

Introduction to Institutional Economics Syllabus

**Department of Politics / Faculty of Social Sciences
National Research University – Higher School of Economics**

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1. Course Description

Title of the course: Introduction to Institutional Economics

Pre-requisites: Students should have an understanding of basic economic analysis up to the level of Introductory Microeconomics. Preliminary knowledge of quantitative research methods and econometrics is an asset, but not required.

Course Type: Compulsory

2. Abstract, Learning Objective and Learning Outcomes

The course is designed to give an introduction to the fields of new institutional economics and comparative political economy, with a focus both on the basic theory and on contemporary empirical research. We will look on how institutions shape the incentives of economic agents, and how this influences economic outcomes in various contexts. Students will also study the emergence of institutions, and compare institutionalist theories of economic development with theories that place other factors at the center of their analysis.

The objective of the course is to give students a solid foundation in the basic concepts of new institutional economics, as well as a first impression and understanding of the topics studied and the methodologies used at the frontier of institutional research today. Throughout the course, students will learn how to read research papers, how to judge the quality of a research paper (evaluate the data and methodology used), and how to read and interpret regression outputs and empirical results.

3. Course Plan

I. Introduction

Lecture 1: Introduction

II. New Institutional Economics: The Basic Theory

Lecture 2: Transaction costs

Lecture 3: Property rights

Lecture 4: Contracts

Lecture 5: Applications to Markets, the Firm and the State

III. Institutions and Economic Development

Lecture 6: The Long-Term Determinants of Economic Growth

Lecture 7: Institutions and Economic Development

Lecture 8: Institutions and Incentives

IV. Political Institutions and Governance

Lecture 9: Democracy, Elections and Political Machines

Lecture 10: The Politics of Information Control

Lecture 11: Corruption

4. Readings

Readings marked with two stars (**) are **required**, and an understanding of key concepts and key results from two-star papers and book chapters is necessary to pass the exam. Papers marked with one star (*) are **important additional readings** that are directly related to the subject of the lecture and will be discussed in detail during the class. Finally, a number of other interesting papers and books are indicated for each lecture, for those who want to dig further into a subject. All lecture slides will be available at <https://sites.google.com/site/michaelrochlitz/teaching>, and key readings will also be made available online.

5. Grading System / Guidelines for Knowledge Assessment

- 60% final exam / 40% presentations during the seminars and term papers
- The exam will take place in December, and will be composed of 6 questions. You will have 2 hours to answer all questions (i.e. approximately 20 minutes per question). Two weeks before the exam, I will provide you with a number of sample questions and answers, to give an idea about what to expect.
- In order to pass the exam, re-read the slides (accessible on my website), and make a five-lines summary of each two-star paper. If you are confident to have understood

the basic messages of the two star papers and the basic ideas from the lectures, you should be able to pass the exam without problems.

- Each student has to write one term paper (5-7 pages, 25% of the final grade). How to write the term paper will be discussed in detail during the seminars. You can also pass by at my office to discuss the term paper before handing it in (send me an email to make an appointment).
- Each student has to give one presentation about one of the papers in the syllabus during the seminars (10 minutes, 15% of the final grade).

6. Organization of the Seminars / Methods of Instruction

In parallel to the lectures, we will have 16 seminars in smaller groups. During the seminars, we will discuss more in detail research papers presented during the lectures, with a focus both on the content and on the data and methodologies used. During each seminar, two or three students will make a short presentation of a research paper. We will then look at the topic, research question and the strengths and weaknesses of each paper, before discussing their implications for the general topic of the class.

I. Introduction

Lecture 1: Introduction

Organization of the course. From Neoclassical Economics to New Institutional Economics and Comparative Political Economy. How to define institutions. How to measure institutions. From institutions to incentives and outcomes. Comparing North and South Korea, China and Russia.

- ****Furubotn E., Richter R. (2005) *Institutions and Economic Theory*. Ann Arbor: The University of Michigan Press, chapter 1**
- ***Eggertsson (2013) 'Quick Guide to New Institutional Economics', *Journal of Comparative Economics*, 41(1): 1-5**
- ***Marroquin A. (2011) 'Teaching Institutional Economics with *The Fellowship of the Ring*', *Francisco Marroquin University*, working paper**
- ***North D. (1991) 'Institutions', *Journal of Economic Perspectives*, 5(1): 97-112**
- Groenewegen J., Spithoven A., Van den Berg A. (2010) *Institutional Economics: An Introduction*. Houndmills: Palgrave Macmillan.
- Joskow P. (2008) 'Introduction to New Institutional Economics: A Report Card', in Brousseau E., Glachant J. (eds.), *New Institutional Economics: A Guidebook*. Cambridge: Cambridge University Press, pp. 1-21
- Keefer P. (2004) 'What Does Political Economy Tell us About Development and Vice Versa', *Annual Review of Political Science*, 12: 367-378
- Hodgson G. (2006) 'What are Institutions?', *Journal of Economic Issues*, 40(1): 1-25
- Кузьминов Я., Бендукидзе К., Юдкевич М. (2006) *Курс институциональной экономики*. Москва: Издательский Дом ГУ ВШЭ.
- Кузьминов Я., Бендукидзе К., Юдкевич М. (2006) 'Переделать страну', *Ведомости*, 13.02.2006, № 24 (1551)
- Menyashev R., Nathkov T., Polishchuk L., Syunyaev G. (2011) 'New Institutional Economics: A State-Of-The-Art Review for Economic Sociologists', *Economic Sociology*, 13(1): 12-21
- North D. (1990) *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- Одинцова М. (2014) *Институциональная экономика*. Москва: Издательский Дом ГУ ВШЭ.
- Przeworski A. (2004) 'Institutions Matter?', *Government and Opposition*, 39(4): 527-540
- Williamson O. (2000) 'The New Institutional Economics: Taking Stock, Looking Ahead', *Journal of Economic Literature*, 38: 595-613

II. New Institutional Economics: The Basic Theory

Lecture 2: Transaction Costs

The “Basic Laws” of Economics. The Nature of the Firm. The Coase Theorem. Transaction Costs. Search, Bargaining and Enforcement Costs. How to Measure Transaction Costs. Transaction Costs in the Soviet Union.

- ****Furubotn E., Richter R. (2005) *Institutions and Economic Theory*. Ann Arbor: The University of Michigan Press, chapter 2**
- ***Одинцова М. (2014) *Институциональная экономика*. Москва: Издательский Дом ГУ ВШЭ, chapter 2**
- Akerlof G. (1970) ‘The Market for “Lemons”: Quality Uncertainty and the Market Mechanism’, *The Quarterly Journal of Economics*, 84(3): 488-500
- Benham A., Benham L. (2001) ‘The Costs of Exchange’, *Ronald Coase Institute Working Paper Series*, working paper No. 1
- Coase R. (1937) ‘The Nature of the Firm’, *Economica*, 4(16): 386-405
- Coase R. (1960) ‘The Problem of Social Cost’ *Journal of Law and Economics*, (3): 1-44
- Greif A., Milgrom P., Weingast B. (1994) ‘Coordination, Commitment, and Enforcement: The Case of the Merchant Guild’, *Journal of Political Economy*, 102(4): 745-776
- Ledeneva A. (1998) *Russia’s Economy of Favours: Blat, Networking and Informal Exchange*, Cambridge: Cambridge University Press.
- Myerson R., Satterthwaite M. (1983) ‘Efficient Mechanisms for Bilateral Trading’, *Journal for Economic Theory*, 29: 265-281

Lecture 3: Property Rights

Definition of property rights. Private vs public property. Externalities. Common property and the tragedy of the commons. Collective action. The emergence of property rights. Endogenous property rights. Property rights and economic development.

- ****Furubotn E., Richter R. (2005) *Institutions and Economic Theory*. Ann Arbor: The University of Michigan Press, chapter 3**
- ***Одинцова М. (2014) *Институциональная экономика*. Москва: Издательский Дом ГУ ВШЭ, chapter 3**
- ***Khan M. (2009) *Governance Capabilities and the Property Rights Transition in Developing Countries*, London: DFID (in particular pages 40 to 48)**
- Allen D. (2002) ‘The Rhino’s Horn: Incomplete Property Rights and the Optimal Value of an Asset’, *Journal of Legal Studies*, 31(3): 339-358
- Angeles L. (2011) ‘Institutions, Property Rights and Economic Development in Historical Perspective’, *Kyklos*, 64(2): 157-177
- Asoni A. (2008) ‘Protection of Property Rights and Growth as Political Equilibria’, *Journal of Economic Surveys*, 22(5): 953-987
- Besley T., Ghatak M. (2010) ‘Property Rights and Economic Development’, *Handbook of Development Economics*, 5(68): 4525-4595

- Davis M. (2006) *Planet of Slums*, London: Verso Books
- Demsetz H. (1967) 'Toward the Theory of Property Rights', *American Economic Review*, 57: 349-359
- De Soto H. (2000) *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, Richmond: Black Swan
- Frye T. (2004) 'Credible Commitment and Property Rights: Evidence from Russia', *American Political Science Review*, 98(3): 453-466
- Guriev S., Sonin K. (2009) 'Dictators and Oligarchs: A Dynamic Theory of Contested Property Rights', *Journal of Public Economics*, 93: 1-13
- Kim A. (2004) 'A Market Without the "Right" Property Rights: Ho Chi Minh City, Vietnam's newly-emerged Private Real-Estate Market', *Economics of Transition*, 12(2): 275-305
- Knutsen C. (2011) 'Democracy, Dictatorship and Protection of Property Rights', *Journal of Development Studies*, 47(1): 164-182
- Lindner I., Strulik H. (2004) 'Why Not Africa? – Growth and Welfare Effects of Secure Property Rights', *Public Choice*, 120: 143-167
- Ostrom E. (1990) *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press
- Sonin K. (2003) 'Why the Rich May Favor Poor Protection of Property Rights', *Journal of Comparative Economics*, 31(4): 715-731
- Zhang X. (2005), 'Asymmetric Property Rights in China's Economic Growth', *IFPRI*, working paper

Lecture 4: Contracts

Definition of a contract. Legal and economic approaches to contract theory. Incomplete contracts, bounded rationality and asymmetric information. Trust. Contract enforcement and economic development. Sharecropping.

- ****Furubotn E., Richter R. (2005) *Institutions and Economic Theory*. Ann Arbor: The University of Michigan Press, chapters 4 and 5**
- ***Одинцова М. (2014) *Институциональная экономика*. Москва: Издательский Дом ГУ ВШЭ, chapter 4**
- Allen F. (1985) 'On the Fixed Nature of Sharecropping Contracts', *The Economic Journal*, 95(377): 30-48
- Bolton P., Dewatripont P. (2005) *Contract Theory*, Cambridge: MIT Press.
- He X. (2012) 'A Tale of Two Chinese Courts: Economic Development and Contract Enforcement', *Journal of Law and Society*, 46(3): 384-409
- Joskow P. (1987) 'Contract Duration and Relationship-Specific Investments: Empirical Evidence from Coal Markets', *American Economic Review*, 77: 168 -173

Lecture 5: Applications to Markets, Firms and the State

Firms vs markets. Ownership structure of the firm. Separation of ownership and control. Opportunistic behaviour of managers and corporate control. Privatization in Russia, China and other transition economies. Corporate governance. The state as a firm with the monopoly of violence. Contractual theories of the state. Predatory theory of the state. The regulatory role of the state in Russia.

- ***Furubotn E., Richter R. (2005) *Institutions and Economic Theory*. Ann Arbor: The University of Michigan Press, chapters 6 to 9**
- ***Одинцова М. (2014) *Институциональная экономика*. Москва: Издательский Дом ГУ ВШЭ, chapters 5 and 6**
- Boycko M., Shleifer A., Vishny R. (1995) *Privatizing Russia*, Cambridge: MIT Press.
- Earle J., Estrin S. (2003) 'Privatization, Competition, and Budget Constraints: Disciplining Enterprises in Russia', *Economics of Planning*, 36: 1-22
- Olson M. (1982) *The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities*, New Haven: Yale University Press.
- Varese F. (2005) *The Russian Mafia: Private Protection in a New Market Economy*. Oxford: Oxford University Press.
- Volkov V. (2002) *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism*. Ithaca: Cornell university Press.

III. Institutions and Economic Development

Lecture 6: The Long-Term Determinants of Institutions and Economic Growth

The long-term determinants of growth. Institutions vs. climate vs. culture vs. geography. The reversal of fortune. Limited and open access orders. Institutional change and evolution. The long-term determinants of institutions.

- ****Acemoglu D., Johnson S., Robinson J. (2002) 'Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution', *The Quarterly Journal of Economics*, 117(4): 1231-1294**
- ***Acemoglu D., Johnson S., Robinson J. (2001) 'The Colonial Origins of Comparative Development', *American Economic Review*, 91(5): 1369-1401**
- ***Banerjee A., Iyer L. (2005), 'History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India', *American Economic Review*, 95(4): 1190-1213**
- ***Dell M. (2010) 'The Persistent Effects of Peru's Mining Mita', *Econometrica*, 78(6): 1863-1903**
- ***Keefer P., Knack S. (1997) 'Why Don't Poor Countries Catch Up? A Cross-National Test of an Institutional Explanation', *Economic Inquiry*, 35(3): 590-602**
- ***Nunn N. (2008) 'The Long-Term Effects of Africa's Slave Trades', *Quarterly Journal of Economics*, 123(1): 139-176**

- ***Natkhov T. (2013) 'Colonization, Human Capital and Development: The Long-term Effect of Russian Settlement in the North Caucasus, 1890s-2000s', *working paper***
- ***North D., Wallis J., Weingast B. (2009) *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge University Press.**
- ***Rodrik D., Subramanian A., Trebbi F. (2004) 'Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development', *Journal of Economic Growth*, 9(2): 131-165**
- Acemoglu D., Johnson S., Robinson J. (2005) 'Institutions as a Fundamental Cause of Long-Run Growth', *Handbook of Economic Growth*, 1(1): 385-472
- Acemoglu D., Robinson J. (2011) *Why Nations Fail*. London: Profile Books.
- Alesina A., Giuliano P., Nunn N. (2013) 'On the Origin of Gender Roles: Women and the Plough', *Quarterly Journal of Economics*, 128(2): 469-530
- Botticini M., Eckstein Z. (2012) *The Chosen Few: How Education Shaped Jewish History, 70-1492*, Princeton: Princeton University Press.
- Coatsworth J. (2008) 'Inequality, Institutions and Economic Growth in Latin America', *Journal of Latin American Studies*, 40: 545-569
- Dell M. (2012) 'Path Dependence in Development: Evidence from the Mexican Revolution', *Harvard University*, working paper
- Diamond J. (1997) *Guns, Germs, and Steel*. New York: W.W.Norton & Co.
- Easterly W., Levine R. (2003) 'Tropics, Germs, and Crops: How Endowments Influence Economic Development', *Journal of Monetary Economics*, 50(1): 3-39
- Eckert C. (1991) *Offspring of Empire: The Koch'ang Kims and the Colonial Origins of Korean Capitalism, 1876 – 1945*. Washington: University of Washington Press.
- Garcia-Ponce O., Wantchekon L. (2011) 'Echoes of Colonial Repression: The Long-Term Effects of the 1947 Revolt upon Political Attitudes in Madagascar', paper prepared for the 2011 APSA annual meeting
- Glaeser E., La Porta R., Lopez-de-Silanes F., Shleifer A. (2004), 'Do Institutions Cause Economic Growth', *Journal of Economic Growth*, 9(3): 271-303
- Greif A. (2006) *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*. Cambridge: Cambridge University Press.
- Grosfeld I., Zhuravskaya E. (2012) 'Persistent Effects of Empires: Evidence from the Partitions of Poland', *Paris School of Economics*, working paper
- Hall R., Jones C. (1999) 'Why Do Some Countries Produce so Much More Output than Others?', *The Quarterly Journal of Economics*, 114(1): 83-116
- Iyigun M. (2013) 'Lessons from the Ottoman Harem on Culture, Religion, and Wars', *Economic Development and Cultural Change*, 61(4): 693-730
- Kenny P. (2013) 'The Origins of Patronage Politics: State Building, Centrifugalism, and Decolonization', *British Journal of Political Science*, September 2013: 1-31
- Kuran T. (2010), *The Long Divergence: How Islamic Law Held Back the Middle East*. Princeton: Princeton University Press.
- Malik A. (2012) 'Was the Middle East's Economic Descent a Legal or Political Failure? Debating the Islamic Law Matters Thesis', *Center for the Study of African Economies, University of Oxford*, working paper No. 2012-08
- Natkhov T., Polishchuk L. (2012) 'Institutions and the Allocation of Talent', *Higher School of Economics*, basic research program working paper No. 15/EC/2012

- Nunn N. (2013) 'Historical Development', in Aghion P., Durlauf S. (eds.), *Handbook of Economic Growth, Vol. 2*. Amsterdam: North-Holland, forthcoming
- Pop-Eleches G. (2007) 'Historical Legacies and Post-Communist Regime Change', *The Journal of Politics*, 69(4): 908-926
- Przeworski A. (2004) 'The Last Instance: Are Institutions the Primary Cause of Development?', *European Journal of Sociology*, 45(2): 165-188
- Rodrik D. (2008) 'Second-Best Institutions', *American Economic Review: Papers and Proceedings*, 98(2): 100-104
- Sachs J. (2003) 'Institutions Don't Rule: Direct Effects of Geography on Per Capita Income', *NBER working paper No. 9490*
- Wittenberg J. (2012) 'What is a Historical Legacy?', *University of California, Berkeley*, working paper

Lecture 7: Institutions and Economic Development

Market failures. Industrial policy and catching-up. Late industrialization. Rent-seeking. Learning rents. Embedded autonomy. Patron-client relationships. State-business relations. The Weberian state. Meritocracy and predictable career ladders. Size of bureaucracy and policy outcomes.

- ****Khan M. (1998) 'Patron-Client Networks and the Economic Effects of Corruption in Asia', *European Journal of Development Research*, 10(1): 15-39**
- ****Evans P., Rauch J. (1999) 'Bureaucracy and Growth: A Cross-National Analysis of the Effects of "Weberian" State Structures on Economic Growth', *American Sociological Review*, 64(5): 748-765**
- *Brown D., Earle J., Gehlbach S. (2009) 'Helping Hand or Grabbing Hand? State Bureaucracy and Privatization Effectiveness', *American Political Science Review*, 103(2): 264-283
- *Evans P. (1989) 'Predatory, Developmental, and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State', *Sociological Forum*, 4(4): 561-587
- *Khan M., Jomo K. (2000, eds.) *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*. Cambridge: Cambridge University Press (chapters 1 and 2)
- Amsden A. (1989) *Asia's Next Giant: South Korea and Late Industrialization*. New York: Oxford University Press.
- Ayal E., Karras G. (1996) 'Bureaucracy, Investment and Growth', *Economic Letters*, 51(2): 233-239
- Bardhan P. (1984) *The Political Economy of Development in India*. Oxford: Oxford University Press
- Buckley N., Garifullina G., Reuter O. (2012) 'Bureaucratic Appointments in Hybrid Regimes', *Higher School of Economics*, basic research program working paper No. 11/PS/2012
- Chang H. (2003) *Kicking Away the Ladder: Developmental Strategy in Historical Perspective*. London: Anthem Press.

- Cheng T., Haggard S., Kang D. (1998) 'Institutions and Growth in Korea and Taiwan: The Bureaucracy', *The Journal of Development Studies*, 34(6): 87-111
- Chibber V. (2006) *Locked in Place: State-Building and Late Industrialization in India*. Princeton: Princeton University Press.
- Cimoli M., Dosi G., Stiglitz J. (2009, eds.) *Industrial Policy and Development: The Political Economy of Capabilities Accumulation*. Oxford: Oxford University Press.
- Dixit A. (2010) 'Democracy, Autocracy and Bureaucracy', *Journal of Globalization and Development*, 1(1)
- Ehrlich I., Lui F. (1999) 'Bureaucratic Corruption and Endogenous Economic Growth', *Journal of Political Economy*, 107(6): 270-293
- Enikolopov R. (2012) 'Are Bureaucrats Really Paid Like Bureaucrats', *New Economic School*, working paper
- Evans P. (1995) *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.
- Frye T., Shleifer A. (1997) 'The Invisible and the Grabbing Hand', *American Economic Review*, 87(2): 354-358
- Imbs J., Wacziarg R. (2003) 'Stages of Diversification', *American Economic Review*, 93(1): 63-86
- Iyer L., Mani A. (2012) 'Travelling Agents: Political Change and Bureaucratic Turnover in India', *The Review of Economics and Statistics*, 94(3): 723-739
- Johnson C. (1982) *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. Stanford: Stanford University Press.
- Kohli A. (2004) *State-Directed Development: Political Power and Industrialization in the Global Periphery*. Cambridge: Cambridge University Press.
- Kung J., Chen S. (2011) 'The Tragedy of the Nomenclatura: Career Incentives and Political Radicalism during China's Great Leap Famine', *American Political Science Review*, 105(1): 27-45
- Lapuente V. (2008) 'Why Bureaucracy? Political Power and the Emergence of Autonomous Bureaucracies', *University of Gothenburg, QoG working paper No. 23*
- McGillivray F. (2004) *Privileging Industry: The Comparative Politics of Trade and Industrial Policy*. Princeton: Princeton University Press.
- Mueller H. (2009) 'Patronage or Meritocracy: Political Institutions and Bureaucratic Efficiency', *Institut d'Analisi Economica, CSIC*, working paper
- Rodrik D. (2008) 'Industrial Policy: Don't Ask Why, Ask How', *Middle East Development Journal*, 1(1): 1-29
- Shapiro H., Taylor L. (1990) 'The State and Industrial Strategy', *World Development*, 18(6): 861-878
- Wade R. (2003) *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton: Princeton University Press. (second edition)

Lecture 8: Institutions and Incentives

Comparing China, Russia and East-Asia's newly industrialized economies. From incentives to strategies and policy outcomes. Measuring incentives. Gubernatorial appointments in

China and Russia. Stationary and roving bandits. Incentives for regional officials and property rights security. Incentives for the police and state predation.

- ****Li H., Zhou L. (2005) 'Political Turnover and Economic Performance: The Incentive Role of Personnel Control in China', *Journal of Public Economics*, 89: 1743-1762**
- ****Reuter J., Robertson G. (2012) 'Subnational Appointments in Authoritarian Regimes: Evidence from Russian Gubernatorial Appointments', *The Journal of Politics*, 74(4): 1023-1037**
- ***Li H., Liu P., Zhang J., Ma J. (2007) 'Economic Returns to Communist Party Membership: Evidence from Urban Chinese Twins', *The Economic Journal*, 117: 1504-1520**
- ***Libman A., Kozlov V., Schultz A. (2012) 'Roving Bandits in Action: Outside Option and Governmental Predation in Autocracies', *Kyklos*, 65(4): 526-562**
- ***Reisinger W., Moraski B. (2012) 'Deference or Governance? A Survival Analysis of Russia's Governors Under Presidential Control', in Reisinger W. (ed.), *Russia's Regions and Comparative Subnational Politics*, London: Routledge, pp. 40-62**
- ***Rochlitz M. (2013) 'Corporate Raiding and the Role of the State in Russia', *Post-Soviet Affairs*, 30(2-3): 89-114**
- ***Xu C. (2011) 'The Fundamental Institutions of China's Reforms and Development', *Journal of Economic Literature*, 49(4): 1076-1151**
- Du, Fang, Jin (2012) 'Promotion Tournament, Tax-Sharing Reform and the Imbalance between Consumption and Investment', working paper
- Gans.Morse J. (2012) 'Threats to Property Rights in Russia: From Private Coercion to State Aggression', *Post-Soviet Affairs*, 28(3): 263-295
- Landry P. (2008) *Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era*. Cambridge: Cambridge University Press.
- McGregor R. (2011) *The Party: The Secret World of China's Communist Rulers*. London: Penguin.
- Nazrullaeva, Baranov, Yakovlev (2013) 'Criminal Persecution of Business in Russia's Regions: Private Interests vs. "Stick" System', working paper
- Olson M. (1993) 'Dictatorship, Democracy, and Development', *American Political Science Review*, 87(3): 567-576
- Ong L. (2012) 'Between Developmental and Clientelist States: Local State-Business Relationships in China', *Comparative Politics*, 44(2): 191-209
- Rochlitz M. (2012) 'Industrial Policy and State Capacity: A Comparative Analysis of Russia and China', *working paper*
- Shih V., Adolph C., Liu M. (2012) 'Getting Ahead in the Communist Party: Explaining the Advancement of Central Committee Members in China', *American Political Science Review*, 106(1): 166-187
- Studwell J. (2013) *How Asia Works: Success and Failure in the World's Most Dynamic Region*. London: Profile Books, especially part 2 (pages 57 – 137)
- Su F., Tao R., Xi L., Li M. (2012) 'Local Officials' Incentives and China's Economic Growth: Tournament Thesis Reexamined and Alternative Explanatory Framework', *China & World Economy*, 20(4): 1-18
- Yao Y., Zhang M. (2012) 'Subnational Leaders and Economic Growth: Evidence from Chinese Cities', *Peking University*, working paper

IV. Political Institutions and Governance

Lecture 9: Democracy, Elections and Political Machines

Economic growth and democracy. Good governance. Political machines. Shadow campaign financing. Electoral fraud. Protests. Political uncertainty and investment. Russia's regional politics.

- ****Reuter J., Frye T., Szakonyi D. (2012) 'Political Machines at Work: Voter Mobilization and Electoral Subversion in the Workplace', *World Politics*, forthcoming**
- ***Enikolopov R., Korovkin V. Petrova M., Sonin K., Zakharov A. (2012) 'Field Experiment Estimate of Electoral Fraud in Russian Parliamentary Elections', *Proceedings of the National Academy of Sciences of the United States of America*, 110(2): 448-452**
- ***Mironov M., Zhuravskaya E. (2012) 'Corruption in Procurement and Shadow Campaign Financing: Evidence from Russia', *working paper***
- ***Frye T., Yakovlev A. (2013) 'Elections, Protest, and Investment Plans: Evidence from a Natural Experiment in Russia', *working paper***
- Gans-Morse J., Mazzuca S., Nichter S. (2013) 'Varieties of Clientelism: Machine Politics during Elections', *American Journal of Political Science*, forthcoming
- Khan M. (2009) 'Governance, Growth and Poverty Reduction', *DESA Working paper No. 75*, Department of Economic and Social Affairs, United Nations, New York
- Nichter S. (2008) 'Vote Buying or Turnout Buying: Machine Politics and the Secret Ballot', *American Political Science Review*, 102(1): 19-31
- Reisinger W. (2011, ed.), *Russia's Regions and Comparative Subnational Politics*, London: Routledge
- Reuter J. (2013) 'Regional Patrons and Hegemonic Party Electoral Performance in Russia', *Post-Soviet Affairs*, 29(2): 101-135
- Scott J. (1969) 'Corruption, Machine Politics, and Political Change', *The American Political Science Review*, 63(4): 1142-1158
- Stokes S. (2005) 'Perverse Accountability', *American Political Science Review*, 99(3): 315-325
- Warren, Robert Penn (1946) *All The Kings Men*. London: Penguin Classics.

Lecture 10: The Politics of Information Control

Role of the media in economic development. Authoritarian and hybrid regimes. Information flows in authoritarian regimes. Censorship. Information and political opposition. Information manipulation.

- ****King G., Pan J., Roberts M. (2013) 'How Censorship in China Allows Government Criticism but Silences Collective Expression', *American Political Science Review*, 107(2): 326-343**

- ***Gehlbach S., Keefer P. (2012) 'Investment Without Democracy: Ruling Party Institutionalization and Credible Commitment in Autocracies' *Journal of Comparative Economics*, 39(2): 123-139**
- ***Peerson P., Zhuravskaya E. (2012) 'Elite Influence as a Substitute for Local Democracy: Evidence from Backgrounds of Chinese Provincial Leaders', *working paper***
- ***Hsieh C., Miguel E., Ortega D., Rodriguez F. (2011) 'The Price of Political Opposition: Evidence from Venezuela's Maisanta', *American Economic Journal: Applied Economics*, 3(2): 196-214**
- Acemoglu D., Egorov G., Sonin K. (2009) 'Do Juntas Lead to Personal Rule?', *American Economic Review: Papers & Proceedings*, 99(2): 298-303
- Ananyev M. (2014) 'A Theory of Authoritarian Image-Building', *working paper*
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Lecture 11: Corruption

Defining corruption. Corruption and economic growth. Regulatory capture. Corruption and elections. Centralized and decentralized corruption. Local capture in Uganda. Corruption in China and in the US.

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