

Discussing “Culture and the Family”

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Introduction and Summary

- Very rich, informative paper- emphasizes understanding organization of family and its role in transmission of culture for economic outcomes
- 3 key take-aways
 - ① Culture is endogenous
 - ② Family is the main structure for transmitting culture
 - ③ Culture has real effects on economic outcomes and inequality and vice versa, with important implications for framing of effective policy for economic development
- 3 main comments: (1) Defining culture and why we should care, (2) When is culture beneficial to economic development?, (3) Further areas of study

Defining culture and why we should care

- Set of informal institutions, social norms, beliefs that influence group behavior and decision making
- Difficult to define concretely how it comes to be...
- Endogenous. Can be changed, can also persist in ways that are not necessarily optimal

Figure 1 The cultural multiplier

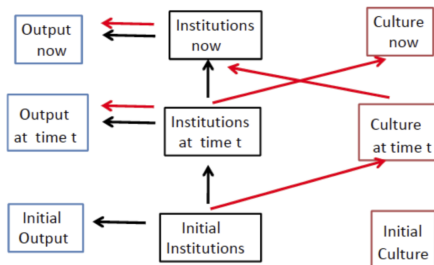


Figure: Source: Bisin and Verdier, 2017

Culture is Endogenous: Where does culture come from?

- Culture affects and is affected by environment and formal institutions, which in turn affect economic outcomes, which affect culture and so on
- Environment: E.g. Frontier culture and American individualism (Bassi, Fiszbein and Gebresilasse, 2020)
- Formal Institutions: E.g. Marriage markets, bride price vs dowry and the role of economic shocks- bride price, safety nets and consumption smoothing in hh (Corno and Voena, 2020; Archibong and Annan, 2019)



(a) American Frontier



(b) bride price



(c) dowry

Why should we care about culture and the role of the family in transmitting it?

- **Not accounting for it can make policy interventions to improve welfare fail:** e.g. school constructions in Indonesia/Zambia and role of bride price for female education (Ashraf et al, 2020)
- Reducing gender inequality- IPV and male vs female employment- in 30 developing countries, $>$ cyclical male unemployment (cmu) associated with $>$ IPV, but $>$ cyclical female unemployment associated with $<$ IPV. But signs reversed for cmu reversed in US and UK (Bhalotra et al, 2019). Role of cultural/legal/social norms around divorce/how easily women can leave a marriage
- Effects of cash transfers on hh welfare and IPV- may depend on culture around status/challenges to male image as breadwinner in hh (Bau and Fernandez, 2022)
- Role of online labor markets in reducing gender gaps in employment in Nigeria- very different effects for women and men depending on co-ethnicity with hiring manager - cultural norms around status of women in social life within groups (Archibong et al, 2022)

When is culture beneficial to economic development?

- Promoting cooperative/prosocial behavior- esp since economic incentives can crowd out prosocial behavior (Bowles, 2016)
- Can sometimes both improve and decrease outcomes of groups- e.g. bride price example and school construction. Bride price vs dowry and economic shocks effects of early marriage



Further areas of study: Religion

- Religion, religiosity and economic outcomes: E.g. Religious donations as response to lack of formal insurance in Ghana (Aurioel et al, 2020)
- once people are offered formal insurance, take this up and scale back on religious donations
- Shocks increase Pentecostalism in Brazil- politicians respond with policy to satisfy conservative religious preferences/ “culture” (Costa et al, 2019)
- Much more work to do here, very little economics research on how this aspect of culture affects economic development



Further areas of study: Race/ethnic discrimination and inequality

- Role of the family in transmission of racial/ethnic group based discrimination and inequality within countries
- Overlap with work in stratification economics on role of (informal and formal) institutions in persistence of group-based inequality (JEL 2022 issue; Darity, Mason and Stewart, 2006)



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The economics of identity: The origin and persistence of racial identity norms

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Abstract

This study uses evolutionary game theory to model the relationship between racial identity formation and inter-racial disparities in economic and non-economic outcomes. Starting with a fixed population of persons who are easily identified according to an exogenous criterion, for example, phenotype, we then allow individuals to pursue either a racialist or an individualist identity strategy in social interactions. The formation of identity norms imposes both positive and negative externalities on each person's identity actions. There are forces in the model that might push society toward racialism, individualism, or a mixed identity equilibrium, depending on matching assumptions, dynamic assumptions, parameter values, and initial conditions.

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Keywords: Economics; Persistence; Racial identity

Position and Possessions: Stratification Economics and Intergroup Inequality

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Article Information

Abstract

This article provides an overview of the origins and development of stratification economics as a subfield that centers the importance of identity, social ranking, and relative group position. Stratification economics developed in response to explanations for interracial/ethnic/gender inequality that invoked group-based dysfunction on the part of the subordinate community. Influences, detailed here, include the works of W. E. B. DuBois, Thorstein Veblen, Karl Marx, Eric Williams, Herbert Blumer, Claude Steele, Cecilia Ridgeway, Thomas Pettigrew, and Linda Tripp. The article concludes with an exploration of unique insights and extensions stratification economics affords a variety of themes; the impact of multiple identities, the determinants of individual productivity, variation in intensity of group identification, "passing," sources of inter-group differences in wealth, and social mobility and immigration.