Institutions, Culture and Colonial Heritage: Lessons from the Caribbean Islands

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Research question: Where do different "cultures of bad behavior", i.e. intrinsic preferences for breaking a rule, originate? How do formal and informal institutions affect their evolution and persistence over time?

Research Methodology:

1. A simple theoretical framework:

- *n* individuals. Each individual chooses to break the rule or not: $e_i \in [0,1]$
- $\hat{e}_i$ is the choice that individual *I* believes is the "right" choice, no matter the economic incentives

Individual's utility:

$$u_i(e_i, e_{-i} \mid \hat{e}_i) = \pi(e_i, e_{-i}) - a(e_i - \hat{e}_i)^2$$

Evolution of "individual norms":

$$\hat{e}_i(t) = \delta \tilde{e}_i(t-1) + (1-\delta)\bar{e}(t-1)$$

2. "Rule of law" lab experiments:

- Stealing;
- Bribery;
- Vote-buying.

(***Note**: they will be conducted at the FSU sx/fs lab)*

Objectives of the lab experimental design:

- Measurement of preferences for rule-breaking, and analysis of consistency of such preferences;
- Analysis of individuals' long-term reaction to changes in institutions in one or more rule-breaking scenarios.

3. Field experiments in selected Caribbean islands

Island	Colonizer	Independent	Rule of Law (WBI)	Political Stability/ Absence of Violence (WBI)	Control of Corruption (WBI)	Corruption Perception Index (TI)	% Voted (most recent election-of voting aged)	Per capita GDP	Infant mortality (per 1000 life births)	Life expectancy (years)	Religion % Catholic	Religion % Protestant	Religion % Other	Religion % None
Anguilla	UK	No	1.45	0.94	1.36	n.a.	0.64	12200	3.47	80.87	0.06	0.83	0.07	0.04
Antigua and Barbuda	UK	Yes	0.98	0.75	1.36	n.a.	0.76	16500	14.63	75.48	0.10	0.76	0.07	0.06
Aruba	Netherlands	No	1.42	1.14	1.09	n.a.	0.72	21800	12.92	75.72	0.81	0.08	0.07	0.05
Bahamas	UK	Yes	0.80	0.88	1.38	n.a.	0.69	28600	13.49	71.18	0.14	0.68	0.16	0.03
Barbados	UK	Yes	0.97	1.09	1.34	7.80	n.a.	21700	11.86	74.34	0.04	0.63	0.12	0.21
Bonaire	Netherlands	No	n.a.	n.a.	n.a.	n.a.	n.a.	11400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
British Virgin Islands	UK	No	n.a.	n.a.	n.a.	n.a.	0.50	38500	13.63	77.63	0.10	0.86	0.02	0.02
Cayman Islands	UK	No	0.92	1.18	1.09	n.a.	0.32	43800	6.63	80.68	0.13	0.62	0.16	0.09
Cuba	Spain	yes	-0.65	0.03	0.29	3.70		9900	4.90	77.70	n.a.	n.a.	n.a.	n.a.
Curacao	Netherlands	No	n.a.	n.a.	n.a.	n.a.	n.a.	15000	n.a.	n.a.	0.80	0.11	0.04	0.05
Dominica	UK	Yes	0.69	0.75	0.77	5.20	0.82	10500	12.78	75.98	0.61	0.21	0.12	0.06
Dominican Republic	Spain	Yes	-0.72	0.12	-0.68	3.00	0.56	8600	22.22	77.31	n.a.	n.a.	n.a.	n.a.
Grenada	France	Yes	0.13	0.46	0.36	3.40	1.08	10500	11.43	73.04	n.a.	n.a.	n.a.	n.a.
Guadeloupe	France	No	n.a.	n.a.	n.a.	n.a.	n.a.	9000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Haiti	France	Yes	-1.34	-0.87	-1.12	2.20	0.23	1200	54.02	62.17	0.80	0.16	0.03	0.01
Jamaica	Spain	Yes	-0.49	-0.33	-0.44	3.30	0.50	8400	14.60	73.45	0.03	0.63	0.14	0.21
Martinique	France	No	0.91	0.42	0.87	n.a.	n.a.	24118	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Montserrat	UK	No	n.a.	n.a.	n.a.	n.a.	n.a.	3400	15.23	73.16		n.a.	n.a.	n.a.
Puerto Rico	Spain	No	0.80	0.39	0.53	5.80	n.a.	16300	8.07	78.92		n.a.	n.a.	n.a.
Saba	Netherlands	No	n.a.	n.a.	n.a.	n.a.	n.a.	11400				n.a.	n.a.	n.a.
Saint Maarten	Netherlands	No	n.a.	n.a.	n.a.	n.a.	n.a.	37000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
St. Barthelemy - St. Barths	France	No	n.a.	n.a.	n.a.	n.a.	n.a.	11400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
St. Eustatius	Netherlands	No	0.75	1.17	1.11	n.a.	0.91	14400	9.66	74.60				
St. Kitts and Nevis	UK	Yes	0.84	0.75	1.27	7.00	0.74	11100	12.72	76.84	0.68	0.18	0.08	0.06
St. Lucia	UK	Yes	n.a.	n.a.	n.a.	n.a.	n.a.	9000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
St. Martin	Netherlands	No	0.88	0.90	1.11	6.40	0.81	10600	14.27	74.15	n.a.	n.a.	n.a.	n.a.
St. Vincent & Grenadines	UK	Yes	n.a.	n.a.	n.a.	n.a.	n.a.	15400	n.a.	n.a.	0.39	0.45	0.09	0.07
Trinidad and Tobago	Spain	Yes	-0.19	0.02	-0.09	3.60	0.73	22100	27.69	71.37	0.26	0.26	0.45	0.03
Turks and Caicos	UK	No	n.a.	n.a.	n.a.	n.a.	n.a.	11500	11.97	79.11	n.a.	n.a.	n.a.	n.a.
US Virgin Islands	Netherlands	No (USA)	0.91	-0.11	0.87	n.a.	n.a.	14500	7.24	79.33	n.a.	n.a.	n.a.	n.a.

***Note**: Here I am reporting only a subset of the variables that I have been putting together for the islands.*

Objective of the field experimental design:

- To exploit the exogenous variation in formal and informal institutions caused by different colonial histories.

Note: *I will apply for NSF research funds.*