Objectives. This seminar is an introduction to recent research -- both theoretical and empirical -- concerning institutions and their evolution. It is designed for those simply wanting a survey of this literature as well as for those intending to do research in the field.

Requirements: Members of the seminar are expected to participate in discussions of the readings, present and critique occasional readings in the members area of interest, and prepare a seminar paper, the proposal for which will be presented to the seminar at mid semester, and a draft of which will be presented late in the semester. Ideally the seminar paper will present original research, but, where appropriate given the member's research plans, a critical review of an important body of literature, or a draft of a dissertation prospectus may also be considered. It will be useful for participants to be familiar with the material covered in economics 700; the seminar is open to those currently taking this course.

Readings: Those who have not completed economics 700 should read my Economic Institutions and Behavior prior to the beginning of the semester (including the problem sets).

Seminar topics and Readings

Note: topics and readings will be altered in light of seminar participants interests and research topics; the readings not marked with an asterisk will be discussed in class.

1 Introduction

2 Getting the Rules Right: an overview.


Joseph Stiglitz, Whither Socialism, Chapter 1 ("The Theory of Socialism and the Power of Economic Ideas") *1-6, 6-14.


Ernst Fehr and Simon Gaechter, A Homo Reciprocans and Human Cooperation, University of Zurich, 1998.

3 Evolutionary Social Science


* Ernst Mayr, Toward a New Philosophy of Biology, essays 6 and 8 ("An Analysis of the Concept of Natural Selection" and "Adaptation and Selection") 95-115, 133-148.

Evolution and Optimality, 151-159.

* Douglas Futuyma, *Evolutionary Biology*, esp chapters 2 and 9 ("The Ecological Context and Evolutionary Change" and "Adaptation")

* Richard Dawkins, *The Blind Watchmaker*, 1-18 ("Explaining the very improbable.")


### 4 Communities as Institutions


5 Applications: Group Selection and the Evolution of Norms


Samuel Bowles and Herbert Gintis, AThe Evolution of Strong Reciprocity.ªSanta Fe Institute, 1998.


* David Sloan Wilson, "Group Selection," Evelyn Fox Keller and Elisabeth Lloyd, eds., Keywords in Evolutionary Biology, 145-148. (This volume is a useful reference work, as are Mayr and Futuyma, below, and the Cambridge Dictionary of Biology.)

* Boyd and Richerson, Culture and the Evolutionary Process, Chapter 7 ("Frequency Dependent Bias and the Evolution of Cooperation") 204-207, 223-240.


* David Kreps, "Corporate Culture and Economic Theory," in James Alt and Kenneth Shepsle, eds,
Perspectives on Positive Political Economy, 90-144.


* Jack Knight, *Institutions and Social Conflict*, Chapter 4 ("The Spontaneous Emergence of Social Institutions") 84-122.

* Peter Taylor, Community, in Keller and Lloyd, *Keywords in Evolutionary Biology*, 52-60.


6 The Property Rights Paradigm and the Evolution of Property Rights


* Joseph Farrell "Information and the Coase Theorem," *J.Econ. Perspectives*, 1:2 (Fall, 1987) 113-129.


* Jack Knight, *Institutions and Social Conflict*, ch 2 ("The Primary Importance of Distributional Conflict") 21-47.


7 Presentation of paper topics

8 Property Rights, Allocative Efficiency and Class Structure


9 Managing the Commons


* D.W.Bromley, ed., Making the Commons Work.


* Jeff Dayton-Johnson and Pranab Bardhan, "Inequality and Conservation on the Local Commons" June, 1996.

* Jean Marie Baland and Jean-Philippe Platteau, "Inequality and Collective Action in the Commons" June, 1996.

* Robert Wade, Village Republics, chapters 1, 10-11.


* Elinor Ostrom, Governing the Commons, chapters 1 and 6.


10 Rent Seeking and the State

Dennis Meuller, Public Choice, II, 229-246 ("Rent Seeking").


* Asim Dasgupta, "Decentralization Experiments in the State of West Bengal, India" unpublished, 1996.


* Eric Rasmusen, *Games and Information*, section 3.3 ("Chicken, the War of Attrition and Correlated Strategies") 73-76.


* Adam Przeworski, *The State and the Economy Under Capitalism*, 4-29 ("The Rule of the People")


* James Buchanan, et. al., *Toward a Theory of the Rent Seeking Society*.


11-13 **Presentation of seminar papers** (meetings at my house)