A Theory of Cultural Revivals

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Why do some societies have political institutions that support productively inefficient outcomes? And why does the political power of elites vested in these outcomes often increase over time, even when they are unable to block more efficient modes of production? We propose an explanation centered on the interplay between political and cultural changes. We build a model in which cultural values are transmitted intergenerationally. The cultural composition of society, in turn, determines public good provision as well as the future political power of elites from different cultural groups. We characterize the equilibrium of the model and provide the necessary and sufficient conditions for the emergence of cultural revivals. These are characterized as movements in which both the cultural composition of society as well as the political power of elites who are vested in productively inefficient outcomes grow over time. We reveal the usefulness of our framework by applying it to two case studies: the Jim Crow South and Turkey's Gülen Movement.

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