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ISEG Newsletter

ISEG has been a reference in the fields of thought and action in Portugal, a place where people recognize the contribution and importance of more than ones; we are the Lisbon School of Economics and Management, School of Finance.

The role and the importance of rules and institutions

The weekend Portuguese citizens will be called to the polls to vote in the national legislative elections. As a result, a new government will be formed. Its composition, the parties and majority rule, but also its ex ante and ex post quantitative and qualitative commitments, will be crucial for the economy. It is understood to be problematic and may lead to serious consequences for the economy, if the composition of the Portuguese Leftist Coalition, Portuguese Leftist Alliance, or Leftist Politics, is a process of transformation and aggregation of diverse preferences, interests, and ideas, into a set of rules and institutions, which constitute the framework of the economic and social life of the country. Institutions, as North (Nobel Prize Winner) and later Buchanan and others the recognized, have to be fulfilled by "rules" based on a common "moral" and ethics.

A group of economists, economic historians, and political economists, have been studying, for years, the role of institutions that guide and determine political and economic systems which accordingly condition the operation of the markets and the economy. Douglass North, Daron Acemoglu and Robinson argued that the development of nations is not a function of the quantity of factors of production but of the quality of their institutions. It is therefore important to devote a certain amount of attention to the quality of the institutions.

Democracy does not end with voting

Democracy does not end with voting. Political parties contested by popular vote are elected and acquire the power to govern (Schumpeter). Although this is true, democracy should also be understood as a set of institutional arrangements that provide deliberative Parliament (which political decisions are made) and the rule of law, which ensures the protection of the health, lacking climate change, etc., such a post public-private partnership (PPP) in Portugal, which, in the last hour, various they need to be the subject of the claims can occur. Often compared to other European countries, Portugal has a low quality institutions, which is one of the causes of the very slow economic dynamics and low rate of growth of the economy. In the last decade, Portuguese resources have been wasted, compounded by the fact that the quality of institutions has deteriorated. The lack of development of a strategy, the lack of capacity for ensuring the necessary institutional conditions to ensure the country's development, the lack of quality of the rules of the game, the lack of transparency and accountability, the lack of quality of the public administration, the lack of quality of the public governance and public finances, social policies and climate change are some of the main problems.

The mission of IPP is aligned with ISEG's mission, and it is therefore with satisfaction that we can count on ISEG, which is one of the best schools of economics and management in Portugal, with the participation of prestigious professors, the analysis of the State budget (**Budget Watch**), General Government Accounts, Public Debt, Public Investment, Economic and Public Policies, have served as members of the Board of Directors of the IPP. Many other ideas can be developed further.

The ethical absence of think tanks that are independent from the government, political parties, and lobbies, contributes to democracy and to Portugal's development. Democracy is not just voting, it is also the rule of law, the quality of the rules, it contains a more participatory, deliberative, and sustainable systems for future generations. It is in this sense that we understand the role of the IPP and ISEG, which, as a student and as faculty member, I am proud to be a member of the Board of Directors of the IPP. I invite you to find out more about IPP and to make their contribution to the society.

The Institute of Public Policy and ISEG

The Institute of Public Policy (IPP) was created by **Instituto de Ciências Sociais – Universidade de Lisboa** (**ICS-ULisboa**), an academic, interdisciplinary, inter-university association, with the mission to carry out high quality research, training, mediations and policies both in Portugal and in the European and international contexts. The IPP is a public-private partnership (PPP) and has a governance structure that includes representatives of the public administration, representatives of the private sector, representatives of the civil society, representatives of governance and public finances, social policies and climate change, and academics.

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