Applied Economics Colloquia Seminar on Friday, April 25, 2014

ABSTRACT

**Centrality, Authority and Ostracism in Social Dilemma Networks**

By Dr. David Rojo-Arjona

"We often observe individuals in central positions who control the flow of benefits within a group or the distribution of final output. We experimentally test the effects of such control on cooperation within a group when players can exercise the disciplining power of exclusion from the group. First we examine a public goods game where a central player connects two sub-groups thus increasing the returns for both sub-groups. Second, we investigate a group trust game where the central player additionally decides how much of the group output to distribute to the rest of the group. Generally, central and peripheral players present asymmetric contributions and this asymmetry depends on the game. In particular, the central player free-rides more than the peripheral players in the public goods game but this is reversed in the trust game. And although, in the trust game, central players return similar amounts to the public good game, result show that periphery players in trust games exclude central player disproportionally more often. This suggests that peripheral subjects judge central control perverse."