

Office Hours: 3:30-5:00pm, Thursday

Grade: attendance & class presentation (25%), homework (15%), midterm (30%), final (30%).

Textbook: Daron Acemoglu and James A. Robinson (2012), *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (WNF).

Students will be randomly called to solve homework at blackboard, and be graded according to the performance. Those who do not have the chance to solve homework in front of the class will be graded according to their written solutions handed in at the beginning of the class.

Each student will present one chapter of WNF (for 20 minutes) and a paper (for 30 minutes) listed below. If you (as an audience) raise questions or give comments during our discussion, please send me an email briefly explaining your questions/comments after class. It counts as part of your grade.

A student who chooses to present the n -th paper will present chapter $16 - n$ of WNF. Please email me your preference over these papers, for instance $1 \succ 3 \succ 15 \dots$. I'll start to fill in a list of presenters in order of receipt time of your mails.

The midterm and final exams cover all the chapters and papers discussed in class.

The lectures cover the following topics:

1. Introduction

- Galenson, David W. (2002). "Masterpieces and Markets: Why the Most Famous Modern Paintings Are Not by American Artists?" *Historical Methods*, 35(2), pp. 63-75.

- Koo, Hui-wen and Pei-yu Lo (2004). “Sorting: The Function of Tea Middlemen in Taiwan during the Japanese Colonial Era,” *Journal of Institutional and Theoretical Economics*, 160(4), 607–626.

2. Matching

- Roth, Alvin E. (1990). “New Physicians: A Natural Experiment in Market Organization,” *Science*, 250 (December 14, 1990), 1524–28.

3. Incentive Contracts

- Milgrom and Roberts (1992), *Economics, Organization and Management*, Ch.6.
- Milgrom and Roberts (1992), Ch.7.
- (1) Cheung, Steven N.S. (1969). “Transaction Costs, Risk Aversion, and the Choice of Contractual Arrangements,” *Journal of Law & Economics* 12:1, pp.23–42.
- (2) Koo, Hui-wen, Chen-ying Huang and Kamhon Kan (2012), “Interlinked Contracts: An Empirical Study,” *Economica*, 79:350–377.

4. Mechanism Design

- (3) Leeson, Peter T. (2012), “Ordeals”, *Journal of Law and Economics*, 55: 691–714.
- (4) Leeson, Peter T. (2011), “Trial by Battle”, *Journal of Legal Analysis*, 3:1, 341–375.

5. Collective Punishment

- (5) Greif, Avner (1989). “Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders.” *Journal of Economic History*, XLIX, No.4, 857–82.

6. Property right

- (6) Demsetz, Harold (1967). “Toward a Theory of Property Rights,” *American Economic Review*, 57, 347–59.
- (6) Demsetz, Harold (2002). “Toward a Theory of Property Rights II, The Competition between Private and Collective Ownership”, *Journal of Legal Studies*, vol. XXXI, S653–672.
- (7) Koo, Hui-wen (2011), “Property Right, Land Prices and Investment: A Study of the Taiwanese Land Registration System,” *Journal of Institutional and Theoretical Economics*, 167:3, 515–535.
- (8) Taylor, M. Scott (2011). “Buffalo Hunt: International Trade and the Virtual Extinction of the North American Bison”, *American Economic Review*, 101:7, 3162–95.
- (9) Koo, Hui-wen (2011), “Deer Hunting and Preserving the Commons in Dutch Colonial Taiwan,” *Journal of Interdisciplinary History*, 42:2, 185-203.

7. Organizations in Qing Taiwan

- (10) Koo, Hui-wen (2013), “Worship Associations in Taiwan,” *Australian Economic History Review*, 53:1, 1-21.
- (11) Olds, Kelly B. and Liu, Ruey-hua (2000), “Economic Cooperation in 19th-Century Taiwan: Religion and Informal Enforcement”, *Journal of Institutional and Theoretical Economics*, 156:2, 404–430.

8. Path Dependence or Path Breaking

- (12) Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001), “The Colonial Origins of Comparative Development: An Empirical Investigation”, *American Economic Review*, 91:5, 1369–1401.
- (13) Dell, Melissa (2010), “The Persistent Effects Of Peru’S Mining Mita”, *Econometrica*, 78:6, 1863–1903.

- (14) Olds, Kelly (2003), “The Biological Standard Of Living In Taiwan Under Japanese Occupation”, *Economics and Human Biology*, 1:2, 187–206.

9. Anarchy

- (15) Leeson, Peter T. (2007), “An-arrgh-chy: The Law and Economics of Pirate Organization”, *Journal of Political Economy*, 1049-1094.

The plan for this semester is as the following.

		Why Nations Fail	papers
2	22		Galenson, masterpieces and markets
	23	pre-face	Koo, tea middlemen
3	1 holiday		
	8	1	Roth, matching
	15	2	hwk discussion, Milgorm, incentive contracts, ch.6
	22	3	Milgorm, risk sharing, ch.7
	29	4	hwk discussion, (1) Cheung, (2) Koo
4	5 holiday		
	12	5	Leeson: (3) oredeals, (4) trial battle
	19		midterm
	26	6	(5) Avner
5	3	7	(6) Demsetz (1967, 2002), (7) Koo (property)
	10	8	(8) Taylor (buffalo), (9) Koo (deer)
	17	9	(10) Koo (worship), (11) Olds (religion)
	24	10,11	(12) Acemoglu, colonial origins (IV, overidentificaiton)
	31	12,13	(13) Dell: Mita (regression discontinuity)
6	7 holiday		
	14	14,15	(14) Olds (biological standard), (15) Leeson: An-arrgh-chy
	21		final