Data Description

Piece rate: The piece rate represents the earnings per task before the tax amount has been deducted.

Tax rate (t): The tax rate used in the experiment. It has three values, 0.15, 0.5 and 0.85. For the piece rate treatment, the value of tax rate is zero.

Wage (w): The wage earned for the tax rate treatment is estimated by using the formula

$$Wage = Tasks\ Solved * (1 - tax\ rate) * per\ task\ earnings$$

Earnings per task are 10 under the tax rate treatment for both Pakistan and Japan.

Difficulty (d): The difficulty variable represents 2-digit addition tasks and 3-digit addition tasks. If its value is 100, it means 2-digit addition tasks while if its value is 1000, it represents 3-digit addition tasks.

Solved (x): This variable represents the number of tasks solved in 30 seconds for a particular piece rate or for a particular tax rate.

Strategic: This is a dummy variable and takes a value of '1' if the method is strategic, and '0' if the method is direct.

Pakistan: This is a dummy variable and takes a value of '1' if the country is Pakistan, and '0' if the country is Japan.

PF: The values for this variable have been extracted from the post experiment survey. It takes on a value from 1 to 5 declared by each individual regarding the three tax rates used in the experiment. Its value is zero for the piece rate treatment where no tax rate is used. Some of the participants did not declare any PF value for a particular tax rate; hence a value of zero is used in all such cases as well. In the statistical analysis and in the estimation of the regressions, participants who declared a PF value are used.