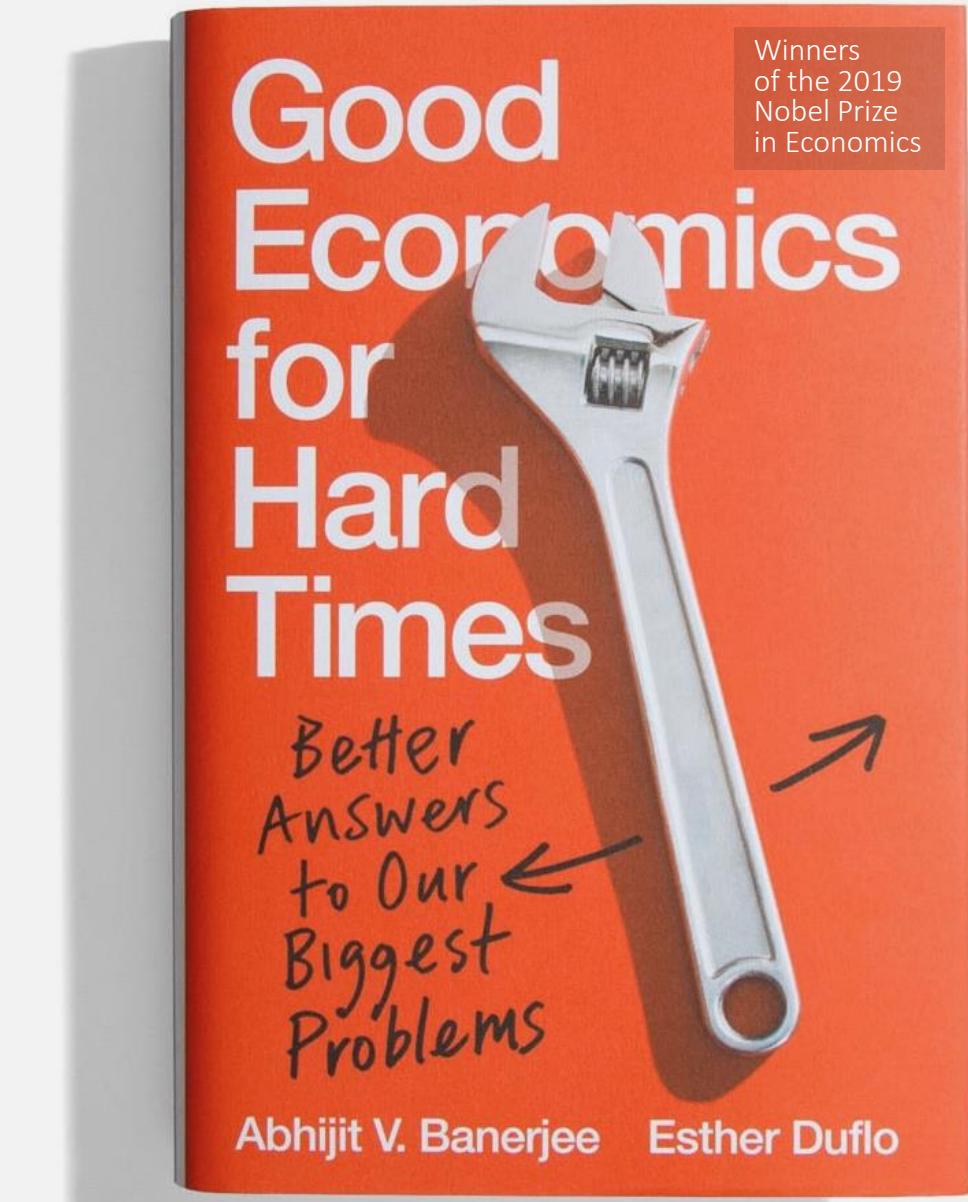




Good Economics For ~~Hard Times~~ ~~Harder Times~~ More Hopeful(?) Times

A course by Abhijit Banerjee
and Esther Duflo



Winners
of the 2019
Nobel Prize
in Economics

Lecture 6, 7 and 8: Likes, wants and need

Social networks and preferences

Welcome!

Police Violence

Discrimination

Fake news

Anti-Asian bias

Structural Racism

Polarization

“Syndemic”

Facebook and the elections

Echo chambers

The New York Times

Economics, Dominated by White Men, Is Roiled by Black Lives Matter

The editor of a top academic journal is facing calls to resign after criticizing protesters as “flat earthers” for wanting to defund the police.

THE WALL STREET JOURNAL.

Economics Journals Faulted for Neglecting Studies on Race and Discrimination

Some editors defend their records, while others agree they need to do more to diversify their ranks and think differently about race-related work

$$+ \int_0^C r_j(C) f_j dC$$

$$r_j \equiv \frac{d(\bar{r}_j C_j)}{dC_j} = \bar{r}_j \left(1 + \frac{1}{e^i}\right) \quad i_j \equiv S_j(1 +$$

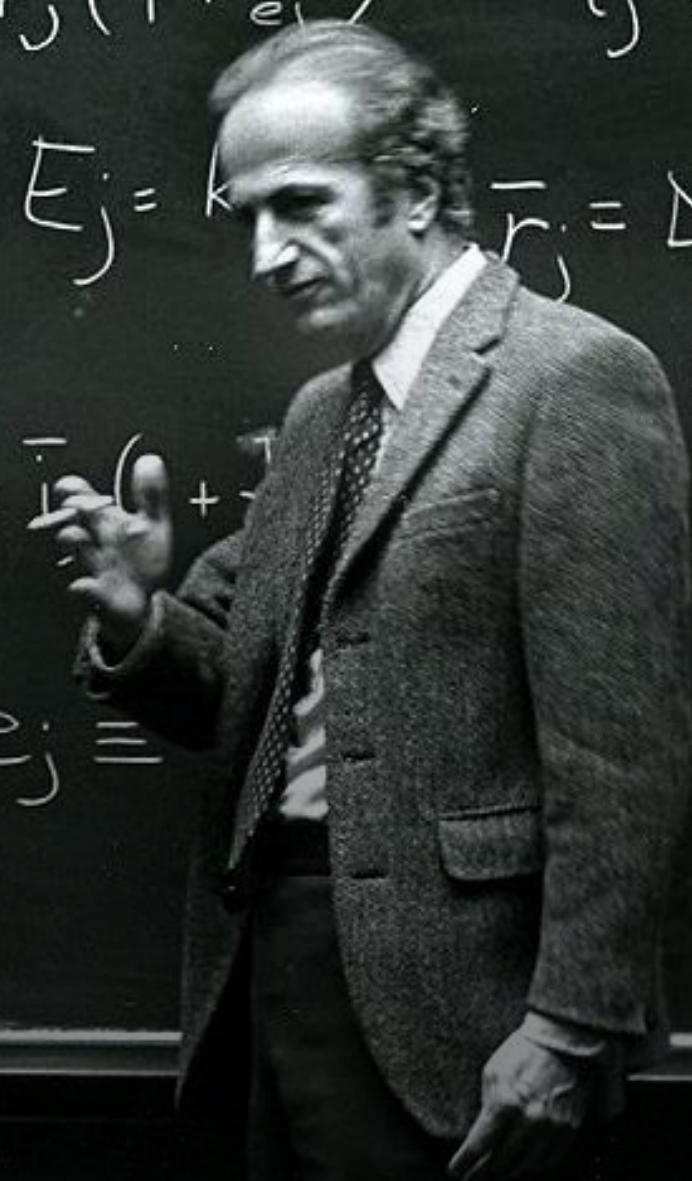
$$r(C) dC \quad C_j = k^* a_j^b$$

$$e_j \equiv \frac{dC_j}{d\bar{r}_j} \cdot \frac{r_j}{C_j} \quad E_j = k \quad \bar{r}_j = D_j(C_j) = a_j($$

$$\text{all } p.$$

$$i = S(C_j) \quad i_j \equiv \frac{d(i_j C_j)}{dC_j} = \bar{i}_j (1 + \dots)$$

$$\frac{dij}{dC_j} \geq 0 \quad f'(E) = \frac{da}{dE} f(a) \quad e_j =$$



**De Gustibus non
Est Disputandum**

Taking Becker and Stigler seriously

And seeing where this
takes us....

De Gustibus non est disputandum?

Preferences are a part of
who we are

- They are *coherent*
- They are *stable*

Economists should not try
to understand what lies
behind them.

Becker and Stigler influential piece

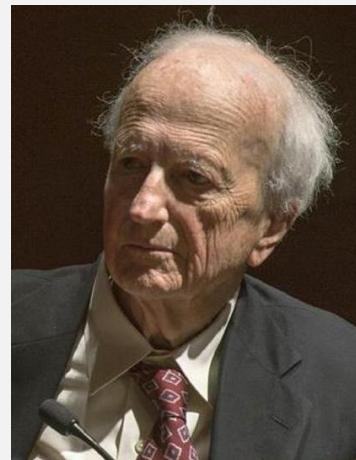


Photo: Courtesy of the University of Chicago

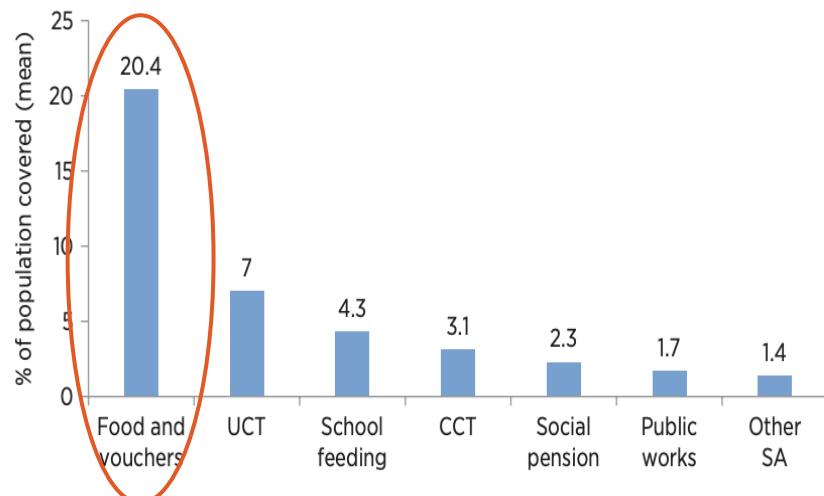


Photo: Courtesy of the Nobel Foundation Archive

Giving people some credit for their coherence is sensible...

Most social assistance is given as food...

FIGURE 1.1
Coverage of Social Assistance Programs in 108 Low- and Middle-Income Countries, Latest Available Data



Consider a poor man in Morocco who says he does not have enough food, but has a television

Many people might think that he is irrational, that he bought the TV on an impulse, and we have to be paternalistic and force him to buy food with the money we give him.

But he is saying that he really **needed** the television. And now that he had it, he would spend the money on food.

And yet, he is correct!

Give Directly evaluation: when poor households get cash transfer, a large part of the increase in expenditure is spent on food

In addition: IFPRI conducted several RCT comparing food, vouchers, and Cash

Generally, cash leads to just as much expenditure on food as food or voucher

TABLE V
TREATMENT EFFECTS: CONSUMPTION

	(1) Control mean (std. dev.)	(2) Treatment effect	(3) Female recipient	(4) Monthly transfer	(5) Large transfer	(6) <i>N</i>
Food total (US\$)	104.46 (58.50)	19.46*** (4.19)	-1.81 (7.37)	1.79 (7.42)	8.28 (7.59)	940
Cereals (US\$)	22.55 (17.18)	2.23** (1.13)	0.37 (1.87)	-1.06 (1.86)	2.68 (2.07)	940
Meat & fish (US\$)	12.97 (13.75)	5.05*** (1.01)	0.87 (1.82)	-2.93 (1.92)	2.52 (1.63)	940
Alcohol (US\$)	6.38 (16.56)	-0.93 (0.99)	1.56 (1.62)	1.03 (1.64)	-1.42 (1.33)	940
Tobacco (US\$)	1.52 (4.13)	-0.15 (0.22)	0.12 (0.34)	0.42 (0.33)	-0.29 (0.30)	940
Social expenditure (US\$)	4.36 (5.38)	2.43*** (0.48)	-2.06** (0.97)	-0.52 (0.99)	0.62 (0.90)	940
Medical expenditure past month (US\$)	6.78 (13.53)	2.58*** (0.99)	2.06 (1.86)	-1.34 (1.86)	-0.29 (1.74)	940
Education expenditure (US\$)	4.71 (8.68)	1.08** (0.51)	0.48 (0.88)	-0.02 (0.87)	1.15 (0.91)	940
Non-durable expenditure (US\$)	157.61 (82.18)	35.66*** (5.85)	-2.00 (10.28)	-4.20 (10.71)	21.25** (10.49)	940
Joint test (<i>p</i> -value)		.00***	.47	.13	.01***	

Haushofer and Shapiro, Give Directly evaluation

But are preferences really *stable*?

People seem to be often following what other people do.

Isn't that inconsistent with stable preferences?

Well, not necessarily. People could have stable preferences, and nonetheless follow fads

Why do people follow other people when deciding where to wait for the train?

Or that the election was stolen?



Photo: Brandi Lyon Photography | Shutterstock.com

A simple model of Herd Behavior (Banerjee, 1992)

Suppose people believe other people know something

- For example the train will stop at a particular place

This can lead them to follow what they do

Potentially at the cost of ignoring their own information

But then the crowd would grow bigger

Leading other people to ignore their own information

An information cascade is born

Informational cascades on line

100k comments submitted to a web site were randomly assigned one down vote, one up vote, or nothing

The downvote is immediately compensated

The upvote isn't, and over time is amplified

After 5 months, final rating was 25% higher for comments that received one upvote.

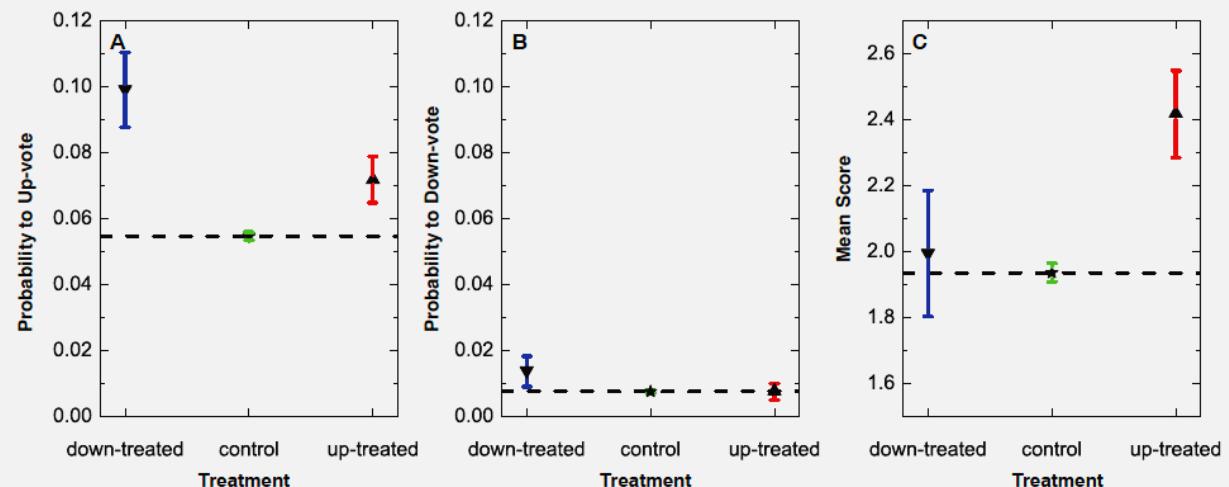


Fig. 1. Effect of manipulation on voting behavior. The positively manipulated treatment group (up-treated), the negatively manipulated treatment group (down-treated), and the control group (dotted line) are shown. The probabilities to up-vote (A) and down-vote (B) positively manipulated, negatively manipulated, and control group comments are shown by the first unique viewer; 95% confidence intervals are inferred from Bayesian logistic regression with commenter, rater, and commenter-

rater random effects. (C) The mean final scores of positively manipulated, negatively manipulated, and control group comments are shown with 95% confidence intervals inferred from Bayesian linear regression of the final comment score with commenter random effects. Final mean scores on this Web site are measured as the number of up-votes minus the number of down-votes. We discuss the implications of this measurement in greater detail in the supplementary materials.

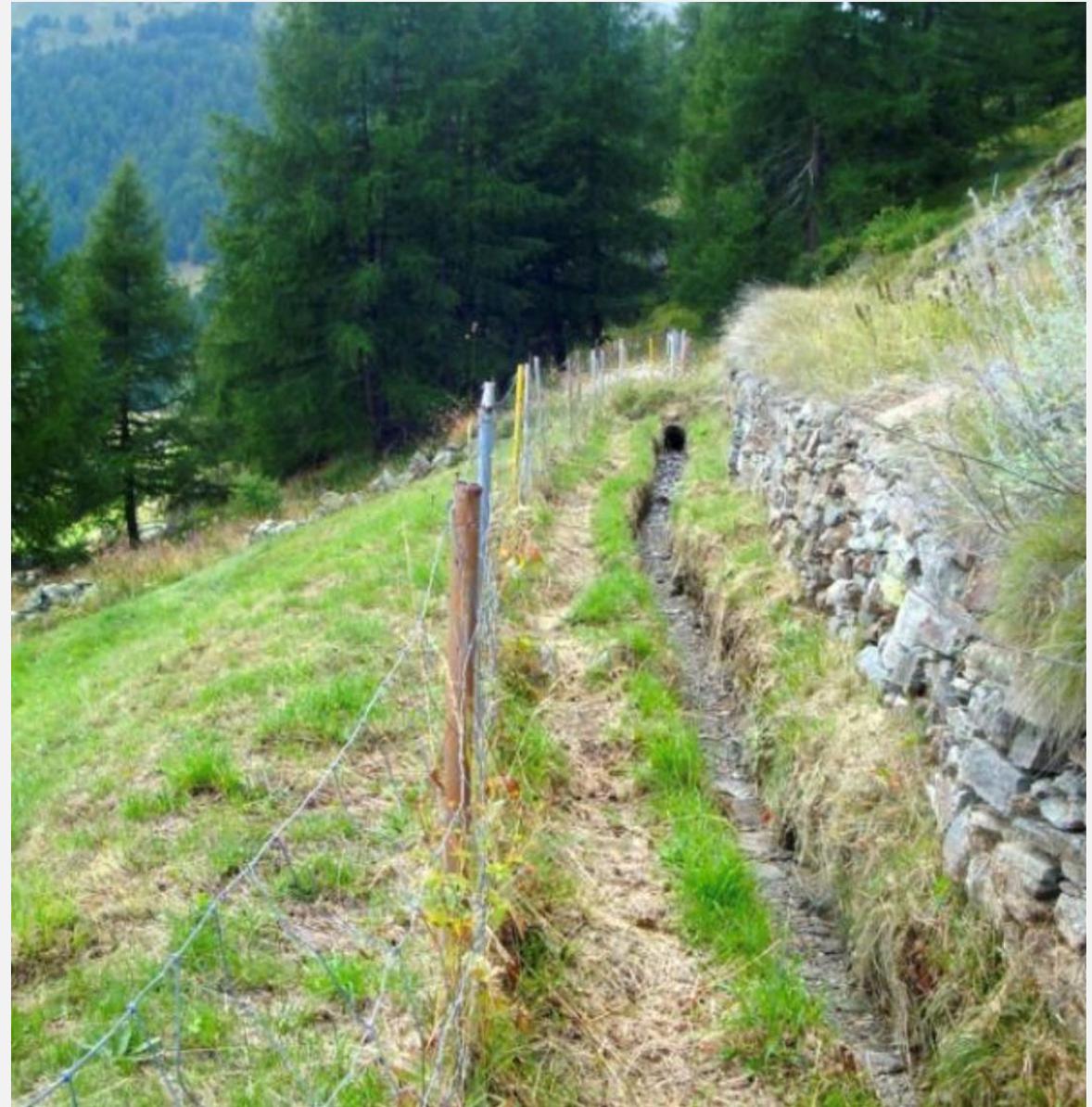
Source: Munchnik et al, 2013 (science)

Social pressure can also rationalize group behavior

Elinor Ostrom described the role of social norms in “government-less” management of common in small communities

Such collective enforcement of common property, common grazing is seen throughout the world

And can work better than private property to preserve the environment



Bisse du valais à trobel
Photo: musée des bisses

The “Folk theorem”

If two people play this game for one round, they will defect

But if a community plays for a long, long time, and agree to cooperate and punish those who don't, they can sustain it

This is however fragile: if anyone anticipates the arrangement may break down, they may start to defect

The community does not tolerate any sign of defection...

THE PRISONER'S DILEMMA

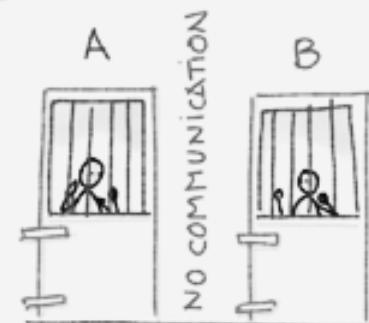
WHEN FOLLOWING SELF-INTEREST CAN PROVE A WORSE OUTCOME FOR ALL

- ① TWO GUILTY PRISONERS are individually offered a deal...

Tell us who did it and you'll get off free

- ② WHICH GIVES THEM A DILEMMA betray the other, or stay silent

SENTENCES :



		SILENCE	BETRAY
		A	B
A	SILENCE	1 yr 1 yr FREE!	3 yrs
	BETRAY	FREE! 3 yrs	2 yrs 2 yrs

What do you choose?

Source: Sketchplanations.com

The good, the bad and the ugly of community enforcement

Economists have typically emphasized the positive aspects of community

- Social insurance: You help others in case of need, knowing they will help you if you need it. A critical support system in many developing countries where there is no formal insurance.

But the power of the community can also mean that the power of caste or race endures, even if no one really cares: it is enough to be scared that others will enforce the rule (Cole, Mailath and Postelwaithe).

The Doctor and the Saint



Photo: Public domain, via Wikimedia Commons

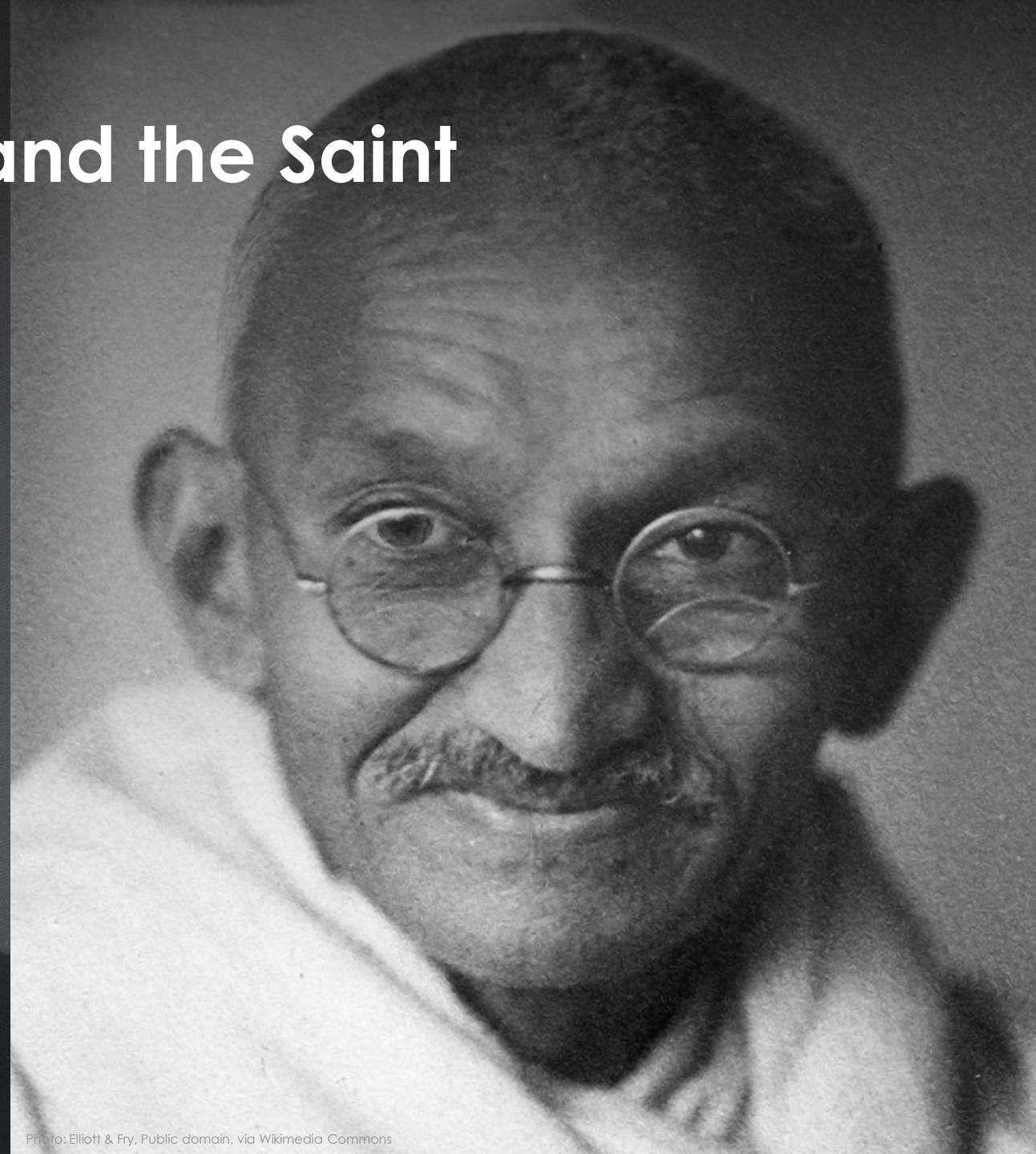


Photo: Elliott & Fry, Public domain, via Wikimedia Commons

Ambedkar

“ A sink of localism,
a den of ignorance,
narrow mindedness
and communalism

Gandhi

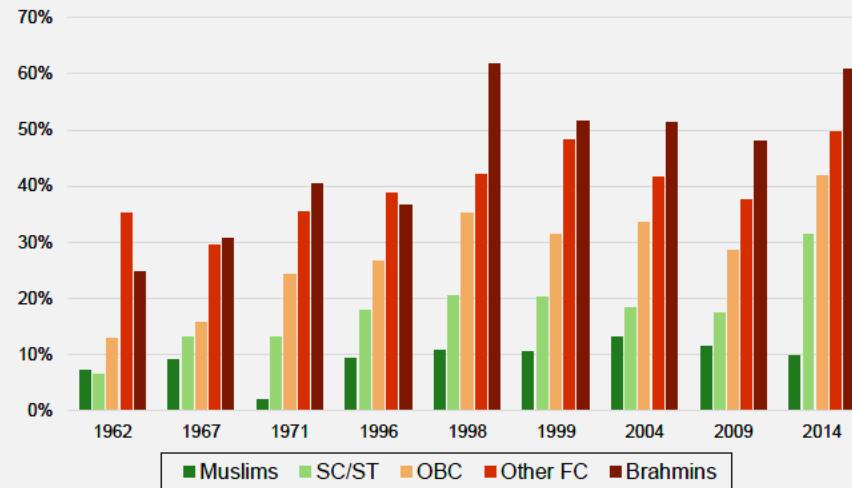
“ The future of India lies
within its villages

Caste continues to profoundly affect politics



Illustration: Neezabh Toons

Figure 3.2 - Vote for BJP and other right-wing parties by caste, 1962-2014



Source: Banerjee, Gethin, Piketty

Table 1: Jurisdiction Demographics and Non-Low Caste Party Legislators: 1980 and 1996

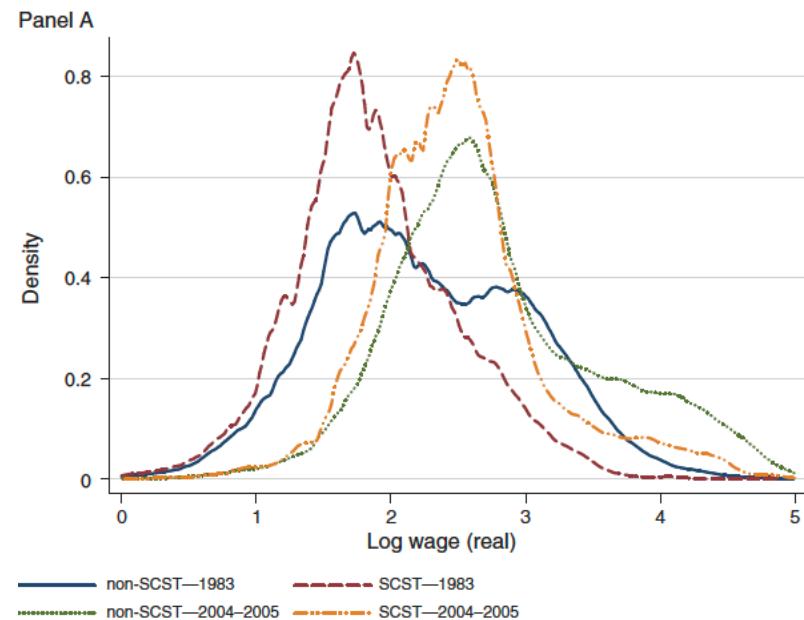
	Low caste population (LOshare)	
	Below 50%	Above 50%
1980	0.72 (0.09)	0.80 (0.04)
1996	0.69 (0.09)	0.39 (0.05)

Source: Banerjee Pande

Progress

Some Convergence in Caste wages in 1983: difference went from 35% to 29%

Explained in particular by Affirmative Action (access to education and jobs)



...and persistence

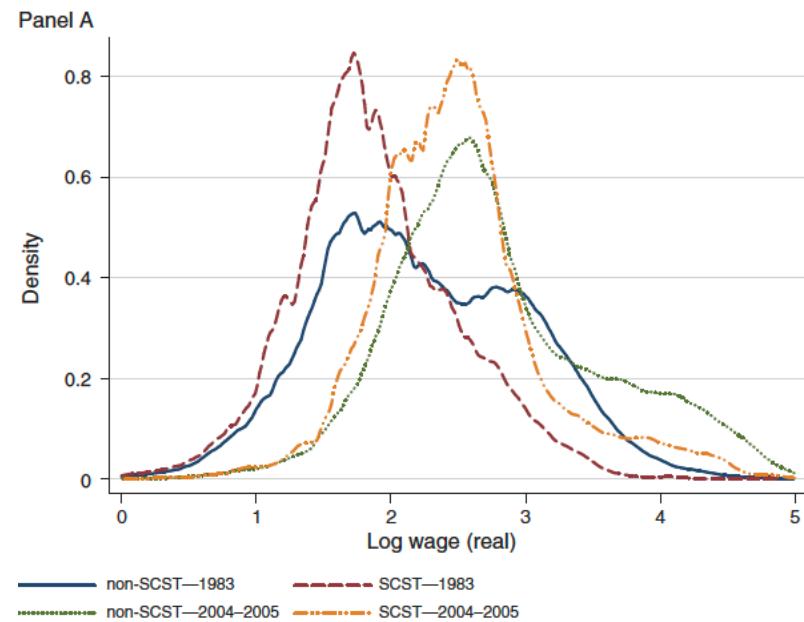
A survey of 565 villages in 11 Indian states found that untouchability was still practiced in 85% of villages

- In 47%, Dalits could not sell milk
- In 35% they could not sell in local markets
- In 32% they had to use separate utensils in restaurant
- In 33% they had no access to irrigation for their fields

Progress

Some Convergence in Caste wages in 1983: difference went from 35% to 29%

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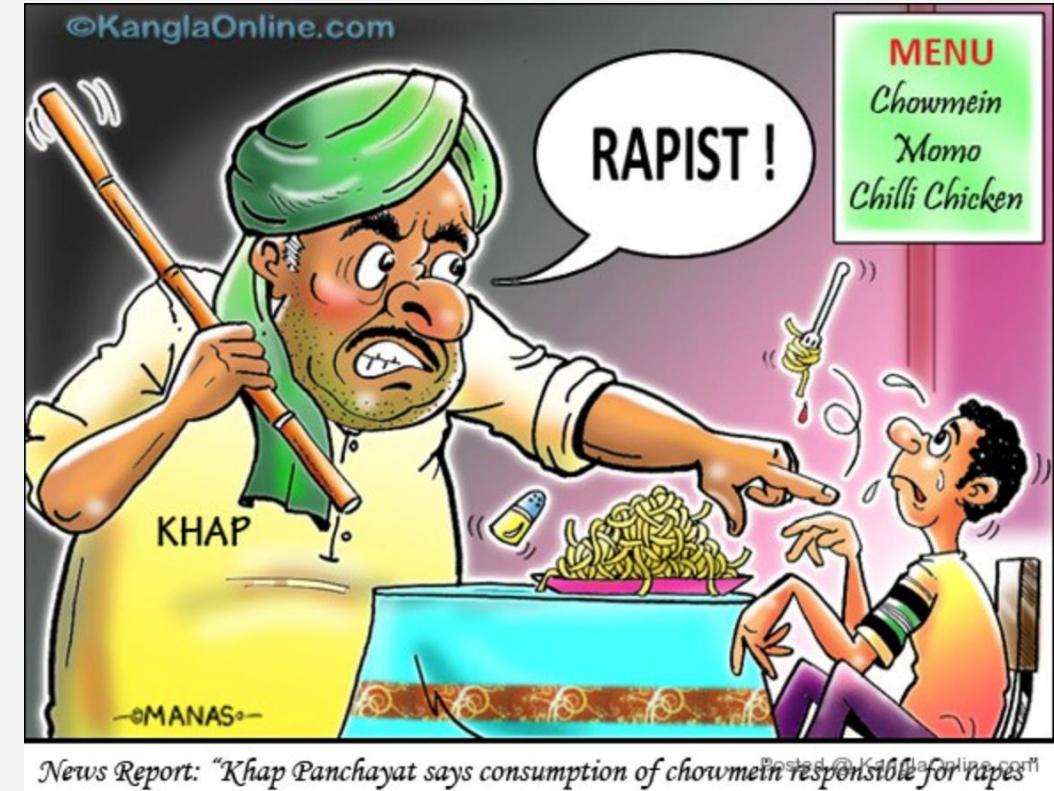


Illustration: KanglaOnline.com

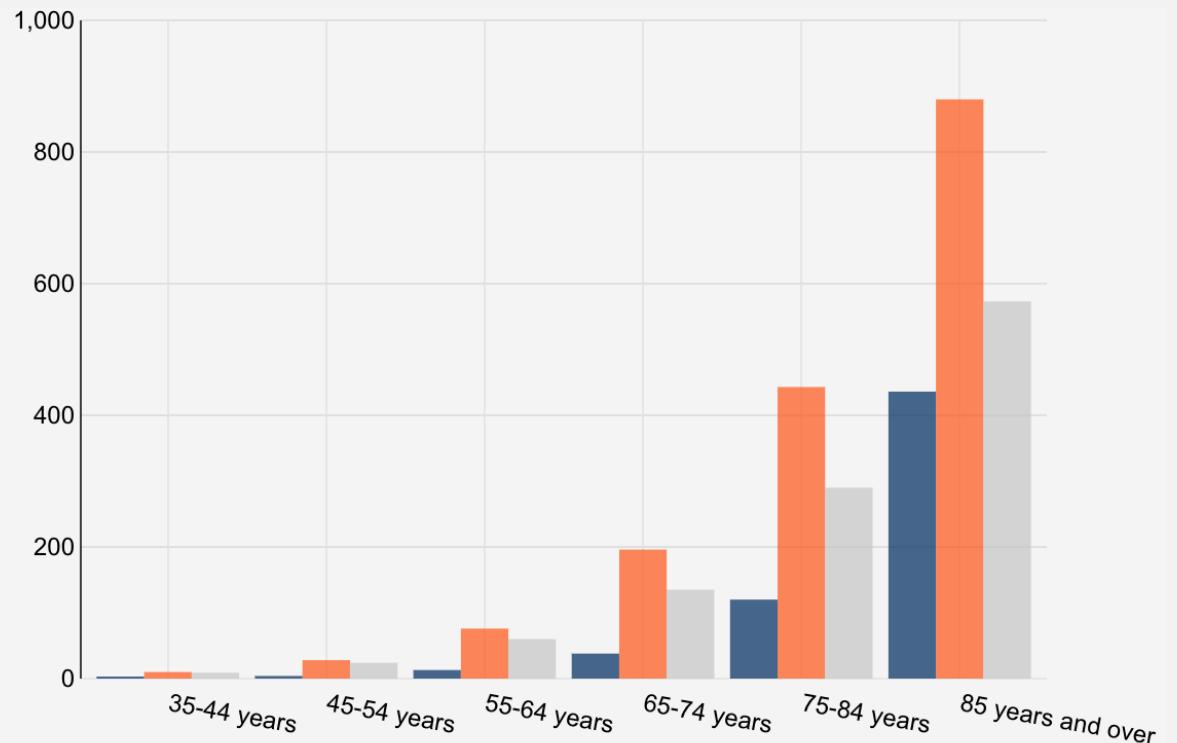
Racism and bigotry in the US

The pandemic put racial inequality into focus

Covid-19 death rates by age and race

Rates per 100,000

White Black Hispanic/Latino



BROOKINGS

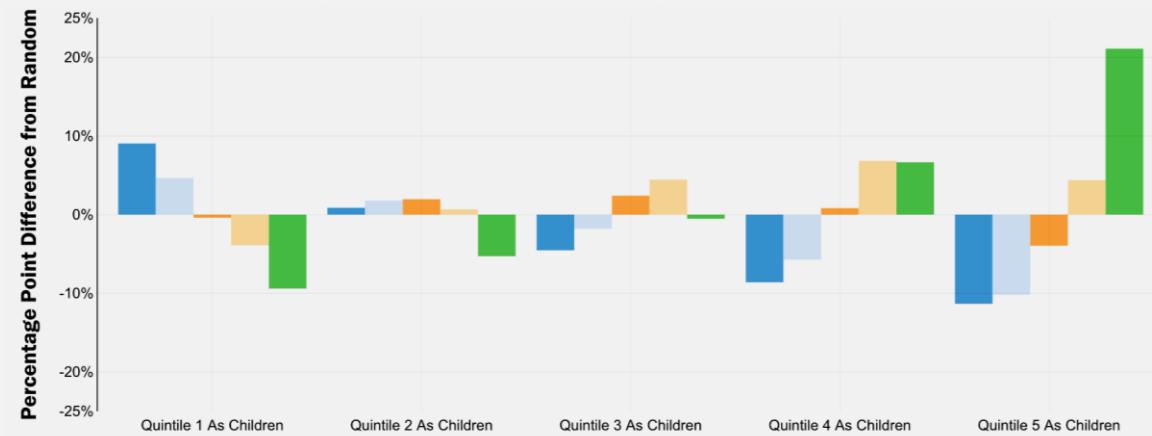
Source: CDC data from 2/1/20-6/6/20 and 2018
Census Population Estimates for USA

A world of discrimination

More White Upward Mobility

Conditional Transition Probabilities for White Children

● Quintile 1 As Adults ● Quintile 2 As Adults ● Quintile 3 As Adults ● Quintile 4 As Adults ● Quintile 5 As Adults



BROOKINGS

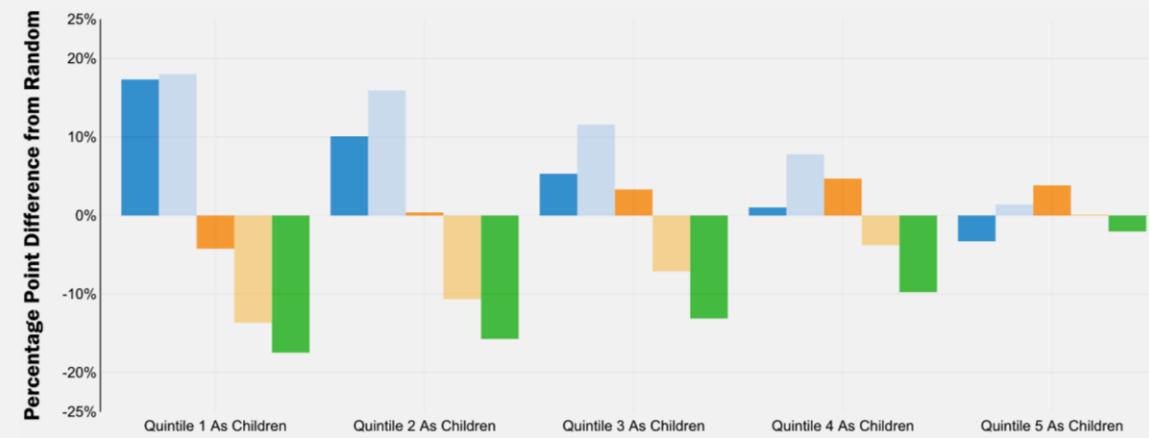
Source: Chetty R, Hendren N, Jones M.R., and Porter S.R. (2018) "Race and Economic Opportunities in the United States: An Intergenerational Perspective"

A world of discrimination

More Black Downward Mobility

Conditional Transition Probabilities for Black Children

● Quintile 1 As Adults ● Quintile 2 As Adults ● Quintile 3 As Adults ● Quintile 4 As Adults ● Quintile 5 As Adults



BROOKINGS

Source: Chetty R, Hendren N, Jones M.R., and Porter S.R. (2018) "Race and Economic Opportunities in the United States: An Intergenerational Perspective"

A world of discrimination

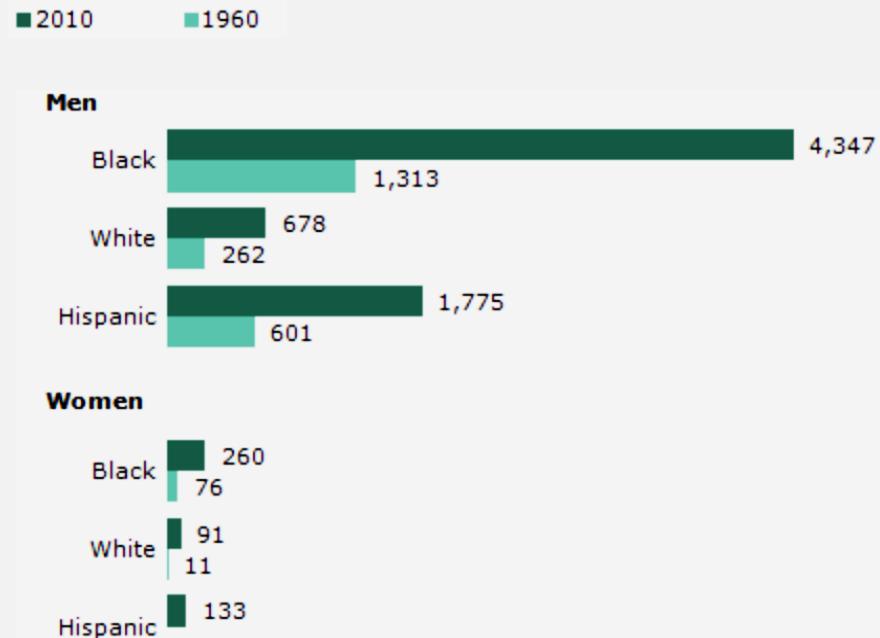
Mean Call-Back Rates by Racial Soundness of Names^a

	<i>Call-Back Rate for White Names</i>	<i>Call-Back Rate for African American Names</i>	<i>Ratio</i>	<i>Difference (p-value)</i>
Sample:				
All sent resumes	10.06% [2445]	6.70% [2445]	1.50	3.35% (.0000)
Chicago	8.61% [1359]	5.81% [1359]	1.48	2.80% (.0024)
Boston	11.88% [1086]	7.83% [1086]	1.52	4.05% (.0008)
Females	10.33% [1868]	6.87% [1893]	1.50	3.46% (.0001)
Females in administrative jobs	10.93% [1363]	6.81% [1364]	1.60	4.12% (.0001)
Females in sales jobs	8.71% [505]	6.99% [529]	1.25	1.72% (.1520)
Males	9.19% [577]	6.16% [552]	1.49	3.03% (.0283)

A world of discrimination

Incarceration Rates, 1960 and 2010

Inmates per 100,000 U.S. residents



Note: Incarceration rates are for total prisoners in local, state and federal correctional facilities. Total prisoners includes persons under age 18. Hispanics are of any race. Whites and blacks include only non-Hispanics. In 2010, whites and blacks include only those who reported a single race. Asians, Native Americans and mixed-race groups not shown. A figure for Hispanic women in 1960 is not shown due to small sample size.

Source: For 1960, Pew Research Center analysis of Decennial Census data (IPUMS); for 2010, Bureau of Justice Statistics data <http://www.bjs.gov/content/pub/pkus10.pdf>

PEW RESEARCH CENTER

A world of discrimination

Eric Garner 2014
Michael Brown 2014
Tamir Rice 2014
Walter Scott 2014
Alton Sterling 2015
Philando Castille 2016
Stephon Clark 2018
Breonna Taylor 2020
George Floyd 2020
Daunte Wright 2021

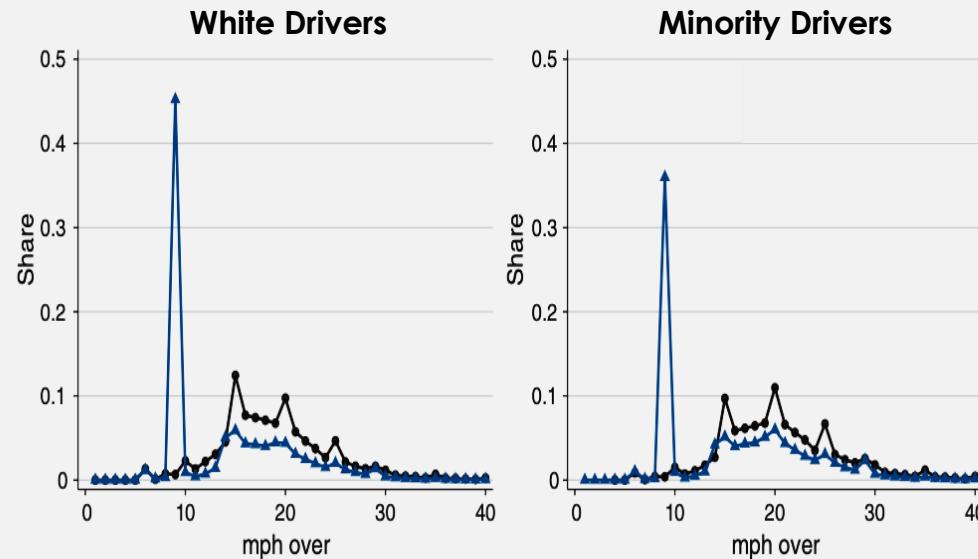
A world of discrimination

Eric Garner 2014
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Driving While Black

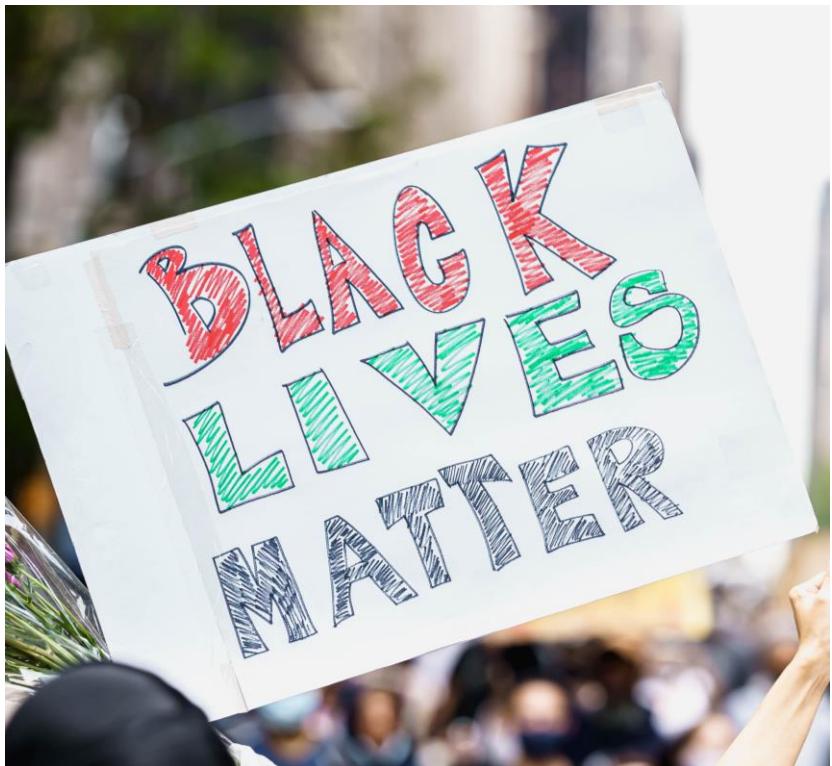
Difference-in-Differences Raw Data Plot

● Non-lenient officers ▲ Lenient officers



Notes: The left panel plots the histograms of speeds for white drivers, separately for stops made by lenient and non-lenient officers. The right panel plots the same histograms of speeds for minority drivers, separately by officer lenience.

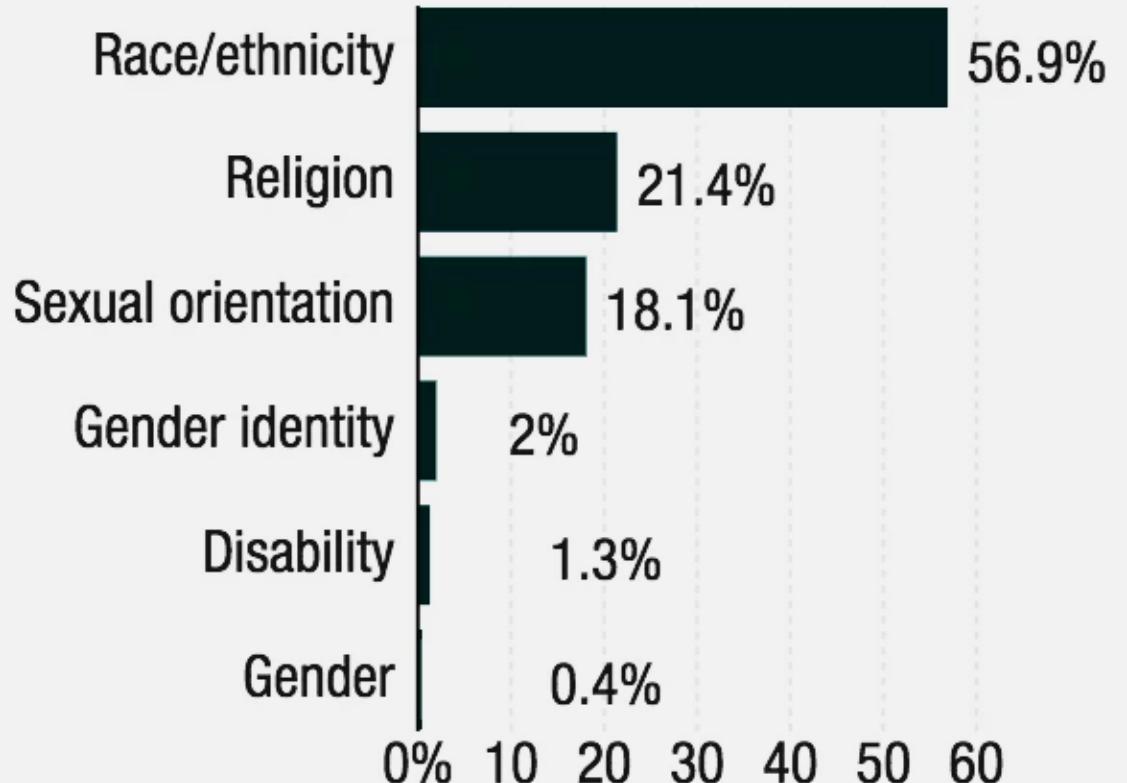
The rise in hate crime



Protests in NYC, June 2020.

Photo: tefiana.photographer | Shutterstock.com

Motivations for hate crime incidents, 2015



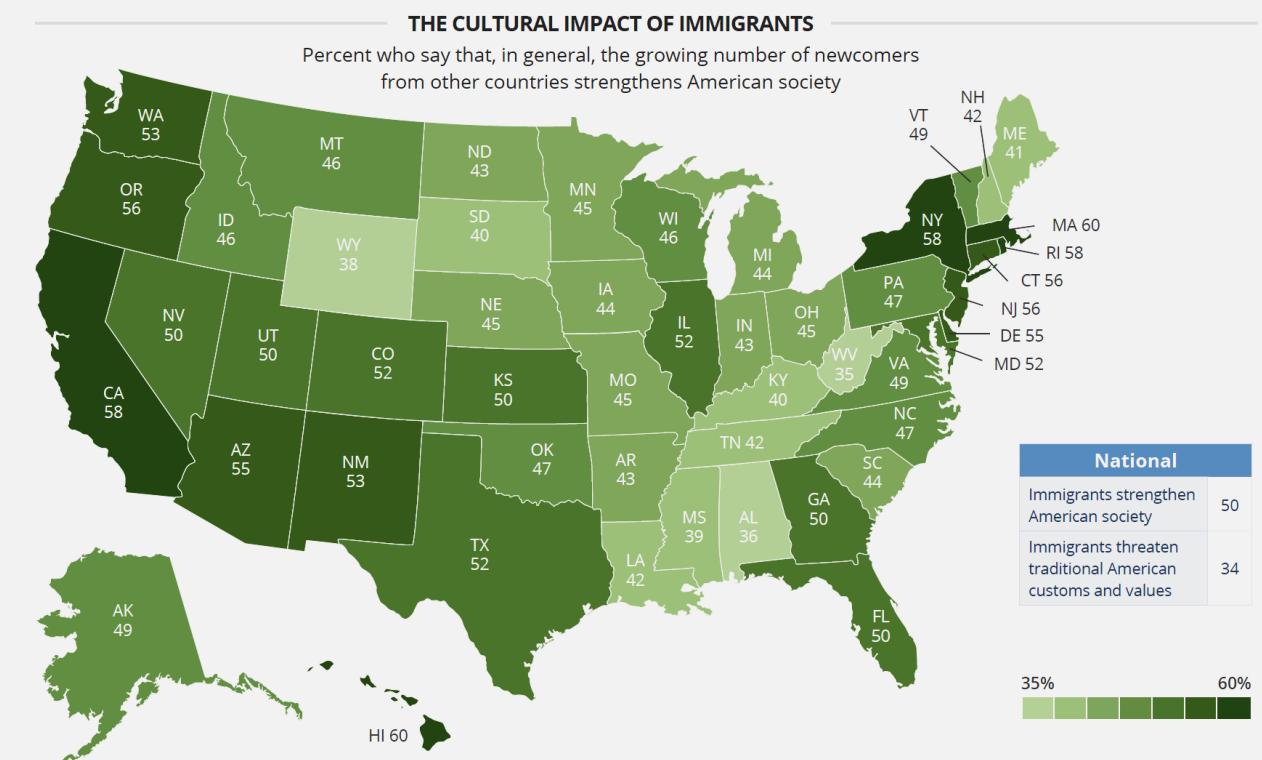
Source: FBI/Camila Domonoske/NPR

Anti-immigrant sentiment

Nearly half of residents in Wyoming (48%), Alabama (47%), and West Virginia (47%) believe that immigrants pose a threat to American culture.

More than four in ten residents living in Kentucky (44%) and Arkansas (44%) also believe that immigrants represent a threat to American culture and values.

Anti-immigrant sentiment seems to have little to do with direct economic competition



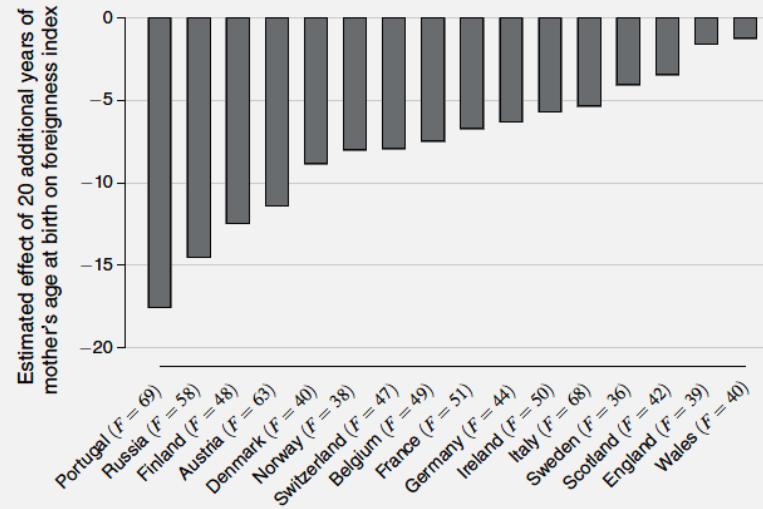
Yet, migrants are just as likely to assimilate as in the past

Immigration wave after immigration wave, natives assumed that “this time it is different” and this particular wave of migrants will not assimilate

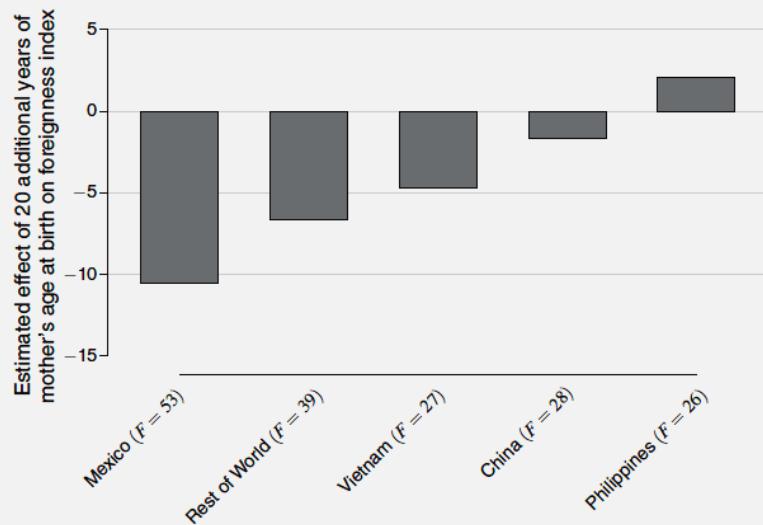
And yet... they do

Source: Abramitzky et al. (2020)

Panel A. Historical data (1920 census)



Panel B. Modern data (California birth certificates)



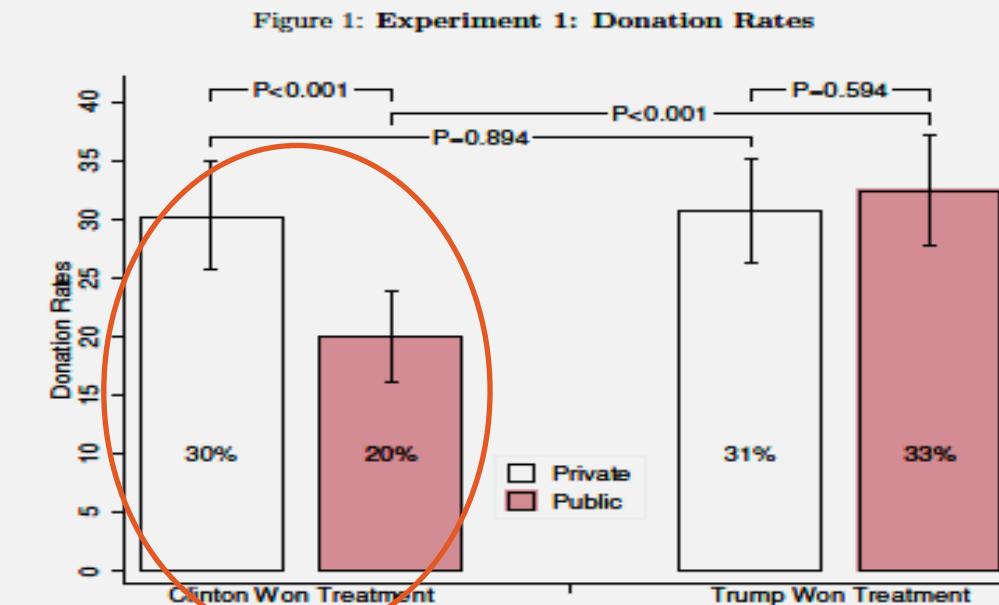
Coming from the top: a new license to express bigotry

Researchers asked for donation
to an anti-immigrant organization

In the public condition, the
language did not guarantee
anonymity of results

They reminded respondent either
that Trump won the county or that
Clinton won the MSA

When reminded that Clinton won, respondents
donate less if they think it will be made public



Source: Bursztyn et al. (2020)

Can there be a rational explanation?

Anti-Muslim aggressions grow in India when Muslims are doing better economically: it can be a convenient cover for theft

Back to the community: expressing your hatred for others may be a way to signal your fealty to the group, particularly when you need it more (during the Asian financial crisis, membership to Koranic reading group increased)

And finally... Statistical discrimination.
If a group behaves differently **on average** then all members of the group are punished for being part of it.

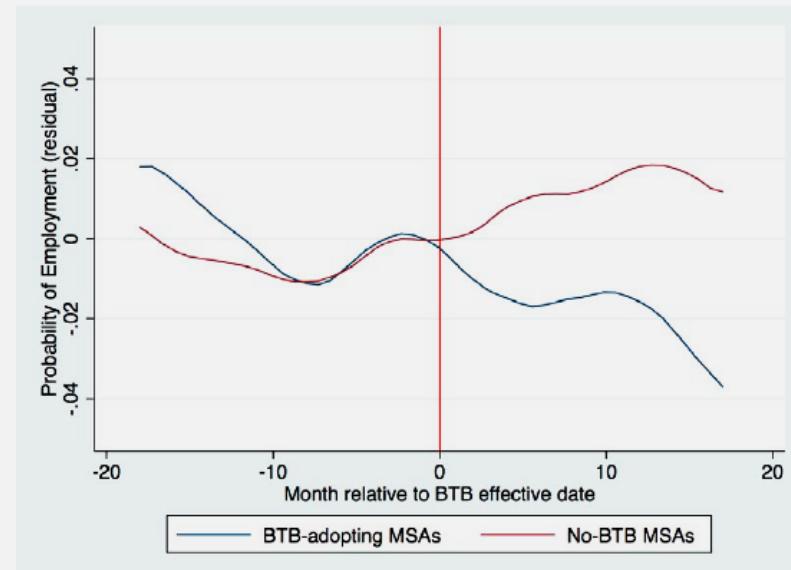
Statistical discrimination does exist

Well intentioned policy to prevent employers to access criminal history

Led to a steep decline in hiring rates for Black men

Ban the box reduced Black Male employment

Figure 2: Effect of BTB on probability of employment for black men ages 25-34, no college degree



Data source: CPS 2004-2014. Sample includes black men ages 25-34 who do not have a college degree. To allow at least 18 months of data before and after the effective date, this graph is limited to jurisdictions that implemented BTB between June 2005 and July 2013. The mean of the effective dates applying to this group for BTB-adopting jurisdictions in this window – October 2010 – is used as the "effective date" for the no-BTB jurisdictions.

Source: Doleac and Hansen (2016)

**But it cannot possibly
be all there is to it...**

Becker and Stiegler
under assault

Stereotype Threat

Claude Steele and associates

- In the original research, Black subjects did as well as white on a test when they were told it was a “laboratory problem solving task”
- But less well when it was presented as “a test to measure your intellectual ability”

White students on a math test

- Did worse on the test when they were told that the test was designed to test "why Asians tend to outperform on math ability"

Women who are strong students in math

- Did less well at a hard math test than boys
- But not if they were told “you may have heard that women do less well than men at math but it is not true for this particular test”

Yet people should have no reason to statistically discriminate against themselves!!

Self-fulfilling prophecies

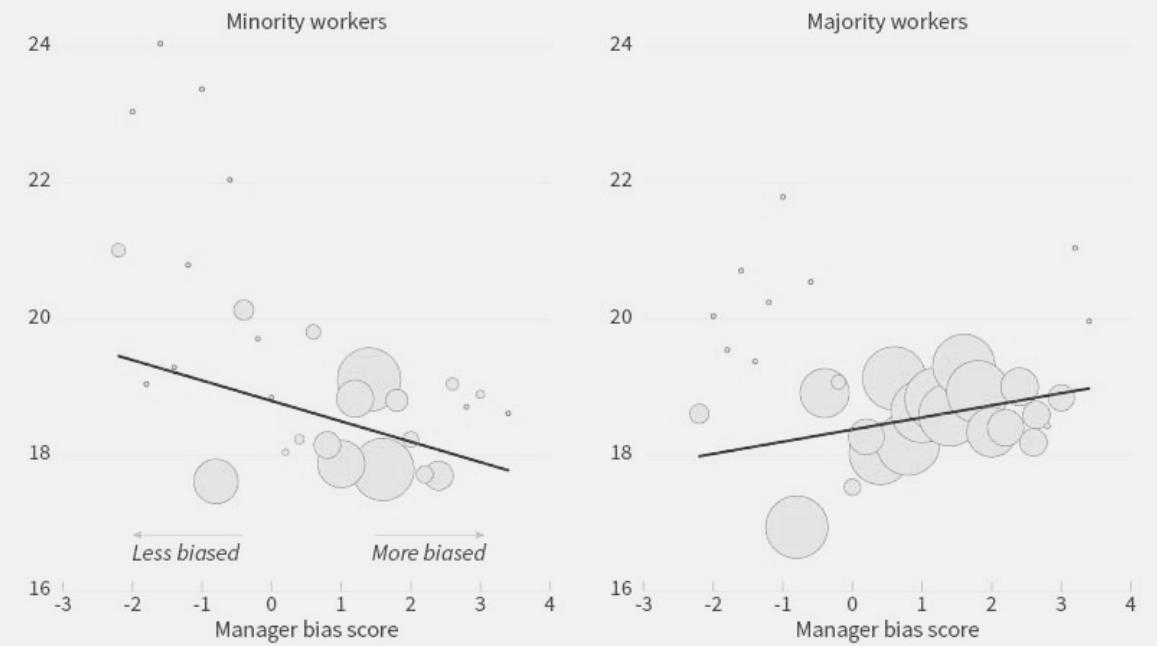
Implicit bias can be measured via an "implicit association test" (Banaji and associates)

Working at a computer, you have to classify items on the left or on the right. When you have to sort things that "go together" on the same side, you go faster

This helps detect biases you may not even be aware of

At a French grocery chain, minority workers that were assigned to more biased managers did less well.

Worker Performance and Manager Bias
Items scanned per minute



Larger circles denote larger numbers of data points

Source: Researchers' calculations using data from a French grocery store chain

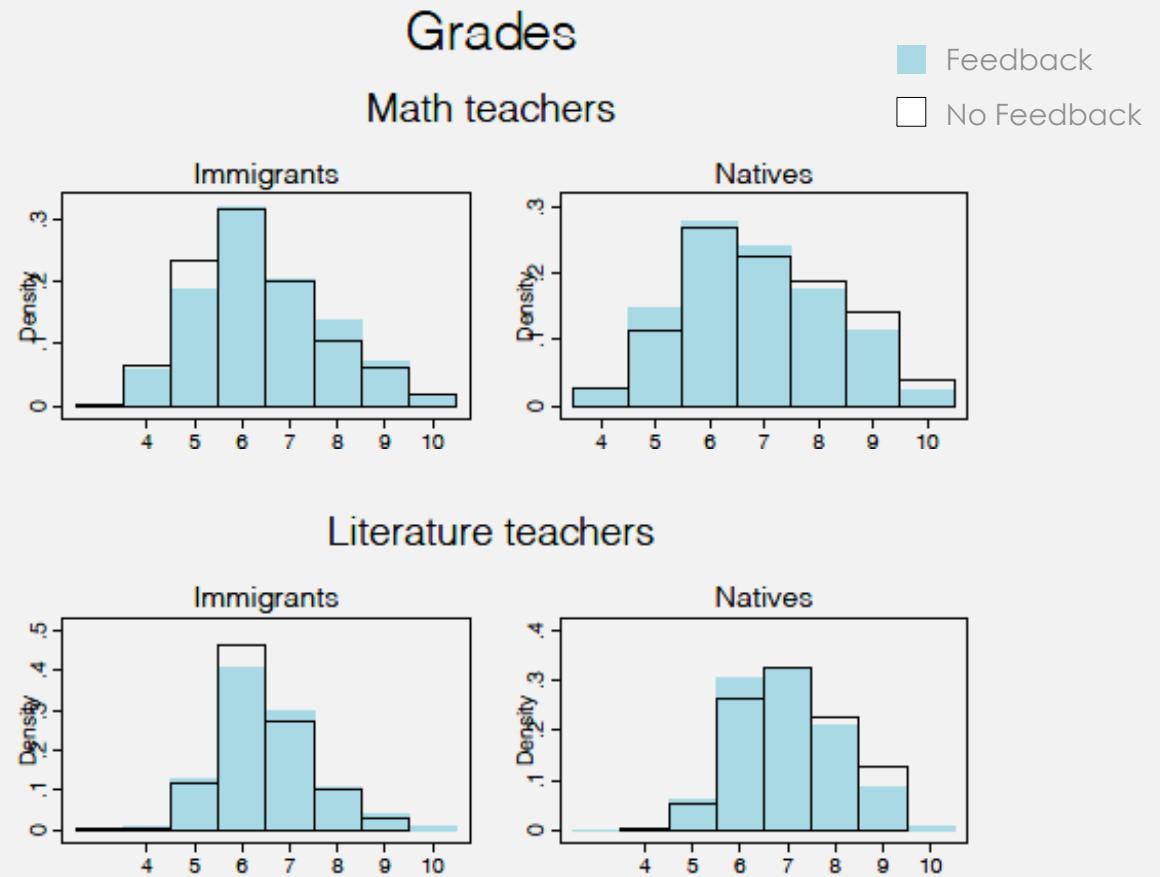
Source: Glover, Pallais, Pariente

Revealing the bias can help correcting it

Teachers in Italy who are biased against migrants (as revealed by IAT) give them lower grade

But revealing the IAT lead all teachers (biased and not) to give better grades to migrants

The impact of revealing bias to teachers on grading of immigrant and native students



Why do the chips always fall the same ways?

The stereotype always end up to the disadvantage of the Black people....

They have to be the product of our social experience

In a Claude Steele experiment, Black and white student were given some task exercise

- When race was not primed, white and Black did the same
- When race was primed, Black did less well



Photo: Debby Wong | Shutterstock.com

Tiger Woods would prove them wrong

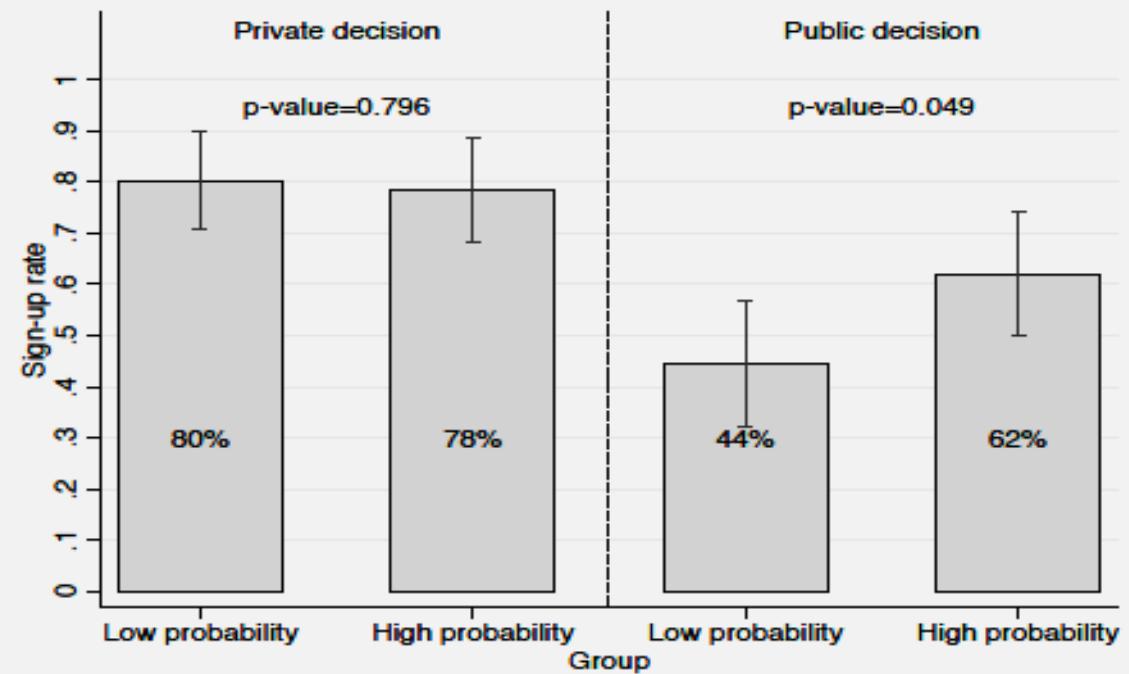
In another experiment, the same task was presented as a test of “natural athletic ability” vs “sports intelligence” Guess what happened?

The social context has a way creeping back...

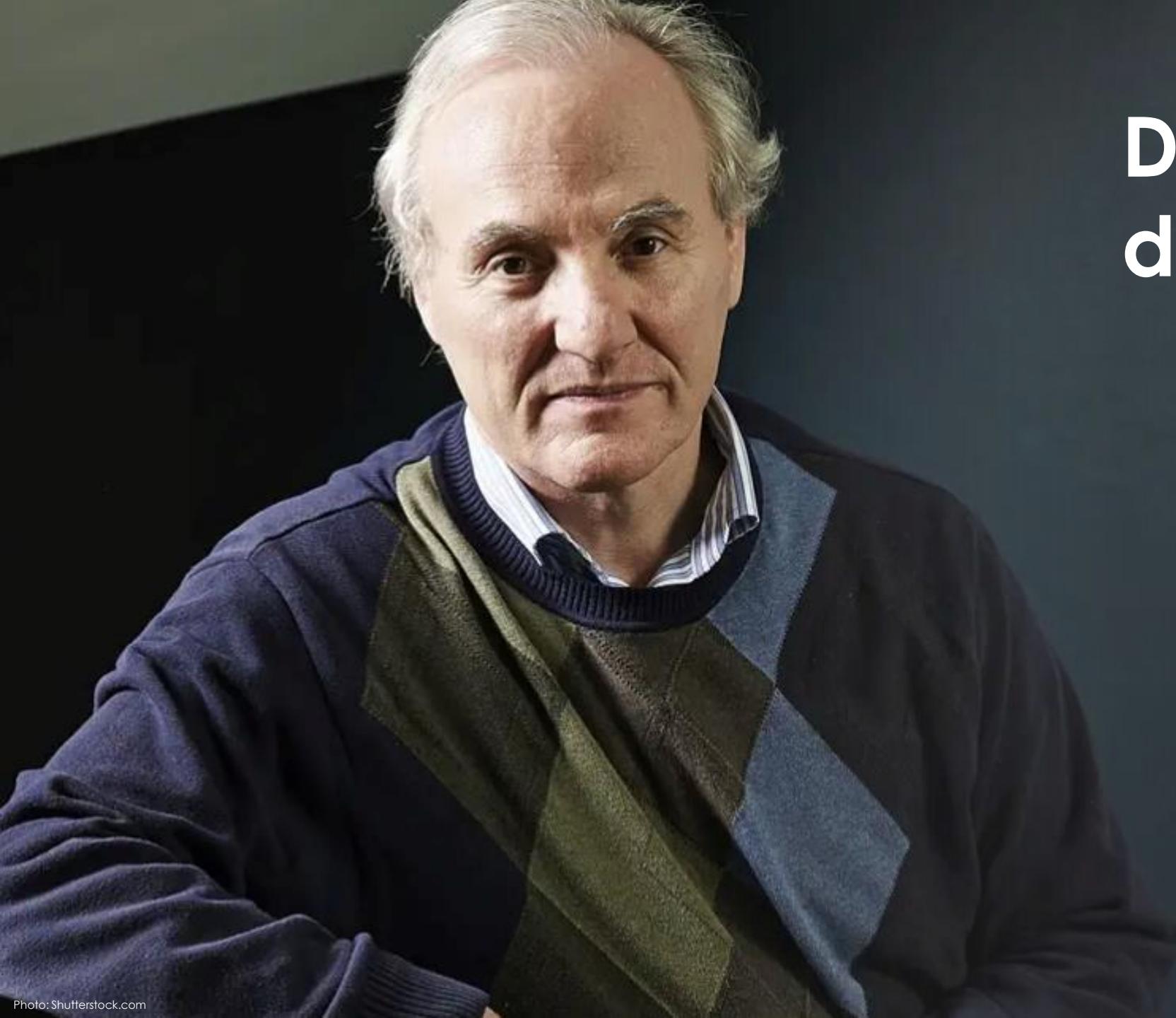
Similarly, social norms are not arbitrary.

The norm against “acting white” is more likely to be selected among kids who are otherwise disadvantaged

Students don't want to sign up for a SAT package and reveal they are “dorks,” if this will be made public



(a) Smart-to-be-Cool School

A portrait of a middle-aged man with white hair, looking directly at the camera with a neutral expression. He is wearing a dark blue sweater over a light-colored, horizontally striped shirt.

**De Gustibus ES
disputandum!!**

Mugs or Pen?

A classic experiment by
Kahneman and Thaler

The endowment effect



Illustration: Slidemodel.com

slidemodel.com

What is your social security number?

MBA students were first asked whether they would want to purchase the item at a price equal to the last 2 digits of their SSN

Then they were asked to bid for the items

Those with higher SSN bid higher

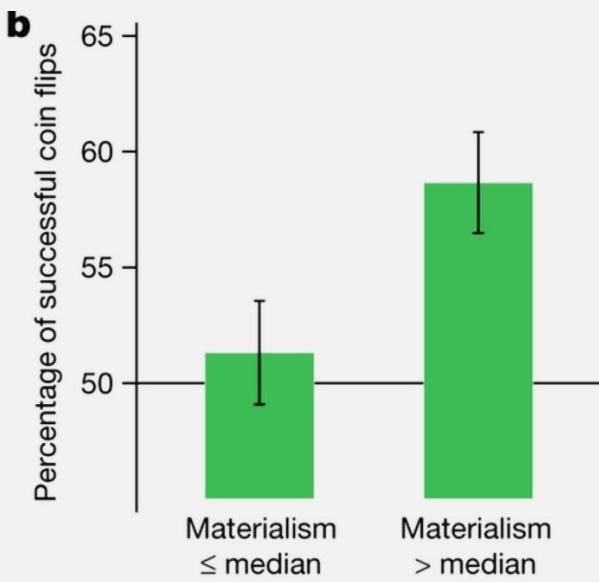
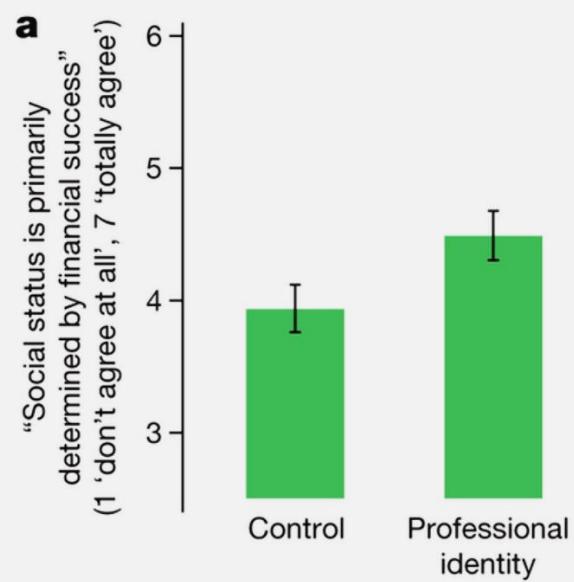
TABLE I
AVERAGE STATED WILLINGNESS-TO-PAY SORTED BY QUINTILE OF THE SAMPLE'S SOCIAL SECURITY NUMBER DISTRIBUTION

Quintile of SS# distribution	Cordless trackball	Cordless keyboard	Average wine	Rare wine	Design book	Belgian chocolates
1	\$ 8.64	\$16.09	\$ 8.64	\$11.73	\$12.82	\$ 9.55
2	\$11.82	\$26.82	\$14.45	\$22.45	\$16.18	\$10.64
3	\$13.45	\$29.27	\$12.55	\$18.09	\$15.82	\$12.45
4	\$21.18	\$34.55	\$15.45	\$24.55	\$19.27	\$13.27
5	\$26.18	\$55.64	\$27.91	\$37.55	\$30.00	\$20.64
Correlations	.415	.516	0.328	.328	0.319	.419
	p = .0015	p < .0001	p = .014	p = .0153	p = .0172	p = .0013

The last row indicates the correlations between Social Security numbers and WTP (and their significance levels).

And yet the prices they pick are not absurd

Banker's shame..



Robber's Cave: Social preferences

It is easy to divide

But also to reconcile

An experiment by Sherif and Sherif



Motivated beliefs

Roland Benabou and Jean Tirole

People may pick and choose the evidence around them to pick the beliefs that justify their behavior

Since we are so unsure of what we like and what we believe, we might as well pick them to suit our purpose

Which is why it may be difficult to get people to change their opinion if you directly attack their beliefs

Debate and dignity

“deplorable”

Economic anxiety

Anxiety that we will become like
those they have learnt to demonize

Indignation about “Cancel Culture”

Impact of loss of economic status

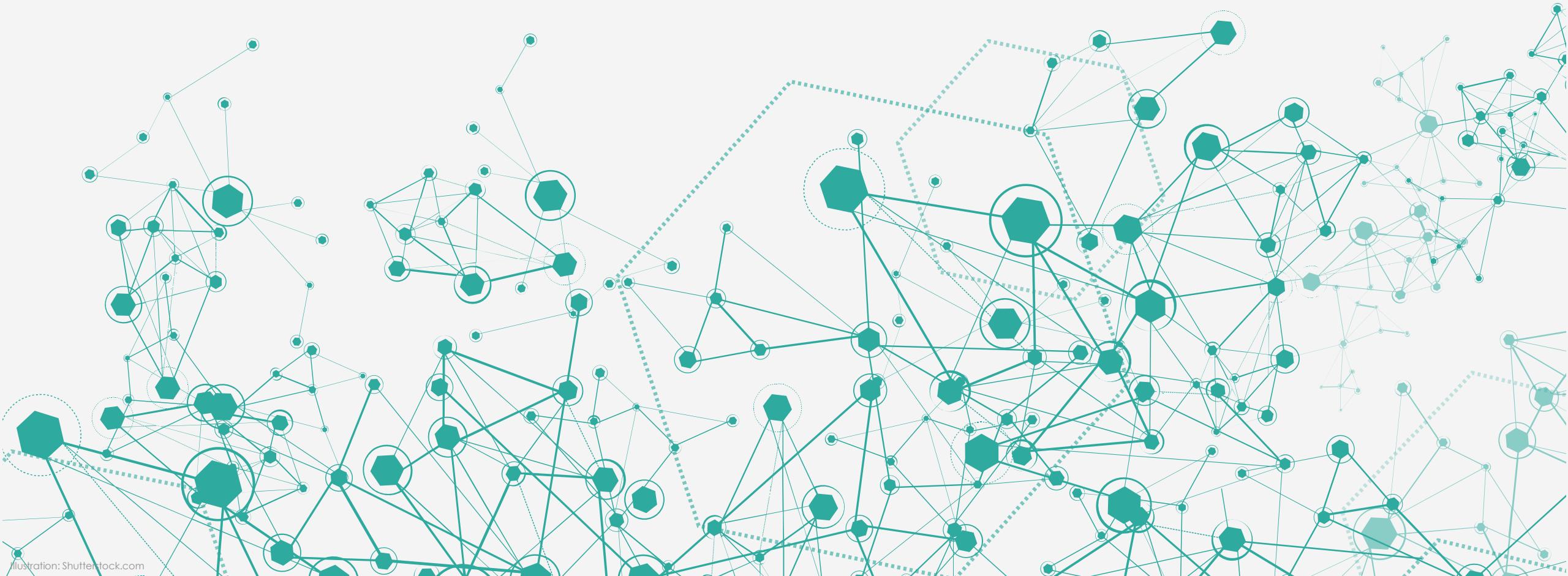


Martinsville, VA
Photo: Steve C. | Creative Commons

“ Wilson’s book spoke to me. I wanted to tell him he had described my home perfectly.”
—J.D. Vance

The social network

The fact that we can form such strong preferences from random association underscores the importance of understanding how we make friends and connections



Homophily

“Birds of a feather flock together”

Mild preference for someone who is like you (shares your language etc.) explains why people tend to make friends with people like them

E.g. in high school, Black kids associate with Black, white with white

The important thing: we are making all these decisions in a decentralized way without thinking about the global implication for the network.

Caste in marriage in India

WANTED GROOM

ANSHIK Manglik, Handsome
Mathur 28 yrs/ 6'3" Boy, Family
Business, Seeks Edu Non Wkg
Only Mathur Girl.# 98xxxxxxxx
E-mail: xyx@gmail.com

M4 Gaur Mglk M.Nadi 23
Nov 85, 2:30 AM, 5'8" Del Bsd
Fair Boy Wkg TATA 11 Lpa
Buns. Fmly Invtd Smart/Sci.
/Comm./Wkg N.Wkg Girl.
Call: 9810xxxxxx, 9811xxxxxx

WANTED BRIDE

WANTED a beautiful,
homely girl for fair, smart,
handsome boy, Gupta Sing-
hal, Manglik, march 1989
born/5'7", Lawyer, LL.B(H)
(Delhi)/ LL.M (US), from a
reputed family of Jaipur.
Cont: 98xxxxxxxx, 93xxxxxxxx
E-mail: groom123@gmail.com

Probability of being considered

	Ads placed by females		Ads placed by males	
	Basic (1)	Logit (5)	Basic (6)	Logit (10)
Same caste	0.1317*** (0.0329)	0.8604*** (0.2068)	0.1707*** (0.0351)	1.0454*** (0.2052)
Diff. in caste*Higher caste male	-0.0119 (0.0151)	-0.0788 (0.0928)	-0.0175 (0.0170)	-0.1990 (0.1081)
Diff. in caste*Lower caste male	0.0145 (0.0133)	0.1393 (0.0903)	-0.0399* (0.0172)	-0.2958** (0.0990)
Master's	0.2242 (0.1219)	0.9356 (0.7154)	0.1679 (0.0913)	0.8527 (0.5464)
PhD	0.2589* (0.1248)	1.1708 (0.7319)	0.2626* (0.1031)	1.6229** (0.6068)
Same education	0.0412 (0.0239)	0.2482 (0.1393)	0.0174 (0.0307)	0.0296 (0.1636)
Male more educated	0.0571 (0.0379)	0.3556 (0.2166)	-0.0057 (0.0419)	-0.1400 (0.2352)
Log income	0.0995*** (0.0148)	0.6010*** (0.0853)		
Log wage	0.1046*** (0.0144)	0.5581*** (0.0837)		
N	5628	5628	3944	3944

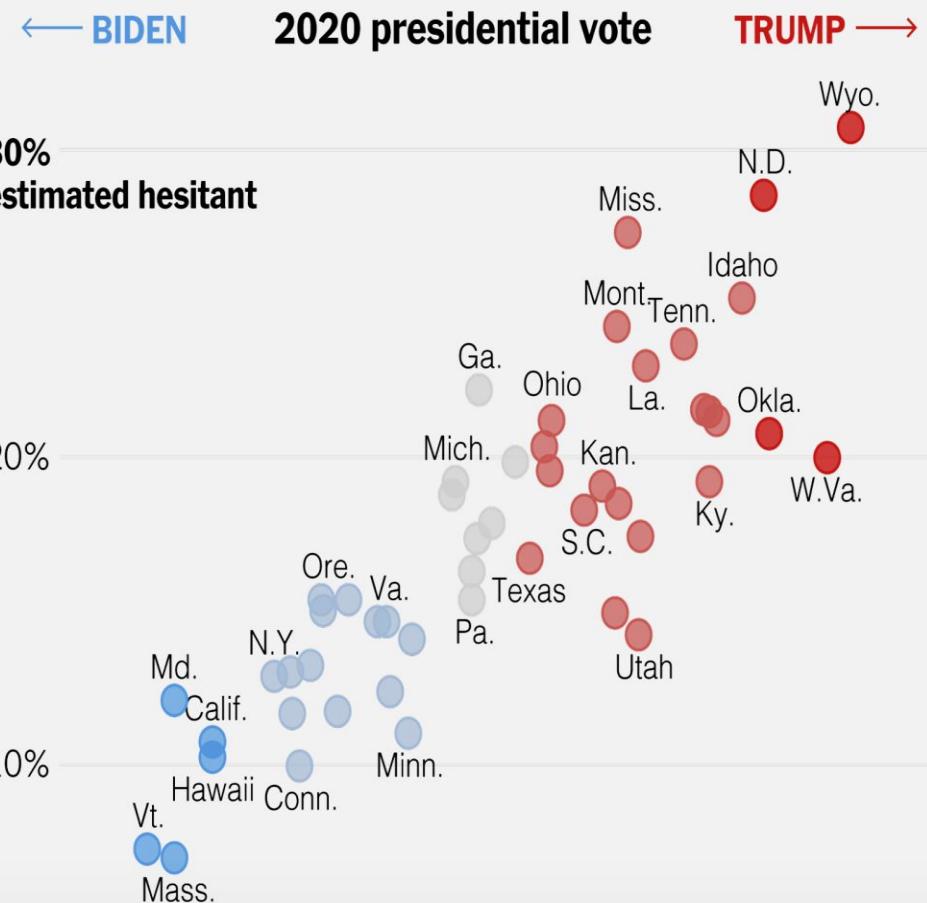
People are willing to give up a lot to marry
within the same caste

Source: Banerjee et al.

Segregation and echo chambers

Homophily contributes to segregation and echo chamber, one reason for polarization and predictability of positions on everything from climate change to the COVID-19 vaccine

Polarization of opinions



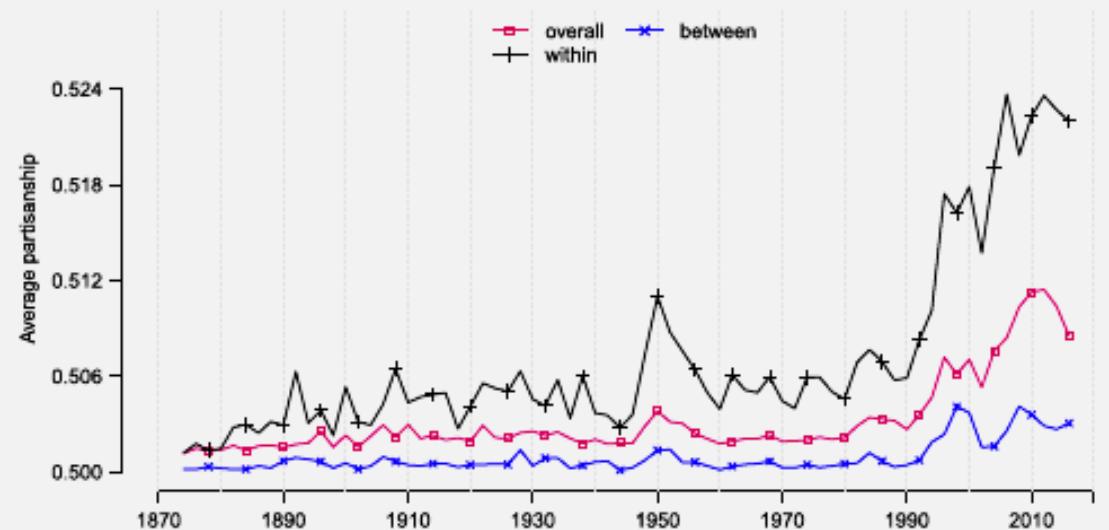
Congressmen do not even use the same language any more

Estate taxes or death taxes

Undocumented workers or illegal aliens

In 1960, 33% of Democrats and Republicans thought that an average member of their own party was intelligent, versus 27% for someone of the other party. In 2008, 62% of respondents thought that a random person of their party was intelligent, against 14% for a random person of the other party

Partisanship: ease with which an observer can predict someone's party from the phrase they employ



Measured by language, partisanship has indeed radically changed over the last 20 years

Source: Gentzkow and Shapiro

Segregation is not just on the internet

Isolation index: share of news item with a liberal slant a conservative is exposed to, and conversely

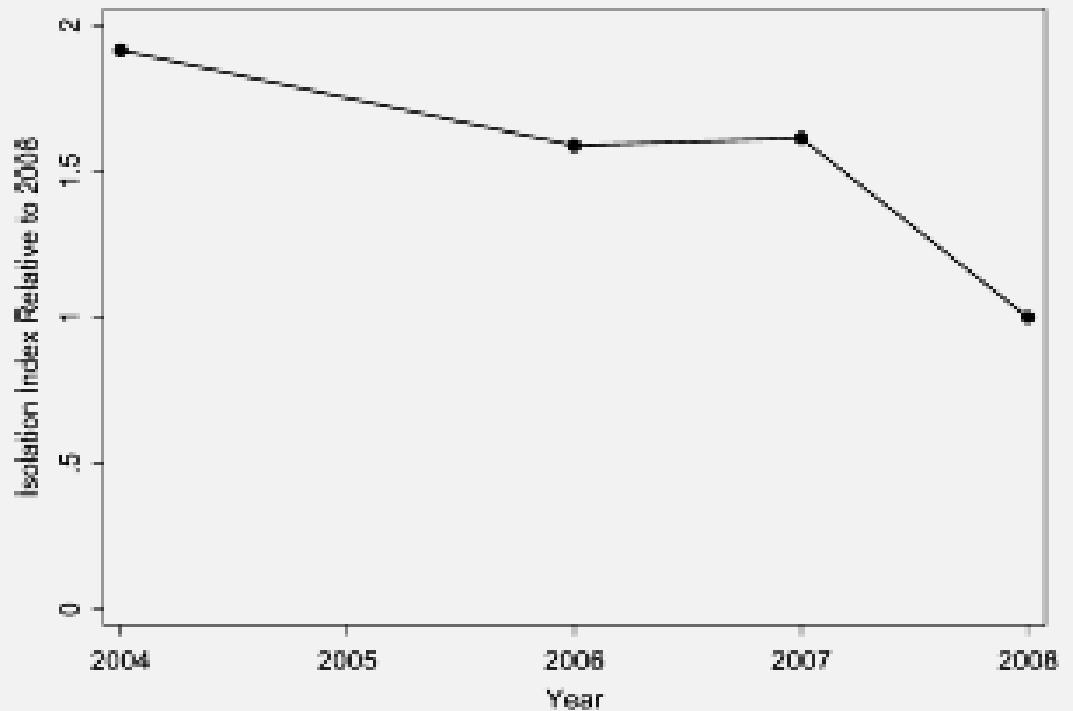


FIGURE IV
Changes in Isolation Over Time
Data are from comScore micro data. The isolation index is scaled relative to the year 2008, so that the value for 2008 is 1.00.

Source: Gentzkow and Shapiro

Radio is bad too...

The impact of radio on
genocide in Rwanda

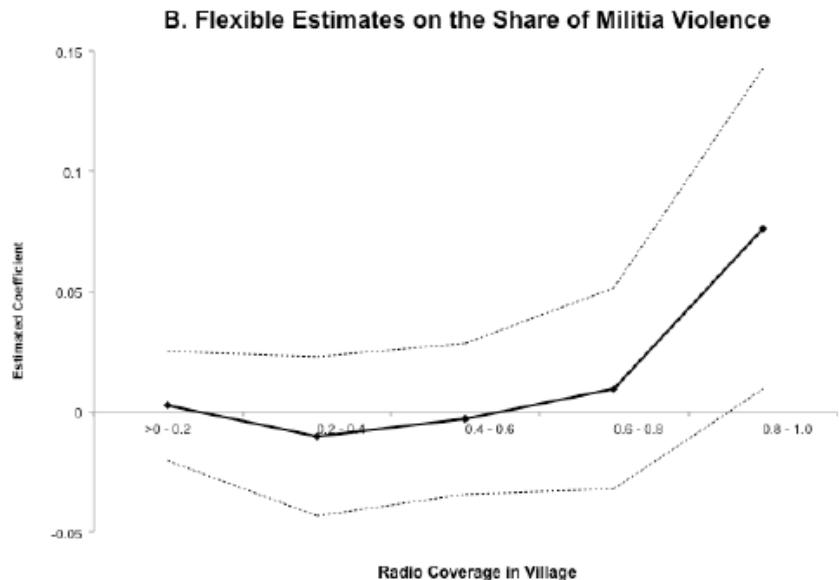


Figure I. Genocide violence in villages

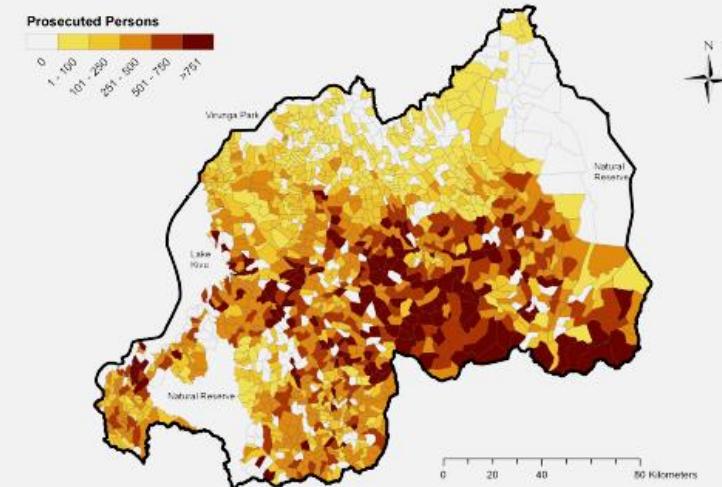
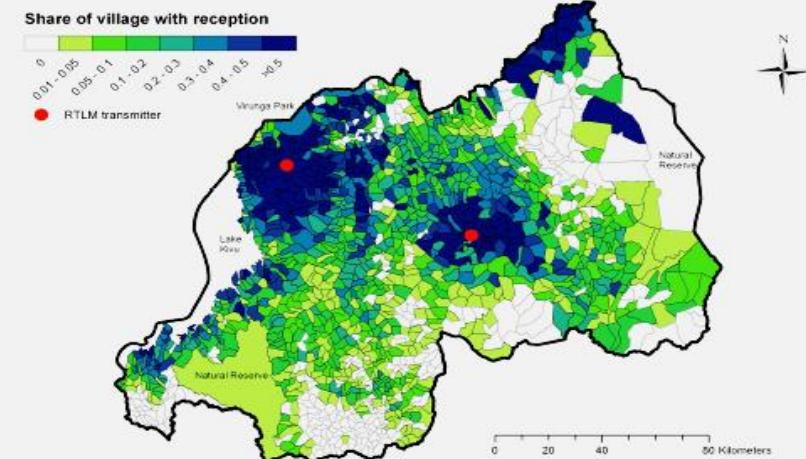


Figure II. RTLM radio coverage



Source: David Yaganizawa-Drott

But the internet certainly has not helped

- Facebook was billed as the new “public space” and ended up being a place where rumors are made and spread
 - 99.91% of people on Facebook belong to the “giant component”
 - The average path length is 4.7 so in principle you could be exposed to everyone
- But..
 - 84% of conservative followers on twitter are conservative
 - 69% of liberal followers are liberals
 - Conservatives get 93% of their messages from conservative sources
 - Liberals get 92% of their messages from liberal sources

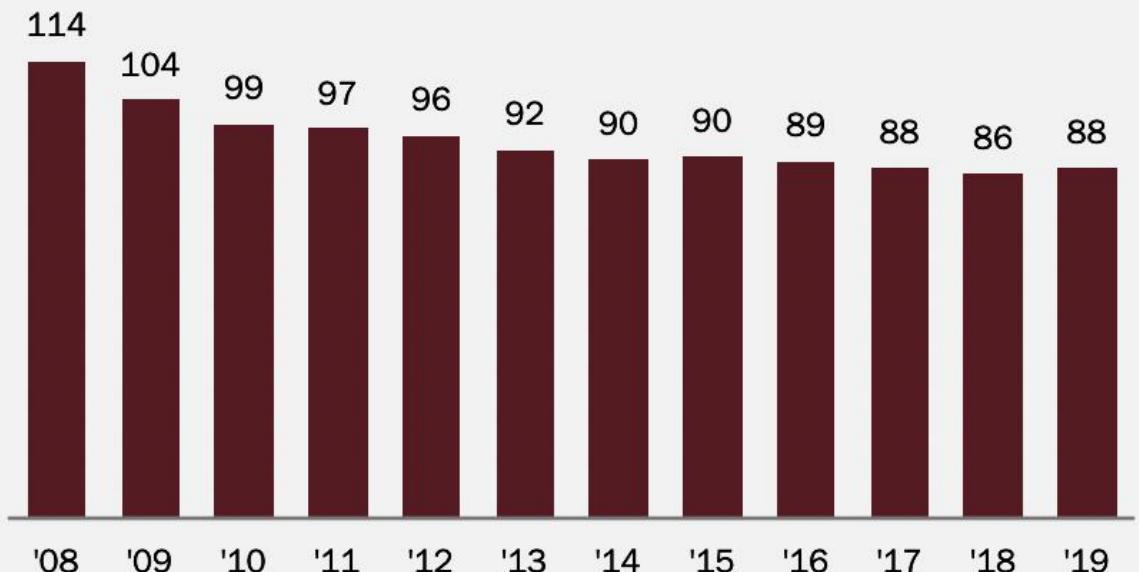
Is there anything
special about the
virtual social networks

Internet and the production of reliable news

64% of the content diffused by news sites and media in France is pure cut and paste, but the source is only mentioned in 8% of the cases (Cage et. Al)

Newsroom employment in the United States declined 23% between 2008 and 2019

Number of U.S. newsroom employees in the news industries, in thousands



Source: Pew research center

Internet and repetition

Many of the false news that make their way to the mainstream media have had “test runs” on the internet. If they are successful, they get adopted by politicians, and make their way on TV

What is repeated again and again acquire a measure of credibility

Share of visits to U.S. news websites by source

In the 2016 elections, 115 Pro-Trump fake news were shared 31 million times



Automatic customization

People who choose their media can account for the slant

An experiment in Korea showed that people who could choose their source updated their position more and became less extreme

But if you are served news automatically based on what the algorithm thinks you want, you lose this critical sense

More learning caused by selective exposure

	User x issue combination w/ at least one article read after pre-exposure period		
	Position (post)-position (pre) (1)	Position (post)-position (pre) (2)	Position (post)-position (pre) (3)
Source-Name Grp.	.025** (.011)	.023** (.01)	.023** (.01)
Source-Position Grp.	-.01 (.016)	-.0034 (.016)	-.0025 (.016)
Const. (Omit'd: No-Choice Grp.)	.13*** (.0055)	.2*** (.022)	.15*** (.025)
p-value: Source-Name = Source-Position	.051	.14	.15
User controls	N	Y	Y
Issue FE	N	N	Y
Number of users		336	
Obs. (user x issue)		1774	
Sample mean		.14	
Sample s.d.		.17	

Source: Donghee Jo

What can we do?

The importance of exposure

US Colleges

OLS regression coefficients and standard errors for roommate predictors of behaviors of white students two to six year after entering college

	I have personal contact with people from other racial/ethnic groups (number of times per month)	I interact comfortably with people from other racial/ethnic groups (number of times per month)	Fraction of friends from own racial/ethnic background	Socialized with someone with an African American background (number of times per month)
ROOMMATES' CHARACTERISTICS				
Any black roommate(s)	2.949* (1.730)	2.844** (1.436)	-0.048 (0.045)	1.830 (1.826)
Any other minority roommate(s)	0.052 (0.794)	0.214 (0.740)	-0.011 (0.016)	-0.982 (0.911)
Only white roommate(s) [omitted group]	—	—	—	—
At least one roommate with family income < \$50,000	0.719 (0.963)	1.042 (0.895)	0.026 (0.019)	2.306** (1.073)
At least one roommate with family income between \$50,000 and \$74,999	0.996 (0.754)	0.267 (0.744)	-0.024 (0.018)	1.7622* (0.968)
At least one roommate with family income between \$75,000 and \$149,999 [omitted group]	—	—	—	—
At least one roommate with family income between \$150,000 and \$199,999	0.851 (0.918)	0.883 (0.871)	-0.010 (0.019)	1.382 (1.127)
At least one roommate with family income ≥ \$200,000	0.592 (0.868)	1.349* (0.741)	-0.007 (0.019)	1.064 (1.026)
TIME				
Years since sophomore year	-0.743 (0.820)	-0.689 (0.802)	0.006 (0.015)	-1.333 (0.918)
R-squared	0.189	0.201	0.171	0.230
Number of observations	1,257	1,254	1,245	1,243

Source: Boisjoly et al.

The importance of exposure

Indian schools

27 Randomized controlled trials on the impact of contact on tolerance confirm that increasing contact between groups increases tolerance

Poor classmates and incentives reduce discrimination

Untreated Classrooms Treated Classrooms



Note: 95% confidence intervals around mean.

Source: Rao

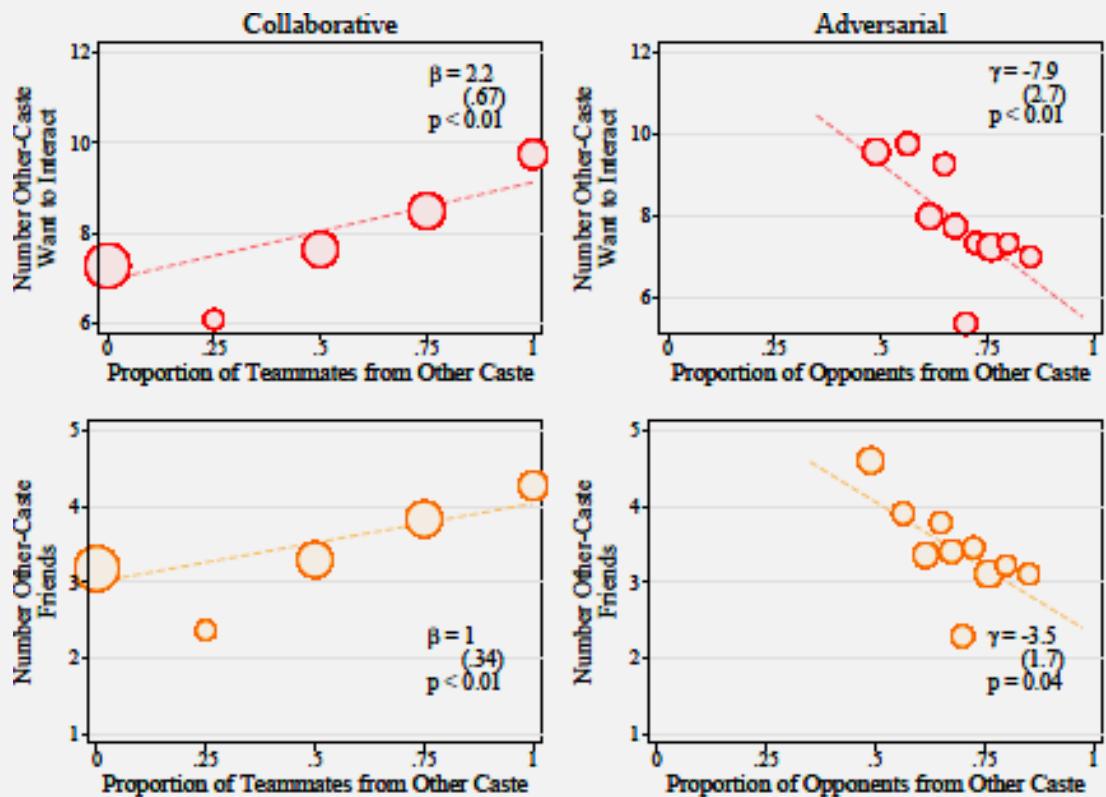
Cricket lessons

An experiment in India reminds us of a fundamental fact: the type of contact matters.

Adversarial contacts make people more likely to dislike others.

This is what makes the affirmative action debate so tricky...

Collaborative and adversarial contact have opposite effects on demand for cross-caste social interaction



Source: Lowe

Rearranging the deck chairs?

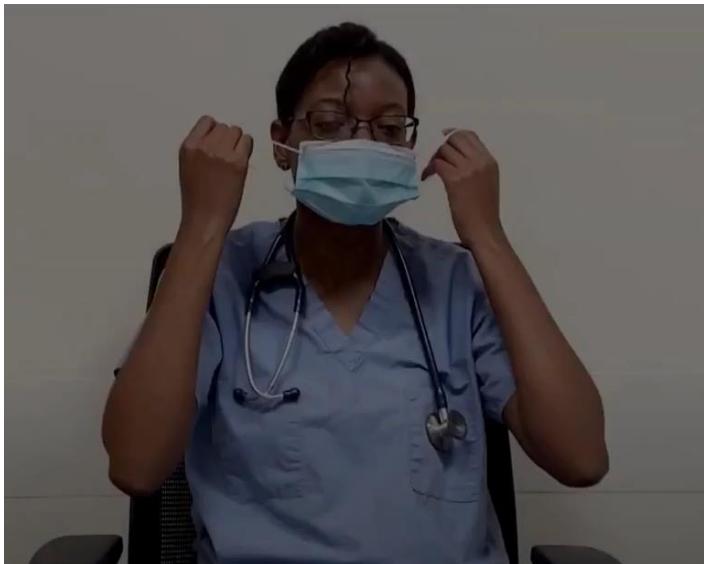
The situation seems
pretty dire...



But actually people can listen....

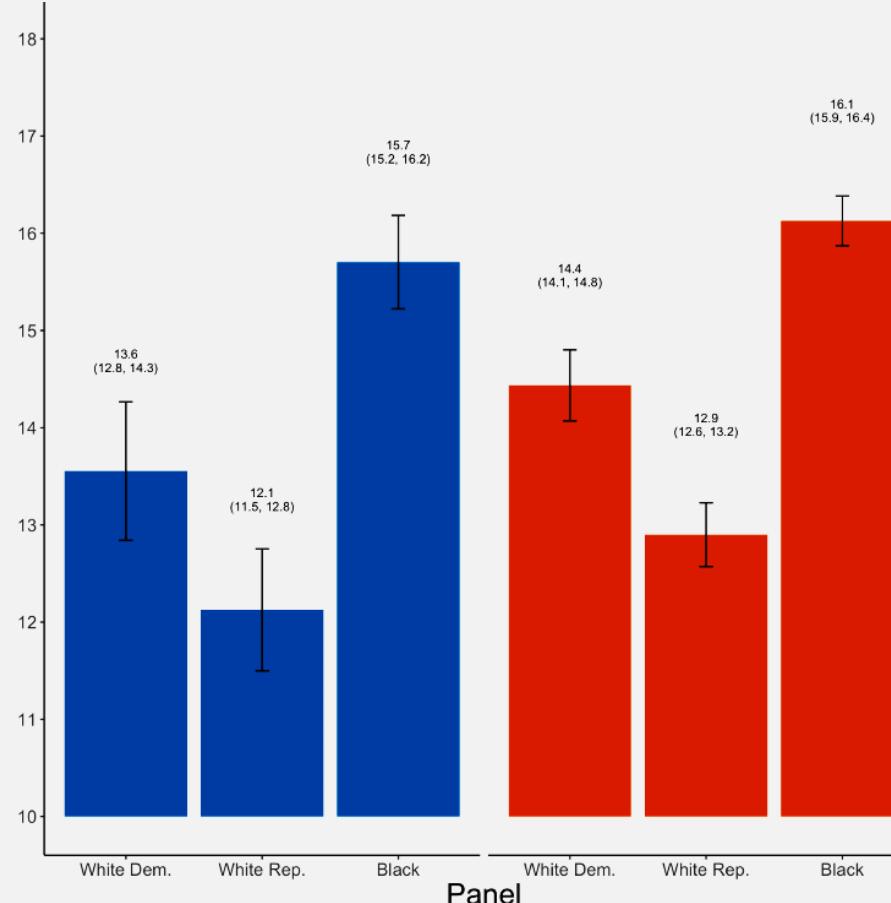
Since May 2020 we have been working with doctors in several projects to record and diffuse informational messages on COVID

These simple interventions are remarkably effective, for everyone



Willingness to pay for a mask (\$)

Control Intervention



Views are less polarized on economic topics

In 2020 Florida voted clearly for Trump

But also for the minimum wage

Florida Amendment 2			
	Result	Votes	Percentage
✓ Yes		6,391,753	60.82%
No		4,117,815	39.18%

In 2018, Utah, Nebraska and Idaho voters all voted for an expansion of Obama care, at the same time they voted for republicans up and down the ballot

Part of the vote for race and caste comes from indifference

A puppet show and campaign in Uttar Pradesh encouraging people to vote on “issues” not “caste” reduced caste based voting by 10%



Photo: Shutterstock.com

To address political
prejudices, discuss
policies instead