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Creation and Destruction of Heterogeneous Public Goods

Abstract

We introduce an enhanced public goods game, in which the value of the public good can be increased by contributions or decreased by costly destruction. Many subjects sometimes contribute and at other times destroy the public good. The observed individually mixed behavior contradicts the notion of a mixed population with distinct contributors and destructors. Both contribution and destruction decrease with increasing opportunity cost, indicating that both are normal goods. While destruction decreases slightly over time, contributions remain surprisingly stable and high. It seems that the perceived value of cooperation is higher when destruction is possible and occurs repeatedly.