

Changing Social Norms and Norm Related Behaviors


Lessons from Experimental and Behavioral
Economics

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Outline

- Definition of a social norm
- Social norms and public goods
- Behavioral regularities from public goods experiments
 - Voluntary cooperation
 - Voluntary sanctioning
- Implications for policies aimed at establishing socially beneficial social norms
- Summary

What is a Social Norm?

- Social norms are **standards of behavior** that are based on widely **shared beliefs** how individual group members **ought** to behave in a given situation
- Social norms are partly based on individual's **internal normative commitments** but they are typically also enforced through informal peer sanctions or through legal **sanctions**

Social Norms and Externalities

- Coleman (Foundations of Social Theory, 1990):
 - Demand for social norms (i.e., a normative standard of behavior) emerges naturally when private actions create positive or negative externalities
- If my actions have a positive or negative impact on others they may consider it legitimate to influence my actions
- Example: The no-smoking norm emerged after it became clear that passive smoking is detrimental for health

Externalities and Public Goods

- The presence of externalities causes inefficient levels of private activity
 - Positive externality: too little private activity
 - Investment into human capital
 - Obligatory state-financed schooling as a solution
 - Negative externality: too much private activity
 - Overexploitation of common pool resources such as lakes or woods or the atmosphere
 - Monitoring and sanction system implemented at the village level

Examples of Social Norms that are Public Goods

Don't lie

- High level of general honesty is beneficial for everybody but often there are individual incentives to lie

Keep your promises

- High level of promise keeping is beneficial for everybody and saves monitoring and enforcement costs but often individuals have incentives to break their promises

Social Norms, Public Goods, and Economic Development

Child Labor

- Prevents a healthy and educated labor force from which society as a whole would benefit
 - human capital externalities, higher general wage level for workers, perhaps less alcohol and cigarette consumption when grown up
- Norms against child labor would produce a public good but
- Parents often have an individual incentive to send children to work
- A social norm that bans child labor would be socially beneficial

Socially Harmful Norms

Forced early marriage of girls

- Prevents the development of a skilled female labor force from which society benefits as a whole but
- it is considered the normatively appropriate thing to do

Norms that forbid women to work outside the household

- Wastes the skills and work of educated women or prevents education of women that would benefit society as a whole but
- it is considered the normatively appropriate thing to do

Socially Harmful Norms

Female genital cutting and infibulation

- Generates health costs for the extended family and society and reduces available female labor supply but
- cutting is in the normative and economic interest of the family

A Social Dilemma

- Removing or weakening socially harmful norms generates a public good
- But individual incentives work against the production of this good

➡ What do we know about behavioral regularities when individual interest and common interest are in conflict?

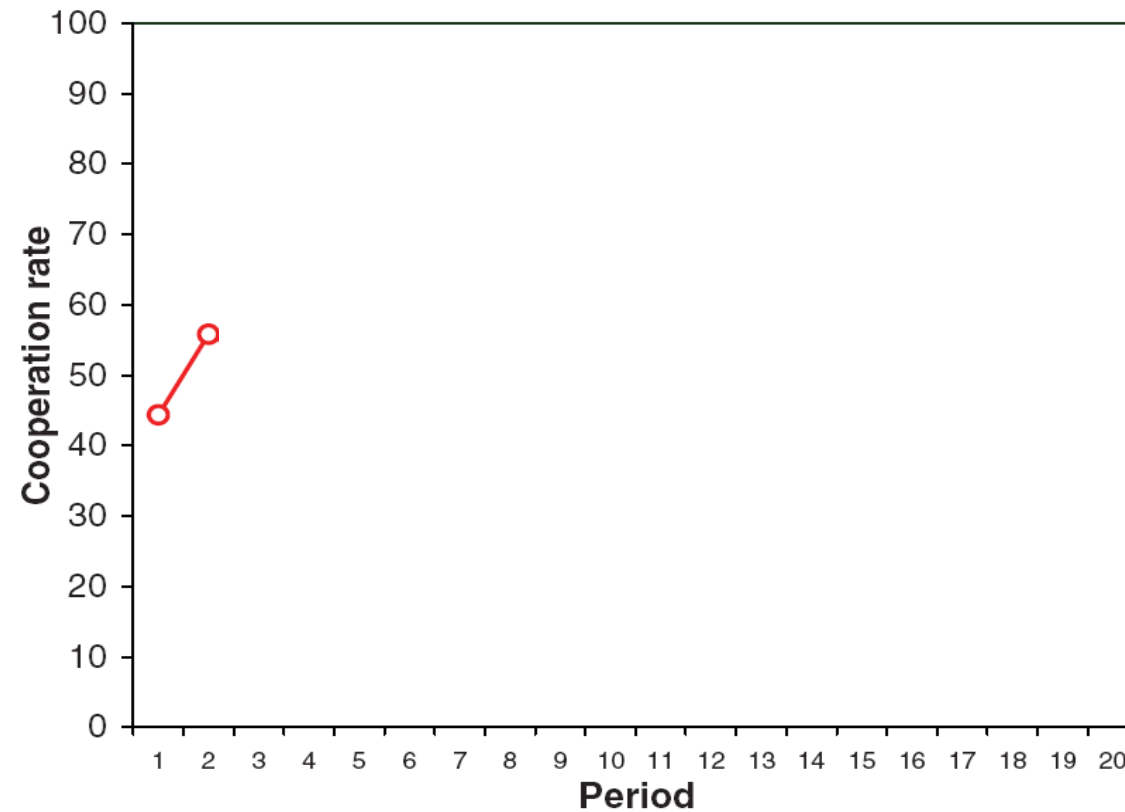
What do we know about behavior in public goods situations?

- Group of 4 persons – each one receives CHF 20
- Each participant can keep the CHF 20 for him/herself or contribute to a group project
- The experimenter doubles each franc (CHF) contributed to the group project; the total is then equally distributed among all participants
 - Each participant receives 50 centimes
 - Unprofitable for contributors
 - But it increases the aggregate group payout
- Stable group; played 10 times; feedback

Incentives to free ride

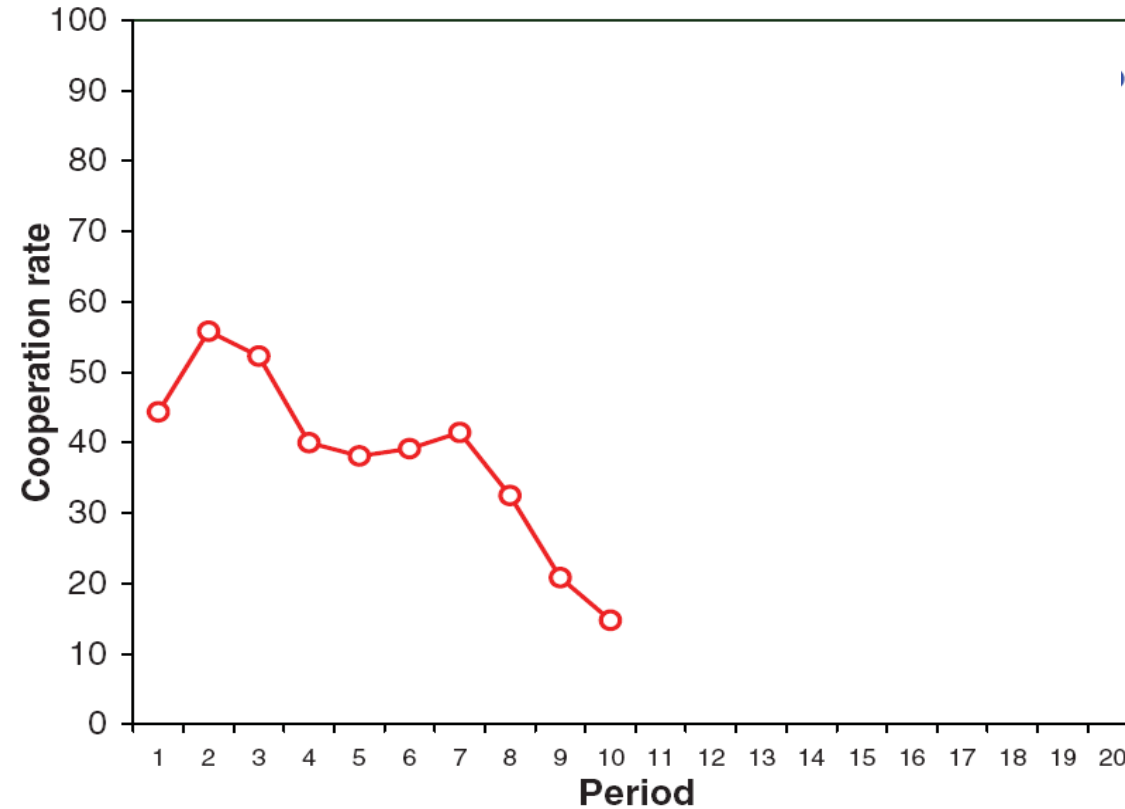
- Incentives to free ride
 - A contributor bears costs, but brings advantages to others
 - A non-contributor profits nevertheless from others' contributions
- Real life examples of cooperation
 - Sending your child to school instead of work
 - Refraining from forcing girls into early marriage
 - Allowing your daughter or wife to work outside the family
 - Refraining from cutting your daughter

Do people cooperate despite incentives to free ride?



Source: Fehr & Gächter,
American Economic
Review 2000

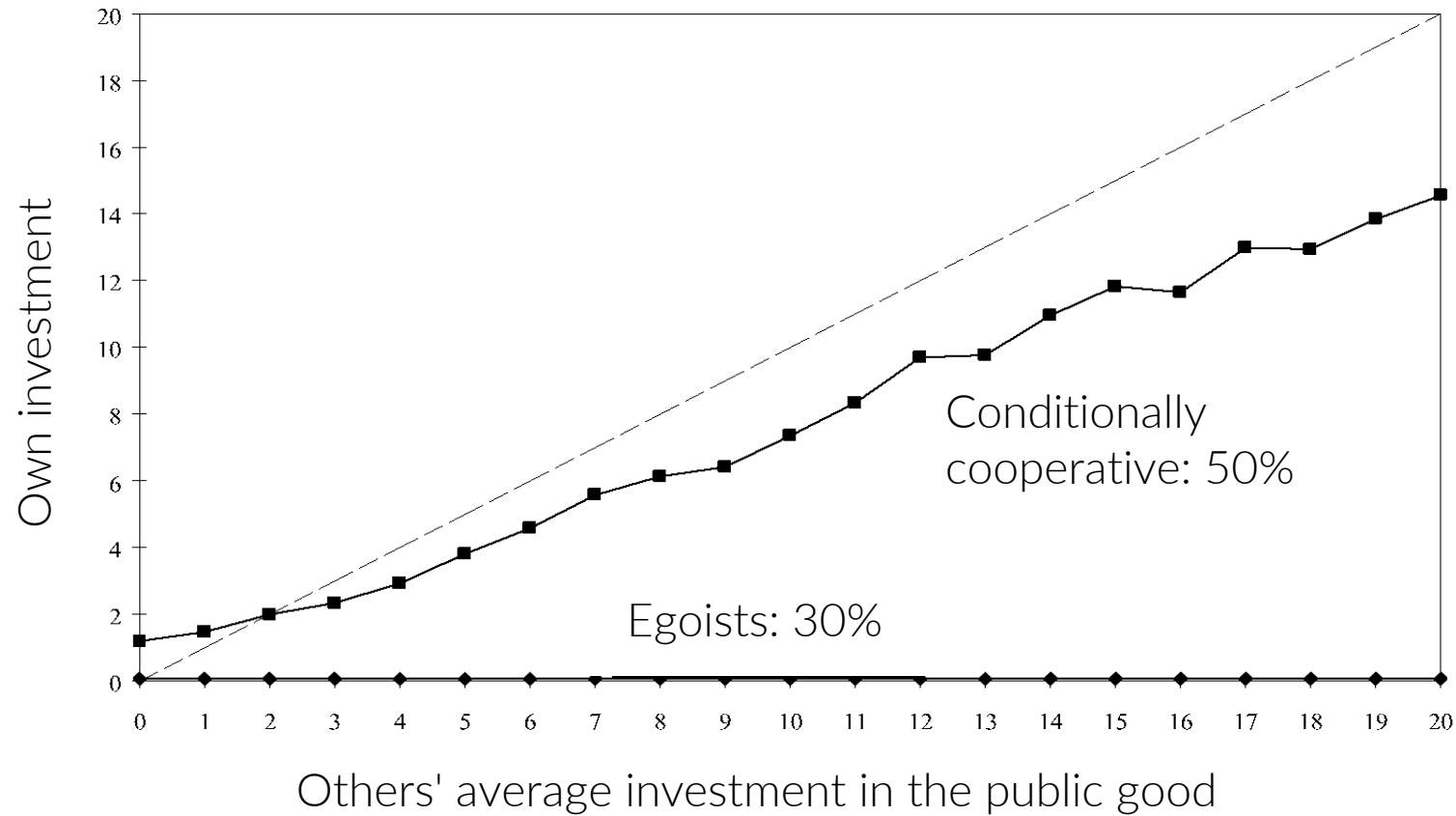
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Why does cooperation collapse?

Imperfect conditional cooperation



Own investments in the public good as a function of others' investments

Source: Fischbacher, Gächter, and Fehr 2001

The importance of conditional cooperation

- The dependence of individuals' cooperation on beliefs (expectations) about other people's cooperation is important
- Increasing the expectation about other's cooperation increases cooperation itself
- Expectation management is important
- Role models (i.e. actors) and leaders that publicly cooperate are important
 - They have a “multiplicative” impact on cooperation

Practical meaning of conditional cooperation in the development context

Child labor

- The more parents send their children to school the more other parents are likely to follow

Forced early marriage

- The more parents don't force their girls into early marriage the more other parents will follow

Female genital cutting

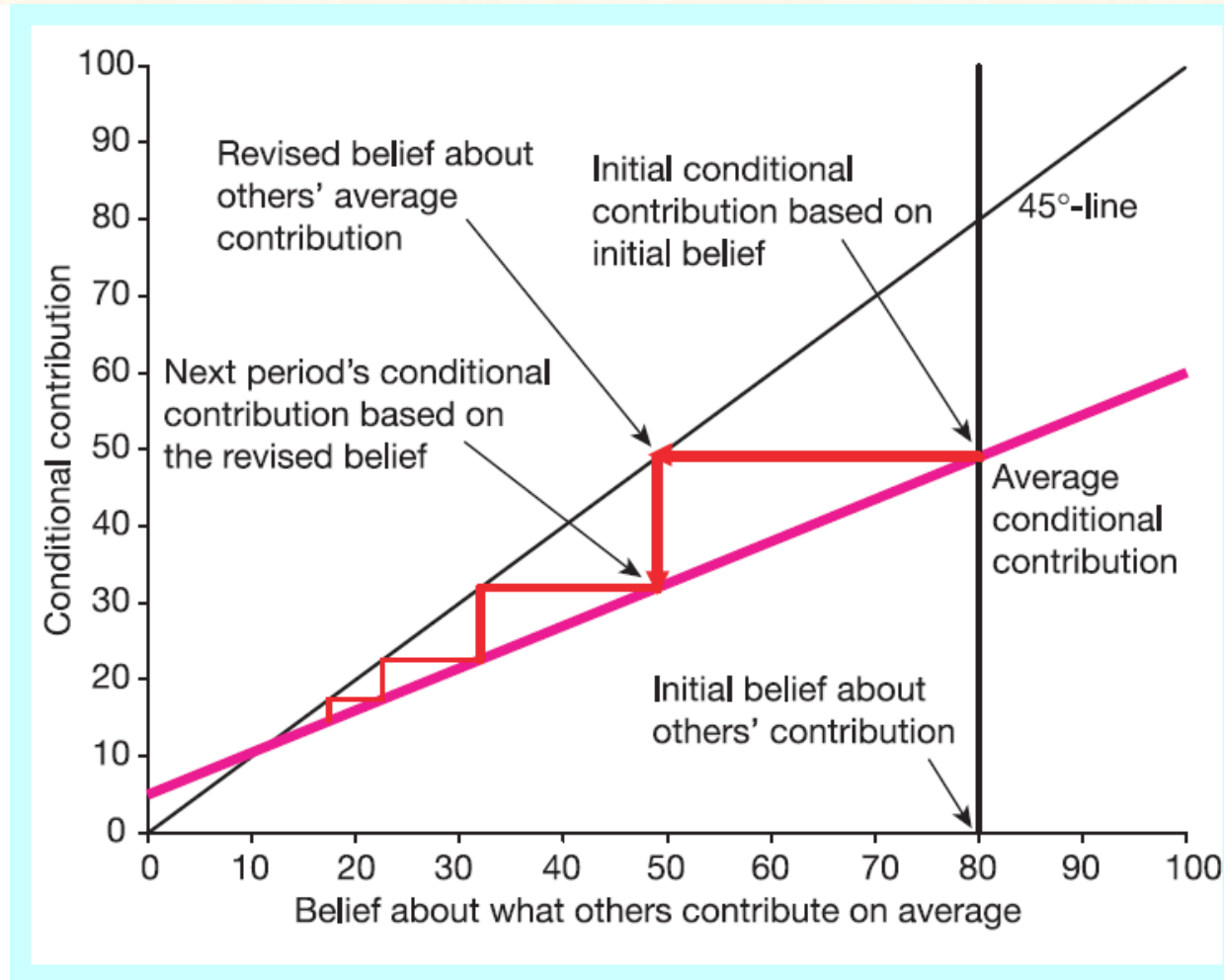
- The fewer parents are cutting their daughters the more others will follow

➡ Good examples have a social multiplier – however, they are individually costly for the first movers!

Does voluntary cooperation & expectation management alone suffice to generate high cooperation?

- NO
- In the experiment subjects start with optimistic beliefs about others' cooperation
- Even in the presence of optimistic beliefs about others' behavior the decay of cooperation cannot be prevented
- In the presence of a harmful social norm, the situation is even worse
 - Subjects belief that most others engage in the harmful practice and voluntary cooperation (= deviation from practice) is low!

Even with 100% **imperfect** conditional cooperators cooperation collapses



Socially beneficial norms as public goods versus social norms as a coordination problem

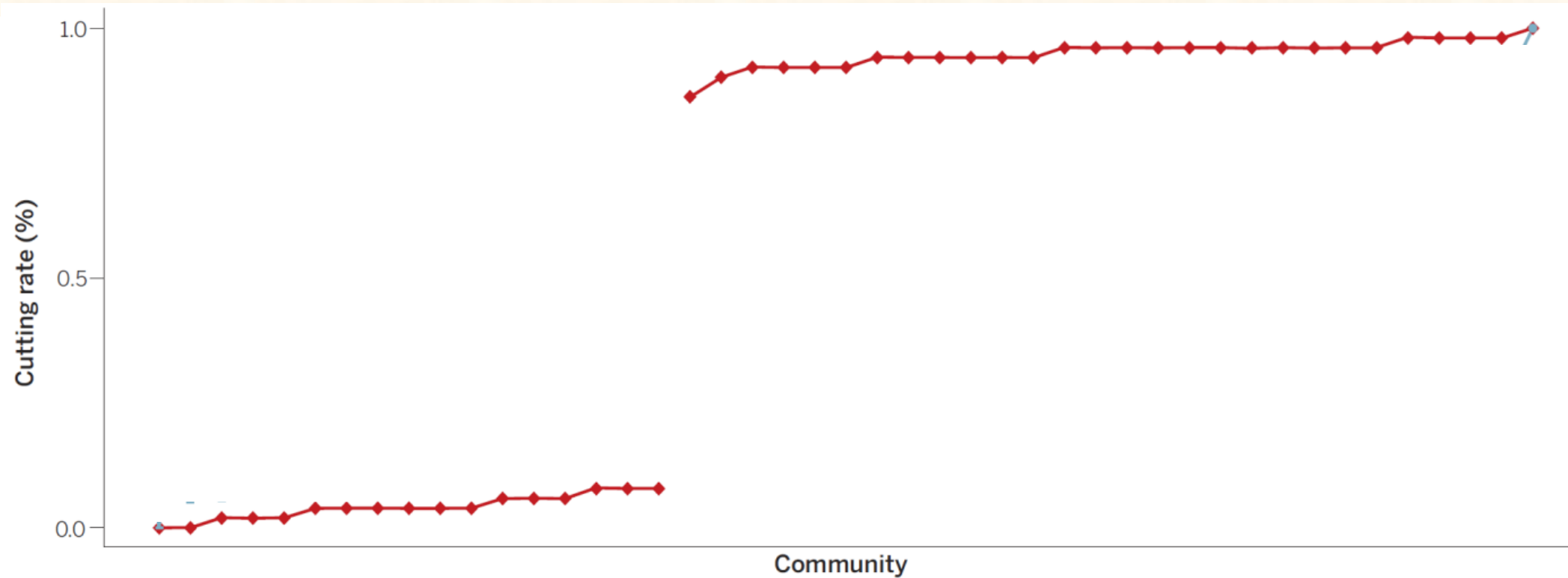
Coordination (tipping point) approach

- If a large enough percentage of the population chooses the prosocial behavior everybody follows automatically
- Why? Because it is in everybody's self-interest to do so

Public goods approach

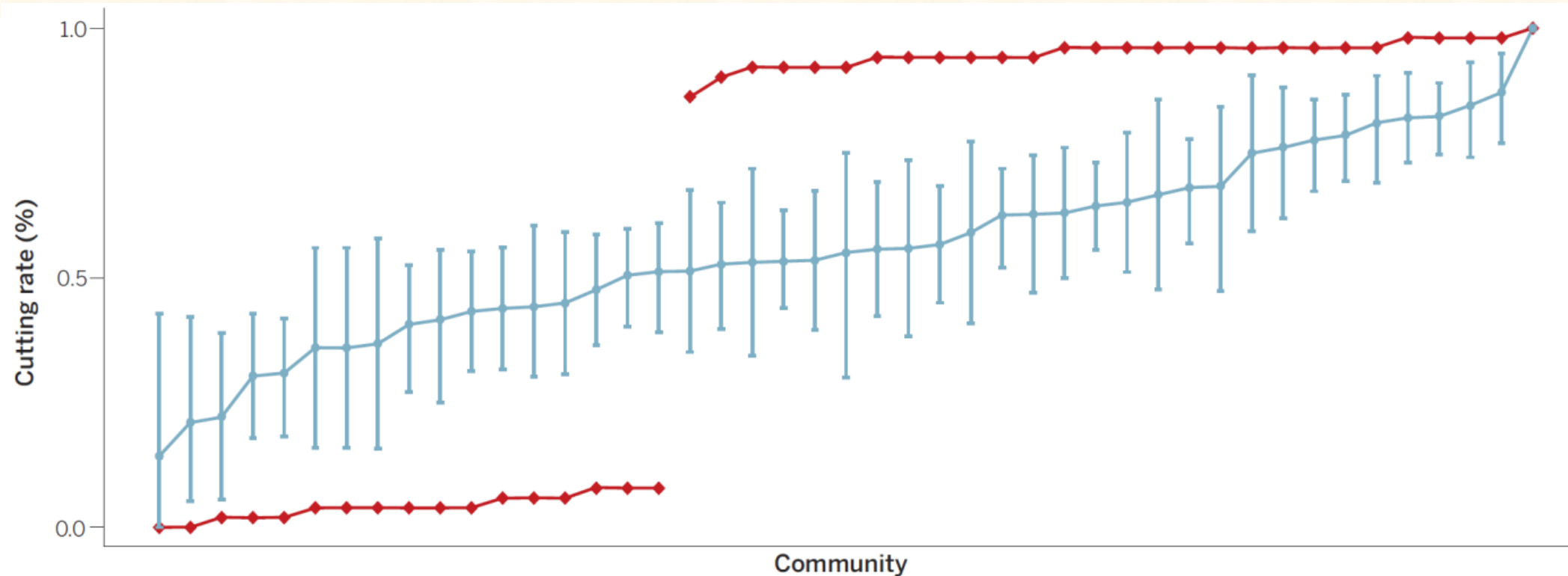
- Even if 100% of population is conditionally cooperative no stable prosocial norm develops
- Why? Because it is NOT in individual's self-interest to cooperate
- A large minority will violate the norm

Does the tipping point approach work for FGC/M



Cutting rates in Gezira communities. Red diamonds show ordered cutting rates as predicted by the coordination game model (12). Green dots show actual cutting rates across the 45 communities with 95% boot-strapped confidence intervals.

Does the tipping point approach work for FGC/M

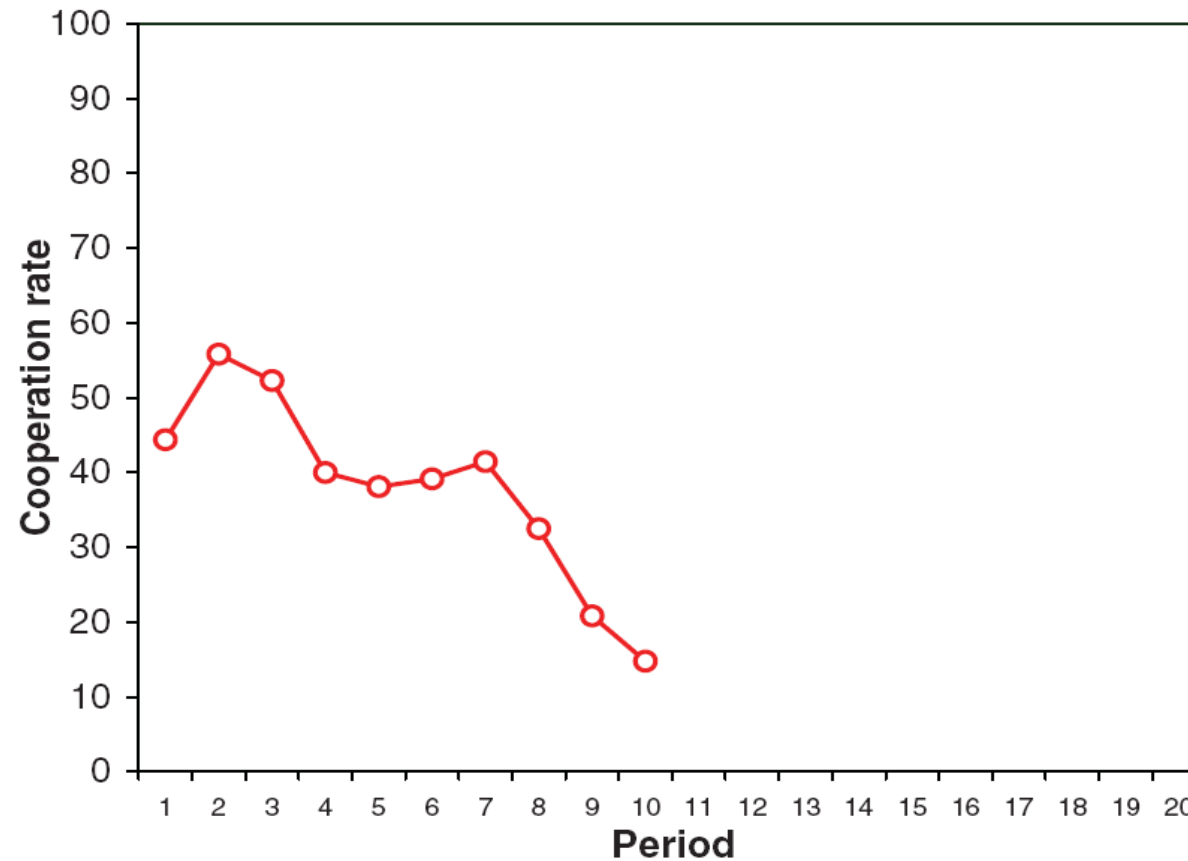


Cutting rates in Gezira communities. Red diamonds show ordered cutting rates as predicted by the coordination game model (12). Green dots show actual cutting rates across the 45 communities with 95% boot-strapped confidence intervals.

How can we achieve high cooperation levels despite individual incentives to freeride?

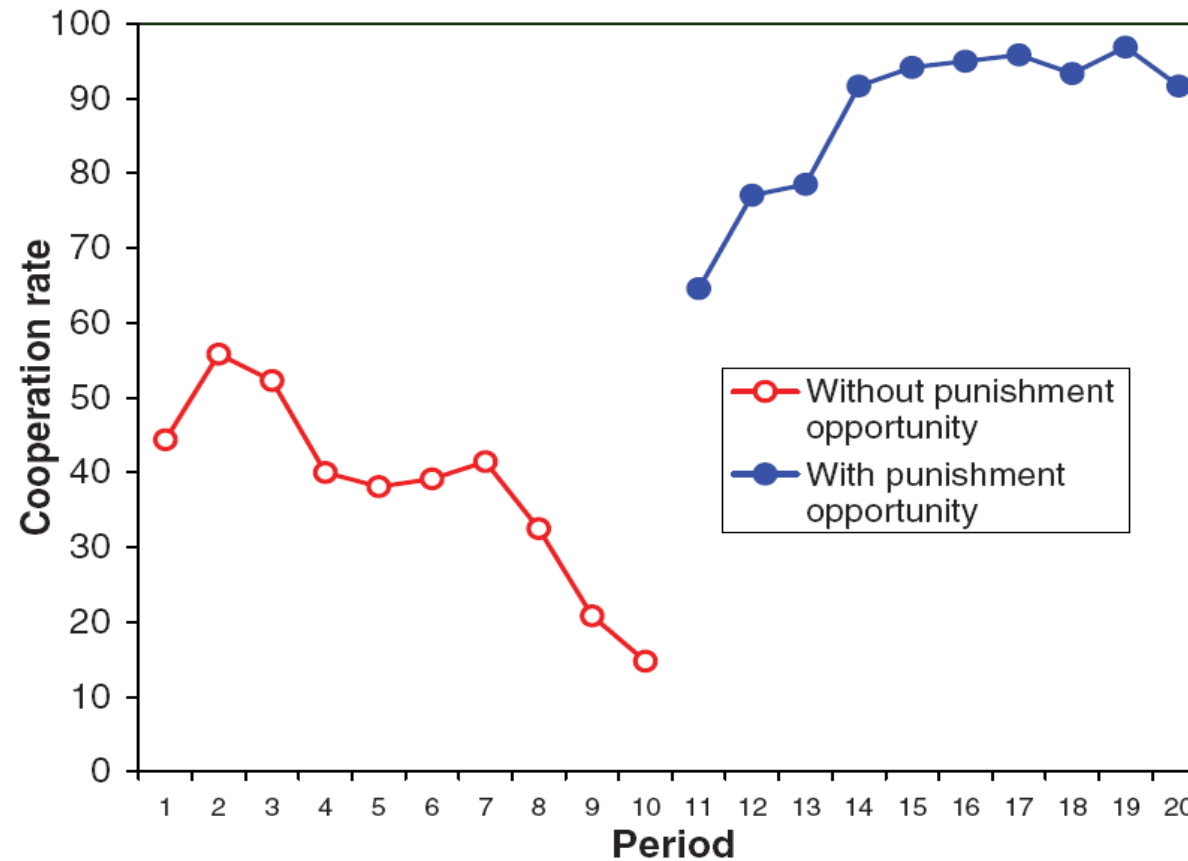
- The same cooperation experiment as before
 - with one modification
- At the end of a period, any group member can sanction another group member
- Sanctioning technology 1:3
- Self-interested prognosis
- Since punishment is costly, no one will punish
- No punishment, no cooperation

Cooperation and sanctions – results



Source: Fehr & Gächter
American Economic
Review 2000

Cooperation and sanctions – results

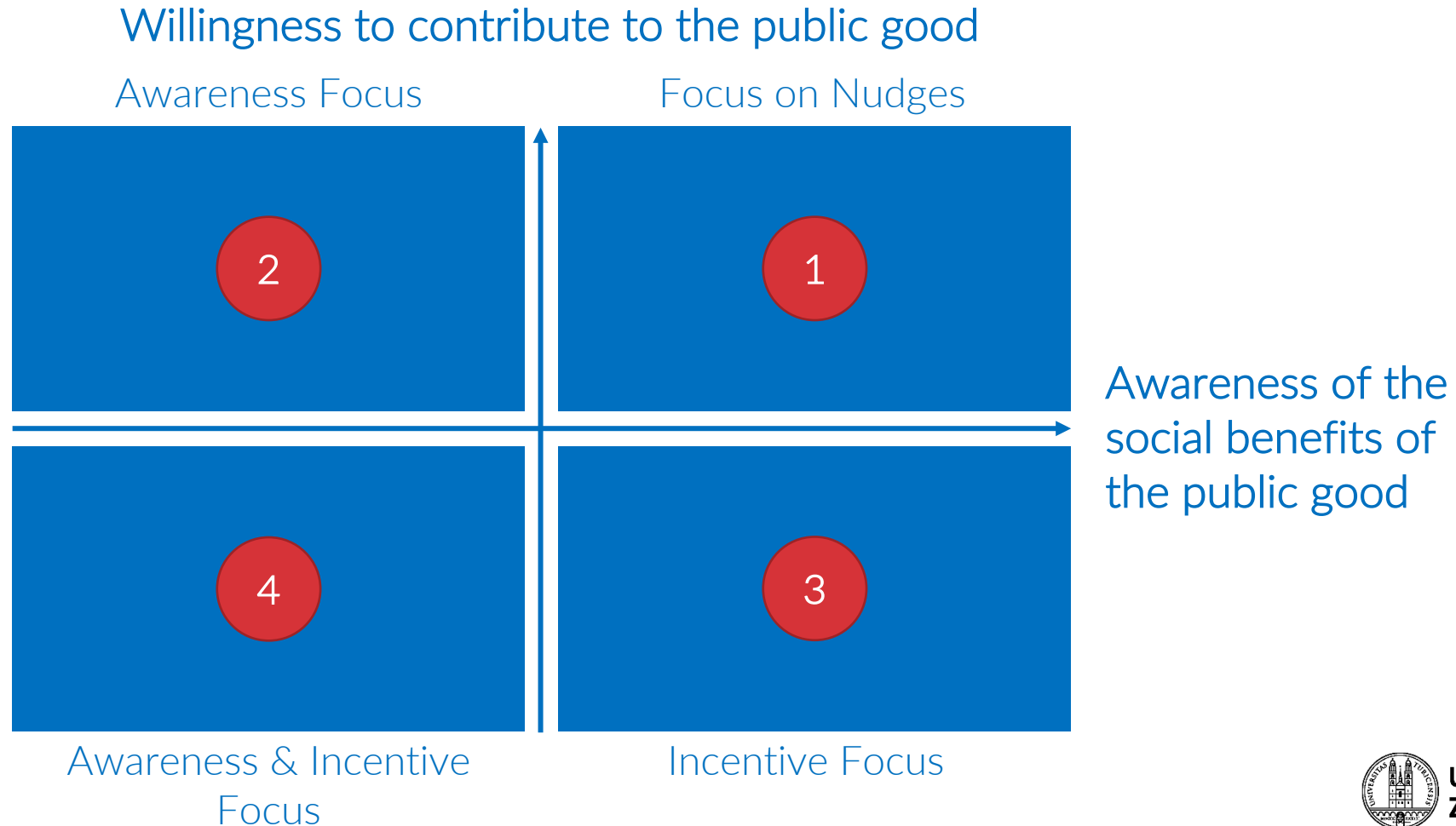


Source: Fehr & Gächter
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Why do people sanction those who don't cooperate?

- Because they **understand that everybody is better off** with high cooperation
- Because (conditionally) cooperative behavior is considered the **normatively right thing** to do
 - Deviations from (conditional) cooperation deserve punishment and many people are willing to sanction voluntarily

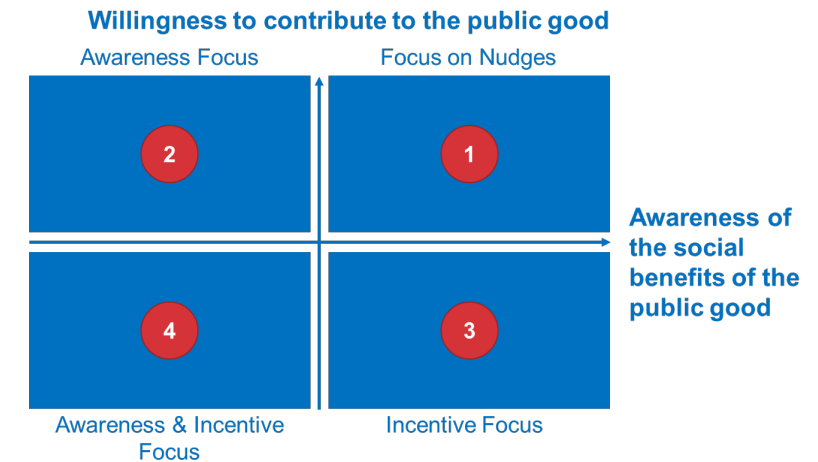
Social Norms Approach to Behavior Change



Social Norms Approach to Behavior Change

1 Focus on Nudges (high awareness, high willingness)

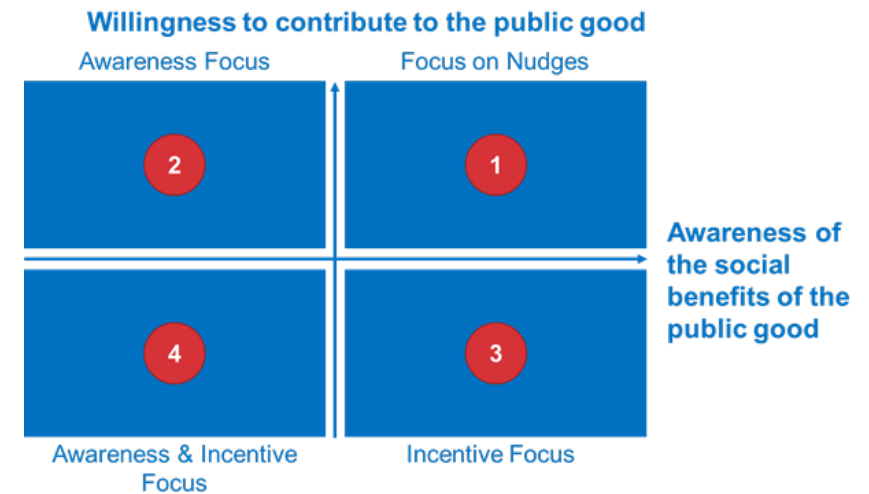
- Willingness to comply with desirable norm is, in principle, high and awareness of social benefits is high but still psychological obstacles (e.g. lack of attention, lack of coordination, lack of memory)
- GlowCaps – pill bottles that light up if not opened at the right time which helps people remember to take prescribed medication regularly
- “Reminders”



Social Norms Approach to Behavior Change

2 Awareness Focus (low awareness, high willingness)

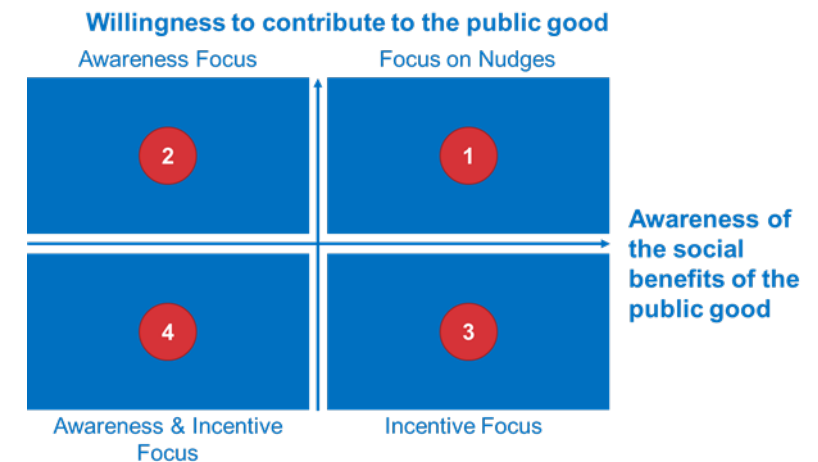
- Providing information about the high returns to schooling increases school attendance & likelihood to finish schools (Jensen, Dominican Republic)
- Informing women about good labor market opportunities increases their school enrollment and marriage age (Jensen, India)



Social Norms Approach to Behavior Change

3 Incentive Focus (high awareness, low willingness)

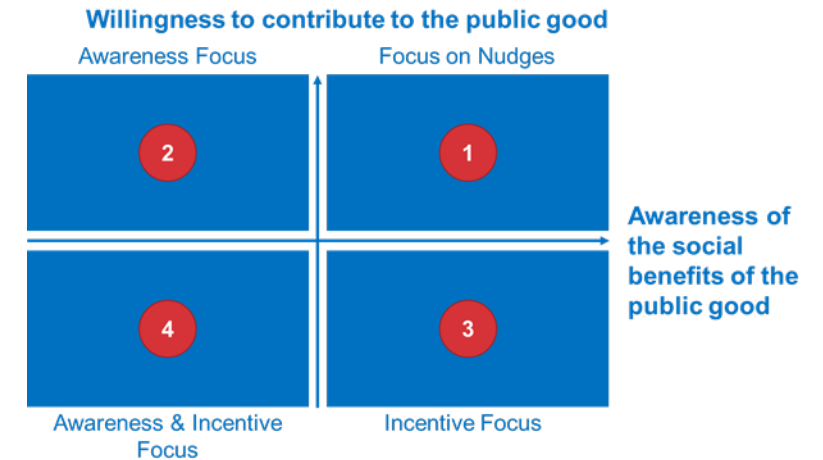
- Provide old-age insurance for parents to remove incentives to keep children uneducated such that they stay at home
- Mobilize peer pressure by giving car drivers red cards they can show to traffic rule violators – reduced car fatalities from 1300 to 600 within a year (Mockus, Bogotá)



Social Norms Approach to Behavior Change

4 Awareness & Incentive Focus (low awareness, low willingness)

- Preference for sons & selective abortion of daughters



Social Norms Approach to Behavior Change

Awareness and incentive focus (selective abortion of daughters due to a son preference)

- People unlikely to understand the social harm generated by their behavior
- Aggregate lack of female marriage partners for their sons
- If the awareness of the social harm is lacking
 - Little willingness to voluntarily forgo the perceived individual benefits of their socially harmful behavior
- People believe that most others' behave like them
- No willingness to sanction those who follow the harmful practice
- Cooperation for removing the harmful practice is largely absent

Social Norms Approach to Behavior Change

To remove harmful social practices in awareness & incentive focus

- Make people aware of the harmful social effects of their behavior and portray alternative behaviors as socially desirable (alternative role models)
➡ Not yet sufficient to remove the practice
- This is likely to generate some willingness for voluntary conditional cooperation (i.e. to refrain from socially harmful practice)
➡ Not yet sufficient
- Generate a belief that others' are likely to refrain from harmful social practice
➡ Not yet sufficient
- Provide individual rewards for refraining from harmful practice or sanction the practice

Summary I

- The view that social norms are often based on the existence of externalities yields useful insights
- Focus on the **intrinsic willingness to cooperate voluntarily** and the factors that shape this willingness
- Focus on the **awareness of the externalities** and the factors that shape this awareness
- Provides a useful framework for categorizing social norm related social problems and the targets of policy interventions

Summary II

- Focus on the interaction between heterogeneous population of conditional cooperators and mostly selfish people
- Shows the importance and the limits of expectations management
- Shows the limits of the pure coordination game approach to social norms
- Indicates the necessity of sanctions and incentives for **stable pro-social norms**