

## **Strong Altruism: An Element in the Emergence of Public Institutions?**

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### **ABSTRACT**

Many theories based on the institution of property rights fail to adequately explain how the institution came into existence in the first place. The question we address in this paper is whether or not the cooperative behavior found in public goods experiments can explain the emergence of public institutions such as the government. We build upon the work of Fehr and Gächter (2000a) by setting up a public goods experiment with the option to punish fellow subjects. Our experiment also integrates the use of digital photographs. Our results suggest that subject anonymity can (1) enhance the amount that individuals are willing to contribute to the public good and (2) generate a greater willingness to enforce cooperative behavior by punishing more. This result suggests that public institutions may emerge because they can serve as better mechanisms for encouraging and ensuring that individuals behave cooperatively.