

Intentions, Guilt and Social Interactions

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What is this paper about?

- People care about the sincerity of other's actions
- Recent poll in the USA shows that voters care about the character of politicians (sometimes) more than their policies
- Concern about character is like concern about the sincerity of other's actions. Is the politician sincere in what s/he says?

“To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity.” – Douglas Adams

“Sincerity makes the very least person to be of more value than the most talented hypocrite.” – Charles Spurgeon

- Being tolerated but not being truly accepted may be considered as insincere.
- How then do some people respond to being tolerated but not being accepted?
- They cannot respond properly without knowing the intentions of their peers; how can one distinguish between *fake* acceptance and *genuine* acceptance?

An example

- Suppose one is invited to a dinner, party, etc not because one's company is desired but because the inviter will feel guilty.
- Or may be, the invitation is a genuine one
- How would the invitee know if it's genuine or fake?
- The same action (i.e., an invitation) can yield different payoffs to the invitee depending on her beliefs about the inviter's intentions.
- Hence we need to think about belief-dependent payoffs
- Insincerity yields disutility (i.e., person is insincerity-averse)

- **Do intentions affect payoffs?**
 - Manslaughter versus first-degree murder
 - The psychology of gratitude: it is the intention (the thought) that matters. Different from standard notions of reciprocity
 - Profiling: did the cop pull me over because I am an Arab or did he have reasonable cause, not related to my race, to pull me over?
 - Was the search on me at the airport a truly random search? Or was it because the cops thought I was a terrorist because of my long beard?

Intentions from interdependent-type preferences

- Interdependent preferences: a person's preferences depend on the characteristics of others (Gul and Pesendorfer, 2006).
- Gul and Pesendorfer (2006): a person's preferences may depend on the height, weight, ethnicity, skin color, sexual orientation, religious beliefs, etc of others, independent of their actions.
- Interdependent preferences could be used to model issues like intentions-dependent payoffs. Why?
- You can tell a person's intentions if you know their characteristics, so long as these characteristics are associated with certain kinds of behavior. Might lead to stereotyping, though, if the link between characteristics and behavior is tenuous.

A game of guilt aversion and insincerity aversion

- Two people, 1 and 2
- Player 1 has two strategies: Invite (I) player 2 or don't (D) invite her
- Nature gives player 1 a two-dimensional type: social types and guilt types
- Guilt types: high-guilt person, low-guilt person
- Social type: likes 2's company (prosocial); does not like 2's company (antisocial)
- Player 2 has two strategies: accept (A) invitation or reject (R)
- If player 1 is prosocial, then an invitation to player 2 is sincere
- If player 1 is antisocial but extends an invitation, his invitation is insincere

- player 1 feels guilty if he does not invite player 2. But he does not feel guilty if player 2 reject his invitations, even if the invitation was insincere
- Baumeister, Stillwell, and Heartheron (1994, Psychological Bulletin):
Deconstruction of guilt
- Player 2 gets a positive payoff from sincere invitations
- player 2 gets a negative payoff from insincere invitations
- Player 2 cannot say for sure if an invitation is sincere or not
- If player 2 could tell for sure that player 1 is antisocial, then player 1 will still feel guilty even if his insincere offer is rejected. However, player 2 cannot be certain of player 1's social type because of incomplete information

- Player 2 has interdependent-type preferences. Her preferences depend on the characteristics of player 1: That is, whether player 1 is prosocial or antisocial.
- If player 2 can tell that player 1's social type is antisocial, then she can infer that player 1's invitation must be insincere

Result 1: *In the social interaction game, there exists a unique perfect Bayesian equilibrium in which player 1 always invites player 2 and player 2 rejects player 1's invitation if player 2's rejection probability is sufficiently high.*

- Formal proofs of all results in Amegashie (2007)
- http://www.uoguelph.ca/~jamegash/intentions_interaction_psychological.pdf

Result 2: *In the social interaction game, there exists a unique perfect Bayesian equilibrium in which player 1 invites player 2 if he is prosocial and/or a high-guilt person. But does not invite her if he is antisocial and player 2's rejection probability is sufficiently low.*

Endogenous guilt

- Guilt aversion: guilt stemming from not meeting the expectations of others (i.e., disappointing others); Dufwenberg and Battigalli (2006). Similar to endogenous remorse and law enforcement in Huang and Wu (1994)
- Must know the expectations of others. So you must form beliefs about what they expect you to do. You must form beliefs about their beliefs (i.e., their expectation)
- Gives a psychological game

Intentions as beliefs about beliefs: psychological games

Dufwenberg (New Palgrave Dictionary of Economics, 2006):

“Suppose that I jump out in front of your car blocking your way, so that you can’t cross a bridge and you arrive late to an important meeting. Am I kind? Clearly one cannot say without knowing what my beliefs are. If I believe the bridge is as sturdy as bridges usually are and I am just goofing around, then I am unkind. However, if I believe that the bridge is about to collapse, then I am kind. Arguably I would be kind even if I mistook a sturdy bridge for a dangerous one. So, should you be kind or unkind in return? The answer depends on your beliefs about my kindness, and hence on your beliefs about my beliefs.”

- Note: in traditional game theory when someone chooses an action, her opponents do not care about *why* she chose that action

A simple way to endogenize guilt

- High acceptance probability means that player 2's disappointment will be greater if she is not invited
- This higher disappointment imposes a higher guilt on player 1
- Player 1's guilt is higher, the higher is player 2's acceptance probability

Result 3: *If player 2's disappointment from non-invitation rises at a very fast rate as her acceptance probability rises, then player 1 will always invite player 2 if her acceptance probability is sufficiently high (i.e., her rejection probability is sufficiently low)*

- Different from the case of exogenous guilt.

Applications/Discussion

- Better information about player 1's type regarding acceptance decision is always welfare-improving for player 2
- However, *ex post* information about his type may be welfare-reducing
- Better information may be bad for an insincerity-averse person
- But this depends on the expected duration of the social interaction

- In all equilibria, insincere invitations driven by guilt occur with positive probability. Guilt breeds insincerity. Is that bad?
- Depends on context. Suppose guilt influences one's social type/preferences (e.g., moods). Could it be that it is prosocial people who have high guilt?
- Charness and Dufwenberg (2006): guilt aversion and communication fosters co-operation in partnerships.
- With insincerity-averse preferences, guilt aversion might not sustain co-operation. In equilibrium, some sincere invitations are rejected
- Insincerity-averse people do not manipulate guilt-averse people because guilt-aversion makes them worse off

- Insincerity and political correctness: Loury (1994) defines a regime of political correctness as “... *an equilibrium pattern of expression and inference within a given community where receivers impute undesirable qualities to senders who express themselves in an “incorrect” way and, as a result, senders avoid such expressions.*”

Morris (2001, p. 233) defines political correctness as phenomenon where “... *because certain statements will lead listeners to make adverse inferences about the type of the speaker, speakers have an incentive to alter what they say to avoid that inference*”.

- Hence political correctness breeds insincerity.
- So is political correctness a bad thing? Not if people derive utility from insincerity *per se*: “I am happy if you don’t use racist, sexist, anti-semitic, or homophobic language, even though I know that you harbor such thoughts”.
- There are situations where we prefer people to be insincere (e.g., restrain use of sexist and racist language). But in others, we don’t want them to be insincere (e.g., an invitation to a party)
- We are sincerity pragmatists: “[*H*]ow can sincerity be a condition of friendship? A taste for truth at any cost is a passion which spares nothing” – Albert Camus (Nobel prize winner in literature)

- Rejection of insincere invitations may be a person's way of choosing his/her identity insofar as she refuses to associate with people who do not genuinely like her. Akerlof and Kranton (2000) argue that women may reject attempts to entice them to traditionally male professions. They may do so because they believe that they will not be genuinely accepted
- High acceptance probability may be used to discourage insincerity (e.g., people who signal that they are serious about a romantic relationship and are not into "playing games")
- Those who want a casual or short-term relationship but have some conscience (i.e., feel guilty) may stay off (i.e., not extend an invitation into a relationship)

Conclusion

- Shklar (1984): *“[T]he democracy of everyday life, which is rightly admired by egalitarian visitors to America, does not arise from sincerity.... Not all of us are even convinced that all men are entitled to a certain minimum respect. Only some of us think so. But most of us always act as if we really did believe it, and that is what counts.”*
- Some insincerity is necessary for peaceful mutual co-existence
- If insincerity does not threaten social cohesion, we may want to know the truth
- The truth hurts but not always
- We are all sincerity pragmatists.