

Abstract: It has been argued that paddy cultivation experience enhances cooperative norms through collective farm management. This study aims to test this paddy hypothesis using a unique natural experimental setting in rural Sri Lanka, where two types of irrigation (for paddy or for non-paddy) were randomly assigned to farmers in an irrigation scheme, and, thus, the cultivated crops were exogenously determined. Comparing to the previous large-scale regional or nation-wide comparisons, this setting enables us to test the hypothesis under a geographically and culturally homogenous setting. We constructed a two-round panel of lab-in-the-field experiments to measure the long-term changes in social preferences. Using these natural and artefactual experiments, we show that paddy cultivation experience enhances the level of cooperative norms particularly among the known members. This result is consistent with our data showing the greater extent of interdependent works in the real world among paddy farmers. Our study supports the group of literature which claims that social preference can endogenously change through the real world experiences and that among which is farming.