Hauptseminar/V-Seminar WiSe 2021/22

Emergence and Dynamics of Conventions and Social Norms

LECTURERS
Prof. Dr. Stefan Napel
Prof. Dr. Olivier Roy

OBJECTIVES
Can moral norms evolve out of selfish or "self-interested" behavior? Can individually rational agents learn to cooperate with each other? How do common beliefs and social norms like fashion or driving directions come about? How and when are they sustained? Can creatures without language learn to communicate and attribute meaning to utterances? The goal of this block seminar is to study seminal contributions, at the intersection of economic modeling and philosophical inquiry, that try to answer these questions. At the end of the seminar, the student will be familiar with a number of models of evolution of cooperative behavior, social norms, social preferences and language in games.

TARGET GROUP
Advanced Bachelor's students – and for selected topics also Master's students – from:
- Philosophy & Economics
- Economics
- Internationale Wirtschaft & Entwicklung

SEMINAR PLACES
- 16

LANGUAGE OF INSTRUCTION/ASSESSMENT
- Seminar: English
- Written work: English

DATES AND DEADLINES (Deadlines are final and will be strictly enforced)
- Introduction and Organization Sessions: **October 22nd, 2021, 10am (c.t.), S62 (RWI)**.
- Registration: The registration takes place in two steps.
  1. Course Registration on CampusOnline.
  2. Topic selection by contact with the lecturers (Napel and Roy).
  Deadline for complete registration: **November 28th, 2021, 12pm**. Places and topics will be allocated on a **first-come-first-served** basis.
- Seminar: **December 10th -12th.**
- Submission of seminar papers: **April 30th, 2022.**

ASSESSMENT

Philosophy & Economics
- V4/5 seminar 5 cp: presentation, comment, participation, 3500–4500 word seminar paper.
- P2*, P5* seminar 2 cp: presentation, comment, participation.

Economics, IWE
- Theoretisches Seminar 5 cp: presentation, comment, participation, 3500–4500 word seminar paper.

ENROLMENT/REGISTRATION:
The registration proceeds in two steps.
1. Course Registration on CampusOnline. You will then be automatically be placed on the "waiting list" for the course.
2. Topic selection by contact with the lecturers (Napel and Roy).
   Topics will be allocated on a **first-come-first-served** basis.

Registration is only complete when the topic has been agreed on and you have been assigned a place on CampusOnline. Deadline for complete registration: **November 28th, 2021, 12pm.**

SEMINAR INSTRUCTIONS
1. Time allowed: presentation of 45 min., comment of 5 min, discussion of 30 mins.
2. Presentations should be a concise and systematic overview of the topic in the form of a "teaching lecture".
3. Each presentation will be assigned to one other participant, who is to comment on/ initiate the discussion of the contents of the presentation. Presenters are required to send their presentations to *both instructors* and the respective *commenter at least seven days* before the seminar session.
4. The literature given below is a *starting point* for your lecture. You are typically expected to find additional material yourself.
5. The order of presentations need not correspond to the ordering of topics found below. All participants shall be ready to give their presentation on the first seminar day.

SEMINAR PAPERS

Your *seminar paper* should be on a well-defined issue related to your presentation topic.

Please make sure when writing your paper that you maintain scholarly standards of presentation and citation (incl. consistent typesetting of text and references, spell-checking, title page). For guidance, please consult any of the research papers that can be found on either of our web sites. We recommend that you use the author-date (Harvard) referencing system.

THEMES

P = Philosophical paper.

E = Econ/tech paper

* = advanced paper

T1. Emergence of Economic Standards.

[E] Brian Arthur (1989), "Competing technologies, increasing returns, and lock-in by historical events", *Economic Journal* 99(394), 116-131.

[E] Paul Belleflamme and Martin Peitz (2010), *Industrial Organization – Markets and Strategies*. Cambridge: Cambridgte University Press [ch. 20].

[E] Paul David (2007), "Path dependence: a foundational concept for historical social science", *Cliometrica* 1(2), 91-114.

[E] Herbert Gintis (1997), "A Markov model of production, trade, and money: theory and artificial life simulation", *Computational & Mathematical Organization Theory* 3(1), 19-41.

[P] Herbert Gintis (2000), *Game Theory Evolving*, Princeton, NJ: Princeton University Press [ch. 10].

[E] Stan Liebowitz and Stephen Margolis (2013), "The troubled path of the lock-in movement", *Journal of Competition Law and Economics* 9, 125-152.

T2. Conventions in Simple Coordination Problems.

[P] Bicchieri, Cristina (2006). *The Grammar of Society*, Cambridge: Cambridge University Press. (contact the lecturers for choosing specific chapters.)

[E] Ken Binmore and Larry Samuelson (2006), "The evolution of focal points", *Games and Economic Behavior* 55(1), 21-42.

[E*] Peyton Young (1998), *Individual Strategy and Social Structure*, Princeton, NJ: Princeton University Press [ch. 4].

T3. Evolution of Language.

[P] David Lewis (1969), *Convention: a Philosophical Study*, Cambridge, MA: Harvard University Press [Sections IV and V].

[P] Brian Skyrms (2010), *Signals: Evolution, Learning, and Information*, Oxford: Oxford University Press [ch. 8].

[P] Kevin Zollman and Rory Smead. (2010) "Plasticity and language: an example of the Baldwin effect?" *Philosophical Studies* 147(1), 7-21.

T4. Conventions and Norms in Bargaining Problems.

[P] Jason Alexander and Brian Skyrms (1999), "Bargaining with neighbors: Is justice contagious?" *Journal of Philosophy* 96(11), 588-598.

[E] Robert Axtell, Joshua Epstein and Peyton Young (2001), "The emergence of classes in a multi-agent bargaining model", in: Steven Durlauf and Peyton Young (eds.), *Social Dynamics*, 191-211, Cambridge, MA: MIT Press.

[P] Justin D'Arms, Robert Batterman and Krzysztof Górny (1998), "Game theoretic explanations and the evolution of justice", *Philosophy of Science* 65(1), 76-102.

[E] John Gale, Ken Binmore and Larry Samuelson (1995), "Learning to be imperfect: the ultimatum game", *Games and Economic Behavior* 8(1), 56-90.

[E] Stefan Napel (2003), "Aspiration adaptation in the ultimatum minigame", *Games and Economic Behavior* 43(1), 86-106.

[P] Cailin O'Connor (2019), *The Origins of Unfairness: Social Categories and Cultural Evolution*. Oxford University Press. (contact the lecturers for choosing specific chapters.)

[P] Brian Skyrms (2014). *Evolution of the Social Contract*. Cambridge University Press [ch.1]

[E*] Peyton Young (1998), *Individual Strategy and Social Structure*, Princeton, NJ: Princeton University Press [ch. 8].

T5. Evolution of Cooperation and Moral Preferences.

[E*] Ingela Alger and Jörgen Weibull (2013). Homo moralis—preference evolution under incomplete information and assortative matching. *Econometrica*, *81*(6), 2269-2302.

[E] Robert Axelrod (1984), *The Evolution of Cooperation*, New York, NY: Basic Books.

[P] Ken Binmore (2005), *Natural Justice*, Oxford: Oxford University Press.

[E] Samuel Bowles and Herbert Gintis (1998), "The moral economy of communities: Structured populations and the evolution of pro-social norms", *Evolution and Human Behavior* 19(1), 3-25.

[E] Herbert Gintis, Samuel Bowles, Robert Boyd, and Ernst Fehr (2003), "Explaining altruistic behavior in humans", *Evolution and Human Behavior* 24(3), 153-172.

[E] Steffen Huck and Jörg Oechssler (1999), "The indirect evolutionary approach to explaining fair allocations", *Games and Economic Behavior* 28(1), 13-24.

 [E] Werner Güth and Stefan Napel (2006), "Inequality Aversion in a Variety of Games – An Indirect Evolutionary Analysis", *Economic Journal* 116(514), 1037-1056.

[P] Jason McKenzie Alexander (2007), *The Structural Evolution of Morality*, Cambridge: Cambridge University Press.

Additional references on philosophy of modeling and modeling tools:

Static analysis of evolution of strategies:
Herbert Gintis (2000), *Game Theory Evolving*, Princeton, NJ: Princeton University Press [ch. 7].
Jörgen Weibull (1995), *Evolutionary Game Theory*, Cambridge, MA: MIT Press. [chs. 1-2]

Dynamic analysis of evolution of strategies:
Herbert Gintis (2000), *Game Theory Evolving*, Princeton, NJ: Princeton University Press [ch. 8-9].
Jörgen Weibull (1995), *Evolutionary Game Theory*, Cambridge, MA: MIT Press. [chs. 3-4]

Learning dynamics and stochastic stability:
Peyton Young (1998), *Individual Strategy and Social Structure*, Princeton, NJ: Princeton University Press [chs. 2-3].

Philosophy of Modeling:
Uskali Mäki (1992), "On the method of isolation in economics", *Poznan Studies in the Philosophy of the Sciences and the Humanities* 26, 19-54.
Robert Sugden (2000), "Credible worlds: the status of theoretical models in economics", *Journal of Economic Methodology 7*(1), 1-31.