ECONOMIC INSTITUTIONS IN COMPARATIVE HISTORICAL PERSPECTIVES

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Office Hours: by appointment – please email.
Class Time: Tuesday & Thursday, 9:00-11:00
Class Location: Andersen 3204
Blackboard Course Website: https://courses.northwestern.edu/

COURSE DESCRIPTION
This course examines economic institutions and business organizations in various countries from comparative historical perspectives and explores the mechanisms of institutional change and their implications for economic growth. To pursue these goals, the course combines several theoretical and empirical methods, including game theory, econometric analysis, case studies, and historical narratives. The main topics of the course include agricultural tenancy, business corporations, employment contracts, supplier relations, and technological innovation.

READINGS
2) Students who have a weak background in history or who wish to have a systematic and chronological review of world economic history are encouraged to obtain a copy of: Rondo Cameron. A Concise Economic History of the World. Oxford University Press (any edition).
3) Other required readings (journal articles and book chapters) are available online. Please visit online course syllabus at the Blackboard Course Website.

EVALUATION
Class participation (20%), four short reports (40%), a final research paper (40%).

CLASS PARTICIPATION
Class participation accounts for 20% of the final grade. In this course, in addition to journal articles, I will use open-ended “cases,” i.e., thick descriptions of particular institutions and have a short discussion based on assigned questions (the case materials are marked with a star * in the list). Reading the case materials and giving thoughts to the questions in advance are critical for one’s own learning with positive spillovers.

SHORT REPORTS
Each student is asked to choose four articles from the readings listed in the syllabus with a # mark. For each paper, please write a short report (3-4 pages) that critically summarizes:
(1) research questions addressed,
(2) theoretical and empirical methods,
(3) the nature of data,
(4) main findings and their significance, and
(5) suggestions for extensions and improvements.
Students should divide the articles among themselves so that each article is covered by at least one student. Short reports are due at the beginning of the class to which the corresponding articles are assigned.

FINAL PAPER
Each student must complete a final paper that embodies significant original research using primary sources. Students are encouraged to consult with the instructor earlier in the quarter in choosing topics, and topics must be approved by November 2 (Thu). Each student will prepare a research proposal (that outlines research questions, methods, data, and bibliography) by November 27 (Mon), which will be distributed to other students in the class. During the last week, students will present their research in progress to receive constructive comments from their classmates. The final paper is due within one year from the end of this quarter.
GENERAL READINGS ON INSTITUTIONS

CLASS SCHEDULE & READING ASSIGNMENTS

WEEK 1: September 19 & 21:
Introduction

Conceptual Framework: New Institutional Economics and Beyond
American Journal of Sociology 91: 481-510.

WEEK 2: September 26 & 28
The Evolution of the Firm (1): Long-distance Trade

The Evolution of the Firm (2): Organization of Work
Related reading:

WEEK 3: October 3 & 5
The Evolution of the Firm (3): Giant Enterprises
Related reading:

Employment Institutions (1): Agricultural Tenancy

WEEK 4. October 10 & 12
Employment Institutions (2): Indentured Servitude
Related reading:

Employment Institutions (3): Apprenticeship Contracts

WEEK 5. October 17 & 19
Employment Institutions (4): Employment Contracts
Related reading:

Employment Institutions (5): Industrial Relations
Related reading:
WEEK 6. October 24 & 26
Supplier Relations & Boundaries of the Firm
Related reading:

Financial Institutions (1): Public Finance

WEEK 7. October 31 & November 2
Financial Institutions (2): Banking & Corporate Governance

Technological Progress & Invention
Related reading:
Mokyr, Joel (1990) The Lever of Riches, Chapter 7 "Understanding Technological Progress."

WEEK 8. November 7 & 9
Technological Choice & Path-dependence
* Continuous Casting Investments at USX Corporation, HBS Case #9-697-020.
Related reading:

Technological Leadership
Related reading:
Mokyr, Joel (1990) *The Lever of Riches*, Chapter 9 “China & Europe.”

**WEEK 9. November 14 & 16**
Mechanisms of Institutional Change
*Journal of Economic History* 44: 567-583.

Institutions & Long-run Economic Growth

**WEEK 10. November 21 & 23**
Income Inequality & Economic Growth

**WEEK 11. November 28 & 30**
Student Presentation of Research Proposals

**WEEK 12. December 4-8: Final Exam Week** (No final exam in this course.)