

INSTITUTIONAL ECONOMICS

Bachelor in Economics BIE SEP-2024 IEC-Ec.2.M.A

Area Economics

Number of sessions: 30

Academic year: 24-25

Degree course: SECOND

Number of credits: 6.0

Semester: 2^o

Category: COMPULSORY

Language: English

Professor: **SIYUN JIANG**

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Siyun Jiang received a Ph.D. in Government from the University of Texas at Austin. She is broadly interested in comparative politics, judicial politics, and bureaucracy. Her recent work focuses on the judicial reforms and central-local relations in China. More information can be found at <https://siyunjiang.weebly.com/>.

Office Hours

Office hours will be on request. Please contact at:

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SUBJECT DESCRIPTION

Institutions, broadly defined as the rules, structures, norms, and expectations that govern social and economic life, are an essential input into well-functioning markets and effective resource allocation. In this course, we will analyze the institutional foundations of productivity, wealth, and economic development. We first ask a series of core questions: What are institutions, what are organizations, and how institutional structures important for governance and economic activity? Furthermore, how do institutions come into being, evolve, and change? The course then assesses the distinct effects of political and economic institutions on efficiency and economic development, as well as the role of governance and accountability in structuring economic and political life. The material comes to life through the use of key themes, such as the importance of property rights and democracy, the legacy of historical events such as colonialism and the slave trades, and the role of firm structures in facilitating competitiveness. Beyond these academic objectives, the course also seeks to provide students the practical skill set associated with institutional analysis and design.

LEARNING OBJECTIVES

- Understanding the role of institutions in economic activity.
- Gaining familiarity with the academic literature in institutional and organizational economics.
- Conducting concrete institutional analyses of specific sectors and countries.
- Composing sound academic essays, policy reports, and effective presentations.

TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

Learning Activity	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	30.0 %	45.0 hours
Discussions	6.7 %	10.0 hours
Group work	26.7 %	40.0 hours
Individual studying	36.7 %	55.0 hours
TOTAL	100.0 %	150.0 hours

AI POLICY

The use of AI generated content in any of the assignments of this course is strictly forbidden.

PROGRAM

SESSIONS 1 - 2 (LIVE IN-PERSON)

Course Introduction:

Introduction to what will be covered in the course and how students will learn about comparative politics.

Book Chapters: North, Douglass C. 1990. Institutions, Institutional Change, and Economic Performance, Chapter 1 (See Bibliography)

SESSIONS 3 - 4 (LIVE IN-PERSON)

Approaches to the Study of Institutions

Book Chapters: North, Chapters 5-7

Quiz 1

SESSIONS 5 - 6 (LIVE IN-PERSON)

Institutional Origins and Persistence

Book Chapters: North, Chapters 8, 9

Article: Pierson, Increasing Returns, Path Dependence, and the Study of Politics. (American Political Science Review, Vol. 94, No. 2, June 2000 (ced))

SESSIONS 7 - 8 (LIVE IN-PERSON)

Institutional Change

Article: Greif and Laitin, A Theory of Endogenous Institutional Change. (American Political Science Review, Vol. 98, No. 4 November 2004 (ced))

Book Chapters: North, Chapters 10, 11

Quiz 2

SESSIONS 9 - 10 (LIVE IN-PERSON)

Sustainability Topics:

- Governance
- Economic Development

The Roles of Institutions on Economic Growth

Book Chapters: Why Nations Fail, Chapters 1-3

Article: "Constitutions and Commitment: Evolution of Institutions Governing Public Choice in Seventeenth Century England" (Journal of Economic History, 49: 803-832. (ced))

Article: "Democracy and Development: The Devil in the Details" (American Economic Review 96 (2):319-324 (ced))

SESSIONS 11 - 12 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Colonialism and Institutions

Article: "The Colonial Origins of Comparative Development: An Empirical Investigation." (The American Economic Review 91 (5):1369-401. (ced))

Article: "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution" (The Quarterly Journal of Economics, Vol. 117, No. 4 (Nov., 2002) (ced)) (Optional)

Article: "The Slave Trade and the Origins of Mistrust in Africa" (American Economic Review 101: 3221–3252 (ced))

Quiz 3

SESSIONS 13 - 14 (LIVE IN-PERSON)

Sustainability Topics:

- Governance
- Economic Development

Economic Theories of Democratization

Article: "Modernization: Theories and Facts. " (World Politics, 49, January 1997 (ced))

Article: "Reevaluating the Modernization Hypothesis." (*Journal of Monetary Economics* 56 (2009) 1043–1058 (ced))

SESSIONS 15 - 16 (LIVE IN-PERSON)

Sustainability Topics:

- Governance
- Social Challenge
- Economic Development

Inequality and Redistribution

Book Chapters: *Capital in the Twenty-first Century*, Chapter 1.

Article: "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More Than Others." (*American Political Science Review* (2006):165-181. (ced))

Quiz 4

SESSIONS 17 - 18 (LIVE IN-PERSON)

Sustainability Topics:

- Governance
- Economic Development

The Role of Government in Development

Article: "Democracy and Economic Growth: A Meta-Analysis." (*American Journal of Political Science*, vol. 52, No. 1, January 2008 (ced))

Article: "Democracy Does Cause Growth." (*Journal of Political Economy*: Vol 127, No 1 (ced))

SESSIONS 19 - 20 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Constitutional Design

Article: "Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies." (*American Political Science Review* 93(3): 609-624 (ced))

Article: "The Economic Consequences of Legal Origins." (*Journal of Economic Literature* 46.2 (2008): 285-332. (ced))

Quiz 5

SESSIONS 21 - 22 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Article: "The Economic Role of Political Institutions: Market Preserving Federalism and Economic Development." " (*Journal of Law, Economics, and Organization* 11(1):1-31. (ced))

Article: "Tax Me if You Can: Ethnic Geography, Democracy and the Taxation of Agriculture in Africa." " (*American Political Science Review* 101: 159-172. (ced))

Book Chapters: "Is Decentralization Good for Development? Perspectives from Academics and Policy Makers."

SESSIONS 23 - 24 (LIVE IN-PERSON)

Sustainability Topics:

- Governance
- Social Challenge

Governance and Accountability

Article: "Corruption and Growth." (*The Quarterly Journal of Economics*, Vol. 110, No. 3 (Aug., 1995) (ced))

Article: "Monitoring Corruption: Evidence From a Field Experiment in Indonesia." (*Journal of Political Economy* 115.2 (2007): 200-249. (ced))

Quiz 6

SESSIONS 25 - 26 (LIVE IN-PERSON)

Group Presentation I

SESSIONS 27 - 28 (LIVE IN-PERSON)

Group Presentation II

Course Review

SESSIONS 29 - 30 (LIVE IN-PERSON)

Final Exam

EVALUATION CRITERIA

Your final grade in the course will be based on different elements that will be weighted in the following way:

Quizzes

The class will include 6 short quizzes of 15 minutes. The quizzes will have 10 multiple choices and True/False questions. These quizzes will test your knowledge about important concepts, theories, and facts from the lecture and the readings. I will make the quizzes straightforward if you have completed the readings. Your lowest quiz grade will be dropped from your final quiz score for the semester. This policy is designed to accommodate potential conflicts that arise during the semester.

Group Presentation

More details in class.

A Closed-book Final Exam

The final exam will consist of a multiple choice section, a true/false section, and short open questions to check your understanding of basic concepts and will review the assigned readings and class discussions. Hence, the purpose of the exam is to test your attainment of the course objectives, your grasp of important concepts and relationships, and your ability to apply this knowledge to different situations. Please be aware that you need to pass with a 5 to pass the course.

Participation

Three main criteria will be used in reaching judgment about your class participation:

Depth and Quality of Contribution: The most important dimension of participation concerns what it is that you are saying. A high quality comment reveals depth of insight, relevance to the course material, and consistency of argument. In particular, performance during the In-Class Activities will influence your participation grade for the class.

Moving Your Peers' Understanding Forward: Great ideas can be lost through poor presentation. A high quality presentation of ideas must consider the relevance and timing of comments, and the flow and content of the ensuing class discussion. It demands comments that are concise and clear, and that are conveyed with a spirit of involvement in the discussion at hand.

Frequency: Frequency refers to the attainment of a threshold quantity of contributions that is sufficient for making a reliable assessment of comment quality. The logic is simple: if contributions are too few, one cannot reliably assess the quality of your remarks. However, once threshold quantity has been achieved, simply increasing the number of times you talk does not automatically improve your evaluation. Beyond the threshold, it is the quality of your comments that must improve. In particular, one must be especially careful that in claiming more than a fair share of "airtime", quality is not sacrificed for quantity. Finally, your attempts at participation should not be such that the instructor has to "go looking for you". You should be attempting to get into the discussion on a regular basis.

criteria	percentage	Learning Objectives	Comments
Final Exam	35 %		
Group Presentation	25 %		
Class Participation	10 %		
Intermediate tests	30 %		

RE-SIT / RE-TAKE POLICY

There are NO make-up opportunities for quizzes.

BIBLIOGRAPHY

Compulsory

- Douglas North. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge. ISBN 9780521394161 (Digital)
- Daron Acemoglu and James Robinson. (2012). *Why Nations Fail*. Currency. ISBN 9781846684296 (Digital)

GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course. Students whose final average grade is below 5 do not pass the class. As well students whose final exam grade is below 5 will not pass the class (Unplugged and elective classes exempt from this rule). In these cases, students will be required to take the extraordinary retake exam. The retake exam will be scheduled in and the date/time is not subject to change. The exam should be comprehensive (cover the entire course), and the passing grade is 5/10 with a max grade of 8/10.

Students must attend at least 80% of the sessions. Students who do not comply with the 80% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt should contact the professor during the first two weeks of the course.

CODE OF CONDUCT IN CLASS

1. Be on time: Students arriving more than 5 minutes late will be marked as "Absent". Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).
2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.
3. If connecting remotely, leave video feed on at all times.
4. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re enter and, therefore, will be marked as "Absent". Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).
5. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class. If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as "Absent".
6. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as "Absent".
7. No cellular phones: IE University implements a "Phone-free Classroom" policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.
8. Escalation Policy: the first time you are asked to leave the classroom it will be counted as an absence. If it happens a second time, it will be counted as 3 absences, and an Academic Review Panel will be consulted to discuss other possible sanctions, up to an including possible failing of course and in extreme cases expulsion from program.

THIRD CALL RETAKE POLICY

Any student in their third call of a course, also known as a "Retaker" or a "Re-Sit", is obliged to observe the following rules:

- Third call students must contact their professors before or during the first session to ask which work and or *sessions will be required to obtain a passing grade. The professor will determine which work will be required in their course.*(e.g. when presenting group work, sitting for examinations or other work done in class)
- Retakers are exempt from failing the call due to absences; however, they are not exempt from work the professor designates as necessary to obtain a passing grade. This means some sessions may be mandatory to attend in order to complete the work within.
- Students in their third call are responsible for managing the conflicts in their schedule, should students need advice on how to manage their conflicts they should visit the program office.

EXTRAORDINARY EXAMINATION POLICY

Any student whose weighted final grade is below 5 will be required to sit for the extraordinary exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The extraordinary call will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

PLAGIARISM / ACADEMIC HONESTY

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense:

- providing faulty sources;
- copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission;
- copy-pasting material from external sources even while citing them;
- using verbatim translations from sources in other languages without citing them;
- copy-pasting material from external sources without citing them;
- and buying or commissioning essays from other parties.
- receiving excessive and/or unreported help from personal tutors.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. The professor will advise the student on how to present said material. All written assignments have to be submitted through Turnitin, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. Students using external tutorial support should report it to the professor and the BIE Program from the moment they began receiving this support.

If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIE Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel. Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

The program fully supports the professor in enforcing any classroom specific rules laid out either within this syllabus or enacted later by the professor. Students should be aware that the IE University code of conduct specifically states that, "The use of laptops during lectures must be authorized by the professor". Students are hereby notified that the professor is in charge of their classroom, and that it is the students' responsibility to fully read and understand the code of conduct, attendance and ethics policies of this university. Students breaking these rules and policies could face punishments up to expulsion.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

In-person attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students. With that in mind, each student may miss up to 20% of the sessions within a given course and still maintain the possibility of passing that given course. This 20% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 20% buffer. If a student is absent to more than the allowed 20% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.

