Solidarity with Third Players in Exchange Networks: An Intercultural Comparison

Kittel Bernhard, Neuhofer Sabine, Schwaninger Manuel and Guanzhong Yang

DFG FOR2104 “Needs-Based Justice and Distribution Procedures”
Project B1 “Distributive Preferences and Needs-base Justice in Networks”

Exchange Beyond: Idea & Hypotheses

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- Negotiated exchange: direct bilateral exchange, with potential for conflict (Molm et al. 2006)
- Networks provide different relations between exchanging actors → power vs. equality (Hegtvedt et al. 1993)
- Assumption of rational profit-maximization vs. social preferences (Willer et al. 2013; Lewis & Willer 2017)
Exchange Beyond The Dyad: Experimental Design

- 2 x 2 design
- Exchange mode:
  - **Exclusive Treatment** (12 : 12)
  - **Inclusive Treatment** (8 : 8 : 8)
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- 3 person networks

(a) three-line
(b) triangle
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- Limited resource of 24 points
- Numerical offers
- One agreement per network/round

(a) three-line

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- 5 + 5 periods (mode within subjects)
Exchange Beyond The Dyad: Results I

Exclusive Treatment: Negotiated exchange – restricted to allocations within the dyad (offers are A : B or A : C)
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Exchange Beyond The Dyad: Results I

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Exchange Beyond The Dyad: Results II

Inclusive Treatment: Negotiated exchange – allocations beyond the dyad are possible (offers can be A : B : C)
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Exchange Beyond The Dyad: Main Conclusions

- People care for the third network member, even though they should not according to assumptions of rational behavior.
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- SVOs positively influence the propensity to allocate a positive amount to the third network member.
An Intercultural Comparison of Austria, China and Japan
Scope of Social Exchange Theory ... 

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- “Culture is the unique profile of a society extending from easily observable behaviors and institutions to less obvious psychological elements such as values, beliefs and norms” (Lytle et al 1995, in Aslani et al. 2013)
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→ H1: No difference in classical negotiated exchange networks between Austria, China or Japan
... and Exchange Beyond the Dyad?

- Exchange beyond the dyad influenced by SVO of negotiating dyad
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- Individualism vs. Collectivism (Hofstede et al. 1980)
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→ H2: Difference in other-regarding preferences (allocations to third) in negotiated exchange between Austria and China/Japan
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- Exchange beyond the dyad influenced by SVO of negotiating dyad
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→ H2: Difference in other-regarding preferences (allocations to third) in negotiated exchange between Austria and China/Japan

→ Share of the resource allocated to the third should be larger in China/Japan than in Austria
Data Collection & Sample

Data Collection

- Austria (Vienna): April 2016
- China (Tianjin): December 2016
- Japan (Kyoto): May 2017

Participants: 324 total (108 in each country)

- Austria: 41% male students, median age 22 years, experienced
- China: 38% male students, median age 22 years, some experience
- Japan: 73% male students, median age 19 years, little experience
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Results: Distribution of Allocations

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\[ \text{Diagram: } \text{network structure with three countries} \]
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1. H1: No differences in average allocations between countries in either network → universality of predictions of SET

2. H2: (Almost) No differences in average allocations between countries in a power-equal network structure if allocations beyond the dyad were allowed

3. H2: Differences in power-differentiating network structure between Austria, China and Japan if allocations beyond the dyad were allowed
Results: Differences in Allocations

- Payoff to broker
  
  AT: 11.46pts (48%) – CN: 12.22pts (51%) – JPN: 10.50pts (44%)
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  AT: 37 % – CN: 22% – JPN: 50%
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- Payoff to broker
  AT: 11.46pts (48%) – CN: 12.22pts (51%) – JPN: 10.50pts (44%)

- Frequency of allocations to third
  AT: 37 % – CN: 22% – JPN: 50%

- Allocations to third
  AT: 2.48 points – CN: 1.87 points – JPN: 3.49 points
Results: Offer Types

(a) Austria
Results: Offer Types

(a) Austria

(b) China
Results: Offer Types

(a) Austria

(b) China

(c) Japan
Results: SVO

- SVO does not work properly in China?
- Difference between Austria and Japan insignificant after control for SVO
Conclusion

- No differences in behavior in Austria, China and Japan in classical negotiated exchange
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- (Unclear effects of SVO in China)
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