The group heuristic:

A psychological mechanism that creates a self-sustaining system of generalized exchanges

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The goal of this paper is to explore the psychological mechanism that I call the group heuristic that makes generalized exchanges self-sustaining. Many non-human animals share with humans the ability to engage in and to derive benefits from the activity of exchanging resources with other individuals. However, social exchanges among non-human animals are limited to direct exchanges, in which giving resources to a partner is directly contingent upon receiving resources from that partner. One cannot receive resources from a particular partner unless one gives to the partner some resources. Only humans engage in *generalized exchanges*, in which giving is not directly contingent upon receiving between a pair of individuals. The most famous example of a system of generalized exchanges would be the practice of cross-cousin marriage. In a cross-cousin marriage, a man marries a daughter of his mother's brother. In this system of marriage, one matrilineal family receives women (which are considered resources) from another family, while giving their own women to a different family. Women are transferred in one direction from family to family. Examples of generalized exchanges are not limited to this exotic marriage practice. Contemporary examples of generalized exchanges range from rotating credit associations to parties among friends.

Through a series of experiments designed to provide an alternative explanation of the ingroup-favoring reward allocation originally observed in the so-called minimal group experiments (Tajfel, Billig, Bundy & Flament, 1971), I first present evidence suggesting that people expect generalized exchanges in these minimal group situations (to be explained below). Then, I argue that the "group heuristic" that facilitates this expectation of a system of generalized exchanges within group boundaries can be *self-sustaining*. Specifically, the ingroup favoring behavior based on the operation of the group heuristic creates a social environment in which having such a heuristic and behaving accordingly is more adaptive than behaving without the help of such a heuristic. A system of generalized exchanges is then maintained within boundaries of the group because people behave in ingroup-favoring manners. And, to the degree that group boundaries are closed to outsiders, having the group heuristic and behaving in ingroup-favoring manners become adaptive. The whole circle is thus maintained.