Development and Institutions
LECON2822

Credits: 5 ECTS

Course objectives
The goal of the course is to present the latest developments of the research on the role of institutions and development. The students will work on both theoretical and empirical papers that will be presented during the course. Some exercises will make sure that they are well understood and mastered by the students. Class presentations of articles will also ensure that students are able to present and understand research papers by themselves.

We will question the role of "institutions" in the development of countries. Starting from the observations that differences between countries cannot be explained only by geographical or endowment differences, we will then see how history matters, and that institutional arrangements can have long lasting impact. To cover the various dimensions of "institutions": we will combine cross country comparisons of national level institutions and within country local institutional variation, as well as take into account both "formal" and "informal" institutions. Taking the example of colonization both at the macro and micro level, we will show that the institutional structure has central role in the level of development of countries. Turning to informal institutions, we will then see what role they play, and how they interact with the development process. More specifically, we will turn to the other side of the relationship between development and institutions, showing how institutions are in turn affected by development. Finally, we will study an aspect of institutional arrangements that has been considered central to development: property rights, and more specifically, various arrangements over land ownership.

Learning outcomes
Oral presentation skills: at the end of the course, the students will have improved their ability to work in group to present articles in front of an audience, as well as discuss them with other students and the professor
Critical thinking: developing a critical view on the latest development of economic research.

Evaluation
Oral presentation (25%) Written exam (75%)

1. Introduction: What are institutions?


2. Do Institutions matter?

*Ghatak & Jiang JDE 2002 A simple model of inequality, occupational choice & development


3. Empirical evidence on the role of institutions: Colonisation


4. 2h Property rights + 1h Presentations on “Colonisation”


5. Democracy and Development


6. Patronage politics and 1h Presentations Property rights


7. Informal Institutions and 1h Presentations Democracy and Development


Greif 1993 AER Contract enforceability and economic institutions in early trade: the Maghribi trader’s coalition.


8. Informal Institutions 2 + Presentation “Informal Institutions 1”


