



LUND
UNIVERSITY

School of Economics and Management

EEH023F, Good Government – legal institutions, property rights and development, 7.5 credits

*Gott styre – juridiska institutioner, äganderätt och utveckling, 7,5
högskolepoäng*

Third Cycle / Doktorandnivå

Details of approval

Approved by the Board of the Department of Economic History, Lund University School of Economics and Management 2021-03-09.

General Information

This is an optional course at the PhD programme.

The language of instruction is English.

Learning outcomes

On a general level the student will acquire advanced knowledge about the New Institutional Economics school of thought. During the course the student will read and discuss about theories as to how legal structures allowed for growth in the past, and how adjusting legal structures might help advance developing countries. Particular attention will go to the development of property rights systems and differences in conflict resolution across the globe. The student will acquire an overview of current discussions about how to measure and evaluate the quality of institutions, why beneficial institutions do not simply emerge or prevail, and how to implement institutions beneficial for growth. More specifically, to pass the assessments students will be expected to:

Knowledge and understanding

- demonstrate familiarity with the concept of property rights, including how property rights can be created and exercised
- have an understanding of problems surrounding institutional change, including institutional sclerosis, rent seeking and existing legal cultures

Competence and skills

- apply theories and analytical concepts in the literature of New Institutional Economics and critically examine their limitations

Judgement and approach

- present and defend theoretically and empirically sound analyses of property right development
- analyse and evaluate institutional development among historical societies and present-day economies
- evaluate indicators used in scholarly literature to estimate transaction costs.

Course content

Most scholars would agree that ‘good government’ is a prerequisite for economic development: societies that do not manage to protect property rights will not be able to achieve an efficient allocation of production factors. They will also not be able to attract foreign investors. Which property rights systems are beneficial to growth, how they emerged, and they can be introduced in developing societies, are key issues in economic history.

The course discusses the development of the concept of property in the long run, as well as the history of property rights systems, and their implications for development. It also asks how such a long-run approach can help us understand how to manage and improve property rights systems in today’s societies.

The course introduces the New Institutional Economics approach to economic development, and will pay attention to various legal underpinnings of property, including contract law and public registration of titles to property, as well as rule of law and conflict mediation institutions, and government’s role in property rights enforcement, to get an impression of what makes for a beneficial property rights system.

Adjusting property rights systems can be difficult because of the vested interests of property owners. Attention will therefore also go to the question of how past societies managed to make changes to their property rights systems, under which circumstances they managed to succeed, and how this impacted upon development.

Course design

The course is designed as a series of group meetings. In the first part of the course historical and contemporary theories of good government, property rights, and development is presented through the course literature and later discussed in-depth. In the second part, students will write a report applying theories to a historical case study. The written report is handed in as part of the examination and is given as a presentation to the group.

Assessment

Grading is based on individual performance via written hand-ins, papers, presentations and other mandatory activities. In this tutorial, equal emphasis is put on the active participation in discussions at the group meetings and oral presentations. Examination is continuous. Examination may draw on teaching as well as the course literature.

The University views plagiarism very seriously, and will take disciplinary actions against students for any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other unfair practice in examinations or assessments, includes suspension from the University.

Grades

Marking scale: Fail or Pass.

Prerequisites

PhD students applying for this course should have at least 60 credit points in either economic history, business administration, economic and social geography, economics, history, sociology or the equivalent knowledge.

Further information

This course cannot be included in the same degree as EKHT33.