Instructions for effort-majority treatment

Thank you for participating in this experiment, part a project of economic research. Your earning depends on your decisions and the decisions of the other participants. Additionally, you will receive a show up fee of 5 Euros. From now until the end of the experiment, you are not allowed to communicate with each other. If you have a question, please raise your hand and one of the instructors will answer your questions in private.

Please, do not ask aloud.

The experiment consists of 50 rounds. The rules are the same for all the participants and for each of the 50 rounds. Throughout the experiment you will belong to the same group of 9 participants (9 including yourself). However, you will never know who are the other 8 participants.

1. **Decisions in each round**
   Each round consists of two stages: an *effort* stage and a later *voting* stage.
   (a) *Effort stage:* In the first stage you have to decide whether or not you want to exert an effort.

   - If you decide **to make the effort**
     – With probability 2/3 you will be endowed with an income of 100 ECUs (in which case you will be called "*rich*").
     – With probability 1/3 you will be endowed with an income of 30 ECUs.
     – You also have to pay an *effort cost* of 20 ECUs, irrespectively of whether you obtained 100 or 30 ECUs.
   - If you decide **not to make the effort**
     – You will be endowed with 30 ECUs and you do not have to pay an effort cost.

   (b) *Voting stage:*
   In the second stage you will have to vote for or against redistribution of the total income of all 9 participants received in the first stage in your group. We will tell you later in detail how this stage takes place.

2. **Information available before voting**
   In each round, after the first stage and before voting for or against redistribution you will be informed about:

   - Number of individuals in your group who chose to make effort.
   - Number of rich people in the group (how many received 100 ECUs).
   - Total income available for redistribution (including your own).
   - Your income if there is no redistribution (excluding effort cost).
   - Your income if there is redistribution (excluding effort cost).
   - Your effort cost (which is 0 if you did not choose effort and 20 if you chose effort)

3. **Outcome from voting**
   (a) If 5 or more of the 9 members of your group vote for redistribution, then:
      i. The total income of all 9 participants (excluding effort costs of those who chose effort) will be equally divided between the 9 participants.
      ii. As indicated above, 20 ECUs will be subtracted from the payoff of those participants who chose to make effort in the first stage.
      Important!: This amount will be subtracted after redistribution has taken place.
   (b) If 4 or less of the 9 members of your group vote for redistribution then:
      i. Each individual receives his income of the first stage.
      ii. As above, 20 ECUs will be subtracted from the payoff of those who chose to make effort in the first stage.

4. **Information after second stage**
   At the end of each round, and before playing the first stage of the next round, you will be informed of:
   (a) The number of people who voted **YES** to redistribution.
   (b) Whether or not there was redistribution.
   (c) Your final income, including your effort cost.
   In the *"History"* you can see the information of all previous rounds.

5. **Payment** At the end of all 50 rounds, one round will be selected at random. The ECUs you have received in that selected round will be converted into Euros so that 3 ECUs are 1 Euro (that is, for every 30 ECUs your win, you receive 10 Euros). Additionally, you will receive the 5 Euros as a show-up fee.