

Individualism, Collectivism, and Redistribution Preferences: A Literature Review

Jingjing Jiao*

College of Economics and Management, Zhaoqing University, Zhaoqing, Guangdong, China
jjgxyjj24edu@126.com

**Corresponding author*

Keywords: Individualism; Collectivism; Redistribution; Experimental Economics; Cultural Values

Abstract: The relationship between cultural orientation and redistribution preferences has become a significant topic in political science, economics, and sociology. Redistribution preferences refer to the extent to which individuals support reducing inequality through taxation and transfer payments. Recent research increasingly employs experiments and cross-cultural surveys, revealing that collectivism correlates with stronger support for redistribution, while individualism correlates with weaker preferences. However, these correlations are influenced by contextual factors such as income sources, government efficiency, decision-making mechanisms, and historical experiences. This paper reviews the relevant conceptual foundations, empirical evidence, and methodological debates, while also identifying future research directions.

1. Introduction

Over the past several decades, income inequality and redistribution preferences have remained central concerns within political science, economics, and sociology. Redistribution preferences denote the degree to which members of society favour the redistribution of initial income. Rawls (1971)^[1] and Harsanyi (1953, 1977)^[2-3] were among the first to explore this issue under the concept of the “veil of ignorance”. They posited that individuals’ redistribution preferences are largely shaped by their internal conceptions of fairness and justice.

In recent years, research on redistribution preferences has flourished, largely due to the introduction of experimental economics methodologies. The fundamental approach involves designing experimental scenarios where participants select appropriate tax rates to gauge their redistribution preferences (Ackert et al., 2007^[4]; Esarey et al., 2012^[5]; Durante et al., 2014^[6]). Within these experiments, redistribution is achieved through adjustments to primary income via taxation and transfer payments, with taxation and transfer payments being broadly equivalent. Consequently, the level of tax rate chosen by participants can be used to gauge the strength of their redistribution preferences. This methodology provides behavioral indicators for measuring redistribution preferences and helps isolate the influences of fairness, efficiency, and self-interest motivations.

Beyond methodological advances, cross-cultural research has also illuminated the role of cultural

values in shaping redistribution preferences. Hofstede (2001) conceptualized individualism as a cultural dimension emphasizing independence and personal responsibility, while collectivism emphasizes group harmony and solidarity^[7]. Research indicates that individuals in collectivist societies are more inclined to support redistribution, whereas those in individualist societies exhibit weaker support for redistribution (Fong, 2001^[8]; Luttmer & Singhal, 2011^[9]; Alesina & Giuliano, 2011^[10]). This research direction carries significant policy implications. Understanding how cultural orientations influence redistribution preferences helps explain variations in welfare systems and tax policies across nations.

2. Conceptual Foundations

2.1 Redistribution Preferences

Redistribution preferences are defined as individual attitudes toward the redistribution of income through taxation and transfers. They reflect the extent to which individuals support government intervention to reduce economic inequality and promote social welfare. Classic theories emphasize that redistribution preferences are shaped not only by self-interest, but also by fairness concerns and risk-sharing motives (Fong, 2001)^[8]. According to Okun (1975), redistribution policies inevitably involve a trade-off between equality and efficiency—commonly known as the “leaky bucket problem”^[11]. In other words, while redistribution enhances fairness by narrowing income gaps, it may reduce efficiency by weakening work incentives or increasing administrative costs.

2.2 Individualism and Collectivism

Hofstede (1980) introduced the concept of individualism-collectivism (IC) culture within his Theory of Cultural Dimensions. To date, this theory remains one of the most influential frameworks in cultural studies, with Hofstede being hailed as the “father of IC”^[12]. Individualist cultures emphasize autonomy, self-reliance, and personal responsibility, whereas collectivist cultures prioritize social harmony, group welfare, and interdependence. These orientations influence moral judgments, trust, and cooperation—factors central to redistribution preferences.

2.3 Culture and Experimental Approaches

Recent studies have combined cultural priming methods with redistribution experiments to identify causal cultural effects. For instance, researchers can induce participants into an individualist or collectivist mindset prior to a redistribution task, allowing them to isolate the causal influence of cultural orientations (Brewer & Chen, 2007^[13]; Oyserman et al., 2002^[14]; Oyserman & Lee, 2008^[15]). This approach is particularly valuable in non-Western contexts such as China, where collectivist traditions coexist with rapid modernization and increasing individualization. Experimental evidence shows that, compared with Japanese participants, Chinese participants tend to display stronger redistribution tendencies even under comparable institutional settings (Iida, 2015)^[16]. In addition, historical legacies, such as land reform or socialist transformation, continue to shape redistribution attitudes (Chen et al., 2016)^[17].

3. Empirical Evidence

A growing body of empirical research has investigated redistribution preferences using laboratory and field experiments. These studies typically manipulate initial income, decision-making mechanisms, or cultural orientations to assess how individuals choose redistribution

schemes. Broadly, this literature can be classified into three strands: (1) experimental games focusing on individual decision-making, (2) macro-level experiments that introduce institutional rules such as taxation and insurance, and (3) studies examining historical and cultural legacies.

3.1 Experimental Games on Redistribution Preferences

Several studies adopt ultimatum games and dictator games to investigate redistribution preferences under controlled conditions. Lee & Shahriar (2017) examined how the source of the proposer's income (earned through labor or unearned) affects the responders' acceptance decisions. Their results indicate that as the share of earned income increases, responders become more willing to accept lower offers, suggesting that perceptions of entitlement play an important role in redistribution outcomes^[18].

Iida (2015) compared redistribution behavior between China and Japan through a modified version of the dictator game (which permits the dictator and recipient to renegotiate the initial income allocation)^[16]. The study found that although recipients in both countries exhibited similar levels of greed, Chinese dictators demonstrated greater generosity than their Japanese counterparts. Notably, neither objective sources of income inequality nor subjective perceptions of fairness significantly influenced redistribution preferences, suggesting that cultural norms may exert a stronger influence on generosity than situational fairness cues.

Similarly, Leibbrandt et al. (2015) conducted a large-scale dictator game experiment in rural Bangladesh, where participants received windfall endowments equivalent to several months of average household income^[19]. They discovered that the framing of allocation ("giving" vs. "taking") and the stake size both exerted substantial influence on redistribution: in the "taking" frame, even when stakes were high, participants redistributed a much larger share of resources than in the "giving" frame. These results collectively demonstrate that perceptions of entitlement, cultural background, and framing effects jointly shape redistribution behavior.

3.2 Macro-Level Institutional Experiments

At the macro level, redistribution experiments simulate taxation, voting, and insurance mechanisms to examine institutional effects on fairness and efficiency. Ackert et al. (2007) explored individuals' preferences between head taxes and progressive taxes^[4]. Participants voted either before or after learning their initial income. Results showed that fairness considerations led most participants to favor progressive taxation, but efficiency concerns reduced this support when taxation generated deadweight losses. Höchtl et al. (2012) compared the effects of different voting rules on redistribution^[20]. Under random dictator selection, both rich and poor participants deviated similarly from purely self-interested choices. Under the median voter rule, income distribution significantly shaped outcomes: when the rich constituted the majority, they exhibited stronger inequality aversion than the poor, deviating more from self-interest.

Using Chinese participants, Yang & Zhou (2017) examined the influence of government efficiency and decision-making mechanisms on redistribution preferences^[21]. They found that higher government efficiency increased individuals' willingness to support redistribution, as taxes were perceived to generate greater net social benefits. Moreover, decision-making systems such as majority rule, random dictator, and China's "democratic centralism" produced heterogeneous effects across income groups. Experiments on social insurance also highlight redistribution motives. Esarey et al. (2012) demonstrated that individuals' redistribution preferences increased with greater risks of income loss^[5]. Insurance-based redistribution was perceived as fairer because it mitigated random shocks that could unfairly penalize hardworking individuals, linking redistribution to the moral logic of mutual protection rather than pure equality.

3.3 Historical and Cultural Legacies

Historical experiences and enduring cultural orientations play a crucial role in shaping redistribution preferences. Alesina & Fuchs-Schündeln (2007) provided one of the most influential natural experiments by examining East and West Germany after reunification^[22]. They found that individuals who had lived under the communist regime of East Germany exhibited a significantly stronger preference for redistribution than those from the capitalist West. This divergence persisted even after institutional convergence, suggesting that exposure to different economic systems can socialize long-lasting beliefs about fairness and state responsibility. Similarly, Giuliano & Spilimbergo (2014) found that individuals who grew up during major economic downturns, such as the Great Depression, displayed stronger support for government intervention and redistribution in adulthood^[23]. Economic hardship in formative years may foster beliefs that markets alone are insufficient to guarantee fairness, thus increasing the perceived legitimacy of state-led redistribution.

4. Key Findings and Debates

While empirical research has produced valuable insights, findings on the relationship between individualism, collectivism, and redistribution preferences are not always consistent. This section highlights three key themes of consensus and ongoing debate.

4.1 Cultural Orientations and Redistribution Tendencies

A broad consensus in the literature is that collectivist orientations are associated with stronger support for redistribution, while individualist orientations are linked to weaker preferences (Fong, 2001^[8]; Luttmer & Singhal, 2011^[9]). Cross-national survey data reveal that individuals in East Asian, Latin American, and Southern European countries—where collectivist norms are more deeply rooted—consistently express higher levels of support for redistribution policies than those in Nordic individualist societies.

Collectivist societies emphasize group solidarity, interdependence, and fairness, making redistribution a normative expectation that reinforces social cohesion. By contrast, individualist societies value autonomy and personal responsibility, often viewing inequality as a natural and legitimate outcome of differential effort (Hofstede, 2001^[7]). However, this association is not unconditional. Studies indicate that collectivism does not always translate into egalitarian redistribution. In certain contexts, hierarchical or paternalistic forms of collectivism may reinforce stratified social orders, legitimizing inequality rather than reducing it (Brewer & Chen, 2007^[13]). Conversely, individualists may support redistribution when faced with uncertainty or perceived injustice, as shown in social insurance experiments (Esarey et al., 2012^[5]).

4.2 Self-Interest, Fairness, and Efficiency

A recurring debate concerns the balance between self-interest and fairness in redistribution decisions. Experimental studies reveal that individuals deviate from purely self-interested behavior, indicating the influence of fairness norms and moral concerns (Ackert et al., 2007^[4]; Höchtel et al., 2012^[20]). For instance, poor participants do not always vote for maximum redistribution, while some wealthy participants support moderate redistribution that reduces inequality at their own expense, suggesting the presence of internalized fairness norms. At the same time, efficiency considerations strongly condition these moral preferences. Durante et al. (2014) found that when redistribution led to greater efficiency losses, individuals significantly reduced their support for taxation^[6]. This aligns with Okun's (1975) "leaky bucket" hypothesis, emphasizing that

redistribution support is contingent upon perceived social costs and economic productivity^[11].

4.3 Measurement and Causality

A third debate centers on the measurement and causal identification of cultural effects on redistribution. Hofstede's cultural indices, though widely used, have been criticized for treating culture as static and homogeneous across contexts (Hofstede, 2001^[7]). Moreover, redistribution preferences are often operationalized through laboratory tax-rate experiments, which may oversimplify the complex interplay between moral reasoning and institutional trust (Durante et al., 2014^[6]). The issue of causality remains unresolved: do collectivist values independently lead to stronger redistribution preferences, or are they proxies for institutional trust, government performance, or socioeconomic inequality? Some scholars argue that culture exerts a direct causal influence on redistribution attitudes (Luttmer & Singhal, 2011^[9]), while others contend that economic conditions are the true drivers, with culture mediating their effects (Wang & Tong, 2017)^[24].

Taken together, existing research confirms that cultural orientations significantly shape redistribution preferences, yet the strength and direction of this relationship depend on contextual factors—such as hierarchy, risk, efficiency, and trust. The ongoing debate highlights that understanding redistribution requires not only economic reasoning but also cultural and psychological analysis.

5. Methodological Challenges and Future Directions

Despite growing evidence linking cultural orientations to redistribution preferences, several methodological challenges continue to constrain the reliability and generalizability of current findings. Future research must refine both the measurement of culture and the experimental identification of causal mechanisms, especially in non-Western contexts.

5.1 Measuring Cultural Orientations and Redistribution Preferences

One persistent challenge concerns how to accurately measure cultural orientations. Hofstede's national indices and related survey-based measures have been criticized for their static treatment of culture, failing to capture within-society variation or dynamic changes in values. Recent approaches advocate for individual-level cultural priming and experimental manipulations of collectivism and individualism, which allow researchers to identify causal effects more directly. Similarly, measuring redistribution preferences presents conceptual and empirical difficulties. Laboratory tasks—such as dictator or tax-voting experiments—are useful for isolating fairness motives, yet they often lack ecological validity. Combining experimental games with survey-based behavioral validation and cross-national field experiments may enhance external validity and capture real-world heterogeneity in redistribution attitudes.

5.2 Contextual and Cultural Interactions

Future work should pay greater attention to the interaction between culture and institutions. Luttmer & Singhal (2011) demonstrated that cultural beliefs about fairness interact with institutional trust to determine redistribution attitudes^[9]. In high-trust societies, even individualists may support redistribution if they believe taxes are used efficiently. In contrast, in low-trust or corrupt environments, collectivist values may fail to translate into policy support. Historical and political legacies also shape redistribution behavior. Studies in post-communist and rapidly

modernizing societies (Alesina & Fuchs-Schündeln, 2007^[22]; Chen et al., 2016^[17]) show that exposure to state-led redistribution leaves long-lasting imprints on people's fairness norms. Future experiments could explore how historical memory and cultural identity jointly influence redistribution decision-making.

5.3 Future Directions: The Chinese Context

China offers a unique setting for studying the intersection of collectivism, modernization, and redistribution. As rapid economic growth and individualization transform social norms, Chinese citizens increasingly balance traditional collectivist ethics with emerging individualist aspirations. This duality provides fertile ground for examining how mixed cultural orientations shape redistribution preferences in transitional economies. Methodologically, future Chinese research could combine behavioral experiments (e.g., cultural priming with redistribution tasks) with large-scale survey data from different regions and generations. Such integration can reveal whether younger, more individualistic cohorts still internalize collectivist fairness norms, and how institutional reforms mediate this cultural transition.

In sum, advancing the study of cultural orientations and redistribution preferences requires multi-method approaches, cross-cultural comparisons, and attention to dynamic value change. Only by integrating cultural psychology, experimental economics, and political behavior research can scholars fully uncover how moral beliefs, institutional contexts, and historical experiences jointly shape attitudes toward redistribution.

Acknowledgements

This research is funded by the School-level Research Fund Project of Zhaoqing University, No. QN202403.

References

- [1] Rawls J. *A theory of justice*[M]. Cambridge, MA: Harvard University Press, 1971.
- [2] Harsanyi J C. Cardinal utility in welfare economics and in the theory of risk-taking[J]. *Journal of Political Economy*, 1953, 61(5): 434–435.
- [3] Harsanyi J C. *Rational behavior and bargaining equilibrium in games and social situations*[M]. Cambridge: Cambridge University Press, 1977.
- [4] Ackert L F, Martinez-Vazquez J, Rider M. Tax Policy Design in the Presence of Social Preferences: Some Experimental Evidence[J]. *Economic Inquiry*, 2007, 45(3): 487–501.
- [5] Esarey J, Salmon T, Barrilleaux C. Social insurance and income redistribution in a laboratory experiment[J]. *Political Research Quarterly*, 2012, 65(3): 685–698.
- [6] Durante R, Puterman L, Van D W. Preferences for Redistribution and Perception of Fairness: An Experimental Study[J]. *Journal of the European Economic Association*, 2014, 12(4): 1059–1086.
- [7] Hofstede G. *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*[M]. Sage publications, 2001.
- [8] Fong C. Social Preferences, Self-Interest and the Demand for Redistribution[J]. *Journal of Public Economics*, 2001, 82(2): 225–246.
- [9] Luttmer E F P, Singhal M. Culture, context, and the taste for redistribution[J]. *American Economic Journal: Economic Policy*, 2011, 3(1): 157–179.
- [10] Alesina A, Giuliano P. Preferences for redistribution[C]//*Handbook of Social Economics*. Vol. 1A. Amsterdam: Elsevier, 2011: 93–132.
- [11] Okun A M. *Equality and efficiency: The big tradeoff*[M]. Washington, DC: Brookings Institution Press, 1975.
- [12] Hofstede G. *Culture's consequences*[M]. Beverly Hills: Sage, 1980.
- [13] Brewer M B, Chen Y R. Where (who) are collectives in collectivism? Toward conceptual clarification of individualism and collectivism[J]. *Psychological Review*, 2007, 114(1): 133–151.
- [14] Oyserman D, Coon H M, Kemmelmeier M. Rethinking individualism and collectivism: evaluation of theoretical

- assumptions and meta-analyses[J]. *Psychological bulletin*, 2002, 128(1): 3-72.
- [15] Oyserman D, Lee S W S. Does culture influence what and how we think? Effects of priming individualism and collectivism[J]. *Psychological bulletin*, 2008, 134(2): 311-342.
- [16] Iida Y. Task-based income inequalities and redistribution preferences: A comparison of China and Japan[J]. *Journal of Behavioral and Experimental Economics*, 2015, 55: 91-102.
- [17] Chen Y, Wang H, Yang D. Salience of History and the Preference for Redistribution[J]. Available at SSRN 2717651, 2016.
- [18] Lee K, Shahriar Q. Fairness, one's source of income, and others' decisions: An ultimatum game experiment[J]. *Managerial and Decision Economics*, 2017, 38(3): 423-431.
- [19] Leibbrandt A, Maitra P, Neelim A. On the redistribution of wealth in a developing country: Experimental evidence on stake and framing effects[J]. *Journal of Economic Behavior & Organization*, 2015, 118: 360-371.
- [20] Höchtel W, Sausgruber R, Tyran J R. Inequality aversion and voting on redistribution[J]. *European economic review*, 2012, 56(7): 1406-1421.
- [21] Yang X L, Zhou Y A. Government Efficiency, Social Decision-Making Mechanisms and Redistribution Preferences: An Experimental Economics Study Based on Chinese Participants. *Management World*, 2017(06):51-62.
- [22] Alesina A, Fuchs-Schündeln N. Good-bye Lenin(or not?): The Effect of Communism on People[J]. *American Economic Review*, 2007, 97(4): 1507-1528.
- [23] Giuliano P, Spilimbergo A. Growing Up in a Recession[J]. *The Review of Economic Studies*, 2014, 81(2): 787-817.
- [24] Wang L J, Tong B. Experimental Research on Income Inequality, Fairness Preferences and Redistribution [J]. *Management World*, 2017(06): 63-81.