

	OIE	NIE
<i>Markets are...</i>	Cultural	Natural.
<i>Economics is...</i>	The study of how societies produce and distribute goods and services and allocate resources.	The science of choice.
<i>Humans are...</i>	Pack animals who follow social rules that range from ceremonial to instrumental.	Roughly rational and greedy, though ideology plays a major role in determining behavior.
<i>Institutions exist because...</i>	Humans are social animals who must rely on learned behavior to know how to act.	Humans have incomplete information and limited mental capacity by which to process information.
<i>Institutions act to...</i>	Give humans guidelines for “acceptable” behavior.	Reduce uncertainty in human exchange.
<i>Institutions change when...</i>	Powerful agents are able to enact change.	There are changes in relative prices.
<i>Neoclassical economics is...</i>	Based on the unwarranted premises that humans are rational and capitalism is natural.	The starting point of analysis, but not the ending point.
<i>Wildly different worldviews across time and space are...</i>	Possible.	Possible.
<i>Equilibrium modeling is...</i>	Useful only in limited contexts; in fact, institutions evolve and are path dependent.	Useful only in limited contexts; in fact, institutions evolve and are path dependent.

NIE view drawn from Douglass C. North, “The New Institutional Economics and Development,” <http://www.econ.iastate.edu/tesfatsi/NewInstE.North.pdf>