

## **Abstract**

In the first chapter, I examine the effect of scarcity on sharing norms and preferences. Sharing provides one of few sources of insurance in poor communities. It gains prominence during adverse shocks, often largely aggregate, when it is also costliest for individuals to share. Yet it is little understood how scarcity affects individual willingness to share and willingness to enforce sharing from others, an important ingredient in sustaining prosocial behavior. This is what this paper examines. I conduct repeated within-subject lab-in-the-field experiments among Afghan subsistence farmers during a lean and a post-harvest season of relative plenty. These farmers experience seasonal scarcities annually. Using dictator and third party punishment games I separate individual sharing behavior from the enforcement of sharing norms. While sharing exhibits a high degree of temporal stability at both the aggregate, and, to a large extent, the individual level, the enforcement of sharing norms is substantially weaker during the lean season. The findings suggest that farmers are capable of sustaining mutual sharing through transitory periods of scarcity. It remains an open question whether exposure to unexpected shocks or prolonged periods of scarcity might result in the breakdown of prosociality due to loosened sharing norms enforcement on a community level.

In the second chapter, we study how the availability and use of a specific formal institution-- a financial sanction -- affects trust, trustworthiness, and moral intentions towards co-ethnics and non-co-ethnics using an economic experiment run with 420 adult males from peri-urban areas in Afghanistan. In contrast to previous studies on the behavioral effects of financial incentives, our subjects have little experience with formal institutions. We use a trust game with a requested back-transfer in which the investor can choose to impose a financial sanction for non-compliance. The sanction is costly to the trustee but cost-less to the investor. While sanctioning increases back-transfers in cross-ethnic pairs, it does not in co-ethnic pairs. Our results suggest that financial sanctions may crowd out moral incentives more strongly among one's own group, but have a much smaller behavioral effect when applied to individuals from a different ethnic group. The results have important implications for understanding how formal institutions affect cooperation in ethnically heterogeneous settings.

In the third chapter, we integrate tools to monitor information acquisition in field experiments on discrimination and examine whether gaps arise already when decision-makers choose the effort level for reading an application. In both of the countries we study, negatively stereotyped minority names reduce employers' effort to inspect resumes. In contrast, minority names increase information acquisition in the rental housing market. Both results are consistent with a model of endogenous allocation of costly attention, which magnifies the role of prior beliefs and preferences beyond the one considered in standard models of discrimination. The findings have implications for the magnitude of discrimination, returns to human capital and policy.