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ROBINSON'S THEORY
OF ECONOMIC DEVELOPMENT
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9/2016

INSTITUTIONS WITHOUT CULTURE.

A CRITIQUE OF ACEMOGLU AND ROBINSON'S THEORY OF ECONOMIC DEVELOPMENT

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First draft, August 14, 2016

Abstract. Acemoglu and Robinson's theory presented in their famous *Why Nations Fail*, and other papers, should be placed among the institutional theories of economic development. Yet the problem is they strongly differentiate their concept from the so-called culture hypothesis, which they reject. This stance is difficult to accept, not only because of the significance of culture-related factors of economic development, but it is also difficult to reconcile with their own model.

The aim of this paper is to demonstrate that such a strong rejection of the culture hypothesis is inconsistent with their own analysis, triggers some principal problems with understanding the basic notion of institution, and suggests Acemoglu and Robinson are only focused on considering formal institutions. The article concludes with the statement that, paradoxically, Acemoglu and Robinson's unconvincing rejection of the culture hypothesis may be regarded as a justification of the importance of culture-related factors.

Keywords: Institutional Economics, Daron Acemoglu, James Robinson, Institutions vs Culture Controversy, Economic Development

JEL Classification Codes: B52, O10, Z10

1. INTRODUCTION

Acemoglu and Robinson's theory of economic development presented in their bestseller *Why Nations Fail: The Origins of Power, Prosperity and Poverty* (2012), and outlined in many earlier publications (2008; Acemoglu, 2009; Acemoglu, Johnson and Robinson, 2001; 2005) should be placed among the institutional answers to questions about the roots of wealth and poverty of nations. The opinion by Ménard and Shirley (2014: 558) that Acemoglu and Robinson are not perceived and do not regard themselves as representatives of new institutional economics seems to be rather unusual. On the contrary, it can be easily demonstrated that, in fact, they are commonly regarded as institutionalists of some kind, e.g., as institutionalists (Maseland, 2011; Hodgson and Stoelhorst, 2014: 529), new institutionalists (Grief and Mokyr, 2016), neo-institutionalists (McCloskey 2016a; 2016b) or even as the *new new* institutionalists (Spiegler and Milberg, 2009). As to their self-perception, it seems they try to point to the close correspondence of their works with institutional economics at the very least, since describing the core of their book they presented it as being 'about the effects of institutions on the success and

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failure of nations – thus the economics of poverty and prosperity’ (2012: 44). Moreover, their frequently repeated message is that institutions are the crux of the matter: they are important for both economic development and growth and, as such, are the key factor to explain differences in economic performance over the centuries. Incidentally, as we have already pointed to (Dzionek-Kozłowska and Matera, 2015: 14), the very words *institution/institutions* repeat themselves more than a thousand times across 500+ pages (1265 to be precise, references not included).

However, for those who are acquainted with the analysis of institutional economics, and institutional theories of economic development in particular, Acemoglu and Robinson’s ‘institutions matter’ declaration may seem a bit confusing indeed. The source of this bafflement is in their strong rejection of the ‘culture hypothesis’ of economic development and, as its result, the arising ambiguities as to the meaning attached to the very word *institution*, which, as it has been already indicated, unquestionably works as a key notion of their analysis.

The aim of the article is to demonstrate that such a strong rejection of the culture hypothesis suggests that (1) Acemoglu and Robinson are focused on considering only formal institutions, which significantly impoverishes their research perspective, (2) it is inconsistent with their own analysis, and (3) it leads towards explaining the institutional changes in terms of conflicts of interests and collective choices, which is in turn difficult to accept in authoritarian and especially totalitarian regimes. The problem is that most of the theorising on economic development is addressed to those countries wherein economic underdevelopment is accompanied by non-democratic political systems.

Despite the indicated ambiguities, we would like to clearly state that it is not our intention to question the high value of Acemoglu and Robinson’s contribution to economic development theory. Although their explanation of the causes of wealth and poverty of nations, like many others before, strongly accentuates the beneficial impact of the free market and democracy, putting an emphasis on the rule-of-law and the necessity of political centralisation, the new notions they introduce to express those ideas, i.e. the *inclusive* and *extractive* institutions, allow us to pay attention to the significance of citizens’ participation in political and economic arenas, which seems to be truly vital to the effectiveness of both economic and political activities. The general tone of their concept is all the more easily acceptable, since the elements they stressed are commonly regarded as crucial for grounding the economic development on robust foundations (see e.g. Smith, 1904; Marshall, 1920; Hayek, 1948; Sen, 1982; 1999; Lal, 2006; North 1990; 2005). Nevertheless, what needs to be highly praised is not only their awareness but also some kind of bravery which seems to be necessary to admit that ‘[t]he honest answer of course is that there is no recipe for building such [a system of inclusive] institutions’ (ibid.: 460). In other words, contrary to the beliefs of many experts and economic advisers, it is simply not possible to ‘engineer prosperity’. And that is why Acemoglu and Robinson issue a stern warning on the economic and humanitarian assistance and foreign aid organised via international organisations. They point out that it is impossible to initiate economic development by external help without deep changes in the underdeveloped countries’ institutional order and a reduction of the scandalous wastage of the engaged resources, which is striking in comparison to the level of destitution of those to whom it

should be headed (ibid.: 450-456; on this point see also: Easterly, 2015; Sachs, 2005; Stiglitz, 2012). We are not going to question the validity of those points. While recognising accurate elements of their concept, we would like to highlight some important, unsolved issues contained in it which may significantly challenge the practical implications of Acemoglu and Robinson's theory

Therefore, to disentangle the puzzle of insisting on the role of institutions in economic development without considering the role of culture, in the next section of the paper we reconstruct Acemoglu and Robinson's line of reasoning which lies behind their theory of economic development. Since the presentation of the theoretical layer in their *Why Nations Fail* is noticeably simplified in comparison to the more formalised articles they published in scientific periodicals and monographs, in search of a better understanding of the conceptual dimension of their ideas, we turn to their considerations from their earlier writings, too. We put an emphasis on their understanding of the notion of institution and the relationship between political and economic constraints.

Besides aiming to explain the 'effects of institutions on the success and failure of nations', Acemoglu and Robinson claim to answer the question regarding 'how institutions are determined and change over time, and how they fail to change even when they create poverty and misery for millions' (2012: 44). Yet, as a result of their rejection of the culture hypothesis, they need to provide such an explanation on how institutions emerge that would be independent of cultural influences. Thus, the third section of our paper is dedicated to the analysis of Acemoglu and Robinson's standpoint on the roots of institutions and how they evolve. This analysis let us draw attention to some vital inconsistencies in their reasoning, which are related to the alleged causal relationship between political and economic institutions. What is more, we demonstrate that, even if one stays within Acemoglu and Robinson's analytical framework, it is possible to show that the relationship between those two types of institutions is actually bi-directional.

Considering the high role attached by Acemoglu and Robinson to political institutions, in the fourth part of the article we discuss the arguments presented by Acemoglu (2009) to justify the greater significance of political institutions to economic development in comparison to culture-embedded ones. While not denying the benefits from distinguishing policy from culture, we claim the criterion proposed by Acemoglu is at least highly debatable.

The closing section of the article briefly discusses the possible motives of the acceptance of the approach taken by Acemoglu and Robinson. The paper concludes by the statement that Acemoglu and Robinson's unconvincing rejection of the culture hypothesis paradoxically may be regarded as a justification of the importance of culture-related factors.

2. HOW INSTITUTIONAL IS ACEMOGLU AND ROBINSON'S 'INSTITUTION HYPOTHESIS'? DEFINING INSTITUTIONS

On the one hand, the authors of *Why Nations Fail* seem to be fully aware of the way the notion of *institution* is understood by institutionalists. In their papers they not only refer to the North's (1990: 3) canonical definition that '[i]nstitutions are the rules of the

game in a society or, more formally, all the humanly devised constraints that shape human interaction', but even cite it and give the impression they treat it as a starting point for their own considerations (cf. Acemoglu et al., 2005: 388; Acemoglu and Robinson, 2008: 2; Acemoglu, 2009: 119). However, on the other hand, they unequivocally distance themselves from the group of theories 'that don't work', in which set they include, *inter alia*, the culture hypothesis³. The problem is that a great many of the 'humanly devised constraints that shape human interaction' evidently arise from cultural (religious, ethical, world-view) norms. Moreover, as aptly highlighted by North, in addition to the formal rules, an equally (or even more) important role in economic development is played by informal institutions, defined by him explicitly as cultural constraints 'embodied in customs, traditions, and codes of conduct', which come 'from socially transmitted information and are a part of the heritage that we call culture' (1990: 6, 37; cf. North, 1991; Hodgson, 2006: 8-13). Therefore, some serious doubts about Acemoglu and Robinson's understanding of North's concept arise. Those doubts are even strengthened if one considers their statement from the article published in collaboration with Simon Johnson (2005: 421), where they claim that '[i]n terms of the different fundamental theories that we discussed, there is overwhelming support for the emphasis of North and Thomas on institutions, *as opposed to alternative candidate explanations which emphasize geography or culture*' (emphasis added). Instead, the close correspondence between institutions and culture is commonly acknowledged by the representatives of the New Institutional Economics (e.g.: Grief 1994, 2006; Hodgson, 2006; Pejovich, 2003; Tabellini, 2008), which means the vast majority of the most characteristic examples of the institutional accounts of economic development, with North's stance at the forefront, ought to be included under the label of 'culture hypothesis'.

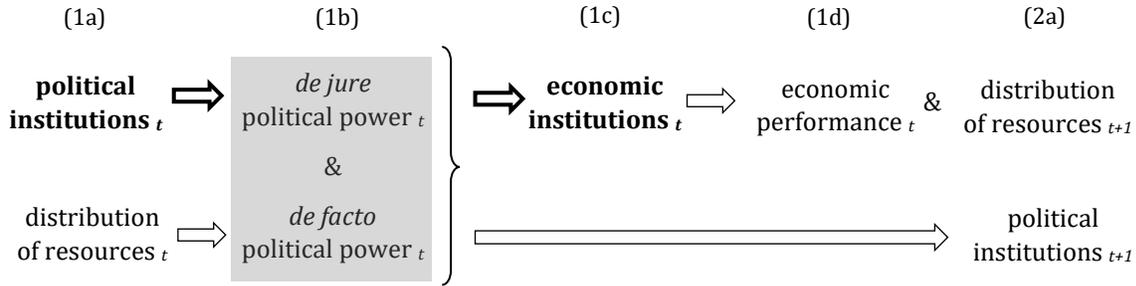
The obvious conclusion is that Acemoglu and Robinson's understanding of the term *institution* must be in some sense narrower than the new institutional economists' one. Yet, does it mean Acemoglu and Robinson restrict their understanding of the term to formal institutions only and consider those formal constraints as independent from cultural influences? The affirmative answer seems logical because it mitigates the incoherence caused by the rejection of the culture hypothesis and the placement of such a strong emphasis on the role of institutions.

At this point one remark should be made. Acemoglu and Robinson's volume (2012) is brimming with compelling illustrations, yet the accuracy and coherence of their generalisations is not the volume's strongest point. This might be partially explained by the fact the book had been intended for a wide circle of readers, thus scientific precision is sacrificed for straightforwardness at times. A sign of this may be the fact that, in contrast to North's analysis, the categories *formal/informal institutions* are neither used by Acemoglu and Robinson as the notions of their theoretical framework, nor explicitly defined. Therefore, no direct declaration of their taking into account only the role of formal rules can be found on their publications' pages.

³ This set contains also 'geography', 'luck' and the so-called 'ignorance' hypotheses (Acemoglu and Robinson, 2012: 45-69; cf. Acemoglu, 2009: 109-143).

What may be useful here to grasp the essence of their reasoning is the block diagram from the previously mentioned paper written in collaboration with Johnson (2005: 392), which explicitly lies behind the core of *Why Nations Fail*, too⁴.

Figure 1. The schematic presentation of Acemoglu and Robinson’s theory of economic development



The key relationship stressed by Acemoglu and Robinson in this and many of their other works is the impact of political institutions on economic ones (represented by the upper row, steps from 1a to 1c). In the presented scheme this relationship is tied by an interim step, i.e. *de jure* political power (1b). It must be mentioned that in *Why Nations Fail* both notions located in the shaded rectangle (1b column), namely *de jure* and *de facto* political power, are absent (which may be seen as an illustration of their willingness to provide a presentation of their concepts not overloaded with specific vocabulary, to make the main idea easier to grasp for non-specialist readers). However, to approach the solution of the institutions *vs* culture hypothesis’ controversy, this very part seems to be the most important. Since the *de jure* political power is regarded here as the direct outcome of political institutions, it seems sound to assume that the political and economic institutions in question are formal (i.e. *de jure*) as well. The place of formal institutions in Acemoglu and Robinson reasoning is thus more or less ascertained. Yet, it looks as if there is no special place for informal institutions in their analysis, as there is no such close correspondence between the *de facto* political power and the informal, culture-embedded constraints. Acemoglu et al. (2008: 391) explained the meaning of this *de facto* political power by pointing out that

‘[a] group of individuals, even if they are not allocated power by political institutions, for example as specified in the constitution, may nonetheless possess political power. Namely, they can revolt, use arms, hire mercenaries, co-opt the military, or use economically costly, but largely peaceful protests in order to impose their wishes on society. We refer to this type of political power as *de facto* political power ...’ (cf. also Acemoglu, 2009: 851).

⁴ The scheme was reproduced in the working paper prepared by Acemoglu and Robinson for the World Bank (2008: 7), Acemoglu’s textbook on theory of economic growth (2009: 853) and elaborated in their recent article (2015: 20-21) relating to Thomas Piketty’s *Capital in the 21st Century*. In the latter case the notion ‘distribution of resources’ had been replaced by ‘inequality’, which should be treated as no more than a rhetorical measure only. For the sake of precision, the second alteration ought to be noticed as well, i.e. the addition of one step between ‘economic institutions_t’ and ‘economic performance & distribution of resources_{t+1}’, which clarifies Acemoglu and Robinson’s stance on the way whereby the first affects the latter. This additional part is ‘technology_t, skills_t & prices_t’.

Anyway, it is not possible to reasonably suppose that *de facto* political power is based solely on informal political rules. From the above it may be concluded that it usually manifests itself by going beyond the rules, both formal and informal, leading to ‘critical junctures’, i.e. the points in time when the existing socioeconomic order is disrupted to such an extent that a new one may emerge (cf. Acemoglu and Robinson, 2012: 101, 106-107, 110-123). However, this *de facto* political power may be related to culture (political culture in particular) indirectly, as they admit that the size of the *de facto* political power of a particular group depends not only on its economic power (its share in the distribution of resources), but also on the group’s ability to act in unison even if there are some incentives for free riding (Acemoglu et al., 2008: 391). Therefore, their rebuff of the ‘culture hypothesis’ should not be perceived as an ultimate one. Such an assessment seems to be true the more they explicitly argue that culture has some role to play, since ‘social norms, which are related to culture, matter and can be hard to change, and they also sometimes support institutional differences’ (Acemoglu and Robinson, 2012: 57). Thus, they do not perceive those ‘institutional differences’ as being fully autonomous, alienated from culture. Still, it is noticeable that they regard the social norms related to culture as supporting institutional differences, and not as the essence of those differences. However, in the very same paragraph one may find a clarification that ‘those aspects of culture often emphasized – religion, national ethics, African or Latin values – are just not important for understanding how we got here and why the inequalities in the world persist’ (ibid.). Moreover, besides the theoretical framework, in the great (and slightly overwhelming) abundance of examples discussed in the analysed volume they are not reluctant to mention some traditions or praxis, which regulate economic and political interactions on the customary basis without being a part of legal systems.

Nevertheless, the very fact they take those informal constraints into consideration does not mean they see them as being moulded by culture. In contrast, they claim the relationship may be exactly the opposite, as values and behavioural patterns ‘are mostly an outcome of institutions, not an independent cause’. It means the causal relationship is diverted, as rules and constraints are presented not as an upshot of culture but as its source. Paraphrasing Marx’s famous statement (1972: 11-12), Acemoglu and Robinson’s opinion may be expressed by saying that ‘it is not the consciousness of men that determines their political and economic institutions, but, on the contrary, their political and economic institutions that determine their consciousness’.

3. POLITICAL INSTITUTIONS: THEIR ROOTS AND CAUSES OF EVOLUTION

One of the logical consequences of Acemoglu and Robinson’s strong declaration against the culture hypothesis is the necessity to provide such an explanation of how the political institutions emerge that would be independent of cultural influences. To somehow meet this requirement, the stance they propose was that both political and economic institutions are established as a result of collective choices made by members of society. And according to Acemoglu and Robinson, whatever the institutions’ type, an impulse to change them always results in a conflict of interests. It may concern the political sphere; however, in many cases the ultimate cause is an economic motive (economic gain). The importance of economic incentives stems from the fact that each

alteration of political institutions leads to a bigger or smaller reallocation of gains, ‘thus every change in institutions and politics creates winners and losers relative to the status quo’ (Acemoglu, 2009: 783). How the conflict is solved, which kind of institution emerges as its result, and to whom the modified institutional order turns out to be beneficial depends on the distribution of political power (*de jure* and *de facto*) between the groups or individuals being sides of the conflict. As Acemoglu (*ibid.*: 391-392) stated ‘since, like economic institutions, political institutions are collective choices, *the distribution of political power in society is the key determinant of their evolutions*’ (emphasis added).

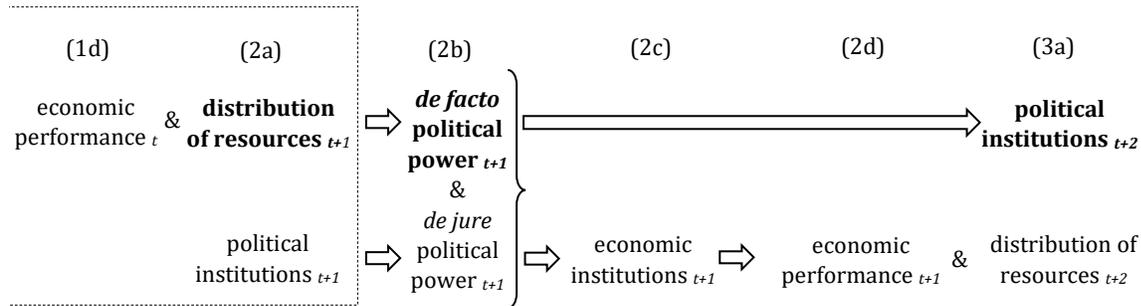
Leaving aside the assessment of this standpoint for a while and returning to the scheme presented in Figure 1, the inconsistency between the approach just reconstructed and the relationship shown in the scheme may be noticed. The problem is that from the graphic representation it may be concluded that the connection between political institutions (1a) and political power (1b) runs one way; the causal relationship goes from political institutions to political power and not *vice versa*. In contrast, in their discussing the roots of political institutions it is clear that the inverse relationship has been offered as an explanation. In such a context the question suggests itself, why has this inverse causal relationship not been included in the scheme? The question is worth posing all the more, as from their own further considerations it follows those two categories are in fact interrelated.

Though it is not possible to find an answer in *Why Nations Fail*, such an absence is partially explicable by not using the schematic diagram in that volume. Nonetheless, the explanation was provided by Acemoglu in his *Introduction to Modern Economic Growth* (2009). And the answer is that the political institutions ‘typically change relatively slowly’, similar to the distribution of resources, which justifies treating them both as state variables of the model (Acemoglu, 2009: 390). They might be altered, yet ‘a sufficiently large change in the distribution of political power is necessary to cause a change in political institutions’ (*ibid.*: 392). And such a ‘large change’ may in turn be caused by some ‘shocks’ which are the outcomes of technological progress or some external tensions in the international environment. These ‘shocks’ result in minor or major modifications of ‘the balance of (de facto) political power in society’, which triggers ‘changes in political institutions and therefore in economic institutions and economic growth’ (*ibid.*: 393).

Yet, the problem in the provided justification of treating political institutions as stable is hardly convincing. It seems more that minor modifications take place all the time, as with changes in technology. It therefore turns out that (1) the fundamental reasons of the evolution of political institutions stem from the development of technology and external pressures, political and/or economic, or from abroad, (2) the connection between the factors considered is more complex than shown in the graphic representation of the reasoning. What is striking, however, is that the same conclusion may be inferred from an elaboration of this model by simply asking which are the steps backward and forward. Thus, if we depart from the rather weak justification of treating political institutions as stable and ask once again what the causal roots of their changes are, all the elements needed to provide an answer are actually given. According to the relationships handled in

the scheme, political institutions from the second phase (2a) are influenced by the *de facto* political power from the previous one (phase 1b), which is in turn determined by the distribution of resources in (1a). Then, moving a step forward, the distribution of resources in (2a) should have an impact on the *de facto* political power in $t+1$ (2b), which will influence political institutions in $t+2$ (phase 3a):

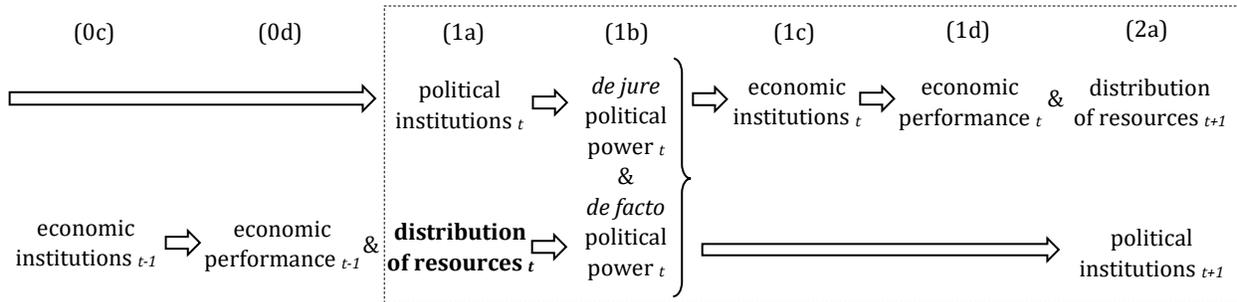
Figure 2. The schematic presentation of Acemoglu and Robinson's theory: a step forward*



* The part of the scheme which repeats itself from **Figure 1** is encircled by a dotted line.

Moreover, the distribution of resources in (1a) might be regarded as the result of economic institutions in period $t-1$, a phase that may be named (0c):

Figure 3. The schematic presentation of Acemoglu and Robinson's theory: a step backward*



* The part of the scheme which repeats itself from the **Figure 1** is encircled by a dotted line.

Seemingly, the whole process may be regarded as repetitive, since the outcome of the whole first phase (1a-1d), i.e. the distribution of resources $_{t+1}$ and the state of political institutions $_{t+1}$ (2a) may be treated as the first step of the next cycle. And even if we accept Acemoglu and Robinson's claim to treat political institutions and the distribution of resources as state variables, in which case the whole process starts in phase (1a), and we are not allowed to make the step backward, there are no good reasons to stop the reasoning in phase (2a). According to the scheme, the variables we obtain at the end, i.e. political institutions and the distribution of resources in $t+1$, is everything one needs to know to start the next cycle. Thus, the relationship between political and economic institutions is rather an example of mutual causality.

It can be added here that, incidentally, such a stance is shared by North (1990: 48), who wrote explicitly that ‘[b]roadly speaking, political rules in place lead to economic rules, though the causality runs both ways. That is, property rights and hence individual contracts are specified and enforced by political decision-making, but the structure of economic interests will also influence the political structure. (...) Changes in one will induce changes in the other’.

4. CULTURE VERSUS POLICY: IS IT A QUESTION OF CONTROL?

Acemoglu and Robinson’s espousal of the necessity to clearly differentiate culture and institutions (in the sense they attribute to this word) may be also read as their stance on the politics *versus* culture debate which has taken place in economics and the political sciences over the last few decades. Actually, they never criticised directly the representatives of new institutional economics regarded as the supporters of the ‘culture’ side of the debate, yet it seems they would agree with Heydemann’s (2008) opinion that the role assigned to culture by, *inter alia*, North and Grief is far too dominant, and that the sum of the analysed situations might be better explained in terms of political struggles and social conflicts (cf. also: Godłów-Legiędź, 2010: 81-84; Beugelsdijk and Maseland, 2011).

To the arguments already mentioned, an additional one has been put forward by Acemoglu. The essence of the distinction of institutions and culture he found in the allegedly different level of man’s ability to control these two areas of social life. He expressed it by saying that (2009: 112):

‘a crucial difference between the theories in these two categories justifies their separation. *Institutions are directly under the control of the members of the society*, in the sense that by changing the distribution of resources, constitutions, laws, and policies, individuals can collectively influence the institutions under which they live. In contrast, *culture refers to a set of beliefs that have evolved over time and are outside the direct control of individuals*’ (emphasis added).

Three remarks need to be made here. Firstly, such a differentiation of institutions and culture can be regarded as another sign Acemoglu limits himself to considering formal institutions only. Secondly, in the *Why Nations Fail*’s context, it is difficult to assess these statements as otherwise than astonishing. The book contains many examples wherein the rules of the game, both political and economic, were imposed evidently by small elites. In all those cases, the established institutional orders would be extremely difficult to be acknowledged as ‘collectively chosen’. Using the notions proposed by Acemoglu and Robinson: if the *de facto* political power of the vast majority of a given country’s citizens is close to zero, which is the case of both totalitarian and consolidated authoritarian regimes, these citizens’ influence on ‘the institutions under which they live’ is close to zero, too. And thirdly, the thesis on culture, values, beliefs and moral rules as being beyond the control of people is indefensible, or at least goes too far. In totalitarian states the same narrow elites which decide on the shape of political and economic institutions

can, and frequently do, wield influence or even put under total control the realm of culture, just like the other spheres of social life. One of the elements underlined by political scientists engaged in studies of totalitarian regimes is the high role of an official ideology, which ‘penetrates into every nook and cranny of the state society’. This very characteristic, which is even commonly highlighted as a distinguishing feature of totalitarianism, evinces itself in ‘attempts to mold the private life, the soul, the spirit, and the mores of the citizen’ to it (Loewenstein, 1957: 55-57, 58, cited after Pipes, 1995: 272; cf. Friedrich and Brzeziński, 1965). Those actions undertaken by the total control of information and state propaganda are associated with the state-wide promotion of certain role models leading to the new formation of man, which may be symbolised by the model of the *Übermensch* in Nazi Germany or *homo sovieticus* in the USSR and the whole Eastern Block. The sign of how far-reaching and successful those propagandist actions were in the latter case underline also the necessity to coin a special term, post-communism (Staniszki, 1999), to name the type of social structure, attitudes and behaviours prevailing in the former communist countries decades after the collapse of communist states.

Another, yet the less drastic, example of the purposeful actions aimed at bringing about a profound effect on the cultural dimension of social life was the so-called Kulturkampf (‘culture struggle’), which led to the secularisation of political life in many European countries in the 19th century (eds. Clark and Kaiser, 2003; Bennette, 2012). And last but not least, as these type of engagements intended to influence values, attitudes and preferences, what also ought to be seen are all the constant efforts by contemporary companies to promote their products, the result of which is the increasing and unrestrained consumerism as a prevalent mode of life.

Taking all the above into consideration, we do not deny that for some purposes it obviously is necessary to differentiate policy and culture, yet the criterion for distinguishing those two phenomena is untenable.

5. CONCLUSIONS

Acemoglu and Robinson’s opposition to the culture hypothesis, and their contrasting it with the institutions hypothesis, seems to be one of the most problematic aspects of their concept. Such a stance may be accepted from the marketing of ideas point of view, yet, this differentiation triggers some principal problems with understanding the basic notion of institution and strongly suggests they are focused on considering formal institutions only, which would significantly impoverish their research perspective. In addition, such an approach (1) does not allow one to deal with the influences of culture (political culture included) on the evolution of economic and political institutions, and (2) seems to lie behind their decision to explain institutional changes in terms of conflicts of interests and collective choices. We do not deny that in some cases this approach could be quite useful, first and foremost to speak about consolidated democracies. However, assuming that the institutional order in authoritarian, and especially totalitarian regimes is a result of those societies’ collective choices is difficult to agree with. And this is especially problematic since almost all efforts to solve the mystery of economic

development seem to be undertaken to help those societies which are both underdeveloped and non-democratic. Yet, even if we agree for a while with the supposition that those countries' political and economic institutions are the subject of collective choices, it should be highlighted those choices are made by the members of a narrow elite. Next, it should be accepted also that the culture-related institutions are the subject of the same kind of choices made by the same narrow elite. Thus, there is no reason to treat political and economic aspects of social life otherwise than those from the realm of culture.

Furthermore, leaving out the culture dimension constricts the possibility to refer to the influences of culture-related factors in explaining the sources of changes in political institutions. Therefore, Acemoglu and Robinson try to explain the roots of those changes by some technological and external 'shocks', which is hardly convincing and may be accepted as a highly simplifying assumption only. In spite of this attempt to see political institutions as independent from other variables of their model, it turns out they take into account the mutual causation between the distribution of the political power and political institutions. Similarly, the simple broadening of their line of reasoning, as shown in section 3, leads to the conclusion that the supremacy of political institutions over economic ones is rather ostensible, since those types of institutions are indeed interrelated.

Here a question may be raised: what are the motives behind accepting such a problem-bearing approach? It seems that, besides the conviction that the significance of culture is so small that this area may be omitted without any loss to the theory, there are at least three feasible additional reasons behind the rejection of the culture hypothesis. To begin with, the cultural factors are difficult to express quantitatively, so they are difficult to deal with by more formalised methods of economic analysis, which nowadays are placed at the very centre of the dominant paradigm of economic sciences (cf. Blaug, 2003; McCloskey, 2002; Dzionek-Kozłowska, 2015). The essence of the problem was rightly highlighted by North (1990: 36), who argued that 'it is much easier to describe and be precise about the formal rules that societies devise than to describe and be precise about the informal ways by which human beings have structured human interaction', thus 'it is extremely difficult to develop unambiguous tests of their significance'. What may be quite surprising is that, to some extent, such an approach has been confirmed by Acemoglu (2009: 122) as well. And for many scholars the problem in itself seems to be the broadness and ambiguity of the term 'culture', which hinders both scientific discourse and empirical research (Guiso, Sapienza and Zingales, 2006: 23-24).

The next and probably the most important issue is related to the behavioural assumptions and the image of the human being taken by Acemoglu and Robinson. Yet, it should be noted at once that there are neither direct characteristics of the model of a human being, nor a clear description of the behavioural assumptions they work on. Nonetheless, it is not difficult to find some clues that they actually perceive humans as rational and purposeful. Such a supposition stems from, firstly, their treating of political institutions as the outcomes of collective choices which are the outcomes of various groups' deliberate actions undertaken because of their interests. And secondly, such an opinion may be inferred from their criticism of, as they name it, the 'ignorance hypothesis'. This hypothesis of economic underperformance consists in explaining the causes of poverty by the ignorance of the authorities of underdeveloped countries regarding how to improve

their economic performance. And Acemoglu and Robinson strongly reject this kind of explanation, claiming that the rulers of poor countries in most cases know very well what should be done to ameliorate the economic situation and foster economic growth, yet they just do not want to do it because of their sound fears that by so doing they lose their privileged position in society. In other words, Acemoglu and Robinson claim that it is not a question of the authorities' ignorance or irrationality, but simply their unwillingness to initiate the reforms that might shake the status quo. Therefore, from this reasoning, a conclusion may be drawn that the image of the human being they tacitly take is closer to the mainstream economics model of *homo oeconomicus* than to any other species. And one of the most important fruits of taking such a model is the serious difficulty with taking into account the culture-related side, which in turn makes it difficult to consider informal institutions. Understandably, the endeavours to fit those informal, culture-embedded institutions into the pattern of the results of collective choices are too heroic to be made. Leaving culture and informal institutions aside allows them to be in accordance with the orthodox concept of rational, purposeful economic men.

The last question worth considering refers to the purely rhetorical level, thus this one concerns not the content of Acemoglu and Robinson's theory, but its form. The question is that such an open rejection of the 'culture hypothesis' and concentration on formal institutions let Acemoglu and Robinson clearly distinguish their theory from other explanations, which is difficult to overvalue from the popularisation of ideas' perspective. This way of presenting new economic concepts as something brand new, ground-breaking or even revolutionary has a long and still vivid tradition with such eminent representatives as Jevons or Keynes – the former strongly contrasted his theory of value to the classical one (Jevons, 1888), and the latter goes even further and constructed an effigy of the classical theory of unemployment that he then successfully defeated, despite the fact that the theory in such a form actually had never existed (Keynes, 1936). In Acemoglu and Robinson's case it sounds much better to contrast the 'institutions hypothesis' with the 'culture hypothesis' than to contrast something like an 'institutions-limited-to-formal-ones hypothesis' with a 'broadly-perceived-institutions hypothesis' or a 'general-treated institutions hypothesis' (which would be closer to this differentiation's essence). The second opposition sounds much worse, especially when the side supported would be the one with the word 'limited' against the one containing the term 'general', highly valued in the scientific discourse (cf. Mäki, 2009).

Yet, once again, as we emphasized in the introductory part of the article, we would like to highlight that besides lots of theoretical doubts regarding Acemoglu and Robinson's concept, we do agree with their message that the decisions of authorities have a huge impact on the inclusion of new social groups in both political and economic activities, which in turn exerts a strong influence on the economic development of societies. However, as we have demonstrated in the previous sections of the article, their omission of the influence of the culture-related factors of economic development is unwarranted by their theory. On the contrary, the arguments they provide to reject the culture hypothesis call for the significance of cultural factors on economic prosperity to be thought over. Therefore, we fully agree with the stance shared by Grief and Mokyř (2016: 31), that 'we cannot understand institutions without culture'.

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