

The Effect of Ex-post Praise and Blame: A Voluntary Contribution Mechanism Experiment

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Abstract

We investigate the effect of ex-post communication as a tool to convey praise or blame about others' behaviors on cooperation, using the voluntary contribution mechanism. The experiment consists of two stages: in the first stage subjects play the standard public good game, and in the second stage they send free-form written messages to their opponents, evaluating their contributions in the first stage. As a result, the presence of opportunities to give praise or blame in itself is not enough to promote cooperation. However, once subjects actually experience being blamed, they significantly contribute more in the next round. The experience of being praised, on the other hand, does not have such an effect. Our result suggests that negative emotions play relatively more important roll in economic exchanges.

Keywords: Ex-post communication, Praise, Blame, Reward, Sanction, Cooperation, Voluntary contribution mechanism

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