

Hauptseminar/V-Seminar WiSe 2018/19

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 modelling and philosophical enquiry, 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: **Oct. 18th, 2018, 12 (c.t.)**. Room t.b.a.
- 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: **Oct 25th, 2018, 12pm**. Places and topics will be allocated on a **first-come-first-served** basis.
- Seminar: **Nov. 23rd to 25th, 2018**.
- Submission of seminar papers: **March 31st, 2019**.

ASSESSMENT

Philosophy & Economics

- V seminar 5 cp: presentation, comment, participation + 4000-5000 word seminar paper.
- P3* seminar 2 cp: presentation, comment, participation.
- Old PO V seminar 8 cp: same as 2 cp + 5000-6000 word seminar paper

Economics, IWE

- BSc Hauptseminar 5 cp: presentation, comment, participation, 3500–4500 word seminar paper. [New PO: Theoretisches Seminar; Old PO: Individueller Schwerpunkt or as GVWL II 5/6.]

ENROLMENT/REGISTRATION:

Please enroll directly on CampusOnline.

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 commenters *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. 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 David (1985), “Clio and the economics of QWERTY”, *American Economic Review* 75(2), 332-337.

[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].

T2. Conventions in Simple Coordination Problems.

[P] Bicchieri, Cristina (2006). *The Grammar of Society*, Cambridge: Cambridge University Press. [ch. 5]

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

[E*] Glenn Ellison (1993), "Learning, local interaction, and coordination", *Econometrica* 61(5), 1047-1071.

[E*] Peyton Young (1993), "Evolution of conventions", *Econometrica* 61(1), 57-84.

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

T3. Evolution of Language.

[P] David Lewis (1969), *Conventions: 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] Elizabeth Anderson (2000), "Beyond homo economicus: New developments in theories of social norms", *Philosophy & Public Affairs* 29(2), 170-200.

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

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

[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.

[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*] Christian Korth and Stefan Napel (2009), "Fairness, price stickiness, and history dependence in decentralized trade", *Journal of Economic Behavior & Organization* 71(2), 502-514.

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

[E*] Peyton Young (1993), "An evolutionary model of bargaining", *Journal of Economic Theory* 59(1), 145-168.

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

T5. Evolution of Cooperation and Morality.

[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.

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

T6. Evolution of Social Preferences.

[E] Werner Güth, Hartmut Kliemt and Bezalel Peleg (2000), "Co-evolution of preferences and information in simple games of trust", *German Economic Review* 1(1), 83-110.

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

[E] Florian Herold (2012), "Carrot or stick? The evolution of reciprocal preferences in a haystack model", *American Economic Review* 102(2), 914-940.

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

T7. Consensus Formation.

[P] Richard Bradley (2007), "Reaching a consensus." *Social Choice and Welfare* 29(4), 609-632.

[E] John Geanakoplos., and Heraklis Polemarchakis (1982), "We can't disagree forever", *Journal of Economic Theory* 28(1), 192-200.

[E] Matthew Jackson (2008), *Social and Economic Networks*, Princeton, NJ: Princeton University Press [ch. 8].

[P] Keith Lehrer and Carl Wagner (1981) *Rational Consensus in Science and Society: A Philosophical and Mathematical Study*. Dordrecht: Reidel.

Additional references on modeling tools:

Static analysis of the 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 the 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].