

The Value of Social Networks in Rural Paraguay

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Abstract:

We conduct field experiments in rural Paraguay to measure the value of reciprocity within social networks in a set of fifteen villages. These experiments involve conducting dictator-type games; different treatments involve manipulating the information and choice that individuals have in the game. These different treatments allow us to measure and distinguish between different motives for giving in these games. The different motives we're able to measure include a general benevolence, directed altruism, fear of sanctions, and reciprocity within the social network. We're further able to draw inferences from play in the games regarding the sorts of impediments to trade which must restrict villagers' ability to share in states of the world when no researchers are present running experiments and measuring outcomes.