

OSTROM WORKSHOP COLLOQUIUM SERIES

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“The Ideological Roots of Institutional Change”

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12:00 – 1:00 p.m. • Ostrom Workshop, 513 N. Park



Why do some societies fail to adopt more efficient institutions in response to changing economic conditions? And why are such failures often associated with a rise in traditional ideological beliefs? We propose an explanation that highlights the interplay or lack thereof between productivity shocks, institutions, and ideology. We conceptualize and formalize ideology as the process through which individuals use simplifying heuristics to make generalizations about the complex environment within which they operate. When productivity shocks occur, there is uncertainty regarding how new, more “appropriate” ideologies will interact with the new economic conditions. This uncertainty discourages investment in institutions and the cultural capital necessary to take advantage of new production possibilities, and accordingly, generates ideological movements that place a higher premium on traditional values. Historical analytic narratives support the theory, including Ottoman reform initiatives, the Japanese Tokugawa reforms and Meiji Restoration, and the Tongzhi Restoration in Qing China.



Murat Iyigun, PhD, Brown University, 1995, is a professor specializing in the economics of the family, economic development, and growth and cliometrics. He is a research fellow at the Institute for the Study of Labor (IZA), Bonn, Germany, and a founding fellow of the Association for Analytical Learning on Islam and Muslim Societies (AALIMS). Prior to joining Colorado in 2000, he served as a staff economist at the Federal Reserve Board in Washington, DC. Some of Professor Iyigun’s research has been published in the *American Economic Review*, *Quarterly Journal of Economics*, *The Review of Economic Studies*, and other leading journals. He is currently the coeditor of the *Journal of Demographic Economics* (JODE) published by Cambridge University Press. His general-interest book, *War, Peace, and Prosperity in the Name of God*, was published by the University of Chicago Press in 2015 ([website](#)).

Presentations are open to the public and are live streamed (see our website for URL and papers). You are welcome to bring your lunch. For questions, contact Allison Sturgeon (sturgeon@iu.edu; 812/855-3151).