

## Appendix – Instructions

The instructions were given in Portuguese, the native language of the subjects. Here I present a translated version.

### General Instructions:

- Welcome to our experiment.
- The instructions are simple and, if you follow them correctly and take adequate decisions, you can win points, which will be added to your experimental account
- Your gains will depend on both your and your colleagues actions
- Initially, you will be divided in two large groups, according to your Payoff Tables: Table 1 or Table 2
- Within these groups, you will be randomly paired: a player A and a player B
- The Payoff Table (Table 1 or Table 2), your pair and your role (A or B) will remain constant for 6 rounds
- You and your pair will have payoffs according to the same Payoff Table (1 or 2), in which one will be player A and the other will be player B
- The information about your role and your Payoff Table will be shown to you on your screen, as soon as the experiment begins
- Any kind of communication among you is strictly forbidden.
- You will receive additional material
- The first round is a costless trial round

### Instructions:

- Today's experiment consists of allocating 20 tokens between accounts  $f$  and  $g$  in two periods
- Each round consists of two periods
- In each round, at the beginning of period 1, one of the players will be randomly selected to be Governor, and the other will be the governed
- Chances of this draw is 50% each
- The Governor:
  - Decides how many tokens out of the 20 will be used in period 1
  - Divide them between accounts  $f$  and  $g$
  - The payoffs are determined according to the allocation  $f$  and  $g$  in the Payoff Table (1 or 2) and your role (A or B)
- The governed:
  - Waits for the Governor's decisions
  - The payoffs are determined according to the allocation  $f$  and  $g$  in the Payoff Table (1 or 2) and your role (A or B)
- At the beginning of period 2, a new draw is made to determine the Governor
- In rounds 1-3, the reelection probability is 25%
- In rounds 4-6, the reelection probability is 75%
- The Governor:
  - Divides the remaining tokens between accounts  $f$  and  $g$
  - The payoffs are determined according to the allocation  $f$  and  $g$  at Payoff Table (1 or 2) and your role (A or B)
- The governed:
  - Waits for the Governor's decisions
  - The payoffs are determined according to the allocation  $f$  and  $g$  at Payoff Table (1 or 2) and your role (A or B)



