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PRIORITIES OF ECONOMISTS**

Neil Gandal and Sonia Roccas

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Neil Gandal, Tel Aviv University and CEPR
Sonia Roccas, Open University of Israel

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Centre for Economic Policy Research
90–98 Goswell Rd, London EC1V 7RR, UK
Tel: (44 20) 7878 2900, Fax: (44 20) 7878 2999
Email: cepr@cepr.org, Website: www.cepr.org

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ABSTRACT

Good Neighbours / Bad Citizens: Personal Value Priorities of Economists*

Several recent studies found that the behaviour of economists was less cooperative than the behaviour of non-economists. Other studies found, however, that economists behaved no differently than other individuals. In this Paper, we study this issue by examining personal value priorities of economics students and students from other disciplines. Values are desirable goals that transcend specific situations and serve as guiding principles in people's lives. We find that the value priorities reported by students of economics are different from those reported by students from other fields: Economists attribute more importance to achievement and power values and less importance to universalism. Our findings also indicate that the value differences between students of economics and students from other disciplines were already apparent before students were exposed to training in economics.

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Neil Gandal
Department of Public Policy
Tel Aviv University
Tel Aviv 69978
ISRAEL
Tel: (972 3) 640 6742
Fax: (972 3) 640 7382
Email: gandal@post.tau.ac.il

Sonia Roccas
Department of Education and
Psychology
Open University of Israel
Tel Aviv
ISRAEL
Tel: (972 3) 646 5424
Email: soniaro@oumail.openu.ac.il

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1. Introduction

Are economists more self-interested than other people? Several recent studies found that the behavior of economists was less cooperative than the behavior of non-economists. However, other studies found that economists behaved no differently than other individuals. Another unresolved issue is the reason for the (possible) differences in self-interest: They may be the result of a self-selection process or they may be the results of the training in economics.

In this paper, we address both issues by examining personal value priorities of economics students and students from other disciplines. Values are desirable goals that transcend specific situations and serve as guiding principles in people's lives (Schwartz & Bilsky 1987, 1990; Schwartz 1992, 1994). Examining personal value priorities enables a general appraisal of potential differences between economists and others, that is, an appraisal independent of any specific behavioral pattern that researchers may choose to examine.

We find that the value priorities reported by students of economics are different from those reported by students from other fields: Economists attribute more importance to achievement and power values and less importance to universalism. Our findings also indicate that the value differences between students of economics and students from other disciplines were already apparent before students were exposed to training in economics.

In section 2, we briefly discuss the related literature that tested for differences in the behavior of economists and non-economists. We then (section 3) discuss the theory of personal value priorities. In section 4, we present results of the value priorities surveys we conducted. Section 5 concludes.

2. Differences in Behavior Between Economists and Non-Economists:

The first study that compared economists and non-economists was conducted by Maxwell and Ames (1981). In an experiment that called for private contributions to public goods, they found that free riding was significantly greater among economics graduate students than among other student groups. Carter and Irons (1991) examined the behavior of economics students and students from other disciplines in an ultimatum bargaining game. They found that economics students behaved more self-interestedly than students from other disciplines. They

also examined the extent to which the respondents were able to deduce opportunities for economic gain in the game. Unsurprisingly they found that ability predicted the behavior of the participants. However, differences in deductive ability could not explain the behavioral differences found between economics students and students from other disciplines. Using a prisoner's dilemma game, Frank, Gilovich and Regan (1993) found that when it was not possible for respondents to commit to their strategies, economists defected much more often than non-economists. Collectively these findings support the contention that economists are more likely than others to behave in a self-interested manner.

However, other results suggest that economists are not more self-interested than other groups. Frank, Gilovich and Regan (1993) found that economists reported a slightly above average number of hours spent in volunteer activities. Moreover, the annual median gift of economists to charities was slightly larger than that of professors from other disciplines.¹ They also found that in a prisoner's dilemma game, economics majors cooperated at the same rate as non-majors if participants were first permitted to make face-to-face promises to their partners. In addition, Yazer, Goldfarb and Poppen (1996) found in a lost-and-found field experiment that envelopes left in rooms about to be occupied by economics classes were slightly more likely to be returned than envelopes left in rooms to be occupied by non-economics students.

In sum, the results are inconclusive. In some settings, there is evidence that economists are more self-interested than others; in other settings no differences were apparent. The present study seeks to resolve these inconsistencies by examining the personal value priorities of economists.

3. A Theory of Personal Values

Values are socially approved verbal representations of basic motivations (Schwartz, 1992). They are goals that transcend specific situations and serve as guiding principles in people's lives (Schwartz & Bilsky 1987, 1990; Schwartz & Sagiv 1995). They guide the way individuals select actions, evaluate people and events, and explain their actions and evaluations (Kluckhohn, 1951; Rokeach, 1973; Schwartz, 1992). The crucial aspect that distinguishes

among values is the type of motivational goal they express. Schwartz (1992) identified ten distinct motivational types of values; Schwartz and Sagiv, (1995) validated them in cross-cultural research in 40 countries. The ten types of values are listed in the appendix; each type of value is defined in terms of its central goal and followed, in parentheses, by specific values that represent it.

Actions taken in the pursuit of a specific value type have consequences that may conflict or may be compatible with the pursuit of another value type (Schwartz 1992). For example, pursuit of achievement values is likely to be in conflict with pursuit of universalism values: A person who attributes very high importance to personal success is unlikely to care deeply about the welfare of others.

The total pattern of relations between the ten value types yields a circular structure. This structure, represented in Figure 1, received substantial empirical support in cross-cultural research (Schwartz 1992; Schwartz & Sagiv, 1995). Complementary value types are in close proximity on the circle, while value types that are in conflict emanate in opposing directions from the center of the circle.

[Figure 1 about here]

Five of the ten value types are relevant to the investigation of self-interest: **Achievement, Hedonism, and Power** (*self-enhancement* values) emphasize enhancement of own personal interests, even at the expense of others. People who emphasize self-enhancement values want to be successful and enjoy life. They aspire to control people and resources, are ambitious, and wish to gain general acclaim for their successes.

In contrast, **Universalism and Benevolence** (*self-transcendence* values) emphasize promotion of the welfare of others, close and distant. People who attribute importance to self-transcendence values emphasize concern for others. They value social justice and equality, as well as responsibility, loyalty, and helping those who are in need.

¹Frank, Gilovich and Regan note, however, that economists have significantly higher salaries than do members of most other disciplines; thus the median gift overstates the relative generosity of economists.

4. Empirical Results

4.1 Differences Between Economists and Other Students

We first tested the following hypothesis: Students of economics attribute more importance to self-enhancement values and less importance to self-transcendence values than students from other disciplines. To test his hypothesis we compared the value priorities of 199 first year students of economics (117 male students and 82 female students) at Tel Aviv University² to 165 students other social science disciplines (82 male students and 83 female students) at Hebrew University in Jerusalem.³ Since we wanted to also examine the effects of exposure to training in economics, the questionnaire was given to economics students at two different time periods: the first week of their freshman year and at the end of the freshman year.⁴ The importance that respondents attributed to each of the values as guiding principles in their lives was measured with the Schwartz (1992) value inventory. Responses for each value were permitted to range from 7 (of supreme importance) to -1 (opposed to my values). A response of zero means not important. The responses for each value type were computed by calculating the average of each value that belonged to the relevant value type (see the appendix).

Column 1 of Table 1 presents the means and standard deviation for the value types for the sample of students from departments other than economics. Column 2 summarizes the value priorities of economics students the first week of their freshman year, while column 3 summarizes the value priorities for economics students at the end of their freshman year.

[Table 1 about here]

In order to examine whether the differences in table 1 were statistically significant,⁵ simple regressions were run for each of the 10 value types. The results of the regressions are

²At Tel Aviv University, students choose majors when they apply to the University, that is, applications are directed to individual departments. The course in which we conducted the survey was for economics majors. There is another introductory/survey course given by the economics department for non-economic majors. We didn't survey this latter course.

³The latter group primarily consists of Communications, Political Science, and Sociology majors.

⁴See section 4.2.

⁵Significant means at the .05 level.

reported in Table 2. In each regression, the left-hand side (dependent) variable was the response to the value in question (ranging from 7 to -1). On the right hand side was a constant and dummy variables for male economists (denoted Econ [male] in Table 2), female economists (denoted Econ [female] in Table 2), and male non-economists (denoted Nonecon [male] in Table 2).

Table 2 shows that as hypothesized, economics students attributed higher importance to self-enhancement values than did students from other disciplines. Economists placed more value on achievement, hedonism and power. In the case of women, table 2 shows that economics students attributed significantly more importance to all three value types. In the case of men, table 2 shows that economics students attributed significantly more importance to hedonism, and achievement. They attributed also more importance to power, but this difference was not quite statistically significant (p-value of 0.078). Similarly, economics students attributed significantly less importance to universalism values than did students from other disciplines. In the case of women, the difference between economists and non-economists was statistically significant, while in the case of men, the difference was as predicted, but was not statistically significant (p-value of 0.13).

Contrary to our expectations, there was no significant difference between economists and non-economists in the importance attributed to benevolence. We discuss this issue further in the conclusion.

Although there are some significant gender differences among non-economists, there were no statistically significant differences between male and female economists regarding any of the ten values. That is, the gender differences are much smaller than the differences between economists and non-economists.

[Table 2 about here]

4.2 Are Economists Born or Made?

Two processes could lead to the differences found between economics students and students from other disciplines: First, a self selection process could be at work -- students with a tendency to act in self interested ways could be particularly attracted to studying economics.

Second, the training provided by economics departments could affect the behavior and the value priorities of the students.

The two processes are not necessarily mutually exclusive. Past research has found evidence for both processes: Frank, Gilovich and Regan (1993), found that students generally showed a tendency towards more cooperative behavior in prisoner dilemma games the nearer they were to graduation, but this trend was absent for economics majors. Frank, Gilovich and Regan (1993) interpreted these findings as providing some evidence in favor of a training effect. In contrast, Carter and Iron (1991) (in an ultimatum bargaining game) found that differences in behavior were already present in a group of entering freshmen. Thus their findings provide support for the self-selection process.

We compared the values of economics students at the beginning and end of the freshmen year.⁶ The second group of 152 economics students completed the questionnaire two weeks before the end of the freshman year. This group included 39 students who had also completed the survey at the beginning of the freshmen year.

We ran regressions similar to those in table 2 for the two groups of economists: those who were surveyed during the beginning of their freshman year and those who were surveyed at the end of their freshman year. The dummy variable that represents the time of the survey was insignificant in all ten regressions: there are indeed no significant differences between the two groups. We also formally examined the small sub-sample of 39 economics students that completed both surveys: there were no significant changes in any of the value types except for stimulation, which had a higher mean evaluation at the end of the freshman year. These results are consistent with the results of the full sample of economists.

Thus, our findings indicate that the value differences between students of economics and students from other disciplines were already apparent before students were exposed to training in economics. Furthermore, training in economics did not lead to attributing more importance to values expressing self-interest. In sum, our findings support a self-selection process, and not support a learning process.

The self-selection explanation begs the question why do self-interested individuals choose to study economics? Does this choice have anything to do with values or is it related to other characteristics? In the study we tried to provide a partial answer to this issue. We

⁶ In both semesters, surveys were handed out to economics classes selected at random.

examined whether students of economics were aware of the values that characterize their colleagues. If incoming students know that economists attribute particular importance to values which reflect self-interest, it is possible that this knowledge affected their vocational choice: individuals who attribute importance to self-interested values would be attracted to a field which they perceive as expressing value priorities similar to their own.

The economics participants in the first survey were asked to report the five values that in their opinion are most important to economists in general. The three values most often mentioned by the respondents were ambitious, intelligent and successful. All three values belong to the self-enhancement value types. Moreover, 72 percent of the respondents included at least one of the self-enhancement values in the list of the values that they think are most important to economists. Only 55 percent of the respondents included at least one of the self-transcendence values. This result is particularly striking because in nearly all studies on values, individuals attribute more importance to self-transcendence values than to self-enhancement values.⁷

5. Conclusion

We found that the value priorities reported by students of economics are different from those reported by students from other fields: Economists attribute more importance to achievement and to power values. In past research, power and achievement values were negatively correlated with cooperation in a mixed motive game (Schwartz 1996).

The findings concerning altruistic values are more complex: Students of economics attribute less importance to universalism values than did other students. However they attribute nearly the same importance as others to benevolence values. Universalism and benevolence values place emphasis on care for the welfare of others. Universalism, however, relates mainly

⁷An alternative explanation for the results is that economics students did not report their personal preferences, but instead provided answers that they thought would be expected of students studying economics. If this is true, we have essentially learned that economics students try to behave like they think economists should. Such a tendency, if true, would be most pronounced among students who attribute high importance to conformity. In order to examine this issue, we ran two supplementary regressions using only the economists. We found that the value placed on power and achievement was not higher for economics students that placed a high value on conformity. This suggests that this alternative interpretation is not correct.

to others in a general sense, that is, to society as a whole. Individuals who attribute high importance to universalism care about social justice, and equality. Benevolence values, on the other hand, focus on the preservation and enhancement of the welfare of people with whom one is in frequent contact. Thus we might summarize by saying that economists make good friends or neighbors, but are relatively less concerned with the welfare of people with whom they are not in frequent contact.

These findings can help to interpret the inconsistencies found in past research: in mixed-motive games, economists behaved less cooperatively than others, while in other settings (mainly in field experiments examining altruistic behavior), economists behaved no differently than others.

It is possible that competitive settings, such as mixed-motive games increase the accessibility of self-enhancement values.⁸ Since economists attribute greater importance than others to self-enhancement values, they are most likely to behave less cooperatively than others in situations that increase the accessibility of self enhancement values. However, in situations that increase the accessibility of benevolence values, economists are likely to behave as cooperatively as others. Since this conjecture was made ex-post, future research is needed to test it directly.

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⁸The effects of values on behavior are mediated by the degree to which specific values are accessible to the individual (Bardi 1998). The more accessible value priorities, the greater the chance they will be used in a specific situation to direct decisions and behaviors. Accessibility refers to the activation potential of available knowledge (Higgins, 1996). Value priorities are usually available to people, in the sense that they are stored in their memories – and indeed people usually can report their value priorities when asked to. However, the degree of accessibility is likely to vary among individuals and across situations (Sagiv & Schwarz 1998).

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Appendix: 10 Value Types

POWER: Social status and prestige, control or dominance over people and resources. (Social Power, Authority, Wealth, Preserving My Public Image).

ACHIEVEMENT: Personal success through demonstrating competence according to social standards. (Successful, Capable, Ambitious, Influential)

HEDONISM: Pleasure and sensuous gratification for oneself. (Pleasure, Enjoying Life)

STIMULATION: Excitement, novelty, and challenge in life. (Daring, a Varied Life, an Exciting Life)

SELF-DIRECTION: Independent thought and action-choosing, creating, exploring. (Creativity, Freedom, Independent, Curious, Choosing own Goals)

UNIVERSALISM: Understanding, appreciation, tolerance and protection for the welfare of all people and for nature. (Broadminded, Wisdom, Social Justice, Equality, a World at Peace, a World of Beauty, Unity with Nature, Protecting the Environment)

BENEVOLENCE: Preservation and enhancement of the welfare of people with whom one is in frequent personal contact. (Helpful, Honest, Forgiving, Loyal, Responsible)

TRADITION: Respect, commitment and acceptance of the customs and ideas that traditional culture or religion provide. (Humble, Accepting my Portion in Life, Devout, Respect for Tradition, Moderate)

CONFORMITY: Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms. (Obedient, Politeness, Self-Discipline, Honoring Parents and Elders)

SECURITY: Safety, harmony and stability of society, of relationships, and of self. (Family Security, National Security, Social Order, Clean, Reciprocation of Favors)

<u>Value type</u>	Students from miscellaneous departments	Economics students: Beginning of Freshman year	Economics students: end of freshman year
# of students	165	199	152
Hedonism	4.23 (1.27)	4.85 (1.26)	4.81 (1.00)
Power	3.31 (1.21)	3.72 (1.08)	3.69 (1.26)
Achievement	4.55 (0.95)	4.91 (0.88)	4.84 (0.96)
Stimulation	3.77 (1.29)	4.06 (1.14)	4.24 (1.24)
Security	4.48 (1.07)	4.48 (0.82)	4.42 (0.88)
Conformity	3.88 (1.11)	3.87 (1.00)	3.83 (1.01)
Benevolence	4.73 (0.96)	4.61 (0.82)	4.65 (0.88)
Self-Direction	4.96 (0.83)	4.83 (0.78)	4.93 (0.74)
Universalism	4.25 (0.94)	3.87 (0.94)	4.01 (0.95)
Tradition	3.82 (1.16)	2.48 (1.00)	2.65 (1.14)

**Table 1: Mean Importance Attributed to Value Types
(standard deviations in parentheses)**

Dept. Variable	Independent Variables				Adj. R ²
	Constant	Econ [male]	Econ [female]	Nonecon [male]	
Hedonism	4.09 (0.14)	0.88* (0.18)	0.57* (0.20)	0.27 (0.20)	.069
Power	3.13 (0.13)	0.65 (0.16)	0.50* (0.18)	0.36 (0.18)	.044
Stimulation	3.71 (0.13)	0.45* (0.17)	0.20 (0.19)	0.12 (0.19)	.021
Achievement	4.54 (0.10)	0.40* (0.13)	0.34* (0.14)	0.03 (0.14)	.038
Self-Direction	4.90 (0.088)	0.03 (0.11)	-0.21 (0.12)	0.10 (0.12)	.020
Conformity	3.81 (0.12)	-0.02 (0.15)	0.16 (0.16)	0.12 (0.16)	.006
Security	4.60 (0.10)	-0.18 (0.14)	-0.03 (0.15)	-0.24 (0.15)	.010
Benevolence	4.90 (0.10)	-0.32 (0.13)	-0.24 (0.14)	-0.34 (0.14)	.022
Universalism	4.41 (0.10)	-0.51 (0.13)	-0.57* (0.15)	-0.30 (0.15)	.051
Tradition	3.74 (0.12)	-1.34* (0.16)	-1.13* (0.17)	0.16 (0.17)	.278

Table 2: Regressions in order of estimated value of parameter preceding male economists. N=364 Incoming Freshmen Students: 199 Economists (117 males and 82 females), 165 Other Majors (83 males and 82 females). (Standard errors in parentheses.)

A * in the male economist or the female economist column means that the difference between economists and non-economists (for the relevant gender) is significantly different from zero at the 95 percent level of confidence.

Figure 1. Relations Among Motivational Types of Values

