

**Real Time Public Goods in Japan:
Cultural and Individual Differences in Trust and Reciprocity**

Keiko Ishii Robert Kurzban

Abstract

Trust plays an obviously important role in interpersonal relationships, a foundation upon which many different types of interpersonal relationships are built. Trust also plays a central role in economic transactions: trust reduces transaction costs, eliminating the need for formal contracts and enforcement mechanisms, increasing the number and range of mutually beneficial transactions that can occur, and even has detectable effects on national economic growth. Understanding cross-cultural differences in trust, and the consequences of these differences, is therefore an important area of research. The work described here compares behavior in the laboratory in the United States with behavior in the laboratory in Japan. Our results suggest that, first, as in the U.S., allowing incremental commitment to a Public Good is effective for eliciting contributions and, second, individual differences in trust affect contributions. Results are discussed in the context of the relationship between cross-cultural differences and economic institutional environments.