

Erling Berge, 12 April 2010

## **SOS3508 Resource management: Institutions and institutional design**

Class commences **26 August** then we meet every **Thursday 8:15 - 12:00**

Lectures in **D108**

Based on contributions from sociology, political science, neo-institutional economics, anthropology, geography, biology, history, and philosophy the goal of the class is to understand better how variations in formal and informal institutions affect economic and social development in general and in particular the sustainable use of resources. Today redesigning institutions to improve on the sustainability of resource use is a primary concern for most governments at all levels.

Requirements for the class are to write a book review and a term paper:

**1. Book review**

Write a book review of either Ariely 2009 or Lynas 2008 (from the suggestions on further readings). The book review can be maximum 600 words.

The book review ought to be done no later than 30 September.

**2. Presentation in class**

Present in class a chapter chosen from Elster (2007) part 5 (pages 299-444). Presentations will be scheduled in the period 21-28 October.

**3. Term paper**

Write a term paper on some topic from the class readings. It is expected to be some 5600-7500 words (about 15-20 pages) and should in addition to required readings utilise readings from outside the required reading list. In writing the term paper you should follow the standard given by [http://www.svt.ntnu.no/iss/studentinfo/vitenskapelig\\_form\\_og\\_stil.pdf](http://www.svt.ntnu.no/iss/studentinfo/vitenskapelig_form_og_stil.pdf) (in Norwegian). Alternatives, not quite equivalent, are available in English, for example

<http://www.sv.ntnu.no/thecommonsjournal/CurrentAuthorGuidelines.pdf>

Deadline for term paper is 23 November.

### **Required reading (pensum):**

Elster, Jon. 2007. *Explaining Social Behaviour: More Nuts and Bolts for the Social Sciences*. Cambridge: Cambridge University Press.

Henrich, Joseph, and Natalie Henrich. 2007. *Why Humans Cooperate. A Cultural and Evolutionary Explanation*. Oxford: Oxford University Press.

North, Douglass C. 2005. *Understanding the Process of Economic Change*. Princeton: Princeton University Press.

Ostrom, Elinor. 2005. *Understanding Institutional Diversity*. Princeton: Princeton University Press.

Rothstein, Bo. 2005. *Social Traps and the Problem of Trust*. Cambridge: Cambridge University Press.

### **And for the review essay either**

Ariely, Dan. 2009. *Predictably Irrational. The Hidden Forces that Shape Our Decisions. Revised and Expanded Edition*. London: HarperCollins Publishers.

### **Or**

Lynas, Mark. 2008. *Six Degrees. Our Future on a Hotter Planet. Updated Edition*. London: HarperCollins Publishers.

Reading of the texts on the reading list will cover the stuff for examinations. The central texts are the books by Elster, North, and Ostrom. After the introductory text of Elster you might want to take a look at North and Rothstein. The books by Ostrom and North from 2005 are building on their books from 1990 (see below). They should ideally have been read in sequence.

On the Suggestions for further reading you may note that Schmid (2004) provides a very good alternative introductory text directed at economics students. Platteau (2000) is an excellent discussion of institutions in developing economies similar to those found in Sub-Saharan Africa. Chapters in Goodin (1996) and Hanna & al. (1996) provide supplementary perspectives. Searle (1995) provides a valuable philosophical perspective on the construction of institutions.

Up to 40% of the required reading can **upon approval** be replaced by other relevant readings according to the student's choice.

### **Suggestions for further relevant readings (annen anbefalt litteratur):**

Some relevant papers are found at Erling Berge's homepage <<http://www.sv.ntnu.no/iss/Erling.Berge>>

#### **Introductory texts**

Peters, B. Guy. 2005. *Institutional Theory in Political Science: The New Institutionalism*, Second Edition. London: Continuum

Schmid, A Allen. 2004. *Conflict and Cooperation. Institutional and Behavioral Economics*. Oxford: Basil Blackwell.

Scott, W. Richard. 1995. *Institutions and Organisations*. London: Sage. (Read chapters 1-6.)

#### **Very readable surveys**

Ariely, Dan. 2009. *Predictably Irrational. The Hidden Forces that Shape Our Decisions. Revised and Expanded Edition*. London: HarperCollins Publishers.

de Soto, Hernando. 2000. *The Mystery of Capital*. New York: Basic Books.

Diamond, Jared. 2005. *Collapse: How Societies Choose to Fail or Succeed*. New York: Viking.

Diamond, Jared. 1997. *Guns, Germs and Steel: A short History of Everybody for the Last 13 000 Years*. London: Vintage.

Fagan, Brian. 2004. *The Long Summer: How Climate Changed Civilization*. New York: Basic Books.

Fagan, Brian. 2000. *The Little Ice Age: How Climate Made History: 1300-1850*. New York: Basic Books.

Lynas, Mark. 2008. *Six Degrees. Our Future on a Hotter Planet. Updated Edition*. London: HarperCollins Publishers.

Reinert, Erik S. 2007. *How Rich Countries got Rich ... and Why Poor Countries Stay Poor*. London: Constable & Robinson.

#### **Extensions of class readings**

Berge, Erling and Nils Chr. Stenseth, ed. 1998. *Law and the Governance of Renewable Resources*. Oakland: ICS Press.

Crosby, Alfred W. 1993. *Ecological Imperialism: The Biological Expansion of Europe, 900-1900*. Cambridge: Cambridge UP.

Douglas, Mary. 1987. *How Institutions Think*. London: Routledge & Kegan Paul.

Goodin, Robert E., ed. 1996. *The Theory of Institutional Design*. Cambridge: Cambridge UP.

Hanna, Susan, Carl Folke & Karl-Göran Mäler, eds. 1996. *Rights to Nature*. Washington: Island Press.

Luhmann, N. 1985. *A sociological theory of law*. London: Routledge and Kegan Paul.

North, Douglass C. & Robert P. Thomas. 1973. *The Rise of the Western World: A New Economic History*. New York: Cambridge UP.

North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge UP.

Ostrom, Elinor. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge UP.

Platteau, Jean-Philippe. 2000. *Institutions, Social Norms, and Economic Development*. London: Overseas Publishers Association/ Routledge.

Searle, John R. 1995. *The Construction of Social Reality*. New York: The Free Press.

Williamson, Oliver E. 1996. *The Mechanisms of Governance*. Oxford: Oxford University Press.

#### **Useful web-links**

<http://dlc.dlib.indiana.edu/>

<http://www.thecommonsjournal.org/>

<http://www.iascp.org/>

<http://otto.idium.no/desotowatch.net/>

<http://www.undp.org/legalempowerment/>

<http://www.statkart.no/IPS/?module=Articles;action=ArticleFolder.publicOpenFolder;ID=2852>