

## Law and Economic Development: a Historical Perspective

### A call for paper

Enforcement of contracts and property rights lie at the heart of sustainable economic growth. During the past decade, our understanding of the historical evolution of various institutional mechanisms to cope with this issue has been greatly enhanced, in particular by so-called historical and institutional analysis formalized in a game-theoretic framework. The analysis demonstrates that these mechanisms, whether informally organized through repeated interaction of economic agents or formally institutionalized in a state-backed legal system, were central to the securing of property rights and contract enforcement around the world. Meanwhile, the burgeoning research on economic growth and convergence has also pointed to the importance of formal legal institutions. The so-called legal origins debate centres on the relative merits of common law versus civil law and on the impact of these two different legal regimes on financial structures, corporate governance and industrial organization.

Another strand of literature pioneered by sociologists and legal historians such as Max Weber long argued that unique features of Western legal institution, i.e. legal formalism and the rule of law, laid the foundation of modern capitalism in the West. The Weberian thesis has been hotly contested among scholars of comparative law and area studies. Recent research on non-Western legal traditions has engaged with these debates, while also vastly improving our knowledge in this area based on new empirical findings.

This conference aims to bring a truly global and multi-disciplinary perspective to the relationship between law and long-term economic growth. We focus on formal legal rules, procedures and institutions in the wide context of legal traditions and their relationship with contract enforcement and property rights. We aim to broaden the scope of our discussion with a global perspective that includes both Western and important non-Western legal traditions such as the Chinese, Islamic or Hindu that have been largely neglected in the “legal origin” debate. We hope to gather experts from economics, history, comparative law, and political science to address in particular the following themes and questions:

1. **Long-run relative economic efficiency of different legal regimes.** What are the major similarities and differences of different legal traditions in terms of their long-term economic outcomes? Is legal tradition relevant to the “Great Divergence” debate? How do different legal traditions originate and evolve? Is the “rule of law” ideal unique to the West? How and when did it evolve in the West or elsewhere? How are different legal institutions organized around the world and what is their connection with the state and organized religion? How arbitrary or rule-bound is the legal system in a comparative framework? What is the relationship between formal legal institutions and informal rules and social norms?

2. **Empirical research on the relative economic efficiency of legal regimes.** This section, while providing scope for theoretical models and explanations, will be particularly focused on specific case studies and empirical research that delineate (at the micro or macro level) the economic impact of different legal traditions and institutions on financial markets, credit institutions, corporate governance, commercial organization, market structure, government bureaucracy, and so on.
3. **Interaction and mutual influence between legal traditions throughout history.** An important development in the modern era has been the adoption and absorption of Western legal systems around the world, whether through colonial imposition or voluntary adoption. What are the major lessons of these cases as measured by their impact on long-term economic growth in these countries? What conflicts, tensions or innovations emerged in this process?

We plan a 3-day workshop along the lines of the Global Economic History Network (GEHN) conferences, to be held at **Utrecht University** on **21-23 September 2007**. As with previous GEHN meetings (see <http://www.lse.ac.uk/collections/economicHistory/GEHN/Default.htm>) and Utrecht conferences (see <http://www.iisg.nl/hpw/conference.php>), the Great Divergence debate will be the starting point of the meeting.

We invite legal and economic historians to present papers on the legal traditions of Eurasia, Africa and the Americas in relation to long term economic development before the Industrial Revolution. We are particularly interested in survey papers reviewing these issues for major regions of the world, but detailed case studies are also welcome. Travel costs and costs of accommodation and lodging will be covered by the local organization.

Please send, before March 31<sup>st</sup> 2007, a 300-word abstract of your paper proposal to [jvz@iisg.nl](mailto:jvz@iisg.nl) and [D.Ma1@lse.ac.uk](mailto:D.Ma1@lse.ac.uk).

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A Concise Bibliography:

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