

# INSTITUTIONS, POWER, AND INEQUALITY II

MPA 612: Economy, Society, and Public Policy

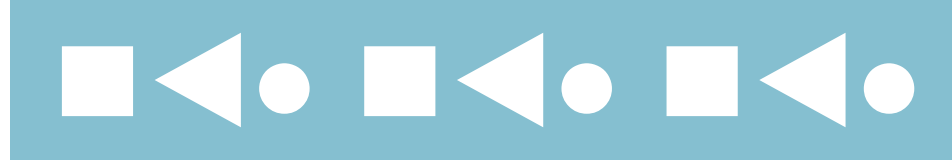
February 13, 2019

*Fill out your reading report  
on Learning Suite*

# PLAN FOR TODAY

---

**Institutions, paths, and history**



# INSTITUTIONS, PATHS, AND HISTORY

# NORTHIAN INSTITUTIONS

---

**Institutions = rules of the game**

Institutions reduce uncertainty by  
regularizing human interactions

# NORTH'S ARGUMENT

---

Institutions determine opportunities available in society

Organizations emerge to take advantage of opportunities

As organizations evolve, they alter the institutions in their favor

# Pólya's urn

# Path dependency and institutional lock-in

Underlying institutional framework shapes incentives

19th century United States vs. post-colonial sub-Saharan Africa

~ 、	! 1	@ 2	# 3	\$ 4	% 5	^ 6	& 7	* 8	( 9	) 0	- _	+ =	← Backspace
Tab ↔	Q	W	E	R	T	Y	U	I	O	P	{ [	} ]	 \ /
Caps Lock ⬆	A	S	D	F	G	H	J	K	L	: ;	" '	Enter ↵	
Shift ⬆	Z	X	C	V	B	N	M	< ,	> .	? /	Shift ⬆		
Ctrl	Win Key	Alt								Alt	Win Key	Menu	Ctrl

~ `	! 1	@ 2	# 3	\$ 4	% 5	^ 6	& 7	* 8	( 9	) 0	{ [	} ]	← Backspace
Tab ↔	" '	< ,	> .	P	Y	F	G	C	R	L	? /	+ =	 \ 
Caps Lock ⬆	A	O	E	U	I	D	H	T	N	S	- _	Enter ⬇	
Shift ⬆	:	Q	J	K	X	B	M	W	V	Z	Shift ⬆		
Ctrl	Win Key	Alt								Alt Gr	Win Key	Menu	Ctrl

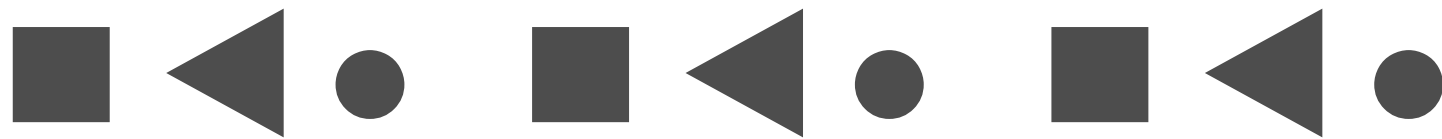












**Each group is a sovereign country.**

**Make as much money as possible  
using the materials in the envelope.**

**Manufacture shapes.  
Shapes must be cut with scissors  
and must be accurately measured.**

**The more shapes you make,  
the richer you get!**

**Only cut blank white paper.**

**No physical violence.**

**I adjudicate disputes and my word is final.**

**That's all. Go get rich.**

