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INEQUALITY AVERSION AND ALTRUISM: A MACRO-LEVEL OF ANALYSIS Delaney Dangerfield (Professor Brian Codding, PhD) Department of Anthropology

ABSTRACT

Humans are selfish. In the race for survival, they have evolved to prioritize securing their own resources and ensuring their continued existence. However, recent studies in anthropology, economics, and psychology have discovered an altruistic nature to behavior that may not align with the strongly held idea of egocentrism. Altruism, acting to benefit another person at the cost of one's own fitness, is now a prevalent force in the pursuit of understanding human behavior. My own experience as an anthropology student left me looking for explanations of how altruism evolved and its function in society when I was introduced to the unexpected companionship of inequality and altruism during an extended stay in India. Theories often employed to explain altruism (such as group selection, reciprocal altruism, and costly signaling) may support the evolution of altruism as an adaptive strategy to increase fitness in certain contexts, but neglect to explain altruism in anonymous situations-like that I experienced in India. However, inequality aversion is emerging as a potential explanation for all types of altruism, theorizing that humans act to eliminate high levels of inequality to ensure cooperation. Since many simulations and studies have already been done that support inequality aversion on an individual level, a macro-level analysis of the relationship between inequality and altruism was employed. Quantitative measures of inequality, such as the GINI index and Palma ratio, within a country were compared to its level of generosity, measured by the World Giving Index, as well as other indications of formalized generosity (specifically social expenditure and international aid). While inequality aversion fails to significantly explain the World giving Index, it seems to be a promising explanation for state-mandated altruism at an aggregate level as well as altruism between countries in the form of Official Development Aid. Further research is needed to examine a potential causal relationship between high social expenditure and low levels of inequality, as well as to determine better measurements of both inequality and generosity for testing inequality aversion at a macro-level of analysis.