Announcements

- If you didn't get an email confirmation that I received your referee report, let me know
- The empirical project is due April 14th at 5pm
- Pay attention to what each part is asking for (tables, figures, amount of explanation, etc.)
- Each part should be presented on its own and numbered (rather than trying to integrate the parts together)
- Graphs and tables should be produced by you from raw data, not reproduced from another source
- Remember to turn it in as a well-formatted pdf

McCloskey's Critique of Clark

The Clark hypothesis: Rich people are better and drive out the poor

1.	*A.*	*2.*	*B.*	*3.*	*C.*	*4.*
Rich breed more	→	Rich people's values spread	→	More patience, work, ingenuity	→	**Enrichment of all**

McCloskey's Critique of Clark

The Classes and the Virtues

Aristocrat Patrician	Peasant Plebeian	Bourgeois Mercantile
pagan	Christian	secular
Achilles	St. Francis	Benjamin Franklin
pride of being	pride of service	pride of action
honor	duty	integrity
forthrightness	candor	honesty
loyalty	solidarity	trustworthiness
courage	fortitude	enterprise
wit	jocularity	humor
courtesy	reverence	respect
propriety	humility	modesty
magnanimity	benevolence	consideration
justice	fairness	responsibility
foresight	wisdom	prudence
moderation	frugality	thrift
love	charity	affection
grace	dignity	self-possession
subjective	objective	conjective

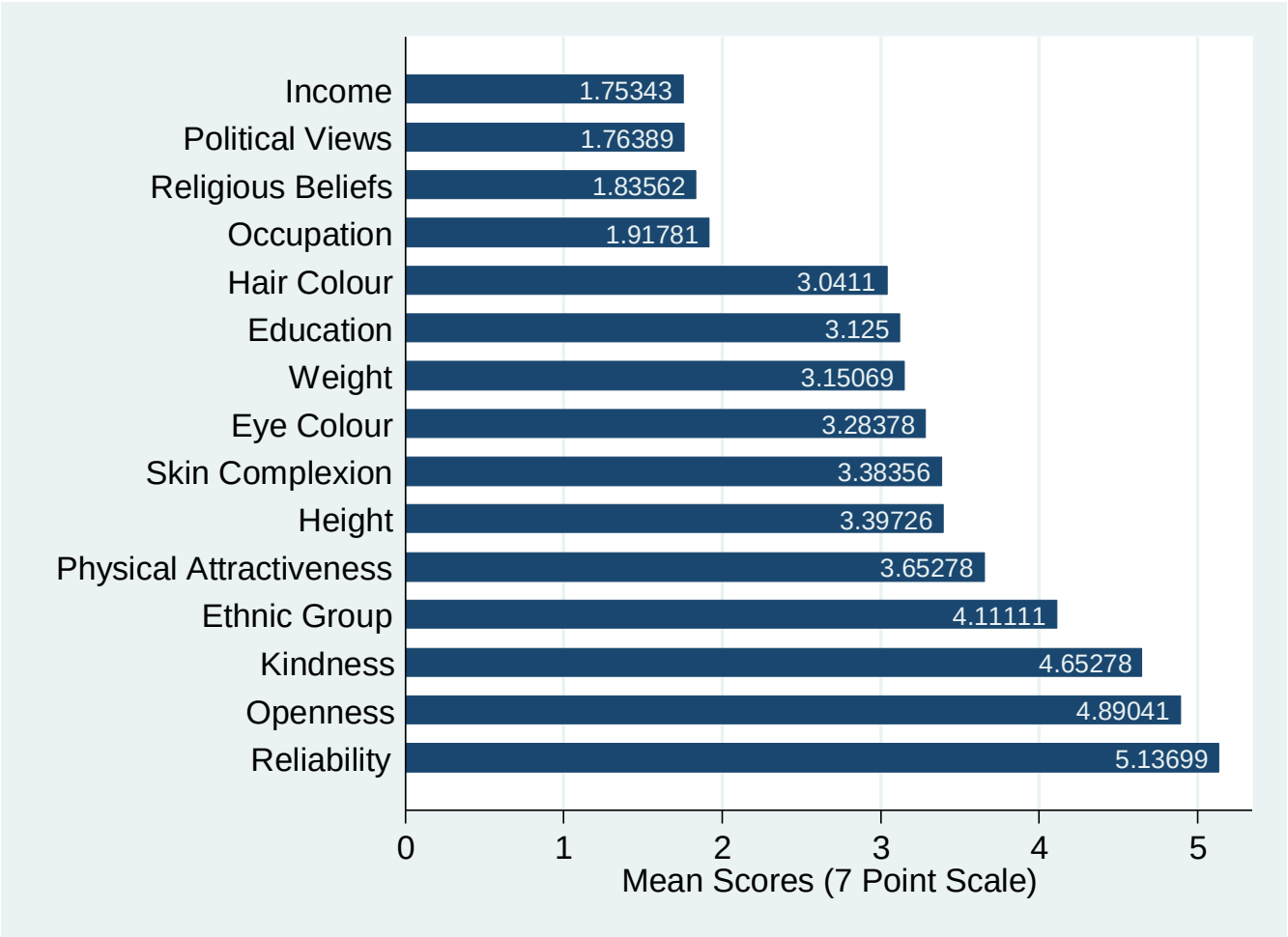
From McCloskey, "Bourgeois Virtue", 1994

McCloskey and Bourgeois Virtue

- So how is McCloskey establishing the 'virtues praised by people'
- A typical economist approach would be to say let's see which virtues get priced more highly in markets
- But is this a sensible approach given McCloskey's bigger question?
- Is it even possible to find markets that price virtues?

Pricing Virtue

FIGURE 1: RECIPIENT PREFERENCES



Pricing Virtue

TABLE 4—USER BEHAVIOR SUMMARY STATISTICS

	Men	Women
Users	3,004	2,783
First-contact behavior		
Profiles browsed	385,470	172,946
First-contact e-mails	49,223	14,178
(Percentage of browses)	12.7	8.2
Matching		
First contacts that lead to match	2,130	914
(Percentage of first contacts)	4.3	6.4
E-mails exchanged until match is achieved		
Mean	11.6	12.6
Median	6	6
SD	22.8	26.3

From Hitsch, Hortacsu and Ariely, "Matching and Sorting in Online Dating" AER 2010

Pricing Virtue

TABLE 3—BINARY LOGIT ESTIMATES

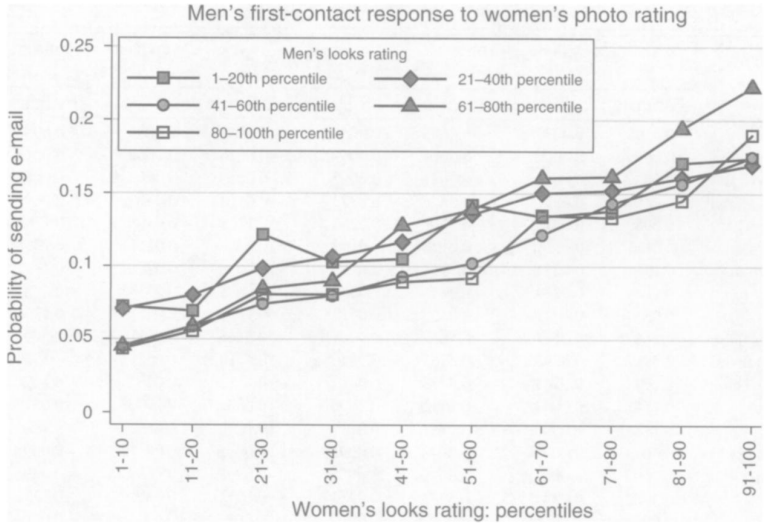
	Preference of men				Preference of women			
	(1)		(2)		(3)		(4)	
	Estimate	SE	Estimate[a]	SE[a]	Estimate	SE	Estimate[a]	SE[a]
Age	−0.0598	0.0023	−0.0605	0.0041	−0.0098	0.0034	−0.0095	0.0077
Age difference (+)	−0.0007	0.0002	−0.0007	0.0004	−0.0016	0.0002	−0.0016	0.0006
Age difference (−)	−0.005	0.0001	−0.0051	0.0003	−0.0063	0.0004	−0.0064	0.0011
Single; mate divorced[b]	−0.0461	0.0231	−0.0446	0.0273	−0.0718	0.0316	−0.0688	0.033
Both divorced	0.0959	0.0275	0.0961	0.0285	0.1728	0.0305	0.1789	0.0392
Both "long term"	0.0177	0.0178	0.0191	0.0199	0.2388	0.0258	0.2398	0.0322
Both have children	0.1874	0.0271	0.187	0.0532	0.2039	0.0298	0.1973	0.0366
Neither has children	−0.2649	0.0224	−0.264	0.0333	−0.3636	0.0334	−0.3681	0.0423
Has photo	−0.0657	0.0341	−0.0623	0.0522	0.1318	0.0457	0.1365	0.0576
Looks rating	0.5604	0.0144	0.5631	0.0201	0.5848	0.0211	0.5842	0.0269
"Very good" looks	0.5719	0.0396	0.5763	0.0545	0.5516	0.0555	0.5578	0.0688
"Above average" looks	0.2738	0.0363	0.2773	0.0412	0.1733	0.0495	0.1761	0.0627
"Other" looks	0.1742	0.2044	0.1682	0.2096	0.0842	0.2073	0.0519	0.2263
Height	−0.1421	0.0066	−0.1423	0.0101	0.1831	0.0093	0.1826	0.0149
Height difference (+)	−0.0018	0.0037	−0.0044	0.0095	−0.0096	0.0006	−0.0098	0.0011
Height difference (−)	−0.0099	0.0005	−0.0099	0.0008	−0.0227	0.0093	−0.0296	0.0186
BMI	−0.3962	0.028	−0.3932	0.0474	0.1332	0.0499	0.1354	0.0618
BMI^2	0.0043	0.0006	0.0042	0.0009	−0.0007	0.001	−0.0006	0.0013
BMI difference (+)	0.0034	0.0008	0.0034	0.0011	−0.0103	0.0008	−0.0108	0.0013
BMI difference (−)	−0.0101	0.0005	−0.01	0.0012	0.0022	0.0009	0.0025	0.0011
Education (years)	−0.0031	0.0056	−0.0037	0.0067	0.047	0.0076	0.0472	0.0095
Education difference (+)	−0.0039	0.001	−0.0039	0.0011	−0.0086	0.0012	−0.0087	0.0016
Education difference (−)	−0.0026	0.0008	−0.0027	0.001	−0.0022	0.0013	−0.0021	0.0016
Income ($ 1,000)	0.0053	0.0012	0.0054	0.0013	0.0164	0.0029	0.0163	0.0031
Income (>50)[c]	−0.0027	0.0019	−0.0028	0.0019	−0.0062	0.0035	−0.006	0.0035
Income (>100)[c]	−0.0047	0.0021	−0.0046	0.0021	−0.0082	0.0016	−0.0082	0.0016
Income (>200)[c]	−0.0018	0.0034	−0.0018	0.0037	0.0074	0.0018	0.0075	0.0019
Income difference (+)	6.31E-06	4.07E-06	6.01E-06	4.21E-06	−1.20E-05	3.15E-06	−1.28E-05	3.90E-06
Income difference (−)	1.17E-08	2.53E-06	−5.11E-08	3.39E-06	1.04E-05	6.00E-06	1.21E-05	6.73E-06
Income "Only accountant knows"	0.3332	0.0453	0.3349	0.0516	1.0913	0.1285	1.085	0.1418
Income "What, me work?"	0.2838	0.0542	0.2825	0.0541	0.7155	0.1439	0.7064	0.1564

Pricing Virtue

TABLE 3—BINARY LOGIT ESTIMATES (*Continued*)

	(1)		(2)		(3)		(4)	
	Estimate	SE	Estimate[a]	SE[a]	Estimate	SE	Estimate[a]	SE[a]
White; mate black	−0.8301	0.0861	−0.831	0.1051	−0.743	0.1195	−0.7426	0.1529
White; mate Hispanic	−0.2821	0.0367	−0.2873	0.04	−0.5752	0.0897	−0.5749	0.0924
White; mate Asian	−0.4952	0.0436	−0.4983	0.0604	−1.5952	0.2408	−1.6153	0.2854
White; mate other	−0.135	0.0375	−0.1397	0.0408	−0.5677	0.0742	−0.5624	0.0806
Black; mate white	−0.235	0.3701	−0.2214	0.5134	−1.5937	0.3806	−1.1607	0.4257
Black; mate Hispanic	−0.2358	0.4211	−0.2251	0.4657	−1.6185	0.8779	−2.7724	2.5201
Black; mate Asian	−0.6856	0.4609	−0.6981	0.5075				
Black; mate other	0.1764	0.4215	0.1793	0.5399	−0.8192	0.5738	−0.9328	0.8192
Hispanic; mate white	−0.3843	0.1436	−0.351	0.19	−0.6522	0.2303	−0.4896	0.2645
Hispanic; mate black	−0.3787	0.3549	−0.6907	0.6551	−0.8487	0.5082	−0.6407	0.5446
Hispanic; mate Asian	−0.3161	0.2548	−0.2811	0.2799				
Hispanic; mate other	−0.1886	0.2058	−0.1591	0.2493	−0.6777	0.3829	−0.5726	0.3771
Asian; mate white	−0.4617	0.3055	−0.3412	0.3569	−0.0291	0.4627	0.284	0.4246
Asian; mate black					−0.7563	0.9058	−0.4601	0.738
Asian; mate Hispanic	−0.0645	0.421	−0.0475	0.3277	−0.4781	0.5994	−0.228	0.4573
Asian; mate other	0.0383	0.4442	0.1108	0.5107	−0.374	0.5701	−0.1002	0.5644
Same religion	0.1792	0.0218	0.1799	0.0236	0.2918	0.0264	0.2846	0.0306
1/Pr(get reply)			0.0008	0.0007			0.0333	0.0763
Log-likelihood	−72,073.70		−72,093.10 (2,401.7)		−48,998.90		−49,041.40 (1,434.4)	
Observations	242,478				196,363			
Individuals	3,004				2,783			

Pricing Virtue



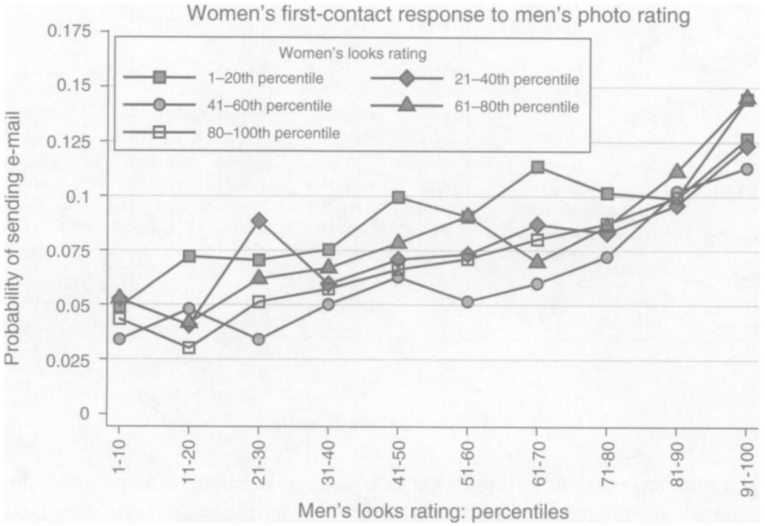


FIGURE 1. EVIDENCE FOR/AGAINST STRATEGIC BEHAVIOR

Pricing Virtue

Thus, even if unattractive men (or women) take the cost of rejection and composing an e-mail into account, this perceived most is not large enough such that the net expected benefit of hearing back from a very attractive mate would be less than the net expected benefit of hearing back from a less attractive mate. These results suggest that...strategic behavior is of little importance in online dating.

Pricing Virtue

- Online dating and sperm donation aren't going to get us at historical shifts in the prices of virtues
- We'll take two very different looks at pricing virtue
- First, we'll consider a survey by Siwan Anderson, "The Economic of Dowry and Brideprice" (Journal of Economic Perspectives, 2007)
- Then we'll return to McCloskey's various writings, including "The Discreet Virtues of the Bourgeoisie" (History Today, 2006)

Pricing Virtue

- Anderson is going to look at the prevalence and determinants of brideprices and dowries
- **Brideprice** - transfer from the family of the groom to the family of the bride, present in two thirds of preindustrial societies (Murdock, 1967)
- **Dowry** - transfer from the family of the bride to the family of the groom, less prevalent in terms of number of societies, more prevalent in terms of population
- These transfers can be large and vary substantially

Pricing Virtue

Table 1

Prevalence of Brideprice in Contemporary Societies

Country	*Years*	*Paid a brideprice*	*# Observations*
Rural China	1950–2000	79%	451
Urban China	1933–1987	9%	586
Taiwan	1940–1975	53%	964
Rural Thailand	1950–1978	93%	248
Urban Thailand	1950–1978	79%	395
Cairo (Egypt)	1940–1976	93%	919
Damascus (Syria)	1940–1976	84%	1164
Kinshasa (Zaire)	1940–1976	96%	694
Tororo (Uganda)	1940–1976	95%	781
Urban Iran	1971–1991	99%	511
Uganda	1960–1996	73%	1657
Rural Uganda	1960–1980	98%	155
Rural Uganda	1980–1990	88%	364
Rural Uganda	1990–1996	65%	226
Urban Uganda	1960–1980	96%	93
Urban Uganda	1980–1990	79%	379
Urban Uganda	1990–1996	46%	440
Turkey	1944–1993	29%	6519
Rural Turkey	1960–1975	46%	127
Rural Turkey	1975–1985	37%	205
Rural Turkey	1985–1998	23%	286
Urban Turkey	1960–1975	34%	210
Urban Turkey	1975–1985	24%	367
Urban Turkey	1985–1998	12%	650

Source: Information for rural China comes from Brown (2003); for urban China, from Whyte (1993); for Taiwan, from Parish and Willis (1993); for Thailand refer to Cherlin and Chamratrithirong (1988). Statistics for cities of Egypt, Syria, Zaire, and Uganda are from Huzayyin and Acsádi (1976), and for Iran, see Habibi (1997). The data used for the statistics from Uganda and Turkey are from the Demographic Health Surveys.

Pricing Virtue

Table 2

Prevalence of Dowry in Contemporary Societies

Country	*Years*	*Paid a dowry*	*# Observations*
Rural India	1960–1995	93%	1217
Rural India	1970–1994	94%	1842
Rural Pakistan	1970–1993	97%	1030
Pakistan	1986–1991	87%	1300
Rural Bangladesh	1945–1960	3%	2303
Rural Bangladesh	1960–1975	11%	3367
Rural Bangladesh	1975–1990	44%	3745
Rural Bangladesh	1990–1996	61%	1065
Rural Bangladesh	2003	76%	1279

Source: Information for the first sample from rural India comes from the NCAER (National Council of Applied Economic Research, India) data provided by Vijayendra Rao. The second sample is from the Survey on the Status of Women and Fertility (SWAF) by the Population Studies Center, University of Pennsylvania. For Pakistan, the first sample is from the SWAF, the second from the surveys of the World Bank's Living Standards Measurement Study. The Bangladesh data for the earlier years is from the Matlab RAND Family Life Surveys; the final sample, for the year 2003, is from Suran, Amin, Huq, and Chowdury (2004).

Table 3

Marriage Transfers from the Groom's Side

Society	*Time period*	*Average payments*	*Magnitude of average payments*
Germanic Tribes:			
Visogoths (Spain)	9th century		1/10 husband's wealth (Quale, 1988)
Lombards (Italy)	9th century		1/4 husband's wealth (Quale, 1988)
Franks (France)	9th century		1/3 husband's wealth (Quale, 1988)
Asia:			
Rural interior provinces (China)	1960–2000	538 yuan (1985)	82% of value of household durables (Brown, 2003)
Rural south west (China)	1983–1987	700 yuan (1987)	1.1 × per capita annual income (Harrell, 1992)
Rural east Szechwan	1966–1981	109 yuan (1980)	1 × per capita annual income (Lavely, 1988)
Middle East:			
Palestine	1920s	£49 (1925)	8 years of income for landless agricultural laborer (Papps, 1983)
Urban Iran	1971–1991	1,807,200 Iranian rials (1980)	$7059 (Habibi, 1997)
Sub-Saharan Africa:			
Rural Zimbabwe	1940–1995	8–9 cattle	2–4 × gross household annual income (Dekker and Hoogeveen, 2002)
Bantu tribe (southern Africa)	1955	100 goats	Larger than average herd size per household (Gray, 1960)
East African herders	1940–1978	15–50 large stock	12–20 × per capita holdings of large stock (Turton, 1980)
Uganda	1960–2001	872,601 shillings (2000)	14% of household income (Bishai and Grossbard, 2006)

Pricing Virtue

Table 4

Marriage Transfers from the Bride's Side

Society	*Time period*	*Average payments*	*Magnitude of average payments*
Historical Europe:			
Athens	6th Century BC		10% bride's father's wealth (Quale, 1988)
Mediterranean Jews	969–1250	150–1500 dinars	800 dinars could maintain a family for 30 years (Goiten, 1978)
Tuscany	1415–1436	125.5 florins	20% bride's household wealth (Botticini, 1999)
Urban Tuscany	1420–1436	1507.7 lire	6× annual wage of skilled worker (Botticini and Siow, 2003)
Florence	1475–1499	1430 florins	3× average fiscal wealth per household (Molho, 1994)
Colonial Latin America:			
Mexico	1640–1790	1000–5000 pesos	Equal to the cost of 3–16 slaves (Lavrin and Couturier, 1979)

Pricing Virtue

South Asia:			
Rural Karnataka (India)	1960–1995	66,322 Rupees (1995)	6× annual village male wage (Rahman and Rao, 2004)
Rural Uttar Pradesh (India)	1960–1995	46,096 Rupees (1995)	3× annual village male wage (Rahman and Rao, 2004)
Rural south-central India	1920s–1980s	4,792 Rupees (1983)	68% of total household assets before marriage (Rao, 1993)
Rural Uttar Pradesh (India)	1970–1994	$700	7× per capita annual income (Jejeebhoy and Sathar, 2001)
Rural Tamil Nadu (India)	1970–1994	$769	8× per capita annual income (Jejeebhoy and Sathar, 2001)
Delhi (India)	1920–1984	>50,000 Rupees (1984)	4× annual male income (Paul, 1986)
Rural Bangladesh	1996	12,700 Taka (1996)	62% of average annual household gross income (Esteve-Volart, 2004)
Rural Pakistan	1986–1991	18,196 Rupees (1991)	1.13 × annual household income (Anderson, 2005)
Urban Pakistan	1986–1991	32,451 Rupees (1991)	1.23 × annual household income (Anderson, 2005)

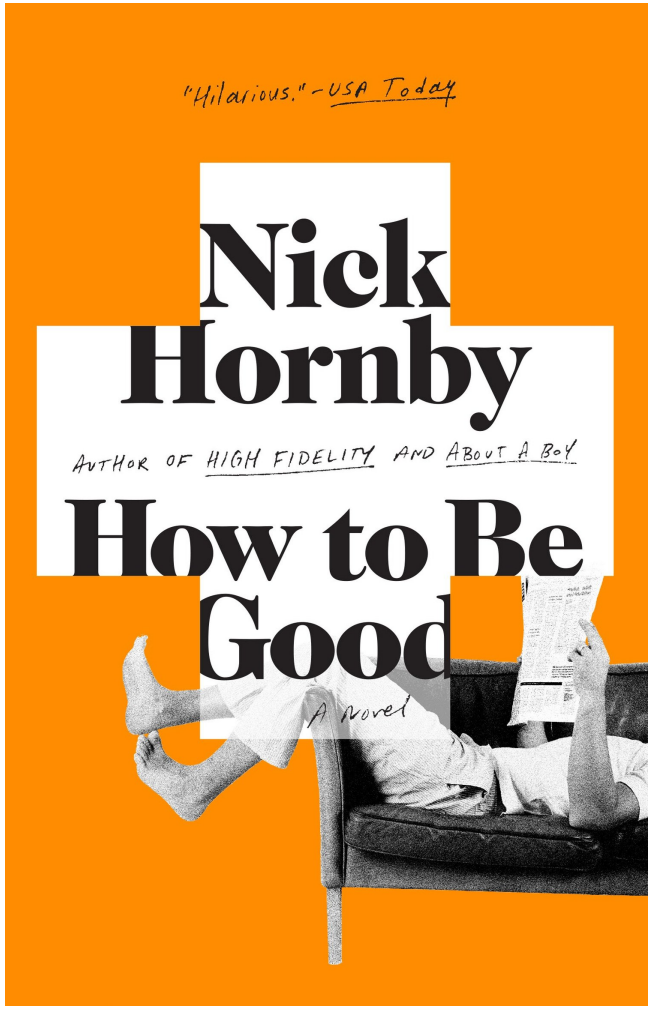
Pricing Virtue

According to Chojnacki (2000), the Renaissance marriage market valued maturity in grooms, chaste youth in brides, and family wealth and prominence for both. – Anderson, Journal of Economic Perspectives, 2007

Pricing Virtue

Typically, in India, the most important quality...for a groom is the ability to earn a living, often reflected in his educational level (Caldwell, Reddy, and Caldwell, 1983; Billig, 1992). – Anderson, Journal of Economic Perspectives, 2007

McCloskey's Evidence



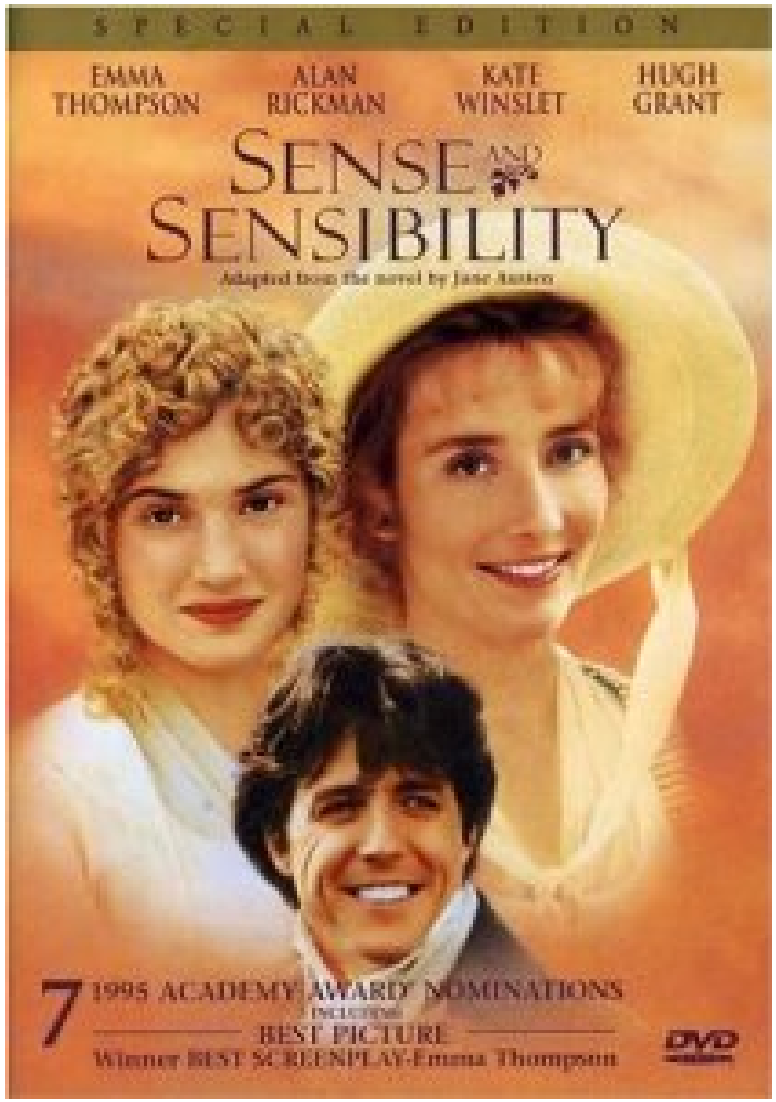
McCloskey's Evidence

'How to Be Good', we're going to call it. It's about how we should all live our lives. You know, suggestions. Like taking in the homeless, and giving away your money, and what to do about things like property ownership and, I don't know, the Third World and so on. – Nick Horby, How to Be Good (2001)

McCloskey's Evidence

...in the nineteenth century, 'bourgeois' became the most pejorative term of all, particularly in the mouths of socialists and artists, and later even of fascists. – Johan Huizinga, The Spirit of the Netherlands, 1935

McCloskey's Evidence



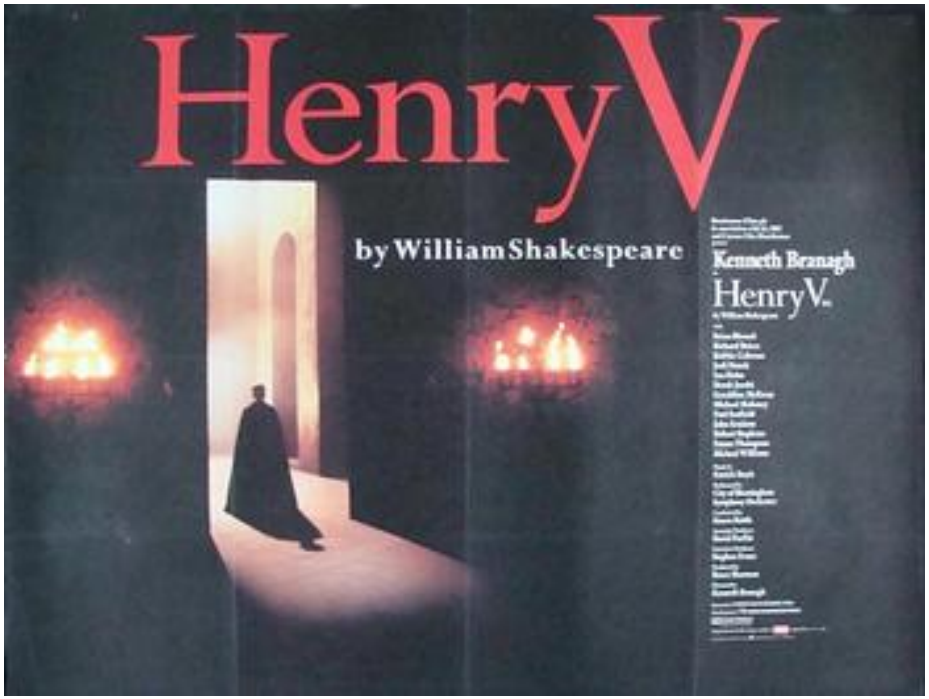
McCloskey's Evidence

In 1811 Jane Austen's best characters show both sense and sensibility. They calculate their marriage prospects but take a serious, almost Puritan attitude toward their ethical maturation. Austen's little stage is the gentry. But her ethical world is bourgeois. – McCloskey, The Discrete Virtues of the Bourgeoisie, 2006

McCloskey's Evidence

Contrast the world of Shakespeare. The warm virtues, Love and Courage, Faith and Hope, the virtues praised most often by Shakespeare, and least by Adam Smith, are specifically and essentially non-calculative. – McCloskey, The Discrete Virtues of the Bourgeoisie

McCloskey's Evidence



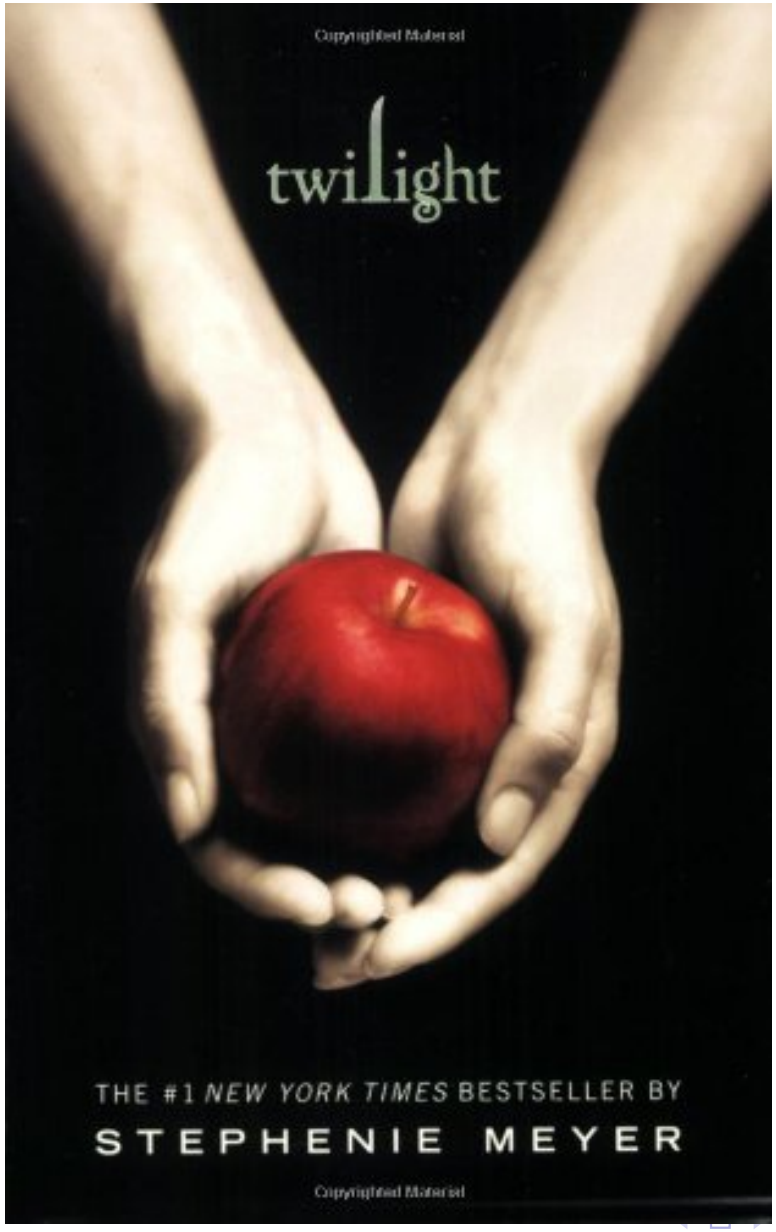
McCloskey's Evidence

If we are marked to die, we are enow
To do our country loss; and if to live,
The fewer men, the greater share of honour.
And gentlemen in England now a-bed
Shall think themselves accursed they were not here,
And hold their manhoods cheap whiles any speaks
That fought with us upon St Crispin's Day. –
Shakespeare, Henry V, 1599

McCloskey's Evidence

This is not bourgeois, Prudential rhetoric. It counts not the cost. – McCloskey, The Discrete Virtues of the Bourgeoisie

What We Learn from Literature



Some More General Points to Consider on Clark

- Data on reproduction rates by income is sparse for everywhere but England
- Are the virtues (patience, hard work, literacy and so on) genetic, a product of parenting, a product of peer groups, lasting traits, etc.?
- Is there a quantifiable way to link these virtues to growth in productivity?
- Why did the virtues initially arise among the wealthy?
- What other mechanisms are there for developing these virtues?