



The development of egalitarianism, altruism, spite and parochialism in childhood and adolescence



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ABSTRACT

We study how the distribution of other-regarding preferences develops with age. Based on a set of allocation choices, we classify each of 717 subjects, aged 8–17 years, as either egalitarian, altruistic, or spiteful. We find a strong decrease in spitefulness with increasing age. Egalitarianism becomes less frequent, and altruism much more prominent, with age. Females are more frequently classified as egalitarian than males, and less often as altruistic. By varying the allocation recipient as either an in-group or an out-group member, we also study how parochialism develops with age. Parochialism emerges significantly in the teenage years.

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1. Introduction

Other-regarding preferences are a fundamental cornerstone in the human ability to cooperate in large groups of genetic strangers (Bowles, 2004; Boyd and Richerson, 2005). This raises the important question how other-regarding preferences develop in human life, in particular examining the age at which other-regarding behavior sets in and whether there are gender differences in behavior. Recent research has focused on the development of the upside of other-regarding preferences by showing that egalitarianism and efficiency concerns become more prominent as children and teenagers get older (Fehr et al., 2008; Almås et al., 2010). However, theory suggests that other-regarding behavior in groups may co-evolve with parochialism, a potentially harmful downside of other-regarding preferences (Choi and Bowles, 2007). The development of parochialism – implying in-group favoritism and out-group hostility – has received little attention so far (see Bernhard et al., 2006; Goette et al., 2006, for studies with adults). The same holds true for the development of spitefulness, a human trait that puts negative value on the other person's well-being. While spitefulness seems to be a

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robust phenomenon of a non-negligible minority of adult subjects (Falk et al., 2005; Herrmann et al., 2008; Kerschbamer, 2013), nothing is known so far about the relative frequency of spiteful behavior in childhood and adolescence and how it might change with age.

In this paper, we study in a unified framework how both benevolent and malevolent other-regarding preferences develop in a sample of 717 subjects aged 8–17 years. We allow each subject to make three simple allocation choices from which we can classify her preference type as either egalitarian, altruistic, or spiteful. Egalitarian types prefer allocations that yield equal payoffs for both parties over those with unequal payoffs. Altruistic types value the other person's payoff or the joint payoff positively, and spiteful types put a negative value on the other person's payoff. We also vary whether the recipient of the allocation is an in-group or an out-group member, in order to study parochialism and how it develops with age. While there is already quite some evidence on other-regarding preferences and the influence of age on them, little is still known about the emergence of parochialism with age.

We find a strong decrease of spitefulness with increasing age. Egalitarianism becomes less frequent and altruism much more prominent with age, the latter implying that the choice of the pie-maximizing allocation increases with age. Females are more frequently classified as an egalitarian type than males are (which is similar to findings for adults; see Croson and Gneezy, 2009), and females are less often what we call an altruistic type. Interestingly, parochialism in the form of a worse treatment of out-group members, compared to in-group members, emerges and first becomes significant in the teenage years. Hence, while altruism becomes more important in adolescence, we observe more discrimination against out-group members at the same time, which is consistent with the main result in Choi and Bowles (2007).

Studying the benevolent and malevolent aspects of other-regarding preferences is important because knowledge about other-regarding preferences is key in designing institutions and their associated incentives. In particular, egalitarianism (i.e., inequality aversion) and reciprocity are likely to be important in employer–employee relationships in labor markets (Bewley, 1998). Negative other-regarding preferences – like spite – have been found to be influential on behavior as well, for instance by inducing sabotage in tournaments (Harbring and Irlenbusch, 2011). Beyond influencing behavior in small-scale groups, other-regarding preferences may also shape a society decisively by affecting decisions on social welfare or taxation (Fortin et al., 2007).

While many studies have examined other-regarding preferences in adults (see Camerer, 2003, or Cooper and Kagel, 2012, for surveys), much less is yet known about how these preferences develop with age, in particular before humans enter working life. Studying the development of other-regarding preferences is interesting for several reasons. First, from a theoretical perspective, it can illuminate how models of economic behavior (e.g., Fehr and Schmidt, 1999; Bolton and Ockenfels, 2000; Charness and Rabin, 2002) can account for the behavior of children and teenagers. These models were developed on the basis of experimental evidence from adult subjects, but it is unclear whether adult behavior is the consequence of any directional development in the prevalence of other-regarding preferences. The fact that economic decision making “may well change over the long term, with changes in age, education, political and religious beliefs, and other characteristics” (Bolton and Ockenfels, 2000, p. 171) has been well acknowledged. In our paper, we hope to contribute to a more detailed understanding of how age influences distributional preferences. Second, from an applied perspective, knowing more about the different types of other-regarding preferences and their intensity in childhood and adolescence can provide a benchmark against which adult behavior can be measured. A comparison of the intensity of benevolent other-regarding preferences observed in adulthood compared to childhood and adolescence is of great interest. If it is stronger in adulthood, this would imply that socialization in the teenage years should be considered as helpful for promoting efficient interactions in the workplace; if it is weaker, humans would seem to “lose” efficiency-promoting other-regarding preferences in the transition from childhood to adult age. Third, empirical evidence proves that children and adolescents influence to a large extent many household decisions and over the past few decades their purchasing power has increased substantially – at least in highly developed countries (McNeal, 1992; Dauphin et al., 2011). Fourth, and more generally, given the fact that children's economic decisions differ in many areas from adults' decisions, important sociopolitical consequences emerge. Policies, imposed by adults on children, may not be in accordance with the preferences of the affected children if adults do not know the children's preferences well. Beyond this aspect, if other-regarding preferences were to be found to be susceptible to policy interventions in education – a question that is still open to thorough investigation – knowing the distribution and the developmental changes of other-regarding preferences during childhood and adolescence would be a prerequisite for any kind of intervention.

The economic decision making of children and adolescents has received increasing attention in recent years. William Harbaugh and Kate Krause pioneered the systematic investigation of how children make economic decisions in a wide array of domains, such as rationality in revealed preferences (Harbaugh et al., 2001), risk taking (Harbaugh et al., 2002), or trust and trustworthiness (Harbaugh et al., 2003b). As far as other-regarding preferences in children and teenagers are concerned, the overall evidence seems to suggest that humans become less selfish as they grow older (Murnighan and Saxon, 1998; Harbaugh et al., 2003a; Benenson et al., 2007; Sutter and Kocher, 2007; Gummerum et al., 2008, 2010). These studies, however, have concentrated on a binary classification of more or less selfish behavior, preventing the classification of subjects into different types of other-regarding preferences and, hence, leaving open the investigation of how the distribution of types changes with age.

Fehr et al. (2008) took a first step in classifying different types of children's other-regarding preferences by devising three simple allocation tasks from which they can infer a subject's type as egalitarian, altruistic, or spiteful. Their experiment with 229 children, aged 3–8, shows that egalitarianism (i.e., inequality aversion) develops strongly between the ages of 3 and 8.

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