

ECON-320: Social Economics
Fall 2008

Julio Videras

Office: KJ 209

Phone: x4528

e-mail: jvideras@hamilton.edu

Office hours: Monday: 3-5, Wednesday: 1-3, or by appointment

Objectives and Course Description

The standard model of perfectly competitive markets assumes the individual is atomized and under-socialized and non-market interactions have no intrinsic economic interest. Social economics can be seen as a response to these restrictions. The main idea is that nonmarket interactions and institutional structures have direct effects on the distribution of resources and economic outcomes. This course examines the direct influence of social interactions, culture, and norms on the preferences and behaviors of economic agents. The course covers three main areas: identity and group behavior, diversity and social capital, and conspicuous consumption.

This course requires active participation. In addition to presenting papers and original research in front of the class, students are expected to provide feedback to other students, to ask questions, and advance discussion topics.

Course Requirements and Grading

1. Presentations: 6%
2. Participation: 4%
3. Weekly writing assignments: 25%
4. Midterm: 25%
5. Final paper: 10%
6. Final examination, cumulative: 30%

Participation

To determine the participation grade I will consider your engagement in class discussions, the quality of your comments, and the quality of the questions and feedback to your peers after oral presentations.

Presentations

Teams of two people will make a 20-30 minutes presentation based on the readings for the course. The two members of the team must share the presentation. The presentation should last no more than 30 minutes and be accompanied of PowerPoint slides. You must make an appointment in the Oral Communications Center to visit the Center at least 24 hours before the presentation. You must send me the slides at least 12 hours before the presentation. Failing to meet these deadlines will affect your grade.

You will also present a summary of your final paper. This will be an individual presentation of no more than 10 minutes with PowerPoint slides.

Weekly writing assignments

Every student turns in a summary of the paper discussed that week. These are individual assignments. Occasionally, there will be additional writing assignments.

Final Paper

Select a topic and at least three articles published in academic papers and not used for class presentations. These articles could be references you have found in some of the readings and that you want to explore in more detail. The paper must include (1) a motivation of the importance of the topic, (2) a critical discussion of the articles you have selected and relevant presentation papers, (3) a summary of results paying particular attention to robust conclusions, and (4) ideas on possible extensions and formulation of original hypotheses. The paper must be 12 to 20 pages long.

Final Paper schedule

Assignment	Content	Due
Draft	Motivation and discussion of one article	October 23 , in class
Final paper	Motivation, discussion of three articles, and synthesis of main findings	November 20, in class
Revised paper	To improve the grade you need to address all comments satisfactorily	December 11, in class

Late Work Policy

All assignments are due in class on the specified date. Each student is allowed one two-day grace period that allows you to turn in one assignment 48 hours late. Once you have exercised this option, you will not get credits for late assignments. Students cannot exercise this option for quizzes and the final paper.

Tentative Schedule

August 28: Introduction

Part I: The Individuals in Economics

September 2: Lecture

September 4: Lecture

September 9: Presentation and discussion of Reading #1

September 11: Lecture

September 16: Presentation and discussion of Reading #2

Part II: Diversity and Social Capital

September 18: Lecture

September 23: Lecture

September 25: Presentation and discussion of Reading #3

September 30: Lecture

October 2: Presentation and discussion of Reading #4

October 7: Presentation and discussion of Reading #5

October 9: Lecture

October 14: Presentation and discussion of Reading #6

Fall Break

October 21: Review

October 23: Midterm (in class)

Part III: Consumption

October 28: Lecture

October 30: Presentation and discussion of Reading #7

November 4: Presentation and discussion of Reading #8

November 6: Lecture

November 11: Presentation and discussion of Reading #9

November 23: Presentation and discussion of Reading #10

November 18: Discussion of Final Paper projects

November 20: Lecture

Thanksgiving Break

December 2: Presentations Final Paper

December 4: Presentations Final Paper

December 9: Presentations Final Paper

December 11: Review

Final Examination: December 19, 9-12 AM.

Readings

Part I: The Individuals in Economics

Reading #1: G.A. Akerlof and R.E. Kranton, 2005, "Identity and the economics of organizations," the *Journal of Economic Perspectives*, 19(1): 9-32.

Reading #2: Charness, Gary, Rigotti, Luca, and Aldo Rustichini, 2007, "Individual behavior and group membership," *American Economic Review*, 97(4): 1340-1352.

Part II: Diversity and Social Capital

Reading #3: Bowles, Samuel, and Hervert Gintis, 2002, "Social capital and community governance," *The Economic Journal*, 112:F419-F436.

Reading #4: Boisjoly, J., Duncan, G.J., Kremer, M., Levy, D.M., and J. Eccles, 2006, "Empathy or antipathy? The impact of diversity," *The American Economic Review*, 96(5): 1890-1905.

Reading #5: Alesina, A. and E. La Ferrara, 2005, "Ethnic diversity and economic performance," the *Journal of Economic Literature*, XLIII: 762-800.

Reading #6: Guiso, L., Sapienza, P., and L. Zingales, 2006, "Does culture affect economic outcomes?" *Journal of Economic Perspectives*, 20(2): 23-48.

Part III: Consumption

Reading #7: Veblen, Chapter 6 of the Theory of the Leisure Class

<http://socserv2.mcmaster.ca/~econ/ugcm/3ll3/veblen/leisure/index.html>

Reading #8: W. Dolfsma, 1999: "The consumption of music and the expression of VALUES: A social economic explanation for the advent of Pop music." *American Journal of Economics and Sociology*, 58(4): 1019-1046.

Reading #9 and Reading #10: Charles, K.K., Hurst, E., and N. Roussanov, 2007: "Conspicuous consumption and race." Working Paper.