

Topic # 6: Institutional persistence in pre-modern economies.

(\* -DL) North (1994), “Economic Performance through Time”, American Economic Review, Pg. 359-68.

(\*) Clark (2007), “Institutions and Growth”, in Farewell to Alms, Pg. 145-65.

- Question: Did the transition to MEG necessarily require institutional change?
- Theory: Modeling the connection between institutions and growth.
- Evidence: Incentives and the promotion of growth.

- Defining an “institution”.
- The characteristics of a “good” institution.
- Path dependence and institutional change.
- Link between institutions and growth.
- Claims about pre-modern institutions.
- Did MEG require institutional discontinuity?

## Institutions Encouraging Growth

	England (1300)	England (2000)
Low tax rates	✓	✗
Low social transfers	✓	✗
Low inflation	✓	✗
Low public debt	✓	✗
Secure property	✓	✓
Intellectual property rights	✗	✓
Security of person	✗	✓
Social mobility	✓	✓
Free goods markets	✓	✓
Free labour markets	✓	✓
Free capital markets	✓	✓
Free land markets	✓	✗