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Commentary

What Economists Can Learn from “The Power of Us: Harnessing Our Shared Identities for Personal and Collective Success” by Jay J. Van Bavel and Dominick J. Packer

Daniela Grieco 

Department of Law, University of Milano, 20122 Milano, Italy; daniela.grieco@unimi.it

Abstract: Social identity theory has become increasingly important for economists. I discuss the contribution of Van Bavel and Packer’s “The Power of Us” in light of what economists (especially experimental ones) can learn from their research.

Keywords: social identity; ingroup bias; experiments



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Since [1]’s seminal work on the role of identity in affecting economic choices, an increasing number of economics papers have incorporated insights of social identity theory, going in the direction of building what was called “an economics of identity” [2]. Starting from Tajfel’s research and his investigation on the cognitive aspects of prejudice in the 1960s and 1970s, in the “Power of Us”, Van Bavel and Packer [3] recall the key definitions and concepts of social identity as the product of a person’s group membership(s) (“the collective self”) that determines her sense of who she is and shapes group and intergroup processes. As posited by [4], the groups (e.g., social class, family, nation, ethnic enclaves, etc.) which people belong to give them a sense of social identity and are an important source of self-image. The cognitive process of social categorization divides the world into “them” (the “outgroup”) and “us” (the “ingroup”) and tends to exaggerate the differences between groups and the similarities of things in the same group. The starting point of the book is the central hypothesis of social identity theory, according to which group members of an ingroup will seek to find negative aspects of an outgroup, thus enhancing their self-image. In a related vein, the social distance between an individual and other individuals or groups of individuals belonging to the outgroup is “the degree of identification” (“social tie”) between them [5,6]. When social distance decreases, the “other” is no longer some unknown individual from some anonymous crowd but becomes an “identifiable victim” [7] and the importance of her well-being increases.

The fundamental contribution of Van Bavel and Packer is the idea that the social self is highly flexible and “chameleonic” in this respect. Sharing a common identity might be enough to change attitudes towards other people, even in contexts where racial bias would be expected to emerge. The authors discuss their own research on mixed-race teams, where participants were assigned randomly to two mixed-race teams made up of people (half were Black and half were White) who initially did not know each other. Subjects were asked to memorize the faces of their team peers and to identify them on a screen while their brains were scanned. The analysis of their brain scans showed a greater activity of the amygdalae when they saw a teammate, regardless of race. A simple and fast manipulation of which identity had become central (the team identity instead of the racial identity) succeeded in activating a region of the brain that responds to stimuli that are highly relevant to people. Interestingly, the authors claim that our brains are not wired for racism, “but (if anything) are wired for social identity” (p. 128). In this respect, consider minimal group paradigm experiments (see [8] and follow-up studies). An important reason why, also in minimal group paradigm experiments, people express a preference for ingroup members is because

a certain social identity is made more salient than another, and this opens the road to the possibility of shifting group boundaries to form new identities.

The perceived distance between a subject and the ingroup, but also between the subject and the outgroup, can be manipulated in several ways. This is well known in the experimental economics literature (see, e.g., [9–13]). However, Van Bavel and Packer interestingly highlight how the social distance between the subject and the outgroup might be reduced by shifting weight on a dimension on which all (both ingroup and outgroup) members are identical. The social distance between the subject and the outgroup might be reduced by shifting weight on a dimension on which all (both ingroup and outgroup) members are identical. In this respect, the authors discuss Mark Levine and coauthors' experiment [14] on Manchester United fans and show the effectiveness of activating a larger and more inclusive identity through a "cross-categorization" procedure, referring to a larger super-ordered category which encompasses both supporters (the Manchester United ones and those of their rivals) in the same ingroup of "football fans". How much we offer help to other people (like Levine and coauthors' subjects) depends on whether we see them as sharing a part of our identity. The philosopher Peter Singer refers to this idea as a "moral circle", the boundaries of which determine who is worthy of our concern and who is not.

The other important insight that can be food for thought for economists is about the role of institutions. The more people trust the social institutions, including the government, the legal system, or the police, the more comfortable they are in their interaction with the members of other groups. Van Bavel and Packer recall the findings of another of their experiments with a mixed-race group of White and Black participants. Subjects were informed that, later on in the study, they would play a series of games with other participants; from a set of photos on their screen, they learnt that other participants could be White or Black. Participants played individually. Both White and Black subjects completed an implicit racial bias test; treated subjects were made aware that an independent, impartial observer would monitor participants' behavior. The results show that the presence of a monitoring presence reduced the level of racial bias between White and Black participants significantly. Having an institutional-type structure which promotes trust between people has been shown to reduce bias even in the absence of a team and of a shared identity, as demonstrated in this experiment. Becoming part of a team is something that we seek to overcome the fear of dealing with people and situations we do not know. Promoting trust, for instance, in the form of a fair enforcer, might reduce our need for being part of a team.

This book challenges the idea that social identity and ingroup bias are ineradicable. For economists, it also succeeds in explaining when and why "leveraging the collective mind" [15] can be an effective way to affect behavior, sometimes even more effective than providing monetary incentives, thus enlarging the set of tools that economists are familiar with and advocating for a deeper comprehension of how social identity can be built but also dismantled.

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