

**Does Infrastructure Facilitate Social Capital Accumulation?
Evidence from Natural and Field Experiments in Sri Lanka**

by

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Abstract

While social capital is recognized essential for economic activities, its accumulation mechanisms are largely unexplored. We investigate the impact of infrastructure on social capital accumulation. We use unique natural experimental dataset from an irrigation project where irrigated land distribution was made through a lottery mechanism. Also, we capture the level of social capital using field experiments. By combining these two datasets, we find that geographical distance and intimate social relationships explain the trust across communities. Yet, within-community variation is driven by the years of access to the irrigation, suggesting that social preference emerges from physical access to irrigation.

Keywords: Natural and field experiments; trust; social capital; irrigation

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