

# What Drives Conditional Cooperation in Public Goods Games?\*

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## Abstract

Extensive experimental research on public goods games documents that many subjects are “conditional cooperators” in that they positively correlate their contributions with (their belief about) contributions of other subjects in their group. The goal of our study is to shed light on what preference and decision-making patterns drive this observed regularity. We consider four potential explanations, including reciprocity, conformity, inequality aversion, and residual factors such as confusing and anchoring, and aim to disentangle their effects. We find that, of the average conditionally cooperative behavior in the sample, about two thirds is accounted for by residual factors, a quarter by inequality aversion and a tenth by conformity, while reciprocity plays virtually no role. These findings carry important messages about how to interpret conditional cooperation as observed in the lab and ways it can be exploited for fundraising purposes.

**Keywords:** conditional cooperation, public goods game, reciprocity, conformity, inequality aversion, anchoring, fundraising

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