

Call for Papers – Special issue in the [Journal of Institutional Economics](#)

Crisis and Persistence: Dynamics of institutional changes at the interface between formal and informal institutions

Edited by *The Friday Association for Institutional Studies*

On behalf of the Friday Association for Institutional Studies (a collective including members of the Birkbeck Centre for Political Economy and Institutional Studies (CPEIS), the Centre for Comparative Studies of Emerging Economies at the School of Slavonic and East European Studies (SSEES UCL) and the Institute for International Management (IIM) at Loughborough University London), we are pleased to announce the following call for contributions to a special issue in the Journal of Institutional Economics.

This call follows up on our 4th annual London workshop on institutional studies (which was held online on 23 and 24 September 2021). Papers presented at the workshop, as well as new submissions will be considered.

Focus:

Crises can be defined as events that challenge the survival of an institutional arrangement, thus highlighting its weaknesses and sometimes leading to institutional change. While the past few years seem to have been marked by numerous crises (the 2008 Global Financial Crisis, Brexit, COVID-19, or the storming of the US Capitol to name just a few), the difficulty of understanding their medium to long-term impact has clearly highlighted a knowledge gap, which motivates this call.

It has been argued that institutional change either results from sudden shocks or is caused by more gradual change (Kingston and Caballero, 2009). Indeed, in some cases, crises can constitute opportunity windows for change, moments of critical junctures and structural breaks in the development of economic and political institutions (Collier and Collier 1991). More surprisingly, some – even major – crises do not seem to have the expected disruptive effect on institutional arrangements, with institutional features showing remarkable resilience in the face of major upheaval (Crouch 2011). One stream of scholarship focuses on “punctuated equilibrium” models (Baumgartner and Jones 1993), “grammar of institutions” (Crawford and Ostrom 1995), or “critical junctures” (Capoccia, 2016), that is to say on events or conditions generating big and radical institutional changes. Another stream of research has pointed out the importance of more subtle processes of institutional change, proposing theoretical tools that capture incremental, but still transformative processes of change (Mahoney and Thelen 2010; Streeck and Thelen 2005). In the latter category, evolutionary approaches drawing on Darwinian thinking provide further ways of conceptualising and understanding institutional change and its relation to exogenous shocks (Hodgson, 2021).

Thus, while we know that institutional change can follow sudden or protracted crises, we do not seem to know which crises will actually lead to change. To fill this gap, we believe that

one important understudied aspect is the role of informal institutions and their interplay with formal institutions in the process of institutional change.

The distinction between formal and informal institutions is a delicate one, with much of the literature lacking clarity on these terms (Hodgson, 2006). Here, we follow Williamson (2000) and Boettke et al. (2008), who contrast informal institutions, as the social context in which human interactions are embedded, with formal institutions, defined as more or less stable rules that provide a *codified* framework for these interactions, and which are designed and enforced by the state. Conversely, informal institutions encompass non-codified norms, that emerge spontaneously from society itself and are enforced, implicitly or explicitly, by society or private actors, and can be labelled as social or cultural norms (see Andriani and Bruno, 2021).

Crises are often associated with disruption of the formal institutional order, while less attention is paid to the role of informal institutions. Informal institutions are sometimes seen as ‘second best’ (Rodrik 2008) compared to more formal institutional arrangements. However, in crisis situations when the formal institutional order breaks down or is severely challenged, informal institutions may prove crucial for economic or political activities to persist by providing resilience (Bentkowska, 2021; Ledeneva, 2016). Conversely, whether or not a crisis will provide an opportunity for meaningful formal institutional change may also depend on whether informal institutions supporting the status quo remain unchallenged or are equally shaken by the crisis. Indeed, some emphasise that informal institutions as slow moving and thus fundamental to our understanding of persistence (e.g. Roland, 2020), or as shaping the implementation of formal institutions, making them a more fundamental driver of change (Boettke et al., 2008).

Overall, we contend that crises provide opportunities to further our understanding of the interplay between formal and informal institutions, which holds important lessons for both theory and policy making. In certain circumstances, change does not happen although recurring crises may show the limitations of the existing system and change may therefore seem socially desirable. Conversely, in other cases, institutional resilience in the face of crisis may seem desirable (e.g. the resilience of democratic institutions under authoritarian assault). More research is needed on what makes (both formal and informal) institutions resilient to detrimental change or unyielding to beneficial change. Both issues require a better understanding of the interplay between formal and informal institutions.

We are thus calling for papers proposing to shed light on institutional change, either incremental or sudden following crises, or persistence in times of crisis (i.e. when there is a credible threat to the status quo) and with an explicit focus on the role played by informal institutions. Examples of questions of interest include – but are not limited to:

- How do informal institutions affect formal institutional change during crises?
- How/when/where do informal institutions provide resilience to institutional orders in crisis?
- How/when/where do they undermine institutional stability or support institutional change?

- How/when/where do crises reshape human behaviour above and beyond the “formal rules of the game”?
- What patterns of interaction between formal and informal institutions emerge in times of crises?
- How does the interaction between formal and informal institutions in times of crises influence the outcomes of the institutional arrangement?

Submission:

Full papers should be submitted by **23 June 2022** through the [journal submission platform](#), specifying the paper is to be considered for this special issue (SI: Crises). We aim for a hard copy publication in early 2024, but accepted papers will be published online within a few weeks of acceptance. Our objective will be to select enough papers for reviews to produce a full issue in the JOIE, i.e. 8 to 10 papers accepted for publication. We will aim to have no less than 20% of the articles selected for the review process by authors from any one gender.

JOIE attempts to establish a forum for ongoing conversation on key institutional issues. In this way, it aims to make contributions to scholarship cumulative, rather than fragmented and less consequential. Therefore, JOIE asks that authors refer, where relevant and appropriate, to previous contributions published on its pages, as well as from elsewhere. It is possible that your paper will be sent to referees who have published on your topic in JOIE. They may note any failure to cite their work.

Queries:

For any queries, please contact the guest editors: Dr Elodie Douarin (e.douarin@ucl.ac.uk) and Dr Gerhard Schnyder (G.Schnyder@lboro.ac.uk)

References:

- Andriani, L. & R. Bruno (2021) Introduction to the special issue on institutions and culture in economic contexts. *Journal of Institutional Economics*, 1–14.
- Bentkowska, K. (2021) Response to governmental COVID-19 restrictions: The role of informal institutions. *Journal of Institutional Economics*, 17(5), 729–745.
- Boettke, P., Coyne, C. & P. Leeson (2008) Institutional Stickiness and the New Development Economics. *American Journal of Economics and Sociology*, 67(2), 331–358.
- Baumgartner, F. & B. Jones (1993) *Agendas and Instability in American Politics*. Chicago: Chicago University Press.
- Capoccia, G. (2016) Critical Junctures. In *The Oxford Handbook of Historical Institutionalism* (pp. 1–34). Fioretos, O., Falleti, T. G. & Sheingate, A. (Eds.), Oxford University Press.
- Collier, R. & D. Collier (1991) *Shaping the Political Arena. Critical junctures, the labor movement, and regime dynamics in Latin America*. Princeton: Princeton University Press.

- Crawford, S. & E. Ostrom (1995) A grammar of institutions. *American Political Science Review*. 89(3)
- Crouch, C. (2011) *The Strange Non-Death of Neo-Liberalism*. Cambridge, UK: Polity Press.
- Hodgson, G. (2021) *The Wealth of a Nation: Institutional Foundations of English Capitalism 1300-1820*, book manuscript.
- Hodgson, G. (2006) What are Institutions? *Journal of Economic Issues*, XL(1), 1–25.
- Kingston, C., & Caballero, G. (2009) Comparing theories of institutional change. *Journal of Institutional Economics*, 5(2), 151–180.
- Ledeneva, A. (2016) The Ambivalence of Favour: Paradoxes of Russia's Economy of Favours. Chapter *In Economies of Favour after Socialism*. Hening, D. & N. Makovicky (Eds) Oxford University Press.
- Mahoney, J. & K. Thelen (2010) *Explaining Institutional Change: Ambiguity, Agency, and Power*. Cambridge, UK: Cambridge University Press.
- Rodrik, D. (2008) Second-Best Institutions. NBER Working Paper Series 14050:1–4.
- Roland, G. (2020) Culture, Institutions and development (Chapter 12) *In The Handbook of Economic Development and Institutions*. Baland, J.M, Bourguignon, F., Platteau, J-Ph. & T. Verdier (Eds). Princeton University Press.
- Streeck, W. & K. Thelen (2005) *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford: Oxford University Press.
- Williamson, O. (2000) The New Institutional Economics: Taking Stock, Looking Ahead. *Journal of Economic Literature*, 38, 595-613.