Research Questions

1. To what extent do people’s punishments and rewards in social interactions depend on outcomes and the intentions of their partner?

2. What if intentions can be deceptive?

**Experimental Game**
- selects the wheel
- sees the outcome
- (states his wheel choice)
- receives payoff

- sees the (stated) wheel choice
- (indicates believed choice)
- makes costly adjustment (1:3), max. 5 token

**Different wheels and outcomes**

**Part A**
- random matching protocol
- 16 rounds, each R & S meet twice
- played for real money

**Part B**
- sequential strategy method
- (3 x 3 combination of wheels and outcomes)
- hypothetical

**Experiment 1: Observed Wheel Choice**
- stingy (41%), fair (47%), generous (12%)
- Selectors’ payoff after adjustment: stingy (10.11), fair (12.35), generous (12.47)

**Wheel choices over time**
- mean investment: 1.48; mean adjustment: -3.91
- no adjustment = modal response (72/128)
- 7 out of 8 participants adjust at least once

**Experiment 2: Stated Wheel Choice**
- selectors misstate intentions frequently
- strategic overstatement depending on the wheel’s outcome

**Stated wheel choices**
- responders mistrust selectors (don’t believe statement in 62.5%)
- correctly ‘guessed’ in 57.8%

**Actual wheel choices**
- mean investment: 0.59; mean adjustment: -0.75
- no adjustment = modal response (81/128)
- 6 out of 8 participants adjust at least once

**Discussion**

**Experiment 1:**
- intentions influence adjustments more than outcomes
- much stronger effects of intentions compared to previous research (Cushman et al., 2009) → direct response vs. strategy method
- negative reciprocity: stingy intentions punished, generous intentions hardly rewarded

**Experiment 2:**
- honesty effect: stated stingy intentions were punished less than observed stingy intentions
- in Part B: Part A Selectors punish more than Part A Responders

**Future Work:**
- possibility of deceptive statement being revealed

**References**

