

Experiments in Open Contents

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(Preliminary. The most updated version is available at

<http://benjaminchiao.org/papers/opencontentsexp.pdf>)

Abstract: This paper presents the first experimental results on open contents. Examples of open contents include open source software, creative-commons and wikipedia-type works. Our data from human subjects show that non-modular payoff structure drives the convergence to a Nash equilibrium, in which commission price to helpers converge to zero but helpers will not stop solving problems for others. By non-modularity, we mean that the total production (or payoff) of a team is zero if either one of its members fails to produce at least at a certain level. In the experiment, subjects produce by solving a variant of a popular board game called MASTERMIND. Theoretically, free-riding leads to zero commission price. This removes a signaling function of price for the difficulty levels of work remaining. Empirically, however, it is not sufficient to cause the catastrophic outcome of zero payoff. This provides a basis for us to hypothesize that opening contents is a key explanation because it allows subjects to directly observe the history of work already done and potentially direct more resources to the more difficult tasks.

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