Lab-in-the-Field Evidence on Coordination, Networks and Cooperation

We conduct an artefactual field experiment with 714 households at the inset of a Conditional Cash Transfer program in an urban context. This is the first paper that captures coordination by conducting a minimum effort coordination game with Pareto-ranked equilibria in the field.

Our identification strategy allows us to assess whether exposure to the program could be helping individuals overcome strategic uncertainty and select the most efficient equilibrium in the coordination game. We estimate a structural choice model of the individual decision to coordinate and show that only a high belief about others’ choosing high effort selects such equilibrium. There is a spillover effect of the monetary incentive as it facilitates a social norm, which itself allows individuals to overcome the coordination failure. We collect data on cooperation with a public goods game and network information individual network information.