

Institutional Analysis and Development (Micro)

Class No. 20374 / T 3:30-5:30 PM / Park 1, Tocqueville Room @ 513 N. Park Ave

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The central questions underlying this course are:

- How can fallible human beings achieve and sustain self-governing ways of life and self-governing entities as well as sustaining ecological systems at multiple scales?
- When we state that institutions facilitate or discourage effective problem-solving and innovations, what do we mean by institutions and what other factors affect these processes?
- How do we develop better frameworks and theories to understand behavior that has structure and outcomes at multiple scales (e.g. household use of electricity affecting household budget and health as well as community infrastructure and investments and regional, national, and global structures and outcomes)?
- How can institutional analysis be applied to the analysis of diverse policy areas including urban public goods, water and forestry resources, and healthcare?

To address these questions, we will have to learn a variety of tools to understand how fallible individuals behave within institutions as well as how they can influence the rules that structure their lives. This is a particularly challenging question in an era when global concerns have moved onto the political agenda of most international, national, and even local governing bodies without recognizing the importance of the local for the global. Instead of studying how individuals craft institutions, many scholars are focusing on how to understand national and global phenomena. It is also an era of substantial political uncertainty as well as violence, terrorism, and disruption. Many of the problems we are witnessing today are due to a lack of understanding of the micro and meso levels that are essential aspects of global processes.

In our effort to understand self-governance, we will be studying the four “I’s”: individuals, incentives, institutions, and inquiry.

To understand processes at any level of organization, one needs to understand the individuals who are participants and the incentives they face. When we talk about “THE” government doing X or Y, there are individuals who hold positions in a variety of situations within “THE” government. We had better understand how individuals approach making decisions in a variety of situations given the incentives they face. Those incentives come from a variety of sources, but a major source, particularly in the public sector, are the rules of the game

they are playing. Institutions include the rules that specify what may, must or must not be done in situations that are linked together to make up a polity, a society, an economy, and their inter-linkages. To understand this process, we must be engaged in an inquiry that will never end.

The settings we study are complex, diverse, multi-scaled, and dynamic. Thus, we need to develop frameworks that provide a general language for studying these complex, multi-scaled systems. And, we can learn a variety of theories (and models of those theories) that help us understand particular settings. We cannot develop a universal theory of actions and outcomes in all settings for all time. Thus, our task of inquiry is a lifelong task. And, the task of citizens and their officials is also unending. No system of governance can survive for long without commonly understood rules and rule enforcement. Rule enforcement relies on varying degrees of force and potential use of violence. Consequently, we face a Faustian bargain in designing any system of governance.

A self-governing entity is one whose members (or their representatives) participate in the establishment, reform, and continued legitimacy of the constitutional and collective choice rules-in-use. All self-organized entities (whether in the private or public spheres) are to some extent self-governing. In modern societies, however, it is rare to find any entity whose members (or their representatives) have fashioned all of the constitutional and collective-choice rules that they use. Some rules are likely to have come from external sources. Many rules will have come from earlier times and are not discussed extensively among those using the rules today.

On the other hand, even in a totalitarian polity, it is difficult for central authorities to prevent all individuals from finding ways of self-organizing and creating rules of their own. Some of these may even be contrary to the formal laws of the totalitarian regime. Given that most modern societies have many different entities, let me rephrase the first question on Page 1: How can fallible individuals achieve and sustain large numbers of small, medium, and large-scale self-governing entities in the private and public spheres?

We cannot thoroughly understand all of the diverse processes of self-governance in any semester-long or year-long course of study. How humans can govern themselves is a question that has puzzled and perplexed the greatest thinkers of the last several millennia. Many have answered that self-governance is impossible. In this view, the best that human beings can do is live in a political system that is imposed on them and that creates a predictable order within which individuals may be able to achieve a high level of physical and economic well-being without much autonomy. In this view, the rules that structure the opportunities and constraints facing individuals come from outside from what is frequently referred to as “the state.”

For other thinkers, rules are best viewed as spontaneously emerging from patterns of interactions among individuals. In this view, trying to design any type of institution, whether to be imposed on individuals or self-determined, is close to impossible or potentially disastrous in its consequences. Human fallibility is too great to foretell many of the consequences that are likely to follow. Efforts to design self-governing systems, rather than making adaptive changes within what has been passed along from past generations, involves human beings in tasks that are beyond their knowledge and skills.

The thesis that we advance in this seminar is that individuals, who seriously engage one another in efforts to build mutually productive social relationships – and to understand why these are important – are capable of devising ingenious ways of relating constructively with one another. The impossible task, however, is to design entire social systems “from scratch” at one point in time that avoid the fate of being monumental disasters. Individuals who are willing to explore possibilities, consider new options as entrepreneurs, and to use reason as well as trial and error experimentation, can evolve and design rules, routines, and ways of life that are likely to build up to self-governing entities with a higher chance of adapting and surviving over time than top-down designs. It takes time, however, to learn from errors, to try and find the source of the error, and to improve one part of the system without generating adverse consequences elsewhere.

Successful groups of individuals may exist in simple or complex nested systems ranging from very small to very large. The problem is that in a complexly interrelated world, one needs effective organization at all levels ranging from the smallest work team all the way to international organizations. If the size of the group that is governing and reaping benefits is too small, negative externalities are likely to occur. Further, even in small face-to-face groups, some individuals may use any of a wide array of asymmetries to take advantage of others. Individuals, who are organized in many small groups nested in larger structures – a polycentric system – may find ways of exiting from some settings and joining others. Or, they may seek remedies from overlapping groups that may reduce the asymmetries within the smaller unit. If the size of the group that is governing and reaping benefits is too large, on the other hand, essential information is lost, and further, the situation may again be one of exploitation.

Scale and complex nesting are only part of the problem. Another part has to do with how individuals view their basic relationships with one another. Many individuals learn to be relatively truthful, considerate of others, trustworthy, and willing to work hard. Others are opportunistic. Some approach governance as involving basic problem-solving skills. Some approach governance as a problem of gaining dominance over others. The opportunities for dominance always exist in any system of rule-ordering, where some individuals are delegated responsibilities for devising and monitoring conformance to rules and sanctioning rule breakers. Those who devise self-governing entities that work well only when everyone is a “saint” find themselves invaded by “sinners” who take advantage of the situation and may cause what had initially worked successfully to come unglued and fail.

Thus, the initial answer to the first question on Page 1 is: Self-governance is possible in a setting, if . . .

- most individuals share a common, broad understanding of the biophysical, cultural, and political worlds they face; of the importance of trying to follow general principles of trust, reciprocity, and fairness; and of the need to use artisanship to craft their own rules;
- most individuals have significant experience in small to medium-sized settings, where they learn the skills of living with others, being responsible, gaining trust, being entrepreneurial, and holding others responsible for their actions;

- considerable autonomy exists for constituting and reconstituting relationships with one another that vary from very small to very large units (some of which will be highly specialized while others may be general purpose organizations);
- individuals learn to analyze the incentives that they face in particular situations (given the type of physical and cultural setting in which they find themselves) and to try to adjust positive and negative incentives so that those individuals who are most likely to be opportunistic are deterred or sanctioned.

The above is posed as a “possibility” not a determinate outcome. In other words, we view self-governing entities as fragile social artifacts that individuals may be able to constitute and reconstitute over time. A variety of disturbances are likely to occur over time. A key question is to what kind of disturbances is a self-organized governance system robust? We can make scientific statements about the kinds of results that are likely if individuals share particular kinds of common understandings, are responsible, have autonomy, possess analytical tools, and consciously pass both moral and analytical knowledge from one generation to the next. These are strong conditions!

With this view, small self-governing entities may exist as an enclave in the midst of highly authoritarian regimes. This may not be a stable solution, but self-governance may provide opportunities to develop productive arrangements for those who establish trust and reciprocity backed by their own willingness to monitor and enforce interpersonal commitments. If the macro structure is not hostile or even supports and encourages self-organization, what can be accomplished by smaller private and public enclaves can be very substantial. This is initially a bottom-up view of self-governance. Productive small-scale self-organization, however, is difficult to sustain over time in a larger political system that tries to impose uniform rules, operates through patron-client networks or uses terror to sustain authoritarian rule. Having vigorous local and regional governments and many types of voluntary associations is part of the answer but not sufficient in and of itself.

Simply having national elections, choosing leaders, and asking them to pass good legislation is hardly sufficient, however, to sustain a self-governing society over the long run. Electing officials to national office and providing them with “common budgetary pools” of substantial size to spend “in the public interest” creates substantial temptations to engage in rent-seeking behavior and distributive politics. The central problem is how to embed elected officials in a set of institutions that generates information about their actions, holds them accountable, allows for rapid response in times of threat, and encourages innovation and problem solving. Solving such problems involves the design of a delicately balanced system. It requires decisions from sophisticated participants who understand the theory involved in constituting and reconstituting such systems and share a moral commitment to the maintenance of a democratic social order.

Now, what is the role of the institutional analyst in all of this? Well, for one, it is essential for those who devote their lives to studying the emergence, adaptation, design, and effects of institutional arrangements to understand a very wide array of diverse rules that exist in an equally diverse set of physical and cultural milieus. To understand how various rules may be used as part of a self-governing society, one has to examine how diverse rules affect the

capacities of individuals to achieve mutually productive outcomes over time or the dominance of some participants over others. Eventually, one has to examine constellations of embedded institutional arrangements rather than isolated situations. And, one has to examine the short-run and long-run effects of many different types of rules on human actions and outcomes. Further, one has to acquire considerable humility regarding exactly how precise predictions can be made about the effects of different rules on incentives, behavior, and outcomes achieved. Design of successful institutions may indeed be feasible. Designed institutions, which tend to generate substantial information rapidly and accurately and allow for the change of rules over time in light of performance, are more likely to be successful than those resulting from “grand designs” for societies as a whole.

To be an institutional analyst, one needs to learn to use the best available theoretical and data collection tools, while at the same time trying to develop even better theories and conducting further empirical studies that contribute to our theoretical understanding of self-governing systems. All tools have capabilities and limits. The task of the skilled artisan – whether an institutional theorist or a cabinetmaker– is to learn the capabilities and limits of relevant tools and how best to use a combination of tools to address the wide diversity of puzzles that one comes across in a lifetime of work.

Relevant tools are plentiful in the sense that we do have an extensive body of political, social, and economic theory that focuses on the impact of diverse rules on the incentives, behavior, and likely outcomes within different settings. These tools are limited, however, in that many of the most rigorous theories make questionable assumptions about both the individual and about the settings within which individuals find themselves. This can be problematic for explaining behavior in many settings. These explicit and often implicit assumptions may mask some of the deeper problems of sustaining democratic systems over time. Many of the difficult problems that human beings face in trying to develop and sustain democratic organizations are assumed away when one starts with assumptions that individuals have complete and perfect information and can make error-free calculations about expected consequences for themselves and no one else in complex, uncertain worlds.

Further, when assumptions are made that the structure of the situations facing individuals are fixed and cannot be changed by those in the situation, little effort is devoted to addressing how individuals affect their own situations. Yet, these same assumptions (full information and fixed structures) are useful when the analyst wants to examine the expected short-term outcomes of an institutional and physical setting, where the options available to individuals are narrowly constrained and where individuals have many opportunities to learn about the costs and benefits of pursuing diverse options. Learning which assumptions, theories, and models to use to analyze diverse institutional arrangements combined with diverse settings is an important aspect of the training of institutional analysts.

During this seminar, we will use a variety of theoretical tools. These will help us to understand the Institutional Analysis and Development (IAD) framework that we have been developing over many years at the Workshop as well as the more recent Program for Institutional Analysis of Social-Ecological Systems (PIASES) framework. The skilled institutional analyst uses a framework to identify the types of questions and variables to be included in any particular analysis. The artisan then selects what is perceived to be the most appropriate theory available

given the particular questions to be addressed, the type of empirical evidence that is available or is to be obtained, and the purpose of the analysis. For any one theory, there are multiple models of that theory that can be used to analyze a focused set of questions. Choosing the most appropriate model (whether this is a mathematical model, a simulation, a process model or the design for an experiment) also depends on the particular puzzle that an analyst wants to examine.

Further, there are multiple tools that are used in the conduct of research ranging from individual case studies, meta-analyses, large-N studies, laboratory and field experiments, GIS and remote sensing, agent- based models, and others. Institutional analysts respect all of these methods when used to understand human behavior in diverse settings. No scholar can use all of these methods well nor are they all appropriate for the study of all institutional settings, but it is important to learn more about diverse tools and their strengths and weaknesses for examining diverse research questions.

Required Readings:

Following is a list of required books available for purchase at the IMU or TIS bookstores. Links to online articles are provided through Oncourse.

- McGinnis, M. D., ed., (1999): *Polycentricity and Local Public Economies*. Ann Arbor: University of Michigan Press. [IU Bookstore]
- McGinnis, M. D., ed., (2000): *Polycentric Games and Institutions: Readings from the Workshop in Political Theory and Policy Analysis*. Ann Arbor: University of Michigan Press. [IU Bookstore]
- Ostrom, E. (2005): *Understanding Institutional Diversity*. Princeton: Princeton University Press. [IU Bookstore]
- Poteete, A., M. Janssen, and E. Ostrom (2010): *Working Together: Collective Action, the Commons, and Multiple Methods in Practice*. Princeton: Princeton University Press. [IU Bookstore]
- Scott, W. R. (2008): *Institutions and Organizations: Ideas and Interests*. Thousand Oaks, CA: SAGE Publications. [IU Bookstore]

Course Outline:

As this is an interdisciplinary course that attracts students with diverse backgrounds, the first five weeks under **Part I** will provide short conceptual and methodological primers to ensure a common language and basic proficiency in social science theories and methods before analyzing substantive readings. **Part II** then considers additional applications to development and policymaking research questions. The seminar ends with a **Mini-Conference** where students and visiting scholars get to present and get feedback on individual research papers.

PART I: BASIC CONCEPTS AND METHODS

Week 1: August 21	Introduction to the Seminar	Dan Cole
Week 2: August 28	Institutions	Armando Razo
Week 3: September 4	Organizations	Armando Razo
Week 4: September 11	Frameworks	Mike McGinnis Graham Epstein
Week 5: September 18	Models and Methods	Armando Razo Jimmy Walker

PART II: POLICY AND DEVELOPMENT APPLICATIONS

Week 6: September 25	Policymaking: Law and Social Norms	Dan Cole
Week 7: October 2	Property	Dan Cole
Week 8: October 9	Social Capital	Armando Razo
Week 9: October 16	Class cancellation - All seminar students and visiting scholars are expected to attend IU's memorial for the Ostrom's on Monday, Oct. 15 at 3:00 pm <i>and</i> the Workshop gathering the following morning (Tuesday, Oct. 16,) from 9:00-11:00 am (unless you have a conflicting class or other important obligation).	
Week 10: October 23	Polycentric Approaches to Policy	Dan Cole
Week 11: October 30	Bureaucratic Forms of Organization and their Potential Control	Dan Cole Bill Bianco
Week 12: November 6	Ongoing Projects on SESs (STC/CNH/Healthcare)	Catherine Tucker
Week 13: November 13	Applications of IAD or SES to your Puzzles	Sergio Villamayor
Week 14: November 20	IU Thanksgiving Break – No Class!	
Week 15: November 27	Puzzles and Challenges of Development	Dan Cole
Week 16: December 4	No new topics – Mini-Conference Paper due by 3:30 pm	

December 10-11: FALL 2012 MINI-CONFERENCE**Course Requirements:**

Graduate students taking the course for credit have three types of assignments. First, each student is expected to write a short (1-3 pages) memo to be distributed among participants in the class every second week starting **August 28**. Students should reflect on what they are currently reading and related topics. From time to time, we might ask for comments on a particular subject. Memos should be posted to Oncourse under the corresponding Forum for all class participants to read. Memos are due **Sunday evening by 5:00 p.m.** These memos are not individually graded, but 20% of the final grade will be based on class participation. The faithfulness and quality of the memos will be reflected in this part of the grade.

Second, a final paper is required. Each student and visiting scholar will be expected to select either a type of problem (such as that of providing a particular type of public good or common-pool resource) or a type of decision-making arrangement (such as that of a legislature, a court or a self-organized collectivity) and undertake an analysis of how combinations of rules, the structure of the goods and technology involved, and culture interact to affect the incentives facing individuals and resulting patterns of interactions adopted by individuals. The student may focus on an operational, a collective choice or a constitutional- choice level, but the linkage among these levels should be addressed. Alternatively, you may want to embed an action situation or situations in the broader SES framework. Some participants are interested in large-scale phenomena and will want to examine international or national regimes. Others will focus on a smaller scale of organizations. Some may want to address the “scaling up” and “scaling down” question in institutional analysis.

This is an excellent opportunity to do a research design for a dissertation that applies institutional analysis to a particular problem. Students and visiting scholars may wish to do the first draft of a paper that eventually will be submitted for publication. All papers will be presented at a Mini-Conference at the end of the semester. The final paper is due before class on **Tuesday, December 4** and constitutes 50% of the final grade. Students and visiting scholars should post their Mini-Conference papers in PDF format to Oncourse under the Mini-conference Forum for all class participants. Since learning how to make deadlines is an essential skill for all academics, this deadline is taken *very seriously*.

Third, active participation in the Mini-Conference itself is expected. The Mini-Conference at the end of the year (**December 10 and 11**) is the occasion during which visiting scholars, students in this seminar, and other Workshop colleagues present papers summarizing their work for the semester. The final paper will be presented at the Mini-Conference by someone other than the author, who will also provide an initial critique. The author will have an opportunity for immediate response, and there will be a general discussion of each paper clustered together on relevant panels.

Weekly Readings:

Below is a detailed course outline with weekly topics and corresponding readings. Whether or not you need to post a critique on a given week, you are still required to have read all required readings prior to our Tuesday meeting.

Each weekly topic also includes a list of supplementary references for optional reading. We will not discuss supplementary readings in class, but you are encouraged to use these lists as a source for potential research paper topics. Supplementary readings also provide a first step towards building an enhanced knowledge base on topics that are especially relevant to your own research interests.

PART I: BASIC CONCEPTS AND METHODS

This first part has two main objectives. First, we will review a variety of theoretical approaches to better understand the importance of institutions and organizations in structuring individual behavior. Second, we will review basic concepts of research design and methodology in order to test social theories. Overall, this first part aims at developing a common vocabulary and understanding of modern social science among all seminar participants in preparation for the substantive readings to be studied under Part II.

Week 1: 8/21 *Introduction to the Seminar – Dan Cole*

Each member of the seminar will be expected to read the preface for the syllabus (and to have glanced at the rest of it) and to have begun to think about how their own work might be related to the general work to be covered during the fall semester. We will discuss the general organization of the fall semester's work.

Required

Y673 Syllabus

"A Psycho-Cultural Interpretation of an American Sport," from the *Chicago Maroon*, October 14, 1955.

Dyson, F. (1998): "Science as a Craft Industry," *Science*, 280, 1014-1015.

Griffith, A. (1953): "What it Was, Was Football."

Ostrom, E. (2010): "Beyond Markets and States: Polycentric Governance of Complex Economic Systems," *American Economic Review*, 100, 641-672. *R10-15

Ostrom, V., C. M. Tiebout, and R. Warren (1961): "The Organization of Government in Metropolitan Areas: A Theoretical Inquiry," *American Political Science Review*, 55, 831-842. *R61-1

Poteete, A., M. Janssen, and E. Ostrom (2010): "Overcoming Methodological Challenges," in *Working Together: Collective Action, the Commons, and Multiple Methods in Practice*. Princeton: Princeton University Press, 3-27. [TEXTBOOK]

Supplementary

Aligica, P. D., and P. J. Boettke (2009): *Challenging Institutional Analysis and Development: The Bloomington School*. Routledge.

McGinnis, M. (2011): "An Introduction to IAD and the Language of the Ostrom Workshop: A Simple Guide to a Complex Framework," *Policy Studies Journal* 39, 169-183, http://php.indiana.edu/~mcginnis/iad_guide.pdf.

Week 2: 8/28 *Institutions – Armando Razo*

We will discuss various disciplinary rationales for social institutions with a focus on understanding the distinction between exogenous and endogenous institutions. We will also discuss the advantages and disadvantages of conceptualizing institutions solely as rules that govern social behavior.

Required

- Diermeier, D., and K. Krehbiel (2003): "Institutionalism as a Methodology," *Journal of Theoretical Politics*, 15, 123-144.
- North, D. C. (1991): "Institutions," *The Journal of Economic Perspectives*, 5, 97-112.
- Scott, W. R. (2008): *Institutions and Organizations: Ideas and Interests*. Thousand Oaks, CA: SAGE Publications, Chapters 1-3. [TEXTBOOK]
- Shepsle, K. (2006): "Rational Choice Institutionalism," in *The Oxford Handbook of Political Institutions*, ed. by R. A. W. Rhodes, S. A. Binder, and B. A. Rockman. Oxford; New York: Oxford University Press, 23-38.

Supplementary

- Cook, K. S., and E. R. W. Rice (2002): "Exchange and Power: Issues of Structure and Agency," in *Handbook of Sociological Theory*, ed. by J. H. Turner. New York: Springer, 699-719.
- Dixit, A. K. (2004): *Lawlessness and Economics: Alternative Modes of Governance*. Princeton, N.J.: Princeton University Press, Chapters 1 and 3.
- Mitchell, S. C. (1988): "Virginia, Rochester, and Bloomington: Twenty-Five Years of Public Choice and Political Science," *Public Choice*, 56, 101-119.
- North, D. C. (1989): "Institutions and Economic Growth: An Historical Introduction," *World Development*, 17, 1319-1332.
- North, D. C. (1990): *Institutions, Institutional Change, and Economic Performance*. Cambridge, England: Cambridge University Press, Chapter 1.
- Ostrom, E. (2005): *Understanding Institutional Diversity*. Princeton: Princeton University Press, all chapters. [TEXTBOOK]

Week 3: 9/4

Organizations – Armando Razo

Building upon the previous week, we will consider the structured settings of organizations. This session will provide an overview of organizational theory, which is heavily influenced by sociological approaches. In addition, we will discuss the interplay and differences between institutions and organizations. We will also review some readings that combine organizational and network analysis.

Required

- Borgatti, S. P., and P. C. Foster (2003): "The Network Paradigm in Organizational Research: A Review and Typology," *Journal of Management*, 29, 991-1013.
- Jones, B. D. (2001): *Politics and the Architecture of Choice: Bounded Rationality and Governance*, ed. by B. D. Jones. Chicago: University of Chicago Press, Chapter 6.

- Menard, C. (2005): "A New Institutional Approach to Organization," in *Handbook of New Institutional Economics*, ed. by C. Menard, and M. M. Shirley. Dordrecht, Netherlands: Springer, 281-318.
- Scott, W. R. (2008): *Institutions and Organizations: Ideas and Interests*. Thousand Oaks, CA: SAGE Publications, Chapters 4-8. [TEXTBOOK]

Supplementary

- Blaschke, S. (2008): "Organizations as Rational, Natural, and Open Systems," in *Structures and Dynamics of Autopoietic Organizations*, ed. by S. Blaschke. Wiesbaden, Germany: Gabler Verlag, 7-57.
- Cross, R. L., and A. Parker (2004): *The Hidden Power of Social Networks: Understanding How Work Really Gets Done in Organizations*. Boston, MA: Harvard Business School Press.
- Jones, B. D. (2001): *Politics and the Architecture of Choice: Bounded Rationality and Governance*, ed. by B. D. Jones. Chicago: University of Chicago Press, all chapters.
- Miller, G. J. (2005): "Solutions to Principal-Agent Problems in Firms," in *Handbook of New Institutional Economics*, ed. by C. Menard, and M. M. Shirley. Dordrecht, Netherlands: Springer, 349-370.
- Simon, H. A. (2000): "Public Administration in Today's World of Organizations and Markets," *PS: Political Science and Politics*, 33, 749-756.

Week 4: 9/11

Frameworks – Mike McGinnis and Graham Epstein

"Frameworks" are the overarching scaffolding within which models and theories are constructed. They provide the most general set of variables that institutional analysts use to examine diverse institutional settings, including human interactions in markets, private firms, families, community organizations, legislatures, and government agencies. Theories, including game theory, micro-economic theory, transaction-cost theory, etc., specify which working parts of a given framework are thought to be useful in explain diverse outcomes, and how those outcomes relate one to another. Models, by contrast, make precise assumptions about a limited number of variables in a theory that scholars use to examine formally the consequences they entail for the motivations of actors within action situations.

In the course of its history, two closely related frameworks have evolved within the Ostrom Workshop as a basis for analysis: the Institutional Analysis and Development (IAD) Framework and the Social-Ecological Systems (SES) Framework, the latter of which is still very much a work in progress. Understanding these frameworks and the variables (and sub-variables) from which they are constructed provides a basis for evaluating and understanding the immense diversity of interactions in social settings and combined social-ecological settings. The IAD framework allows scholars across the social sciences to share a common language for understanding social interactions. The SES framework has a similar, but

broader, goal of providing a common language for the social and ecological sciences.

Required

- Basurto, X., and E. Ostrom (2009): "Beyond the Tragedy of the Commons," *Economia delle fonti di energia edell'ambiente* 52, 35-60. *R09-29
- Crawford, S., and E. Ostrom (2005): "A Grammar of Institutions," in *Understanding Institutional Diversity*. Princeton: Princeton University Press, 137-174. [TEXTBOOK]
- McGinnis, M. (2011): "Networks of Adjacent Action Situations in Polycentric Governance," *Policy Studies Journal*, 39, 51-78. *R11-3
- Ostrom, E. (2005): "Understanding the Diversity of Structured Human Interactions," in *Understanding Institutional Diversity*. Princeton: Princeton University Press, 3-31. [TEXTBOOK]
- _____. (2005): "Why Classify Generic Rules?," in *Understanding Institutional Diversity*. Princeton: Princeton University Press, 175-185. [TEXTBOOK]
- _____. (2005): "Zooming In and Linking Action Situations," in *Understanding Institutional Diversity*. Princeton: Princeton University Press, 32-68. [TEXTBOOK]
- _____. (2007): "A Diagnostic Approach for Going Beyond Panaceas," *Proceedings of the National Academy of Sciences*, 104, 15181-15187. *R07-17
- Ostrom, E., and S. Crawford (2005): "Classifying Rules," in *Understanding Institutional Diversity*. Princeton: Princeton University Press, 186-215. [TEXTBOOK]
- Ramcilovic-Suominen, S., and G. Epstein (2012): "Towards an Analytical Framework for Forest Law Compliance," *International Forestry Review*, 14, 1-11.

Supplementary

- Agrawal, A. (2007): "Forests, Governance, and Sustainability: Common Property Theory and Its Contributions," *International Journal of the Commons*, 1, 111-136.
- Bellantuono, G. (2011): "Comparative Legal Diagnostics." Working paper. Trento, Italy: University of Trento.
- Blomquist, W., A. Dinar, and K. E. Kemper (2010): "A Framework for Institutional Analysis of Decentralization Reforms in Natural Resource Management," *Society and Natural Resources*, 23, 620-635.
- Clark, W. C., and N. M. Dickson (2003): "Sustainability Science: The Emerging Research Program," *Proceedings of the National Academy of Sciences* 100, 8059-8061.
- McGinnis, M. D., and J. T. Williams (2000): "Policy Uncertainty in Two-Level Games: Examples of Correlated Equilibria," in *Polycentric Games and Institutions: Readings from the Workshop in Political Theory and Policy Analysis*, 202-236. Ann Arbor: University of Michigan Press. [TEXTBOOK]
- Oakerson, R. J., and R. B. Parks (2011): "The Study of Local Public Economies: Multi- Organizational, Multi-Level Institutional Analysis and Development," *Policy Studies Journal*, 39, 147-167.

- Ostrom, E. (2011): "Background on the Institutional Analysis and Development Framework," *Policy Studies Journal*, 39, 7-27.
- Ostrom, E., M. A. Janssen, and J. M. Anderies (2007): "Going Beyond Panaceas," *Proceedings of the National Academy of Sciences* 104, 15176-15178.
- Polasky, S., S. R. Carpenter, C. Folke, and B. Keeler (2011): "Decision-Making Under Great Uncertainty: Environmental Management in an Era of Global Change," *Trends in Ecology and Evolution* 26, 398-404.
- Poteete, A., M. Janssen, and E. Ostrom (2010): "Small-N Case Studies: Putting the Commons Under a Magnifying Glass," in *Working Together: Collective Action, the Commons, and Multiple Methods in Practice*, 31-63. Princeton: Princeton University Press. [TEXTBOOK]
- Siddiki, S., C. M. Weible, X. Basurto, and J. Calanni (2011): "Dissecting Policy Designs: An Application of the Institutional Grammar Tool," *Policy Studies Journal* 39, 79-103.
- Simon, H. A. (2000): "Public Administration in Today's World of Organizations and Markets," *PS: Political Science and Politics* 33, 749-756.
- Weinstein, M. S. (2000): "Pieces of the Puzzle: Solutions for Community-Based Fisheries Management from Native Canadians, Japanese Cooperatives, and Common Property Resources," *Georgetown International Environmental Law Review* 12, 375-412.
- Wilson, J. (2002): "Scientific Uncertainty, Complex Systems, and the Design of Common-Pool Institutions," in *The Drama of the Commons*, ed. E. Ostrom, T. Dietz, N. Dolšak, P. C. Stern, S. Stonich, and E. U. Weber, 327-359. Washington, DC: National Academy Press.

Week 5: 9/18

Models and Methods – Armando Razo and Jimmy Walker

This week's readings facilitate a transition between the more general approaches studied in weeks 2-4 and upcoming readings on substantive policy topics. In order to move from theory to practice, we need a common understanding of the nature of social science research along with relevant methodology to enable empirical studies. To help develop a common awareness of these topics, this meeting has three main objectives: (1) to discuss the utility of models as a way to represent and study real-world phenomena; (2) to review the basic components of social science research methods, with a focus on the gold standard of experimental research designs; and (3) to review linear regression analysis, the workhorse statistical model conventionally used in social science studies. These topics will be examined with references to questions of collective action and the provision of public goods.

GUEST SPEAKER: Jimmy Walker (IUB Economics)

Required

- Humphreys, P. (2003): "Mathematical Modeling in the Social Sciences," in *The Blackwell Guide to the Philosophy of the Social Sciences*, ed. by S. P. Turner, and P. A. Roth. Oxford: Blackwell, 166-184.

- Pollock, P. H. (2009): *The Essentials of Political Analysis*, ed. by P. H. Pollock III. Washington, DC, CQ Press, Chapters 4 and 8.
- Poteete, A., M. Janssen, and E. Ostrom (2010): *Working Together: Collective Action, the Commons, and Multiple Methods in Practice*. Princeton: Princeton University Press, Chapter 6. [TEXTBOOK]
- Smith, V. L. (1994): "Economics in the Laboratory," *Journal of Economic Perspectives*, 8, 113-131.
- Walker, J., and E. Ostrom (2009): "Trust and Reciprocity as Foundations for Cooperation: Individuals, Institutions, and Context," in *Who Can We Trust?: How Groups, Networks, and Institutions Make Trust Possible*, ed. K. Cook, M. Levi, and R. Hardin. New York: Russell Sage Foundation, 91-124.

Supplementary

- Elster, J. (2007): *Explaining Social Behavior: More Nuts and Bolts for the Social Sciences*. Cambridge, UK; New York: Cambridge University Press.
- Gibbons, R. (1997): "An Introduction to Applicable Game Theory," *The Journal of Economic Perspectives*, 11, 127-149.
- Kennedy, P. (1998): "A Guide to Econometrics," Cambridge, MA: MIT Press.
- Morton, R. B. (1999): *Methods and Models: A Guide to the Empirical Analysis of Formal Models in Political Science*. Cambridge, UK; New York: Cambridge University Press, all chapters.
- Sell, J. (2007): "Social Dilemma Experiments in Sociology, Psychology, Political Science and Economics," in *Laboratory Experiments in the Social Sciences*, ed. by M. Webster, and J. Sell. Amsterdam; Boston: Academic Press/Elsevier, 459-479.
- Shepsle, K. A., and M. S. Bonchek (1997): *Analyzing Politics: Rationality, Behavior, and Institutions*. New York: W.W. Norton.
- Udehn, L. (2003): "The Methodology of Rational Choice," in *The Blackwell Guide to the Philosophy of the Social Sciences*, ed. by S. P. Turner, and P. A. Roth. Oxford: Blackwell, 143-165.

Week 6: 9/25

Policymaking: Law and Social Norms – Dan Cole

Social policy, at all scales, represents the normative application of theories and models, most often based on a goal of maximizing (or improving) a social-welfare function. Normative rules are where the theoretical rubber hits the road. Rules enacted by formal legal processes, whether judicial or legislative, are the most obvious means by which social policies are implemented, but they are not the only means. Informal social norms, e.g., community values based on "shared mental models of the world," are also important – sometimes *more* important, for better or for worse – than the formal legal rules. The readings in this section are designed to provide an understanding of law as a complex adaptive social institution, and social norms as compliments or substitutes for formal legal systems.

Required

- Ellickson, R. (1986): "Of Coase and Cattle: Dispute Resolution among Neighbors in Shasta County," *Stanford Law Review*, 38, 1985-1986.
- Holmes, O. W. (1997): "The Path of the Law," *Harvard Law Review*, 110, 991-1009.
- Jolls, C., and C. R. Sunstein (2006): "Debiasing through Law," *Journal of Legal Studies*, 35, 199-241.
- Llewellyn, K. N. (1949): "Law and the Social Sciences – Especially Sociology," *American Sociological Review*, 14, 451-462.
- Milgrom, P. R., D. C. North, and B. R. Weingast (1990): "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs," *Economics & Politics*, 2, 1-23.
- Posner, R. A. (1997): "Social Norms and the Law: An Economic Approach," *American Economic Review*, 87, 365-369.
- Pound, R. (1940): "What Is Law?," *West Virginia Law Quarterly*, 47, 1-12.

Supplementary

- Ellickson, R. (1994): *Order without Law: How Neighbors Settle Disputes*. Harvard.
- Habermas, J. (1996): *Between Fact and Norms: Contributions to a Discourse Theory of Law and Democracy*. MIT.
- Ostrom, E. (2000): "Collective Action and the Evolution of Social Norms," *Journal of Economic Perspectives*, 14, 137-158.
- Posner, E. A. (2002): *Law and Social Norms*. Harvard.
- Rachilinski, J. J. (2000): "The Limits of Social Norms," *Chicago-Kent Law Review*, 74, 1537-1567.

Week 7: 10/2

Property – Dan Cole

Property systems are a crucial part of the formal or informal legal structure of society, and also a frequent source of misguided "panacea"-based thinking about optimal policies based either on complete systems of private ownership or complete systems of public ownership. Empirical investigations by Workshoppers over several decades reveals a more nuanced and complex story of highly diverse and locally-evolved property regimes, including Common Property Regimes, for sustainably governing resources over long periods of time. The readings in this section include a basic introduction to analytical Property Theory and focus on Elinor Ostrom's efforts to explode casual presumptions about public- or private-property panaceas.

Required

- Cole, D. H., and E. Ostrom (2011): "The Variety of Property Systems and Rights in Natural Resources," in *Property in Land and Other Resources*, ed. by D.H. Cole and E. Ostrom. Cambridge, MA: Lincoln Institute of Land Policy, 37-64. *R12-1
- Demsetz, H. (1967): "Toward a Theory of Property Rights," *The American Economic Review* 57, 347-359, Papers and Proceedings of the Seventy-ninth Annual Meeting of the American Economic Association.
- Epstein, R. A. (2011): "Bundle-of-Rights Theory as a Bulwark Against

- Statist Conceptions of Private Property,” *Econ Journal Watch*, 8, 223-235.
- Hardin, G. (1968): “The Tragedy of the Commons,” *Science*, 162, 1243-1248.
- Hohfeld, W. N. (1913): “Some Fundamental Legal Conceptions as Applied in Judicial Reasoning,” *Yale Law Journal*, 23, 16-59.
- Ostrom, E. (1999): “Coping with Tragedies of the Commons,” *Annual Review of Political Science*, 2, 493-535. *R99-8
- Schlager E., and E. Ostrom (1992): “Property-rights Regimes and Natural Resources: A Conceptual Analysis,” *Land Economics*, 68, 249-262. *R92-7

Supplementary

- Anderson, T. L., and D. J. Leal (1975): “The Evolution of Property Rights: A Study of the American West,” *Journal of Law and Economics*, 18, 163-179.
- Barzel, Y. (1997): *Economic Analysis of Property Rights*. New York: Cambridge University Press.
- Ciriacy-Wantrup, S. V., and R. C. Bishop, “‘Common Property’ as a Concept in Natural Resources Policy,” *Natural Resources Journal*, 15, 713-727.
- Coase, R. H. (1960): “The Problem of Social Cost,” *Journal of Law & Economics*, 3, 1-44.
- Cole, D. H. (2002): *Pollution and Property: Comparing Ownership Institutions for Environmental Protection*. Cambridge.
- Cole, D. H., and E. Ostrom, eds., (2012): *Property in Land and Other Resources*. Lincoln Institute for Land Policy.
- Dixit, A. K. (2004): *Lawlessness and Economics: Alternative Modes of Governance*. Princeton, N.J.: Princeton University Press, Chapters 1 and 3.
- Joireman, S. F. (2011): *Where There Is No Government: Enforcing Property Rights in Common Law Africa*. Oxford.
- Noyes, C. R. (1936): *The Institution of Property: A Study of the Development, Substance, and Arrangement of the System of Property in Modern Anglo-American Law*. Longmans, Green & Co.
- Ostrom, E. (1990): *Governing the Commons*. Cambridge.
- Philbrick, F. S. (1938): “Changing Conceptions of Property in Law,” *University of Pennsylvania Law Review and American Law Register*, 86, 691-732.
- Ryan, A. (1986): *Property and Political Theory*. Blackwell.
- Umbeck, J. (1981): *Theory of Property Rights with Application to the California Gold Rush*. Iowa State.

Week 8: 10/9

Social Capital – Armando Razo

In previous weeks, we have examined the importance of institutions and organizations as means to facilitate collective action. In recent decades, social scientists have been fascinated with the concept of social capital as another alternative to facilitate collective action. This week’s readings therefore serve to introduce students to the concept of social capital and examine how it has been theorized and applied in different disciplines. A common feature of these readings is a concern with macro-level outcomes that may be influenced by local interactions. Thus, we will also try to

understand how particular communities are affected by the broader social, economic, and political environments in which they are embedded.

Required

- Burt, R. (2001): "The Social Capital of Structural Holes," in *New Directions in Economic Sociology*, ed. by M. F. Guillén, R. Collins, P. England, and M. Meyer. New York: Russell Sage Foundation, 201-247.
- Collier, P. (2002): "Social Capital and Poverty: A Microeconomic Perspective," in *The Role of Social Capital in Development: An Empirical Assessment*, ed. by C. Grootaert, and T. Van Bastelaer. Cambridge, UK; New York: Cambridge University Press, 19-41.
- Knack, S. (2002): "Social Capital, Growth, and Poverty: A Survey of Cross-Country Evidence," in *The Role of Social Capital in Development: An Empirical Assessment*, ed. by C. Grootaert, and T. Van Bastelaer. Cambridge, UK; New York: Cambridge University Press, 42-82.
- Ostrom, E., and T. K. Ahn (2003): *Foundations of Social Capital*. Cheltenham, UK; Northampton, MA: Edward Elgar Pub, Chapter 1.
- Sobel, J. (2002): "Can We Trust Social Capital?," *Journal of Economic Literature*, 40, 139-154.
- Stiglitz, J. (2000): "Formal and Informal Institutions," in *Social Capital: A Multifaceted Perspective*, ed. by P. Dasgupta, and I. Serageldin. Washington, DC: World Bank, 59-68.

Supplementary

- Burt, R. (2000): "The Network Structure of Social Capital," in *Research in Organizational Behavior*, ed. by B. M. Staw, and R. I. Sutton. New York: Elsevier, 345-423.
- Kramer, R. M., and K. S. Cook (2004): *Trust and Distrust in Organizations: Dilemmas and Approaches*. New York: Russell Sage Foundation.
- Lin, N. (2001): *Social Capital: A Theory of Social Structure and Action*. Cambridge, UK: Cambridge University Press.
- Lomnitz, L. A. (1988): "Informal Exchange Networks in Formal Systems: A Theoretical Model," *American Anthropologist*, 90, 42-55.
- Ray, D. (2007): "Development Economics," in *New Palgrave Dictionary of Economics*, ed. by L. Blume, and S. N. Durlauf. New York: Palgrave Macmillan.
- Small, M. L. (2009): *Unanticipated Gains: Origins of Network Inequality in Everyday Life*. Oxford; New York: Oxford University Press.
- Tilly, C. (2005): *Trust and Rule*. Cambridge, UK: Cambridge University Press.

Week 9: 10/16

Class cancellation - All seminar students and visiting scholars are expected to attend IU's memorial for the Ostrom's on Monday, October 15 at 3:00 pm *and* the Workshop gathering the following morning (Tuesday, October 16) from 9:00-11:00 am (unless you have a conflicting class or other important obligation).

Week 10: 10/23 *Polycentric Approaches to Policy – Dan Cole*Required

- Auer, M. (2006): "Contexts, Multiple Methods, and Values in the Study of Common-Pool Resources," *Journal of Policy Analysis and Management*, 25, 215-227.
- Birner, R., H. Wittmer, and A. Berghöfer (2011): "Who Should be in Charge of Conservation? A Framework for Biodiversity Governance and a Case Study from Guatemala," Working paper. Washington, DC: International Food Policy Research Institute (IFPRI).
- Boyte, H. C. (2011): "Constructive Politics as Public Work: Organizing the Literature," *Political Theory*, 39, 630-660.
- Cole, D. H. (2011): "From Global to Polycentric Climate Governance," *Climate Law*, 2, 395-413. *R11-21
- McGinnis, M. D., ed., (1999): *Polycentricity and Local Public Economies: Readings from the Workshop in Political Theory and Policy Analysis*. Ann Arbor: University of Michigan Press, Chapters 7-10. [TEXTBOOK]
- Ostrom, E. (2005): *Understanding Institutional Diversity*. Princeton: Princeton University Press, Chapter 8. [TEXTBOOK]
- _____. (2010): "Polycentric Systems for Coping with Collective Action and Global Environmental Change," *Global Environmental Change*, 20, 550-557. *R10-16
- Pahl-Wostl, C., L. Lebel, C. Knieper, and E. Nikitina (2011): "From Applying Panaceas to Mastering Complexity: Towards Adaptive Water Governance in River Basins," Working paper. Osnabrück, Germany: University of Osnabrück, Institute of Environmental Systems Research.
- Poteete, A., M. Janssen, and E. Ostrom (2010): *Working Together: Collective Action, the Commons, and Multiple Methods in Practice*. Princeton: Princeton University Press, Chapters 3-5. [TEXTBOOK]

Supplementary

- Bendor, J., and D. Mookherjee (1987): "Institutional Structure and the Logic of Ongoing Collective Action," *American Political Science Review*, 81, 129-154.
- Cohen, M. D. (1981): "The Power of Parallel Thinking," *Journal of Economic Behavior and Organization*, 2, 285-306.
- Ostrom, V. (1991): *The Meaning of American Federalism: Constituting a Self-Governing Society*. San Francisco, CA: ICS Press.
- _____. (2007): *The Political Theory of a Compound Republic: Designing the American Experiment*. 3rd ed. Lanham, MD: Lexington Books.
- Ostrom, V., and E. Ostrom (1999): "A Behavioral Approach to the Study of Intergovernmental Relations," in *Polycentricity and Local Public Economies: Readings from the Workshop in Political Theory and Policy Analysis*, ed. Michael D. McGinnis. Ann Arbor: University of Michigan Press, 107-118. [TEXTBOOK]
- Painter, M. (1991): "Intergovernmental Relations in Canada: An Institutional Analysis," *Canadian Journal of Political Science* 24, 269-288.
- Sproule-Jones, M. (1991): "Evaluation," in *Governments at Work: Canadian Parliamentary Federalism and Its Public Policy Effects*, ed. M. Sproule-Jones. Toronto: University of Toronto Press, 263-274.
- Tiebout, C. (1956): "A Pure Theory of Local Expenditures," *Journal of Political*

Economy, 64, 416-424.

Weingast, B. R. (2006): "Second Generation Fiscal Federalism: Implications for Decentralized, Democratic Governance, and Economic Development," Working Paper. Stanford: Stanford University, Department of Political Science.

Week 11: 10/30 *Bureaucratic Forms of Organization and their Potential Control – Dan Cole and Bill Bianco*

Required

Bendor, J., and A. Meirowitz (2004): "Spatial Models of Delegation," *American Political Science Review* 98, 293-310.

Miller, G. (2005): "The Political Evolution of Principal-Agent Models," *Annual Review of Political Science* 8, 203-225.

Moe, T. M. (2012): "Delegation, Control, and the Study of Public Bureaucracy," *The Forum*, 10, Article 4.

Whitford, A. (2005): "The Pursuit of Political Control by Multiple Principals," *The Journal of Politics*, 67, 29-49.

Supplementary

Arnold, R. D. (1987): "Political Control of Administrative Officials," *Journal of Law, Economics & Organization*, 3, 279-286.

Carpenter, D. P. (2010): *The Forging of Bureaucratic Authority: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862-1928*. Princeton.

Goodsell, C. T. (2003): *The Case for Bureaucracy: A Public Administration Polemic*. CQ Press 4th ed.

Ostrom, V. (1971): "An Alternative Approach to the Design of Public Organizational Arrangements," in *The Quest to Understand Human Affairs: Natural Resources Policy and Essays on Community and Collective Choice, Vol. I*, ed. B. Allen. Rowman & Littlefield, 177-216.

Simon, H. (1997): *Administrative Behavior*. Free Press 4th ed.

Wilson, W. (1887): "The Study of Administration," *Political Science Quarterly*, 2, 197-222.

Week 12: 11/6 *Ongoing Projects on SESs (STC/CNH/Healthcare) – Catherine Tucker*
GUEST SPEAKER: Catherine Tucker

Required

TBD

Supplementary

TBD

Week 13: 11/13 *Applications of IAD or SES to your Puzzles – Sergio Villamayor, Graham Epstein, and Michael Cox (via Skype)*

GUEST SPEAKERS: Michael Cox (Dartmouth University), Graham

Epstein (IUB), and Sergio Villamayor (IUB Workshop)

Required

TBD

Supplementary

TBD

Week 14: 11/20 Thanksgiving Break – No Class!

Week 15: 11/27 *Puzzles and Challenges of Development – Dan Cole*

Required

Alesina, A., and D. Dollar (2000): “Who Gives Foreign Aid to Whom and Why?,” *Journal of Economic Growth*, 5, 33-63.

Cole, D. H. (2008): “Climate Change, Adaptation, and Development,” *UCLA Journal of Environmental Law*, 26, 1-19.

Collier, P. (2006): “African Growth: Why a ‘Big Push’?,” *Journal of African Economies*, 15, 188-211.

Easterly, W. (2003): “Can Foreign Aid Buy Growth?,” *Journal of Economic Perspectives*, 17, 23-48.

Easterly, W., and C. R. Williamson (2011): “Rhetoric versus Reality: The Best and Worst of Aid Agency Practices,” *World Development*, 39, 1930-1949.

Gibson, C., K. Andersson, E. Ostrom, and S. Shivakumar (2011): “An Institutional Analysis of Development Cooperation.” Forthcoming in *Environment and Development Economics: Essays in Honour of Sir Partha Dasgupta*, ed. by S. Barrett and E. Maskin. Oxford University Press. *W10-13

Kabeer, N. (2005): “Is Microfinance a ‘Magic Bullet’ for Women’s Empowerment? Analysis of Findings from South Asia,” *Economic and Political Weekly*, 40, 4709-4718.

Radelet, S. (2006): “A Primer on Foreign Aid,” Working Paper No. 92. Center for Global Development.

Ramalingam, B., H. Jones, R. Toussaint, and J. Young (2008): “Exploring the Science of Complexity: Ideas and Implications for Development and Humanitarian Efforts,” Working Paper 285. London: Overseas Development Institute.

Sachs, J. D. (2005): “Can Extreme Poverty Be Eliminated?,” *Scientific American*, 293, 56-65.

Supplementary

Andersen, K. E. (2011): “Communal Tenure and the Governance of Common Property Resources in Asia: Lessons of Experiences in Selected Countries,” Land Tenure Working Paper 20. Food and Agriculture Organization of the United Nations.

Araral, E. (2005): “Bureaucratic Incentives, Path Dependence, and Foreign Aid: An Empirical Institutional Analysis of Irrigation in the Philippines,” *Policy Sciences*, 38, 131-157.

Cohen, J., and W. Easterly, eds., (2009): *What Works in Development:*

- Thinking Big and Thinking Small*. Brookings Institution Press.
- Collier, P. (2007): *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. Oxford.
- Evans, P. (2004): "Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation," *Studies in Comparative International Development*, 38, 30-52.
- Falk, T., B. Vollan, and M. Kirk (2010): "Analysis of Material, Social, and Moral Enforcement in Natural Resource Management in Southern Namibia," Paper presented at the 14th Annual Conference of the International Society for New Institutional Economics, University of Stirling, Scotland, UK, June 17-19.
- Gibson, C., et al., (2005): *The Samaritan's Dilemma: The Political Economy of Development Aid*. Oxford.
- Landes, D. (1998): *The Wealth and Poverty of Nations*. Norton.
- Lansing, J. S. (2006): *Perfect Order. Recognizing Complexity in Bali*, Chapters 1 and 7. Princeton: Princeton University Press.
- Madrigal, R., F. Alpízar, and A. Schlüter (2011): "Determinants of Performance of Community-Based Drinking Water Organizations," Forthcoming in *World Development*.
- Morduch, J. (1999): "The Microfinance Promise," *Journal of Economic Literature*, 37, 1569-1614.
- Morganthau, H. (1862): "A Political Theory of Foreign Aid," *The American Political Science Review*, 56, 301-309.
- Ray, B., and R. N. Bhattacharya (2011): "Transaction Costs, Collective Action and Survival of Heterogeneous Co-Management Institutions: Case Study of Forest Management Organisations in West Bengal, India," *Journal of Development Studies*, 47, 253-273.
- Sachs, J. D. (2008): *Common Wealth: Economics on a Crowded Planet*. Penguin .
- Sawyer, A. (2005): *Beyond Plunder: Toward Democratic Governance in Liberia*. Boulder, CO: Lynne Rienner Publishers, Chapters 1, 3, and 9.
- Shirley, M. (2005): "Can Aid Reform Institutions?," Working Paper No. 6, Ronald Coase Institute.

Week 16: 12/4 No class – work on Mini-Conference papers

December 10-11: **Fall 2012 Mini-Conference @ The Workshop**