TOPICS IN ECONOMICS: MODELS OF SOCIAL INTERACTIONS
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Course G31.3001-03
** 31201
Spring Semester 2002
Tuesday 2:00-4:00
Room 715

The first part of the course aims first of all at a survey of recent economic analyses of social interactions, and of the methods proposed for its empirical implementation.

The second part of the course will center on topics. This part of the course will be more interactive: students can propose topics of interest, and active participation (including e.g., a presentation in class) is expected. Incentives for possibly writing a final paper will be provided, but a final exam is an option.

Reading List

This reading list will evolve during the course. It is supposed to serve as a reference and the comments should guide through the various topics.

The topics which are suggested are: i) Local interaction models with applications to e.g., evolution of social norms and conventions, social learning, social networks in employment opportunities, crime; ii) Endogenous determination of preferences and behavioral traits (genetic and cultural transmission models, advertising and manipulation of preferences); iii) Issues on social discrimination, and cultural assimilation; iv) Social capital. Other topics of interest to the class are of course welcome.

1 The General Analysis

- Classic theoretical analyses of economies with externalities and clubs.


- Abstract theoretical analyses of social interactions in economics:


- Abstract theoretical analyses of social interactions in sociology:


- Identification and Estimation of Social Interactions:


2 Topic: Local Interactions

- Mathematical methods:
  
  
  

- Theoretical Analysis:
  
  
  
  
  
  
  

- Application: Norms and Conventions
  


• Application: Social Networks


• Application: Social Learning


2.1 Topic: Endogenous Preferences

- A primer on the biology of preferences:
  


- The evolutionary determination of preferences:


- The transmission of preferences as culture within and across generations:


• Biology and culture: coevolution


• The social determination and the manipulation of preferences:


2.2 Topic: Issues on Social Discrimination and Assimilation


### 2.3 Topic: Social Capital


Preliminary Schedule of Classes

Week 1: Equilibrium with externalities and clubs
Weeks 2-3: Social Interactions - Theory
Week 4: Social Interactions - Econometrics [extra class]
Weeks 5-6: Local Interactions - Theory
Week 7: Local Interactions - Applications [extra class]
Week 8: Evolution of preferences
Week 9: Cultural transmission; advertising [extra class]
Week 10: Discrimination [extra class]
Week 11: Assimilation [extra class]
Week 12: Social Capital [extra class]

Note: extra classes are added for teacher and/or student presentations on the topics