

Table 6*: Experiment 1


* Each unshaded entry represents a player's action in a particular period (designated by the column), each shaded entry below an unshaded entry represents that player's guess of the other player's action in that period.

Weak-Link to Social Dilemma (7-7)
Table: Experiment E5


* Each unshaded entry represents a player's action in a particular period (designated by the column), each shaded entry below an unshaded entry represents that player's guess of the other player's action in that period.

Social Dilemma (7) to Social Dilemma (7)


Table : Experiment E4


* Each unshaded entry represents a player's action in a particular period (designated by the column), each shaded entry below an unshaded entry represents that player's guess of the other player's action in that period.

Social Dilemma (7) to Social Dilemma (7)


Table : Experiment E3


* Each unshaded entry represents a player's action in a particular period (designated by the column), each shaded entry below an unshaded entry represents that player's guess of the other player's action in that period.

Weakest-Link to Social Dilemma (3)


Table : Experiment E1


* Each unshaded entry represents a player's action in a particular period (designated by the column), each shaded entry below an unshaded entry represents that player's guess of the other player's action in that period.

Weakest-Link to Social Dilemma (3)


Table : Experiment E2


* Each unshaded entry represents a player's action in a particular period (designated by the column), each shaded entry below an unshaded entry represents that player's guess of the other player's action in that period.


## Appendix: Instructions

(3-player case, treatment SW)
This is an experiment in the economics of market decision making. The instructions are simple and if you follow them closely and make wise decisions, you may make an appreciable amount of money. These earnings will be paid to you in cash at the end of the experiment.

The experiment will consist of two rounds. You will be given the instructions for round 2 after round 1 has been completed.

## Round 1 Instructions

In round 1 you will participate in a game with one other person. You will not know the identity of the person you are playing with and any communication between yourself and that person will only be through the experimenters.

Round 1 will consist of five periods. In each period you will select a number denoted by X . The values of X you may choose are $1,2,3,4,5,6,7$. The value you pick for $X$ and the value of $X$ selected by the other player will determine your payoff in any one period of play.

Table 1 tells you how you earn money. Please look at the table now. The entries in the table give each player's earnings from selecting alternative values of X. Each column heading of the table corresponds to a particular action the other player may select. Each row heading of the table corresponds to a particular action you may select. For example, if you select a 3, and the other player selects a 5 , then you receive $\$ 2.10$.

In your folder you are given a record sheet for round 1. Please look at it now. The order of play will goes as follows.

1. At the beginning of each period you should write down your best guess of the value of X the other player will select in that period. You receive 10 cents if you guess correctly, and zero cents otherwise.
2. You are then asked to write down your choice of $X$ for that period. Your choice of $X$ is private and should not be discussed with anyone.
3. After collecting all the record sheets the experimenters will record the value of X selected by the other player in the appropriate shaded box on your record sheet and return it to you. You should then determine if your guess was correct. If you guessed correctly record 10 cents in the "earnings from guess" column, otherwise record 0 in that column.

Next, determine your earnings from table 1 for that period and record it in the "earnings form choice" column on the record sheet. Note that you do not know the other player's choice of X before making your selection. Also note that the earnings you receive from your choice of X do not depend on whether your guess was correct.

At the end of period 5 you should add-up your earnings from round 1 and record it in the total earnings box at the bottom of your round 1 record sheet.

## Round 2 Instructions

In this round you will be playing a new game with the same player you played with in round 1. Again, you will not know the identity of the person you are playing with and any communication between yourself and that person will only be through the experimenters.

Round 2 will consist of five periods of play. In each period you will select a number denoted by X . The values of X you may choose are $1,2,3,4,5,6,7$. The value you pick for $X$ and the value of $X$ chosen by the other person will determine your payoff in any one period of play. More specifically, the minimum of your choice of $X$ and the other player's choice of X will determine your payoff.

Table 2 tells you how you earn money. Please look at the table now. The entries in the table give each player's earnings from selecting alternative values of X . The earnings in each period may be found by looking across from the value you choose on the left-hand side of the table, and down from the minimum value chosen from the top of the table. For example, if you chose a 4 and the other player chose a 3, then you earn 80 cents that period since 3 is the minimum value of $X$ chosen. Alternatively, if you chose 4 and the other player selects a 4 , then you earn one dollar since 4 is the minimum value of $X$ chosen. Note that if your own choice of $X$ is the smallest value of $X$ chosen then your payoff is determined by your choice of X. Also, note that both players have the same payoff table.

Round 2 will consist of five periods, where in each period you will play with the same player. In your folder you are given a record sheet for round 2. Please look at it now. The order of play goes as follows:

1. At the beginning of each period you should write down your best guess of the other player's choice of $X$ in that period. You receive 10 cents if you guess correctly, and zero cents otherwise.
2. You are then asked to write down your choice of X for that period. Your choice of X is private and should not be discussed with anyone.
3. After collecting all the record sheets the experimenters will record the minimum value of $X$ selected in the appropriate shaded box on your record sheet and return it to you. The value of X selected by the other player will also be recorded. You should then determine if your guess was correct. If you guessed correctly record 10 cents in the "earnings from guess" column, otherwise record 0 in that column.

Next, determine your earnings from table 2 for that period and record it in the "earnings from choice" column on the record sheet. Note that you do not know the other player's choice of X before making your selection. Also note that your earnings from your choice of X do not depend on whether you successfully guessed the value of X selected by the other player.

Your player number in round 2 is the same as your player number from round 1. Before going on please record your player number from round 1 in the upper left-hand corner of your round 2 record sheet. You should not share your player number with any other participants in the experiment. At the end of the fifth period you should add-up your earnings from round 2 and record it in the total earnings box at the bottom of your round 2 record sheet.

