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Social Distance and Other-Regarding Behavior in Dictator Games: Reply

By ELIZABETH HOFFMAN, KEVIN McCABE, AND VERNON L. SMITH*

Iris Bohnet and Bruno S. Frey (1999) present an interesting set of experiments that build on the experiments reported in our paper, "Social Distance and Other-Regarding Behavior in Dictator Games" (Hoffman et al., 1996). In our double blind dictator games, dictators and counterparts act in separate rooms and the experiment is designed so that neither other subjects nor the experimenter can determine any dictators' decisions. We find that more than 60 percent of the dictators keep all the money and none give away half. These results stand in stark contrast to our and others' results allowing some identification of the dictators by experimenters or others. We interpret our results as showing that decreasing social distance increases other-regarding behavior. We further interpret our results as providing support for the hypothesis that positive and negative reciprocity is important in understanding human behavior (see Hoffman et al., 1998). The higher the probability that you can be identified by your counterpart, the higher the probability that you will give to your counterpart an amount consistent with a social norm of reciprocity. In the United States, for example, we suggest the norm that the counterpart should receive half the pie if dictator and counterpart are chosen randomly.

Bohnet and Frey (1999) provide an alternate set of experiments in which social distance is the primary variable. All their experiments are conducted with dictators and counterparts in the same room, but with payment provisions that protect subject anonymity. In their baseline experiment, dictators and counterparts are not identified. Thirty-three

percent of their subjects keep all the money and 25 percent give away half. They offer three treatments that decrease social distance between dictator and counterpart. In one-way identification without information, counterparts identify themselves to dictators by numbered cards. In that treatment, 11 percent of dictators keep all the money and 39 percent give away half. In one-way identification with information, counterparts identify themselves to dictators by telling their names, majors, origins, and hobbies. In that treatment, no dictators keep all the money, but only 16 percent give away half. In two-way identification, dictators and counterparts stand up and look at one another. In that treatment, no dictators keep all the money and 71 percent give away half. They suggest that their results show that identification, not reciprocity, is responsible for different results under different social distance conditions.

We find their experiments very interesting, but do not consider their results to be in contrast to ours. Identification and the possibility for reciprocity are inextricably intertwined as interpretive hypotheses. Even if the dictator is not identified officially, seeing one's counterpart and getting information about the counterpart increases the possibility that a subject dictator will engage in positive reciprocity, just as anonymous dictators in the Catherine C. Eckel and Philip J. Grossman (1996) experiments can be interpreted as engaging in positive reciprocity towards a charity which they consider engages in good works. Two-way identification leads to the possibility of both positive and negative reciprocity, only one step removed from the day-to-day reciprocal behavior of friends and acquaintances.

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