

Universidad de los Andes
Facultad de Economía
Escuela Internacional de Verano 2006
Curso: Revised Latin American Development in the Long-Run

Profesor James A. Robinson, Harvard University.

E-mail: jrobinson@gov.harvard.edu

Profesor Sebastián Mazzuca, University of California at Berkeley

E-mail: smazzuca@berkeley.edu

Fecha: 4 al 21 de julio de 2005

Nota: La fecha límite para retirarse del curso será el viernes 21 de julio. Si el examen final se programa para ese día, el retiro deberá hacerse a más tardar el 19 de julio.

Pendiente: Sistema de evaluación.

The main topic of this course is to discuss the factors that have shaped the long-run economic and political development of Latin America. We focus on both cross-country and within-country differences. After discussing various types of hypotheses the main focus will be on the political economy of institutions.

Lecture 1 Monday July 3: Facts and questions about economic and political development in the long-run.

Tables from the World Development Report 2004. Tables from **Angus Maddison (2001)** *The World Economy: A Millennial Perspective*, OECD, Paris.

Daron Acemoglu, Simon Johnson and James A. Robinson (2002) "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics*, 118, 1231-1294.

Lecture 2 Tuesday July 4: Investigating the causal effects of institutions in the long-run.

Acemoglu, Daron, Simon Johnson and James A. Robinson (2001) "Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91, 1369-1401.

Lecture 3 Wednesday July 5: The short-run. Macroeconomic policy as a proximate cause. The possible role of culture.

Daron Acemoglu, Simon Johnson and James A. Robinson and Yunyong Thaicharoen (2003) "Institutional Causes, Macroeconomic Symptoms: Volatility, Crises and Growth," *Journal of Monetary Economics*, 50, 49-123.

Tabellini, Guido (2005) "Culture and Institutions: Economic Development in the Regions of Europe," Search for his web page on google you can download the paper.

Lecture 4 Thursday July 6: Introduction to political economy. Some basics of collective choice. The role of institutions. De facto and de jure power.

Acemoglu, Daron and James A. Robinson (2005) *Economic Origins of Dictatorship and Democracy*, Chapters 4 and 5.
<http://www.people.fas.harvard.edu/%7Ejrobinson/recentbooks/index.htm>

Lecture 5 Friday July 7: Towards a theory of Institutions.

Acemoglu, Daron, Simon Johnson and James A. Robinson (2004) “Institutions as the Fundamental Cause of Long-Run Growth,” NBER Working Paper #10481, forthcoming in Philippe Aghion and Steven Durlauf eds. *Handbook of Economic Growth*, Amsterdam; North-Holland.

Djankov, Simeon, Edward L. Glaeser, Rafael La Porta, Florencio Lopez-de-Silanes and Andrei Shleifer (2003) “The New Comparative Economics,” *Journal of Comparative Economics*, 31, 595-619.

Lecture 6 Monday July 10: Some simple analytics of institutional choice.

Acemoglu, Daron (2005) “Modelling Inefficient Institutions,” forthcoming *Advances in Economic Theory* Econometric Society World Congress 2006,
http://econ-www.mit.edu/faculty/download_pdf.php?id=1214

Lecture 7 Tuesday July 11: The distribution of power in society, democracy versus oligarchy.

Acemoglu, Daron, Philippe Aghion and Fabrizio Zilibotti (2002) “Distance to the Frontier, Selection and Economic Growth,” <http://www.nber.org/papers/w9066>.

Besley, Timothy, Torsten Persson and Daniel Sturm (2005) “Political Competition and Economic Performance: Theory and Evidence from the United States,” <http://papers.nber.org/papers/w11484.pdf>

Lecture 8 Wednesday July 12: Politics in weakly institutionalized societies.

Padró I Miquel, Gerard (2004) “The Control of Politicians in Divided Societies: The Politics of Fear,” <http://econ-www.mit.edu/graduate/candidates/research.htm?student=gpim>

Lecture 9 Thursday July 13: Clientelism, populism and the form of redistribution with an application to Colombia.

Meisel, Adolfo (1996) “Why no Hyperinflation in Colombia? On the Determinants of Stable Economic Policies,” [Borradores de Economía](#) 000708, Banco de la República.

Urrutia, Miguel (1991) “The Absence of Populism in Colombia,” in Sebastian Edwards and Rudiger Dornbusch eds. *The Macroeconomics of Populism in Latin America*, Chicago; University of Chicago Press.

Robinson, James A. (2005) “A Normal Latin American Country? A Perspective on Colombian Development” on my web site.

Lecture 10 Friday July 14: Institutional origins in Latin America.

Engerman Stanley L. and Kenneth L. Sokoloff (1997) “Factor Endowments, Institutions and Differential Paths of Growth among New World Economies,” in Stephen H. Haber ed. *How Latin America Fell Behind*, Stanford University Press, Stanford CA.

Haber, Stephen H. (2002) “Political Institutions and Economic Development: Lessons from the Economic Histories of Mexico and the United States, 1790-1914,” <http://www.stanford.edu/~haber/papers/Haber,%20Political%20Institutions%20and%20Economic%20Developmen--ver.pdf>

Lecture 11 Monday July 17: Formation of State Institutions. Implications.

Mazzuca, Sebastián (2005) “Mercaderes y Guerreros en la Formación de Estados,” *Desarrollo Económico*, 177 (may-jul).

Edward L. Gibson, Ernesto Calvo, and Tulia Falleti (1999) “[Reallocative Federalism: Territorial Overrepresentation and Public Spending in the Western Hemisphere](#),” manuscript, Department of Political Science, Northwestern University.

Samuels, David and Richard Snyder (2001) “Devaluing the Vote in Latin America,” *Journal of Democracy* 12.1, 146-159.

Guillermo O'Donnell (1993) “On the State, Democratization, and Some Conceptual Problems: A Latin American View with Glances at Some Post-Communist Countries,” *World Development* 21, 1355-70. (Spanish version included in O'Donnell, *Contrapuntos*, Buenos Aires, Paidós, 1997)

Jones, Mark P., Pablo Sanguinetti, and Mariano Tommasi (2000) “Politics, Institutions, and Fiscal Performance in a Federal System: an analysis of the Argentine provinces,” *Journal of Econometrics*, 96.2, 305-29.

Lecture 12 Tuesday July 18: Formation of Electoral Institutions.

Boix, Carles (1999) “Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies,” *American Political Science Review*, 93, 609-624.

Benoit, Kenneth (2004) “Models of electoral system change,” *Electoral Studies* 23, 363–389.

Mazzuca, Sebastián and James Robinson (2003) “Power and Proportionality.”

Mazzuca, Sebastián and James Robinson (2005) “Soldiers, Votes, and Seats: the transition to PR in Colombian Politics,” manuscript, Political Science Department, UC Berkeley.

Lecture 13 Wednesday July 19: A Second Model of Electoral Competition: Probabilistic Voting

Robinson, James A. (2002) Lecture Notes on Political Economy #3.

Lecture 14 Thursday July 20: Electoral Institutions. Implications.

Persson, Torsten and Guido Tabellini (2000) *Political Economics: Explaining Economic Policy*,

MIT Press, Cambridge MA, Chapter 8.

Carey, John M. and Mathew S. Shugart (1995) “Incentives to Cultivate a Personal Vote: A Rank-Ordering of Electoral Formulas,” *Electoral Studies*, 14, 417-439.

Lecture 15 Friday July 21: Political Conflict and Credible Commitments. Policy versus Institutional Concessions.

Acemoglu, Daron (2003) “Why not a Political Coase Theorem?” *Journal of Comparative Economics*, 31, 620-652.

Powell, Robert (2004) “The Inefficient Use of Power: Costly Conflict with Complete Information,” *American Political Science Review*, 98, 231-241.