

**Review of the dissertation “Essays on discrimination and endogenous preferences”
by Jana Cahlíková, CERGE-EI**

Summary

The dissertation presents three chapters using the methods of experimental economics to study cross-cultural discrimination and gender differences in behavior in competitive environments. Chapters 1 and 2 utilize “lab in the field” designs with relevant populations, while Chapter 3 uses a lab experiment combining real-effort tasks with physiological measurements. In Chapter 1 (solo-authored), other-regarding preferences of Czech and Slovak students towards students from other European countries are compared between groups that did and did not participate in a study abroad program. It is found that those who studied abroad tend to discriminate against students from Southern Europe (as opposed to Northern Europe) in a trust game. Thus, exposure to other cultures appears to induce discrimination. In Chapter 2 (co-authored by Bauer, Chytilová and Žhelinský), the authors study the role of peer effects on discrimination. High-school students from Eastern Slovakia play the “Joy of Destruction” game with anonymous opponents whose ethnicity is primed with Slovak-sounding or Roma-sounding names. It is shown that cascades of hostile behavior can be triggered by observing the hostile behavior of peers, and the effect is much stronger when it is directed towards Roma opponents. Thus, peer effects may play a significant role in the escalation of ethnic conflicts. In Chapter 3 (co-authored by Cingl and Lively), the authors study how gender differences in behavior under competitive pay schemes are affected by stress. It is shown that while both genders exhibit a lower willingness to compete after being exposed to stress, the effect is stronger for women, and it is accompanied by an actual reduction in performance. In contrast, men do not perform worse in a competitive environment under stress, nor do women perform worse when stress or competition are present separately. The results may provide insights into why women are under-represented in certain roles in the labor market and society.

Overall evaluation

This is a very strong dissertation, and I enjoyed reading it. Each chapter represents a well-motivated, well-executed and polished paper that is ready to be submitted to a journal. The topics are “hot,” the research questions are well posed, and the methodology to address them is adequately chosen in each case. I am especially impressed by chapters 2 and 3 and totally see them being published in the very top journals. Moreover, I can say with a large degree of confidence that if someone with a job market paper based on this dissertation applied to FSU (and if we were actually hiring for an experimental position), she would get an interview. Obviously, I believe the dissertation warrants a defense and the author deserves a doctoral degree.

Comments

These comments are not binding, and my “acceptance” of the dissertation does not change depending on their implementation. The chapters are remarkably polished, and these comments are merely thoughts and suggestions the author may think about if she likes. I assume the dissertation will go through another round of proofreading and editing because I noticed a few typos, but it is not a systemic problem.

1. Page 5: "Selection into the Erasmus program is an important issue, as under current conditions only about 5% of all European students participate in the program during their studies." This, by itself, is not a sufficient reason to claim there is (nonrandom) selection. A clarification would help here.
2. I have some reservations about some of the interpretations and broader implications of the results of the first chapter. The comparison is between students who returned from the study abroad and those who are just about to go. Study abroad is a very special experience, and exposure to other cultures is only part of it. A lot of it is also being on your own and independent in an unfamiliar environment, learning to adapt to and accommodate other people, and being under stress (cf. the third chapter!). So, even though the results are very informative on the effects of the Erasmus program, I am not sure they apply more generally to any cross-cultural exposure. Will watching a documentary about other cultures have the same effect? I guess, what I'm trying to say is that it may not be just exposure to other cultures, but an interaction of exposure with other things.
3. There are several places in the chapter where the author first states that "A is greater than B" but then says the difference is not statistically significant. This is somewhat misleading, you cannot have both.
4. Is there any variation by countries in Southern or Northern Europe? Is the result driven by some countries in particular?
5. Page 46: "pre-emptive hostility" may be simply inequality aversion. If there is expectation that the other player will reduce your income, reducing his income doesn't need to be interpreted as hostility. This is supported by Observation 5.
6. Page 47: if there is more uncertainty in the beliefs about the behavior of the minority, observing a peer's behavior can be interpreted as learning about the unknown type, and hence "increased hostility" is just a combination of learning and inequality aversion. Also supported by Observation 5.
7. Page 63: "harboring suspicion about the hostility of Roma" plays into this interpretation as well.
8. Given points 5-7, it seems like a cleaner test would be to have a one-sided destruction game, i.e., a game where the other player would be passive. Otherwise, it is difficult to disentangle the learning story from the direct peer effect story. At the same time, the mutual destruction game may be more informative externally as far as some ethnic conflicts develop. Either way, the author may think about another control treatment where destruction is one-sided, to separate peer effects in "pre-emptive hostility" from the development of a social norm.
9. Page 88: It is stated in footnote 2 that reactions to acute stress are different from reactions to chronic stress. But doesn't acute stress become chronic over time? There must be some adaptation to stress. In the workplace, "performance under stress" may be both concurrently with and after experiencing a stressful situation. In the experiment, only performance after the stress is studied.
10. Is the difference between genders in willingness to compete biological or social? If the stress story is correct, the difference has to be biological due to the different reactions of men and women to stress. But it was found that in matriarchic societies women are willing to compete more than men, which suggests the difference is social. Some discussion would be helpful.

11. Are there any differences in how cortisol levels change for men and women? For example, did cortisol levels increase more for women? Is there any evidence that women experience “more” stress than men from the same stimuli, in general, or in your experiment?
12. Are there differences between sessions? Is the result driven by some particular sessions?
13. You measured participants’ heart rate, but it is never mentioned again. Can you use heart rate as a proxy for effort? The key issue is separating ability from effort. Perhaps this can be done by looking at heart rate or the number of mistakes people make in the addition task.

If you have questions please do not hesitate to contact me.

With best regards,
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