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**The Cultural Transmission of Trust Norms:
Evidence from a Lab in the Field on a Natural Experiment**

Abstract: We conduct trust games in three villages in a northeastern Romanian commune. From 1775-1919, these villages were arbitrarily assigned to opposite sides of the Austrian and Ottoman/Russian border despite being located seven kilometers apart. All three villages were ruled by outsiders to Romania, with Russian and Ottoman fiscal institutions being more rapacious. We conjecture that this history, combined with historical selective migration, contributed to a culture of mistrust of outsiders (relative to co-villagers) on the non-Austrian side of the border. Our design permits us to test this conjecture, and more generally, whether historically-derived cultural norms are transmitted intergenerationally. We find that participants on the Ottoman/Russian side that also have family roots in the village are indeed less likely to trust outsiders but more likely to trust co-villagers.
