

**Overview (p. 84) of “The Economics of Fair Play”
by Karl Sigmund, Ernst Fehr, and Martin A. Nowak**

- Universally across cultures, people value fairness highly and emotionally.
- In game experiments with human-subjects, players are often more generous than is predicted by game theory analysis, which assumes that people selfishly seek to maximize their own gains.
- Conversely, play perceived as unfair incites costly acts of revenge.
- The result is “fairer” play than predicted by game theorists on the basis of concepts such as Nash equilibrium.

- Sigmund, Fehr, and Nowak suggest that humans could have evolved the types of emotions observed in these experiments during millions of years in which they lived in small subsistence-level groups whose survival depended on their members' willingness to share scarce resources.
- This conjecture is consistent with the viewpoint of “evolutionary psychologists.”

“Evolutionary psychology is simply psychology that is informed by the additional knowledge that evolutionary biology has to offer, in the expectation that understanding the process that designed the human mind will advance the discovery of its architecture.” (Barkow, Cosmides, and Tooby, *The Adapted Mind*, Oxford University Press, New York, 1992. p. 3)

Where do “social norms” (e.g., social conceptions of fairness) really come from?

Is this issue of any importance for ACE modelers?

- What about ACE modelers wishing to develop computational agents to represent human participants in economic markets?
- What about ACE modelers wishing to develop computational agents for direct participation in automated Internet markets?