Northwestern | Department of Economics

**Short Course for Faculty and Graduate Students**

# On Some Social Determinants of Behavior and Institutions

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MONDAY, SEPTEMBER 19, 2016: 3:30-5 PM
FRIDAY, SEPTEMBER 23, 2016:1:30-3 PM
MONDAY, SEPTEMBER 26, 2016:3:30-5 PM
FRIDAY, SEPTEMBER 30, 2016: 1:30-3 PM
JACOBS CENTER, 2001 SHERIDAN ROAD, ROOM 3245

In their theories and empirical work, economists insist on the role of incentives in aligning the goals of individuals with those of their organizations or society. To be certain, both theory and empirics emphasize that incentives may have side effects, due to poor measurement, multitasking, adverse selection, collusion, ratcheting and other factors. But evidence shows that even in the absence of such impairments, "pathological" patterns do emerge; for instance, supply may not be upward sloping, irrelevant alternatives may affect choice, or feeble narratives may have a substantial impact on behavior.

The lectures will first emphasize the role of perceived intentions of others and the desire to project a flattering image to one's peers or to oneself, in shaping individual behavior and public policy. They will then investigate moral reasoning, the morality of markets, and the formation of moral preferences, and will revisit the old debate between utilitarianism and deontological reasoning.

These lectures will be primarily theoretical, but they will also discuss a number of key experiments. The outline of topics is:

1) Understanding social preferences, the meaning of intentions, acts and contracts, and their policy implications
   - Intrinsic and extrinsic motivation
   - Image concerns
   - Expressive law

2) Economics and morality
   - Are markets moral?
   - Narratives, imperatives, moral reasoning

3) (Time permitting) Mindful Economics: The Production, Consumption and Value of Beliefs.