

Collaborative hierarchy maintains cooperation in asymmetric games

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The interplay of social structure and cooperative behavior is under much scrutiny lately as behavior in social contexts becomes increasingly relevant for everyday life. Earlier experimental work showed that the existence of a social hierarchy, earned through competition, was detrimental for the evolution of cooperative behaviors. Here, we study the case in which individuals are ranked in a hierarchical structure based on their performance in a collective effort by having them play a Public Goods Game. In the first treatment, participants are ranked according to group earnings while, in the second treatment, their rankings are based on individual earnings. Subsequently, participants play asymmetric Prisoner's Dilemma games where higher-ranked players gain more than lower ones. Our experiments show that there are no detrimental effects of the hierarchy formed based on group performance, yet when ranking is assigned individually we observe a decrease in cooperation. Our results show that different levels of cooperation arise from the fact that subjects are interpreting rankings as a reputation which carries information about which subjects were cooperators in the previous phase. Our results demonstrate that noting the manner in which a hierarchy is established is essential for understanding its effects on cooperation.

INTRODUCTION

30

31 While cooperation is common in many species [1–3], humans show this trait to a dramatically
32 larger extent. This is evident in our unparalleled capability to cooperate with strangers in one-
33 shot interactions and on a very large scale [4–6]. The emerging phenomenon of cooperation can
34 involve working together with others in a mutually beneficial activity (i.e., a form of mutualism [7]),
35 or incurring a costly action that helps others, thus reducing one’s own chances for survival under
36 natural selection (i.e., altruism [8]). Both types of cooperation are ubiquitous in our daily lives,
37 and constitute the pillar on which our society is built and functions [9]. However, for all its
38 importance, the interplay between social structure and cooperative behavior in humans has received
39 little attention [10]. In this context, it has been shown that active partner choice, i.e., the possibility
40 to choose interaction partners at will or through assortment [12], does lead to the establishment
41 of cooperation [13, 14]. However, past experimental work has rarely allowed social interaction,
42 employing paradigms where all individuals were equal and anonymous, and choices motivated only
43 by informational cues (i.e., reputation, [15–17]).

44 In most social interactions, some degree of asymmetry or inequality between positions in the
45 network is a key factor. Particularly among primates, hierarchy or ranking is a determinant
46 factor in the decision to work with another individual [1, 10]. Even the mere presence of another,
47 differently ranked subject has been shown to dramatically affect individuals’ performance [11].
48 Once not all individuals have the same strategic options and/or the consequences of their actions
49 differ, those in a superior position can reap more benefits from cooperative actions at the expense
50 of their partners, which in turn may lead the latter to stop cooperating. It has been shown
51 recently [18] that this is also the case in experiments with humans designed similarly to setups
52 employed with primates [19, 20]: Lower ranked subjects contribute less to a common goal when
53 they benefit less than their partners. Interestingly, this appears to be due to the fact that when
54 higher ranked subjects can coerce their counterparts into cooperating, they very often do so [21]
55 by resorting to so-called zero-determinant strategies [22, 23]. It thus seems that the existence of a
56 social structure, in the form of a ranking or a hierarchy, can have detrimental effects in the stability
57 of cooperation among humans.

58 In this study we want to probe further into the interplay of social structure and cooperation
59 by considering a different type of hierarchy. This is by no means an academic question in so
60 far as hierarchies differ among primate species in their steepness and their linearity [24], and
61 organizations in our society come in very different flavors and structures [25]. Therefore, here

62 we set out to study how cooperation is affected when hierarchies are not linear but instead there
 63 is more than one individual at each ranking level. Additionally, we contribute to the knowledge
 64 of cooperation on hierarchical structure by considering the case in which one’s ranking arises
 65 through competition with all others as in [18], or through some amount of cooperation. We
 66 study these issues by means of a novel experimental design, which, as we will see below, allow
 67 us to shed light on hitherto unexplored facets of cooperative behavior. As shown in previous
 68 experimental works [8, 26–29], when pairwise interactions are repeated for a reasonably large
 69 number of rounds the mutual cooperation outcome is easier to achieve. Here, we employ a setting
 70 for testing the impact of hierarchy formation in short, but not one-shot, interactions, avoiding the
 71 direct reciprocity mechanism present for longer time encounters.

72 EXPERIMENTAL SETUP

73 The experimental setup we introduce in this work consists of three treatments, namely Selfish (or
 74 Competitive) Hierarchy (SH), Collaborative Hierarchy (CH) and Random Hierarchy (RH). The
 75 SH and CH treatments include two phases, named Phase I and Phase II, while RH treatments
 76 include only Phase II. All treatments involved exactly 24 participants per experimental session
 77 and participants’ scores were expressed in Experimental Currency Units (ECUs). However, only
 78 ECUs accumulated during Phase II were converted to real money at the end of the experimental
 79 session at an exchange rate of 80 ECUs = 1EUR. During Phase I participants in the SH and CH
 80 treatments acquired one hierarchy profile of four possible levels, called *A*, *B*, *C*, and *D*. Participants
 81 playing the RH treatment began the experiment directly at Phase II, with one of the four hierarchy
 82 profiles assigned to them at random. The four hierarchy profiles were equally represented in all the
 83 treatments, that is, there were six participants in each hierarchy profile. A translation of the exact
 84 experimental instructions can be found in the Supplementary Information (SI), see Section 1.

85 Phase I: Hierarchy formation

86 During Phase I participants were randomly assigned to six groups of four participants and they
 87 played a Public Goods Game (PGG, [30]) within their groups for 15 rounds. The exact number
 88 of PGG rounds was unknown to participants who only knew that they had to play for at least 10
 89 rounds. At the beginning of each round all participants decided how many points between 0 and 10
 90 (one choice among options: 0, 2, 4, 6, 8 and 10) they wanted to contribute to the group common pool

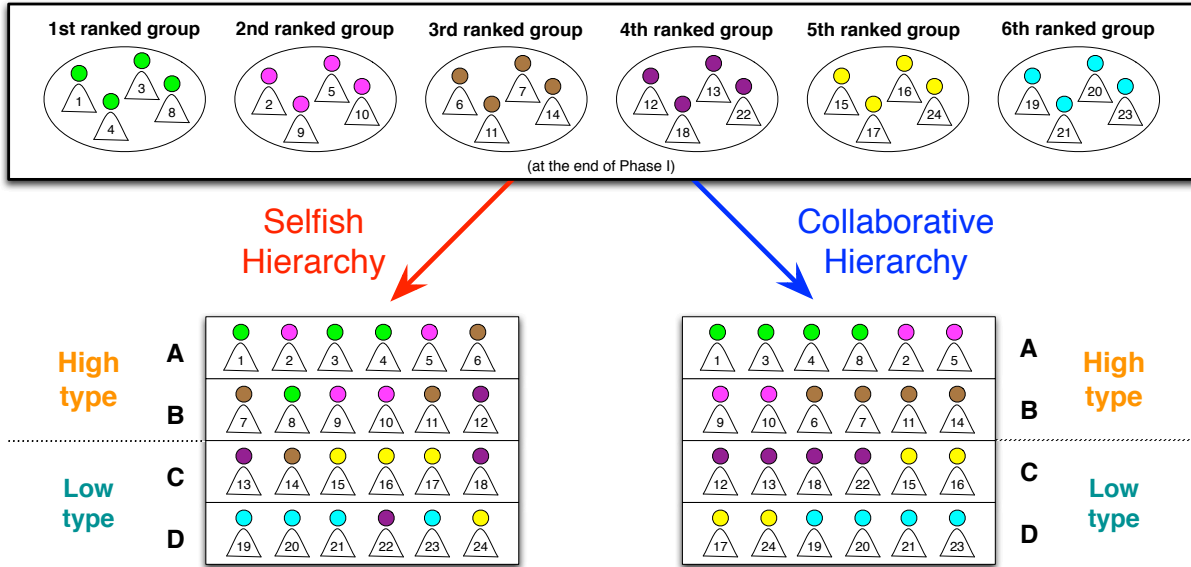


Figure 1. **Sketch of the hierarchy assignment procedures.** The 24 participants are ranked with respect to their cumulated payoff at the end of Phase I (numbers from 1 to 24) while the six groups are ranked according to the sum of individual payoffs of their group components. The four hierarchy profiles are divided into two class types: high (A, B) and low (C,D).

91 from their round endowment of 10 ECUs. The group common pool was then multiplied by two and
 92 then equally distributed to the four members of the group. Before proceeding to the following round
 93 participants received feedback on their group's contribution level and on their individual payoff
 94 while they had no information on the situation of the other groups. In SH and CH treatments,
 95 hierarchy profiles were assigned at the end of Phase I according to the payoffs accumulated during
 96 the PGG. Phase I was skipped in RH treatments and hierarchy profiles were randomly distributed
 97 among all 24 participants. This last treatment was included because in previous experiments [18]
 98 the effect of hierarchy did not depend on whether one's own position was earned in a competition
 99 or received randomly, and we sought to measure whether this counter-intuitive phenomenon would
 100 replicate here.

101 The difference between the SH and CH treatments arises in how the PGG is used to assign a po-
 102 sition in the hierarchy. Both hierarchy assignment procedures are summarized in Figure 1. In SH
 103 treatments the ranking of participants was computed according to the points each individual accu-
 104 mulated during Phase I. The six participants ranking highest were assigned to the first hierarchy
 105 profile (A), the next six participants to the second hierarchy profile (B), the next six participants
 106 to the third hierarchy profile (C), while the last six participants were assigned to the fourth hi-
 107 erarchy profile (D). On the other hand, in CH treatments, the ranking was computed according

108 not based on the points individuals earned by themselves but rather to the points earned by their
 109 group as a whole. The four participants belonging to the highest-ranked group and the best two
 110 participants of the second highest-ranked group were assigned to hierarchy profile *A*, the other two
 111 participants of the second highest-ranked group and the participants of the third highest-ranked
 112 group to the *B* profile, and so forth for the other two hierarchy profiles. In other words, in SH
 113 treatments only individual performance mattered, whereas in CH treatments it was important to
 114 contribute to the group effort to ensure a good ranking for oneself. Before starting Phase II all
 115 participants were assigned to a hierarchy profile according to the experimental treatment condition
 116 they were assigned.

117 **Phase II: Cooperation in a hierarchical structure**

118 During Phase II participants in all treatments played an Asymmetric Prisoner's Dilemma (APD)
 119 game in which their payoffs were biased according to their hierarchy profile. Phase II was the
 120 same for all three experimental treatments and it consisted of playing five APD games of ten
 121 rounds. The exact number of rounds was unknown to participants who only knew that they
 122 had to play for at least 5 rounds. Participants were assigned to dyads to play the APD game
 123 five times. Dyads were formed using a random permutation of participants, so each individual
 124 met all hierarchy profiles once with the exception of their own hierarchy profile which they met
 125 twice. The APD game was created using the standard payoffs of a Prisoner's Dilemma game where
 126 mutual cooperation is paid $R = 3$, mutual defection $P = 2$, cooperation to defection $S = 1$, and
 127 defection to cooperation $T = 4$. However, the actual payoffs that participants received at the end
 128 of an APD round were then multiplied by a multiplication factor m_H which depended on their
 129 hierarchy profile $H = \{A, B, C, D\}$, where $m_A = 5$, $m_B = 4$, $m_C = 3$, $m_D = 2$. For instance, a
 130 *B*-profile cooperator against a *C*-profile defector receives $m_B \times S = 4 \times 1 = 4$ points while the
 131 other gets $m_C \times T = 3 \times 4 = 12$ points; two cooperators of the same hierarchy profile *A* receive
 132 both $m_A \times R = 5 \times 3 = 15$ points.

133

134 After reading the detailed instructions of the experiment and answering some trial questions,
 135 participants played two repetitions of their assigned treatment, that is, (Phase I + Phase II) for
 136 SH and CH treatments and Phase II for the RH treatment. We excluded automatic answers from
 137 the analysis and analyzed only participants' decisions in the second repetition treatment in order
 138 to consider behavior after the learning stage (during the first repetition). Before each treatment

139 repetition, a random reshuffling of participants was performed such that participants did not play
 140 against the same participant twice. We performed SH and CH treatments during four experimental
 141 sessions each, for a total of eight sessions. The RH treatments were run during three additional
 142 sessions. All sessions included exactly 24 individuals who did not participate in any other session
 143 of the experiment, for a total of 264 subjects.

144 RESULTS

145 Phase I: Hierarchy formation

146 We begin the presentation of our results by addressing the level of cooperation during Phase I in
 147 the SH and CH treatments; this phase was not included in the RH treatments. Figure 2 shows the
 148 average contribution over the 15 rounds of the Public Goods Game (PGG) played during Phase I.
 149 Participants cooperated ostensibly more in CH treatments than SH treatments, likely aiming to
 150 increase their group ranking position and thus obtain a higher hierarchy profile for Phase II. This

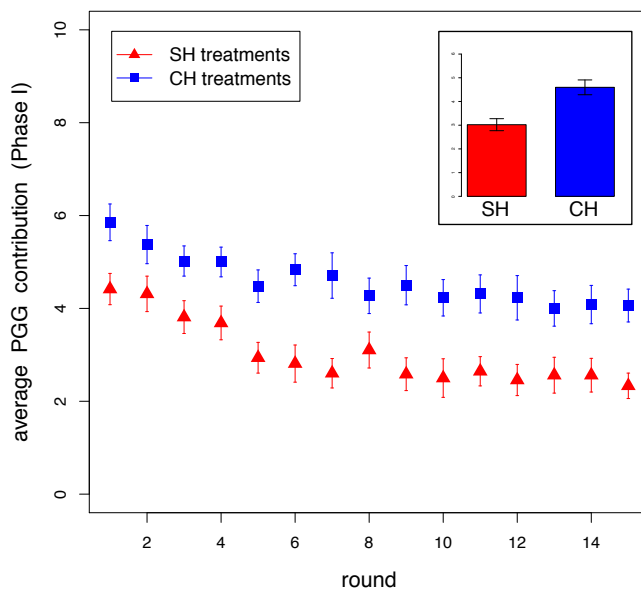


Figure 2. **Cooperation during Phase I.** Participants' average PGG contribution as a function of the round number and over the entire phase (inset box) for both experimental treatments. Participants cooperated less in SH treatments, in which individual payoffs determine rank, compared to CH treatments, in which group earnings determine rank. (comparison of SH and CH treatment groups: MW $U = 134$, $p^{**} < 0.002$). Error bars represent standard error of the mean over all treatments.

151 is in agreement with theoretical predictions [31]. In fact, we must take into account that in SH
 152 treatments *homo economicus* individuals only benefit from maximizing their individual earnings,
 153 i.e. contributing no points to the group common pool, while in CH treatments their individual
 154 utility function corresponds to the maximization of their group payoff, i.e. contributing all the
 155 points of their round endowment. Of course, since points earned in Phase I were not converted
 156 to real money, the main assumption here is that rational individuals desire to attain the highest
 157 hierarchy profile which then allowed them to earn more points that would be converted to real
 158 money during Phase II. The fact that the observed behavior is similar to the results in paid,
 159 standard PGGs [30] gives us confidence in our interpretation that players are seeking to maximize
 160 individual payoffs in the SH and seeking to maximize total group earnings in the CH treatment.

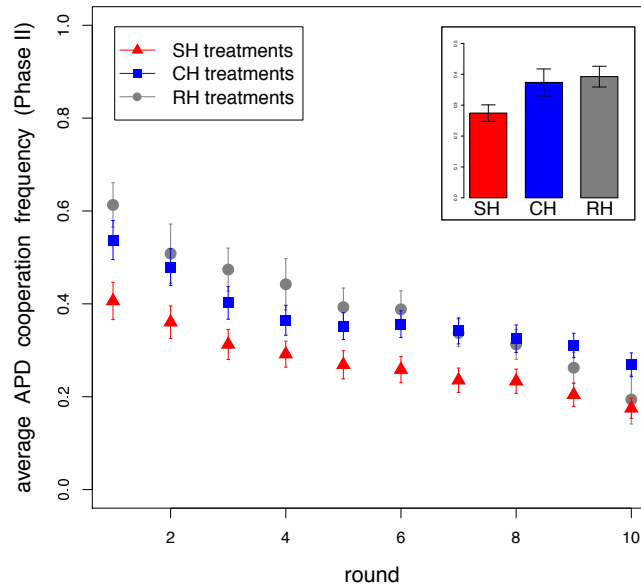


Figure 3. **Cooperation during Phase II.** Participants' average APD cooperation frequency as a function of the round number and over the entire phase (inset box) for all experimental treatments. Participants cooperate to the same extent in CH and RH treatments and at all time less frequently in SH treatments (comparison of pairwise interaction average cooperation level distributions: SH-CH MW $U = 34448$, $p^{***} < 0.001$; SH-RH MW $U = 16636$, $p^{***} < 0.001$; CH-RH MW $U = 20988$, $p = 0.618$). Error bars represent standard error of the mean over all treatments.

Phase II: Asymmetric Prisoner's Dilemma games

161

162 We now turn to the level of cooperation during Phase II for the three experimental treatments.
 163 Figure 3 depicts the average level of cooperation in APD games per round. We note that the number
 164 of rounds was not known by participants and the game was iterated against the same partner for
 165 ten rounds. As is generally the case in these paradigms, the cooperation level decreased for all
 166 treatments as a function of the number of rounds. Participants' behaviors in the CH and RH
 167 treatments were similar to each other, but each different from the SH treatment (Figure 3). This
 168 may be due to participants' perceptions being framed differently dependent upon the way in which
 169 hierarchy profiles were obtained. We also report in Figure S5 participants' behavior as a function
 170 of the round number separated for the five dyadic interactions (see SI Section 2).

171 Let us now consider how cooperative behavior differs when playing against the same or a different
 172 hierarchy profile. By doing so, we can compare whether the level of cooperation in symmetric
 173 Prisoner's Dilemma games differs from those observed in APD games or, in other words, whether
 174 the existence of a hierarchy leading to different earnings in the game for the two players has an

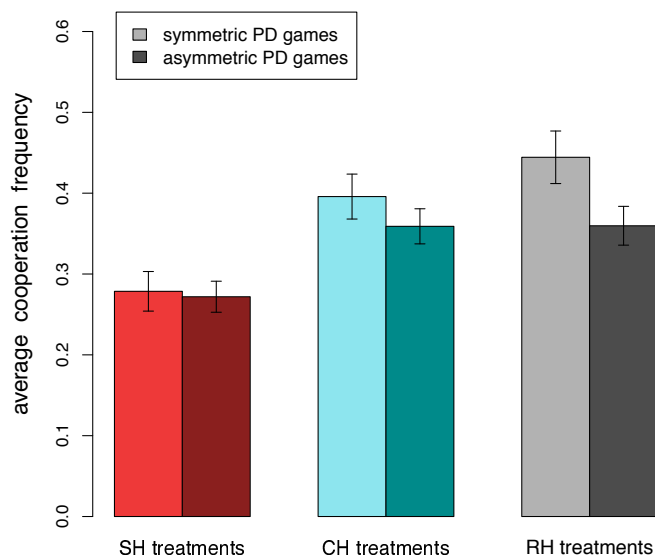


Figure 4. **Cooperation in symmetric and asymmetric Prisoner's Dilemma games.** Participants' average cooperation frequency for the three experimental treatments and for symmetric (lighter colors) and asymmetric (darker colors) interactions. Unbalanced interactions lead to lower levels of cooperation in RH treatments and, to a certain extent, in CH treatments (comparison of individual action distributions in symmetric and asymmetric interactions: SH treatments MW $U = 2783500$, $p = 0.607$; CH treatments MW $U = 2866600$, $p^{**} < 0.010$; RH treatments MW $U = 1687000$, $p^{***} < 0.001$). Error bars represent standard error of the mean over all dyadic interactions.

175 effect. In fact, when two participants having the same hierarchy profile are paired during Phase
 176 II, the APD game can be interpreted as a symmetric one. In Figure 4 we report the average
 177 cooperation level in the three experimental treatments for asymmetric and symmetric interactions
 178 (see also Figs. S6-S7 in SI Section 2). We observe that in SH treatments participants cooperate at
 179 similar levels when playing against an individual of the same or a different hierarchy profile. On the
 180 other hand, individuals in CH and RH treatments cooperate, on average, more often in symmetric
 181 interactions with respect to asymmetric ones. However, this difference is more difficult to assess
 182 when looking at cooperation levels over the ten rounds, see Fig. S6 for more details. Moreover,
 183 while cooperation levels appear similar in asymmetric pairings for CH and RH treatments, we
 184 notice that symmetric games in RH treatments show an even higher level of cooperation with
 185 respect to the one observed in CH treatments. Our finding that in two treatments asymmetry
 186 is detrimental for cooperation is in line with experiments on the asymmetric PD available in the
 187 literature [28, 32]. Interestingly, the effect of the ranking in SH treatments appears to be larger
 188 than the decrease due to asymmetric interactions. In fact, cooperation levels are very similar both
 189 in symmetric and asymmetric pairings, implying that subjects were more affected by the ranking
 190 procedure than by the resulting hierarchy profiles. For further results on participants' behavior
 191 against all hierarchy profiles during Phase II (Figure S8) and during first rounds (Figure S9) we
 192 refer the reader to Section 4 of the SI.

193 A more detailed analysis provides insight on the overall individual cooperative behavior of partic-
 194 ipants during Phase II. Figure 5 shows the proportion of participants for the three experimental
 195 treatments according to their average cooperation frequency. For the sake of simplicity, we classify
 196 hierarchy profiles into two levels, i.e. *high* and *low*, where *A* and *B* profiles are considered as high
 197 rank profiles while *C* and *D* as low rank ones, see also Figure 1. The first conclusion one can
 198 draw from this analysis is that the behavior is rather heterogenous for all three treatments. In
 199 fact, we observe nearly the full possible range of cooperation frequencies, ranging from individuals
 200 who cooperate in almost all interactions to individuals who never do, although the latter are much
 201 more frequent in all treatments. We can thus classify players into three classes of general behavior:
 202 defectors, conditional cooperators and cooperators. We define defectors, representing the majority
 203 of participants in all treatments, as individuals who cooperate less than 20% of the time, and we
 204 define cooperators similarly as individuals who have cooperation frequency higher than 80%. We
 205 refer to the rest of the population as conditional cooperators. Furthermore, since we can find
 206 the three kinds of individuals in both hierarchy levels, it appears that the hierarchy profile of a
 207 participant does not influence the average cooperative behavior of that individual.

208 Finally, we analyze the individual behavior of participants when facing low or high hierarchy
 209 profiles. In order to do so, we define a measure which takes into account the influence of the
 210 hierarchy profile on the cooperation level of an individual: For each participant, we obtain her
 211 cooperation frequency f (between 0 and 1) against her own and the other hierarchy level, i.e. f_{low}
 212 and f_{high} . For instance, a participant with $f_{\text{low}} = 0.7$ cooperated 70% of the time against low
 213 profile participants. We now define the *hierarchy influence* H between -1 and 1, as in Eq. 1, for
 214 each participant as the difference:

$$H = f_{\text{high}} - f_{\text{low}} \quad (1)$$

215 Thus, a participant who always cooperates with low profile participants and never with high profile
 216 participants will have $f_{\text{low}} = 1$ and $f_{\text{high}} = 0$ leading to a hierarchy influence $H = -1$. Conversely,
 217 a participant who cooperates only and always with high profile participants will have $H = 1$.
 218 Finally, a participant who cooperates equally with both types has $H = 0$. Summarizing, a player
 219 who only cooperates with high profiles has a high H because she is affected by high profiles, and
 220 by low profiles at the same time in the opposite way, changing her behavior according to the
 221 partner's profile. A player with hierarchy influence equal to zero cooperates to the same extent

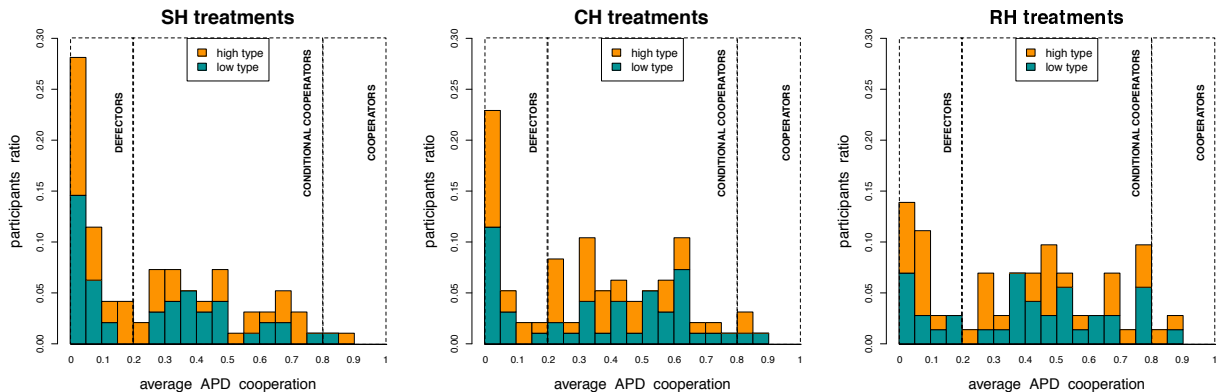


Figure 5. **Individual cooperation during Phase II.** Ratio of participants as a function of their average APD cooperation frequency and for all treatments. We define *defectors* as participants who cooperate less than 20% of the times and *cooperators* as subjects cooperating in almost all interactions ($> 80\%$). Participants having a cooperation frequency between 20% and 80% are classified as *conditional cooperators*. We observe the three participant categories in all treatments with a large prevalence of defectors and conditional cooperators with respect to pure cooperators. Hierarchy profile types are homogeneously distributed among cooperation frequencies (comparison of individual cooperation frequency distributions of low and high hierarchy profiles: SH treatments MW $U = 1138.5$, $p = 0.923$; CH treatments MW $U = 1317$, $p = 0.224$; RH treatments MW $U = 693.5$, $p = 0.611$).

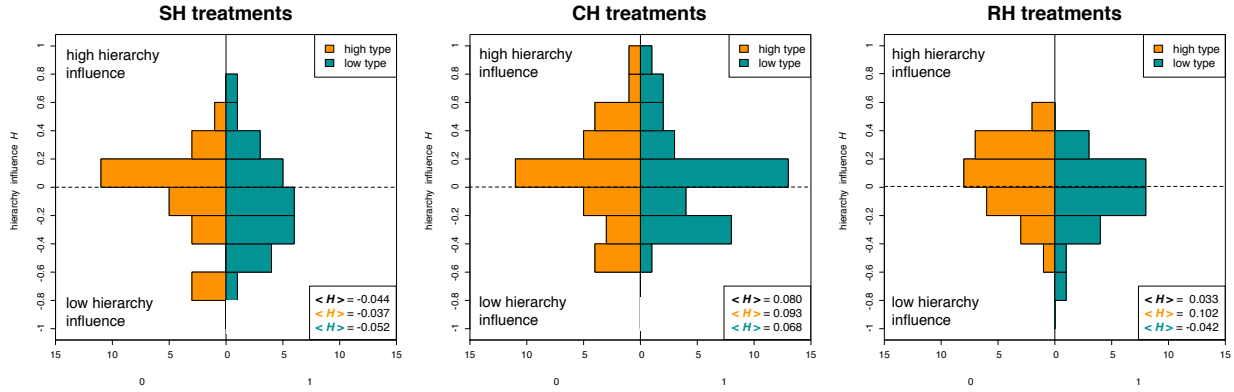


Figure 6. **Hierarchy influence.** Histograms of participants value of H (see text) for the three considered treatments. Results are plotted excluding pure defectors, i.e., participants with near zero H values. Mean values aggregated for all participants and for hierarchy profile classes are reported as inset. We observe more frequently low values of H in SH treatments (53 subjects, distribution skewness $\gamma_{SH} = -0.097$) with respect to the high values found in CH treatments (68 subjects, $\gamma_{CH} = 0.327$). Although negatively skewed, overall values in RH treatments (52 subjects, $\gamma_{RH} = -0.506$) were less scattered and more centered around zero. Again, hierarchy profile types are homogeneously distributed among all hierarchy influence values in SH and CH treatments although hierarchy influence profiles appear dependent on participants' hierarchy type in RH treatments (comparison of hierarchy influence distributions of low and high types; SH treatments MW $U = 381.5$, $p = 0.593$; CH treatments MW $U = 627.5$, $p = 0.547$; RH treatments MW $U = 452.5$, $p^* = 0.035$).

222 with all hierarchies. A player with negative hierarchy influence cooperates more with low profiles.
 223 Figure 6 shows the histograms of participants' H for the three experimental treatments and for both
 224 hierarchy profiles. We can observe that the influence of the high hierarchy profiles is stronger in CH
 225 treatments than in the baseline scenario of RH treatments. Indeed, we find that the histogram is
 226 clearly skewed towards positive values. On the contrary, for SH treatments we observe the opposite
 227 effect, namely that the histogram is skewed towards negative values. Interestingly, we observe that
 228 low and high hierarchy profile participants appear to be equally distributed over the entire space
 229 for SH and CH treatments, again indicating that one's own profile does not condition the subjects'
 230 actions as much as that of the counterpart. However, we find a different hierarchy influence in RH
 231 treatments as participants tend to cooperate more frequently with partners belonging to their same
 232 hierarchy type. For further analysis on the hierarchy influence we refer the reader to Sections 5
 233 and 6 of the SI where we present detailed scatterplots on participants' f_{high} and f_{low} values.

DISCUSSION

234

235 In this paper, we have reported on experiments measuring how the way a ranking, or a hierarchy,
236 is established in a group may affect cooperation in that group. The hierarchy formation phase
237 (Phase I) produced results that were interesting on their own; in particular we observed that
238 group competition increases contributions in the Public Goods Game (PGG) dilemma. While
239 this seems to arise simply from the fact that in Collaborative Hierarchy (CH) treatments subjects
240 must promote their group earnings, there are subtleties in the design that must be taken into
241 account in the discussion. Indeed, in Selfish Hierarchy (SH) treatments competition among groups
242 is always present, meaning that theoretical predictions on the classical *tragedy of the commons*
243 problem [31] do not completely hold. This is due to the fact that groups mostly composed of
244 cooperators can - in terms of individual payoffs - outperform groups composed of a majority of
245 defectors. As a result, even in SH treatments individuals belonging to generous groups may achieve
246 higher hierarchy profiles than individuals in groups where nobody contributes. On the other hand,
247 in CH treatments there is almost no incentive towards a non-cooperative behavior.

248 Considering the cooperation phase when participants play the Asymmetric Prisoner's Dilemma
249 (APD) game, our first finding is that cooperative hierarchy formation does not lead to higher
250 cooperation but, instead, in SH treatments subjects cooperate less. In fact, in CH treatments higher
251 hierarchy profiles are acquired by ensuring one's group does well, in contrast to SH treatments in
252 which participants who defect more in their group more frequently acquire higher hierarchy profiles.
253 The cooperative behavior in Random Hierarchy (RH) treatments represents the baseline scenario
254 in which no framing on hierarchy profiles is introduced. It thus appears that individuals taking
255 part in SH treatments cooperate sensibly less after performing the competitive task in their Phase
256 I. Instead, looking at CH treatment results, performing a collaborative task during Phase I does
257 not increase the average level of cooperation with respect to what happens in RH treatments where
258 such a task is not present. It is interesting to note that the change in the cooperation level across
259 treatments in Phase II is similar to what we observed in Phase I. We thus conclude that the CH
260 treatment hierarchy assignment protocol does not increase cooperativeness but, instead, that the
261 competition introduced in SH treatments decreases it.

262 What is the mechanism behind the detrimental effect of the individual hierarchy on cooperation?
263 A first possibility is that, as in previous experiments [18], spite leads low ranking individuals to
264 cooperate less with high ranking ones. However, there is a crucial difference with the results
265 reported in [18], namely the fact that, upon successful cooperation, the higher ranked subject

266 decides how the reward is split. This means that the reason for the low cooperativeness of lower
267 ranked subjects could be spite, but could also be uncertainty about the benefit they would receive
268 from their cooperation. In the setup we have studied here, there is no agency from the subjects:
269 higher ranked participants receive more from the interaction because it is so stipulated by the
270 game setting, and hence there is no uncertainty about the outcome of the interaction. Thus, we
271 are left only with spite as a possible explanation of the low cooperativeness in SH treatments.
272 However, if this factor was present, it should similarly affect the CH treatment, as there are always
273 lower ranked and high ranked people. On the contrary, we observe cooperation with higher-ranked
274 partners. While such behavior could be induced by the more cooperative hierarchy formation phase,
275 we believe this is unlikely and that, as we discuss below, the mechanism at work is completely
276 different. The key observation here is that, contrary to what was observed in [18], a random
277 assignment of ranking does not have any effect on cooperation as compared to CH treatments, and
278 the observed cooperation is larger than in SH ones. We believe that this implies that subjects are
279 not interpreting ranking as hierarchy because, as it has been already mentioned above, there is no
280 agency from higher-ranked partners.

281 In the field of animal behavior, it is generally accepted that hierarchies are linked to the possi-
282 bility of monopolizing access to resources and that, as a consequence, the ability of high ranking
283 individuals to monopolize such access will predict tolerance about groupmates and the quality of
284 social relationships in general [33, 34]. We posit that the same ideas apply here, and the fact that
285 the distribution of resources is exogenous and non-monopolizable strips ranking of its meaning.
286 Key to this point is the realization that what a subject earns in the asymmetric PD depends, as
287 far as hierarchy is concerned, on her own hierarchy, and not on that of her counterpart. We thus
288 conclude that the power to affect others' earning is crucial to establish a hierarchy, as shown by
289 the different levels of cooperation emerging from SH and RH treatments in this experiment. The
290 other conclusion we can draw from this observation is that high hierarchy profiles in CH treatments
291 elicit more cooperation because of the way in which hierarchy itself is obtained, i.e., by cooperating
292 in the PGG. High ranking is then interpreted as reputation in so far as it has been obtained by
293 cooperating more and making the group successful. Therefore, subjects are inclined to cooperate
294 with those identified as cooperative. Individuals have earned their rank positions through past be-
295 havior and thus their rank may be an honest signal of their future likelihood of cooperating. People
296 are likely noting rank in their interactions and responding accordingly with their own decision to
297 cooperate or defect in a way that maximizes their own gains. This would be compatible with the
298 fact that, in SH treatments, participants having high hierarchy positions cheated more in the PGG,

299 and as a consequence they were punished by experiencing less cooperation from future partners.
300 In this treatment, participants would cooperate more with lower hierarchy profiles because they
301 are perceived as cooperators, and therefore as ‘losers’ in the battle for hierarchy. RH treatments
302 support this interpretation in so far as the hierarchy influence histogram is not skewed, so most
303 people cooperate equally with partners of any level since in this treatment hierarchy does not signal
304 previous cooperative behavior.

305

METHODS

306 All participants in the experiments reported in the manuscript signed an informed consent to
307 participate. In agreement with the Spanish Law for Personal Data Protection, their anonymity was
308 always preserved. This procedure was approved by the Ethics Committee of Universidad Carlos
309 III de Madrid, the institution responsible for funding the experiment, and the experiment was
310 subsequently carried out in accordance with the approved guidelines. The laboratory experiments
311 were carried out with volunteers chosen among the LINEEX subject pool for the SH and CH
312 treatments and among the IBSEN subject pool for RH treatments. The first set of experiments
313 corresponded to eight sessions, four sessions of SH treatments and four sessions of CH treatments,
314 and they were performed at the LINEEX experimental laboratory at different dates between the
315 16th and the 20th of May, 2016. The second set of experiments included three sessions of RH
316 treatments and it was performed at the computer laboratory of the Universidad Carlos III de
317 Madrid on November 29th, December 2nd and 14th, 2016. Participants played through a web
318 interface specifically designed in *o*-Tree [35] for the experiment accessible from the computers of
319 the laboratories. At least three researchers supervised the experiment in the room, preventing
320 any interaction among the participants. Participants were not allowed to talk or signal in any
321 way. In order to further guarantee that potential interactions among players seated next to each
322 other in the room did not influence results, assignment to computer stations was random and
323 stations were isolated from each other by opaque panels. Hence there was no relationship between
324 physical proximity and interactions in the game. Before making decisions, participants read detailed
325 instructions and responded to a set of control questions in order to insure common understanding
326 of the game and on the computation of payoffs. Once all questions had been answered, the first
327 phase of the experiment began. A translation of the instructions from the original Spanish version
328 is provided, see SI Section 1. Each session lasted about one and a half hours and included 24
329 participants, for a total of 264 subjects taking part in the experiment. Participants were randomly

330 assigned to one of the three treatments. Participants received a show-up fee of 5 EUR and their
 331 personal score in Experimental Currency Units (ECUs) was converted at an exchange rate of 1
 332 EUR = 80 ECUs at the end of the experiment. The average payoff per subject was 16.2 EUR
 333 (about 17.5 US\$).

334 For both phases, comparisons between treatment groups were made using the nonparametric Mann-
 335 Whitney (MW) test. A nonparametric approach was appropriate for our dataset given that our
 336 data did not follow a normal distribution and we had a relatively small number of subjects per
 337 treatment. Results were considered significant when $p < 0.05$.

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344 AUTHOR CONTRIBUTIONS

345 A. A., M. T. and A. S. conceived the experimental setting. A. A., M. P. and A. S. ran laboratory
 346 experiments. A. A. performed the data analysis. All authors discussed the results, drew conclusions
 347 and wrote the manuscript.

348 ADDITIONAL INFORMATION

349 *Supplementary Information* accompanies this paper.

350 *Competing interests.* The authors declare no competing interests.

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