Young Economists' Meeting in Brno

May 28-29, 2018

yem2018.econ.muni.cz

YEM 2018 Organizers

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The program is updated with information received by May 9, 2018.

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Keynote speakers

Maroš Servátka is a Professor of Economics at the Macquarie Graduate School of Management, which is Australia's leading graduate business school. He is the Founding Director of the MGSM Vernon L. Smith Experimental Economics Laboratory. Maroš specializes in experimental and behavioral economics combining theory with laboratory and field experiments. He currently serves on the editorial board of Journal of Behavioral and Experimental Economics.

www: sites.google.com/site/marosservatka/

Mathias Czaika is a Professor in Migration and Globalisation at Danube University Krems in Austria. Mathias was formerly Director of International Migration Institute (IMI) at the University of Oxford in the UK. Mathias is interested in the political economy of migration and the role of migration policies in shaping international migration flows.

www: www.donau-uni.ac.at/mig

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

Statue of Jošt of Moravia | picture by David Plotzki

You won't regret spending an extra day or two in Brno. The city offers many great things to see and do, yet it 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 and Stiassni villa, a magnificent functionalist villa with a three-hectare garden, is located 500m from the Faculty.

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

Conference Schedule

Monday May 28

Venue: Kabaret Špaček, Kopečná 46, Brno

16:30 – 17:00	Registration	
17:00 – 18:15	Keynote lecture by Maroš Servátka	
	A Behavioral Approach to the Theory of the Firm	
18:00 – 22:30	Dinner	

Tuesday May 29

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

from 8:00	*Registration*	
8:30 – 9:30	Behavioral and Experimental Economics 1	Room P102
	Labor Economics 1	Room P106
9:30 – 10:00	*Coffee break*	
10:00 – 11:00	Behavioral and Experimental Economics 2	Room P102
	Labor Economics 2	Room P106
11:00 – 11:20	*Coffee break*	
11:20 – 12:20	Behavioral and Experimental Economics 3	Room P102
	Labor Economics 3	Room P106
12:20 – 13:15	*Lunch*	
13:15 – 14:30	Keynote lecture by Mathias Czaika	Room P106
	Migration Policy Effects and Effectiveness	
14:30 – 15:30	Behavioral and Experimental Economics 4	Room P102
	Labor Economics 4	Room P106
15:30 – 16:00	*Coffee break*	
16:00 – 17:00	Behavioral and Experimental Economics 5	Room P102
	Labor Economics 5	Room P106

Venue: Restaurant Mitrowski, Veletržní 716/13, Brno

19:00 – 22:30	Goodbye dinner

Behavioral and Experimental Economics 1

8:30-9:30 Room P102

Matthew Robson	Giving to Varying Numbers of Others
Libor Dušek	Experience with Punishment and Specific Deterrence: Evidence from Speeding Tickets
Thijs Brouwer	The Effects of Self-Serving Altruistic Dishonesty on Trust: An Experimental Investigation
Eugenio Levi	I and We: Spillovers Between Individual and Social Tasks

Behavioral and Experimental Economics 2

10:00-11:00 Room P102

Jibuti Daviti	Discrimination across Several Stages of Employment: Evidence from a Lab Experiment
Sheth Jesal D.	The Persistent Nature of Naivety About Hidden Information: An Experimental Investigation
Michal Ďuriník	Group Identity, Internal Promotion and External Hiring
Diya Elizabeth Abraham	The influence of compassion on decisions involving intertemporal choice

Behavioral and Experimental Economics 3

11:20-12:20 Room P102

Dagmara Celik Katreniak	Dark Side of Incentives: Evidence From a Randomized Control Trial in Uganda
Václav Korbel	Delinquent Identity and Ingroup favoritism in Juvenile Detention Centers
Chiara Pastore	Obesity and Economic Preferences: Evidence from a Medically at Risk Population
Lenka Fiala	Academic Debate: Improving Student Performance One Speech at a Time

Behavioral and Experimental Economics 4

14:30-15:30 Room P102

Duncan James	Varieties of Risk Elicitation
Bára Karlínová	Hypothetical Biases in the Value of Waiting Time
Jeevant Rampal	Opponent's Foresight and Optimal Choices
Matěj Lorko	Historical Information and Project Duration Estimates

Behavioral and Experimental Economics 5

16:00-17:00 Room P102

Elisabetta Leni	Guilt Aversion and Trust: An Analysis of Heterogeneous Factors
Aidas Masiliunas	Learning in Contests with Payoff Risk and Foregone Payoff Information
Marianne Stephanides	Helping and Communication: An Experimental Study
Miloš Fišar	The Trade-Off Between Wages and Corruption in a Bribery Experiment

Labor Economics 1

8:30-10:30 Room P106

Paola Bertoli	Pregnancy and Birth in Hard Times: When Your Network Can Keep You Up or Drag You Down
Klára Kalíšková	Does Longer Maternal Childcare Improve Children's Future Outcomes? The Impact of a Four-year Paid Parental Leave
Marcela Veselková	Computers in Slovak Schools: Impact on Student Performance

Labor Economics 2

10:00-11:00 Room P106

Aisha Baisalova	Impact of Economic and Political Freedom on Self-Selection in International Migration
Jan Šulák	Perception of Environment Quality and Brain Drain
Martin Guzi	Long-Term Effects of Social Capital Destruction on Residential Migration

Labor Economics 3

11:20-12:20 Room P106

Niclas Berggren	Roots of Tolerance: What Explains A Western Value Orientation Among Children of Immigrants?
David Schindler	Shocking Racial Attitudes: Black G.I.s in Europe

Labor Economics 4

14:30-15:30 Room P106

Dominika Rečková	What Drives Happiness of Employees?
Lucas van der Velde	Within Occupation Wage Dispersion and the Task Content of Jobs
Anna Katharina Pikos	The More You Do, The Worse You Feel - The Causal Effect of Multitasking on Work-Related Mental Health

Labor Economics 5

16:00-17:00 Room P106

Bohdana Kurylo	Cream Skimming and Location Choice: Evidence from PhD Graduates
Štěpán Mikula	Does homeownership hinder labor market activity? Evidence from housing privatization in Brno
Radek Janhuba	Criminals on the Field: A Study of College Football

General Information

Guidance for Presenters and Session Chairs

Conference features five sessions in two panels. We suggest speakers in Behavioral and Experimental Economics panel to prepare a 15-minute presentation. Sessions in Labor Economics panel are built around 20-minute presentations including discussion. Please upload your slides in ppt or pdf on the computer before the session. Each room is equipped with a computer, projector, and whiteboard. Papers are presented in the order listed in the program. The last presenter will chair the session and keep speakers to 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 are held in the atrium between rooms P102 and P106. Ring of the bell will announce the start of the session.

WiFi

Wireless Internet is available through *eduroam* network. If you require access information 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 a tram no. 1 direction Ečerova from the train station to the stop Lipová. The fare is 20 Kč (about 0.8 Euro) for a 15-minutes ticket, or 25 Kč (about 1 Euro) for a 60-minutes ticket. The tickets can be bought from yellow ticket vending machines at the stop, or at the newspaper agents. SMS ticket might be purchased with a Czech phone number only.

Behavioral and Experimental Economics Panel

Giving to Varying Numbers of Others

8:30
P102
♣

Matthew Robson and John Bone

University of York

Within a modified N person dictator game, we test the extent to which giving behaviour changes as the number of recipients varies. Using a within-subject design, in an incentivised laboratory experiment, individual-level preference parameters are estimated within five alternative utility functions. Both goodness-of-fit and predictive accuracy of each model are analysed, with the 'best' model identified for each individual. The Dirichlet distribution is proposed as a random behavioural model to rationalise noise; with parameters accounting for differential error arising from the complexity of decision problems. Results show that, on average, participants are willing to give more total payoffs to others as the number of players increase, but not maintain average payoffs to others. Extensive heterogeneity is found in individual preferences, with no model 'best' fitting all individuals.

Experience with Punishment and Specific Deterrence: Evidence from Speeding Tickets

8:30
P102

Libor Dušek[1] and Christian Traxler[2]

[1]University of Economics in Prague; [2]Hertie School of Governance

This paper analyzes how subjective experiences of being punished affect subsequent offending behavior. The context of our study is the enforcement of speed limits through radars and speeding tickets. Using unique data that cover anonymized individual driving and ticketing histories of more than 170,000 car owners over 15 months, we evaluate drivers' responses to receiving a speeding ticket. We exploit two strategies to identify causal effects: (1) A regression discontinuity design, which builds on an arbitrary speed level threshold that is used to decide which speed limit violations actually trigger a ticket; (2) An event analysis of high-frequency driving behavior before and after receiving a ticket. Both analyses provide evidence on a strong and persistent specific deterrence effect from receiving a ticket. Drivers reduce their speed immediately after they receive the ticket and the reduction is sustained over several months.

8:30
P102

The Effects of Self-Serving Altruistic Dishonesty on Trust: An Experimental Investigation

Thijs Brouwer

Tilburg University

This paper examines how dishonest behavior that is beneficial to a passive other affects the passive beneficiary's trust towards the decision maker. Such acts arguably impose a moral dilemma on the passive beneficiary: she could either appreciate the beneficial aspect of the act and become more trusting as a result; or she could object to the dishonest nature of it and become less trusting of the dishonest decision-maker. Which of these two forces prevails forms the main question of this study. In my experimental design, three players - two informed, one uninformed - engage in a two-stage game, with an opportunity for one of the informed players to behave dishonestly towards the uninformed player to the benefit of both informed players. Informed players subsequently engage in an economic game - the so-called Moonlighting Game - in which trust plays an important role. This design allows me to measure the degree of trusting and trustworthiness among beneficiaries. I find that following both dishonest and honest behavior, trust of the informed player towards the decision-maker is decreased, as compared to a neutral situation in which no moral dilemma was imposed on the informed players. Restricting the sample to subjects that exhibit at least a minimal degree of internal consistency in the Moonlighting Game shows that, if anything, honest behavior decreases trust among the passive beneficiary, compared to both dishonest behavior and the neutral case. With this study, I am the first to document that being faced with a moral dilemma per se, irrespective of actual behavior, can erode trust between players.

8:30
P102
♣

I and We: Spillovers Between Individual and Social Tasks

Shaun Hargreaves Heap[1], **Eugenio Levi**[2], Abhijit Ramalingam[3] and Chris Starmer[4]

[1]King's College London; [2]Sapienza University of Rome; [3]University of East Anglia; [4]University of Nottingham

People in any organization will typically engage in a mixture of individual tasks and joint ones requiring cooperation with others. The question addressed by this paper with an experiment is whether there are behavioral spillovers between such 'I' and 'we' activities. The major aggregate spillover we find is that effort and performance improve in the ('I') real effort task when it is preceded by the ('we') public goods game. This is because the selfish in the public goods game improve their performance in the real effort task. This aggregate spillover effect disappears when there is a group identity policy nudge in the public goods game. Three important lessons follow. First, the evidence of behavioral spillovers between these two types of task cautions against applying insights gained from studying one type of interaction or decision problem in isolation to a context where subjects engage in variety of such activities. Second, policy 'nudges' can have effects beyond their targeted domains. Finally, the aggregate spillovers can only be understood through disaggregation because individuals respond

differently to the various 'I' and 'we' primes in this experiment.

Discrimination across Several Stages of Employment: Evidence from a Lab Experiment

10:00
P102
♣

Daviti Jibuti[1] and Weiwen Leung[2]

[1]CERGE-EI; [2]University of Minnesota

This study aims to examine gender discrimination in the labor market at multiple phases of the employment process. In the existing literature, discrimination is usually measured along a single dimension, such as hiring, wage setting, or pricing of a particular good. However, discrimination may occur at multiple stages of the process. Thus, focusing only on a single stage may produce incorrect estimates of the extent of discrimination. For example, Dickinson and Oaxaca (2014) find that workers with high productivity variance are statistically discriminated against in terms of wages they get, however, they are more likely to be employed. To tackle this issue, we are going to run a lab experiment with several stages, where subjects who take on the role of employers make hiring, wage setting, and ranking decisions, and we estimate the extent of discrimination at each stage. Furthermore, while most of the literature observes crude outcome variable (dummy variable for hiring), we observe more continuous variables such as ranking which is more informative than a dummy variable (Bertrand and Duflo, 2017).

The persistent nature of naivety about hidden information: An experimental investigation

10:00
P102
♣

Jesal D. Sheth

University of Nottingham

The unravelling prediction of the disclosure theory relies on the idea that market forces lead firms (information senders) to voluntarily disclose information about the quality of their products provided the information disclosed is verifiable and the costs of disclosure are negligible. This theoretical prediction requires that consumers (information receivers) hold correct beliefs and, in equilibrium, treat all non-disclosed information with extreme scepticism. Previous research finds that receivers are insufficiently sceptical, or in other words, are naïve, about non-disclosed information, which leads to the failure of the unravelling prediction. This paper examines whether strategic naivety persists when realistic elements are introduced in the experimental setting - like consulting with another receiver, and introducing a restaurant food hygiene rating context. The main finding of this paper is that receivers who consult and those who are not given the opportunity to consult do not form significantly different inferences about non-disclosed information, and naivety in beliefs persists despite consultation. In addition, the extent of naivety in 'context-free' and 'in-context' experiments is not significantly different, and introducing a context does not lead to different beliefs compared to abstract, context-free experiments. In general, the paper finds that strategic naivety is a persistent and robust phenomenon, and neither consultation nor context reduce it.

10:00
P102

Group Identity, Internal Promotion and External Hiring

Michal Ďuriník[1,2], Maroš Šervátka[1] and Lyla Zhang[1]

[1]Macquarie Graduate School of Management; [2]Masaryk University

When filling a vacant position, firms might have a choice between an internal and external candidate. Internal candidates often have an advantage over the external ones: the firm knows them better and they may possess firm-specific skills. Who, however, works harder if promoted? Is it the internal candidate, as he shares the group (firm) identity with the employer and is thus more likely to reciprocate? Or is it the external candidate, perhaps surprised by the decision and thankful for the displayed trust? We employ a two-stage laboratory experiment to investigate our conjectures. In Stage 1, the firm chooses either an internal or an external candidate to be assigned to a high-salary job. The other candidate is assigned to a, low-salary job. In Stage 2 both the promoted and non-promoted candidate exert effort that is costly to them but benefits the employer. In line with previous literature, the workers choose to provide more effort in high-salary jobs than in low-salary jobs. This finding holds for both internal and external candidates. Surprisingly, external candidates assigned to the high-salary job chose to provide more effort than internal candidates assigned to high-salary job.

10:00
P102

The influence of compassion on decisions involving intertemporal choice

Diya Elizabeth Abraham[1] and Martin Machay[2]

[1]Masaryk University; [2]Mendel University

Theory predicts that compassion, as a distinct prosocial affective state, can be used as a tool to reduce the level of economic impatience, just as gratitude, a similar prosocial emotion was shown to do previously. This paper experimentally examines the effects of compassion on intertemporal choice, using sadness as a comparison condition. Our findings confirm the previously documented ability of sadness to increase the level of impatience but do not find any significant effect of the induced compassion on impatience. Subsequent analysis suggests that the reasons for the latter could be that (1) in the current induction, it was not pure compassion but instead a blend of both compassion and sadness that was generated and (2) in specific cases, typically involving the suffering of a family member or close friend and / or a perceived inability to reduce the suffering witnessed, compassion devolves into empathic distress which is correlated with increased impatience. The implications of these preliminary findings are discussed along with future directions for research seeking to better understand the effects of 'pure compassion' on behavior.

Dark Side of Incentives: Evidence From a Randomized Control Trial in Uganda

11:20
P102
♣

Dagmara Celik Katreniak

National Research University Higher School of Economics and CERGE-EI

Throughout our lives, we are routinely offered different incentives as a way to motivate us. Many researchers have studied the effects of incentives on people's performance. There can also be important psychological outcomes in terms of stress and happiness. The current paper contributes to the literature by explicitly accounting for this performance versus-well-being tradeoff introduced by incentives. I implement two types of social comparative feedback regimes, within and across-class group comparisons, and two types of incentive regimes, financial and reputation rewards. The results show that rewards can improve performance up to 0.28 standard deviations, but at a cost of higher stress and lower happiness, whereas comparative feedback alone (without rewards) increases performance only mildly, by 0.09 to 0.13 standard deviations, but without impact on student's stress and happiness. More stressed students exert less effort, perform worse and attrite by 29 percent more compared to those who are stressed minimally. The results also help to identify gender-specific responses to incentives. While boys strongly react to rewards, girls do so only if they are also provided with feedback. Final contribution comes from a rich dataset of more than 5000 primary and secondary school students in Uganda, who were repeatedly tested and interviewed over one academic year.

Delinquent Identity and Ingroup favoritism in Juvenile Detention Centers

11:20
P102
♣

Lubomír Cingl[1] and **Václav Korbel**[2]

[1]University of Economics in Prague; [2]Charles University

Problematic adolescents are typically placed into a confinement in a juvenile detention center to rehabilitate their behavior. However, the evidence shows that their ultimate effect on adolescents is questionable. One potential reason may be that adolescents create a group social identity which leads to outgroup discrimination complicating their reintegration. Furthermore, similarly to prisons, such social identity can be linked to delinquent and antisocial culture and norms. To get the causal link of identity on behavior, we conducted a lab-in-the-field experiment where we primed a randomly chosen half of subjects with the identity of juvenile detention centers and measured its effect on cooperation, altruism and cheating. We find no evidence that the priming manipulation affects experimental outcomes.

11:20
P102
♣

Obesity and Economic Preferences: Evidence from a Medically at Risk Population

Chiara Pastore[1], Stefanie Schurer[2] and Agnieszka Tymula[2]

[1]University of York; [2]University of Sydney

11:20
P102
♣

Academic Debate: Improving Student Performance One Speech at a Time

Lenka Fiala

Tilbur University

I study the effects of introducing a compulsory academic debate program into high school curricula on critical thinking. Students participate in a series of workshops by experienced debate coaches, and their teachers are provided with supplementary materials to incorporate debating into regular classes. This program covers basics of argumentation, evaluation of facts and graphs used to support a point, and presenting a coherent policy to address a societal problem. Students are subsequently evaluated on their ability to analyse "fake news" and identify argumentation inconsistencies both on a standardized academic ability test and on a custom-made "fake news" task, as well as on their attitudes and behavior towards others with differing viewpoints. This program is run with support of the Czech Debate Society (ADK) and the SCIO company.

14:30
P102

Varieties of Risk Elicitation

Daniel Friedman[1], Sameh Habib[1], **Duncan James**[2] and Sean Crockett[3]

[1]University of California; [2]Fordham University; [3]Baruch College

We explore a variety of risk preference elicitation procedures that involve direct choice from a set of lotteries, including budget lines (BL) and binary choice lists (HL). We find statistically significant violations of the expected utility hypothesis (EUH) consistent with disappointment aversion, and also find violations of first order stochastic dominance, but both sorts of violations are mostly small and only slightly impair the predictive power of a parametric implementation of EUH. The estimated coefficient of relative risk aversion, gamma, varies widely across individual subjects (consistent with EUH) and also across elicitation tasks (inconsistent with direct implementation of EUH). An alternative non-parametric measure of risk preferences displays similar patterns. The two risk preference measures are highly correlated with each other for each elicitation task. Each separate measure varies widely

across individual subjects and across elicitation tasks, with low to nil correlation between BL tasks and HL tasks. Some of the variation across tasks can be explained by attributes such as graphical vs text representation that have no role in decision theory.

Hypothetical Biases in the Value of Waiting Time

14:30
P102

Bára Karlínová[1], Ondřej Krčál[1], Stefanie Peer[2] and Stanislav Staněk[1]

[1]Masaryk University; [2]Vienna University of Economics and Business

The value attached to reductions in waiting time (in short, "value of waiting time") is a crucial ingredient in the design and appraisal of public transport networks. So far, valuations of waiting time have mostly been derived from stated preference surveys. In this study, we investigate hypothetical bias in the value of waiting time by comparing stated and revealed values attached to waiting time, both of which are derived in a controlled lab experiment. We find that the hourly values of the hypothetical and incentivized waiting time are roughly $6 and $8, respectively. The resulting hypothetical bias of $2 is substantial and highly statistically significant. In addition to that, we find that the hypothetical bias is mainly driven by respondents with scheduling constraints and lower scores in the coding speed test.

Opponent's Foresight and Optimal Choices

14:30
P102
♣

Jeevant Rampal

Indian Institute of Management Ahmedabad

Using two experiments, we demonstrate that in a „winner-take-all" extensive form game, where players' payoffs are directly opposed, optimal behavior can deviate from the unique „sure-win" backward induction strategy due to beliefs about the opponent's expertise. In the game we use, a particular deviation from the backward induction strategy yields a higher payoff only if one's opponent makes a mistake; otherwise, the deviation leads to a loss. We find that experienced subjects were more likely to deviate when they were informed that their opponent was inexperienced and, in a different experiment, when they inferred their opponent's inexperience by only observing their opponent's preceding moves in the game. Maximum likelihood estimation indicates that Rampal's (2017) model of limited foresight and uncertainty about the opponent's foresight fits the data better than the Dynamic Level-k (Ho and Su (2013)) and Agent Quantal Response Equilibrium (McKelvey and Palfrey (1998)) models.

14:30
P102
♣

Historical Information and Project Duration Estimates

Matěj Lorko, Maroš Servátka and Le Zhang

Macquarie Graduate School of Management

The ability to accurately estimate the duration of future activities is the cornerstone of successful project management practice. Accurate project estimates reduce not only the risk of schedule and cost overruns, but also the possible underutilization of company resources. The need for accurate estimates is even more significant in the multi-project environment, where projects often compete for temporary use of scarce resources and delays in one project can cause schedule issues in other projects as well. Traditionally, thorough project specification has been perceived as a crucial determinant of accurate project duration estimates. However, even the most extensive description cannot capture every detail of the proposed project activities, especially at the early project stages, when the exact scope is often unclear. Thus, project planners focus on provided information, often neglecting that it might be incomplete. As a result, project duration estimates may become understated. We conjecture that accuracy of project schedules can be improved by consulting historical information regarding the same or similar projects. We experimentally test our conjectures in a real effort task. Subjects first estimate the time it will take them to complete the task, indicate their subjective confidence with the estimate and then perform it. We manipulate the description of the task and whether subjects receive the historical information. We present the historical information in form of average time it took participants to complete the task in past. For those that receive this information, we further manipulate whether the information is given right along with a task description or after the initial duration estimate is made. We examine the relationship between the amount and timing of available information, task duration estimation accuracy and subjective confidence in estimates.

16:00
P102

Guilt Aversion and Trust: An Analysis of Heterogeneous Factors

Elisabetta Leni

University of Essex

A large body of research in the social sciences suggests that expectations are important for decisions involving trust. A popular explanation of the influence of expectations on trust is guilt aversion. This paper explores potential sources of heterogeneity in guilt averse behavior using a novel experimental design. First, I study how people trade off their feeling of guilt with their material payoff in a trust game under different incentive schemes. Then, to single out the determinants of heterogeneity, I analyze the influence of personality traits and demographics on guilt aversion. The data reveal significant heterogeneity across incentive schemes and suggest that guilt aversion becomes more relevant when the stake in the game increases. Moreover, females and participants scoring high in Openness to Experience are more likely to be guilt averse, even after controlling for standard measures of guilt proneness and compliance used in psychology.

Learning in Contests with Payoff Risk and Foregone Payoff Information

16:00
P102
♣

Aidas Masiliunas

Aix-Marseille University

We test a hypothesis that deviations from Nash equilibrium in rent-seeking contests are caused by slow convergence of a payoff-based learning. We identify and eliminate two sources of noise that slow down learning. The first source of noise is present because each action is evaluated against a different sample of actions of other players. We eliminate it by providing foregone payoff information, which allows all actions to be evaluated against the same sequence of opponent's actions. The second source of noise is present because of payoff risk, which reduces the correlation between expected and realized payoffs. We manipulate payoff risk using a 2x2 design: payoffs from contest investments are either risky (as in standard contests) or safe (as in proportional contests), and payoffs from the part of endowment not invested in the contest are also either safe (as in standard contests) or risky. We find that Nash equilibrium rates go up to 100% when payoff risk is not present and foregone payoff information is available, but are at most 20% in all other cases. This result can be explained by payoff-based learning but not by other theories that might interact with payoff risk (non-monetary utility of winning, risk-seeking preferences, spitefulness, probability weighting, QRE). We propose a hybrid learning model that combines reinforcement and belief learning with preferences, and show that it fits data well, mostly because of reinforcement learning. Additional support for learning comes from the persistence of the Nash equilibrium following the removal of foregone payoff information.

Helping and Communication: An Experimental Study

16:00
P102

Marianne Stephanides

Vienna University of Economics and Business

Helping behavior may be affected by the possibility to exchange messages such as apologies, either as substitutes or as complements. We conduct a laboratory experiment that explores this issue in a stochastic game in which one agent may help to reduce the likelihood of a negative event affecting a second agent, who can in turn reward or punish the first agent after realization of the outcome. In this context, we examine the strategic effect of allowing the first agent to send a one-side messages (e.g. I am sorry, you are welcome) to the second agent after the outcome has realized on helping, reward, and punishment behavior. Our two-factorial design varies whether a message can be sent, and whether the second agent is only informed about the outcome of the random move or also about the likelihood-affecting action of the first agent. We find that people help more in a setting with full information about the first agents choice. Allowing to send messages shows a positive effect on the second agent's reward decision, but only when the first agents helping action is not revealed.

16:00
P102

The Trade-Off Between Wages and Corruption in a Bribery Experiment

Miloš Fišar[1], Matúš Kubák[2], Lucia Malastová[1] and Jiří Špalek[1]

[1]Masaryk University; [2]Technical University of Košice

Theory suggest that lower wages in public administration encourage higher level of bureaucratic corruption and that wage raise may act as an anti-corruption policy. Nevertheless, the empirical studies do not find a general confirmation for theoretical suggestions. We designed and conducted a laboratory experiment in which public servants with different wages given by their superior face bribes. Our results show that not only the low-wage or high-wage do drive the bribery decision of a public servant, but also a probability and size of punishment play important role in his bribery decision-making.

Labor Economics Panel

Pregnancy and Birth in Hard Times: When Your Network Can Keep You Up or Drag You Down

8:30
P106

Paola Bertoli[1], Veronica Grembi[1,2] and The Linh Bao Nguyen[3]

[1]University of Economics in Prague; [2]University of Milan; [3]Bocconi University

We assess the impact of the 2007/08 Great Recession on birth outcomes for immigrants using data at the patient level from Italy. Exploiting price variations of commercial estates (i.e. stores), we capture the dynamic spread of the recession through a difference in differences strategy. After showing that the crisis deteriorates newborn health, we provide evidence that this effect is driven by the ethnic community of immigrant mothers that turns out to play a lock-in role job-wise. Specifically, the observed effect is driven by immigrants facing high ethnic density contexts (i.e. one dominant group), residing far from immigrants associations, or in municipalities were the number of immigrants associations is low. The negative effect is also reinforced when the ethnic group to which the mother belongs is mainly employed in sectors most affected by the crisis and when women in the ethnic group of the mother are more overqualified for the work they are actually doing. Finally, we rule out other possible explanation for the deterioration of birth outcomes such as a selection effect among immigrant mothers triggered by the recession.

Does Longer Maternal Childcare Improve Children's Future Outcomes? The Impact of a Four-year Paid Parental Leave

8:30
P106
♣

Alena Bičáková[1] and **Klára Kalíšková**[1,2]

[1]CERGE-EI; [2]University of Economics in Prague

The impact of the duration of family leave on labor market outcomes of mothers has received a lot of attention in previous research, less is known about the impact on the well-being of children. The existing evidence on the effect of family leave on child outcomes is mixed and focuses primarily on leaves with short or medium duration. We study the impact of an extremely long (four year) paid family leave on a variety of child outcomes. To achieve this goal, we exploit the variation in family leave duration induced by a major parental leave allowance reform in the Czech Republic in 1995 that extended the paid family leave from three to four years. Using a combination of the regression discontinuity and difference-in- differences design, we identify the impact of the 1995 reform on three sets of child outcomes: labor market outcomes, educational attainment, and family relations.

8:30
P106

Computers in Slovak Schools: Impact on Student Performance

Marcela Veselková

Institute for Strategy and Analysis, Government Office of the Slovak Republic

This paper examines the impact of computer use on the performance of Slovak students in mathematics as measured in OECD's Programme for International Student Assessment. To this end, it compares the performance of those students who use computer at school with those who do not. The causal impact is estimated using a Bayesian modeling procedure, known as Bayesian Additive Regression Trees (BART). On average, computer use at school improves the PISA scores in mathematics by 7.5 PISA points and the 95% interval for this effect is between -6.5 and 20.7. The most important variables for explaining the effect on mathematics scores include the percentage of qualified math teachers, highest occupational status of parents and school ownership. The impact is heterogeneous: children of less educated parents with low occupational status tend to benefit more from the computer use at school than children from higher socio-economic background. The effect is stronger also for children who report greater teacher support and who attend schools with a greater proportion of qualified mathematics teachers.

10:00
P106
♣

Impact of Economic and Political Freedom on Self-Selection in International Migration

Aisha Baisalova and Elizaveta Shashkova

CERGE-EI

This paper extends Ashby's (2010) gravity model, which analyzes effects of economic and political freedom on international migration, by accounting for gender and education differences of migrants. We find that economic freedom is significant only for high and medium educated migrants, with the highest coefficients for highly educated; political freedom is the most significant for low educated migrants. Moreover, across all levels of education, political freedom is more significant for women than for men. Possible explanation of this phenomena is that, first, women are more responsive to higher political freedom in the destination because their rights in the origin countries with low political freedom are more constrained than those of men; secondly, low educated people are more sensitive to political freedom than other categories of migrants, because their rights are the least protected in the origin countries or host countries with low level of political freedom. These results imply that development of institutions supporting economic freedom might lead to positive self-selection of migrants. Additionally, political freedom attracts women to a higher degree than men, which can be important for demographic considerations.

Perception of Environment Quality and Brain Drain

10:00
P106

Jiří Balcar and **Jan Šulák**

Technical University of Ostrava

This paper takes a new look at the issue of brain drain. Population of Ostrava city is decreasing, especially in case of gifted, relatively highly educated and young people (very often with children). By using unique dataset at individual level and controlling for a wide range of socioeconomic factors, we estimate binary choice models (logit and probit) with interaction terms to empirically assess the effect of environmental factors (among others) on creating migration plans. Subjective perception of natural environment, higher education and having a children are important predictors for making migration decisions. Policy implications are/will be also discussed.

Long-Term Effects of Social Capital Destruction on Residential Migration

10:00
P106

Martin Guzi[1], Peter Huber[2] and Štěpán Mikula[1]

[1]Masaryk University; [2]WIFO

The formal models of social capital formation (e.g. David et al 2010; Glaeser et al 2002) suggest the existence of a world with low social capital and high mobility and world with high social capital and low mobility. We test theoretical predictions of multiple equilibria by exploiting the post-war resettlement process in Czechoslovakia as a natural experiment. After World War II over 3 million Germans, some 29% of the total population in Czech lands, were forcibly expelled leaving behind empty villages and almost all their property. Abandoned lands were swiftly resettled with Czech and Slovak inhabitants creating new communities in former German villages. Our identification strategy exploits the variation along the historical dividing line between old and new communities. We confirm the loss of social capital during resettlement persisted over generations and it is documented by the higher migration rates in the new communities vis-à-vis the old communities. A set of falsification tests validates the interpretation of the results.

11:20
P106

Roots of Tolerance: What Explains A Western Value Orientation Among Children of Immigrants?

Niclas Berggren[1,2], Martin Ljunge[1] and Therese Nilsson[1,3]

[1]Research Institute of Industrial Economics; [2]University of Economics in Prague; [3]Lund University

Integration of immigrants is a prominent policy issue in Europe. Immigrants who embrace Western values can be expected to fit in better, which can improve employment prospects and social interaction. This study focuses on one indicator of Western values, tolerance towards gay people, and investigates what factors in the ancestral countries of second-generation immigrants that predict such tolerance. The method used rules out reverse causality. Out of the 46 factors examined, one emerges as super-robust: a Muslim background. Tolerance is lower the larger the share of Muslims in the ancestral country. Other attitudes and impartial legal institutions predict higher tolerance.

11:20
P106
♣

Shocking Racial Attitudes: Black G.I.s in Europe

David Schindler[1] and Mark Westcott[2]

[1]Tilburg University; [2]Vivid Economics

Can attitudes towards minorities, an important cultural trait, be changed? We show that the presence of African American soldiers in the UK during World War II reduced anti-minority prejudice, a result of the positive interactions which took place between soldiers and the local population. The change has been persistent: in locations in which more African American soldiers were posted there are fewer members of the UK's leading far-right party, less implicit bias against blacks and fewer individuals professing racial prejudice, all measured around 2010. We show that persistence has been higher in rural areas and areas with less subsequent in-migration.

14:30
P106
♣

What Drives Happiness of Employees?

Dominika Rečková and Barbara Pertold-Gebická

Charles University

Easterlin paradox referring to relatively stable levels of happiness and increasing income over time, although these two seem to be correlated at one point in time has became a hot topic among economist researches in recent decades. We extend the usual income analysis to reveal the nature of correlations between material prosperity and happiness. Further, se- ries of 15 OLS, ordered probit and ordered logit models together with 35 quintile regressions provide a complex analysis of possible happiness drivers. Results find significant correlations between material prosperity and happiness,

and between happiness and social relationships. The relationship between income and happiness might be non-linear and influenced by various factors. Happiness is found to be dependent on relative income and socio-politic living environment which explains the Easterlin paradox.

Within Occupation Wage Dispersion and the Task Content of Jobs

14:30
P106
♣

Lucas van der Velde

Warsaw School of Economics

The relation between income inequality and technological progress has many chapters, of which the most recent corresponds to the task content of jobs. Proponents of this theory suggest that falling prices of computational power coupled with the increasing power of computers leads to an increasing substitution of workers with computers and a hollowing of the middle of the income distribution. While empirical analysis on task content of jobs explain inequality between occupations, we test whether the framework can also foster our understanding of wage dispersion within occupations. Using European data, we obtain estimates of wage dispersion and residual wage dispersion for each occupation and relate it to the task content. The results suggest that non-routine intensive occupations presented greater wage dispersion, even after controlling for a variety of factors.

The More You Do, The Worse You Feel - The Causal Effect of Multitasking on Work-Related Mental Health

14:30
P106
♣

Anna Katharina Pikos

Leibniz Universität Hannover

Technological change facilitates the development of task complementarities as efficiency gains in performing one task can be carried over to another task. To exploit these complementarities, firms change their job design from specialization to multitasking, i.e. jobs consist of a higher number of different tasks. In this paper, I use technological change on the company level to instrument employee multitasking to estimate the causal effect of multitasking on work-related mental health. The data comes from two cross sectional surveys on the German working population. The prevalence of work-related mental health problems increases with multitasking, and I find evidence for a causal effect: a one standard deviation increase in multitasking increases the risk for any work-related mental health problem by 0.35 standard deviation. OLS underestimates the causal effect by about one half to one third.

16:00
P106
♣

Cream Skimming and Location Choice: Evidence from PhD Graduates

Bohdana Kurylo

CERGE-EI

This paper aims to study the factors which influence the first location choice of PhD graduates in the United States, which is the largest recipient of foreign-born PhD students. Since PhD graduates are major contributors to national research and innovation capacity of the economy, the choice to stay in the country of graduation or to move elsewhere is essential for both graduation and destination countries. This paper hypothesizes that PhD graduates at the early stages of the career paths prefer favorable professional environments of host country (prestige of university and related financial benefits) to cultural proximity to their home country. Furthermore, the paper seeks to investigate the impact of network effects across cohorts and liberalization of research institutions in source countries on the location choice of the doctoral graduates from top ranked universities, which have not been addressed by the previous literature. For the purposes of this paper, we collect individual level data on first job placements and their social-demographic characteristics of both foreign-born and native US PhD graduates from the university job placement web pages and CVs. Our sample includes foreign-born PhD graduates from top-ranked US universities, who receive merit-based fellowships, which reflects possible positive selection of graduates. The richness of our data allows us to estimate the stay rates in the country of PhD graduation without imposing the Independence of Irrelevant Alternatives property assumed by most of the previous studies. The outcomes of this project can be useful for policy makers in the scope of immigration policies.

16:00
P106

Does homeownership hinder labor market activity? Evidence from housing privatization in Brno

Štěpán Mikula

Masaryk University

This paper uses housing privatization in Brno as a quasi-experiment producing exogenous assignment of homeownership status. We do not find homeownership to be causing higher unemployment. In fact, our estimates are consistently negative and economically substantively, ranging from -3 to -6 percentage points. We find weak evidence that homeownership lowers labor force participation.

Criminals on the Field: A Study of College Football

16:00
P106

Radek Janhuba[1] and Kristýna Čechová[2]

[1]CERGE-EI; [2]Charles University

Economists have found mixed evidence on what happens when the number of police increases. On the one hand, more law enforcers means a higher probability of detecting a crime, which is known as the monitoring effect. On the other hand, criminals incorporate the increase into their decision-making process and thus may commit fewer crimes, constituting the deterrence effect. This study analyzes the effects of an increase in the number of on-field college football officials, taking players as potential criminals and officials as law enforcers. Analyzing a novel play by play dataset from two seasons of college football, we report evidence of a monitoring effect being present in the overall dataset. This effect is mainly driven by offensive penalties which are called in the area of jurisdiction of the added official. Decomposition of the effect provides evidence of the presence of the deterrence effect in cases of penalties with severe punishment or those committed by teams with moderate to high ability, suggesting that teams are able to strategically adapt their behavior following the addition of an official.

Participants

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"

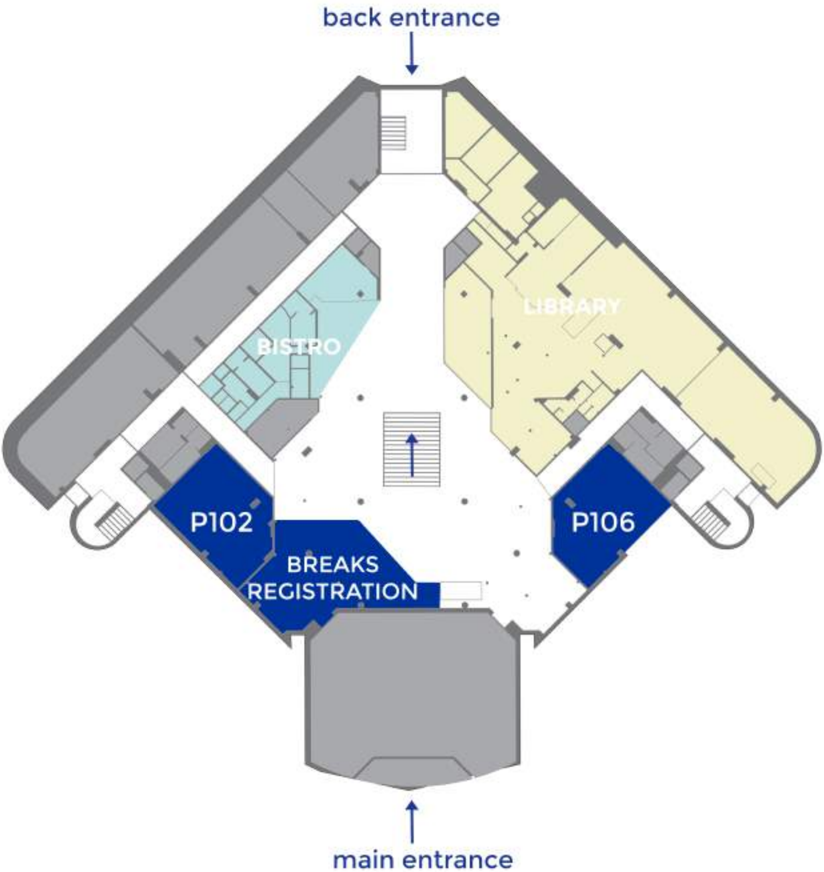
- night buses (11 pm - 6 am) from "Hlavní nádraží"

bus no. N97	direction "Jírovcova"

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

Faculty First Floor Plan

he conference takes place on the first floor of the faculty. Registration desk, coffee breaks, and lunch are located in the atrium. The sessions are held in rooms P102 and P106. Once you enter the faculty from Lipová street by the main entrance, walk the stairs to the atrium.



Kabaret Špaček

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

Welcome dinner and keynote by Maroš Servátka 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 Mitrowski

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.
www: mueel.econ.muni.cz

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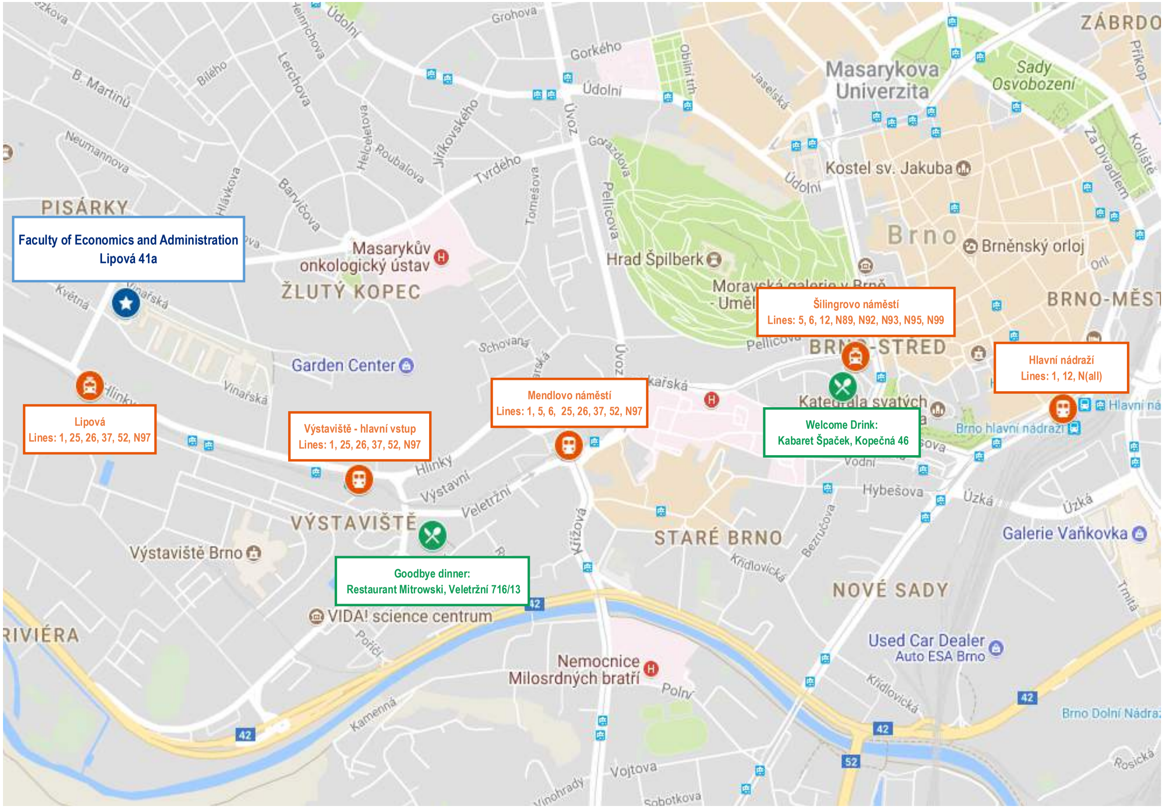

Online version abaiable at http://bit.ly/YEM_venues