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Discussion paper

Heterogeneity in fairness views - a challenge to the mutualistic approach?

BY

Alexander W. Cappelen AND **Bertil Tungodden**

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Heterogeneity in fairness views - a challenge to the mutualistic approach?*

Alexander W. Cappelen Bertil Tungodden

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*Cappelen: Department of Economics, NHH Norwegian School of Economics, 5045 Bergen, Norway, alexander.cappelen@nhh.no. Tungodden: Department of Economics, NHH Norwegian School of Economics, 5045 Bergen, Norway. <http://www.nhh.no/en/research—faculty/department-of-economics/sam/cv/cappelen—alexander.aspx>, <http://www.nhh.no/en/research—faculty/department-of-economics/sam/cv/tungodden—bertil.aspx>.

Abstract

This commentary argues that the observed heterogeneity in fairness views, documented in many economic experiments, poses a challenge to the partner choice theory developed by Baumard, André and Sperber. It also discusses the extent to which their theory can explain how people consider inequalities due to pure luck.

1 Heterogeneity in fairness views

In their fascinating paper "A mutualistic approach to morality", Nicolas Baumard, Jean-Baptiste André and Dan Sperber develop an approach to morality where morality is seen as a result of adaption to an environment where people compete for partners in mutually advantageous interactions. The core idea is that when there is an efficient market for partners, cooperation between partners only takes place when partners are given the marginal value of their contribution. The authors argue that the observed prominence in many distributive situations of the meritocratic fairness view, where individuals share the benefits from cooperation in proportion to the effort and talent they invest in the interaction, is the result of adaption to such a process of partner choice. An important part of the authors' argument is based on results from economic experiments such as the dictator game, and in this commentary we question some of the conclusions they draw on the basis of these results. In particular we shall argue that the observed heterogeneity in fairness views, documented in a number of experiments, poses a challenge to the partner choice theory they develop.

Many of the experiments discussed by the authors are dictator games where the distribution phase is preceded by a production phase such that the money to be distributed is earned (Cappelen, Drange Hole, Sørensen, and Tungodden, 2007; Cherry, Frykblom, and Shogren, 2002; Konow, 2000). A key feature of these experiments is that they allow the researchers to study how the participants respond to different types of inequalities in earnings. To illustrate, in Almås, Cappelen, Sørensen, and Tungodden (2010) we report the results from a dictator game where each participant's earnings in the production phase is determined by how many points she or he produces and by a randomly determined price. By studying the behavior in the distribution phase, where the dictator distributes the total earnings between her- or himself and the other participant, we are able to estimate the prevalence of three distinct fairness views: egalitar-

ians (who always find it fair to distribute equally), meritocrats (who find it fair to distribute in proportion to production) and libertarians (who find it fair to distribute in proportion to earnings). An important result from this experiment, and numerous other experiments we have conducted with co-authors (Cappelen et al., 2007; Cappelen, Sørensen, and Tungodden, 2010; Cappelen, Drange Hole, Sørensen, and Tungodden, 2011; Cappelen, Moene, Sørensen, and Tungodden, forthcoming), is that there is considerable pluralism in the fairness views that motivate the participants; we consistently find a non-trivial shares of participants who choose in accordance with each of the three fairness views. There appears, in other words, to be considerable disagreement about what are legitimate sources of inequality in distributive situations.

In contrast, the mutualistic hypothesis posits that humans are all equipped with the *same* sense of fairness. Baumard, André and Sperber argue that people may still distribute resources differently for two reasons. First, people do not necessarily have the same beliefs about the source of an inequality; second, people do not necessarily face the same distributive situations (and a fairness view may have different implications in different situations). We agree that these two reasons potentially can explain much inter-individual and cross-cultural variability in distributive behavior, but they cannot explain the behavioral variability observed in the economic experiments described above. These experiments are designed so that all participants have the same, and correct, beliefs about the sources of inequalities in earnings and all participants face the same distributive situations. More work is therefore needed to explain how the mutualistic approach can accommodate heterogeneity in distributive behavior even in such situations.

Another important insight from these dictator games with a production phase is that there is a non-neglige share of the participants who follow a libertarian fairness view, i.e. who consider fair even inequalities due to pure luck. In our work we have consistently found that 20-30 percent of the participants hold this

fairness view. This result seems to conflict with the claim made by the authors that we all share same common logic of rewarding people according to their effort and abilities, but not according to luck.

As a final comment we would like to encourage the authors to address in more detail what they think their model of partner choice implies with respect to inequalities due to pure luck. The authors take great care in explaining why adaptation to an environment where people compete for partners in mutually advantageous interactions results in a fairness view that rewards individual effort and talent. They do not, however, explain why the same process does *not* result in a fairness view that also rewards pure luck. The basic mechanism underlying their partner choice model is that potential partners must be rewarded with the marginal value of their contribution to the interaction as long as partners are mobile. Given this mechanism, it seems to follow that partners also should be rewarded for contributions that reflect pure luck. In other words, it seems that a truly mutualistic process should make us all libertarians.

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NHH

**Norges
Handelshøyskole**

Norwegian School of Economics

NHH
Helleveien 30
NO-5045 Bergen
Norway

Tlf/Tel: +47 55 95 90 00
Faks/Fax: +47 55 95 91 00
nhh.postmottak@nhh.no
www.nhh.no