

PhD course: The Theory of Institutions

April 16 - 27, 2007 (intensive doctor level course, 7.5 ECTS credits)

The course is offered by Norwegian School of Economics and Business Administration (NHH) and University of Bergen (UiB).

Lecturer: Professor Tore Ellingsen, Stockholm School of Economics and NHH/UiB.

Course description

The wealth of nations probably depends more on institutional quality than on physical resources. Likewise, business success hinges critically on how the enterprise is governed and managed. Yet, social sciences have largely failed to produce a widely accepted theory of institutions.

The purpose of the course is to present a framework for the analysis of institutions in general and organizations in particular. To do so, we turn the conventional economic analysis on its head. Instead of starting from a the world of competitive markets, where institutions are so perfect that they can be suppressed in the analysis, we start from complete anarchy, where markets are absent and brute force is the only respected currency. We then ask how the resulting inefficiencies can be mitigated either spontaneously, by emerging norms and conventions, or consciously by religious, political and economic entrepreneurs. A central idea is that institutions are shared mental constructions, and that institutional change may only occur when several people simultaneously change their worldviews.

The course relies heavily on game theory and on evidence from game experiments, but it aims to attract also those students who have little or no prior knowledge about game theoretic analysis. Besides economists, doctoral students who approach organization theory from the perspective of sociology, psychology, law, or political science are particularly welcome.

Literature: Tore Ellingsen (2007): The Theory of Institutions, (book manuscript in preparation), and a selection of articles. Other recommended reading includes Douglass North (2005): Understanding the Process of Economic Change, Princeton: Princeton University Press.

First lecture: Monday April 16 14.15 – 16.00 in aud. 12. at NHH. (Detailed information about the lectures and readings will be forwarded to registered participants).

Registration: Please sign up by sending an e-mail to dagny.kristiansen@nhh.no.

Housing: Useful information about [accomodation in Bergen](http://www.bergen-guide.com/accommodation.asp) (<http://www.bergen-guide.com/accommodation.asp>). There is a student hostel (Hatleberg Studenthjem) within walking distance from the school (phone (47) 55 95 74 00 e-mail: bolig@sib.uib.no).

If you have questions regarding housing, please send an e-mail to dagny.kristiansen@nhh.no.