

Evidence of Conditional and Unconditional Cooperation in a Public Goods Game: Experimental Evidence from Mali

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Abstract : This paper measures the relative importance of conditional cooperation and unconditional cooperation in a large public goods experiment conducted in Mali. We use expectations about total public goods provision to estimate a structural choice model with heterogeneous preferences. While unconditional cooperation can be captured by common preferences shared by all participants, conditional cooperation is much more heterogeneous and depends on unobserved individual factors. This structural model, in combination with two experimental treatments, suggests that leadership and group communication incentivize public goods provision through different channels. First, We find that participation of local leaders effectively changes individual choices through unconditional cooperation. A simulation exercise predicts that even in the most pessimistic scenario in which all participants expect zero public good provision, 60% would still choose to cooperate. Second, allowing participants to communicate fosters conditional cooperation. The simulations suggest that expectations are responsible for around 24% of the observed public good provision and that group communication does not necessarily ameliorate public good provision. In fact, communication may even worsen the outcome when expectations are low.

Keywords : conditional cooperation, discrete choice model, expectations, public goods game, random coefficients model

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