Hard and Soft Betrayals

Showing Internet Experiments can Conquer the ANDES

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Agenda

- Discuss the preliminary results of an ongoing project on individual's aversion to betrayal
- Highlight the use of the Internet for economics experiments, with a focus on the “ANDES” benefits:
  - **A**ffordable
  - **N**aive subjects
  - **D**iverse subjects
  - **E**asy
  - **S**wift

Betrayal Aversion

- Research shows people are averse to the possibility of being betrayed compared to scenarios where “betrayal” is a move by nature despite identical payoffs (Bohnet & Zeckhauser).
- Our Research Question: What factors affect individual aversion to betrayal?
  - Hypotheses:
    - Individual communication
    - Identified betrayals vs. generalized betrayal (availability)
    - Monetary incentives

Scenario

- Shareholder prefers not to attend an important meeting; considers sending a Consultant in his place.
- Conditions:
  - A: Control
  - B: Consultant's secretary assures Shareholder
  - C: Consultant assures Shareholder
  - D: Specific issue on the agenda
  - E: Specific issue, Shareholder pays Consultant
  - F: Specific issue, Shareholder has weak social ties with the Consultant

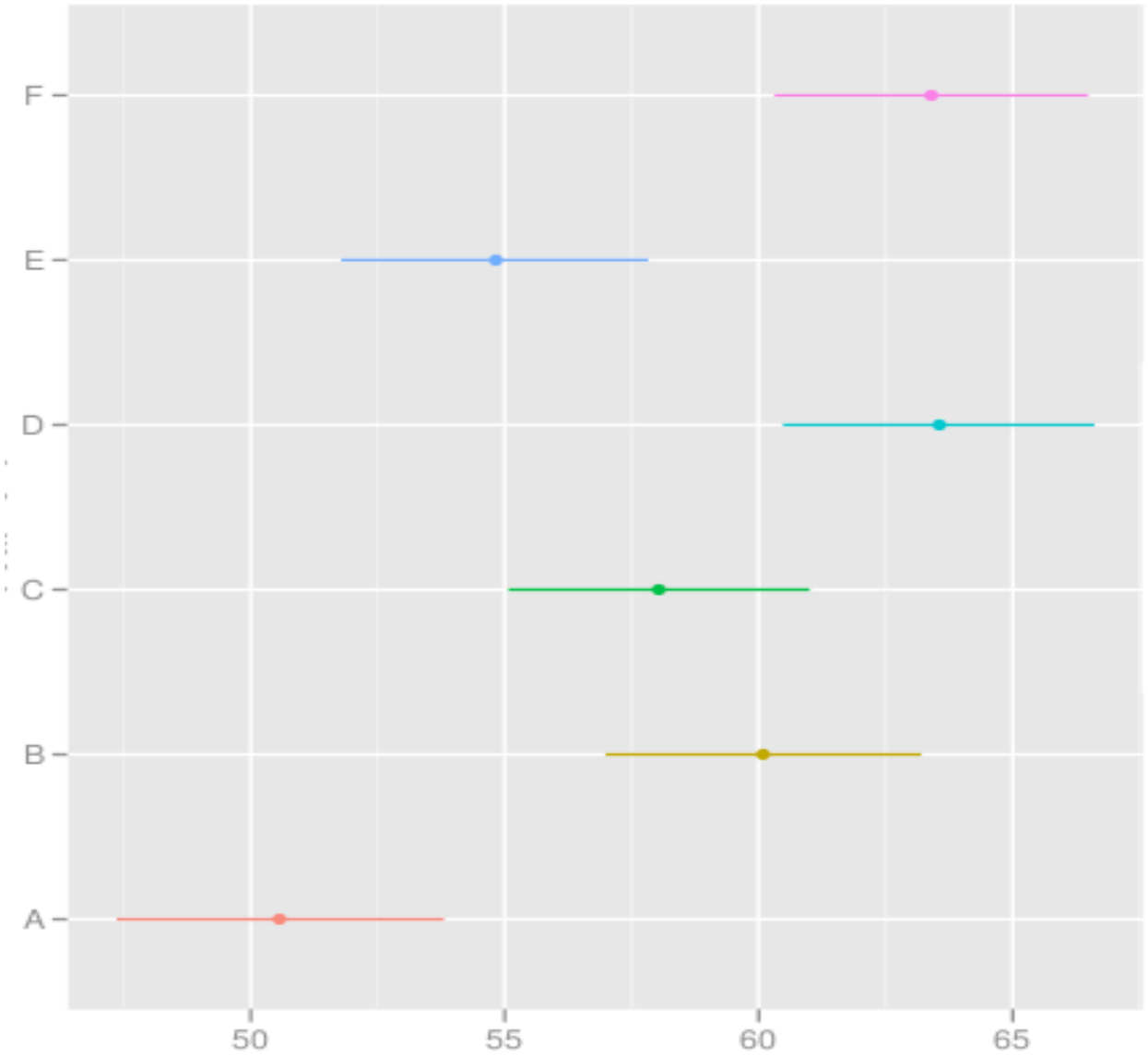
Game Design and Eliciting Preferences

	B1: Consultant Cooperates	B2: Consultant Defects
A1: Shareholder Attends himself	(10,10)	(10,10)
A2: Shareholder Sends Consultant	(15,15)	(8,22)

- In the actual game, we ask:
  - Consultant for choice (B1 or B2)
  - Shareholder for minimum acceptable proportion (MAP) of Consultant's playing B1 such that they would be willing to play A2.

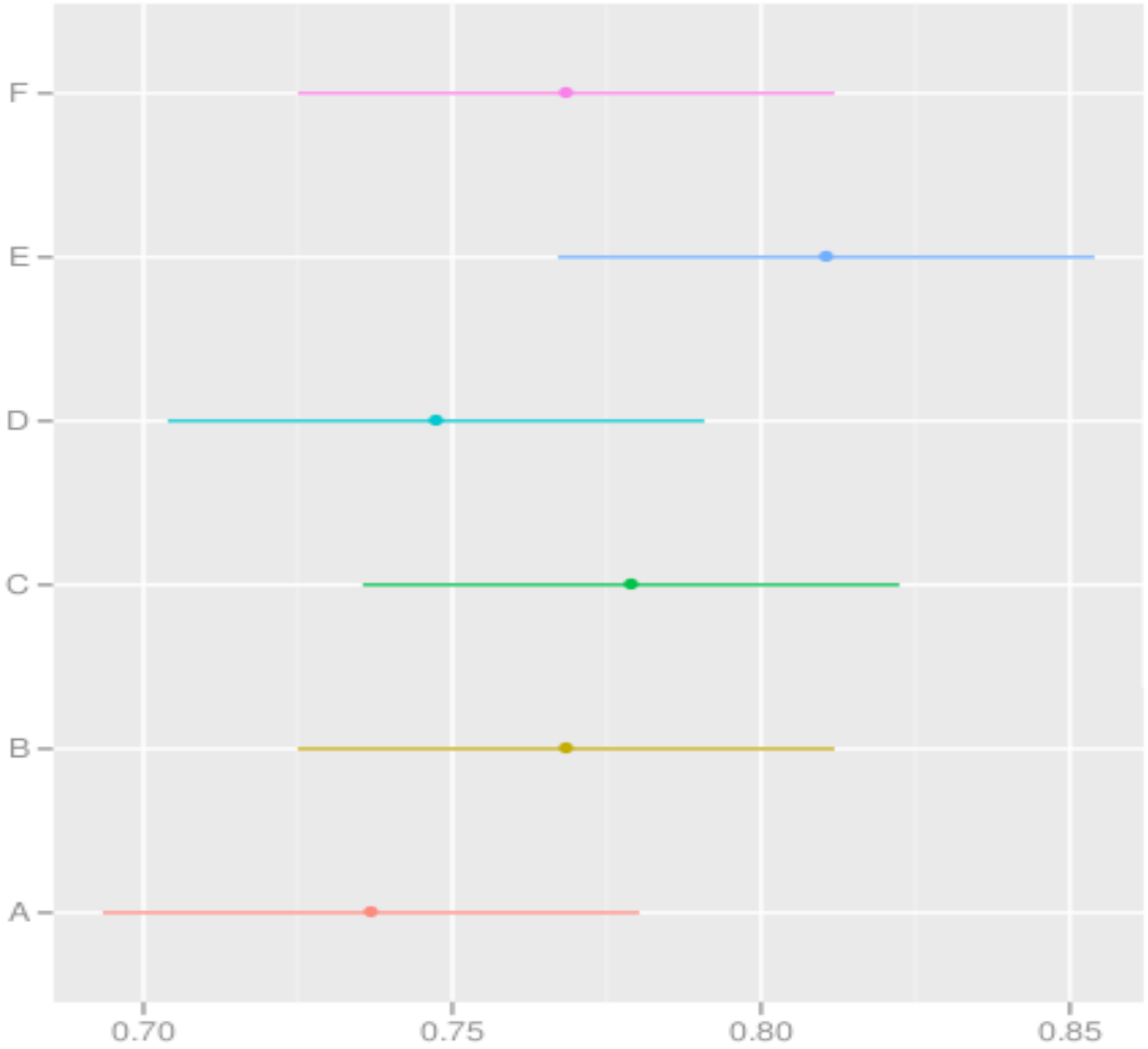
Shareholder Choices – Mean MAPs

- F: Social + Specific
- E: Money + Specific
- D: Specific
- C: Consultant assures
- B: Sec'y assures
- A: Base scenario



Consultant Cooperation Rates

- F: Social + Specific
- E: Money + Specific
- D: Specific
- C: Consultant assures
- B: Sec'y assures
- A: Base scenario



Regression Results

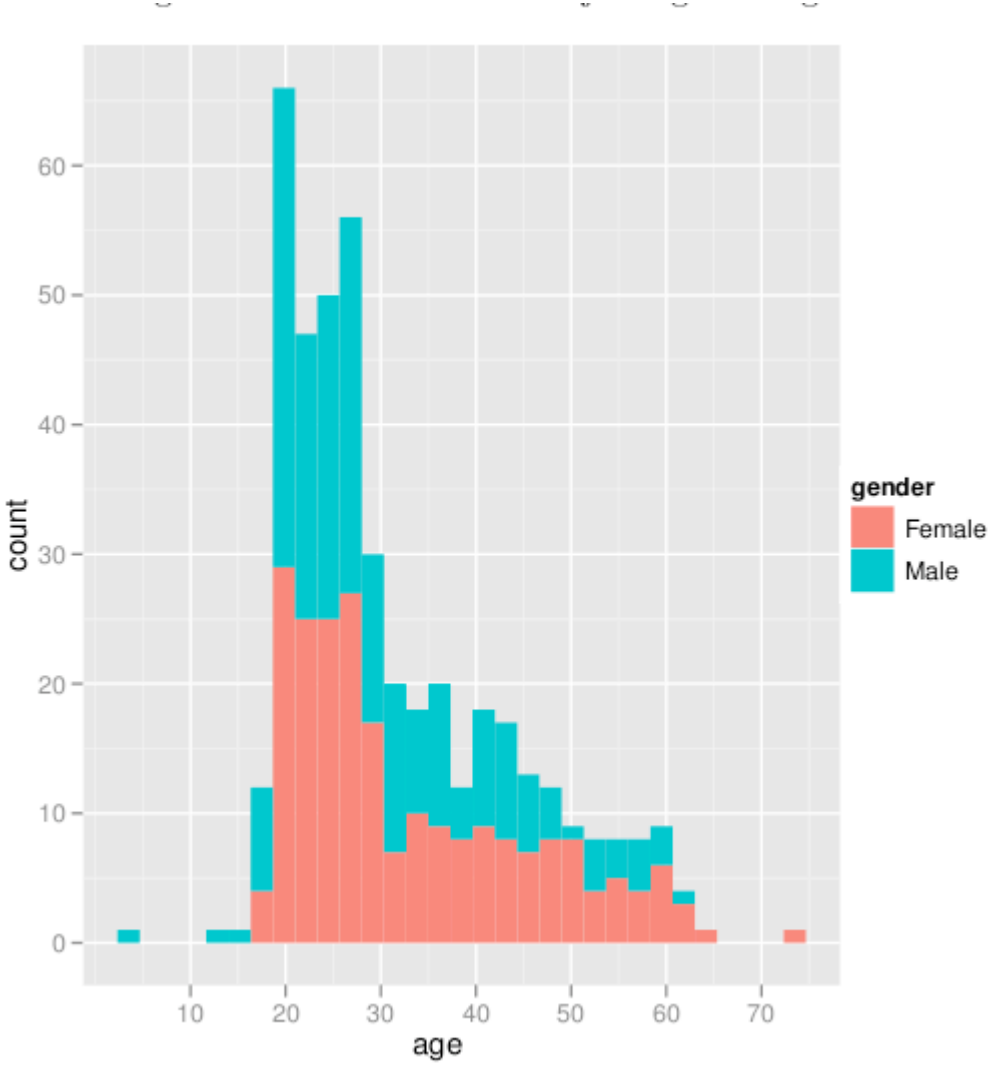
Table 1: Betrayal Aversion

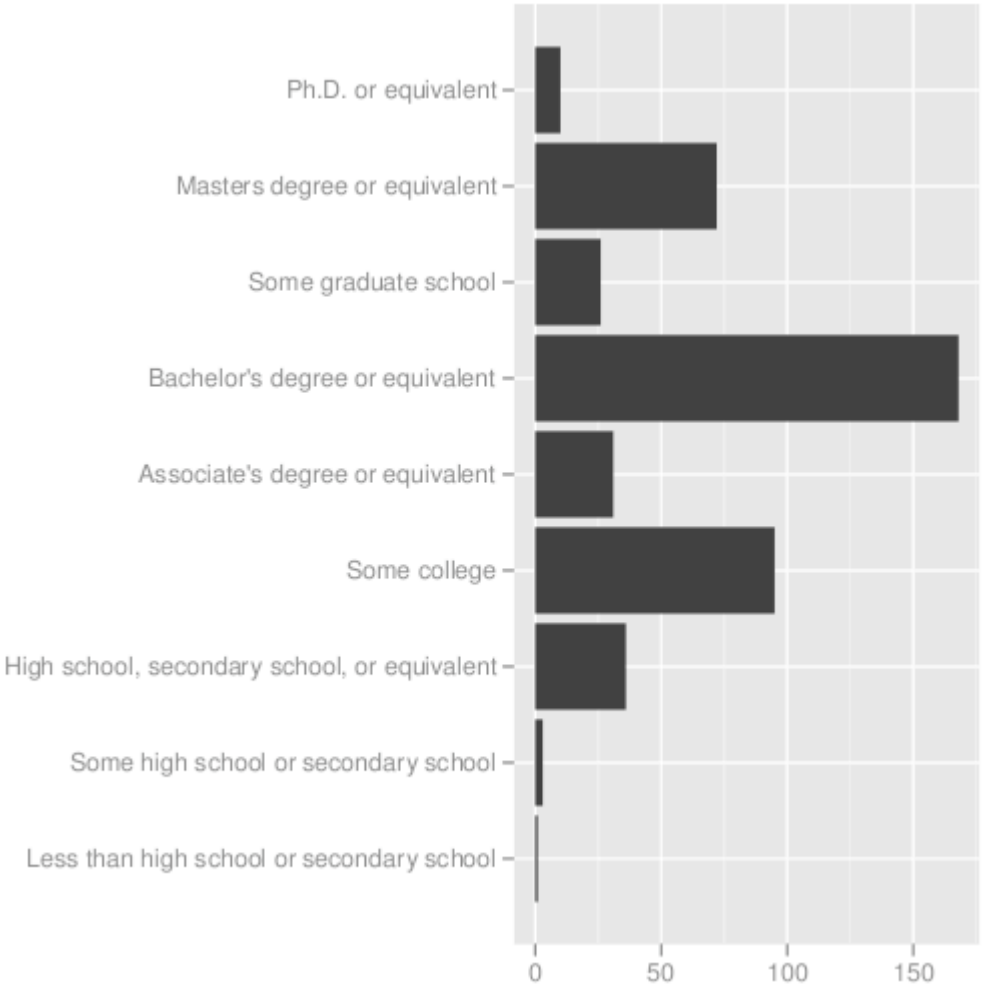
	(1)	(2)
(Intercept)	50.58***	50.58***
	(3.22)	(3.23)
B: Secretary Assures	9.51*	
	(4.48)	
C: Consultant Assures	7.46†	
	(4.38)	
D: Consultant Assures, Specific Event	12.96**	
	(4.45)	
E: Consultant Assures, Specific Event, Money Exchange	4.22	
	(4.42)	
F: Consultant Assures, Specific Event, Social Ties	12.82**	
	(4.46)	
Pooled treatments (B - F) vs. A		9.33**
		(3.51)
N	441	441
R^2	0.03	0.02
adj. R^2	0.02	0.01
Resid. sd	26.37	26.43

Standard errors in parentheses

† significant at $p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Subject Characteristics





Future Directions in Betrayal Aversion Research

- Examine the role of monetary compensation. Does it defuse betrayal (as our results seem to indicate)?
- Are people more likely to be trustworthy if they receive cash compensation?
- MRI investigation
- Gene investigation
- Cross-cultural assessments
- Investigation into relative contributions to hardness of betrayal

Methodological Challenges of Experimentation

- Laboratory Experiments:
  - Expensive / Time-consuming
  - Subjects are experiment savvy
  - Lab invokes its own norms and context
- Field Experiments:
  - Expensive / Time-consuming
  - Hard to have subjects play sophisticated games

Internet is fast and cheap but...

- Internet experimentation issues:
  - Inverse Turing test problem
  - Hard to know who is participating
  - Hard to recruit subjects
- Possible solution: Online Labor Markets
- Virtues:
  - Norm of exchange and communication
  - Identity of participants is known
  - Subjects come to the sites to work
  - Easy to prevent collusion

Our Laboratory: Amazon's Mechanical Turk

amazonmechanical turk beta
Artificial Artificial Intelligence

Your Account | HITs | Qualifications | Si

Introduction | **Dashboard** | **Status** | **Account Settings**

Mechanical Turk is a marketplace for work.

We give businesses and developers access to an on-demand, scalable workforce.
Workers select from thousands of tasks and work whenever it's convenient.

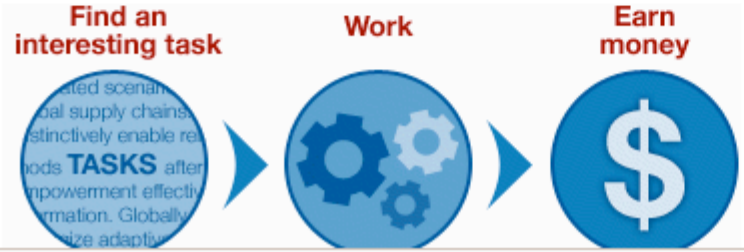
53,367 HITs available. View them now.

Make Money
by working on HITs

HITs - *Human Intelligence Tasks* - are individual tasks that you work on. Find HITs now.

As a Mechanical Turk Worker you:

- Can work from home
- Choose your own work hours
- Get paid for doing good work



Get Results
from Mechanical Turk Workers

Ask workers to complete HITs - *Human Intelligence Tasks* - a get results using Mechanical Turk. Register Now

As a Mechanical Turk Requester you:

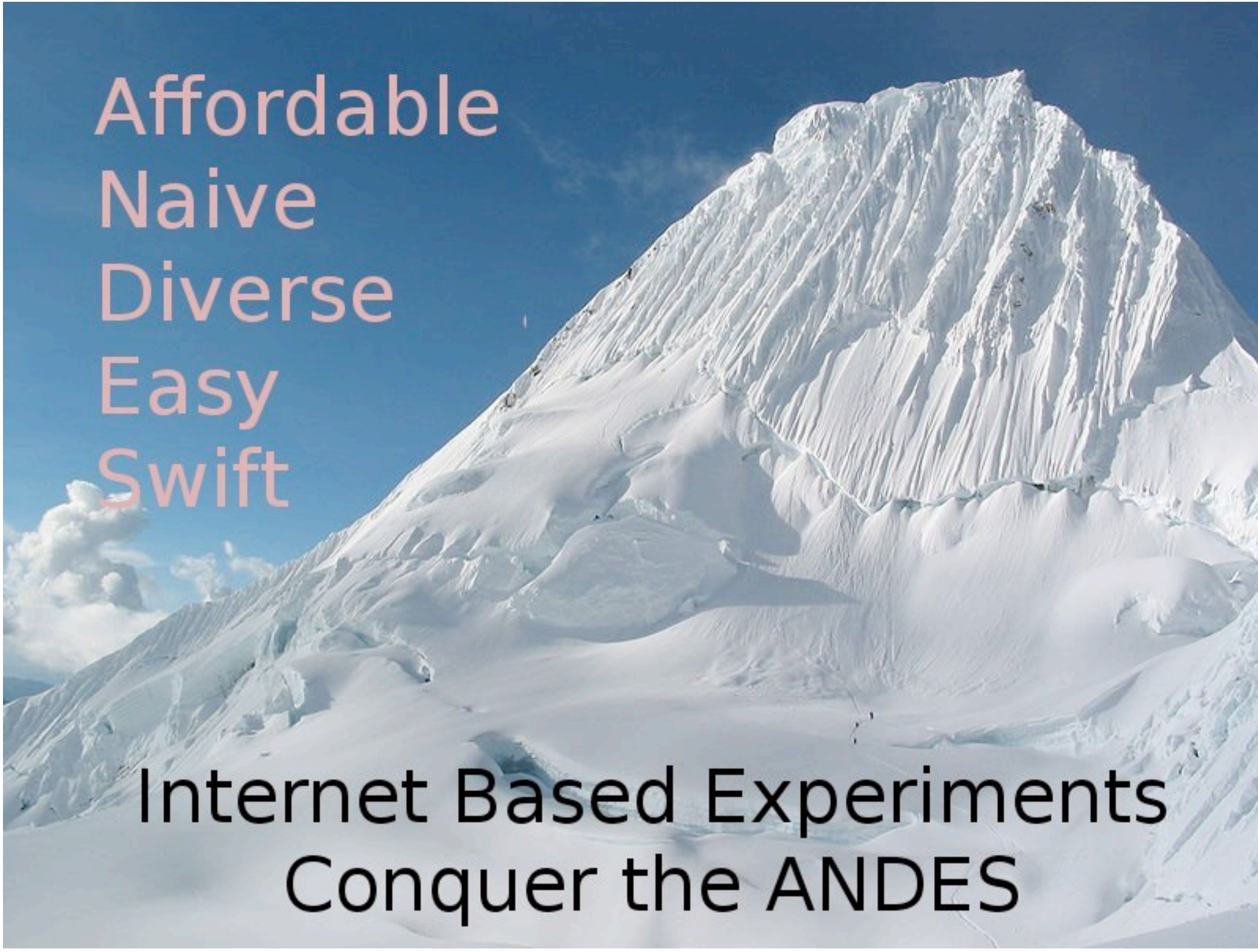
- Have access to a global, on-demand, 24 x 7 workforce
- Get thousands of HITs completed in minutes
- Pay only when you're satisfied with the results

What is Amazon Mechanical Turk (AMT)?

- An online labor market created by Amazon
- Approximately 70% are in the US; 20% India
- Some people are clearly motivated by money
- Very small stakes is a mixed blessing
  - Affordable
  - Concerns about generalizability

AMT Advantages

- Amazon prevents workers from having multiple accounts
- Workers cannot easily communicate with each other
- Application Programming Interface (API) makes it easy to manage workers, pay workers, keep records of experimental results etc.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