

Contents

<i>The International Economic Association</i>	vii
<i>Acknowledgements</i>	ix
<i>List of Contributors</i>	x
<i>Abbreviations and Acronyms</i>	xi
<i>Preface</i>	xiii

Introduction: Politics and Growth – What are the Crucial Issues? <i>Silvio Borner</i>	xv
--	----

PART I THE STATE AND DEVELOPMENT

1 Institutions as Investments <i>Robert H. Bates</i>	3
2 Some Lessons on the Efficiency of Democracy from a Study of Dictatorship <i>Ronald Wintrobe</i>	20
3 The Economics of Autocracy and Majority Rule: The Invisible Hand and the Use of Force <i>Martin C. McGuire and Mancur Olson Jr</i>	38
4 Causes of Change in Political-Economic Regimes <i>Peter Bernholz</i>	74

PART II VOLATILITY, UNCERTAINTY, INSTITUTIONAL INSTABILITY AND GROWTH

5 Macroeconomic Volatility and Economic Development <i>Michael Gavin and Ricardo Hausmann</i>	97
6 Political Variables in Growth Regressions <i>Aymo Brunetti</i>	117
7 Political Stability and Economic Stagnation <i>Philip Keefer and Stephen Knack</i>	136
8 Political Uncertainty, the Formation of New Activities and Growth <i>Joshua Aizenman</i>	154

9 Does Economic Growth Lead to Political Stability? <i>Martin Paldam</i>	171
 PART III RENT-SEEKING AND CORRUPTION	
10 Corruption and Rent-Seeking <i>John Mukum Mbaku</i>	193
11 Corruption and Countervailing Action in Pakistan <i>M. Shahid Alam</i>	212
 PART IV CASE STUDIES: POLICIES, COUNTRIES AND INTERNATIONAL ORGANIZATIONS	
12 Disinflation and Overvaluation <i>Rudiger Dornbusch</i>	227
13 Government Policy, Saving and Growth in Latin America <i>Vittorio K. Corbo</i>	243
14 Growth and Political Violence in Northern Ireland, 1920–96 <i>Vani K. Borooah</i>	266
15 Donor Conditionality and Policy Reform <i>Tony Killick</i>	278
16 Institutional Analysis for Capacity Building <i>Dieter Kattermann</i>	294
 PART V CONSTITUTIONAL AND ADMINISTRATIVE REFORM	
17 Developing Democracy in Developing Countries <i>Bruno S. Frey</i>	315
18 Ethnic Rent-Seeking, Stability and Institutional Reform in Sub-Saharan Africa <i>Mwangi S. Kimenyi</i>	324
19 Healing Sick Institutions <i>Robert Klitgaard</i>	335
 PART VI COMMENTS	
<i>Beatrice S. Weder</i>	351
<i>Guy P. Pfeffermann</i>	357
<i>Geoffrey Shepherd</i>	363
 <i>Index of Names</i>	 367
<i>Subject Index</i>	373