

70996 The Economics of Identity and Ethnic Conflict

Mo 08.30-10.00, SPA 1, 23

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The categories of identity and ethnicity are fundamental for an understanding of the economy. In this seminar we discuss the growing recent literature on the topic with a focus on the theory of identity formation, the role of public and club goods and theories of ethnic conflicts. Moreover, we discuss recent empirical work on long-run changes in these categories. Participants are expected to have a sound background in microeconomics.

The number of participants is limited to 15.

Literatur:

Caselli, F. and Coleman, W. J. (2013), "ON THE THEORY OF ETHNIC CONFLICT". Journal of the European Economic Association, 11: 161–192 und Alesina, Alberto and Eliana La Ferrara. 2005. "Ethnic Diversity and Economic Performance." Journal of Economic Literature, 43(3): 762-800.

Organisatorisches:

MA: 6 SP, Modul: "Topics in Microeconomics"

Seminar Plan

1. Heterogeneity & Public goods
 - a. How heterogeneity affects Public Goods:
 - i. **(1)** Alberto Alesina & Reza Baqir & William Easterly (1999) "Public Goods And Ethnic Divisions," *The Quarterly Journal of Economics*, 114(4), 1243-1284
 - b. Planned endogenous heterogeneity
 - i. **(2)** Benevolent social planner: Alberto Alesina, Bryony Reich (2013) "Nation Building", NBER WP
 - ii. **(3)** Non-benevolent planner: Edward Glaeser (2005) "The Political Economy Of Hatred," *Quarterly Journal of Economics* 120, 45-86.
 - c. Spontaneous endogenous heterogeneity
 - i. **(4)** Caselli, F. W. Coleman II (2013), "On the Theory of Ethnic Conflict", *Journal of the European Economic Association* 11, 161–192
2. Clubs goods (exclusive public goods)
 - i. **(5)** Todd Sandler & John Tschirhart, 1997. "Club theory: Thirty years later," *Public Choice* 93, 335-355,
 - ii. **(6)** Berman, Eli (2000) "Sect, Subsidy and Sacrifice: An Economist's View of Ultra-Orthodox Jews," *Quarterly Journal of Economics*, 115(3) (August, 2000).
3. Norms & Identity
 - i. **(7)** Dixit, Avinash (2004), "Relation-based contract enforcement", in: *Lawlessness and Economics*, Chap. 3, pp. 59-95.
 - ii. **(8)** Guido Tabellini (2008) "The Scope of Cooperation: Values and Incentives" *The Quarterly Journal of Economics* 123: 905-950.
4. Segregation and Group Formation
 - i. **(9)** Schelling, Thomas C. 1971. "Dynamic Models of Segregation." *Journal of Mathematical Sociology* 1:143-186.
 - ii. **(10)** Rajiv Sethi, Rohini Somanathan (2004) "Inequality and Segregation" *Journal of Political Economy* 6, 1296-1321
5. Segregation and Financial Markets
 - i. **(11)** Garance Genicot & Debraj Ray, 2003. "Group Formation in Risk-Sharing Arrangements," *Review of Economic Studies* 70: 87-113
 - ii. **(12)** Eliana La Ferrara, 2003. "Kin Groups and Reciprocity: A Model of Credit Transactions in Ghana," *American Economic Review* 93, 1730-1751
6. Behavioral approaches
 - i. **(13)** Akerlof, G. and R. Kranton (2000) "Economics and Identity", *The Quarterly Journal of Economics* (2000) 115 (3): 715-753.
 - ii. **(14)** Bordalo, Gennaioli and Shleifer (2014) "Stereotypes", mimeo.
 - iii. **(15)** Benjamin, Choi and Fisher (2013) "Religious Identity and Economic Behaviour" NBER WP