

# The responsibility cut

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## **About the psychology of responsibility**

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What is the question one is asked to respond to ?

In Economics: a utility, a variation in individual well-being.

## 0. Preliminary: individual perception of well-being

Statistics about self-declared happiness. From a large study (108 802 persons from 12 countries) by R. MacCulloch, A. Oswald and R. Di Tella. To read the Tables: 23% of the whole population say they are “very happy.”

Happy ?	(whole)	Unemp.	Married	Divorced	M.	F.
Very	23	16	26	12	22	25
Pretty	58	51	58	55	60	56
Not too	19	33	16	33	18	19

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Table: Happy ?

(income quarter)	1rst	2nd	3rd	4th
Very happy	19	21	25	28
Pretty happy	54	59	60	59
Not too happy	27	20	15	13

Table: Happy / Rich

Income is not a tremendous predictor of the answer to the “happiness” question.

Best predictors: Unemployment, Divorce and Severe ill-health.

These subjective self-reported attitudes are correlated with objective behavior (smiling and laughing) and with peer-reporting (other people’s opinion about one’s state of mind).

As to individual economic situation, the problem is on the poverty side. In our societies, the question of well-being is essentially the question of poverty, considered as an abnormal and frightening situation.

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**Four methodologies lead to the same conclusion**



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Les pauvres sont ...	Etats-Unis	Union Européenne
... prisonniers de la pauvreté	30 %	60 %
... paresseux	60 %	26 %

(average on years 1983-1997).

Are poor people fundamentally different from other individuals ?

Are they lazy or lacking will ? Have they just been unlucky ?

## Opinions about redistributive politics

These judgements are highly correlated with the opinions about the role of State in the economy for reducing income inequalities. Among the Americans who say that the government spends too much for welfare, 88% say that the poor people are lazy ; this falls to 35% among those who think that the government spends not enough.

Scholars working on the demand for redistribution generally find that personal interest is important, but that **beliefs on the causes of inequalities (luck, effort) play also an important role** [4].

## 2. Second methodology: Observing with questionnaires

To elicit opinions of individuals, it is often better to ask them what do they think of an example, rather than presenting them with abstract alternatives.

Consider for instance the following fundamental question of the “responsibility cut”:

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- ▶ Am I responsible of my preferences ?
- ▶ What are the culture-dependencies ?

↔ Different stories

## Health case 1

*Luke and Mark are both suffering similar effects of lung cancer. They have the same financial wealth at they disposal and earn the same income. Luke and Mark have to be admitted to the hospital for treatment. We suppose that all treatments are effective. Luke chooses for a **common room** which he shares with other patients. The costs of his treatment in the hospital are 250. Mark, on the other hand, opts for a private room in the hospital which gives him more comfort. Due to his choice of a **private room**, the costs of the treatment of Mark are 750. The government has to divide 500 as a financial contribution to the costs of the treatments of the two persons and is willing to divide it completely. What would you consider to be a just division of this amount of money ? Place an asterisk\* in the box of your choice. In row H you can add an own ideal distribution of the government money.*

*Health case 1*

	LUKE		MARK	
	Contribution government in the cost	The patient...	Contribution government in the cost	The patient...
A	0	pays 250 himself	500	pays 250 himself
B	125	pays 125 himself	375	pays 375 himself
C	200	pays 50 himself	300	pays 450 himself
D	250	pays nothing	250	pays 500 himself
E	300	keeps 50	200	pays 550 himself
F	375	keeps 125	125	pays 625 himself
G	500	keeps 250	0	pays 750 himself
H				

*Health case 1, answers*

<i>Compensation (%)</i>	<i>Answer</i>	Belgium	Burkina Faso	Indonesia
Full	A		1.1	
Intermediate	B	14.0	18.4	18.3
Intermediate	C	23.6	8.0	12.6
No	D	60.2	67.8	63.3
Countercompensation	E	1.1	1.2	2.6
Countercompensation	F	1.1	1.2	1.1
Countercompensation	G		2.3	2.1

	Preferences	Resources
<i>Health</i>		
Controlled	Mark opts for private room because it is more comfortable.	Mark's treatment more expensive because confirmed smoker.
Involuntary	Mark opts for private room because psychological.pb. in front of others.	Mark's treatment more expensive because genetic defects.
<i>Income</i>		
Controlled	Elisabeth chooses to work harder and to take less leisure time.	Elisabeth more productive because she has chosen to develop better skills.
Involuntary	Elisabeth works harder because has been brought up in a hard working family.	Elisabeth more productive because she has a higher natural intelligence.

## The responsibility cut: Results

	Health		Income	
	Preferences	Resources	Preferences	Resources
Controlled	31.8	41.9	10.2	10.2
Involuntary	73.1	84.8	12.6	49.7

Percentage of people who want to compensate  
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- ▶ **Few cultural differences**
- ▶ **Effort is the key variable.**



### 3. Third Methodology: Observing in the Laboratory

In opinion pools, the ethic of responsibility and effort is the main justification for rejecting redistribution policies. Experimental protocols are designed for the controlled observation of individuals' attitudes towards effort, productivity, and luck.

#### The “dictator game”

Basic version: Two subjects. The “dictator” receives a sum of money and decide how much of the sum he or she gives to the “recipient.”

Laboratory conditions: Random matching, Anonymity, No visual contact. Real money.

Results: On average rather large gifts. Rather few country differences (but these are highly advertised )

## Rewarding effort

A dictator game with production phase. The amount to be shared depends on joint production by the two subjects. Production maybe work (for instance filling envelopes) or investment.

Contribution of player  $i$  (*effort*):  $x_i$ . Productivity (*talent, luck*):  $p_i = 2$  or  $p_i = 4$ . To be shared :

$$q_i + q_j = p_i x_i + p_j x_j$$

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*Libertarian Justice* : norm of proportionality to the output value.  $i$  receives :

$$q_i$$

*Strict egalitarianism*: Equal split.  $i$  receives :

$$(q_i + q_j)/2$$

*Liberal Egalitarianism* : norm of proportionality to the output.  $i$  receives :

$$(q_i + q_j) \cdot x_i / (x_i + x_j)$$

## Results.

About 30% of subjects take little care of justice norms and keep everything or almost everything. About 30% clearly follow some norm. About 40% show mixed behavior.

Which norm prevails ?

*Strict Egalitarianism*: 39,7%

*Liberal Egalitarianism*: 43,4%

*Libertarian Justice* : 16.8%

(Norwegian students, [3]) Moral opportunism not that important.

Other studies conclude in the same direction, and the same direction as surveys: Wide dispersion but **effort is the less disputable variable in Justice problems.**

#### 4. Fourth methodology: Observing in Field Experiments

Observing in reality individual behavior facing poor people or solving distribution problems.

The “charity game”: a dictator game with  $n$  recipients [5].

Dictators: American students. Recipients: Single African-American women with dependent children, no full-time jobs, received government assistance.

*Recipient* description include answers to three questions:

“If you do not work full time, are you looking for work more?”

“If it were up to you, would you like to work full-time?”

“During the last 5 years have you held one job for more than one year period?”

Three treatments: “industrious recipients” (YYY). “lazy recipients” (NNN). “no information” .

The *donors* answered various questions in a survey designed to evaluate them on two dimensions.

(1) Attachment to Humanitarian and Equalitarian values (“HE scale”).

(2) Belief that circumstances beyond control, rather than lack of effort increases poverty.

**Main result** : (American students, 2002) People who score high on a measure of humanitarian and egalitarian values have giving that is highly responsive to the perceived worthiness of recipients. Massive effect: from median changes from 1/10 to 5/10 !

## 4. Conclusion

The empirical answer to the philosophical question of the responsibility cut is quite clear: the cut is on effort.

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