

Endogeneity, Disequilibrium and Functional Informalities

2nd Session on

Institutional Credibility and Function

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Postulates of neo-classical thought

- Exogeneity: Intentional design
- Equilibrium: Institutional balance
- Form: Formal, private, democratic = Growth

Paradox: Form \neq Performance

- Formal title no correlation value (Monkkonen, 2012)
- Formal title no impact on investment and income (Atwood, 1990; Pinckney and Kimuyu, 1994)
- Informal arrangements lower transaction costs than formal arrangements (Lanjouw and Levy, 1998)
- Formalization leads to conflict, inequity, instability (Zweig, 2003; Everingham, 2001; Andre and Platteau, 1998; Thorpe 1997)
- Also found for housing, democracy, rent-seeking, law, etc.

Contrasting postulates

- Endogeneity: Unintended Intentionality
- Disequilibrium: Continuous change
- Function: supersedes Form

Credibility thesis

What determines institutions' performance is not their Form in terms of formality, privatization, or security, but their spatially and temporally defined Function.

When institutions emerge and persist
they are functional,
hence, credible

Session Program

<p>ICF1 Chair: P. Ho</p>	<p>Special session 1: Endogeneity, Credibility and Informality in Migration, Labor and Political Institutions</p> <hr/> <ul style="list-style-type: none"> • Shih-Jiunn SHI: Changing credibility of institutions: How Household Registration Systems (Hukou) in China and Taiwan define immigrants' social benefits • Ali Modarres: Global Migration and Re-Construction of the State • Smita Yadav: The Credibility Thesis and the Informal Economy in India • Andrew Wedeman: A Useless Flowerpot? The "Perverse" Functions of the Chinese People's Consultative Conference
<p>ICF2 Chair: R. Alterman</p>	<p>Special session 2: 'The Credibility Thesis' applied to Land, Labor and Capital</p> <hr/> <ul style="list-style-type: none"> • Peter Ho: Rethinking Informality in Economics: Towards a contextualized Theory of Function and Credibility • Benjamin Davy: After form – Incredible property and some polyrational functionalities of land • Satoshi Miyamura: Rethinking Labour Market Institutions in Indian Industry: Forms, Functions and Socio-historical Contexts • Godfrey Yeung, University of Singapore: Chinese state-owned commercial banks in reform: Inefficient and yet functional?
<p>ICF3 Chair: A. Modarres</p>	<p>Special session 3: Endogeneity and Disequilibrium in Natural Resource Management</p> <hr/> <ul style="list-style-type: none"> • Xiuyun Yang: Mining-induced Land Subsidence and Resettlement in China: Endogenous Institutions and Local Practices • Sharlene L. Gomes and Leon M. Hermans: Change and Institutional Function: Managing peri-urban water access during urban transitions in Bangladesh • Amineh Ghorbani, Giangiacomo Bravo Ulrich Frey, Insa Theesfeld: Managing common-pool resource: a model of emerging endogenous institutions • Syed Mohib Ali Ahmed and Vivek N D: Institutions in India's Urban Water Governance: Examining Reform and Privatization via the 'Credibility Thesis'
<p>ICF4 Chair: B. Davy</p>	<p>Special session 4: Functional Informalities in Real Estate and Property Rights</p> <hr/> <ul style="list-style-type: none"> • Rachele Alterman: Between informal and illegal: Noncompliance with planning and building laws • Zheng Ying and Peter Ho: Ambiguity of property rights of real estate in urban China: The perspective of institutional functions • Yue Zhang: The Credible Slum: Informal Settlements and Urban Governance in India • Discussion: <ul style="list-style-type: none"> - Theoretical, methodological and empirical implications - The future: permanent Research Area other suggestions? - Papers and publication

Hence our gathering

And your paper!

Hope you'll all enjoy the sessions!