

ABSTRACT Phd Thesis

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The present dissertation explores three different issues using the methodology of experimental economics. Specifically, results are presented from three experiments conducted in a laboratory environment. One experiment was conducted in a laboratory with the physical presence of participants, and the other two experiments were conducted online, remotely, due to restrictions caused by the COVID-19 pandemic. Experiments in the laboratory are now valuable support for research in the social sciences. This paper has used this type of analysis in order to test the hypotheses related to three issues related to economic research.

In Chapter 2 we study how preferences for the redistribution of individuals vary according to the relative importance of luck in the income accumulation process (which depends partly on a random shock and partly on an ability test), the different interests at stake, and the experiencing of roles of players with different interests and information available. We find that self-interest is the main driver of the choices of the individuals when they have direct monetary interests in the redistribution process. When leaving subjects under the veil of ignorance about their relative wealth position in the society, uncertainty damps selfish behavior. We also observed that, when asked to express their preferences as impartial spectators who have no personal stake in the outcome, subjects are inequality averse and sensitive toward fairness reasons in the treatment with the veil of ignorance, while less inequality averse in the treatment where there is perfect information about wealth ranking in the society. Finally, having more experience as players who perform better on the ability test increases the demand for redistribution when luck makes the most skilled player the least wealthy.

In Chapter 3 we experimentally investigate the role of temptation and efficiency in shaping the ability of subjects to cooperate in two indefinitely repeated one-shot games with anonymous random matching, the Stag Hunt (SH) and the Prisoner's Dilemma (PD). Additionally, we test the existence and direction of behavioral spillovers between these two strategic games. Taking the results of Duffy and Fehr (2018) as a baseline, we find that increasing efficiency leads to an increase in cooperation both in SH and PD. Temptation positively affects cooperation in the SH while there are no significant effects in the PD. Behavioral spillovers between SH and PD are rather limited. We find positive behavioral spillovers from SH in the first stage of subsequent PD when temptation is low. However, the transfer is not persistent as subjects decrease cooperation in the subsequent rounds of the PD, but, in our experiment, where efficiency is high, this decrease in cooperation is lighter than in Duffy and Fehr (2018) where efficiency is low; high efficiency with low temptation delays the return to defection.

Chapter 4 aimed at investigating the effects of endowment and preference heterogeneity on coordination, cooperation, and welfare in a setting with multiple threshold public goods. In treatments with homogeneous endowments, group members contribute the same amount and, regardless of their preferences over the public goods, no alternative stands out to be more salient. Instead, in treatments with heterogeneous endowments, the wealthiest agent makes substantially higher contributions, and her preferred public good becomes a viable coordination device for the rest of the group. In terms of welfare, financing the public good preferred by the wealthiest agent is not only beneficial for all group members but also reduces within-group inequality, thus making the most of the benefits from successful coordination concentrate on lower endowment classes.