

# Foreword

by Nicola De Liso<sup>#</sup> and Cosimo Perrotta<sup>\*</sup>

*Institutions and economic development* have been at the centre of economic theory and history from as far back as the publication of Josiah Child's *Observations concerning trade and interest of money* in London in 1668. We can go over the works of economists and very often we find explicit reference to *institutions, institutional change and economic performance* – which is the title of Douglass North's book which came out in 1990.

In 1776 – in his *Inquiry into the nature and causes of the wealth of nations* – Adam Smith wrote that among the duties “of the sovereign or commonwealth is that of erecting and maintaining those publick institutions and those publick works, which, though they may be in the highest degree advantageous to a great society, are, however, of such a nature, that the profit could never repay the expence to any individual or small number of individuals”.

We could go on with an indefinite number of quotations and examples – from Veblen to Sen, from Marx to Stiglitz – to show the importance of institutions and their connection with economic development.

Our decision to start the journal came about as a result of the fact that there does not appear to be an existing journal which creates a forum for debate about these topics. We are of course aware of the fact that these themes are being analysed in both “general” and

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“specialised” journals. However, none of the existing ones is explicitly dedicated to institutions *and* economic development.

Our aim is to provide ground for debate – open to theoretical, applied and historical economic analyses – for this very reason, namely that there is a connection and there are reciprocal influences between these two factors: the nature and the change of institutions, on the one hand, and the improvement or deterioration of economic development, on the other. Focusing on that connection should help us to understand both elements better, and to avoid inappropriate simplifications. Institutions – also in economic analysis – should be understood as complex products of social evolution, whose rationale often goes beyond, although does not contradict, the strict market logic. On the other hand, economic development cannot be measured as simple growth. It also involves cultural factors, which do affect economic variables.

This journal does not identify itself with any specific school of thought. Too much emphasis is laid on classifying what ought to be scientific work by means of labels which tend to create mutually exclusive niches. This is a risk that we want to avoid.

We would like to dedicate the final part of this short presentation to the friends, colleagues and institutions that have helped us to start up this publication. First of all we want to thank the members of the Scientific Advisory Board for their suggestions as well as their participation on the board itself; secondly, we wish to thank Dr. Giorgio Colacchio and Dr. Claudia Sunna for their help in helping to set up this journal in the early stages; thirdly, we are grateful to the Institute for Advanced Interdisciplinary Studies (ISUFI) of the University of Lecce and to the Provincia di Lecce for their financial support; finally, we wish thank the publisher Franco Angeli.