

**SOCIAL NORMS, DEMOCRACY, AND CONDITIONAL COOPERATION:
EMPIRICAL EVIDENCE FROM SWITZERLAND**

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Abstract

Why do individuals vary in their other-regarding preferences, such as their propensity to cooperate conditional on the cooperation of others? This is a question of key interest in economics because previous studies show a strong association between conditional cooperation and cooperation outcomes both in laboratory public goods games and in the field, including charitable giving, and the management of commons. In this paper, we examine the determinants of conditional cooperation. We study in a natural field setting whether social groups differ in their preferences for conditional cooperation, and the role played by social norms and democratic institutions in shaping these differences. Our study takes place in Switzerland, which provides a unique setting to examine these questions. A microcosm of Western Europe, Switzerland is home to three major European linguistic groups: (Swiss) German, (Swiss) French, and (Swiss) Italian. This allows us to study conditional cooperation across different linguistic groups controlling for national and cantonal level institutions including direct democracy. However, measuring conditional cooperation in the field is difficult due to confounding motivations accruing from reputation formation and repeated interaction. These considerations call for an experimental approach. We apply a one-shot anonymous linear public goods game using the strategy method among a representative sample of the Swiss population. We document large and highly significant differences in conditional cooperation by social groups: Swiss Germans display the strongest propensity to cooperate conditionally, followed by Swiss Italians, and Swiss French. Our results are robust to the inclusion of individual socio-demographic characteristics, religion, politics, and income inequality; to the exclusion of highly urbanized cantons, and to the inclusion of canton fixed effects.