

# A License to Free Ride? Centrality, Authority & Ostracism in Social-Dilemma Networks

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**Preliminary version**

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## Abstract

We investigate the effects of power derived from centrality and authority on contributions in repeated social dilemma settings. Groups of five players play VCM-games on a fixed network, where there is one central player that connects two pairs of periphery players. Centrality is defined by the position that a player has in the network. Central players are vital to maintain a connected network and therefore have more power than players in the periphery. In some treatments the VCM is converted to a multi-player trust game, where the central player is given more power by giving her the authority to allocate the joint funds raised through contributions. Our results show that power matters; both centrality and authority yield more free riding than is observed for players in the periphery. This goes unpunished. Powerful players are not excluded more than others except in extreme cases. We conclude that power provides a license to free ride.

JEL-Codes:

Key Words:

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