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Betrayal Aversion. Evidence from Brazil, China, Oman, Switzerland, Turkey, and the United States

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Due to betrayal aversion, people take risks less willingly when the agent of uncertainty is another person rather than nature. Individuals in six countries (Brazil, China, Oman, Switzerland, Turkey, and the United States) confronted a binary-choice trust game or a risky decision offering the same payoffs and probabilities. Risk acceptance was calibrated by asking individuals their “minimum acceptable probability” (MAP) for securing the high payoff that would make them willing to accept the risky rather than the sure payoff. People’s MAPs are generally higher when another person rather than nature determines the outcome. This indicates betrayal aversion.