LUDWIG ERHARD ifo RESEARCH SEMINARS

6th of July 2023 at 1.30 p.m.
Mathildenstraße 38, 90763 Fürth

Program

1:30 p.m. – 2:30 p.m.	**Preferences for Autonomy across Countries** **Jana Freundt (Univeristy of Fribourg)**
2:30 pm. – 3:00 p.m.	**Coffee break**
3:00 pm. – 4:00 p.m.	**Competing Causal Interpretations: A Choice Experiment** **Sandro Ambühl (University of Zurich)**
4:00 p.m. – 4:30 p.m.	**Coffee break**
4:30 p.m. – 5:30 p.m.	**Noblesse Oblige: Holding High-Status Individuals to Higher Standards** **Stefan Trautmann (University of Heidelberg)**
6:00 pm	**Conference Dinner**

Registration via email to ConferencesFuerth@ifo.de.

Deadline: 30 June 2023

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Preferences for Autonomy across Countries
Jana Freundt (Univeristy of Fribourg)

We establish the existence of preferences for autonomous choice in representative samples in nine countries using a novel preference elicitation tool. A value for choice autonomy seems to be widespread across the globe, however, our study also reveals stark differences across countries. We suggest that these differences can be linked to the organizational culture in a country: the less individualist and the more centralized the organizational culture, the higher the desire for autonomous choice in our study.

Competing Causal Interpretations: A Choice Experiment
Sandro Ambühl (University of Zurich)

A central factor when choosing an action is its causal effect on the outcome of interest. Yet, causal information is often lacking. People instead observe correlational or historical data, along with causal interpretations and action recommendations provided by experts who frequently disagree with each other. We use a laboratory experiment to study human choice in such settings. Roughly half of our subjects attempt to determine the fit of the causal interpretations to past data, as the literature on model persuasion assumes, and we outline the limits to their ability to do so. Half the subjects' choices are co-determined by the interpretations' promises of future payouts, as the literature on narrative competition assumes, or by the downside these choices entail if they are mistaken. Additionally, subjects commonly employ heuristics such as Occam's razor, but they usually prefer more complex interpretations to more parsimonious ones. We also study the extent to which behavior is robust to framing and has out-of-sample predictive power, as well as the relation between subjects' choices and their political attitudes and psychological characteristics. Finally, we will characterize the contexts in which subjects' behavioral tendencies expose them to the greatest losses and render them most receptive to misleading interpretations.

Noblesse Oblige: Holding High-Status Individuals to Higher Standards
Stefan Trautmann (University of Heidelberg)

Although there is evidence for the generosity of high-status individuals, there seems to be a strong perception that the elites are selfish and contribute little to others' welfare, and even less so than poorer people. We argue that this perception may derive from a gap between normative and empirical expectations regarding the behavior of the elites. Using large-scale survey experiments, we show that high-status individuals are held to higher ethical standards in both the US and China, and that there is a strong income gradient in normatively expected generosity. We also present evidence for a gap between people's normative expectations of how the rich should behave, and their empirical expectations of how they actually do: empirical expectations are generally lower than both normative expectations and actual giving.