Giving and Social Norms

Summer 26

Niels Boissonnet, Bielefeld

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  - behavior changes when actions differ in their **social meaning**, even for payoff equivalent allocations.
- Hence, the key empirical question is not only how much subjects give.
- It is also:

  What do subjects think they owe the other player in this situation?

Why context changes giving

Giving and Social Norms

A useful benchmark: outcome-based fairness

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- unequal relative shares reduce utility;
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Limitation: if ownership is seen as more legitimate when it is earned, or if inequality reflects effort rather than luck, then final outcomes alone may not be enough.

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Idea: If subjects see earned income as more legitimate property, then the perceived obligation to share should weaken.

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Recipients are passive and initially have nothing.

The key variation is therefore not the feasible transfer set, but the **source and legitimacy of the dictator's endowment**.

Results of Cherry et al. (2002)

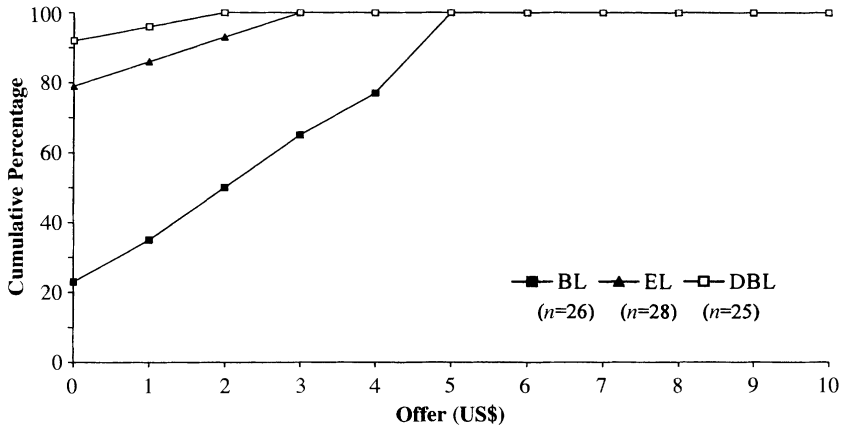


FIGURE 1. CUMULATIVE DISTRIBUTIONS OF OFFERS IN THE $10 DICTATOR GAMES

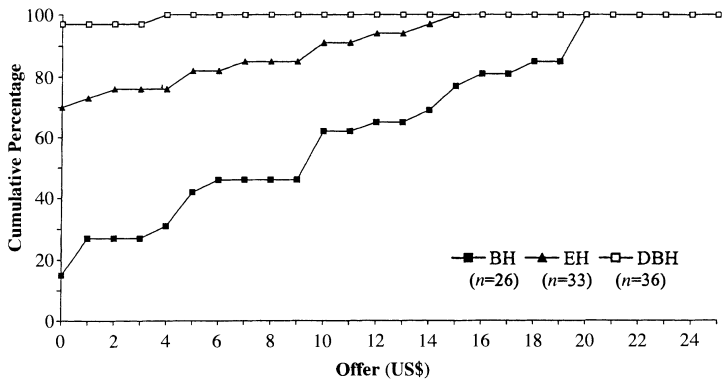


FIGURE 2. CUMULATIVE DISTRIBUTIONS OF OFFERS IN THE $40 DICTATOR GAMES

Main pattern

Earning the endowment sharply increases the frequency of keeping everything, and this becomes even more pronounced under double blind.

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- This creates an interpretation problem for standard dictator-game data:
  - positive giving need not reflect pure altruism;
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- This fits List (2007) where DG transfers are sensitive to framing, property rights, and the action set.

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  several fairness ideals become plausible.
- In particular, one may argue that fairness requires
  - equal final incomes,
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  - or redistribution of luck but not of effort.
- This is the central idea in Cappelen et al. (2007).

Cappelen et al. (2007): prod., luck, redistribution

Experimental design:

- each subject receives an endowment of 300 NOK;
- subject i chooses an investment level q_i;
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The design therefore separates

- inequality due to decisions, from
- inequality due to luck.

Three fairness ideals in one allocation problem

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Cappelen et al. (2007) model utility as

$$U_i(y \mid \mathbf{a}, \mathbf{q}) = \gamma y - \beta_i \frac{\big(y - m^i(\mathbf{a}, \mathbf{q})\big)^2}{2X} \qquad m^i(\mathbf{a}, \mathbf{q}) = \text{player } i\text{'s fairness ideal.}$$

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Liberal egalitarian:

$$m^i(\mathbf{a}, \mathbf{q}) = \frac{q_i}{q_i + q_j} X(\mathbf{a}, \mathbf{q}) \implies \text{Respect effort, but redistribute luck.}$$

Evidence for plural fairness views

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Cappelen et al. (2007) recover this with a fin. mixture of mixed logit models.

TABLE 2—ESTIMATES OF THE STRUCTURAL MODEL

	Specification			
	1	2	3	4
λ^{SE}, share strict egalitarian	0.435		0.674	0.513
	(0.090)		(0.085)	(0.097)
λ^{LE}, share liberal egalitarian	0.381	0.725		0.487
	(0.088)	(0.085)		(0.097)
λ^{L}, share libertarian	0.184	0.275	0.326	
	(0.066)	(0.085)	(0.085)	
γ, marginal utility of money	28.359	16.437	18.189	22.464
	(3.589)	(1.739)	(2.174)	(2.793)
ζ, mean of $\log(\beta)$	5.385	4.171	4.304	4.585
	(0.349)	(0.412)	(0.459)	(0.365)
σ, standard deviation of $\log(\beta)$	3.371	3.155	3.148	2.897
	(0.530)	(0.507)	(0.498)	(0.448)
Log likelihood	−337.584	−367.958	−366.969	−350.736

Note: Standard errors, calculated using the outer product of the gradient (Ernst R. Berndt et al., 1974), are shown in parentheses. Money is scaled in units of 1,000 NOK. One estimate of the population shares and its standard error is calculated residually in each specification.

Why average giving can be misleading

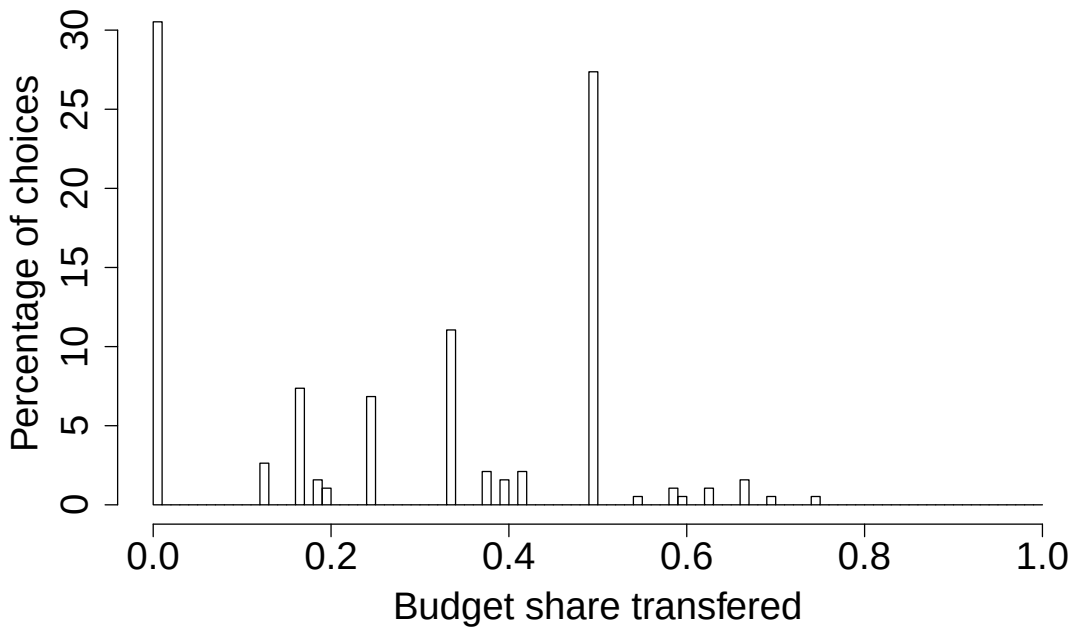
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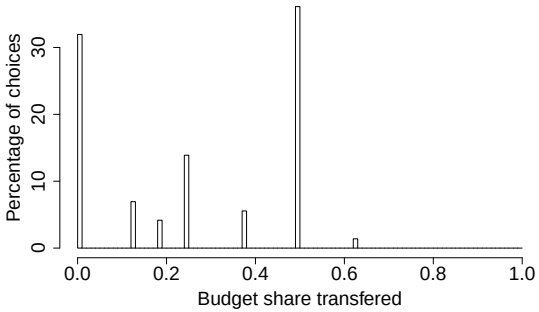
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- But similar average transfers may be generated by different moral views:
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- So average giving is insufficient to identify the underlying fairness concept.

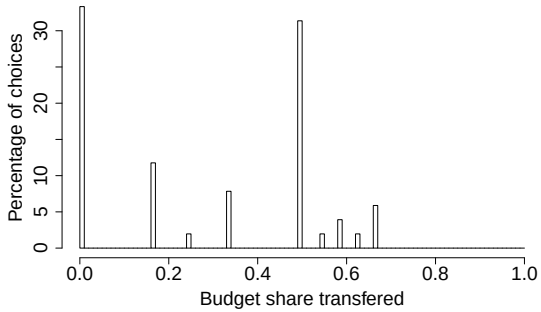


Chosen allocations function of relative contributions

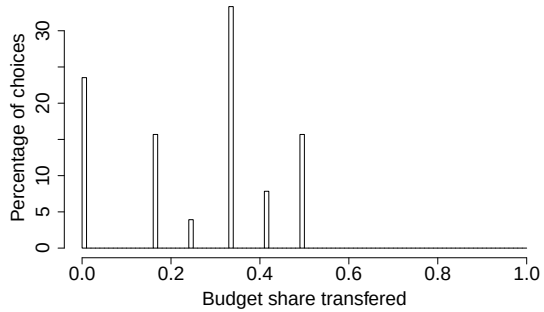
- Conditioning on the contribution ratio, the structure becomes much clearer.
- Dictators respond differently depending on whether relative output differences are driven by effort or by luck.
- Conditional patterns are therefore more informative.



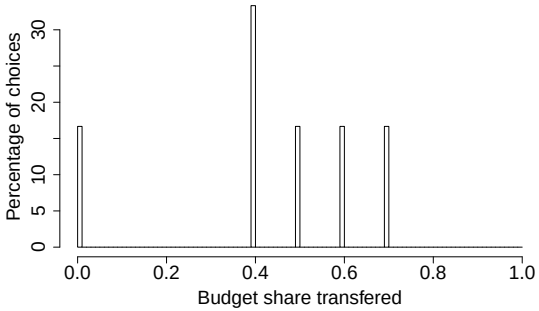
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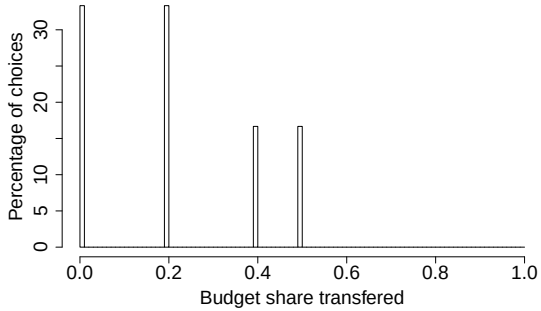
(b) Contributions 1:2



(c) Contributions 2:1



(d) Contributions 1:4



(e) Contributions 4:1

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   - or a more direct measure of what subjects see as socially appropriate.
5. This motivates the next step:

Can we measure social appropriateness directly?

Measuring social appropriateness

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Why revealed allocations are not enough

Identification problem: similar transfer can be generated by different motives. In particular, a choice may reflect

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- The object identified is therefore a **perceived injunctive norm**.

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- β captures the pull of material incentives;
- γ captures the pull of norm compliance.
- *Not yet a complete structural model of preferences.* But it creates a tractable way to test whether appropriateness helps explain systematic differences across games.

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- Many final allocations coincide across the two games.
  - Giving \$2 in the standard game and taking \$3 in the bully game both imply the final allocation $(8, 2)$.

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  - initial endowments $(5, 5)$;
  - Player 1 can either give to or take from Player 2.
- Many final allocations coincide across the two games.
  - Giving \$2 in the standard game and taking \$3 in the bully game both imply the final allocation $(8, 2)$.
- If only final outcomes mattered, these two actions should look equivalent.
- If social meaning matters, taking should be judged less appropriate than giving.

Social appropriateness in dictator games

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- Actions that implement the same final allocation are evaluated differently once one action is framed as giving and the other as taking.
- Taking is systematically judged as less socially appropriate than giving.
- So the norm difference is not a by-product of different monetary incentives: it is tied to the **social meaning of the action**.

Action (final wealth)	Standard (n = 107) (Initial wealth: $10, $0)						Bully (n = 92) (Initial wealth: $5, $5)						*rank-sum test (z)*
	Action	**Mean**	- -	-	+	+ +	**Action**	**Mean**	- -	-	+	+ +	
$10, $0	"Give $0"	**-0.80**	82%	10%	3%	5%	"Take $5"	**-0.90**	91%	5%	0%	3%	*1.85**
$9, $1	"Give $1"	**-0.64**	61%	31%	3%	6%	"Take $4"	**-0.83**	82%	14%	1%	3%	*3.13****
$8, $2	"Give $2"	**-0.44**	35%	51%	10%	4%	"Take $3"	**-0.67**	55%	40%	3%	1%	*3.27****
$7, $3	"Give $3"	**-0.16**	8%	62%	26%	4%	"Take $2"	**-0.38**	28%	53%	16%	2%	*3.34****
$6, $4	"Give $4"	**0.14**	3%	30%	61%	7%	"Take $1"	**-0.09**	12%	46%	36%	7%	*3.42****
$5, $5	"Give $5"	**0.87**	0%	3%	14%	83%	"Give $0" / "Take $0"	**0.93**	0%	0%	11%	89%	*1.26*
$4, $6	"Give $6"	**0.57**	0%	7%	50%	43%	"Give $1"	**0.48**	4%	12%	40%	43%	*0.72*
$3, $7	"Give $7"	**0.42**	1%	22%	39%	37%	"Give $2"	**0.31**	7%	23%	38%	33%	*1.12*
$2, $8	"Give $8"	**0.32**	6%	31%	23%	40%	"Give $3"	**0.20**	14%	27%	23%	36%	*1.08*
$1, $9	"Give $9"	**0.22**	17%	24%	19%	40%	"Give $4"	**0.10**	27%	16%	21%	31%	*0.99*
$0, $10	"Give $10"	**0.18**	26%	13%	18%	43%	"Give $5"	**0.04**	36%	10%	16%	38%	*1.13*

* - p < 0.1, ** - p < 0.05, *** - p < 0. 01; all two-tailed

Responses are: "very socially inappropriate" (- -), "somewhat socially inappropriate" (-), "somewhat socially appropriate" (+), "very socially appropriate" (+ +); modal response are shaded. To construct the mean ratings, we converted responses into numerical scores ("very socially inappropriate" = -1, "somewhat socially inappropriate" = -1/3, "somewhat socially appropriate" = 1/3, "very socially appropriate" = 1).

How well does appropriateness explain behavior?

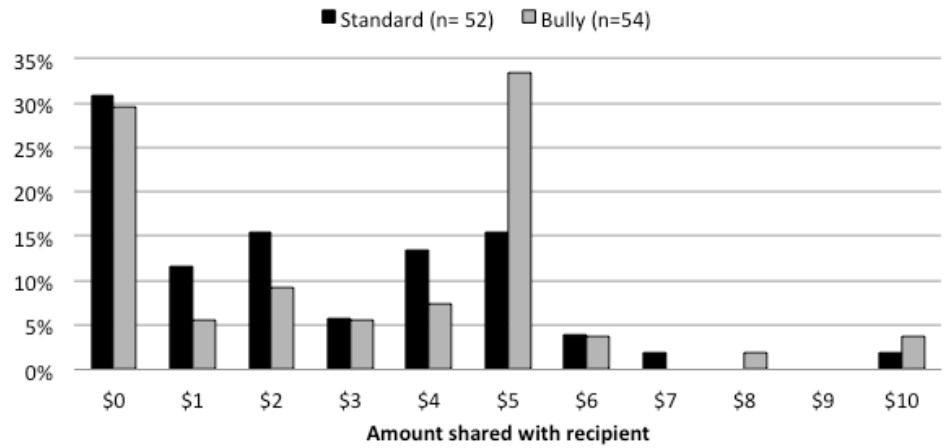
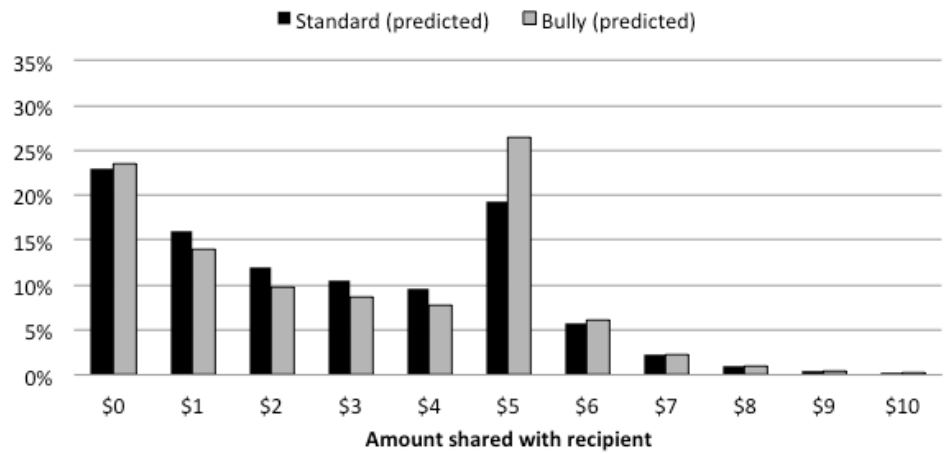


Figure 1B. Predicted distributions of amounts shared in standard vs. bully treatments (based on coefficients in Table 3, Model 1)



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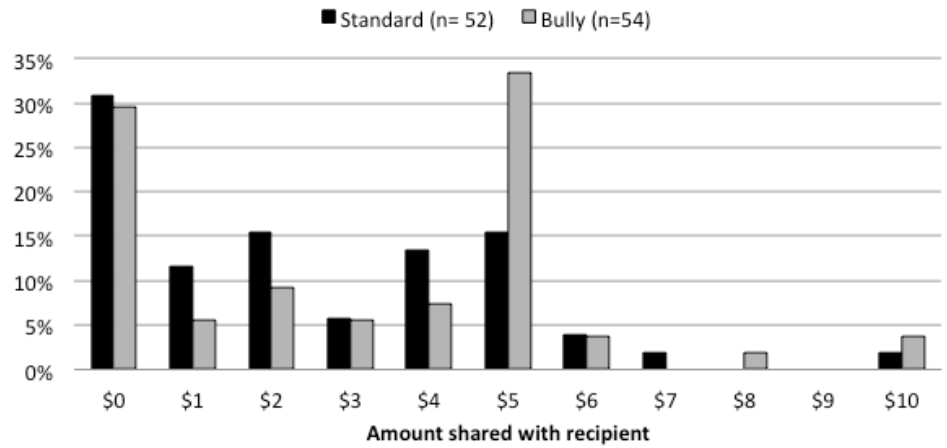
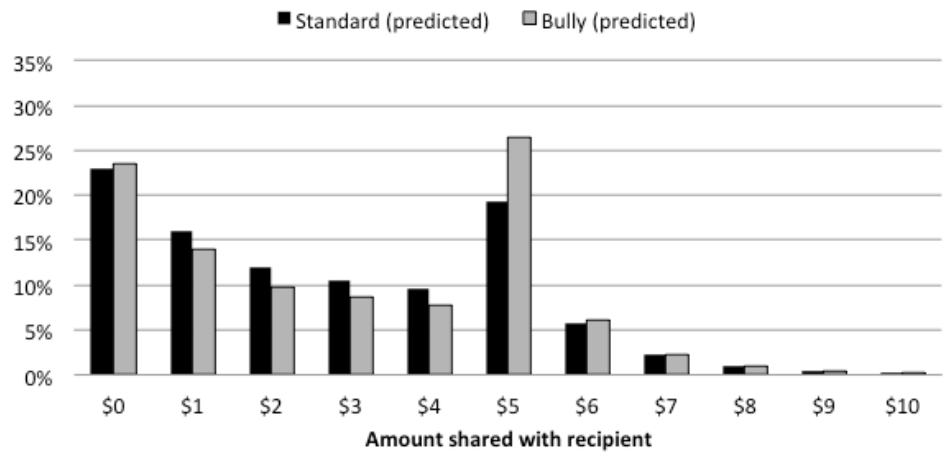


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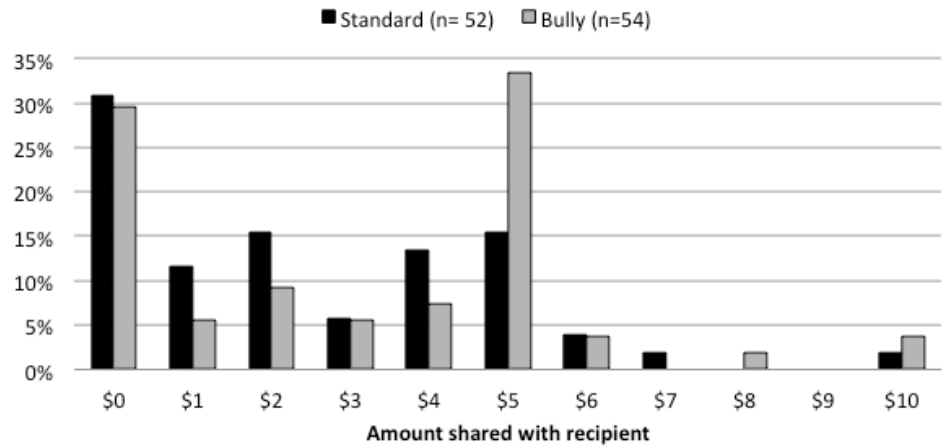
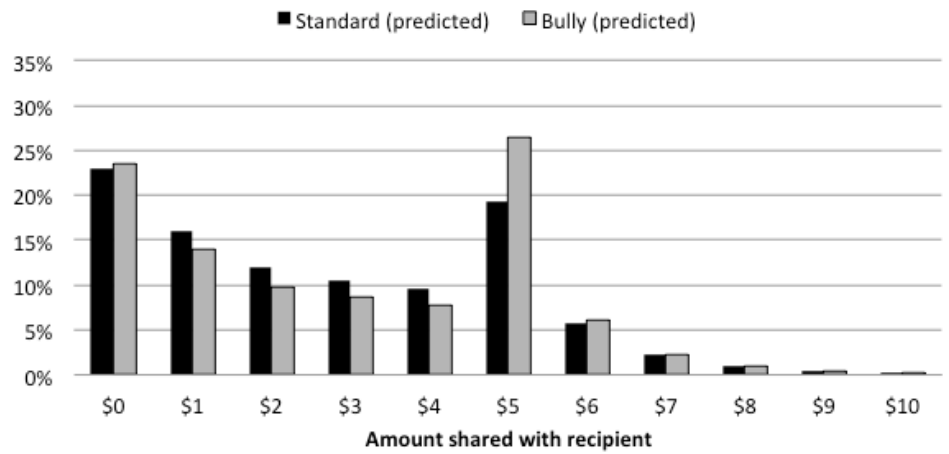


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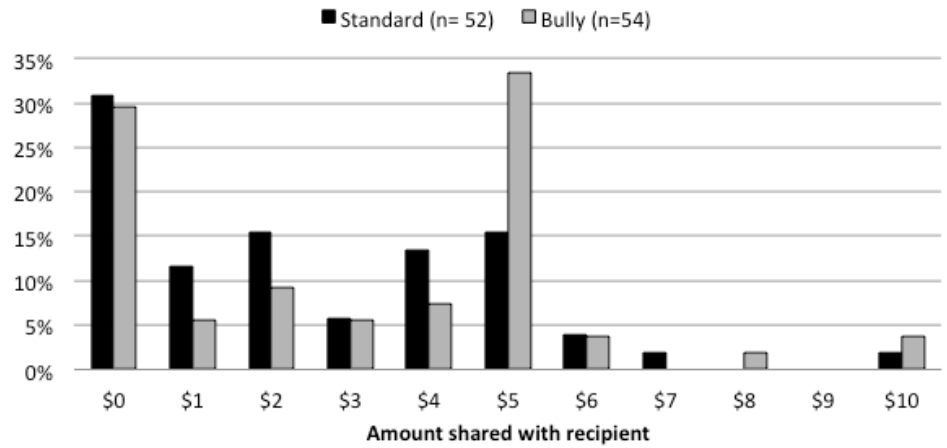
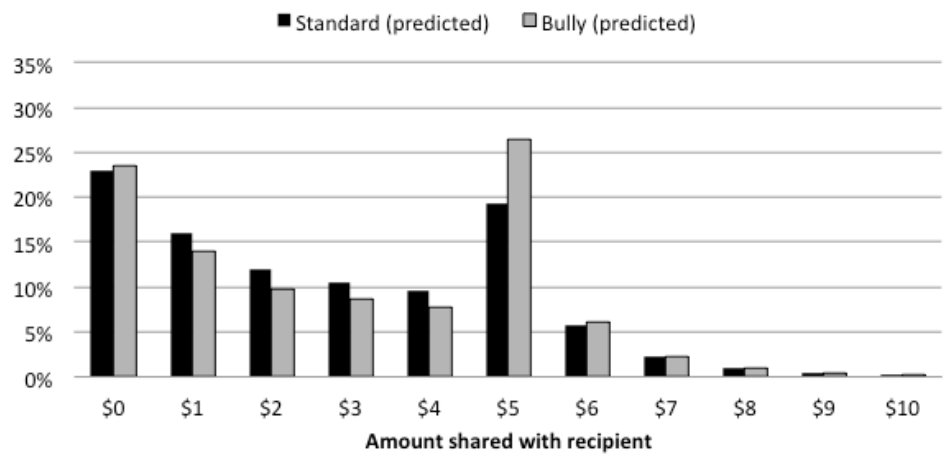


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Norms matter, but they are not the whole story. Residual mass at focal points may also reflect choice simplification or presentation effects; cf. Breitmoser (2017).

What we learn from social appropriateness

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- **But:** appropriateness does not explain everything. Residual variation remains at focal choices, at zero giving, and potentially wherever presentation or menu effects matter.
- This is why a careful interpretation of dictator data still needs
  - attention to action sets and framing,
  - structural discipline in modeling,
  - and caution about what is being identified.

What newer work adds

Giving and Social Norms

Why revisit norm elicitation?

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  - What changes once norm compliance enters estimation explicitly?
- These questions matter because the interpretation of social-preference games depends not only on the game itself, but also on how precisely we measure the motive behind the observed choice.
- Recent work therefore sharpens rather than overturns the Krupka–Weber approach: norms matter, but careful measurement remains essential.

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How robust is norm elicitation?

- A first concern is whether the coordination method merely picks up salient focal points rather than genuine normative expectations.
- Fallucchi and Nosenzo (2022) show that the Krupka–Weber method is broadly robust when there is a sufficiently clear shared norm.
- Charness et al. (2025) conclude that coordination-based methods perform well when there is a dominant norm, not in more heterogeneous environments.

This is analogous to a broader issue in stochastic choice: when the underlying object is noisy or heterogeneous, the researcher must separate true heterogeneity from measurement artefacts; see Breitmoser (2016).

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- Relatedly, Eckel et al. (2023) show that norms also vary with the **recipient context**: giving to another student and giving to a charity create different injunctive norms.
- So context is not only about whether one can give or take. It is also about **who** the recipient is and what social obligation that creates.

What changes once norms enter estimation directly?

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- This is precisely the contribution of Carpenter and Robbett (2024): they estimate social preferences while explicitly allowing choices to depend on social appropriateness.
- Their main message is economically important:
  - if the norm component is omitted, some behavior may be misread as stable altruism or fairness concern;
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  - once norm compliance is modeled explicitly, part of that behavior is reclassified as norm-following.
- It also fits the measurement perspective in Wang and Navarro-Martinez (2023): cleaner measurement can materially change what we infer from social-preference games.

What norms explain — and what they do not

Giving and Social Norms

What have we learned?

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- We then saw why raw transfer frequencies are not enough:
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- The central lesson is therefore:

  Observed dictator transfers do not map cleanly into one stable "altruism" parameter.

- Instead, behavior may reflect a combination of
  - outcome-based social preferences,
  - fairness ideals,
  - entitlement and property-rights considerations,
  - and norm compliance.

What norms explain — and what they do not

Norm-based evidence explains

- why earned endowments reduce the obligation to share;
- why giving and taking are not morally equivalent;
- why exit options can make selfish outcomes look more acceptable;
- why recipient identity and social context shift behavior;
- why similar games can generate different transfer distributions.

What it does not fully explain

- residual concentration at focal actions;
- persistent zero-giving in some environments;
- heterogeneity in who complies with the norm and who does not;
- the role of confusion, simplification, or stochastic choice;
- implementation and presentation effects.

References

Giving and Social Norms

Core references for Lecture 06

Benchmark and classic evidence on context-sensitive giving

- Bolton and Ockenfels (2000)
- Cherry et al. (2002)
- Cappelen et al. (2007)
- Krupka and Weber (2013)

Interpretation of dictator-game behavior and menu effects

- List (2007)
- Bardsley (2008)
- Dana et al. (2006)
- Lazear et al. (2012)

Further references and measurement perspective

Recent work on norms and measurement

- Fehr and Charness (2025)
- Fallucchi and Nosenzo (2022)
- Huffman et al. (2025)
- Eckel et al. (2023)
- Charness et al. (2025)
- Carpenter and Robbett (2024)

Measurement and structural interpretation

- Breitmoser (2013)
- Breitmoser (2016)
- Breitmoser (2017)
- Wang and Navarro-Martinez (2023)

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