Identity, language and conflict
A field experiment

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In this paper we experimentally study the interaction between identity and conflict in the field. Subjects participate in a nested public good game in which the in-group returns of investing locally (in your own local group) or globally (in a larger group made of two local groups) are identical. Cooperating globally is efficient, as the number of potential contributors is larger; in addition, it benefits your own group as much as when you invest locally. So, assigning your endowment to the local public good excludes the other group from the benefits of cooperation. Experiments are run in two different European locations, both of them bilingual, only one of them with a violent political conflict (the Basque Country). Participants’ native language is used to group participants and generate Homogeneous (both local groups speak the same language) and Heterogeneous (each local group speaks a different language) conditions, in both locations. Our results show that diversity has a non-trivial effect in cooperation. While mixed groups are significantly less efficient in the presence of conflict, they are more when there is no political conflict (as in Valencia). Behavioral patterns are identified across treatments and locations. A taxonomy of subjects suggests that conflict eliminates conditional cooperation, while diversity strengthens it, increasing the provision of global public goods and the proportion of strong conditional cooperators

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