



**UNIVERSITÄT
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Outline

Economic Progress and Institutional Change

1. Date & Times

The EPIC-Course is held every Wednesday from 8:00-12:00h.

2. Lecturer Prof. Dr. David Stadelmann

David Stadelmann studied Economics and Mathematics at the University of Fribourg (Switzerland) where he received his PhD in Economics and Social Sciences in 2010. He has been teaching and researching as a professor at the University of Bayreuth (Germany) since 2013 (call at age of 29). He has authored over 35 peer-reviewed scientific publications and publishes the policy-relevant findings of his research in non-academic outlets such as newspapers, magazines, and blogs. He is a research fellow at CREMA–Center for Research in Economics, Management and the Arts (Switzerland), at QuBE–Queensland Behavioural Economics Group (Australia), and an editor of *Kyklos–International Review for Social Sciences*. He was awarded diverse research prizes including the “Reinhard-Selten-Preis” (German Economic Association), the “Ludwig-Erhard-Preis” (Ludwig Erhard Foundation) or the “Wissenschaftspreis” of the Region of Vorarlberg.

3. Content

What types of economic, social and political institutions foster economic performance and enhance the effectiveness of the state? Research in the field of institutional change and economic performance tries to shed light on the economic past as well as current developments in order to better understand

past evolutions and, more importantly, to contribute to providing an analytical framework to predict potential effects of institutional change on economic performance.

In this course, we look in detail at different types of economic, social and political institutions which enhance economic performance and which foster the effectiveness of the state by analyzing the modern economic literature on the topic. We advance our understanding of the evolution of economies over time and provide guidance to policy discussions with respect to the ongoing task of improving the performance of modern economies. We explore a number of theoretical and empirical economic studies which highlight the role of institutions and emphasize, in particular, the importance of property rights, effects and conditions for good governance, the effects of moral behavior, legislative shirking, and corruption. Moreover, we will also deal with economic literature which emphasizes that governments should act according to citizens' preferences and that good institutions enhance responsiveness and economic development. Instead of treating institutions as mere details, the course highlights their role in economic development.

4. Learning Objectives and Target Group

Students will be able to understand and evaluate part of the most important theoretical and empirical economic literature which highlights the role of institutions for advances in economic performance through time. They will be able to assess potential effects of institutional change on economic performance and can argue for and against institutional reforms. Finally, they are able to discuss, synthesize and evaluate in detail how the literature has changed our understanding of the importance of institutions for economic progress.

The lecture script focusses on theoretical and empirical articles published in scientific journals. As all scientific articles discussed are either of a theoretical (economic model) or empirical nature (econometric evaluations), the course requires a very good general understanding of how to read and interpret econometric results as well as a good understanding of the mathematics used in formal economic models. Students who are unsure regarding their skills in empirical economics may wish to visit the “Crash-Kurs Empirie”.

Master students in *Economics, Internationale Wirtschaft & Governance* as well as *Philosophy & Economics* and *Development Studies* form the target group for this course.

5. Access to Learning Material

Students can access the course material on the e-learning server: <https://elearning.uni-bayreuth.de/course/view.php?id=8237>

6. References (extract)

The course is based on the following list of theoretical and empirical articles. Some of the articles will be presented in detail in the lecture material. Additional articles may be added as the course and the exercises progress.

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- Acemoglu, D.; Johnson, S. & Robinson, J. A. (2001), 'The Colonial Origins of Comparative Development: An Empirical Investigation', *American Economic Review* 91(5), 1369-1401.
- Acemoglu, D. & Johnson, S. (2007), 'Disease and Development: The Effect of Life Expectancy on Economic Growth', *Journal of Political Economy* 115(6), 925-985.
- Andersen, S.; Bulte, E.; Gneezy, U. & List, J. A. (2008), 'Do Women Supply More Public Goods Than Men? Preliminary Experimental Evidence from Matrilineal and Patriarchal Societies', *American Economic Review* 98(2), 376-381.
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- Crosan, R. & Gneezy, U. (2009), 'Gender Differences in Preferences', *Journal of Economic Literature* 47(2), 448-474.
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- Gagliarducci, S. & Paserman, M. D. (2012), 'Gender Interactions within Hierarchies: Evidence from the Political Arena', *Review of Economic Studies* 79(3), 1021-1052.
- Gerber, E. R. & Lewis, J. B. (2004), 'Beyond the Median: Voter Preferences, District Heterogeneity, and Political Representation', *Journal of Political Economy* 112(6), 1364-1383.
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- Glaeser, E. L.; Porta, R. L.; Lopez-de-Silanes, F. L. & Shleifer, A. (2004), 'Do Institutions Cause Growth?', *Journal of Economic Growth* 9(3), 271-303.
- Porta, R. L. & De-Silanes, F. L. (1999), 'The Benefits of Privatization: Evidence from Mexico', *Quarterly Journal of Economics* 114(4), 1193-1242.
- Lupia, A. (1994), 'Shortcuts Versus Encyclopedias: Information and Voting Behavior in California Insurance Reform Elections', *American Political Science Review* 88(1), 63-76.
- Osborne, M. J. & Turner, M. A. (2010), 'Cost Benefit Analyses versus Referenda', *Journal of Political Economy* 118(1), 156-187.
- Savage, D. & Torgler, B. (2013), 'The Times They Are a Changin': The Effect of Institutions on Behavior, Cooperation, Emotional Attachment and Sentiment at 26,000ft', WP No. 2013-10, Center for Research in Economics, Management and the Arts (CREMA).
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- Stadelmann, D. & Torgler, B. (2013), 'Bounded Rationality and Voting Decisions over 160 Years: Voter Behavior and Increasing Complexity in Decision-Making', *PLOS ONE* 8(12), e84078.
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