It’s not hard to understand why economists might be interested in culture. Cultural beliefs affect expectations regarding the returns to different behaviors, and cultural values enter directly into individual utility functions. In spite of the potential gains, until recently economists have been hesitant to invoke culture as an explanation for economic phenomena. In the absence of data on cultural values and beliefs, hypotheses regarding the economics of culture remained purely speculative. With increasing awareness of and familiarity with survey data on cultural values and beliefs, economists have in the past decade begun to address the economics of culture, formulating formal models of socialization and acculturation and generating empirical estimates of the effects of measurable values and beliefs on economic behavior, policies, institutions and outcomes. This course will introduce students to this emerging and rapidly expanding literature.

Course Objectives

The primary objective of the course is for students to critically evaluate the literature on the economics of culture. By this, I mean that, in addition to being familiar with key theories and results, students will gain an appreciation for the flaws and limits of this literature, for the nature of economic debate and the manner in which particular strands of this literature evolve, for inherent empirical challenges that arise in attempting to assign causality among correlated economic, political, social and cultural variables, and for the statistical techniques commonly employed to address these challenges. A critical perspective on this particular subfield of economics is intended to give students an appreciation for how economic knowledge is constructed. A number of aspects of the course are designed to support this objective, including the use of seminar style discussions of frontier research, close attention to data sources and empirical techniques, and the undertaking of substantial research project.

Course Requirements

Class Participation: A big part of the course is talking about what you have read. In preparation for class discussions, you’ll want to read the papers for that meeting carefully and think about them in depth before coming to class. At the end of the course, I’ll ask each of you to rank your classmates based on their contribution to class discussions. I will use this information in determining your discussion grade. (15%)

In-Class Quizzes: I will start each discussion class with a short quiz to test whether you’ve read the material for that day. The quizzes will be graded on a 0-1-2 basis, and I will drop your lowest two grades. (20%)

Empirical Exercises: These exercises are designed to introduce you to the empirical techniques used in the economics of culture and to some common empirical issues, e.g. designing and interpreting regressions, dealing with omitted variables bias, and endogenous regressors. From a practical point
of view, doing these exercises will give you some experience manipulating data, using econometric software and writing up and interpreting empirical results. There are three empirical exercises. We will discuss the topics addressed by each exercise in class the week before it is due. You will work in small groups (2 or 3) and hand in a single common answer. (15%)  

Research Project: An important goal of the course is to assist you in what may be your first large research project. This will be a 20-25 page paper and presentation on a topic of your choice. This project is discussed in more detail in a separate handout. (50%)  

I do not expect you to walk in here knowing how to do research. To help you along, we will discuss a “research topic” at the end of each class meeting for the first four or five weeks of the course. Key due dates are listed below, as well as in the course outline below.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper Topics</td>
<td>Sept. 22</td>
<td>0%</td>
</tr>
<tr>
<td>Annotated Bibliography</td>
<td>Oct. 8</td>
<td>0%</td>
</tr>
<tr>
<td>Literature Review</td>
<td>Oct. 20</td>
<td>5%</td>
</tr>
<tr>
<td>Rough Draft</td>
<td>Nov. 5</td>
<td>25%</td>
</tr>
<tr>
<td>Presentation</td>
<td>Nov. 10-17</td>
<td>5%</td>
</tr>
<tr>
<td>Final Paper</td>
<td>Nov. 19</td>
<td>15%</td>
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Software: For the empirical exercises and the research project, you’ll be working with data. This means you’ll need access to Excel or a similar spreadsheet program to manipulate data. In addition, you’ll need to obtain an econometric software package. I recommend the student version of Stata/IC 14, which you can download with a six-month license for $75. I will be using Stata in class to talk about econometrics.

Course Materials: The course readings are posted on Nexus. There’s no textbook, which saves you some serious money, but I do expect you to print out the papers for each day and bring them to class. To save money on printing, you may format the papers as landscapes or use double-sided printing. At 10 cents per page, your estimated printing costs are $136 for the term, which is around the cost of a textbook. Using landscape printing, this falls to $68, which is significantly less than a book.

Research Discussions: One of the main goals of this course is to help you improve your research and writing skills. To do this, we will be devoting time at the end of each class to talk about some aspect of doing empirical work or writing a research paper.

Attendance: It’s hard to participate if you are not there. You get two free absences (10% of the class). After that, each missed class counts two (2) points off your final grade. This includes absences during student presentations at the end of the course.

Cell Phone and Laptop Policy: I don’t allow the use of laptops during class. Looking at your cell phone during class will cost you a point on your final grade.

The Honor Code

You are all veterans of the Union College Honor Code and are expected to abide by it for the work in this class. In particular, this means 1) give credit where it’s due in your research papers,
2) don’t use another group’s work on the empirical exercises, and 3) don’t cheat on the daily quizzes.

**Research Project:** You may discuss your project with other students, but the work itself should be yours. The main issue here is plagiarism, which we’ll discuss later in detail.

**Empirical Exercises:** You are expected to work in groups. Within the group, work is collaborative, but do not copy material or discuss your results across groups. If you have problems with a mechanical issue, e.g. need help with the data or the software, and ask a member of another group, note that in material you hand in.

**My Role:** It is my job to clarify any questions you have about how the honor code applies to work preformed for this class. I provide brief overview below.

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**Course Outline**

1. **Introduction:**
   1. **Sept. 10: Introduction to the Course**
      a. **Lecture:** The economics of culture
      d. **Research:** Introduction to Stata

2. **Sept 15: The Economics of Culture**
   c. **Research:** Designing and interpreting regressions

3. **Sept. 17: The Transmission and Persistence of Culture**
   c. **Research:** Finding a good paper topic
   d. **Due:** Empirical Exercise 01.

4. **Sept. 22: Culture and Development**
   c. **Research:** Dealing with unobserved heterogeneity.
   d. **Due:** Paper topics

5. **Sept. 24: Racism**
c. Research: Dealing with Endogeneity.
d. Due: Empirical Exercise 02.

II. Factor Supplies

6. Sept. 29: Work

7. Oct. 1: Saving
   c. Due: Empirical Exercise 03

III. Economics and Religion:

8. Oct. 6: Religion and Development
   c. Research: Avoiding Plagiarism

9. Oct. 8: Religious Competition
   c. Due: Annotated Bibliography

IV. The Taste for Redistribution

10. Oct. 13: Experience and Expectations

11. Oct. 15: Politics and Preferences
c. **Research:** Good and bad writing: things to do and things to avoid.

V. **Cooperation and Trust**

   b. Algan and Cahuc “Inherited Trust and Growth,” American Economic Review
   c. **Due:** Lit Review

13. **Oct. 22: Determinants of Trust**
   c. **Research:** The data section

VI. **Culture and Institutions**

14. **Oct. 27: Culture and Institutions I**

15. **Oct. 29: Culture and Institutions II**
   c. **Research:** Writing an introduction.

16. **Nov. 3:** No Class. Research day.

17. **Nov. 5:** No Class:
   a. **Due:** Rough drafts

VII. **Student Presentations:** Nov. 10, 12, and 17.

**Final Papers Due:** Nov. 19