

The concept and coverage of institution

Zoltán Farkas

Accepted manuscript published in *Rationality and Society* in 2019

Available at: <https://doi.org/10.1177/1043463118821654>

Abstract

The concept of institution is a rather unclear concept in the contemporary social science literature. In the ‘Introduction’, I give a survey of the different interpretations of the concept of institution. In the first part, I make a distinction between loose norms and tight norms, and I define the concept of institution in connection with the concept of tight norm. Institution is a system of tight norms and additional norms specifying the validity scope of the tight norms as well as the control of their actual realization. Furthermore, I introduce the concept of quasi-institution to denote the typical transitions between norm systems of a different nature. In connection with the shaping of institutions and the control, I introduce the concept of the coverage of institution. The coverage of institution is the ability to shape and change the norms composing the given institution and to control the actions falling into the validity scope of institutional norms. In the second part, institutions are classified according to their coverage and distinction is made between externally covered, one-sidedly covered and internally covered institutions. Concerning quasi-institutions, I make a distinction between its two typical forms: the norm system with one-person coverage and institutional morals.

Keywords

Coverage of institution, institution, norm, quasi-institution, types of institutions

Introduction

The concept of institution is a rather unclear and ambiguous concept in the contemporary social science and – more narrowly – sociological literature, and the different conceptions are closely connected to the typical sociological perspectives.¹ However, these conceptions, which are very different from each other, are similar from the point of view that the concept of institution in a sense refers to the regularity and monitorable normalities of the actions of individuals and the interactions between them. In this introduction, before

describing my own conception, I briefly review the typical conceptions of the concept of institution with regard to the main sociological perspectives.

According to the different relatively widely accepted conceptions of the concept of institution, the institution may mean (1) a special system of norms or rules (2) the probability of attitudes and interpretational willingnesses, and (3) monitorable normality of behavior, the regularity of interactions. Furthermore, the institution may mean (4) some group or organization, and finally, (5) a sphere or a subsystem of society.

According to one of the typical conceptions, the institution is of a cultural nature and consists of norms or rules that influence the actions of acting individuals.² This conception is mostly typical of normativist sociological theories, but it can also be encountered in authors representing other perspectives. One of the typical representatives of the normativist version of this conception is Parsons, in whose view the institution is an aggregation of norms and roles integrated into a general and common value system and fulfilling the need-dispositions of the individuals involved (Parsons, 1951: 37-40; 1976: 97-98; Parsons and Shils, 1962: 191). According to Parsons, institutions in principle meet the needs (need-dispositions) of individuals in their validity scope. Consequently, motivated by their expressive motives, individuals act in accordance with the institutional expectations, norms, and roles.

According to the rationalist version of the conception in question, institutions are made up of norms or rules, but individuals do not conform to the institutional norms or rules in the way mentioned above (e.g.: Aoki, 2001: 5-6; North, 1992: 5, 9; Ostrom, 1986: 5-7). According to the representatives of the rationalist conception, the institutional norms or rules and the sanctions attached to them establish incentives and constraints for the individuals to which they react rationally, considering their self-interests (Coleman, 1990: 242-243; Hechter and Borland, 2001: 188-189; Hechter et al., 1990: 4; Hechter and Opp, 2001: 394-395; Horn, 2001: 4-5, 19-20; Peters, 1999: 44-46; Scott, 1995: 35-37).

Concerning the concept of institution, two conceptions have mainly evolved in the new institutional economics: one of them is that institutions are the sets or systems of rules that determine and constrain social behavior and interaction; the other conception will be discussed below. In the so-called 'institutions-as-rules' conception, the most commonly cited definition of institution(s) springs from North (1990): 'Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction' (p. 3). In this sense, institutions can be made up of both formal rules (such as legal norms or written organizational norms) and informal rules (such as moral norms or customs). In the new institutional economics, the scholars of the main theories (transaction costs theory, property rights theory, and agency theory) represent mainly this conception. However, Ingram and Clay suggest the use of this conception also for the sociological approach. In this view, 'institutions are defined as the rules, combined with their enforcement mechanisms, that constrain the choices of actors' (Ingram and Clay, 2000: 526).

According to the second conception, which is mainly typical of the creativist perspective, the institution is of a mental or cognitive nature and consists of attitudes, the customary typifications of actions and interpretational willingnesses. In other words, the institution includes the ideas and typifications referring to the nature of reality as well as the conceptual frameworks whose usage enables the actors to attribute meaning to their environment and their actions (Scott, 1995: 40-45). For example, Mead (2015) argues that

‘an institution is, after all, nothing but an organization of attitudes which we all carry in us’ (p. 211). Berger and Luckmann’s phenomenological sociology is located between the conceptions that are typical of the normativist and creativist perspectives, also from the viewpoint of the definition of the concept of institution. According to this notion, the institution seems to comprise symbolic behavior patterns that, on one hand, reflect the already monitorable regularities of behavior, however, on the other hand, these behavior patterns are expressed in the typification of the actions and in this way they determine or influence the actions of individuals and the interactions between them (Berger and Luckmann, 1981: 70-72).

The approach of the institution as equilibrium and social interaction will be discussed below. The point here is that Aoki’s conception of institution is related to game equilibrium, but he defines institution as a system of shared beliefs. According to Aoki’s (2001) definition:

An institution is a self-sustaining system of shared beliefs about how the game is played. Its substance is a compressed representation of the salient, invariant features of an equilibrium path, perceived by almost all the agents in the domain as relevant to their own strategic choices.’ (p. 26, 185)

In this sense, the institution is of a mental and cognitive (possibly cultural as well, but not normative) nature, and consists of shared beliefs that influence the actions of acting individuals.

According to the third conception, the term institution means the observable regularities of behaviors and social interactions. This conception is mostly accepted in the rationalist perspective; however, a similar conception can also be found in authors representing fundamentally different perspectives (Giddens, 1984: 17; Hechter, 1990: 14; Homans, 1969: 6). For example, Blumer (1969: 19-20), a typical representative of the creativist sociological perspective, argues that the institution is a network of interlinked actions and is a result of the social interpretation process taking place between the participants. Banakar (2000) understands the concept of institution ‘as recursively ordered clusterings of practices through which continued production of social practices at the level of agency are secured in time and space’ (p. 276). Goodin (1996: 21) claims that a social institution is – in its most general characterization and from an external point of view – a stable, valued and recurring pattern of behavior. In political science, in Crawford and Ostrom’s (1995) view ‘institutions are enduring regularities of human action in situations structured by rules, norms, and shared strategies, as well as by the physical world’ (p. 582).

As mentioned above, one of the two main conceptions of institution in the new institutional economics is the “institutions-as-rules” conception. Some new institutional economists, the representatives of the other main conception, build on game theory and apply the “institutions-as-equilibria” approach; that is, they conceptualize the institution as the equilibrium of a strategic game (e.g.: Calvert, 1995; Schotter, 1981).³ According to Schotter (1981) – one of the early representatives of this conception – institutions are ‘regularities in behavior which are agreed to by all members of a society and which specify behavior in specific recurrent situation’ (p. 9). The core idea in the ‘institutions-as-equilibria’ approach is that it is ultimately the behavior and the expected behavior of others rather than cultural norms or rules that induce people to behave in a particular way (Greif and Kingston 2011: 25). In this approach, economic actors strive for individual utility while

recognizing that the existing institution is a self-enforcing equilibrium that shapes the consequences of their actions (DellaPosta et al., 2017: 8).

According to the fourth conception, the term 'institution' is often used in a sense similar to the concepts of social group and social organization. This conception is not closely connected to any of the main perspectives but mostly corresponds to the structuralist perspective. For example, for Lane and Ersson (2000: 23-26) the conception that an institution is an organization is one of the two main conceptions (the other one is the view that an institution is a complex of norms or rules). In Martin's (2004) view: 'Institutions are constituted by collectivities of people who associate with each other extensively, through interaction, develop recursive practices and associated meanings' (p. 1256). Blondel (2008: 723) argues that, in a political context, institutions are primarily organizations.

Finally, by institutions some authors in the normativist system theories mean spheres or subsystems of society; however, they mostly accept the normativist conception of the nature of institutions (Alexander and Colomy, 1990; Colomy, 1990). English textbooks of general sociology, which deal with spheres of society like the economy, politics, education and religion, etc., under the heading 'institutions' reflect mainly this conception.

Since the 1980s of the past century, with the spread of the new institutional theory or new institutionalism (mainly in the disciplines of economics, political science, organization theory, and sociology), the concept of institution has been and is in the focus of increasing attention. However, the flourishing of the new institutionalism has not contributed to an agreement concerning the concept of institution. The perspective of the new institutionalism is not unitary, and thus its conception of the institution is also very differentiated; in the circle of the representatives of new institutionalism we can meet all the interpretations of the concept of institution which I have distinguished above (see e.g.: Coughlin, 1991; Etzioni and Lawrence, 1991; Greenwood et al., 2008; Jackson, 2010; March and Olsen, 1989; 2006; Peters, 1999; Powell and DiMaggio, 1991; Scott, 1995; Sjöstrand, 1993). Although scholars in the fields of economics, political science and sociology approach the concept of institution in part from different points of view (Blondel, 2008: 721-722; DiMaggio and Powell, 1991: 7-11), no unitary conception has evolved in these disciplines either concerning the issue of what an institution is.

In the circle of the representatives of the new institutionalism, we can also come across 'complex' conceptions, according to which institutions are made up of elementary components of different (mental or cognitive, normative, behavioral, organizational) nature. For example, in March and Olsen's (1989: 22, 160; 2006: 3-4) view 'an institution is a relatively enduring collection of rules and organized practices' in a very broad sense. It includes routines, procedures, conventions, roles, strategies, common purposes and accounts, organizational forms, technologies, beliefs, knowledge, paradigms, codes, cultures, structures, and resources. Several scholars argue that institutions include beliefs, norms, and rules, as well as organizations (e.g.: DellaPosta et al., 2017: 10; Greif, 2006: 30; Teraji, 2018: 29). According to others, the term institution may mean both the rules and programs which shape actions and interactions, as well as the organization within the frames of which it is realized (Hodgson, 2002: 113; Jepperson, 1991: 144-147).

In the conception of some scholars, institutions comprise beliefs or rules, as well as behaviors.

From an external point of view, institutions are shared behavioral regularities or shared routines within a population. From an internal point of view, they are nothing more than shared mental models or shared solutions to recurrent problems of social interaction. (Mantzavinos et al., 2004: 77)

Scott (1995) thinks that: ‘Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers – cultures, structures, and routines – and they operate at multiple levels of jurisdiction’ (p. 33). According to this conception, institutions are partly of a symbolic nature and partly made up of actions or habitual forms of behavior (Scott 1995: 33-34, 52-55).

Such a complex concept of institution may be appropriate for the authors to point out the various aspects of the operation of ‘institutions’ and, relatedly, the different approaches of institutions. The disadvantage of this concept is mainly that this concept cannot be consistently used for explaining actions or social phenomena in general. In my view, in a clear explanation, a clear-cut distinction must be made within the determining factors between non-normative mental-cognitive factors (e.g. beliefs, knowledge) on one hand, and normative environmental factors (e.g. norms, rules) on the other. The explanation is especially unclear if the given institutions can be the determining factors of the actions and interactions and the regularly monitorable actions and interactions themselves at the same time; besides, they may also be the more complex social groups in which the determinedness of the observable phenomena is realized.

One of the reasons for the wide divergence in the definitions of the concept of institution is that ‘every attempt to specify or account for the given concept is immediately implicated in a much broader system of social theorizing’ (Mohr and White, 2008: 488). As every significant theoretical concept, the concept of institution can effectively fulfill its explanatory (or descriptive) function within a general or relatively general theory. Thus, a conception of the institution is mainly justified by its consistently fitting into a general or relatively general theory. The purpose of this article is to clarify the concept of institution and its certain attributes as the coverage of institution, bearing in mind that the conception represented in this article has to fit into a general sociological theory consistently (Farkas 2017a, 2017b). I call this theory the theory of institutional sociology and the perspective represented by this theory I call institutional perspective because in this theory I explain social phenomena basically from social relations but ultimately from the institutions creating these relations. In this article, it is not possible to present the theory in question; in the following four points, I only briefly point out how I take the institutions into consideration in the explanation of social actions and social phenomena in general in the theory of institutional sociology.

- (1) In my conception, within human coexistence, the distinction between the different spheres of life, especially between the spheres of community life and social life is of utmost importance from the point of view of what role institutions play in the determination of human phenomena. In the comprehensive theory, I make a distinction between community, social and

corporality institutions, and in the sphere of social life, I regard social institutions as valid.

- (2) In the sphere of social life, it is eventually the social institutions interpreted as the components of culture that determine social phenomena, however not through their normative functions, but through their so-called factual functions. By their factual functions, institutions create or determine the factual interests, social powers, and social relations that consist of action possibilities and abilities.
- (3) Social phenomena are basically determined by factual interests, social powers and social relations, however, through this, indirectly, the determining effect of social institutions prevails. In this way, institutions may in principle determine actions and phenomena that may or may not correspond to the norms of the given institutions.
- (4) According to this conception, social actions are rational actions. However, in the explanation of social actions, I accept the relatively new conception of rational choices in which rationality is viewed as “context-bound”. In this sense, social actors pursue their interests, but the alternatives and their probable consequences, as well as thereby the actor’s choices, are ultimately determined by social institutions (e.g.: Ingram and Clay, 2000: 526; Ménard and Shirley, 2014: 557; Nee, 2005: 60, 63-64).

The article is divided into two further parts. In the first part I make a distinction between loose norms and tight norms, and in connection with the concept of tight norm, I define the concept of institution. Then, in connection with the shaping of the institution and the control, I introduce the concept of the coverage of institution. In the second part of the article, institutions are classified according to their coverage and distinction is made between externally covered, one-sidedly covered and internally covered institutions.

The concept of institution

Hereinafter, concerning the definition of the concept of institution, I will accept mainly the conception according to which institutions are made up of norms organized into a system, and both norms and institutions are of a symbolic and cultural nature. In my view, the central norms of the institution are the so-called tight norms, the control of which is also determined by norms. Thus, the definition of the concept of institution assumes the introduction of the concept of tight norm based on the concept of norm and control, but in this article I will only deal with the definitions of these concepts very briefly.

According to the most widely accepted conception, norms are of a symbolic nature and consist of expectations or prescriptions concerning actions. The most definitions of norm include the following dimensions: a norm is an expectation or the complex of expectations, these expectations are valid in certain circumstances and refer to the behavior of individuals or groups; conforming to or deviating from the expectations is sanctioned with some probability (Opp, 2015: 5-6). For example, Parsons (1949) writes: ‘A norm is a verbal description of the concrete course of action thus regarded as desirable, combined with an injunction to make certain future actions conform to this course’ (p. 75). In Fine’s (2001) conception: ‘Norms constitute a “frame” within which individuals interpret a given situation and from which they then take direction for their responsibilities as actors in that

domain' (p. 140). While defining the concept of norm, some authors emphasize the importance of control or sanctions linked to the given expectations or prescriptions. In Coleman's (1990) view: 'a norm concerning a specific action exists when the socially defined right to control the action is held not by the actor but by others' (p. 243). Dequech (2006) writes: 'If a social norm exists, the threat of sanctions also exists. Moreover, the threat of sanctions helps maintain the norm' (p. 473).

In my conception the *norm*, notified with the intention of factual validation, is a long-range expectation or the complex of expectations concerning the object (recipient) of the notification which through its meaning expresses the behavior or action expected under the given circumstances. Expectations become normative expectations and norms by the notification and the intention expressed in the notification. Control is attached to the norms also in principle. *Control* serves the factual validation (enforcement) of the given norms and includes: (1) monitoring of the actions within the validity scope of the given norms, (2) comparison of the monitored actions with the norms concerning them, and (3) imposing sanctions. Control serving the factual validation of the given norms may in itself be normated or not normated, that is, determined by norms or not. From this point of view, I make a distinction between loose norms and tight norms, as can be seen in Table 1.

Table 1. The main types of norms

Control	Types of norms	
	Loose norm	Tight norm
Mode of control	<i>Not determined by additional norms</i>	<i>Determined by additional norms</i>
Individuals exercising control	<i>Individuals in general affected by the norm</i>	<i>Individuals entitled by additional norms</i>
The nature of sanctions	<i>Approbation or disapprobation, contingently other sanctions</i>	<i>Sanctions determined by additional norms</i>

A norm is a *loose norm* when the control of the actions falling within its validity scope is not normated (not determined by norms), therefore control is in principle irregular. In the case of loose norms, control is usually exercised by the individuals affected by the actual realization of the given norms. The sanctions of the control mostly involve approbation or disapprobation to which other sanctions are added contingently.

The most important forms of loose norms are moral norms that regulate aspects of behavior which usually affect other people significantly. Compared with moral norms, less important loose norms are cultural customs and the norms of etiquette. For example, the norm that someone has to give up his or her seat to elderly and sick people or pregnant women on public transport is a loose norm. It is not normated (not determined by norms) whose task to monitor the relevant actions and decide which passengers can be expected to give up their seats and whether they comply with this expectation or not, or whose task to impose sanctions, or what these sanctions are. In practice, if only one component of the control is not normated, this is often enough to make the whole of the control not normated or not determined. An example of this is when, although the actions that are relevant from the point of view of the given norm can be effectively monitored and it is also clearly defined whose task monitoring is, it is not normated whose task it is to apply sanctions.

As another example of loose norms, I would mention an empirical research. Fine (2001) has done research on the formation of norms concerning mushroom picking among the members of the Minnesota Mycological Society. He argues that the amateur mushroom collectors, by framing their activities in a particular way, interpret their leisure doings as normatively acceptable. Their behaviors gain meaning for them as moral actions, in accordance with expectations of symbolic rewards and punishments. They tend to develop beliefs and mutual expectations regarding that they must treat the woods with respect, they must minimize the damage they cause. Mushroomers argue that done with care, mushrooming does not harm the environment. They differentiate themselves from and stigmatize those who do more damage, preserving their normative decency through mushrooming, drawing distinctions between those who behave properly and those who do not. Most mushroomers condemn 'greedy' colleagues, who scour the woods for every mushroom. They share the implicit belief that those individuals who pick mushrooms without respect for limits violate the norms that are linked to assumptions about the carrying capacity of the natural environment. Mushrooms grow scantily in the woods. Therefore, while picking mushrooms in the presence of others, mushroomers must limit themselves and take each other into consideration. It is an expectation that someone should not overstate his or her good fortune. If someone finds a very good place with lots of mushrooms, he or she is supposed to share it with others. However, the control of the factual validation (enforcement) of these norms is largely undefined; the observation of relevant actions is contingent and rather imperfect, the evaluation, approbation or disapprobation of the actions is subject to negotiation where individuals do not unconditionally come to an agreement.

Compared to the loose norms – and within them, moral norms – the norms that I call tight norms, are more significant. A norm is a *tight norm* when control of the actions falling within its validity scope is normated (determined by norms), therefore control is in principle regular. Control is determined by additional norms which determine the modes of monitoring and evaluation of relevant actions and the realization of sanctions. Control is exercised by individuals entitled to realize it by additional norms, and the sanctions of control are also formulated in norms.

The norm that you can only use different means of public transport with a valid ticket or pass is a tight norm. The norms concerning the control of the realization of this norm determine whose task it is to control passengers, how control is to be carried out and what sanctions are to be imposed in case of an offense. Tight norms are typically formal

norms of law and organizations; however, informal norms can also be tight norms, and formal norms can also be loose norms, as long as their control is not properly normated. In real life, there is no distinct border-line between tight norms and loose norms, the transition is continuous between them. For example, a norm can be regarded as a tight norm in a small circle of individuals, whereas among a large number of individuals the same norm may only be a loose norm.

Based on the conceptual distinction between tight norm and loose norm, we can briefly define the concept of institution as follows: *Institution* is a system of tight norms and additional norms specifying the validity scope of the tight norms as well as the control of their actual realization. The tight norms constituting the central norms of the institution are called institutional norms. Thus, the institution is a complex system of norms, which typically involves the following norms: (1) institutional norms as tight norms, (2) norms specifying the validity scope of the institutional norms, and (3) the norms determining the control of the actual realization of institutional norms. Thus, the norms of institutions necessarily concern several individuals or groups.

In applying the concept of institution, I seek the answer to the question of when the control of norms is regular and efficient. Based on the concept of institution I can give the following answer to this question: control is regular and efficient if it is also normated, that is, determined by norms. However, in practice, the transition between institutions and norm systems of a different nature is continuous. Control of given norms may be regular and efficient under certain circumstances even if they are expressly not normated. Perhaps we can better understand real norms if I introduce the concept of quasi-institution to denote typical transitions between norm systems of a different nature.

Quasi-institution is a system of norms in a comparatively small circle of individuals the control of which is regular and efficient although it is not normated. The two typical forms of quasi-institution are the norm system shaped and realized efficiently by one single individual and the institutional morals. This article deals with the above two forms of the quasi-institution later. Next, I assume in principle pure institutions; however, the following statements concerning institutions are actually mostly typical of quasi-institutions.

In connection with the widely-used concept of control, I think it is necessary to introduce the concept of the coverage of institution. The term 'coverage' is used in several meanings in the different fields of life. For the notation of the concept to be discussed below, I have chosen this term with regard to one of its meaning (which can be abstracted from its meaning applied, for example, in banking or lending, and in military tactics), that is, that coverage ensures the realization or protection of something; in other words, coverage is a guarantee for an action plan being realizable. Here, the concept I denote by this term refers to the shaping of the institution and the maintenance of its validity.

The *coverage of institution* is the ability to shape and change the norms composing the given institution and to control the actions falling into the validity scope of institutional norms. On one hand, the concept of coverage includes control capacity, that is, the capacity to monitor and evaluate actions that are relevant from the point of view of institutional norms, and the capacity to apply sanctions. From this aspect, this concept includes what Hechter (1987: 50-51) calls monitoring capacity and sanctioning capacity since he includes the comparison of actions and norms in monitoring. On the other hand, this concept is wider than the control capacity because it also includes the ability to shape and change the given norms. The latter component of coverage is more significant because in principle

those who can shape and change the norms of an institution ultimately also have the capacity of control, but, to a certain extent, they can delegate this capacity to other individuals. In principle, it is only institutions or institutional norms that have a specified coverage; the coverage of loose norms is undetermined and scattered.

In the case of institutional norms, it is necessary to introduce the concept of coverage as well as to distinguish between the concepts of control and coverage, since the circle of individuals that has the coverage mostly does not coincide with those individuals that directly exercise the control. This is because the individual or group that has the overall coverage often entitles others to exercise control directly, whereas it is the former individual or group that has the ability to shape and change norms. However, the nature of norms is basically determined by who have shaped and who can change the norms as well as who, in the end, control their fulfillment, that is, who have the coverage, rather than who can exercise control directly.

The ability or abilities that make up the coverage of an institution are, in general, determined by other institutions. For example, a manager's control capacity can be ensured by the institutional capacity of a senior manager; the owner of a company can lay down institutional norms concerning the operation of the company, but his property is also determined by institutions. After all, all institutions can only have two kinds of coverage: (1) the agreement of the given individuals concerning the validity of the institutional norms and the ability to exclude those who deviate from the norms, and/or (2) the ability to apply physical coerciveness. There is a limited number of individuals for whom the agreement in itself could be a sufficient basis for the coverage of institutions. Only the centralized ability to apply physical coerciveness can constitute the final coverage of institutions that are valid among a comparatively large number of individuals.

The types of institutions concerning their coverage

According to the above definition, the coverage of institution is the ability to shape and change the norms composing the given institution and to control the actions falling into the validity scope of institutional norms. The operation or functions of institutions, which are not dealt with in this article, are basically determined by the fact of who have the coverage of the given institutions; that is, who have shaped the norms and, in the long run, who control the actual realization of the given norms. Therefore, it is very important to make a distinction between the institutions concerning their coverage, and from this point of view to make a distinction between externally covered and internally covered institutions. The individuals or groups outside the validity scope of the institutional norms possess the coverage of the externally covered institution, whereas the individuals and groups within the validity scope of institutional norms possess the coverage of the internally covered institution.

Although, in the elaboration of the above distinction I did not follow James S. Coleman's ideas, I have to state that, apart from the fact that this article deals with institutions and not just norms, the distinction between externally covered and internally covered institutions in real life largely coincides with how Coleman distinguishes between disjoint norms and conjoint norms. However, I have elaborated this distinction more substantially and – mainly with the introduction of the concepts of institution and coverage – from a conceptual point of view I have sufficiently established it. Coleman calls the

individuals within the validity scope of the given norm as ‘target actors’ whereas those ‘who would benefit from the norm, potentially hold the norm, and are potential sanctioners of the target actors’ the beneficiaries of the norm. In the case of disjoint norms, the individuals constituting the beneficiaries of the norms and the target actors are separate, whereas in the case of conjoint norms they coincide (Coleman 1990: 247-248).⁴

Externally and one-sidedly covered institutions

First, I will deal with the concept of the purely externally covered institution, then that of the largely similar one-sidedly covered institution. The coverage of the *externally covered institution* is possessed by an individual or group outside the validity scope of the institutional norms, independently of the individuals within the validity scope of institutional norms. Therefore, such an institution exists objectively, independently of the individuals within its validity scope.

There are only two actors falling into the validity scope of the externally covered institution illustrated in Figure 1, but in principle there may be countless individuals involved. The norms of the institution are shaped by others than the individuals within the validity scope and, after all, others control the actual realization of the norms, too. The institutions of modern society are basically externally covered institutions, and internally covered institutions may evolve in certain circles of individuals between the frameworks mainly determined by externally covered institutions as well. From the point of view of citizens in general, externally covered institutions are, for example, such legal institutions or laws as administrative law, business law or corporate law, inheritance law, tax law, and so on, and, from the point of view of employees, the formal organizational regulations of firms, universities, and banks.

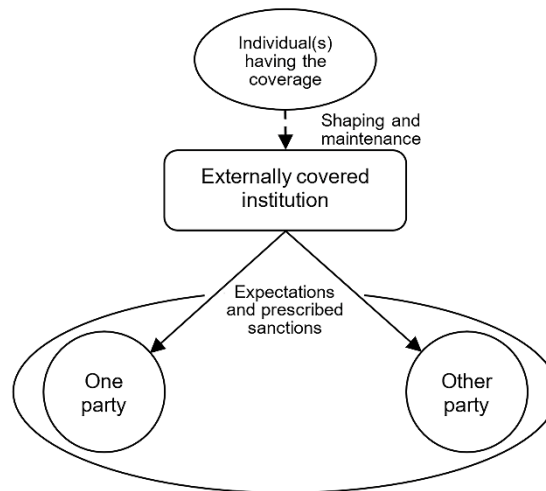


Figure 1. Externally covered institution

The individual or group that possesses the coverage of an externally covered institution can exercise control either directly or partly through his or its agent, who may also fall into the validity scope of the institutional norms. As an example, the owner of an enterprise may also control the employees of a firm personally, but also through the

managers or inspectors to whom he hands over this entitlement. The delegation of control to other individuals usually involves to a certain extent the division of the coverage of the institution and a certain relativity of the individuals who possess the coverage of the institution. This is because the individuals who implement the mediation of norms and the control of their actual realization in their delegated roles may reinterpret the norms to a certain extent, and they can narrow or widen the range of efficiently controlled expectations. However, concerning real institutions, the coverage of the basically externally covered institutions is usually not divided to the extent that it could question the necessity and importance of making a distinction between externally covered and internally covered institutions.

Externally covered institutions can be different in regard to whether the individuals can step out of the validity scope of the given institutions without any significant negative consequences. For example, certain laws are inevitably valid for the adult population living within the borders of a country and only lose their validity for the given individuals if they leave the country. However, individuals can usually step out of the validity scope of the institutions of a firm or an insurance company. At the same time, for example, prisoners cannot leave the validity scope of the institutions of a prison by their own free will.

An institution or an institution system whose coverage is possessed only by a narrow circle of individuals within its validity scope and the given institution or institution system exists independently of the overwhelming majority of the individuals within its validity scope can also be regarded as mainly externally covered institutions. For example, taking the whole of the formal institution system of a company (the organizational regulation, the incentive system etc.), it also applies to the top management of the company who has shaped the given institution system and, after all, controls the actions falling within the validity scope of the institutional norms. However, regarding all of the employees of the company, the given institution system as a whole is, in fact, externally covered.

When examining the company in question in more detail, we can separate the comparatively narrow circle of managers (and owners), from whose point of view the given institution system is internally covered, on one hand, and the employees, excluding the above-mentioned managers, from whose aspect the given institution system is externally covered, on the other. Consequently, taking the two parties within the validity scope of a given institution, that is, two individuals or groups, two separate institutional positions, as our starting point, the given institution can be internally covered from one point of view, and it can be externally covered from the other. This can be called a one-sidedly covered institution, which is illustrated in Figure 2.

By *one-sidedly covered institution* I mean an institution that is internally covered from the point of view of one party falling within the validity scope of the institutional norms and is an externally covered institution from the point of view of the other. In principle, the number and proportion of the individuals who possess the coverage of one-sidedly covered institutions compared with the number of the individuals who do not possess the coverage of the institution, yet who fall within the validity scope of the given institution, can be very different. As mentioned above, there are cases when, compared with the number of individuals within the validity scope of a given institution, a narrow circle of individuals possesses the coverage, but the proportions can also be balanced or even be inverse.

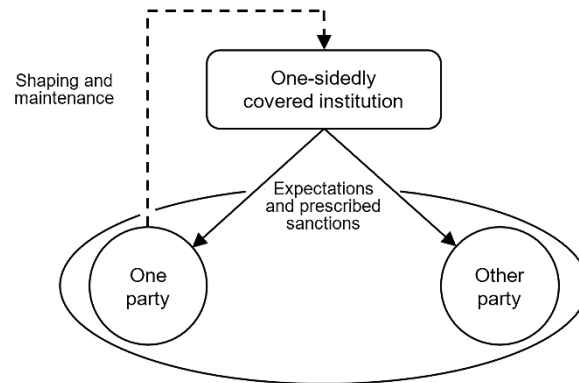


Figure 2. One-sidedly covered institution

Regarding one-sidedly covered institutions, the question that arises is how the institution and its norms can be interpreted from the aspect of the party that possesses the coverage of the given institution. Namely, in my view, the expectations that constitute the norms cannot be expectations shaped only by the given individual concerning himself. Thus, the question is how the party that one-sidedly possesses the coverage can fall into the validity scope of the institution if individuals separately cannot shape norms concerning themselves.

As long as it is several individuals who possess the coverage of the one-sidedly covered institution, they have to shape expectations concerning each other as well in order to be able to exercise control regularly. These expectations can be regarded as norms, so in this case the validity scope of the given institution also involves individuals who possess the coverage one-sidedly. Thus, the problem mentioned in the previous paragraph will arise if one single individual possesses the coverage of an institution. One individual separately cannot regulate his own actions by norms; in this way, he cannot fall into the validity scope of the norms that he has shaped. Besides, one single individual can regularly control the actual realization of the norms only in a comparatively narrow circle of individuals.

In principle, a norm system that has been shaped and is validated by one single individual in a comparatively narrow circle of the examined individuals can be regarded as an institution in so far as the given norm system fits into a more comprehensive institution or institution system. On one hand, the more comprehensive institution, or rather the individual or group that possesses the coverage of the more comprehensive institution, makes it possible for the given individual to shape norms concerning others within certain limits and, in connection with these norms, also formulates expectations concerning himself. On the other hand, the party with the more comprehensive coverage recognizes the expectations formulated by the given individual, including the expectations concerning himself, as his own, and he also covers their realization. Thus, in this case the one-sidedly internally covered institution becomes a partly externally covered institution.

As an example, we may take a higher manager of a company who instructs a lower-ranking manager to carry out a comprehensive task. In the frame of the formal norms of the company or perhaps even beyond them, he leaves it to the manager how he organizes the work of his subordinates, how he motivates them to do efficient work and how he controls their activity. If the given manager tells his subordinates how regularly and in what

ways he is going to ask them to give an account of their work, and what sanctions he is going to assign to the different levels of the performance of the tasks, he not only expresses expectations concerning his subordinates, but also himself. The subordinates have to regard these expectations also as expectations of the higher manager, partly for the lower-ranking manager; and partly for the subordinates from the point of view that they have to accept these expectations in connection with the expectations exclusively concerning them.

One-sidedly covered institutions fitting into a more comprehensive institution or institution system and, in this way, becoming partly externally covered institutions from both sides, is also typical if a specified group of individuals possesses the coverage of the institution on one side. For example, the owners and the management of a company within certain limits are free to create the scopes of actions and incentive systems and define the conditions of employment of their employees. Employees usually cannot affect the shaping of the relevant institutions and are only free to make decisions about whether they take on a job under the given conditions and whether they are willing to be a member of the organization or not. If an employee signs a contract with the owners and management of the company as employers the norms of this contract are usually defined by only one party, that is, by the employer. It is again the employer who mostly defines the norms that concern the employer himself (e.g. how much the payment is, what fringe benefits he offers to the employee, etc.). However, the formal norms defined by the employer fit into the more comprehensive legal institution system and this more comprehensive institution system obliges the owner and management of the company to abide by the norms that they themselves have shaped and that concern them.

Similarly, if a bank develops a bank loan system and therefore lays down norms concerning both its clients and itself, the bank loan system in question is an internally covered institution from the point of view of the bank (i.e. of the top managers and the owners), and an externally covered institution from that of its clients. The expectations of the bank concerning itself (e.g. when, on what terms, and how much money the bank makes available to the party taking out the loan) will also become the expectations of state organizations that possess the coverage of the more comprehensive institution system or those of the representatives of these organizations; the capacity for control will be passed partly into the hands of the state organizations that possess the coverage of the more comprehensive institution system or into those of the representatives of these organizations.

If the norms are shaped by one single individual and this individual controls the actual realization of the norms and there is no comprehensive institution or institution system into which the norms can fit, this norm system, in my conception, is not an institution. Such a norm system can only be factually validated in a comparatively narrow circle of individuals (usually not more than twenty), and in such a case it may be a norm system that I called quasi-institution above. In real life, there is an expectation or norm system that is validated by one single individual, it works very similar to a one-sidedly covered institution, but it does not fit into a more comprehensive institution system. The norm system in question can be called *quasi-institution with one-person coverage*.

Let us assume that an entrepreneur employs a couple of people for black-market work, according to the norms he has shaped he directs and controls their work in person. Since his activity is illegal, he formally cannot rely on a more comprehensive institution system; and let us assume that he cannot do so informally, either. In my conception, the

norms concerning the given employees can only be looked upon as institutional norms if the control of the actions falling within their validity scope is also normated (i.e. determined by norms). Since the entrepreneur controls his employees on his own, his control activity should be normated, but in my view, the expectations formed by him separately and concerning him are not norms. Thus, in principle, we cannot say that the control of the actual realization of the norms concerning the employees is normated.

If, however, the entrepreneur in question would like to make it clear to his employees what control they usually have to count on, he has to make the expectations he has conceived for himself obvious to them. Consequently, either expressed clearly or demonstrated by his own behavior, he has to communicate to his employees what reactions or sanctions certain actions of theirs will have as consequences. Besides, he usually has to act in accordance with these expectations to make his employees regard the norms that concern them valid and be willing to keep the norms. Thus, control is likely to be regular, though not determined by norms. The regularity of control can be ensured by the intention of the entrepreneur to validate the norms concerning the employees and his ability to exercise the control. Employees, however, accept the norms concerning them, because in this way they can earn payments more efficiently than otherwise. Such expectations and norm systems can be called quasi-institutions because, although in principle they are not institutions, in fact, they work very similar to the one-sidedly covered institutions.

Internally covered institutions

As mentioned above, the institutions of modern society are basically externally covered institutions, and, in addition, internally covered institutions may evolve in certain circles of individuals within the frameworks mainly determined by externally covered institutions. The coverage of the *internally covered institution* is possessed by individuals or groups within the validity scope of the institution. Thus, they together shape the norms of the institution, and within them the institutional norms, and they together control the actual realization of these norms. Individuals can quit out from the validity scope of an internally covered institution. In such a case they will lose the possible benefits offered by the given institution; however, in principle, there will not be any other negative consequences.

Internally covered institutions can be formed, for example, by the members of a self-organized leisure club, a drama group, or a rock band, in order to regulate their joint activity in their common range of inquiry. Such an institution can be formed by the members of a clique at work, in order to regulate how they can support each other when trying to acquire good positions, tasks, and instruments. An internally covered institution (as partnership agreement) is formed by the partners of a business partnership for regulating their common economic activity if their influence on the norm-making process is similar and only the norms shaped unanimously can be regarded as valid. The members of the business partnership, within the limits set by company law, are relatively free to shape the partnership agreement, including the scope of actions concerning the management, the division of the tasks and the way in which profits and losses are divided among them. Top managers of cartelized companies can also shape an internally covered institution: by setting up the given institution, they enter into an alliance to prevent competition and, in the hope of increasing their profits, present a unified front against their potential competitors outside the cartel.

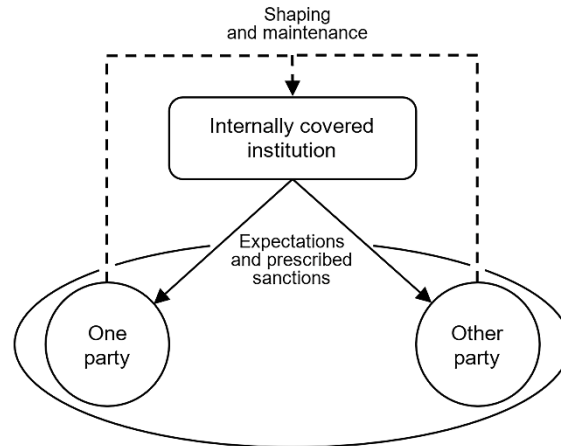


Figure 3. Internally covered institution

Although there are only two actors in Figure 3, which demonstrates the internally covered institution, it looks as if at the level of individuals there can be at least three individuals who possess the coverage of an internally covered institution, as long as we disregard other institutions. The main problem seems to be that, in the case of two individuals, control is always exercised by one individual only. One individual controls the activities of the other and the other way round. Thus, the actually controlled individual may question normated control concerning his given actions. Once he does not accept the control, it will become not normated (not determined by norms) and the jointly shaped norms concerning the given actions will become invalid. Consequently, there should be at least a third person so that the originally jointly shaped norms will not be represented exclusively by the only other person in the case, if one of the individuals questions the norms because in the given case they are unfavorable to him.

Norms that have been shaped and maintained by two individuals in principle can be regarded as an institution and an internally covered institution as long as the given norm system fits into a more comprehensive institution or institution system. The more comprehensive institution, or rather the individual or group that possesses the coverage of the more comprehensive institution, on one hand, provides an opportunity for the given individuals to shape norms concerning each other and themselves within certain limits. On the other hand, the party that possesses the more comprehensive coverage recognizes the norms shaped by the given individuals as his own expectations and covers their actual realization. In such a case the internally covered institution will become a partly externally covered institution.

Such an internally covered institution can be a contract that is formulated by two individuals and does not refer to a one-time transaction but regulates the interactions between the parties in the long run (cooperation contract, leasing contract, etc.), whose norms are the result of mutual compromises and whose terms are formulated in a legally valid form. We have to point out, however, that contracts may also be the above-mentioned one-sidedly covered institutions if their norms are shaped by one party and the other party can only decide whether he accepts these norms or not and enters the validity scope of the institution or not.

If relatively few individuals belong to the validity scope of the internally covered institution, all of them can be entitled to direct control and can be, at the same time, members falling within the validity scope of the institutional norms. In the case of a comparatively high number of individuals, separate institutional roles have to be defined to ensure regular control (cf.: Hechter, 1987: 52). If there are relatively many (more than 20 people) in the validity scope of the internally covered institution, the individuals in the validity scope of the institution have to assign some people whom they entitle to exercise control, while they together control the activities of those assigned.

I would like to emphasize that, if there are separate institutional roles for exercising control, it is an internally covered institution only as long as the individuals who are entitled to direct control are controlled by all of the individuals in the validity scope of the given institution, with the direct, personal participation of each individual. For example, institutions of trade unions or professional circles are usually rather far from being internally covered institutions, since the overwhelming majority of their members do not participate either in control or in the norm-shaping process.

This article does not deal with the fact that, mainly due to the so-called ‘free-rider problem’ or averting attitude, the shaping and maintenance of internally covered institutions are in themselves problematic. It is also in connection with this that internally covered institutions are mostly shaped by a comparatively small number of individuals. In real life, it is highly improbable that internally covered institutions would emerge and remain valid in a circle of a comparatively high number of individuals. However, it is not insignificant either if the institutions are not definitely externally covered, but they show certain features of internally covered institutions. For example, from the point of view of the majority of the members, the institutions of trade unions, professional circles or political parties are in real life externally covered institutions, but formally these institutions show certain features of the internally covered institutions. This can sometimes provide an opportunity for the overwhelming majority of the members to do away with the clique (or oligarchy) that appeared within the given trade union, professional circle or political party and that actually possesses the coverage of institutions (though, in time, a new clique will develop).

If we interpret the conception of the sociological theories representing the normativist perspective in respect of the concepts in question, the normativist perspective can be interpreted in two different ways. One possible interpretation is that, according to the normativist conception, the coverage of the institutions is scattered, therefore the institutions do not have specified coverage; that is, with my concepts in view, they are not institutions at all. The other possible interpretation, based on the normativist theories, regards institutions as in principle, in a certain sense, internally covered institutions. According to this interpretation, on one hand, norms and the institutions composed of these norms are valid insofar as the individuals have internalized them as a result of socialization. On the other hand, the capacity of control always belongs to the collectivity of individuals where the norms are valid. Consequently, the validity of norms and institutions is maintained by the individuals in their validity scope, that is, they possess the coverage.

Some representatives of the normativist theories also take into consideration that in modern (national) societies certain separate institutional positions (statuses) and roles may occur in which the actors can shape norms that are also valid for others, and they can also control the actual realization of these norms. In Parsons and Shils’ (1962) view: ‘The word

institutionalization means both the internalization of common values by members of a collectivity and also the enunciation of prescriptive or prohibitory role expectations by occupants of responsible roles' (p. 203). They acknowledge that, in real life, social integration cannot be ensured exclusively by the norms internalized by individuals. Prescriptive or prohibitory norms, e.g. laws formulated by actors in specified statuses and playing specified roles are necessary. According to this conception, however, as long as the roles responsible for creating and enforcing norms, implementing the functions of collectivity and managing common affairs are institutionally defined, collective orientation is the typical feature of the incumbents of such roles (Parsons and Shils, 1962: 203).

According to this conception, if – in a wider circle of individuals – only a narrow circle shapes the norms and this narrow circle of individuals controls the actual realization of the norms, 'collective orientation' is typical of the individuals directly possessing the coverage. In accordance with collective orientation, these individuals shape and, by their control, validate such norms as would be shaped and validated by the direct control of the individuals falling into the validity scope of the given institutions. Consequently, according to this conception, there is no significant difference between the institutions whose norms are shaped and validated by the individuals in the validity scope of the institution and those whose norms are shaped and validated by individuals playing separate roles compared with the individuals within the validity scope of the given institutional norms. In contrast with this view, I would like to emphasize that, in my interpretation, the nature of externally covered institutions and internally covered institutions are essentially different, which basically determines the operation and functions of these institutions.

Above I defined moral norms as loose norms, and in this sense, in principle, a moral norm system is not an institution. In fact, the norm system that I call institutional morals, and which works similar to the internally covered institution marks a transition between the institution and the morals. Besides the quasi-institution with one-person coverage, institutional morals are the other typical form of the so-called quasi-institution. *Institutional morals* mean a norm system consisting of moral norms that is similar to the internally covered institution, and in whose validity scope, involving a relatively narrow circle of individuals, control is explicitly not normated, though it is, in reality, regular and efficient. At the concessionary level of a theory, we can regard institutional morals as if they would be internally covered institutions.⁵

Institutional morals may only emerge in the circle of a limited number of individuals (usually 20 people at most), under the following conditions:

- (1) Moral norms develop in the circle of individuals that are, independently of these norms, in regular interpersonal interactions and in close mutual dependence on each other.
- (2) Moral norms refer to actions that, in the given circle of individuals, make up the significant components of need satisfaction.
- (3) The observation and evaluation of actions do not usually pose a problem because regulated actions are easily observable and the actions that are completely in accordance with the norms, and those deviating from them are subject to regular interpersonal communications.
- (4) In general, the individuals belonging to the given circle sanction given actions regularly with approbation or disapprobation.

In the long run, there may be some other significant sanctions, too. However, the general sanction means affirming or revoking the given norms concerning the individuals who behave in accordance with or deviate from them. Such institutional morals may develop, for example, in a smaller organizational unit at work, in a given circle of employees, among relatives or in the family. However, moral norm systems cannot constitute norm systems similar to those of internally covered institutions in a wider circle of the population.

Conclusion

In the first part of this article I made a distinction between loose norms and tight norms within norms, and in reference to the concept of tight norms, I defined the concept of institution. Institution is a system of tight norms and additional norms specifying the validity scope of the tight norms as well as the control of their actual realization. The tight norms constituting the central norms of the institution are called institutional norms. Then I introduced the concept of quasi-institution to denote the typical transitions between norm systems of a different nature. Quasi-institution is a system of norms in a comparatively small circle of individuals the control of which is regular and efficient although it is not normated. In connection with the shaping and control of institutions, I introduced the concept of the coverage of institution. The coverage of institution is the ability to shape and change the norms composing the given institution and to control the actions falling into the validity scope of institutional norms.

In the second part of this article, institutions are classified according to their coverage and distinction is made between externally covered, one-sidedly covered and internally covered institutions. The coverage of the externally covered institution is possessed by an individual or group outside the validity scope of institutional norms, independently of the individuals inside the validity scope of institutional norms. The one-sidedly covered institution is internally covered from the point of view of one party falling within the validity scope of the institutional norms and is an externally covered institution from the point of view of the other. The coverage of the internally covered institution is possessed by individuals or groups within the validity scope of the institution. Thus, they together shape the norms of the institution, and within them, the institutional norms, and they control, also together, the actual realization of these norms.

I made a distinction between the two typical forms of quasi-institution: the norm system with one-person coverage and the institutional morals. In a relatively small circle of individuals, the former works very similar to the one-sidedly covered institution, and the latter works similar to the internally covered institution.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

Notes

¹ At the level of the main sociological perspectives, we can distinguish the normativist and structuralist perspectives within the holist perspective, and the creativist and rationalist perspectives within the individualist perspective (Farkas, 2017a: 13-18). This typification stands the nearest perhaps to the typifications of Alexander (1987: 10-12) as well as Hechter (1987: 3-7).

² The concepts of norm and rule are rather ambiguous concepts in the literature of social sciences. Here (in the ‘Introduction’), these terms are used in the same sense and in this sense a norm or a rule is a prescription of how one has to or may behave under certain circumstances and which implies the control of the relevant actions.

³ In a non-cooperative game with two or more players, a Nash equilibrium is a set of strategies in which each strategy is the best response to the actions of the other players or, in other words, neither player has an incentive to change his or her strategy unilaterally (e.g.: Aoki, 2001: 6; Hindriks and Gualam 2015: 463; Webb, 2007: 69).

⁴ Furthermore, the distinction between externally covered and internally covered institutions in real life partly coincides with how Ingram and Clay (2000: 526-527) distinguish centralized and decentralized institutions. In their view, the centralized/decentralized distinction refers to the degree to which institutions are codified and responsibility for enforcement is centralized.

⁵ About the concessionary level of a theory see briefly: Farkas 2017a: 23.

References

- Alexander JC (1987) *Twenty Lectures: Sociological Theory After World War II*. New York, NY: Columbia University Press.
- Alexander JC and Colomy P (1990) Toward Neofunctionalism. In: Colomy P (ed) *Neofunctionalist Sociology*. Brookfield, VT: Edward Elgar, pp. 5–17.
- Aoki, M (2001) *Toward a Comparative Institutional Analysis*. Cambridge, MA; London: MIT Press
- Banakar R (2000) Reflections on the Methodological Issues of the Sociology of Law. *Journal of Law and Society* 27(2): 273–295.
- Berger PL and Luckmann T (1981) *The Social Construction of Reality. The Treatise in the Sociology of Knowledge*. Harmondsworth: Penguin Books.
- Blondel J (2008) About Institutions, Mainly, but not Exclusively, Political. In: Binder SA, Rhodes RAW and Rockman BA (eds) *The Oxford Handbook of Political Institutions*. Oxford: Oxford University Press, pp. 716–730.
- Blumer H (1969) *Symbolic Interactionism. Perspective and Method*. Berkeley, CA: University of California Press.

- Calvert R (1995) Rational Actors, Equilibrium, and Social Institutions. In: Knight J and Sened I (eds) *Explaining Social Institutions*. Ann Arbor, MI: University of Michigan Press, pp. 57–93.
- Coleman JS (1990) *Foundations of Social Theory*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Colomy P (ed) (1990) *Neofunctionalist Sociology*. Brookfield, VT: Edward Elgar.
- Coughlin RM (ed) (1991) *Morality, Rationality and Efficiency. New Perspectives on Socio-Economics*. London: B. E. Sharpe.
- Crawford SES and Ostrom E (1995) A Grammar of Institutions. *American Political Science Review* 89(3): 582–600.
- DellaPosta D, Nee V and Opper S (2017) Endogenous Dynamics of Institutional Change. *Rationality and Society* 29(1): 5–48.
- Dequech D (2006) Institutions and Norms in Institutional Economics and Sociology. *Journal of Economic Issues* 40(2): 473–481.
- DiMaggio PJ and Powell WW (1991) Introduction. In: Powell WW and DiMaggio PJ (eds) *The New Institutionalism in Organizational Analysis*. Chicago, Ill: University of Chicago Press, pp. 1–38.
- Etzioni A and Lawrence PR (eds) (1991) *Socio-Economics. Toward a New Synthesis*. London: B. E. Sharpe.
- Farkas Z (2017a) *Outline of Social Theory: The Main Features of the Theory of Institutional Sociology. Part One*. Miskolc: BÍBOR Kiadó. Full text in PDF: <https://www.researchgate.net/publication/315625432>
- Farkas Z (2017b) *Outline of Social Theory. The Main Features of the Theory of Institutional Sociology. Parts Two and Three*. Miskolc: BÍBOR Kiadó. Full text in PDF: <https://www.researchgate.net/publication/315625383>
- Fine GA (2001) Enacting Norms: Mushrooming and the Culture of Expectations and Explanations. In: Hechter M and Opp K-D (ed) *Social Norms*. New York, NY: Russel Sage Foundation, pp. 139–164.
- Giddens A (1984) *The Constitution of Society. Outline of the Theory of Structuration*. Cambridge: Polity Press.
- Goodin RE (1996) Institutions and Their Design. In: Goodin RE (ed) *The Theory of Institutional Design*. Cambridge: Cambridge University Press, pp. 1–53.
- Greenwood R, Oliver C, Sahlin K and Suddaby R (2008) Introduction. In: Greenwood R., Oliver C, Sahlin K and Suddaby R (eds.) *The SAGE Handbook of Organizational Institutionalism*. London: SAGE Publications, pp. 1–46.
- Greif A (2006) *Institutions and the Path to the Modern Economy. Lessons from Medieval Trade*. Cambridge, MA: Cambridge University Press
- Greif A and Kingston C (2011) Institutions: Rules or Equilibria? In: Schofield N and Caballero G (eds): *Political Economy of Institutions, Democracy and Voting*. Berlin; Heidelberg: Springer-Verlag, pp. 13–43.

- Hechter M (1987) *Principles of Group Solidarity*. Los Angeles, CA: University of California Press.
- Hechter M (1990) The Emergence of Cooperative Social Institutions. In: Hechter M, Opp K-D and Wippler R (eds) *Social Institutions. Their Emergence, Maintenance and Effects*. New York, NY: Walter de Gruyter, pp. 13–33.
- Hechter M and Borland E (2001) National Self-determination: The Emergence of an International Norm. In: Hechter M and Opp K-D (eds) *Social Norms*. New York, NY: Russel Sage Foundation, pp. 186–233.
- Hechter M and Opp K-D (2001) What Have we Learned about the Emergence of Social Norms? In: Hechter M and Opp K-D (eds) *Social Norms*. New York, NY: Russel Sage Foundation, pp. 394–415.
- Hechter M, Opp K-D and Wippler R (1990) Introduction. In: Hechter M, Opp K-D and Wippler R (eds) *Social Institutions. Their Emergence, Maintenance and Effects*. New York, NY: Walter de Gruyter, pp. 1–9.
- Hindriks F and Guala F (2015) Institutions, Rules, and Equilibria: A Unified Theory. *Journal of Institutional Economics* 11(3): 459–480.
- Hodgson G (2002) The Evolution of Institutions: An Agenda for Future Theoretical Research. *Constitutional Political Economy* 13(2): 111–127.
- Homans GC (1969) The Sociological Relevance of Behaviorism. In: Burgess RL and Bushell D (eds) *Behavioral Sociology*. New York, NY: Columbia University Press, pp. 1–24.
- Horn C (2001) Sociological Perspectives on the Emergence of Social Norms. In: Hechter M and Opp K-D (eds) *Social Norms*. New York, NY: Russel Sage Foundation, pp. 3–34.
- Ingram P and Clay K (2000) The Choice-Within-Constraints New Institutionalism and Implications for Sociology. *Annual Review of Sociology* 26: 525–546.
- Jackson G (2010) Actors and Institutions. In: Morgan G, Campbell JL, Crouch C, Pedersen OK and Whitley R (eds) *The Oxford Handbook of Comparative Institutional Analysis*. Oxford: Oxford University Press, pp. 63–86.
- Jepperson RL (1991) Institutions, Institutional Effects, and Institutionalism. In: Powell WW and DiMaggio PJ (eds) *The New Institutionalism in Organizational Analysis*. Chicago, Ill: University of Chicago Press, pp. 143–163.
- Lane J-E and Ersson SO (2000) What is an institution? In: Lane J-E and Ersson SO (eds) *The New Institutional Politics*. London: Routledge, pp. 23–37.
- Mantzavinos C, North DC and Shariq S (2004) Learning, Institutions, and Economic Performance. *Perspectives on Politics* 2(1): 75–84.
- March JG and Olsen JP (1989) *Rediscovering Institutions. The Organizational Basis of Politics*. New York, NY: The Free Press.

- March JG and Olsen JP (2006) Elaborating the “New Institutionalism”. In: Binder SA, Rhodes RAW and Rockman BA (eds) *The Oxford Handbook of Political Institutions*. Oxford: Oxford University Press, pp. 3–20.
- Martin PY (2004) Gender as Social Institution. *Social Forces* 82(4): 1249–1273.
- Mead GH (2015) *Mind, Self, and Society. The Definitive Edition*. Chicago: The University of Chicago Press.
- Ménard C and Shirley MM (2014) The Future of New Institutional Economics: from Early Intuitions to a New Paradigm? *Journal of Institutional Economics* 10(4): 541–565.
- Mohr JW and White HC (2008) How to Model an Institution. *Theory and Society* 37(5): 485–512.
- Nee V (2005) The New Institutionalisms in Economics and Sociology. In: Smelser NJ and Swedberg R (eds) *The Handbook of Economic Sociology*. Princeton, NJ: Princeton University Press, pp. 49–74.
- North DC (1990) *Institutions, Institutional Change and Economic Performance*. Cambridge, MA: Cambridge University Press
- North DC (1992) *Transaction Costs, Institutions, and Economic Performance*. San Francisco, CA: International Center for Economic Growth.
- Opp K-D (2015) Norms. In: Wright JD (ed) *International Encyclopedia of Social and Behavioral Sciences. Volume 17* (2nd ed.). Oxford: Elsevier, pp. 5–10.
- Ostrom E (1986) An Agenda for the Study of Institutions. *Public Choice* 48(1): 3–25.
- Parsons T (1949) *The Structure of Social Action*. New York, NY: Free Press; London: Collier-MacMillan Limited.
- Parsons T (1951) *The Social System*. New York, NY: Free Press.
- Parsons T (1976) Social Structure and the Symbolic Media of Interchange. In: Blau PM (ed) *Approaches to the Study of Social Structure*. London: Open Books, pp. 94–120.
- Parsons T and Shils EA (1962) Values, Motives, and Systems of Action. In: Parsons T and Shils EA (eds) *Toward a General Theory of Action*. New York, NY: Harper and Row Publishers, pp. 45–275.
- Peters BG (1999) *Institutional Theory in Political Science: The ‘New Institutionalism’*. London: Continuum.
- Powell WW and DiMaggio PJ (eds) (1991) *The New Institutionalism in Organizational Analysis*. Chicago, Ill: Chicago of Chicago Press.
- Schotter A (1981) *The Economic Theory of Social Institutions*. Cambridge: Cambridge University Press
- Scott WR (1995) *Institutions and Organizations*. London: Sage Publications.
- Sjöstrand S-E (ed) (1993) *Institutional Change. Theory and Empirical Findings*. New York, NY: M. E. Sharpe.

Teraji S (2018) *The Cognitive Basis of Institutions. A Synthesis of Behavioral and Institutional Economics*. London; San Diego, CA; Cambridge, MA;Oxford: Academic Press

Webb JN (2007) *Game Theory. Decisions, Interaction and Evolution*. London: Springer