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**ALIGNING SOCIAL WELFARE PREFERENCES
FOR SUSTAINABLE DEVELOPMENT: EXPLORING
THE INTERPLAY OF SOCIAL PREFERENCES**

Successful policy must depend on a thorough understanding of human behaviour. It is striking how scant attention has been given to understanding human behaviour within policy circles [2]. The relationship between responsible citizen behaviour and sustainable development is paramount for the long-term prosperity of societies. Responsible citizen behaviour encompasses actions and attitudes that positively influence the community, the environment, and economic and societal advancement. When individuals engage in responsible behaviour, they play a crucial role in furthering the principles and objectives of sustainable development. Nevertheless, social welfare preferences, encompassing attitudes towards environmental protection and social organisations, shape collective behaviour by influencing individuals' choices and actions towards sustainable development goals. By prioritising environmental conservation and active participation in societal welfare initiatives, individuals contribute to the collective effort towards achieving sustainable development objectives and fostering a more resilient and equitable society.

Social preferences refer to an individual's attitudes, inclinations, and behaviours in social situations. They encompass how individuals value outcomes not only for themselves but also for others. Conversely, social welfare preferences extend beyond individual attitudes to collective or societal considerations. They involve preferences for the overall well-being

or welfare of a group, community, or society. In the context of public policy and decision-making, social welfare preferences aim to optimise outcomes for the entire population. For example, social welfare preferences may include a preference for policies that reduce overall inequality, enhance access to education and healthcare, or promote economic development for the greater good. They often guide decisions that impact the well-being of society as a whole. Table 1 highlights the distinctions between social preferences, which centre on individual behaviours and attitudes, and social welfare preferences, which extend to collective decision-making and policies to enhance society's overall well-being.

Table 1

**Social preferences and social welfare preferences:
distinctions through different aspects**

Aspect	Social Preferences	Social Welfare Preferences
Focus Level	Primarily, individual-level, intra-personal dynamics	Collective level; inter-personal dynamics
Micro/Macroeconomics	Studied microeconomics and behavioural economics	Applied in macroeconomics and public policy research
Behavioural Insights	Provides insights into individual behaviors	Guides policy formulation for societal well-being
Ethical and Moral Dimensions	Examines ethical dimensions of individual behavior	Extends ethical considerations to societal policies
Decision Contexts	Often studied in controlled experiments	Analysed in real-world decision-making and governance
Temporal Aspects	Immediate, individual-level decisions	Span longer timeframes, considering present and future
Application Examples	Social dilemmas, Ultimatum Game, reciprocity, trust	Healthcare access, education funding, environmental regulations, social safety nets
Market Interactions vs. Policy Design	Focus on economic transactions and social interactions	Applied in the design of policies and interventions

Essentially, social and welfare preferences complement each other in understanding decision-making within social settings. Social preferences shed light on individual behaviours and choices, while welfare preferences inform policy formulation aimed at enhancing societal well-being and tackling collective challenges. Appreciating both levels of analysis is essential for understanding how individuals and societies navigate social interactions and make decisions with far-reaching consequences. Furthermore, social preferences serve as the foundation for social welfare preferences.

Overall, measurement and assessment of social and social welfare preferences at the country level require a multidimensional approach that integrates quantitative and qualitative methods to capture the complexity of societal dynamics and inform evidence-based policymaking.

Since social preferences are the foundation of social welfare preferences, their variety (heterogeneity) can be assessed using surveys dedicated to global values. The authors [1] define the heterogeneity of social preferences as the substantial variation in preferences across and within countries). This variation encompasses differences in time preference, risk preference, positive and negative reciprocity, altruism, and trust across individuals and countries. The findings [1] suggest that social preferences exhibit significant diversity and are influenced by various individual and contextual factors, contributing to a nuanced understanding of global economic preferences.

In this context, it is worth emphasising that survey measurements can be subjective, depending on various factors such as the wording of questions, the context in which they are asked, the respondents' interpretation, and their willingness to provide accurate responses. While efforts are made to design surveys with clear and unbiased questions, there is still potential for subjectivity due to individual differences in perception, understanding, and response tendencies. Additionally, respondents may provide answers that align with social norms or expectations rather than their actual beliefs or experiences, further influencing the subjective nature of survey measurements.

To the extent of our comprehension, extant literature addressing the diversity of social welfare preferences predominantly scrutinises cohorts of individuals through sociodemographic variables, cultural dimensions, and geographical delineations. We propose an alternative methodology wherein the diversity of social welfare preferences is evaluated based on behaviour patterns.

Given that the willingness to contribute one's resources (both time and money) for the collective good and the benefit of others indicates robust social preferences, a propensity towards philanthropy, charity and volunteering may be regarded as markers of social welfare preferences.

Social preferences serve as building blocks for understanding social welfare preferences on an aggregate level, encapsulating individual inclinations towards societal norms, attitudes, and biases. By analysing surveys that delve into these aspects, we can discern patterns and trends, enabling a comprehensive assessment of collective social welfare preferences and their influence on individual behaviour.

On the other hand, social welfare-oriented individuals typically exhibit behaviour patterns characterised by prioritising collective well-being over individual interests. They may engage in activities such as volunteering, supporting charitable organisations, advocating for social justice, and participating in community initiatives to promote the welfare of society as a whole.

References:

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