

Culture and cognition:
Does living in a low-solidarity community impede recognition of a Pareto-improving tax-spending program?

**Rohini Somanathan,
Delhi School of Economics**

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Abstract:

It is widely recognized that the kinds of social patterns that individuals have experienced influence how they think and conceptualize situations that they encounter. We ask whether the experience of living in a community with a low level of solidarity impedes the ability of individuals within it to recognize a Pareto-improving tax-spending program. We conducted an experiment in which men from 24 villages played a *social contracting* game. This is a variant of a public goods game in which participants first vote over the mandated contribution before making a decision to contribute. Higher mandated contributions are Pareto improving. We use survey data from the same villages to construct a village solidarity index based on responses to questions on village level trust and benefits from government programs. Compared to players from villages with high solidarity, players from villages with low solidarity choose lower rules. This suggests that their choices reflect their everyday expectations based on life in their villages. Individuals from villages with lower solidarity appear to have greater difficulty conceptualizing a Pareto-improving public program.

Speaker Profile:

<http://econdse.org/rohini/>