

"Helping the meaner, hurting the nicer: the contribution vs distribution game" - Gianandrea Staffiero - Universitat Autònoma de Barcelona

Our experimental design addresses the increasingly debated question over the comparative importance of inequality aversion, reciprocity and efficiency as behavioral motives leading to deviations from standard "homo economicus" predictions.

Subjects in the experiments are anonymously matched in couples and play a standard public good game. Then one subject for every couple is randomly selected to be the active player in a second phase, in which he has to decide on whether to spend a part of his payoff to increase, or rather to decrease, his opponent's result. The "second phase technology" is such that increasing decisions make the payoff sum larger, as the "inactive" player gets three times the expense by the "active", while decreasing ones make it smaller.

Data from the baseline treatment essentially replicate the tendency found in previous experiments to "reward" higher contributions and "punish" the lowest. Additional treatments involve unequal exogenous assignment of extra payoff by the experimenter, after the first phase. These assignments create inequality which cannot be attributed to intentions held by one's opponent. However, we find that choices to increase or decrease opponents' payoff vary a lot across treatments. In particular, we find that active players in the second phase often take decisions which hurt opponents who had contributed more to the public good, but whose payoff got higher due to the exogenous assignment, and others which help opponents who had contributed less, but are poorer.

We can conclude that inequality aversion explains a larger part of our data than reciprocity motives. Moreover, we also find that efficiency motives do not appear to have any relevance in subjects' behavior, as the frequency of increasing and decreasing decisions does not differ. This result is

confirmed by an additional treatment where the public good game is removed and second phase choices affect payoffs entirely determined by exogenous assignments.

Overall, our data support inequality aversion as a robust phenomenon when compared with reciprocity and efficiency motives.