

Abbink, Klaus; Herrmann, Benedikt

Working Paper

The moral costs of nastiness

CeDEx Discussion Paper Series, No. 2009-10

Provided in Cooperation with:

The University of Nottingham, Centre for Decision Research and Experimental Economics (CeDEx)

Suggested Citation: Abbink, Klaus; Herrmann, Benedikt (2009) : The moral costs of nastiness, CeDEx Discussion Paper Series, No. 2009-10, The University of Nottingham, Centre for Decision Research and Experimental Economics (CeDEx), Nottingham

This Version is available at:

<https://hdl.handle.net/10419/49667>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



CENTRE FOR DECISION RESEARCH & EXPERIMENTAL ECONOMICS



The University of
Nottingham

Discussion Paper No. 2009-10

Klaus Abbink and
Benedikt Herrmann
June 2009

The Moral Costs of Nastiness

CeDEx Discussion Paper Series

ISSN 1749 - 3293



CENTRE FOR DECISION RESEARCH & EXPERIMENTAL ECONOMICS

The Centre for Decision Research and Experimental Economics was founded in 2000, and is based in the School of Economics at the University of Nottingham.

The focus for the Centre is research into individual and strategic decision-making using a combination of theoretical and experimental methods. On the theory side, members of the Centre investigate individual choice under uncertainty, cooperative and non-cooperative game theory, as well as theories of psychology, bounded rationality and evolutionary game theory. Members of the Centre have applied experimental methods in the fields of Public Economics, Individual Choice under Risk and Uncertainty, Strategic Interaction, and the performance of auctions, Markets and other economic institutions. Much of the Centre's research involves collaborative projects with researchers from other departments in the UK and overseas.

Please visit <http://www.nottingham.ac.uk/economics/cedex/> for more information about the Centre or contact

Karina Terry
Centre for Decision Research and Experimental Economics
School of Economics
University of Nottingham
University Park
Nottingham
NG7 2RD
Tel: +44 (0) 115 95 15620
Fax: +44 (0) 115 95 14159
karina.terry@nottingham.ac.uk

The full list of CeDEX Discussion Papers is available at

<http://www.nottingham.ac.uk/economics/cedex/papers/index.html>

The Moral Costs of Nastiness

by KLAUS ABBINK and BENEDIKT HERRMANN¹

We introduce two variants of the one-shot *joy-of-destruction minigame* (mini-JOD). Two players are endowed with the same amount of money. They simultaneously decide whether or not to reduce the payoff of the other player at an own cost. In one treatment there was a probability that Nature would destroy the opponent's money anyway. We test whether this feature reduces the moral costs of being nasty, and find that destruction rates rise significantly, despite the absence of strategic reasons.

Antisocial behaviour is ubiquitous in the real world. People suffer violence from perfect strangers or have their cars scratched and tyres punctured. Computer viruses are circulated solely to do harm. Yet behavioural economists have devoted almost all their attention to pro-sociality. There is an overwhelming body of literature on the cooperative, altruistic and fairness-minded *homo reciprocans* (a term coined by Fehr and Gächter (1998)), but experimental studies dealing with the darker side of human behaviour are few and far between.² Zizzo and Oswald (2001) observe people foregoing own payoff for the reduction of someone else's income, mainly to reduce disadvantageous inequality. Abbink and Sadrieh (2008) remove this motive from their joy-of-destruction game and still obtain destruction frequencies of up to 40%. Despotic behaviour has also been observed in public good games with punishment. Next to cooperators punishing free-riders, there is also a good deal of antisocial punishment, i.e. selfish individuals punishing contributors (Herrmann et al. (2008)).

In this paper we study the role of moral costs and scruples in antisocial behaviour. We introduce the experimental *joy-of-destruction minigame* (mini-JOD, see Gächter et al. (2009)) with two treatments, *open* and *hidden*. In both treatments two players are endowed with 10 money units [MU] each, and both players simultaneously decide whether or not to destroy 5 MU of the other player's endowment, at an own cost of 1 MU. In the hidden treatment, a die is rolled for each player. With 1/3 probability, the player loses 5 MU anyway, regardless of the other player's decision, rendering the other player's decision to burn ineffective. A player who loses 5 MU through destruction is not told whether this was due to the opponent's action, or to the roll of the die. Before we conducted the experiment, we hypothesised that this feature may reduce the moral costs of nastiness as the targeted subject cannot identify anymore the other player as the cause of destruction, while the destroyer can argue for herself that the money will quite possibly be destroyed anyway. Such reduction of the moral costs of being nasty therefore may increase burning rates.. The game was played one-shot, i.e. in both treatments strategic aspects, like fear of retaliation, did not play a role. In neither treatment could the target find out the destroyer's identity, hence the moral cost effect involves the own conscience only, not the individual's social reputation.

The experiment was conducted by hand at universities in Dnipropetrovsk, Donetsk and Ternopil, all in Ukraine, with students from a wide range of disciplines. Participants were separated by a complete cardboard cover to ensure anonymity as burning decisions may be sensi-

¹ Abbink: CREED, University of Amsterdam, k.abbink@uva.nl. Herrmann: School of Economics, The University of Nottingham, benedikt.herrmann@gmail.com. We thank Inessa Penkova and Oleksiy Tarasenko for skillful research assistance and seminar participants in Nottingham for helpful comments. Financial support through the University of Nottingham is gratefully acknowledged. This version June 2009.

² Earlier, some experimentalists explained behaviour in common games with negative motivations, like envy in ultimatum games (Kirchsteiger (1994)) or spite in public good games (Saijo and Nakamura (1995)).

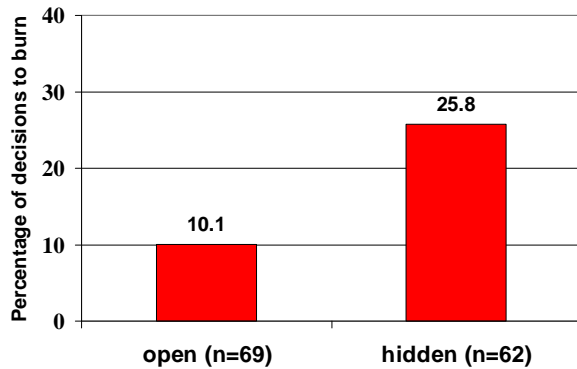


Figure 1. Burning rates in the two treatments

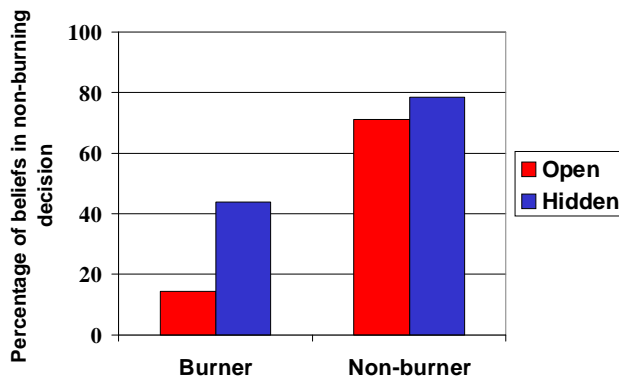


Figure 2. Expectations of subjects about their counterpart's behaviour

tive to the possibility of being observed. In an incentivised post-experimental questionnaire we asked participants about their expectation of their opponent's behaviour.

Figure 1 shows the burning rates in the two treatments of our experiment. In the open treatment, about one in nine subjects (10.8%) exhibits nasty behaviour and destroys another person's money at own costs. While this figure may seem low, the rate shoots up to more than a quarter (25.8%) in the hidden treatment. The difference is significant at $p=0.012$ (one-sided) according Fisher's exact test. If there is a chance that the target loses the money anyway, and the source of the loss is not identifiable, the scruples subjects have to harm other subjects are reduced and they become considerably nastier.

Figure 2 shows the expectations subjects have about other players' behaviour, displayed separately for participants who destroyed money and those

who did not. There is a strong and significant correlation that those subjects who burn money tend to be also those who expect their counterpart to burn theirs.

To summarise, our experiment reveals a tension between the pleasure of being nasty and the scruples to live it. The hidden setup, in which there was a good chance that the target would lose the money anyway and could not tell where the destruction came from, was effective in overcoming many subjects' hesitations. This effect only involves a decision maker's own conscience, since both treatments were conducted under the same anonymous conditions. Nasty acts are thus more likely to be carried out if the environment provides an excuse for them, even a flimsy one like in our environment.

References

- Abbink, K, and A Sadrieh (2008): The Pleasure of Being Nasty. Working paper, University of Amsterdam..
- Fehr, E, and S Gächter (1998): Reciprocity and economics: The economic implications of Homo Reciprocans. *European Economic Review*, 42, 845-859.
- Gächter, S, and B Herrmann (2009): Testosterone levels, social preferences and behaviour in the Nero Game. Working paper, University of Nottingham.
- Herrmann, B, C Thöni, and S Gächter (2008): Antisocial Punishment Across Societies. *Science* 319, 1362-1367.
- Kirchsteiger, G (1994): The role of envy in ultimatum games. *Journal of Economic Behavior and Organization*, 25, 373-389.
- Saijo, T, and H Nakamura (1995): The Spite Dilemma in Voluntary Contribution Mechanism Experiments. *Journal of Conflict Resolution*, 39, 535-560.
- Zizzo, D., and A.J. Oswald, (2001): Are People Willing to Pay to Reduce Others' Incomes? *Annales d'Economie et de Statistique* 63-64, 39-62.

Appendix. Instructions for participants

(original text in Russian; additions for hidden treatment in square brackets, omitted in open treatment)

Thank you for participating in this experiment. The experiment will last approximately 45 minutes. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

These instructions are solely for your private use. It is not allowed to communicate with the other participants during the experiments. Should you have any questions, please ask us. If you violate this rule, we will have to dismiss you from the experiment and you will forfeit all payments

You will be paid after the experiment. No other participant will know how much you earned. You will be paid 5 Hryvnas for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today's session, using an exchange rate of 1 Guilder = 2 Hryvnas.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce the other partner's income by 5 Guilders. Your partner simultaneously takes the same decision. He can choose between leaving your income unaltered, or reducing it by 5 Guilders. Your partner will incur the same cost - 1 Guilders - if he or she chooses to reduce your income

If both of you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If both of you choose to reduce the other person's income, both of you will earn 4 Guilders (10-5-1).

If you choose to reduce your partner's income, but he/she decides to leave your income unaltered, you will earn 9 Guilders and your partner will earn 5 Guilders.

If you choose not to reduce your partner's income, but he/she decides to reduce your, you will earn 5 Guilders and your partner will earn 9 Guilders.

[After you and your partner have decided whether or not to reduce the other person's income, a throw of a die makes the final decision whether your or your partners' income will be reduced. The die will be thrown **twice**. Once for you and another time for your partner.

If the die shows 1 or 6 your income or the income of your partner (depending for whom the die has been thrown) will be reduced, **independent of your or your partners' decision**. If the die shows any other number (2,3,4,5) **then the your or your partner's decision will be realized**: If you or your partner has decided to reduce the other person's income – the income will be reduced. If you or your partner has decided not to reduce the other person's income – the income will not be reduced. Please be aware that neither you nor your partner will learn about the outcome of the lottery.

Therefore, if your income or your partner's income will be reduced by 5 Guilders, you will never learn what the reason for this reduction has been: the decision of the partner or the results of the throw of the die.]

Please make now your decision:

Your endowment in this experiment is 10 guilders.

Do you want to pay 1 Guilder to reduce your partner's income by 5 Guilders?

| | |
|--|-----|
| | YES |
| | NO |

If you choose "YES", you will incur costs of 1 guilder, and your partner's income will be reduced by 5 Guilders. Your partner simultaneously takes the same decision.

Please think about your decision carefully

We now ask you to estimate if your partner decides to reduce your income by 5 guilders at the cost of 1 guilder. If your expectation is correct you will earn another Guilder.

My estimate is that

| | |
|--|--------------------------------------|
| | My partner will NOT reduce my income |
| | My partner will reduce my income. |

After you have made your decision, we ask you to remain seated. You will receive a final questionnaire, which we also ask you to please complete.

Meanwhile, we will call the participants out of the lab one by one and pay them their total earnings in cash.