

Gambetta Diego (2006) "What Makes People Tip: Motivations and Predictions", *Le Libellio d'Aegis*, volume 2, n° 3, automne, pp. 2-10.

Sommaire

2

What Makes People Tip Motivation and Predictions
D. Gambetta

10

DOSSIER SPECIAL HANNAH ARENDT

Essai sur la théorie de l'action de Hannah Arendt dans ses implications pour la
recherche en science sociale

Essai sur la théorie morale de Hannah Arendt dans ses implications éventuelles
pour l'éthique d'entreprise
H. Dumez

32

Academy of Management 2006 :
six jours dans la ville de John Pemberton et de Martin Luther King Jr.
C. Curchod

36

Notes de séminaires
H. Dumez

40

Programme des prochains séminaires AEGIS

Les autres articles de ce numéro & des numéros antérieurs sont téléchargeables à l'adresse :

<http://erg.polytechnique.fr/v2/aegis.html#libellio>

What Makes People Tip: Motivations and Predictions *Construire une théorie du pourboire*

This paper originates from many discussions I have had over the years with Mark Starbuck during the preparation of his dissertation on cross-national and cross-occupational differences in tipping practices.

I am indebted to Mark for his comments and for the references mentioned in this paper. I am also grateful to Valeria Pizzini-Gambetta for her insightful comments on an earlier draft.

The giving of tips – the discretionary payments we make to certain occupations over and above the price of service – involves, for any one transaction, relatively small amounts of money. This may be one reason why, despite being a widespread practice and a topic of after-dinner conversations, tipping is a little-studied phenomenon. Yet, while tips may be individually perceived as a marginal disbursement of little consequence, collectively considered, in some countries and occupations, tips redistribute large amounts of money and form a sizeable percentage of service workers' income¹. Moreover, tipping decisions are also an interesting phenomenon *per se*, eminently suitable for investigating behavioural theories, not least because they can be easily observed and involve many different types of people and transactions. Tips lose their theoretical interests either where they are legally prohibited, as it was the case in Communist countries, or once they are institutionalized into a service charge and *de facto* part of the price of a service – even though it is of course an interesting question to ask under what conditions these mandatory states of affairs emerge. However, in so far as tips remain discretionary they can reveal some of our fundamental behavioural dispositions in a natural setting without recourse to laboratory experiments. Why should we pay more when we can avoid it? Why should some of us refuse a tip? Why do we tip some occupations and not others, or in some countries more than in others? And in what way does tipping become a social convention to which we adapt?

In this essay I review a range of micro motives that could lead people to tip or refrain from it, and, correspondingly, the motives that may lead people to accept or reject tips. I derive some empirical predictions relating to the each motivation. Some predictions are mentioned even if everyday observation indicates that they are false, because the implications are of interest for our theories. Some other predictions could be tested using cross-occupational or cross-national differences in tipping practices, while still others could be tested semi-experimentally, by manipulating the conditions of naturally occurring exchanges.

Tipping as a coordination game

Tipping can be simply conceptualised within a game-theoretic framework, which helps us to identify the behavioural questions we need to tackle to understand the practice. It can be described as a coordination game with two players – tipper and tippee – each of whom has two options: the tipper can choose whether to tip or not

to tip and the tippee whether to accept or to reject the tip. There are four possible basic outcomes – illustrated in figure 1 – but in only two of these pairs the players' choices form a Nash equilibrium, which means that they are compatible with each other because both players see no reason to change unilaterally their chosen option.

The equilibrium pairs occur either if the tipper decides to tip and the tippee accepts the tip, in which case we have a tipping equilibrium; or if tipper does not tip when the tippee would have rejected the tip, which is the non-tipping equilibrium.

In the two other cases there is some social tension. In one of them the tipper tips and

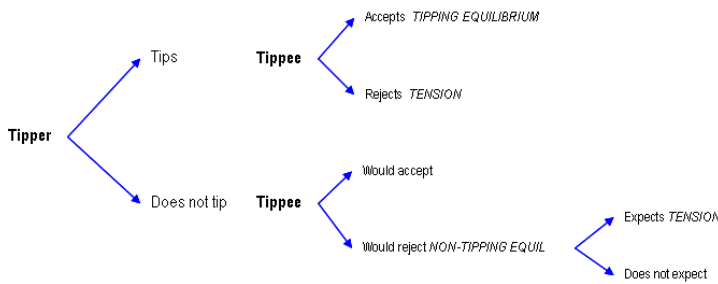


Figure 1 Tree of tipping choices and outcomes

the tippee rejects the tip: in this case the tipper may learn not to tip again in future encounters either that tippee or any other tippee he believes has the same preference. For instance, he may infer that all tippees in the country or in the same occupation or establishment will not accept tips. With more encounters the outcome will eventually shift to the non-tipping equilibrium whereby nobody tips for everyone expects that nobody will accept a tip. This pair of actions is not often observed as they are a transient outcome due to mismatched expectations. They will be observed in situations in which the tipper and tippee belong to different communities with different practices: thus, for instance, we may expect tourist-tippers to incur in such blunder but not locals. Or we can expect *nouveaux riches* to tip occupations in which the workers' dignity prescribe otherwise. No such case should however be found where the two groups are sufficiently integrated.

In the other case the tipper does not tip when the tippee would have accepted the tip. To establish how much tension this case generates we need to answer a further question: whether the tippee would also have expected to be tipped – for one can accept a tip without necessarily expecting one. If the tippee does not expect the tip he may be unconcerned when he is not tipped, and think this is undesirable but normal and there is nothing to be done about it; this can happen in domains in which tipping is sporadic and considered neither as something that one should or should not do. So even though this is not the best outcome from the tippee's point of view, this case may persist as it does not lead to change.

However, if the tippee also expects a tip, he will be disappointed, and possibly annoyed (the same reasoning could be applied to the size of the tip, but to keep matters simple I rarely refer to tip sizes here). The tippee may learn to stop expecting a tip from this customer or this type of customers, in which case the equilibrium shifts to a non-tipping state; or he may fight back and make remonstrations to the failed tipper. He may further try to devise ways to encourage the next customer to tip. We see envelopes left in hotel room by chamber maids with their name written on it, or notices flagging that service is not included or gratuities gladly accepted.

However, even when the tippee expects a tip and takes action to encourage it, this action can still generate no change *if the tipper has strong reasons not to tip*. A tipper can fail to tip simply because he does not have any motivation to tip; but he can also have an active or even principled motivation not to tip. This is an important distinction as will become clearer later.

Consider now the tipper's motives in choosing which action to take. A conclusion we can reach on the basis of our simple game theoretic framework is that, regardless of any other consideration, *if the tipper believes the tippee will not, for whatever reason, accept the tip, he will not tip.*

This belief, if accurate, is a sufficient explanation of the persistence of a non-tipping equilibrium. In other words, it suffices to explain the motive the tippee has not to accept a tip to explain a non-tipping equilibrium. One may conceive of situations in which the tipper may try to force a tip on the tippee, but these must surely be exceptions – for why should one pay *more* money to make the tippee *less* happy or, worse, offend or embarrass him, unless of course one wanted to achieve precisely that result?

This leaves us with two general questions:

1. To make predictions on the emergence, rather than just the persistence, of a non-tipping equilibrium we need to explain *why certain tippees prefer not to be tipped*. Regardless of what exactly the motives are, a key related question is how idiosyncratic or shared a preference for rejecting tips is among tippees. A tippee who does not want to be tipped in a domain in which tips are rife will have to work hard at turning them down at each new transaction. He may establish this preference with customers who come to know him personally, but would have to summon a lot of energy to reject the tip from every well-meaning stranger – the cost of accepting may be lower than that of refusing. Tippees can be expected to adjust to the prevailing convention even if left to themselves they might have chosen otherwise. The driving force will be toward conformism within the confines of establishments, occupations or even countries. Tipping is a quintessentially *social* practice in which one, whether a tipper or a tippee, cannot easily afford to stick out and is affected by what other people do.
2. While the belief that a tippee will not accept is a sufficient reason for the tipper not to tip, the reverse is not true: if the tipper believes that the tippee would accept a tip the tipper can still decide not to give a tip. How does he decide? To explain the emergence of tipping we need to understand not only the motives of the tippee to accept – which may be as trivial as preferring more money to less – but the motives of the tipper to part from his money and hand out a tip. One such motive may simply be that he believes the tippee will not just accept but *expects* a tip, and, for reasons explored in 2.4 below, he may not want to disappoint the tippee. Also in this case what others do is relevant to explain the persistence of a tipping equilibrium. For even without any specific reason to tip one can tip simply because everyone else tips. Tipping, in other words, can evolve into a suboptimal stable practice, in which everyone would rather not tip (or not tip all the times or tip less than one ends up doing), but no one feels in a position to stop or adjust the practice on one's own.

This paper is mostly devoted to question 2, namely to how we can explain a tipping equilibrium. In section 2, I deal with tipper's motivations to tip when the tipper knows that a tip is accepted and possibly expected. I briefly deal with tipper's motivations not to tip regardless of the tippee's expectations and with the motives a tippee may have to refuse tips in sections 3 and 4 respectively. The latter are important since predictions on countries or occupations in which there is no tipping can come from this horn of the matter for, as I have argued, it suffices to explain why certain tippees do not accept tips to be able also to explain why tipping does not emerge.

Motivations to tip

In this section I discuss the motivations that a tipper may have to tip a tippee when he knows that the tippee will accept or even expect a tip. It must be stressed from the start that motivations as such are neither rational nor irrational, for rationality

refers to the means not to the ends that one plans to achieve. Whether or not tipping is rational depends on whether tipping is the best way to satisfy whatever motivation the tipper may have. In other words, one can have all sorts of motivations to tip – self-interest, reciprocity or other-regarding motivations – which tipping may or may not be the best means to satisfy. So the question of the rationality of tipping traverses motivations rather than residing in any one of them. Some means may fail to be rational, for instance, because they are based on false beliefs – for instance, some may tip thinking that they improve the service while this is not true, or, as some have suggested², because they fear the tippees' envy, and believe that tipping allays envy and thus their fear. It is doubtful whether paying others stops them from being envious, and this motivation could be based on a superstitious belief.

Self interest in one-off encounters

Let us begin with the simplest human motivation, self-interest. One straightforward reason to tip for self-interest would be in order to ensure a good or a better quality of service. But how this motive works depends on various conditions and beliefs. At a minimum, the tipper must believe that the tippee has discretion over the quality of service he can deliver. Where there is no discretion we should not observe tipping motivated by self-interest (or, if we do, tipping would be irrational).

Rational choice theorists' typical prediction is that *in one-off encounters a self-interested rational person should never tip*. Still, we observe much tipping in one-off encounters, a fact that seems to contradict the theory's prediction as it would seem implausible to suggest that millions of people are not rational. We tip taxi drivers, waiters in foreign countries or tourist guides whom we are never going to meet again. This is considered to be a puzzle. Whether it really is, however, depends on a particular belief.

If the tipper believes (trusts) that the service will be good enough even in one-off encounters then he has no reason to tip for he is getting a decent service anyway, so why pay more for it? But if the tipper does not have that trust, he could rationally decide to tip *even in one-off encounters*. People would tip to ensure good service in situation in which their default expectation is to receive a bad service – they cannot trust the server to provide good service without some additional reward.

Thus, if the quality of service is expected to be poor or highly variable, rational self-interested people should either credibly promise a tip or, more convincingly, tip *before* service is delivered. While observing tips after service does not tell us much about the motives, observing tips handed out before service is a *prima facie* sign that the aim is to obtain good service³. Only when quality of service is expected to be good enough then self-interested rational tippers should not tip in one-off encounters.

It follows that in countries, occupations or establishments in which there is less generalised trust we should observe more tipping driven by self-interest even in one-off encounters⁴.

Self-interest in repeated encounters

When envisaging repeated encounters with a tippee, a rational tipper could tip in one encounter to ensure good service in future encounters. This idea yields the following prediction: rational tippers motivated by self-interest will tip if they think they are going to come back. If we translate this prediction in terms of cross-national and

cross-occupational differences we should expect, *ceteris paribus*, more tips in countries and occupations in which there is a stable clientele patronizing the same establishments. Highly mobile situations should yield less tips as repeated encounters are fewer.

This idea, typical of those who think in game theory terms, does have some limited supporting evidence. (In a meta-analysis of 13 studies involving 2,547 dining parties from 20 different restaurants, Lynn and McCall found that regular restaurant customers leave larger average tips to waiters than non-regular customers.)⁵ Still, in theoretical terms, when closely inspected this hypothesis reveals itself to be resting on a richer assumption than it seems at first. The tipper that reasons in those terms must also believe that

(i) Denying a tip now induces the tippee to provide a lower quality service next time.

Belief (i) is not however invariably true. First, it is true only if the tippee can correctly re-identify tippers in future encounters and remember whether or not they tipped the previous time; this implies that in large impersonal establishments or in those in which there is high employees' turn-over the chances of being rewarded or punished for having tipped or not tipped in the past are slim, and thus a rational tipper should not tip; if he does – as we often do in such establishments – it means that he is either irrational or his motivations differ from self-interest.

Next, if the tippee knows that the tipper is likely to come back he may have a reason to provide good service to encourage the customer to return regardless of tips. Expecting this, a self-interested tipper should rationally not tip in repeated encounters. (In fact, savvy customers hint, truthfully or otherwise, that if they get good service they may come back.)

This should be more likely the case if the tippee is self-employed rather than salaried for he will have an interest in encouraging customers to return. Or in cases in which the employer succeeds in aligning the employee's interests to his own and the tipper knows that this is the case. In these cases the repetition of the encounter, contrary to game theorists' knee-jerk wisdom, should induce non-tipping.

To make robust predictions as to what happens in repeated encounters with salaried tippees we need to understand when a tipper is right to believe that (i) obtains; one way to do so would require introducing another game between tippers and tippees' employers. If the employers expect people not to be unconditionally resistant to tipping they may factor tips in the wage and pay employees less because of that; in turn, employees will then behave in ways as to encourage tipping, including attending known tippers with greater care and punishing inveterate non-tippers by providing bad service the next time round.

The predictions should thus be qualified: first, repeated encounters with self-employed should generate less tipping. Repeated encounters with employees would by contrast generate tipping in repeated encounters if and only if one believes that (i) is true, and, if it is true, tipping would be rational.

Several economists have argued that tips are a more efficient way to improve the quality of service than including the value of tips in wages because they make part of their earnings directly conditional of the quality of their service⁶. As I point out in 2.5 below, however, in case of one-off encounters this effect can be achieved only if the tipper tips purely to reward the quality of the service he has already benefited from; with strictly self-interested customers this would not work in one-off encounters.

Other self-interested reasons to tip

We can conceive of at least three further self-interested motives for tipping even in one-off encounters. One is related to improving an ancillary quality of service, namely the tippee's discretion. So one might trust lawyers or doctors' discretion, but doubt that of prostitutes or beauticians. If so people should tip more frequently occupations that make the tippee privy of information about the tipper that the tipper does not wish to see disclosed.

The other two self-interested reasons are unrelated to improving quality of service; they do not have even much to do with the relation between the tipper and the tippee, but with the relation between the tipper and another party or himself.

The tipper may want

1. to *signal his generosity* to a third party. People should not tip when receiving a service alone or in the presence of either anonymous third parties or a party that knows them well anyway; they should tip only when they are with someone they want to impress. Needless to say, we observe lots of people tipping when alone – a taxi ride – or with people they know well and have no need to impress, which suggests that this motivation, if it does have any explanatory power at all, cannot do all the explanatory work. It could however yield narrower predictions, for instance in countries or professions in which, say, dining is part of professional wheeling and dealing and through which diners assess each other's qualities, then tipping generously may be driven by the aim of signalling one's qualities. (By definition, tips would occur only in situations in which there is a third party present and cannot thus be generalised to explain tipping practices as a whole much of which occurs without that condition.)
2. to *signal to himself* that he is a generous guy, cultivate his good character that is, a hypothesis put forward by Robert Frank⁷. Frank reasons that honesty is a good trait to have in business, a trait whose absence is not so easy to hide from savvy business partners, who may be able to detect it. But also a trait that decays if one allows oneself to act opportunistically even occasionally as when one decides not to tip an expectant waiter who did his job properly. This yields a curious prediction: people who demonstrate to themselves every day that they are generous – say by doing voluntary work or working underpaid for charities – have less need to tip. Since they are constantly engaged in honesty-building gymnastics, they can afford, as it were, not to give tips. Paradoxically, it would be people in cut-throat professions in which being thought of as trustworthy is particularly important who would be more likely to tip. Mobsters, bankers and lawyers would be more generous tippers than Oxfam employees.

Social conventions

As I said above, the belief that a tippee expects a tip can lead people to tip. The reason may simply be that of avoiding the lesser of two evils as, in the simplest of cases, the tipper tips because of defensive self-interest:

- a. he may want to avoid nasty looks or harassment by disappointed tippees (notice that this is different from not wanting to disappoint for other-regarding reasons, out of empathy say).

Rarely if ever, however, we decide whether to tip in isolation. A more common reason that leads people to tip is a belief that tipping is what is generally expected in a particular occupation or social milieu, not just because of the idiosyncratic expectation of a single tippee. The belief that tips are expected in a given milieu can be derived from observing or otherwise knowing that other people typically tip, and that because of this, if nothing else, tippees in that milieu expect a tip. Thus tipping comes as a result of the joint desire of not disappointing the tippee and of conforming to what others do. Believing that only one particular tippee expects a tip may not

generate enough pressure to lead people to tip for it weakens the legitimacy of the tippee's expectation and thus of his disappointment. But when the belief that one tippee's expectation is the result of the expectation of all tippees of that type and that, moreover, that expectation is generally fulfilled, the pressure on the tipper grows. Tipppers typically want

- b. to avoid not just the nasty looks, but also the negative emotions of embarrassment or shame they may suffer towards tippees or towards observing third parties or both. In this situation if service is decent and one does not have a strong reason not to tip one tips. If not tipping causes embarrassment or shame tipping is likely to depend on a social norm, which one feels compelled to follow if the punishment which a violation triggers, in emotional or practical terms, is a greater cost than that of the tip. Tipping in this case would not signal anything to others, but not tipping would signal that one is mean or that does not care about social norms and conventions, so one tips as the default option. Non-tipping could even be perceived as a breach of an implicit contract, whereby hard working tippees, used to being tipped by nearly everyone, expect that good service will be followed by a tip. Self-interest makes people comply with the social norm, even though it cannot explain why the norm is there in the first place.
- c. Tipppers may also not want to stick out and tip for purely conformist reasons. This is similar to wearing a tie when one habitually does not wear one not because one likes it or because one would feel embarrassed by not having one, but because one knows one is going to a place in which everyone does wear one, and one does not want to attract attention by being the odd one out.

It is conceivable that the persistence of widespread tipping may be sustained by all three, a, b and c working together, though each is a distinct and sufficient reason. To test whether “a versus b or c” obtains one could devise a situation in which the tippee cannot harass or give nasty looks to non-tipping customers and compare that with an otherwise identical situation in which the tippee can do that. For instance, a prediction that can be tested observing occupational differences is the following: were one to find that room cleaners, whom hotel customers do not see much of, are not tipped as much as other hotel staff who are in close proximity when the tip is not given, such as waiters or porters, one could conclude that the difference is consistent with (a), namely the fear of being harassed or shamed. (It does not follow that the tips given to room cleaner can be explained by b or c. In fact, they may be given for non self-interested motives that do not have to do with avoiding shame and embarrassment discussed below.)

a, b and c are *prima facie* the most plausible explanations of the persistence of generalised tipping – as evidence consider the fact that most people when travelling to new places are keenly interested to find out what it is that people do in terms of tipping and what it is that servers expect. This may not explain why tipping starts, but, once there is a belief that tipping is what is expected, it can explain why it goes on and tends to become universal. The so-called “tipping” model can be easily applied to tipping behaviour for tipping is frequency dependent: the probability that anyone tips is positively affected by the frequency of tipping in the relevant environment.

(Notice that the same mechanism could apply to amounts expected and not just to whether a tip of any amount is expected. In countries in which tipping is universal and occurs around set percentages the most powerful explanation is almost certainly the presence of social conventions.)

Once generalised tipping occurs, all other motivations may become redundant in explaining why every new tipper tips. If they do still play a part, they do so by affecting further adjustments, so one may tip either more than what is conventionally expected –for whatever reason, self-interest, reciprocity or altruism– or less (or nothing) in case one wants to punish a very bad service (see below).

Reciprocity

Reciprocity is a very different motivation from self interest. Unlike self-interest, reciprocity is backward looking rather than forward looking. It predicts that people tip not because they want to obtain good service, now or in the future, or to signal something to themselves or other, but in order to reward good service after it has been obtained: “you do something good for me and I do something good for you”. This is positive reciprocity. In the negative case, if you give me not so good a service I will not tip. Reciprocity is perfectly compatible with tipping rationally even in one-off encounters.

The idea of tips as rewards has intuitive appeal as many people, myself included, tip taxi drivers if these help them with their luggage but not otherwise. Sometimes however, if I have no luggage I may still tip, which suggests that either I reward some other good things the driver did, like driving smoothly or being courteous, or that I have a different motivation unrelated to reciprocity.

Notice that the expectation that people tip because of reciprocity is an incentive to deliver a good service in one-off situations, while the expectation that tips come from self-interest would not have that effect because a strictly self-interested customer would not tip even if he gets good service. This is paradoxical as self-interest ends up being better served by not being self-interested. (Tipping driven by reciprocity has also a positive externality for all future tippers who will be more likely to be better served the more the tippee has been tipped in the past whenever he has provided good service and thus the more he can rely on being tipped at the end; clearly, this gives an opportunity to self-interested tippers to free ride, that is, enjoy the good service and leave without tipping. An interesting research question is how many bad tippers are needed to make tippees switch and provide a poor service as their default option.)

Notice that if we found that equally good service in different occupations or countries is tipped at different levels of generosity, as we do indeed find, it follows that we cannot explain variations of tipping and tipping amounts across occupations or countries solely by reciprocity. This suggests that there are occupation- or country-specific conventions, of the type described in 2.4 above, within which other motivations, such as reciprocity, can manifest themselves. So, I may like to tip to reward good service, but the entity of an acceptable reward is set by varying social convention: in Italy I tip with a little loose change, in the UK I tip 10% and in the US 15%.

Sympathy, empathy and fairness

This family of motivations posits that people tip because of some special regard they have for the tippee either as an individual or as a member of a category.

Sympathy, understood as an *ad personam* sentiment, could lead people to tip those individuals whom they like, who are charming or flirtatious over and above the quality of service that they dispense, or that manifest some special need or trait. Motivations of this kind would not lead someone who gets bad service to tip, but if service is good enough they may lead to larger tips.

Empathy or a sense of fairness, understood as category-based sentiments, could, for instance, trigger greater generosity in tipping from people who want to help those who are poorer than they are. Everything else the same, if this were the case we should observe more tipping in countries with greater income inequality or in occupations that yield lower incomes – e.g. shoe shiners, room cleaners –, and in occupa-

tions that tend to serve richer people; so, while every man goes to the barber every now and then or buys a coffee in a bar, only richer men patronise casinos or buy high-class sexual services, thus croupiers and prostitutes should be tipped more and more often than barber and barmen.

A different trigger of generosity may be linked not so much to a generic appreciation of income differences between servers and customers as to the specific knowledge that their employers take tips into account and adjust salaries downward knowing that employees' income will be increased by tips, therefore one feels obliged to tip not to let employees down. If this were the case, this effect should be found only for tips given to employees and not to the self-employed.

Still another trigger of generosity and fairness could be due to contingent inequalities, for, in some cases, tippees work while tippers are having fun. This, however, rather than by arousing empathy, could work by creating a sense of guilt, an emotion to which I shall now turn.

Guilt

In countries in which there is at the same time a marked inequality between tippees and tippers and a widespread equality ethos, a belief that humans are or should be treated in a fundamentally equal way, coming in contact with people significantly poorer than one is could trigger discomfort and ultimately a sense of guilt for being better off than they are, rather than or rather than just empathy or altruism. In countries or historical times in which inequality is perceived as a fact of nature this effect would not emerge – one does not tip slaves. This discomfort could be allayed by giving tips. (Conversely, tips are less likely to be observed in countries in which a strong equality ethos is found alongside real income equality.)

The predictions are broadly similar to those one can derive from other-regarding motivations and hard to tell apart using unsophisticated empirical observations, as one would need to control for other-regarding motivations. If the latter were the explanation, for instance, one should see a strong correlation between tip giving and charity giving, which one would not see if by contrast the mechanism was guilt induced by proximity with poorer people.

In conclusion, real social and economic inequalities as well as the social norms and value that we share about equality and fairness are likely to be strongly involved in our tipping decisions, whether by arousing empathy or guilt. Casual observation, for instance, indicates that we tend not to tip people in occupations that we consider as peers or superior in income or status to us – we do not tip doctors, school teachers or accountants. This is not invariably the case, however: on the one hand, we do not tip air hostesses or nurses – at most we give gifts to the latter; on the other hand, an old lady on a pension can tip a taxi driver, and a working class family out for dinner can be generous with their waiters. There clearly are other intervening mechanisms that govern our decisions: follow the conventions for fear of offending, be nice to those who are helpful, empathise with those who share our modest lot but on some occasions happen to be working while we enjoy ourselves.

Motivations not to tip

As I said in section 1, one can fail to tip simply because one knows that the tippee would not accept the tip. As I also said above, one can fail to tip simply because one

has none of the motivations, discussed in section 2, to tip even if one knows the tippee would accept a tip.

However, one can choose to refrain from tipping even if one can conceive of some of the motivations above – say that he knows that he will return to the same restaurant or that good workers deserve to be rewarded – because he believes that the practice of tipping itself is undesirable or unjust regardless of whether the tippee expects a tip. The tipper in other words can entertain one or more of the following beliefs that override any tipping motivations he may have:

- Service workers should do their duty anyway and not expect any extra reward for it;
- it is unfair to leave service workers' income at the mercy of discretionary payments rather than of secure contractual arrangements, and by giving tips one encourages this uncertainty and introduces inequalities among servers;
- tipping is a demeaning practice that stresses inequality among people who are fundamentally equal, that it is, in other words, a patronising practice that even if well intentioned stresses status differences.

A tipper can believe any of the above regardless of the tippee's belief. In other words, those beliefs can give the tipper a motive not to pay a tip even at the cost of disappointing tippees, thus leading to a permanent out-of-equilibrium situation. If the tipper experience some inner tension between any of those beliefs and other considerations in favour of tipping, we cannot predict whether the outcome will be tipping or not tipping as it depends on the strength of those beliefs relative to that of the other factors. For instance, it is much easier to abide by those beliefs if we know that others do that too.

Motivations not to accept tips

Tippees may have beliefs that mirror the above ones. They could see themselves as fundamentally equal to the tipper, and regard a tip as an undesirable way of stressing social differences. They may think it is humiliating – something that should not be done among equals. Equals exchange gifts in kind or favours rather than money. Like tippers, tippees are more likely to have these beliefs in conditions of economic equality, real or ideological, or in domains in which money is still permeated with pre-modern values – a means not invariably suitable to reward an honourable person.



Tippees, rather than that belief, could also have a second order belief, and think that others think that being tipped is humiliating. They would thus not want to be seen accepting tips for that would signal that they accept to be humiliated. In this case, being tipped would be felt as secretly desirable but publicly shameful. The prediction is that some tipping will still be observed even in countries in which tipping is discouraged if secrecy is preserved. In Japan, where tips are generally discouraged, some tips are still given and taken, but discreetly hidden in envelopes.

Conclusions

All too often social scientists conflate the social importance of the phenomenon they study with the relevance of the theories one requires to explain it. Clearly, studying complex phenomena of great welfare relevance is a good thing, but it does not follow that simpler phenomena do not require a very rich theoretical framework to be ex-

plained. In fact, there is much to be said in favour of studying simpler phenomena for they can make it easier to test and refine our theories. Even though tipping is regarded as a marginal economic transaction, it can be driven by any of our fundamental behavioural dispositions and it is simple enough to enable us to study them in natural settings.

Everyday observation, including of our own behaviour, suggests that tipping practices are unlikely to be explained by one motivation alone in the following three senses: the same people could be driven by more than one motivation to tip in any one occasion; the same people could be driven by different motivations in different occasions, and different people could be driven by different motivations. ■

Diego Gambetta
Nuffield College, Oxford

1. On the economic impact of tips see for instance Lynn, M., & Mynier, K. (1993). "Effect of server posture on restaurant tipping", *Journal of Applied Social Psychology*, 23(8), 678–685; and Schmitt, D. (1985). "Tips: the mainstay of many hotel workers' pay", *Monthly Labor Review*, 108(7), 50.
2. For example, Foster, G. (1972), "The anatomy of envy: A study of symbolic behaviour", *Current Anthropology*, 13(2), 165–202; and Lynn, M. (1994) "Neuroticism and the prevalence of tipping: A cross-country study", *Personality and Individual Differences*, 17(1), 137–138.
3. If tipping before service is widespread there will be an incentive to follow the practice simply because others do, regardless of any other considerations, for fear of being singled out for bad service. The case is similar to that of house alarms or mafia protection, the more people have them the more the people who do not have them become exposed to predators. These are all sub-optimal cases in which 'everyone runs as fast as he can only to remain in the same place'.
4. In this case, tipping and bribing come close. The difference concerns only who the tippee is and the nature of his discretion. If it is someone who by contract has a duty to perform a good service but wilfully refrains from doing so unless he gets extra money from the customer then tipping and bribery are exactly the same. More precisely, tipping coincides with one form of bribing in which one pays extra for a good service to which one is in principle entitled to without paying extra. One can bribe to get people to do what they should not do, but one can also bribe to get people to do what they should do, as in the case of tipping aimed at getting good service. Also, the higher the frequency of bribery the higher we should expect the frequency of tipping to be.
5. Lynn, M., & McCall, M. (2000), "Gratitude and gratuity: a meta-analysis of research on the service-tipping relationship", *Journal of Socio-Economics* 29: 203-14.
6. See, for instance, Ben-Zion, U., & Karni, E. (1977). "Tip payments and quality of service". In Ashenfelter, O., & Oates, W. (Eds.), *Essays in labor market analysis* (pp. 37–44). NY: John Wiley & Sons. Bodvarsson, O., & Gibson, W. (1997). "Economics and restaurant gratuities: Determining tip rates", *American Journal of Economics and Sociology*, 56(2), 187–203. Conlin, M., Lynn, M., & O'Donahue, T. (2003). "The norm of restaurant tipping", *Journal of Economic Behaviour and Organization*, 52, 297-321. Sisk, D., & Gallick, E. (1985). "Tips and commissions: A study of economic contracting". Working paper no. 125. Bureau of Economics, Federal Trade Commission. Washington, DC.
7. Robert Frank (1988), *Passions within reasons*. New York: Norton, p. 18.

Secrétariat de rédaction et mise en forme : Michèle Breton