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**Report on the dissertation «Essays on Discrimination and Endogenous Preferences” by  
Jana Cahlíková**

I have had the great pleasure of reading the PhD-dissertation “Essays on Discrimination and Endogenous Preferences”, submitted by Jana Cahlíková. The dissertation consist of three papers that use economic experiments to study important issues of discrimination and endogenous preferences. In this report, I first provide a presentation and an evaluation of each of the three papers before I give an overall evaluation of dissertation.

The paper first paper, “Study Abroad Experience and Attitudes Towards Other Nationalities”, studies how exposure to other nationalities affect discrimination against foreigners. Specifically, the paper examines how the participation in the Erasmus study program, a program that enables European students to study one year in a foreign country, affects the students’ attitudes toward foreigners. In particular, Cahlíková uses economic experiments to study how statistical and taste-based discrimination against foreigners is affected. This is a very ambitious project since it is impossible to randomly assign subjects to participate in the Erasmus program. Cahlíková therefore compares the behavior of participants just before they are going abroad and just after they have returned from their study

The main finding in this paper is that exposure to foreigners increases statistical discrimination, in particular discrimination against southern Europeans. This is a surprising result since exposure to other people often is assumed to be a way to reduce discrimination. A reasonable interpretation of this result is that statistical discrimination is increased via a learning channel. The data are not from a randomized control trial, but the author does a great job in pointing out the identifying assumptions and convincing the reader that the results from

the experiment actually is evidence of a causal effect of participation in the Erasmus program. The general insight from the paper is important since it is one of the first papers to document how experiences of this kind affects individual preferences.

The paper “Social Contagion of Ethnic Hostility” (co-authored with Michal Bauer, Julie Chytilová and Tomáš Zelinský), examines how discrimination against ethnic minorities is affected by peer behavior. To address this issue, Cahlíková and her co-authors use two incentivized experiments, the Joy of Destruction game and the Prisoner's Dilemma game, to identify the participant's willingness to be hostile and to cooperate. An important feature of the design is that participants were matched with real-life peers and could observe their peer's choice prior to making their own choice.

The main result from this paper is that hostile behavior is strongly influenced by the behavior of peers. In particular, the susceptibility to behave hostile towards an ethnic minority, the Roma in this case, is particularly strong if the subject has been exposed to a peer who acts in a hostile manner towards the same minority. In particular, observing an aggressive peer rather than a non-aggressive peer increases the likelihood of destructive choice by 60 percentage points. This finding is important since it sheds light on an important real world puzzle: why ethnic conflict sometimes escalates suddenly among ethnic groups that have lived peacefully together for a long time.

The final paper. “How Stress Affects Performance and Competitiveness across Gender” (co-authored with Lubomír Cingl and Ian Levely), studies a possible source of gender inequality on the labor market by examining the role of stress in performance and willingness to compete across gender. The Cahlíková and her co-authors use a well-known experimental design to measure performance in competitive and non-competitive environments and the willingness to compete. In one treatment condition, this is combined with a protocol designed to experimentally induce stress in the laboratory.

The authors find that subjects in the stress treatment invest in the tournament compensation scheme than subject in the control group (at least when the investment decision is made

before the competitive task). The most important result in the paper is that women perform much worse when paid according to the tournament compensation scheme in the stress treatment, compared with women in the control group. It seems that the combination of stress and a competitive environment is particularly detrimental for the performance of women. This finding sheds light on a mechanism that partly could explain the underrepresentation of women in certain industries and top-management positions and suggests some interesting policy advice.

All three papers in the Jana Cahlíková's dissertation are of very high quality and all of them should be publishable in top international journals. The dissertation documents the work of a promising researcher who masters a variety of techniques and who is not afraid to approach difficult research issues. Most importantly, the dissertation is a great example of how engagement in important real life issues, in this case ethnic and gender discrimination, can be combined with first rate research. I am confident that the Cahlíková has a bright future as a researcher and congratulate her on a great dissertation.

Yours,

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