Questions for Week 7, Oct 17. Write a one-page paper on one of the topics below and use these topic questions to prepare for class discussion as you do the readings.

Readings: Granovetter, David, Arthur, Bikhchandani, Lohmann, Pierson

1. Granovetter’s model suggests that collective action will break down completely in certain circumstances, but spread like wild fire in others. What are the critical differences that allow it to be stopped or for it to spread? That is, what explains contagion? If you were in power what would you do to stop it?
2. David suggests that maybe the QWERTY lay-out of the keys on a keyboard is not the best or most efficient way to type. What is the explanation for the maintenance of a sub-optimal outcome? Think of other examples.
3. Arthur provides a more general discussion of what David explains with an example. Explain the technical part of the paper in words; what is the logic of how technologies compete when neither has yet established itself as the market leader? Is this the same as, for example, candidates for office when none is better known?
4. David, Arthur, Bikhchandani et al., and Lohmann all discuss examples where behavior is driven more by the context than by individual preferences. Is this common or uncommon? What are the limiting conditions that should tell you when you want to use a model about individual preference and when you need a model with attention to these group- or context-effects?
5. Pierson explains path dependency. What is that, exactly? What does it have in common and how does it differ from punctuated equilibrium?

Browse through some of the recommended readings to get a feel for further applications of these ideas. They are equally interesting as the assigned ones; we just don’t have time!