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**Peer effects and externalities in technology adoption: Evidence
from community reporting in Uganda***

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January 23, 2018

Abstract

Do social networks matter for the adoption of new political communication technologies? We collect complete social network data for sixteen Ugandan villages where an innovative reporting mobile platform was recently introduced, and show robust evidence of peer effects on technology adoption. However, peer effects were not observed in all networks. We develop a formal model showing that while peer effects facilitate adoption of technologies with minimal externalities (like agricultural practices), it can be more difficult for innovations with significant positive externalities to spread through a network. Early adopters might congest benefits, leading others to discount information about the technology's value. Thus, peer effects are likely to emerge only where informal institutions support truthful communication. We show that the observable implications of our model are borne out in the data. These implications to social diffusion might help explain the slow and varied uptake of new political communication technologies around the world.

*We gratefully acknowledge the support and cooperation of members of the Arua district local government, as well as RFI, GAFF, UNICEF Uganda, USAID/Uganda, and the USAID Center of Excellence on Democracy, Human Rights, and Governance, without whom this study would not have been possible. We thank Innovations for Poverty Action Uganda for excellent research assistance and data collection. Jon Helton, Maximilian Smith, Aaron Ilak and Zachary Tomaszewich provided valuable research assistance at various stages of the project. We received helpful feedback from USAID Uganda, DFID Uganda, GAFF, and district officials at a stakeholder meeting in Arua in late 2016, as well as from participants at seminars in Brighton Young University, the University of Pennsylvania and Princeton University. We are thankful to SEED at the Stanford GSD for financial support. Finally, we are grateful to the thousands of Arua residents who so generously shared their time with us over multiple periods of data collection. We hope our findings can serve to scale programs such as U-Report, successful in improving communication and ultimately service delivery in Arua and beyond.

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