

Social Networks and the Stepping Stone Effect: The Case of Tobacco and Marijuana^{*†}

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Abstract. This paper proposes a framework to uncover the mechanisms driving the stepping stone effect, where consumption of one drug is often associated with consumption of another drug, and applies it to the case of tobacco and marijuana smoking. The proposed model of social interactions has explicit micro-foundations and allows to isolate the influences of the (endogenous) social environment, e.g. a tobacco smoker social environment may be more tolerant to drug use and/or may provide an easier access of marijuana supplies. The empirical analysis demonstrate the importance of distinguishing the social environment channel for creating a stepping stone effect.

JEL Codes: D85, C73, L19

Keywords: Social Networks, Tobacco, Marijuana, Multiplicity, Discrete Games.

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