

**Central European University  
Political Science Department  
PhD Program  
Fall 2009/2010**

### **Course Description**

#### ***New Institutionalism: Theoretical Approaches to Institutions and Institutional Change***

Lecturer: Nenad Dimitrijevic

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Meeting time: Tuesdays and Fridays, 11–12:40

Office Hours: Tuesdays, 14-16, and by appointment

Number of credits: 4

#### **Course theme and goals**

We find institutions wherever individuals live and work together. So we can safely claim that our life together requires institutional framework, or a set of institutional frameworks of different types. To be a member of a community, society, a group, or an association, is to live within a set of institutions. Thus, many of the fundamental questions about social and political life entail an examination of the place of those institutions, their role and functions.

This course studies political institutions in their static and dynamic perspectives. The exploration of the topics of the course is organized around analytical models of different versions of New Institutionalism. In the broadest sense, New Institutionalism refers to a family of rational choice, historical and sociological approaches to political institutions, which all share a common claim that institutions influence both normative expectations and political strategies adopted by individuals, groups, and governments, thereby affecting political behavior and political outcomes.

Several basic questions follow this claim. The goal of the course to address these questions, in particular: How to distinguish among different variants of New Institutionalism? Why institutions matter? How do we identify and define institutions? What types of institutions exist? What tell political institutions apart?

How to understand the relationship between political institutions and non-institutional environment? How are institutions created? How do institutions change?

### **Expected outcomes**

You will learn how political institutions are constituted, sustained, and transformed. By the end of the course, you will be capable to understand and assess whether and how institutional design is relevant for democratic processes and stability. Finally, the analysis of societal and ideational contexts in which institutions are embedded should help you to comprehend how effective policy alternatives can be formulated by a proper understanding of institutional design and dynamics.

### **Course requirements and evaluation**

This is a four-credit course. Every topic will be covered by a lecture and a seminar. One of you will be asked to prepare a short presentation for each seminar class, as the basis for a more concentrated discussion. Your presentation will take approx. 20 minutes, and it will be based on a short position paper (2-3 pages), that you will distribute electronically to all class participants and to me before 4 pm, on the day preceding the seminar class. Your presentation should contain short critical evaluation of the topic and of the way it is presented in the assigned readings, as well as questions that you think need to be raised in the seminar discussion.

Classes are mandatory. I will take attendance. You are allowed no more than two unexcused absences for the semester. Beyond these two 'free' absences you will need to provide written documentation of legitimate circumstances that prevented you from attending class. Legitimate circumstances include illness, serious family emergencies and participation in group activities sponsored by CEU. The same documentation is required in case you fail to submit your written assignment on time. Should you fail to provide required documentation, you will not receive credits for the course.

You are expected to be familiar with the CEU policies on scholarly dishonesty.

Questions and comments during lectures are welcome. Active participation in seminars is required. You are expected to come prepared for in-depth discussion of the topics and the required readings. The readings classified as 'optional' are for your further consideration and reference – you may find them particularly useful when preparing your presentation or final paper.

You should write an approx. 15-20 pages long (Times New Roman 12, double-spaced) final essay. The topic should be chosen - upon my approval - by December 1, 2009. The final paper should be submitted by January 10, 2010.

Grading will depend on the above presented features, in the following way:

- class participation: 50%
- final essay: 50%

## Week by Week Course Breakdown

*Zero Week Presenting the Course.* Outlining the focus and the goals of the Course. Identifying fundamental questions. Presenting the topics. Discussing requirements.

### *Part I: Concepts and Controversies*

*Week 1. Studying Institutions: An Introductory Overview of Theoretical Approaches.* Why study institutions. Institutionalism, old and new. Varieties of New Institutionalism. Beyond institutionalism.

*Mandatory readings:*

1. J. March and J. Olsen, *Rediscovering Institutions. The Organizational Basis of Politics*, Chapter 1 (New York: Free Press, 1989)
2. P. Hall and R. Taylor, "Political Science and the Three New Institutionalisms", *Political Studies*, XLIV, 1996

*Suggested readings:*

1. S. Reich, "The Four Faces of Institutionalism: Public Policy and a Pluralistic Perspective", *Governance*, Vol. 13, No. 4, 2000
2. B. Guy Peters, *Institutional Theory in Political Science* (London: Pinter, 1999)
3. P. Selznick, "Institutionalism 'Old' and 'New'", *Administrative Science Quarterly*, Vol. 41, No. 2, 1996
4. J. Groenengen *et al*, "On Integrating New and Old Institutionalism: Douglas North Building Bridges", *Journal of Economic Issues*, Vol. 29, No. 2, 1995

*Week 2. Identifying and Defining Institutions. Political Institutions.* Typical features of institutions. Institutions and organizations. Types of institutions. Political institutions, what differentiates them from other types of institutions. Formal institutions and actors.

*Mandatory readings:*

1. J-E. Lane and S. Ersson, *The New Institutional Politics. Performance and Outcomes* (London: Routledge, 2000)
2. B. Rothstein, "Political Institutions: An Overview", in: R. Goodin and H-D. Klingemann, *A New Handbook of Political Science* (Oxford: Oxford University Press, 1996)

*Suggested Readings:*

1. D. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990)

2. R. Jepperson, “Institutions, Institutional Effects, and Institutionalization”, in: W. Powell and P. DiMaggio, *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991)
3. S. Crawford and E. Ostrom, “A Grammar of Institutions”, *American Political Science Review*, Vol. 89, No. 3, 1995

**Week 3. Why and How Political Institutions Matter. Their functions.** Why, how, when, in response to what institutions emerge. Who needs institutions. What they do. For and against functionalism. Institutionalization of action through routines. Institutionalization of values through the establishment of meaning.

*Mandatory readings:*

1. C. Offe, “Designing Institutions in East European Transitions”, in: R. Goodin (ed.), *The Theory of Institutional Design* (Cambridge: Cambridge University Press, 1996)
2. J. Ferejohn, “Why Study Institutions”, Conference paper, Yale, 2003 (available at: [www.yale.edu/coic/](http://www.yale.edu/coic/))

*Suggested readings:*

1. K. Shepsle and M. Bonchek, *Analyzing Politics. Rationality, Behavior, and Institutions* (New York: W.W. Norton, 1997)
2. P. Pierson, “The Limits of Design: Explaining Institutional Origins and Change”, *Governance*, Vol. 13, No. 4, 2000

### ***Part II: Institutions in Context***

**Week 4. Political Institutions and Societal Context.** Identifying elements of the context: economics, culture, shared identity, difficult legacies (especially after the regime change). Interpreting (possible) relevance of the context: cause, pre-condition, environment, social capital. Alternatively: rejecting the distinction between means-ends rationality and culture; transcending the dualism of institution and intention, context and action, structure and agency. The logic of appropriateness.

*Mandatory readings:*

1. J. March and J. Olsen, “The Logic of Appropriateness”, *Arena Working Papers*, 9/2004
2. W. Scott, “Unpacking Institutional Arguments”, in: W. Powell and P. DiMaggio, *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991)

*Suggested readings:*

1. M. Tavits, "Institution or Culture: A Comparative Study of Government Performance", Philadelphia, 2003, (available at: <http://etd.library.pitt.edu/ETD/available/etd-03302004-125054/>)
2. B. Rockman, "Institutions, Democratic Stability, and Performance", in: M. Heper et al (eds.), *Institutions and Democratic Statecraft* (Boulder: Westview Press, 1998)
3. M. Kraatz and J. Zajac, "Exploring the Limits of the New Institutionalism: The Causes and Consequences of Illegitimate Organizational Change", *American Sociological Review*, Vol. 61, No. 5, 1996
4. M. Douglas, *How Institutions Think* (Syracuse: Syracuse University Press, 1986)

*Week 5. Ideas, Values, Learning, and Institutions.* Limits of rationality. How ideologies and procedural ideas matter. Cognitive processes and values in relation to institutions and institutional change.

*Mandatory readings:*

1. I. McLean, "Interests, Institutions, and Ideas", Manuscript, (available at: [www.nuff.ox.ac.uk/users/mclean/blythc.htm](http://www.nuff.ox.ac.uk/users/mclean/blythc.htm))
2. R. Smith, "Which Comes First, the Ideas or the Institutions? Toward a Synthesis of Multiple Traditions and Multiple Orders", Conference paper, Yale, 2003 (available at: [www.yale.edu/coic/](http://www.yale.edu/coic/))

*Suggested readings:*

1. R. Lieberman, "Ideas, Institutions, and Political Order: Explaining Political Change", *American Political Science Review*, Vol. 96, No 4, 2002
2. U. Preuss, "The significance of Cognitive and Moral Learning for Democracy", Conference paper, Yale, 2003 (available at: [www.yale.edu/coic/](http://www.yale.edu/coic/))

### ***Part III: Institutional Change, Design, and Stability***

*Week 6. Institutional Change, What It Is. Its Types.* Politics as institutionalized process: on whether history, time and sequencing matter. Institutional and extrainstitutional sources of institutional change (endogeneity vs. exogeneity). Preserving institutional stability through institutional change. Types of 'stability providing change'. When and how institutions fail, and what is to be done afterwards. Institutional design.

*Mandatory readings:*

1. B. Rittberger, "Endogenizing Institutional Change: Moving Beyond the Institutional 'Holy Trinity'", Conference paper, Marburg, 2003 (available at: [www.essex.ac.uk/ecpr/events/generalconference/marburg/papers](http://www.essex.ac.uk/ecpr/events/generalconference/marburg/papers))

2. P. Pierson, *Politics in Time: History, Institutions, and Social Analysis* (Princeton: Princeton University Press, 2004), Ch. 5

*Suggested readings:*

1. T. C. Boas, "Conceptualizing Continuity and Change: The Composite-Standard Model of Path Dependence", *Journal of Theoretical Politics*, Vol. 19, No. 1, 2007
2. A. Greif and D. Laitin, "A Theory of Endogenous Institutional Change", *The American Political Science Review*, Vol. 98, No. 4, 2004
3. M. Gorges, "New Institutional Explanations for Institutional Change: A Note of Caution", *Politics*, Vol. 21, No. 2, 2001
4. D. North, "Five Propositions About Institutional Change", in: J. Knight and I. Sened (eds.), *Explaining Social Institutions* (Michigan: Michigan University Press, 1998)
5. J. Knight, *Institutions and Social Conflict* (Cambridge: Cambridge University Press, 1992), Chapters 1 and 6

**Week 7. Institutional Change Without Institutional (Re-)design.** Institutional change as a lengthy, slow-moving process. Institutional change as an ad hoc activity. Institutional change as public policy. Path dependence.

*Mandatory readings:*

1. J. March and J. Olsen, *Rediscovering Institutions. The Organizational Basis of Politics* (New York: Free Press, 1989), Chapters 4, 5, 6
2. P. Pierson, "Increasing Returns, Path Dependence, and the Study of Politics" *American Political Science Review*, Vol. 94, No. 2, 2000

*Suggested readings:*

1. J. Olsen, "Change and Continuity: an Institutional Approach to Institutions and Democratic Government", *European Political Science Review*, Vol. 1, No. 1, 2009
2. J. Knight, "Models, Interpretations, and Theories: Constructing Explanations of Institutional Emergence and Change", in: J. Knight and I. Sened (eds.), *Explaining Social Institutions* (Michigan: University of Michigan Press, 1998)

**Week 8. Institutional Design: The Search for Right Institutions.** How design is different from other types of institutional change. Situations in which institutional design becomes possible. Conditions of success.

*Mandatory readings:*

1. R. Goodin, "Institutions and Their Design", in: R. Goodin (ed.), *The Theory of Institutional Design* (Cambridge: Cambridge University Press, 1996) [only pp. 24-53]

2. J. Lindner and B. Rittberger, "The Creation, Interpretation, and Contestation of Institutions: Revisiting Historical Institutionalism", 2002, (available at: <http://www.nuffield.ox.ac.uk/Politics/papers/2002/w5/w5.pdf>)

*Suggested readings:*

1. I. Shapiro and S. Macedo, "Introduction", in: I. Shapiro and S. Macedo (eds.), *Designing Democratic Institutions, Nomos XLII* (New York: New York University Press, 2000)
2. J. Olsen, "Institutional Design in Democratic Contexts", *The Journal of Political Philosophy*, Vol. 5, No. 3, 1997
3. P. Pettit, "Institutional Design and Rational Choice", in: R. Goodin (ed.), *The Theory of Institutional Design* (Cambridge: Cambridge University Press, 1996)

**Week 9. Design Principles and Constitutional Design.** Why it is not good to borrow ready-made models. Looking around for more options: identifying and applying principles instead of imitating. Which principles. Constitution as embodiment of design principles. Importance of 'proper' constitution-making.

*Mandatory readings:*

1. R. Goodin, "On Constitutional Design", *Arena Working Papers*, 26/1997
2. E. Berge, "Principles of Institutional Design and the Management of Norwegian Nature", Conference Paper, Bloomington, 2000 (available at: [www.sv.ntnu/iss/Erling.Berge/](http://www.sv.ntnu/iss/Erling.Berge/))

*Suggested readings:*

1. J. Olsen, "Coping with Conflict at Constitutional Moments" *Arena Working Papers*, 2/2003
2. D. Horowitz, "Constitutional Design: An Oxymoron?", in: I. Shapiro and S. Macedo (eds.), *Designing Democratic Institutions, Nomos XLII* (New York: New York University Press, 2000)
3. J. Elster, "Authors and Actors. Executive-Legislative Relations in Four French Constitution-Making Moments", Conference paper, Yale, 2003 (available at: <http://www.yale.edu/coic/elster.doc>)
4. A. Reynolds (ed.), *The Architecture of Democracy: Constitutional Design, Conflict Management, and Democracy* (Oxford: Oxford University Press, 2002)

**Week 10. Political Institutions and Democratic Consolidation.** On whether and how institutional design and institutions contribute to establishment, stability, and quality of democracy.

*Mandatory readings:*

1. J. March and J. Olsen, *Democratic Governance*, Chapter 3 (New York: The Free Press, 1995)
2. G. Alexander, "Institutions, Path Dependence, and Democratic Consolidation", *Journal of Theoretical Politics*, Vol. 13, No. 3, 2001

*Suggested readings:*

1. S. Eisenstadt, *Comparative Civilizations and Multiple Modernities, Part II* /especially Chapters 27, 34, 35/ (Boston: Brill, 2003)
2. A. Krouwel and J. de Raadt, "Political Conflict over Institutional Design and Change", Conference paper, Edinburg, 2003 (available at: [www.essex.co.uk/ecpr/events/jointsessions/paperarchive](http://www.essex.co.uk/ecpr/events/jointsessions/paperarchive))
3. K. von Beyme, "Institutional Engineering and Transition to Democracy", in: J. Zielonka (ed.), *Democratic Consolidation in Eastern Europe, Volume I: Institutional Engineering* (Oxford: Oxford University Press, 2001)
4. M. Shugart, "Politicians, Parties and Presidents: An Exploration of Post-Authoritarian Institutional Design", in: B. Crawford and A. Lijphart (eds.), *Liberalization and Leninist Legacies* (Berkley: University of California Press, 1997)

**Week 11. Institutionalization of Europe and Challenges for Theories of Institutions.** Conceptual indeterminacy in the study of European integration. Social and political space. Institutions and power. Rule-making and legitimacy.

*Mandatory readings:*

1. M. Apinwall and G. Schneider, "Institutional Research on the European Union: Mapping the Field", in G. Schneider and M. Aspinwall (eds.), *The Rules of Integration: the Institutionalist Approach to European Studies* (Manchester: Manchester University Press, 2001)
2. J. Coporaso and A. Stone Sweet, "Conclusion: Institutional Logics of European Integration", in A. Stone Sweet et al (eds.), *The Institutionalization of Europe* (Oxford: Oxford University Press, 2001)

*Suggested readings:*

1. A. Wiener, "Towards a Transnational Nomos: The Role of Institutions in the Process of Constitutionalization", *Jean Monnet Working Paper*, 9/2003
2. J. Olsen, "Unity, Diversity, and Democratic Institutions: What Can We Learn from the European Union as a Large-Scale Experiment in Political Organization and Governing?", *Arena Working Papers*, 13/2004.