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 Albert-Ludwigs-Universität Freiburg
 Winter term 2024/25

Seminar: Determinants and Implications of Pro-Social Behavior (6 ECTS)

Description

Pro-social behavior lies at the core of many economic questions that cannot be answered with pure economic theory: Why do individuals pay taxes when they are very unlikely to be audited and fined? Why are individuals more supportive to in-group than to out-group members? Why do people donate to charity?

Pro-social behavior is defined as any voluntary behavior intended to benefit other individuals or groups. While pro-social behavior does typically not benefit individuals in pure economic terms, people frequently act in non-selfish ways. Such other regarding, or social, preferences can help understand a variety of economic phenomena. This seminar will provide an overview of

- 1) Areas where pro-social behavior contributes to our understanding of economic behavior
- 2) Implications of pro-social behavior for economic theories
- 3) Methods that are used to study pro-social behavior.

Seminar participants will work on classic and current topics in the field of pro-social behavior. The seminar covers an introductory method session but is built primarily on self-study. It will employ mostly experimental approaches. The skills acquired in the seminar will be useful for writing a master thesis in the fields of behavioral or experimental economics.

The goals of the seminar are to:

- Identify, discuss, and understand relevant scientific literature on pro-social behavior.
- Produce and present a research idea and a scientific seminar paper and discuss peers' drafts and final papers in class.

Who can participate?

The seminar is aimed at Master students (M. Sc. VWL / Economics (internal for all tracks) / BWL) and conducted in English. We expect participants to actively contribute to the seminar, be it during the semester or during the discussion of the presentations at the block seminar.

Meetings and deadlines

Introductory meeting	October 30, 2024, 17:45 – 19:15, tbd
Assignment of topics	November 6, 2024 (via email)
Overview: Methods & topics	tbd
Discussion of a peer's one-pager	December 16, 2024, 16:15 - 17:45, tbd
Block seminar: presentation & discussion	January 29 & 30, 9:00 – 18:00, tbd

Introductory literature

Fehr, E. and Schmidt, K.M., 2006. The economics of fairness, reciprocity and altruism—experimental evidence and new theories. *Handbook of the economics of giving, altruism and reciprocity*, 1, pp.615-691.

Topic overview

1. Theoretical foundations

Fehr, E. and Schmidt, K.M., 1999. A theory of fairness, competition, and cooperation. *The quarterly journal of economics*, 114(3), pp.817-868.

Falk, A. and Fischbacher, U., 2006. A theory of reciprocity. *Games and economic behavior*, 54(2), pp.293-315.

2. Prosocial behavior in children and adolescents

Fehr, E., Bernhard, H. and Rockenbach, B., 2008. Egalitarianism in young children. *Nature*, 454(7208), pp.1079-1083.

Van Hoom, J., van Dijk, E., Meuwese, R., Rieffe, C. and Crone, E.A., 2016. Peer influence on prosocial behavior in adolescence. *Journal of research on adolescence*, 26(1), pp.90-100.

3. Preferences for equality

Starmans, C., Sheskin, M. and Bloom, P., 2017. Why people prefer unequal societies. *Nature Human Behaviour*, 1(4), pp.1-7.

Alesina, A., Stantcheva, S. and Teso, E., 2018. Intergenerational mobility and preferences for redistribution. *American Economic Review*, 108(2), pp.521-554.

4. Punishment

Fehr, E. and Gächter, S., 2000. Cooperation and punishment in public goods experiments. *American Economic Review*, 90(4), pp.980-994.

Fehr, E. and Gächter, S., 2002. Altruistic punishment in humans. *Nature*, 415(6868), pp.137-140.

5. Peer punishment

Andreoni, J. and Gee, L.K., 2012. Gun for hire: Delegated enforcement and peer punishment in public goods provision. *Journal of Public Economics*, 96(11-12), pp.1036-1046.

Abbink, K., Gangadharan, L., Handfield, T. and Thrasher, J., 2017. Peer punishment promotes enforcement of bad social norms. *Nature communications*, 8(1), p.609.

6. Anti-social punishment

Herrmann, B., Thoni, C. and Gächter, S., 2008. Antisocial punishment across societies. *Science*, 319(5868), pp.1362-1367.

Rand, D.G. and Nowak, M.A., 2011. The evolution of antisocial punishment in optional public goods games. *Nature communications*, 2(1), p.434.

7. Peer effects

Krupka, E. and Weber, R.A., 2009. The focusing and informational effects of norms on pro-social behavior. *Journal of Economic psychology*, 30(3), pp.307-320.

Gächter, S., Nosenzo, D. and Sefton, M., 2013. Peer effects in pro-social behavior: Social norms or social preferences?. *Journal of the European Economic Association*, 11(3), pp.548-573.

8. Institutions

Gurerk, O., Irlenbusch, B. and Rockenbach, B., 2006. The competitive advantage of sanctioning institutions. *Science*, 312(5770), pp.108-111.

Balliet, D., Mulder, L.B. and Van Lange, P.A., 2011. Reward, punishment, and cooperation: a meta-analysis. *Psychological bulletin*, 137(4), p.594.

9. Reputation

Milinski, M., Semmann, D. and Krambeck, H.J., 2002. Reputation helps solve the 'tragedy of the commons'. *Nature*, 415(6870), pp.424-426.

Rockenbach, B. and Milinski, M., 2006. The efficient interaction of indirect reciprocity and costly punishment. *Nature*, 444(7120), pp.718-723.

10. Perceptions of inequality and preferences for redistribution

Roth, C., & Wohlfart, J. (2018). Experienced inequality and preferences for redistribution, in: *Journal of Public Economics*, 167, 251-262.

Cruces, G., Perez-Truglia, R., & Tetaz, M. (2013). Biased perceptions of income distribution and preferences for redistribution: Evidence from a survey experiment, in: *Journal of Public Economics*, 98, 100-112.

11. Emotions

Drouvelis, M., & Grosskopf, B. (2016). The effects of induced emotions on pro-social behaviour. *Journal of Public Economics*, 134, 1-8.

11

Hopfensitz, A., & Reuben, E. (2009). The importance of emotions for the effectiveness of social punishment. *The Economic Journal*, 119(540), 1534-1559.

12. (Impure) altruism

Ottoni-Wilhelm, M., Vesterlund, L., & Xie, H. (2017). Why do people give? Testing pure and impure altruism. *American Economic Review*, 107(11), 3617-3633.

DellaVigna, S., List, J. A., & Malmendier, U. (2012). Testing for altruism and social pressure in charitable giving. *The quarterly journal of economics*, 127(1), 1-56.

13. Incentives

Ariely, D., Bracha, A., & Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American economic review*, 99(1), 544-555.

Chetty, R., Saez, E., & Sándor, L. (2014). What policies increase prosocial behavior? An experiment with referees at the Journal of Public Economics. *Journal of Economic Perspectives*, 28(3), 169-188.

14. Socio-economic status and pro-social behavior

Andreoni, J., Nikiforakis, N., & Stoop, J. (2021). Higher socioeconomic status does not predict decreased prosocial behavior in a field experiment. *Nature communications*, 12(1), 4266.

Cohn, A., Jessen, L. J., Klašnja, M., & Smeets, P. (2023). Wealthy Americans and redistribution: The role of fairness preferences. *Journal of Public Economics*, 225, 104977.

15. Gender

Bruttel, L., & Stolley, F. (2018). Gender differences in the response to decision power and responsibility—framing effects in a dictator game. *Games*, 9(2), 28.

Klinowski, D. (2018). Gender differences in giving in the Dictator Game: the role of reluctant altruism. *Journal of the Economic Science Association*, 4, 110-122.