Social Values and Institutional Change: An Experimental Study.

Prof. Dr. Klarita Gërxhani
European University Institute (EUI)

We experimentally investigate whether and how individuals change formal institutions governing an organization. The focus is on formal rules prescribing individual cooperation to achieve a collective goal. Our analysis accounts for the role of social norms and individuals' social values. We observe that prosocial individuals—who value cooperation and have a conflict between this value and existing rules allowing for low cooperation—attempt to change this rule. In line with our theoretical discussion, we also find that prosocial individuals first try to change the institutional environment by changing social norms. If this fails, these individuals change formal rules directly.