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Markets Without Faces: How Actor Representation Shapes Moral Judgments

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Abstract

Public debates about economic regulation frequently express strong moral criticism targeting abstract actors, "corporations," "businesses," "the market," rather than identifiable individuals, and often translate into demand for government intervention. This paper examines whether moral evaluations of market behavior depend on how economic actors are represented in public discourse. Across three preregistered experiments, participants evaluate identical economic decisions made by everyday service providers. Study 1 shows that a price increase is judged less harshly when the actor appears as a concrete individual with a name and personal background rather than as an anonymous representative of a profession. Study 2 demonstrates that this shift does not occur because participants reinterpret the situation as a private interaction: in both conditions the actor is still perceived as operating in a business context. Study 3 shows that the pattern persists even when the economic action is clearly morally problematic, such as firing an employee to increase profit. Consistent with Hayek's observation that people navigate between interpersonal moral intuitions and the impersonal logic of markets, the findings suggest that moral outrage toward market behavior weakens when economic actors appear as concrete individuals rather than abstract representatives of a profession. The results have implications for understanding public support for market regulation: political and media discourse that emphasizes abstract market actors may systematically amplify demand for intervention, while making the human actors behind economic decisions more visible may foster more nuanced evaluations of market behavior.

JEL Classification: B53, D91, Z13.

Introduction

Public support for market regulation often appears disconnected from economic reasoning. Citizens frequently demand intervention even when markets function efficiently, and moral criticism of profit-seeking behavior shapes regulatory preferences independent of welfare considerations (Caplan, 2007; Rubin, 2003). Price increases by local businesses, wage-setting decisions by employers, and profit-oriented dismissals regularly trigger public outrage and calls for government action, even in cases where such behavior reflects normal market adjustments rather than exploitation or market failure. Understanding the sources of such reactions is central to explaining patterns of economic regulation, the political viability of market-oriented policies, and the gap between expert economic opinion and public attitudes toward markets.

A substantial body of research in political economy and behavioral economics has documented systematic differences between how economists and the general public evaluate market behavior (Caplan, 2007; Caplan, 2002). While economists typically assess market outcomes in terms of efficiency, welfare, and systemic consequences, ordinary citizens often apply moral criteria such as fairness, intentionality, and perceived exploitation (Kahneman et al., 1986; Fehr & Schmidt, 1999). These differences have important political consequences: they shape voters' preferences over economic policy,

influence the political feasibility of reforms, and create persistent demand for regulations that economists often view as welfare-reducing (Rubin, 2003).

Existing explanations for such moral responses typically focus on characteristics of outcomes or their consequences. Research in behavioral economics and moral psychology suggests that individuals evaluate actions morally when they perceive harm, violations of fairness norms, inequality, or exploitation (Fehr & Schmidt, 1999; Konow, 2003; Haidt, 2001; Greene et al., 2001). Other work emphasizes the role of emotional proximity and identifiability, showing that individuals react more strongly when affected parties are concrete and identifiable rather than abstract (Jenni & Loewenstein, 1997; Small & Loewenstein, 2003; Kogut & Ritov, 2005).

While these accounts explain many cases of moral judgment, they leave an important set of observations insufficiently understood. Many market decisions that trigger moral criticism do not involve clear victims, distributive injustice, or obvious harm. For example, a small business owner who raises prices does not necessarily violate fairness norms or impose direct harm. Yet such actions are often perceived as morally problematic. This raises the question of why moral judgments arise even in cases where standard explanations based on harm or unfairness appear insufficient.

This paper examines a mechanism that has received comparatively little attention in the political economy literature: whether moral evaluations of market behavior depend on how economic actors are represented in public discourse. Specifically, we test whether identical economic decisions are judged differently depending on whether the actor appears as a concrete individual or as an abstract representative of a profession or organization. This representational dimension may have important implications for understanding public attitudes toward markets and for explaining patterns of regulatory demand. If citizens evaluate “corporations,” “employers,” or “businesses” more harshly than they evaluate specific individuals making identical decisions, then the way economic actors are framed in political debate, media coverage, and regulatory discourse may systematically influence public support for market intervention.

Across three preregistered experiments, we show that identical economic actions are judged less harshly when the decision maker is presented as a specific individual rather than as an anonymous representative of a profession. This effect is robust across different professional contexts and persists even in a morally salient scenario involving the dismissal of an employee. Importantly, we also show that this difference does not arise because participants reinterpret the situation as a personal rather than a market interaction. Participants clearly recognize that the decision takes place in a business context and is driven by economic considerations. What changes is not the perceived nature of the situation, but how the economic actor is represented.

These findings contribute to ongoing debates in political economy about the sources of anti-market sentiment and the political economy of regulation. Critical perspectives have long emphasized the risk that market reasoning may expand into domains traditionally governed by social norms. Habermas (1987, p. 322), for example, describes this as a “colonization of the lifeworld,” in which economic logics

displace forms of social interaction grounded in shared norms and mutual understanding. While this perspective highlights the potential overreach of market reasoning, it leaves open the question of whether tensions between moral intuitions and market behavior may also arise in the opposite direction: not from markets encroaching on social life, but from the application of interpersonal moral intuitions to economic contexts in ways that do not account for how markets actually operate.

We argue that moral judgments may not only reflect concerns about markets encroaching on social domains, but also the application of interpersonal moral intuitions to economic contexts in ways that do not fully account for how markets operate. By identifying actor representation as a factor shaping moral evaluations, this paper offers a new perspective on market aversion. Rather than arising solely from perceived harm or unfairness, moral criticism of markets may partly depend on whether economic actions are attributed to abstract roles or to concrete individuals.

From a political economy perspective, this mechanism has important implications. If voters and citizens systematically judge abstract market actors more harshly than concrete individuals, then political actors have incentives to frame economic policy debates in ways that emphasize abstract entities, “corporations,” “big business,” “the market,” rather than the individuals who make economic decisions. Similarly, media coverage that depersonalizes economic actors may amplify public demand for regulation. Understanding how actor representation shapes moral judgments is therefore relevant not only for explaining individual-level attitudes toward markets, but also for understanding the political dynamics of economic regulation and the persistence of policies that diverge from economic efficiency.

Actor Individuation and Moral Judgments of Markets

A large body of research shows that individuals evaluate market behavior in moral terms. Existing explanations typically attribute such reactions to factors such as perceived harm, fairness violations, inequality, or exploitation. In parallel, work on identifiability demonstrates that moral responses intensify when affected individuals are concrete rather than abstract (Jenni & Loewenstein, 1997; Small & Loewenstein, 2003; Kogut & Ritov, 2005). These approaches have been highly successful in explaining when and why individuals morally condemn economic outcomes. However, these explanations share a common structure: they focus on characteristics of outcomes or on the presence of affected parties. They therefore assume that differences in moral judgment arise because the underlying situation itself changes - because harm becomes more salient, because distributional concerns are triggered, or because individuals become emotionally engaged with identifiable others. The present paper examines a different possibility. We consider whether moral evaluations may differ even when the underlying economic action, its consequences, and the broader context remain unchanged. Specifically, we focus on how the economic actor is represented.

This perspective connects to a broader insight articulated by Hayek (1991). Hayek argues that individuals operate across different domains governed by distinct principles. In small-scale social interactions, behavior is evaluated in terms of interpersonal norms such as fairness, reciprocity, and

intentional responsibility. In contrast, market interactions are embedded in an extended order characterized by abstract roles, indirect coordination, and systemic constraints. As Hayek notes, “we must constantly adjust our lives, our thoughts and our emotions, in order to live simultaneously within different kinds of orders according to different rules” (Hayek, 1991, p. 18).

While this insight has primarily been interpreted as a distinction between types of social orders, it also suggests a representational dimension. The same economic situation can be perceived either through the lens of an individual actor or as part of a broader, more abstract system. This raises the possibility that moral evaluations may depend not only on the nature of the situation but also on how the actor within that situation is cognitively framed. In particular, when an economic actor is presented as a concrete individual, observers may be more likely to interpret the decision as the action of a person operating under constraints. This perspective may shift attention toward situational factors and trade-offs. When the same actor is presented as an abstract representative of a profession, the decision may instead be interpreted as an instance of market behavior in general, making it more susceptible to moral evaluation directed at “the market” as an abstract entity. Importantly, this account differs from existing explanations. It does not rely on the presence of identifiable victims, changes in outcomes, or shifts in perceived fairness. Instead, it focuses on the representation of the decision maker while holding the economic context constant. This allows us to isolate a mechanism that has received comparatively little attention in the literature on market morality.

Based on this reasoning, we test whether identical market behavior is evaluated differently depending on whether the economic actor appears as a concrete individual or as an abstract representative of a profession. We derive the following hypothesis: Identical market behavior will be judged more harshly when the economic actor is presented as an abstract representative of a profession than when the same actor is presented as a concrete individual.

Study 1: Individuation of Economic Actors

Study 1 tests whether moral evaluations of identical market behavior differ depending on the individuation of the economic actor. Specifically, we examine whether participants evaluate a price increase differently when the actor appears as a concrete individual or as generic representative of a profession.

Method of Study 1

The study followed a preregistered 5 × 2 between-subjects design in which participants were randomly assigned to one of ten experimental conditions defined by five professions (barista, pharmacist, baker, mechanic, or hairdresser) and two levels of identifiability (identifiable vs. non-identifiable). Each participant evaluated a single scenario.

The preregistration specified a target sample of approximately 50 participants per treatment after exclusions, yielding a total planned sample of about 500 participants. Participants were recruited via the US-based online panel CloudResearch (Chandler et al., 2019). Participation took approximately two minutes and respondents received financial compensation. Responses were anonymous. Participants who failed the comprehension check, declined informed consent, or provided incomplete responses were excluded according to the preregistered criteria. Ethical approval was obtained from the German Association for Experimental Economic Research e.V. (Ethics Certificate No. 1LMIi7PF). The surveys and preregistrations of all studies can be viewed in the OSF file https://osf.io/y52tj/overview?view_only=24dc4a46529c4bceaa6357f4f9416aa4.

Participants read a short vignette describing a service provider who had recently increased the price of a commonly consumed good or service by approximately 15 percent. The professions included a barista, pharmacist, baker, mechanic, or hairdresser. The economic action, i.e., the price increase, described in the scenario was identical across treatments. Our key manipulation concerned the level of abstraction at which the actor was presented. In the micro condition, the provider was introduced as a specific individual embedded in a neighborhood setting. The actor was named Jacob and brief personal background information was provided to evoke a concrete and personally relatable individual. In the macro condition, these personal elements were removed. The provider remained anonymous and the situation was described more abstractly without reference to a neighborhood or personal background. Apart from these framing elements, the substantive content of the vignette remained identical across conditions.

After reading the scenario, participants evaluated the price increase using five items presented in randomized order on seven-point Likert scales ranging from 1 (“strongly disagree”) to 7 (“strongly agree”):

“This behavior is good for society.”

“This behavior is morally wrong.”

“This behavior should be regulated.”

“This behavior should be punished.”

“The owner was under strong economic pressure when making this decision.”

Participants then answered a comprehension question. This question had participants pick one of four possible answers on what the text that they had read on the previous screen was about. Possible answers were “provision of a service or product,” “political debate,” “holiday trip,” and “sports competition.” Finally, they completed demographic questions including gender, age, political orientation, and residential environment.

Results of Study 1

As preregistered, participants who answered the comprehension question wrongly were excluded from our analysis. We estimated that about 20% of participants would be inattentive and fail our comprehension question. Out of all 623 participants, actually only 65 participants (10.4%) failed the check and were accordingly excluded from further analysis. The demographic characteristics of the remaining sample of 558 participants are summarized in Table 1.

Table 1: Sample characteristics for Study 1

Variable	**n**	**M (SD) / %**
Age (years)	555	44.33 (15.16)
Gender	*555*	
Female	317	57.1%
Male	235	42.3%
Other	3	0.5%
Political orientation	*555*	
Republican	201	36.2%
Democrat	200	36.0%
Other	154	27.7%
Residential environment	*543*	
Village/rural community (less than 5,000 inhabitants)	58	10.7%
Small town (5,000 – 19,999 inhabitants)	126	23.2%
Medium-sized town (20,000 – 99,999 inhabitants)	169	31.1%
Large city (100,000 – 499,999 inhabitants)	133	24.4%
Very large city (500,000 inhabitants or more)	57	10.5%

Table 2 reports the effect of whether an actor was identifiable (0 = no, 1 = yes) as our key predictor on our dependent variables (“behavior is good for society”, “behavior is morally wrong”, “behavior should be regulated”, “behavior should be punished”, “person has strong power over setting price”). Agreement was measured on a Likert scale from 1 (“fully disagree”) to 7 (“fully agree”). Because observations were nested within five professional contexts (barista, pharmacist, baker, mechanic, hairdresser), we estimated linear mixed-effects models with a random intercept for context. Age, gender (female), party identification (Republican, Democrat, other party), and residential environment were included as

covariates. To control the family-wise error rate across the five primary tests of the identifiable effect, p-values for this predictor were adjusted using the Holm procedure.

Table 2: Linear mixed effects models for Study 1

	good for society	morally wrong	to be regulated	to be punished	power over price
(Intercept)	3.647	4.129	4.209	3.174	5.102
	(0.310)	(0.393)	(0.382)	(0.351)	(0.341)
Identifiable	0.485**	-0.467**	-0.350*	-0.513**	0.219
	(0.123)	(0.144)	(0.150)	(0.138)	(0.137)
Age	-0.004	-0.009*	-0.009	-0.005	-0.008
	(0.004)	(0.005)	(0.005)	(0.005)	(0.005)
Female	-0.227	-0.155	0.120	-0.379**	-0.114
	(0.125)	(0.146)	(0.152)	(0.140)	(0.139)
Democrat	-0.253	0.053	0.125	0.173	-0.205
	(0.146)	(0.171)	(0.178)	(0.164)	(0.163)
Other party	-0.192	0.212	0.149	0.043	-0.114
	(0.156)	(0.183)	(0.190)	(0.176)	(0.174)
Residence	0.020	-0.026	0.037	0.081	0.008
	(0.055)	(0.064)	(0.067)	(0.062)	(0.061)

Note. Coefficients are unstandardized estimates, standard errors in parentheses. The key predictor identifiable (coded 1 = identifiable actor, 0 = non-identifiable actor) is the primary variable of interest, p-values for its effects across the five dependent variables were adjusted using the Holm procedure to control the family-wise error rate. Age (continuous), female (0 = no, 1 = yes), Democrat (0 = no, 1 = yes), Other party (0 = no, 1 = yes), and Residence (ordinal, 1–5 indicating increasing community size) were included as demographic control variables in all models. Party identification dummies are coded with Republican as the reference category. Significance stars refer to Holm-adjusted p-values for Identifiable; p-values for control variables are unadjusted. ** $p < 0.001$, * $p < 0.05$.

Identifiable actors were evaluated markedly more positively than non-identifiable ones across four of the five outcomes. When the person was identifiable, the behavior was seen as more beneficial for society (b = 0.49, SE = 0.12), less morally wrong (b = -0.47, SE = 0.14), less in need of regulation (b = -0.35, SE = 0.15), and less deserving of punishment (b = -0.51, SE = 0.14). The identifiable condition did not reliably change the perceived power over setting the price (b = 0.22, SE = 0.14). These effects held when

controlling for age, gender, party identification, and residential environment. Overall, the results of Study 1 support the hypothesis that identical market behavior is judged less harshly when the economic actor is presented as a concrete individual rather than as an abstract representative of a profession.

Discussion of Results of Study 1

The results indicate that identifiability enhances the moral acceptance of an actor's economic behavior. However, the mechanism remains unclear. One possibility is individuation: participants perceived the actor as a specific person rather than an abstract role occupant, triggering more differentiated moral judgments. Alternatively, identifiability may have *reframed the situation itself*: participants might have interpreted the actor's behavior as personally motivated rather than economically driven, thus applying different moral standards. Study 2 is set up to disentangle these explanations.

Study 2: Disentangling Person and Situation

Study 2 examines how identifiability affects perceptions of the actor and the situation. Specifically, we test whether individuation leads participants to perceive the actor (1) as a specific individual rather than a generic professional representative, and (2) as acting in a private rather than a business capacity. To assess the latter, we measure both perceived role identity (private person vs. business person) and attributed motivations (personal vs. economic considerations).

Method of Study 2

Study 2 follows the same preregistered 5 × 2 between-subjects design used in Study 1. Participants were randomly assigned to one of ten experimental conditions defined by five professions (barista, pharmacist, baker, mechanic, or hairdresser) and two levels of identifiability (identifiable vs. non-identifiable). Each participant again evaluated a single vignette.

The preregistration specified a target sample of approximately 50 participants per treatment condition, resulting in a total planned sample size of about 500 participants. Participants were recruited through CloudResearch and received financial compensation for their participation. Responses were anonymous. Participants who failed the comprehension question, declined informed consent, or provided incomplete responses were excluded according to the preregistered criteria.

Study 2 used the same vignette structure as Study 1. Participants read a short scenario describing a service provider who had recently increased the price of a good or service by approximately 15 percent. The professions and contextual manipulations were identical to those used in Study 1. As before, the manipulation varied only whether the actor was presented at the micro level as a concrete individual with a name and personal background information or at the macro level as an anonymous representative of

the profession. In contrast to Study 1, after reading the vignette, participants now answered three perception items presented in randomized order on a seven-point scale:

The person described here is best understood as … (0 = a specific individual; 6 = a representative of the profession in general)

The actor acts as … (0 = a private individual; 6 = a business person)

The situation described here feels like it is driven by … (0 = personal considerations; 6 = economic considerations)

Participants then completed the same comprehension check and demographic questions used in Study 1.

Results of Study 2

Out of all 638 participants, 41 participants (6.4%) failed the comprehension check and were accordingly excluded from further analysis. The demographic characteristics of the remaining sample of 597 participants are summarized in Table 3.

Table 3: Sample characteristics for Study 2

Variable	n	M (SD) / %
Age (years)	597	50.18 (15.19)
Gender	*597*	
Female	371	62.1%
Male	226	37.9%
Other	0	0.0%
Political orientation	*597*	
Republican	221	37.0%
Democrat	214	35.8%
Other	162	27.1%
Residential environment	*582*	
Village/rural community (less than 5,000 inhabitants)	63	10.8%
Small town (5,000 – 19,999 inhabitants)	157	27.0%
Medium-sized town (20,000 – 99,999 inhabitants)	187	32.1%
Large city (100,000 – 499,999 inhabitants)	121	20.8%
Very large city (500,000 inhabitants or more)	54	9.3%

Table 4 now reports the effect of whether an actor was identifiable (0 = no, 1 = yes) as key predictor on the dependent variables. These dependent variables were participants' assessment of three statements. First, "The person described here is best understood as…," measured on a Likert scale from 1 ("a specific individual") to 7 ("a representative of a general profession"). Second, "The barista acts as…," measured from 1 ("a private individual") to 7 ("a business person"). Third, "The situation described here feels like it is driven by…" from 1 ("personal considerations") to 7 ("economic considerations").

Because observations again were nested within the five professional contexts (barista, pharmacist, baker, mechanic, hairdresser), we estimated once more linear mixed-effects models with a random intercept for context and the control variables used also in Study 1. To control the family-wise error rate across the three primary tests of the identifiable effect, p-values for this predictor were adjusted using the Holm procedure.

Table 4: Linear mixed effects models for Study 2

	Specific individual vs. general profession	Private individual vs. business person	Personal considerations vs. economic considerations
(Intercept)	3.772	5.008	4.422
	(0.478)	(0.426)	(0.371)
Identifiable	-0.663**	-0.329	-0.137
	(0.189)	(0.167)	(0.149)
Age	0.001	0.011*	0.016**
	(0.006)	(0.006)	(0.005)
Female	-0.031	-0.326	-0.189
	(0.196)	(0.173)	(0.155)
Democrat	0.169	0.045	-0.024
	(0.225)	(0.199)	(0.178)
Other party	0.402	0.136	0.056
	(0.242)	(0.213)	(0.190)
Residence	0.088	-0.022	0.053
	(0.086)	(0.076)	(0.068)

Note. Coefficients are unstandardized estimates, standard errors in parentheses. The key predictor identifiable (coded 1 = identifiable actor, 0 = non-identifiable actor) is the primary variable of interest, p-values for its effects across the three dependent variables were adjusted using the Holm procedure to control the family-wise error rate. Age (continuous), female (0 = no, 1 = yes), Democrat (0 = no, 1 = yes), Other party (0 = no, 1 = yes), and Residence (ordinal, 1–5 indicating increasing community size) were included as demographic control variables in all models. Party identification dummies are coded with Republican as the reference category. Significance stars refer to Holm-adjusted p-values for Identifiable; p-values for control variables are unadjusted. ** $p < 0.001$, * $p < 0.05$.

Identifiability successfully induced individuation: participants perceived the actor as a specific individual rather than a professional prototype, an effect that remained significant when controlling for demographics and political orientation. Critically, however, this individuation did not trigger situational reframing—the actor was neither seen as more private nor as more personally motivated.

Discussion of Results of Study 2

Study 2 suggests that the heightened moral acceptance of the actor's economic behavior observed in Study 1 was induced by a changed perception of the person rather than the situation. However, Study 1

examined price increases, a context in which potential victims (customers) remain abstract and the economic actor might be perceived as constrained by circumstances rather than as acting freely. In this sense, the individuated business person might themselves be perceived as a victim of market pressures. Up to this point, we therefore cannot rule out that the effect observed in Study 1 reflects an identifiable victim effect -- with the actor, rather than those affected by the decision, as the victim.

Study 3: Disentangling Actor and Victim Individuation

To establish that individuation enhances moral acceptance even when the actor is unambiguously a perpetrator rather than a victim, Study 3 examines a layoff scenario motivated by profit maximization. Here, the actor makes a discretionary decision that creates concrete, identifiable harm to a specific employee. This design rules out the possibility that the observed effect merely reflects sympathy for an individuated actor perceived as constrained by circumstances.

Method of Study 3

Study 3 follows the same preregistered 5 × 2 between-subjects design used in the previous studies. Participants were randomly assigned to one of ten experimental conditions defined by five professions (barista, pharmacist, baker, mechanic, or hairdresser) and two levels of abstraction (micro vs. macro). Each participant evaluated a single vignette.

The preregistration specified a target sample of approximately 50 participants per treatment condition, resulting in a total planned sample size of about 500 participants. Participants were recruited through CloudResearch and received financial compensation for their participation. Responses were anonymous. Participants who failed the comprehension question, declined informed consent, or provided incomplete responses were excluded according to the preregistered criteria.

Participants read a vignette describing a decision made by a local service provider. In the scenario, the business owner dismissed an employee who had worked at the business for a long time. The vignette explained that the employee had accumulated relatively high labor costs over time and that the dismissal was motivated by the owner's intention to increase the profit margin of the business.

The professions and contextual manipulations were identical to those used in the previous studies. As before, the manipulation varied only whether the actor was presented at the micro level as a concrete individual with a name and personal background information or at the macro level as an anonymous representative of the profession.

After reading the scenario, participants evaluated the decision using the same set of moral judgment items used in Study 1. Participants thus indicated their agreement with the following statements on seven-point Likert scales ranging from 1 (“strongly disagree”) to 7 (“strongly agree”):

“This behavior is good for society.”

“This behavior is morally wrong.”

“This behavior should be regulated.”

“This behavior should be punished.”

“The owner was under strong economic pressure when making this decision.”

Participants then completed the same comprehension check and demographic questions used in the previous studies.

Results of Study 3

Out of all 640 participants, 82 participants (12.8%) failed the comprehension check and were accordingly excluded from further analysis. The demographic characteristics of the remaining sample of 558 participants are summarized in Table 5.

Table 5: Sample characteristics for Study 3

Variable	**n**	**M (SD) / %**
Age (years)	557	47.45 (14.38)
Gender	*557*	
Female	329	59.1%
Male	226	40.6%
Other	2	0.4%
Political orientation	*557*	
Republican	208	37.3%
Democrat	232	41.7%
Other	117	21.0%
Residential environment	*542*	
Village/rural community (less than 5,000 inhabitants)	69	12.7%
Small town (5,000 – 19,999 inhabitants)	108	19.9%
Medium-sized town (20,000 – 99,999 inhabitants)	176	32.5%
Large city (100,000 – 499,999 inhabitants)	127	23.4%
Very large city (500,000 inhabitants or more)	62	11.4%

Table 6 reports the effect of whether an actor was identifiable (0 = no, 1 = yes) as our key predictor on our dependent variables. Agreement was again measured on a Likert scale from 1 (“fully disagree”) to 7 (“fully agree”). To test for the effect of identifiability across random professional contexts (barista, pharmacist, baker, mechanic, hairdresser), we estimated linear mixed-effects models with a random intercept for context. Age, gender (female), party identification (Republican, Democrat, other party), and residential environment were included as covariates. To control the family-wise error rate across the five primary tests of the identifiable effect, p-values for this predictor were adjusted using the Holm procedure.

Table 6: Linear mixed effects models for Study 3

	good for society	morally wrong	to be regulated	to be punished	power over the decision
(Intercept)	2.511	5.663	5.121	4.797	4.253
	(0.302)	(0.377)	(0.370)	(0.373)	(0.340)
Identifiable	0.410**	-0.447*	-0.210	-0.341*	0.107
	(0.122)	(0.151)	(0.151)	(0.154)	(0.136)
Age	-0.005	-0.011*	-0.021**	-0.019**	-0.004
	(0.004)	(0.005)	(0.005)	(0.005)	(0.005)
Female	-0.146	0.046	0.206	-0.076	0.027
	(0.125)	(0.154)	(0.154)	(0.157)	(0.139)
Democrat	-0.228	0.106	0.355*	0.606**	-0.443**
	(0.139)	(0.171)	(0.171)	(0.175)	(0.155)
Other party	-0.135	-0.136	0.377	0.162	-0.382*
	(0.168)	(0.208)	(0.208)	(0.212)	(0.188)
Residence	0.097	0.004	0.032	-0.054	0.125*
	(0.052)	(0.064)	(0.064)	(0.065)	(0.058)

Note. Coefficients are unstandardized estimates, standard errors in parentheses. The key predictor identifiable (coded 1 = identifiable actor, 0 = non-identifiable actor) is the primary variable of interest, p-values for its effects across the five dependent variables were adjusted using the Holm procedure to control the family-wise error rate. Age (continuous), female (0 = no, 1 = yes), Democrat (0 = no, 1 = yes), Other party (0 = no, 1 = yes), and Residence (ordinal, 1–5 indicating increasing community size) were included as demographic control variables in all models. Party identification dummies are coded with Republican as the reference category. Significance stars refer to Holm-adjusted p-values for Identifiable; p-values for control variables are unadjusted. ** $p < 0.001$, * $p < 0.05$.

Consistent with Studies 1 and 2, identifiable actors were evaluated more positively than non-identifiable ones. This effect emerged for three of the five outcomes. When the person was identifiable, the behavior was seen as more beneficial for society (b = 0.41, SE = 0.12), less morally wrong (b = -0.45, SE = 0.15), and less deserving of punishment (b = -0.34, SE = 0.15). The identifiable condition did not reliably affect perceived need for regulation (b = -0.21, SE = 0.15) or perceived power over the decision (b = 0.11, SE = 0.14). These effects held when controlling for age, gender, party identification, and residential environment.

Discussion of Results of Study 3

The results of Study 3 replicate the core finding of Study 1: economic actors are judged less harshly when presented as concrete individuals rather than as abstract representatives of a profession. Critically, this effect persisted even when the actor was clearly a perpetrator exercising discretion whose actions harmed an identifiable victim.

General Discussion

This paper examines whether moral evaluations of market behavior depend on how economic actors are represented. Across three experiments, participants evaluated identical economic actions performed by everyday service providers such as baristas, pharmacists, bakers, mechanics, and hairdressers. The results consistently show that moral condemnation weakens when the economic actor is presented as a concrete individual rather than as an abstract representative of a profession. Study 1 demonstrates that a price increase is judged less harshly when the actor appears as a specific individual embedded in a familiar micro-level setting. When the same decision is attributed to an anonymous representative of the profession, participants express stronger moral criticism and greater support for regulation or punishment. Study 2 shows that this difference does not arise because participants reinterpret the scenario as a personal interaction rather than as a market transaction. In both conditions, participants largely perceive the actor as acting as a businessperson and the situation as driven by economic considerations. The manipulation therefore changes how the actor is categorized - specific individual versus representative of a profession - without altering the perception that the decision takes place in a market context. Study 3 extends these findings to a more morally salient situation in which a business owner dismisses an employee in order to increase profit margins. Even in this case, presenting the actor as a concrete individual reduces moral condemnation compared to presenting the same decision as the action of an anonymous representative of the profession. Taken together, the results suggest that moral outrage toward market behavior may depend not only on the economic action itself but also on the level of abstraction at which the economic actor is perceived. Across all three studies, participants evaluated identical economic decisions more leniently when the decision maker appeared as a concrete individual rather than as an abstract professional role. Importantly, Study 2 shows that this shift does not occur because participants misunderstand the situation as a personal interaction. Participants clearly recognize that the actor operates within a business context and that the decision is driven by economic

considerations. The difference therefore lies not in how the situation is interpreted but in how the economic actor is represented. When observers encounter a concrete individual, the decision appears as the action of a person operating within economic constraints. When the same decision is attributed to an abstract professional role, the action appears more closely associated with impersonal market processes and attracts stronger moral condemnation. In this sense, moral condemnation of markets may partly reflect reactions to markets without faces. When economic actions are attributed to abstract entities such as “the market,” “companies,” or professional roles, observers may focus primarily on the outcome of the decision. When the same actions are associated with identifiable individuals, observers appear more likely to consider the constraints, trade-offs, and situational pressures under which those decisions are made. The present findings therefore suggest that the representation of economic actors can systematically influence how market behavior is morally evaluated.

First, the findings cannot be explained by the identifiable victim effect. A large body of research shows that individuals respond more strongly to harm when it affects identifiable individuals rather than statistical or anonymous others (Jenni & Loewenstein, 1997; Small & Loewenstein, 2003; Kogut & Ritov, 2005). This literature demonstrates that emotional engagement and moral concern increase when victims are concrete and personally identifiable. At first glance, one might expect a similar mechanism to operate in the present setting. However, the design of the studies differs in a crucial way. The manipulation does not vary the identifiability of a victim, but rather the representation of the economic actor. In Study 1 and Study 2, the decision under evaluation - a price increase - does not involve a clearly identifiable victim at all. Nevertheless, we observe systematic differences in moral judgment depending on whether the actor is presented as a concrete individual or as an abstract representative. Study 3 further reinforces this point. In this case, the scenario involves a dismissed employee who could plausibly be perceived as an identifiable victim. If the observed effect were driven by identifiable victim mechanisms, one would expect moral condemnation to increase when attention is drawn to the affected individual. Instead, the results show that presenting the decision maker as a concrete individual still reduces moral condemnation. This pattern is inconsistent with the predictions of the identifiable victim literature. Taken together, these findings indicate that the observed differences in moral evaluation are not driven by changes in victim identifiability. Rather, they reflect how the decision maker is represented, while the underlying economic situation remains constant.

Second, the findings are not readily explained by ingroup–outgroup dynamics. A large body of research shows that individuals systematically evaluate members of their own group more favorably than members of outgroups, often attributing more benign intentions to ingroup members and judging their actions less harshly (Balliet et al., 2014; Brewer, 1999; Pettigrew, 1979). In economic contexts, such biases can influence perceptions of fairness, trust, and cooperation, leading individuals to respond differently depending on perceived group membership (Falk & Zehnder, 2013; Chen & Li, 2009). At first glance, one might argue that presenting an economic actor as a concrete individual embedded in a local context could trigger ingroup perceptions, whereas an abstract representative of a profession might be perceived as a more distant outgroup actor. However, the present design minimizes such differences in group membership. Across conditions, the actors belong to the same category of everyday service

providers (e.g., barista, pharmacist, baker), and no explicit group boundaries or social identities are introduced. The manipulation concerns only whether the actor is presented as a specific individual or as an anonymous representative of a profession. Moreover, the pattern of results is not consistent with a standard ingroup–outgroup account. The observed differences arise even though participants continue to interpret the situation as a business interaction rather than a personal or social relationship. As shown in Study 2, participants do not reinterpret the individual condition as a private interaction but still recognize the actor as operating within a market context. The effect therefore cannot be attributed to a shift in perceived group membership, but instead reflects differences in how the same economic actor is cognitively represented.

Third, the results cannot be attributed to a reinterpretation of the situation as a personal rather than economic interaction. Study 2 directly tests this possibility and shows that participants in both conditions clearly recognize the situation as a business decision driven by economic considerations. Even when the actor appears as a concrete individual with a name and background, participants still interpret the scenario as part of a market transaction. The difference therefore lies in the level of abstraction at which the actor is perceived, not in whether the situation is understood as economic.

These findings contribute to the literature on moral evaluations of markets by highlighting the role of actor abstraction in shaping moral judgments. Previous research has largely focused on the characteristics of economic outcomes, such as perceived fairness, inequality, exploitation, or distributive concerns (Fehr & Schmidt, 1999; Konow, 2003; Falk & Szech, 2013). Other work emphasizes the role of emotional proximity and identifiability in moral decision-making (Jenni & Loewenstein, 1997; Small & Loewenstein, 2003). The present results suggest an additional mechanism: the level of abstraction at which economic actors are represented. Even when the economic action and its consequences remain identical, presenting the actor as a concrete individual rather than as an abstract professional role can substantially alter moral evaluations. More broadly, the findings resonate with Hayek's observation that individuals navigate between different moral perspectives when interpreting social interactions. Norms such as fairness, reciprocity, and intentional responsibility evolved in small-scale interpersonal settings in which individuals interact directly with one another. Market societies, by contrast, rely on coordination among strangers through abstract roles and price signals (Hayek, 1991). The present findings suggest that when economic actors are represented in more concrete, person-centered terms, observers may be more inclined to interpret their behavior in light of the situational constraints that shape individual decisions. When actors are presented more abstractly, the same behavior may appear as the outcome of impersonal market processes and may therefore attract stronger moral criticism.

The results also have implications for how economic decisions are represented in public discourse. Moral criticism of markets is often directed toward abstract entities such as "companies," "corporations," or "the market." Such representations portray economic decisions as the outcome of impersonal forces rather than the choices of individuals operating within economic constraints. The present findings suggest that these abstract representations may amplify moral condemnation. When the individuals behind economic decisions become visible, observers appear more likely to consider the trade-offs and

pressures that shape those decisions. Representations that make the human actors behind economic decisions more visible may therefore foster more nuanced evaluations of market behavior.

Limitations

This study has several limitations that should be acknowledged. First, the experiments rely on vignette-based scenarios involving everyday service providers. While this approach allows for precise experimental control and causal identification, it necessarily simplifies real-world economic interactions. Actual market decisions often involve more complex institutional contexts, repeated interactions, and longer-term relationships. Future research could therefore examine whether similar patterns emerge in more realistic decision environments or in field settings. Second, the present studies focus on relatively small-scale economic actors such as baristas, pharmacists, bakers, mechanics, and hairdressers. These professions were chosen because they represent familiar market interactions in everyday life. However, moral reactions to economic behavior may differ when observers evaluate decisions made by large corporations or multinational firms. Future research could explore whether the same dynamics of actor abstraction also influence moral evaluations in contexts involving larger organizations or corporate actors. Third, while the present experiments demonstrate that the level of actor abstraction influences moral evaluations of market behavior, the psychological mechanisms underlying this effect remain open for further investigation. One plausible interpretation is that concrete representations of economic actors make the situational constraints under which decisions are made more salient. However, future research could examine more directly which cognitive or emotional processes drive these shifts in evaluation. Finally, the present study examines short-term moral reactions to isolated economic decisions. In real-world contexts, observers may accumulate information about actors over time and update their judgments based on reputations, past behavior, or institutional rules. Understanding how actor abstraction interacts with these longer-term processes represents an important avenue for future research.

Conclusion

This paper investigates how the representation of economic actors influences moral evaluations of market behavior. Across three experiments, we show that identical economic decisions are judged less harshly when the decision maker appears as a concrete individual rather than as an abstract representative of a profession. This pattern persists across different professional contexts and remains robust even in a morally salient scenario involving the dismissal of an employee. Importantly, the effect does not arise because observers reinterpret the situation as a personal interaction rather than as a market transaction. Participants clearly recognize that the actors operate within a business context and that their decisions are driven by economic considerations. What changes is how the economic actor is represented. When the actor appears as a specific individual, observers seem more inclined to consider the constraints under which economic decisions are made. More broadly, the findings suggest that moral criticism of markets may partly reflect reactions to abstract market actors rather than to the

underlying economic behavior itself. Making the individuals behind economic decisions visible may therefore encourage more nuanced evaluations of market activity and of the trade-offs that shape economic decision making.

From a political economy perspective, these findings help explain persistent patterns in public attitudes toward markets and regulation. If citizens systematically judge abstract entities such as “corporations” or “big business” more harshly than concrete individuals making identical decisions, then political actors face strong incentives to frame regulatory debates in abstract terms. Politicians advocating intervention can invoke faceless market actors to mobilize moral outrage, while those defending market processes may benefit from personalizing economic decisions. Similarly, media coverage that emphasizes organizational actors over individual decision makers may systematically amplify public demand for regulation, even when such regulation addresses perceived moral concerns rather than actual market failures.

The mechanism identified here, actor abstraction, operates independently of the actual welfare effects of market behavior. This suggests that democratic decision-making about economic policy may be systematically biased by how economic actors are represented in public discourse. Understanding this bias is relevant for assessing the political feasibility of market-oriented reforms, for explaining the persistence of regulations that lack clear efficiency justifications, and for evaluating the quality of democratic deliberation about economic policy.

Future research could examine whether similar patterns emerge in real-world policy debates, how media framing of economic actors affects public support for specific regulations, and whether institutional designs that make individual decision makers more visible influence regulatory outcomes. The present findings suggest that the political economy of market regulation cannot be fully understood without accounting for how economic actors are cognitively and rhetorically represented in public discourse.

Declarations

Conflict of interest:

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Author Contribution

R.M. and M.U. jointly developed the research idea and study concept. R.M. led the theoretical framework, designed the experimental stimuli and procedures, and wrote the original draft of the manuscript. R.M. and M.U. jointly conducted the statistical analyses. M.U. contributed to the methodological design, supervised the research process, validated the analytical approach, and critically revised the manuscript

for important intellectual content. Both authors reviewed and approved the final version of the manuscript and agree to be accountable for all aspects of the work.

Data Availability

The data that support the findings of this study are available from the corresponding author upon reasonable request. The experimental materials, survey instruments, and preregistration documents for all three studies are publicly available via OSF: https://osf.io/y52tj/overview?view_only=24dc4a46529c4bceaa6357f4f9416aa4

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