Seminar in Political Economy: Institutional Change

This is an advanced seminar in political economy. The main question is why institutions change. This is a puzzling question. If institutions are designed to solidify the power that lies elsewhere, in the economy or in the control over arms, then they give rise to increasing returns to power and they would not be changed. If, in turn, they are designed to counteract increasing returns to power, say through a system of checks and balances, then no one should be able to acquire enough power to change these institutions. Obviously, institutions do change, so these assumptions are either invalid or incomplete.

We will study these issues by reading selected formal models and statistical analyses of institutional change. The course is not designed to provide a general overview of the literature but to focus in depth on particular topics. The course is also intended to familiarize students with modeling techniques, so that we will go over selected readings in some detail.

Each student, or perhaps a group of students in cases where the readings are particularly difficult, is expected to present one model in class. These presentations need not go over every equation and every proof, but enough to understand the assumptions, the results, and the arguments that support them.

The pace of the course will be flexible, so that the list that follows should not be treated as a weekly schedule. The topics follow no particular logical order. We will begin with political regimes since this will be the only topic presented by me, so that placing it first will give students the time to prepare their presentations. We will then follow with extensions of suffrage, constitutions, and models that relate institutions to economic development.

Items listed below under “Study” will be discussed systematically in class. “Read” includes items that everyone should read as an introduction to a particular topic. “Background” provides related readings that will not be systematically discussed. Whenever possible, all the readings will be posted at Blackboard; if not a Xeroxed copy will be made available.

Note: This seminar will meet twice a week, Mondays and Wednesdays from 2 to 4, during the first seven weeks of the semester. During the remaining part of the semester students are expected to write a short paper, which can be a review of the article they presented in class or of some other article, paper, or book dealing with institutional change.
0. Introduction

The puzzle. Overview of the literature. Topics that will not be discussed: constitutions, electoral systems. Administrative matters.

I. Regime Dynamics

Facts

Read:


Background:


Models: Democracy as an Equilibrium

Read:


Study:


Models: Dictatorship as an Equilibrium

Study:


II. Suffrage Extensions

Study:


Background:


### III. Institutions and Economic Development

**Read:**


**Study:**

