Report on Social influences towards conformism in economic experiments

The paper reviews the experimental literature on conformism describing recent research on three related topics: information cascades, social comparisons and preference-based conformity. The survey contains not only an updated collection of references, but also a comprehensive discussion of the implications of the behavioral regularity (e.g. the effect of conformity on workers’ productivity). I have no big objections to the paper, so I recommend the paper to be published, maybe with minor adjustments. I hope the following comments will help the author and the reader:

1. I am bit surprised by the lack of connections with a proper theory of conformity. I understand that the goal of the paper is to introduce the reader to the growing experimental literature. However, the links between the different mechanisms introduced by the author (particularly the last two) and the seminal reference of Bernheim (1994) are so straightforward that at least a reference seems essential.

2. The consideration of social comparisons as a form of conformism is somehow obscure. From the introduction of section 2 is hard to say whether participants in experiments work harder because they conform or because they compete or because they obtain utility from their status. The fact that they all react in a similar way does not prove that the behavioral driving force is conformism. The link between preference for status, or self-esteem, and conformism could be presented better (I see this as one opportunity to include a two-lines reference to Bernheim, 1994). I enjoyed the policy discussion at the end of this section.

3. The classic study by Falk and Ichino (2006) is introduced in section 4 as an example of individuals adjusting “their behavior in ways that conform to what others do. The high performers ease off and the low performers redouble their efforts” (page 6). My interpretation of that experiment (see Table 1 in page 53 of the paper) is different: all workers are positively influenced by the experimental manipulation, even when the reaction of less productive workers is stronger (e.g. the output of the 75th quantile increases from 216 to 236 letters, and the output of the 90th quantile goes up from 256 to 265 letters).

4. The interaction between in-group favoritism and preference-based conformism is particularly interesting, but receives very little attention. The author could try to find space to discuss the fascinating literature on group identity, starting with the organizational design implications of papers like Chen and Li (2009). They discuss (see page 453 in their paper) how group identity may increase the productivity of workers and become an alternative to incentive based compensation systems. The connection with section 3 in this paper is straightforward.