

# Abstract

There is a growing body of experimental research on reciprocity, punishment, altruism and fairness. Classical examples are the studies of Ostrom et al. (1992) and Fehr and Gächter (2000a), which show that subjects are willing to punish those with low contribution levels in public goods games. There are many examples, however, where public goods games do not cover the whole scope of the situation, such as plagiarism, littering, two-timing, tax evasion, doping in professional sports and alcohol abuse. We posit that material gain is not the only reason why people punish in these situations but that reciprocity rooted in normative and emotional distress is also an important factor. These situations of norm violations can be modeled by inspection games (Tsebelis, 1989) and have previously been experimentally tested by Rauhut (2008, 2009). The purpose of this paper is to compare the relative strength of two different mechanisms of norm adherence in inspection games. A narrow rational-choice perspective only takes strength of punishment, here in the form of detection aversion, into account. From a wider rational-choice perspective, negative reciprocity in terms of feelings of revenge and anger also influences people's behavior. We measure the relative strength of these two major mechanisms with behavioral data and questionnaire responses. The experimental design is an extension of previous research by Rauhut (2009). The setup consists of eleven inspector-inspectee pairs where inspectees can steal money from other inspectees and inspectors can invest money to control interactions of their matched inspectee. The experiment was conducted at the University of Leipzig, Germany, with  $N = 220$  subjects. A questionnaire about the personal norm of reciprocity by Perugini et al. (2003) was additionally included, consisting of three dimensions: positive and negative reciprocity and beliefs in reciprocity. Analysis of the data and empirically-driven simulation models show that both mechanisms, detection aversion and negative reciprocity, independently influence people's behaviour in the inspection game. Most participants display behaviour that is consistent either with economic motives or generalized negative reciprocity.