ABSTRACT

This article reviews the growing economics literature that studies the politico-economic impacts of heterogeneity in moral boundaries across individuals and cultures. The so-called universalism-versus-particularism cleavage has emerged as a main organizing principle behind various salient features of contemporary political competition, including individual-level and spatial variation in voting, the realignment of rich liberals and poor conservatives, the internal structure of ideology, and the moral content of political messaging. A recurring theme is that the explanatory power of universalism for left-wing policy views and voting is considerably larger than that of traditional economic variables. Looking at the origins of heterogeneity in universalism, an emerging consensus is that cross-group variation is partly economically functional and reflects that morality evolved to support cooperation in economic production. This insight organizes much work on how kinship systems, market exposure, political institutions and ecology have shaped universalism through their impacts on the relative benefits of localized and impersonal interactions.

Benjamin Enke
Department of Economics
Harvard University
Littauer M008
Cambridge, MA 02138
and CESifo
and also NBER
enke@fas.harvard.edu
The circle of altruism has broadened from the family and tribe to the nation and race, and we are beginning to recognize that our obligations extend to all human beings.

Peter Singer, The Expanding Circle, 1981

To be from the left means to know that the Third World’s issues are closer to us than our neighborhood’s issues.

Gilles Deleuze, Left-wing French philosopher, 1988

If you believe you are a citizen of the world, you are a citizen of nowhere. [Many] feel the strongest sense of solidarity with those who share their history, language and common culture.

Theresa May, UK Prime Minister, 2016

1 Introduction

During the so-called “European refugee crisis” of 2015-2016, more than a million Syrian civil war refugees entered Germany, increasing its population by more than 1%. While the German authorities were struggling, local soup kitchens – upon which the homeless and needy in Germany had relied for decades – also faced a dilemma. The influx of refugees dramatically increased demand for their services, stretching a tight NGO budget. In 2018, a prominent local leader of a soup kitchen announced that his organization would no longer serve Syrian refugees and, instead, prioritize helping Germans. A main justification for this decision was that “these are our people.” A controversial national debate about loyalty, solidarity and equal treatment ensued. Evidently, the local soup kitchen leader is not a selfish individual – he had led his organization as a volunteer for 12 years. Yet, the moral conflict at the center of this episode is not that of “self versus other,” but rather that of “us versus them.”

Just like other social scientists, economists have long understood the importance of groups. Large literatures on ethnicity, language, religion, nationhood and social identity document that people tend to be more prosocial and trusting towards in-group members, and that this affects economically important behaviors and outcomes (e.g., Alesina et al., 1999; Alesina and La Ferrara, 2005; Goette et al., 2006; Bernhard et al., 2006; Chen and Li, 2009; Franck and Rainer, 2012; Lane, 2016; Shayo, 2020).

To a first approximation, these impactful literatures largely focus documenting that people typically confer some special treatment to in-group members. Yet in doing so the literature has sidestepped deep questions about what people actually believe to be “right” or “wrong.” What do you think are the boundaries of your moral obligations towards others? Is it morally right for you to treat everyone equally, or do you owe some special treatment to those that are close or similar to you? If the latter, do these relationship-
or group-specific moral values only apply to the family, or also to neighbors, friends, colleagues, co-ethnics and compatriots? Was it right of the NGO leader mentioned above to confer special treatment to his compatriots?

A robust stylized fact that emerges from the field of moral psychology is that people exhibit pronounced heterogeneity in how they think about these questions. Building on this insight, a recent economics literature has moved beyond the question of identifying (average) group-specific preferences, and has made heterogeneity in moral boundaries across individuals and cultures front and center, to highlight both the politico-economic consequences and the economic origins of this variation.

Psychologists and economists have conceptualized people’s moral boundaries as a continuum between universalism and particularism (or a communal morality). Universalism corresponds to the moral stance of equal treatment: universalists believe they have the same moral obligations towards strangers as towards those that are socially close or similar to them. One way to think about universalism is, hence, that it reflects an impersonal morality. A particularist morality, on the other hand, emphasizes relationship- or group-specific moral principles. Heterogeneity in universalism does not capture who is more moral but rather towards whom a given “moral budget” is allocated. Indeed, even philosophers hotly debate the normative benefits of a universalist and particularist morality (e.g., Singer, 1972; Rawls, 1971; Sandel, 1998).

In recent years, economists have made considerable progress in quantifying heterogeneity in moral boundaries using experiments, large-scale surveys, observational data and natural language processing. Section 2 reviews these measurement techniques as well as the underlying theoretical concepts, and exposits the nature of heterogeneity in universalism across individuals, U.S. regions and countries. Two main lessons consistently emerge from such measurement exercises. First, there is large heterogeneity. Second, an individual’s degree of universalism can largely be viewed as a “type” that applies very similarly across very different potential in-groups (including, but not limited to, traditional domains such as ethnicity, religion and language).

A common thread that runs through the literature is that this heterogeneity in universalism is a promising construct to conceptualize and measure moral conflict in the political sphere. Indeed, many contemporary hot-button issues – such as immigration, affirmative action, LGBTQ rights, national pride, globalization, EU market integration, or “America first” – arguably directly tap into people’s intuitions, preferences and values regarding their moral boundaries. As summarized in Section 3, voters’ degree of universalism is strongly predictive of their policy views and voting (especially among the rich), such that the success of political candidates partly depends on how their moral messaging matches the values of the electorate. The link between universalism and left-wing politics has been robustly documented in a large number of different ways. It is
found (i) regardless of whether universalism is measured using psychological questionnaires, experimental games, or real donations data; (ii) both across individual voters and across districts or counties; (iii) looking at policy views or voting; and (iv) within each of a large number of different countries.

After developing an overview of how and why heterogeneity in moral boundaries matters for political and economic outcomes, I turn to discussing the growing body of work that examines the origins of variation in universalism. Much of this work traces its intellectual origins to the popular theory in moral psychology and evolutionary biology that morality is economically functional: that it evolved to support and incentivize social cooperation in economic production. According to this theory, heterogeneity in moral boundaries across individuals, social groups and cultures partly reflects heterogeneity in economic incentives that result from differences in production modes, institutions (markets, political systems, kinship systems) and ecology. The general idea is that different social structures or ecological conditions imply different costs and benefits of repeated localized or one-shot impersonal interactions, and that these incentives gives rise to differences in morality. Section 4 synthesizes the empirical evidence in favor of this broad proposition.

Because the literature on heterogeneity in moral boundaries emerged relatively recently, there are many open questions and applications to be pursued. Section 5 discusses what I perceive to be some of them.

2 Concepts, Measurement and Heterogeneity

2.1 Concepts

Economists and psychologists conceptualize and measure people’s moral boundaries in different-but-related ways. In economics, a prominent approach, pioneered by Tabellini (2008b) and refined in Enke et al. (2023b, 2022b), is to formalize people’s altruism as a decreasing function of “social distance.” This is illustrated in Figure 1. Social distance is a stand-in for the various types of distance that may actually matter in practice: family, geography, ethnicity, language, values, occupation, nationality, and others. A fully universalist morality corresponds to a horizontal line, meaning that the individual cares as much about their sibling as about a random stranger from another part of the world. Below in Section 5 I discuss the notion of “social distance” in greater detail.

An important feature of the conceptualization in Figure 1 is that the overall level of altruism (or moral concern for others) is held constant across universalists and particularists, such that the degree of universalism only captures the slope of altruism rather its level. This clarifies that universalists are not necessarily more or less “moral” than partic-
particularists. Casually speaking, the framework thus implies that, all else equal, universalists are great strangers to encounter, while particularists are great friends to have.

An advantage of the representation in Figure 1 is that it has an obvious counterpart in utilitarian mathematical models, whereby an individual's utility weight for others decreases in social distance. Psychologists, in contrast, traditionally think about moral boundaries primarily from the perspective of moral values: people's normative beliefs about what is “right” and “wrong.” Because such values can be deontological in nature, they usually don’t admit simple utility formulations. An example is a psychological framework called “Moral Foundations Theory” (Haidt, 2012; Graham et al., 2013), which distinguishes between values that have a universalist flavor (such as impartial fairness, justice and rights) and those that have a relationship- or group-specific component (such as loyalty, respect, or the importance of family, community and tradition).

**Related concepts.** Relative to earlier work on favoritism related to ethnicity, religion, language or nation, the framework above offers two refinements. First, trivially, it emphasizes heterogeneity across individuals. Second, the framework views the universalism-particularism divide as a construct that organizes how “groupy” people are in general, rather than only with respect to a particular salient group identity. While work on specific social groups such as ethnicity effectively assumes that the function in Figure 1 is a step function, an important idea in Figure 1 is that of domain-generality: an individual who is more particularist vis-à-vis some groups is also more particularist vis-à-vis other groups. Put differently, an individual's local slope of altruism when trading off
the welfare of, say, a family member and a domestic stranger should be correlated with that individual’s slope when trading off the welfare of a domestic stranger and a global stranger. This domain-generality corresponds to the important idea that there are (reasonably fixed) individual “universalism types.”

The existence of heterogeneous-but-stable universalism types is one of the core ideas in the recent literature because it shifts the focus of the discussion away from the question of whether people are generally fully universalist, towards understanding heterogeneity, how it matters and what generates it.

It is worth comparing the framework in Figure 1 to work on social identity more generally (e.g., Akerlof and Kranton, 2000; Shayo, 2009, 2020; Bénabou and Tirole, 2011; Bonomi et al., 2021; Grossman and Helpman, 2021). Because the x-axis in Figure 1 corresponds to different social identities (with more important identities located further to the left), one interpretation of the universalism-particularism cleavage is that it captures *how much group- and place-based social identities matter to an individual*. For a fully universalist person, all possible group-based identities are equally (un)important, while for a particularist some identities matter a lot.

Finally, the universalism-particularism continuum is potentially related to work in cultural economics on the individualism-collectivism cleavage (Gorodnichenko and Roland, 2011, 2017; Landier and Thesmar, 2022). This latter construct is typically framed as capturing the tradeoff between independent individuals and strong embeddedness in groups. Because both collectivism and particularism emphasize strong group identities as well as prosociality and loyalty towards the group, these concepts appear intimately linked. An advantage of the universalism-particularism conceptualization is that it focuses on a single construct – the slope of altruism, holding the level fixed –, while the individualism-collectivism cleavage could potentially be understood as being partly about the slope and partly about the level, with individualists being both more universalist and less altruistic overall.

### 2.2 Measurement

*Money allocation tasks.* In economics, people’s degree of universalism is often measured using money allocation games. Conceptually, the objective of these games is to measure the local slope of the altruism function in Figure 1. Because we are interested in the slope rather than the level of altruism, these games are typically designed in a so-called “disinterested spectator design,” which means that the decision-maker’s own payoff is never at stake. Rather, experimental subjects or survey participants are being asked to divide a fixed sum of money between two recipients, where one is socially more distant than the other. For example, in the allocation tasks deployed in Enke et al.
(2022b, 2023b) and Cappelen et al. (2022), participants are asked to divide $100 between a family member and a stranger, or between a friend and a stranger, or between a compatriot and a global stranger, always assuming that these two recipients are equally rich.

A relevant practical question is whether these money allocation tasks should be financially incentivized or whether hypothetical questions deliver data of comparable quality. This is relevant in particular for researchers who wish to field large-scale surveys in which incentives are logistically and financially infeasible. To address this, Enke et al. (2022b) conduct an experimental validation study in which subjects complete both an incentivized and an unincentivized version (with a one-week time lag in between). They find that the correlation between incentivized and unincentivized behavior is high, and exactly as high as an incentivized test-retest correlation. This suggests that researchers don’t forgo much in working with hypothetical questions.

**Donations.** A related strategy to measure universalism is to work with donations data. In line with the framework embodied in Figure 1, the object of interest is again not how much an individual (or region) donates but instead to whom. Relative to money allocation tasks, working with donations data adds ecological validity but sacrifices some control.

**Survey questions on trust.** Just like people’s altruism can be more or less universalist, so can their trust in others. In this domain, full universalism would correspond to a case in which someone trusts their family members as much as a distant stranger. Evidently, it need not be that universalist altruism and universalist trust go hand-in-hand. However, recent research has shown a tight link between the two (Enke et al., 2022b; Cappelen et al., 2022). This insight is of interest because various surveys such as the World Values Survey contain questions on trust in different groups of people, such that researchers can leverage these datasets to study universalism even when they don’t contain information about behavior in money allocation tasks (e.g., Enke, 2019; Le Rossignol and Lowes, 2022).

**Psychological questionnaires.** A fourth technique to measure people’s moral boundaries consists of psychological questionnaires such as the Moral Foundations Questionnaire (MFQ) developed by Graham et al. (2013). This questionnaire elicits people’s (dis)agreement with moral value judgments related to concepts such as impartial fairness, justice, loyalty, respect and betrayal. In the psychology literature, there is a considerable debate about how many different sub-components a universalist or particularist morality has. As discussed in Enke (2020), I have found it productive to set these
discussions over psychological details aside and to focus on the broad universalism-
particularism distinction.

The psychological and economic measurement techniques have different strengths
and weaknesses. Money allocation tasks are well-defined, offer tight control and don’t
require the potentially subjective interpretation of relatively vague survey questions. On
the other hand, they are also considerably more abstract and less intuitive, such that psy-
chological questionnaires may be more likely to tap into people’s real moral intuitions.

Despite the large differences in elicitation protocols, there is now encouraging evi-
dence that these techniques get at the same underlying concept. First, various papers
show that the different measurements are highly intracorrelated (e.g., Enke, 2020; Enke
et al., 2022b). Second, the correlations of the different economic and psychological con-
structs with demographics such as age, gender and income are always very similar.

Text analyses. Sometimes, researchers are interested in estimating a person’s position
along the universalism-particularism spectrum for whom they cannot easily deploy ex-
periments or surveys. A prime example is politicians. In such cases, it can be useful
to deploy natural language processing techniques. Along with the MFQ, Graham et al.
(2013) proposed a so-called Moral Foundations Dictionary (MFD), which has since been
extended into the so-called eMFD (Hopp et al., 2021). These dictionaries essentially com-
prise separate bags-of-words for a universalist and a particularist morality that enable
both simple word count or more sophisticated word embeddings analyses.

2.3 Heterogeneity

Across individuals. Regardless of which measurement tool is deployed, much research
shows that there is large variation in universalism across individuals. In recent years,
robust evidence has emerged that shows significant demographic differences. Men, the
elderly, the religious and Whites are less universalist (more particularist), where the
strongest correlations are typically found with age and religiosity. These correlations are
not just present in the U.S. (Enke, 2020; Enke et al., 2022b) but also in Western Europe
(Enke et al., 2023b) and even in a global sample (Cappelen et al., 2022). Moreover,
these correlations are found both in money allocation tasks and the psychological MFQ.

In contrast, correlations with education and income are relatively weak and inconstant. If anything, richer people tend to be less universalist, especially once education
is accounted for (Enke et al., 2022b, 2023b; Enke, 2020; Cappelen et al., 2022).

Across U.S. regions. There is significant spatial variation within the United States. One
approach, pursued by Enke (2020), makes use of the data from www.yourmorals.org,
where roughly 300,000 Americans completed the MFQ. A shortcoming of these data is that they are not nationally representative. On the other hand, the sample size is much larger than in any nationally representative dataset, which enables researchers to calculate a meaningful measure of local universalism for counties or Congressional Districts.

A second approach that is more closely tied to economic theory and makes use of real-stakes decisions, consists of analyzing donations data on the charity website www.donorschoose.org. On this crowdfunding platform, public school teachers post requests for project funding (e.g., a new computer for their classroom), and potential donors select a particular project they would like to fund. To estimate cross-district variation in universalism, Enke et al. (2023a) essentially estimate the model sketched in Figure 1 and analyze to what degree donations that originate in a given district decrease as a function of the distance between donor and recipient (netting out factors such as economic need). For some districts, the slope of donations with respect to distance is essentially flat (people donate as much to local schools as to faraway schools), while in others it is very steep.

Figure 2 visualizes the across-district heterogeneity in universalism derived from this procedure. State fixed effects explain about 60% of the variation, with districts in the heartland exhibiting higher particularism. In the empirical analyses summarized below, even within-state variation is strongly predictive of political outcomes.

Even though this donations-based approach to estimate spatial variation in universalism relies on very different data than the MFQ-based approach, their correlation at the Congressional District level is encouragingly high ($r = 0.53$), which again suggests...
that the different empirical tools that economists and psychologists use to measure universalism capture the same underlying construct. The strongest predictor of district universalism is local population density. I return to this observation below when I discuss the potential functional economic reasons that underlie variation in universalism.

**Across countries.** Heterogeneity in universalism across cultures has attracted a fair amount of interest among cultural psychologists. As reviewed by Henrich (2020), a common argument is that populations outside of the rich West – in particular in Asia and the Middle East – cherish a relatively particularist morality. The evidence in support for this thesis is derived from various small-scale studies, non-representative participant pools and different psychological outcome variables.

In part to remedy this shortcoming of high-quality representative data, Cappelen et al. (2022) implemented the *Global Universalism Survey (GUS)*. This survey was implemented through the infrastructure of the Gallup World Poll and involves nationally representative samples from 60 countries, for a total sample size of about 64,000 respondents. Each respondent participated in a series of hypothetical money allocation tasks of the type described above, e.g., splitting $1,000 (denominated in local currency, adjusted for purchasing power) between a friend and a stranger, again assuming that the two potential recipients are equally rich.

In these representative survey data, there is no evidence that richer countries are more universalist. Indeed, some of the most universalist countries in the sample are located in sub-Saharan Africa. Meanwhile, this global dataset by and large confirms the idea from psychology that Asian and Middle Eastern countries are relatively particularist, with participants from China, India and Israel allocating the most money to in-group members, on average.

### 3 Political Economy Implications

As suggested by the opening quotes, the structure of political conflict in Western democracies is increasingly characterized by a moral or cultural divide, rather than by the traditional divisions over pro-market vs. pro-redistribution policies. Indeed, in the United States, the correlation between income and voting is considerably lower today than it used to be 40 years ago (e.g., Gethin et al., 2022). Relatedly, while much research has argued that economic shocks such as globalization and EU market integration have fueled a rise of populism (Guriev and Papaioannou, 2022), these events only seem to have had quantitatively small impacts on people’s attitudes and voting (Margalit, 2019). This raises the question of which non-economic forces shape people’s thinking and decision making.
In this respect, universalism is a promising construct precisely because many of the events that economists generally interpret as having primarily economic effects – such as globalization, market integration and immigration – do not just affect people’s economic prospects but also tap into their deep moral intuitions about the treatment of in-group members and strangers. Almost by definition, it is no surprise that particularist voters – those with strong group- and placed-based identities – feel uneasy about multiculturalism, market integration and immigration. Indeed, recent qualitative book-length treatments have emphasized that people with strong community attachments feel threatened and alienated by the universalist worldviews of the professional class (e.g., Goodhart, 2017). Moreover, many discussions over contemporary hot button issues – including immigration, affirmative action, LGBTQ rights, or national pride – potentially strongly tap into people’s views on their moral boundaries.

Conceptualizing heterogeneity in morality through the lens of universalism provides social scientists with a language, framework, and measurement tools to think about and analyze these patterns. I now discuss how recent research on heterogeneity in universalism has shed light on questions such as:

1. What is the relative importance of moral values and income / wealth for voting decisions in presidential elections?

2. Are rich or poor people more likely to prioritize their values for their vote choice?

3. What are the origins of the large variation in behavior among U.S. legislators, both within and across parties? What is a plausible mechanism behind the strong urban-rural divide in politics?

4. Why are people’s social and economic policy views strongly correlated across seemingly-distinct policy domains, in ways that are almost identical across Western nations?

5. How have cross-party differences in morality among U.S. legislators changed over time? What causes significant social change?

### 3.1 Voting

In direct analogy to standard spatial models of political competition, recent research on moral values has jointly studied the location of voters and candidates on the universalism-particularism continuum. An emerging thread is that political candidates do well precisely in those areas (or with those voter groups) where the values of the electorate coincide with the politician’s moral messaging.
Variation in politicians’ moral types. Because the latent “moral types” of politicians are unobserved, they need to be estimated indirectly, using text analyses. To achieve this, researchers have deployed the MFD and its variants on Congressional speeches, tweets, press releases and debates (e.g. Sagi and Dehghani, 2014; Garten et al., 2016; Enke, 2020; Enke et al., 2023a; Figueroa and Fouka, 2022). A robust result in the literature is that Democratic politicians use more universalist (less particularist) language relative to their Republican counterparts. These cross-party differences in moral language have increased substantially over the last 50 years (Enke, 2020).

Multiple papers have also documented the existence of pronounced within-party heterogeneity in moral language. For example, both the contenders in presidential primaries and congressional representatives exhibit large heterogeneity in their moral language, even holding party membership fixed (e.g., Enke, 2020; Enke et al., 2023a). A somewhat open question is whether moral language largely reflects strategic considerations or politicians’ true values. The available evidence is suggestive that at least a part of the variation in usage of universalist vs. particularist language is strategic in nature, as suggested by the pattern that Democratic and Republican candidates tend to converge in their use of moral language after the primaries.

Voting: Individual-level evidence. The results on strong heterogeneity in the moral types of politicians and parties raise the question whether voting decisions reflect these differences, i.e., whether more universalist voters are more likely to vote for universalist candidates. Psychologists have long documented that universalism (as measured either in the MFQ or using experiments) is indeed strongly correlated with liberal vs. conservative self-identification (e.g., Graham et al., 2009; Haidt, 2012; Waytz et al., 2019; Brewer et al., 2022; Pizziol et al., 2023a).

To systematically study the role of moral values in U.S. Presidential elections, and to benchmark their importance against traditional economic variables, Enke (2020) links politicians’ universalism – estimated from text analyses – to that of voters. Figure 3 illustrates by showing a binned scatter plot of the link between universalism and the probability of voting for Hillary Clinton in the 2016 general election. The raw correlation between universalism and voting Democratic is $r = 0.42$, much larger than correlations with income, wealth or education. The correlation between universalism and voting Democrat is precisely what one would expect based on a spatial voting model because (i) Democratic politicians as a whole are more universalist than Republican ones and (ii) Hillary Clinton used much more universalist language than Donal Trump on the campaign trail.
Voting: Variation across space. As is well-known, there is large cross-district variation in local vote shares in Presidential and Congressional elections, even within U.S. states. This geographic heterogeneity is widely believed to be a key driver of affective polarization and legislative gridlock because it implies that Democratic and Republican partisans live in “different worlds” (Enos, 2017; Brown and Enos, 2021).

To understand the underlying drivers of this geographic variation, Enke et al. (2023a) estimate cross-district variation in universalism using large-scale donations data, as described in Section 2. The middle panel of Figure 3 shows that this donations-based estimate of universalism is strongly correlated with Democratic vote shares in 2022 House races ($r = 0.46$). Again universalism is a substantially stronger predictor of vote shares than traditional economic variables such as median income or college graduation rates.

Notably, local universalism is predictive of outcomes also in within-party comparisons. For instance, even controlling for the legislators’ party ID, more universalist districts tend to have more left-wing legislators, in terms of both the legislators’ roll-call voting and text analyses of their Congressional speeches (Enke et al., 2023a).

Cantoni and Pons (2022) emphasize the relevance of the universalism-particularism by showing that it is the main variable that predicts Republican party affiliation at the state level.

Ballot propositions. Yet another approach to studying the relevance of moral concerns is pursued by Matsusaka and Kendall (2021), who analyze support for ballot propositions in California. They estimate a model in which voters do not only have potentially conflicting spatial preferences but also partly care about the common good (e.g., flood prevention). Crucially from the perspective of moral boundaries, Matsusaka and Kendall’s definition of the “common good” is very universalist in nature in that it is not restricted to policies that have a common goods character only for a specific in-group.
The authors estimate large heterogeneity in how much weight voters place on the universalist common good. Interestingly, they find that old, rich and white voters place a lower weight on the common good. These relationships are remarkably consistent with the demographic correlations found with survey-based universalism measures. My interpretation of Matsusaka and Kendall’s (2021) results is, hence, that voters’ degree of universalism also manifests in votes on ballot propositions.

3.2 Policy Views

We have seen that left-wing politicians use more universalist language and that people with more universalist values are more likely to vote left. But what makes left-wing policies appealing to universalists? Various recent papers have documented a link between universalism and left-wing social and economic policy views and left-wing ideology more generally (e.g., Kivikangas et al., 2021; Enke et al., 2023b; Andre et al., 2021; Cappelen et al., 2022), see the right panel of Figure 3. Pizziol et al. (2023b) show a link between left-wing ideology and universalist donation behavior in a large number of countries.

Enke et al. (2023b) propose that a main reason for the tight link between universalism and left-wing policy views is that many canonical left-wing policies have a very universalist flavor. For instance, foreign aid, affirmative action, environmental protection and federal redistribution are all highly universalist policies in that their beneficiaries will often be socially or geographically distant strangers.

Consider the case of views on redistribution. An important – though sometimes underemphasized – feature of the redistributive systems in Western democracies is that they are highly impersonal in nature. An old idea in political economy is that redistribution does not travel well across ethnic, racial and national lines (e.g., Alesina et al., 1999; Luttmer, 2001; Alesina and Glaeser, 2004; Gilens, 2009; Fong and Luttmer, 2009; Fehr et al., 2022). But while it was well-known that people generally have a preference for in-group-based redistribution, recent work suggests that this insight strongly depends on people’s degree of universalism. For universalists, it is by definition less important whether redistribution benefits people they have much in common with or random strangers. Particularists, on the other hand, might favor a more local, group-based type of redistribution.

Enke et al. (2023b) and Cappelen et al. (2022) study this by linking universalism (measured using money allocation games in surveys) to policy views in large multi-country studies. They document a strong correlation between universalism and support for standard, federal redistribution in a large number of Western countries. Perhaps more surprisingly, they also document that the standard link between left-wing ideology and views on redistribution entirely breaks down when people are not polled about national
redistribution but, instead, about local, community-based redistribution. In other words, conservatives are no less supportive of redistribution than liberals when it occurs within the group. This suggests that a main reason why conservatives oppose governmental redistribution is its highly universalist nature.

**Affirmative action and race relations.** Another policy domain in which views on universalism versus particularism are relevant is that of minorities, affirmative action and race relations. Experimentally-measured universalism is strongly correlated with support for affirmative action (Enke et al., 2023b). Figueroa and Fouka (2022) provide more ecological evidence on this matter in a historical analysis of social change. They analyze the distribution of support for the abolitionist movement in 18th and 19th century Britain. They document that local support for abolition – as captured by anti-slavery petitions and voting behavior in parliament – was strongly linked to the rise of the industrial class, which appears to have had more universalist values than the aristocratic elite. To provide evidence for this, Figueroa and Fouka (2022) document that members of parliament from the industrial class used more universalist language in their speeches, and that newspaper articles from industrial locations were more likely to feature humanitarian arguments. This contribution not only confirms the link between universalism and views on minorities and race relations, it also highlights how shifts in the distribution of economic power from less to more universalist groups in the population can have implications for large-scale social change.

**Generality of the universalism-politics link.** An important takeaway from the previous discussion is how robust and general the link between heterogeneity in universalism and political behavior is. It holds across individual voters and across geographical regions. It is found looking at specific policy views or at voting. It is documented in very similar ways regardless of whether universalism is measured using psychological surveys, lab experimental games, or large-scale donations data. And, finally, it is found in almost every “Western” country.

The last qualification is significant. As is well-known in comparative political science, the structure of political competition and people’s policy views differs widely between rich, democratic “Western” countries and other nations. A main difference is that politics outside the West cannot be neatly organized on a simple left-right spectrum. Given that heterogeneity in universalism is strongly predictive of left-right orientation in the West, an immediate question is whether heterogeneity in universalism is also relevant for politics outside the West. In their global study, Cappelen et al. (2022) find that measured universalism is indeed essentially uncorrelated with political views outside the West, including in relatively rich countries such as South Korea or Japan. A main open
question is why the universalism-particularism cleavage is less important for political competition outside the West.

3.3 Political Economy Models

The empirical insight that heterogeneity in moral boundaries affects political outcomes has also trickled down (or up) into formal political economy models. For example, Besley and Persson (2023) propose a model of the “green transition” in which universalism drives voter behavior and, hence, affects environmental policy. Morelli et al. (2021) study a model that links heterogeneity in universalism to the emergence of populism. The theory of Bonomi et al. (2021) highlights how a voter’s degree of universalism can act as a social identity and, hence, influence political allegiances. In synthesizing the theoretical literature on culture and economic policy, Persson and Tabellini (2020) highlight the role of universalism for agency conflicts and political power abuse.

Enke et al. (2022a) study a model of how people trade off their moral concerns and their financial interests when these are in conflict with each other. An influential idea outside of economics is that values are luxury goods: people increasingly prioritize their values over financial considerations as they get richer. This “postmaterialism” idea received a great deal of attention through the work of Inglehart (1997) and his collaborators. Based on this evidence, Enke et al. (2022a) model voters who care about both (i) how economic policy affects their income and (ii) how far social and/or economic policy are away from their moral bliss point. The key assumption in the model is that the utility weight placed on the moral part of utility increases in absolute income. As shown in the left panel of Figure 4, the voting-values gradient is indeed considerably stronger among the rich than among the poor. Other work has similarly documented that the link between social preferences and views on redistribution and taxation is especially pronounced among the rich (Epper et al., 2020; Cohn et al., 2021), and Danieli et al. (2022) emphasize how people’s priorities have shifted towards moral and cultural issues over time, which is also consistent with an income-based mechanism.

The insight that values are more important for the political views of the rich is of particular relevance for understanding the behavior of two voter groups that have received a great deal of attention in the public discourse: people who are either rich and morally liberal (universalists), or poor and morally conservative (particularists). In popular books, the fact that poor moral conservatives often vote conservatively has received much attention and is often viewed as a “puzzle” because people “vote against their economic interests” (Frank, 2007; Hacker and Pierson, 2020). Yet, an immediate implication of the values-as-luxury-goods model is that rich moral universalists should actually be more likely to vote against their economic interest than poor moral particularists. Enke et al.
Figure 4: Left panel: Local polynomial plots of probability of voting for Hillary Clinton in 2016 against universalism in the MFQ, separately for top- and bottom-third income groups. Right panel: Fraction of rich universalists and poor particularists who vote against their economic interests. Both panels constructed from data of Enke et al. (2022a).

(2022a) test this hypothesis empirically and find strong support. For example, as shown in the right panel of Figure 4, rich universalists are 35% more likely to vote Democratic than poor particularists are to vote Republican. Thus, the luxury goods logic sheds light on which groups in the population are more or less likely to vote based on their values (but it doesn’t speak to the “level effect” of why even many poor people vote based on their values).

3.4 Potential Economic Implications of Cultural Variation

Various scholars have argued that heterogeneity in universalism may also be relevant for understanding aggregate institutional and economic outcomes (e.g., Banfield, 1967; Putnam et al., 1992; Henrich, 2020; Serafinelli and Tabellini, 2022). Some work has attempted to move beyond descriptive work by leveraging potentially-exogenous variation in the determinants of a universalist morality. For instance, Tabellini (2008a, 2010) reports instrumental variable analyses that link sub-national regional development in Europe to measures of morality, instrumented with various historical variables. Relatedly, Gorodnichenko and Roland (2017) present across-country IV analyses that link per capita income to collectivism, instrumented with different genetic markers. A different strategy is pursued in various interrelated contributions by Schulz (2022), Bahrami-Rad et al. (2022) and Akbari et al. (2019). They make use of the observation – discussed below – that a universalist, impersonal morality is strongly associated with measures of the tightness of extended kinship systems. One interpretation of the resulting correlations is that tight extended kinship systems generate a particularist morality, which, in turn, negatively affects contemporary outcomes.

My personal takeaway from this literature is that the correlational evidence is very in-
triguing. A challenge regarding its interpretation is the breadth of evidence that economists have accumulated on the endogeneity of morality to economic variables (see Section 4 and Friedman (2006)), which suggests the existence of a complex interaction between the two.

4 Moral Systems: Economic Functions and Determinants

4.1 Morality as Cooperation

As part of the broader “deep determinants” literature, economists became interested in understanding the origins of variation in moral boundaries. Interestingly, by far the most influential theory in evolutionary psychology and biology about the origins of morality is profoundly economic in nature. As summarized in contributions from across the social sciences (e.g. Bowles and Gintis, 2003; Gintis et al., 2005; Boyd and Richerson, 2009; Haidt, 2012; Greene, 2014; Tomasello, 2016; Henrich and Muthukrishna, 2021), a main idea is that morality is economically functional and evolved to maintain and incentivize cooperation in social dilemmas. In a nutshell, the argument goes, productive economic activity such as bilateral trade, occupational specialization or public goods provision is infeasible if people do not evolve moral systems: packages of functional psychological and biological mechanisms that “incentivize” people to act prosocially.

While this theory is widely accepted outside of economics, rigorous quantitative evidence in its support is relatively scarce, and in recent years economists have made various contributions to this discussion. A main point of departure for many of these empirical analyses is the idea that if morality enforces economic and social cooperation, it should systematically differ across populations that have different social structures, institutions and production modes. In particular, universalism should be higher in environments that have high relative benefits of impersonal (one-shot) interactions with strangers rather than more intensive repeated, localized interactions.¹

4.2 Formal Theories

The first dedicated economics model on the intergenerational evolution of a universalist versus particularist morality was proposed by Tabellini (2008b). He models agents who live on a circle and get paired at random to play a prisoner’s dilemma game with

¹The idea that universalism responds to incentives also sheds light on which types of values people choose to publicly display (Bursztyn et al., 2020). For instance, Raux (2023) documents that people’s displayed universalism in experimental money allocation tasks strongly depends on their audience and anticipated future economic interactions: if people know they will play a social dilemma game with someone who can observe their degree of universalism, they slant their displayed universalism towards what they believe the audience’s preferences to be.
each other. Similarly to Figure 1, the agent’s altruism for other agents decreases in distance on the circle, yet the magnitude of this decrease potentially varies across agents. Agents with high universalism (a “generalized morality”) are even altruistic towards and cooperate with distant agents, while those with low universalism only cooperate locally.

A crucial ingredient of this model is that the agent’s degree of universalism is endogenous and determined by parental investment. Following Bisin and Verdier (2001), parents inculcate values to maximize their child’s expected utility (anticipating their future economic interactions), but do so with imperfect empathy, i.e., by evaluating their child’s future behavior and interactions through the lens of their own utility function. This assumption implies that the parents’ investment choice is forward-looking (because it anticipates the child’s economic interactions) but also contains an element of stickiness because the parents’ values influence their investment choices. Finally, the model potentially features institutional enforcement of cooperation. In this framework, the parents’ investment decision into the child’s values effectively depends on the answer to two questions: (i) Who will my child predominantly interact with? (ii) Will even distant matches cooperate?

A key takeaway from this model is a complementarity between institutions and values. If enforcement is primarily local, the parents have little incentive to raise a universalist child because they anticipate that the child’s distant matches will not cooperate. On the other hand, when there is strong external enforcement also of distant transactions, the parents anticipate that other people will cooperate with their child even in distant matches, raising their incentives to imbue universalist values.

The formal predictions that the transmission and stock of values depends on the prevailing economic structure (are transactions primarily local?) and on the institutional environment (is enforcement primarily local or impersonal?) form the backbone of a growing empirical literature that studies how universalism and related values vary as a function of the environment. Following Tabellini’s contribution, various authors have proposed extensions and modifications of this model, often in conjunction with empirical work (e.g., Greif and Tabellini, 2017; Enke, 2019).

4.3 Evidence

Kinship ties. One line of empirical work that (either implicitly or explicitly) studies the idea that morality is economically functional focuses on the structure of local kinship systems. Anthropologists have long noted that kinship systems differ in their tightness: the extent to which people are embedded in large, dense extended family networks that are characterized by the presence of clans, co-residence in extended families and unilineal descent. The theoretical literature both inside and outside of economics posits
that with tight kinship, effective cooperation takes place within cohesive in-groups, yet people don’t feel altruism or moral obligations towards outsiders. With loose kinship, on the other hand, people are said to also cooperate with strangers, yet there is no deep loyalty to in-group members (Alesina and Giuliano, 2013; Moscona et al., 2017).

Enke (2019) studies the question how these fundamentally different systems of structuring economic activity are regulated and enforced. Based on the evolutionary and psychological literature (and Tabellini’s model), the idea is that an entire vector of psychological and biological traits – moral values, belief in moralizing deities, a desire to seek revenge, and moral emotions of shame and guilt – evolved to support and incentivize cooperation in the two different economic systems.

To test these ideas, Enke (2019) adapts an index of the historical tightness of kinship systems proposed by Henrich (2020). Based on the Ethnographic Atlas (Murdock, 1967), he quantifies the tightness of pre-industrial kinship systems and links it to various historical and contemporary datasets on morality. The basic takeaway from the analysis is that historical kinship systems – and presumably the associated economic production networks – are indeed associated with fundamentally different moral systems. The evidence shows that societies with a historically tightly knit kinship structure exhibit communal moral values, revenge taking and emotions of external shame. In loose kinship societies, on the other hand, cooperation appears to be enforced through universal moral values, internalized guilt, altruistic third-party punishment, and an apparent rise and fall of moralizing religions. These patterns point to the presence of internally consistent but culturally variable functional moral systems.

The link between the strength of kinship ties and values related to universalism has since received empirical support in various datasets. Schulz et al. (2019) document strong links between historical kinship ties and a large set of contemporary psychological variables, some of which are related to a universalist vs. group-based morality. Cappelen et al. (2022) likewise show a strong cross-country correlation between kinship tightness and universalism as measured in the Global Universalism Survey. Akbari et al. (2020) implement cross-cultural experiments to document a link between in-group favoritism and kinship ties (also see Akbari et al., 2019).

The strong links between universalism and kinship systems raise the question what shapes the structure of kinship networks in the first place. Schulz et al. (2019) and Schulz (2022) propose that Christianity – and in particular the Western Church – exerted a lasting impact on kin networks by systematically dissolving the formerly tight kinship systems that pervaded Western Europe. For example, the Church enforced extensive legislation against cousin marriage. The authors provide evidence for this argument by showing that, within Europe, longer exposure to the Church is associated with more universalist values and trust today. Bergeron (2019) presents related evidence from the
DR Congo. Using a set of lab-in-the-field experiments, he documents that today people who live in the proximity of former Christian missions exhibit more universalist values and preferences.

The insight that kinship ties affect a universalist morality in combination with the idea that universalism affects outcomes and behaviors, has given rise to a growing number of papers that directly link ancestral kinship ties to outcomes. For example, Fasching and Lelkes (2023) document a strong link between the tightness of ancestral kinship ties and political ideology, and Ghosh et al. (2023) and Bahrami-Rad et al. (2022) study linkages with economic development.

**Market exposure.** Social scientists and philosophers have long debated the interaction between markets and human morality. A prominent body of theories posits that market interactions and a universalist, internalized prosociality go together because anonymous market-based cooperation benefits from a different type of morality than production networks that predominantly involve kith and kin. This body of theories is consistent with the “doux commerce” argument made by classical thinkers such as Montesquieu, Montesquieu (1989) who noted that “*Commerce . . . polishes and softens barbaric ways as we can see every day.*”

Early evidence on the association between markets and morality largely stems from behavioral experiments, conducted across a small number of small-scale contemporary societies (e.g., Henrich et al., 2010). More recently, various papers have analyzed the link between market exposure and morality in larger samples, with richer data. The converging evidence from these papers suggests that market exposure contributes to the development of a more universalist morality.

Enke (2023) uses text analyses on the cultural folklore of almost 1,000 pre-industrial ethnolinguistic groups to show that a society’s degree of market interactions, proxied by the presence of intercommunity trade and money, is strongly associated with a universalist morality. To move beyond purely correlational evidence, Enke (2023) leverages plausibly exogenous variation in the presence of markets that arises through proximity to historical trade routes or the local degree of ecological diversity.

Agneman and Chevrot-Bianco (2022) focus on a case study in Greenland, which exhibits large variation in market exposure even within villages today. Traditional economy-hunters and fishermen rely mainly on their catch and communal food sharing for subsistence, while others interact in a parallel modern market economy. The authors implement behavioral experiments with participants from these two different sub-populations.

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2I here focus on the literature that studies the broad medium- or long-run effects of market exposure, rather than the laboratory experiments that specifically focus on the diffusion of responsibility that market interaction often entails (e.g., Falk and Szech, 2013; Bartling et al., 2015; Ziegler et al., 2020).
The key result from these experiments is that non-market participants (traditional hunters and fishermen) often cheat on anonymous strangers but dramatically reduce cheating when the counterparty is a fellow hunter or fisherman.

Rustagi (2022b) focuses on a different local context in rural Ethiopia, studying people’s norms of cooperation as a function of the village’s distance to the nearest market place. He implements behavioral experiments with participants from settlements that differ in their distance to towns that have markets. He finds that distance to markets is strongly negatively correlated with people’s propensity to cooperate with strangers.

Finally, Banerjee et al. (2021) compare the structure of social networks in Indian villages that were or were not exposed to formal credit market institutions. Their argument is that, in the absence of banks, people sustain close interpersonal relationships in part out of economic necessity, and that these relationships weaken – above and beyond their mechanical economic effect – once formal markets are introduced. The authors document that in those villages in which banks were introduced, the strength of social ties decreased.

Taken together, none of the approaches summarized above provides airtight causal identification. Yet, in combination, these cross-societal or cross-community studies suggest that market exposure exerts systematic effects on people’s impersonal morality and social ties. There is also causally-identified evidence on this question – though more short-run in nature. Jha and Shayo (2019) report on a field experiment in which they randomly endow Israeli citizens with money to trade in the stock market. They find that such exogenously-induced exposure to market activities leads people to develop more left-wing views and values that could be summarized under the label “universalist”.

**Gains from trade and competition.** The literature on market exposure and morality is intimately to research that documents the strong effects of economic incentives on inter-group violence. The general idea in this literature is that when there are pronounced gains from trade (strong inter-group complementarities), violence is significantly less likely than where there is strong inter-group economic competition. Jha (2013) provides evidence for this in the context of Hindu-Muslim relationships in South Asia. Because Muslims had advantages in Indian Ocean shipping, strong complementarities between Hindus und Muslims emerged in medieval trading ports. As a result, many years later (in the 19th and 20th century) Hindu-Muslim riots were still considerably more rare.

Becker and Pascali (2019) document a related mechanism by studying the history of anti-Semitism in medieval Germany. Prior to the Protestant Reformation in 1517, Jews were effectively monopolists in the money-lending sector due to the Catholic usury. With the Protestant Reformation, Christians could enter the market and had incentives to foster anti-Semitism in an attempt to garner a larger market share. Becker and Pas-
cali (2019) provide evidence for this by that persecutions and anti-Jewish publications became more common in Protestant areas relative to Catholic ones.

**Ecological conditions and form of subsistence.** The argument that the anatomy of morality ultimately responds to economic incentives also runs through various contributions that study how ecological conditions and resulting subsistence modes shape values and preferences. The argument is that a particularist morality is more likely to emerge in those areas where local conditions incentivize intensive local cooperation.

A prominent example of this is work on the effects of (wetland) rice vs. wheat farming. As argued by Talhelm et al. (2014), farming wetland rice necessitates intensive cooperation with neighbors to build and maintain large-scale irrigation systems. In contrast, farming wheat can be achieved without intensive neighborhood-based cooperation. To the degree that the economic necessity to cooperate locally produces strong incentives to treat in-group members well, we should expect regions that traditionally farmed rice (or otherwise practiced intensive irrigation) to develop a less universalist morality. Various empirical contributions have documented support for this broad proposition, both within China (Talhelm et al., 2014; Ge et al., 2021) and beyond (Buggle, 2020; Cappelen et al., 2022).

Studying the historical origins of heterogeneity in moral universalism within the U.S., Raz (2020) observes that local soil heterogeneity limited the ability of American settler-farmers to learn from their neighbors. He, hence, analyzes whether in areas with lower soil heterogeneity (in which neighbors could productively exchange ideas and knowledge), stronger communal ties and a particularist morality formed. Raz (2020) documents support for this idea and finds that soil heterogeneity still shapes the degree of universalism observed today.

Le Rossignol and Lowes (2022) study the link between contemporary variation in universalism and historical reliance on nomadic pastoralism. They argue that the requirements of nomadic pastoralism, including frequent seasonal migration and mobile herd livestock – may make people highly interdependent and cohesive within groups but hostile to outsiders. Using data from the World Values Survey, the authors show that the descendants of formerly nomadic pastoral societies tend to exhibit less universalist trust today. Consistent with these results, Cao et al. (2021) document that the descendants of former pastoralists are substantially more likely to engage in cross-group conflict and civil wars today.

**Political institutions.** A prominent idea in the literature – both within economics and more generally – is that people’s experience with institutions affects their moral and social preferences (e.g., Putnam et al., 1992; Besley, 2020). For instance, philosophers such
as Rawls (1993) have argued that a fair basic structure in society (including democracy) creates moral obligations towards compatriots, expanding the “moral circle” beyond kin and tribe. Democracy is also frequently highlighted in discussions of potential drivers of morality by psychologists and cultural evolution researchers (the “D” in the widely-used WEIRD acronym). Again emphasizing the socially functional aspect of morality, it may be that a universalist morality evolves because it is useful in structuring citizens’ interactions within large-scale impersonal states and institutions.

Cappelen et al. (2022) test this hypothesis using the Global Universalism Survey data. The fact that countries transition into or out of democracy at different points in time means that – even within countries – there is large variation in whether the young or the old were exposed to democratic rule for a larger share of their lifetime. The authors find that this country-cohort variation in experience with democracy is significantly linked to universalism as displayed in money allocation tasks.

In a related recent study, Rustagi (2022a) focuses on experience with self-governance as a driver of generalized cooperation with strangers. The author makes use of the historical accident that – due to the absence of an heir – a noble dynasty became extinct, leading some Swiss municipalities to achieve self-governance hundreds of years before others. Rustagi (2022a) implements behavioral experiments with Swiss citizens that either do or do not live in municipalities that achieved self-governance early on. He finds that in those cantons that achieved self-governance earlier, people are more likely to follow a “conditional cooperation” strategy in experiments, meaning that they were more likely to cooperate, provided that others also cooperate.

**Summary.** The evidence discussed above draws a consistent picture: variation in morality along the universalism-particularism cleavage is to a significant degree shaped by the economic incentives that are induced by local economic production systems, institutions and ecology. The main insight is that particularism tends to be pronounced when people strongly depend on each other and benefit from close and repeated mutual interactions.

### 4.4 Short-Run Determinants

**Social media.** Manacorda et al. (2023) study the hypothesis that the diffusion of mobile internet in Europe increased support for particularist policies. The underlying argument is that enhanced access to social media may amplify echo chambers and, therefore, make people more responsive to in-group focused messaging. Using differences-in-differences analyses that leverage the differential timing of the introduction of 3G and 4G technologies, the authors document that access to mobile internet indeed increased both particularist values and electoral support for parties that emphasize opposition to
minority rights, immigration, multiculturalism and European integration.

Hua (2023) presents evidence that exposure to Fox News makes voters less universalist (more particularist) in the Moral Foundations Questionnaire. This evidence suggests that the famous “Fox News effect” on voting at least in part operates through changes in moral values.

**Social isolation and exposure.** If one’s degree of altruism towards in- and out-group members depends on the nature of personal interactions with these groups, one might also expect that social isolation and exclusion should affect universalism. Ramos-Toro (2023) studies this question in the context of the descendants of individuals who were forced to live in a leper colony in Colombia. An attractive feature is that he studies a disease that – ex post – was not harmful and, hence, did not have direct impacts on the economic or social lives of the descendants (once the colonies were abolished). He finds that socially-excluded individuals exhibit a higher degree of altruism towards in-group members but not to out-groups, pointing to the idea that social exclusion and / or close connections within a tight community (the two are closely intertwined in this case study) produce lower universalism. These results are intriguing also from a political perspective because they jive with the stylized fact that universalism is strongly correlated with local population density. If we partly understand low population density as reflecting isolation, then Ramos-Toro’s study can be understood as shedding light on this important correlation that may be the driver behind the pronounced urban-rural divide in voting today.

Related to this work is also the so-called “contact hypothesis” from social psychology, according to which frequent encounters with out-group members can produce lower in-group favoritism. Economists have contributed a considerable body of evidence to this discussion. A recurring finding is that exposure to racial and ethnic minorities indeed reduces favoritism, prejudice and stereotypes (see, e.g., Rao, 2019; Lowe, 2021; Corno et al., 2022, for recent contributions). While related to the present discussion, these papers do not directly address the question of how people’s universalism is malleable. The reason is that the common structure of the papers in this literature is to show that exposure to group X makes people more altruistic towards (or less biased against) people in group X. However, as discussed in Section 2, the characteristic feature of a universalist moral framework is the equal treatment of all groups. Thus a test of the idea that exposure induces higher universalism in general would consist of testing whether exposure to out-group X also increases altruism towards out-group Y.
5 Summary and Open Questions

Heterogeneity in moral boundaries has emerged as a key concept to understand contemporary political conflict, and much is now understood about what shapes this heterogeneity in the first place. Still, given that the approach of directly measuring heterogeneity in universalism and linking it to economic and political variables emerged relatively recently, there are still many open questions.

Open conceptual questions. Perhaps the most important open conceptual question directly goes back to the conceptual framework summarized in Figure 1. While researchers have devised various techniques to measure the local slope of this function, a key unobservable is the notion of “social distance” on the x-axis. While there may often be compelling intuitions for which social groups are socially close or distant, in many cases this is less-than-obvious. For example, are co-ethnics socially closer than neighbors? Are compatriots socially closer than foreigners who share one’s values? In cases like these, a tighter measurement of universalism necessitates an independent measurement of (perceived) social distance. A potentially promising approach is that of similarity: social psychologists highlight that people generally feel closer to others that they perceive to be similar to them. This suggests conceptualizing social distance as perceived dissimilarity. Building on this idea, one could imagine devising experimental or survey techniques that measure people’s perceived similarity to different groups, and to link behavior in the money allocation tasks exposited in Section 2 to these similarity judgments. A different avenue would be to study how economic shocks or political messaging affect such similarity judgments.

There is indeed indirect evidence in economics that suggests that perceived similarity affects people’s attitudes towards different groups. Fouka et al. (2022) use a historical context – the First Great Migration of African Americans – to document that the influx of a new “out-group” (African Americans) lead existing out-groups (Southern and Eastern European immigrants) to be assimilated more quickly. The authors’ interpretation is that the appearance of a highly dissimilar group increases the perceived similarity of the European immigrants and, hence, increases prosociality towards them.3 Related is also evidence on shared experiences, which are known to increase group cohesion. For example, Depetris-Chauvin et al. (2020) document that following victories by their national soccer teams, people in Africa become more likely to report in surveys that they primarily identify with their country rather than their ethnic group. A potential interpretation of this is that a social event changes the perceived social distance to different groups (also see Assouad, 2020; Ronconi and Ramos-Toro, 2022; Bagues and Roth, 2023).

See Fouka and Tabellini (2022) for related evidence in a different context.
The common thread behind these case studies is that economic and social events plausibly change perceived similarity of and identification with certain social groups (the x-axis in Figure 1) rather than the level of prosociality (the y-axis) as such. More work is needed to (i) formalize these ideas; (ii) measure them in controlled experiments and surveys; and (iii) systematically study which social or economic events shape perceived similarity.

**Empirical open questions in political economy.** A second open question concerns moral change over time. While some contributions have gauged medium-run time trends using text analyses, these naturally suffer from the drawback that language changes over time. Richer and more nuanced analyses that improve on measurement and identify key drivers of moral change – e.g., within the United States – poses a fascinating challenge for future research.

Third, in various large-scale data-collection exercises in the United States, Western Europe and Australia, a universalist morality is almost always strongly correlated with local population density (Enke, 2020; Enke et al., 2023b; Cappelen et al., 2022; Enke et al., 2023a). This urban-rural difference is of interest in no small part because it may underlie some of the political divisions in these countries, which are often strongly correlated with urbanicity. I speculate that the urban-rural divide in moral values is also partly socially and economically functional. In smaller towns, people depend in myriad ways on the local community for jobs, help and marriage. In dense, large cities, on the other hand, most economic and social interactions are impersonal in nature, such that there is no strong functional economic need to develop loyalty towards one’s neighbors. In testing this hypothesis, one key problem is how to separate selection into locations from the treatment effect of experiencing different lifestyles.

**Social networks and loneliness.** I believe there is great value to studying heterogeneity in universalism in the nascent economics literature on mental health and loneliness. Preliminary correlational analyses have suggested that universalists have fewer friends, spend less time with them, and are more likely to describe themselves as lonely (Enke et al., 2022b). These correlations make sense from the perspective of the framework sketched in Figure 1 because – by definition – universalists allocate their “prosocial budget” more uniformly across different people, which implies that they invest less into close personal relationships. Better understanding the interplay between a universalist morality and friendship patterns appears to be relevant both to understand cross-sectional variation in loneliness today, but also to make sense of the famous time trends in friendship patterns and social capital documented by, for example, Putnam (2000). After all, the decline in strong community networks and close friendships since the 1960s arguably coincided with a dramatic rise in the overall level of universalism in society. Studying
these patterns by identifying the causal pathways that are at play here appears to be a first-order priority for the social sciences to me.
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