Non-selfish behavior: Are social preferences or social norms revealed in distribution decisions?

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Motivation

Why do people behave unselfishly?

Social Preferences
(e.g. Fehr and Schmidt 1999)

Social Norms
(e.g. Krupka and Weber 2013)

Contribution

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   - Comparisons from trust/PG games: Kimbrough and Vostroknutov 2016; Ellingsen et al. 2012; Gächter, Nosenzo, and Sefton 2013; Guala, Mittone, and Ploner 2013

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   - Comparisons from trust/PG games: Kimbrough and Vostroknutov 2016; Ellingsen et al. 2012; Gächter, Nosenzo, and Sefton 2013; Guala, Mittone, and Ploner 2013

3. Compare choices across three commonly used **elicitation mechanisms**: Impartial Spectator, Veil of Ignorance, Non-veil of Ignorance
   - similar to Durante, Putterman, and Van der Weele 2014

Experimental Design

Online experiment with N= 2,408 subjects from the US, UK and continental Europe recruited via Prolific Academic in Nov & Dec 2019.

- Groups of five
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Preferences are elicited through choice of principle & norms are elicited through an incentivized Krupka & Weber (2013) elicitation.

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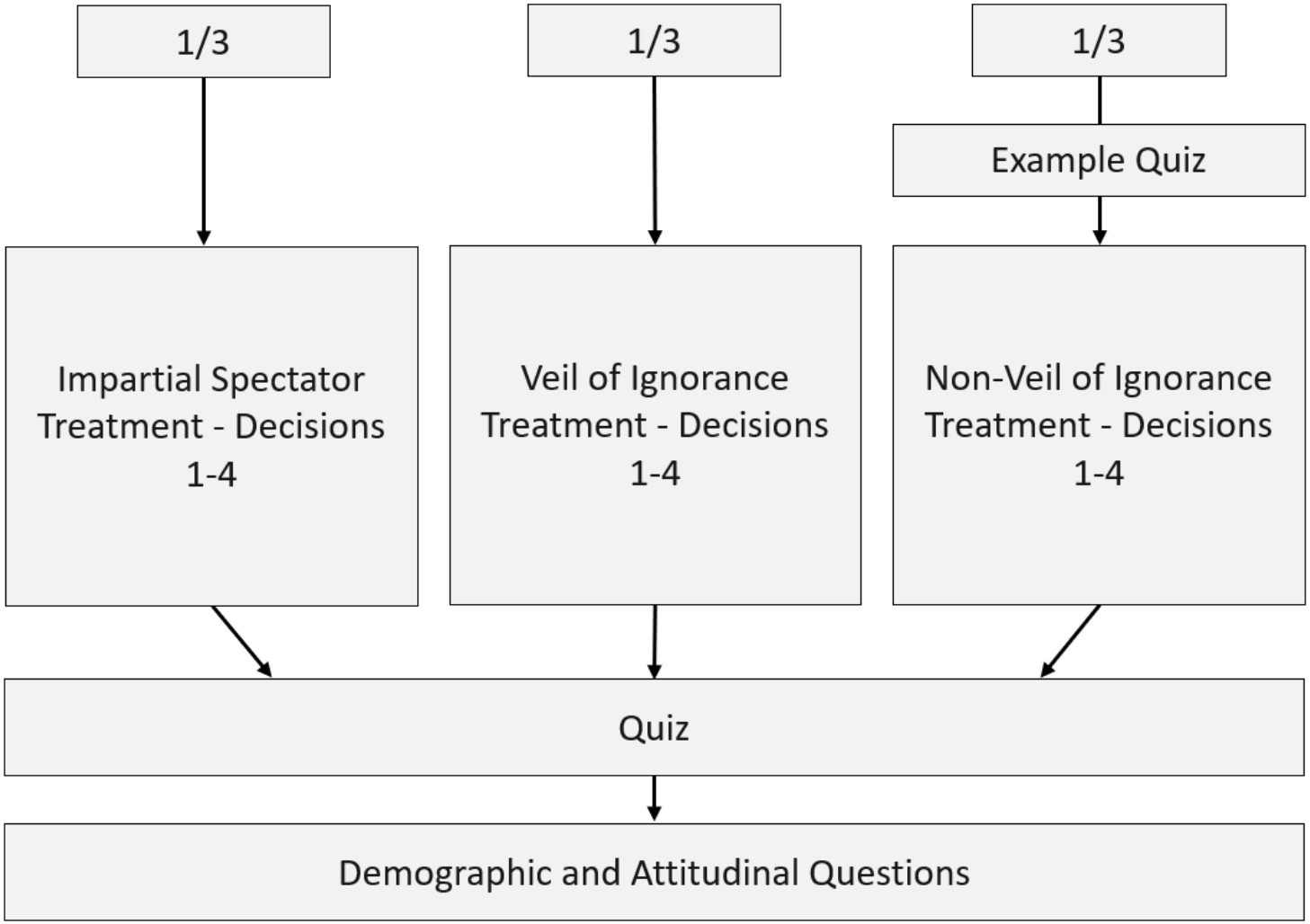
Decision 4: Which distribution do you believe most other participants chose? (payment if correct) - descriptive norm

Experimental Design



Experimental Design

Inequality Aversion: Inequalities should be minimized.

Maximin: Inequalities are only justifiable if they improve the position of the least well-off group in society.

Meritocracy: Individual income should be based exclusively on his/her ability and talents.

Utilitarianism: Income should be distributed to maximize the average income in society.

Distribution Decision

Performance Level	Inequality Aversion	Maximin	Meritocracy	Utilitarianism
Bottom 20%	\$30	\$40	\$20	\$20
2nd 20%	\$60	\$40	\$30	\$30
3rd 20%	\$60	\$50	\$40	\$50
4th 20%	\$60	\$60	\$70	\$70
Top 20%	\$60	\$80	\$110	\$110
Total	\$270	\$270	\$270	\$280

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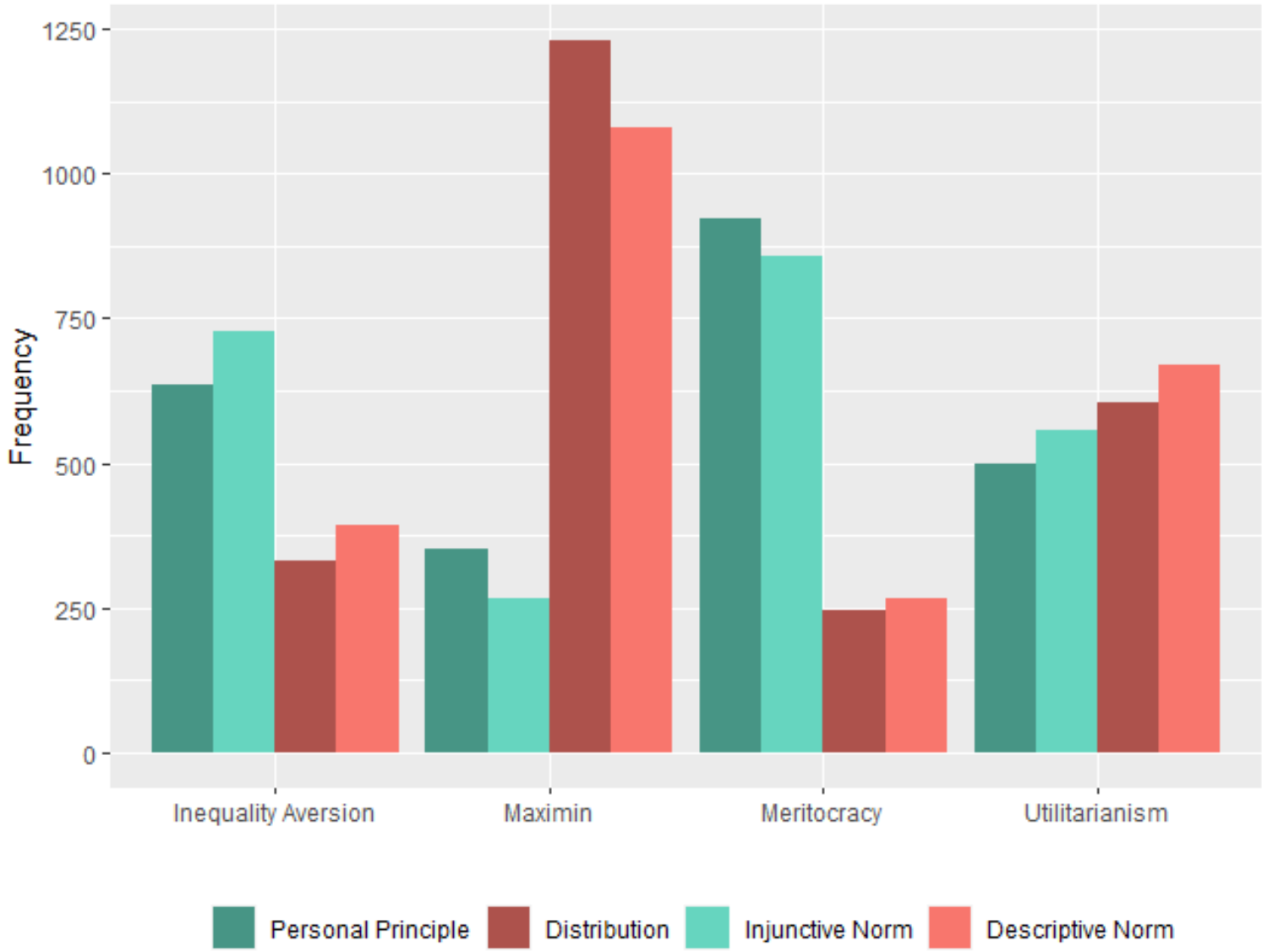
Research Questions

1. Why do people behave unselfishly in experiments?
   - Can the chosen principle or perceived injunctive/descriptive social norms better predict the chosen distribution?

2. Is unselfish behaviour sensitive to the elicitation mechanism used in experiments?
   - Do distributive choices differ by treatment?
   - Does preference- and/or norm-following differ by treatment?

Results


1250
1000
750
500
250
0
Frequency
Inequality Aversion
Maximin
Meritocracy
Utilitarianism
Personal Principle
Distribution
Injunctive Norm
Descriptive Norm

Results

	Inequality Aversion	Maximin	Meritocracy	Utilitarianism
Personal Principle	0.580***	0.839***	1.064***	-0.564***
	(0.134)	(0.128)	(0.147)	(0.137)
Injunctive Norm	0.338**	0.638***	0.755***	-0.335***
	(0.132)	(0.142)	(0.142)	(0.124)
Descriptive Norm	2.528***	2.093***	2.064***	2.036***
	(0.141)	(0.100)	(0.164)	(0.111)
Controls	✓	✓	✓	✓
Observations	2,219	2,219	2,219	2,219

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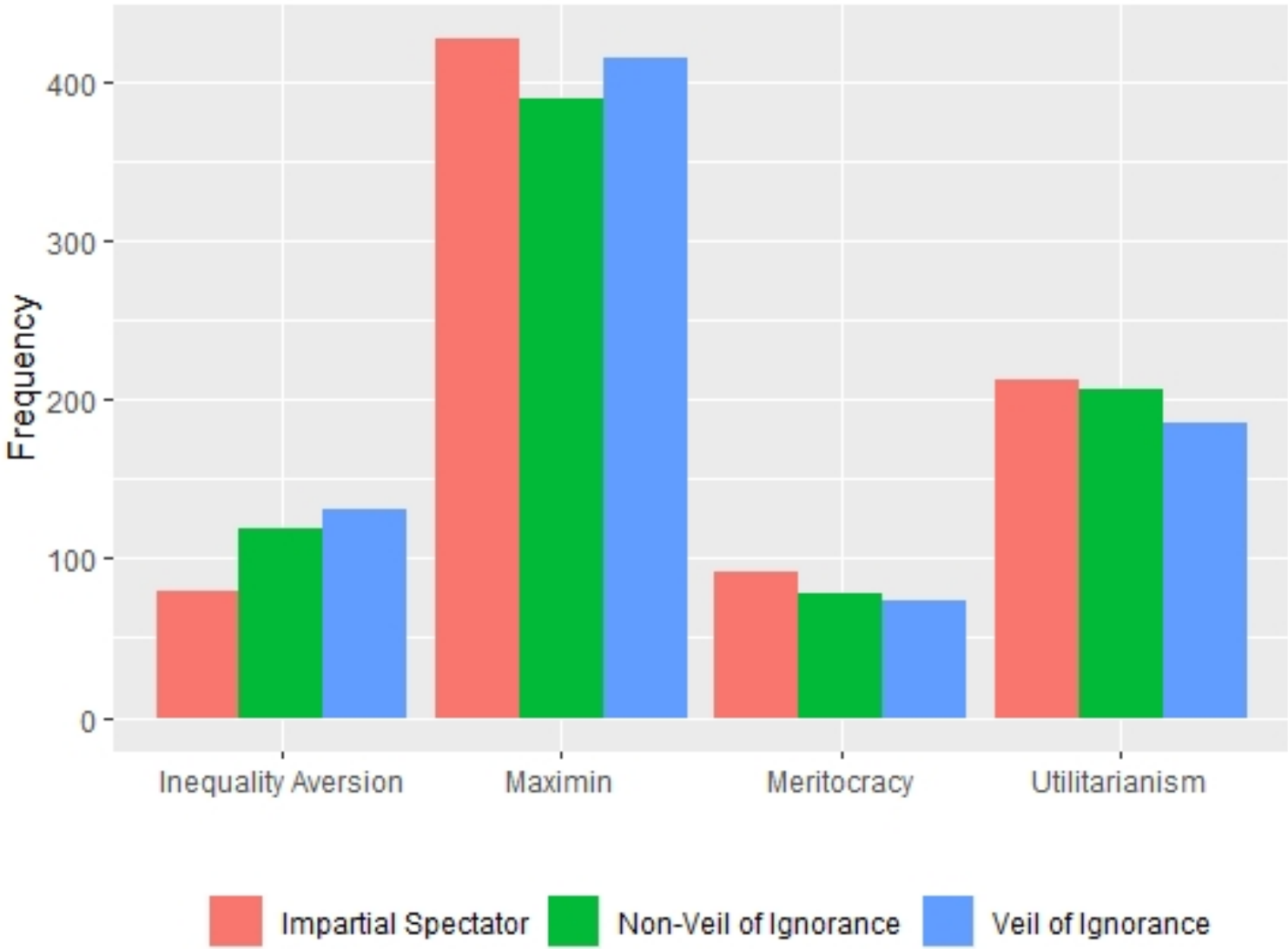
Frequency
400
300
200
100
0
Inequality Aversion
Maximin
Meritocracy
Utilitarianism
Impartial Spectator
Non-Veil of Ignorance
Veil of Ignorance

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Selfishness does not consistently predict distribution choices in treatment 3.

No difference in preference- or norm-following across treatments.

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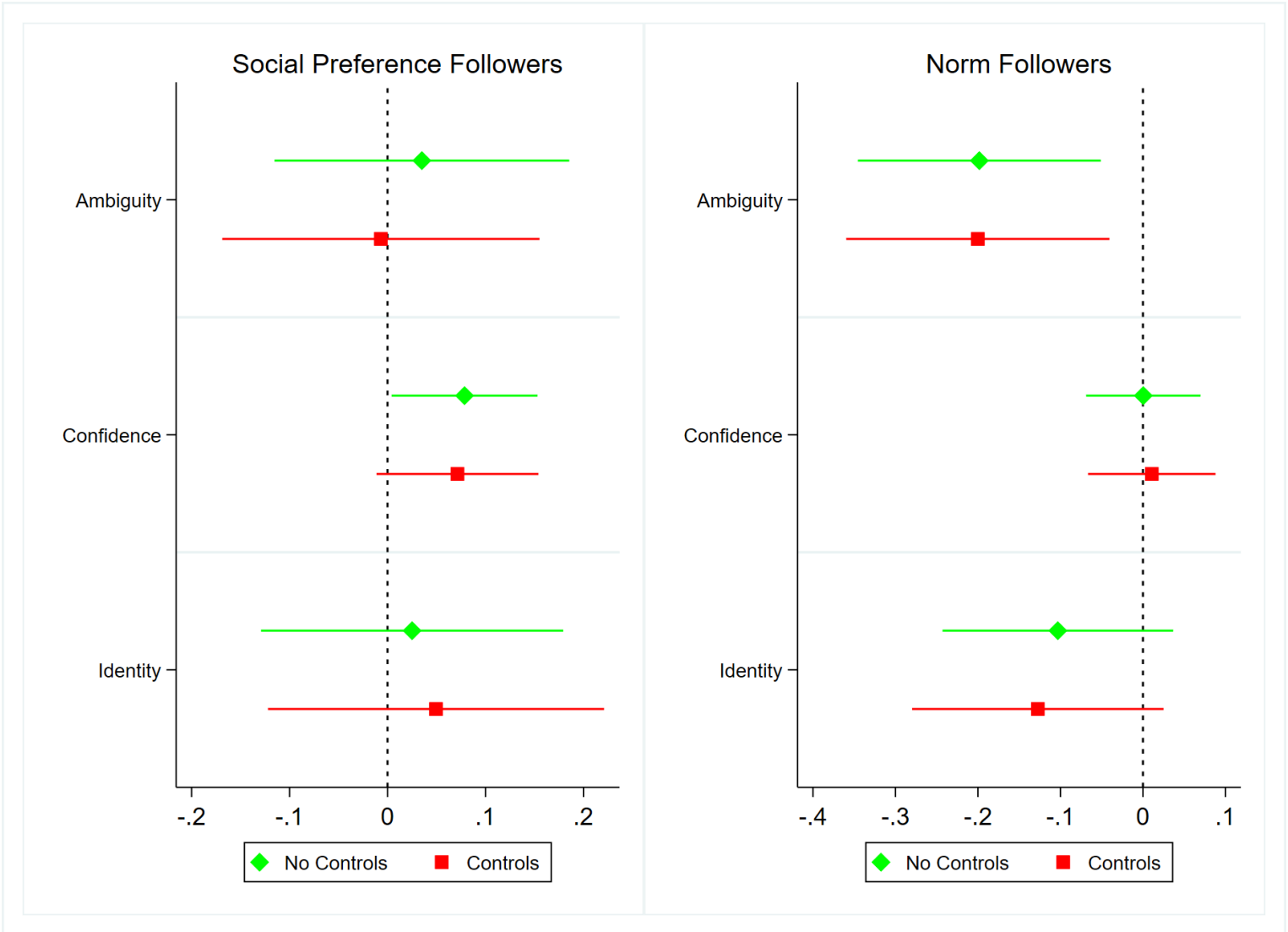
4. Difficulty connecting principles to distributions?
   - 80% with maximin preference correctly identify distribution
   - confusion mostly between meritocracy & utilitarian

Why?



Individual Characteristics by Subject Group

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Conclusion and Discussion

- **Descriptive social norms** are significantly better at predicting people's distributive choices than personal principles
- Suggests unselfish behaviour cannot simply be used to derive social welfare functions without accounting for **the role of norms**
- Strong preference for **maximin** in the distribution choice while most people chose the **meritocratic** principle
- In line with the importance of social norms, we find that the elicitation mechanism mostly **does not matter** to distributive choices

Conclusion and Discussion

Follow-up Questions:

1. Are there cultural differences in social preferences and social norms?
   - Re-running experiment in India, China and Chile
2. How does preference- and norm-following differ when voting and communication is introduced?
   - Interactive lab experiment with two additional treatments
3. Does norm-following in distributive tasks affect norm-following/conditional co-operation in PG game?
   - Preliminary results suggest that this is the case

Thanks!

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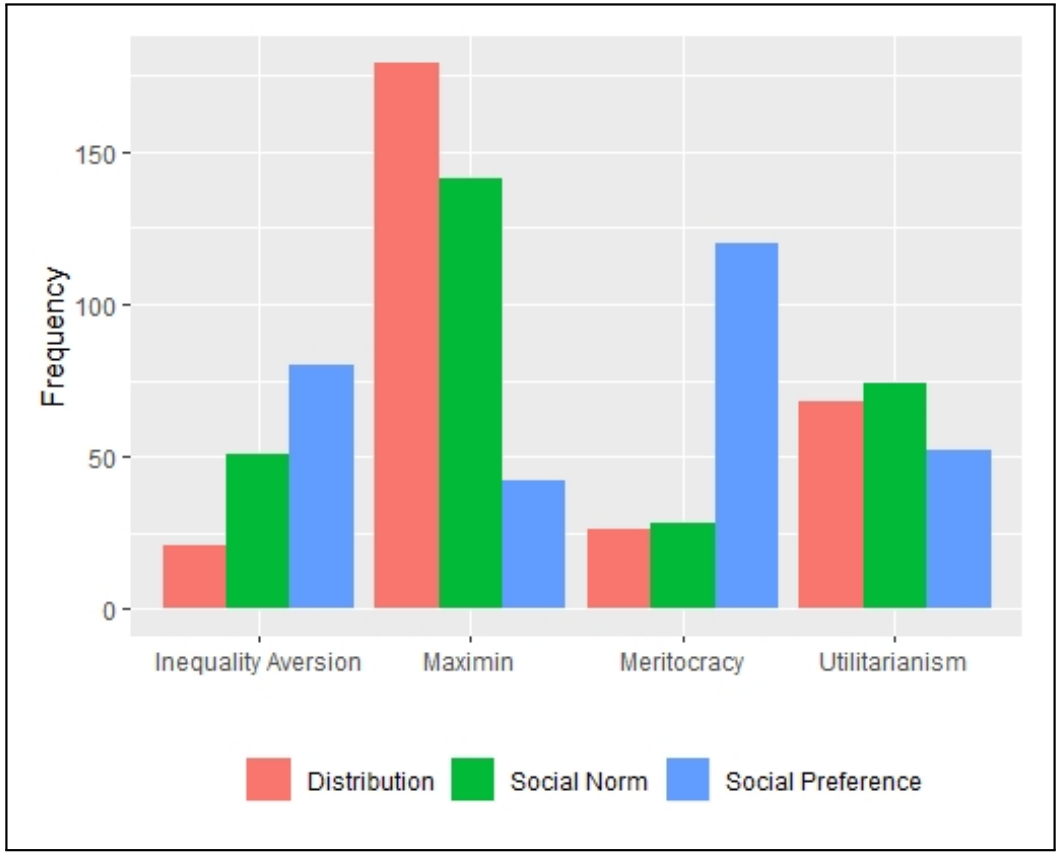
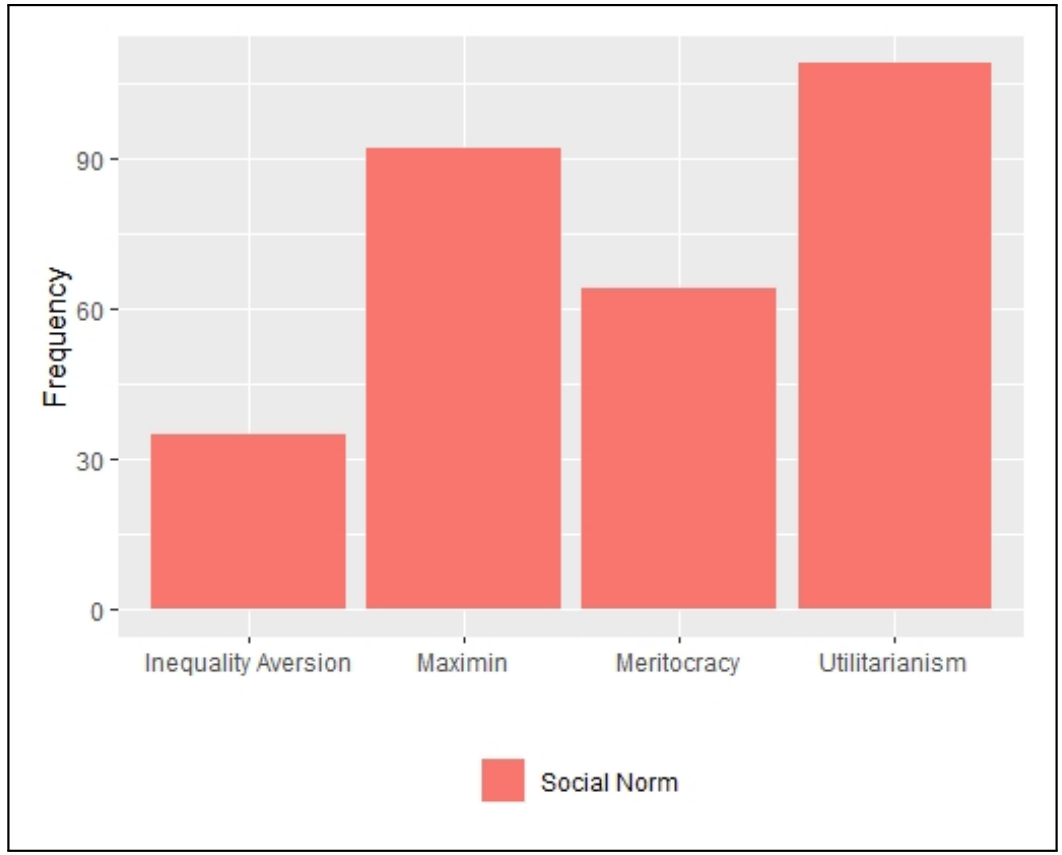
Appendix A: Average Payoff Test



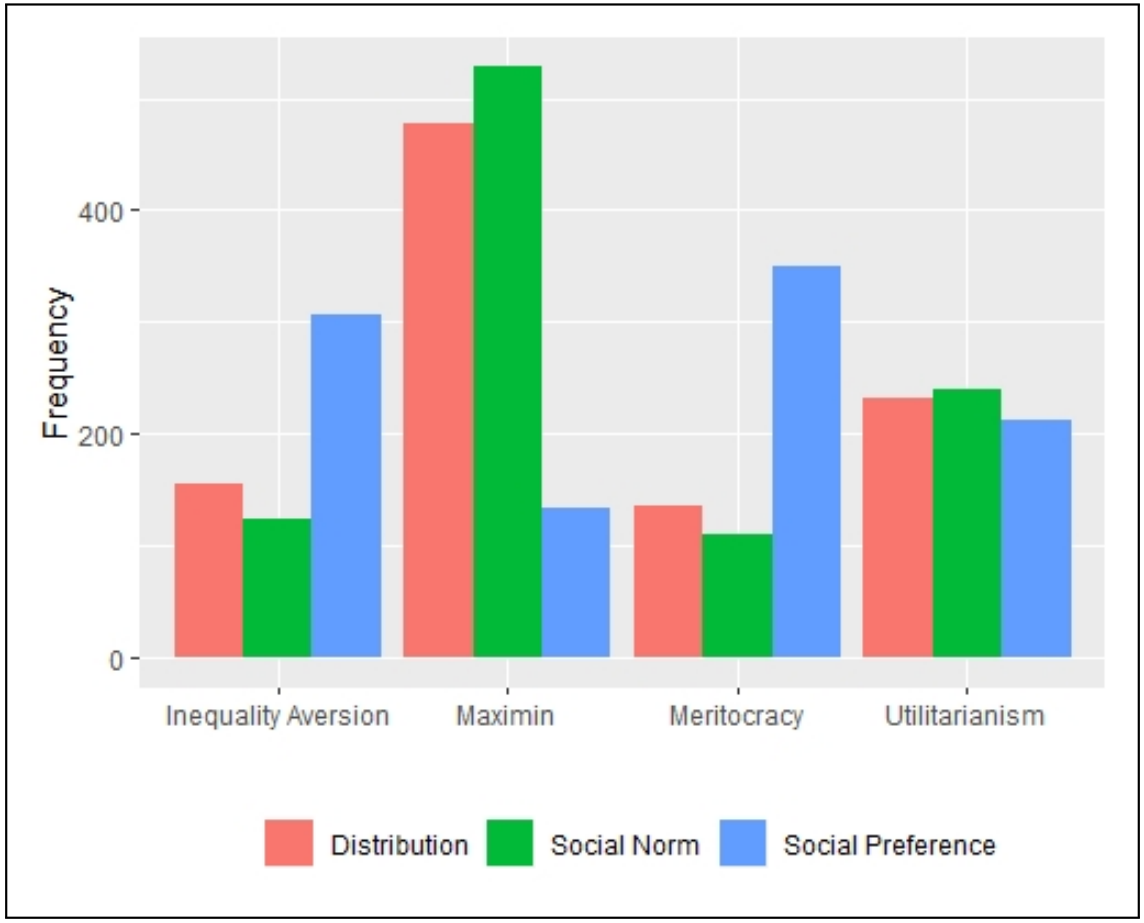
Distribution of preference, distribution choice and perceived norm with average payoffs

Appendix B: Social Norms Check I



Distribution of perceived Social Norm

Appendix C: Social Norms Check II



Distribution of preference, distribution choice and social norm with norm elicitation first

Appendix G: Do norms constitute preferences?

	Inequality Aversion	Maximin	Meritocracy	Utilitarianism
Social Norm	1.781***	2.160***	1.703***	1.849***
	(0.108)	(0.152)	(0.100)	(0.116)
Controls	✓	✓	✓	✓
Pseudo R-squared	0.134	0.124	0.143	0.124
Observations	2,219	2,219	2,219	2,219

Logistic regressions of social preferences for all treatments

Appendix H: Introduction Text

People in a group that you belong to are asked to do a quiz and their answers generate income. We rank performance from the bottom 20% of performers to the top 20% in the table below and give the average income generated for a person in each 20% performance band. For example, the table below shows someone who performs in the middle band (the 3rd 20%) generates an income of $40 on average.

In the following, you will participate in the above mentioned quiz and your performance will affect the bonus payment you will receive after completing the study. Please click on the arrow below to continue.

Performance Level	Average Income
Bottom 20% of performers	$20
2nd 20%	$30
3rd 20%	$40
4th 20%	$70
Top 20%	$110