

Essays on behavioral economics and the effects of the colonial rule on Java

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**AKADEMISK AVHANDLING**

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### **Coercive Institutions and Female Empowerment: Legacies of a Colonial Experiment on Java**

In this paper, we study the effects of the Dutch Cultivation System on Java that forced the native population to switch from subsistence rice production to sugar and coffee cultivation for exports. First, we show that the cultivation of sugar, but not the cultivation of coffee, is associated with stronger historical women empowerment. Second, on the basis of the existing literature, we hypothesize that this institutional shock might have affected current female empowerment through: an increase in female labor demand and supply. In the long run, we find some empirical evidence for the labor demand channel, but not the labor supply channel.

**Keywords:** coercive institutions, sugar cultivation, women empowerment, sex ratio

**JEL classification:** N25, O1, O12

### **Do consumers choose to stay ignorant?**

#### **The role of information in the purchase of ethically certified products**

The paper analyzes how consumers access information about ethical certificates and how access to this information influences consumers' purchasing decisions. This study finds that consumers do not ignore information about the effectiveness of ethical certificates in a systematic manner. Also, as long as the access to information is costless, varying the way it is provided to consumers does not influence the purchasing decision between a certified and an uncertified product. However, consumers are extremely price sensitive: once a small cost for information is introduced, most consumers are not willing to access it, and the share of consumers buying the certified product decreases significantly.

**Keywords:** strategic ignorance, market, ethical consumption, Fair Trade, Fairtrade, ethical labels

**JEL classification:** C91, D12, D64, D89

### **Environmental investment decisions: experimental evidence of team versus individual decision making**

We study experimentally how investment decisions are affected by equally stringent but different policy regime treatments. In our experiment, subjects decide on an investment level either individually or jointly in groups of three. In addition, decisions are made subject to either a tax or performance standard treatment. We find that investments are significantly higher and closer to the level that maximizes revenues of the hypothetical firm in the performance standards treatment. This holds for both, individual and group decisions but we find no evidence of an interaction effect.

**Keywords:** group behavior, investment inefficiencies, policy instruments

**JEL classification:** C92, D70, H32

### **Strategic ignorance in repeated prisoners' dilemma experiments and its effects on the dynamics of voluntary cooperation**

Being ignorant of key aspects of a strategic interaction can represent an advantage rather than a handicap. We study one particular context in which ignorance can be beneficial: iterated strategic interactions in which voluntary cooperation may be sustained into the final round if players voluntarily forego knowledge about the time horizon. We experimentally examine this option to remain ignorant about the time horizon in a finitely repeated two-person prisoners' dilemma game. We confirm that pairs without horizon knowledge avoid the drop in cooperation that otherwise occurs toward the end of the game. However, this effect is superposed by cooperation declining more rapidly in pairs without horizon knowledge during the middle phase of the game.

**Keywords:** strategic ignorance, cooperation, prisoners' dilemma, experiment

**JEL classification:** C91, D83, D89

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