

2010 School Seminar Series

Waikato Management School
Te Raupapa



The Evolution of Social Norms in Transition: Experimental Evidence from Central Asia

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Abstract:

There is considerable evidence that social norms such as cooperation, fairness and honesty influence behaviour in exchange interactions. However, despite the burgeoning number of collaborative arrangements in transition countries, the issue of whether social norms strengthen or weaken during the ongoing transition process to a market economy merits less scholarly consensus. We report on a series of experiments with university students in two Central Asian republics at varying stages of transition to market economies: Kazakhstan and Uzbekistan. We find statistically significant differences in subject behavior in the two countries for both fairness and honesty norms. For cooperation norms, we find very similar behavior in both countries. Our results thus support the contention that some social norms weaken during the ongoing transition process, while other social norms may be unaffected by the transition process. The results have important theoretical implications both in terms of identifying constituent dimensions of social norms and the evolution of such norms in transition. We conclude by elaborating on the implications for practitioners engaged in structuring collaborative arrangements with firms in transition countries.

Presenter: Stephen Billinger