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When Is Inequality Justified?

Experimental Insights from the Ultimatum Game

INTRODUCTION

The main objective of this study is to explore how access to the first-mover role in the ultimatum game influences individuals' acceptance of inequality.

Understanding attitudes towards inequality is key, as they shape social norms and influence institutional design.

Inequalities arising from factors beyond individual control often elicit stronger moral objections than those linked to personal effort.

THEORETICAL FRAMEWORK

- Experimental economics applies lab methods to study human behaviour in controlled settings.
- Social preferences describe how people consider fairness, reciprocity, and others' well-being.
- Past research shows that fairness perceptions shape how resources are distributed.

METHODOLOGY

Variables:

- Independent: Role assignment method (designed to reflect different sources of inequality as classified by Nagel (1995)).
- Dependent: Justification of inequality (inferred from proposer and responder behaviour).

Role assignment method by treatment:

Treatment	Assignment Rule
Discrimination	Assignment based on a randomly selected gender.
Class	Sustained-effort test with unequal time limits; top 50% become proposers.
Talent	Short-term memory test; top 50% become proposers.
Effort	Sustained-effort test; top 50% become proposers.

Experimental stages:

1. Role assignment
2. Ultimatum game – The proposer makes an offer on how to divide 10 experimental points (1e.p=0.5€); the responder can accept or reject it. Rejection means both receive nothing.
3. Private payments

Experiment simulation:

RESULTS

Summary of descriptive statistics by treatment

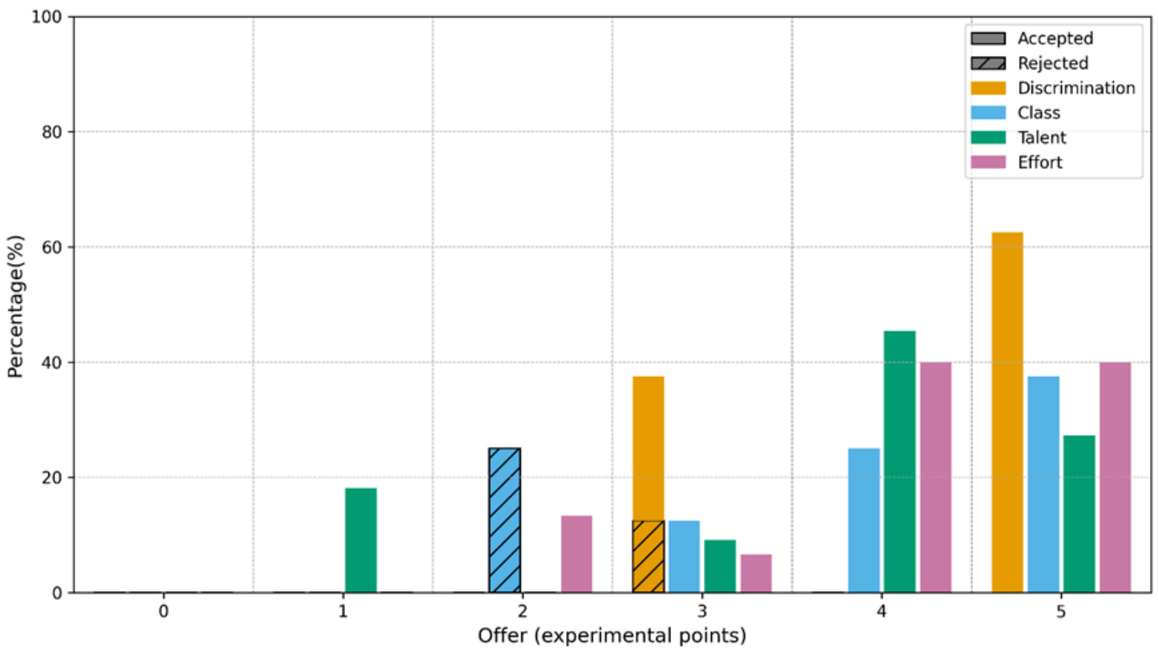
Treatment	Mean O.	Std. Dev.	Mode	Mean A.	N	% Rejected
Discrimination	4.25	1.04	5	4.43	8	12.5%
Class	3.75	1.28	5	4.33	8	25.0%
Talent	3.64	1.43	4	3.64	11	0.0%
Effort	4.07	1.03	4, 5	4.07	15	0.0%

Note: Mean O. refers to the average offer made by proposers and Mean A. refers to the average accepted offer.

Some expected patterns emerged, such as higher rejection rates in arbitrary treatments (e.g., discrimination, class) and lower accepted offers in the merit-based treatments (e.g., talent, effort).

However, the small sample size limits generalizability.

Figure 1: Distribution of ultimatum offers by treatment



CONCLUSIONS

- Decisions seemed driven more by strategic concerns than by fairness beliefs or moral reasoning on role access.
- The absence of conclusive evidence is likely attributable more to the study's limitations than to a real absence of an effect.
- Future work should increase sample size, improve control over experimental conditions such as social distance, and better simulate each source of inequality.

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