Comparative Institutional Economics
Reading list

It is impossible to understand differences in economic behavior and performance within and across nations and over time without understanding the role of economic institutions, such as firms, financial and fiscal systems, constitutions, and political systems. This course focuses on the role of institutions in shaping economic behavior and performance, including the institutions in nations that are transitioning from socialist to capitalist systems, in developing economies, and in the advanced industrial economies.

As part of its focus on economic institutions, this course surveys the New Institutional Economics. We will investigate the implications for economic behavior and performance of transaction costs, property rights, information asymmetries and other conditions bearing on market efficiency and failure. Key questions that we examine in this course are: (i) How do institutions differ across countries?, (ii) How do institutions change over time?, (iii) How do institutions shape the economic behavior and performance of individuals, institutions, and nations?, and (iv) What can we learn from institutional differences across nations and across time?

There is no assigned textbook for this course. The readings are available through the Brandeis University Library electronic reserve. The password is “institutions”. Readings posted with an asterisk (*) are available through JSTOR (accessible through Brandeis University electronic resources):

http://www.library.brandeis.edu/resources/ejs/economics.html

Students may also wish to access working papers from the working paper series of the William Davidson Institute at the U of Michigan Business School

http://www.wdi.bus.umich.edu/

Course requirements include an (in-class) mid-term exam, a final exam, and from one to three essays that together total 10-12 pages.

You are expected to be honest in all of your academic work. The University policy on academic honesty is distributed annually as section 5 of the Rights and Responsibilities handbook. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. If you have any questions about my expectations, please ask.
If you are a student with a documented disability on record at Brandeis University, and if you wish to request a reasonable accommodation for this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

1. Institutions and the New Institutional Economics


III. Measures and Models of Transition


IV. Socialism: the Incentive Problem


Handout, “The Solow model and its implications for growth under central planning”

V. The Firm


VI. Enterprise Reform and Privatization


VII. Financial Sector Reform


VIII. The Role of Constitutions in Shaping Institutions and Economic Performance


