

# **SOCIOLOGY OF INSTITUTIONAL CHANGE**

2009/2010

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## **Course description**

The aim of the course is to analyze the changing institutions in the post-communist world in the light of institutional theory. The understanding of the emergence, persistence and decline of these institutions will be stressed more than the presentation of abstract concepts. This course will present theories "in action": as instruments for understanding institutional stability and change. During the course the main theoretical concepts of the sociology of institutions (referring to institutionalism and new institutionalism) will be presented. Various types of the institutional theory (including historical institutionalism, organizational institutionalism) will be analysed and confronted with other approaches (traditional organizational sociology, rational choice approach). The theoretical perspective will stress the role of the evolutionary changes during transition processes what contradicts the dominant view and stereotype of almost instant character of the post-communist transition. Empirical data from researches in the region will be used.

The course is composed of 12 sessions. The sessions cover various aspects of institutional change (the role of legacies, institution building and consolidation, the role of trust in institutional settings) and various forms of institutions (political, economic, institutional networks, formal and informal institutions, institutional aspect of civil society). One of the aims of the course is to argue against the popular stereotype that either "institutions" or "people" are responsible for the results of the transformation process. Instead, the complex relationship between these two actors is presented and discussed. During the course the well-known paradox of the institutions under transition will be discussed as well: how institutions can stabilize the political and economic game if the very game is about the shape of the institutional order?

During these sessions participants are strongly encouraged and expected to share their country-based experience related to the topic and to put it in the broader context of theoretical concepts and a comparative perspective. As the part of the course meetings with representatives of various organizations are planned. Past guests have included: representatives of the NGOs movement, leaders of the Solidarity-based party and of the post-communist party, managers of foreign and Polish industrial enterprises, a priest, the US ambassador, the spokesman of the Police and the European Commission representative. Students are expected to design and conduct the discussions with the guests. The list of guests will reflect the content of the course and students' preferences. The aim of the meetings is to analyze institutional performance in practice and to confront the organizational leaders' ideas with the literature and the empirical findings.

Students will follow the set of common readings from the syllabus and actively participate in the course. This will include taking part in the discussions, giving oral presentations and writing reaction papers followed by the term essay (ca. 3000 words).

At the end of the course students are expected to understand the nature of institutional change (and stability) in the post-communist world. They should understand why transition processes are very often delayed because of the conservative character of the institutions. They are also expected to analyze it in the broader context of sociological theories and against the background of the comparative empirical findings.

## **SYLLABUS**

### **1. Changing institutions and organizations: sociological perspective**

The introductory session providing participants with the overall idea and structure of the course and presenting the main sociological approaches to the study of institutions stressing the similarities and differences between the “old” and “new” institutionalism.

#### **Readings:**

- D.C. North: Institutions, institutional change and economic performance, Cambridge University Press 1990, Part 1 (1-69) required and Part 2 recommended
- P.J. DiMaggio, W.W. Powell: Introduction, in: The new institutionalism in organizational analysis, The University of Chicago Press, 1991
- J.L.Campbell, O.K.Pedersen: Theories of Institutional Change in the Postcommunist Context, in: J.L.Campbell, O.K.Pedersen (eds.): Legacies of Change, Aldine de Gruyter, New York, 1996
- V.Nee: Sources of New Institutionalism, in: The New Institutionalism in Sociology, M.C.Brinton, V.Nee (eds.), Russel Sage Foundation, New York, 1998

### **2. The institutional legacy of communism and the dynamics of change**

The session concentrates on the importance of the institutional legacies for the understanding of institutional change. Since the role of the legacies and path-dependent phenomena is not diminishing in the course of the transitions, the problem is crucial for understanding the current developments of institutional change.

#### **Readings:**

- L.Balcerowicz: Socialism, Capitalism, Transformation, CEU Press 1995, 51-141
- A.Kaminski: An institutional theory of communist regimes, ICS Press, 1991, Chapter 6 (121-139), Chapter 12 (243-265)
- A. Rychard: Reform, Adaptation and Breakthrough, IFiS Publishers, 1993, Chapter 3
- Introduction, in: J.Elster, C.Offe, U.K.Preuss: Institutional Design in Post-communist Societies, Cambridge University Press, 1998

### **3. New institutional order: politics in action**

During the session the main characteristics and peculiarities of political institutionalization in postcommunism are discussed. The weaknesses of the institutional arrangements in party systems are presented and explained.

### **Readings:**

-C. Offe: Capitalism by democratic design? Democratic theory facing the triple transition in East Central Europe in: C. Offe: Varieties of Transition, Polity Press, 1996

-H.Kitschelt, Z.Mansfeldova, R.Markowski, G.Toka: Post-communist party systems. Competition, representation and inter-party cooperation, Cambridge University Press, 1999, Conclusion (383-408)

- H.D.Klingemann: Mapping Political Support in the 1990s: A Global Analysis, WZB, 1998

Recommended: J. Bielasiak: On the institutionalization of party regimes in emerging democracies, Studies in Public Policy vol.351, University of Strathclyde, Glasgow, 2001

## **4. New institutional order: economics in action**

During the session the ways market reforms are institutionalized are analyzed. The role of path-dependency and the designed character of the changes are stressed. The tensions between these two phenomena are presented and analyzed.

### **Readings:**

-D.C. North: Institutions, institutional change and economic performance, Cambridge University Press, 1990, 107-117

-L.Balcerowicz: Socialism, Capitalism, Transformation, CEU Press, 166-185

-D.Stark, L. Bruszt: Path dependency and privatization strategies in: D. Stark, L. Bruszt: Postsocialist Pathways, Cambridge University Press, 1998

## **5. Civil society: its institutions and enemies**

The session concentrates on the overall usefulness of the concept of civil society for better understanding of the nature of the postcommunist institutional change. The roles of political and economic participation and non-participation are analyzed as important factors influencing the process of institution building.

### **Readings:**

-R.Putnam: Making democracy work (chapters 4,5)

-G. Ekiert, J.Kubik: Rebellious civil society. Popular protest and democratic consolidation in Poland 1989-1993, The University of Michigan Press, 1999, Chapter 4 and 5 (76-139)

- K.Pelczynska-Nalecz: Civic activity in Poland, in: Polish Sociological Review, 3/1997

## **6. Informalities and everyday organizational life: the anthropology of post-communism**

One of the crucial communist legacies is the role of informal arrangements in institutional and organizational life. The informal strategies are analyzed in the framework of new institutionalism which considers them as one of the important and universal aspect of the institutions in general.

### **Readings:**

- B.Misztal: Informality. Social theory and contemporary practice, Routledge, 2000, Chapter 8 (206-229)
- E.Tarkowska: The cultural responses to permanent instability, in: A. Jawlowska, M. Kempny (eds.): Cultural dilemmas of post-communist societies, IFiS Publishers, 1994
- W.Pawlik: Intimate commerce, in: J. Wedel: The unplanned society, Columbia University Press, 1992

## **7. Emerging non-governmental sector**

The role of NGO's vis à vis the market and political structures is analyzed. Various theories for explaining the emergence and performance of this sector are presented and discussed.

### **Readings:**

- P.Glinski: Developing the Third Sector as a Vehicle of Civil Society in Poland (mimeo)
- P.Glinski: Social actors in transformation, in: Sisyphus. Social Studies, Vol. 2, (IX), 1993, IFiS Publishers, IPS Publishers
- L.M.Salamon, H.K.Anheier: Social Origins of Civil Society: Explaining the Nonprofit Sector Cross-Nationally, in: Voluntas, vol.9, No.3, 1998 (plus comment)

## **8. Creating and consolidating institutions under postcommunism**

During the session the peculiarities of the postcommunist institution building process are discussed. The consequences of the phenomenon of the peculiar simultaneity of the

processes of transition and consolidation are presented.

### **Readings:**

- J.J.Linz, A.Stepan: Problems of Democratic Transition and Consolidation, The Johns Hopkins University Press, Baltimore and London, 1996, ch. 4 (pp.55-66) and ch. 21 (pp.434-457)
- J.Elster, C.Offe, U.K.Preuss: Institutional Design in Post-communist Societies, Cambridge University Press, 1998, Ch. 4 and Ch. 5 (pp. 109- 203)
- A.Z. Kaminski, J. Kurczewska: Institutional transformations in Poland: The rise of nomadic political elites, in: M. Alestalo et. al. (ed.): The transformation of Europe, IFiS Publishers, 1994

## **9. Using institutions under post-communism: people and their strategies.**

Societal strategies for using institutions and organizations are considered to be one of the most important elements modifying and neutralizing the course of designed institutional change. By using institutions social groups are also contributing to the institution building process. The consequences of this phenomenon for the future of the institutional order are discussed.

- J.D. Coleman: Foundations of social theory, The Belknap Press of Harvard University Press, 1990, 27-44, 300-321
- A.Rychard: Institutions and actors of a new democracy: The vanishing legacy of communist and Solidarity type participation in Poland, in: D.Rueschemeyer, M.Rueschemeyer, B.Wittrock (eds.): Participation and Democracy. East and West, M.E.Sharpe, 1998
- A.Hirschmann: Exit, Voice and Loyalty, Chapter 1 and 4

## **10. Institutional structures of post-communist societies: neither markets nor hierarchies?**

At the session some of the general features of the postcommunist institutional order are discussed. The network approach as a theoretical attempt to understand the peculiarities of this emerging order is presented and critically discussed.

### **Readings:**

- L.Ray: The rectifying revolutions? Organizational futures in the new Eastern Europe, in: Organization, Vol. 2 (3\4), 1995, Sage
- L.Bruszt, D. Stark: Restructuring networks in East-European Capitalism in: D. Stark, L. Bruszt: Postsocialist Pathways, Cambridge University Press, 1998
- G.Ekiert, S.E.Hanson: Time, space, and institutional change in Central and Eastern Europe, in: G.Ekiert, S.E.Hanson (eds.): Capitalism and democracy in Central and Eastern Europe. Assessing the legacy of Communist rule, Cambridge University Press, Cambridge, 2003

-G.Grabher, D.Stark: Organizing diversity: evolutionary theory, network analysis and post-socialism, in: EMERGO, Vol. 4, no.1, Winter 1997

Recommended: L.Smith-Doerr, W.W.Powell: Networks and Economic Life, in: N.J.Smelser, R.Swedberg (eds.): The Handbook of Economic Sociology, Second Edition, Princeton University Press, Princeton and Oxford, Russel Sage Foundation, New York, 2005

## **11. Stabilizing institutional order: legitimacy and trust**

Institutional and organizational stability and persistence have to be studied for better understanding of the processes of change. At the session the ways in which the emerging institutional order gains its stability are discussed. The role of “soft” stabilizers such as trust (its institutional and personal components) is presented.

### **Readings:**

-R.Putnam: Making Democracy Work, Chapter 6

-B. Misztal: Trust in Modern Societies, (Polity Press 1996), Chapters 3, 6

-B.Greskovits: The Political Economy of Protest and Patience, Chapter 10, CEU Press, 1998

-J.Sydow: Understanding the Constitution of Interorganizational Trust, in: C.Lane, R.Bachmann (eds.): Trust Within and Between Organizations, Oxford University Press, 1998

## **12. The new global institutional trends: challenges and opportunities**

During the final session participants discuss global challenges for the emerging postcommunist institutional order. Global markets, information networks, other types of networks (including terrorist ones) are presented as the main factors affecting the course of institutional change.

### **-Readings:**

-D.Held: Democracy and the Global Order (Polity Press, 1995), Preface, Part 1, Chapter 12

- Jean Grugel: Democratization and globalization (ch.6), in: Democratization. A critical introduction, Palgrave, 2002

-P.Dombrowski, R.Mansbach: From Sovereign States to Sovereign Markets?, in: International Politics, Vol.36/1999

-R.Rosencrance: The Rise of the Virtual State in: Foreign Affairs, July-August 1996.

-Conclusions: The Unfinished Project, in: J.Elster, C.Offe, U.K.Preuss: Institutional Design....

Recommended: Hans van Zon: The digital economy: challenges for Central and Eastern

Europe, in: EMERGO, Summer 1998