

ABSTRACT:

INFORMATION AVOIDANCE WITH RESPECT TO INTENTIONS

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Intentions play a fundamental role in many situations that are characterized by non-simultaneous cooperation, from teamwork among employees in a firm to the international task to protect the environment and the climate. In this project, we seek to experimentally investigate how decision makers take the intention of another decision maker and the outcome of her choice into account when choosing a reciprocating action.

The design is decidedly abstract and simple. The first mover decides whether to invest a low or a high amount into a risky project. The success probability of the investments is higher for the high investment but either investment may fail. Payoffs from the project are equally split between the first and the second mover but payoffs do not reveal the type of investment. The second mover plays a dictator game, choosing how much from a private endowment that is independent of the project's payoff, to give to the first mover. We vary if decision makers in the role of player 2 observe their partner's action or only the outcome of the project before deciding how much to share with player 1. We find that second movers reciprocate by being more generous if the first mover had good intentions (i.e., chose the high investment) than if he had bad intentions (low investment) in a treatment with full information.

However, in line with the expectation that many individuals are self-interested and might therefore chose the low investment as first movers, reciprocity of the second mover is lower in the treatment where information on the partner's action is hidden. Our analysis further suggests that second movers select into being informed or uninformed based on their inclination to behave more or less prosocially and information avoidance is frequent. However, we do not find evidence for moral wiggling. Finally, we explore difference between the sessions that were run in Berlin and Potsdam, respectively, suggesting that differential experiences with past laboratory experiments affect behavior and need to be taken into account.

(with Katharina Momsen and Stefano Pisanti)