DOĞUŞ ÜNİVERSİTESİ DERGİSİ

DOGUS UNIVERSITY JOURNAL

e-ISSN: 1308-6979

https://dergipark.org.tr/tr/pub/doujournal

CHARITABLE BEHAVIOR IN ECONOMICS : AN EXAMINATON

EKONOMİDE YARDIMSEVERLİK: BİR İNCELEME

Aras YOLUSEVER[1]

Abstract: *This article delves into charitable behavior through the lens of economics, exploring how altruism and generosity intersect with economic decision-making. It traces the historical evolution of charity, from its early roots in religious and ethical traditions in ancient civilizations, such as Egypt and Greece, to its institutionalization in modern philanthropic practices during the Industrial Revolution. The analysis draws heavily on behavioral economics, focusing on key theories like warm glow-giving, reciprocal altruism, and social preferences, which challenge traditional economic models of rational self-interest. By incorporating psychological factors, such as emotional satisfaction and social recognition, these theories offer a more comprehensive understanding of why individuals engage in charitable acts. The article also investigates the impact of framing effects and social norms on donation behavior, revealing how the presentation of philanthropic causes and social contexts shape giving decisions. Finally, it examines the role of tax incentives in promoting charitable contributions and how government policies can be designed to encourage more effective and widespread generosity, contributing to broader social welfare objectives*.

Keywords: *Charitable Behavior, Behavior Economics, Modern Charitable Behavior*

JEL: *B21, B50, B00*

Öz: Bu makale, diğerkâmlık ve cömertliğin ekonomik karar alma süreçleriyle nasıl etkileştiğini araştırarak hayırseverlik davranışını ekonomi merceğinden incelemektedir. Çalışmada Mısır ve Yunanistan gibi eski uygarlıklardaki dini ve etik geleneklerdeki erken köklerinden, Sanayi Devrimi sırasında modern hayırseverlik uygulamalarındaki kurumsallaşmasına kadar hayırseverliğin tarihsel gelişiminin izini sürülmektedir. Araştırma, büyük ölçüde davranışsal ekonomiden yararlanmakta ve rasyonel kişisel çıkara dayalı geleneksel ekonomik modellere meydan okuyan temel teorilere odaklanmaktadır. Duygusal tatmin ve sosyal tanınma gibi psikolojik faktörleri de içeren bu teoriler, bireylerin neden hayırseverlik faaliyetlerinde bulunduğuna dair daha kapsamlı bir anlayış sunmaktadır. Çalışma ayrıca sosyal normların davranış üzerindeki etkisinin tarihini araştırmaktadır. Araştırmada son olarak vergi teşviklerinin yardımlaşma davranışını teşvik etmedeki rolü ve hükümet politikalarının daha etkili ve yaygın cömertliği teşvik etmek ve daha geniş sosyal refah hedeflerine katkıda bulunmak için nasıl tasarlanabileceği incelenmektedir.

Anahtar Kelimeler: Yardımsever Davranış, Davranışsal İktisat, Modern Yardımlaşma Davranışı

1. Introduction

Charitable behavior has historically served as a pivotal element in societal structures, influencing social dynamics, shaping institutional frameworks, and playing an essential role in economic systems. Charitable activities—encompassing monetary

[1] Dr., İstanbul Kültür Üniversitesi, İktisadi ve İdari Bilimler Fakültesi, İktisadi ve İdari Bilimler Fakültesi, İktisat Bölümü, a.yolusever@iku.edu.tr, ORCID: 0000-0001-9810-2571

Geliş/Received: 26-10-2024; Kabul/Accepted: 18-02-2025

Atıf bilgisi: Yolusever, A. (2025). Charitable behavior in economics: An examination. *Doğuş Üniversitesi Dergisi*, *26*(2), 159-185, DOI: 10.31671/doujournal.1574023.

donations, volunteerism, and service provision—embody an altruistic dimension of human conduct that diverges from the self-interested paradigms predominantly highlighted in classical economic theory. In recent years, however, the field of behavioral economics has begun to integrate charitable behavior into broader economic analyses. By leveraging insights from psychology and social science, researchers are elucidating the mechanisms through which individuals participate in charitable acts, often revealing motivations that deviate from conventional notions of rational self-interest (Andreoni, 1990). This shift in perspective opens avenues for understanding the complexity of altruism within economic interplay.

The study of charitable behavior extends beyond mere academic interest; it holds significant real-world implications, particularly in tackling social inequality, promoting public goods, and enhancing social welfare. As global challenges like poverty, inequality, and climate change become increasingly urgent, comprehending the motivations behind charitable behavior and its economic effects is essential. Governments, nonprofits, and businesses depend on charitable contributions to fund social programs, healthcare, education, and humanitarian relief efforts. These contributions serve not only as a vital source of financial support but also as reflections of broader societal values and priorities, often influencing how resources are allocated and how social issues are addressed (Karlan & Wood, 2017).

From an economic standpoint, charitable behavior presents an intriguing paradox. Traditional economic theory operates on the premise that individuals are rational actors striving to maximize their utility, typically quantified in terms of wealth or material well-being. The classical model of homo economicus asserts that individuals make decisions primarily based on self-interest, focusing on optimizing personal gain. This framework has served as the cornerstone of economic thought since Adam Smith's The Wealth of Nations (1776), where self-interest is depicted as a powerful force driving economic efficiency and growth. However, charitable actions—where individuals voluntarily donate their resources without expecting immediate or direct personal benefits—appear to challenge this self-interest assumption. Instead, charitable behavior indicates that people may be motivated by alternative factors, such as empathy, social responsibility, or the pursuit of social recognition.

The gap between classical economic theory and charitable behavior has led to new theoretical frameworks that consider altruistic motives. Behavioral economics has emerged as a field that incorporates insights from psychology into economic models, acknowledging that individuals are not always purely rational actors. Instead, they are influenced by cognitive biases, emotional responses, and social norms (Kahneman & Tversky, 1979). Viewed through this lens, charitable behavior can be understood as part of a broader spectrum of human decision-making, where individuals gain utility not only from material benefits but also from non-material rewards such as emotional satisfaction, moral fulfillment, and social approval (Andreoni, 1990).

Charitable behavior is intricately woven into the fabric of cultural, religious, and social paradigms throughout history. Various civilizations have not only encouraged but, at times, mandated charitable acts as a mechanism for maintaining social equilibrium and meeting the needs of marginalized populations. In ancient Egypt, for instance, charity was fundamental to societal structure and often intertwined with religious dogmas concerning the afterlife (Himmelfarb, 1991). Similarly, in classical antiquity, particularly in ancient Greece and Rome, philanthropy—defined as a love for humanity—was integral to notions of civic virtue. Wealthy citizens were expected to engage in charitable acts and patronage to further the public good. During the Middle Ages, religious organizations, including the Christian Church and Islamic philanthropic institutions, codified charitable giving as a moral imperative, positioning the redistribution of wealth as a pathway to spiritual redemption (Benthall & Bellion-Jourdan, 2003).

The modern era has seen significant changes in charitable behavior, largely driven by the rise of capitalism and the expansion of large-scale industrial economies. The wealth generated during the Industrial Revolution was pivotal in the emergence of organized philanthropy. Prominent figures like Andrew Carnegie and John D. Rockefeller utilized their considerable fortunes to establish foundations aimed at addressing pressing social problems (Himmelfarb, 1991). This transition from informal, personal acts of charity to formalized philanthropic institutions mirrors broader economic and social transformations, characterized by increased wealth concentration and the growing complexity of societal needs. In the contemporary context, large charitable organizations and non-governmental organizations (NGOs) play a crucial role in tackling global challenges, including poverty, healthcare, and education. These entities often operate in conjunction with or in lieu of government initiatives, reflecting a shift in addressing societal issues (Hilton, 2009).

Despite their historical and cultural roots, charitable behavior in today's economy is a complex phenomenon influenced by various factors. Economists have identified several reasons that affect individuals' decisions to give, including emotional rewards, social pressure, and tax incentives. For example, the "warm glow giving" theory suggests that people experience psychological satisfaction from the act of giving itself, regardless of the actual impact of their donations (Andreoni, 1990). Additionally, research on reciprocal altruism and social preferences indicates that individuals may choose to engage in charitable acts with the expectation of future benefits, such as improved social standing or the possibility of receiving generosity in return (Fehr & Schmidt, 1999).

A critical area of exploration within the economics of charitable behavior is the influence of government policy on donation trends. Tax incentives, for example, can significantly encourage charitable contributions by lowering the effective cost of giving. In numerous countries, donations to recognized charitable organizations are tax-deductible, enabling individuals to decrease their taxable income in proportion to their donations. This can motivate individuals to contribute more than they might otherwise (Fack & Landais, 2010). However, the effectiveness of such incentives can vary based on their design and the overall economic context in which they operate (Auten et al., 2002).

Moreover, new technologies have significantly changed the way people give to charity. Online platforms, crowdfunding, and social media have made it easier for individuals to donate to causes they care about, while also providing organizations with new ways to connect with potential donors (Small et al., 2007). These advancements have created opportunities for behavioral economists to study charitable behavior in real-time, offering insights into how factors such as information presentation (framing effects), peer influence, and social networks affect giving decisions (Ariely et al., 2009).

Understanding charitable behavior from an economic perspective provides valuable insights into individual decision-making as well as the broader mechanisms that influence social welfare. As societies confront challenges like economic inequality, environmental sustainability, and global poverty, the role of charitable behavior will become increasingly crucial in addressing these issues. By exploring the economic, psychological, and social factors that drive charitable giving, economists can contribute to the design of more effective policies and interventions that foster generosity and enhance the overall well-being of all members of society.

This paper seeks to delve deeply into these issues, beginning with a historical overview of charitable behavior. It will then analyze key theories in behavioral economics that elucidate why individuals engage in acts of charity. Additionally, the paper will explore the impact of government policies, such as tax incentives, on the promotion of charitable giving, and assess how emerging technologies are transforming the landscape of charitable behavior. Through this examination, we aim to provide a comprehensive understanding of the complex and multifaceted nature of charitable behavior within contemporary economic systems.

2. Historical Emergence of Charitable Behavior

Charitable behavior can be understood as the voluntary act of providing various resources—such as money, goods, or services—to those in need, without the expectation of receiving any immediate, direct benefit in return. This concept encompasses a wide range of actions, varying in scale and intent, from small, individual acts of kindness to expansive philanthropic endeavors initiated by affluent individuals or large organizations. Charity can manifest in numerous ways, including direct donations to individuals or causes, the offering of volunteer time and skills, or the creation of foundations dedicated to social welfare. These acts not only fulfill the immediate needs of recipients but can also foster community ties and promote social cohesion.

From an economic perspective, charitable behavior represents a significant departure from traditional economic models that prioritize rational self-interest. Classical economics generally posits that individuals act primarily to maximize their own utility, frequently measured in terms of material wealth or financial gain. However, the prevalence of altruistic behavior challenges this notion, suggesting that individuals also seek utility through alternative channels.

For instance, many people experience emotional rewards from charitable actions, such as feelings of joy or fulfillment. Additionally, social approval—recognition from others for one's charitable acts—can serve as an important motivator. Furthermore, some individuals may feel a strong sense of moral obligation or duty that propels them to engage in philanthropy. According to Becker (1974), these motivations highlight the complex interplay between self-interest and the intrinsic rewards that can come from helping others, ultimately enriching both the giver and the recipient in various, often immeasurable ways.

Charitable behavior extends beyond just monetary donations; it includes volunteering, in-kind contributions, and initiatives aimed at raising awareness or advocating for various causes. These diverse forms of charitable actions illustrate a complex interaction between individual preferences, social norms, and institutional incentives, highlighting the multifaceted nature of contributing to society.

The history of charitable behavior can be traced back to some of the earliest human civilizations, where acts of generosity were closely intertwined with religious beliefs and ethical principles. In Ancient Egypt, for instance, the concept of almsgiving was not merely a form of aid but a vital practice that was believed to secure divine favor and ultimately ensure a favorable afterlife for both the giver and the receiver. Pharaohs and affluent citizens participated in this tradition by donating food, goods, and services to the less fortunate. This was not only a demonstration of wealth but also a deeply ingrained aspect of their spiritual and moral obligations, reflecting their commitment to maintaining harmony with the gods (Solihin, 2007).

Similarly, in the ancient civilization of Mesopotamia, rulers recognized the importance of social responsibility and instituted laws mandating that citizens assist the needy. These laws were designed to facilitate economic redistribution and promote a sense of communal order and stability. By ensuring that the less fortunate received support, Mesopotamian governance addressed immediate needs and reinforced societal cohesion (Postgate, 1994). These practices laid the foundations of charitable behavior in ancient societies, highlighting the enduring significance of altruism throughout human history.

2.1. Ancient Greece

In ancient Greece, the concept of philanthropy—originating from the term "philanthropia," which translates to "love for humanity"—played a pivotal role in shaping civic virtue and social responsibility. Wealthy citizens, referred to as agathoi, were expected to actively participate in philanthropic endeavors actively, thereby contributing to their own families' well-being and the broader welfare of their communities. This societal expectation was deeply ingrained in the culture, grounded in the belief that an individual's social status was intrinsically linked to their contributions toward the public good (Grant, 1987).

Philanthropic acts were seen as fundamental to the development of a well-rounded character. Engaging in such acts was not merely a moral obligation but a way to cultivate virtues like generosity, compassion, and a sense of civic duty. These offerings could manifest in various forms, including funding public buildings, sponsoring athletic events, or supporting the arts and education. By doing so, agathoi not only enhanced their own reputations but also fostered a spirit of community cohesion and mutual support among the populace. Overall, philanthropy in ancient Greece was woven into the fabric of society, illustrating how the pursuit of personal wealth could be harmonized with the collective interests of the community, ultimately shaping the moral landscape of the time (Grant, 1987).

Greek philosophers, including Aristotle, highlighted the ethical aspects of philanthropy. In his work Nicomachean Ethics, Aristotle asserted that the highest form of happiness arises from virtuous actions, notably charitable giving (Aristotle, 2004). He contended that the pursuit of virtue should involve a commitment to the welfare of others, particularly in fostering community bonds and promoting social harmony. This philosophical groundwork gave rise to various charitable practices, such as sponsoring public festivals, supporting the arts, and funding infrastructure projects, including temples and theaters.

The Greek city-states pioneered a tradition known as euergetism, a practice through which affluent citizens took on the responsibility of funding various public projects and initiatives aimed at enhancing the quality of life for all members of society. This could include everything from the construction of temples and theaters to funding athletic competitions and public festivals. The contributions made by these wealthy individuals were not merely acts of generosity; they were often celebrated and recognized in public ceremonies and inscriptions, which served to elevate the social status and influence of the donors within their communities (Laidlaw, 2013).

In ancient Greece, acts of charity were fundamentally intertwined with both altruistic intentions and a keen awareness of the social dynamics of the time. Wealthy citizens engaged in philanthropy not only out of a genuine desire to help improve their communities but also in pursuit of increased prestige and political power. This dual motivation created a complex cultural environment where philanthropy was perceived as a moral obligation and a strategic means for individual advancement. As a result, the practice of euergetism fostered a societal ethos that encouraged and rewarded philanthropic endeavors, effectively intertwining personal aspirations with the well-being of the broader populace.

2.2. Ancient Rome

The tradition of philanthropy in ancient Rome was profoundly influenced by civic responsibility, religious mandates, and the complex political structures of both the Roman Republic and Empire. Charitable acts transcended individual altruism, integrating deeply into the fabric of public life. This practice was closely linked to the notion of civitas, which encapsulated the obligations of citizenship and the collective welfare of the community. Wealthy Romans were expected to engage in public displays of generosity, which served dual purposes: fulfilling moral and religious duties while simultaneously enhancing their social capital and consolidating political influence.

The Roman concept of civitas emphasized the significance of public duty and participation in the state's welfare, playing a crucial role in shaping charitable behavior. Citizenship in Rome came with specific rights and responsibilities, including the obligation to contribute to the well-being of the broader community. Wealthy Romans were expected to fulfill these obligations by engaging in various forms of public service, such as sponsoring public events, constructing civic buildings, and providing resources for the less fortunate (Brown, 1988). These acts were often regarded as essential for maintaining the social fabric of Roman society and reinforcing the hierarchical structure that characterized the Roman social order.

Roman elites, referred to as patricians during the Republic and as senators and equestrians during the Empire, were expected to show their commitment to the state through acts of generosity. This tradition of elite benefaction, known as euergetism, mandated that wealthy citizens finance public works and support the less fortunate as a demonstration of their loyalty and virtue (Veyne, 1992). These acts of giving were not solely altruistic; they served to enhance the donor's social status and political influence. In a competitive and status-conscious society, charitable acts were a crucial means for elites to gain prestige, popularity, and political power.

A prominent example of this practice is the construction of public amenities such as baths, theaters, temples, and aqueducts. Wealthy Romans who sponsored these projects were often commemorated with inscriptions and statues, ensuring their names would be remembered for generations (Boatwright, 2002). By funding these initiatives, patrons strengthened their connections to the community and positioned themselves as essential benefactors of the city. In return, they gained public praise and political support, which were crucial for maintaining or advancing their status within Roman society.

The Roman cursus honorum, which delineates the hierarchical progression of public offices for aspiring politicians, was intricately linked to the practice of benefaction. For Romans with political ambitions, advancing through this sequential office structure necessitated not only adeptness and networking but also a conspicuous display of munificence. Politicians frequently leveraged acts of charity to galvanize electoral support and cultivate popular favor, particularly during election cycles or when vying for elevated positions (Brunt, 1988). Notable forms of charitable engagement included the distribution of free grain, the organization of public games, and the hosting of grand feasts. These acts served as mechanisms for politicians to exhibit their generosity while simultaneously fostering allegiance among the plebeians, the lower socio-economic class within Roman society.

While individual charitable actions were frequently driven by personal interests, the Roman state significantly contributed to the formalization of charitable practices. Legislative measures were introduced to regulate wealth distribution and compel the affluent to fulfill their civic duties towards the less privileged. A notable example is the Lex Julia de vi publica, enacted by Augustus in the late first century BCE, which incentivized landowners to engage in public works and philanthropic efforts, imposing penalties for those who fell short of their societal obligations (Horsley, 1997). This legal framework established an institutionalized mechanism for charitable contributions, ensuring that the underprivileged were not forsaken amidst the pursuits of wealth and influence.

One of the most significant forms of institutionalized charity in ancient Rome was the alimenta, a state-sponsored welfare program initiated by Emperor Nerva (96-98 CE) and later expanded by his successor, Trajan (98-117 CE). The alimenta was designed to provide financial support to the children of poor families in Rome, especially in rural areas. Wealthy landowners were required to contribute to the program, and the funds were distributed to local communities to assist with the education and upbringing of these children (Garnsey, 1999). This program reflected the Roman state's commitment to supporting vulnerable individuals and reinforced the idea that charity was a civic duty that transcended individual ambition.

The Roman legal framework acknowledged the significance of charitable foundations and bequests, particularly through the establishment of piae causae—charitable trusts aimed at supporting marginalized groups such as the poor and the infirm. These entities were frequently linked to religious institutions, including temples and, in the later Empire, Christian churches. However, they operated under a system of legal oversight designed to guarantee that the allocated resources were utilized in accordance with the donors' intentions (Cameron, 1993). This convergence of charitable giving within the legal and ecclesiastical structures of Roman society effectively institutionalized philanthropy, ensuring its persistence beyond the lifetime of the benefactor.

Religion also played a crucial role in shaping charitable behavior in ancient Rome. Roman religious practices were deeply embedded in daily life, and acts of giving were often viewed as a means to gain favor with the gods. The Roman pantheon included deities associated with charity and social justice, such as Fortuna, the goddess of fortune and luck, and Pietas, the personification of duty and devotion. Acts of charity were frequently performed during religious festivals, where sacrifices and offerings were made to the gods to ensure their protection and blessings.

The relationship between religion and charity became increasingly significant with the rise of Christianity in the Roman Empire. Early Christians were recognized for their charitable efforts, specifically in caring for the poor, the sick, and marginalized individuals. By the fourth century, during Emperor Constantine's reign, Christian charity became institutionalized, leading to the establishment of hospitals, orphanages, and various charitable institutions throughout the empire (Cameron, 1993).

While charity in Rome was often motivated by religious and moral beliefs, it also acted as a significant mechanism for social control. The Roman elite recognized that providing for the poor was crucial for maintaining social stability in a society marked by extreme inequality. By distributing food, sponsoring public games, and funding various forms of public assistance, the wealthy could prevent social unrest and secure the loyalty of the urban population (Himmelfarb, 1991). This strategy was especially vital in a city like Rome, where a large portion of the population relied on state-sponsored grain distributions and other types of public welfare.

The concept of panem et circenses—literally "bread and circuses"—epitomized the use of state-sponsored welfare as a mechanism for political control in ancient Rome. By providing free grain and public spectacles, Roman authorities could effectively distract the populace from prevailing social and economic disparities, thereby ensuring a compliant and subdued lower class. This stratagem was systematically employed by emperors from Augustus through Commodus, underscoring the pivotal role that these charitable initiatives played in the political stability and social cohesion of the Roman Empire (Aldrete, 2009). In this context, charity in ancient Rome was not merely an act of altruism. Instead, it functioned as a strategic political maneuver that enabled the elite to retain power and influence while keeping the masses subdued. By presenting charity as both a civic duty and a moral obligation, the Roman elite could rationalize their wealth and privilege while securing the ongoing support of the lower classes.

2.3. Ancient Egypt : The Role of Ma'at

In ancient Egypt, the concept of ma'at served not only as a religious and philosophical foundation but also as a vital framework for understanding charitable behavior. Ma'at translates to "truth," "order," "justice," and "balance," and it was the principle that governed both the natural and social order of the society. Maintaining ma'at was deemed essential for the continued prosperity and stability of the state, which included the responsibility to care for the less fortunate and ensure the equitable distribution of societal resources (Assmann, 2002). Therefore, charity in ancient Egypt transcended mere acts of kindness; it was considered a necessary action to preserve cosmic harmony and fulfill moral obligations.

The goddess Ma'at epitomized the foundational values of truth, balance, and cosmic order, serving as a linchpin in the religious and civic frameworks of ancient Egypt. Her principles were not merely ethical guidelines for individual behavior but were also integral to the state's governance, embedding justice and equity into the legal structure of Egyptian society. Pharaohs, viewed as the terrestrial embodiments of the divine, bore the solemn duty of maintaining Ma'at throughout the kingdom. This obligation encompassed not only the enforcement of laws but also the active promotion of societal welfare, particularly for the most vulnerable populations, including the impoverished, widows, and orphans (Assmann, 2002).

This obligation extended beyond the elite and was embedded in the very framework of Egyptian society. Upholding ma'at meant caring for others, supporting the needy, and contributing to the community's welfare. Charity was regarded as a fundamental expression of this moral order, and neglecting charitable acts was considered a violation of ma'at, with potential repercussions in both this life and the afterlife (Lichtheim, 2019). Ancient Egyptian texts are rich with references to this moral imperative. For example, the "Instructions of Ptahhotep," one of the oldest known texts on ethics and proper conduct, advises those in power to be generous to the less fortunate: "Do not be arrogant because of your knowledge. Consult the ignorant as well as the wise. The limits of art are not reached. No artist's skills are perfect. Good speech is more hidden than greenstone, yet it may be found among the women at the grindstones".

In ancient Egyptian society, the pharaoh served as the primary steward of ma'at, embodying the principles of order, truth, and cosmic balance. The legitimacy of the pharaoh's rule was intrinsically linked to their capacity to sustain equilibrium within the kingdom—this encompassed both economic viability and social equity. Central to this role was the obligation to support the underprivileged and to ensure equitable distribution of wealth and resources. Artistic depictions and inscriptions often portrayed pharaohs as altruistic leaders, dedicated to safeguarding the vulnerable, providing for the needy, and upholding peace across the realm (David, 1998).

The role of Egyptian kings in public welfare was far more than just symbolic. They actively participated in charitable efforts, especially during times of crisis. When famines or droughts occurred and the Nile did not produce enough crops, the central government, under the pharaoh's leadership, often distributed grain from royal storage to feed the population (Redford, 2001). These acts of generosity were not only practical responses to social crises but also demonstrated the pharaoh's commitment to upholding ma'at, or order and justice. Pharaohs were evaluated based on their ability to protect the vulnerable and ensure that society's resources were utilized for the common good.

The Duat, or the Egyptian afterlife, was intricately connected to an individual's adherence to the principles of ma'at. The renowned "Weighing of the Heart" ceremony, as detailed in the Book of the Dead, involved weighing a person's heart against the feather of Ma'at. A lighter heart signified a virtuous life lived in accordance with ma'at, granting the individual access to the afterlife (Assmann, 2002). Consequently, acts of charity were not only a moral and religious obligation but also a means of ensuring social stability, with significant implications for one's eternal fate.

Religious institutions in Egypt, particularly temples, played a crucial role in charitable activities and the redistribution of resources. Temples served as pivotal hubs for both spiritual and economic activities, exercising control over extensive holdings of land, labor, and material goods. These assets were allocated to sustain temple operations and personnel while also supporting the broader community, especially marginalized groups. Temples often acted as critical food distribution points, supplying grain and other essential commodities to those in need, particularly during periods of famine or economic distress (Dosoo, 2018). Temple reliefs and inscriptions often depicted pharaohs and nobles presenting food and resources to the gods, who would then redistribute these offerings to the people. These images reinforced the notion that charitable giving was not only an act of piety but also a way to maintain divine favor and ensure the prosperity of the land. In this context, charity in ancient Egypt was closely linked to religious practices and social responsibility.

Funerary texts, such as the Coffin Texts and the Pyramid Texts, frequently contain prayers and spells that implore the gods to remember the deceased's acts of generosity and to reward them appropriately in the afterlife. These texts emphasize the belief that charitable behavior was not only a social obligation but also a crucial aspect of personal piety and a requirement for attaining a favorable position in the afterlife (Assmann, 2002). Consequently, many affluent Egyptians made provisions in their wills to distribute their wealth to the poor upon their death, either through direct donations or by establishing endowments for the temples. The emphasis on the moral and spiritual importance of charity reinforced its integral role in Egyptian society, both for individuals and the community. Charity served as a means to attain earthly prosperity and eternal salvation, highlighting its significance within the moral and religious framework of ancient Egypt.

Women role is also critical. Women in ancient Egypt, especially those of high status, played a significant role in charitable activities. While most formal economic and political power was held by men, women were often responsible for managing household resources, which included distributing food and goods to the needy. Additionally, elite women, such as queens and priestesses, were frequently depicted engaging in charitable acts, such as donating to temples and providing food and clothing to those in need (Tyldesley, 1998).

2.4. Charity in Religious Content

The emergence of major world religions led to the institutionalization and further codification of charity. In Christianity, for example, charity is regarded as a fundamental expression of faith. The New Testament underscores the significance of assisting those in need, with teachings from Jesus encouraging followers to support the poor and marginalized. The early Christian community exemplified this by practicing communal living, sharing resources, and providing for the less fortunate as a demonstration of their faith (Himmelfarb, 1991). This religious obligation laid the foundation for organized charitable institutions, such as monasteries and churches, which became hubs of charitable activity during the Middle Ages.

Islam places a profound emphasis on the importance of charity, encapsulated in the concept of zakat, which is one of the Five Pillars of Islam. Zakat mandates that Muslims allocate a specific portion of their accumulated wealth to assist those in need, thereby reinforcing the principles of social responsibility and communal support. This practice is not merely viewed as a moral obligation; rather, it serves as a means of purifying one's wealth and fostering a sense of balance within society, as highlighted by Benthall and Jourdan in 1999.

Furthermore, during the Golden Age of Islam, the establishment of charitable foundations, known as waqfs, marked a significant development in the practice of philanthropy. These waqfs were instrumental in providing essential resources for various sectors including education, healthcare, and infrastructure. They reflected a sophisticated and organized approach to social welfare that was innovative for its time, as noted by Solihin in 2007. Through these foundations, community needs were addressed methodically, illustrating a holistic understanding of charity as not only a means of immediate relief but also as a long-term investment in societal well-being.

Judaism also possesses a profound tradition of philanthropic engagement, articulated through the concept of tzedakah, which translates to righteousness or justice. Jewish law prescribes an obligation to provide for those in need, underscoring the imperative to support marginalized and disadvantaged individuals within society (Brown, 1988). The historical establishment of charitable organizations and communal funds within Jewish communities illustrates the intrinsic integration of charitable practices into both social frameworks and religious observance.

3. Modernization of Charitable Behavior

The Industrial Revolution, which commenced in Britain in the late 18th century and subsequently spread across Europe and North America, fundamentally transformed the global economic landscape. This era of rapid industrialization ushered in significant technological advancements and economic expansion. However, it also intensified social inequalities, particularly in urban areas where factory labor and mass migration from rural regions resulted in overcrowding, poverty, and dire working conditions. As the wealth gap between the emerging industrial elite and the working class continued to widen, the necessity for more organized, institutionalized forms of charitable engagement became increasingly evident (Engels, 1845).

Before the Industrial Revolution, charitable actions were predominantly informal and individualized, often stemming from religious commitments and personal altruism. However, the socioeconomic challenges introduced by industrialization demanded a transition to more formalized philanthropic structures. This era marked the emergence of organized charitable entities, philanthropic societies, and governmental welfare programs, representing the institutionalization of charity. Affluent industrialists, religious organizations, and burgeoning philanthropic ventures began to systematically address the ramifications of industrial capitalism, which included pervasive poverty, inadequate educational opportunities, and substandard living conditions in rapidly urbanizing areas (Prochaska, 1988).

This chapter examines the evolution of charitable behavior during the Industrial Revolution, focusing on how economic, social, and religious factors shaped the development of organized philanthropy. It also highlights the contributions of key figures such as Andrew Carnegie and George Peabody, whose philanthropic efforts established the foundations for modern charity. Additionally, the chapter discusses the increasing role of governments in welfare provision, paving the way for the emergence of the modern welfare state (Carnegie, 1889). By exploring these changes, we can better understand how the challenges of the Industrial Revolution transformed charity from an informal, religious obligation into a formalized social response to economic inequality.

3.1. Economic Transformation and the Rise of Urban Poverty

The Industrial Revolution instigated a profound paradigm shift in the global economy, significantly altering production, distribution, and consumption processes. Before this period, economies were primarily agrarian, characterized by rural populations engaging in subsistence farming with localized economic activities. Most goods were generated through artisanal methods in small workshops or domestic settings.

However, the transition to mechanized production and the establishment of factories catalyzed a radical change in labor dynamics and societal structure. This transformation manifested in the emergence of a distinct working class, which faced numerous challenges, including widespread urban poverty. The implications of this shift were extensive, reshaping socioeconomic landscapes and spawning new patterns of labor organization, class stratification, and urbanization.

Before the Industrial Revolution, economies in Europe and North America were largely dependent on agriculture, with most of the population consisting of peasants and tenant farmers. In this pre-industrial world, wealth was concentrated in land ownership, and the economic system relied on local trade and small-scale production. However, the development of new technologies, such as the steam engine and mechanized looms, transformed the production process. Factories emerged as the new centers of economic activity, capable of producing goods much faster and in larger quantities. This shift led to the growth of industrial cities, particularly in Britain, which became the heart of the Industrial Revolution (Hudson, 1992). As industrial production grew, many people migrated from rural areas to cities for better job opportunities. However, this led to overcrowded living conditions, with families squeezed into unsanitary homes. Urban infrastructure struggled to cope with the influx, resulting in rampant disease, crime, and poverty in cities like Manchester, London, and Birmingham (Engels, 1845).

The rise of factories created a new industrial working class, unlike the seasonal labor of agrarian economies. Factory owners prioritized efficiency and profit, imposing long hours, low wages, and harsh conditions on employees, including women and children. The lack of labor protections resulted in dangerous environments, with common accidents and no social safety nets for injured or ill workers (Thompson, 1963).

During this period, the emergence of a middle class—comprised of professionals, merchants, and small business owners—was a notable development, driven by the expanding economy. Nonetheless, stark disparities persisted between affluent industrialists and the struggling working class, even within this burgeoning middle class. The rapid concentration of wealth among a small elite juxtaposed with the deepening poverty experienced by the broader populace raised critical social inquiries regarding the implications of capitalism on societal structures. Such inequalities catalyzed demands for reform and facilitated the evolution of more systematic charitable initiatives aimed at addressing urban poverty (Hobsbawm, 1999).

With the increasing visibility of poverty in industrial cities, there emerged a robust response from charitable organizations and religious groups to the societal challenges posed by rapid industrialization. Traditional charitable methodologies, largely rooted in religious duties and informal giving practices, proved inadequate in addressing the expansive scale of urban poverty. Consequently, a range of new charitable institutions and philanthropic organizations were founded, aimed at providing essential resources such as food, shelter, and clothing to the impoverished populations (Prochaska, 1988).

The relationship between charity and poverty shifted during the Industrial Revolution, moving away from the medieval view of poverty as inevitable. Instead, poverty began to be seen as a solvable social problem addressed through targeted interventions and education. This change led to the creation of organizations like the Charity

Organization Society (COS), which aimed to professionalize charitable work for more systematic and effective aid.

In conclusion, The Industrial Revolution marked the beginning of state intervention in welfare provision. In Britain, the Poor Law Amendment Act of 1834 aimed to reform the existing system of poor relief by encouraging those in poverty to work in exchange for assistance. While the law was designed to reduce reliance on welfare, it also indicated a growing awareness that poverty is a structural issue necessitating government action. This early form of welfare laid the foundation for the more comprehensive welfare systems that would emerge in the 20th century (Rose,1977).

3.2. The Role of Religion and The Birth of Modern Philantrophy

Religious institutions and values played a pivotal role in shaping charitable behavior during the Industrial Revolution. Many philanthropic initiatives were grounded in Christian doctrine, particularly the belief that charity is a moral obligation to assist those in need. The Protestant work ethic, which emphasized hard work, discipline, and frugality, further motivated the wealthy to utilize their fortunes for the benefit of society, often through charitable donations and the establishment of philanthropic organizations (Weber, 2001).

The Church of England, alongside various nonconformist groups such as the Methodists and Quakers, played a significant role in charitable work during their respective periods of influence. These religious organizations were deeply committed to addressing social issues and actively provided direct assistance to those in need. Their efforts included distributing food, clothing, and shelter to the impoverished, which not only alleviated immediate suffering but also fostered a sense of community support.

In the Middle Ages, the Catholic Church was instrumental in the development of charitable practices across Europe. It established a range of support mechanisms, including hospitals, orphanages, and almshouses, aimed at assisting the sick, impoverished, and marginalized populations (Himmelfarb, 1991). Monastic communities emerged as pivotal entities in this charitable landscape, often implementing agricultural initiatives to ensure food security and shelter for those in need. The Church’s involvement in charitable activities laid the foundation for contemporary philanthropy, embedding principles of stewardship and an ethical imperative to assist disadvantaged individuals within social frameworks. The Renaissance marked a shift in charity, as humanism challenged religious views. The focus on individual agency led to a more secular philanthropy, with wealthy patrons supporting the arts, sciences, and education to enhance their legacy and public image (Hilton, 2009). This era saw the rise of private philanthropy, as individuals aimed to leave a lasting impact through financial contributions.

In addition to direct aid, these religious groups were instrumental in laying the foundations for various social institutions. They advocated for and established hospitals to care for the sick, orphanages to look after vulnerable children, and schools aimed at providing education and opportunities for the underprivileged. This holistic approach to charity reflected a deep concern for both physical well-being and spiritual growth.

The connection between religious values and charitable behavior is prominently illustrated in the writings of influential figures such as John Wesley, the founder of

Methodism. Wesley emphasized the importance of social responsibility and charitable giving as integral components of a Christian life. His sermons and teachings encouraged followers to engage actively in acts of service and philanthropy, framing such contributions as essential expressions of faith (Heitzenrater, 1995). This ethos not only inspired individual acts of kindness but also led to organized efforts that significantly impacted society, highlighting the lasting influence of religious beliefs on social welfare initiatives.

Prominent industrialists like Andrew Carnegie and George Peabody emerged as key figures in philanthropy, leveraging their substantial wealth to establish libraries, educational institutions, and other societal enhancements. Carnegie, in particular, articulated the "Gospel of Wealth," positing that affluent individuals bear a moral responsibility to redistribute their fortunes for societal betterment, predominantly through the endowment of public institutions such as libraries and universities. This ideology served as a foundational framework for the development of contemporary philanthropic foundations, where affluent benefactors create endowments to support a range of charitable initiatives.

In today's modern era, the nature of charitable behavior is undergoing significant transformation, largely influenced by factors such as globalization, rapid technological advancements, and shifting social dynamics. The advent of the internet and the proliferation of social media platforms have revolutionized how individuals connect with and support charitable causes (Small et al., 2007).

People can now effortlessly donate to organizations or initiatives that resonate with their values and passions, breaking down geographic and social barriers that once limited philanthropic efforts. Additionally, the emergence of crowdfunding platforms has democratized the landscape of giving. These platforms empower individuals—from grassroots activists to ordinary citizens—to raise funds for a diverse array of projects, whether it's helping a local family in need or supporting a global humanitarian crisis.

Moreover, online campaigns not only facilitate donations but also mobilize widespread support for various social movements, encouraging collective action. Donors can now witness the tangible impact of their contributions through real-time updates, making the act of giving more transparent and engaging. This newfound accessibility and direct involvement in charitable acts have fostered a culture of philanthropy that is more inclusive and responsive to the needs of different communities (Small et al., 2007).

The growing awareness of global issues, including climate change and humanitarian crises, has fostered a more integrated approach to philanthropy. Individuals increasingly perceive their donations as part of a broader global responsibility, emphasizing social justice and sustainability on an international scale. The emergence of effective altruism encourages a critical analysis of resource allocation, prompting individuals to identify and pursue the most consequential methodologies for addressing urgent global challenges (Hilton, 2009).

4. The Role of Charitable Behavior in Economics

In traditional economic theory, charitable behavior presents somewhat of an anomaly. Classical models, which are grounded in the concept of rational choice, suggest that individuals are primarily driven by self-interest, making decisions aimed at maximizing their own material wealth or utility (Smith, 1776). However, charitable behavior challenges this perspective, as it typically involves a decrease in personal wealth with no immediate financial benefit. To explain this phenomenon, economists have developed various theories that integrate psychological and social factors into models of economic decision-making (Andreoni, 1989).

Charitable behavior also plays a crucial role in promoting economic growth and social stability. It serves as an informal social safety net, addressing societal needs that may be overlooked by both markets and government initiatives. Through charitable giving, essential services such as healthcare, education, and welfare receive support, especially in regions where public funding is lacking. Economists suggest that charitable behavior can enhance government efforts, leading to a more efficient allocation of resources to meet public needs (Bekkers & Wiepking, 2011). This chapter examines some important concepts as warm glow giving, impure altruism, reciprocal altruism, social prefences, charitable giving, public giving and tax incentives.

4.1. Warm-Glow Giving and Impure Altruism

Warm-glow giving, introduced by economist James Andreoni in 1989, examines the motivations behind charitable behavior, with a focus on the emotional satisfaction that individuals gain from giving. Unlike pure altruism, where the donor is solely concerned with the recipient's welfare, warm-glow giving suggests that donors derive personal rewards—referred to as a "warm glow"—from the act of donating itself. This concept indicates that individuals are motivated not only by the impact of their contributions but also by the positive emotions, social approval, or self-satisfaction that arise from the act of giving (Andreoni, 1989).

The theory of warm-glow giving contrasts with traditional economic models that posit charitable behavior arises solely from altruistic motives. In Andreoni's framework, individuals are described as "impure altruists," striking a balance between altruism and personal satisfaction. This perspective aligns with behavioral economics, which acknowledges that people often act in ways that aren't strictly rational, being influenced by psychological and emotional factors (Harbaugh, 1998). For instance, an individual may donate to a charity not only out of a genuine desire to help but also because they appreciate the sense of contributing to a worthy cause, experiencing a personal "moral reward" from their actions. This blend of altruism and self-interest clarifies why charitable behavior continues, even when donors cannot be certain that their contributions will directly enhance others' lives (Duncan, 2004).

Several factors contribute to the phenomenon of warm-glow giving, with research indicating that individuals derive emotional rewards from charitable acts, even when these acts are performed anonymously. Studies suggest that the anticipation of a positive emotional response often motivates individuals to donate, with participants reporting feelings of pride, satisfaction, and happiness following their contributions (Gneezy et al., 2014). This emotional fulfillment can be further amplified by the visibility of one's donations, such as in public fundraising campaigns or workplace giving initiatives, where social approval and recognition enhance the warm glow felt by donors. Additionally, when individuals observe others engaging in charitable behavior, they may feel inspired to contribute themselves, driven by altruism and the desire to be part of a community involved in meaningful actions (Bénabou & Tirole, 2006).

Neuroscientific studies have also shown that charitable giving activates the brain's reward centers. For instance, a study by Moll et al. (2006) demonstrated that donating to charity stimulates areas of the brain associated with pleasure and reward, similarly to how receiving money for oneself does. These findings highlight that the benefits of what is known as "warm-glow giving" are not just psychological; they have a biological basis as well. This reinforces the idea that people experience genuine, measurable pleasure from the act of giving (Harbaugh et al., 2007).

Impure altruism offers a more nuanced understanding of charitable behavior, positing that individuals' motivations are often intricate and layered. While there is a genuine concern for the welfare of others, donors frequently accrue personal benefits from their philanthropic actions. Research highlights phenomena such as warm-glow giving, which significantly affect the magnitude and frequency of donations. It has been evidenced that when donors receive immediate feedback regarding the impact of their contributions, they are more inclined to contribute again. The positive reinforcement inherent in this feedback reinforces the emotional reward associated with giving (Eckel & Grossman, 1996). This feedback loop indicates that organizations can enhance sustained donor engagement by delivering updates on the tangible effects of contributions, thereby appealing to the intrinsic motivation of donors who seek to relive that positive emotional experience.

Warm-glow giving explains why people sometimes choose to donate to causes that are less efficient or impactful. Behavioral economist Peter Singer argues that some individuals prioritize the emotional rewards of giving over the actual effects of their donations. This behavior leads to contributions to causes that may not maximize social welfare (Singer, 2015).

This aligns with the warm-glow theory, which suggests that donors select causes based on personal connections or sentimental appeal rather than objective measures of need or efficiency. For example, someone might choose to donate to a local animal shelter instead of supporting international poverty relief because they feel a stronger emotional bond with animals, even if their contribution could make a more significant impact elsewhere.

Understanding the concepts of warm-glow giving and impure altruism can greatly benefit charitable organizations and policymakers by providing insight into donor psychology. Fundraising campaigns that emphasize the emotional rewards of giving or create opportunities for donors to feel a personal connection to the cause can lead to increased donations. For instance, charities that focus on personalized messaging or send thank-you notes often see success in encouraging repeat donations. This personal acknowledgment serves as a reminder of the warm-glow effect, reinforcing the emotional satisfaction that donors feel from their initial contributions (Bénabou & Tirole, 2006).

Moreover, warm-glow effect can be effectively utilized through methods like social proof and public recognition. Acknowledging donations publicly, such as through donor walls or recognition events, creates social incentives that encourage individuals to give by affirming their contributions. Research has shown that donations tend to increase when people know their generosity will be recognized publicly. This visibility appeals to both the warm-glow effect and the social benefits of recognition (Cialdini, 2001). Therefore, charitable organizations can boost their fundraising efforts by appealing to both the altruistic and self-interested motivations of donors.

While the concepts of warm-glow giving and impure altruism have expanded our understanding of charitable behavior, they are not without their criticisms. Some argue that emphasizing the emotional rewards of giving can lead to what is known as "selfish charity." In this view, individuals may prioritize their own satisfaction over a genuine concern for the welfare of others (Batson, 1991). This perspective suggests that warm-glow giving can undermine the true altruistic intent of charity, resulting in situations where people give mainly to feel good about themselves rather than effectively addressing social needs. This raises ethical questions, challenging the notion that all charitable behavior is morally commendable.

Moreover, warm-glow giving can lead to a form of “moral licensing,” where individuals feel justified in behaving less altruistically in other areas of their lives because they believe they have already done good by donating to charity (Sachdeva et al., 2009). This phenomenon suggests that the warm-glow effect might inadvertently foster complacency, as people may use their charitable actions to rationalize less responsible behavior in other aspects of their lives. Consequently, charitable organizations and policymakers should be mindful of these potential pitfalls when designing programs that leverage warm-glow incentives, balancing the benefits of emotional engagement with a focus on effective altruism.

4.2. Reciprocal Altruism and Social Preferences

Reciprocal altruism, introduced by Robert Trivers in 1971, explains charitable and cooperative behavior in economic contexts. Unlike pure altruism, which occurs without expectation of return, reciprocal altruism involves individuals acting generously with the hope of future repayment. This principle thrives in close-knit communities where interactions are frequent (Trivers, 1971). It helps maintain trust and cooperation, fostering a cycle of mutual benefit and social cohesion.

From an economic perspective, reciprocal altruism can be viewed as an investment in social capital. When individuals contribute to the well-being of others, they build relationships and establish reputations that increase the likelihood of receiving assistance or support in the future. Research in behavioral economics indicates that people are more likely to give when they believe their contributions will lead to future benefits, whether through direct reciprocity from the recipient or indirect benefits, such as an enhanced reputation (Nowak & Sigmund, 2005). In this way, reciprocal altruism acts as a mechanism that strengthens social bonds and ensures collective resilience during times of need, particularly within communities where individuals frequently rely on one another for support.

In contemporary economies, reciprocal altruism manifests in various forms, such as workplace collaborations, neighborhood assistance, and commercial contexts. Employers, for instance, may invest in their employees' well-being with the expectation of loyalty and improved productivity. At the same time, businesses may engage in corporate social responsibility to foster goodwill with consumers and communities. Studies have shown that individuals are more likely to engage in charitable behavior when they perceive a sense of reciprocal trust within their communities, suggesting that reciprocity can strengthen social and economic relationships (Fehr & Fischbacher, 2004).

In addition to reciprocal altruism, social preferences significantly influence charitable behavior. Social preferences refer to the tendency of individuals to consider the welfare of others when making decisions. Unlike traditional economic models that assume people act solely out of self-interest, theories of social preferences recognize that individuals care about fairness, equity, and reciprocity. As a result, they often make decisions that benefit others, even at a personal cost (Fehr & Schmidt, 1999). For example, individuals may contribute to charitable causes not only to help those in need but also because such actions align with their sense of fairness or a moral obligation to support the less fortunate.

Social preferences are shaped by norms, cultural expectations, and personal beliefs. People tend to donate when they observe others in their network contributing, as it aligns with group norms and enhances social reputation. This effect is especially strong in public giving, where visible donations encourage additional contributions. Research indicates that social preferences often prioritize collective welfare over individual gains, especially in cooperative societies (Henrich et al., 2005).

Reciprocal altruism and social preferences are closely linked to trust, which is a foundational aspect of economic decision-making. Trust diminishes the perceived risks associated with charitable behavior and encourages individuals to contribute resources to others. When people trust that their generosity will be reciprocated or that others in society share similar values, they are more inclined to engage in acts of charity or cooperation (Gächter, 2006). This trust-based dynamic is crucial for sustaining charitable behavior, as individuals are more likely to give when they are confident their actions will be valued and appreciated.

The principle of reciprocity influences charitable giving through "reciprocal kindness," where individuals feel a moral obligation to return kindness received. Those who benefit from community support often feel compelled to "pay it forward." This indirect reciprocity helps maintain social cohesion and shared responsibility (Nowak & Roch, 2007). Charitable organizations leverage this impulse by encouraging donors to reciprocate the support they've received, promoting ongoing contributions.

4.3. The Impact of Framing Effects on Charitable Giving

Framing effects pertain to the psychological phenomenon whereby the presentation of information shapes individuals' decision-making processes. This concept is particularly relevant in the context of charitable giving, where the manner in which messages are crafted can profoundly influence a person's willingness to contribute. Extensive research in behavioral economics, particularly the work of Tversky and Kahneman (1981), has highlighted that donors are more inclined to give when the communication emphasizes tangible, positive outcomes.

For instance, when a campaign presents a specific narrative about a beneficiary—a vivid story that illustrates how a donation can directly alleviate suffering or improve someone's life—it tends to resonate more deeply with potential donors. This storytelling approach taps into empathy, generating a stronger emotional connection compared to campaigns that rely heavily on abstract statistics or impersonal appeals.

Moreover, campaigns that focus on relatable causes, such as helping children in poverty or saving endangered species, often trigger more immediate feelings of compassion and urgency. In contrast, when a message solely highlights the vast scale of a social issue without personalizing the impact of donations, it can lead to donor apathy or uncertainty. By strategically framing the message to highlight individual stories or relatable situations, charitable organizations can significantly boost engagement and increase donation rates, demonstrating the powerful role of emotional appeal in influencing financial support for causes.

Framing effects also influence how individuals perceive their ability to make a difference. Research has demonstrated that people are more likely to donate when they believe their contributions can have a tangible impact, a phenomenon referred to as "effective giving" (Singer, 2015). Organizations that employ effective framing techniques typically experience better results in their fundraising efforts, as these techniques appeal to individuals' sense of agency and their capacity to make a difference. This highlights the significance of communication strategies within charitable organizations, as effective messaging can greatly enhance public giving and donor engagement.

4.4. Social Norms and Public Giving

Social norms play a significant role in shaping charitable behavior, especially in public giving scenarios. These norms, which are the accepted behaviors within a community or group, can either encourage or discourage charitable contributions. They establish a framework of expectations regarding how individuals should act in society, often conveying the message that charitable giving is both socially and morally appropriate (Cialdini & Trost, 1998).

In public giving—charitable activities conducted in visible settings—these social expectations are heightened. Individuals are motivated not just by a desire to give, but also by the additional incentive of gaining social recognition and approval from their peers. As a result, the influence of social norms and the drive for approval prompt people to contribute more in public situations, as they strive to align their actions with the collective values of their community, often leading to increased donations (Ariely et al., 2009).

One of the main ways social norms influence charitable behavior is through descriptive and injunctive norms. Descriptive norms refer to what people typically do, while injunctive norms reflect beliefs about what people should do. In charitable contexts, descriptive norms impact individuals' decisions by indicating that giving is expected behavior within their social group. This perception makes people feel that donating is both natural and anticipated (Goldstein et al., 2008). For instance, if individuals observe that many people in their community contribute to a specific charity, they are more likely to donate themselves, believing that giving is the norm.

On the other hand, injunctive norms create moral imperatives that drive behavior by instilling a sense of obligation to contribute. Public recognition of donors can strengthen these norms, as demonstrated by practices like donor lists, plaques, and public acknowledgment of contributions. Such recognition often increases the likelihood of donations. Studies indicate that when individuals believe they will receive public acknowledgment or approval, they are more inclined to donate, as their actions enhance their social standing and align with community values (Bekkers &

Wiepking, 2011). This phenomenon highlights the importance of public giving events, where individuals' charitable actions are visible to others, increasing both social approval and the motivation to give.

Social norms significantly influence charitable behavior across cultures, with collectivist societies prioritizing community welfare. In these cultures, individuals may feel strong social pressure to engage in public giving, as it reflects collective responsibility. In contrast, individualistic cultures emphasize personal choice, making public giving more about personal values than social expectations. Research indicates that individuals in collectivist cultures are more responsive to social norms and likely to give when their actions are observable.

Understanding cultural variations is essential for international charities, as effective fundraising strategies need to consider local social norms and expectations. For instance, appeals that highlight communal responsibility and social approval are likely to resonate more in collectivist cultures. Conversely, appeals that focus on personal impact and self-expression tend to be more effective in individualistic societies.

Charitable organizations can enhance public giving by leveraging social norms through strategies that emphasize both the descriptive and injunctive aspects of charitable behavior. By highlighting messages like "many others in your community have given" (descriptive norm) or "giving is the right thing to do" (injunctive norm), these organizations can tap into individuals' desire to align their actions with the perceived behaviors and values of their community (Kallgren et al., 2000). Additionally, public giving platforms, such as online donation pages that display individual contributions, can serve as social proof while also providing a way for individuals to receive recognition for their generosity.

4.5. Economic Policy and Charitable Behavior: The Role of Tax Incentives

Economic policy, particularly through tax incentives, has a significant impact on charitable giving by individuals and organizations. Tax incentives, such as deductions for charitable contributions, aim to promote philanthropic activities by lowering the financial burden of giving. Governments around the world utilize these incentives to encourage private donations to social and public causes, thereby alleviating the strain on state-provided welfare and fostering the growth of the nonprofit sector. Consequently, tax incentives influence individual donation behavior and play a crucial role in shaping the overall landscape of charitable giving and the funding of public goods.

Tax incentives for charitable donations function primarily through deductions or credits, which can significantly impact taxpayers' financial decisions regarding philanthropy. In the United States, individuals who opt to itemize their deductions on their federal income tax returns can lower their taxable income by the total amount of their charitable donations. This process effectively reduces their overall tax liability, making charitable giving not only a means of supporting important causes but also a financially savvy choice. As highlighted by Clotfelter (1985), this incentive structure diminishes the opportunity cost associated with making donations, as the financial benefits from tax savings can encourage more generous contributions.

Similarly, other countries have implemented comparable mechanisms to promote charitable giving. For instance, in Canada, the system offers charitable tax credits, which allow taxpayers to receive a percentage of their donation amount back as a tax credit. This credit directly incentivizes individuals to contribute to registered charities, as it provides a tangible financial reward for their generosity (Brooks, 2007). Countries around the world adopt various forms of these incentives, recognizing the role of tax policies in enhancing charitable contributions and fostering a culture of philanthropy.

Furthermore, tax incentives align with the economic principle of utility maximization. By providing these financial incentives, governments allow individuals to reduce their tax liabilities while also fulfilling altruistic goals and supporting causes they care about. As a result, tax incentives serve as a form of "dual utility," combining financial benefits with social satisfaction (Andreoni & Payne, 2011). Tax incentives for charitable giving often benefit wealthier individuals who itemize deductions, potentially widening the gap in support for charitable organizations. Higher-income donors can contribute more and receive greater tax benefits, leading to a skewed landscape that favors causes appealing to them. This raises important questions about whether tax policy promotes equitable support across diverse charitable needs (Brown et al., 2017).

To address concerns about equity, some economists and policymakers suggest implementing capped deductions or "tax credits" instead of traditional "tax deductions." Tax credits offer a fixed percentage back on all donations, regardless of a taxpayer's income level. This method could enhance fairness by providing the same level of tax benefits to all taxpayers, which may encourage middle- and lower-income individuals to give more (Slemrod & Bakija, 2017).

Tax incentives play a pivotal role in fostering corporate philanthropy. Companies that contribute to charitable causes can often deduct these donations from their taxable income, effectively lowering their overall tax rate. This not only promotes corporate giving but also strengthens the relationship between companies and their communities, enhancing their public image. By making corporate donations tax-deductible, economic policy provides a compelling financial rationale for philanthropy, aligning profit motives with social impact. Furthermore, tax incentives can encourage corporations to collaborate with charitable organizations, creating synergies that benefit both sides and contribute to overall social welfare (Himmelstein, 1997).

As the landscape of charitable giving shifts—especially with the rise of online donation platforms—tax policy must evolve to maintain relevance and equity in incentive structures. For example, introducing policies that address micro-donations or enhance tax incentives for smaller contributions could democratize the philanthropic process, thus engaging a wider demographic. Furthermore, re-evaluating tax credits as an alternative to itemized deductions may stimulate charitable contributions across various income brackets, ultimately enriching the philanthropic ecosystem and fostering a more inclusive culture of giving (List, 2011).

5. The Future and Conclusion

The future of charitable behavior in economics is likely to be influenced by several factors, including technological advancements, evolving social norms, and changing economic policies. As the dynamics of giving continue to change, economists and policymakers are increasingly focused on understanding how these trends could affect the motivations, methods, and effectiveness of charitable contributions.

With the rise of digital platforms, increased awareness of global issues, and changes in regulatory frameworks, charitable behavior is expected to diversify in order to reflect new societal priorities and needs. Additionally, the shifting landscape of wealth distribution, along with a growing emphasis on social impact, is anticipated to lead to a more nuanced understanding of charitable behavior. This shift may challenge traditional approaches and encourage innovative strategies aimed at maximizing social good.

Technology has fundamentally altered the landscape of charitable giving through the emergence of digital donation platforms, social media, and peer-to-peer fundraising mechanisms. Platforms such as GoFundMe, Patreon, and GlobalGiving, along with digital payment solutions, have streamlined the donation process, facilitating immediate engagement with and dissemination of charitable initiatives. This enhanced accessibility has expanded the reach of fundraising campaigns, enabling real-time contributions to causes that resonate with individual donors. Additionally, these platforms have effectively reduced entry barriers for smaller donors, allowing participation in charitable endeavors without the traditional constraints of geographic boundaries or organizational affiliation (Aaker & Akutsu, 2009).

Technology enhances transparency, which is crucial for donors, especially younger generations. Many now expect charities to show clear reporting on the impact of their donations. Blockchain, for instance, provides verifiable records of charitable transactions, boosting trust in the donation process. This push for accountability encourages charitable organizations to adopt new technologies, allowing donors to monitor their contributions' outcomes and engage more deeply with causes.

The nature of charitable behavior is evolving as social and cultural values change also. Younger generations, including Millennials and Generation Z, tend to prioritize social impact and are more likely to seek opportunities for giving that align with their personal values, such as environmental sustainability and social justice (Cone Communications, 2016). For these individuals, charity involves not only monetary donations but also engaging in sustainable practices, ethical consumption, and advocacy. This shift may lead to a broader understanding of charitable behavior in economics, with economists considering a wider range of prosocial activities as forms of “charity” beyond traditional financial contributions (Bekkers & Wiepking, 2011).

The increasing prominence of "social impact investing" illustrates this evolving cultural landscape. Rather than making one-time contributions, many individuals are now keen to support initiatives that yield both social and financial returns. This includes investments in sustainable businesses, renewable energy projects, and microfinance (Bugg-Levine & Emerson, 2011). This fusion of profit motive and social benefit has the potential to redefine the distinctions between charity and investment, possibly creating new categories of giving that challenge the traditional divide between philanthropy and capitalism. Social impact bonds, for example, exemplify an innovative approach to financing social initiatives and signify this shift toward investment-focused philanthropy.

Behavioral economics is also likely to play an increasingly significant role in shaping future charitable behavior by offering insights on how to encourage more effective giving. Techniques such as "nudging"—small interventions designed to promote desired behaviors—are already being employed to boost donation rates. For example, setting default donation options or suggesting contribution amounts can help overcome inertia and motivate individuals to take action (Thaler & Sunstein, 2008). As behavioral economics continues to reveal new insights into decision-making, charitable organizations may be able to tailor their appeals more effectively to align with donors' cognitive biases and preferences.

Personalization is increasingly recognized as a critical component of contemporary charitable initiatives. By leveraging data analytics and AI, nonprofit organizations can curate targeted experiences that deepen donor engagement by showcasing the specific impacts of their contributions. This approach can encompass recommending causes aligned with donors' previous engagement, providing nuanced updates on funded projects, or enabling donors to specify preferences regarding the allocation of their funds (Andreoni & Payne, 2011).

As charitable behavior evolves, governments are also reassessing policies that incentivize giving to ensure they remain relevant. Current tax incentive structures may not adequately address the modern giving landscape, particularly as new forms of donation such as crowdfunding and digital platforms continue to grow. Policymakers may consider implementing more inclusive and equitable tax policies that incentivize a broader range of charitable activities, including volunteering, small donations, and in-kind contributions, to reflect better the diverse ways in which individuals now engage in charitable behavior (Sieg & Clotfelter, 2002).

Corporations increasingly shape the future of charitable behavior as they adopt social responsibility and environmental, social, and governance (ESG) practices. Many companies are implementing policies that promote employee engagement in charitable efforts through initiatives like matching gift programs and paid volunteer days (Porter & Kramer, 2006). As organizations prioritize sustainability and social impact, corporate charitable initiatives are expected to assume a more significant role in overall charitable contributions. This trend has blurred the lines between corporate objectives and charitable aims, potentially leading to innovative hybrid models that utilize private sector resources to tackle social issues.

While these trends indicate a promising future for charitable behavior, several challenges persist. For example, the dependence on digital platforms raises concerns about data security, donor privacy, and equitable access to giving opportunities. Additionally, as charitable behavior becomes more diverse, traditional nonprofits may encounter heightened competition from for-profit entities and technology-driven giving solutions. Finally, the evolution of charitable behavior is likely contingent upon the adaptability of policies, organizations, and individuals to emerging paradigms of giving. As societal expectations shift and new generations influence the philanthropic landscape, the conceptual framework of charity itself may broaden significantly. This expansion could integrate a diverse range of activities aimed at promoting social good, reflecting a more nuanced understanding of altruism and its manifestations in contemporary society.

In conclusion, charitable behavior is a critical element of both economic and social frameworks, illustrating the complex interplay between altruism, self-interest, and societal norms. This article delves into the multifaceted motivations driving charitable contributions, ranging from the intrinsic satisfaction of "warm-glow" feelings to the strategic reciprocity inherent in social preferences. Although altruism and economic rationality may seem at odds, they often converge in charitable actions, where personal gratification, societal acknowledgment, and moral imperatives coalesce. The historical trajectory of charitable behavior is deeply rooted in ancient civilizations and religious doctrines, evolving in tandem with shifting economic paradigms and social demands over time.

The Industrial Revolution Signified a crucial transformation in how charity was institutionalized, shifting it from a personal moral duty to a structured social initiative supported by policies and tax incentives. Today, charitable behavior is significantly shaped by behavioral economics, which influences how individuals perceive and participate in giving. Furthermore, social norms and framing effects highlight the substantial impact of context on charitable decision-making. With evolving policies, technological advancements, and changing societal values, the future of charitable behavior is likely to present a broader range of giving opportunities, enhanced transparency, and increased engagement with causes driven by measurable impact.

The analysis of charitable behavior through an economic lens provides essential insights for cultivating a robust and inclusive philanthropic ecosystem. By examining the underlying motivations driving altruistic actions, economists and policymakers can devise targeted incentives that promote a culture of giving. In the context of increasing social, environmental, and economic challenges, the role of charitable behavior becomes pivotal. It not only facilitates individual contributions but also enhances collective outcomes, thereby advancing the pursuit of a more equitable and sustainable future.

References

Aaker, J., & Akutsu, S. (2009). "Why do people give? The role of identity in giving." *Journal of Consumer Psychology, 19*(3)*,* 267-270.

Aldrete, G. S. (2009). *Daily Life in the Roman City: Rome, Pompeii, and Ostia.* University of Oklahoma Press.

Andreoni, J. (1989). Giving with impure altruism: Applications to charity and Ricardian equivalence. *Journal of Political Economy, 97*(6)*,* 1447-1458.

Andreoni, J. (1990). Impure Altruism and Donations to Public Goods: A Theory of Warm-Glow Giving. *The Economic Journal, 100*(401)*,* 464-477.

Andreoni, J., & Payne, A. A. (2011). Is crowding out due entirely to fundraising? Evidence from a panel of charities. *Journal of Public Economics, 95(5-6),* 334-343.

Ariely, D., Bracha, A., & Meier, S. (2009). Doing Good or Doing Well? Image Motivation and Monetary Incentives in Behaving Prosocially. *American Economic Review, 99*(1), 544-555.

Aristotle. (2014). *Aristotle: Nicomachean Ethics*. (R. Crisp, Ed.) (2nd ed.). Cambridge: Cambridge University Press.

Assmann, J. (2002). *The Mind of Egypt: History and Meaning in the Time of the Pharaohs.* Metropolitan Books.

Auten, G., Sieg, H., & Clotfelter, C. T. (2002). Charitable Giving, Income, and Taxes: An Analysis of Panel Data. *American Economic Review, 92*(1), 371-382.

Batson, C. D. (1991). *The Altruism Question: Toward a Social-Psychological Answer.* Erlbaum.

Becker, G. S. (1974). A Theory of Social Interactions. *Journal of Political Economy, 82*(6), 1063-1093.

Bénabou, R., & Tirole, J. (2006). Incentives and prosocial behavior. *American Economic Review, 96*(5), 1652-1678.

Benthall, J., & Bellion-Jourdan, J. (2003*). The Charitable Crescent: Politics of Aid in the Muslim World.* I.B. Tauris.

Bekkers, R., & Wiepking, P. (2011). A literature review of empirical studies of philanthropy: Eight mechanisms that drive charitable giving. *Nonprofit and Voluntary Sector Quarterly, 40*(5), 924-973.

Brown, P. (1988). *The Body and Society: Men, Women, and Sexual Renunciation in Early Christianity*. Columbia University Press.

Brown, A. L., Meer, J., & Williams, J. F. (2017). *Why do people volunteer? An experimental analysis of preferences for time donations.* NBER Working Papers, 19066.

Cameron, A. (1993). *The Later Roman Empire*. Harvard University Press.

Carnegie, A. (1889). *The Gospel of Wealth.* North American Review.

Cialdini, R. B., & Trost, M. R. (1998). Social influence: Social norms, conformity, and compliance. *The Handbook of Social Psychology, 2*(2), 151-192.

Cialdini, R. B. (2001). *Influence: Science and Practice*. Allyn & Bacon.

Clotfelter, C. T. (1985). *Federal Tax Policy and Charitable Giving.* University of Chicago Press.

David, R. (1998). *The Ancient Egyptians: Beliefs and Practices*. Sussex Academic Press.

Duncan, B. (2004). A theory of impact philanthropy. *Journal of Public Economics, 88*(9-10), 2159-2180

Dosoo, K. (2018, September 26). *Ancient Egyptian Religion*. Oxford Research Encyclopedia of Religion. Retrieved 23 Oct. 2024, from https://oxfordre.com/religion/view/10.1093/acrefore/9780199340378.001.0001/acrefore-9780199340378-e-246.

Eckel, C. C., & Grossman, P. J. (1996). Altruism in anonymous dictator games. *Games and Economic Behavior, 16*(2), 181-191.

Engels, F. (1845). *The Condition of the Working Class in England*. Leipzig: Otto Wigand.

Fack, G., & Landais, C. (2010). Are Tax Incentives for Charitable Giving Efficient? Evidence from France. *American Economic Journal: Economic Policy, 2(2),* 117-141.

Fehr, E., & Fischbacher, U. (2004). Social norms and human cooperation. *Trends in Cognitive Sciences, 8*(4), 185-190.

Fehr, E., & Schmidt, K. M. (1999). A Theory of Fairness, Competition, and Cooperation. *Quarterly Journal of Economics, 114(3),* 817-868.

Gächter, S. (2006). *Conditional cooperation: Behavioral regularities from the lab and the field and their policy implications*. CeDEx Discussion Paper Series.

Garnsey, P. (1999*). Food and Society in Classical Antiquity*. Cambridge University Press.

Gneezy, A., Keenan, E. A., & Gneezy, U. (2014). Avoiding overhead aversion in charity. *Science, 346*(6209), 632-635.

Goldstein, N. J., Cialdini, R. B., & Griskevicius, V. (2008). A room with a viewpoint: Using social norms to motivate environmental conservation in hotels. *Journal of Consumer Research, 35*(3), 472-482.

Grant, M. (1987). *The Rise of Greeks*. Charles Scribner's Sons.

Harbaugh, W. T., Mayr, U., & Burghart, D. R. (2007). Neural responses to taxation and voluntary giving reveal motives for charitable donations. *Science, 316*(5831), 1622-1625.

Heitzenrater, R. P. (1995). *Wesley and the People Called Methodists*. Abingdon Press.

Henrich, J., Boyd, R., Bowles, S., Camerer, C., Fehr, E., Gintis, H., & McElreath, R. (2005). Economic man in cross-cultural perspective: Behavioral experiments in 15 small-scale societies. *Behavioral and Brain Sciences, 28*(6), 795-815.

Hilton, M. (2009). *Prosperity for All: Consumer Activism in an Era of Globalization.* Cornell University Press.

Himmelstein, J. L. (1997). *Looking Good and Doing Good: Corporate Philanthropy and Corporate Power.* Indiana University Press.

Himmelfarb, G. (1991). *Poverty and Compassion: The Moral Imagination of the Late Victorians*. Vintage Books.

Hobsbawm, E. (1999). *Industry and Empire: The Birth of the Industrial Revolution.* The New Press.

Horsley, R. A. (1997). *Paul and Empire: Religion and Power in Roman Imperial Society.* Trinity Press International.

Hudson, P. (1992). *The Industrial Revolution.* Bloomsbury Academic.

Kahneman, D., & Tversky, A. (1979). Prospect Theory: An Analysis of Decision under Risk. *Econometrica, 47*(2), 263-292.

Kallgren, C. A., Reno, R. R., & Cialdini, R. B. (2000). A focus theory of normative conduct: When norms do and do not affect behavior. *Personality and Social Psychology Bulletin, 26*(8), 1002-1012.

Karlan, D., & Wood, D. H. (2017). The Effect of Effectiveness: Donor Response to Aid Effectiveness in a Direct Mail Fundraising Experiment. *Journal of Behavioral and Experimental Economics, 66*, 1-8.

Laidlaw, J. (2013). *In The Subject of Virtue: An Anthropology of Ethics and Freedom*. Cambridge University Press

Lichtheim, M. (2019). *Ancient Egyptian Literature: A Book of Instructions*. University of California Press.

List, J. A. (2011).The market for charitable giving. *Journal of Economic Perspectives, 25*(2), 157-180.

Moll, J., Krueger, F., Zahn, R., Pardini, M., de Oliveira-Souza, R., & Grafman, J. (2006). Human fronto–mesolimbic networks guide decisions about charitable donation.*Proceedings of the National Academy of Sciences, 103*(42), 15623-15628.

Nowak, M. A., & Roch, S. (2007). Upstream reciprocity and the evolution of gratitude. *Proceedings Biological Sciences, 274(1610),* 605-609.

Nowak, M. A., & Sigmund, K. (2005). Evolution of indirect reciprocity. *Nature, 437*(7063), 1291-1298.

Porter, M. E., & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard Business Review, 84(12),* 78-92.

Postgate, J. N. (1994). *Early Mesopotamia : Society and Economy at the Dawn of History.* Routledge.

Prochaska, F. (1988). *The Voluntary Impulse: Philanthropy in Modern Britain.* Faber and Faber.

Redford, D. B. (2001). *The Oxford Encyclopedia of Ancient Egypt*. Oxford University Press.

Rose, M. E. (1971). *The Relief of Poverty, 1834-1914.* Macmillan.

Sachdeva, S., Iliev, R., & Medin, D. L. (2009). Sinning saints and saintly sinners: The paradox of moral self-regulation. *Psychological Science, 20*(4), 523-528.

Singer, P. (2015). *The Most Good You Can Do: How Effective Altruism Is Changing Ideas About Living Ethically.* Yale University Press.

Solihin, S. M. (2007). *Copts and Muslims in Egypt.* Islamic Foundation.

Slemrod, J., & Bakija, J. (2017). *Taxing Ourselves: A Citizen's Guide to the Debate Over Taxes.* MIT Press.

Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and Callousness: The Impact of Deliberative Thought on Donations to Identifiable and Statistical Victims. *Organizational Behavior and Human Decision Processes, 102*(2), 143-153.

Smith, A. (1776). *The Wealth of Nations*. W. Strahan and T. Cadell.

Solihin, S. M. (2007). *Copts and Muslims in Egypt: A Study in Harmony and Hostility*. American University in Cairo Press.

Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving Decisions About Health, Wealth, and Happiness.* Yale University Press.

Thompson, E. P. (1963). *The Making of the English Working Class.* Pantheon Books.

Trivers, R. L. (1971). The evolution of reciprocal altruism. *Quarterly Review of Biology, 46*(1), 35-57.

Tversky, A., & Kahneman, D. (1981). The framing of decisions and the psychology of choice. *Science, 211*(4481), 453–458.

Tyldesley, J. (1998). *Hatchepsut: The Female Pharaoh.* Penguin Books.

Veyne, P. (1992). *Bread and Circuses: Historical Sociology and Political Pluralism.* Penguin Books.

Weber, M. (2001). *The Protestant Ethic and the Spirit of Capitalism*.Routledge.