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The economic child: developmental aspects of economic behavior

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For over 200 years, economics has not considered children as economic agents, focusing almost exclusively on the world and activities of adults (possibly young, western, and with a disposition to play lotteries). In doing this, economic science has followed faithfully the western civilization that, since ancient Greek, has considered children not citizens or agents.

Things are now changing quickly, in many social sciences included economics; we think for at least three reasons:

First of all, the growing role played by psychological insights into the building and testing of economic models of both individual and strategic behavior has attracted economists' attention toward developmental aspects of behavior. Studying the evolution throughout age of choice patterns and pro-social orientation may reveal insights into how social orientations originate, how they are learned, how values and norms are interiorized and become active in shaping behavior and, finally, how all those factors evolve with age and interact with the more general cultural background (Fehr et al. 2008).

A second reason for getting interested into the economic behavior of children and adolescents is that they have begun to play an increasingly important role as economic decision makers and consumers in their households (Davis 1976; Browning 1992; McNeal 1992; Dauphin et al. 2010).

A third reason refers to the fact the understanding of the development and evolution of pro-social behavior in children, the peculiarities in their responses to

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incentive and their models of learning, may help in shaping policies and interventions in education that might help to foster cooperative orientations and to prevent conflict and opportunistic modes of reasoning.

Among these three areas of research, the former, especially with reference to the evolution of social preferences, has attracted in the recent years growing interest among behavioral economists and has produced a large number of novel experimental results.

The main background question explored in this area is to what extent cooperative behaviors in children are innate and spontaneous or learned from and enforced by adults. This question is further specified with respect to the different forms that may take cooperative behavior. In particular, comparing adults' and children's decision-making helps shedding light on important elements of pro-social behavior such as equity concerns (Fehr et al. 2008), the process of attribution of intentions (Castelli et al. 2010; Pelligra et al. 2010), the understanding of and the compliance to social norms (Bicchieri et al. 2008), the role of reciprocity and trust (Harbaugh et al. 2003), among the others.

While developmental psychologists seem to believe that cooperative behavior in children is mainly innate and crucially associate to ours ability to understand and share others' intentions (Warneken and Tomasello 2006; Tomasello 2009, for a complete review), economists' seem to consider the large observed differences in cooperative attitudes as a sign that they evolve with age. A result that has been interpreted as supporting the learned and cultural-based explanation. Fehr et al. (2008) for instance, present the results of a study with children aged 3–8 years. They find that egalitarianism and inequality-aversion develops strongly over these age categories. While, in fact, children aged three follow mainly a selfish strategy, the majority of children aged seven or eight tend to produce more egalitarian allocations in order to avoid both advantageous and disadvantageous inequality. These findings have been strengthened by the results of several other studies. Harbaugh et al. (2003), Benenson et al. (2007) and Gummerum et al. (2010), all find that older children share more than younger ones in a dictator game and in the ultimatum game and that boys are less generous than girls. Sutter et al. (2010) further qualifies these results, showing that when children and teenagers grow older, inequality aversion is substitute as a prominent fairness concern, by efficiency for boys, and maximin for girls.

On January 2009, the interdisciplinary seminar "The economic child" was held at Milan Bicocca University (Economics Department). The two papers we publish in this mini symposium are among the papers presented there. They deal with two fundamental aspects of this literature. In particular, Bucciol et al. (2010), this volume) refer to the third point highlighted in our initial list, that is, the policy and educational consequences of these studies. They provide a review of the key contributions to the psychology and economics literature on willpower. According to the authors, "Understanding how willpower develops can shed important light on time-inconsistent economic decision making […]. The implication is that one might, for example, strengthen a "weak" child's ability to resist temptation, and in so doing offer welfare enhancements not only to the child but also the ultimate adult decision maker".

Castelli et al. (2010, this volume) present the results of an ultimatum-game experiment designed to asses the role of fairness concerns in and their interaction with first- and second-order false belief understanding in subjects who are just acquiring those abilities.

We hope to offer with this mini symposium a contribution in order to stimulate the studies and researches on children economic behavior that will enrich both the knowledge of children rationality and economics.

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