

LECTURE 13A: HOMOPHILY AND SOCIAL INFLUENCE

Homophily

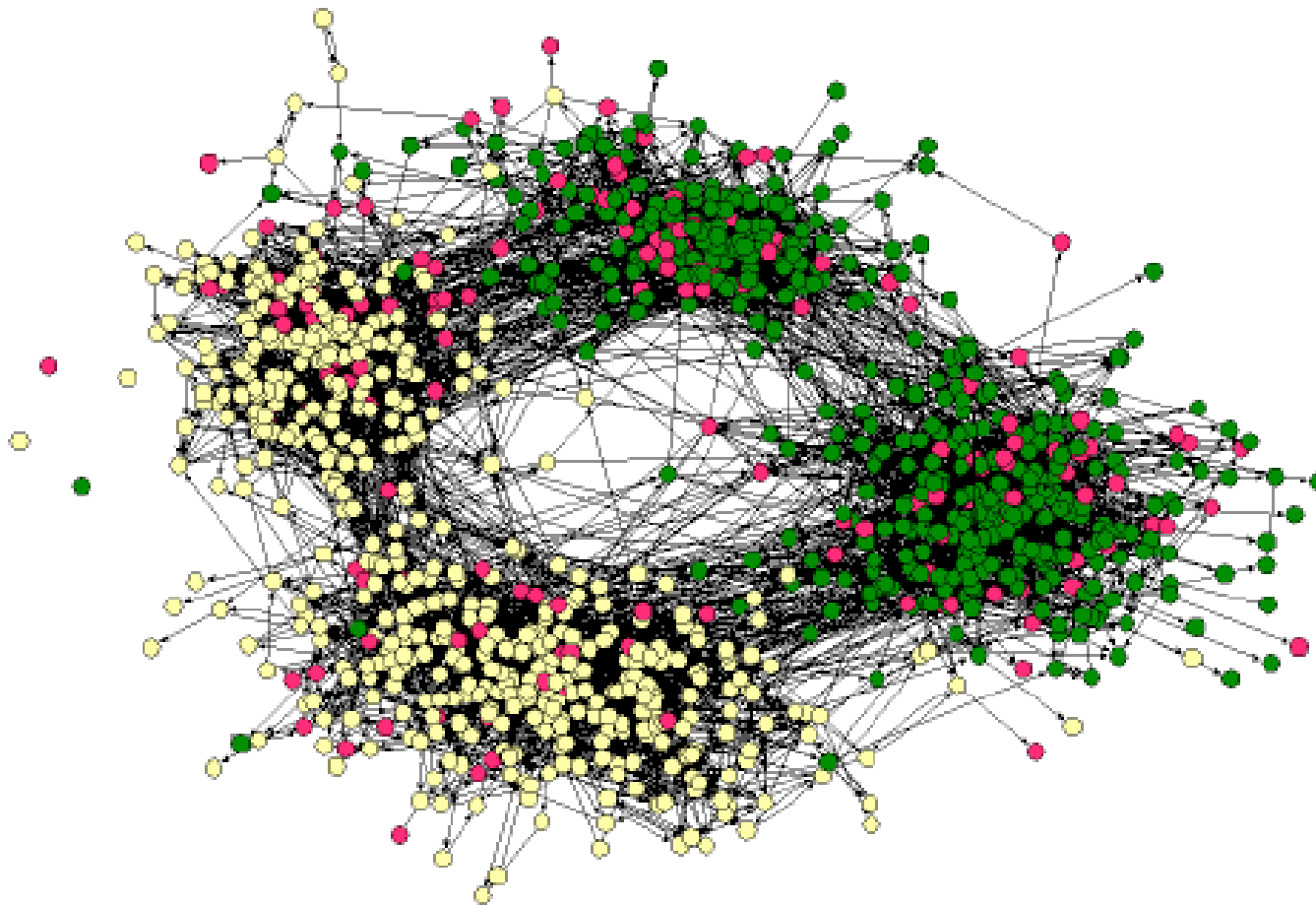
- Agents in a social network have **other characteristics** apart from their links
 - ▣ Non-mutable: race, gender, age
 - ▣ Mutable: place to live, occupation, activities, opinions, beliefs
- Links and mutable characteristics co-evolve over time

Homophily

- When we take a snapshot in time, we observe that these node characteristics are correlated across links
 - ▣ E.g. Academics have often academic friends, etc.
- This phenomenon that people are linked to similar others is called **homophily**

Homophily at a U.S. High School

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Homophily

- Mechanisms underlying Homophily
 - ▣ Selection
 - A and B have similar characteristics -> A and B form a link AB
 - ▣ Social Influence
 - A and B have a link -> B chooses the same (mutable) characteristic as A
 - E.g. A starts smoking, and B follows (peer pressure)

Social-Affiliation Network

- Network of persons and social *foci* (activities)

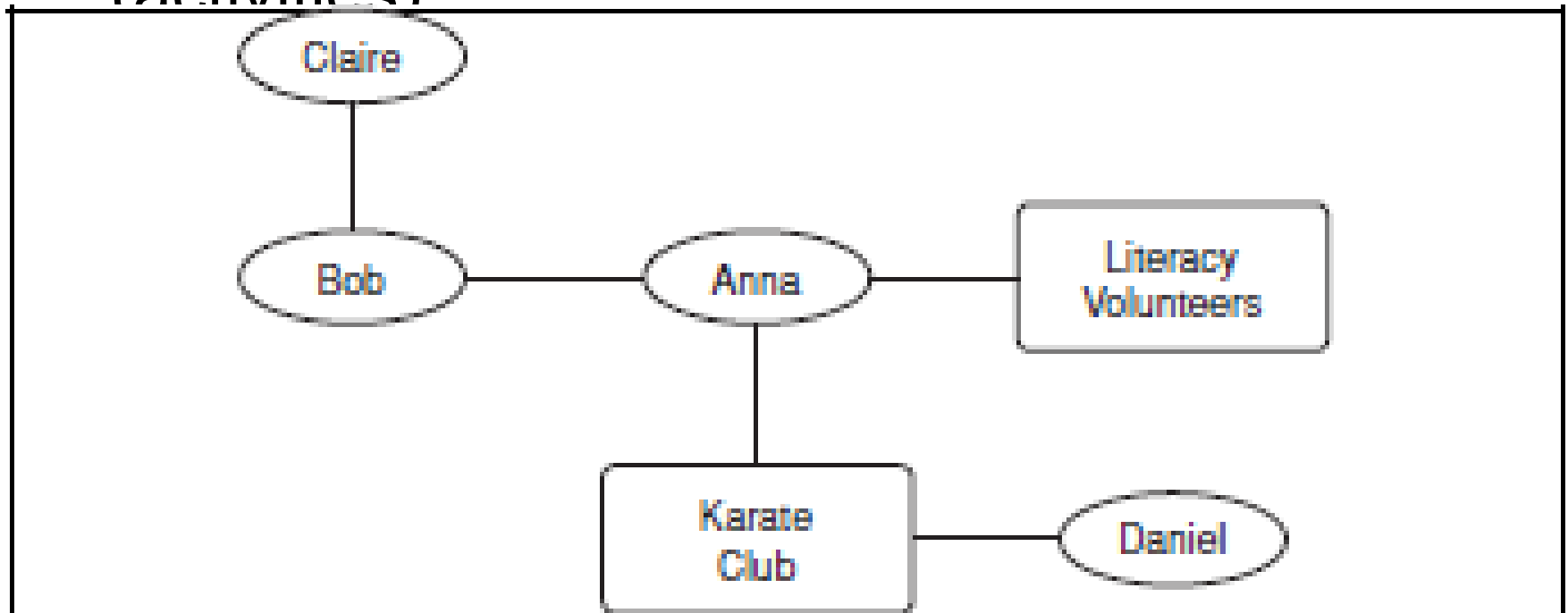


Figure 4.5. A social-affiliation network shows both the friendships between people and their affiliation with different social foci.

Triadic Closure

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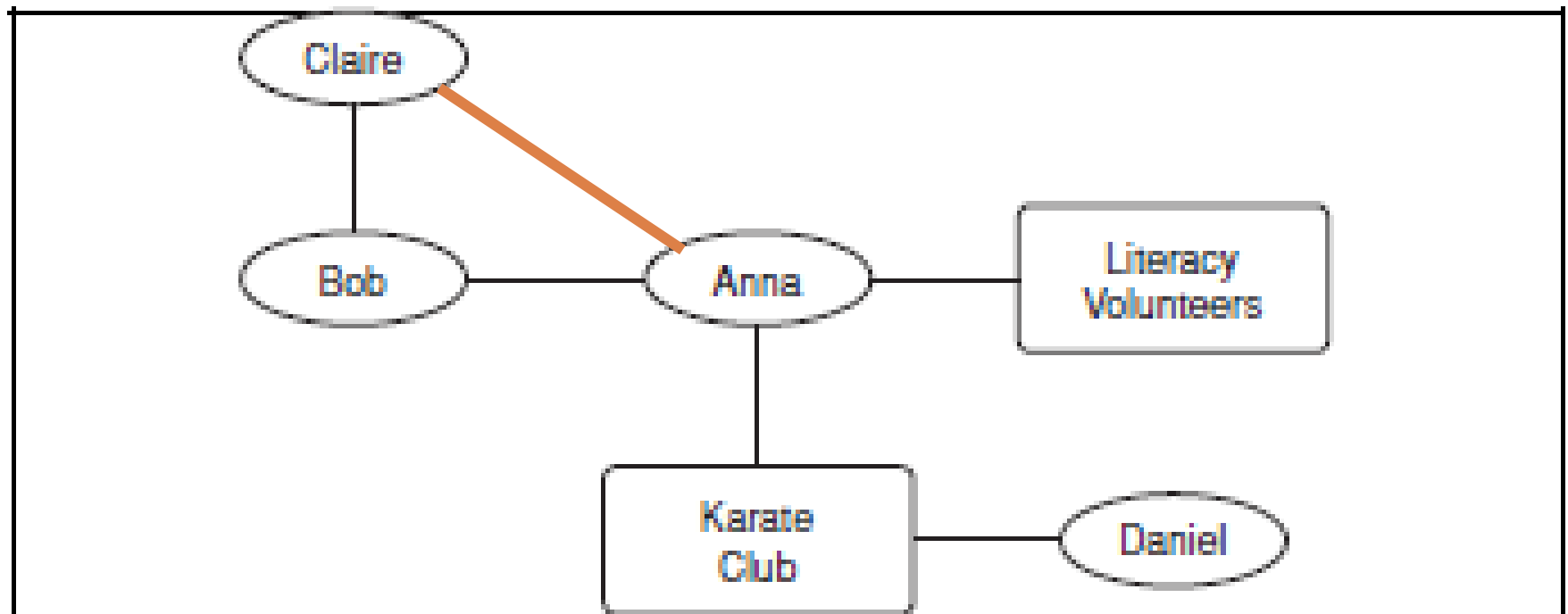


Figure 4.5. A social-affiliation network shows both the friendships between people and their affiliation with different social foci.

Focal Closure

- **Selection:** *Karate introduces Anna to Daniel*

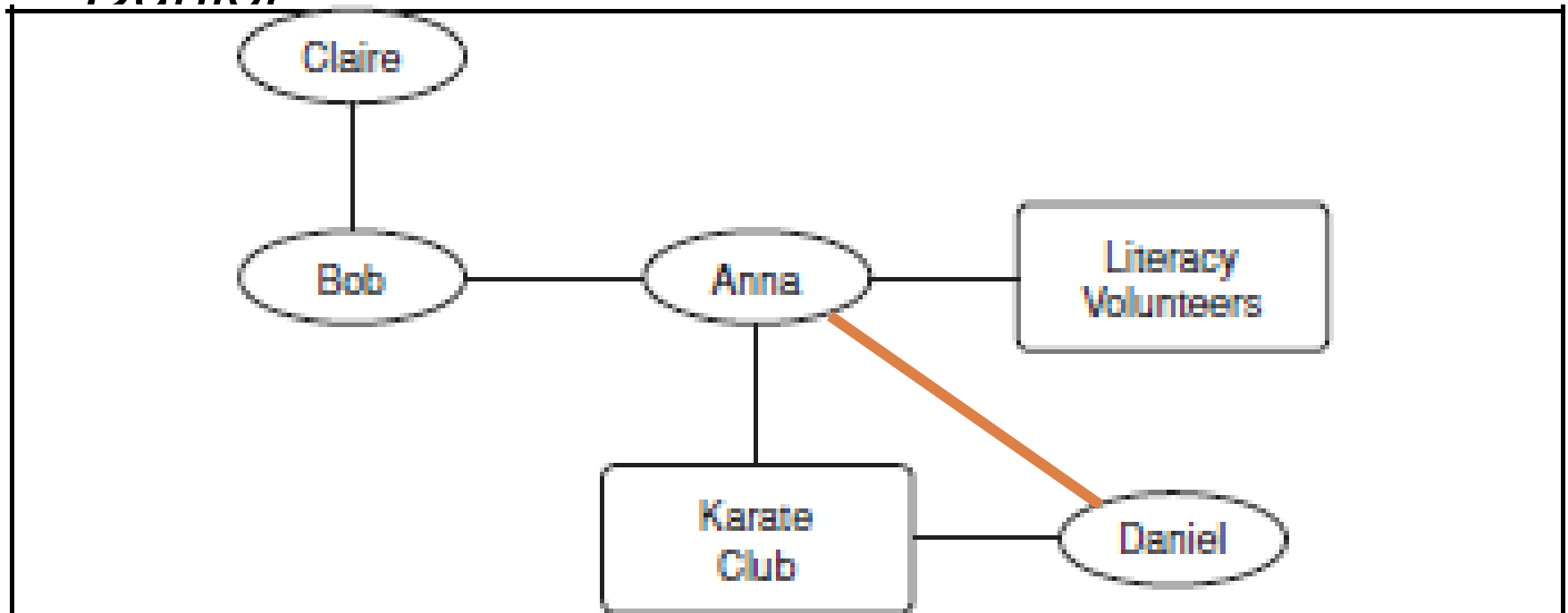


Figure 4.5. A social-affiliation network shows both the friendships between people and their affiliation with different social foci.

Membership Closure

- **Social Influence:** *Anna* introduces *Bob* to *Karate*

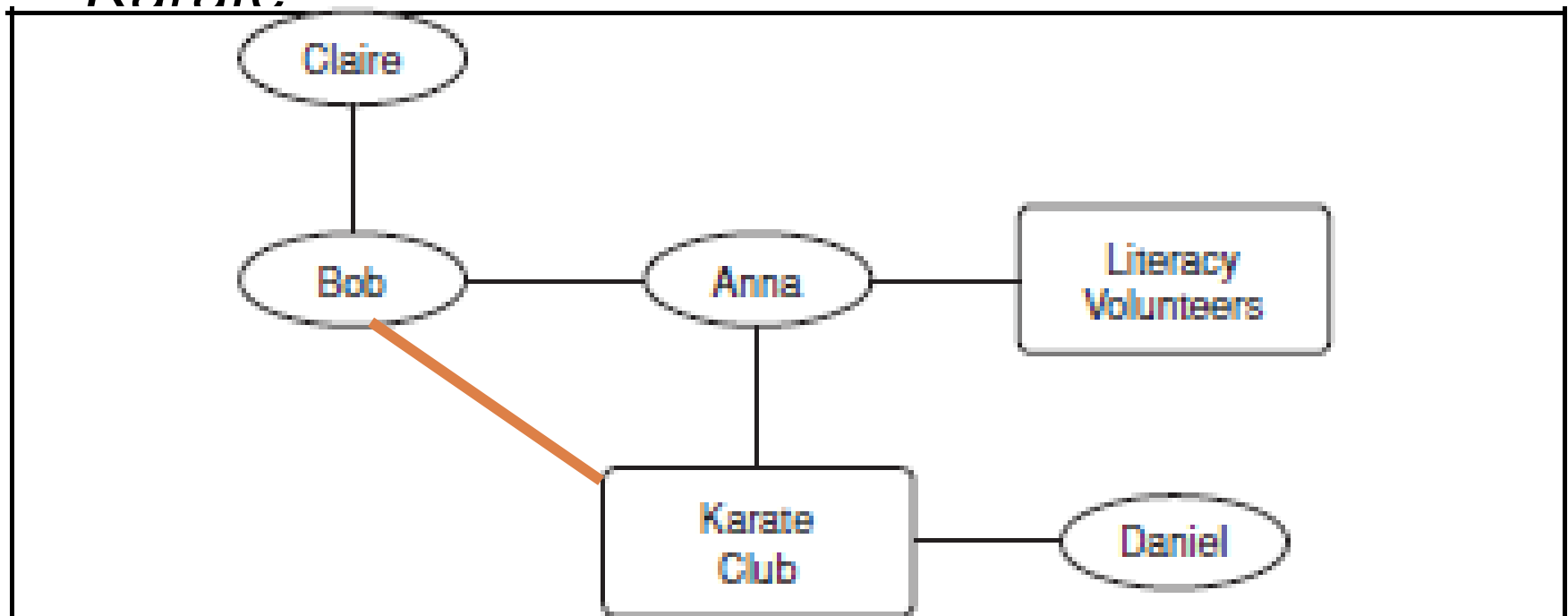


Figure 4.5. A social-affiliation network shows both the friendships between people and their affiliation with different social foci.

Homophily

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- Both Selection and Social Influence drive homophily
- How important is each mechanism?
 - ▣ Important question: Different mechanism implies different policy,
 - e.g. Policy to prevent teenagers from smoking
 - Social Influence. Target “key players” and let them positively influence rest
 - Selection. Target on characteristics (e.g. family background) alone

Homophily

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- Both Selection and Social Influence drive homophily
- How important is each mechanism?
 - ▣ Difficult question:
 - Requires longitudinal data
 - Requires observation of (almost) all characteristics
 - If a characteristic is not observed, then social influence effect is overestimated

Homophily

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- Measuring the mechanisms behind homophily is a hot topic
 - Kossinets & Watts (2006): Detailed course and e-mail interaction data from university
 - Centola (2010, 2011): Experimental data on social influence controlling network structure
 - Sacerdote: Social influence among students after randomized dorm assignment

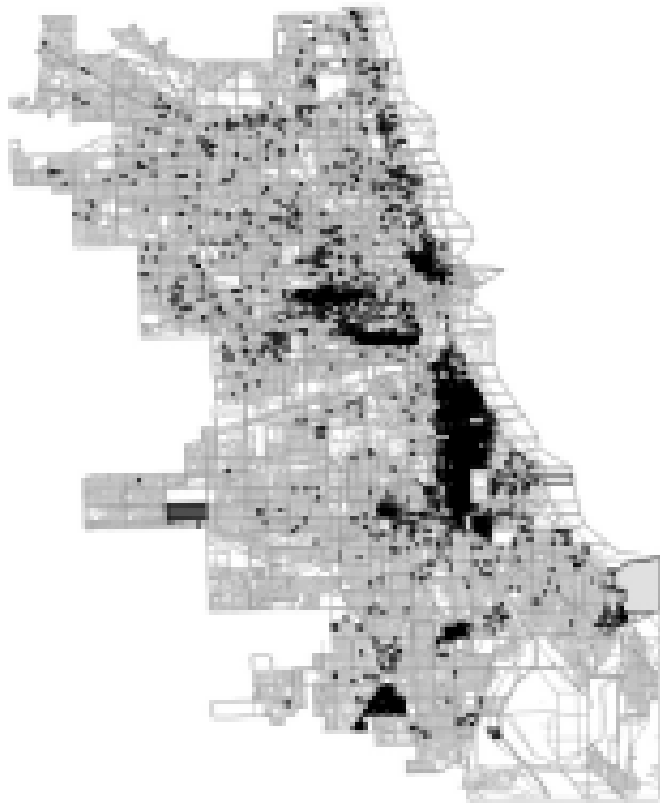
Homophily and Segregation

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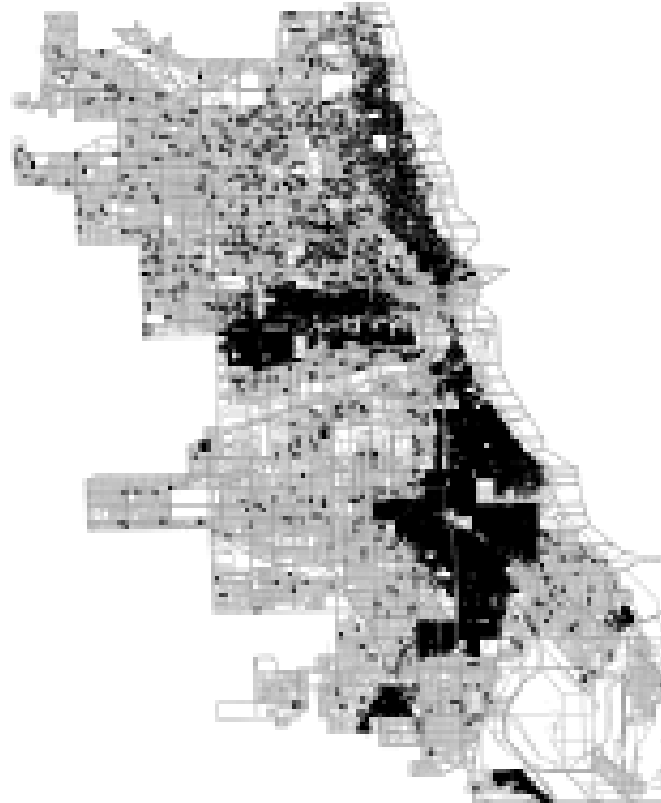
- Neighborhoods tend to be segregated according to race or culture
 - ▣ Ghetto formation
 - ▣ What is the mechanism behind that?

Segregation in Chicago

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(a) *Chicago, 1940*



(b) *Chicago, 1960*

Homophily and Segregation

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- Segregation model of Thomas Schelling
 - ▣ Agent-based model
 - Two different agents: X and O types
 - Agents live on a grid
 - **weak satisficing preferences for homophily**
 - At least k of the 8 neighbors of same type
 - Each period, agents who are not satisfied move to a location where they are
























Schelling's model ($k=3$)

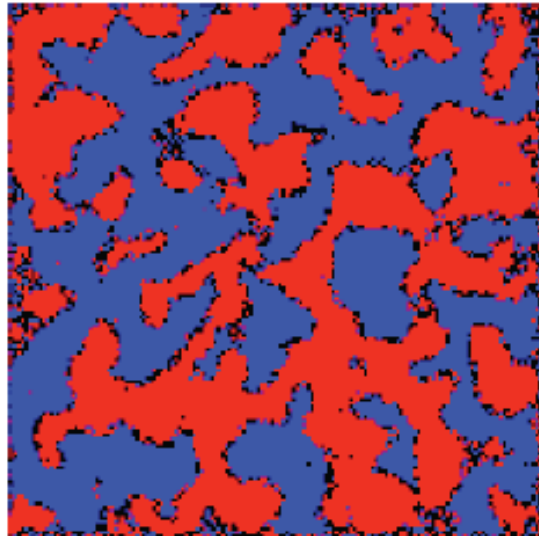
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X	X				
X	O		O		
X	X	O	O	O	
X	O			X	X
	O	O	X	X	X
		O	O	O	

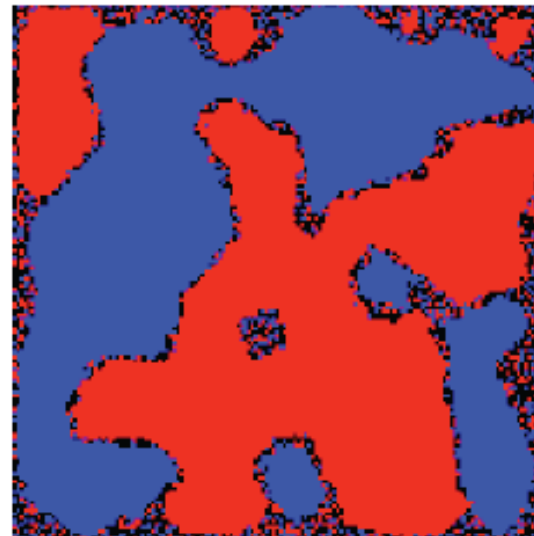
Schelling's model ($k=3$)

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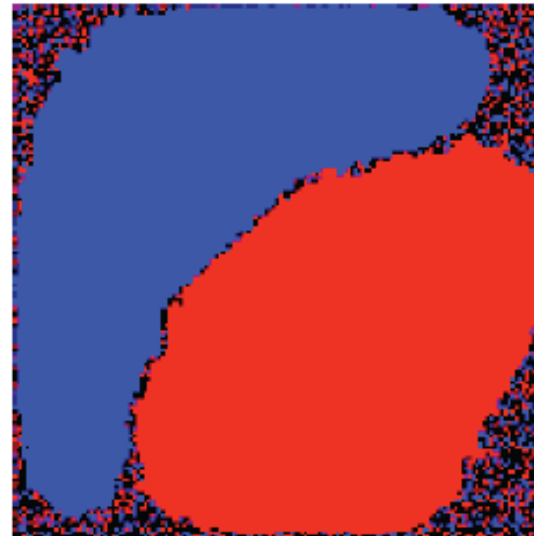
(a) After 20 steps



(b) After 150 steps



(c) After 350 steps



(d) After 800 steps

Schelling's model

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- Surprising relation between **micro-behavior** and **macro-outcomes**
 - ▣ Weak satisficing preferences for homophily sufficient to create complete segregation
 - ▣ Segregation arises due to miscoordination
 - There exists an allocation involving **complete integration satisfying all agents**, but individual decisionmaking does not lead to that outcome