

## **GPA 313 Institutional Analysis: Theory and Practice**

**Pre requisites:** None

### **Learning objectives:**

Institutional analysis is a thriving branch within the economic and social sciences. A broad theoretical and empirical literature asserts that “good institutions” – often defined as secure property rights – are the spark for long-run economic growth and development. In organization theory, current developments towards a synthesis between behavioral approaches and institutional theories hold great promise. The interaction between the institutional framework and organizations responding to that framework shapes economic behavior and the evolution of firms, organizations and economies. Institutional analysis deals with a variety of subject matters from “soft” institutions such as trust, norms and corporate culture, to more tangible aspects, such as sanctions, incentive schemes and legal practices. It deals with macro-parameters of institutional change, democracy, and economic performance, and with micro-parameters such as tacit knowledge, transaction costs and the internal organization of firms. This course covers a multiplicity of topics and methodological approaches within business, economics and the social sciences.

### **Learning outcomes:**

After completing the course students should be able to:

- Explore how institutional theory is employed within different fields of economic and social sciences as a well as on different levels (macro-micro) of analysis,
- Explore how different institutional approaches and techniques can be employed for depicting determinants of institutions and their evolution over time on macro as well as micro levels.
- Use institutional theory for evaluating the impact of various institutions on economic performance, efficiency and distribution relate institutional economics to related perspectives on institutions in business and other social sciences.

**Course Contents:**

Transaction cost economics (TCE). Institutional change. The new institutionalism in organizational analysis. Social, capital and trust Constructivist approaches to ideas, norms and institutions. Informal and formal institutions – what is the fundamental difference? Evolutionary economics: Institutions and long-run economic growth. Collective action Social norms and experimental games

**Text books:**

1. Ostrom, Elinor. Background on the Institutional Analysis and Development Frameworks.
2. The Oxford Handbook of Comparative Institutional Analysis.
3. Natarajan, Tara, Elsner, Wolfram, Fullwiler, Scott (Eds.) Institutional Analysis and Praxis: The Social Fabric Matrix Approach