

Purpose

The purpose of this paper is to examine the influence of income inequality on cooperative propensities, and thus the ability of individuals to resolve collective action dilemmas.

Design/methodology/approach

The paper presents a meta-study of 32 developing country lab experiments correlating cooperative behaviour with prevailing Gini coefficients. Furthermore, the paper conducts standard dictator- and public goods game (PGG) experiments with culturally and demographically similar subject pools in two West African countries characterized by high and persistent variation in national income inequality.

Findings

The meta-study findings of a significant negative relationship between income inequality and contribution levels in the PGG are corroborated by the own laboratory experimental findings that participants in more unequal Nigeria are significantly less altruistic and exhibit significantly lower propensities to cooperate than their more egalitarian Ghanaian counterparts. Moreover, the latter findings are robust when controlling for personal income levels.

Practical implications

The findings have nontrivial implications for collective action theorists and practitioners seeking to elicit tacit cooperation in developing countries.

Originality/value

The major contributions of this paper are the novel meta-analysis and the first attempt to examine the influence of personal income levels on cooperative behaviour in societies characterized by differential levels of income inequality.