"Who Acts? Government, Society, and the Elusive American Institution"

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A paper presented at
"Economic History's Many Muses"
Fourteenth Annual Conference of the
Program in Early American Economy and Society
October 24-25, 2014

Library Company of Philadelphia
1314 Locust Street, Philadelphia PA

Some terms used in humanities scholarship become so popular, over time, that they are instantly recognizable to anyone in the field: the Atlantic World, the imagined community, the public sphere, the Other.[1] These terms come to dominate a particular period in the scholarly conversation, but their dominance comes at a cost: as more and more people use these words as tools to shape and express their ideas, the words themselves come to seem vaguer and less meaningful. Ultimately, people begin to worry that the term serves no purpose, or worse yet, that it serves only contemporary political purposes, and then everyone has to take a break for a while.[2] The term "institution," notably, seems to have gone in another direction. Within economic history and related fields such as business history, political economy, and the history of capitalism, the meaning of "institution" has remained so specific, its lineage so clearly recognizable, that much of the broader conversation has moved around and past it.

The term "institution" today in academic discourse remains extremely closely associated with the New Institutional Economics and particularly one of its central figures, Douglass North.[3] While North's influential body of work extends beyond this definition, in *Understanding the Process of Economic Change*, North defines the "institutional structure" of each human "environment" as "a combination of formal rules, informal constraints, and their enforcement characteristics," which add up to a "structure we impose on our lives to reduce uncertainty."[4] In other words, he considers institutions—the basic projects of humanity—to be best understood as sets of rules, developed by people with the goal of reducing their risks.

North's definition of an institution—rules and constraints—is specific enough to allow it to have served as a very helpful analytic term for a lot of people engaged in very different tasks, but it is also broad enough to encompass work in a wide variety of fields and subfields. Cultural,

[1] I offer my thanks to Laura Phillips Sawyer for guidance through the New Institutional Economics; Ariel Ron for his insights, and Cathy Matson for the invitation: Dael Norwood received what I consider to be the far sexier topic of political economy, but the assignment inspired me to dig into the term "institution," the state of the field, and my own responses to it, and for this I am very grateful.

[2] For an analysis of the rise of the "republicanism," for example, see Daniel T. Rodgers, "Republicanism: the Career of a Concept," The *Journal of American History*, Vol. 79, No. 1 (Jun., 1992), 11-38. After enough time, of course, terms can even be dusted off and repurposed. See Kerwin Lee Klein, "Reclaiming the "F" Word, or Being and Becoming Postwestern," *Pacific Historical Review*, Vol. 65, No. 2 (May, 1996), 179-215.

[3] For a helpful overview of the New Institutional Economics and the emergence of its terms of art, see Richard A. Posner, "The New Institutional Economics Meets Law and Economics," *Journal of Institutional and Theoretical Economics*, Vol. 149, No. 1, (Mar. 1993), 73-87. For another articulate and extensively cited overview of the state of the New Institutional Economics, see Oliver E. Williamson, "The New Institutional Economics: Taking Stock, Looking Ahead," Journal of Economic Literature, Vol. 38, No. 3 (Sep. 2000), 595-613.

[4] Douglass C. North, Understanding the Process of Economic Change (Princeton and Oxford: Princeton University Press, 2005), 6, 1.

social, economic, and political histories of various kinds would all pass muster, as would works in formally separate disciplines such as sociology and economics. Yet the people who carry on North's tradition—and I include "arguing against" and "critiquing" as a form of carrying on—tend to be in economics departments or business schools. In these settings, where conversations about the value of "free" markets are very much alive, the New Institutional Economics remains highly relevant.

Meanwhile, the mainstream of historical scholarship has moved in other directions. Even at PEAES, a conference of people profoundly interested in the economy and its institutions, the word is rarely used. At last year's PEAES conference, which addressed the "ligaments" of the early American economy—a topic ripe with possibilities for the discussion of institutions—only three of the twelve presenters used the term in any significant way. None cited North or the New Institutional Economics.

I.

I begin with my own work, which I am least likely to have misunderstood. At last year's conference, I used the term "institution" in a far more vernacular, and really a more naïve, sense than that promulgated by North and his peers. I was writing about insurance companies, and I identified these companies as institutions.[5] This usage aligns best with the following definition of institution, one of several given in the *Oxford English Dictionary:* "an establishment, organization, or association, instituted for the promotion of some object."[6] Certainly the marine insurance companies I wrote about would have fit inside North's big tent. They came into existence when a group of people came together and established some rules in order to, very literally, reduce their risks. However, I had none of this work in mind when I wrote my paper. In spite of the exhortations of some of my mentors, I admit that I gave the use of this term very little thought.

At the other end of the spectrum, Benjamin Hicklin last year took an approach to the term "institution" that bore a far closer affiliation to the New Institutional Economics discourse and to North's own use of the word. Hicklin's paper was built around the idea of credit itself as an

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[5] Hannah Farber, "The Minor Republics: Banks, Insurance Companies, and the Creation of American Capital," Ligaments: Everyday Connections of Early American Economies (Thirteenth Annual Conference of the Program in Early American Economy and Society), October, 2013.

[6] "institution, n." OED Online. June 2014. Oxford University Press. The OED acknowledges other definitions as well. http://www.oed.com/view/Entry/97110?redirectedFrom=institution (accessed August 15, 2014)

institution—or, as he calls it at some points in his paper, a "meta-institution."[7] (Hicklin's adoption of the term "meta-institution" shows how deep a gulf has emerged between the vernacular and the Northian definitions of the term "institution" in academic scholarship.) Credit and debt, Hicklin tells us, created conflicts that "played out in courts and communities," interacting in these social sites with other critically important "institutions" such as religion and law.[8] Thus the institutions of Hicklin's narrative are, first and foremost, systems, though we can see them occasionally as actors through the ways in which they interact with other institutions/systems. At the crux of his paper, Hicklin draws his readers' attention to one key attribute of the credit economy, its ability to "extend time" for its members. This insight fits very nicely into New Institutional Economics discourse—credit served as an institution through which lenders and borrowers could alter the existing rules of their society, i.e., the rules of time.[9]

Emma Hart's paper last year fell somewhere between mine and Hicklin's. Like me, she generally used the term "institution" in a more concrete, vernacular sense. Her paper primarily focused on the fair and the city market, which she viewed as specific, man-made organizations through which trade was conducted.[10] Of course, fairs and city markets, like the insurance companies I studied, were operations conducted according to specific rules, and as such, would also fit comfortably within the broader scope of the original NIE project. In fact, Hart's paper deals with a wide variety of markets, which ranged from the highly abstract (e.g., "the market within the mainland colonies was also growing fast") to the concrete (e.g. a certain "large beef market" in Glasgow.[11] The difference between bigger, more abstract and smaller, more phsyical markets is to some degree a difference of scope: Hart writes, for example, about "the connection of local markets to regional markets, and regional markets to national and transatlantic markets."[12] But she also links specific types of markets to broader political economies. The fair and the town marketplace functioned very differently in colonial British America than they did in the mother country – given the "rules" (in both a literal and a more abstract sense) pertaining to fairs and marketplaces of the traditional sort, vendues, wharves, and shops turned out to be

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[7] Benjamin Hicklin, "'Quick Remittances are the Very Essence of Trade:' Credit and Time in the English Atlantic," 2. Ligaments Confrence, PEAES, October, 2013.
[8] Hicklin, 3.
[9] Hicklin, 19.
[10] Emma Hart, "Ligaments, Flesh, and Fish: Early American Market Cultures and the Structures of the British Atlantic Provisioning Trade," Ligaments Conference, PEAES, October, 2013.
[11] Ibid., 6, 7.
[12] Ibid., 8.

institutions that better served American market purposes.[13] In Hart's analysis, in short, differences among specific (literal) types of markets are linked to broader, more abstract differences between British and colonial American political economies—that is, between market institutions in the narrower and more vernacular sense and market institutions in the more abstract, NIE sense.

The remaining papers, save for an occasional reference or two to an institution in the vernacular sense, do not seem to find much use for the concept of an institution. Ellen Hartigan-O'Connor's paper on the American auction house did refer to the auction house as a kind of institution—she notes in this paper that auctions occasionally attracted criticisms as foreign institutions.[14] But ultimately the purpose of Hartigan-O'Connor's exploration of the auction is to understand the mentalities of people: she argues that auctions were communal events that allowed people to share and exchange their own "experiences, expectations and beliefs" about value.[15] Hartigan-O'Connor's fundamental interest in people and culture reflects a trend in last year's group more broadly. Though the papers explored systems and structures in all sorts of different ways, on the most basic level, most of the papers were not "about" institutions but about certain groups of people—really, about people who occupied certain niches in their economies and societies. Susan Brandt, for example, wrote about female entrepreneurs in the field of medicine. Nancy Christie wrote about merchant and consumers' culture in Montreal; Robert Gamble about hucksters; Christine Walker about female Jamaican slaves and slaveowners; and Simon Finger about river pilots. The individuals in these papers are, of course, embedded in broader systems, but they are, first and foremost, treated as actors. They act and are acted upon; they absorb culture, they peddle their goods, they get arrested and other societal actors throw them in jail.

Last year's PEAES papers, in other words, seem to reflect a community more interested in the actions of people (or institutions in the vernacular sense) than in the implementation or alteration of broader societal systems and rules (i.e., institutions in the Northian sense). The stories told in these papers generally illustrate a world in which people take action rather than a

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[13] Ibid., 16, 20-22.
[14] Ellen Hartigan-O'Connor, "Public Sales, Public Values: Auctions and the Early American Economy," 8. Ligaments Converence, PEAES, October, 2013.
[15] Hartigan-O'Connor, 22.

world in which their action is restrained, organized, or disciplined for the purposes of predictability or risk reduction.

II.

I turn now to another, longer work by a friend of the Program in Early American Economy and Society: Jessica Lepler's recently published monograph, *The Many Panics of 1837*.[16] I discuss this book in detail because I believe that it tells us a great deal about the history of institutions, in both the vernacular and the NIE senses of the term. Lepler's book takes as its topic an apparently obvious, but in reality a highly elusive event: the Panic of 1837, studied and forgotten by countless generations of college students and by high schoolers preparing for Advanced Placement exams. *The Many Panics of 1837* offers a perfect example of something I've always found to be true—that when a story is hard to remember, there is probably an important reason why. Perhaps the story is hard to remember because it is too unusual to be connected to one's existing body of knowledge, or perhaps it is hard to remember because it simply doesn't make sense. As Lepler points out, two recent and entirely mainstream American history textbooks identify the Panic of 1837 in two wildly different ways. The first textbook identifies the Panic as an event that "started in New York City, was caused by national politics, and spanned roughly seven years from mid-1837 until 1843," while the second identifies it as an event that "reached New York City after London and New Orleans, was produced by international financial causes, and lasted from late 1836 through mid-1837." In other words, in these two contemporary textbooks, the very same event appears as "the product of two different causes," which "start[ed] in two different places, and var[ied] in length by six years."[17] There is obviously a problem here. How could such different definitions of the Panic of 1837 have come to exist in historical memory? Lepler's answer to this question ultimately has three layers: the financial history of the immediate crisis, the political and cultural history of contemporaries' response to the crisis, and what we might call the "reception history" of the event, as it came to be understood through generations of scholarship, particularly within the evolving discipline of economics.

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[16] Jessica M. Lepler, The Many Panics of 1837: People, Politics, and the Creation of a Transatlantic Financial Crisis (Cambridge: Cambridge University Press, 2013).

[17] Lepler, 5.

Lepler's history of the Panic (as well as her *history* of the history of the Panic) overflows with institutions of all kinds. Some of these, such as the Bank of England, are institutions in the more vernacular sense of the term, while others, such as the bill of exchange, are institutions in the broader, more Northian sense of the term. (You'd be hard-pressed, by the way, to find a better explanation of a bill of exchange than the one Lepler gives in Chapter 1—she manages to explain the entire process without ever mentioning my least favorite historical characters, Merchants A, B ,C, and D. Those of you teaching the history of American economic life in any capacity should make a note.)

Yet what makes this work particularly pertinent to our conversation today is that Lepler's work is, at essence, about people panicking. Arguing against nearly two centuries of political and economic commentary, Lepler insists that human panic is at the heart of the Panic of 1837. In other words, Lepler claims that the real Panic of 1837 was the period when people got really upset and didn't know what to do. Yet if we recall North's definition of an institution as a set of rules, we can also understand Lepler's book as a study of a moment when the rules broke down or proved inapplicable. *The Many Panics of 1837* is a book about people panicking, but for this very reason, it is also a book about a moment of extreme uncertainty: a moment of anti-institution.

A few examples will suffice. Rumor of financial insolvency functioned in 1836-37 as a destabilizing force that made people panic. In Lepler's analysis, this rumor produced devastating effects not so much because it was wrong, but because it was "imprecise": vague reports of "distress, mischief, embarrassment, [and] derangement" elicited wild responses from individuals who, unable to obtain more accurate information about the financial state of things, and unable to determine which rules were in operation, allowed the full extent of their distressed imaginations to guide them toward drastic action.[18] When these panicked individuals called in their debts, they produced a wave of bankruptcies across the United States. And these bankruptcies, in turn, revealed the weakness of the existing American system of financial rules. Mechanisms intended to enforce the payment of debts across the United States, as creditors learned (or relearned) to their dismay, were patchy, lax, or entirely untested.[19] With so many Americans both debtors and creditors, matters became hopelessly confused; disputed debts led to hosts of lawsuits, and the

[18] Lepler, 94.
[19] Lepler, 126.

only people who could count on making a profit were those who were in the business of interpreting the rules: the lawyers.[20]

In Lepler's account, vague political information proved just as destabilizing as vague financial information. Newly elected American president Martin Van Buren made only anodyne (and, on the occasion of his inauguration, literally inaudible) statements that offered anxious merchants and financiers little information about how he might respond to the unsettling undercurrents of information circulating around Wall Street, London, and New Orleans.[21] In other words, Van Buren worsened the crisis because he did not affirm any existing rules or propose any new ones. Thus, merchants surmised, if financial matters worsened, they would have no way of knowing what—if anything—the president might do to improve them.

The Panic of 1837 was provoked by uncertainty about rules, and it was resolved by the creation and implementation of new sets of rules. From the perspective of financial communities, the crisis ended fairly rapidly (within two weeks in New York and New Orleans, and within a month in London). Ironically, the crisis ended when banks throughout the United States and the most deeply affected houses in London decided to break their own rules and to suspend specie payments.[22] This decision, while violating the American banks' charters, served to prevent further bank runs, ensuring the bankruptcy of some while saving the financial system as a whole.[23] The literal panic immediately seemed to subside: one New Yorker observed, post-suspension, that "men's countenances wore a more cheerful aspect than for several days past."[24] Through this action, a new precedent (i.e., a new rule) had been created: if things got really bad, banks could always suspend specie payments. And, at least in 1837, this new rule seemed to work. After all, people were not panicking anymore!

But the story does not end here. The ending of the Panic of 1837 also required political resolution in the United States, as Americans sought more broadly to make meaning (and to make political hay) out of the event. In this respect, Americans resolved the crisis very differently than did the British financiers upon whom they were financially dependent. The centralization of Britain's financial system allowed British bankers to handle the Panic of 1837

[20] Lepler, 125.
[21] Lepler, 94-95, 104-05.
[22] Lepler, 191.
[23] Lepler, 192.
[24] Lepler, 206.

as a more "purely" financial crisis.[25] The Bank of England was a relatively streamlined, carefully organized institution, in the vernacular sense. Its organization and its financial dominance within Britain allowed it to surmount the chaos faster—to create new institutions in the Northian sense of new rules—without opening the door to a broader political fracas. By contrast, in the United States, the absence of a central financial institution forced Americans to restore social order (to create new rules!) through politics. Over the following decade, the many American panics were consolidated, nationalized, and politicized, thereby eventually creating the event that became known in AP US History textbooks as the Panic of 1837. In fact, as perverse as it sounds, the political controversy over the Panic of 1837 in America actually became a nation-building event, in that it prompted Americans to shift attention toward domestic politics and away from their financial dependency on Great Britain. As Lepler writes, "blaming political leaders vindicated individuals but bestowed power to [American political] parties." The politics of the early republic and the antebellum period are often characterized as violent and chaotic, but Lepler's narrative reveals the ways in which they must also be understood as new forms of order (new institutions), constructed out of an almost willful blindness to America's dependence ono international finance.[26]

As the processes of political and financial reconstruction were unfolding, economically literate observers made the many panics of 1837 the subject of their "objective" economic analysis. They sought, first and foremost, to make the Panic of 1837 make sense—to identify the rules and principles according to which the Panic of 1837 could be classified. For example, John Horsley Palmer, a former governor of the Bank of England, more or less invented the idea of the business cycle ("quiescence… improvement… excitement… overtrading… convulsion… stagnation… distress…quiescence").[27] Friedrich Engels concluded in 1843 that the system of trade could not exist without periodic crisis, and that this unfortunate truth revealed deep societal ills that only revolution could cure.[28] Just as an international economic crisis allowed antebellum Americans to bolster their domestic institutions (e. g. their political parties), the quest to explain the puzzling Panic helped economists build their own "domestic" institution: their discipline, defined by its own intellectual rules.

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[25] Lepler, 172.
[26] Lepler 153, 183, 66, and quote on 212.
[27] Lepler, 236.
[28] Lepler, 237.

Throughout her narrative, Lepler almost never chooses to assign agency to institutions, even institutions in the vernacular sense of organizations created for a specific purpose. In keeping with her argument that the Panic of 1837 was really about people who panicked, she is careful to find the *people* who were responsible for institutions' decisions, and thereby uncovers the dissent, confusion, and politicking that underpinned institutional action. She takes great pains, for example, to show how the Bank of England's decision to provide emergency support to the "American houses" in danger of complete financial failure was the result of "two full days of debate" among its directors, who presumably held a variety of philosophical opinions, political positions, and financial commitments.[29] Even more elegantly described is the prolonged negotiation between Nicholas Biddle, head of the (Pennsylvania-chartered) Bank of the United States and a group of self-appointed leaders of the New York City mercantile committee, about whether the BUS would help New York banks circumvent a set of rules (here again rules!) that prevented them from taking more aggressive action against the impending crisis.[30] In this episode, Lepler shows how, exactly, individuals acted on behalf of their organizations. She shows how individuals mustered diverse political perspectives, knowledge resources, and financial resources in order to take institutional action; how people adapted old rules to suit new circumstances; and how people with enormous social and financial power acted within the constraints of their own circumstances. In short, she shows how people, embedded in certain economic positions and circumstances, take action. Seen in this light, *The Many Panics of 1837* is a book very much in alignment with the work presented at PEAES 2013.

But the agency of individuals or institutions (in the vernacular sense) themselves is not something that we can take for granted, as Lepler herself recognizes. The agency of individuals in the panic period is the subject of an entire chapter of her book—even something so seemingly straightforward as this has a history that requires unpacking. In Chapter 3, "Practical Economists," Lepler explains how a set of writings in a variety of genres in the 1830s worked to convince Americas that they held full responsibility for their own economic fates. Francis Wayland's *Elements of Political Economy*, published in January, 1837, argued that the responsibility for economic panics belonged to irresponsible individual borrowers as much as it

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[29] Lepler, 103.
[30] Lepler, 159-66.

did to the banks that lend too much money.[31] In a very different genre, Lydia Maria Child's guide to household economy insisted that households were responsible for keeping their economic affairs on a solid footing by avoiding personal extravagance.[32] Even religious leaders joined the conversation: one Unitarian pastor chided his parishioners for attempting to get rich too quickly, and urged them to "bear and forbear"'—to forgive or extend debts whenever possible.[33] All of these lessons fell by the wayside, however, as the Panic of 1837 grew. The Panic engulfed so many Americans so completely that it was obvious that the humble Unitarian churchgoers had done nothing to cause, and were entirely unequipped to end, their own distress. *The Many Panics of 1837* shows in a variety of ways that institutions were run by individuals, but it also shows that these very individuals were the products of (and often the victims of) broader rules, institutions, and systems. The "many panics" of 1837 were feelings that many different people experienced, but in the end it is misleading to describe the Panic entirely in terms of individual action. The Panic of 1837 is well-characterized as an event that a lot of people *experienced*, but it is far less clearly an event that a lot of people *did*.

The focus on the panic as a mood experienced by a certain group of people does short shrift to the full scale of the event in another, subtler, way. Lepler's strict definition of the panic, which makes perfect sense for the purposes of her historical analysis, has the collateral effect of removing the need for discussion of the financial devastation that followed the financiers' panic. American financial districts may have witnessed the occasional gruesome suicide, but the narrative arc of the "real" panic, as Lepler has defined it, must necessarily end when people of the financial world recovered their sense of equanimity—when Philip Hone's neighbors on Wall Street begin smiling again. Ultimately, people dusted themselves off and created new institutions (in the vernacular sense) as well as new rules. This is absolutely true. In fact, in some sense it is the resilience of Wall Street as an institution that is the real story, here—Wall Street was able to rewrite its own rules in a way that allowed it to survive. But a story so interested in peoples' lives could have given us more about the aftermath; it could have forced readers (if not the financiers of Lepler's own day) to hold a longer memory of the tangible consequences of the financiers' short-lived terror.

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[31] Lepler, 86-87.
[32] Lepler, 75-76.
[33] Lepler, 73.

In the end, then, *The Many Panics of 1837* spans the full breadth of the PEAES conversation on institutions. On the one hand, it emphasizes the importance of people as actors. It defines the Panic of 1837 as a period when people panicked, and it emphasizes their agency throughout the crisis. The book nonetheless acknowledges the degree to which individual humans were *not* the masters of their own destinies during the crisis, and argues that order was restored by the implementation of new rules (e. g. Wall Street's new precedent of suspending specie payments, the nationalization of the finance conversation, and the economists' conclusion that panics could be part of predictable cycles). *The Many Panics of 1837* demonstrates that the history of institutions, in both the literal and the more abstract sense, is alive and well in the subfields of American history going by the names of political economy, financial history, economy and society, and the history of capitalism. The careful examination of institutions is a particularly important project, in fact, for scholars confronting moments in which economic affairs seem to break all the known rules—moments including 1837, and also, of course, 2008.

III.

I return now to the issue with which I began: the two definitions of institution as I've recently encountered them in academic discourse. One of them, which in our minds still seems to belong to the (no longer really New) Institutional Economics, is a set of rules; the other, far more prosaically, is an organization designed by humans in order to carry out a specific purpose. Institutions, in the former sense, constrain action, while institutions in the latter sense are able to take action in their own right (e. g. the bank bailed out the merchant house; the Glasgow beef market opened at 9 AM). In other words, there is an agency gap between the two definitions of institution—and the question of institutional agency, of who acts, seems to me to be of critical importance to the economic-ish histories being written today. So what's actually going on here? Can institutions be actors and also systems? Can humans create and run institutions but also be at their mercy? Are members of the PEAES community in productive conversation with one another, or are the actor-loving majority and the rule-loving minority secretly at war? Can historians *have it all*?

Within the PEAES community I see little cause for, or need for, discord. I can't imagine anyone at this conference would disagree: *of course* institutions can be actors and also systems. *Of course* humans can create institutions and then fall victim to them. But it's nonetheless worth

considering where PEAES fits in relationship to other historical subfields and projects related to economic activity: particularly political economy, economic history, and the history of capitalism. Since Dael Norwood's paper addresses the first of these in detail, I will leave it aside. But I do believe that PEAES participants could make a stronger case for the significance of their work by playing up their underlying claims about the relationships between people and institutions a bit more explicit. In so doing, I do not think PEAES participants would make their work resemble economic history or the history of capitalism more closely—in fact, they would productively demonstrate their uniqueness.

I'm not sure it's worth making an effort to reclaim for the broad body of PEAES work the title of economic history, even though institutions provide a common point of interest for (at least some) PEAES-goers and economic historians working out of economics departments. The New Institutional Economics, generally speaking, uses the study of institutions to make the case—to economists—against neoclassical economic history. Its practitioners have certainly been successful in making their case, to the extent that more than twenty years ago, Richard Posner was able to declare that the New Institutional Economics was really "just economics."[34] But to the degree that the New Institutional Economics has become "just economics," it remains not-history, and thus it remains a foreign discourse to most historians, even those engaged in the study of economy and society. While I have been referred to, by some of my peers, as an economic historian, I feel fairly confident that I am not one of these. One of the reasons I know this is that last month, I was lucky enough to have a meeting with an actual economic historian, who uses archival sources to understand the history of American marine insurance companies in the long eighteenth century. Yet he asks very different kinds of questions than I do, and he answers these questions by assembling large data sets and by using certain types of mathematical models to analyze them. At the end of our meeting he said something like, "I never thought about insurance having anything to do with politics!" While our topics are very similar, our approaches and our fundamental concerns were obviously very different.

With this conversation in mind, I would contend that PEAES is important as an academic community precisely because it is *not* economic history, in the strict sense of a field that invents quantitative methods to answer the kinds of questions that can only be answered quantitatively. At a time when most economic history is done in economics departments using economic

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[34] Posner, "The New Institutional Economics."

methods, PEAES maintains that market life, the making and losing of individual fortunes, the activities of certain groups of people for economic gain and survival, and the creation of financial institutions are processes bound up with politics and culture. Emphasizing the role of institutions (in both senses) in this process can only make our work stronger—but I'm not convinced that we need to do this work in direct conversation with economists.

Work identifying itself as "the history of capitalism" has made a big splash recently, attracting media attention, luring undergraduates into classrooms, and drawing the attention of the field more broadly.[35] Institutions certainly figure in the history of capitalism as well: the logic of institutions is deeply embedded, for example, in Jonathan Levy's 2012 *Freaks of Fortune*. In Levy's vision, capitalism itself is an institution, in the broader and more theoretical sense of a set of rules, but it is a paradoxical institution, in that it is "an economic system that thrives off radical uncertainty."[36] Levy's story is bigger, and grimmer, than Lepler's. Lepler's *Many Panics* is a story of a period when rules cased to function, and the ending of that period through the imposition of new rules. By contrast, Levy's project is about the institution (sorry!) of a system of insecurity and crises, ruled by a new set of institutions that built themselves ever-bigger out of managing risk: life insurance companies, organized commodity exchanges, trusts, welfare-providing corporations. In other words, capitalism is the institution to end all institutions, constituted out of rules that both depend on and perpetuate their own periodic and unpredictable breakdown.

I would argue that the history of capitalism is not isomorphic with the PEAES project, partly because of so many PEAES projects' insistence on the agency and meaningful experience of humble groups of individuals (though some histories of capitalism do make efforts in this direction), and partly because the history of capitalism (to its benefit and detriment) speaks more directly to contemporary American political discourse. In most disciplines of the humanities, arguing against the existence of a self-regulating free market is preaching to the choir. The

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[35] Lou Galambos, professor in the Department of History and the Institute for Applied Economics, Global Health, and the Study of Business Enterprise at Johns Hopkins University recently published a keynote address to the 38th Annual Economic and Business History Society Conference in Baltimore, in which he asserts that the history of capitalism is nipping at the heels of his own history of business, and proposes that historians of business enterprise "rebrand" their courses as history of capitalism in order to respond to student demand for this latter (Lou Galambos, "Is This a Decisive Moment for the History of Business, Economic History, and the History of Capitalism?" *Essays in Economic and Business History*, Vol. XXXII, 2013.)

[36] Jonathan Levy, *Freaks of Fortune: The Emerging World of Capitalism and Risk in America* (Harvard University Press, 2012), 1.

history of capitalism, by contrast, is more energetically engaged in contemporary political conversations in which this free market logic is alive and well. It is also, however, limited by its insistence on this point. The history of "economy and society" does not carry the same powerful political charge, but for this very reason, it can be more capacious, more experimental, and more flexible. In PEAES work, as we have seen, institutions can be both agents and systems. Systems act on people and people also create systems. Perhaps more importantly, as the events of 1837 demonstrate, people throughout early American history have vacillated between understanding their own world as a world of individual (or organizational) action and understanding it as a world of system. I find this insight one of PEAES's most valuable contributions and I offer my gratitude to all of you for the way this body of work has educated and inspired me—still, I believe that plenty of PEAES work would seem even stronger if it addressed the relationship between system and actor more directly.

I feel the time-honored urge to conclude by positing an authoritatively updated definition of the term "institution" and by urging you to embrace it. But I am going to resist this urge. I would suggest only that those of you who are scholars and readers of history take a minute to reflect on your understanding of this term. Do you use it? If so, in which sense, and to what end? If not, why not? In your histories, do institutions constrain, or do they have agency? What are the rules of action, and who acts?