

ECON1436: Economics and Morality

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Course overview:

Questions related to morality pervade the public discourse. However, traditionally, economists have paid little attention to the structure and consequences of people's moral concerns. This course introduces students to research in an emerging field that uses data to study the determinants and consequences of heterogeneity in moral reasoning using the tools of economics. The main objective of the class is to highlight (i) how moral reasoning matters for economic and political outcomes, and (ii) how economic incentives in turn generate particular moral systems. To understand the bidirectional relationship between economics and morality, we will look at different types of data to study questions such as: What is the difference between universalist and particularist approaches to moral reasoning, and how do these matter for economics? How do Americans' moral intuitions vary across space and over time? What is the role of moral values in U.S. presidential elections, or for policy preferences related to redistribution or the military? What are people's fairness views on distributive justice in light of increasing inequality and low social mobility? What are the functional economic origins of morality? How and why are moral systems culturally variable? How do economic incentives, religion or social networks shape morality? The class has no prerequisites and is designed to be accessible for students without prior quantitative training.

Class: Tuesday / Thursday, 12:00-1:15pm; Emerson 210

Prerequisites for enrollment: None; we try our very best to accommodate students without prior training in quantitative methods

Teaching fellow:

Cassidy Shubatt, cshubatt@fas.harvard.edu

Undergraduate course assistant:

Charlie Yang, charlieyang@college.harvard.edu

Course outline:

PART I: HETEROGENEITY IN MORALITY AND ITS IMPLICATIONS

- 9/5 Course overview
- 9/7 Conceptualizing and Measuring Morality using Economic and Psychological Tools
- 9/12 Moral Wiggle Room and Diffusion of Responsibility
- 9/14 Moral Psychology
Guest lecture by Fiery Cushman, Harvard Psychology Department
- 9/19 Moral Boundaries: Particularism versus Universalism
- 9/21 Moral Values in U.S. Presidential Elections
- 9/26 Economic Universalism
- 9/28 The Geography of Us versus Them
Guest lecture by Ryan Enos, Harvard Government Department
- 10/3 Morality, Artificial Intelligence and Government Control
Guest lecture by David Yang, Harvard Economics Department
- 10/5 Values as Luxury Goods
- 10/10 Distributive Justice and Redistribution I
- 10/12 Distributive Justice and Redistribution II

PART II: ECONOMIC, CULTURAL, AND INSTITUTIONAL DETERMINANTS OF MORALITY

- 10/17 Religion and Morality I
- 10/19 Religion and Morality II
- 10/24 Moralizing Gods and the Evolutionary Origins of Morality
- 10/26 Government Propaganda
- 10/31 Moral and Political Behavior in Public versus Private
- 11/2 Fairness Views and Morality Around the World
- 11/7 The Economic Origins of Gender Roles and Concerns over Women's Chastity
Guest lecture by Anke Becker, Harvard Business School
- 11/9 Virtuous Violence
- 11/14 Kinship Systems and the Functional Role of Morality
- 11/16 Morality and Markets I
- 11/21 Morality and Markets II
- 11/23 No class: Thanksgiving
- 11/28 The Economic Causes of the Rohingya Conflict in Myanmar
Guest lecture by Jaya Wen, Harvard Business School
- 11/30 Wrap-up / Q&A
- 12/5 In-class exam

Methods and course format:

The course focuses on discussing empirical research. This is not a class in philosophy or ethical reasoning. Thus, the class provides basic training in the standard empirical toolbox of economists: regression analysis with large-scale datasets, lab experiments, field experiments, surveys, and text analysis. Students are not expected to be familiar with the tools mentioned above, but they are expected to be willing to learn them to some extent. The class is lecture-based.

Course assignments and grading:

- ☐ Six problem sets (6% each)
- ☐ Research proposal (14%)
- ☐ Final exam (50%)

Sections

There will only be sections in the second, third and fourth week of class. These sections are entirely optional. They are designed to introduce students to the main statistical techniques and concepts that will be covered in class, including regression analysis and randomized experiments.

Section dates / times tba

Problem sets

- ☐ There will be a total of six problem sets
- ☐ These will be relatively short assignments where you apply the ideas and concepts from class to specific problems

Research proposal

- ☐ You can work alone or in pairs
- ☐ Your task is to produce a three-page document that contains:
 - A concrete research question that is related to the themes discussed in class
 - A proposal for how to empirically address the research question (you don't have to implement it)
 - A literature review on closely related prior work on the topic
- ☐ You can use any technology to assist you in your work, including AI. Just note that ChatGPT is much better at reproducing existing research than at coming up with new research ideas. Your submission will be graded partly based on how original it is, relative to what the academic community (and, hence, GPT) know already. Also notice that we expect the discussion of related literature to be correct, including correct citations (GPT makes up citations).

Office hours:

- ☐ Office hours Ben: Schedule on my website. Please make sure to sign up for an “Economics and Morality” slot rather than a graduate student slot.
- ☐ Office hours TFs / CA:
 - Cassidy: Tuesday 2-3pm, Sever 209.
 - Charlie: Thursday, 4:30-5:30pm, Dunster Dining Hall.

Whom to contact about what:

- ☐ Questions about Learning Catalytics: Charlie
- ☐ Questions about research proposal: Charlie and Cassidy
- ☐ Questions about class material: Charlie and Cassidy
- ☐ Questions about grading: Cassidy
- ☐ Advanced questions about class material: Ben
- ☐ More general conversations about pursuing your own research, getting a PhD, interesting follow-up courses etc.: Ben

Course Policies

- ☐ I am committed to offering an entertaining class that will hopefully change the way you look at and think about the world. I invest a lot of effort into teaching. I therefore expect that students are active and contribute to class discussions.
- ☐ Late assignments will receive a 25% deduction for each 24 hours delay.
- ☐ Regrading: if you are unhappy with your grade for an assignment, it will get graded again by the TF. The new grade can be higher or lower than the previous one. You can petition any grade (problem set, group project etc.) only up to one week after the grade is posted on Canvas. We will not consider delayed petitions. No exceptions.
- ☐ I strongly discourage students from bringing laptops or other electronic devices such as iPads to class. A lot of evidence shows that these inhibit learning and active participation. All students who bring laptops will be seated in a separate part of the classroom.
- ☐ The material in this class covers sensitive topics such as morality, religious beliefs, and evolution and could potentially be perceived as offensive. Students who are concerned about this are asked to get in touch via email or in person during office hours.

Accommodations for students with disabilities

Students needing academic adjustments or accommodations because of a documented disability must present their Faculty Letter from the Accessible Education Office (AEO) and speak with me by the end of the second week of the term. All discussions will remain confidential, although Faculty are invited to contact AEO to discuss appropriate implementation.

Section outline

Monday, 4:30-5:30pm, Emerson 307

Tuesday, 3-4pm, Sever 204.

Week 2: Crash Course in Basic Statistical Tools

Guiding question: What are basic statistics concepts that I will need for this class?

Learning Objectives:

- ☐ Summary statistics of one variable: mean, median, standard deviation, cumulative distribution function, probability density function
- ☐ Relationship between variables: correlation coefficient, scatter and binscatter plots

Week 3: Correlational and Regression Analyses

Guiding question: What is a regression and how can I use it to learn from data?

Learning Objectives:

- ☐ Introduction of regressions, interpreting coefficients, and definition of covariates
- ☐ How to interpret the results, scatter plot and regression line

Week 4: Causal Inference

Guiding question: When can we interpret regression coefficients as causal? How can we empirically identify causal relationships? What can correlations reveal about the world?

Learning Objectives:

- ☐ Develop intuition for spurious relationships, potential outcomes, and unconfoundedness
- ☐ Challenges in identifying causal relationships: selection bias, reverse causality
- ☐ Randomized control trials / experiments (in the lab and field)
- ☐ Natural experiments and diff-in-diffs

Week 13 – 14: Review and exam prep

Problem set and research proposal schedule

All assignments due before class on the day indicated

Pset 1: Distributed 9/12, due 9/19

Pset 2: Distributed 9/26, due 10/3

Pset 3: Distributed 10/3, due 10/10

Pset 4: Distributed 10/17, due 10/24

Pset 5: Distributed 10/24, due 10/27

Research proposal: Distributed 10/31, due 11/14

Pset 6: Distributed 11/14, due 11/21

Optional readings

There is no textbook. As general readings I recommend the following books that touch upon some of the themes that we cover in class:

Haidt, Jonathan. *The righteous mind: Why good people are divided by politics and religion*. Vintage, 2012.

Fukuyama, Francis. *Identity: The demand for dignity and the politics of resentment*. Farrar, Straus and Giroux, 2018.

Putnam, Robert D. *Bowling alone: The collapse and revival of American community*. Simon and Schuster, 2001.

Greene, Joshua David. *Moral tribes: Emotion, reason, and the gap between us and them*. Penguin, 2014.

Norris, Pippa, and Ronald Inglehart. *Cultural backlash: Trump, Brexit, and authoritarian populism*. Cambridge University Press, 2019.

Philosophical background reading:

Sandel, Michael J. *Public philosophy: Essays on morality in politics*. Harvard University Press, 2005.

Weeks 1—2: Foundations

Haidt, Jonathan. *The righteous mind: Why good people are divided by politics and religion*. Vintage, 2012.

Greene, Joshua David. *Moral tribes: Emotion, reason, and the gap between us and them*. Penguin, 2014.

Haidt, Jonathan. "The new synthesis in moral psychology." *Science* 316.5827 (2007): 998-1002.

Graham, Jesse, et al. "Moral foundations theory: The pragmatic validity of moral pluralism." *Advances in experimental social psychology*. Vol. 47. Academic Press, 2013. 55-130.

Falk, Armin, Thomas Neuber and Nora Szech. "Diffusion of being pivotal and immoral outcomes." *Working Paper* (2019).

Awad, Edmond, et al. "The moral machine experiment." *Nature* 563.7729 (2018): 59.

Gintis, H., Bowles, S., Boyd, R. T., & Fehr, E. (Eds.). (2005). *Moral sentiments and material interests: The foundations of cooperation in economic life* (Vol. 6). MIT press.

Fehr, Ernst, and Klaus M. Schmidt. "A theory of fairness, competition, and cooperation." *The quarterly journal of economics* 114.3 (1999): 817-868.

Falk, Armin, and Urs Fischbacher. "A theory of reciprocity." *Games and Economic Behavior* 2.54 (2006): 293-315.

Week 3: Moral Universalism

Enke, Benjamin, Ricardo Rodriguez-Padilla and Florian Zimmermann. "Moral Universalism: Measurement and Heterogeneity." *Working Paper* (2019).

Enke, Benjamin. "Moral Values and Voting." *Working Paper* (2019).

Bernhard, Helen, Urs Fischbacher, and Ernst Fehr. "Parochial altruism in humans." *Nature* 442.7105 (2006): 912.

Goette, Lorenz, David Huffman, and Stephan Meier. "The impact of group membership on cooperation and norm enforcement: Evidence using random assignment to real social groups." *American Economic Review* 96.2 (2006): 212-216.

Bauer, Michal, et al. "Social contagion of ethnic hostility." *Proceedings of the National Academy of Sciences* 115.19 (2018): 4881-4886.

Putnam, Robert D. *Bowling alone: The collapse and revival of American community*. Simon and Schuster, 2001.

Jackson, Joshua Conrad, et al. "The loosening of American culture over 200 years is associated with a creativity–order trade-off." *Nature human behaviour* 3.3 (2019): 244.

Grossmann, Igor, and Michael EW Varnum. "Social structure, infectious diseases, disasters, secularism, and cultural change in America." *Psychological Science* 26.3 (2015): 311-324.

Weeks 4—6: Moral Universalism and Politics

Enke, Benjamin. "Moral Values and Voting." *Journal of Political Economy* (2020).

Enke, Benjamin, Ricardo Rodriguez-Padilla and Florian Zimmermann. "Moral Universalism and the Structure of Ideology." *Working Paper* (2019).

Graham, Jesse, Jonathan Haidt, and Brian A. Nosek. "Liberals and conservatives rely on different sets of moral foundations." *Journal of personality and social psychology* 96.5 (2009): 1029.

Enos, Ryan D. *The space between us: Social geography and politics*. Cambridge University Press, 2017.

Tabellini, Marco. "Gifts of the immigrants, woes of the natives: Lessons from the age of mass migration." *Harvard Business School BGIE Unit Working Paper* 19-005 (2019).

Week 7: Distributive Justice

Abramitzky, Ran. "The limits of equality: Insights from the Israeli kibbutz." *The quarterly journal of economics* 123.3 (2008): 1111-1159.

Cappelen, Alexander W., et al. "Just luck: An experimental study of risk-taking and fairness." *American Economic Review* 103.4 (2013): 1398-1413.

Almås, Ingvild, et al. "Fairness and the development of inequality acceptance." *Science* 328.5982 (2010): 1176-1178.

Alesina, Alberto, Stefanie Stantcheva, and Edoardo Teso. "Intergenerational mobility and preferences for redistribution." *American Economic Review* 108.2 (2018): 521-54.

Alesina, Alberto, and Paola Giuliano. "Preferences for redistribution." *Handbook of social economics*. Vol. 1. North-Holland, 2011. 93-131.

Cappelen, Alexander et al. "Type I vs Type II errors."

Week 8: Cross-Cultural Heterogeneity and Evolutionary Origins of Morality

Cappelen, Alexander, Bertil Tungodden. "Fairness Across the World." (2021)

Enke, Benjamin. "Kinship, cooperation, and the evolution of moral systems." *The Quarterly Journal of Economics* 134.2 (2019): 953-1019.

Tomasello, Michael. *A natural history of human morality*. Harvard University Press, 2016.

Fei, Hsiao-t'ung, et al. *From the soil: The foundations of Chinese society*. Univ of California Press, 1992.

Henrich, Joseph, Steven J. Heine, and Ara Norenzayan. "The weirdest people in the world?." *Behavioral and brain sciences* 33.2-3 (2010): 61-83.

Gelfand, Michele. *Rule Makers, Rule Breakers: Tight and Loose Cultures and the Secret Signals That Direct Our Lives*. Scribner, 2019.

Gächter, Simon, and Jonathan F. Schulz. "Intrinsic honesty and the prevalence of rule violations across societies." *Nature* 531.7595 (2016): 496.

Christakis, Nicholas. *Blueprint: The evolutionary origins of a good society*. 2019.

Fiske, Alan Page, and Tase Shakti Rai. *Virtuous violence: Hurting and killing to create, sustain, end, and honor social relationships*. Cambridge University Press, 2014.

Nisbett, R. E. (2018). *Culture of honor: The psychology of violence in the South*. Routledge.

Henrich, J., Boyd, R., Bowles, S., Camerer, C., Fehr, E., Gintis, H., & McElreath, R. (2001). In search of homo economicus: behavioral experiments in 15 small-scale societies. *American Economic Review*, 91(2), 73-78.

Sapolsky, Robert M. *Behave: The biology of humans at our best and worst*. Penguin, 2017.

Norenzayan, Ara. *Big gods: How religion transformed cooperation and conflict*. Princeton University Press, 2013.

Wade, Lizzie. "Birth of the moralizing gods." (2015): *Science* 918-922.

Awad, Edmond, et al. "The moral machine experiment." *Nature* 563.7729 (2018): 59.

Cao, Yiming, Benjamin Enke, Paola Giuliano, Nathan Nunn and Armin Falk. "Herding, Warfare and a Culture of Honor: Global Evidence" (2021)

Becker, Anke. "On the Economic Origins of Restrictions on Female Sexuality." (2019)

Weeks 9—13: Institutional and Economic Determinants of Prosociality and Values

Overview:

Bowles, Samuel. "Endogenous preferences: The cultural consequences of markets and other economic institutions." *Journal of economic literature* 36.1 (1998): 75-111.

Religion:

Clingingsmith, David, Asim Ijaz Khwaja, and Michael Kremer. "Estimating the impact of the Hajj: religion and tolerance in Islam's global gathering." *The Quarterly Journal of Economics* 124.3 (2009): 1133-1170.

Bursztyn, Leonardo, et al. "Moral incentives in credit card debt repayment: Evidence from a field experiment." *Journal of Political Economy* 127.4 (2019): 000-000.

Becker, Sascha O., and Luigi Pascali. "Religion, Division of Labor, and Conflict: Anti-semitism in Germany over 600 Years." *American Economic Review* 109.5 (2019): 1764-1804.

Auriol, Emmanuelle, et al. *God insures those who pay? Formal insurance and religious offerings in Ghana*. No. 17-831. Toulouse School of Economics (TSE), 2017.

Chen, Daniel L. "Club goods and group identity: Evidence from Islamic resurgence during the Indonesian financial crisis." *Journal of political Economy* 118.2 (2010): 300-354.

Schulz, Jonathan, et al. "The origins of weird psychology." (2018).

Social networks and peer effects:

Bursztyn, Leonardo, Georgy Egorov, and Stefano Fiorin. *From extreme to mainstream: How social norms unravel*. No. w23415. National Bureau of Economic Research, 2017.

Rao, Gautam. "Familiarity Does Not Breed Contempt: Generosity, Discrimination and Diversity in Delhi Schools." (2018).

Kosse, Fabian, et al. "The formation of prosociality: causal evidence on the role of social environment." (2017).

Alexander W. Cappelen, John A. List, Anya Samek, and Bertil Tungodden: "The Effect of Early Education on Social Preferences" (2019).

Cantoni, Davide, et al. "Curriculum and ideology." *Journal of Political Economy* 125.2 (2017): 338-392.

Markets:

Enke, Benjamin. "Market exposure and human morality." (2022)

Jha, Saumitra, and Moses Shayo. "Valuing peace: the effects of financial market exposure on votes and political attitudes." (2018).

Henrich, Joseph, et al. "Markets, religion, community size, and the evolution of fairness and punishment." *science* 327.5972 (2010): 1480-1484.

Banerjee, Abhijit V., et al. "Changes in social network structure in response to exposure to formal credit markets." *Available at SSRN* 3245656 (2018).