

Building Cooperation Across Ethnic Groups with Interpersonal Monetary Transfers: A Field Experiment in Post-war Liberia (Joan Barceló)

We study the potential of monetary transfers across ethnic lines to mitigate ethnic-based prejudice and discrimination. In partnership with a local NGO, we conducted a field experiment in Liberia which we revealed the ethnicity of donors to the recipients of monetary transfers. Participants, who were initially biased against members of other ethnicities, reduced their prejudice and discrimination when the funds were received from donors of a different ethnicity, compared to when they came from donors of their own ethnicity. This reduction in bias persisted even a year after the monetary transfer. We also find that recipients of funds from non-coethnic donors anticipated more cooperative behavior from outgroup members, suggesting that alterations in perceptions of others' cooperative intentions may be a key mechanism through which interethnic monetary transfers reduce prejudice and discrimination.