

Foundations of Human Sociality: Economic Experiments and Ethnographic Evidence from Fifteen Small-Scale Societies

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Overview and Synthesis

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[-] Abstract and Keywords

A summary is given of the results obtained from all fifteen field sites of the cross-cultural behavioural experiments project reported in the book and comparisons are made between them. Two lessons are drawn from the experimental results: first, there is no society in which experimental behaviour is even roughly consistent with the canonical model of purely self-interested actors; second, there is much more variation between groups than has been previously reported, and this variation correlates with differences in patterns of interaction found in everyday life. The results are thought to bear on fundamental questions about human behaviour and society such as the nature of human motivations, and how these motivations are shaped by the societies in which people live, but the discussion is limited to the implications of the study for rational actor and similar models of human behaviour. The chapter is arranged in eight main sections which: (1) give an account of the cross-cultural behavioural experiments project, describing the main economics experiments used – the Ultimatum Game (only this game was used at all experimental sites), the Public Goods Game, and the Dictator Game – and the locations and characteristics of the ethnographic studies involved (two each in Ecuador, Mongolia, Papua New Guinea and Tanzania; and one each in Bolivia, Chile, Indonesia, Kenya, Paraguay, Peru, and Zimbabwe); (2) present and analyse the experimental results; (3) attempt to explain differences in behaviour across groups; (4) attempt to explain individual differences in behaviour within groups; (5) discuss local group effects; (6) examine experimental behaviour in relation to everyday life; (7) discuss the research methods used and suggest ways that the between-group behavioural differences found could have originated as products of patterns of social and economic interactions; and (8) draw conclusions.

Keywords: behavioural differences, bolivia, chile, cross-cultural behaviour, cross-cultural study, dictator Game, economic interactions, economics experiments, ecuador, everyday life, experimental behaviour, human behaviour, indonesia, kenya, local group effects, mongolia, papua New Guinea, paraguay, patterns of interaction, peru, public Goods Game, self-interest, social interactions, tanzania, ultimatum Game, variation between groups, zimbabwe

The 1980s and 1990s have seen an important shift in the model of human motives used in economics and allied rational actor disciplines (e.g. Caporael *et al.* 1989). In the past, the assumption that actors were rational was typically linked to what we call the *selfishness axiom*—the assumption that individuals seek to maximize their own material gains in these interactions and expect others to do the same. However, experimental economists and others have uncovered large and consistent deviations from the predictions of the textbook representation of *Homo economicus* (Roth 1995; Fehr and Gächter 2000; Gintis 2000a; Camerer 2003). Literally hundreds of experiments in dozens of countries using a variety of experimental protocols suggest that, in addition to their own material payoffs, people have social preferences: subjects care about fairness and reciprocity, are willing to change the distribution of material outcomes among others at a personal cost to themselves, and reward those who act in a pro-social manner while punishing those who do not, even when these actions are costly. Initial skepticism about the experimental evidence has waned as subsequent experiments with high stakes and with ample opportunity for learning failed to substantially modify the initial conclusions.

This shift in the view of human motives has generated a wave of new research. First, and perhaps most important, a number of authors have shown that people deviate from the selfishness axiom and that this can lead to radical changes in the kinds of social behavior that result. For example, Fehr and Gächter (2002) have shown that social preferences leading to altruistic punishment can have very important effects on the levels of social cooperation (Ostrom *et al.* 1992). Second, a number of authors have formulated new models of individual utility functions and

other behavioral foundations consistent with the evidence from across a variety of (p.9) experimental settings (Charness and Rabin 1999; Falk and Fishbacher 1999; Fehr and Schmidt 1999). Finally, these empirical results have motivated a number of attempts to explain the long-term evolutionary success of non-selfish behaviors (Caporael *et al.* 1989; Simon 1990; Sober and Wilson 1994; Gintis 2000b, 2003a, b; Boyd *et al.* 2001; Gintis, Smith, and Bowles 2001; Henrich and Boyd 2001).

Nevertheless, fundamental empirical questions remain unanswered. Are the violations of the selfishness axiom seen in experiments the evidence of universal social preferences? Or, are social preferences modulated by economic, cultural, and social environments? If the latter, which economic and social conditions are involved? Is reciprocal behavior better explained statistically by individuals' attributes such as their sex, age, and relative wealth, or by the attributes of the group to which the individuals belong? Are there cultures that approximate the canonical account of purely self-regarding behavior? Existing research cannot answer such questions because virtually all subjects have been university students, and while there are some cultural differences among student populations throughout the world, these differences are small compared to the full range of human, social, and cultural environments. This work has focused on a far too narrow slice of humanity to allow generalizations about the human species.

A vast amount of ethnographic and historical research suggests that social preferences *are* likely to be influenced by the economic, social, and cultural environment. Humans live in societies with different forms of social organization and institutions, different kinship systems, and diverse ecological circumstances; varying degrees of market integration demonstrate quite different kinds of social behavior. Many of these behavioral patterns *do* seem to reflect local context, circumstances, and culture. However, while ethnographic and historical methods provide rich contextualized details about the lives of individuals and the practices of groups, they can only yield circumstantial evidence about human motives. As the longstanding, fundamental disagreements within the cultural and historical disciplines attest, many different models of human action are consistent with the ethnographic and historical record. True, people live in a dizzying variety of societies. How can we be sure that such differences are evidence for differences in people's motivations. Perhaps they result from differences in ecology and (p.10) technology? Or, perhaps to historically contingent institutional differences? Without experiments, it is difficult to choose among the many possible hypotheses. In particular, anonymous one-shot experiments allow us to distinguish clearly between behaviors that are instrumental towards achieving other goals (reputations, long term reciprocity, and conformance with social rules for expediency sake) and behaviors that are valued for their own sake.

Accordingly, we undertook a large cross-cultural study of behavior in several standard experimental games (Ultimatum Games, Public Goods Games, and Dictator Games) in which social preferences had been observed in student subjects. Our goal was to use these experiments in combination with ethnographic data to explore the motives that underlie the diversity of human sociality. Twelve experienced field researchers (ten anthropologists, an economist, and a psychologist) recruited subjects from fifteen small-scale societies (from twelve countries on four continents and New Guinea) exhibiting a wide variety of economic and cultural conditions. Our sample consists of three foraging societies, six that practice slash-and-burn horticulture, four nomadic herding groups, and two sedentary, small-scale agricultural societies. Our games were played anonymously, and for real stakes (the local equivalent of one or more days' wages). Both theoretically and methodologically our results pose more questions than they answer. Nevertheless, our data illuminate the nature of human nature, the potential importance of culture, and the appropriateness of the assumption of self-interest that underpins much of social science. This chapter provides an overview and synthesis of the data.¹

The results of this project, described in detail below, can be summarized in five points: first, there is no society in which experimental behavior is consistent with the canonical model from economics textbooks; second, there is much more variation between groups than has been previously reported; third, differences between societies in Market Integration and the importance of cooperation explain a substantial portion of the behavioral variation between groups; fourth, individual-level economic and demographic variables do not explain behavior within or across groups; and fifth, experimental play often mirrors patterns of interaction (p.11) found in everyday life. Below we first describe the experimental methods used and give brief descriptions of the societies studied. We then present and interpret our results.

The Cross-Cultural Behavioral Experiments Project

Early cross-cultural economics experiments (Roth *et al.* 1991; Cameron 1999) showed little variation among societies: whether in Pittsburgh, Ljubljana, Yogyakarta, or Tokyo, university students played these games in much the same way. However, in 1996 an anomalous experiment finding broke the consensus: the Machiguenga, slash-and-burn horticulturalists living in the southeastern Peruvian Amazon, behaved much less pro-socially than student populations around the world (Henrich 2000). What then appeared as 'the Machiguenga outlier' sparked curiosity among a group of behavioral scientists: was this simply an odd result, perhaps due to the unusual circumstances of the experiment, or had Henrich tapped real behavioral differences, perhaps reflecting the distinct economic circumstances or cultural environment of this Amazonian society? The cross-cultural behavioral experiments project sought answers to these and many more questions. Here we present the findings thus far. A second round of experiments is currently underway.

The experiments

The field researchers performed three different kinds of economics experiments: Ultimatum Game, a bargaining game, Public Goods Game, and Dictator Game. Every field worker did the Ultimatum Game, several administered some form of the Public Goods Game and three did the Dictator Game. Below, we briefly describe these three games, although interested readers should see Kagel and Roth (1995) and Davis and Holt (1993) for details.

The ultimatum game

The Ultimatum Game is a simple bargaining game that has been extensively studied by experimental economists. In this game, subjects are paired, and the first player, often called the 'proposer', is provisionally allotted a sum of money, the 'pie'. The proposer (p.12) then can offers any portion of the pie to a second person, often called the 'responder'. The responder, knowing both the offer and the total amount of the pie, then has the opportunity either to accept or reject the proposer's offer. If the responder accepts, he or she receives the amount offered and the proposer receives the remainder (the pie minus the offer). If the responder rejects the offer, then neither player receives anything. In either case, the game ends; the two subjects receive their winnings and depart. Players typically receive payments in cash and remain anonymous to other players, but not to the experimenters (although experimental economists have manipulated both of these variables). In the experiments described here, players were anonymous, and the games involved substantial sums of the appropriate currency. If one assumes that players maximize their income and this is known by all, then responders should accept any positive offer because something is better than nothing. Knowing this, proposers should offer the smallest non-zero amount possible. In every experiment yet conducted the vast majority of subjects have violated this prediction.

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The dictator game

The Dictator Game is played exactly like the standard Ultimatum Game, except that the responder is not given an opportunity to accept or reject the offer. The proposer merely dictates the division. In the Dictator Game, positive offers cannot result from a fear of rejection. Thus, when used in conjunction with the Ultimatum Game, this experimental tool allows researchers to determine whether proposers make positive offers out of a 'sense of fairness' or from a 'fear of rejection'.

Public goods games

Public goods experiments are designed to investigate how people behave when individual and group interests conflict. We used two variants: the 'Voluntary Contributions' format and the 'Common-Pool Resources' format, the only difference being that in the former, subjects may contribute to the common good and in the latter may refrain from withdrawing from the common resource for private gain. In the Voluntary Contributions version, players receive some initial monetary endowment. They then have the opportunity to anonymously contribute any portion of their endowment (from (p.13) zero to the full endowment) to the group fund. Whatever money is in the group fund after all players have had an opportunity to contribute is increased by 50 percent (or sometimes doubled), and then distributed equally among all players regardless of their contribution. The payoff structure of the Common-Pool Resources version is identical, except that instead of receiving an endowment, players can make limited withdrawals from the group fund. Whatever remains in the fund (the common pool) after everyone has withdrawn is increased by 50 percent or doubled, and distributed equally among all group members. The game is not repeated. Free riding is thus the dominant strategy for the selfish subjects—contributing as little or withdrawing as much as possible maximizes their monetary payoffs no matter what the other players do. Thus, selfish players should contribute zero to the group fund (or withdraw their limit in the Common-Pool Resources format).

Ethnographic description

Figure 2.1 shows the locations of each field site, and Table 2.1 provides some comparative ethnographic information about the societies discussed here. In selecting these locations, we included societies both sufficiently similar to the Machiguenga to offer the possibility of replicating the original Machiguenga results, and sufficiently different from one another to provide enough economic and cultural diversity to allow an exploration of the extent to which

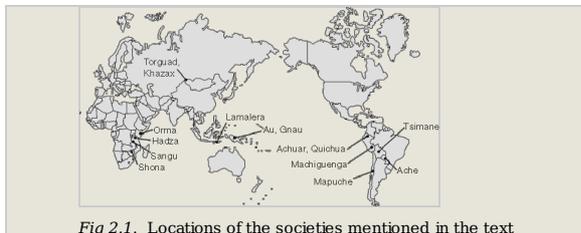


Fig 2.1. Locations of the societies mentioned in the text

(p.14)

Table 2.1. Ethnographic summary of societies

Group	Language family	Environment	Economic base	Residence	Complexity	Researcher	Settlement Size	Payoffs to Cooperation	Anonymity	Market Integration
Machiguenga	Arawakan	Tropical forest	Horticulture	Bilocal semi-nomadic	Family	Henrich, Smith	250	1	5	4
Quichua	Quichua	Tropical forest	Horticulture	Sedentary/Semi-nomadic	Family	Patton	187	1	1	2
Achuar	Jivaroan	Tropical forest	Horticulture	Sedentary/Semi-nomadic	Family plus extended ties	Patton	187	1	1	2
Hadza	Khoisan/Isolate	Savanna-woodlands	Foraging	Nomadic	Band	Marlowe	75	4	1	1
Ache	Tupi-Guarani	Semi-tropical woodlands	Horticulture/Foraging	Sedentary-nomadic	Band	Hill, Gurven	300	6	3	4
Tsimane	Macro-panoan Isolate	Tropical forest	Horticulture	Semi-nomadic	Family	Gurven	93	1	4	3
Au	Torricelli/Wapei	Mountainous tropical forest	Foraging/Horticulture	Sedentary	Village	Tracer	300	3	2	5
Gnau	Torricelli/Wapei	Mountainous tropical forest	Foraging/Horticulture	Sedentary	Village	Tracer	300	3	2	5
Mapuche	Isolate	Temperate plains	Small scale farming	Sedentary	Family plus extended ties	Henrich	80	2	6	6
Torguuds	Mongolian	High latitude desert, seasonally-flooded grassland	Pastoralism	Transhumance	Clan	Gil-White	1000	2	9	8

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Kazakhs	Turkic	High-latitude desert, seasonally-flooded grassland	Pastoralism	Transhumance	Clan	Gil-White	1000 2	9 8
Sangu	Bantu	Savanna-woodlands, seasonally-flooded grassland	Agro-Pastoralists	Sedentary or Nomadic	Clan-Chiefdom	McElreath	250 5	6 8
Orma	Cushitic	Savanna-woodlands	Pastoralism	Sedentary or Nomadic	Multi-Clan Chiefdom	Ensminger	500 2	10 9
Lamalera	Malayo-Polynesian	Island tropical coast	Foraging-Trade	Sedentary	Village	Alvard	1219 7	8 7
Shona	Niger-Congo	Savanna-woodlands	Farming	Sedentary	Village	Barr	480 5	10 8

(p.15) (p.16) behaviors covary with local differences in the structures of social interaction, forms of livelihood, and other aspects of daily life.

In Table 2.1, the 'Economic Base' column provides a general classification of the production system in each society. *Horticulturalists* rely primarily on slash-and-burn agriculture, which involves clearing, burning, and planting small gardens every few years. All the horticulturalists included in this study also rely on a combination of hunting, fishing, and gathering. We have classified the Ache economic base as *Horticulture/Foraging* because they were full-time foragers until about 28 years ago, and still periodically go on multi-week foraging treks, but have spent much of the last few decades as manioc-based horticulturalists. The Au and Gnau of Papua New Guinea are classified as *Foraging/Horticulture* because, despite planting slash and burn gardens, they rely heavily on harvesting wild sago palms for calories, and game for protein. Unlike foragers and horticulturalists, *Pastoralists* rely primarily on herding livestock, often cattle. *Agro-pastoralists* rely on a combination of small-scale sedentary agriculture and herding. We labeled the Orma, Mongols, and Kazakhs as pastoralists because most people in these groups rely entirely on herding, although some members of all three groups do some agriculture. The Sangu are labeled *Agro-pastoralists* because many Sangu rely heavily on growing corn, while others rely entirely on animal husbandry (consequently, in some of our analyses we separate Sangu herders and Sangu farmers).

The 'Residence' column classifies societies according to the nature and frequency of their movement. *Nomadic* groups move frequently, spending as little as a few days in a single location, and as long as a few months. *Semi-nomadic* groups move less frequently, often staying in the same location for a few years. Horticultural groups are often semi-nomadic, moving along after a couple of years in search of more abundant game, fish, wild foods, and fertile soils. *Transhumant* herders move livestock between two or more locations in a fixed pattern over the course of a year, often following the good pasture or responding to seasonal rainfall patterns. *Bilocal* indicates that individuals maintain two residences and spend part of the year at each residence. The Machiguenga, for example, spend the dry season living in villages along major rivers, but pass the wet season in their garden houses, that may be located three or more hours from the village. Classifications of the form *Bilocal-* (p.17) *Semi-nomadic* indicate that the Machiguenga, for example, were traditionally semi-nomadic, but have more recently adopted a bilocal residence pattern. Similarly, the Ache are classified as *Sedentary-Nomadic* because of their transition from nomadic foraging to sedentary horticulture.

The 'Language Family' column provides the current linguistic classification for the language traditionally spoken by these societies, and is useful because linguistic affinity provides a rough measure of the cultural relatedness of two groups. The classification of the Mapuche, Hadza, Tsimane, and New Guinean languages require special comment. There is no general agreement about how to classify Mapuche within the language groups of South America—it is often regarded as a linguistic isolate. Similarly, although it was once thought that Hadza was a Khoisan language, distantly related to the San languages of southern Africa, agreement about this is diminishing. The Tsimane language resembles Mosesten (a Bolivian group similar to the Tsimane), but otherwise these two languages seem unrelated to other South American languages (except perhaps distantly to Panoan). Finally, because of the linguistic diversity of New Guinea, we have included both the language phylum for the Au and the Gnau, Torricelli, and their local language family, Wapei.

The 'Complexity' column refers to the anthropological classification of societies according to their political economy (Johnson and Earle 2000). *Family-level* societies consist of economically independent families that lack any stable governing institutions or organizational decision-making structures beyond the family. Societies classified as *Family plus extended ties* are similar to family-level societies, except that such groups also consistently exploit extended kin ties or non-kin alliances for specific purposes such as warfare. In these circumstances decision-making power is *ad hoc*, ephemeral, and diffuse, but high status males often dominate the process. *Bands* consist of both related and unrelated families that routinely cooperate in economic endeavors. Decision-making relies heavily on group consensus, although the opinions of high status males often carry substantial weight. *Clans* and *villages* are both corporate groups of the same level of complexity, and both are usually larger than bands. *Clans* are based on kinship, tracked by lineal descent from a common ancestor. Decision-making power is often assigned based on lineage position, but prestige or achieved (p.18) status may play a role. *Villages* operate on the same scale of social and political organization as clans, but consist of several unrelated extended families. Decision-making is usually vested in a small cadre of older, high-status men who may compete fiercely for prestige. At a larger scale of organization, *Multiclan corporate* groups are composed of several linked clans, and are governed by a council of older high-status men—assignment to such councils is often jointly determined by lineal descent and achieved prestige. Multiclan corporations sometimes act only to organize large groups in times of war or conflict, and may or may not play important economic role. Often larger than multiclan corporations, *Chiefdoms* are ruled by a single individual or family and contain several ranked clans or villages. Rank of individuals, clans, and villages usually depends on real or customary blood relations to the chief. Economic organization and integration in chiefdoms are more intense than in multiclan corporate groups, and chiefs usually require subjects to pay taxes or tribute. Such payments allow for the large-scale construction of irrigation works, monuments, and public buildings, as well as the maintenance of standing armies. The column labeled 'SS' gives the size of settlements for each of the groups and provides a second measure of social complexity.

The remaining columns, payoffs to cooperation, anonymity, and Market Integration refer to rankings we constructed on the basis of our own and others' ethnographic investigations; we explain these below.

Experimental Results

Because our comparative data on the Ultimatum Game is much more extensive than for the Public Goods Game and Dictator Game, we primarily focus on the Ultimatum Game results.

Overview and Synthesis

Substantial cross-cultural variability

The variability in Ultimatum Game behavior across the groups in our study exceeds that in the entire empirical literature. Prior work comparing Ultimatum Game behavior among university students from Pittsburgh, Ljubljana (Slovenia), Jerusalem, Tokyo (Slonim and Roth 1998; Roth *et al.* 1991; Roth 1995), and Yogyakarta (Java, Indonesia) (Cameron 1999) revealed little variation between (p.19)

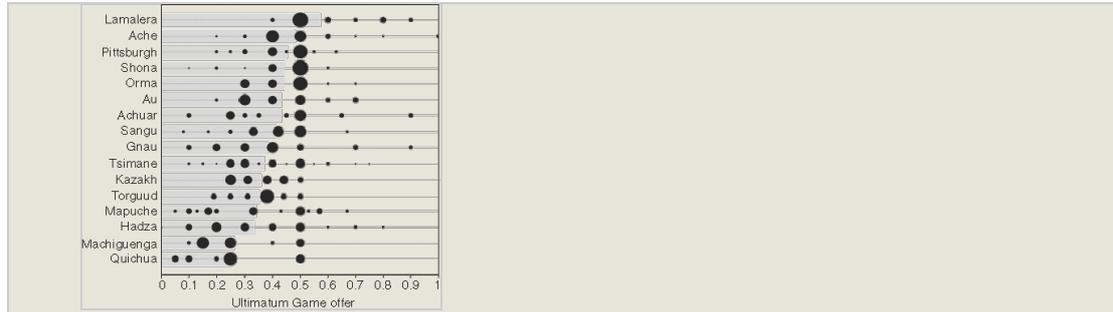


Fig 2.2. A Bubble Plot showing the distribution of Ultimatum Game offers for each group
Notes: The diameter of the bubble at each location along each row represents the proportion of the sample that made a particular offer. The right edge of the lightly shaded horizontal gray bar is the mean offer for that group. Looking across the Machiguenga row, for example, the mode is 0.15, the secondary mode is 0.25, and the mean is 0.26.

groups. In contrast, Figure 2.2 summarizes our Ultimatum Game results from fifteen different societies. While mean Ultimatum Game offers in experiments with student subjects are typically between 42 and 48 percent, the mean offers from proposers in our sample span a range from 25 to 57 percent—both below and above the typical behavior (Table 2.2 presents additional details). While modal Ultimatum Game offers are consistently 50 percent among university students, in our sample modes vary from 15 to 50 percent.

The behavior of responders in the Ultimatum Game (Figure 2.3) is also much more variable than previously observed. In some groups, rejections are extremely rare, even in the presence of low offers, while in others, rejection rates are substantial, including frequent rejections of ‘hyper-fair’ offers (i.e. offers above 50 percent). Among the Kazakh, Quichua, Ache, and Tsimane, we observe zero rejections after 10, 14, 51, and 70 proposer offers, respectively. And, while the offers to the Ache were mostly equitable, 47 percent of offers to Tsimane and 57 percent of the offers to (p.20)

Table 2.2. Ultimatum Game experiments

Group	Sample size	Stake	Mean	Mode (% sample) ^a	Rejections	Low rejections ^b
Lamalera ^c	19	10	0.57	0.50 (63)	4/20 (sham) ^d	3/8 (sham)
Ache	51	1	0.48	0.40 (22)	0/51	0/2
Shona (resettled)	86	1	0.45	0.50 (69)	6/86	4/7
Shona (all)	117	1	0.44	0.50 (65)	9/118	6/13
Orma	56	1	0.44	0.50 (54)	2/56	0/0
Au	30	1.4	0.43	0.3 (33)	8/30	1/1
Achuar	14	1	0.43	0.50 (36)	2/15 ^e	1/3
Sangu (herders)	20	1	0.42	0.50 (40)	1/20	1/1
Sangu (farmers)	20	1	0.41	0.50 (35)	5/20	1/1
Sangu	40	1	0.41	0.50 (38)	6/40	2/2
Shona (unresettled)	31	1	0.41	0.50 (55)	3/31	2/6
Hadza (big camp)	26	3	0.40	0.50 (35)	5/26	4/5
Gnau	25	1.4	0.38	0.4 (32)	10/25	3/6
Tsimane	70	1.2	0.37	0.5/0.3 (44)	0/70	0/5
Kazakh	10	8	0.36	0.38 (50)	0/10	0/1
Torguud	10	8	0.35	0.25 (30)	1/10	0/0
Mapuche	31	1	0.34	0.50/0.33 (42)	2/31	2/12
Hadza (all camps)	55	3	0.33	0.20/0.50 (47)	13/55	9/21
Hadza (small camps)	29	3	0.27	0.20 (38)	8/29	5/16
Quichua	15	1	0.25	0.25 (47)	0/14 ^f	0/3
Machiguenga	21	2.3	0.26	0.15/0.25 (72)	1	1/10

(a.) If more than one mode is listed, the first number is the most popular offer and the second number is the second most popular, etc. The % in parentheses is the total proportion of the sample at the mode(s). For example, for the Machiguenga 72% of the sample offered either 0.15 or 0.25.

(b.) This is the frequency of rejections for offers equal to or less than 20% of the pie.

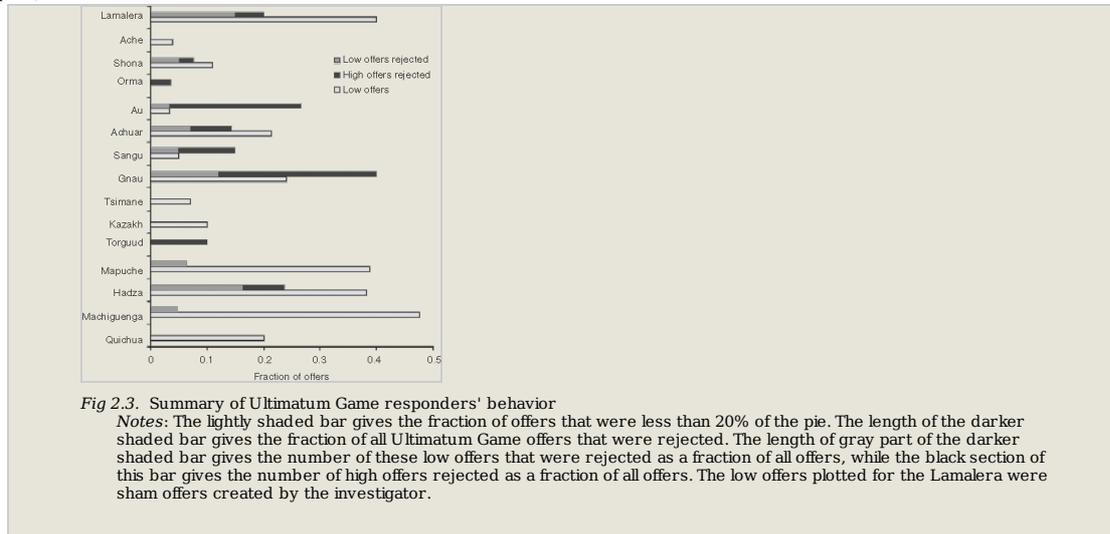
(c.) In Lamalera, Alvard used pack of cigarettes instead of money to avoid the appearance of gambling. Cigarettes can be exchanged for goods/favors.

(d.) Instead of giving responder the actual offers, Alvard gave 20 'sham' offers that range from 10 to 50% (mean sham offer=30%). These are the frequency of responses to sham offers.

(e.) Patton randomly paired Quichua and Achuar players, and as a result there were fourteen Achuar proposers and fifteen Achuar responders.

(f.) Patton randomly paired Quichua and Achuar players, and as a result there were fifteen Quichua proposers and fourteen Quichua responders.

(p.21)



Quichua were at or below 30 percent—yet all were accepted. Similarly, Machiguenga responders rejected only one offer, despite the fact that over 75 percent of their offers were below 30 percent of the pie. At the other end of the rejection scale, Hadza responders rejected 24 percent of all proposer offers and 43 percent (9/21) of offers of 20 percent and below. Unlike the Hadza and other groups who preferentially rejected low offers, the Au and Gnau of Papua New Guinea rejected both unfair *and* hyper-fair offers with nearly equal frequency, a seemingly odd finding which will presently (p.22) provide considerable insight into the relationship between experimental behavior and daily life. University student responders fall towards the upper end of the rejection scale (with more rejection than average), but still reject less than some groups like the Au, Gnau, Sangu farmers, and Hadza, all of whom rejected positive offers with greater frequency than (e.g.) the Pittsburgh subjects in Roth *et al.* (1991).

As in the Ultimatum Game, Voluntary Contributions and Common-Pool Resources games, which we will collectively call Public Goods Game, also show much greater variation than previously found in Public Goods Games run in industrialized societies, and all these results conflict with the predictions of self-regarding models under standard assumptions. Typical distributions of Public Goods Game contributions from university students have a 'U-shape' with the mode at full defection (those who contribute zero) and a secondary mode at full cooperation (those who contribute everything to the group). The mean contribution is usually between 40 and 60 percent. Table 2.3 shows that our cross-cultural data provides some interesting contrasts with this pattern. The Machiguenga, for example, have a mode at full defection, but lack any fully cooperative contributions—which yields a mean contribution of 22 percent. Both the Aché and Tsimane experiments yielded means between 40 and 60 percent, like folks from industrialized societies, but, unlike industrial societies, they show uni-modal distributions with peaks at 50 and 66.7 percent, respectively. Their distributions resemble *inverted* American distributions with few or no contributions at full free riding and full cooperation. Like the Ache and Tsimane, the Orma and Huinca have modes near the center of the distribution, at 40 and 50 percent respectively, but they also show secondary peaks at full cooperation (100 percent)—and no contributions at full defection. Interestingly, the Orma and Huinca distributions resemble the first round of a finite, repeated Public Goods Game done with university students (similar to Fehr and Gächter 2000, for example; see Henrich and Smith, Chapter 5, this volume).

Violations of the selfishness axiom

In one way or another, the selfishness axiom was violated in every society we studied across all three different experimental games (p.23)

Table 2.3. Summary of public good experiments

Group	Format ^a	Group size	MPCR ^b	Sample size	Stake ^c	Mean	Mode ^d (% sample)	% full cooperation	% full defection
Machiguenga	Common-Pool Resources	4	0.375	21	0.58	0.22	0 (38)	0	38
Swiss ^e strangers	Voluntary Contributions	4	0.375	120	0.1	0.33	0 (45)	14	45
Mapuche	Voluntary Contributions	5	0.40	12	0.33	0.34	0.1 (42)	0	0

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Michigan	Common-Pool Resources	4	0.375	64	0.58	0.43	0 (33)	26	33
Tsimané	Voluntary Contributions	4	0.50	134	0.75	0.54	0.67 (17)	1.5	5
Swiss partners	Voluntary Contributions	4	0.375	96	0.1	0.55	1 (24)	24	9.60
Huinca	Voluntary Contributions	5	0.40	12	0.33	0.58	0.5 (25)	17	0
Orma	Voluntary Contributions	4	0.50	24	0.5	0.58	0.40 (37)	25	0
Ache	Voluntary Contributions	5	0.40	64	1	0.65	0.40 (30)	3.1	1.6

(a.) Our public goods experiments have two formats with identical payoff structures. In Common-Pool Resources games, each player simultaneously withdraws between zero and some fixed amount from a common pot. Whatever remains in the pot after all the players have withdrawn is increased and distributed equally among all players. In Voluntary Contributions games, players are each endowed with some amount of money. Players then contribute any amount they want, between zero and their endowment, to a common pot (or a 'project'). The amount total contributed to the common pot is increased and distributed equally among all players.

(b.) Marginal per capita return.

(c.) Stakes sizes are standardized to one-day wage in the local market, so this column is the endowment received by each player divided by one-day's wage.

(d.) The % in parentheses is the total proportion of the sample at the mode.

(e.) The Swiss data comes from Fehr and Gächter (2000). The 'Swiss' row represents data from the first five rounds of a 'strangers treatments' in which players never played with the same people more than once. We aggregated this data because the individual rounds were indistinguishable from one other. From the same study, the 'Swiss partners' data is the first round of a ten round game in which players repeatedly played with the same players through all ten rounds.

(p.24) (Dictator Game, Ultimatum Game, and Public Goods Game). Focusing on the Ultimatum Game, either proposer or responder behavior violated the axiom, or both. Responder behavior was consistent with selfish motives in several groups, but, like university students, Au, Gnau, Sangu farmers, and Hadza subjects rejected positive offers contrary to the prediction of the selfishness axiom. However, as shown in Figure 2.3, responders from the Ache, Tsimane, Machiguenga, Quichua, Orma, Sangu herders, and Kazakhs all have rejection rates of less than 5 percent, roughly consistent with the canonical model. For some groups these low rejection rates are uninformative because all the offers were near 50 percent (e.g. the Ache and Sangu), so no one in the group received low offers. However, proposers in several groups provided numerous low offers that were virtually never rejected. The self-interest axiom accurately predicts responder behavior for about half of our societies, even though it generally fails to predict the responder behavior of university students.

Proposer behavior was consistent with income maximizing behavior among only two groups, Hadza and Sangu Farmers. Among university subjects, it is generally thought that offers are fairly consistent with expected income-maximizing strategies given the distribution of rejections across offers (Roth *et al.* 1991). This was not the case in most of the groups we studied. In four groups (Ache, Tsimane, Kazakhs, and Quichua) we could not estimate the income-maximizing offer because there were no rejections. Nevertheless, as discussed above, it seems likely that the substantially lower offers would have been accepted. In two groups (Au and Gnau) the Income-Maximizing Offer could not be established because responders from these groups did not preferentially accept higher offers, which is perhaps an even more striking violation of the selfishness axiom.

For all but one of the remaining societies, estimated Income-Maximizing Offer is higher than observed mean offer.² The Income-Maximizing Offer is a useful measure of the frequency with which low offers were rejected. If rejections are few, or if their likelihood of being rejected is not strongly related to the size of the offer, the **(p.25)**

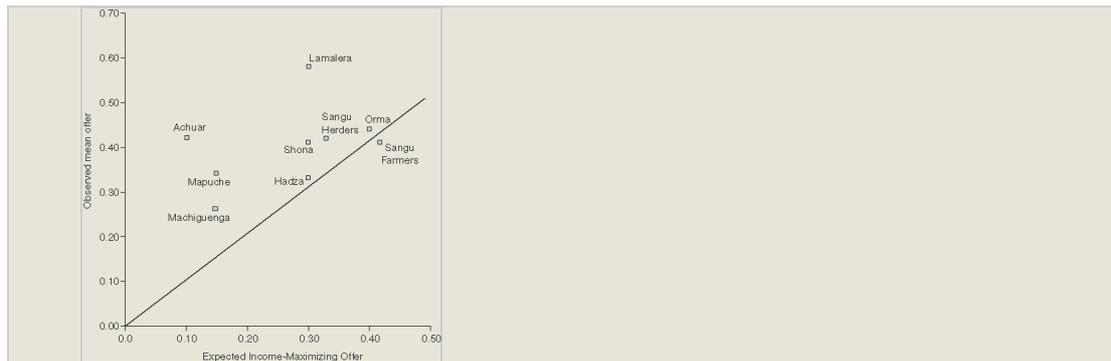


Fig 2.4. The observed mean Ultimatum Game offer in various groups plotted against the expected Income-Maximizing offer estimated from observed distribution of rejections

Notes: All but one of the points lie above the 45 degree line which gives the expected mean offer under the assumption that people are expected income maximizers. We were unable to estimate the Income-Maximizing Offer for societies with no rejections (Quichua, Tsimane, Ache, Kazakhs), or societies in which rejections bore no systematic relationship to offer (Au, Gnau, Torguuds).

Income-Maximizing Offer will be low (e.g. the Machiguenga). If substantial offers are frequently rejected, the Income-Maximizing Offer will be high (e.g. Sangu farmers). Figure 2.4 compares Income-Maximizing Offer's (calculated from responder data) to actual mean offers (from proposers). The mean offers made by the Sangu (farmers) was slightly less than their Income-Maximizing Offer, and the mean offers made by Hadza and Orma were a little greater than their Income-Maximizing Offer's (but, in both groups responder behavior violates the selfishness axiom). For the other (p.26) groups, mean offers were all substantially above the Income-Maximizing Offer, ranging from Sangu herders whose mean offers were 130 percent of the Income-Maximizing Offer to the Achuar whose mean offers were 400 percent of the Income-Maximizing Offer. We conclude that the behavior of proposers in our groups generally does not match the prediction based on the selfishness axiom.

It is possible that high offers are consistent with a more conventional extension of the selfishness axiom, namely risk aversion. It is a common (though not universal) observation that people prefer a certain amount of money to a gamble with the same expected payoff. Economists model this behavior by assuming that people seek to maximize their expected utility, and that utility is a concave function of income (diminishing returns). For example, suppose a subject estimates that an offer of 40 percent of the pie will be accepted for sure, and that an offer of 10 percent will be accepted with probability $\frac{1}{2}$. If she were risk averse, she could value the certainty of keeping 60 percent of the pie more than the $\frac{1}{2}$ chance of keeping 90 percent (and a $\frac{1}{2}$ chance of getting nothing). In this case the expected monetary gain is the same for the two offers (60 percent of the pie), but the *expected utility* of the certain outcome is greater. Thus, a highly risk averse subject might make a high offer even if the probability of rejection of a low offer is small.

There are two reasons to doubt that risk aversion explains proposer behavior in our samples. First, the degree of risk aversion necessary to explain the behavior we observed is much higher than is typically seen in gambles for the kinds of stakes used in our experiments. To determine if utility maximization by risk averse proposers could explain our observations, we transformed the game payoffs into utilities using varying levels of risk aversion, and for each group estimated the degree of risk aversion sufficient that the observed mean offer would be utility maximizing.³ The Hadza and the Sangu farmers were approximately expected income maximizers, and thus their offers are consistent with expected utility maximization for risk neutral individuals. But for the other groups—Orma, Sangu herders, Machiguenga, Mapuche, and (p.27) Shona—the implied levels of risk aversion are implausible. Even for the least extreme case, the Shona, the necessary degree of risk aversion necessary to make their behavior consistent with expected utility maximization implies that they would be indifferent between an even chance that an offer of one out of ten dollars would be accepted (an expected payoff of US \$4.5) and getting 4 cents with certainty.⁴ Clearly, an individual with this level of risk aversion would be unable to function in an uncertain environment. Second, risk aversion was measured directly in the Mapuche and the Sangu by offering subjects a series of risky choices (Henrich and McElreath 2002; Henrich and Smith, Chapter 5, this volume). In both societies, subjects were risk preferring, not risk averse, a fact that casts further doubt on the risk aversion interpretation. We conclude that our offers are not explained by risk aversion in the usual sense intended by economists.

It is quite possible that high offers reflected a desire to avoid rejections in some sense not consistent with the canonical model (e.g. fear that a rejection would be considered an insult or a desire to avoid conflict in the group). These possibilities are discussed below and in several of the following chapters.

Additional evidence against the selfishness axiom comes from our three Dictator Game experiments: the results here are more transparent than for the Ultimatum Game because the proposer is simply giving money away with no possibility of rejection. In each of the three groups in which the Dictator Game was played, offers deviate from the typical behavior of university students and from the predictions of self-regarding models. Mean offers among the Orma, Hadza, and Tsimane, respectively, were 31, 20, and 32 percent of the pie. These mean Dictator offers are 70, 60, and 86 percent of the corresponding mean Ultimatum Game offers for these groups. And, few or none of the subjects in these societies offered zero, while the modal offer among university students is typically zero.

(p.28) Finally, the results from all six of our Public Goods Games also conflict with the selfishness axiom, with means ranging from 22 percent among the Machiguenga to 65 percent among the Ache (Table 2.3). Except for the Machiguenga (and student populations), no group has more than 5 percent full defectors.

Explaining Differences in Behavior Across Groups

We first attempted to determine whether any attributes of individuals were statistically associated with proposer offers across our sample. One reflection of the diversity of the societies in our study is the paucity of quantifiable individual-level variables that are available and meaningful

across the populations we studied. Among the measured individual attributes that we thought might statistically explain offers were the proposer's sex, age, level of formal education, and their wealth relative to others in their group.⁵ In pooled regressions using all offers we found that none of these individual measures predicted offers once we allowed for group level differences in offers (by introducing dummy variables for each of our groups). Since the group dummies account for about 12 percent of the variance of individual offers, we conclude that group differences are important. However, for the moment we remain agnostic about the role of individual differences. Our pooled regression tested for common effects of these variables across all the groups and hence does not exclude the possibility that the individual differences we have measured may predict behaviors in different ways from group to group. We return to this possibility below.

We speculated that the large between-group differences in offers might reflect differences among groups in the ways that group-members typically interact in the pursuit of their livelihood, in governance of their common affairs, and in other respects. In our efforts to understand why groups might vary so much in their game play, we ranked our societies in six categories: First, Payoffs to (p.29) Cooperation—what is the potential benefit to cooperative as opposed to solitary or family-based productive activities? Groups like the Machiguenga and Tsimane are ranked the lowest because they are almost entirely economically independent at the family level—no one's economic well-being depends on cooperation with non-relatives. In contrast, the economy of the whale hunters of Lamalera depends on the cooperation of large groups of non-relatives. Second, Market Integration—do people engage frequently in market exchange? Hadza were ranked low because their life would change little if markets suddenly disappeared. Others, like the Orma herders are ranked higher because they frequently buy and sell livestock, and work for wages. Third, Anonymity—how important are anonymous roles and transactions? While many Achuar of the Ecuadorian Amazon never interact with strangers, the Shona of Zimbabwe frequently interact with people they do not know and may never see again. Fourth, privacy—how well can people keep their activities secret from others? In groups like the Au, Gnau, and Hadza, who live in small villages or bands and eat in public, it's nearly impossible to keep secrets and it's quite difficult to hide anything of value. Among the Hadza, simply having pants substantially increases privacy because they have pockets (which is a reason for their popularity among some Hadza). In contrast, Mapuche farmers live in widely scattered houses and maintain strict rules about approaching another's house without permission, so privacy is substantial. Fifth, sociopolitical complexity—how much does centralized decision-making occur above the level of the household? Because of the importance in the anthropological literature of the conventional classifications of societies by their political complexity (Johnson and Earle 2000), we ranked our societies from family level through chiefdoms and states. And sixth, settlement size—what is the size of local settlements? This value ranged from less than 100 in among the Hadza to more than 1,000 for the Lamalera.

Before we began the collective analysis we ranked the groups along the first four dimensions (all but Sociopolitical Complexity and Settlement Size) using the following procedure: during a meeting of the research team, we had a lengthy discussion of the underlying attributes that each dimension was designed to capture. Then, the field researchers lined up and sorted themselves by repeatedly comparing the characteristics of the group that they (p.30) studied with their two neighbors in line, switching places if necessary, and repeating the process until no one wanted to move.⁶ Our Sociopolitical Complexity rankings were generated by both Henrich (who was not blind to our experimental results) and, Allen Johnson, an outside expert on societal complexity, who was blind to our results. Henrich's and Johnson's rankings correlated 0.9, and explain nearly identical amounts of the variation in mean Ultimatum Game offers. The subjective nature of the resulting ordinal measures is quite clear. Actual Settlement Sizes were measured by the fieldworkers, and then ranked to be compatible with other ranked variables.

We assume that these indices are exogenous in the sense that the behavioral patterns generated by our experimental subjects are not also causes of the aspects of groups we have captured in our indices. It is for this reason, for example, that we sought to measure the potential Payoffs to Cooperation—viewed as a characteristic of the local ecology rather than the amount of cooperation actually practiced which depends on choices of the inhabitants. While plausible, this assumption could be false. Societies adhering to a norm of egalitarian sharing, for example, often sustain the custom of eating in public, a practice that makes the food sharing process transparent, minimizes monitoring costs, and reduces the likelihood of conflicts over divisions. Thus, across a sample of groups, generous proposer offers reflecting a group norm of sharing might vary inversely with the degree of privacy as we have measured it, but the causal relationship would be from the sharing norm to privacy rather than the reverse.

As can be seen in Table 2.4, four of these indices, Market Integration, Anonymity, social complexity, and Settlement Size, are highly correlated across groups suggesting that they may all result from the same causal factors. The correlation of each of these variables with the potential Payoffs to Cooperation is very small, suggesting that this ranking measures a second set of causal factors. In retrospect, this should not have been surprising. An increase in social scale is associated with a shift to market based economy, and an increase in Anonymity. However, within small scale societies with similar levels of social complexity, there is a wide range of economic systems with varying levels of cooperation. To capture (p.31)

Table 2.4. Correlation matrix among predictor variables

	PC	AN	MI	PR	SS
SC	0.242	0.778	0.913	0.374	0.670
PC	—	-0.063	0.039	-0.320	0.165
AN		—	0.934	0.743	0.664
MI			—	0.644	0.731
PR				—	0.328
SS					—

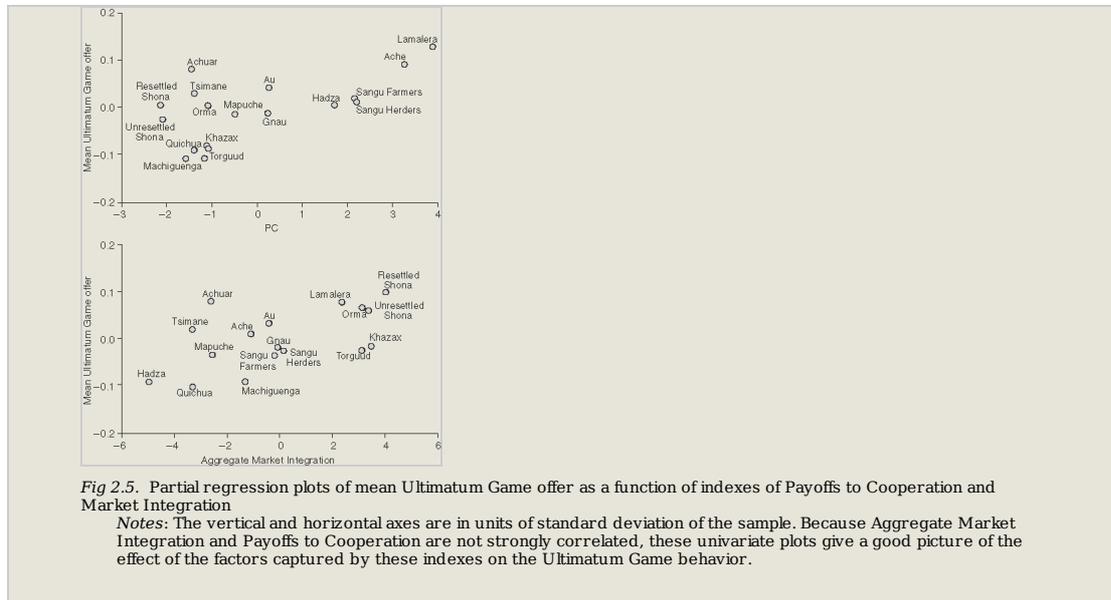
Table 2.5. Regression coefficients and statistics

	Unstandardized beta coefficients		Standardized beta coefficients	t-statistic	Sig.
	β	Std. error	β		
(Constant)	0.261	0.036		7.323	0.000
PC	0.021	0.007	0.528	2.922	0.011
AMI	0.012	0.005	0.448	2.479	0.027

SC = Socio-Political Complexity; PC = Payoffs to Cooperation; AN = Anonymity; PR = Privacy; SS = Settlement Size; MI = Market Integration; AMI = Aggregate Market Integration

the causal effects of this nexus of variables, we created a new index of 'aggregate market integration' by averaging the ranks of Market Integration, Settlement Size, and Sociopolitical Complexity. (We did not include Anonymity because it is so similar to Market Integration; including it only changes the results slightly.)

We estimated ordinary least squares regression equations for explaining group mean Ultimatum Game offer using the Payoffs to Cooperation and Aggregate Market Integration. Both their normalized regression coefficients are highly significant and indicate that a standard deviation difference in either variable results in roughly half a standard deviation difference in the group mean offers (Table 2.5, Figure 2.5). Together, these two variables account for 47 percent of the variation among societies in mean Ultimatum Game offers. All regressions using Payoffs to Cooperation and one of the other predictors (Anonymity, Market Integration, (p.32)



Sociopolitical Complexity, and Settlement Size) yielded a significant positive coefficient for Payoffs to Cooperation and a positive, near significant coefficient for the other variable. If we use the Income-Maximizing Offer as a predictor of the Ultimatum Game offers (p.33) along with Payoffs to Cooperation and Aggregate Market Integration, its coefficient is smaller (in magnitude), negative and insignificant, while the coefficients of Payoffs to Cooperation and Aggregate Market Integration remain large and close to significance (even though now there are only nine cases), suggesting that the effects of economic structure and cultural differences captured by Payoffs to Cooperation and Aggregate Market Integration do not substantially influence offers through the Income-Maximizing Offer.

The same two variables (Payoffs to Cooperation and Aggregate Market Integration) also predict the group average Income-Maximizing Offer; the effect sizes are large (normalized regression coefficients about one half) but very imprecisely estimated (significant only at the 20 percent level). Taken at face value, these estimates suggest that the subjects' expectation that low offers will be rejected covaries with both the benefits of cooperation and Aggregate Market Integration.

Our analysis of the individual level responder data across all groups reveals some of the same basic patterns observed in the proposer data. A responder's age, sex, and relative wealth do not affect an individual's likelihood of rejecting an offer. What does matter is the proportion of the stake offered, and the responders' ethnolinguistic group.

Explaining Individual Differences Within Groups

In contrast to the surprising power of our group level measures in statistically explaining between-group differences in experimental behaviors, our individual level variables explain little of the variation between individuals in experimental play. With a few group-specific exceptions, nothing that we measured about the individuals other than their group membership (or village, camp, or other subgroup membership) predicted experimental play. It is possible, of course, that the unexplained within group variance in experimental behaviors reflects subjects' lack of comprehension of the game or errors in experimental play that are unrelated to measures like age, education, or wage labor participation. We return to this issue below, when we discuss concerns about our experimental methods. Here we summarize our findings concerning individual attributes and experimental play.

(p.34) Sex, wealth, and age do not account for any significant portion of the variance in game play *within* groups. However, sex was marginally significant among the Tsimane, where males offer 10 percent more than females. And among the Hadza, women's Ultimatum Game offers strongly increased with camp population size, but camp size was not important to men's offers. Conversely, in the Dictator Game, it was the offers of Hadza men that increased with camp size—although this may be an artifact (Marlowe, Chapter 6, this volume). As in the Ultimatum Game, Public Goods Game data from five societies also reveal no significant effects of sex, except among Ache men who contribute a bit more than women. Similarly, wealth, in any form (e.g. cash, cows, land), does not predict game behavior. In several circumstances, multiple measures of wealth (e.g. animal wealth, cash, and land wealth) were gathered and analyzed, as well as an aggregate measure. In these within-group analyses, wealth emerged as significant only once in twelve different data sets (including both Ultimatum Game and Public Goods Game datasets). The exception arises from an all-male Public Goods Game among the Orma. Controlling for age, education, income, and residence pattern (sedentary versus nomadic), wealth was the only significant predictor of contributions in a multivariate linear regression, with a standard

deviation difference in wealth predicting well over half a standard deviation difference in contributions—we make sense of this finding below.

Several researchers also gathered and analyzed measures of the number of years of formal schooling subjects had. Analyzing Ultimatum Game data from the Sangu, Orma, Mapuche, Au, and Gnau, we find that the extent of schooling does not account for any significant portion of the variation in offers in either bivariate analyses or multivariate regression that controlled for sex, age, and wealth. Among the Tsimane, the extent of formal education emerges as marginally significant in a multivariate regression involving age, village, sex, Spanish-speaking ability, trips to the nearest market town, and Wage Labor participation. More educated Tsimane offer less in the Ultimatum Game game. However, we find no effect of formal education on Public Goods Game play in the Tsimane. Thus, while schooling effects may exist in a few cases, they are not particularly strong or consistent across games or societies.

Although our group level measure of Market Integration has impressive statistical power, individual level measures of market (**p.35**) exposure do not explain any significant proportion of the variation within groups. To assess market exposure, some of the researchers gathered data on individuals' participation in Wage Labor, their reliance on cash cropping, and their competence in the national language. Wage Labor participation shows no significant relation to offers in the Ultimatum Game in five of the six groups in which it was tested—the Tsimane, Ache, Gnau, Au, Machiguenga, and Mapuche. In these groups, individuals who participate in Wage Labor make offers that are indistinguishable from those who do not. Public Goods Game data from the Orma, Ache, Machiguenga, and Tsimane also indicate that Wage Labor does not affect game play. The only clear exception to the Wage Labor pattern occurs in the Orma Ultimatum Game data, where individuals who have participated in Wage Labor make significantly higher offers than those who had not.

In societies based on agriculture, another measure of Market Integration is the amount of land an individual (or household) devotes to cash cropping, as opposed to subsistence cropping. We have cash cropping data from three societies. Among the Machiguenga, land (in hectares or as a proportion of total land) devoted to cash cropping is highly correlated with Ultimatum Game offers; its normalized partial regression coefficient when age, sex, and Wage Labor are controlled remains substantial, though its significance level is marginal. Neither cash cropping land nor the proportion of land devoted to cash cropping is significantly related to Ultimatum Game offers for the Au and Gnau. However, among the Au (but not the Gnau) multivariate regressions show that land devoted to *subsistence* cropping positively predicts Ultimatum Game offers, controlling for sex, age, Cash Cropping Land, and Wage Labor.

In many places, an individual's degree of competence in the national language may also represent a measure of Market Integration, or at least of market exposure. Unfortunately, we only have language data from one society, the Tsimane. Comparing the sample of the most fluent Spanish speakers (who are also the most likely to be educated outside the village) against all others, more fluent speakers offered more in the Ultimatum Game than less fluent speakers. However, using multivariate regression to control for village membership, sex, age, visits to San Borja, years of formal education, and participation in Wage Labor, we find no relationship between (**p.36**) Spanish-speaking ability and Ultimatum Game offers. Furthermore, in the Tsimane Public Goods Game, competence in the national language also does not predict contributions, using the same controls.

As is the case for all of our individual level data, except for age and sex, these measures capture individual behaviors that may well be endogenous with respect to the beliefs or preferences our experiments measure. Because it is possible that these measures are the consequence rather than the cause of individual behavioral differences, we were also able to use geographical measures of proximity to market opportunities as exogenous instruments for measuring market exposure in three groups: Tsimane, Au, and Gnau. However, none of these were significant predictors of proposer behavior.

Given that we sought individual level statistical associations for a number of variables in fifteen societies and found just a handful of estimates suggesting substantial effects, we conclude that, other than group membership, the individual level facts we have collected about our subjects do not consistently predict how individuals will behave. This does not mean that within-group variation in subjects' behavior cannot be explained; rather, it suggests that the explanation may be group-specific and/or that we may not have collected the appropriate individual information. It is also possible that variation within groups is explained by individual genetic differences uncorrelated with our regressors (Sherman *et al.* 1997), even though variation between groups probably results entirely from economic, social, or cultural differences.

Local Group Effects

Our analysis suggests that group effects may be important, and this opens the question of how to define a group. In the above analyses, we used ethnolinguistic markers to define group membership, but non-ethnolinguistic regional groupings, or smaller local groupings (e.g. villages) may be more appropriate. Our data allow several comparisons. Such small-scale tests allow us to control for a number of variables, including climate, language, regional/national economy, local buying power of the game stakes, and local history. In the Bolivian Amazon, the effects of Market Integration and local groups were explored by performing the Ultimatum Game and Public Goods Game in five different communities at different distances from the market town of San Borja, the only source of (**p.37**) commercial goods, medicines, and Wage Labor opportunities. Like the Machiguenga, the Tsimane live in small communities scattered along a major riverine drainage system. In this situation, physical distance (in travel time along the river) from San Borja acts as an exogenous proxy measure for the extent of market contact of different Tsimane communities. The results indicate that a community's distance from San Borja is unrelated to Ultimatum Game or Public Goods Game behavior. Interestingly, the best predictor for Ultimatum Game proposer behavior and Public Goods Game contributions is what community one is from, *independent* of the community's distance from San Borja and population size. So, Tsimane lifeways matter, but small differences in both individual-level measures of Market Integration and community-level market variables apparently do not. Among the Tsimane, the relevant group for predicting Ultimatum Game and Public Goods Game behavior appears to be smaller than the ethnolinguistic group.

As with the Tsimane, we were surprised to find a number of cases in which group membership effects were strong even in the absence of geographical isolation, suggesting that the processes that generate behavioral differences among groups can maintain differences between frequently interacting, intermixing, and even intermarrying groups. In Chile, Mapuche farmers and non-Mapuche Chilean townspeople, locally called Huinca, have lived side by side, intermarried, and interacted for about 100 years. Yet, the Mapuche and the Huinca behave quite differently in a single-shot Public Goods Game. The Mapuche contributed a mean of 33 percent to the pot, while the Huinca offered an average of 58 percent. Moreover, in Ecuador the Achuar and Quichua of Conambo, who interact and intermarry frequently, play the Ultimatum Game quite differently—Achuar proposers offered a mean of 43 percent while Quichua offered only 25 percent. This difference is especially notable as Quichua and Achuar subjects were randomly paired, so the proposers from the two groups faced the same probability of rejection. As mentioned above, the single biggest predictor of both Ultimatum Game and Public Goods Game offers among the Tsimane was village membership. In Tanzania, Hadza from the biggest camp (which was three times larger than the next largest camp) played the Ultimatum Game much more like university students than Hadza from the four smaller camps, despite the fact that camps are ephemeral social units and camp

membership is quite fluid. For the (p.38) Hadza, camp population size turns out to be the best predictor of Ultimatum Game offers—the larger the camp, the higher the mean Ultimatum Game offer. Finally, although Sangu herders and farmers make similar Ultimatum Game offers, farmers reject offers significantly more frequently than herders. Yet, Sangu often change from farmer to herder and back again in the course of one lifetime.

Interestingly, however, in some of our other research locations group membership displayed no predictive power. In Mongolia, Torguud Mongols and Kazakhs are separated by deep cultural and historical differences, yet they play the Ultimatum Game similarly. In Papua New Guinea the Au and Gnau, who speak mutually unintelligible languages and show differing degrees of market incorporation, played the Ultimatum Game in the same unusual manner (making and frequently rejecting offers of more than half the pie). In Zimbabwe, resettled Shona live in villages that were made up of strangers at their inception two decades ago, while unresettled Shona live in villages comprised of families that have lived side by side for generations. Nonetheless, there are only slight differences in Ultimatum Game behavior among resettled and unresettled groups.

In general, the micro-level variation we observed contrasts with the Ultimatum Game results from the United States and Europe in which university students, who speak different languages and live thousands of miles apart, behave quite similarly. Of course, it is possible that variation exists within contemporary societies, but this variation is not represented in university populations. However, experiments with subjects outside of universities in western societies have thus failed to uncover behavioral patterns in the Ultimatum Game much different from those observed among university students, although Dictator Game behavior appears quite different (Smith 2001).

Experimental Behavior and Everyday Life

Group-level measures of economic and social structure statistically explain much of the between-group variance in experimental play. This suggests that there might be a relationship between behavior in our games and common patterns of interaction in daily life. In a number of cases the parallels are quite striking, and in some cases (p.39) our subjects readily discerned the similarity, and were able to articulate it. The Orma, for example, immediately recognized that the Public Goods Game was similar to the *harambee*, a locally initiated contribution that Orma households make when a community decides to construct a public good such as a road or school. They dubbed the experiment 'the *harambee* game' and gave generously (mean 58 percent with 25 percent full contributors).

Recall that among the Au and Gnau of Papua New Guinea many proposers offered more than half the pie, and many of these offers were rejected. The rejection of seemingly generous offers may have a parallel in the culture of status-seeking through gift-giving found in Au and Gnau villages, and throughout Melanesia. In these groups, accepting gifts, even unsolicited ones, implies a strong obligation to reciprocate at some future time. Unrepaid debts accumulate, and place the receiver in a subordinate status. Further, the giver may demand repayment at times, or in forms (political alliances), not to the receiver's liking—but the receiver is still obliged to respond. Consequently, excessively large gifts, especially unsolicited ones, will frequently be refused because of concern about the obligation to reciprocate.

Among the whale hunters on the island of Lamalera of Indonesia, 63 percent of the proposers in the Ultimatum Game divided the pie equally, and most of those who did not offered more than half (the mean offer was 57 percent of the pie). In real life, when a Lamalera whaling crew returns with a whale or other large catch, a specially designated person meticulously divides the prey into pre-designated parts allocated to the harpooner, crew members, and others participating in the hunt, as well as the sailmaker, members of the hunters' corporate group, and other community members (who make no direct contribution to the hunt). Because the size of the pie in the Lamalera experiments was the equivalent of 10 days' wages, making an experimental offer in the Ultimatum Game may have seemed like dividing a whale.

Similarly, in Paraguay the Ache regularly share meat. During this sharing, the hunters responsible for the catch commonly forgo their share, while the prey is distributed equally among all other households. There is no consistent relationship between the amount a hunter brings back and the amount his family receives (Kaplan and Hill 1985). Successful hunters often leave their prey outside the camp to be discovered by others, carefully avoiding any hint of (p.40) boastfulness. When asked to divide the Ultimatum Game pie, Ache proposers may have perceived themselves as dividing the game they or a male member of their family had acquired, thereby leading 79 percent of the Ache proposers to offer either half or 40 percent, and 16 percent to offer more than 50 percent, with no rejected offers.

By contrast, the low offers and high rejection rates of the Hadza, another group of small-scale foragers, are not surprising in light of numerous ethnographic descriptions of these people (Woodburn 1968; Marlowe 2002; Blurton-Jones, personal communication). Although the Hadza extensively share meat (and other foods to a lesser degree), they do not do so without complaint; many look for opportunities to avoid sharing. Hunters sometimes wait on the outskirts of camp until nightfall so they can sneak meat into their shelter without being seen. It seems the Hadza share because they fear the social consequences that would result from not sharing. Cooperation and sharing is enforced by a fear of punishment that comes in the form of informal social sanctions, gossip, and ostracism. Many Hadza proposers attempted to avoid sharing in the game and many of them were punished by rejection. Thus, we find two foraging peoples—the Ache and the Hadza—at opposite ends of the Ultimatum Game spectrum in both proposers' offers and responders' rejections; their contrasting behaviors seem to reflect their differing patterns of everyday life, not any underlying logic of hunter-gatherer life ways.

Similarly, the life ways of our two family-level societies are reflected in their game behavior. Both the Machiguenga and Tsimane live in societies with little cooperation, exchange, or sharing beyond the family unit. Ethnographically, both show little fear of social sanctions and seem to care little about public opinion. The Machiguenga, for example, did not even have personal names until recently—presumably because there was little reason to refer to people outside of one's kin circle. Consequently, it's not surprising that in anonymous experimental interactions both groups made low Ultimatum Game offers. Given that the Tsimane Ultimatum Game offers vary from village to village, it would be interesting to know if these differences reflect village-level differences in real prosocial behavior.

Like many other small-scale agriculturalists, the Mapuche's relations with their neighbors are characterized by mutual suspicion, envy, and fear of being envied. The Mapuche believe that (p.41) illness, death, and bad luck are caused by the malevolent magic of spiteful neighbors and acquaintances, or sometimes merely by the unintentional power of envious others. Material wealth and good fortune result from trickery, taking advantage of others, and making deals with spirits—not from hard work, courage, or intelligence. Households keep secrets if they can, and many norms are maintained by fear of social sanctions, not general goodwill. This pattern of social interaction and cultural beliefs is consistent with the Mapuche's postgame interviews in the Ultimatum Game. Unlike University of California, Los Angeles students, Mapuche proposers rarely claimed that their offers were influenced by a sense of fairness. Instead, most proposers based their offers on a fear of rejection. Even proposers who made hyper-fair offers claimed that they feared rare spiteful responders, who would be willing to reject even 50/50 offers.

Discussions of experimental behavior and everyday life commonly address the real world predictive power of experimental play (Loewenstein 1999). Our concern here has been more modest: to determine if there might be analogous patterns of behavior in the experiments and in the daily life of our subjects. In many societies it appears that there are and that our subjects were aware of the parallels in some cases. But this modest observation begs the causal question: why did our subjects behave as they did?

Discussion

Research methods

It is possible that the diversity of behaviors we observe is an artifact of our experimental methods in these unusual settings. The problems we faced in this respect are different in degree, not in kind, from those confronting any attempt to make inferences about behavioral patterns from experimental data in university laboratories. We were especially mindful of the fact that individual differences in experimental play may arise from a combination of dispositional differences and differences in the way the experimental situation itself is framed. Such framing effects may have been quite strong in our case because of the oddity of the experimental situation to most of our subjects, who have had little experience with abstract games. Moreover, for many of our subjects it is unusual to (p.42) interact with anyone from outside their own ethnolinguistic community, as the experimenters were. Although the considerations raised below highlight some of the difficulties of cross-cultural experimental work, we think the experienced fieldworkers who administered the experiments anticipated and addressed these difficulties for the most part.

First, the administration of the experiments in novel settings may have given rise to misunderstandings, often rooted in different implicit assumptions. For example, in a pregame pilot study, some Mongolian subjects believed that by accepting Ultimatum Game offers they would be taking money away from the experimenter, while other subjects, even after being clearly told otherwise, did not believe that they would actually be paid real money. The Mongolian results reported here are from a second round of experiments in which these confusions were eliminated by painstaking, repeated instruction and testing. In most cases, experimenters tested subjects for game comprehension before the experiments were implemented, and excluded those who had difficulty grasping the game. In several cases, experimenters used postgame interviews to probe for possible misunderstandings and faulty assumptions. Among the Mapuche, players were ranked according to how well they understood the strategic nature of the game, and how well they were able to do the mathematical calculations involved. After excluding those with inadequate understanding and computational competence, the behavior of the remaining players was not statistically related to their ranking. Similarly, among the Hadza, each player was scored according to the number of practice examples it took for them to learn the game (i.e. to give correct answers to hypothetical test examples). Among Hadza men this measure is unrelated to both Ultimatum Game proposer and responder behavior, but for women comprehension is positively and significantly correlated with offer size. We do not know if the covariation of comprehension and experimental behavior among Hadza women represents the effect of comprehension *per se*, and hence, represents a problem of experimental design or implementation, or results from the association of comprehension with other correlates of game play for women, such as camp size (a strong predictor of Hadza women's offers).

Another methodological problem in interpreting the cross-cultural results comes from possible experimenter bias. In several cases, the relationship between the experimenter and the participants is much (p.43) closer, more personal, and longer lasting than in typical university-based experiments. Consequently, it is possible that ethnographers may bias the results of these experiments in different ways than experimenters usually affect the results. Henrich (2000) attempted to control for some of this effect by replicating the Machiguenga Ultimatum Game protocol with University of California, Los Angeles anthropology graduate students. In this control, Henrich and his subjects were all known to one another, had interacted in the past, and would interact again in the future. His results were quite similar to typical Ultimatum Game results in high stakes games among university students, and substantially different from the Machiguenga. This is certainly not a complete control for experimenter bias, but it does control for some elements of the bias. To test for experimenter bias across our samples, we examined the relationship between the time each experimenter had spent in the field prior to administering the games and the mean Ultimatum Game of each group, but found no consistent pattern in the data. Nonetheless, we cannot entirely exclude the possibility that some of the observed between-group differences are the result of differences among the experimenters and the manner in which the experiments were implemented. Our next round of experiments further addresses this concern.

Third, the fact that most, but not all, of our experiments were played for money is likely to have affected experimental behavior. In most societies, money is a powerful framing device: the fact that substantial sums of money are changing hands is a strong cue about the nature of the interaction. We see no reason to think that our subjects were any less eager to pick up cues about appropriate behavior in these experimental situations than university students. In Lamalera, for example, packs of cigarettes were used instead of money to avoid the appearance of gambling—cigarettes are highly valued and can be exchanged for money or favors. We do not know if the many hyper-fair offers made by these whale hunters would have been observed had the pie been denominated in money, or how experimental play might have been affected had the pie been denominated in whale meat. Ethnographic evidence suggests that distinct sharing rules pertain to different goods—meat and honey are meticulously shared among the Ache, for example, but goods purchased with money and manioc are not. Experimental play with university students and other data suggest that the means by which (p.44) a valued resource is acquired influences how it is divided, perhaps because different means of acquisition cue different sharing rules. Goods acquired by chance may be governed by sharing rules that do not apply to goods acquired by labor, and it seems likely that the experimental pie would be seen as a good acquired by chance. Our subsequent work will explicitly examine the effect of different mediums of exchange on game play.

Fourth, some ethnographers had to modify the standardized game procedures. Three researchers instructed their subjects in large groups on how to play the games, rather than in the one-on-one scenarios employed by the other ethnographers (note, this variant makes no difference for university students) (Henrich 2000; Henrich and Smith, Chapter 5, this volume). In another case, to facilitate the game explanation, Hill used explicit analogies to real life social interactions to clarify the games.

And fifth, in an effort to collect rejection data, Alvard and Gil-White made sham offers to responders, instead of presenting the actual proposers' offers. It's unclear how these methodological differences may have influenced the overall results, although among US university students, behavior in both the Ultimatum Game and Public Goods Game is not very sensitive to such methodological modifications.

Some have suggested that the common violations of the canonical model in these one-shot games arose because the subjects simply had no experience with one-shot interactions in their own lives, and thus treated these games *as if* they were repeated. Had the subjects interpreted these experiments in this way, they might have imagined being in the role of responder in some subsequent round, possibly paired with the same partner, and made generous offers (or rejected low offers) to affect the subsequent behavior of this imagined future partner. However, we do not find this interpretation compelling for several reasons. First, extensive postgame interviews by several of our researchers indicate

that our subjects did comprehend the one-shot aspect of the games. Second, in some experimental comparisons between one-shot and repeated games, most university students demonstrate clear strategic adjustments as they move from one-shot to repeated contexts (e.g. in gift exchange games, Gächter and Falk 2001), indicating that they can perceive a difference—although this does not occur in the Ultimatum Game (Roth *et al.* 1991). Nevertheless, this shows that subjects can, in general, recognize the difference between one-shot and repeated games. Third, when (p.45) opportunities for reputation-building are incorporated into a series of one-shot Ultimatum Game plays, university students make predictable strategic adjustments compared to a series of one-shot games without reputation-building (Fehr and Gächter 2000), which again indicates that they can perceive the difference. Finally, it is important to remember that half of our societies generated mean Ultimatum Game offers between the predictions of the canonical model (near zero) and university students. So, if people make generous offers in one-shot games because they believe (in some sense) that they are playing a repeated game, then university students must understand the one-shot nature of the game *less* well than the uneducated people in our small-scale societies. Such a claim would be particularly odd, given that university students participate in real one-shot interactions much more frequently than most of our subjects. For these reasons, we believe our results are neither experimental artifacts nor were they caused by our subjects' inability to distinguish between one-shot and repeated interactions.

Interpretation

Our data suggest that these between-group behavioral differences, which all violate the selfishness axiom, are the product of the patterns of social and economic interaction that frame the everyday lives of our subjects. There are at least four ways that patterns of social interaction could have these effects (Bowles 1998).

Task performance effects

Economic and social institutions structure the tasks people must perform to make a living, and to remain in 'good standing' in the relevant community. There is ample evidence from experiments, industrial sociology, and ethnography, that commonly performed tasks affect values, and that these values are generalized far beyond the immediate domains of task performance. In experimental work, Sherif (1937) and others have shown that the performance of cooperative tasks (in which success depends on the efforts of many and the rewards are shared) induces positive sentiments toward those with whom one cooperates, while competitive tasks produce the opposite effect. From sociology and ethnography, the degree of autonomy one exercises in making a living, for example, is strongly associated with child rearing values in industrial societies (Kohn 1990) and simple societies (Barry, Child, and Bacon 1959).

(p.46) Framing and situational construal

Economic and social institutions are situations in the social psychological sense and thus have framing and other situation construal effects (Ross and Nisbett 1991). Economists typically represent a choice situation by a set of feasible actions, beliefs concerning the consequences of actions, and an evaluation of the consequences according to exogenous preferences. But the institutions that define feasible actions may also alter beliefs about consequences of actions and the evaluation of these consequences. For example, a market-oriented society may develop distinct cognitive capacities and habits. The fact that almost everything has a price in market-oriented societies provides a cognitive simplification not available to people in societies where money plays a lesser role: namely, allowing the aggregation of disparate objects using a monetary standard as in '\$50 of groceries'. To take another example, extensive market interactions may accustom individuals to the idea that interactions with strangers may be mutually beneficial. By contrast, those who do not customarily deal with strangers in mutually advantageous ways may be more likely to treat anonymous interactions as hostile or threatening, or as occasions for the opportunistic pursuit of self-interest. Experiments in industrial societies have shown that contextual cues can significantly change the contributions of undergraduates in social dilemmas. For example, Pillutla and Chen (1999) used two versions of a Public Goods Game—one construed as a joint investment and the other as a contribution to a social event. Players contributed significantly more to the social event than to the investment despite the fact that the two versions had the same payoff structure. Similarly, Hayashi *et al.* (1999) showed that simple framing differences strongly affect rates of cooperation in an otherwise identical two-person Prisoner's Dilemma, and that these effects depend on whether one is from Japan or the United States.

Relationship-specific investments

The structure of social interactions affects the benefits and costs of reputation building and other relationship-specific investments and thereby alters the evolution of common norms and the degree of social ties. Societies differ markedly in the frequency of interaction with known individuals and the degree to which interactions are governed by complete contracts as opposed to informal guarantees related to trust and reputation. We know from experiments, for example, that trust (p.47) and interpersonal commitment often arise where contracts are incomplete, but not under complete contracting (Kollock 1994; Brown, Falk, and Fehr 2001); these patterns appear to be replicated in actual exchange situations such as the international diamond market (Bernstein 1992) and the market for raw rubber in Malaysia (Siamwalla 1978). If trust and commitment are important parts of one's livelihood, these sentiments may be generalized to other areas of life or evoked in situations which appear similar to everyday life.

Effects on the process of cultural transmission

The structure of social interactions affects the process of cultural learning, as it affects who meets particular cultural models (individuals to learn from), under which conditions, and with what information about the available behavioral alternatives, their prevalence in the relevant social group, and the degree of success or other experiences of those following differing behavioral rules. For example, in some societies in which schooling plays a significant role in child-rearing, teachers are often 'high prestige' cultural models very often representing the behavioral patterns of a socially dominant group, while in societies in which schooling plays a lesser role, the cultural models may be more locally representative and dispersed.

Our interpretation of these cases reflects an underlying causal model in which preferences and beliefs are endogenous. According to our view, behaviors in a given situation are the result of individuals' *beliefs* about the relationship between actions and consequences and the *preferences* with which they evaluate these consequences. The structure of everyday social interactions affects both beliefs and preferences. The reason is that who we meet when we do particular tasks with particular payoffs influences both the kinds of information we deploy when we update our beliefs and the experiences that lead us to reaffirm or revise our preferences.⁷ The updating of beliefs and preferences may respond to the relative payoffs of those holding distinct beliefs and preferences—the successful may be copied. Or, it may be sensitive to the frequency with which one imitates individuals holding distinct beliefs and preferences—learning may be conformist. In combination, (p.48) such forms of social learning, as well as individual learning, will produce groups with different combinations of beliefs and preferences (which can occur even in the absence of structured social interaction).

We are convinced that local economic and social structures are reflected in the experimental behaviors we observed, and we think it is reasonable that the connection between local conditions and behaviors can be illuminated by the learning model sketched above. However, we

are unclear about some important details of how local situations influence behaviors. Two plausible interpretations come to mind. Perhaps different social and physical environments foster the development of differing generalized behavioral dispositions that are applicable across many domains, as might be the case using the above reasoning concerning task-performance or investment in reputation-building. For example, Lamalerans may be generally more 'altruistic' or 'fair-minded' than the Machiguenga or Quichua. In our experimental situations, such dispositions could account for the statistical relationships between group economic and social characteristics and experimental outcomes. In contrast, our abstract game structures may cue one or more highly context specific behavioral rules, as is suggested by the situational framing examples given above concerning the use of money. According to this interpretation, our subjects were first identifying the kind of situation they were in, seeking analogs in their daily life, and then acting in an appropriate manner. In this case, individual differences result from the differing ways that individuals frame a given situation, not from generalized dispositional differences. The diverse societies in our sample clearly differ markedly in their everyday analogs to the experimental situation, and this would explain both the magnitude of group differences and the statistical association between group-level economic and social structure, and experimental behavior.

These two approaches are difficult to distinguish empirically, and our dataset does not help us judge their relative importance. But in at least one set of our experiments, the two interpretations support quite different sets of predictions. The context-specific approach predicts that behavior when playing different games (e.g. Ultimatum Game and Public Goods Game) will be similar if the game seems similar to the subjects—such that the different games cue the same behavioral rules. By contrast, the dispositional approach (p.49) predicts similarity of play in games in which a particular disposition would influence play. If situational cues explain experimental play, we might not observe any correlation between subjects' offers unless the two games evoked the same situational cues in the subjects. It is generally difficult to derive any testable hypotheses from this reasoning in part because the cueing process is obscure.

However, one of our cases allows an illuminating distinction between the two. Recall that the Orma made a connection between the Public Goods Game and their customary practice, the *harambee*. The Orma believe that wealthy households should make larger contributions to the *harambee* than poor households. The Orma did not perceive a similar connection between the *harambee* and the Ultimatum Game. Multivariate regressions involving wealth, age, education, and income indicate that wealth is the only significant predictor of Public Goods Game contributions. The more wealth a person has the more they contribute to the common pool, just like in the real *harambee*. Wealth, however, is not a significant predictor of Ultimatum Game offers in either multivariate or bivariate analyses. The importance of wealth for Public Goods Games, but not for Ultimatum Games, is consistent with predictions from the context-specific approach.

The many other cases in which one or more of our experimental situations appeared similar to common social interactions, do not allow us to distinguish between the dispositional and situational interpretations.

Conclusion

We summarize our results as follows. First, the selfishness axiom is not supported in *any* society studied, and the canonical model fails in a variety of new ways. Second, there is considerably more behavioral variability across groups than had been found in previous research. Third, group-level differences in economic organization and the degree of Market Integration explain a substantial portion of the behavioral variation across societies: the higher the degree of Market Integration and the higher the Payoffs to Cooperation, the greater the level of prosociality found in experimental games. Fourth, individual-level economic and demographic variables do not explain behavior either within or across groups. (p.50) Fifth, behavior in the experiments is generally consistent with economic patterns of everyday life in these societies.

We believe that the degree of variability observed in our cross-cultural sample of societies, and the persistent failure of the selfishness axiom, bears directly on related research emerging in economics (Fehr and Gächter 2000), economic sociology (Kollock 1994), and political science (Ostrom 1998, 2000). In economics, for example, the building blocks of new theories posit preferences such as a sense of fairness, a devotion to reciprocity, an aversion to inequality, a concern for relative payoffs, and a taste for punishment (e.g. Bolton and Ockenfels 1999; Charness and Rabin 1999; Fehr and Schmidt 1999). However, our results suggest that the student populations examined by most experimental social scientists may represent a very limited sample from a quite diverse population of human societies.

It is tempting to react to the widespread experimental evidence of non-selfish behaviors by replacing the *selfishness axiom* with some equally simple and universal assumption about human behavior. If *Homo economicus* has failed the experimental test, maybe *Homo altruisticus*, *Homo reciprocans*, or some other simplified version of a panhuman nature will do better. The diversity of behaviors we have observed leads us to doubt the wisdom of this approach. It is not only the case that behaviors differ markedly among groups; within-group variability is marked as well. Our evidence leads us to recognize two fundamental types of behavioral heterogeneity: between-group heterogeneity, which is apparently closely related to group differences in social structure and culture, and within-group heterogeneity, which is for the most part unexplained in our study, but which is strongly suggestive of the coexistence within groups of distinct dispositions, situationally cued mental models, or other behavior-producing constructs.

Two central problems are raised by our research. First, our work, along with hundreds of other experiments published in the last two decades, raises an evolutionary puzzle: what accounts for the success and persistence of behavior that violates the selfish axiom? We do not doubt that selfish motives are both common and essential to understanding human behavior. The challenge is to understand how and why unselfish behaviors and motives could evolve in the face of the material advantages accruing to selfish individuals. We think that long-run evolutionary processes governing the (p.51) distribution of genes and cultural practices could have resulted in a substantial fraction of each population acting in certain situations (and perhaps generally) to forgo material payoffs in order to share with others or to punish unfair actions, as did our experimental subjects. A number of recent models have shown that under conditions that appear to approximate the ancestral environments of human populations, prosocial behavior (carried in either genes or culture) can proliferate (Gintis 2003a, b; Boyd *et al.* 2003; Henrich and Boyd 2001; Bowles and Gintis 2004; Bowles *et al.*, in press). But the evolutionary puzzle posed by the violations of the selfishness axiom on the broad canvas of cultural variation in our sample is far from resolved.

The second question raised by our study is: why did members of different groups behave so differently? Why is there so much variation between human groups, considering we do not observe this degree of variation among most university students or in other animal species? Addressing this question will require theories that explain why and how different dispositions, different sets of contextual rules, or different modes of processing information spread in different groups and how they are maintained. A central task of any such account is to understand why behavioral patterns appear to covary with economic and social structures in the ways we have observed. Failure to recognize the extent of human diversity and the range of processes that have generated the human mosaic may lead large sections of social science to an empirically false and culturally limited construction of human nature.

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Notes:

- (1) Those unfamiliar with game theory or experimental economics may find it useful to begin with Chapter 3.
- (2) The probability of the rejection as a function of the size of the offer was estimated for each group using logistic regression, and the income maximizing offer was calculated from using this estimate. Due to the small number of rejections some of these estimates are not very precise. For more details see McElreath this volume.
- (3) See the Appendix of this volume. We modeled risk aversion by expressing a subject's utility as one's payoff raised to the exponent r where an individual for whom $r < 1$ is risk averse, $r = 1$ risk neutral, and $r > 1$ risk preferring. We then found the r for which the observed mean offer maximized the expected utility of the proposers, where the expectation is taken over all possible offers and the estimated likelihood of their being rejected.
- (4) Because the numbers of rejections are small, some of our estimates of risk aversion are very imprecise. Accordingly one might worry that more reasonable estimates of risk aversion might fit the data nearly as well as the best fit. To test for this possibility, we computed the difference between likelihood of the best-fit value of r and 0.81, the value estimated by Tversky and Kahneman (1992) for laboratory data on risky decision-making. For some data sets the difference was small, and others quite large. Moreover, there is a positive but nonsignificant correlation between deviation of observed behavior from the Income-Maximizing Offer and this measure of the precision of the estimate of r . Thus, it seems unlikely that risk aversion can be a complete explanation for our observations.
- (5) Relative wealth was measured by the in-group percentile ranking of each individual, with the measure of individual wealth varying among groups: for the Orma and Mapuche we used the total cash value of livestock, while among the Au, Gnao, and Machiguenga we used total cash cropping land. Estimates using relative wealth were restricted to proposers in the seven groups for which we have wealth data.
- (6) This procedure was suggested by Abigail Barr who had used it in her fieldwork.
- (7) For a more extended discussion see Bowles (1998), Boyd and Richerson (1985), and the works cited therein.



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