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If you are not interest in an easy to read introduction to the effect of (dyadic and network) embeddedness on cooperation, please ignore the paragraph in italic, and go straight to the normal text.

*Trust is of fundamental importance to keep our society up and running. Without trust, cooperation is hardly possible, and great things that humans are capable of by working together cannot be achieved. In this meeting, everybody would individually be better off by presenting and hoping to get useful feedback by others, without engaging with the other presentations. Yet, by helping one another, we can push our literature reviews to the limit, so that collectively, we are better off than when everybody would have been only self-interested. So, how can such cooperative relations emerge? One of the most important arguments in this field of research is that trust can emerge because of embeddedness. That is, all of us have worked together in the past, and we expect to work together even more in the future. Embeddedness can be separated into two distinct forms: dyadic embeddedness and network embeddedness. In the dyadic sense, I might have worked together with a specific alter in the past, or I expect to interact with this specific alter in the future. Network embeddedness refers to the fact that I might know others who have worked with this specific alter in the past, or that expect to work with that alter in the future.*

Embeddedness can foster cooperation in two distinct ways: control and learning, of which I will focus on control. Control refers to the fact that, if I expect to work with you in the future (*dyadic*), or, if I expect that you know others who are likely to work with me in the future (*network*), I better behave cooperatively, so that I give you no incentive to sanction my misconduct or inform others who can sanction my misconduct. The goal of this literature review is to assess to what extent *control* indeed fosters cooperative relationships, and whether dyadic or network control is more influential. A further distinction that can be made empirically, is whether these effects differ, depending on whether the relationship is established endogenously (the actors chose to set up a relationship themselves) or exogenously (the researcher established a certain relationship between actors).

Based on game-theoretic rationality, one would expect that both dyadic and network control affect cooperation to the same extent, all other parameters being equal. However, dyadic control seems to be more important for establishing cooperative relationships, and thus it seems to be that game-theoretic arguments are not sufficient to explain the difference between the effect. Additionally, according to game-theoretic rationality, it would not matter whether relationships are formed endogenously or exogenously, yet, endogenously established relationships seem to foster cooperation to a larger extent than exogenously established relationships.

The vast majority of research in this field relies on game theory to construct hypotheses, which raises the question what other theories are appropriate to explain such differences. I do not yet know whether there are any theories to fill this void. Most research also relies on the experimental method, in which participants are randomly assigned to various conditions. As such, it is clear that differences in the outcome are attributable to the assigned “treatment”, which strongly reduces any problems related to causality. A more problematic issue concerns the external validity of the research. Do the findings within a controlled, and rather artificial environment translate well to the real world? Some survey studies exist that also focus on the effects of embeddedness, but these suffer from the fact that it is nearly impossible to disentangle learning and control, and in this sense, experiments might be most suitable. An interesting direction into this research is the emergence of studies on online behavior, where people are actually “released” in an online environment where their behavior can be tracked to see eventually whether control plays an important role. Unfortunately, I am not aware of any such studies that actually assessed whether control affects cooperative behavior. Another issue with the current data is the source of the data. Namely, with a few exceptions, all data is collected at Western universities, where, inherently highly educated, students are asked to participate. It remains the question whether results obtained using this data is generalizable to a larger population, or whether some aspects of behavior is specific for Western, highly educated people.