Institutions and Organizations in Historical Perspective
Avner Greif

This course explores the puzzle implied by the Rise of the West over the last millennium from an institutional perspective. It focuses, in particular, on the institutional foundations of European markets and states.

You are expected to read all papers marked Required or Required - S. In addition, we will read most of Greif, Avner. 2006. Institutions and the Path to the Modern Economy: Lessons from Medieval Trade. Cambridge University Press.

All papers can be easily (and legally) downloaded and the syllabus indicates where these papers are located. The notation (JA) indicates a paper that can be accessed through Jackson Library e-journals and (JS) indicates a paper in JSTOR. Most papers can be directly downloaded (DD) from my website http://www-econ.stanford.edu/faculty/greif-teaching.html

The class will consist of a combination of class discussion, students’ presentations, and lectures. Participation accounts for 25 percent of the final grade, presentations another 25 percent and the written paper is 50 percent. Papers on the reading list marked ‘Required - S’ will be presented by a student who will have about 30 minutes to present it and 20 minutes to lead a discussion. A student interested in presenting a particular paper should let me know ASAP. If there are not enough volunteers, I will assign papers randomly by the end of the first week. A presenter should send me the Power Points slides at least 3 days ahead of time. I expect presentations to reflect a broader inquiry than simply a reading of the paper. Students who present can submit an extensive version of their presentation – reflecting their broader reading and the class discussion – as a final paper. If there are more students in the class than papers to present, I will assign papers first by request and then voluntarily. A student who does not present in class should submit a more substantiative paper that can take several forms: a critical summary and evaluation of a relevant paper or book; a proposed research agenda; or a term paper. In deciding whether to present or not, keep in mind that presentations will be an important component of your career. Practice helps!

You will need to decide on your research project prior to the end of the quarter and get my approval. The last date to complete the paper is the end of next August. Feel free to consult with me regarding possible projects. I will be happy to assist you. A list of possible projects will be circulated.

General Readings:

To circa 1990 institutional analysis in economics focused on individualistic behavior within markets and politically determined rules in developed economies. Analytically, studies
used decision theory and political economy models to study institutions, conceptualizing them as rules and contracts. See


By 1990, the substantiative focus had changed in an attempt to understand the institutional foundations of markets and states and why institutional changes were difficult. Analytically, the analysis shifted to using micro-economic models of strategic situations, asymmetric information, limited cognition, and endogenous preference to examine the efficiency attributes and dynamics of institutions. These analyses emphasized the importance of history in studying institutions as equilibrium phenomena. See


In this context, the study of economic institutions began to overlap with institutional analysis in other disciplines. For reviews and contributions of institutional analysis in sociology, see:


For reviews and contributions to institutional analysis in political science, see

The course assumes basic familiarity with European and world history. If you need to refresh your memory, you can consult the following (relatively) short surveys of European economic history, see:

- An easy way to get a birds-eye view of European economic history is to consult a historical atlas. The *Times Atlas of World History* and the *Hammond Atlas of World History* are particularly useful.
Topics

- **Introduction: The Puzzle of European History**

- **Growing with Growth Theory**

- **Why Europe? What Institutions?**

- **Why England?**

- **Insights from Comparative and Historical Institutional Analysis**
  *(Required and will be discussed in next class). Chapter 4 in Greif *Institutions and the Path ...* Instead you can read Greif, A., Paul Milgrom, and Barry Weingast. 1994

- **The Late Medieval Private-Order**
  *(Required)* Chapter 10 in Greif *Institutions and the Path ...* (Or you can read Greif, A., *[Impersonal Exchange: the European Experience]* Working paper. Stanford University. DD, SSRN.

- **Private-Order Outside Europe**
  *(Required)* Greif, Avner. 2006. Chapters 3, 9. *Institutions and the Path ...*
  *(Required - S)* Freitas, Kripa. 2006. *[The Indian Caste System as a Means of Contract Enforcement]*

- **What are Institutions?**
  *(Required)* Greif, Avner. 2006. Chapters 1, 2. *Institutions and the Path ...*

- **The Limit of Private Order**
  *(Required)* Li, Shuhe. 1999. *[The Benefits and Costs of Relation-Based Governance: An Explanation of the East Asian Miracle and Crisis]*. Memo, City University of Hong Kong.
  *(Required)* Volckart, Oliver. 2004. *[The Economics of Feuding in Late Medieval Germany]*. *Explorations in Economic History*, 41: 282-299.
  *(Required)* Greif, Avner. 2006. Chapter 8. *Institutions and the Path ...*
• **Why did Europe Differ?**
  (Required) Chapter 12 in Greif, *Institutions and the Path...*
  (Required) Chapter 5 in Greif, *Institutions and the Path...*

• **The (Almost) Rise and Fall of European Theocracy**

• **Empirical Analyses of Institutions: Substantiation without Econometrics**
  (Required) Chapter 11 in Greif, *Institutions and the Path...*

• **Institutional Dynamics**
  (Required) Chapters 6 -7 in Greif, *Institutions and the Path...*


- The Emergence of Pre-modern European States

- Pre-Modern Constitutionalism

- Was there a European ‘Age of Absolutism’


- **Constitutionalism Strikes Back and the Rise of Modern Markets**
  
  


- **Why Social Liberalism and to What Effect?**
  


- **The Age of Reason and the Industrial Revolution**
  


- **The Organization of Production**


**Agents in the Firm: Learning to Contract**

