-making, this project adds to this literature by introducing an option of endogenous information manipulation in a cooperative context. The fundament of the experimental investigation is a Public Good Game with punishment. Different treatments cover options for manipulation of the public record and verification as well as two different approaches of punishment. By targeting the question when endogenous misinformation occurs and how to overcome it, the implications of the project can be manifold including but are not limited to Fake News in Social Media.

Television and Family Stereotypes: Evidence from East Germany

11:20
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Sven Hartmann

IAAEU - Trier University

In this paper, we study the long-term causal effects of West German television (WGTV) exposure on family role models in East Germany. In particular, we analyze the impact of television reception on marriage, divorce, and fertility rates. We exploit the fact that individuals in some areas of East Germany - due to their geographic location - could not receive WGTV prior to the reunification in 1989. By analyzing survey data, our results show that for women living in areas with former WGTV reception, being married or being a mother is significantly less relevant for happiness. Furthermore, the probability of these women to be married or have children is significantly lower compared to women living in the control area. Moreover, the probability of being divorced is higher in these areas. The analysis of administrative data yields that WGTV has a significant and negative impact on marriage rates and a significant and positive impact on divorce rates, even 25 years after the reunification.

Education Level and Mating Success– Undercover on Tinder

11:20
P403
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Brecht Neyt, Sarah Vandebulcke and Stijn Baert

Ghent University

In this study, we examine the impact of an individual's education level on her/his mating success on the mobile dating app Tinder. For this means, we conducted a field experiment on Tinder in which we collected data on 3,600 profile evaluations. In line with previous studies from the field of evolutionary psychology, our results indicate a heterogeneous effect of education level by gender: while females strongly prefer a highly educated potential partner, we cannot accept this hypothesis for males. Additionally, in contrast with most previous studies on partner preferences in an offline context and on classic online dating websites, we do not find any evidence for preferences for educational assortative mating, i.e. preferring a partner with a similar education level. We argue that this is due to our research design, which allows us to examine actual (instead of stated) mate preferences in a dating market without search frictions and social frictions

Do richer people give more to charity? Lab-in-the-Field Experiments with Participants of a Randomized Controlled Trial

11:20
P403

Ondřej Krčál and Rostislav Staněk

Masaryk University

This paper contributes to the literature studying the effect of wealth on pro-social preferences. The available evidence is either based on self-reported behavior or suffers from the endogeneity problem. We address this methodological problem by conducting an incentivized lab-in-the-field experiment with participants of an RCT Rapid Re-Housing Brno, in which randomly selected families receive rental contracts for public housing, while the control families do not receive any public assistance and remain in bad housing conditions. The treatment has no impact on liquidity or financial wealth of the families. The treatment families are therefore richer only in terms of their access to a more valuable stream of consumption stream of housing services. This enables us to measure how generosity is affected by a change in wealth in terms of higher living standard, as opposed to a change in liquidity. In the experiment, adult family members make two choices about how much money to donate to charity: in one choice the amount donated is observed by the experimenter, in the other choice it is anonymous. While the subjects give about 20% less if their donation is anonymous, we do not find any differences in generosity between the treatment and control groups in both the anonymous and the observed donation. Hence being richer in terms of better housing conditions has no impact on the generosity of our subjects.

Skills Accumulation with Malleable Ability: Evidence from a Growth Mindset Intervention

14:30
P403

Adeline Delavande, Emilia Del Bono, Angus Holford and **Sonkurt Sen**

University of Essex

Existing research shows that students endowed with “growth mindset”; a belief that one’s intelligence and cognitive abilities are malleable so can be increased through effort, rather than fixed traits; are more likely to be academically successful. Interventions attempting to inculcate beliefs, particularly in groups with low academic performance, have therefore been posited as a way to improve, or close ethnic or social gaps in, students’ performance. However, the mechanisms through which the claimed benefits are found are poorly understood. In this paper we evaluate the effects of a randomized light touch intervention given to first year university students in the UK on a validated growth mindset scale, their subjective beliefs about the production function for educational performance, and various measures of study habits measured two months later, compared with baseline pre-treatment measures and a control intervention. We document a positive treatment effect on students’ growth mindset, grades, academic habits such as prioritizing what they are doing worst and what they have not studied in a while in the spring semester. We also find a positive effect on the expected mark.

Incentivized Goals and Academic Performance

14:30
P403

Pol Campos-Mercade and Erik Wengström

Lund University

We run a field experiment with 628 university students to study the effects of an incentivized goal on academic achievement. We offer 301 students € 300 conditional on attaining a goal GPA. The goal is set just above the passing grade to explore the heterogeneous treatment effects on high and low ability students. We complement administrative data on the students’ academic performance with lab-in-the-field measures of students’ preferences, beliefs, and WTA for this policy. First, we show that students value the goal more than they value its monetary value. Second, we show that, on average, the treatment effect on students’ academic outcomes is small and non significant. The only students positively affected are those who are precisely below the threshold of attaining the goal. This effect is only driven by males. Surprisingly, we find suggestive evidence that female treated students are more likely to drop out from their studies. Third, we find little evidence of spillover effects between treated and non-treated students. Finally, we find that the treatment effects are only positive for students with bad study habits and for students with high intrinsic motivation.

Residential discrimination and trustworthiness

14:30
P403

Ondřej Krčál, Štěpán Mikula, **Tommaso Reggiani** and Rostislav Staněk

Masaryk University

There is some evidence that people are discriminated based on where and how they live (see, e.g., Golabek-Goldman, 2016; Bonnet et al., 2016). This project combines a field experiment and a laboratory experiment to test the presence of residential discrimination in the labor market and to study a possible mechanism behind the bias. In the correspondence study, we sent 1,347 job applications for low-qualified front-desk jobs in a local job market. The CVs differ in two main aspects: (I) the home address signaling the quality of neighborhood / housing, (II) the individual skills of the applicant. We measure the response rate, i.e., whether there is any positive reply to the email from the potential employer. We find a relatively large and statistically significant effect generated by the neighborhood variation: The response rate is 25% higher for applicants in a good neighborhood compared to a bad one, while housing conditions do not systematically influence the outcome. Throughout a complementary laboratory study, we provide some evidence about the trustworthiness-based roots of such discriminatory behavior.

Eye-image in Experiments: Social Cue or Experimenter Demand Effect?

16:00
P403

Subhasish M. Chowdhury, **Joo Young Jeon** and Bibhas Saha

University of Reading

The existing experimental studies of social-cues (especially with eye-image) using dictator games cannot separate the social-cue effect from an experimenter demand effect, since both work in the direction of altruism under a 'Give' framing. We run a 'Taking' game with and without an eye-image, involving a balanced pool of male and female dictators. Here the two aforementioned effects work in opposite directions. We find that under the eye-image males take significantly less and females take significantly more, implying that overall the eye-image indeed acts as a social cue for males but triggers experimenter demand effect for females.

The economics of colors

16:00
P403

Ben Greiner and **Marianne Stephanides**

Vienna University of Economics and Business

Color research has a long tradition in psychology, consumer behavior, and marketing research. The literature suggests that exposure to colors influences mood and emotions of humans as well as their attitudes towards products. This paper makes two contributions. First, we review the existing literature in science

and psychology on the effects of environmental colors (red and blue) on physiological functions, mood, and consumer/economic decision-making, insofar it may be potentially relevant to experimental and behavioral economists. Second, we conduct a laboratory experiment with a typical experimental economics subject pool testing the predicted effects of environmental colors red and blue on decision-making in an incentivized Ultimatum Game experiment. We find no statistically significant effect. However, we also cannot replicate previous results of exposure to colors red and blue on mood as measured by established questionnaire instruments. Our results suggest that experimental economists do not need to worry about the potential confound of colors in economic decision-making.

An experimental test of Keynes' 'Animal spirits'

Shaun P. Hargreaves Heap, Aikaterini Karadimitropoulou and **Eugenio Levi**

Free University of Bozen-Bolzano

This paper tests with an experiment Keynes's conjectures that 'animal spirits' a) affect decision making and b) can be more influential than rational calculation based on the facts. We do this by using a psychological theory of explanatory styles to spin news stories with the same facts either optimistically or pessimistically. These stories are then used as a prime when subjects play a minimum effort game—selected because one interpretation of Keynes is that the degree of 'animal spirits' influences equilibrium selection at the macro-level in what is a coordination game with Pareto rankable equilibria. In this way, the experiment also tests Shiller's (2017) claim that 'narratives' influence the macroeconomy. We find evidence to support both of Keynes's conjectures and, because we conduct the test using the theory of explanatory styles, we are also able to draw macro policy insights.

Labor Economics Panel

Say it like Goethe: Language learning services abroad and the self-selection of immigrants

Philipp Jaschke and **Sekou Keita**

IAB Nürnberg

The new immigration law discussed in Germany aims to promote qualified migration, bringing forward the question of self-selection of migrants. Language services provided by the Goethe Institute – a German

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association promoting the German language and culture worldwide – are potentially an effective means to increase immigrants' language and education skills at arrival. We rely on a standard self-selection model with heterogeneous migration costs to show that increased access to language learning services in the country of origin can improve the skill composition of migrants under certain conditions. Using individual-level survey data on immigrants from different cohorts over 2000–2014, together with unique data on the presence of Goethe Institutes in origin countries, the results of our empirical analysis show that acquisition of the German language is fostered by the availability of language courses abroad. Moreover, we find that language services abroad induce a positive (self-)selection of migrants along several dimensions such as education, experience, and migration channel. These characteristics are in turn highly relevant for long-term integration in Germany. In order to disentangle transmission channels, a causal mediation analysis is implemented, revealing that 25 % of the total effect of language services abroad on language skills at immigration trace back directly to the migrants' participation in language courses. Hence, most of the effect corresponds to spillover effects associated with Goethe institutes such as the provision of cultural and institutional information about Germany.

Employment and wage returns to citizenship for immigrants across two naturalization regimes in Belgium

8:30
S401

Jarmila Oslejova

University of Antwerp

This study examines how citizenship acquisition affects employment chances and income attainments of immigrants in Belgium, while comparing those who naturalized before and after the 2013 amendment to the Belgian Nationality Code. This legislative change has transformed Belgium's long-standing liberal naturalization policy by introducing formal integration requirements which restricted the access of non-nationals to Belgian citizenship. The analyses are based on a pooled sample of first-generation immigrants from the Belgian Labour Force Surveys 2008-2015 which is followed retrospectively and prospectively between 2000 and 2015 by the means of linked quarterly administrative data from the Belgian Crossroads Bank for Social Security. The sample contains working-age individuals of EU and non-EU origins who were eligible for citizenship at each point of data administration. The study uses random-effects models. Our preliminary findings indicate that naturalized non-EU immigrants in Belgium enjoy an immediate citizenship premium in finding employment which remains stable with years since naturalization. Despite the enhanced employment prospects, however, acquiring Belgian nationality does not translate into a subsequent wage increase. Moreover, immigrants who naturalized under the restricted policy regime of 2013 seem to experience a larger citizenship premium than their pre-2013 counterparts. This could partly be due to a negative selection process of immigrants ascending to Belgian citizenship in a more liberal policy setting.

Seasonal Migration and Education of Children Left Behind: Evidence from Armenia

Davit Adunts and Geghetsik Afunts

CERGE-EI

There is much evidence that migration of a parent affects the educational performance of children left behind (CLB). Nevertheless, there is no agreement on the direction of the impact. In this paper, we use Armenian school data and report evidence of a negative impact of parental seasonal migration on the educational performance of CLB. We employ a different approach than those used in the prior literature by (i) using the intensity of seasonal migration (the number of times the parent migrated) instead of a binary variable (whether the parent migrated or not) and (ii) the number of children entering first grade whose parent is a seasonal migrant as an instrument for the intensity of seasonal migration. We find that seasonal migration negatively affects the educational performance of CLB, and that it mainly affects boys; there is no significant impact on girls. Additionally, we find that using a zero-one dummy for migration as prior studies have done upwardly biases the IV estimate by approximately a factor of three, while our intensity measure yields more accurate results.

Are minimum wages affecting immigration rates? Evidence from EU countries

Jonas Feld

IAAEU Trier and Trier University

According to dual labor market theory, wages fall in the secondary segment of the labor market with intensifying immigration. Minimum wages set a limit on such a fall of wages and are thus creating incentives for further immigration. We construct a panel on migration flows in the EU and study the link between minimum wages and the intensity of intra-EU migration flows. We exploit regional variation in the immigration rates across 124 NUTS-2 regions in Western Europe and adjust the nominal minimum wages for regional within-country dispersion in the costs of living. We also exploit the Kaitz index. We find no link between changes in minimum wages and changes in migration flows intensity, which we interpret as evidence that labor market segmentation for intra-EU migration is not strong. The results are robust to specification and measure of minimum wages. These results lend support to the earlier literature that suggests that welfare generosity is not a strong attractor for intra-EU migration.

Rush Hours and Urbanization

10:00
S401
♣

Tobias Seidel and Jan Wickerath

University Duisburg-Essen

We use a spatial general equilibrium model with potential commuting of workers between their place of work and their place of residence to analyze the effects of rush hours on the spatial allocation of employment and population, average labor productivity and the housing market. Abolishing traffic congestion during rush hours leads to a more urbanized economy as households move from the low-density countryside to the commuter belts of cities rather than from the city centers to the periphery. Employment, however, becomes more agglomerated in high-density large cities. This adjustment implies an increase of average labor productivity of 7.2 percent and higher inequality of housing costs.

Air Pollution and Migration: exploiting a natural experiment from the Czech Republic

10:00
S401

Mikula Štěpán and Mariola Pytliková

Masaryk University

This paper examines causal effects of air pollution on migration flows by exploiting a natural experiment of rapid desulfurization of power plants in the region of Northern Bohemia in the Czech Republic in the years following the fall of communism in 1989. Our preliminary findings from a difference in differences estimator show a significant positive effect of sulfur dioxide concentrations on emigration. All the above results are validated in analyses using net immigration rates: we find negative effects of air pollution on net migration. The results are also supported by zero effects from placebo tests. Our preliminary results thus suggest that air pollution as measured by concentrations of sulfur dioxide (SO₂) in the air pushes away people from the highly polluted areas. In the future, we would like to include analyses of heterogeneous responses to air pollution by different characteristics of people, for instance by their educational attainment, by age and gender.

The More, the Merrier? The Impact of Gentrification on Student Achievement

11:20
S401

Neri Lorenzo

Queen Mary University of London

The demolition of public housing estates is often seen as a way to deal with the shortage of houses. In London, many public estates have been demolished between 2000 and 2015 to pave the way for new developments with higher housing density, leading to the creation of 30,000 new houses. I have constructed

a novel database with all demolitions in the Greater London area linked to administrative records on primary school-age students. I compare children attending schools around the development site to children attending schools farther away before and after the demolition. Local children exhibit higher test scores at the end of primary school after the demolition. This result can be explained by the stronger preference for academic quality displayed by the (more affluent) households moving into the new houses, which generates positive spillovers on local incumbent children.

11:20
S401

Taking Cover: Human Capital Accumulation in the Presence of Shocks and Health Insurance

Gilbert Paulino Font

University of Essex

This study analyses the extent to which negative shocks affect human capital accumulation when families have access to health insurance. Using high precision climate data to instrument for negative shocks at the school-locality level, and the staggered implementation of a non-contributory health insurance program in Mexico that targeted the previously uninsured population, we seek to estimate the gains and resilience in academic performance from the expansion of public healthcare coverage. Preliminary results show that the universalization of healthcare modestly improved test achievement in mathematics and verbal examinations among children in primary education, reduced the proportion of students obtaining inadequate qualifications, and protected educational outcomes in the event of negative shocks. The main effects are concentrated in rural areas, and during unusually dry periods, where a 1 standard deviation increase in healthcare coverage mitigates around one third of the negative climatic shock. This protective effect in school achievement would be partly explained by the ability of the health program in reducing the incidence of sickness among children, decreasing the demand for children's time, and protecting households' consumption levels when hit by climatic shocks.

11:20
S401

Smartphone Use and Academic Performance: Correlation or Causal Relationship?

Stijn Baert, Sunčica Vujić, **Simon Amez**, Matteo Claeskens, Thomas Daman, Arno Maeckelberghe, Eddy Omeij and Lieven De Marez

Ghent University

After a decade of correlational research, this study attempts to measure the causal impact of (general) smartphone use on educational performance. To this end, we merge survey data on general smartphone use, exogenous predictors of this use, and other drivers of academic success with the exam scores of first-year students at two Belgian universities. The resulting data are analysed with instrumental variable estimation techniques. A one-standard-deviation increase in daily smartphone use yields a decrease in

average exam scores of about one point (out of 20). When relying on ordinary least squares estimations, the magnitude of this effect is substantially underestimated.

Under Pressure? Performance Evaluation of Police Officers as an Incentive to Cheat: Evidence from Drug Crimes in Russia

Ekaterina Travova

CERGE-EI

This paper provides an empirical analysis of possible manipulations of amounts of seized drugs, based on a unique dataset that contains full information on drug crimes in Russia reported during 2013-2014. First, using a standard bunching estimator, I investigate the incentives for police officers to manipulate and find that the motivation most likely arises from the officers' performance evaluation system. Second, applying a novel bunching technique, I determine that police officers are more likely to manipulate the drug amounts seized from repeat offenders. The overall effect of manipulation is an additional year of incarceration, and this is not dependent on a guilty plea.

Driven by history: The Czech presidential elections

Guzi Martin and Štěpán Mikula

Masaryk University

We use data from public voting in the first Czech presidential elections to show the connection between historical legacy and voting behavior. After World War II, three million of Germans (29% of population), were forcibly expelled from Czechoslovakia leaving behind empty villages and almost all their property. Abandoned lands were swiftly resettled with Czech inhabitants creating new communities in former German villages. The issue of the German expulsion was raised in 2013 between two rounds of presidential campaign against Karel Schwarzenberg who eventually lost the elections. The analysis of voting behavior is based on results from two rounds of presidential elections organized within 14 days. Our identification strategy exploits the variation in voting behavior in former-Czech and former-German areas. Findings confirm that the threat related to property confiscation is leading to higher political participation of concerned citizens. The effect of political threat does not vary with the share of tertiary educated population, but it is higher when population is younger. The sensitivity of voting behavior to historical events is important to electoral mobilization and political communication.

14:30
S401
♣

14:30
S401

Made for the job or by the job? A lab-in-the-field experiment with firefighters

14:30
S401

Ondřej Krčál, Rostislav Staněk and Martin Slanicay

Masaryk University

A large body of evidence supports a negative association between risk aversion of workers and the level of risk they face in their occupations. This relationship could be explained by the self-selection of workers into jobs according to their risk preferences or by the effect on risk attitudes of occupations in which people face or witness dangerous situations. We use incentivized experiments to measure risk preferences among three different groups: experienced firefighters, novice firefighters, and students. We find that experienced firefighters are less risk-averse than novice firefighters, and these in turn are less risk-averse than students. The effects remain significant even after controlling for other relevant differences between these groups. Our findings suggest that the observed relationship between risk aversion and high-risk occupations is not only a result of self-selection but also of people's preferences being shaped by their work lives.

Prohibition without Protection: Marriageable Age Law Reforms and Adolescent Girls' Fertility in Mexico

16:00
S401
♣

Audrey Au Yong Lyn

Ludwig-Maximilian University of Munich

This paper examines the effect of banning marriages (formal unions) before the age of 18 on teenage birth rates (TBRs) in Mexico. Considering the positive link between child marriage and teenage pregnancy, the law is expected to mitigate both the former and the latter among girls younger than 18. Using a staggered difference-in-differences (D-I-D) technique, estimates show that while legislative changes to the minimum marriageable age reduced child marriage rates, there was no evident impact on aggregate TBRs or TBRs among married girls. Instead, an increase in TBRs among a specific group of teenagers; those in consensual (informal) unions is observed. The rise in TBRs among girls in consensual unions do not appear to be driven by the switch from formal to informal unions before pregnancy, but rather the movement of teenagers into consensual unions during or after pregnancy as marriage is no longer an option.

Long commutes and relationship stability: Evidence from Germany.

16:00
S401

Kristína Hrehová

CERGE-EI

Distance to work has been growing in many countries due to urban growth. Commuting distance may be a personal choice of the commuter. However, events such as company move or introduction of high-speed rail connections provide external variation in commuting distances. Such variation may allow studying the effect of changing distance to work on outcomes such as social ties of the commuters. This paper studies two cases in Germany where long distance commuting was induced in a quasi-experimental way. In both cases I use the German Socio-Economic Panel data from 1985 until 2016. In the first study I analyze the effect of employer-induced variation in long distance commuting on couple separation. I perform a panel fixed effect regression. The estimated effect of commuting longer than 30 km is not statistically significant. In the second study I analyze the effect of the access to high-speed rail on commuting distance and couple separation. I am using availability of high-speed rail connection at the county capital as an instrument for rail accessibility. The estimated effect of direct access to high-speed rail at the county of residence is a small but significant increase in probability that an individual separates from their partner. Both studies suggest economically small effects of externally induced long distance commuting.

Who Divorces Who: Educational Homogamy and Changes in Marital Stability

16:00
S401
♣

Geghetsik Afunts

CERGE-EI

There is much evidence that unilateral divorce laws affect divorce rates and marriage rates. There is also an agreement that there has been a secular increase in educational homogamy, the tendency towards marrying partners of one's education level. In this paper, I ask to what extent making divorce easier contributed to the educational homogamy's rise. I show that it is the educational structure of outflow (divorces), not of inflow (newlyweds) that drives the increase in educational homogamy in the US between 1970 and 1988. Next, based on a difference-in-differences strategy I suggest that unilateral divorce laws did not affect who marries whom, but did affect the relative stability of homogamous and non-homogamous marriages to curb the growth of educational homogamy. Unilateral divorce legislation lowers the stability advantage that homogamous marriages have compared to non-homogamous ones. This effect is detectable even 10 years after the relaxation of divorce laws.

Participants

Čellárová Katarína, 7

Abraham Diya Elizabeth , 10

Adunts Davit, 17

Afunts Geghetsik, 23

Amez Simon, 20

Au Yong Lyn Audrey, 22

Cahlikova Jana, 8

Campos-Mercade Pol, 14

Feld Jonas, 18

Font Gilabert Paulino, 20

Gonzalez-Jimenez Victor, 10

Grimm Christine, 12

Guzi Martin, 21

Hartmann Sven, 12

Hrehová Kristína, 22

Jeon Joo Young, 15

Keita Sekou, 16

Korlyakova Darya, 7

Krčál Ondřej, 21

Levi Eugenio, 16

Mikula Štěpán, 19

Murad Zahra, 9

Neri Lorenzo, 19

Neyt Brecht, 12

Novák Vladimír, 8

Oslejova Jarmila, 17

Pfeil Katharina, 11

Reggiani Tommaso, 14

Sen Sonkurt, 13

Staněk Rostislav, 13

Stephanides Marianne, 15

Travova Ekaterina, 21

Tremewan James, 9

Vu Tam, 10

Wickerath Jan, 18

Venues and Travel Information

Faculty of Economics and Administration Masaryk University

Address: Lipová 41a, Brno | **www:** econ.muni.cz



How to get there?

Public transport stop "Lipová"

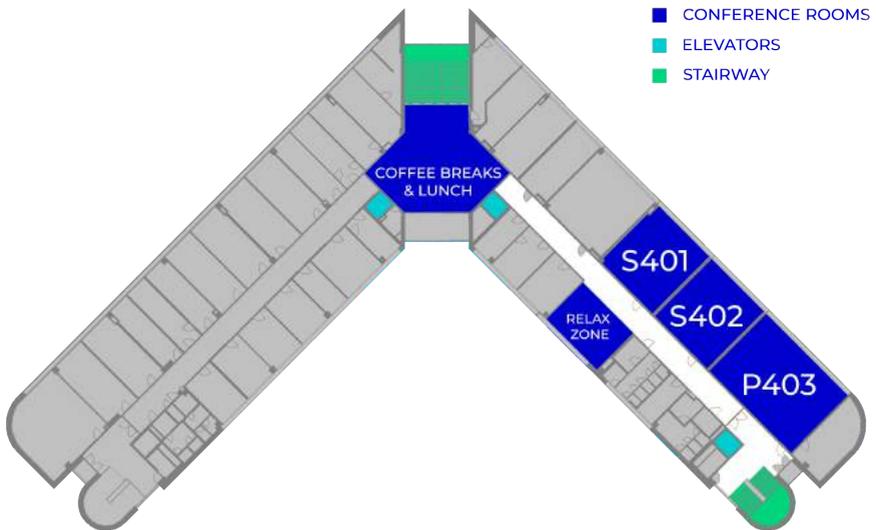
- from train station "Hlavní nádraží"
 - tram no. 1 direction "Ečerová"
- from connection point "Mendlovo náměstí"
 - tram no. 1 direction "Ečerová"
 - trolley bus no. 25 direction "Osová"
 - trolley bus no. 26 direction "Kamenný vrch"
 - trolley bus no. 37 direction "Jírovcova"
 - bus no. 52 direction "Zoologická zahrada"
- night buses (11 pm - 6 am) from "Hlavní nádraží"
 - bus no. N97 direction "Jírovcova"

From the stop "Lipová", take the first street to the right (uphill) and after about 200m you're there.

Faculty 4th Floor Plan

The conference takes place on the 4th floor of the faculty. Registration desk, coffee breaks, and lunch are located there as well.

The sessions are held in rooms S401, S402 and P403. Once you enter the faculty follow arrows to the stairway and elevators.



Kabaret Špaček

Address: Kopečná 46, Brno | **www:** www.kabaretspacek.cz

Welcome dinner and keynote by Eyal Winter are held there.



How to get there?

Public transport stop "Šilingrovo náměstí"

- from train station "Hlavní nádraží"
 - tram no. 12 direction "Technologický park"
- from connection point "Mendlovo náměstí"
 - tram no. 5 direction "Štefánikova čtvrť"
 - tram no. 6 direction "Královo Pole, nádraží"

From the stop "Šilingrovo náměstí" walk downhill, second street to left and down the stairs.

- night buses (11 pm - 6 am) to "Hlavní nádraží"
 - bus no. N89 direction "U Luhu"
 - bus no. N92 direction "Bystrc, Černého"
 - bus no. N93 direction "Komín, sídliště"
 - bus no. N95 direction "Chrlice, smyčka"
 - bus no. N99 direction "Mariánské údolí"

Restaurant Mitrovski

Address: Veletržní 716/13, Brno | **www:** www.mitrovski.cz/restaurant/

Goodbye dinner after the conference day is held there.



How to get there?

- 15 minutes walk from the faculty or public transport to stop "Výstaviště - hlavní vstup", or "Mendlovo náměstí" from "Lipová"
 - tram no. 1 direction "Řečkovice"
 - trolley bus no. 25 direction "Novolíšeňská"
 - trolley bus no. 26 direction "Vozovna Husovice"
 - trolley bus no. 37 direction "Mendlovo náměstí"
 - bus no. 52 direction "Mendlovo náměstí"
- night buses (11 pm - 6 am) to "Hlavní nádraží"
 - bus no. N97 direction "Líšeň, hřbitov"
 - bus no. N98 direction "Jírova"

Masaryk University

The university was established on 28 January 1919. It was founded as the second Czech university, in large part thanks to the endeavor of Czechoslovak president Tomáš G. Masaryk, whose name it now bears. The funding of Masaryk University was one of the first achievements carried out by the newly independent Czechoslovak state. Masaryk University is comprised of nine faculties, two university institutes, and approximately 200 departments. It is one of the three largest employers in the South Moravian region. Teaching staff accounts for a full 2,000 of the overall total of over 5,000 employees. Over 180,000 graduates completed their studies at MU since the university's founding. Nearly 35,000 students are currently enrolled, including over 7,000 internationals.

www: www.muni.cz

Faculty of Economics and Administration

The Faculty of Economics and Administration was founded in 1990 as the first faculty of Masaryk University established after the Velvet Revolution. The teaching commenced in September 1991. Today, the faculty provides economic education to almost three thousand students not only in Czech but also in English and French. In addition to top-quality education, the faculty focuses on research: excellent scientists dealing with a wide range of expert topics operate in our institutes

www: www.econ.muni.cz

Masaryk University Experimental Economics Laboratory

Masaryk University Experimental Economics Laboratory (MUEEL) was established during autumn 2015 as a result of several years of research activities in an area of experimental economics. In November 2016 MUEEL transformed from a free group of academics of Faculty of Economics and Administration into an established research institute of the faculty. In October 2017 MUEEL opened two state-of-the-art laboratories that are one of the most modern facilities in Europe. MUEEL supports the organisation of YEM since 2016.

www: mueel.econ.muni.cz



YEM 2019 Organizers

Miloš Fišar

Masaryk University Experimental Economics Laboratory

Martin Guzi

Department of Public Economics

Rostislav Staněk

Department of Economics

Katarína Čellárová

Masaryk University Experimental Economics Laboratory

Ondřej Krčál

Department of Economics

Štěpán Mikula

Department of Economics

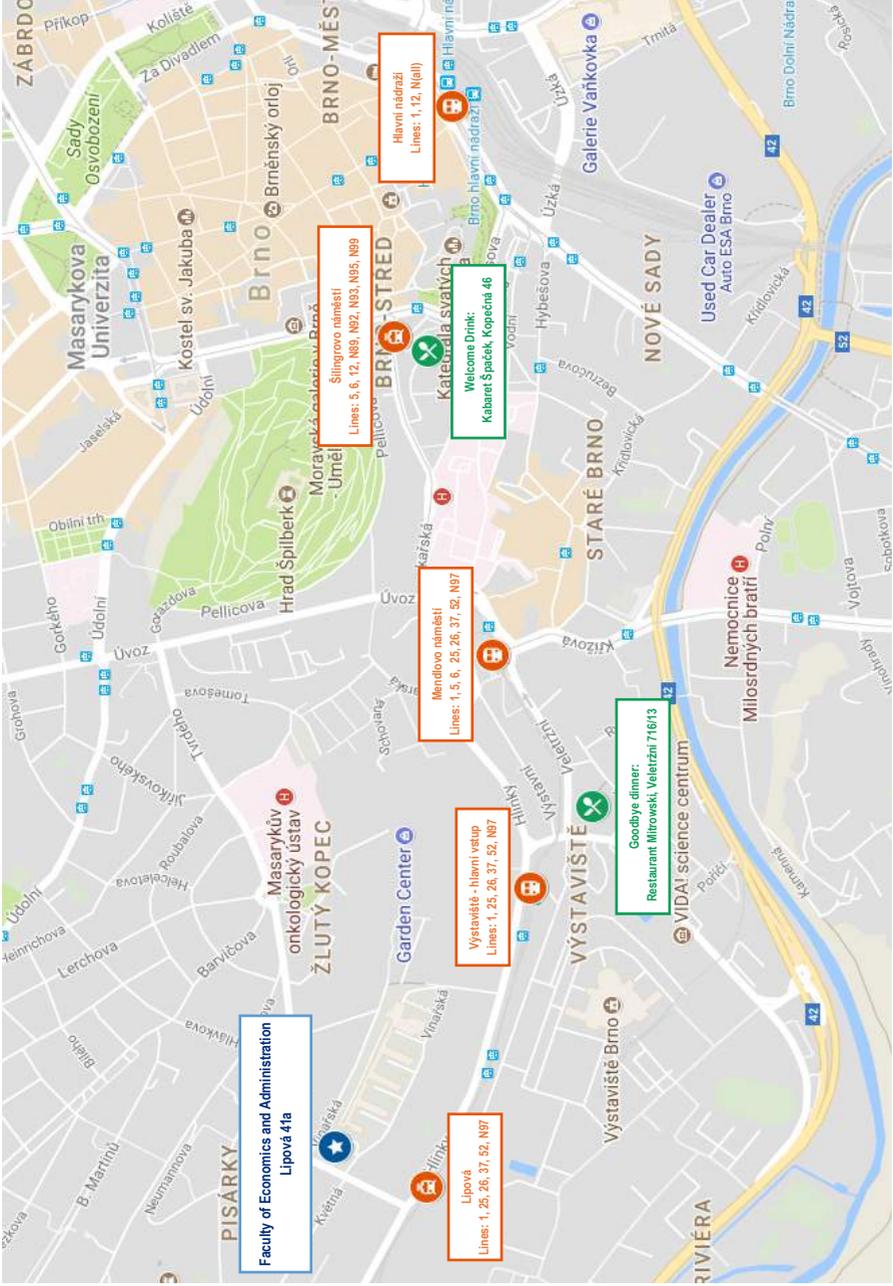
Tommaso Reggiani

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The program is updated with information received by June 11, 2019.

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Faculty of Economics and Administration
Lipova 41a

Slingrovo náměstí
Lines: 5, 6, 12, N89, N92, N93, N95, N99

Mendlovo náměstí
Lines: 1, 5, 6, 25, 26, 37, 52, N97

Výstaviště - hlavní vstup
Lines: 1, 25, 26, 37, 52, N97

Lipová
Lines: 1, 25, 26, 37, 52, N97

**Welcome Drink:
Kabaret Špaček, Kopecká 46**

**Goodbye dinner:
Restaurant Mitrovskí, Valerzi 716/13**

Hlavní nábřeží
Lines: 1, 12, N91