

## Some evidence from today's pilot experiment (April 7, 2010)

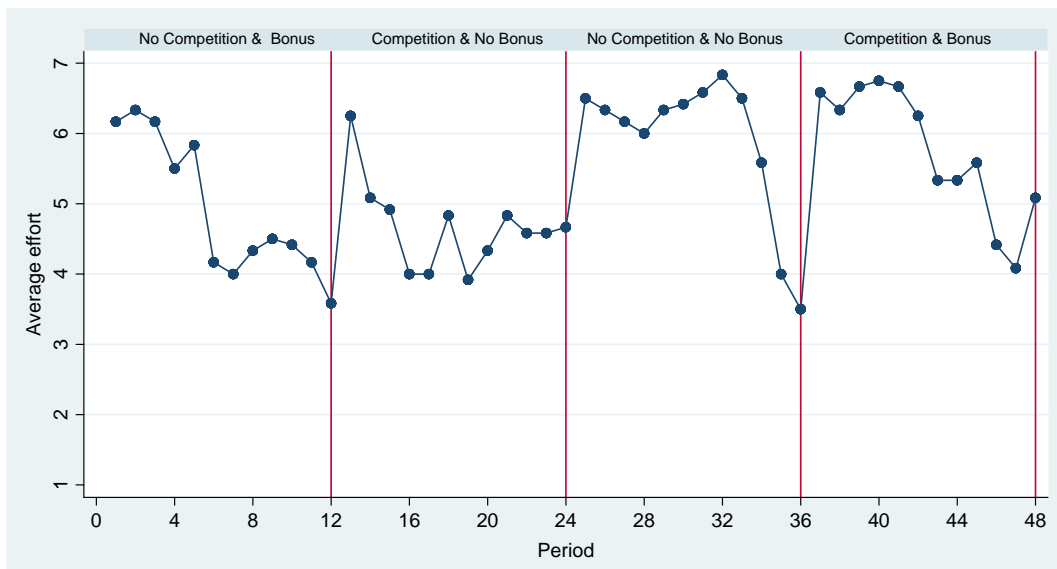


Figure 1: Average effort over time.

- Average effort is quite volatile, does not differ significantly across different treatments.
- If anything, the increase in average effort in No Competition/No Bonus treatment is somewhat puzzling.

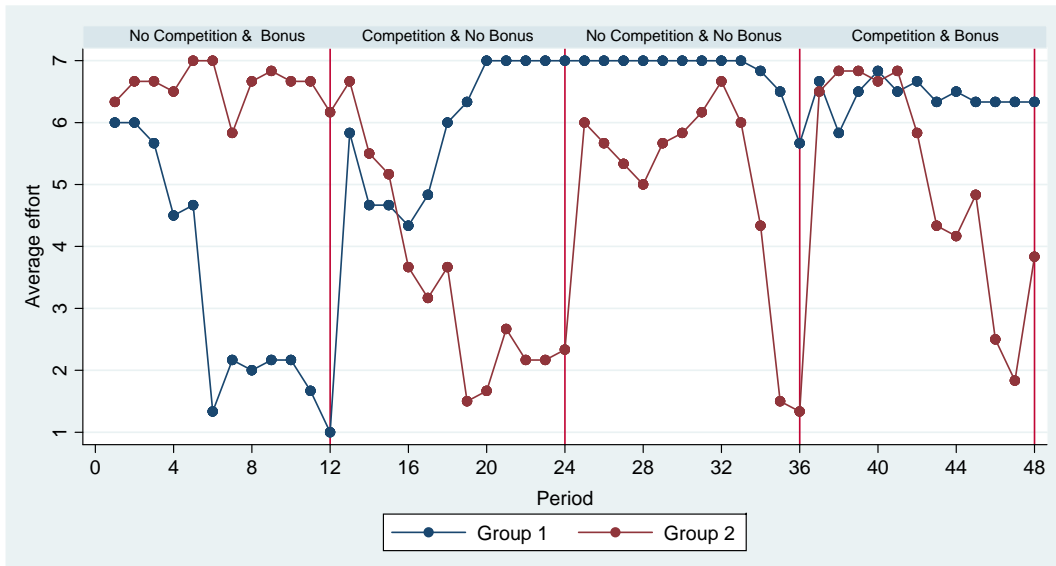


Figure 2: Average effort over time for each group separately.

- Looking at the disaggregate level, Group 1 seems not to be responsive to the Bonus, on the other hand it appears to be sensitive to competition.
- In contrast, Group 2 cares about the Bonus, but not about competition without additional payoff.
- Puzzling increase in average payoff in No Competition/No Bonus treatment is caused by the resurrection of trust in Group 2 in the practice rounds of the third treatment. This is supported by Group 1's ability to sustain at highest effort levels created in Competition/No Bonus treatment

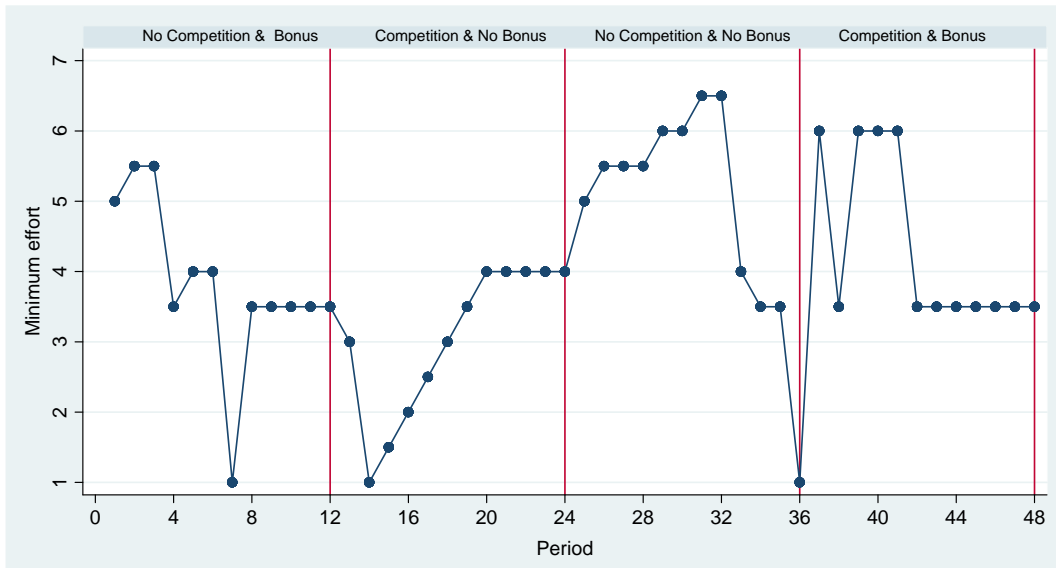


Figure 3: Average of minimum effort over time.

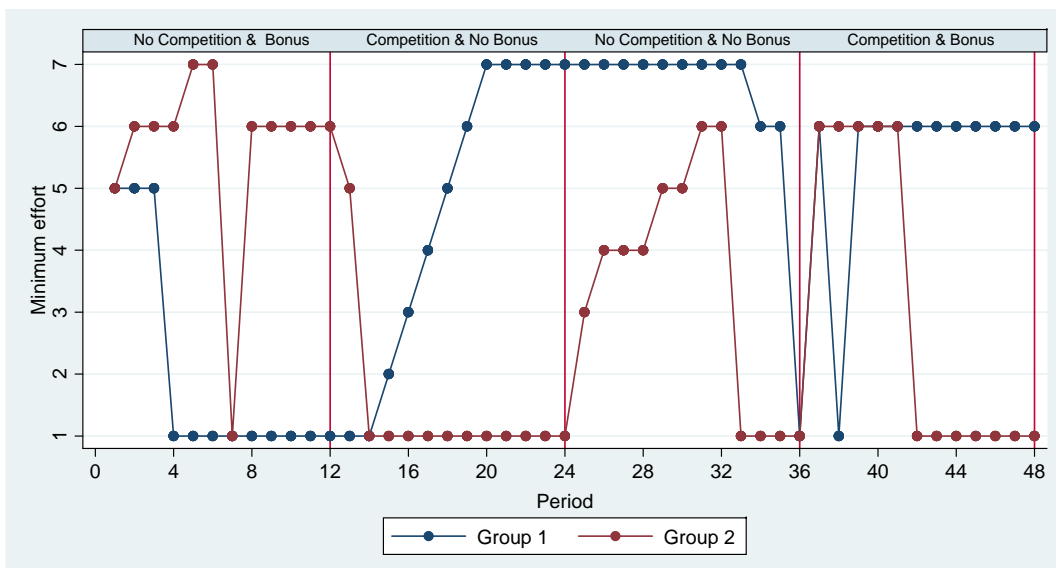


Figure 4: Minimum effort over time for each group separately.

- Note the gradual buildup of the trust in Group 1. The Group is able to stay at high effort levels (with some one-off exceptions) till the end of the experiment.
- My lablog reads that members of Group 1 were expressing dissatisfaction aloud if the minimum levels were very low in early rounds of the experiment. That might have influenced later developments and actually aid the cooperation.

## Effort levels by individual subjects

- Group 1 consisted of Subjects 1 to 6, while Group 2 was composed of Subjects 7 to 12.

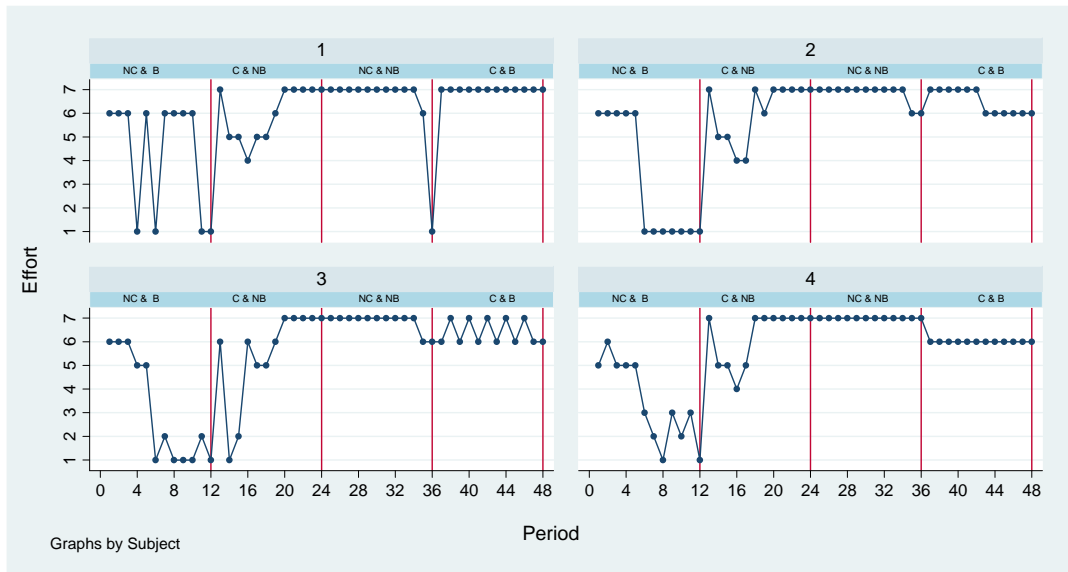


Figure 5: Effort levels chosen by Subjects 1-4

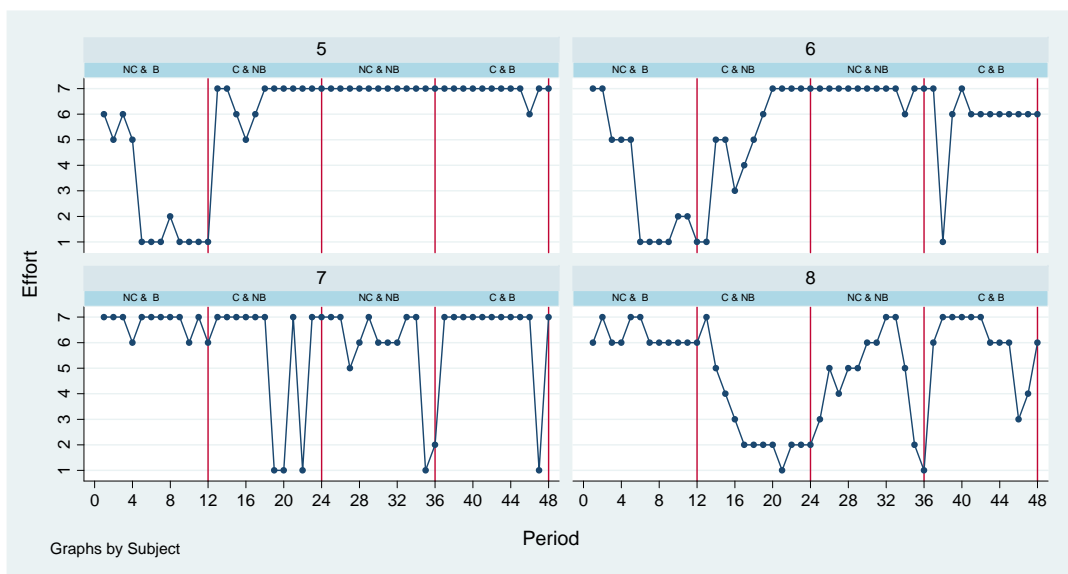


Figure 6: Effort levels chosen by Subjects 5-8

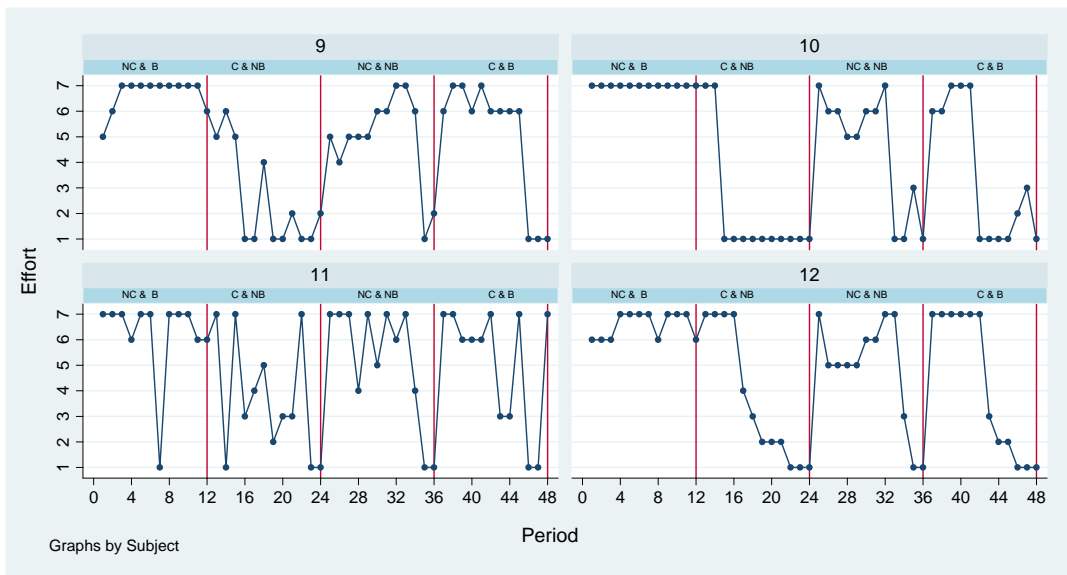


Figure 7: Effort levels chosen by Subjects 9-12