Instructor: Professor Megan V. Teague
Email: mteague2@gmu.edu
Office Location: Mason Hall
Office Hours: TH 6:00-7:00 and by appointment
Course Webpage: None

Course Description:
Rules, norms, and customs, otherwise known as institutions, shape human interactions. In this class we will explore how and why rules across various settings evolve —within culture, hierarchies, and economic systems—and how these rules impact economic and political outcomes.

Week 1 Introduction
Weeks 2-4 Formal Institutions
Weeks 5-7 Informal Institutions
Weeks 8-10 Paper Preparation
Weeks 11-13 Paper Presentations and Comments
Weeks 14 Institutions Exercise

Required Texts

Recommended Texts
**Course Structure:**
Each class is structured in three parts. The first part will be a short lecture based upon readings for each class and relevant game theoretic models; the second part will be presentations by students on one of the three papers that week; the third part will be a seminar led by the presenters.

Readings besides the required texts will be provided via Dropbox for your convenience.

**Presentations:**
After the lecture each week, several presenters will give a 10-15 minute lecture based on their assigned paper. The objective is to teach the class the main points of the paper. Students must present the question the paper is attempting to answer, the method the paper uses to answer the question (empirical, game theoretic, case study, etc...), findings from the paper, and any insights the paper has.

**Class Participation:**
After the lecture and student presentations, the presenters will lead the seminar and conversation using the various readings for that class. It is up to the presenter(s) how best to organize this.

Non-discussion leaders are expected to participate in these conversations every class.

**Papers:**
Students will prepare a full-length paper due at the end of the term on a topic of their choice relevant to the economics of institutions. Students must have a (1) relevant question, (2) a method to answer the question, (3) results or findings from the method used, and (4) a conclusion stating any implications the paper might have for future work.

Students must approve their paper topic and method used for the paper with me prior to the **8th week of class—October 13th**.

**Exams and/or Quizzes:**
Students will determine on the first day of class the number and weight of exams and/or quizzes.

**Grades:**
Grades will be divided into five (possible) categories: presentations, class participation, institutions exercise, final paper, and exam(s) and/or quizzes. Grades are commensurate with the quality of work, ability to follow directions, and participation.

There are no makeups, late work, or additional credit.
The number of exams and quizzes as well as grade weights ascribed to each category will be determined by students on the first day of class.

**Honor Code:**
Cheating—and any variant of it (plagiarism, lying, etc)—on your response papers and/or final exam is not tolerated. Violations will be reported to the University’s Honor Committee.

**Accommodation for Students with Disabilities:**
See me and contact GMU’s Office of Disability Services at 703.993.2474 within the first week of class if any academic accommodations are needed (or will be needed) due to a disability.
Tentative Course Outline (subject to changes)

September 1: Introduction to Course

Introduction to game theory, empirical economics, and the economics of institutions. Determine grade structure and scale, and assign discussion leader roles.

Recommended Readings:

- Jackson, M. O. (2011). A brief introduction to the basics of game theory. *Available at SSRN 1968579*

September 8: Formal Institutions—Transactions Costs Economics and Theories of the Firm


September 15: Formal Institutions—Hierarchies

**September 22: Formal Institutions—States and Laws**


**September 29: Informal Institutions—Anarchy and Primitive Societies**


**October 6: Informal Institutions: Corruption**

October 13th: Informal Institutions: Culture and Prosperity


October 20-November 3rd: Paper Preparations

November 10: Paper Presentations and Comments

November 17th: Paper Presentations and Comments

November 24: Thanksgiving Break; No class.

December 1: Paper Presentations and Comments

December 8: Institutions Exercise

December 15: Paper Due Date
References

investigation. The Quarterly journal of economics, pages 1251–1288.
Leeson, P. T. (2010). Rational choice, round robin, and rebellion: an institutional solution to the
Levitt, S. D. and Dubner, S. J. (2010). Freakonomics, volume 61, chapter What do SchoolTeachers
and Sumo Wrestlers Have in Common? Sperling & Kupfer editori.
stitutions: Evidence from the kuba kingdom. Technical report, National Bureau of Economic
Research.
Miller, G. J. (1993). Managerial dilemmas: The political economy of hierarchy. Cambridge Uni-
versity Press.
university press.
Nye, J. V. (1997). Thinking about the state: property rights, trade, and changing contractual
arrangements in a world with coercion. The Frontiers of the New Institutional Economics. San


