



Magdeburg Workshop Anti-Social Economic Behavior

January 13, 2012

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Program

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Faculty of Economics and Management
University of Magdeburg



Thursday, January 12, 2012

19:00 – 23:00 – Arrivals and Get-Together at the Hotel Ratswaage

Friday, January 13, 2012

09:00 – 09:15 – Welcome Reception & Coffee

09:15 – 10:45

Henrik Orzen – *The appearance of homo rivalis: Social preferences and the nature of rent seeking*

Michèle Belot – *Sloppy Work, Deception and Theft: An Experimental Study*

Tatsuyoshi Saijo – *The Approval Mechanism Experiment: A Solution to Prisoner's Dilemma*

10:45 – 11:30 – Morning Tea & Coffee

11:30 – 13:00

Benedikt Herrmann – *Is the Dark Side even in the Ultimatum Game?*

Klaus Abbink – *Reference Point Effects in Antisocial Preferences*

Marina Schröder – *The Desire to Influence Others – Positive Correlation of Pro-Social and Anti-Social Preferences*

13:00 – 14:30 – Lunch Break & Coffee

14:30 – 16:00

Sascha Füllbrunn – *Nastiness in anonymous auction markets*

Christiane Schwieren and Julia Müller– *The Point Destruction Game*

Daniel Zizzo – *Vendettas*

16:00 – 16:45 – Afternoon Cake & Coffee

16:45 – 18:15

Enrique Fatas – *Sacrifice: An experimental analysis of selective killings*

Abdolkarim Sadrieh – *Behavioral Correlates of Poverty, Lack of Prospects, and Vandalism*

Robert Böhm and Ori Weisel – *"Ingroup love" versus "outgroup hate": A field experiment with soccer fans*

19:00 – open end – Dinner at the Restaurant Fürstenwall

Saturday, January 14, 2012

04:00 – 14:00 – Departures



Abstracts

Klaus Abbink – Monash University

Reference Point Effects in Antisocial Preferences

Klaus Abbink, David Masclet and Matthijs van Veelen

We study antisocial preferences in simple money-burning tasks. A decision maker can choose whether or not to reduce another person's payoff at an own cost. We vary across tasks the initial endowment of the decider and the victim. We find that most conventional expectations are refuted: Subjects burn more when inequality is advantageous than when it is disadvantageous. Equitable distributions are particularly prone to destruction. These effects are reversed, however, when the equivalent tasks are framed as creation instead of destruction.

Michèle Belot – Oxford University

Sloppy Work, Deception and Theft: An Experimental Study

Michèle Belot and Marina Schröder

Opportunistic behaviour at the workplace is a prevalent phenomenon in labour relations. We introduce an experimental setting which allows us to distinguish between three types of opportunistic behaviour: sloppy work, deception and theft. Our findings suggest that a large fraction of subjects acts opportunistically. Although the three types of opportunistic behaviour have similar effects on private income, the vast majority of subjects chooses only to work sloppily, which is the most costly type for the experimenter. Sloppy work increases when the wage level is comparably low, while a competitive surrounding among subjects leads to a decrease in sloppy work. The findings suggest that the moral cost depends on the type of opportunistic behaviour. Further, guilt resulting from opportunistic behaviour seems to vary depending on who is harmed by such behaviour, peers or the experimenter.



Robert Böhm – University of Erfurt

Ori Weisel – Max Planck Institute of Economics, Jena

"Ingroup love" versus "outgroup hate": A field experiment with soccer fans

Robert Böhm and Ori Weisel

A well-known finding in social psychology is that intragroup cooperation increases in the presence of intergroup conflict. Recent research on the intergroup prisoner's dilemma – maximizing difference game (IPD–MD) with artificial groups has shown that this effect is better accounted for by group members' desire to favor the ingroup (ingroup love) rather than to harm the outgroup (outgroup hate). We investigated behavior in the IPD–MD game among real groups with a history of intergroup conflict: fans of the Thuringian soccer teams FC Carl Zeiss Jena and FC Rot–Weis Erfurt. We manipulated the identity of the outgroup (fans of same team vs. fans of other team) and the version of the IPD–MD (positive vs. negative; in the positive version group members decide whether to help the outgroup, whereas in the negative version they decide whether to harm the outgroup). Results of two experiments (Exp. 1: stadium, Exp. 2: online) showed that outgroup hate was more pronounced in interaction with outgroup opponents of the other team than with outgroup opponents of the same team. Furthermore, outgroup hate with opponents from the other team was more pervasive in the positive IPD–MD game (i.e., reluctance to help the outgroup) than in the negative IPD–MD game (i.e., harming the outgroup).

Enrique Fatas – University of East Anglia

Sacrifice – An experimental analysis of selective killings

Marco Castillo, Enrique Fatas and Ragan Petrie

The volunteer's dilemma (VD) has been analyzed theoretically and experimentally in Economics, Psychology and Political Science. Traditional research questions deal with the strategic complexity of the game, with no symmetric equilibria in the stage game, as it typically deters individuals from volunteering. In this paper we consider the VD from the opposite perspective and study the effectiveness of some security policies to prevent individuals from volunteering. We analyze a simultaneous and repeated VD experiment in a team production framing with two experimental manipulations: vertical sanctions and redistribution. In the sanctions' treatments one group member is randomly selected each round and severely sanctioned: punished subjects lose all team's benefits and their contribution to the team is lost. We additionally allow subjects to redistribute the team endowment before making any decision. Our results suggest that selective killings are not always effective.



Sascha Füllbrunn – Luxembourg School of Finance

Nastiness in anonymous auction markets

Klaus Abbink, Sascha Füllbrunn and Abdolkarim Sadrieh

Recent experimental studies report the dark side behavior. Subjects harm others by reducing their payoffs without an economic benefit and even when it is costly. In most of these studies, the decision situation is rather unusual and distinct from the commonplace experiences of subjects. This may make it difficult to assess the external validity of the results. In this paper, we study anti-social behavior in a very common decision situation and avoid explicitly pointing out that players have the ability to reduce others' payoffs. In our second price auction environment with private values, bidders may reduce the winner's payoff by bidding up the price without any risk, but at a cost. Our anonymous market framework with multiple bidders allows for anti-social behavior without the threat of an imminent retaliation, because the winner cannot tell, who exactly the nasty competitors were, who drove up the price.

Benedikt Herrmann – University of Heidelberg

Is the dark side even in the Ultimatum Game?

Antonio M. Espín, Filippos Exadaktylos, Pablo Brañas-Garza, and Benedikt Herrmann

The Ultimatum game is frequently used to measure people fairness preferences. However, the notion of fairness has been contested in theoretical work early on. Competitive envy rather than a sense for fairness could also explain peoples' decision to reject a low offer in the UG. We therefore investigate subjects' behaviour as proposer and responder in the UG in dependence of their discounting behaviour as we found in earlier work that impulsive subjects are also more concerned about their relative standing than patient subject. We find that impulsive individuals are more likely than patient subjects to reject unfair offers. At the same time these impulsive subjects are also more stingy proposers.



Julia Müller – Erasmus University Rotterdam

Christiane Schwieren – University of Heidelberg

The Point Destruction Game

Julia Müller, Christiane Schwieren, and Florian Spitzer

Recently, the dark side of human behaviour left the shadow and got under the spotlight of research in experimental economics. Some experiments found that subjects do not only show social preferences, but also anti-social preferences. Subjects destroy money of other participants, and they even incur costs to do so.

We introduce the Point Destruction Game (PDG) to further analyse this behaviour. In this game, points on the screen visualize money and can be destroyed by participants. So far, we only have data from one pilot study. We therefore will first introduce our design and all different treatments we plan to conduct, and then describe our first results from the pilot study.

Subjects will play the PDG in groups of four. We are interested in the conditions for the occurrence of destruction; in particular, we want to investigate the impact of boredom and awareness of joint ownership of the good that can be destroyed. Therefore we will implement the following treatments: in treatment one, the PDG is accompanied by a real-effort task while in treatment two, the PDG happens in the waiting time between different real-effort tasks.

To induce an awareness that the points are joined income we use framing. When the points are framed as a common good, as in our pilot study, we conjecture that little or no destruction will happen, while more destruction will happen when the same situation is framed as destruction of income of other persons.

In our pilot study, where another task was present (low boredom) and the points were framed as joint income, we found no destruction at all. We now will run the other treatments described to understand under which conditions destruction occurs.

Henrik Orzen – University of Mannheim

The appearance of homo rivalis: Social preferences and the nature of rent seeking

Benedikt Herrmann and Henrik Orzen

While numerous experiments demonstrate how pro-sociality can influence economic decision-making, evidence on explicitly anti-social economic behavior has thus far been limited. In this paper we investigate the importance of spite in experimental rent-seeking contests. Although, as we show, existing evidence of excessive rent-seeking is in theory compatible with fairness considerations, our social preference elicitation reveals that subjects' investments are driven by spite, not fairness or reciprocity. We also observe a striking disconnect between individuals' revealed social preferences in our contest game and in a standard prisoner's dilemma, rejecting the idea that there are consistent pro-social, selfish or anti-social "types". Moreover, we find that cooperation and reciprocity rates drop substantially after subjects have been exposed to rent-seeking competition.



Abdolkarim Sadrieh – University of Magdeburg

Behavioral Correlates of Poverty, Lack of Prospects, and Vandalism

Abdolkarim Sadrieh and Marina Schröder

Recent experimental research reveals that people are not always altruistic and philanthropic, but under some circumstances tend to destructive behavior. Since vandalism is the most common form of destructive behavior, we employ a similar type of experimental methodology to uncover, whether vandalism is motivated by poverty or the lack of future prospects. In our experiment we observe that half of the participants are willing to give up part of their income in order to destroy a public good. We find that while poverty or negative prospects alone do not have a significant effect on vandalistic behavior, the combination of both factors leads to an increase in destruction choices.

Tatsuyoshi Saijo – University of Osaka

The Approval Mechanism Experiment: A Solution to Prisoner's Dilemma

Tatsuyoshi Saijo, Yoshitaka Okano and Takafumi Yamakawa

We designed a class of mechanisms called approval mechanisms. We found that almost every subject cooperated once we apply this mechanism after Prisoner's Dilemma games. We also found that the behavioral principle of subjects is not Nash type equilibrium concepts such as pure Nash, subgame perfect equilibrium, ESS, or NSS, but the backward elimination of weakly dominated strategies (BEWDS). We also found that MAD (Mutually Assured Destruction) during Nuclear confrontation in the latter part of the last century is a special case of the mechanism. This could be the reason why no nuclear wars happened during the period. The idea of the approval mechanism can be applied to public good provision too. In this design, surprisingly, we found that almost every subject found an algorithm to find the BEWDS equilibrium and the allocation is very close to Pareto one. The basic idea of approval mechanisms is based upon the following human nature that we named "mate choice". If both approve the other choice, the outcome is what they choose, and if either one of them disapprove the other choice, they must stay at the status quo. We have been using this mechanism for the last billion years when we used to be fish (?) or after Noah's Ark (or even before Noah's Ark (?)).



Marina Schröder – University of Magdeburg

The Desire to Influence Others – Positive Correlation of Pro-Social and Anti-Social Preferences

Abdolkarim Sadrieh and Marina Schröder

There is plenty of experimental evidence for pro-social behavior in economic experiments. Ostensibly contradicting these findings, recent experimental research reveals anti-social preferences in similar economic experiments. We introduce the give-or-destroy game that allows us to observe both pro-social and anti-social decisions of an individual at the same time. We find that the majority of participants reveal both pro-social and anti-social preferences. Surprisingly, pro-social and anti-social preferences are positively correlated. It seems that most individuals are neither purely pro-social, nor purely anti-social types, but combine both preference structures in their desire to influence others.

Daniel John Zizzo – University of East Anglia

Vendettas

Friedel Bolle, Jonathan Tan H.W. and Daniel John Zizzo

Vendettas occur in many real world settings where rivals compete for a prize, e.g., winning a competitive promotion or retaining a job, by engaging in aggressive retaliatory behavior. We present a benchmark experiment where two players have an initial probability of winning a prize. Retaliatory vendettas occur and lead subjects to the worst possible outcomes in 60% of cases, counter to self-interest predictions, with large inefficiencies even in the absence of any immediate gain from aggression. Negative emotions are important and interact with the economic setting to produce large social inefficiencies. Allowing cooling off periods reduces aggression.



Airport shuttle

We have arranged for a shuttle from the airport Berlin Tegel to Magdeburg in the afternoon of Thursday, January 12, and back in the morning of Saturday, January 14. The shuttle to Magdeburg will be leaving Tegel on Thursday at about 17:00. The shuttle back to the airport Berlin Tegel will be leaving Magdeburg on Saturday at 7:00 and will arrive at the airport Tegel at about 8:30. Please, keep in mind that there may be some delay due to traffic.

We have a limited number of seats in the shuttle. Please, contact Marina Schröder (marina.schroeder@ovgu.de) to reserve your seats. If the airport shuttle is not convenient for your connection, you can catch the TXL bus at the airport Tegel and hop off at the main station (Berlin Hauptbahnhof). From Berlin Hauptbahnhof there are regular direct trains to Magdeburg Hauptbahnhof. On the way back, you can catch the regular train from Magdeburg Hauptbahnhof to Berlin Hauptbahnhof, where you can catch the TXL bus back to the airport Tegel. The connection is frequent (about once an hour), but slow. So expect the travel time to be about two and a half hours. You can find connection information on the website of the Deutsche Bahn (www.bahn.de) or ask us for support.

Conference dinner

The conference dinner begins at about 19:00 on Friday, January 13, 2012.

We will dine at

Fürstenwall Restaurant

Fürstenwall 3b, 39104 Magdeburg, Germany

+49 391 50 960 64

<http://www.fuerstenwall.de>

Conference hotel

Hotel Ratswaage Magdeburg

Ratswaageplatz 1-4

D-39104 Magdeburg

+49 391 5926 - 0

<http://www.ratswaage.de>

For all invited speakers room reservations have been made. In case you still need to make a reservation, there is a special rate for participants of the workshop. This rate is 81 Euro for a single room including breakfast. When booking please indicate that you are a participant of the M-WASEB workshop.



Conference venue

Room A-225 (Faculty Center FWW)
Building 22
Faculty of Economics and Management
University of Magdeburg
Universitätsplatz 2, 39106 Magdeburg, Germany

Contact information

If you have any questions or problems, please feel free to contact us.

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Get-Together

On Thursday, January 12, 2012, we will get together in the restaurant of the conference hotel for drinks and dinner (not included in the conference fee). Please, feel free to join us at any time after 19:00.

Shopping in Magdeburg

On Thursday and Friday, January 12 and 13, 2012, most shops will be open from approximately 10:00 to 20:00. The two main shopping malls, Allee Center Magdeburg (open to 22:00, see www.allee-center-magdeburg.de) and City Carrée (open to 20:00, see www.city-carre-magdeburg.de) are located less than a 10min walk from the conference hotel (both are located on the Ernst-Reuter-Allee that runs from the Elbe River to the Main Station). Souvenirs are best at the Hundertwasserhaus opposite the Cathedral, which has been there for well over 800 years and is the oldest gothic church in Germany and one of the largest ever built.

Transportation to the conference venue

We will provide transportation to and from the hotel to the conference venue. On Friday, January 13, 2012, we will meet in the lobby of conference hotel at 8:45.

