

The Fireworks Paradox: Public Goods, Positive Externalities, and the Distribution of Aesthetic Value

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Abstract: This paper examines what is referred to here as the “fireworks paradox”, a situation in which an individual who purchases and detonates fireworks does not necessarily capture the greatest aesthetic value generated by the display. Instead, distant observers, who incur no cost, often derive equal or greater benefit. This paradox is positioned within the economic frameworks of public goods theory and positive externalities. Drawing on foundational models and contemporary research in cultural economics, this analysis argues that fireworks displays function as locally produced public goods characterized by significant positive externalities that challenge conventional notions of value capture and market efficiency. The paper articulates the economic mechanisms, situates them within relevant academic literature, and explores the theoretical and practical implications for the valuation of aesthetic and cultural goods, suggesting that such paradoxes reveal critical blind spots in economic models of shared experience.

Keywords: Public Goods, Positive Externalities, Aesthetic Value, Cultural Economics, Market Failure, Cultural Externalities

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