

THE ECONOMICS OF ALTRUISM: A DICTATOR GAME META-ANALYSIS PERSPECTIVE

Dr. Fatma Hassan Khelifi

University of Jendouba

Abstract

The study of human behavior in economics has long been a focus of research, with particular interest in understanding distributional preferences. The dictator game, a widely employed tool in experimental economics, plays a pivotal role in investigating these preferences. In this game, participants are entrusted with the task of allocating a sum of money between themselves and an anonymous recipient. It serves as a fundamental tool for unraveling human behavior in the context of distribution decisions. In recent years, a substantial number of dictator game experiments have been conducted, yielding a rich dataset on distributional preferences. While the majority of participants allocate a positive sum, the variations in their decisions, ranging from giving nothing to nearly everything, have prompted extensive exploration of the factors influencing such behavior.

This research delves into two primary dimensions of the dictator game: situational and demographic. The situational dimension seeks to refine our understanding of the conditions that dictate benevolent choices. Variables such as one-shot versus repeated games, the nature of funds (manna from heaven or earned money), stakes, and specified degrees of social distance have been scrutinized. Additionally, the demographic dimension employs the dictator game to quantify systematic behavioral disparities across different populations. Variables such as gender, age, and income are studied to shed light on their influence on dictator game decisions.

Keywords: Dictator game, Distributional preferences, Human behavior, Situational factors, Demographic factors

Introduction

The study of human behavior in economics has been a topic of interest for many years, with various models and hypotheses being developed to explain decision-making processes. One area of focus has been on distributional preferences, particularly in the context of the dictator game. The dictator game is a popular tool in experimental economics used to investigate human behavior regarding distributional preferences (Kahneman, Knetsch, & Thaler, 1986). In this game, participants are given a sum of money to divide between themselves and an anonymous recipient. The dictator game provides insight into how individuals make decisions about distribution and has become a fundamental tool for understanding human behavior in economics.

Over the last several years, more than a hundred dictator game experiments have been published, providing a wealth of data on distributional preferences (Engel, 2011). While the majority of participants give a positive amount, there is significant variation in how the money is divided, with some participants giving nothing and others giving almost everything (Forsythe et al., 1994). The

variation in decision-making among participants has led to a focus on understanding the factors that influence their behavior.

There are two main dimensions that have been explored in the dictator game: situational and demographic (Houser & Schunk, 2009). The situational dimension focuses on refining the conditions under which benevolence is to be expected. For example, researchers have investigated one-shot versus repeated games, games with students versus other populations, manna from heaven versus earned money, stakes, and specified degrees of social distance (Rigdon et al., 2009). The demographic dimension, on the other hand, uses the dictator game as a tool for quantifying systematic behavioral differences between populations (Eichenberger & Oberholzer-Gee, 1998). This dimension puts the research question upside down and aims to understand how factors such as gender, age, and income affect behavior in the dictator game.

Despite the large number of experiments that have been conducted, it is still unclear which factors have the most significant impact on behavior in the dictator game. Additionally, individual experiments often have limited sample sizes, making it difficult to draw robust conclusions. Therefore, a meta-analysis of the existing literature can provide a more comprehensive understanding of the factors that influence behavior in the dictator game.

A meta-analysis is a statistical technique used to synthesize data from multiple studies and is particularly useful in experimental economics when investigating distributional preferences (Dickson, 2009). By analyzing the data from multiple experiments, a meta-analysis can identify which manipulations have the most significant effect on behavior and which manipulations are robust across different contexts (Engel, 2011). Additionally, a meta-analysis can compare alternative specifications of statistical models for analyzing dictator game data, providing a more nuanced understanding of the data.

This paper aims to provide a comprehensive meta-analysis of the existing literature on the dictator game. Specifically, we will assess the effects of individual manipulations while controlling for alternative explanatory factors using multiple regression analysis. We will compare alternative specifications of statistical models for analyzing dictator game data, including Tobit and hurdle models. By synthesizing data from multiple experiments, we hope to identify the factors that have the most significant impact on behavior in the dictator game and provide guidance for future research in this field.

In the following sections, we will review the existing literature on the dictator game, including studies that have investigated situational and demographic factors. We will then describe the methods used in our meta-analysis and present our results. Finally, we will discuss the implications of our findings and provide recommendations for future research.

CONCLUSION

The following effects are very robust: If the recipient deserves, she gets more. If the dictator has old age, she gives more. If the dictator is identified, she is more generous. Children give less, as do groups. Other effects only show up when means are replaced by distributions. If one does, one finds that dictators give more when handling real money, and when they are identified. If choices are incentivized, this reduces

generosity. Yet other effects only become visible if one further controls for unobserved heterogeneity. One then finds that dictators give more when they get a social cue, when they are middle aged (rather than being a student), or when they come from a developing country. Further effects were already visible in metaregression, but become apparent in the original data only when controlling for unobserved heterogeneity. One then finds that dictators give less if the game is repeated, and if they have a concealment option.

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