Institutions, Networks, Norms and Identity…. in Economic Development

SYLLABUS

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Much of economic activity is influenced and shaped by people’s social attachments, their views of others and themselves, and the institutional setting. This course presents economic theories of institutions, networks, norms and identity with applications to the economics of development. While the lectures will be entirely concerned with economic theory, the course will include references to related empirical work.

Requirements include reading and discussing papers, class attendance, completion of two problem sets (due dates to be announced), a five-page research note (due on Feb 27), and a final exam in the form of presentations (on Feb 27 in class). The course grades will be based on the research project description (50%) and the final presentation (50%).

The goal of the research note and the final exam presentations is to help students begin the transition from course work to dissertation research. The research note should present a research question, describe relevant facts, outline a basic economic framework that can be used to answer the question (e.g., relevant actors, objective functions, structure of interaction, payoffs), and possibly data sources. The description should be between 5 and 6 pages, double spaced, with at most one page of references. The research note is due by Monday Feb 27 at 5pm.

For the final exam presentation, each student will choose three papers that are related to the research note. These papers must be relatively recent publications or working papers. If you have a question of whether a paper is appropriate, please let me know. If you are working with another student on research and would like to read together the same papers (or some subset), that is fine. The list of your selected three papers should be due by Monday Feb 20 at 5pm.

On final exam day, from each student’s set of three papers, one of the papers will be chosen at random for that student to present. The presentations will be approximately 15 minutes each, depending on the final number of students in the class. The grade will be based on all the slides for each of the three papers as well as the presentation.

Class meetings are:
Wednesday Jan 11
Monday Jan 23
Monday Jan 30
Monday Feb 6
Monday Feb 13
Monday Feb 20
Exam Presentations Monday Feb 27

Contact and office hours:
rachel.kranton@duke.edu
Mondays 1-3 pm

1. Background Reading


1. Non-Market Exchange – Farms and Firms


2. Reputation, Communities, Informal Enforcement, Relational Contracting


3. Social Networks

Games on Networks:


Network Games


Network Formation


Job Networks:


Risk Sharing Networks:


Trust, Informal Contracting


Information


4. Social Norms and Identity


5. Custom and Culture


Bisin, A., E. Patacchini, T. Verdier and Y. Zenou, “‘Bend it like Beckham’: Identity, assimilation and peers,” working paper.

6. Political Economy and Corruption

