**For Online Publication**

**“Compliance” E-Appendix**

A. Experimental Instructions**1**

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 **Instructions (R Treatment)**

Thank you for participating in this experiment. The experiment will last approximately 1 hour. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

These instructions are solely for your private use. It is not allowed to communicate with the other participants during the experiments. Should you have any questions, please ask us. If you violate this rule, we will have to dismiss you from the experiment and you will forfeit all payments.

You will be paid after the experiment. No other participant will know how much you earned. You will be paid £2 for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today’s session, using an exchange rate of 1 Guilder = £0.75.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

The experiment has a fixed and predetermined number of rounds. You will not learn the outcome of the decisions of your partner until the end of the experiment, and vice versa your partner will not learn the outcome of your decisions until the end of the experiment.

You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce the other partner's income by 5 Guilders. Your partner simultaneously takes the same decision. He can choose between leaving your income unaltered, or reducing it by 5 Guilders. Your partner will incur the same cost - 1 Guilders - if he or she chooses to reduce your income

If both of you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If both of you choose to reduce the other person's income, both of you will earn 4 Guilders (10-5-1).

If you choose to reduce your partner's income, but he/she decides to leave your income unaltered, you will earn 9 Guilders and your partner will earn 5 Guilders.

If you choose not to reduce your partner's income, but he/she decides to reduce yours, you will earn 5 Guilders and your partner will earn 9 Guilders.

**Instructions (RC Treatment)**

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You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce the other partner's income by 5 Guilders. Your partner simultaneously takes the same decision. He can choose between leaving your income unaltered, or reducing it by 5 Guilders. Your partner will incur the same cost - 1 Guilders - if he or she chooses to reduce your income

If both of you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If both of you choose to reduce the other person's income, both of you will earn 4 Guilders (10-5-1).

If you choose to reduce your partner's income, but he/she decides to leave your income unaltered, you will earn 9 Guilders and your partner will earn 5 Guilders.

If you choose not to reduce your partner's income, but he/she decides to reduce yours, you will earn 5 Guilders and your partner will earn 9 Guilders.

Some of these predetermined rounds will be marked with yellow instructions; this is instructions in yellow paper. In the rounds with yellow instructions it would be especially useful if you were to reduce your partner’s income if you have not done so already. You are entirely free not to reduce if you wish.

**Instructions (RCC Treatment)**

Thank you for participating in this experiment. The experiment will last approximately 1 hour. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

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You will be paid after the experiment. No other participant will know how much you earned. You will be paid £2 for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today’s session, using an exchange rate of 1 Guilder = £0.75.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

The experiment has a fixed and predetermined number of rounds. You will not learn the outcome of the decisions of your partner until the end of the experiment, and vice versa your partner will not learn the outcome of your decisions until the end of the experiment.

You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce the other partner's income by 5 Guilders. Your partner simultaneously takes the same decision. He can choose between leaving your income unaltered, or reducing it by 5 Guilders. Your partner will incur the same cost - 1 Guilders - if he or she chooses to reduce your income

If both of you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If both of you choose to reduce the other person's income, both of you will earn 4 Guilders (10-5-1).

If you choose to reduce your partner's income, but he or she decides to leave your income unaltered, you will earn 9 Guilders and your partner will earn 5 Guilders.

If you choose not to reduce your partner's income, but he or she decides to reduce yours, you will earn 5 Guilders and your partner will earn 9 Guilders.

It would be especially useful if you were to reduce your partner’s income if you have not done so already. You are entirely free not to reduce if you wish.

**Instructions (R-Order)**

Thank you for participating in this experiment. The experiment will last approximately 1 hour. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

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You will be paid after the experiment. No other participant will know how much you earned. You will be paid £2 for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today’s session, using an exchange rate of 1 Guilder = £0.75.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

The experiment has a fixed and predetermined number of rounds. You will not learn the outcome of the decisions of your partner until the end of the experiment, and vice versa your partner will not learn the outcome of your decisions until the end of the experiment.

You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce the other partner's income by 5 Guilders. Your partner simultaneously takes the same decision. He can choose between leaving your income unaltered, or reducing it by 5 Guilders. Your partner will incur the same cost - 1 Guilders - if he or she chooses to reduce your income

If both of you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If both of you choose to reduce the other person's income, both of you will earn 4 Guilders (10-5-1).

If you choose to reduce your partner's income, but he or she decides to leave your income unaltered, you will earn 9 Guilders and your partner will earn 5 Guilders.

If you choose not to reduce your partner's income, but he or she decides to reduce yours, you will earn 5 Guilders and your partner will earn 9 Guilders.

We as experimenters give you the order now to reduce your partners' income. You now decide whether to obey to this order.

**Instructions (RCJ Treatment)**

Thank you for participating in this experiment. The experiment will last approximately 1 hour. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

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You will be paid after the experiment. No other participant will know how much you earned. You will be paid £2 for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today’s session, using an exchange rate of 1 Guilder = £0.75.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

The experiment has a fixed and predetermined number of rounds. You will not learn the outcome of the decisions of your partner until the end of the experiment, and vice versa your partner will not learn the outcome of your decisions until the end of the experiment.

You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce the other partner's income by 5 Guilders. Your partner simultaneously takes the same decision. He can choose between leaving your income unaltered, or reducing it by 5 Guilders. Your partner will incur the same cost - 1 Guilders - if he or she chooses to reduce your income

If both of you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If both of you choose to reduce the other person's income, both of you will earn 4 Guilders (10-5-1).

If you choose to reduce your partner's income, but he/she decides to leave your income unaltered, you will earn 9 Guilders and your partner will earn 5 Guilders.

If you choose not to reduce your partner's income, but he/she decides to reduce yours, you will earn 5 Guilders and your partner will earn 9 Guilders.

Some of these predetermined rounds will be marked with yellow instructions; this is instructions in yellow paper. In the rounds with yellow instructions it would be especially useful if you were to reduce your partner’s income if you have not done so already. You are entirely free not to reduce if you wish. However if you do it would help achieving a scientific objective of the experiment.

**Instructions (RC-1 Treatment – active subjects)**

Thank you for participating in this experiment. The experiment will last approximately 1 hour. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

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You will be paid after the experiment. No other participant will know how much you earned. You will be paid £2 for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today’s session, using an exchange rate of 1 Guilder = £0.75.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

The experiment has a fixed and predetermined number of rounds.

You and your partner both receive an endowment of 10 Guilders. You then have to decide whether to reduce your partner's income or to leave it as it is. Reducing your partner's income will cost you 1 Guilder. By paying 1 Guilder, you can reduce your partner's income by 5 Guilders. Your partner answers some hypothetical questions but makes no decisions affecting your or his or her earnings.

If you choose to leave the other person's income unaltered, both of you will earn the 10 Guilders.

If you choose to reduce your partner's income you will earn 9 Guilders and your partner will earn 5 Guilders.

Some of these predetermined rounds will be marked with yellow instructions; this is instructions in yellow paper. In the rounds with yellow instructions it would be especially useful if you were to reduce your partner’s income if you have not done so already. You are entirely free not to reduce if you wish.

**Instructions (RC-1 - passive subjects)**

Thank you for participating in this experiment. The experiment will last approximately 1 hour. If you read the following instructions carefully, you can, depending on your own decisions, earn a considerable amount of money. It is therefore very important that you read these instructions with care.

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You will be paid after the experiment. No other participant will know how much you earned. You will be paid £2 for showing up plus any additional earnings that you have in the experiment.

During the experiment you will have the chance to earn points, which will be converted into cash at the end of today’s session, using an exchange rate of 1 Guilder = £0.75.

In the experiment you are randomly matched with another participant – your partner. You will not learn the identity of the participant you are matched with, and vice versa your partner will never learn about your identity.

The experiment has a fixed and predetermined number of rounds.

You and your partner both receive an endowment of 10 Guilders. Your partner has to decide whether to reduce your income or to leave it as it is. Reducing your income will cost him or her 1 Guilder. By paying 1 Guilder, he or she can reduce your income by 5 Guilders. You are asked to answer hypothetical questions where you simultaneously take the same decision but your decision does not count towards your or his/her earnings.

If he or she chooses to leave your income unaltered, both of you will earn the 10 Guilders.

If he or she chooses to reduce your income he/she will earn 9 Guilders and you will earn 5 Guilders.

Some of these predetermined rounds will be marked with yellow instructions; this is instructions in yellow paper. In the rounds with yellow instructions it would be especially useful if you were to reduce your partner’s income if you have not done so already. You are entirely free not to reduce if you wish.

**D. Fictional Destruction**

D1. *Fictional Further Destruction*

Subjects who decided to reduce their partner’s income were afterwards asked hypothetically if there would be willing to reduce their partner’s income by an additional 5 ECU leading them to earn 0 ECU from this experiment. Note that fictional destruction could only take place in treatments with repeated interaction: the R, RC, RCJ, RC-1 and RCC treatments.

Table D1 presents the average fictional destruction rates for each treatment. The middle column shows the percentage of subjects who were willing to destroy their partner’s income even further according to their response on the hypothetical question. The last column shows the percentage of subjects who answered yes on the hypothetical question among all subjects who participated in the treatment.

**Table D1:** **Fictional Destruction Rates**

|  |  |  |
| --- | --- | --- |
| Treatment | Across subjects who have already destroyed | Across all subjects in treatment |
| R | 83.0% | 12.5% |
| RC | 71.9% | 42.3% |
| RCJ | 96.4% | 67.5% |
| RC-1 | 65.2% | 39.1% |
| RCC | 78.3% | 33.3% |

Note that this data is of very limited value in across treatments comparisons, both because of its fictional nature, and because one cannot disambiguate what is due to treatment specific effects and what is due to sample selection of subjects who have already destroyed, and who are in different proportions in the different treatments. There is some evidence that, for subjects who were given an explicit reason to destroy (RCJ), the fictional further destruction is significantly larger than when no explicitly justification is provided (RC) (Fisher’s exact test p = 0.01).

D2. *Fictional Destruction Rates of Passive Subjects in the RO1 Treatment*

Passive subjects in the RC-1 treatment were asked to make fictional destruction choices, fully aware that their choices had no bearing on the actual game being played; if they said they would have destroyed, they were then asked a second time whether they would be willing to engage in further fictional destruction of another 5 pounds of the partner. Table D2 below compares the average destruction rate for the RC-1 Treatment for both passive and active subjects, and for both the first time (real for active subjects, fictional for passive subjects) and for the second time (fictional for all). The patterns are clearly quite similar, with no statistical significance between groups for both the first and second destruction choice (Fisher’s exact test p = 0.41 and p = 0.96 respectively).

**Table D2:** **Fictional Destruction Rates in the RC-1 Treatment**

**(as a proportion of all active subjects or of all passive subjects)**

|  |  |  |
| --- | --- | --- |
| Treatment | Destruction choice (1st time) | Destruction choice (2nd time) |
| Active Subjects | 60.0% | 65.2% |
| Passive Subjects | 55.0% | 47.5% |