

Loot Boxes

Loot boxes are items in video games that players can buy or earn. These boxes have random rewards, like cosmetic changes such as skins and emotes or functional upgrades like weapons and abilities. The chance element in getting these rewards is similar to gambling, as players are often tempted to spend money or in-game currency to get desired items (Zendle & Cairns, 2018). Recently, loot boxes have become a big part of the gaming industry, both for making money and engaging players. They give developers a steady income, which can be more than the profits from game sales. This financial model supports the ongoing development and maintenance of games by funding new content and updates (Brooks & Clark, 2019). However, loot boxes have caused a lot of controversy. A notable example is the backlash against *Star Wars Battlefront II*, where players criticized the game for having loot boxes that affected gameplay balance. The controversy showed that loot boxes can exploit players, especially those with addictive tendencies, and raised concerns about fairness and gambling-like mechanics in video games (Drummond & Sauer, 2018). Given these concerns, this essay will examine the ethical issues of loot boxes in games. Using Kantianism and Social Contract theory, the essay will argue that the inclusion of loot boxes in video games is not ethically justifiable.

From a Kantian perspective, the use of loot boxes purchasable by microtransactions in video games is fundamentally wrong because it goes against the principles of freedom and respect for people. Kantian ethics are based on the idea that people should be treated as ends in themselves, never just as means to an end (Kant, 1785; Johnson & Cureton, 2021). Loot boxes exploit players' psychological weaknesses by creating a gambling-like experience through random rewards, leading to addictive behaviors, especially among minors (King & Delfabbro, 2019). It's very common to feel peer-pressure to buy advanced mechanics while playing the game, so the player ends up investing in loot boxes even though the upgrades are never promised. *Apex Legends*, a game developed by Respawn Entertainment, has faced criticism for its expensive loot box system. A 2019 analysis revealed that players could spend hundreds of dollars attempting to obtain rare in-game items, highlighting the potential for significant financial expenditure driven by the desire to complete collections (Yin-Poole, 2019). Minors, in particular, struggle to understand the complexities and risks of these transactions, making them more vulnerable to get stuck in this gambling cycle. The lack of transparency can be seen as a form of deception, violating Kant's imperative. Many players are unaware of the true costs of these virtual items and the likelihood of getting something useful. This manipulation prevents players from making rational, informed decisions, thereby hurting their autonomy in making decisions for themselves. (King & Delfabbro, 2019). The ethical concerns are even greater in multiplayer games where loot boxes can give some players an unfair advantage. When players can purchase better gear or abilities, it takes away from the fair and skill-based progression that gaming should have. This not only throws off the balance of the game but also increases inequality among players, which goes against Kantian principles of fairness and equality (Neely, 2021). Furthermore, the principle of respect for persons requires that we do not manipulate others for our benefit. Game developers who design loot boxes to maximize profits by exploiting addictive behaviors treat players as mere tools for financial gain, rather than respecting their ability to make their own decisions. This is particularly bad when considering vulnerable groups, such as children and teenagers, who are more susceptible to such tactics (Zendle & Cairns, 2018). Kantian ethics argues that it is our moral duty to

protect these individuals from exploitation and ensure they can engage with video games in a way that respects their freedom and well-being.

From a Social Contract Theory perspective, the ethical legitimacy of loot boxes in video games can be critically assessed. Social Contract Theory, as proposed by philosophers such as Thomas Hobbes, John Locke, and Jean-Jacques Rousseau, posits that the moral and political obligations of individuals are dependent upon a contract or agreement among them to form a society (Hobbes, 1651; Locke, 1689; Rousseau, 1762). According to this theory, ethical actions in a society should be based on mutual agreements that guarantee fairness, equality, and respect for everyone involved. When players purchase a game, they enter into an implicit agreement that the game will provide entertainment and value for the money spent. Introducing loot boxes, which require additional spending for random rewards, can violate this agreement, as it creates an environment where players are encouraged to spend more money without guaranteed returns (Zendle & Cairns, 2018). Loot boxes, which offer randomized rewards, often blur the lines between gaming and gambling. Gambling is heavily regulated in most societies due to its potential to cause harm. The inclusion of loot boxes in games, especially those accessible to minors, can expose vulnerable individuals to gambling-like mechanics, increasing the risk of addiction and financial harm (Drummond & Sauer, 2018). In a society governed by a social contract, it is the responsibility of all members to protect the well-being of each other, particularly the most vulnerable. By incorporating loot boxes, game developers fail to uphold this responsibility, thus breaching the social contract. From a utilitarian perspective, the use of loot boxes in video games is ethically unacceptable due to the significant negative consequences that outweigh the benefits. While loot boxes can generate substantial revenue for developers and enhance player engagement, they also exploit psychological vulnerabilities, leading to addictive behaviors and financial harm, especially among minors (Zendle & Cairns, 2018). The potential for creating unfair advantages in multiplayer games further reduces overall player satisfaction (Neely, 2021).

The debate over whether loot boxes should be controlled by law, particularly in relation to marketing them to minors, has gained significant traction in recent years. This debate stems from growing concerns about the ethical implications and potential harms associated with loot boxes, as discussed above. Governments should regulate loot boxes in video games to protect minors and ensure consumer transparency, following the strong stances taken by Belgium, the Netherlands, the UK, and Australia. Belgium declared loot boxes illegal under its gambling laws in 2018, forcing game developers to change or remove these features (Gibbs, 2018). Similarly, the Netherlands requires disclosure of odds and measures to prevent minors from buying loot boxes (Drummond & Sauer, 2018). The UK House of Lords recommended regulating loot boxes under gambling laws in a 2020 report, emphasizing the potential for harm and addiction, especially among minors (House of Lords, 2020). In Australia, a legislative inquiry called for classifying loot boxes as gambling products due to their similarities with traditional gambling (Australian Senate, 2020). Legal regulations that restrict the marketing and sale of loot boxes to minors can help reduce exposure and prevent the development of bad habits. Legal regulations can also ensure greater transparency and fairness in how loot boxes are implemented in games by mandating the disclosure of odds and implementing spending limits to protect consumers from financial exploitation (Drummond & Sauer, 2018; Calado, 2019). Moreover, it is the ethical duty of governments and regulatory bodies to shield their citizens from harmful practices. With growing evidence of the potential harms linked to loot boxes, legal control is necessary to uphold this responsibility (House of Lords, 2020; Australian Senate, 2020). Some people believe that the gaming industry should be allowed to regulate

itself, creating its own rules to address the issues with loot boxes without needing government intervention (King & Delfabbro, 2019). Others argue that government regulation could harm creativity and reduce the money available for developing new content, as loot boxes provide significant revenue for game developers (Statt, 2019). Additionally, some think it is the parents' responsibility, not the government's, to monitor and control their children's spending and gaming habits (Taylor, 2018). However, the ethical duty of governments to protect their citizens outweighs these concerns. Parental responsibility alone is insufficient to address the pervasive and potentially harmful nature of loot boxes. Therefore, it becomes very important for the government to step in and handle these public issues.

Considering the potential harms and ethical concerns associated with loot boxes, especially for minors, it is crucial that their use be controlled by law. Making it illegal to market loot boxes to minors will help protect young people and ensure fairer practices in the gaming industry. While it is important for the gaming industry to regulate itself and for parents to monitor their children's gaming habits, these actions alone are not enough to address the widespread and potentially harmful effects of loot boxes. Therefore, legal regulations are necessary to protect vulnerable players and maintain ethical standards in gaming. However, it is also important to balance these regulations with considerations of industry self-regulation and parental responsibility to create a comprehensive approach to this issue.

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