This ten week course in “Institutional Economics” is designed to introduce students to evolutionary-institutional approaches to social science, in general, and to economic science, in particular. We shall start out at a basic level. However, over the ten week term we shall tend toward a sophisticated discourse.

In our course we shall largely be exploring economic, social, and philosophical thinking that was advance by Thorstein Veblen. However, we shall also seriously consider his antecedents -- especially American Pragmatist Philosopher Charles Sanders Peirce, the great evolutionary theorist Charles Darwin, and the infamous and early social scientist Karl Marx. While considering Veblen’s contributions we shall also consider contributions of some of his most important disciples, who, along with Veblen, laid the foundation for what is known as Original Institutional Economics (OIE).

In the interests of balance in exposure, as well as our edification in this field of inquiry, we shall also consider selected contributions from a newer, neighboring, and challenging tradition known as “New Institutional Economics.” This related but competing field has been advanced by Ronald Coase, Douglass North, Oliver Williamson, especially, and with Elinor Ostrom, coming in from her unique angle.

Requirements for this course involve attending, participating, and first writing up and then handing in on time a mid-term exam composed according to guidelines emphasized in class. After the mid-term we shall shift toward formulating a thesis and writing up research into a paper that can be submitted as a first and final draft. Students will be not be obliged but will be offered an opportunity to present their research findings to the members of the class and have their final grade enhanced.

Midterm 50 percent (Due Friday, 28 October 2011 by 5:00 p.m., and slid with dexterity under my office door)

Research Paper in Two Shots (25 + 25)

First Draft of Paper (Due Friday, 18 November 2011 by 5:00 p.m., and slid with dexterity under my office door)

Final Paper is due at time of final exam and should be slipped with equal dexterity under my office door.
This course places great emphasis on students’ abilities to absorb course material, to select out an area of knowledge that can then be formulated into a thesis. Your thesis would then be further developed into well-written and skillfully referenced research paper (at least by the second draft): so richly laden with scholarly qualities that your ideas could also be appreciated by members of this class in a live presentation.

I hope that you enjoy this course.

Books:


Veblen, Thorstein. Theory of the Leisure Class. [1899]

Week 1  Topic: Locating Institutional Economics within a larger framework: Darwin, Peirce, Marx, Schmoller


Hall and Whybrow, “Continuity and Continuousness: The Chain of Ideas Linking Peirces’s Synechism to Veblen’s Cumulative Causation” Journal of Economic Issues, 2008. (Hall’s PSU homepage (HHP)

Veblen, “The Socialist Economics of Karl Marx and His Followers” [1906, 1907]

Why is Economics Not an Evolutionary Science [1898]


Week 3 (11 to 13 Oct.)
Chapter 8. “Business Enterprise and the Industrial System;”

Chapter IV, Business Principles; Chapter V. “The Use of Loan Credit;”

Chapter VI, “Modern Business Capital”

Week 4, (18, 20 Oct.)
Law and Politics;”

Plus, William Dugger on Power:

“An Institutional Framework of Analysis,” *Journal of Economic Issues*, vol. 14, no. 4
(December, 1980): 897-907.
“Corporate Hegemony” “An Institutionalist Analysis of Corporate Power: *Journal of

Mid-Term due Friday, 28 October, by 5:00 p.m. under my office door.

Weeks 5 and 6 esp. 3,5 Nov.

Chapter IX “The Cultural Incidence of the Machine Process;”
Chapter X, “The Natural Decay of Business Enterprise.”

Plus, Sociologists and Veblenian Analysis

C. Wright Mills and his research *The Power Elite*, New York: Oxford University
Press, 1957.

McCormick, Chapter 9. “Conspicuous Leisure and Conspicuous Consumption;”
Chapter 10, “Some Implications of Status-Driven Consumption.”

The Theory of the Leisure Class [1899] Chapter I, “Introductory;” Chapter II,
“Pecuniary Emulation;” Chapter III, “Conspicuous Leisure;” Chapter IV,
Conspicuous Consumption.” Chapter VIII, “Industrial Exemption and
Conservatism.”

Citibank: Two Papers on Plutonomy
Week 7 (8,10 Nov.)
Gunnar Myrdal’s Institutionalist Perspective, plus Nicholas Kaldor’s notion of “circular and cumulative causation.”


Week 8 (15, 17 Nov.)
Institutionalist – Post Keynesian Analysis, (First Draft of Research Paper due on Friday, 18 Nov.)

Hall and Ludwig, “Explaining Persistent Unemployment in Eastern Germany,” *Journal of Post Keynesian Economics*


Hall and Ludwig: “Evidence and Implications of Germany’s Domar Problem, An Institutionalist and Post Keynesian Analysis” (submitted for Publication)

plus

Appreciating John Kenneth Galbraith as Veblenian


And as Veblenian and Institutionalist-Post Keynesian

New Institutional Economics,


Week 9, (29 Nov., 01 Dec.)

More on “New Institutional Economics”


Critique:


Week 10, (29 Nov, 01 Dec. Student Presentations)

Final Draft of Research Paper due at time of scheduled final exam.
**House Rules:**

Please do not consume food of any form in our classroom.
Keep mobile phones completely out of my sight.
Please do not allow a telephone to ring. Do not accept or send sms messages, emails, or anything else.

During the ten minute break, please exit the classroom door completely before engaging in telecommuting in its various forms.

If a student disturbs me with a mobile phone or notebook computer the student will be asked to leave the course for that day.