The Covered Response Ultimatum Game

by

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Abstract

We report an experiment on the covered response ultimatum game, in which the proposer is not informed about the responder’s reaction to an unequal offer. In this game, no education of proposers is possible. A control experiment with informed proposers was also conducted. We observe high rejection rates with covered response. These are explained by responders’ resistance to unfairness. But the rejection rates are lower than in the control group, due to the lacking possibility of educative punishment. Proposers in the open response treatment test responders’ propensity to reject by making more unequal offers. We conclude that both resistance to unfairness and educative punishment are determinants of behaviour, but neither is sufficient on its own.

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