

# ECON 4921: Institutions and Economic Systems

## Lecture Plan, Fall 2009

Lecturer: Jon H. Fiva, room 1018 ES.

Lectures: Wednesday 1415-1600, Aud 5 ES (Aug. 19 - Nov. 18, no lecture Sept. 30)

Seminars: Monday 1015-1200, Aud 101 HH (Week 36, 38, 41, 43, 45, 47)

Exam: December 14, 09:00 (3 hours).

### 1) Introduction

North, Douglas C. (1994): Economic Performance Through Time, *American Economic Review* 84 (3), 359-368. [[LINK](#)]

### 2) Institutions and Economic Performance

Acemoglu, Daron, Simon Johnson and James A. Robinson (2001): The Colonial Origins of Comparative Development: An Empirical Investigation, *American Economic Review* 91 (5), 1369-1401. [[LINK](#)]

Acemoglu, Daron and Simon Johnson (2005): Unbundling Institutions, *Journal of Political Economy* 113 (5), 949-995. [[LINK](#)]

Engermann, Stanley L. and Kenneth L. Sokoloff (1997): Factor Endowments, Institutions and Differential Paths of Growth among New World Economies: A View from Economic Historians of the United States, In Stephen Haber (ed.) "How Latin America Fell Behind", Stanford University Press, 260-304. [*TO BE HANDED OUT*]

Hall, Robert E. and Charles I. Jones (1999): Why Do Some Countries Produce So Much More Output Per Worker Than Others?, *Quarterly Journal of Economics*, 114 (1), 83-116. [[LINK](#)]

### 3) The Firm

Alchian, Armen A. and Harold Demsetz (1972): Production, Information Costs and Economic Organization, *American Economic Review*, 62 (5), 777-795. [[LINK](#)]

Coase, Ronald H. (1937): The Nature of the Firm, *Economica* 4 (16), 386-405. [[LINK](#)]

Moene, Karl Ove (2004): Pay, Power and Effort: The Employment Relation, lecture notes. [[LINK](#)]

#### **4) Organized Interest and Ownership**

Craig, Ben and John Pencavel (1992): The Behavior of Worker Cooperatives: The Plywood Companies of the Pacific Northwest, *American Economic Review* 82 (5), 1083-1105. [\[LINK\]](#)

Moene, Karl Ove and Michael Wallerstein (1993): Unions Versus Cooperatives, in Samuel Bowles, Herbert Gintis and Bo Gustafsson (eds) "Markets and Democracy: Participation, Accountability and Efficiency", Cambridge University Press. [\[LINK\]](#)

Moene, Karl Ove, Michael Wallerstein and Michael Hoel (1993): *Bargaining Structure and Economic Performance*, in Robert Flanagan, Karl Ove Moene and Michael Wallerstein (eds) "Trade Union Behaviour, Pay Bargaining and Economic Performance". Clarendon Press, Oxford. [\[LINK\]](#)

#### **5) Complementarity of Institutions**

Barth, Erling og Karl Ove Moene (2008): The Equality Multiplier, ESOP working paper. [\[LINK\]](#)

#### **6) Institutions and Commitment**

Acemoglu, Daron and James A. Robinson (2000): Why Did the West Extend the Franchise? Democracy, Inequality and Growth in Historical Perspective, *Quarterly Journal of Economics* 115 (4), 1167-1199. [\[LINK\]](#)

North, Douglas C. and Barry R. Weingast (1989): Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England, *Journal of Economic History*, 48 (4), 803-832. [\[LINK\]](#)

#### **7) Agency Problems: Voters – Politicians – Bureaucrats**

Moene, Karl Ove (1986): Types of Bureaucratic Interaction, *Journal of Public Economics* 29 (3), 333-345. [\[LINK\]](#)

Svaleryd, Helena and Jonas Vlachos (2009): Political Rents in a Non-corrupt Democracy, *Journal of Public Economics* 93 (3-4), 355-372 . [\[LINK\]](#)

## 8) Fiscal Federalism

Besley, Tim and Stephen Coate (2003): Centralized versus Decentralized Provision of Local Public Goods: a Political Economy Approach, *Journal of Public Economics* 87 (12), 2611-2637. [\[LINK\]](#)

Weingast, Barry (2009): Second Generation Fiscal Federalism: The Implication of Fiscal Incentives, *Journal of Urban Economics* 65 (3), 279-293. [\[LINK\]](#)

## 9) System Competition

Devereux, Michael P., Ben Lockwood and Michela Redoano (2008): Do Countries Compete Over Corporate Tax Rates? *Journal of Public Economics*, 92 (5-6), 1210-1235. [\[LINK\]](#)

Fiva, Jon H. (2009): Does Welfare Policy Affect Residential Choices? An Empirical Investigation Accounting for Policy Endogeneity, *Journal of Public Economics*, 93 (3-4), 529-540. [\[LINK\]](#)

Rodrik, Dani (1998): Why Do More Open Economies Have Bigger Governments?, *Journal of Political Economy* 106 (5), 997-1032. [\[LINK\]](#)

Wildasin, David E. (1991): Income Redistribution in a Common Labor Market, *American Economic Review* 81 (4), 757-774. [\[LINK\]](#)

Zodrow, George R. and Peter Mieszkowski (1986): Pigou, Tiebout, Property Taxation, and the Underprovision of Local Public Goods. *Journal of Urban Economics* 19 (3), 356-370. [\[LINK\]](#)

Jon H. Fiva, August 13, 2009.