

# Paretian dictators: constraining choice in a voluntary contribution game

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**Abstract** We explore individuals' preferences over limiting the choice sets of others in an environment with externalities. Specifically, we conduct public goods games in which participants can mandate the contributions of others or restrict choices to a subset of feasible contributions levels. We find that, relative to a baseline treatment in which individuals make choices from the set of all contribution alternatives, allowing individuals to constrain the choices of others results in more efficient outcomes. We discuss these results in light of the literature on behavioral theories of reciprocity and conditional cooperation and in regards to the literature on pre-constitutional design, political institutions, and social choice.

**Keywords** Public goods · Conditional cooperation · Reciprocity · Experiments

**JEL Classification** C7 · C9 · D4 · H4

## 1 Introduction

The tension between allowing unfettered individual choice and implementing efficient outcomes lies at the heart of the Pigouvian–Coasian debate inherent in the literature on public goods provision and constitutional design. The fundamental question here rests in the nature of restrictions on choice and how these restrictions map into benefits enjoyed by a populace. Indeed while some have argued that individuals must face restrictions of liberties and choices in order to preserve social

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