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Placement Director: Guillaume Fréchette guillaume.frechette@nyu.edu 212-992-8683
Graduate Administrator: Marjorie Lesser marjorie.lesser@nyu.edu 212-998-8923

Education

Ph.D. in Economics, New York University, 2008-2015 (expected)
Advisors: Guillaume Fréchette, Debraj Ray
M.A. in Economics, Sabanci University, 2006-2008
M.A. in Philosophy, Stanford University, 2003-2005
B.S. in Physics, Stanford University, 2000-2004
Robert College, 1993-2000

References

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Professor Debraj Ray
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Professor Alessandro Lizzeri
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Research Fields

Primary fields: Microeconomic Theory, Experimental Economics

Secondary fields: Behavioral Economics, Political Economy

Teaching Experience

Spring, 2011, 2012	Experimental Economics (undergraduate), NYU, teaching fellow for Professor Fréchette
Fall, 2009, 2010	Microeconomic Theory (phd), NYU, teaching fellow for Ariel Rubinstein and Alberto Bisin
Summer, 2009	Game Theory (undergraduate), Sabanci University, Instructor
2006-2008	Game Theory (undergraduate), Sabanci University, Teaching Fellow

Research Experience

Summer 2010, 2011, 2012	Center for Experimental Social Science, NYU, Research Assistant
2011-	Research Assistant for Guillaume Fréchette

Conference Presentations

September 2013, 2014	SITE, Stanford University
July 2013	Western EAI Meeting, Seattle, WA
November 2011, 2012, October 2013, 2014	North American ESA Meeting, Tucson, AZ
May 2011, 2014	CREED/CESS Conference, University of Amsterdam

Summer Schools

July 2012	Russell Sage Foundation 10th Summer Institute in Behavioral Economics

Honors, Scholarships, and Fellowships

2012	National Science Foundation Doctoral Dissertation Grant SES - 1058380
2008-2013	MacCracken Graduate Fellowship, NYU
2006-2008	Full scholarship for MA program, Sabanci University
2000-2004	Emory C. Singletary Scholarship, Stanford University
2003	Undergraduate Research Grant, Stanford University

Professional Activities

Referee: *AER, Econometrica, Theoretical Economics, JEBO, Theory and Decision*
Co-organizer: Microeconomics Student Lunch, NYU, 2011-2012
Assistant for the AER: For Debraj Ray, Summer 2011-

Research Papers

Specialized Learning and Political Polarization

This paper presents a model which demonstrates how developments in information technologies can generate increased political polarization in the absence of any changes in voter preferences. In contrast to the previous literature on the topic, the model abstracts away from possible ideological bias in the news media, and studies on how specialization in information by the voters can generate political polarization. When there is heterogeneity among voters in terms of how much they care about different aspects of ideological competition, specialization in information allows for differentiation in learning strategies adopted by the electorate. Specialization allows voters to respond more closely to variables that influence their ideological positions, but that decreases their overall responsiveness to party platforms. In particular, equilibrium policies polarize more in fractionalized societies where there is greater disagreement about which issues matter the most. When the learning technology allows specialization in finer subissues, it effectively transforms the society into a more fractionalized one without changing the underlying preferences of the voters, and therefore increases polarization.

Cooperation in Finitely Repeated Prisoner's Dilemma (joint with Matthew Embrey and Guillaume Fréchette)

More than half a century after the first experiment on the finitely repeated prisoner's dilemma, evidence on whether cooperation decreases with experience, as predicted by backward induction, remains inconclusive. This paper provides a meta-analysis of prior experimental research and reports the results

of a new experiment to elucidate how cooperation varies with the environment in this canonical game. We describe forces that affect initial play (formation of cooperation) and unravelling (breakdown of cooperation). First, contrary to the backward induction prediction, the parameters of the repeated game have a significant effect on initial cooperation. We identify how these parameters impact the value of cooperation -- as captured by the size of the basin of attraction of Always Defect -- to account for an important part of this effect. This finding is in contradiction to the traditional hypothesis that longer horizon affect plays because it increases the number of steps of backward induction. Second, despite differences in round one behavior, for all parameter combinations, evolution of behavior is consistent with subjects understanding and following the logic of backward induction: Subjects converge to using threshold strategies which conditionally cooperate until a threshold round; conditional on using cooperative threshold strategies, the mode defection round moves earlier with experience.

Efficiency and Information Aggregation in Auctions with Heterogeneous Groups

This paper proposes a new auction*, the group auction*, for environments where the interdependencies in the valuations of the buyers can be captured by partitioning the set of the buyers into groups. Namely, I assume that valuations are uncertain but highly correlated among buyers in the same group, while less correlated among buyers from different groups. This characterization is applicable to many situations including cases where buyers can be grouped according to how they want to utilize the object; for example, if there are potentially multiple uses of the object, or if buyers differ in terms of the type of technology available to them. The group auction is easy to implement (and to decentralize). It guarantees ex-post efficiency when group valuations are independent; otherwise it converges to full efficiency as the number buyers in each group increase. Importantly, the group auction aggregates information in the limit: prices converge in probability to the true value of the object for the highest valuation buyer when the number of buyers in each group go to infinity. Furthermore, the group auction generates higher revenues than the second price auction when there are sufficiently many buyers in each group.

Infinitely Repeated Games in the Laboratory: Four Perspectives on Discounting and Random Termination (joint with Guillaume Fréchette)

While infinitely repeated games with payoff discounting are theoretically isomorphic to randomly terminated repeated games without payoff discounting, in practice, they correspond to very different environments. The standard method for implementing infinitely repeated games in the laboratory follows the second interpretation and uses random termination (proposed by Roth and Murnighan [1978]), which links the number of expected repetitions of the stage game to the discount factor. However,we know little about whether or not people treat situations where the future is less valuable than the present in the same way as interactions that might exogenously terminate. This paper compares behavior under four different implementations of infinitely repeated games in the laboratory: the standard random termination method and three other methods that de-couple the expected number of rounds and the discount factor. Two of these methods involve a fixed number of repetitions with payoff discounting, followed by random termination (proposed by Cabral, Ozbay, and Schotter [2011]) or followed by a coordination game (proposed by Cooper and Kuhn [2011]). We also propose a new method - block random termination - in which subjects receive feedback about termination in blocks of rounds. We find that behavior is consistent with the presence of dynamic incentives only with methods using random termination, with the standard method generating the highest level of cooperation. The other two methods display two advantages: a higher level of stability in cooperation rates and less dependence on past experience. We also estimate the strategies used by subjects under each method. Those estimates reveal that the average number of interactions, even when the discount rate is the same, affects strategic choices: interactions expected to be longer increase defection and decrease the use of the Grim strategy.

Finding cooperators: sorting through repeated interaction (joint with Mark Bernard and Jack Fanning)

We demonstrate how sorting between cooperative and uncooperative partners, rather than dynamic incentives, explains cooperation in an experiment on indefinitely repeated gift-exchange games. Treatments vary by whether subjects can replace their partners and whether they can reduce their gift from one round to the next. Our replacement treatment is no different initially but has higher cooperation in the long run (comparing treatments without contract restrictions). Our contract restrictions treatment has lower cooperation initially but is no different in the long run (comparing fixed partner treatments). Both of these findings are predicted by sorting and neither is predicted by dynamic incentives.

When is inequality fair? An experiment on the effect of procedural justice and agency (joint with Merve Akbas and Dan Ariely)

We investigate how the perceived fairness of income distributions depends on the beliefs about the process that generated the inequality. Specifically, we examine how two crucial features of this process affect fairness views: (1) Procedural justice - equal treatment of all, (2) Agency - one's ability to determine his/her income. We do this in a lab experiment by varying the equality of opportunity (procedural justice), and one's ability to make choices, which consequently influence subjects' ability to influence their income (agency). We then elicit ex-post redistribution decisions of the earnings as a function of these two elements. Our results suggest both agency and procedural justice matters for fairness. Our main findings can be summarized as follows: (1) Highlighting the importance of agency, we find that inequality resulting from risk is considered to be fair only when risk is chosen freely; (2) Highlighting the importance of procedural justice, we find that introducing inequality of opportunity significantly increases redistribution, however the share of subjects redistributing none remain close to the share of subjects redistributing fully revealing an underlying heterogeneity in the population about how fairness views should account for inequality of opportunity.

Research In Progress

Media Competition and the Source of Disagreement (joint with Jacopo Perego)

We identify a novel channel through which increased media competition can decrease the efficiency of electoral outcomes. We study a model in which profit-maximizing firms compete to sell information to a group of Bayesian agents about payoff-relevant characteristics of political candidates. Candidates can be different in many dimensions (competence, religious beliefs, independence, etc.). Importantly, while agents have similar preferences on some of these dimensions, (*valence*, Stokes (1963)) they disagree on others (*ideology*, Downs (1957)). Competition forces firms to differentiate their informational products to reduce pressure on prices. Differentiation leads to more information on the dimensions in which there is stronger disagreement in the electorate. Our main results show that, even though in the competitive regime the share of agents who receive information increases and, on aggregate, agents become more informed, voting becomes more ideological and the probability that the socially optimal candidate gets elected decreases. In addition, we show that this inefficiency is increasing in the degree of polarization of underlying preferences in the society.