

Culture influences strategy in online coordination game

July 17 2014

		Column Person		
		Purple	Orange	Green
Row Person	Purple	20, 50	0, 0	0, 0
	Orange	0, 0	50, 20	0, 0
	Green	0, 0	0, 0	30, 30

People strategize better with those from their own culture and they are poor at predicting the behaviour of those from different cultures, suggests a new study published in *Proceedings of the National Academy of Sciences*.

The study, which tested subjects in India and the United States using an online strategy game, helps to explain why people generally prefer to interact with those who have similar backgrounds—a phenomenon known as homophily.

Subjects from either India or the U.S., played a game with an online partner that required them to choose from three situations: one with an equal reward for them and the other player (30 cents , 30 cents), or one of two unequal rewards (20 cents, 50 cents or 50 cents, 20 cents). The players had to choose the same outcome or they would both get zero. Most of the players chose the equal option. However, players in India

were more likely than the Americans to choose one of the unequal rewards.

Lead author and economist Matthew O. Jackson (Stanford University and the Santa Fe Institute), a senior fellow of the Canadian Institute for Advanced Research, says the results show that players in each country had fundamentally different strategies and different expectations of the other player. Players in India were more likely to choose an unequal option, sometimes even when it left them with less money.

"You realize that if you don't coordinate you're going to get zero, and if I think that the other person might be really going for an unequal split I'm willing to settle for the 20," says Jackson, who co-wrote the paper with Yiqing Xing (Stanford University).

Whereas Indian players could usually predict that other Indian players would choose an unequal reward, they incorrectly expected the same of the American [players](#). Similarly, Americans expected their Indian counterparts to play like the Americans did.

"They weren't necessarily aware of the differences and they would project their own culture onto the other culture," he says.

From a broader perspective, Jackson says that understanding these social norms could help researchers understand why countries with similar laws, governments and institutions end up with very different societies and economies. That question is central to CIFAR's program in Institutions, Organizations & Growth, which takes an integrated approach to the question of what makes some countries rich and others poor, examining the effects of institutions and organizations on economic growth.

"When you look at institutions in different countries, you can find very

different outcomes," Jackson says. For example, a bureaucrat who asks for a bribe in one country might be reported and fired, whereas in another country, that bribe might be expected and accepted as normal.

Jackson says he is also working on research in this subject area with CIFAR Senior Fellow Daron Acemoglu (Massachusetts Institute of Technology), looking at how coordination between people drives social norms.

"You can get law-abiding behaviour in one culture and law-breaking behaviour in another culture and those can be very resilient," Jackson says.

This study examined one piece of that puzzle in a highly controlled, low-stakes setting, taking a step closer to understanding the complex ways that societies shape human behaviour.

More information: Matthew O. Jackson and Yiqing Xing. "Culture-dependent strategies in coordination games." *PNAS* 2014 ; published ahead of print July 14, 2014, [DOI: 10.1073/pnas.1400826111](https://doi.org/10.1073/pnas.1400826111)

Provided by Canadian Institute for Advanced Research

Citation: Culture influences strategy in online coordination game (2014, July 17) retrieved 2 May 2024 from <https://phys.org/news/2014-07-culture-strategy-online-game.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--