# ECONOMIC INSTITUTIONS COMPARED pdf

## 1: The IMF and the World Bank: How Do They Differ?

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Most people have only the vaguest idea of what these institutions do, and very few people indeed could, if pressed on the point, say why and how they differ. Even John Maynard Keynes, a founding father of the two institutions and considered by many the most brilliant economist of the twentieth century, admitted at the inaugural meeting of the International Monetary Fund that he was confused by the names: Confusion has reigned ever since. That there are two pillars rather than one is no accident. The international community was consciously trying to establish a division of labor in setting up the two agencies. Those who deal professionally with the IMF and Bank find them categorically distinct. To the rest of the world, the niceties of the division of labor are even more mysterious than are the activities of the two institutions. Similarities between them do little to resolve the confusion. Superficially the Bank and IMF exhibit many common characteristics. Both are in a sense owned and directed by the governments of member nations. In fact, virtually every country on earth is a member of both institutions. Both institutions concern themselves with economic issues and concentrate their efforts on broadening and strengthening the economies of their member nations. Staff members of both the Bank and IMF often appear at international conferences, speaking the same recondite language of the economics and development professions, or are reported in the media to be negotiating involved and somewhat mystifying programs of economic adjustment with ministers of finance or other government officials. The two institutions hold joint annual meetings, which the news media cover extensively. Both have headquarters in Washington, D. For many years both occupied the same building and even now, though located on opposite sides of a street very near the White House, they share a common library and other facilities, regularly exchange economic data, sometimes present joint seminars, daily hold informal meetings, and occasionally send out joint missions to member countries. Despite these and other similarities, however, the Bank and the IMF remain distinct. The fundamental difference is this: Each has a different purpose, a distinct structure, receives its funding from different sources, assists different categories of members, and strives to achieve distinct goals through methods peculiar to itself. Purposes At Bretton Woods the international community assigned to the World Bank the aims implied in its formal name, the International Bank for Reconstruction and Development IBRD , giving it primary responsibility for financing economic development. The World Bank has one central purpose: The international community assigned to the IMF a different purpose. In establishing the IMF, the world community was reacting to the unresolved financial problems instrumental in initiating and protracting the Great Depression of the s: Set up as a voluntary and cooperative institution, the IMF attracts to its membership nations that are prepared, in a spirit of enlightened self-interest, to relinquish some measure of national sovereignty by abjuring practices injurious to the economic well-being of their fellow member nations. The code is simple: To help nations abide by the code of conduct, the IMF administers a pool of money from which members can borrow when they are in trouble. The IMF is not, however, primarily a lending institution as is the Bank. Philosophically committed to the orderly and stable growth of the world economy, the IMF is an enemy of surprise. The IMF is convinced that a fundamental condition for international prosperity is an orderly monetary system that will encourage trade, create jobs, expand economic activity, and raise living standards throughout the world. By its constitution the IMF is required to oversee and maintain this system, no more and no less. Most of its staff members work at headquarters in Washington, D. Its professional staff members are for the most part economists and financial experts. The structure of the Bank is somewhat more complex. The World Bank itself comprises two major organizations: Moreover, associated with, but legally and financially separate from the World Bank are the International Finance Corporation, which mobilizes funding for private enterprises in developing countries, the International Center for Settlement of Investment Disputes, and the Multilateral Guarantee Agency. With over 7, staff members, the World Bank Group is about three times as large as the IMF, and maintains about 40 offices throughout the world, although 95 percent of its staff work at its Washington, D. The Bank employs a staff with an astonishing range of expertise: Source of Funding The World Bank is an investment bank, intermediating between investors and recipients, borrowing from the one and lending to the other. The IBRD obtains most of the funds it lends to finance development by market borrowing through the issue of bonds which carry an AAA rating because repayment is guaranteed by member governments to individuals and private institutions in more than countries. Its concessional loan associate, IDA, is largely financed by grants from donor nations. It also borrows money by selling bonds and notes directly to governments, their agencies, and central banks. The proceeds of these bond sales are lent in turn to developing countries at affordable rates of interest to help finance projects and policy reform programs that give promise of success. Each member contributes to this pool of resources a certain amount of money proportionate to its economic size and strength richer countries pay more, poorer less. While the Bank borrows and lends, the IMF is more like a credit union whose members have access to a common pool of resources the sum total of their individual contributions to assist them in times of need. Although under special and highly restrictive circumstances the IMF borrows from official entities but not from private markets , it relies principally on its quota subscriptions to finance its operations. The adequacy of these resources is reviewed every five years. Recipients of Funding Neither wealthy countries nor private individuals borrow from the World Bank, which lends only to creditworthy governments of developing nations. The poorer the country, the more favorable the conditions under which it can borrow from the Bank. Per capita GNP, a less formidable term than it sounds, is a measure of wealth, obtained by dividing the value of goods and services produced in a country during one year by the number of people in that country. These loans carry an interest rate slightly above the market rate at which the Bank itself borrows and must generally be repaid within years. IDA loans are interest free and have a maturity of 35 or 40 years. In contrast, all member nations, both wealthy and poor, have the right to financial assistance from the IMF. Maintaining an orderly and stable international monetary system requires all participants in that system to fulfill their financial obligations to other participants. These problems are no respecter of economic size or level of per capita GNP, with the result that over the years almost all members of the IMF, from the smallest developing country to the largest industrial country, have at one time or other had recourse to the IMF and received from it financial assistance to tide them over difficult periods. Money received from the IMF must normally be repaid within three to five years, and in no case later than ten years. The Bank views development as a long-term, integrated endeavor. During the first two decades of its existence, two thirds of the assistance provided by the Bank went to electric power and transportation projects. Although these so-called infrastructure projects remain important, the Bank has diversified its activities in recent years as it has gained experience with and acquired new insights into the development process. The Bank gives particular attention to projects that can directly benefit the poorest people in developing countries. The direct involvement of the poorest in economic activity is being promoted through lending for agriculture and rural development, small-scale enterprises, and urban development. The Bank is helping the poor to be more productive and to gain access to such necessities as safe water and waste-disposal facilities, health care, family-planning assistance, nutrition, education, and housing. Within infrastructure projects there have also been changes. In transportation projects, greater attention is given to constructing farm-to-market roads. Rather than concentrating exclusively on cities, power projects increasingly provide lighting and power for villages and small farms. Industrial projects place greater emphasis on creating jobs in small enterprises. Labor-intensive construction is used where practical. In addition to electric power, the Bank is supporting development of oil, gas, coal, fuelwood, and biomass as alternative sources of energy. The Bank provides most of its financial and technical assistance to developing countries by supporting specific projects. Although IBRD loans and IDA credits are made on different financial terms, the two institutions use the same standards in assessing the soundness of projects. The decision whether a project will receive IBRD or IDA financing depends on the economic condition of the country and not on the characteristics of the project. Its borrowing member countries also look to the Bank as a source of technical assistance. But the amount of Bank-financed technical assistance for free-standing loans and to prepare projects has also increased. The Bank serves as executing agency for technical assistance projects financed by the United Nations Development Program in agriculture and rural development, energy, and economic planning. In response to the economic climate in many of its member countries, the Bank is now emphasizing technical assistance for institutional development and macroeconomic policy formulation. Every project supported by the Bank is designed in close collaboration with national governments and local agencies, and often in cooperation with other multilateral assistance organizations. Indeed, about half of all Bank-assisted projects also receive cofinancing from official sources, that is, governments, multilateral financial institutions, and export-credit agencies that directly finance the procurement of goods and services, and from private sources, such as commercial banks. In making loans to developing countries, the Bank does not compete with other sources of finance. It assists only those projects for which the required capital is not available from other sources on reasonable terms. Through its work, the Bank seeks to strengthen the economies of borrowing nations so that they can graduate from reliance on Bank resources and meet their financial needs, on terms they can afford directly from conventional sources of capital. These analyses help in formulating an appropriate long-term development assistance strategy for the economy. Of the 34 very poor countries that borrowed money from IDA during the earliest years, more than two dozen have made enough progress for them no longer to need IDA money, leaving that money available to other countries that joined the Bank more recently. Similarly, about 20 countries that formerly borrowed money from the IBRD no longer have to do so. An outstanding example is Japan. For a period of 14 years, it borrowed from the IBRD. During the first phase, ending in , the IMF oversaw the adoption of general convertibility among the major currencies, supervised a system of fixed exchange rates tied to the value of gold, and provided short-term financing to countries in need of a quick infusion of foreign exchange to keep their currencies at par value or to adjust to changing economic circumstances. Difficulties encountered in maintaining a system of fixed exchange rates gave rise to unstable monetary and financial conditions throughout the world and led the international community to reconsider how the IMF could most effectively function in a regime of flexible exchange rates. These functions are three. First, the IMF continues to urge its members to allow their national currencies to be exchanged without restriction for the currencies of other member countries. As of May , members had agreed to full convertibility of their national currencies. This supervision provides opportunities for an early warning of any exchange rate or balance of payments problem. It confers at regular intervals usually once a year with its members, analyzing their economic positions and apprising them of actual or potential problems arising from their policies, and keeps the entire membership informed of these developments. Third, the IMF continues to provide short- and medium-term financial assistance to member nations that run into temporary balance of payments difficulties. How in practice does the IMF assist its members? Foreign payments should be in rough balance: If this happens, the member country may, by virtue of the Articles of Agreement, apply to the IMF for assistance. To illustrate, let us take the example of a small country whose economy is based on agriculture. For convenience in trade, the government of such a country generally pegs the domestic currency to a convertible currency: Unless the exchange rate is adjusted from time to time to take account of changes in relative prices, the domestic currency will tend to become overvalued, with an exchange rate, say, of one unit of domestic currency to one U. Governments, however, often succumb to the temptation to tolerate overvaluation, because an overvalued currency makes imports cheaper than they would be if the currency were correctly priced.

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## 2: Institutional economics - Wikipedia

*Assessing the role of political institutions in economic performance is not an easy task. Long-standing, deep-rooted political and social challenges have shaped each national institution and.*

Sparta went through mostly war based for thier education, ButAthenians had a good education in music, art, and reading Share to: How do you compare Athens and Sparta? The best way to begin comparing Athens and Sparta is to know as much as possible about the history and culture of each -- for starters look both up on Wikipedia anâ€¦d go to the included links. One of his pair of "parallel lives" concerned the founding "lawgivers" of Sparta Lycurgus and Athens Solon. It is worth noting as you begin to study the similarities and differences between the two cultures that most of the earliest writing on the subject is by Athenians, as Athens was by far the more literate and cosmopolitan of the two societies. It is important to note that the two societies were both Greek city states and had a great deal in common, including a common "larger" culture that included a shared set of historical and mythical beliefs, religious and ethical beliefs, etc. While Sparta is usually considered the more "warlike" society, both city states were usually in a state of constant war with one or more of their neighbors or enemies farther afield -- this was not just an accident of the political climate, as active participation in war was considered the defining aspect of manhood in both societies. In other words if there had been no wars arising out of natural conflict over territory and resources, they would have had to start one Likewise, though Plutarch, among others, looks askance at Spartans for their supposedly brutal treatment of their ethnically distinct serfs, the Helots, both societies were aristocratic slaveholding societies -- the "citizens" we know and learn about in general constituted the upper classes. The democracy in Athens was just for citizens and they did not constitute a majority of the population. While Sparta is not considered a democracy, its small elite aristocracy were trained from birth in an ethos not unlike that of our modern military academies, so, while organized on authoritarian lines, the society counted on the active support and participation of its citizens and thus required much the same level of consensus and "consent of the governed" as would be found in a more traditional "democracy. It is a school. It is in Taney county. What is the political system of Athens and Sparta? Athens was a bunch of panzies. While they did kill people, they also were the first directdemocracy. Athens however was the origins of Democracy. In Athens though theypractised Direct Democracy, which is the citizens of Athens goingand voting on particular issues themselves instead of having MPs,or Senators doing it for them. They could be differentiated by their government, ways of education, and population. Compare Sparta to Athens? Spartans were better that Athens! Actually, Sparta had a better army; the best army in Greece, and Spartan women enjoyed a higher status than women in Atheâ€¦ns. Otherwise, it was generally better to be an Athenian, although they were far from perfect too. Sparta had an Oligarchy and gave more power to woman, while Athens had a Democracy. What political social economic and religious institutions emerged? During this time period, people were becoming more stable. Farmers were now growing more food than they could eat them selves, which led to some people being able to quit â€¦farming, still have a steady food suply, and work on something they were skilled at art, costruction, etc. This led to a group of people working as a group, so each people cause work in their specialty while some people continued to supply food. These different jobs created a social class, as some peoples job was more in demand. Politicaly, since societies were more stable, there could be leaders who told people what do and make sure everyone was under control. Athens, but it is a matter of opinion Share to:

## 3: Economic Policy Institute | Research and Ideas for Shared Prosperity

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Thorstein Veblen â€” wrote his first and most influential book while he was at the University of Chicago , on The Theory of the Leisure Class The concept of conspicuous consumption was in direct contradiction to the neoclassical view that capitalism was efficient. In The Theory of Business Enterprise Veblen distinguished the motivations of industrial production for people to use things from business motivations that used, or misused, industrial infrastructure for profit, arguing that the former is often hindered because businesses pursue the latter. Output and technological advance are restricted by business practices and the creation of monopolies. Businesses protect their existing capital investments and employ excessive credit, leading to depressions and increasing military expenditure and war through business control of political power. These two books, focusing on criticism first of consumerism , and second of profiteering, did not advocate change. Thorstein Veblen wrote in an article entitled "Why is Economics Not an Evolutionary Science" [8] and he became the precursor of current evolutionary economics. Commons[ edit ] Main article: Commons â€” also came from mid-Western America. Underlying his ideas, consolidated in Institutional Economics was the concept that the economy is a web of relationships between people with diverging interests. There are monopolies, large corporations, labour disputes and fluctuating business cycles. They do however have an interest in resolving these disputes. Commons thought that government should be the mediator between the conflicting groups. Commons himself devoted much of his time to advisory and mediation work on government boards and industrial commissions. Wesley Mitchell Wesley Clair Mitchell â€” was an American economist known for his empirical work on business cycles and for guiding the National Bureau of Economic Research in its first decades. Laughlin and philosopher John Dewey. Clarence Edwin Ayres Clarence Ayres â€” was the principal thinker of what some have called the Texas school of institutional economics. Ayres developed on the ideas of Thorstein Veblen with a dichotomy of "technology" and "institutions" to separate the inventive from the inherited aspects of economic structures. He claimed that technology was always one step ahead of the socio-cultural institutions. It can be argued that Ayres was not an "institutionalist" in any normal sense of the term, since he identified institutions with sentiments and superstition and in consequence institutions only played a kind of residual role in this theory of development which core center was that of technology. Ayres was under strong influence of Hegel and institutions for Ayres had the same function as "Schein" with the connotation of deception, and illusion for Hegel. Berle â€” was one of the first authors to combine legal and economic analysis, and his work stands as a founding pillar of thought in modern corporate governance. Like Keynes, Berle was at the Paris Peace Conference, , but subsequently resigned from his diplomatic job dissatisfied with the Versailles Treaty terms. In his book with Gardiner C. Means , The Modern Corporation and Private Property , he detailed the evolution in the contemporary economy of big business, and argued that those who controlled big firms should be better held to account. Directors of companies are held to account to the shareholders of companies, or not, by the rules found in company law statutes. This might include rights to elect and fire the management, require for regular general meetings, accounting standards, and so on. In s America, the typical company laws e. Berle argued that the unaccountable directors of companies were therefore apt to funnel the fruits of enterprise profits into their own pockets, as well as manage in their own interests. The ability to do this was supported by the fact that the majority of shareholders in big public companies were single individuals, with scant means of communication, in short, divided and conquered. In , Berle and Means issued a revised edition of their work, in which the preface added a new dimension. It was not only the separation of controllers of companies from the owners as shareholders at stake. They posed the question of what the corporate structure was really meant to achieve. They are beneficiaries by position only. Justification for their inheritance Its force exists only in direct ratio to the number of individuals who hold such wealth. Although he wrote later, and was more developed than the earlier institutional economists, Galbraith was critical of orthodox economics throughout the late twentieth century. In The Affluent Society ,

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Galbraith argues voters reaching a certain material wealth begin to vote against the common good. He uses the term " conventional wisdom " to refer to the orthodox ideas that underpin the resulting conservative consensus. Big businesses set their own terms in the marketplace, and use their combined resources for advertising programmes to support demand for their own products. As a result, individual preferences actually reflect the preferences of entrenched corporations, a "dependence effect", and the economy as a whole is geared to irrational goals. This hierarchy is self-serving, profits are no longer the prime motivator, and even managers are not in control. Because they are the new planners, corporations detest risk, requiring steady economic and stable markets. They recruit governments to serve their interests with fiscal and monetary policy. While the goals of an affluent society and complicit government serve the irrational technostructure, public space is simultaneously impoverished. Galbraith paints the picture of stepping from penthouse villas on to unpaved streets, from landscaped gardens to unkempt public parks. In Economics and the Public Purpose Galbraith advocates a "new socialism" social democracy as the solution, with nationalization of military production and public services such as health care , plus disciplined salary and price controls to reduce inequality and hamper inflation. New institutional economics[ edit ] With the new developments in the economic theory of organizations, information , property rights, [12] and transaction costs , [13] an attempt was made to integrate institutionalism into more recent developments in mainstream economics , under the title new institutional economics. Emphatically, traditional institutionalism is in many ways a response to the current economic orthodoxy; its reintroduction in the form of institutionalist political economy is thus an explicit challenge to neoclassical economics , since it is based on the fundamental premise that neoclassicists oppose: Institutionalism today[ edit ] The earlier approach was a central element in American economics in the interwar years after , but was marginalized relative to mainstream economics in the postwar period with the ascendence of neoclassical and Keynesian approaches. And as a consequence the elusive meaning of the concept of "institution" has resulted in a bewildering and never-ending dispute about which scholars are "institutionalists" or notâ€”and a similar confusion about what is supposed to be the core of the theory. In other words, institutional economics has become so popular because it means all things to all people, which in the end of the day is the meaning of nothing. Institutions were almost a kind of "anti-stuff"; their key concern was on technology and not on institutions.

## 4: How did the political social and economic institutions of Athens and Sparta compare around BCE

*Athens became a democracy, with its Assembly (every citizen (at least 6,)could go there and approve or reject the proposals made by the Council (chosen for a year, appr. members).*

## 5: Institutions of the European Union - Wikipedia

*The function of an economic institution in society is to enhance development and financial security through the provision of financial services. An economic institution may provide business inventory financing and indirect consumer loans. It may educate society about how to make sound financial.*

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*Proceedings 2002 First International IEEE Symposium Intelligent Systems V. 2. Physiological mechanisms. 2 v. Wanting what you have Renewed on the run 3 Political Power Psychosocial disorders Susan A. Fontana, Carol Gemberling Learning can be fun Beethoven in Bonn and in Vienna. Macroeconomic management programs and policies The Moduli Space of N=1 Superspheres With Tubes and the Sewing Operation Software Package in Support of Astm Standard Practice for Environmental Site Assessments American Jewish liturgies Wayward wizard by Mary Kay McComas. Selected publications index, 1963-1977 Css mastery 3rd edition The shroud short story Federal Acquisition Reform Act of 1995 Indian paper money guide book 2014 Section II. Program Turbines, generators and auxiliaries The central role of student learning Dont go overseas until youve read this book Simeon panda mass gain extreme Cuba and Porto Rico, with the other islands of the West Indies Introduction to ordinary differential equations lecture notes filetype Critical media studies an introduction Theoretical computer science. 3rd GI Conference. Darmstadt, March 1977 Deep learning with tensorflow Sweet snappy cherry drinks My lady my lord katharine ashe A theology of the New Testament. Wind of the White Dresses Introduction : changing times and generations Repairing your outdoor power equipment The health risks of genetically modified foods are being ignored Jeffrey M. Smith Medieval Tailors Assistant Nothin nice Carpetbag The little girl who could see Death Large animal clinical procedures for veterinary technicians V. 4. The Duchess of Berry and the court of Louis xviii.*