

Review of
the 2007 Integrated Policy Exercise:
“Special Meeting of the International Community on
the Reform of the International Monetary Fund and
the World Bank”

Submitted by
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INTRODUCTION

Each year, students in the University of Michigan's Gerald R. Ford School of Public Policy's Master's degree program participate in a week-long policy simulation. The "Integrated Policy Exercise" or IPE provides students with a unique opportunity to study current policy issues from the perspective of a particular stakeholder or policy actor in an intensive, time pressured setting. Student teams conduct research about a set of policy alternatives, learn about the interests of their assigned roles, evaluate each alternative from their assigned roles' perspectives, engage in negotiation and coalition formation with other student teams, and arrive at final policy recommendations.

The Master in Public Policy program at the Ford School is two year program that attracts students from around the world with various educational and professional backgrounds. The IPE provides an opportunity for first and second year students to work together and apply their policy skills in a "real" world setting. While some students may have expert-level experience with the topic, most students have had limited exposure. Students use this as an opportunity to exchange knowledge and expertise with their classmates. The IPE in January 2007 focused on Reform of the Bretton Woods Institutions. This policy brief evaluates the outcomes of the IPE and how analogous the simulation outcomes were to reform activities that occur at the World Bank and International Monetary Fund meetings.

BACKGROUND ON THE 2007 INTEGRATED POLICY EXERCISE

Overview

The forum for the 2007 Integrated Policy Exercise was a “Special Meeting of the International Community on Reform of the International Monetary Fund and the World Bank.” Student participants were charged with creating a resolution that fundamentally improved the way the IMF and World Bank operate. Specifically, the “Special Meeting of the International Community” focused on issues related to the institutions’ governance and missions. Due to the complex and interconnected nature of the reform issues and the limited time for the exercise students were asked to focus on specific issues (see Chart 1 for breakdown of issues).

Chart 1: Issues for the Special Meeting		
	Mission	Governance
Main Issues	<ul style="list-style-type: none">• Defining boundaries of WB and IMF missions• IMF’s crisis lending• WB’s loans vs. grants	<ul style="list-style-type: none">• Quota System• Voting Power
Supplementary Issues	<ul style="list-style-type: none">• Debt forgiveness• Conditionality• Project evaluation	<ul style="list-style-type: none">• Procedures to appoint IMF Managing Director and WB President

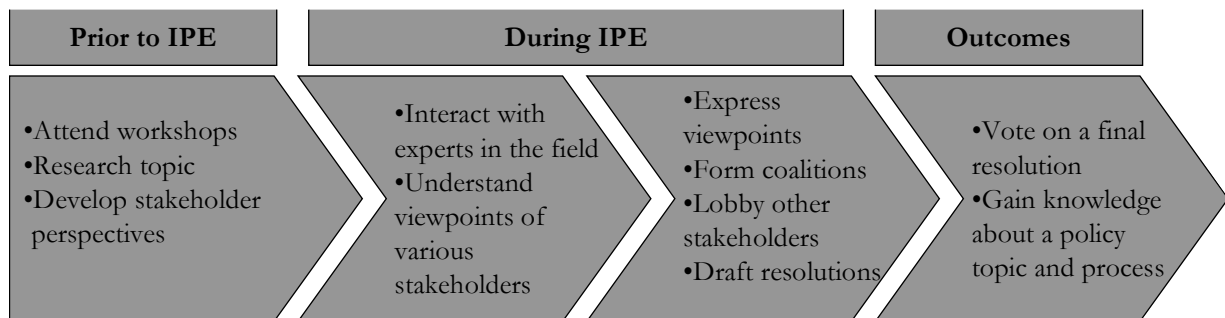
Students were assigned to roles as Secretariat members, IMF Managing Director, World Bank President, Board of Governors of the IMF, Board of Governors of the World Bank, Civil Society Organizations, and the News Media (see Appendix A for Stakeholder Descriptions). These stakeholder groups reflected the myriad interests impacted by the activities of the World Bank and IMF. Student participants evaluated reform resolutions put forth by IMF and World Bank leadership from the perspectives of their assigned roles

and ultimately, participants voted on a Final Resolution that amended the Articles of Agreement of the World Bank and the IMF (See Appendix B for Final Resolution).

Process

In order for the simulation to be effective, students began to prepare a couple of months in advance and were also given the opportunity to gain knowledge from experts in the field. The process is outlined in diagram 1 and further described below.

Diagram 1: The IPE Process



Prior to the simulation students participated in workshops to increase their level of knowledge about the Bretton Woods Institutions. In addition, students were given background reading and conducted their own research to familiarize themselves with the issues and their stakeholder’s perspectives.

The three-day simulation reflected the activities of an IMF and World Bank meeting with some additions made to enhance the students’ educational experience. During the simulation students heard from and interacted with various experts in the field including Allan Meltzer, Jeffrey Sachs, Joseph Stiglitz, Manish Bapna, Guy Pfeffermann, and Stanley Fischer (See Appendix C for Expert Biographies). These experts provided

different viewpoints and some participated in a lively debate that helped students understand the complexity and nuances of the different issues at hand.

The student portion of the simulation began with the Managing Director of the IMF and the President of World Bank presenting their positions on the issues followed by remarks from countries and coalitions. There was also a town hall meeting during which CSOs were allowed to ask the IMF Managing Director and the World Bank Presidents questions in an open forum. When formal sessions were not taking place stakeholders used their time to lobby, form coalitions, and draft resolutions.

One major difference from IMF and World Bank meetings was that every participant including the Civil Society Organizations, the IMF Managing Director, and World Bank President was given voting power. This was to keep students engaged throughout the process and also reflect the potential influence these groups have. The CSOs, the IMF Managing Director, and World Bank President could not vote directly on a topic; instead they were provided voting vouchers that could be distributed to countries to increase the voting percentage of a country. As a result country representatives incorporated the viewpoints of these stakeholders in the draft resolutions. For educational purposes, we also eliminated the US' veto power. This in turn ensured that all student teams practiced different skills during the simulation such as lobbying and negotiating.

Each country or coalition was responsible for submitting a draft final resolution to the Secretariat. The Secretariat then combined the different draft resolutions to create one Final Resolution to be debated and voted upon.

OUTCOMES

Coalitions

Coalitions formed even before countries voiced their perspectives. The four main coalitions were based on economic and cultural commonality: the wealthy donor countries, the European countries, the emerging economy countries, and the Islamic countries. There was some shifting of country alliances once countries and coalitions began to give speeches and draft resolutions, but most countries remained within their original coalitions. By the end the wealthy donor country coalition did hold the majority of votes, which enabled them to exert influence over the Secretariat when the Final Resolution was being drafted. The result was a resolution that mainly reflected the views of the wealthy donor countries. There were efforts made by the IMF and World Bank leadership to create a resolution that encompassed viewpoints of different coalitions, but in the end the Secretariat drafted a resolution they were confident would pass. This was one aspect of the simulation that created the most frustration among students. Although the Secretariat did not have voting power, if you were unable to convince them that your resolution or amendment would have majority support, they would not consider it.

Prominent Issues

Issues were grouped into three main areas in the final resolution. (1) The mission related issues, which were easy to define and debate; students came to consensus quickly on these issues. (2) The governance issues especially related to quota system and voting power were more controversial and in a limited time period harder to get into detail. (3) Issues related to debt, loan forgiveness, conditionality, and transparency were grouped under operations. There was more variance on the importance of these issues and the degree of change proposed in resolutions.

Mission: The different coalitions agreed on what reforms needed to be made to prevent further mission creep. There was a general call for re-focusing the missions of both institutions and working towards the elimination of overlap, specifically by withdrawing the IMF from poverty alleviation and focusing it on short-term macroeconomic stability. The primary current area of cross-over is the PRGF, which the resolution explicitly sunsets. The changes called for in the resolution are fairly straightforward and could be implemented. Potential controversy could arise around the politics of aligning programs with the mission and eliminating programs that do not align with the mission.

Governance: The decision to double country votes is in line with current debates at the World Bank and IMF. The Final Resolution did not, however, resolve how to develop the new voting share formula. There was a lot of debate about this issue which reflected the general power struggle within the institutions. Due to time constraints and students limited knowledge about the issue they were unable to develop a formula. They called

for the formula to take into consideration nominal GDP and financial contribution, but these recommendations were not significant enough to make a large impact on the current voting formula. In the simulation, the US and Europe agreed to open the process of selecting the World Bank President and IMF Managing Director positions. They were more willing to relinquish this power than lose voting share and they viewed opening up the process as their compromise. It will be interesting to see whether the US and the EU would really give up these positions and what they would want in return for sharing this power.

Operations: Several issues were included in the final section of the Resolution: conditionality; surveillance; transparency; corruption; loans, grants, and debt forgiveness; collective action clauses; and civil society organizations. These issues proved to be controversial because there was no consensus on the order of importance of these issues or the degree of reform. On conditionality there were four different proposals. The wealthy donor nations supported continuing conditionality and the European countries proposed limited conditionality. The emerging market countries proposed performance-based conditionality, while the Islamic coalition proposed project-based conditionality. When there was little to no consensus on an issue, then the countries with the most voting power prevailed; the wealthy donor countries supported the status quo and that is reflected in this portion of the resolution. The clauses on surveillance and corruption also asked the IMF and World Bank to continue to do more of what they are already doing. The other problem that occurred when there was little consensus can be seen with the provisions on transparency, collective action clauses, and CSOs. These provisions call

for establishment of new committees and activities with very little guidance on their nature, structure, and power. The vagueness of these clauses will make it impossible for countries to agree upon the intent and ultimately the implementation of these activities.

Even with the time and experience constraints, the students were able to identify the key issues and accurately debate their country viewpoints. The constraints did, however, prevent them from coming up with an entire resolution that could be implemented. While some of this is due to their experience level, it also speaks to the process. People have been demanding reform of the IMF and World Bank for years, but as this process illustrates, change cannot happen quickly. As long as countries continue to disagree the most powerful nations will come out on top. In this case that resulted in several of the most controversial topics remaining unaddressed, unresolved, or unchanged.

MOVING FORWARD

The world has changed significantly since the creation of the IMF and World Bank.

While the institutions have evolved over time, there is still much disagreement on what their role should be in the international policy environment. The IMF and World Bank leadership realize change is necessary in order to gain back confidence that they are losing in the international arena. The main question that arises is how much are they willing to reform? Is the leadership of the institutions willing to re-focus their missions as a step towards change? Will they be able develop a new voting formula that reflects the shifting balance of power or will they create a formula that ensures the power still remains with the world's wealthiest nations? How will they manage the conflicting

interests of the developed and developing nations? This is an important time in the history of the IMF and World Bank. Everyone, not just students at the Gerald R. Ford School of Public Policy, are waiting to see what reforms they choose to implement.

PARTICIPANTS AND STAKEHOLDERS

Seven different policy actors were represented at the Meeting. Each student was assigned to represent an actor in one of the following categories:

Secretariat: Ten “international diplomats” were selected to preside over plenary sessions of the Meeting. They were responsible for creating the environment in which a meaningful discussion of the World Bank and IMF reform could take place and to ensure passage of a successful resolution by presiding over plenary sessions and voting.

IMF Managing Director: Two students acted as co-Managing Directors and advocated for policies that are in the best interest of the IMF.

World Bank President: Two students acted as co-Presidents and advocated for policies that are in the best interest of the World Bank.

IMF Board of Governors: There were 45 countries present with 1-2 representatives depending on the voting power of the country. They represented the interests of their countries when debating IMF reform and voting on the final resolution.

World Bank Board of Governors: There were 45 countries present with 1-2 representatives depending on the voting power of the country. They represented the interests of their countries when debating World Bank reform and voting on the final resolution.

Civil Society Organizations (CSOs): Twelve accredited CSOs we invited to attend the Special Meeting. Each has three student representatives who advocated for policies that represent their organization’s point of view.

News Media: Three News teams reported on the events that occur during the Special Meeting and influenced and shaped the debate of the Special Meeting by asking tough questions, reporting on country interactions, and providing commentary in its Opinion and Editorial positions. Document the Meeting proceedings for their public audience.

**Special Meeting of the International Community on Reform of the
International Monetary Fund & The World Bank
January 2007**

Final Resolution

The International Community,

Recalling the Articles of Agreement, which seek to safeguard the world economy and promote economic growth, we reaffirm the commitment of the international community to the Bretton Woods institutions;

Recognizing the evolution of the world economy and the dynamic economic environment in which member countries operate, and recognizing the continued need for the global public goods these institutions were created to provide, we seek to reform these bodies to meet the challenges of today's global economy;

Welcoming the calls from member countries, civil society, and the international community for a more effective approach to the challenges of the global economy;

Reaffirming the world's commitment to the elimination of poverty, the protection of the environment, and the creation of a sustainable planet embodied by the Millennium Development Goals,

Mission

- I. Calls on the International Monetary Fund (IMF) to refocus its lending on short-term financial assistance and promote global macroeconomic stability.
- II. Calls on the World Bank to refocus its activities on long-term development assistance.
- III. Calls for increased coordination and cooperation between the IMF and the World Bank in order to ensure greater policy coherence and to minimize duplication of efforts.
- IV. Calls on the IMF and the World Bank to coordinate efforts toward poverty reduction and achievement of the Millennium Development Goals through the continuation of the PRGF with a sunset clause provision.

Governance

- I. **Basic Votes** - Calls on the IMF & World Bank to double the basic vote to amplify the voice of underrepresented countries around the world.
- II. **Quotas** - Requests the development of a new voting share formula, based on nominal GDP and ability to contribute financially, to determine quotas and voting shares to more accurately represent countries' relative position in the global economy.

- III. **Presidency** – Calls on the IMF and World Bank to open the candidacy of the leadership to qualified individuals nominated by their government from all member countries and to make the selection process transparent. Voting procedures will comply with the above mentioned proposals on basic votes and quotas.

Operations

- I. **Conditionality** – Endorses the principal of limited conditionality in the World Bank utilizing performance-based measures as a means of ensuring the effective use of loans and grants without undermining national sovereignty. Reaffirms the need within the IMF to base loans on sound macroeconomic principals, given the needs and economic conditions of the borrowing country. Calls on the World Bank to reaffirm its commitment to social and environmental standards tied to loan and grant agreements. World Bank and IMF program approval and funding should be built upon strengthened outcome-based performance measures—principally those described by the Millennium Development Goals thereby ensuring consistency with internationally agreed upon environmental, human rights, public health, and labor standards.
- II. **Surveillance** - Calls on the IMF to increase macroeconomic and financial surveillance at the national, regional, and international levels. Calls on the World Bank to monitor the use of funds in recipient countries through borrowers/grantee oversight mechanisms, assessment tools, and strategies that provide incentives that reward progress and achievement for anti-corruption outcomes.
- III. **Transparency** - Endorses the establishment of an independent commission to oversee the internal policies and actions of the IMF and World Bank, to ensure continued accountability, and to prevent corruption.
- IV. **Corruption** – Calls on the World Bank to design projects that are not conducive to corruption or where corruption cannot benefit from these projects, instead of stopping funding to countries where corruption exists.
- V. **Loans, Grants, & Debt Forgiveness** - Reaffirms the commitment by the IMF and the World Bank to forgiveness of pre-existing debt under the enhanced HIPC and MDRI programs (which are simplified and streamlined mechanisms for the debt forgiveness process). Calls on the World Bank to fund programs for highly indebted and least developed countries by way of a graduated grant to loan program with the most highly indebted receiving 100% grant assistance. Recommends this scale be based on countries' economic capacities and be commensurate with an increase in World Bank funding to maintain current assistance levels.

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- VI. **Collective Action Clauses (CACs)** - Calls on the IMF to promote CACs within the international financial system.

- VII. **Civil Society Organizations (CSOs)** – Requests the development of mechanisms to include the voices of registered CSOs in the IMF and World Bank, providing them the opportunity to testify at deliberations and collaborate in development and evaluation of programs.

SPEAKER BIOGRAPHIES

Manish Bapna, Executive Director, Bank Information Center

Manish Bapna is the Executive Director of the Bank Information Center -- a dynamic, nonprofit organization based in Washington DC. Manish became BIC's Executive Director in 2003 and brings a rare mix of nonprofit, multilateral, and private sector experiences to this position. Prior to BIC, Manish served as a Senior Economist and task team leader at the World Bank in the rural development and environment departments. He led multidisciplinary teams overseeing projects and research on natural resources, agriculture, and local institutions in South and East Asia and Latin America. He is the author or co-author of over a dozen reports and other publications during his seven-year tenure at the World Bank. Manish previously consulted with development NGOs including Seva Mandir (India) and Women's World Banking (USA), and helped establish the Swaraj Foundation - an institute dedicated to promoting new thinking on human learning and empowerment. In an earlier incarnation, Manish worked as a strategy consultant with McKinsey & Company where he provided management advice in the financial services and technology industries. Manish received an MBA with distinction and an MPA (political and economic development) from Harvard University and a SB from MIT.

Stanley Fischer, Governor Bank of Israel

Prof. Stanley Fischer has been Governor of the Bank of Israel since May 2005. Prior to joining the Bank of Israel, Prof. Fischer was Vice Chairman of Citigroup from February 2002 through April 2005, where he was also Head of the Public Sector Group from February 2004 to April 2005, Chairman of the Country Risk Committee, and President of Citigroup International. Prof. Fischer was the First Deputy Managing Director of the International Monetary Fund, from September 1994 until the end of August 2001.

Before he joined the IMF, Prof. Fischer was the Killian Professor and Head of the Department of Economics at MIT (Massachusetts Institute of Technology). From January 1988 to August 1990 he was Vice President, Development Economics and Chief Economist at the World Bank.

Prof. Fischer was born in Zambia in 1943. He took the B.Sc (Econ) and M.Sc. (Econ) at the London School of Economics from 1962-66, and obtained his Ph.D. in economics at MIT in 1969. He was Assistant Professor of Economics at the University of Chicago until 1973, when he returned to the MIT Department of Economics as an Associate Professor. He became Professor of Economics in 1977. He has held visiting positions at the Hebrew University, Jerusalem, and at the Hoover Institution at Stanford.

Prof. Fischer is the author of *Macroeconomics* (with Rudi Dornbusch and Richard Startz, 9th edition, 2004). He is also the author of *Lectures in Macroeconomics* (MIT Press, 1989, with Olivier Blanchard), *Economics* (second edition, McGraw Hill, 1988, with Rudiger Dornbusch and Richard Schmalensee), *IMF Essays From a Time of Crisis* (MIT Press, 2004) and *Indexing, Inflation, and Economic Policy* (MIT Press, 1986) and the editor of other books, among them *Securing Peace in the Middle East* (MIT Press, 1994). From 1986 to 1994 he was editor of the *NBER Macroeconomics Annual*; he has also served as Associate Editor of other economics journals. He has published extensively in professional journals.

Prof. Fischer is a Fellow of the Econometric Society and the American Academy of Arts and Sciences, a member of the Council on Foreign Relations, the G-30, and the Trilateral Commission, a Guggenheim Fellow, and a Research Associate of the National Bureau of

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Economic Research. He has served on the Boards of the Institute for International Economics, Women's World Banking and the International Crisis Group, as well as the International Advisory Board of the New Economic School, Moscow.

Allan H. Meltzer, The Allan H. Meltzer University Professor of Political Economy at the Tepper School of Business, Carnegie Mellon University

Professor of political economy at Carnegie Mellon since 1957, Allan Meltzer has authored more than 300 academic studies as well as the much-lauded book, "A History of the Federal Reserve, Volume 1." He has frequently contributed to The Wall Street Journal, Financial Times and Los Angeles Times. Meltzer has been a visiting scholar at the American Enterprise Institute since 1989 and was elected as a distinguished fellow to the American Economic Association in 2002. He served as policy advisor for multiple U.S. government administrations, including President John F. Kennedy's, and was a member of President Ronald Reagan's Council of Economic Advisors from 1988-1989. Most recently, Meltzer was one of 15 economists called upon by President George W. Bush for advice regarding his new economic growth package.

Meltzer is a co-founder and former co-chair of the Shadow Open Market Committee. He was the chairman of the International Financial Institution Advisory Commission (also known as the Meltzer Commission) of the U.S. government. He has served as adviser to central banks and governments and was honorary adviser to the Bank of Japan from 1986 to 2002.

Professor Meltzer has won many awards including the first-ever Irving Kristol Award from the American Enterprise Institute, Western Pennsylvania History Maker, Pittsburgh's Man of the Year in Finance, Money Marketeer's Lifetime Achievement Award and the Distinguished Professional Achievement Award from UCLA. Meltzer's research interests include the history of U.S. monetary policy, the size of government, macroeconomics and international financial reform.

Guy Pfeffermann, CEO of Management Education and Research Consortium (M.E.R.C)

Guy Pfeffermann is CEO of M.E.R.C., the Management Education and Research Consortium (www.mercnetwork.org), a nonprofit organization dedicated to strengthening management education in low-income countries. From 1988 to 2003 he was Chief Economist of the International Finance Corporation, the World Bank's private sector arm. Between 2003 and 2006, Mr. Pfeffermann set up a global network of leading business schools (GBSN) who are lending their support to institutional capacity-building of management schools in low-income countries. M.E.R.C. harnesses that network in support of its programs. Guy Pfeffermann taught as an adjunct professor at the Johns Hopkins University School of Advanced International Studies (2000 to 2003). He has degrees from the universities of Paris and Oxford. Many of his writings can be found by doing a Google search on his name or searching www.theglobalist.com. He co-authored with Gary Fields "Pathways out of Poverty – Private Firms and Economic Mobility in Developing Countries", Kluwer, 2003. He is also the author of "Industrial Labor in the Republic of Senegal", Praeger, 1968. Some of his thoughts about nearly 40 years at the World Bank are published. See also *The World Bank and Wealth-Creation – A Personal Experience* in "Streben nach Wertschöpfung, Henri B. Meier, Die Festschrift", Schwabe A.G. Verlag, Basel, 2006, pp. 34-45. He is a Board Member of the Global Giving Foundation, Washington DC.

Professor Jeffrey D. Sachs, Director, The Earth Institute at Columbia University and Director, The UN Millennium Project

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Jeffrey D. Sachs is the Director of The Earth Institute, Quetelet Professor of Sustainable Development, and Professor of Health Policy and Management at Columbia University. He is also Director of the UN Millennium Project and Special Advisor to United Nations Secretary-General Kofi Annan on the Millennium Development Goals, the internationally agreed goals to reduce extreme poverty, disease, and hunger by the year 2015. Sachs is also President and Co-Founder of Millennium Promise Alliance, a nonprofit organization aimed at ending extreme global poverty. He is widely considered to be the leading international economic advisor of his generation. For more than 20 years Professor Sachs has been in the forefront of the challenges of economic development, poverty alleviation, and enlightened globalization, promoting policies to help all parts of the world to benefit from expanding economic opportunities and wellbeing. He is also one of the leading voices for combining economic development with environmental sustainability, and as Director of the Earth Institute leads large-scale efforts to promote the mitigation of human-induced climate change. In 2004 and 2005 he was named among the 100 most influential leaders in the world by Time Magazine, and is the 2005 recipient of the Sargent Shriver Award for Equal Justice. He is author of hundreds of scholarly articles and many books, including New York Times bestseller *The End of Poverty* (Penguin, 2005). Sachs is a member of the Institute of Medicine and is a Research Associate of the National Bureau of Economic Research. He has received many honorary degrees, most recently from Trinity College Dublin, the College of the Atlantic, Southern Methodist University, Simon Fraser University and McGill University. Prior to joining Columbia, Sachs spent over twenty years at Harvard University, most recently as Director of the Center for International Development. A native of Detroit, Michigan, Sachs received his B.A., M.A., and Ph.D. degrees at Harvard University.

Robert M. Stern, Professor of Economics and Public Policy at the University of Michigan

Robert M. Stern is Professor of Economics and Public Policy (Emeritus) in the Department of Economics and Gerald R. Ford School of Public Policy at the University of Michigan, Ann Arbor. He received his Ph.D. in economics from Columbia University in 1958. He was a Fulbright scholar in the Netherlands in 1958-59, taught at Columbia University for two years, and joined the faculty at the University of Michigan in 1961. He has been an active contributor to international economic research and policy for more than four decades. He has published numerous papers and books on a wide variety of topics, including international commodity problems, the determinants of comparative advantage, price behavior in international trade, balance-of-payments policies, the computer modeling of international trade and trade policies, trade and labor standards, and services liberalization. He has been a consultant to and done research under the auspices of many U.S. Government agencies and international organizations. Stern has collaborated with Alan Deardorff (University of Michigan) since the early 1970s and with Drusilla Brown (Tufts University) since the mid-1980s in developing the Michigan Model of World Production and Trade. This is a computer-based model that has been used to study a variety of important policy issues such as the effects of the GATT/WTO multilateral trade negotiations, changes in the structure of protection, trade and employment, changes in military expenditures, and the effects of preferential trading arrangements. He is currently working with Drusilla Brown and Kozo Kiyota (Yokohama National University) on the computational modeling and analysis of preferential and multilateral trade negotiations, and issues relating to the scope of the WTO and concepts of fairness in the global trading system with Andrew Brown.

Joseph E. Stiglitz, Professor Columbia University

Joseph E. Stiglitz was born in Gary, Indiana in 1943. A graduate of Amherst College, he received his PHD from MIT in 1967, became a full professor at Yale in 1970, and in 1979 was awarded the John Bates Clark Award, given biennially by the American Economic Association to

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the economist under 40 who has made the most significant contribution to the field. He has taught at Princeton, Stanford, MIT and was the Drummond Professor and a fellow of All Souls College, Oxford. He is now University Professor at Columbia University in New York and Chair of Columbia University's Committee on Global Thought. He is also the co-founder and Executive Director of the Initiative for Policy Dialogue at Columbia. In 2001, he was awarded the Nobel Prize in economics for his analyses of markets with asymmetric information.

Stiglitz was a member of the Council of Economic Advisers from 1993-95, during the Clinton administration, and served as CEA chairman from 1995-97. He then became Chief Economist and Senior Vice-President of the World Bank from 1997-2000.

Stiglitz holds a part-time appointment at the University of Manchester as Chair of the Management Board and Director of Graduate Summer Programs at the Brooks World Poverty Institute.

Stiglitz helped create a new branch of economics, "The Economics of Information," exploring the consequences of information asymmetries and pioneering such pivotal concepts as adverse selection and moral hazard, which have now become standard tools not only of theorists, but of policy analysts. He has made major contributions to macro-economics and monetary theory, to development economics and trade theory, to public and corporate finance, to the theories of industrial organization and rural organization, and to the theories of welfare economics and of income and wealth distribution. In the 1980s, he helped revive interest in the economics of R&D.

His work has helped explain the circumstances in which markets do not work well, and how selective government intervention can improve their performance.

Recognized around the world as a leading economic educator, he has written textbooks that have been translated into more than a dozen languages. He founded one of the leading economics journals, *The Journal of Economic Perspectives*. His book *Globalization and Its Discontents* (W.W. Norton June 2001) has been translated into 35 languages and has sold more than one million copies worldwide. Other recent books include *The Roaring Nineties* (W.W. Norton), *Towards a New Paradigm in Monetary Economics* (Cambridge University Press) with Bruce Greenwald, and *Fair Trade for All* (Oxford University Press), with Andrew Charlton. His newest book, *Making Globalization Work*, was published by WW Norton and Penguin/ Allen Lane in

Jan Svejnar, Everett E. Berg Professor of Business Administration, Professor of Economics and Public Policy at the University of Michigan

Jan Svejnar is Professor and Director of the International Policy Center at the Gerald R. Ford School of Public Policy, Everett E. Berg Professor of Business at the Ross School of Business and Professor of Economics in the Economics Department of the University of Michigan. He is also a founder of CERGE-EI in Prague (an American-style Ph.D. program in economics that educates the new generation of economists for Central-East Europe and the Commonwealth of Independent States). He serves as the Chairman of the Supervisory Board of CSOB Bank and Co-Editor of the *Economics of Transition*. He is also a Fellow of the European Economic Association and Research Fellow of the Center for Economic Policy Research (London) and Institute for the Study of Labor (IZA, Bonn).

From 1996 to 2004, Professor Svejnar was the Executive Director of the William Davidson Institute at the University of Michigan Business School where he established a research and

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outreach program on business and economic policy issues relating to the transition and emerging market economies. He served as the Founding Director of the Economics Institute of the Academy of Sciences of the Czech Republic, Co-Director of the Transition Programme at the Center for Economic Policy Research in London, President of the Association for Comparative Economic Studies, and advisor to policy makers, institutions and firms, including President Vaclav Havel and Prime Minister Vladimir Spidla of the Czech Republic, OECD, the World Bank, the European Bank for Reconstruction and Development, and GE Capital.

Professor Svejnar's academic interests are in the areas of comparative economic development, labor economics and corporate performance. His research focuses on the determinants and effects of (a) government policies on firms and labor and capital markets, (b) corporate and national governance and performance, and (c) entrepreneurship. He is the author and editor of a number of books and articles. Before joining the faculty at the University of Michigan, Jan Svejnar was a professor at the University of Pittsburgh and Cornell University. He received his B.S. from Cornell University and his MA and Ph.D. in economics from Princeton University.

Marina v.N. Whitman, Professor of Business Administration and Public Policy at the University of Michigan

From 1979 until 1992 she was an officer of the General Motors Corporation, first as Vice President and Chief Economist and later as Vice President and Group Executive for Public Affairs. Prior to her appointment at GM, Professor Whitman was a member of the faculty in the Department of Economics at the University of Pittsburgh. She served as a member of the President's Council of Economic Advisers in 1972-73, while on leave from the University. A retired director of Alcoa, JPMorganChase, Procter and Gamble, and Unocal, she serves or has served on numerous national boards and committees dealing with economic and governmental issues, as well as on the Boards of Harvard and Princeton Universities. She holds honorary degrees from more than twenty colleges and universities and is a member of a number of honorary associations, including Phi Beta Kappa and the American Academy of Arts and Sciences. She is the author of many articles and several books, including *New World, New Rules: The Changing Role of the American Corporation*, published by the Harvard Business School Press in 1999. Although she is not teaching this year, she normally teaches PP680, Globalization and Public Policy.