

Speaker: Stephanie Rosenkranz (Utrecht University)

“Fairness concerns revisited: theory and experimental evidence”

Abstract

The majority of experiments on fairness concerns consider decision making in completely transitive and mostly symmetric settings, i.e. when the actions of all players affect the payoffs of all other players. We extend these studies by explicitly considering settings that are characterized by intransitivity and/or asymmetry. We study public good provision and assume that actions impose local (positive) externalities. In our experiments we find that subjects choose fair contributions only in completely transitive and symmetric settings. For intransitive and asymmetric settings, we find the counter-intuitive result that rather unfair outcomes are selected with higher frequency. Hence, if fairness concerns play a role, they apparently do not help to coordinate on those contribution levels that lead to roughly fair payoffs. To explain these findings we derive hypotheses from three alternative versions of the model of Bramoullé and Kranton (2007): their purely self-interested model, a model with strong fairness concerns, and a model with 'marginal' fairness concerns. The last explains our data best.

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