SET Survey

- Please kindly let us know what we can do for future cohorts…
- https://bluecastle-cn-surveys.nottingham.ac.uk

Tutorial 4: Eliciting Injunctive Social Norms

Krupka, E. & Weber, R. (2013). Identifying Social Norms Using Coordination Games: Why Does Dictator Game Sharing Vary? *JEEA*, 11(3): 495–524.

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Today's questions

1. How did participating in the experiment make you feel?
2. Why are there partitions between the desks in the lab?
3. Why is it important to ensure subjects understand the rules of the experiment? What steps were taken in our experiment to ensure understanding?
4. While participating, what did you think the purpose of the experiment might be? Having read the paper, what was the actual purpose of the experiment?
5. How was a coordination game used to measure social norms in the experiment? Any methodological problems with the use of this task?
6. Why did the authors choose dictator games as the setting to explore the relationship between norms and behaviour? Why do they argue that existing theories of other-regarding preferences cannot explain variation in behaviour across the different dictator games chosen?
7. What were the main findings of the paper?
8. Do you believe that you might have behaved differently if real money had been at stake? Is it important that economic experiments are properly incentivized?

Today's agenda

1. Look at the summary of our responses in Tutorial 3.
2. How to organize a session – from an experimenter's perspective, some debates that (might) never covered by papers.
3. Key designs of KW13 – pros and cons, and why?
4. Questions not covered will be posted on Moodle.

1 How did participating in the experiment make you feel?

Let us see the summary of our responses in Tutorial 3.

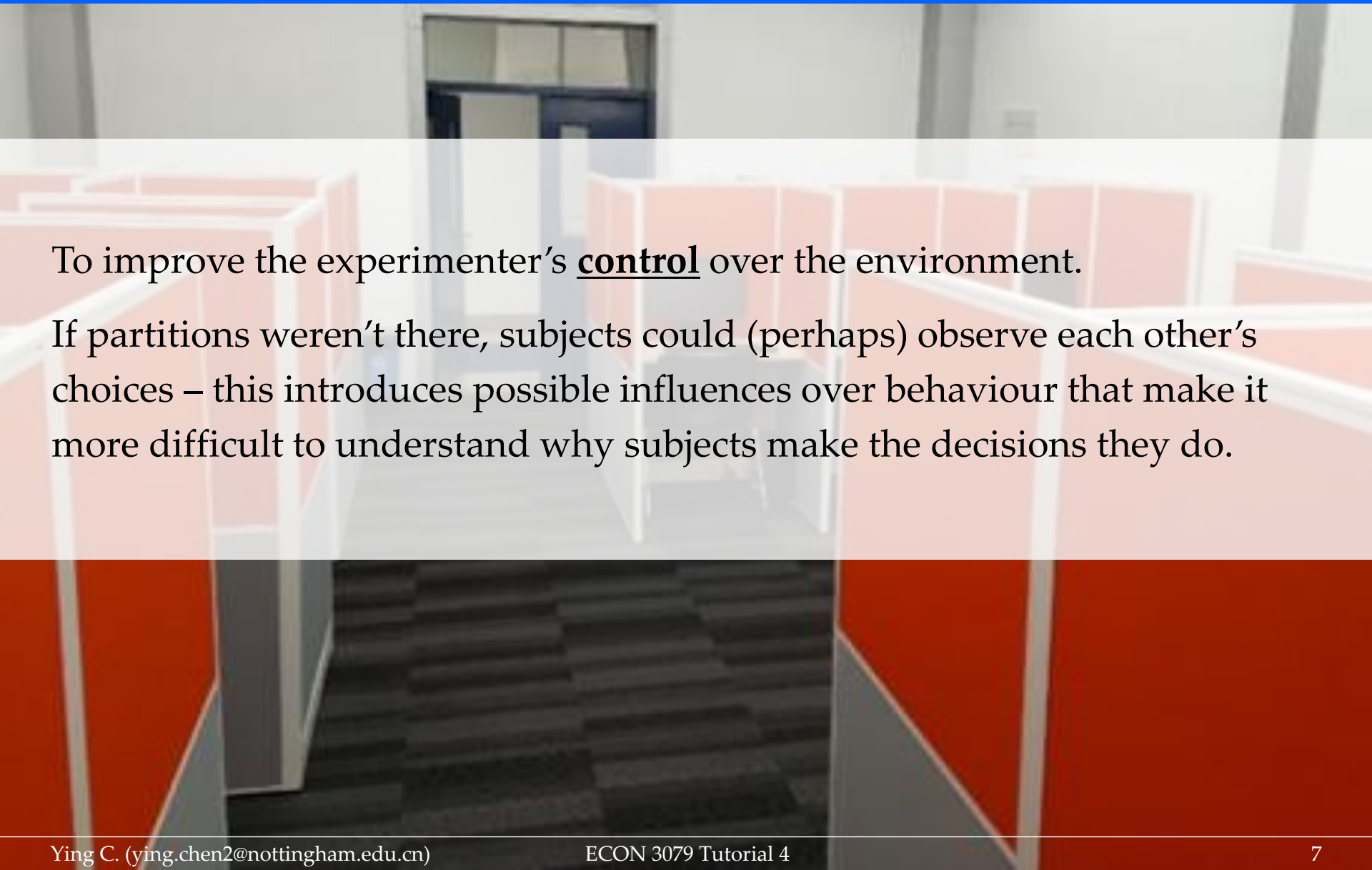
- Fine/Happy/Good/Great/Nice (37/178)
- Confuse/Nervous/Struggling/Tooooo fast/Tooooo complex (34/178)
- Peaceful/Calm/Like taking an exam (28/178)
- No feelings/Noting special (26/178)
- Interesting/Exciting (25/178)
- Boring/Sleepy/Tired/Too long experiment (18/178)
- It would be better if we have some payment… (8/178)
- Feeling bad (4/178)

1 How to response… if you were an experimenter?

- "the procedure goes too fast" / "I need more time to revise my decision"

- "no need to read the instruction for me, I can read by myself"

2 Why are there partitions between the desks in the lab?



To improve the experimenter's **control** over the environment.

If partitions weren't there, subjects could (perhaps) observe each other's choices – this introduces possible influences over behaviour that make it more difficult to understand why subjects make the decisions they do.

3.1 Why is it important to ensure subjects understand the rules of the experiment?

- Failure to understand the rules may **bias** the results.
- Misunderstanding leads to a **loss of experimental control**:
- We don't know if behaviour in the experiment represents subjects'

  true preferences

  or

  just results from **confusion**.

3.2 What steps were taken in this experiment to ensure understanding?

Steps taken to maximise understanding in this experiment:

- Written and verbal instructions.
- Instructions designed to be as clear & unambiguous as possible (repetition of some details).
- Subjects were asked to raise hands if confused.

Any thing else?

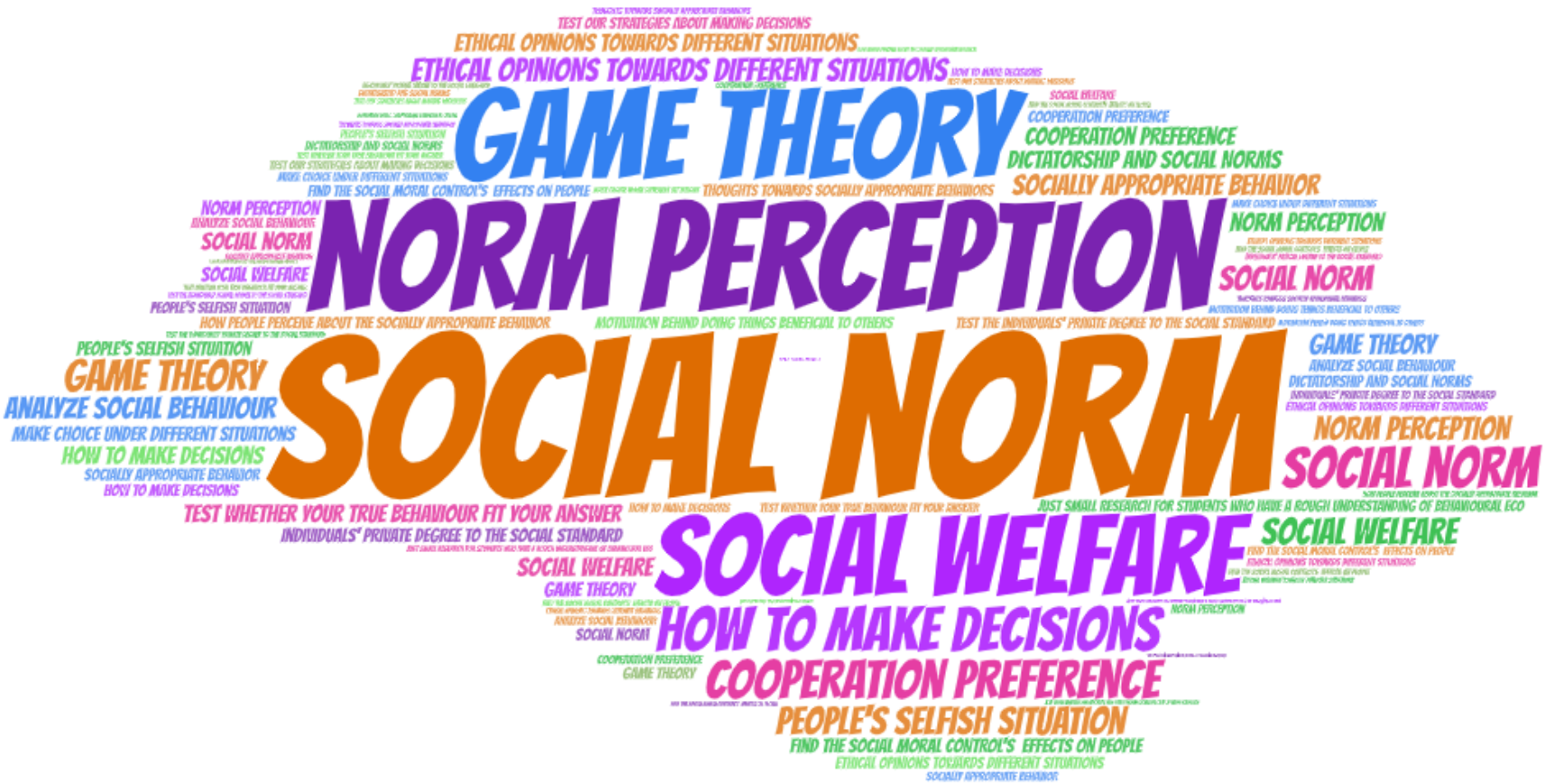
8 Is it important that economic experiments are properly incentivized?

- Economists are usually sceptical of experiments where payoffs are hypothetical.
- A couple of reasons (there are others):
  - Subjects may not know how they would behave if payoffs were not for real.
  - Subjects may not think as carefully about the tasks.
- Some experiments have found subjects do indeed behave differently when real money is at stake.
- But, this does not mean the results of experiments with hypothetical payoffs are **always** unreliable.

4.1 While participating, what did you think the purpose of the experiment might be?

Let us see the summary of our responses in Tutorial 3.

- A count of word frequency using Python (package: NLTk).



4.2 Having read the paper, what was the actual purpose of the experiment?

- Purpose of the experiment:
  1) To measure social norms quantitatively…
  2) To identify (the pattern of) social norms…
  3) To check whether their measurement can be used to explain the behaviour anomalies…

…across variants of dictator games in this paper and earlier researches.

5.1 How was a coordination game used to measure social norms in the experiment?

- The authors transform the task into a **coordination game** by two steps:
  1. Subjects were asked to say how socially appropriate they thought actions in each version of the dictator game were.

     *Recall the instructions: "…By socially appropriate, we mean behavior that **most people agree** is the 'correct' or 'ethical' thing to do…"*
  2. They were also told they would receive money if they selected the **modal evaluation** for one randomly selected action in one randomly selected version of the game.
- Therefore, if you would like to earn bonus—
  - For an action in a situation, suppose you believe most participants in your session would like to choose "somewhat socially appropriate", then you should choose _____.
  - Other participants should make responses like this as well.

5.1 How was a coordination game used to measure social norms in the experiment?

- Game takes the form of '**pure coordination game**'.

		OTHER PERSON'S RATING			
		Very appropriate	*Somewhat appropriate*	*Somewhat inappropriate*	*Very inappropriate*
YOUR RATING	*Very appropriate*	5,5	0,0	0,0	0,0
	Somewhat appropriate	0,0	5,5	0,0	0,0
	Somewhat inappropriate	0,0	0,0	5,5	0,0
	Very inappropriate	0,0	0,0	0,0	5,5

- Assumption: strategy of reporting the true social norm should be **focal** to both players because…
  - Design therefore incentivises players to truthfully report the social norm.

5.2 Any methodological problems with the use of this task?

- Game takes the form of '**pure coordination game**'.

		OTHER PERSON'S RATING			
		Very appropriate	*Somewhat appropriate*	*Somewhat inappropriate*	*Very inappropriate*
YOUR RATING	*Very appropriate*	5,5	0,0	0,0	0,0
	Somewhat appropriate	0,0	5,5	0,0	0,0
	Somewhat inappropriate	0,0	0,0	5,5	0,0
	Very inappropriate	0,0	0,0	0,0	5,5

- Possible criticism: might there be some other focal strategy that subjects use to try to coordinate?
  - If so, this task might not reveal true social norms.
- Are there any other possible strategies to reach focal points?

5.2 Any other possible strategies to reach focal points?

Let us see the summary of our responses in Tutorial 3.

- For Choice 11 of Situation 1, which of the following best describes your reason to select VSA/SA/SSIa/VSIa …

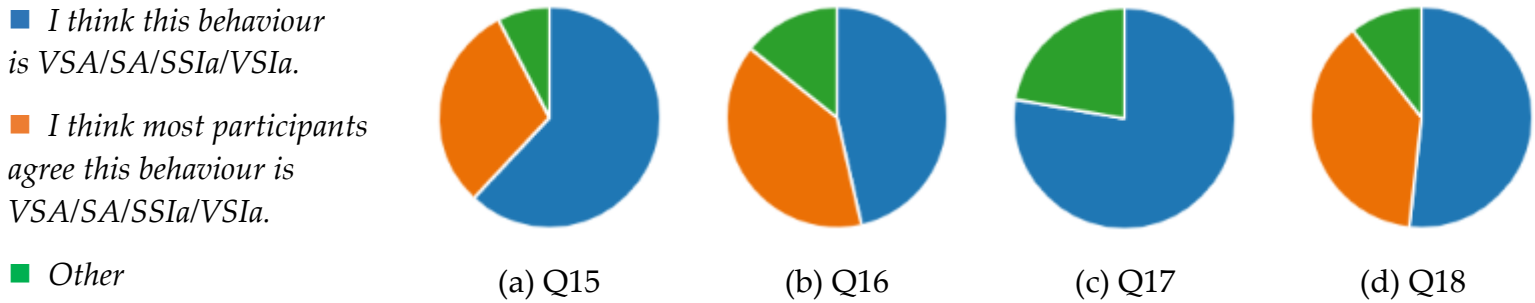


Figure. Q15-Q18, Summary responses of Tutorial 3.

- The experimenter want the participants to…
  - rate social appropriateness according to **his/her belief of others' respond**
  - rather than **his/her own preference**.

6.1 Why did they choose dictator games as the setting to explore the relationship between norms and behaviour?

- The dictator game has a **non-strategic nature**.
- In the dictator game, the responder has no choice but to accept the proposal provided by the proposer.
  - Therefore, the proposer would never take the responder's action into consideration when he/she makes decisions, i.e., get rid of the biased behaviour concerns from the responder.
- Since the proposer is the only active role in this game. It allows the researcher to create choice variations **only towards the proposer**,
  - *i.e.*, the only difference among choices in each situation is that the proposals are different in monetary increments.

6.2 Why do the authors argue that existing theories of other-regarding preferences (called 'social preferences' in the paper) cannot explain variation in behaviour across the different dictator games chosen?

- Check the working paper version of KW13.
- Web: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1310598

7 What were the main results/conclusions of the paper?

Conclusion 1. There is a pattern of social norm in dictator game.

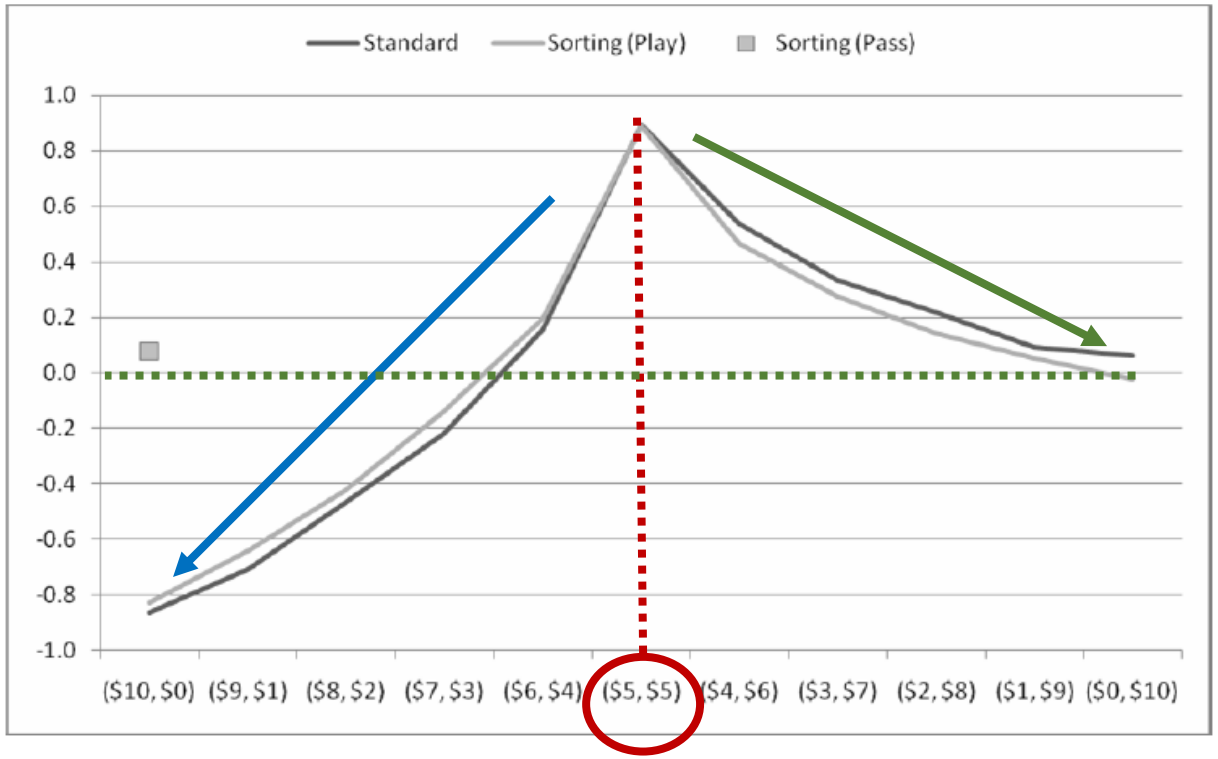
- Three features of the pattern (take Situation 1 and 2 as examples):

1. **Equal split gets the highest rate.**

2. **Rate decreases if Individual A keeps more in own pocket, finally < 0 (socially inappropriate).**

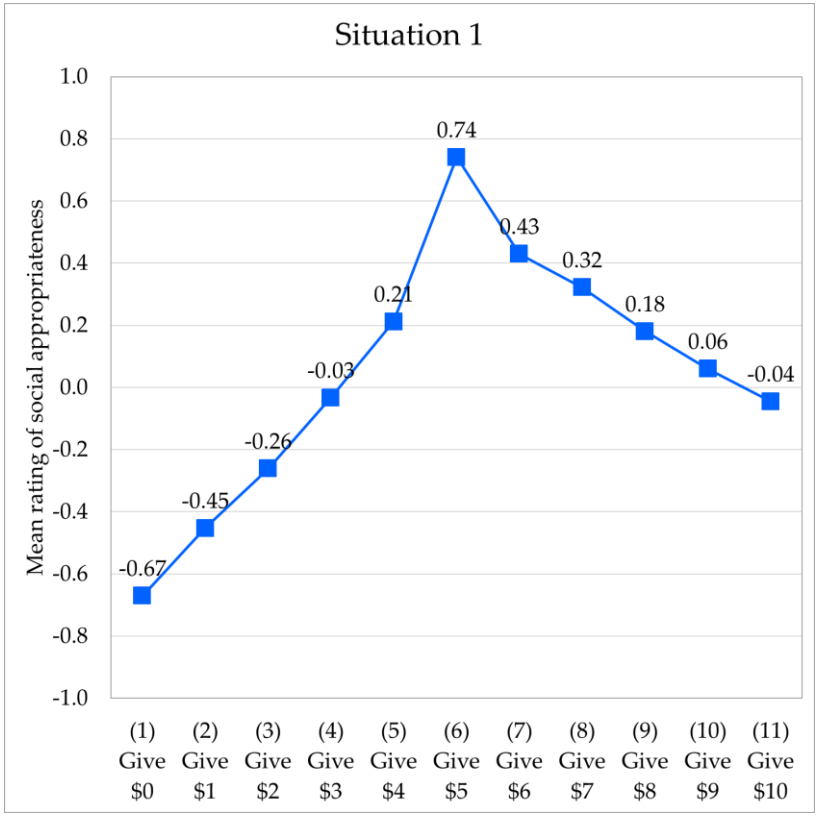
3. **Rate decreases if Individual A keeps less in own pocket, but > 0 (socially appropriate).**

Figure 2. Mean ratings of social appropriateness (standard vs. sorting variant)

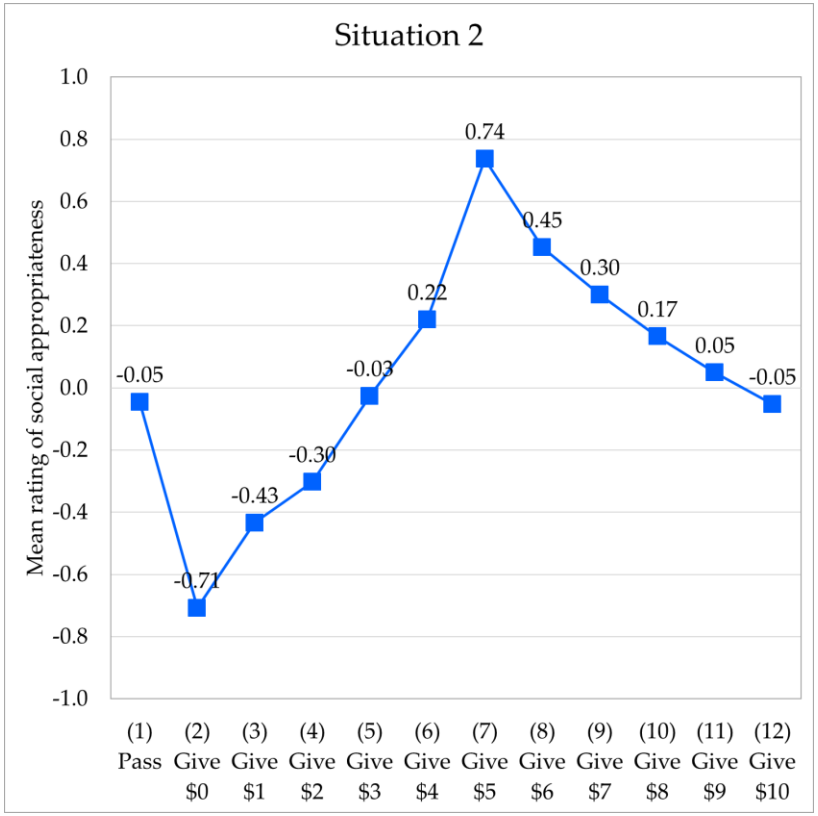


7 What were the main results/conclusions of the paper?

Let us see the summary of our responses of Tutorial 3.



(a) Situation 1



(b) Situation 2

Figure. Situation 1 & 2, Summary responses of Tutorial 3.

7 What were the main results/conclusions of the paper?

Conclusion 2. The elicited norms can account for the data.

- Model of specification:

$$u(a_k) = \beta\pi(a_k) + \gamma N(a_k)$$

- Data sources:

Which version of DG?	Behavioral data come from…	Socially app. ratings come from…
Standard version	KW13 – Exp. 2	KW13 – Exp. 1 – S1
Pass or not version	Lazear et al. (2012)	KW13 – Exp. 1 – S2
Binary choice version	Dana, Cain & Dawes (2006)	KW13 – Exp. 1 – S3 & S4
Take $2 version	List (2007)	KW13 – Exp. 1 – S5

- We hope β and γ are statistically significant.

7 What were the main results/conclusions of the paper?

Conclusion 2. The elicited norms can account for the data.

- β and γ are statistically significant across all versions of dictator games.

TABLE 3. Conditional (fixed-effect) logit estimation of choice determinants across experiments (includes mean appropriateness ratings from Experiment 1 as an explanatory variable).

Behavioral data	Experiment 2 (Standard vs. Bully)		Lazear et al. (2012) (Standard vs. Sorting)		List (2007) (Standard vs. Take $1)		Data from all three experiments	
(experimental treatment)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Monetary payoff (β)	0.656***	0.630***	0.811***	0.810***	1.456***	1.312***	0.750***	0.808***
	(0.132)	(0.138)	(0.075)	(0.075)	(0.408)	(0.401)	(0.060)	(0.105)
Appropriateness rating (γ)	1.858***	1.556***	2.304***	2.283***	1.941**	1.982**	1.856***	2.192***
	(0.410)	(0.521)	(0.287)	(0.312)	(0.921)	(0.843)	(0.204)	(0.326)
Appropriateness rating X non-standard treatment		0.374		0.062		−0.629		
		(0.326)		(0.331)		(0.593)		
Monetary payoff X Lazear et al., experiment								−0.094
								(0.127)
Appropriateness rating X Lazear et al., experiment								−0.125
								(0.470)
Monetary payoff X List experiment								0.426
								(0.391)
Appropriateness rating X List experiment								−1.029
								(1.038)
$2\gamma/\beta$	*5.66****	*4.94****	*5.68****	*5.64****	*2.67****	*3.02****	*4.95****	*5.43****
	(0.49)	*(0.98)*	*(0.39)*	*(0.48)*	*(0.98)*	*(0.90)*	*(0.29)*	*(0.30)*
Log-likelihood	−208.5	−207.7	−308.8	−308.7	−126.8	−126.1	−672.3	−649.8
Obs.	1,166	1,166	2,105	2,015	816	816	4,087	4,087
(subjects)	(106)	(106)	(183)	(183)	(70)	(70)	(359)	(359)

*$p < 0.1$; **$p < 0.05$; ***$p < 0.01$; all two-tailed.

Thank You
&
Good Luck