

# Cultural Diversity within a Country and Cultural Similarity between Countries: An Effect of International Trade

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## Abstract

We present an evolutionary model of cultural change to investigate how international trade helps “cosmopolitan culture,” which is a mixture of local cultures, to prevail. We find that there is a stable stationary state in which both cosmopolitan culture and local culture coexist in a trading country. We interpret this as a theoretical reproduction of what we typically observe: cultural diversity within a country and cultural similarity between countries. However, this result is dependent on a way how parents transmit their cultural type to their children. When parents have perfect empathy to their children, local culture may go extinct due to international trade.

*Key Words:* Cultural diversity, Cultural transmission, Trade

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