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"Are smarter people better Samaritans? Effect of cognitive ability on cooperative behavior"

(the paper is co-authored by Martin Siyaranamual)

Abstract:

This study investigates how cognitive abilities influence individual preferences towards civic engagement (classified as voluntary or charity work; participation in religious organizations; and/or participation in political or community-related organizations). We use the SHARE dataset of Europeans aged 50 and over, which provides relevant information on individual cognition and civic engagement. We employ an instrumental variable approach to untangle the causal relationship from cognitive abilities to civic engagement, using the number of books that the responding reports having at age 10 (retrospective information) as the instrument. We find reasonable evidence of a causal effect of cognitive abilities on cooperative behavior: the smarter the individual, the more she engages in her community. This finding is in line with several experimental studies that show how participants with higher cognitive abilities tend to be less risk-averse: they are more willing to choose risk-dominant actions in contexts such as the prisoner's dilemma or the stag hunt game.