

Recent Developments in Institutional Economics

Master Seminar

Liefmann-Haus, December 16-17, 2013

While (new) institutional economics has been an important alternative strand of economic reasoning in the last five decades, there has been exciting new developments in the literature in the last couple of years. Topics like politics, culture or conflict have been tackled with state-of-the-art theoretical and empirical methods. New insights have been gained how societal and economic development is influenced by institutions. The goal of this seminar is to provide students with an overview of the latest advances in this field, thereby taking a political-economy perspective in the first place.

List of topics

(Each topic will be shared by two students; however, each student will focus on a different aspect of the topic and write his/her own seminar paper.)

1. Introduction: Key Theoretical Concepts and Empirics of Political Economy

The introductory topic discusses key theoretical concepts in the emerging field of political economy of institutions and grasp its theoretical playing field. It summarizes important empiric findings about the relationship between measures of institutions and economic performance.

2. Collective Choice and Voting

This topic introduces models of collective choice and (dynamic) voting and explains how such democratic decision making relates to political and economic outcomes. It also links this to endogenous institutions and laws using the example of social mobility and redistribution.

3. The Role of the State and Different Political Regimes

This topic assesses models of the determination of economic institutions and policies when there is no democracy or only a limited democratic system. It discusses how democratic and oligarchic societies or weak and strong states may generate different types of pro-growth or anti-growth policies.

4. Institutional Change and Democratization versus Persistence and Dysfunctional Democracies

This topic relates basic models of institutional change to transitions of political systems toward democracy and assesses the question why economic and political institutions change. It also discusses the persistence of institutions. Specifically, it is analyzed whether and how democracies that follow elite-dominated regimes are prone to diverse inefficiencies, including implicit autocracies, nepotism, and conflicts.

5. Beliefs, Culture and Institutions

This topic covers two related points: First, the interaction of information, the forming of beliefs and political outcomes. Second, the mechanisms and potential effects of culture and values on political and economic outcomes.

6. Voting in Practice

This topic aims at practical questions regarding voting systems: What are the effects of vote buying, voter intimidation and manipulation.

7. Constraints on Collective Action and Ways to Promote Collective Action

Collective action, the achievement of common goals or the provision of public goods can be endangered in various ways. These ways and the potential mechanisms to foster collective action are the focus of this topic.

8. Corruption

This topic discusses the political economy behind corrupt behavior and the interaction of politicians and firms and institutions.

9. Conflict Theory and Evidence

The final topic relates institutions and political economy to theories on conflict and civil war. In addition, recent empirical evidence is discussed.

A detailed list of references will be provided as soon as the topics have been allocated.

Interested students please apply for participation by September 17th, 2013, using the application form on the chair's homepage.