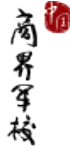




PHBS

北京大学汇丰商学院



Economics Elective Political Institutions & Economic Development Module 2, 2019-20

Course Information

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Classes:

Time: Monday and Thursday, 10:30-12:20

Venue: 319 PHBS Building

1. Course Description

1.1 Summary of Course Contents

This course examines political institutions and economic development, focusing particularly on the relations between the state and the market in the context of technological change, globalization, and the rapid modernization of China following its market-oriented reform and opening. It introduces basic concepts and analytical tools of new institutional economics for explaining the origin and evolution of the state and the market, as well as the political economy of public policy, globalization, and China's reform and opening. The course aims to help students to develop more systemic and holistic perspectives on challenges of economic development at local, national, and global levels.

1.2 Textbooks and Reading Materials

No required textbooks for this course. The following reading materials serve as the base and starting points for preparing class discussions, individual assignments, and group projects. Additional supplementary readings may be provided throughout the course when available and suitable.

1. New Institutional Economics

- Lars Werin, **Economic Behavior & Legal Institutions: An Introductory Survey**, World Scientific Publishing, 2003.
- Wolfgang Kasper and Manfred E. Streit, **Institutional Economics**, The Locke Institute and Edward Elgar, 1998.
- Ronald H. Coase, **The Firm, the Market, and the Law**, University of Chicago, 1988.

- Barzel, Yoram, ***Economic Analysis of Property Rights***, Second Edition, Cambridge University Press, 1997.
- Hernando De Soto, ***The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else***, Basic Books, 2000.
- Douglass C. North, ***Institutions, Institutional Change, and Economic Performance***, Cambridge University Press, 1990.
- Douglass North, ***Understanding the Process of Economic Change***, Princeton University Press, 2005.
- Avner Greif, ***Institutions and the Path to Modern Economy: Lessons from Medieval Trade***, Cambridge University Press, 2006.
- Elinor Ostrom, ***Governing the Commons: The Evolution of Institutions for Collective Action***, 1990.

2. The Origin and Evolution of the State

- Yoram Barzel, ***A Theory of the State: Economic Rights, Legal Rights, and the Scope of the State***, Second Edition, Cambridge University Press, 1997.
- Francis Fukuyama, ***The Origins of Political Order: From Prehuman Times to the French Revolution***, Farrar, Straus and Giroux, 2011.
- Francis Fukuyama, ***Political Order and Political Decay: From Industrial Revolution to the Globalization of Democracy***, Farrar, Straus and Giroux, 2014.
- Daron Acemoglu and James A. Robinson, ***Why Nations Fail: The Origins of Power, Prosperity and Poverty***, Profile Books, 2013.
- George Gilder, ***Knowledge and Power: The Information Theory of Capitalism and How It Is Revolutionizing our World***, Regnery Publishing, 2013.

3. Political Economy of Public Policy

- Gordon Tullock, Arthur Seldon, and Gordon L. Brady, ***Government Failure: A Primer in Public Choice***, CATO Institute, 2002.
- Roger LeRoy Miller, Daniel K. Benjamin, Douglass C. North, ***The Economics of Public Issues***, Nineteenth Edition, Pearson, 2016.
- Jeffrey D. Sachs, ***The Age of Sustainable Development***, Columbia University Press, 2015.
- Torsten Persson and Guido Tabellini, ***Political Economics: Explaining Economic Policy***, The MIT Press, 200
- Torsten Persson and Guido Tabellini, ***The Economic Effects of Constitutions***, The MIT Press, 2005.
- Raghuram Rajan and Luigi Zingales, ***Saving capitalism from the capitalists: unleashing the power of financial markets to create wealth and spread opportunity***, Crown Business, 2003.

- Thomas Piketty, ***Capital in the Twenty-First Century***, Harvard University Press, 2014.

4. Political Economy of Globalization

- Graham Allison, ***Destined for War: Can America and China Escape Thucydides's Trap?*** Houghton Mifflin Harcourt, 2017.
- Joseph E. Stiglitz, ***Globalization and its Discontents Revisited: Anti-Globalization in the Era of Trump***, W. W. Norton & Company,
- Dani Rodrik, ***The Globalization Paradox: Democracy and the Future of the World Economy***, W. W. Norton & Company, 2011.
- Daniel Yergin and Joseph Stanislaw, ***The Commanding Heights: Battle for the World Economy***, A Touchstone Book, 2002.
- Jeffrey A. Frieden, David A. Lake, Kenneth A. Schultz, ***World Politics: Interests, Interactions, Institutions***, Third Edition, W. W. Norton & Company, 2016.
- Matthew Harrison and Geng Xiao, ***Enhanced Special Drawing Rights: How China Could Contribute to a Reformed International Monetary Architecture***, China & World Economy, 41-61, Vol 26, No. 4, 2018.

5. Political Economy of China's Reform and Opening

- Steven N. S. Cheung, ***Will China go 'capitalist'? an economic analysis of property rights and institutional change***, Institute of Economic Affairs, 1986.
- Steven N. S. Cheung, ***The Economic System of China***, China CITIC Press, 2009.
- Y. Z. Cao, Y. Y. Qian and B. R. Weingast, ***From federalism, Chinese style to privatization, Chinese style***, Economics of Transition 7(1): 103-131, 1999.
- Yukon Huang, ***Cracking the China Conundrum: Why Conventional Economic Wisdom Is Wrong***, Oxford University Press, 2017.
- Xiao Geng, Zhang Yansheng, Law Cheung-Kwok and Dominc Meager, ***China's Evolving Growth Model: The Foshan Story***, Fung Global Institute and Amazon Digital Publishing, 2015.
- www.project-syndicate.org/columnist/geng-xiao

6. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (1) to (4)
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Yes, see (2) and (4)
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes, see (3)
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes, see (3)

	2.2. Students will be able to apply leadership theories and related skills.	Yes, see (3)
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes, see (1) and (3)
	3.2. Our students will practice ethics in the duration of the program.	Yes, see (1) and (3)
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes, see the list of readings and course summary
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes, the first part of the course will review theories
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes, see (3) and (4)
	5.3. Our students will demonstrate competency in critical thinking.	Yes, see (4)

2.2 Course specific objectives

- (A) Master basic concepts and tools of new institutional economics;
- (B) Use new institutional economics to examine the relations between the state and the market;
- (C) Explain the political economy of public policy making, globalization, and China's reform and opening;
- (D) Explain the impacts of institutions and institutional changes on the speed and quality of economic development;

2.3 Assessment/Grading Details

(1) Class participation	15%
(2) Assignment on literature review (no more than 15 slides)	20%
(3) Group presentation (no more than 20 slides)	30%
(4) Final essay (2000 words plus no more than 10 slides)	35%
Total	100%

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or

communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

7. Topics, Teaching and Assessment Schedule

- Class 1: Introduction
- Class 2: Property Rights
- Class 3: Politics and Institutional Change
- Class 4: The State-Market System
- Class 5: Legal Institutions
- Class 6: "Original Sin" and Corruption
- Class 7: Public Policy
- Class 8: Geopolitics

Assignment on literature review due on Class 9 (December 12, 2019)

- Class 9: Political order
- Class 10: Political decay
- Class 11: Economics of property rights
- Class 12: Institutions and the path to the modern economy
- Class 13: Governing the commons
- Class 14: Why nations fail
- Class 15: The Globalization paradox
- Class 16: Global inequality
- Class 17: The Age of sustainable development
- Class 18: Summary

Final essay due on the last class (January 13, 2019)

End.