

Econometrics seminar
May 20, 2024 (Thursday)

Speaker:
Erik Kimbrough
Chapman University
Joint with Shachar Kariv

Title:
Revealed Norms

Abstract:

When individuals make disinterested third-party decisions on behalf of anonymous others, their choices can be understood as revealing normative principles (norms) rather than preferences. If people are not simply indifferent, then their choices must be motivated by normative considerations. We show that third-party allocations across 50 randomly generated budget sets tend to satisfy the basic axioms of consistent choice, revealing a widely shared norm of symmetric treatment but heterogeneous views about what kind of symmetric allocation is normatively best, ranging from maximin to max(efficiency). When subjects choose from the same budget sets but have a stake in the outcome, their choices reveal the extent to which self-interest causes them to deviate from their revealed norms. We show how to non-parametrically estimate the weight placed on norms.