

POLS 5365: Political Economy of Institutions

Wednesdays @ 3:00 in Holden Hall 255

Professor Kevin Grier

PS Office: Holden Hall 230

FMI Office Admin 169C

Kevin.Grier@TTU.edu

www.KevinBGrier.com

Office Hours by Appointment

We will study how institutions affect political and economic performance. We cover varieties of governance, the Bretton Woods Institutions, culture/trust/corruption, the modern impact of historical institutions, sanctions, rent-seeking, state capacity and state failure.

The main emphasis is on getting students into writing their own research on one of these topics.

The main expectations that I have for you as students are (1) DO THE READINGS AND COME TO CLASS PREPARED. This is a graduate seminar, I am not going to be lecturing for 3 hours a week. (2) **Be respectful** of your fellow students. (2) Do NOT plagiarize the work of others in ANY of your assignments. If you have any doubts, ASK FIRST before turning something in.

Grading:

Research Paper 50% (see time line at back of syllabus)

Referee Report 25% (topic and paper to be decided by consulting with me)

Participation 25% (these points are yours to lose. If I become dissatisfied with participation, I reserve the right to create specific assignments for these points)

Topics and some initial readings (the syllabus is never truly done!) follow

Institutions and Economic Performance:

Stasavage, D., 2014. Was Weber right? The role of urban autonomy in Europe's rise. *American Political Science Review*, 108(2), pp.337-354.

L. Blaydes and E. Chaney 2012 "The Feudal Revolution and Europe's Rise: Institutional Divergence in the Christian and Muslim Worlds before 1500 CE" *American Political Science Review*

Johnson, Noel and Mark Koyama. 2015. "States and Economic Growth" Working paper.

Bates, Robert H., John H. Coatsworth, and Jeffrey G. Williamson. 2007. "Lost Decades: Post-independence Performance in Latin America and Africa." *The Journal of Economic History*.

Acemoglu, Johnson, and Robinson. 2002. 'Reversal of Fortune: Geography and Institutions in the Making of the Modern World Economy' *Quarterly Journal of Economics* 1231-1296.

Glaeser, E., La Porta R., Lopez-de-Silanes F, Shleifer A. 2004. 'Do Institutions Cause Growth?' *Journal of Economic Growth* 9: 271-303.

Przeworski, Adam. 2004. 'The Last Instance? Are Institutions the Primary Cause of Economic Development?' *European Journal of Sociology* 15: 165-188

Borcan, O., Olsson, O. and Putterman, L., 2018. State history and economic development: evidence from six millennia. *Journal of Economic Growth*, 23(1), pp.1-40.

Where does Government come from?

Stasavage, D., 2016. Representation and consent: why they arose in Europe and not elsewhere. *Annual Review of Political Science*, 19, pp.145-162.

Amos Sawyer. 2004. "Violent conflicts and governance challenges in West Africa: the case of the Mano River basin area." *The Journal of Modern African Studies* 42(03)

Olson, Mancur. 1993. "Dictatorship, Democracy, and Development." *American Political Science Review* 87(3): 567-576.

de la Sierra, Raúl Sánchez. 2015. "On the Origin of States: Stationary Bandits and Taxation in Eastern Congo." Working paper

Skarbek, David. 2011. "Governance and prison gangs." *American Political Science Review* 105(4): 702-716.

Bates, Robert, Avner Greif, and Smita Singh. "Organizing violence." *Journal of Conflict Resolution* 46.5 (2002): 599-628.

Dincecco, Mark. 2015. "The Rise of Effective States in Europe." Working paper.

Dincecco, Mark, James E. Fenske, and Massimiliano Gaetano Onorato. 2016. "Is Africa Different? Historical Conflict and State Development." Working paper

Douglass C. North, John J. Wallis & Barry R. Weingast. 2009. "Violence and the rise of open-access orders." *Journal of Democracy*, 20(1): 55-68.

Hariri, Jacob G. "The Autocratic Legacy of Early Statehood." *American Political Science Review* 106.3 (2012)

Corruption

Pan, J. and Chen, K., 2018. Concealing Corruption: How Chinese Officials Distort Upward Reporting of Online Grievances. *American Political Science Review*, pp.1-19.

Rothstein, B. and Uslaner, E.M., 2005. All for all: Equality, corruption, and social trust. *World politics*, 58(1), pp.41-72.

Treisman, D., 2007. What have we learned about the causes of corruption from ten years of cross-national empirical research?. *Annu. Rev. Polit. Sci.*, 10, pp.211-244.

Seligson, M.A., 2002. The impact of corruption on regime legitimacy: A comparative study of four Latin American countries. *The journal of Politics*, 64(2), pp.408-433.

Treisman, D., 2000. The causes of corruption: a cross-national study. *Journal of public economics*, 76(3), pp.399-457.

Jain, A.K., 2001. Corruption: A review. *Journal of economic surveys*, 15(1), pp.71-121.

Svensson, J., 2005. Eight questions about corruption. *Journal of economic perspectives*, 19(3), pp.19-42.

Fisman, R. and Miguel, E., 2007. Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets. *Journal of Political economy*, 115(6), pp.1020-1048.

Sanctions

Marinov, N., 2005. Do economic sanctions destabilize country leaders? *American Journal of Political Science*, 49(3), pp.564-576.

Peksen, D., 2009. Better or worse? The effect of economic sanctions on human rights. *Journal of Peace Research*, 46(1), pp.59-77.

Ang, A.U.J. and Peksen, D., 2007. When do economic sanctions work? Asymmetric perceptions, issue salience, and outcomes. *Political Research Quarterly*, 60(1), pp.135-145.

Escribà-Folch, A., 2010. Economic sanctions and the duration of civil conflicts. *Journal of Peace Research*, 47(2), pp.129-141.

IMF/WB/Aid

Girod, D.M. and Tobin, J.L., 2016. Take the money and run: The determinants of compliance with aid agreements. *International Organization*, 70(1), pp.209-239.

Eichenauer, V.Z. and Reinsberg, B., 2017. What determines earmarked funding to international development organizations? Evidence from the new multi-bi aid data. *The Review of International Organizations*, 12(2), pp.171-197.

Presbitero, A.F. and Zazzaro, A., 2012. IMF lending in times of crisis: Political influences and crisis prevention. *World Development*, 40(10), pp.1944-1969.

Vreeland, J.R., 2011. Foreign aid and global governance: Buying Bretton Woods—the Swiss-bloc case. *The Review of International Organizations*, 6(3-4), pp.369-391.

Güven, A.B., 2012. The IMF, the World Bank, and the global economic crisis: exploring paradigm continuity. *Development and Change*, 43(4), pp.869-898.

Papi, L., Presbitero, A.F. and Zazzaro, A., 2015. IMF lending and banking crises. *IMF Economic Review*, 63(3), pp.644-691.

Dreher, A., Gould, M., Rablen, M.D. and Vreeland, J.R., 2014. The determinants of election to the United Nations Security Council. *Public Choice*, 158(1-2), pp.51-83.

Dreher, A. and Gassebner, M., 2012. Do IMF and World Bank programs induce government crises? An empirical analysis. *International Organization*, 66(2), pp.329-358.

Dreher, A., Sturm, J.E. and Vreeland, J.R., 2015. Politics and IMF conditionality. *Journal of Conflict Resolution*, 59(1), pp.120-148.

Dreher, A., Fuchs, A., Hodler, R., Parks, B., Raschky, P. and Tierney, M.J., 2016. Aid on demand: African leaders and the geography of China's foreign assistance.

Öhler, H., Nunnenkamp, P. and Dreher, A., 2012. Does conditionality work? A test for an innovative US aid scheme. *European Economic Review*, 56(1), pp.138-153.

Berger, D., Easterly, W., Nunn, N. and Satyanath, S., 2013. Commercial imperialism? Political influence and trade during the Cold War. *American Economic Review*, 103(2), pp.863-96.

Dreher, A., Klasen, S., Vreeland, J.R. and Werker, E., 2013. The costs of favoritism: is politically driven aid less effective?. *Economic Development and Cultural Change*, 62(1), pp.157-191.

Urdinez, F., Mouron, F., Schenoni, L.L. and de Oliveira, A.J., 2016. Chinese economic statecraft and US hegemony in Latin America: an empirical analysis, 2003–2014. *Latin American Politics and Society*, 58(4), pp.3-30.

Lang, V.F., 2016. The economics of the democratic deficit: The effect of IMF programs on inequality.

The Long Arm of the Past

Dalgaard, C.J., Kaarsen, N., Olsson, O. and Selaya, P., 2018. Roman Roads to Prosperity: Persistence and Non-Persistence of Public Goods Provision.

Acharya, A., Blackwell, M. and Sen, M., 2016. The political legacy of American slavery. *The Journal of Politics*, 78(3), pp.621-641.

Olsson, O., 2009. On the democratic legacy of colonialism. *Journal of Comparative Economics*, 37(4), pp.534-551.

Olsson, O. and Paik, C., 2016. Long-run cultural divergence: Evidence from the neolithic revolution. *Journal of Development Economics*, 122, pp.197-213.

Becker, S.O., Boeckh, K., Hainz, C. and Woessmann, L., 2016. The empire is dead, long live the empire! Long-run persistence of trust and corruption in the bureaucracy. *The Economic Journal*, 126(590), pp.40-74.

Dell, M. and Querubin, P., 2016. Bombing the Way to State Building? Lessons from the Vietnam War. *Quarterly Journal of Economics*. Director of National Intelligence, Office of the.

Dell, M. and Olken, B.A., 2017. *The Development effects of the extractive colonial economy: The Dutch cultivation system in Java* (No. w24009). National Bureau of Economic Research.

Dell, M., 2010. The persistent effects of Peru's mining mita. *Econometrica*, 78(6), pp.1863-1903.

Nunn, Nathan. 2009. "The Importance of History for Economic Development." *Annual Review of Economics* 1(1):65–92.

Nunn, Nathan and Leonard Wantchekon. 2011. "The Slave Trade and the Origins of Mistrust in Africa." *American Economic Review* 101(7):3221–3252.

Lupu, N. and Peisakhin, L., 2017. The legacy of political violence across generations. *American Journal of Political Science*, 61(4), pp.836-851.

Rozenas, A., Schutte, S. and Zhukov, Y., 2017. The political legacy of violence: The long-term impact of Stalin's repression in Ukraine. *The Journal of Politics*, 79(4), pp.1147-1161.

Miscellaneous cool stuff

Van de Walle, Nicolas. 2004. "Economic Reform: Patterns and Constraints." Democratic Reform in Africa. *The Quality of Progress*: 29-63

Williams, M.J., 2017. The political economy of unfinished development projects: corruption, clientelism, or collective choice? *American Political Science Review*, 111(4), pp.705-723.

Ahlerup, P., Olsson, O. and Yanagizawa, D., 2009. Social capital vs institutions in the growth process. *European Journal of Political Economy*, 25(1), pp.1-14.

Romelli, D., 2016. The political economy of reforms in central bank design: evidence from a new dataset. *Mimeo Dep. Econ. Trinity Coll. Dublin*.

Charlety, P., Romelli, D. and Santacreu-Vasut, E., 2017. Appointments to central bank boards: Does gender matter?. *Economics Letters*, 155, pp.59-61.

Collier, Paul, V. L. Elliott, Håvard Hegre, Anke Hoeer, Marta Reynal-Querol and Nicholas Sambanis. 2013. "Breaking the Conflict Trap: Civil War and Development Policy." Washington, DC: World Bank.

Pierson, Paul. 2000. "Increasing Returns, Path Dependence, and the Study of Politics." *American Political Science Review* 94(2):251–267.

Angelucci, C., Meraglia, S. and Voigtländer, N., 2017. *The Medieval Roots of Inclusive Institutions: From the Norman Conquest of England to the Great Reform Act* (No. w23606). National Bureau of Economic Research.

Timeline for the research project

Topics submitted by September 7 (email, as much detail as you can) Sooner is better

Topic approved by September 19th

Data search completed to confirm viability of topic by September 26th

Literature Review by October 17

Data Collected and Cleaned by October 24

Preliminary Results submitted by November 14

Rough Draft due November 28

Final Turn in, December 10

If you are planning to double submit in another class you must get my permission AND the other class's instructor permission from the beginning. Feel free to consult with your primary advisor about a topic and how you can use this assignment to further your publishing / dissertation goals.

How to critically read/evaluate a paper

1. What is the main point / argument / take away
2. What is the evidence offered in support?
3. How appropriate is the argument / evidence
4. Does the statistical analysis make sense
5. Biggest strength / Biggest weakness
6. Can you think of extensions or refutations?
7. What would you have done differently?
8. What new ideas have you come up with from reading the paper?