

Department of Economics – Neuroeconomics Seminar

October 31, 2019 - 17:00 - 18:00

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Cooperation in social dilemmas: the role of incentives, values, and social cues

Trust and cooperation are hallmarks of our species, yet they challenge the economic canons of rationality and self-interest, especially in situations where it is possible to free-ride on the efforts of others. How do people solve this recurring dilemma of having to choose between personal gain versus mutually beneficial, but risky acts? Much research in Economics and Psychology has addressed the role of values and incentives that increase the willingness to cooperate, social cues that allow a person to construe expectations of others, and, from a biological perspective, hormones that affect the decision making process by altering physiology.

I will present the results of two projects that combine behavioral experiments with economic games and fMRI to gain insights into the different drivers of decision-making in social dilemmas. Project 1 investigates how the motivation to cooperate depends on an individuals' social value orientation and the incentive structure of the game, and how this correlates to brain activity. Project 2 explores the role of oxytocin when information about incentives and social cues has to be integrated. We test the hypothesis that oxytocin affects mesolimbic structures in the brain, facilitating decision-making when incentives are unambiguous or when cues are non-threatening. Together, these projects corroborate the importance of considering the combined effect of multiple factors at once when trying to predict the outcome of social dilemmas.