

Contents

List of Figures	vii
List of Tables	viii
1 Introduction	1
2 Relative Consumption and Majority Voting	9
2.1 Introduction	10
2.2 The model	12
2.2.1 Specifications and efficiency	12
2.2.2 The decentralized election outcome	15
2.2.3 The centralized election outcome	16
2.3 Comparison	17
2.3.1 Public good provision	17
2.3.2 Welfare	19
2.4 Conclusion	22
Appendix	24
2.A Comparative statics	24
2.B Public good status effects	24
3 Relative Consumption and Trade Unions	27
3.1 Introduction	28
3.2 The model	30
3.2.1 Preferences	30
3.2.2 Production	30
3.2.3 Pareto efficiency and welfare maximum	31
3.2.4 The market equilibrium	32
3.3 A constrained trade union	34
3.4 An unconstrained trade union	38

3.5	Summary	39
	Appendix	41
3.A	Proof of proposition 1	41
3.B	Proof of proposition 2	41
3.C	Proof of proposition 3	43
4	Relative Consumption and Liability Law	45
4.1	Introduction	46
4.2	The model and the social optimum	48
4.2.1	The model	48
4.2.2	The social optimum	50
4.3	Decentralized decision-making under tort law	51
4.3.1	Strict liability	51
4.3.2	Negligence	55
4.4	Discussion	59
4.4.1	Example	59
4.4.2	Assessing the importance of status-seeking behavior	61
4.5	Conclusion	62
	Appendix	64
4.A	Strict liability with full compensation	64
4.B	Strict liability with modified compensation	64
4.C	Negligence with due-care obedience	65
5	Relative Consumption Effects of Private and Public Goods	67
5.1	Introduction and related literature	68
5.2	Survey structure	69
5.3	Results	71
5.3.1	Descriptive results	71
5.3.2	Why are some goods more positional than others?	74
5.4	Conclusion	81
	Appendix	83
5.A	Survey questions	83
5.B	World Values Survey	87
6	Relative Consumption Effects and Non-Monotonic Preferences	89
6.1	Introduction	90
6.2	Related literature	91

6.3	Survey	93
6.3.1	Design and sample	93
6.3.2	Survey results	97
6.4	Conclusion	102
	Appendix	104
6.A	Survey questions	104
7	Exploring and Explaining Relative Consumption Effects	107
7.1	Introduction	108
7.2	Related literature	109
7.3	Design and sample	111
7.4	Survey results	114
7.4.1	Treatment effect	114
7.4.2	Explanatory approach	117
7.5	Conclusion	125
	Appendix	127
7.A	Survey questions	127
7.B	Robustness checks	129
7.B.1	Socio-economic variables	129
7.B.2	Treatment effect	129
7.B.3	Explanatory approach	133
8	Summary	135
	Bibliography	139