Heterogeneity and Focal Points in Public Good Games Tanzir Rahman Khan

This paper investigates how individuals condition their contribution on contribution by their group members. More specifically, an experiment was aimed to study how players respond to heterogeneity in Public Good Game (PGG). We found out that when cooperators were presented with variability among contributions by group members, they tend to contribute less. So, there is general aversion towards heterogeneity among cooperators. We also observed that the players tend to change their contribution pattern based on information provided in the experiment. In one part of the experiment players were asked to contribute conditioning on average contribution by other group members and in the later part of the experiment they were asked to contribute when individual information was provided. We observe inconsistency among these two cases and we also found out that cooperators are more likely to follow bad examples.