Guide to the MCC Indicators for Fiscal Year 2017

September 26, 2016

MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Table of Contents

Ruling Justly Category 3
Investing in People Category 13
Encouraging Economic Freedom Category 19
Endnotes 31

The Millennium Challenge Corporation (MCC) uses third-party indicators to identify countries with policy environments that will allow Millennium Challenge Account (MCA) funding to be effective in reducing poverty and promoting economic growth. MCC evaluates performance in three areas—Ruling Justly, Investing in People, and Encouraging Economic Freedom—using independent, third-party policy indicators. This is a guide to understanding and interpreting the indicators used by MCC in Fiscal Year 2017. It provides an overview of the policies measured by indicators, the relationship that these policies have to economic growth and poverty reduction, the methodologies used by the various indicator institutions to measure policy performance, descriptions of the underlying source(s) of data, and the contact information of the indicator institutions.

MCC favors indicators that:

1. are developed by an independent third party,
2. utilize an analytically-rigorous methodology and objective, high-quality data,
3. are publicly available,
4. have broad country-coverage,
5. are comparable across countries,
6. have a clear theoretical or empirical link to economic growth and poverty reduction,
7. are policy-linked, i.e. measure factors that governments can influence, and
8. have appropriate consistency in results from year to year.

For general questions about the application of these indicators, please contact the MCC's Selection, Eligibility, and Policy Performance Division at DevelopmentPolicy@mcc.gov.

Ruling Justly Category

The six indicators in this category measure just and democratic governance by assessing, among other things, a country's demonstrated commitment to promote political pluralism, equality, and the rule of law; respect human and civil rights, including the rights of people with disabilities; protect private property rights; encourage transparency and accountability of government; and combat corruption.

Political Rights Indicator

This indicator measures country performance on the quality of the electoral process, political pluralism and participation, government corruption and transparency, and fair political treatment of ethnic groups.

Countries are rated on the following factors:

- free and fair executive and legislative elections; fair polling; honest tabulation of ballots;
- fair electoral laws; equal campaigning opportunities;
- the right to organize in different political parties and political groupings; the openness of the

political system to the rise and fall of competing political parties and groupings;
- the existence of a significant opposition vote; the existence of a de facto opposition power, and a realistic possibility for the opposition to increase its support or gain power through elections;
- the participation of cultural, ethnic, religious, or other minority groups in political life;
- freedom from domination by the military, foreign powers, totalitarian parties, religious hierarchies, economic oligarchies, or any other powerful group in making personal political choices; and
- the openness, transparency, and accountability of the government to its constituents between elections; freedom from pervasive government corruption; government policies that reflect the will of the people.

Relationship to Growth and Poverty Reduction

Although the relationship between democracy and economic growth is complex, research suggests that the institutional structures of democracy can promote growth by increasing policy stability, cultivating higher rates of human capital accumulation, reducing levels of income inequality and corruption, and encouraging higher rates of investment. [1] The links between political rights and poverty reduction are similarly complicated, but there is evidence that democratic institutions are better at reducing economic volatility and provide a more consistent approach to poverty reduction than do autocratic regimes. [2] Research also links the incentive structure of democratic institutions with outcomes favorable for the poor. [3]

Source

Freedom House, *http://www.freedomhouse.org*. Questions regarding this indicator may be directed to *info@freedomhouse.org* or +1 (212) 514-8040.

Methodology

A team of expert analysts and scholars evaluate countries on a 40-point scale – with 40 representing "most free" and 0 representing "least free." The Political Rights indicator is based on a 10 question checklist grouped into the three subcategories: Electoral Process (3 questions), Political Pluralism and Participation (4 questions), and Functioning of Government (3 questions). Points are awarded to each question on a scale of 0 to 4, where 0 points represents the fewest rights and 4 represents the most rights. The highest number of points that can be awarded to the Political Rights checklist is 40 (or a total of up to 4 points for each of the 10 questions). The full list of questions included in Freedom House's methodology may be found at: https://freedomhouse.org/report/freedom-world-2016/methodology

In consultation with Freedom House, MCC considers countries with scores above 17 to be passing this indicator.

Civil Liberties Indicator

This indicator measures country performance on freedom of expression and belief, associational and organizational rights, rule of law and human rights, personal autonomy, individual and economic rights,

and the independence of the judiciary.

Countries are rated on the following factors:

- freedom of cultural expression, religious institutions and expression, and academia;
- freedom of assembly and demonstration, of political organization and professional organization, and collective bargaining;
- independence of the media and the judiciary;
- freedom from economic exploitation;
- protection from police terror, unjustified imprisonment, exile, and torture;
- the existence of rule of law, personal property rights, and equal treatment under the law;
- freedom from indoctrination and excessive dependency on the state;
- equality of opportunity;
- freedom to choose where to travel, reside, and work;
- freedom to select a marriage partner and determine whether or how many children to have; and
- the existence of a legal framework to grant asylum or refugee status in accordance with international and regional conventions and system for refugee protection.

Relationship to Growth and Poverty Reduction:

Studies show that an expansion of civil liberties can promote economic growth by reducing social conflict, removing legal impediments to participation in the economy, encouraging adherence to the rule of law, enhancing protection of property rights, increasing economic rates of return on government projects, and reducing the risk of project failure. [4] Additional research has shown that civil liberties have a positive effect on domestic investment and productivity, increase the success of investments by international actors, enhance economic freedoms, and can bolster growth through the freedom of mobility for individuals. [5]

Source

Freedom House, *http://www.freedomhouse.org*. Questions regarding this indicator may be directed to *info@freedomhouse.org* or +1 (212) 514-8040.

Methodology

A team of expert analysts and scholars evaluate countries on a 60-point scale – with 60 representing "most free" and 0 representing "least free." The Civil Liberties indicator is based on a 15 question checklist grouped into four subcategories: Freedom of Expression and Belief (4 questions), Associational and Organizational Rights (3 questions), Rule of Law (4 questions), and Personal Autonomy and Individual Rights (4 questions). Points are awarded to each question on a scale of 0 to 4, where 0 points represents the fewest liberties and 4 represents the most liberties. The highest number of points that can be awarded to the Civil Liberties checklist is 60 (or a total of up to 4 points for each of the 15 questions). The full list of questions included in Freedom House's methodology may be found at: https://freedomhouse.org/report/freedom-world-2016/methodology

In consultation with Freedom House, MCC considers countries with scores above 25 to be passing this indicator.

Control of Corruption Indicator

This indicator measures the extent to which public power is exercised for private grain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. It also measures the strength and effectiveness of a country's policy and institutional framework to prevent and combat corruption.

Countries are evaluated on the following factors:

- The prevalence of grand corruption and petty corruption at all levels of government;
- The effect of corruption on the "attractiveness" of a country as a place to do business;
- The frequency of "irregular payments" associated with import and export permits, public contracts, public utilities, tax assessments, and judicial decisions;
- Nepotism, cronyism and patronage in the civil service;
- The estimated cost of bribery as a share of a company's annual sales;
- The perceived involvement of elected officials, border officials, tax officials, judges, and magistrates in corruption;
- The strength and effectiveness of a government's anti-corruption laws, policies, and institutions;
- Public trust in the financial honesty of politicians;
- The extent to which:
    - processes are put in place for accountability and transparency in decision-making and disclosure of information at the local level;
    - government authorities monitor the prevalence of corruption and implement sanctions transparently;
    - conflict of interest and ethics rules for public servants are observed and enforced;
    - the income and asset declarations of public officials are subject to verification and open to public and media scrutiny;
    - senior government officials are immune from prosecution under the law for malfeasance;
    - the government provides victims of corruption with adequate mechanisms to pursue their rights;
    - the tax administrator implements effective internal audit systems to ensure the accountability of tax collection;
    - the executive budget-making process is comprehensive and transparent and subject to meaningful legislative review and scrutiny;
    - the government ensures transparency, open-bidding, and effective competition in the awarding of government contracts;
    - there are legal and functional protections for whistleblowers, anti-corruption activists, and investigators;
    - allegations of corruption at the national and local level are thoroughly investigated and prosecuted without prejudice;
    - government is free from excessive bureaucratic regulations, registration requirements,

and/or other controls that increase opportunities for corruption;
- citizens have a legal right to information about government operations and can obtain government documents at a nominal cost.

Relationship to Growth and Poverty Reduction

Corruption hinders economic growth by increasing costs, lowering productivity, discouraging investment, reducing confidence in public institutions, limiting the development of small and medium-sized enterprises, weakening systems of public financial management, and undermining investments in health and education. [6] Corruption can also increase poverty by slowing economic growth, skewing government expenditure in favor of the rich and well-connected, concentrating public investment in unproductive projects, promoting a more regressive tax system, siphoning funds away from essential public services, adding a higher level of risk to the investment decisions of low-income individuals, and reinforcing patterns of unequal asset ownership, thereby limiting the ability of the poor to borrow and increase their income. [7]

Source

Worldwide Governance Indicators (WGI) from the World Bank/Brookings Institution, *http://www.govindicators.org*. Questions regarding this indicator may be directed to *wgi@worldbank.org* or +1 (202) 473-4557.

Methodology

The indicator is an index combining up to 22 different assessments and surveys, depending on availability, each of which receives a different weight, depending on its estimated precision and country coverage. The Control of Corruption indicator draws on data, as applicable, from the Country Policy and Institutional Assessments of the World Bank, the Asian Development Bank and the African Development Bank, the Afrobarometer Survey, the World Bank's Business Environment and Enterprise Performance Survey, the Bertelsmann Foundation's Bertelsmann Transformation Index, Freedom House's Nations in Transit and Countries at the Crossroads reports, Global Insight's Business Conditions and Risk Indicators, the Economist Intelligence Unit's Country Risk Service, Transparency International's Global Corruption Barometer survey, the World Economic Forum's Global Competitiveness Report, Global Integrity's Global Integrity Report and African Integrity Indicators, the Gallup World Poll, the International Fund for Agricultural Development's Rural Sector Performance Assessments, the French Government's Institutional Profiles Database, the Latinobarometro Survey, Political Economic Risk Consultancy's Corruption in Asia, Political Risk Service's International Country Risk Guide, Vanderbilt University Americas Barometer Survey, the Institute for Management and Development's World Competitiveness Yearbook, and the World Justice Project's Rule of Law Index.

Government Effectiveness Indicator

This indicator measures the quality of public services, the quality of the civil service and its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the

government's commitment to its stated policies.

Countries are evaluated on the following factors:

- competence of civil service; effective implementation of government decisions; and public service vulnerability to political pressure;
- ability to manage political alternations without drastic policy changes or interruptions in government services;
- flexibility, learning, and innovation within the political leadership; ability to coordinate conflicting objectives into coherent policies;
- the efficiency of revenue mobilization and budget management;
- the quality of transportation infrastructure, telecommunications, electricity supply, public health care provision, and public schools; the availability of online government services;
- policy consistency; the extent to which government commitments are honored by new governments;
- prevalence of red tape; the degree to which bureaucratic delays hinder business activity;
- existence of a taxpayer service and information program, and an efficient and effective appeals mechanism;
- the extent to which:
    - effective coordination mechanisms ensure policy consistency across departmental boundaries, and administrative structures are organized along functional lines with little duplication;
    - the business processes of government agencies are regularly reviewed to ensure efficiency of decision making and implementation;
    - political leadership sets and maintains strategic priorities and the government effectively implements reforms;
    - hiring and promotion within the government is based on merit and performance, and ethical standards prevail;
    - the government wage bill is sustainable and does not crowd out spending required for public services; pay and benefit levels do not deter talented people from entering the public sector; flexibility (that is not abused) exists to pay more attractive wages in hard-to-fill positions;
    - government revenues are generated by low-distortion taxes; import tariffs are low and relatively uniform, export rebate or duty drawbacks are functional; the tax base is broad and free of arbitrary exemptions; tax administration is effective and rule-based; and tax administration and compliance costs are low;
    - policies and priorities are linked to the budget; multi-year expenditure projections are integrated into the budget formulation process, and reflect explicit costing of the implications of new policy initiatives; the budget is formulated through systematic consultations with spending ministries and the legislature, adhering to a fixed budget calendar; the budget classification system is comprehensive and consistent with international standards; and off-budget expenditures are kept to a minimum and handled transparently;
    - the budget is implemented as planned, and actual expenditures deviate only slightly from

planned levels;
- budget monitoring occurs throughout the year based on well functioning management information systems; reconciliation of banking and fiscal records is practiced comprehensively, properly, and in a timely way;
- in-year fiscal reports and public accounts are prepared promptly and regularly and provide full and accurate data; the extent to which accounts are audited in a timely, professional and comprehensive manner, and appropriate action is taken on budget reports and audit findings.

Relationship to Growth and Poverty Reduction

Countries with more effective governments tend to achieve higher levels of economic growth by obtaining better credit ratings and attracting more investment, offering higher quality public services and encouraging higher levels of human capital accumulation, putting foreign aid resources to better use, accelerating technological innovation, and increasing the productivity of government spending. [8] Efficiency in the delivery of public services also has a direct impact on poverty. [9] On average, countries with more effective governments have better educational systems and more efficient health care. [10] There is evidence that countries with independent, meritocratic bureaucracies do a better job of vaccinating children, protecting the most vulnerable members of society, reducing child mortality, and curbing environmental degradation. [11] Countries with a meritocratic civil service also tend to have lower levels of corruption. [12]

Source

Worldwide Governance Indicators (WGI) from the World Bank/Brookings Institution, *http://www.govindicators.org*. Questions regarding this indicator may be directed to *wgi@worldbank.org* or +1 (202) 473-4557.

Methodology

The indicator is an index combining up to 15 different assessments and surveys, depending on availability, each of which receives a different weight, depending on its estimated precision and country coverage. The Government Effectiveness indicator draws on data, as applicable, from the Country Policy and Institutional Assessments of the World Bank, the African Development Bank and the Asian Development Bank, the Afrobarometer Survey, the World Bank's Business Environment and Enterprise Performance Survey, the Bertelsmann Foundation's Bertelsmann Transformation Index, Global Insight's Business Conditions and Risk Indicators, the Economist Intelligence Unit's Country Risk Service, the World Economic Forum's Global Competitiveness Report, the Gallup World Poll, the International Fund for Agricultural Development's Rural Sector Performance Assessments, the French Government's Institutional Profiles Database, the Latinobarometro Survey, Political Risk Service's International Country Risk Guide, and the Institute for Management and Development's World Competitiveness Yearbook.

Rule of Law Indicator

This indicator measures the extent to which individuals and firms have confidence in and abide by the rules of society; in particular, it measures the functioning and independence of the judiciary, including the police, the protection of property rights, the quality of contract enforcement, as well as the likelihood of crime and violence.

Countries are evaluated on the following factors:

- public confidence in the police force and judicial system; popular observance of the law; a tradition of law and order; strength and impartiality of the legal system;
- prevalence of petty crime, violent crime, and organized crime; foreign kidnappings; economic impact of crime on local businesses; prevalence of human trafficking; government commitment to combating human trafficking;
- the extent to which a well-functioning and accountable police force protects citizens and their property from crime and violence; when serious crimes do occur, the extent to which they are reported to the police and investigated;
- security of private property rights; protection of intellectual property; the accuracy and integrity of the property registry; whether citizens are protected from arbitrary and/or unjust deprivation of property;
- the enforceability of private contracts and government contracts;
- the existence of an institutional, legal, and market framework for secure land tenure; equal access to land among men and women; effective management of common property resources; equitable user-rights over water resources for agriculture and local participation in the management of water resources;
- the prevalence of tax evasion and insider trading; size of the informal economy;
- independence, effectiveness, predictability, and integrity of the judiciary; compliance with court rulings; legal recourse for challenging government actions; ability to sue the government through independent and impartial courts; willingness of citizens to accept legal adjudication over physical and illegal measures; government compliance with judicial decisions, which are not subject to change except through established procedures for judicial review;
- the independence of prosecutors from political direction and control;
- the existence of effective and democratic civilian state control of the police, military, and internal security forces through the judicial, legislative, and executive branches; the police, military, and internal security services respect human rights and are held accountable for any abuses of power;
- impartiality and nondiscrimination in the administration of justice; citizens are given a fair, public, and timely hearing by a competent, independent, and impartial tribunal; citizens have the right to independent counsel and those charged with serious felonies are provided access to independent counsel when it is beyond their means; low-cost means are available for pursuing small claims; citizens can pursue claims against the state without fear of retaliation;
- protection of judges and magistrates from interference by the executive and legislative branches; judges are appointed, promoted, and dismissed in a fair and unbiased manner; judges are appropriately trained to carry out justice in a fair and unbiased manner; members of the national-level judiciary must give reasons for their decisions; existence of a judicial ombudsman (or equivalent agency or mechanism) that can initiate investigations and impose penalties on offenders;

- law enforcement agencies are protected from political interference and have sufficient budgets to carry out their mandates; appointments to law enforcement agencies are made according to professional criteria; law enforcement officials are not immune from criminal proceedings;
- the existence of an independent reporting mechanism for citizens to complain about police actions; timeliness of government response to citizen complaints about police actions.

Relationship to Growth and Poverty Reduction

Judicial independence is strongly linked to growth as it promotes a stable investment environment. [13] On average, business environments characterized by consistent policies and credible rules, such as secure property rights and contract enforceability, create higher levels of investment and growth. [14] Secure property rights and contract enforceability also have a positive impact on poverty by granting citizens secure rights to their own assets. [15] Research shows that people who do not have the resources or the connections to protect their rights informally are usually in most need of formal protection through efficient legal systems. [16]

Source

Worldwide Governance Indicators (WGI) from the World Bank/Brookings Institution, *http://www.govindicators.org*. Questions regarding this indicator may be directed to *wgi@worldbank.org* or +1 (202) 473-4557.

Methodology

The indicator is an index combining up to 23 different assessments and surveys, depending on availability, each of which receives a different weight, depending on its estimated precision and country coverage. The Rule of Law indicator draws on data, as applicable, from the Country Policy and Institutional Assessments of the World Bank, the African Development Bank, and the Asian Development Bank, the Afrobarometer Survey, the World Bank's Business Environment and Enterprise Performance Survey, the Bertelsmann Foundation's Bertelsmann Transformation Index, Freedom House's Nations in Transit and Countries at the Crossroads reports, Global Insight's Business Conditions and Risk Indicators, the Economist Intelligence Unit's Country Risk Service, the World Economic Forum's Global Competitiveness Report, Global Integrity's Global Integrity Report and African Integrity Indicators, the Gallup World Poll, the Heritage Foundation's Index of Economic Freedom, Cingranelli-Richards' Human Rights Database, the International Fund for Agricultural Development's Rural Sector Performance Assessments, the French Government's Institutional Profiles Database, the Latinobarometro Survey, Political Risk Service's International Country Risk Guide, the United States State Department's Trafficking in Persons Report, Vanderbilt University's Americas Barometer, Institute for Management and Development's World Competitiveness Yearbook, and the World Justice Project's Rule of Law Index.

Freedom of Information Indicator

This indicator measures a government's commitment to enable or allow information to move freely in society. It is a composite index that includes a measure of press freedom; the status of national freedom of

information laws; and a measure of internet filtering.

Relationship to Growth and Poverty Reduction

Governments play a role in information flows; they can restrict or facilitate information flows within countries or across borders. Many of the institutions (laws, regulations, codes of conduct) that governments design are created to manage the flow of information in an economy. [17] Countries with better information flows often have better quality governance and less corruption. [18] Higher transparency and access to information have been shown to increase investment inflows because they enhance an investor's knowledge of the behaviors and operations of institutions in a target economy; help reduce uncertainty about future changes in policies and administrative practices; contribute data and perspectives on how best an investment project can be initiated and managed; and allow for the increased coordination between social and political actors that typifies successful economic development. [19] The right of access to information within government institutions also strengthens democratic accountability, promotes political participation of all, reduces governmental abuses, and leads to more effective allocation of natural resources. [20] Access to information also empowers marginalized groups and those living in poverty by giving them the ability to more fully participate in society and providing them with knowledge that can be used for economic gain. [21]

Sources and Methodologies

1. Freedom House Press Freedom Index, https://freedomhouse.org/report/freedom-press-2016-methodology. Questions regarding this indicator may be directed to info@freedomhouse.org or +1 (202) 296-5101.

   Freedom House's methodology: Countries are given a total score from 0 (best) to 100 (worst) on the basis of a set of 23 methodology questions divided into three subcategories: legal environment, political environment, and economic environment. The degree to which each country permits the free flow of news and information determines the classification of its media as "Free," "Partly Free," or "Not Free." Countries scoring 0 to 30 are regarded as having "Free" media; 31 to 60, "Partly Free" media; and 61 to 100, "Not Free" media. The ratings and reports included in *Freedom of the Press* cover events that took place between January 1 and December 31 of the previous year.

2. Centre for Law and Democracy and Access Info's Right to Information Index, http://www.rti-rating.org/. Questions regarding this indicator may be directed to Toby Mendel at toby@law-democracy.org or +1 (902) 431-3688.

   Right to Information Methodology: In this dataset, a freedom of information law is rated based on 61 indicators. RTI includes any country with a freedom of information law on the books.

3. Freedom House's Freedom of the Net Key Internet Controls, https://freedomhouse.org/report-types/freedom-net Questions regarding this indicator may be directed to info@freedomhouse.org or +1 (202) 296-5101.

Key Internet Controls Methodology: This checklist designates whether a government participates in any of 9 different types of internet control including blocking social media apps, blocking political/social/religious content, ICT shutdowns, manipulating online discussions, attacking bloggers, etc.

Data Compilation Methodology: This indicator uses a country's score on Freedom House's Freedom of the Press index (Press) as the base. Countries' base scores improve by four points if the Right to Information Index (RTI) has designated them as having a FOIA law on the books. Data from the Key Internet Controls (KiC) checklist is used to penalize some countries' base scores. A country's score is penalized by 1 point for every internet control method in place, for up to a total of a 9 point penalty.

On this index, lower is better. Overall index scores are calculated as follows:

Press – RTI + KiC = index score

Investing in People Category

The indicators in this category measure investments in people by assessing the extent to which governments are promoting broad-based primary education, strengthening capacity to provide quality public health, increasing child health, and promoting the protection of biodiversity.

Immunization Rates Indicator

This indicator measures a government's commitment to providing essential public health services and reducing child mortality.

Relationship to Growth and Poverty Reduction

The Immunization Rates indicator is widely regarded as a good proxy for the overall strength of a government's public health system. [22] It is designed to measure the extent to which governments are investing in the health and well-being of their citizens. Immunization programs can impact economic growth through their broader impact on health. [23] Healthy workers are more economically productive and more likely to save and invest; healthy children are more likely to reach higher levels of educational attainment; and healthy parents are better able to invest in the health and education of their children. [24] Immunization programs also increase labor productivity among the poor, reduce spending to cope with illnesses, and lower mortality and morbidity among the main income-earners in poor families. [25]

Source

The World Health Organization (WHO) and the United Nations Children's Fund (UNICEF), http://www.who.int/immunization_monitoring/data/. Questions regarding this indicator may be directed

to vaccines@who.int or +41 22 791 2873.

Methodology

MCC uses the simple average of the national diphtheria-pertussis-tetanus (DPT3) vaccination rate and the measles (MCV) vaccination rate. The DPT3 immunization rate is measured as the number of children that have received their third dose of the diphtheria, pertussis (whooping cough), and tetanus toxoid vaccine divided by the target population (the number of children surviving their first year of life.) The measles immunization rate is measured as the number of children that have received their first dose of a measles-containing vaccine divided by the same target population.

To estimate national immunization coverage, WHO and UNICEF draw on two sources of empirical data: reports of vaccinations performed by service providers (administrative data) and surveys containing items on children's vaccination history (coverage surveys). Surveys are frequently used in conjunction with administrative data; in some instances—where administrative data differ substantially from survey results—surveys constitute the sole source of information on immunization coverage levels. There are a number of reasons survey data may be used over administrative data; for instance, in some cases, lack of precise information on the size of the target population (the denominator) can make immunization coverage difficult to estimate from administrative data alone. Estimates of the most likely true level of immunization coverage are based on the data available, consideration of potential biases, and contributions of local experts.

In consultation with the WHO, MCC considers Scorecard LMICs with immunization coverage above 90% to be passing this indicator. Scorecard LICs that score above the median are considered to be passing this indicator. [26]

Health Expenditures Indicator

This indicator measures the government's commitment to investing in the health and well-being of its people.

Relationship to Growth and Poverty Reduction

MCC generally strives to measure outcomes rather than inputs, but health outcomes can be very slow to adjust to policy changes. Therefore, the Health Expenditures indicator is used to gauge the extent to which governments are making investments in the health and well-being of their citizens. [27] A large body of literature links improved health *outcomes* to economic growth and poverty reduction. [28] While the link between expenditures and outcomes is never automatic in any country, it is generally positive when expenditures are managed and executed efficiently. [29] Research suggests that increased spending on health, when coupled with good policies and good governance, can promote growth, reduce poverty, and trigger declines in infant, child, and maternal mortality. [30]

Source

World Health Organization (WHO), http://www.who.int/nha/en/. Questions regarding this indicator may be directed to nhaweb@who.int.

Methodology

This indicator measures general government health expenditure (GGHE) as a percentage of Gross Domestic Product (GDP). General government health expenditure includes outlays earmarked for health maintenance, restoration or enhancement of the health status of the population, paid for in cash or in kind by the following financing agents: central/federal, state/provincial/regional, and local/municipal authorities; extrabudgetary agencies, social security schemes; and parastatals. All can be financed through domestic funds or through external resources (mainly as grants passing through the government or loans channeled through the national budget). GGHE includes both recurrent and investment expenditures (including capital transfers) made during the year. The classification of the functions of government (COFOG) promoted by the United Nations, the International Monetary Fund (IMF), OECD and other institutions sets the boundaries for public outlays. Figures are originally estimated in million national currency units (million NCU) and in current prices. GDP data are primarily drawn from the United Nations National Accounts statistics.

Primary Education Expenditures Indicator

This indicator measures the government's commitment to investing in primary education.

Relationship to Growth and Poverty Reduction

While MCC generally strives to measure outcomes rather than inputs, educational outcome indicators can be very slow to adjust to policy changes, and adequate data on educational quality do not yet exist in a consistent manner across a large number of countries. Therefore, the Primary Education Expenditures indicator is used to gauge the extent to which governments are currently making investments in the education of their citizens. Research shows that, for given levels of quality, well-managed and well-executed government spending on primary education can improve educational attainment and increase economic growth. [31] There is also evidence that the returns to education to an economy as a whole are larger than the private returns. [32] Investments in basic education are also critical to poverty reduction. Research shows that regions that begin with higher levels of education generally see a larger poverty impact of economic growth. [33]

Source

The United National Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics (UIS) is MCC's source of data, http://www.uis.unesco.org. UIS compiles primary education expenditure data from official responses to surveys and from reports provided by education authorities in each country. Questions regarding the UIS data may be directed to survey@uis.unesco.org or (514)-343-7752.

Methodology

UIS attempts to measure total current and capital expenditure on primary education at every level of

administration—central, regional, and local. UIS data generally include subsidies for private education, but not foreign aid for primary education. UIS data may also exclude spending by religious schools, which plays a significant role in many developing countries.

Government outlays on primary education include expenditures on services provided to individual pupils and students and expenditures on services provided on a collective basis. Primary education includes the administration, inspection, operation, or support of schools and other institutions providing primary education at ISCED-97 level 1. It also includes literacy programs for students too old for primary school. For FY17, MCC will use the most recent UNESCO data from 2010–2015.

Girls' Primary Education Completion Rate Indicator

This indicator measures a government's commitment to basic education for girls in terms of access, enrollment, and retention. MCC uses this indicator for Scorecard LICs only.

Relationship to Growth and Poverty Reduction

Universal basic education is an important determinant of economic growth and poverty reduction. Empirical research consistently shows a strong positive correlation between girls' primary education and accelerated economic growth, slower population growth, higher wages, increased agricultural yields and labor productivity, and greater returns to schooling as compared to men. [34] A large body of literature also shows that increasing a mother's schooling has a large effect on her child's health, schooling, and adult productivity, an effect that is more pronounced in poor households. [35] By one estimate, providing girls one extra year of education beyond the average can boost eventual wages by 10-20 percent. [36] The social benefits of female education are also demonstrated through lower fertility rates, higher immunization rates, decreased child and maternal mortality, reduced transmission of HIV, fewer cases of domestic violence, greater educational achievement by children, and increased female participation in government. [37]

Source

UNESCO's Institute for Statistics (UIS), http://www.uis.unesco.org. Questions regarding this indicator may be directed to survey@uis.unesco.org or +1 (514)-343-7752.

Methodology

The Girls' Primary Education Completion Rate indicator is measured as the gross intake ratio into the last grade of primary, a proxy for primary completion. This is measured as the total number of female students enrolled in the last grade of primary (regardless of age), minus the number of female students repeating the last grade of primary, divided by the total female population of the standard entrance age of the last grade of primary. The primary completion rate reflects the primary cycle as defined by the International Standard Classification of Education (ISCED), ranging from three or four years of primary education (in a very small number of countries) to five or six years (in most countries), to seven years (in a small number of countries). For the countries that changed their primary cycle, the most recent ISCED primary cycle is applied consistently to the whole series. For FY17, MCC will use the most recent UNESCO data from

2010—2015.

Girls' Secondary Education Enrolment Ratio Indicator

This indicator measures a government's commitment to secondary education for girls in terms of access, enrollment, and retention. MCC uses this indicator for Scorecard LMICs only.

Relationship to Growth and Poverty Reduction

Access to continued education beyond the primary level solidifies the benefits associated with girls' primary education. Secondary education for girls ensures they receive both the benefits of primary education and the additional benefits linked to further education. Empirical research consistently shows a strong positive correlation between girls' secondary education and faster economic growth, higher wages for women, slower population growth, and increased labor productivity. [38] According to one estimate, a 1 percent increase in proportion of women enrolled in secondary school will generate a 0.3 percent growth in annual per-capita income. [39] A large body of literature also shows that increasing a mother's schooling has large effect on her children's health, schooling, and adult productivity. [40] The social benefits of female education are also demonstrated through postponed marriage and pregnancy, lower fertility rates, decreased child and maternal mortality, reduced transmission of HIV, and greater educational achievement by children. [41]

Source

UNESCO's Institute for Statistics (UIS), http://www.uis.unesco.org. Questions regarding this indicator may be directed to survey@uis.unesco.org or +1 (514)-343-7752.

Methodology

The Girls' Secondary Education Enrolment Ratio indicator measures the number of female pupils enrolled in lower secondary school (regardless of age), expressed as a percentage of the total female population of the standard age of enrolment for lower secondary education. Lower secondary school is defined as a program typically designed to complete the development of basic skills and knowledge which began at the primary level. In many countries, the educational aim is to lay the foundation for lifelong learning and individual development. The programs at this level are usually on a subject-oriented pattern, requiring specialized teachers for each subject area. The end of this level often coincides with the end of compulsory education. For FY17, MCC will use the most recent UNESCO data from 2010—2015.

Child Health Indicator

This composite indicator measures a government's commitment to child health as measured by child mortality, the sound management of water resources and water systems, and proper sewage disposal and sanitary control.

Relationship to Growth and Poverty Reduction

Improving child health leads to a more productive and healthier workforce both presently and in the future. Inadequate water and sanitation is the second leading cause of child mortality; it kills more young children than AIDS, malaria, and measles combined. [42] Improved sanitation and increased access to water have numerous economic benefits, including productivity savings in the form of fewer missed days of work or school due to illness from unclean water; the economic contribution of the lives saved from diarrheal disease; decreasing treatment expenditures for diarrheal disease at both the individual and government levels and time savings related to searching for facilities and water collection that would increase time for income-earning work. [43] Vulnerable groups, such as women, children, handicapped individuals and the very poor, are particularly affected by inadequate sanitation and water quality, meaning that improvement in these areas would help these groups the most. [44] In children in particular, improved sanitation and water quality have been found to improve learning outcomes due to alleviating the burden of illness and helminthes (parasites) on cognitive development. [45]

Source

Columbia University's Center for International Earth Science Information Network (CIESIN) and the Yale Center for Environmental Law and Policy (YCELP), http://sedac.ciesin.columbia.edu/es/mcc.html. Questions regarding this indicator may be directed to ciesin.info@ciesin.columbia.edu or +1 (845) 365-8988.

Methodology

This index is calculated as the average of three, equally weighted indicators:

- Access to Improved Sanitation: Produced by WHO and UNICEF, this indicator measures the percentage of the population with access to facilities that hygienically separate human excreta from human, animal, and insect contact. Facilities such as flush/pour-flush to a piped system, septic tank or pit latrine; ventilated improved pit latrines; pit latrines with slabs; and composting toilets are considered improved sources, provided that they are not shared between two or more households.
- Access to Improved Water: Produced by WHO and UNICEF, this indicator measures the percentage of the population with access to at least 20 liters of water per person per day from an improved source (household connections, public taps or standpipes, boreholes or tube wells, protected dug wells, protected springs, and rainwater collection) within one kilometer of the user's dwelling.
- Child Mortality (Ages 1–4): Produced by the Population Division of the United Nations Department of Economic and Social Affairs, this indicator measures the probability of dying between turning one and turning five.

Natural Resource Protection

This indicator measures a government's commitment to habitat preservation and biodiversity protection.

Relationship to Growth and Poverty Reduction

Environmental protection of biomes and the biodiversity and ecosystems within those biomes supports long-term economic growth by providing essential ecosystem goods and services such as natural capital, fertile soil, climate regulation, clean air and water, renewable energy, and genetic diversity. [46] The appropriate management of ecosystems and the natural resources within those ecosystems promotes agricultural and non-agricultural productivity. [47] Some research suggests that economic growth will be increasingly difficult to sustain as the current population compromises or decimates the biomes that provide the natural resources that are essential to future development or sustenance. [48] Those in poverty, particularly subsistence farmers and those in rural areas, are most likely to be exposed to and affected by environmental degradation and biodiversity loss because they rely so directly on ecosystem services for their food security and livelihood. [49]

Source

Columbia University's Center for International Earth Science Information Network (CIESIN) and the Yale Center for Environmental Law and Policy (YCELP), http://sedac.ciesin.columbia.edu/es/mcc.html. Questions regarding this indicator may be directed to ciesin.info@ciesin.columbia.edu or +1 (845) 365-8988.

Methodology

Developed by CIESIN, this indicator assesses whether a country is protecting at least 17% of all of its biomes (e.g. deserts, forests, grasslands, tundra, etc.). It is designed to capture the comprehensiveness of a government's commitment to habitat preservation and biodiversity protection. The World Wildlife Fund provides the underlying eco-region data, and the United Nations Environment Program World Conservation Monitoring Center—in partnership with the International Union for Conservation of Nature (IUCN) World Commission on Protected Areas and the World Database on Protected Areas Consortium—provides the underlying data on protected areas.

Encouraging Economic Freedom Category

The eight indicators in this category measure the extent to which a government encourages economic freedom by assessing, among other things, a country's demonstrated commitment to economic policies that: encourage individuals and firms to participate in global trade and international capital markets, promote private sector growth, protect private property rights, and strengthen market forces in the economy.

Regulatory Quality Indicator

This indicator measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

Countries are evaluated on the following factors:

- prevalence of regulations and administrative requirements that impose a burden on business; ease of starting and closing a new business; ease of registering property;
- government intervention in the economy; the extent to which government subsidies keep uncompetitive industries alive;
- labor market policies; employment law provides for flexibility in hiring and firing; wage and price controls;
- the complexity and efficiency of the tax system; pro-investment tax policies;
- trade policy; the height of tariffs barriers; the number of tariff bands; the stability of tariff rates; the extent to which non-tariff barriers are used; the transparency and predictability of the trade regime;
- investment attractiveness; prevalence of bans or investment licensing requirements; financial regulations on foreign investment and capital; legal restrictions on ownership of business and equity by non-residents; foreign currency regulations; general uncertainty about regulation costs; legal regulation of financial institutions; the extent to which exchange rate policy hinders firm competitiveness;
- extensiveness of legal rules and effectiveness of legal regulations in the banking and securities sectors; costs of uncertain rules, laws, or government policies;
- the strength of the banking system; existence of barriers to entry in the banking sector; ease of access to capital markets; protection of domestic banks from foreign competition; whether interest rates are heavily-regulated; transfer costs associated with exporting capital;
- participation of the private sector in infrastructure projects; dominance of state-owned enterprises; openness of public sector contracts to foreign investors; the extent of market competition; effectiveness of competition and anti-trust policies and legislation;
- the existence of a policy, legal, and institutional framework that supports the development of a commercially-based, market-driven rural finance sector that is efficient, equitable, and accessible to low-income populations in rural areas;
- the adoption of an appropriate policy, legal, and regulatory framework to support the emergence and development of an efficient private rural business sector; the establishment of simple, fast and transparent procedures for establishing private agri-businesses;
- the existence of a policy, legal, and institutional framework that supports the development and liberalization of commercially-based agricultural markets (for inputs and produce) that operate in a liberalized and private sector-led, functionally efficient and equitable manner, and that are accessible to small farmers; and
- the extent to which:
    - corporate governance laws encourage ownership and financial disclosure and protect shareholder rights, and are generally enforced;
    - state intervention in the goods and land market is generally limited to regulation and/or legislation to smooth out market imperfections;
    - the customs service is free of corruption, operates transparently, relies on risk management, processes duty collections, and refunds promptly; and
    - trade laws, regulations, and guidelines are published, simplified, and rationalized.

Relationship to Growth and Poverty Reduction

Improved regulatory quality can promote economic growth by creating effective and efficient incentives for the private sector. Conversely, burdensome regulations have a negative impact on economic performance through economic waste and decreased productivity. [50] Researchers at the International Finance Corporation argue that "improving from the worst…to the best…quartile of business regulations implies a 2.3 percentage point increase in average annual growth." [51] Good regulatory policies help the poor by creating opportunities for entrepreneurship, reducing opportunities for corruption, increasing the quality of public services, and improving the functioning of the housing, service, and labor markets on which they rely. [52]

Source

Worldwide Governance Indicators (WGI) from the World Bank/Brookings Institution, http://www.govindicators.org. Questions regarding this indicator may be directed to wgi@worldbank.org or +1 (202) 473-4557.

Methodology

This indicator is an index combining up to 15 different assessments and surveys, depending on availability, each of which receives a different weight, depending on its estimated precision and country coverage. The Regulatory Quality indicator draws on data, as applicable, from the Country Policy and Institutional Assessments of the World Bank, the African Development Bank, and the Asian Development Bank, the World Bank's Business Environment and Enterprise Performance Survey, Bertelsmann Foundation's Bertelsmann Transformation Index, Global Insight's Business Conditions and Risk Indicators, the European Bank for Reconstruction and Development's Transition Report, the Economist Intelligence Unit's Country Risk Service, the World Economic Forum's Global Competitiveness Report, the Heritage Foundation's Index of Economic Freedom, the International Fund for Agricultural Development's Rural Sector Performance Assessments, the French Government's Institutional Profiles Database, Political Risk Service's International Country Risk Guide, the Institute for Management and Development's World Competitiveness Yearbook, and the World Justice Project's Rule of Law Index.

Land Rights and Access Indicator

This indicator evaluates whether and to what extent governments are investing in secure land tenure.

Relationship to Growth and Poverty Reduction

Secure land tenure plays a central role in the economic growth process by giving people long-term incentives to invest and save their income, enhancing access to essential public services, allowing for more productive use of time and money than protecting land rights, facilitating use of land as collateral for loans, and contributing to social stability and local governance. [53] Improvements in tenure security also favor growth that is "pro-poor" because the benefits generally accrue to those who have not possessed such rights in the past and those who are affected most by high property registration costs. [54] Land policy reform can be particularly meaningful for women: research shows that when women have secure access to land and are able to exercise control over land assets, their ability to earn income is enhanced, household

spending on healthcare, nutritious foods, and children's education increases, and human capital accumulation occurs at a faster rate. Women's ability to inherit and possess control rights to land also serves as a crucial social safety net. [55]

Source

International Fund for Agricultural Development (IFAD), *http://www.ifad.org*, and International Finance Corporation (IFC), *http://www.doingbusiness.org*. Questions regarding the IFAD indicator may be directed to +39 06 545 92377. Questions regarding the IFC indicators may be directed to *doingbusiness@worldbank.org* or +1 (202) 473-5758.

Methodology

This composite indicator is calculated as the weighted average of three indicators. Access to Land is weighted 50% and Days and Cost to Register Property are each weighted 25%.

- *Access to Land*: Produced by IFAD, this indicator assesses the extent to which the institutional, legal, and market framework provides secure land tenure and equitable access to land in rural areas. It is made up of five subcomponents: (1) the extent to which the law guarantees secure tenure for land rights of the poor; (2) the extent to which the law guarantees secure land rights for women and other vulnerable groups; (3) the extent to which land is titled and registered; (4) the functioning of land markets; and (5) the extent to which government policies contribute to the sustainable management of common property resources. IFAD's operational staff base their assessments on a questionnaire and guideposts identifying the basis of each scoring level, available at http://www.ifad.org/gbdocs/gc/27/e/GC-27-L-6.pdf.
- *Days to Register Property*: Produced by the IFC, this indicator measures how long it takes to register property in a periurban zone. The IFC records the full amount of time necessary when a business purchases land and a building to transfer the property title from the seller to the buyer so that the buyer can use the title for expanding business, as collateral in taking new loans, or, if necessary, to sell to another business.
- *Cost of Registering Property*: Produced by the IFC, this indicator measures the cost to register property in a periurban zone as a percentage of the value of the property. The IFC records all of the costs that are incurred when a business purchases land and a building to transfer the property title from the seller to the buyer, so that the buyer can use it for expanding his business, as collateral in taking new loans, or, if necessary, to sell it to another business.

To calculate the Days and Cost of Registering a Property indicators, local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them. To make the data comparable across countries, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

- Are limited liability companies.

- Are located in the periurban area of the country's most populous city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property:

- Has a value of 50 times income per capita. The sale price equals the value.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A 2-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. The property of land and building will be transferred in its entirety.
- Will not be subject to renovations or additional building following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants (legal or illegal), and no other party holds a legal interest in it.

Access to Credit Indicator

This indicator measures the depth of available credit information and the effectiveness of collateral and bankruptcy laws in facilitating lending.

Relationship to Growth and Poverty Reduction

The ability to access affordable credit is a critical element of private sector led growth, particularly for small businesses that often lack the initial capital needed to grow and expand and also for agricultural households, where expenditures on inputs precede the returns from harvest; it also increases a business or household's ability to bear and cope with risk. [56] Visible credit information registries are vital because with credit information sharing, lenders are more aware of borrowers' capacity and ability to repay their loans, which can significantly decrease default rates, lowering the perceived risk of lending and cost of capital; the registries can also lead to greater inclusiveness of low-income borrowers due to efficiency gains on the part of the lenders via the lowered default rates. [57] Additionally, collateral laws that permit a broad definition of collateral help to eliminate "dead capital," which can help reduce interest rates and encourage greater loan volumes. [58]

Source

International Finance Corporation (IFC), *http://www.doingbusiness.org*. Questions regarding this indicator may be directed to doingbusiness@worldbank.org or +1 (202) 473-5758.

Methodology

The Access to Credit composite indicator is calculated by taking the simple average of two IFC indicators, which have been normalized and ranked on equivalent scales:

The index ranges from 0 to 12, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit.

- *Depth of Information*: The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. A score of 1 is assigned for each of the following 8 features of the public credit registry or private credit bureau (or both):
    - Both positive credit information (for example, outstanding loan amounts and pattern of on-time repayments) and negative information (for example, late payments, number and amount of defaults and bankruptcies) are distributed.
    - Data on both firms and individuals are distributed.
    - Data from retailers and utility companies as well as financial institutions are distributed.
    - More than 2 years of historical data are distributed. Credit registries and bureaus that erase data on defaults as soon as they are repaid obtain a score of 0 for this indicator.
    - Data on loan amounts below 1% of income per capita are distributed. Note that a credit registry or bureau must have a minimum coverage of 1% of the adult population to score a 1 on this indicator.
    - By law, borrowers have the right to access their data in the largest credit registry or bureau in the economy.
    - Can banks and financial institutions access the credit information online?
    - Does the credit information system provide credit score and make it available to all service subscribers?

  The index ranges from 0 to 8, with higher values indicating the availability of more credit information, from either a public credit registry or a private credit bureau, to facilitate lending decisions. If the credit registry or bureau is not operational or has coverage of less than 0.1% of the adult population, the score on the depth of credit information index is 0.

- *Strength of Legal Rights*: This component measures the extent to which bankruptcy and collateral laws protect the rights of borrowers and lenders to facilitate lending. It contains 12 aspects related to legal rights in collateral law or bankruptcylaw. A score of 1 is assigned for each of the following features of the laws:
    - Any business may use movable assets as collateral while keeping possession of the assets, and any financial institution may accept such assets as collateral.
    - The law allows a business to grant a nonpossessory security right in a single category of movable assets (such as accounts receivable or inventory), without requiring a specific description of the collateral.
    - The law allows a business to grant a nonpossessory security right in substantially all its movable assets, without requiring a specific description of the collateral.

- A security right may extend to future or after-acquired assets and may extend automatically to the products, proceeds or replacements of the original assets.
- A general description of debts and obligations is permitted in the collateral agreements and in registration documents: all types of debts and obligations can be secured between the parties, and the collateral agreement can include a maximum amount for which the assets are encumbered.
- A collateral registry or registration institution is in operation, unified geographically and by asset type, with an electronic database indexed by debtors' names.
- Secured creditors are paid first (for example, before general tax claims and employee claims) when a debtor defaults outside an insolvency procedure.
- Secured creditors are paid first (for example, before general tax claims and employee claims) when a business is liquidated.
- Secured creditors are not subject to an automatic stay or moratorium on enforcement procedures when a debtor enters a court-supervised reorganization procedure.
- The law allows parties to agree in a collateral agreement that the lender may enforce its security right out of court.
- Does the economy have an integrated/unified legal framework for secured transactions?
- Is the collateral registry a notice based registry? Does the collateral registry count with modern features (such as an online search?)

The index ranges from 0 to 12, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit.

Business Start-Up Indicator

This indicator measures the time and cost of complying with all procedures officially required for an entrepreneur to start up and formally operate an industrial or commercial business.

Relationship to Growth and Poverty Reduction

The ability to start a business is important for encouraging entrepreneurship and economic growth. [59] Easing business entry into the formal economy can reduce unemployment, encourage investment, expand the tax base, help small entrepreneurs to access bank credit, allow workers to enjoy health insurance and pension benefits, and enable businesses to achieve economies of scale. [60] Research shows that formally registered businesses grow to more efficient sizes because they do not operate in fear of the authorities. [61] The International Finance Corporation has found that business start-up reforms "can add between a quarter and a half a percentage point to growth rates in the average developing economy." [62] Cost-related barriers to starting a business are particularly regressive in that they deny economic opportunities to the poor due to their low levels of liquid capital. [63]

Source

International Finance Corporation (IFC), *http://www.doingbusiness.org*. Questions regarding this indicator may be directed to *doingbusiness@worldbank.org* or +1 (202) 473-5758.

Methodology

The Business Start-Up composite indicator is calculated as the average of two indicators:

- *Days to Start a Business*: This component measures the number of calendar days it takes to comply with all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.
- *Cost of Starting a Business*: This component measures the cost of starting a business as a percentage of country's per capita income. The IFC records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.

Local lawyers and other professionals examine specific regulations that impact the time and cost of opening a new business. The local lawyers and/or other professionals are instructed to record all generic procedures that are officially required for entrepreneur to start up an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions with relevant authorities. After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures, time, cost and paid-in minimum capital requirements is developed. Subsequently, local incorporation lawyers and government officials complete and verify the data on applicable procedures, the time and cost of complying with each procedure under normal circumstances and the paid-in minimum capital. On average four law firms participate in each country. Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any required information is readily available and that all government and non-government agencies involved in the start-up process function efficiently and without corruption. If answers by local experts differ, inquiries continue until the data are reconciled.

To make the data comparable across countries, several assumptions about the business and the procedures are used. The business:

- is a limited liability company; if there is more than one type of limited liability company in the country, the most popular limited liability form among domestic firms is chosen. Information on the most popular form is obtained from incorporation lawyers or the statistical office;
- operates in the country's most populous city;
- is 100% domestically owned and has five owners, none of whom is a legal entity;
- has start-up capital of 10 times income per capita, paid in cash;
- performs general industrial or commercial activities, such as the production or sale of products or services to the public; it does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco; the business is not using heavily polluting production processes;

- leases the commercial plant and offices and is not a proprietor of real estate;
- does not qualify for investment incentives or any special benefits;
- has up to 50 employees one month after the commencement of operations, all of them nationals;
- has a turnover at least 100 times income per capita; and
- has a company deed 10 pages long.

It is assumed that the minimum time required per procedure is one calendar day. Time captures the median duration that incorporation lawyers indicate is necessary to complete a procedure. Although procedures may take place simultane¬ously, they cannot start on the same day (that is, simultane¬ous procedures start on consecutive days). A procedure is considered completed once the company has received the final document, such as the company registration certificate or tax number. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry regulations and their sequence from the beginning.

The text of the company law, the commercial code and specific regulations and fee schedules are used as sources for calculating the cost of start-up. If there are conflicting sources and the laws are not clear, the most authoritative source is used. The constitution supersedes the company law, and the law prevails over regulations and decrees. If conflicting sources are of the same rank, the source indicating the most costly procedure is used, since an entrepreneur never second-guesses a government official. In the absence of fee schedules, a government officer's estimate is taken as an official source. In the absence of a government officer's estimate, estimates of incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

Trade Policy Indicator

This indicator measures a country's openness to international trade based on average tariff rates and non-tariff barriers to trade. Countries are rated on the following factors:

- Trade-weighted average tariff rate;
- Non-tariff barriers (NTBs) including, but not limited to: import licenses; trade quotas; production subsidies; anti-dumping, countervailing, and safeguard measures; government procurement procedures; local content requirements; excessive marking and labeling requirements; export assistance; export taxes and tax concessions; and corruption in the customs service.

Relationship to Growth and Poverty Reduction

Trade openness can help to accelerate long run economic growth by allowing for greater economic specialization, encouraging investment and increasing productivity. [64] Greater international competition can also force domestic firms to be more efficient and reduce rent seeking and corrupt activities. [65] One study estimates that "open" economies on average register 2.2% higher economic growth than "closed" economies. [66] Although the relationship between trade openness and poverty reduction is complex, research suggests trade liberalization can improve the livelihoods and real incomes of the poor through

the availability of lower-cost import items, increases in the relative wages of laborers, net increases in tariff revenues as a result of lower rates and higher volume, and insulation of the economy from negative exogenous shocks. [67]

Source

The Heritage Foundation, *http://www.heritage.org/research/features/index/index.cfm*. Questions regarding this indicator may be directed to *Anthony.Kim@heritage.org* or +1 (202) 608-6261.

Methodology

This indicator relies on the Heritage Foundation's Trade Freedom score which is a component of their annual *Index of Economic Freedom*. The indicator scale ranges from 0 to 100, where 0 represents the highest level of protectionism and 100 represents the lowest level of protectionism. The equation used to convert tariff rates and non-tariff barriers into this 0-100 percent scale is presented below:

$$\text{Trade Policy}_i = (\text{Tariff}_{max}\text{-Tariff}_i) \div (\text{Tariff}_{max}\text{-Tariff}_{min}) - \text{NTB}_i$$

Trade Policy_i represents the trade freedom in country i, Tariff_{max} and Tariff_{min} represent the upper and lower bounds (50 and zero percent respectively), and Tariff_i represents the weighted average tariff rate in country i. The result is multiplied by 100 to convert it to a percentage. If applicable to country i, an NTB penalty of 5, 10, 15, or 20 percentage points is then subtracted from the base score, depending on the pervasiveness of NTBs.

In general, the Heritage Foundation uses the weighted average tariff rate (weighted by imports from the country's trading partners) as the tariff score. In the absence of weighted average applied tariff rate data, a country's average applied tariff rate is used. In the absence of average applied tariff rate data, the weighted average or the simple average of most favored nation tariff rates are used. In the very few cases where data on duties and customs revenues are not available, the authors rely on measures of international trade taxes. Data on tariffs and NTBs are obtained from the following sources in order of descending priority: the World Bank's *World Development Indicators* and *Data on Trade and Import Barriers: Trends in Average Tariff Rates for Developing and Industrial Countries*; the World Trade Organization's *Trade Policy Reviews*; the Office of the U.S. Trade Representative's *National Trade Estimate Report on Foreign Trade Barriers*, the World Bank's *Doing Business* report, the U.S. Department of Commerce's *Country Commercial Guide*, the Economist Intelligence Unit's *Country Reports, Country Profiles, and Country Commerce* data, and "official government publications of each country."

Inflation Indicator

This indicator measures the government's commitment to sound monetary policy.

Relationship to Growth and Poverty Reduction

Research shows that high levels of inflation are detrimental to long-run growth. [68] High inflation creates

an environment of risk and uncertainty, drives down the rate of investment, and is often associated with distorted relative prices and tax incentives. [69] Inflation can also hinder financial market development and create incentives for corruption. [70] In addition, inflation often has a direct negative impact on the poor. When inflation is associated with swings in relative prices, it usually erodes real wages and distorts consumption decisions. [71]

Source

IMF World Economic Outlook (WEO) database, *http://www.imf.org/external/ns/cs.aspx?id=28*. Questions regarding this indicator may be directed to IMF country economists. See individual IMF country pages (http://www.imf.org/external/country/index.htm) for contact details.

Methodology

This indicator measures the most recent one-year change in consumer prices. The indicator reflects average annual percentage change for the year, not end-of-period data.

In keeping with economic research findings, MCC considers countries with inflation below 15% to be passing this indicator.

Fiscal Policy Indicator

This indicator measures the government's commitment to prudent fiscal management and private sector growth.

Relationship to Growth and Poverty Reduction

Unsustainable fiscal deficits can impact economic growth by raising expectations of inflation or exchange rate depreciation. [72] Fiscal deficits driven by current expenditures decrease national savings and put upward pressure on real interest rates, which can lead to a crowding out of private sector activity. [73] In addition, fiscal deficits either force governments to increase tax rates, reducing the capital available for domestic investment, or to increase the stock of public debt. [74] High and growing levels of public debt have also led to financial and macroeconomic instability in many countries. [75] Taken together, these factors decrease labor productivity and wages, thereby increasing poverty. [76]

Source

The IMF's World Economic Outlook (WEO) database, *http://www.imf.org/external/ns/cs.aspx?id=28*. Questions regarding this indicator may be directed to IMF country economists. See individual IMF country pages (http://www.imf.org/external/country/index.htm) for contact details.

Methodology

This indicator is general government net lending/borrowing as a percent of GDP, averaged over a three-year period. Net lending/borrowing is calculated as revenue minus total expenditure.

Gender in the Economy Indicator

This indicator measures the government's commitment to promoting gender equality by providing women and men with the same legal ability to interact with the private and public sector.

Relationship to Growth and Poverty Reduction

Studies show that legally sanctioned gender inequality has a significant negative impact on a country's economic growth because it prevents a large portion the population from fully participating in the economy, thus lowering the average ability of the workforce. [77] When one gender receives fewer legal rights, both the country's potential labor force and potential pool of entrepreneurs decreases. When women are excluded from "male" jobs in the formal sector, an overcrowding occurs in the "female" informal job sector. This leads to a depression of wages for an otherwise productive group of workers. [78] Research shows that when women have access to employment, investment in children's health, nutrition, and education often increases, promoting higher levels of human capital. [79]

Source

Women Business and the Law initiative of the World Bank, *http://wbl.worldbank.org/*. Questions regarding this indicator may be directed to Khrystyna Kushnir at kkushnir@worldbank.org.

Methodology

This indicator combines 20 different assessments comparing women's legal capacity to that of men. When conducting the assessments it is assumed that women have reached the legal age of majority; are sane, competent, in good health, and without a criminal record; and where married, are involved in a monogamous relationship. The legal capacity to execute 10 economic activities is examined: get a job, register a business, sign a contract, open a bank account, choose where to live, get passports, travel domestically and abroad, pass on citizenship to their children, and become heads of households. For the purposes of this indicator, women have the same capacity as men if they are legally able to perform these activities in the same way as men. Women are considered to have less capacity to act if they are not legally able to perform these activities in the same way as men.

Endnotes

1. Rodrik, D. and Roman Wacziarg. 2005. Do Democratic Transitions Produce Bad Economic Outcomes? American Economic Review Papers and Proceedings 95(2): 50-55. Rodrik, Dani. 2000. Participatory Politics, Social Cooperation, and Economic Stability. American Economic Review Papers and Proceedings 90(2): 140-144. Rigobon, Roberto and Dani Rodrik 2005. Rule of Law, Democracy, Openness and Income: Estimating the Interrelationships. Economics of Transition 13(3): 533- 564. Helliwell, J. 1994. Empirical linkages between democracy and economic growth. British Journal of Political Science April 24(2): 225. Baum, Matthew A., and David A. Lake. 2003. The Political Economy of Growth: Democracy and Human Capital. American Journal of Political Science 47(2): 333-347. Wacziarg, R. and José Tavares. 2001. How Democracy Affects Growth. European Economic Review 45(8): 1341-1379. Lederman, Daniel, Norman Loayza, and Rodrigo Soares. 2005. Accountability and Corruption: Political Institutions Matter. Economics and Politics 17(1): 1-35. Clague, C., Keefer, P., Knack, S., and M. Olson. 1996. Property and contract rights in autocracies and democracies. Journal of Economic Growth 1(2): 243-276. Henisz, Witold J. 2000. The Institutional Environment for Economic Growth. Economics and Politics 12(1): 1-31. Zweifel, Thomas D., and Patricio Navia. 2000. Democracy, Dictatorship, and Infant Mortality. Journal of Democracy 11:99-114. Brown, David. 1999. Reading, Writing, and Regime Type: Democracy's Impact on School Enrollment. Political Research Quarterly 52(4): 681-707. Stasavage, David. 2005. The Role of Democracy in Uganda's Move to Universal Primary Education. Journal of Modern African Studies 43(1): 53-73. Stasavage, David. 2005. Democracy and Education Spending in Africa. American Journal of Political Science 49(2): 343-358. Brown, David and Wendy Hunter. 2004. Democracy and Human Capital Formation: Education Spending in Latin America, 1980-1997. Comparative Political Studies 37(7): 842-864. Farzin, Y. Hossein, and Craig A. Bond. 2006. Democracy and environmental quality. Journal of Development Economics 81(1): 213– 235. McGuire, J.W. 2006. Democracy, Basic Service Utilization, and Under-5 Mortality: A Cross-National Study of Developing States. World Development 34(3):405–25. Ahlquist, J.S. 2006. Economic policy, institutions, and capital flows: portfolio and direct investment flows in developing countries. International Studies Quarterly 50(3): 681-704. Jensen, Nathan. 2003. Democratic Governance and Multinational Corporations. International Organization 57(3): 587-616. Henisz, Witold J. 2000. The Institutional Environment for Multinational Investment. Journal of Law, Economics and Organization 16 (2): 334-364. Tsebelis, George. 1995. Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism, and Mulitpartyism. British Journal of Political Science 25(3): 289-325. Henisz, Witold J. 2004. Political Institutions and Policy Volatility. Economics and Politics 16(1): 1-27. Rodrik, Dani. 1999. Where Did All the Growth Go? External Shocks, Social Conflict, and Growth Collapses. Journal of Economic Growth 4(4): 385-412. Rivera-Batiz, Francisco L. 2002. Democracy, Governance, and Economic Growth: Theory and Evidence. Review of Development Economics 6(2): 225-47. Besley, Tim, Torsten Persson, and Daniel Sturm. 2006. Political Competition and Economic Performance: Theory and Evidence from the United States. NBER Working Paper No. 11484.
2. Varshney, Ashtosh. 2000. Why Have Poor Democracies Not Eliminated Poverty? A Suggestion. Asian Survey 40(5): 718-736. Persson, Torsten and Guido Tabellini. Democracy and Development: the Devil in the Details. NBER working paper 11993. January 2006. Halperin, Morton H, Joseph T. Seigle, and Michael M. Weinstein. 2005. The Democracy Advantage: How Democracies Promote

Prosperity and Peace. New York: Routledge. Rodrik, D. and Roman Wacziarg. 2005. Do Democratic Transitions Produce Bad Economic Outcomes? American Economic Review Papers and Proceedings 95(2): 50-55. Quinn, Dennis, and John Woolley. 2001. Democracy and National Economic Performance: The Preference for Economic Stability. American Journal of Political Science 45(3). Jalan, Jyotsna, and Martin Ravallion. 1999. Are the Poor Less Well Insured: Evidence on Vulnerability to Income Risk in Rural China. Journal of Development Economics 58(1): 61-82.

3. Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow. 2003. The Logic of Political Survival. Cambridge, Mass.: MIT Press. Besley, Timothy and Robin Burgess. 2002. The Political Economy of Government Responsiveness: Theory and Evidence From India. Quarterly Journal of Economics. 117(4): 1415–451. Hirschman, Albert O. 1970. Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States. Cambridge, Mass.: Harvard University Press. Paul, Samuel. 1992. Accountability in Public Services: Exit, Voice and Control. World Development 20(7): 1047-1060. There is also some empirical evidence linking democratic institutions to poverty reduction. See Li, H., Squire, L., and H. Zou. 1998. Explaining International and Intertemporal Variations in Income Inequality. Economic Journal 108: 26-43. Dollar, David and Aart Kraay. 2002. Growth is Good for the Poor. Journal of Economic Growth 7: 195-225. Arimah, Ben C. 2004. Poverty Reduction and Human Development in Africa. Journal of Human Development 5(3): 399-415. Kosack, S. 2003. Effective Aid: How Democracy Allows Development Aid to Improve the Quality of Life. World Development 31(1): 1-22.
4. Pritchett, Lant H., Daniel Kaufmann, and Jonathan Isham. 1997. Civil Liberties, Democracy, and the Performance of Government Projects. World Bank Economic Review 11(2): 219. Clague, C., Keefer, P., Knack, S., and M. Olson. 1996. Property and contract rights in autocracies and democracies. Journal of Economic Growth 1(2): 243-276. Henisz, Witold J. 2000. The Institutional Environment for Economic Growth. Economics and Politics 12(1): 1-31. Rodrik, D. and Romain Wacziarg. 2005. Do Democratic Transitions Produce Bad Economic Outcomes? American Economic Review Papers and Proceedings 95(2): 50-55. Rodrik, Dani. 2000. Participatory Politics, Social Cooperation, and Economic Stability. American Economic Review Papers and Proceedings 90(2): 140-144. Rodrik, Dani. 2000. Institutions for High-Quality Growth: What They Are and How to Acquire Them. Studies in Comparative International Development 35(3): 3-31. Weingast, Barry. 1995. The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development. Journal of Law, Economics, and Organization 11: 1-31.
5. Blume, Lorens and Stefan Voigt. 2007. The Economic Effects of Human Rights. Kyklos,60(4): 509–538. Kaufmann, Daniel. 2004. Human Rights and Governance: The Empirical Challenge. Presented at the Human Rights and Development: Towards Mutual Reinforcement Conference, New York University Law School, New York City. Vega-Gordillo, Manuel and Jose A lvarez-Arce. 2003. Economic Growth and Freedom: A Causality Study. Cato Journal, 23(2): 190– 215. BenYishay, A. and Roger Betancourt. 2010. Civil Liberties and Economic Development. Journal of Institutional Economics.
6. Lambsdorff, Johann. 2003a. How Corruption Affects Persistent Capital Flows. Economics of Governance 4: 229-243. Lambsdorff, Johann. 2003b. How Corruption Affects Productivity. Kyklos 56: 457-474. Pellegrini, L. and R. Gerlagh. 2004. Corruption's effect on growth and its transmission channels. Kyklos 57(3): 429-456. Fisman, Raymond and Jakob Svensson. 2007. Are corruption and taxation really harmful to growth? Firm level evidence. Journal of Development Economics 83: 63–75. Friedman, Eric, Simon Johnson, Daniel Kaufmann, and Pablo Zoido-Lobaton 2000.

Dodging the Grabbing Hand: The Determinant of Unofficial Activity in 69 Countries. Journal of Public Economics 76: 459-493. Mauro, Paolo 1995. Corruption and Growth. Quarterly Journal of Economics 110:681-712. Kaufmann, Daniel, and Aart Kraay. 2002. Growth without Governance. Economia 3: 169-229. Ciocchini, Francisco, Erik Durbin, and David T.C. Ng. 2003. Does Corruption Increase Emerging Market Bond Spreads? Journal of Economics and Business 55: 503-528. Anderson, Christopher J., and Yuliya V. Tverdova. 2003. Corruption, Political Allegiances, and Attitudes Toward Government in Contemporary Democracies. American Journal of Political Science 47: 91-109. Abed, George T. and Sanjeev Gupta (eds.). 2002. Governance, Corruption and Economic Performance. Washington D.C.: International Monetary Fund. Ades, Alberto, and Rafael Di Tella. 1999. Rents, Competition, and Corruption. American Economic Review 89 (4): 982-993. Li. Hongyi, Lixin Colin Xu, and Heng-Fu Zou 2000. Corruption, Income Distribution, and Growth. Economics and Politics 12:155-182. Johnson, Simon, Daniel Kaufmann, John McMillan, and Christopher Woodruff. 2000. Why do firms hide? Bribes and unofficial activity after communism. Journal of Public Economics 76: 495-520. Wei, Shang-Jin. 2000. How Taxing is Corruption on International Investors? Review of Economics and Statistics 82:1-11. Del Monte, Alfredo, and Erasmo Papagni. 2001. Public Expenditure, Corruption, and Economic Growth: The Case of Italy. European Journal of Political Economy 17: 1-16.

7. Gupta, Sanjeev, Hamid R. Davoodi, and Rosa Alonso-Terme. 2002. Does Corruption Affect Income Inequality and Poverty? Economics of Governance 3: 23-45. Ravallion, M., and S. Chen. 1997. What Can New Survey Data Tell Us About Recent Changes in Distribution and Poverty? World Bank Economic Review 11(2): 357–382. Gupta, Sanjeev, Hamid R. Davoodi, and Erwin R. Tiongson. 2001. "Corruption and the Provision of Health Care and Education Services," in The Political Economy of Corruption, edited by Arvind K. Jain. London: Routledge. Mauro, P. 1998. Corruption and the Composition of Government Expenditure. Journal of Public Economics 69: 263–279. Rajkumar, A.S. and V. Swaroop. 2002: Public Spending and Outcomes: Does. Governance Matter? World Bank Policy Research Working Paper 2840. Anderson, James, Daniel Kaufmann, Francesca Recanatini. 2003. Service Delivery, Poverty and Corruption—Common Threads from Diagnostic Surveys. Background paper for 2004 World Development Report. Washington DC: World Bank. Olken, Benjamin. 2006. Corruption and the Costs of Redistribution: Micro Evidence from Indonesia. Journal of Public Economics 90 (4-5): 853-870.
8. Burnside, C. and David Dollar. 2000. Aid, Policies and Growth. American Economic Review 90(4): 847-868. Burnside, C. and David Dollar. 2000. "Aid, Growth, the Incentive Regime, and Poverty Reduction." in The World Bank: Structure and Policies, edited by Christopher L. Gilbert and David Vines. Oxford: Oxford University Press. Brunetti, Aymo. 1998. Policy Volatility and Economic Growth: A Comparative, Empirical Analysis. European Journal of Political Economy 14: 35-52. Fatas, Antonio, and Ilian Mihov. 2005. Policy Volatility, Institutions and Economic Growth. INSEAD. Brunetti, A., Kisunko, G., and B. Weder. 1998. Credibility of rules and economic growth: evidence from a worldwide survey of the private sector. World Bank Economic Review 12, 353–384. Asteriou, Dimitrios, and Simon Price. 2005. Uncertainty, Investment and Economic Growth: Evidence from a Dynamic Panel. Review of Development Economics 9(2): 277-288. Sarte, P.-D. G. 2001. Rent-Seeking Bureaucracies and Oversight in a Simple Growth Model. Journal of Economic Dynamic and Control. 25: 1345-1365. Ayal, E., and G. Karras. 1996. Bureaucracy, investment, and growth. Economics Letters. 51(2): 233-259. Baum, Matthew A., and David A. Lake. 2003. The Political Economy of Growth: Democracy and Human Capital. American Journal of

Political Science. 47: 333-347. Easterly, William, Jozef Ritzen, and Michael Woolcock. 2006. Social Cohesion, Institutions, and Growth. Economics & Politics 18(2): 103-120. Rauch, James E., and Peter B. Evans. 2000. Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries. Journal of Public Economics 75: 49-71. Ayal, E., and G. Karras. 1996. Bureaucracy, investment, and growth. Economics Letters 51(2): 233-259. Corsi, Marcella, Andrea Gumina, and Carlo D'Ippoliti. 2006. eGovernment Economics Project (eGEP) "Economic Model Final Version." eGovernment Unit, European Commission. Kaufmann, Daniel, and Aart Kraay. 2002. Growth without Governance. Economia 3: 169-229. Rajkumar, A.S. and V. Swaroop. 2002: Public Spending and Outcomes: Does. Governance Matter? World Bank Policy Research Working Paper 2840. Hall, Robert E. and Charles Jones. Why Do Some Countries Produce So Much More Output per Worker than Others? Quarterly Journal of Economics 114: 83-116. Keefer, Phillip and Steve Knack. Forthcoming. Boondoggles, Rent-seeking and Political Checks and Balances: Public Investment Under Unaccountable Governments. Review of Economics and Statistics. Evans, Peter and James Rauch. 1999. Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structures on Economic Growth. American Sociological Review 64(5): 748-765.

9. Gupta, Sanjeev, Hamid R. Davoodi, and Rosa Alonso-Terme. 2002. Does Corruption Affect Income Inequality and Poverty? Economics of Governance 3: 23-45. Chong, Alberto and César Calderón. 2000. Institutional quality and poverty measures in a cross-section of countries. Economics of Governance 1(2): 123-135. Abed, George T. and Sanjeev Gupta (eds.). 2002. Governance, Corruption and Economic Performance. Washington D.C.: International Monetary Fund. Léautier, Frannie (ed.). 2006. Cities in a Globalizing World Governance, Performance, and Sustainability. Washington D.C.: World Bank.
10. Lewis, Maureen. 2006. Governance and Corruption in Public Health Care Systems. Center for Global Development Working Paper 78. Washington D.C.: Center for Global Development. Baldacci, E., Benedict Clements, Sanjeev Gupta and Qiang Cui. 2004. Social Spending, Human Capital and Growth in Developing Countries: Implications for Achieving the MDGs. IMF Working Paper 04/217.
11. Lewis, Maureen. 2006. Governance and Corruption in Public Health Care Systems. Center for Global Development Working Paper 78. Washington D.C.: Center for Global Development. Esty, Daniel and Michael Porter. 2005. National environmental performance: an empirical analysis of policy results and determinants. Environment and Development Economics 10: 391–434.
12. Rauch, James E. 2001. Leadership Selection, Internal Promotion, and Bureaucratic Corruption in Less Developed Polities. Canadian Journal of Economics 34(1): 240–258. World Bank. 2003. Understanding Public Sector Performance in Transition Countries—An Empirical Contribution. Washington, D.C.: World Bank.
13. Henisz, Witold J. 2000. The Institutional Environment for Economic Growth. Economics and Politics 12(1): 1-31. Feld, Lars, and Voigt, Stefan. 2003. Economic growth and judicial independence: cross-country evidence using a new set of indicators. European Journal of Political Economy 19(3): 497-527.
14. Brunetti, A., Kisunko, G., Weder, B., 1998. Credibility of rules and economic growth: evidence from a worldwide survey of the private sector. World Bank Economic Review 12, 353–384. Rigobon, Roberto and Dani Rodrik 2005. Rule of Law, Democracy, Openness and Income: Estimating the Interrelationships. Economics of Transition 13(3): 533-564. Knack, Steve, Chris Clague, Phil Keefer, and Mancur Olson. 1999. Contract-Intensive Money: Contract Enforcement,

Property Rights, and Economic Performance. Journal of Economic Growth: 4: 185–211. Rodrik, Dani, Subramanian, Arvind, and Francesco Trebbi. 2004. Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development. Journal of Economic Growth 9(2): 131-165. Easterly, William, Jozef Ritzen, and Michael Woolcock. 2006. Social Cohesion, Institutions, and Growth. Economics and Politics 18(2): 103-120. Rodrik, D. (ed.) 2003. In Search of Prosperity: Analytic Narratives on Economic Growth. Princeton: Princeton University Press. North, D.C. 1981. Structure and Change in Economic History. New York: W. W. Norton & Co. Svensson, J. 1998. Investment, Property Rights and Political Instability: Theory and Evidence. European Economic Review 42(7): 1317-1341. Johnson, McMillan, and Woodruff. 2002. Property Rights and Finance. The American Economic Review 92(5): 1335-1356. Besley, Timothy. 1995. Property Rights and Investment Incentives: Theory and Evidence form Ghana. Journal of Political Economy 103(5): 905-93. Keefer, P., and S. Knack. 2002. Polarization, Politics, and Property Rights: Links between Inequality and Growth. Public Choice 111(1–2): 127–54. Mauro, Paolo. 1995. Corruption and Growth. Quarterly Journal of Economics, 110: 681-712. Hall, R., and C. Jones. 1999. Why Do Some Countries Produce So Much More Output per Worker than Others? Quarterly Journal of Economics 114: 83–116. Rodrik, Dani. 1999. Where Did All the Growth Go? External Shocks, Social Conflict, and Growth Collapses. Journal of Economic Growth 4(4): 385–412. Tornell, A., Velasco, A., 1992. The tragedy of the commons and economic growth: Why does capital flow from poor to rich countries. Journal of Political Economy 100: 1208-1231.

15. Chong, Alberto and César Calderón. 2000. Institutional quality and poverty measures in a cross-section of countries. Economics of Governance 1(2): 123-135. Dollar, D and A. Kraay 2002. Growth is Good for the Poor. Journal of Economic Growth 7(3): 195-225. World Bank. 2005. Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries. Washington D.C.: World Bank.
16. World Bank. 2003. Land Policies for Growth and Poverty Reduction. Washington D.C.: World Bank. Ghani, Ashraf. 2006. Economic development, poverty reduction, and the rule of law: Lessons from East Asia, successes and failures. High Level Commission on Legal Empowerment of the Poor. World Bank. 2006. Doing Business 2007: How to Reform. Washington D.C.: World Bank.
17. Islam, Roumeen. 2006. Does More Transparency Go Along With Better Governance? Economics and Politics, vol. 18, no. 2, pp 121–167
18. Ahrend, Rudiger. 2002. Press freedom, human capital and corruption. DELTA Working Paper No. 2002-11. Bhattacharyya, Sambi and Roland Hodler. 2012. Media freedom and democracy: Complements or substitutes in the fight against corruption? CSAE Working Paper WPS/2012-02. Brunetti, Ayno and Beatrice Weder. 2003. A free press is bad news for corruption. Journal of Public Economics. 87(7–8): 1801–1824. Chowdhury, Shyamal K. 2004. The effect of democracy and press freedom on corruption: an empirical test. Economics Letters. 85(1): 93–101. Dirienzi, Cassandra, Joyti Das, Kathrn T. Cort and Joh Burbridge Jr. 2011. Corruption and the Role of Information. Journal of International Business Studies Vol. 38, No. 2, pp. 320–332. Freille, Sebastian, M. Emranul Haque, and Richard Kneller. 2007. A contribution to the empirics of press freedom and corruption. European Journal of Political Economy. 23(4): 838–862. International Monetary Fund. 2001. IMF Survey Supplement 30, September, Washington, D.C. Islam, Roumeen. 2006. Does More Transparency Go Along with Better Governance? Economics and Politics Vol. 18, No. 2, pp 121–167. Neuman, L (ed). 2002. Access to Information: A Key to Democracy. Atlanta: The Carter Center. Reinikka, Ritva and Jakob Svensson. 2003. The power of information: Evidence from a newspaper campaign to reduce capture. World Bank Policy Research Working Paper No. 3239.

Roy, Sanjukta. Media Development and Political Stability: An Analysis of sub-Saharan Africa. Washington, D.C.: The Media Map Project.

19. Arsenault, Amelia and Shawn Powers. 2010. Media Map: Review of Literature. Washington, D.C.: The Media Map Project. Coyne, Christopher J. and Peter T. Leeson. 2004. Read all about it! Understanding the role of media in economic development. Kyklos. 57(1): 21–44. DiRienzi, Cassandra, Jayoti Das, Kathryn T. Cort, and John Burbridge Jr. 2007. Corruption and the role of information. Journal of International Business Studies. 38(2): 320–332. Drabek, Zdenek and Warren Payne. 2002. The impact of transparency on foreign direct investment. Journal of Economic Integration. 17(4): 777–810. Gelos, R. Gaston and Shang-Jin Wei. 2002. Transparency and international investor behavior. National Bureau of Economic Research Working Paper No. 9260. Cambridge. Guseva, Marina, Mounira Nakaa, Anne-Sophie Novel, Kirsii Pekkala, Bachir Souberou, and Sami Stouli. 2008. Press Freedom and Development: An Analysis of Correlations between Freedom of the Press and the Different Dimensions of Development, Poverty, Governance and Peace. Paris: United Nations Educational Scientific and Cultural Organization. International Monetary Fund. 2001. IMF Survey Supplement 30. Washington, D.C.: International Monetary Fund. Neuman, L. (Ed.). 2002. Access to Information: A Key to Democracy. Atlanta: The Carter Center. Roumeen. 2006. Does more transparency go along with better governance? Economics and Politics. 18(2): 121–167. Roy, Sanjukta. 2011. Overview Report: Measuring Media Development. Washington, D.C.: The Media Map Project. Stiglitz, Joseph. 2002. Transparency in government. In R. Islam, S. Djankov & C. McLeish (Eds.), The Right to Tell: The Role of Mass Media in Economic Development (pp. 27–44). Washington, D.C.: The World Bank. Susman-Peña, Tara. 2012. Healthy Media, Vibrant Societies: How Strengthening the Media Can Boost Development in sub-Saharan Africa. Washington, D.C.: The Media Map Project.
20. Ansari, M. M. 2008. Impact of right to information on development: A perspective on India's recent experiences. Invited lecture at UNESCO World Headquarters. Paris, France. Bellver, Ana and Daniel Kaufmann. 2005. Transparenting transparency: Initial empirics and policy applications. Washington, D.C.: The World Bank. Besley, Timothy and Robin Burgess. 2000. The political economy of government responsiveness: Theory and evidence from India. Development Economics Discussion Paper DEDPS 28. London: Suntory and Toyota International Centres for Economics and Related Disciplines, London School of Economics and Political Science. Besley, Timothy, Robin Burgess, and Andrea Prat. 2002. Mass media and political accountability. In R. Islam, S. Djankov & C. McLeish (Eds.), The Right to Tell: The Role of Mass Media in Economic Development (pp. 45–60). Washington, D.C.: The World Bank. Norris, Pippa. 2008. The role of the free press in promoting democratization, good governance and human development. In M. Harvey (Ed.), Section 2 of Media Matters: Perspectives on Advancing Governance and Development from the Global Forum for Media Development. (pp. 66–75). Internews Europe. Roberts, Alasdair. 2002. Access to government information: An overview of issues. In Access to Information: A Key to Democracy. Atlanta: The Carter Center. Shirazi, Farid, Ojelanki Ngwenyama, and Olga Morawczynski. 2010. ICT expansion and the digital divide in democratic freedoms: An analysis of the impact of ICT expansion, education and ICT filtering on democracy. Telematics and Informatics. 27(1): 21–31. Stiglitz, Joseph. 1999. On liberty, the right to know, and public discourse: The role of transparency in public life. Oxford Amnesty Lecture at Oxford University, United Kingdom.
21. Bandyopadhyay, Sanghamitra. 2009. Knowledge-based economic development: Mass media dn the

weightless economy. Discussion paper no. 74. Distributional Analysis Research Programme, STICERD. London: London School of Economics and Political Science. Deane, James. 2008. Why the media matters: The relevance of the media to tackling global poverty. In M. Harvey (Ed.), Section 1 of Media Matters: Perspectives on Advancing Governance and Development from the Global Forum for Media Development (pp. 35–44). Internews Europe. Kenny, Charles. 2002. Information and communication technologies for direct poverty alleviation: Costs and benefits. Development Policy Review. 20(2): 141–157. Norris, Pippa and Dieter Zinnbauer. 2002. Giving voice to the voiceless: Good governance, human development & mass communications. Background paper for the UNDP Human Development Report, New York: United Nations Development Programme. Sen, Amartya. 1999. Development as Freedom. Oxford: Oxford University Press. Shirazi, Farid. 2010. The emancipatory role of information and communication technology: A case study of internet content filtering within Iran. Journal of Information, Communication and Ethics in Society. 8(1): 57–84. United Nations Economic and Social Commission for Asia and the Pacific. 2000. Urban poverty alleviation. Paper presented at the Regional High-level Meeting in preparation for Istanbul+5 for Asia and the Pacific: Hangzhou, China. United Nations Educational, Scientific, and Cultural Organization. 2006. Presentation paper: Media, development, and poverty eradication. Paper presented at World Press Freedom Day: Sri Lanka.

22. Becker, Loren, Jessica Pickett, Ruth Levine. 2006. Measuring Commitment to Health: Global Health Indicators Working Group Report. Washington D.C.: Center for Global Development.
23. Bloom, D. E., Canning, D., Sevilla, J. 2004.The Effect of Health on Economic Growth: A Production Function Approach. World Development 32(1): 1–13. Alok Bhargava, Dean T. Jamison, Lawrence J. Lau and Christopher J. L. Murray. 2001. Modeling the Effects of Health on Economic Growth. Journal of Health Economics 20(3): 423–40. Baldacci, E., Benedict Clements, Sanjeev Gupta and Qiang Cui. 2004. Social Spending, Human Capital and Growth in Developing Countries: Implications for Achieving the MDGs. IMF Working Paper 04/217. Gyimah-Brempong K. and M. Wilson. 2004. Human Capital and Economic Growth in Sub-Saharan Africa and OECD Countries. Quarterly Review of Finance and Economics 44: 296–320. Doppelhofer, G., R. Miller and X. Sala-i-Martin. 2004. Determinants of Long-Term Growth: A Bayesian Averaging of Classical Estimates Approach. American Economic Review 94(4): 813–835.
24. Bloom, David E., David Canning & Mark Weston. The Value of Vaccination. *World Economics* 6(3): 15–39. Miguel, Edward, and Kremer, Michael. 2004. Worms: Identifying Impacts on Education and Health the Presence of Treatment Externalities. Econometrica 72(1): 159–217.
25. Fairbank, A., Makinen, M., Schott, W., and Sakagawa, B. 2000. Poverty Reduction and Immunizations. Bethesda, Maryland: Abt Associates, Inc.
26. MCC uses the World Bank's historical ceiling for IDA eligibility to divide countries into assessment categories. Scorecard LICs are countries that fall below the ceiling (GNI per capita of $0-$1,945 for FY17) and Scorecard LMICs are countries above the ceiling but below the World Bank's LMIC cut-off (GNI per capita of $1,946-$4,035 in FY17.)
27. Becker, Loren, Jessica Pickett, Ruth Levine. 2006. Measuring Commitment to Health: Global Health Indicators Working Group Report. Washington D.C.: Center for Global Development.
28. Bloom, D. E., Canning, D., Sevilla, J. 2004.The Effect of Health on Economic Growth: A Production Function Approach. World Development 32(1): 1–13. Alok Bhargava, Dean T. Jamison, Lawrence J. Lau and Christopher J. L. Murray. 2001. Modeling the Effects of Health on Economic Growth.

Journal of Health Economics 20(3): 423–40. Baldacci, E., Benedict Clements, Sanjeev Gupta and Qiang Cui. 2004. Social Spending, Human Capital and Growth in Developing Countries: Implications for Achieving the MDGs. IMF Working Paper 04/217. Gyimah-Brempong K. and M. Wilson. 2004. Human Capital and Economic Growth in Sub-Saharan Africa and OECD Countries. Quarterly Review of Finance and Economics 44: 296–320.

29. Filmer, D. and Pritchett, L. 1999. The impact of public spending on health: Does money matter? Social Science & Medicine 49 (10):1309–23. Filmer, Deon, Jeffrey S. Hammer, and Lant Pritchett. 2000. Weak Links in the Chain: A Diagnosis of Health Policy in Poor Countries. World Bank Research Observer 15 (2):199–224. Castro-Leal, F., J.Dayton, L. Demery, and K.Mehra. 1999. Public Social Spending in Africa: Do the Poor Benefit? World Bank Research Observer 14(1):49–72. Keefer, Philip and Stuti Khemani. 2005. Democracy, Public Expenditures, and the Poor: Understanding Incentives for Providing Public Services. World Bank Research Observer 20 (1): 1–27.
30. Baldacci, E., Benedict Clements, Sanjeev Gupta and Qiang Cui. 2004. Social Spending, Human Capital and Growth in Developing Countries: Implications for Achieving the MDGs. IMF Working Paper 04/217. Ghobarah, Hazem Adam, Paul Huth, and Bruce Russett. 2004. Comparative Public Health: The Political Economy of Human Misery and Well-Being. International Studies Quarterly 48:73–94. Gupta, I. and Mitra, A. 2004. Economic Growth, Health and Poverty: An Exploratory Study for India. Development Policy Review 22(2): 193–206. Houweling, Tanja AJ, Caspar, Anton E Kunst, Looman, WN, and Mackenbach, Johan P. 2005. Determinants of under-5 mortality among the poor and the rich: a cross-national analysis of 43 developing countries. International Journal of Epidemiology 34(6): 1257–1265. Gupta, S., M. Verhoeven, and E. R. Tiongson. 2003. Public spending on health care and the poor. Health Economics 12(8): 685–96. Bidani, B., and M. Ravallion. 1997. Decomposing Social Indicators Using Distributional Data. Journal of Econometrics 77(1): 125–139. Wagstafff, A. 2003. Child Health on a Dollar a Day: Some Tentative Cross-Country Comparisons. Social Science Medicine 57(9): 1529–1538. Rajkumar, A.S. and V. Swaroop. 2002: Public Spending and Outcomes: Does. Governance Matter? World Bank Policy Research Working Paper 2840.
31. Rajkumar, A.S. and V. Swaroop. 2002: Public Spending and Outcomes: Does. Governance Matter? World Bank Policy Research Working Paper 2840. Baldacci, E., Benedict Clements, Sanjeev Gupta and Qiang Cui. 2004. Social Spending, Human Capital and Growth in Developing Countries: Implications for Achieving the MDGs. IMF Working Paper 04/217. Rajkumar, A.S. and V. Swaroop. 2002: Public Spending and Outcomes: Does. Governance Matter? World Bank Policy Research Working Paper 2840. Castro-Leal, F., J.Dayton, L. Demery, and K.Mehra. 1999. Public Social Spending in Africa: Do the Poor Benefit? World Bank Research Observer 14(1):49–72. Barro, R. J. 1991. Economic Growth in a Cross Section of Countries. Quarterly Journal of Economics 106 (2):407–43. Krueger, Alan, and Mikael Lindahl. 2001. Education for Growth: Why and for Whom? Journal of Economic Literature 39 (4): 1101–36.
32. Moretti, E. 2004. Estimating the Social Return to Higher Education: Evidence From Longitudinal and Repeated Cross-Sectional Data. Journal of Econometrics 121(1–2).
33. Datt, Gaurav and Martin Ravallion. 1998. Why have Some Indian States Done Better than Others at Reducing Rural Poverty? Economica 65: 17–38. Christiaensen, L., L. Demery, and S. Paternostro. 2003. Macro and Micro Perspectives of Growth and Poverty in Africa. The World Bank Economic Review 17: 317–334.

34. Behrman, Jere R. and Anil B. Deolalikar. 1995. Are there differential returns to schooling by gender? The case of Indonesian labor markets. Oxford Bulletin of Economics and Statistics, 57(1): 97–117. Chen, Derek H. C. 2004. Gender Equality and Economic Development: The Role for Information and Communication Technologies. World Bank Policy Research Working Paper 3285. Christiaensen, L., L. Demery, and S. Paternostro. 2003. Macro and Micro Perspectives of Growth and Poverty in Africa. The World Bank Economic Review 17: 317–334. Deolalikar, Anil B. 1993. Gender Differences in the Returns to Schooling and in School Enrollment Rates in Indonesia. Journal of Human Resources 28 (4): 899–932. Drèze, Jean and Mrinalini Saran. 1995. Primary education and economic development in China and India: Overview and two case studies. In Basu, K., Pattanaik, P., and Suzumura, K. (eds) Choice, Welfare, and Development: Essays in Honour of Amartya Sen. Oxford: Clarendon Press. Esteve-Volart, Berta. 2000. Sex discrimination and Growth. IMF Working Paper WP/00/84. Klasen, Stephan. 2002. Low Schooling for Girls, Slower Growth for All? World Bank Economic Review 16(3): 345–373. Quisumbing, Agnes R. 1996. Male-female difference in agricultural productivity: methodological issues and empirical evidence. World Development 24 (10): 1579–95. Ravallion, M., and Datt, G. 2002. Why has economic growth been more pro-poor in some states of India than others? Journal of Development Economics 68 (2): 381–400. Schultz, T. Paul. 1993. Returns to women's schooling. In Elizabeth King and M. Anne Hill, eds., Women's Education in Developing Countries: Barriers, Benefits, and Policy. Baltimore: Johns Hopkins Press. Schultz, T. Paul. 1999. Health and schooling investments in Africa. The Journal of Economic Perspectives, 13(3): 67–88. Schultz, T. Paul. 2002. Why governments should invest more to educate girls. World Development 30(2): 212. Self, Sharmistha and Richard Grawbowski. 2004. Does education at all levels cause growth? India, a case study. Economics of Education Review, 23: 47–55. World Bank. 2001. Engendering Development: Through Gender Equality in Rights, Resources, and Voice. New York: Oxford University Press.

35. Alderman, Harold, and Elizabeth M. King. 1998. Gender Differences in Parental Investment in Education Structural Change and Economic Dynamics 9 (4): 453–68. Behrman, Jere, Andrew D. Foster, Mark R. Rosenzweig, Prem Vashishtha. 1999. Women's Schooling, Home Teaching, and Economic Growth. Journal of Political Economy 107 (4): 682–719. Filmer, Deon. 2000. The Structure of Social Disparities in Education: Gender and Wealth. Policy Research Working Paper No. 2268, World Bank Development Research Group/Poverty Reduction and Economic Management Network. Washington, D.C.: World Bank. King, Elizabeth, and Rosemary Bellew. 1991. Gains in the education of Peruvian women, 1940-1980. In Barbara Herz and Shahidur Khandkher, Eds. Women's Work, Education, and Family Welfare in Peru. World Bank Discussion Paper No. 166. Washington D.C.: World Bank. Klasen, Stephan. 2002. Low Schooling for Girls, Slower Growth for All? World Bank Economic Review 16(3): 345–373. Lavy, Victor. 1996. School Supply Constraints and Children's Educational Outcomes in Rural Ghana. Journal of Development Economics 51 (2): 291–314. Lillard, Lee A. and Robert J. Willis. 1993. Intergenerational Education Mobility: Effects of family and state in Malaysia. RAND Labor and Population Program Working Paper Series 93-38. Psacharopoulos, George. 1984. The contributions of education to economic growth: International comparisons. In Kendrick, J.W. (ed.) International Comparisons of Productivity and Causes of the Slowdown. American Enterprise Institue/Ballinger. Ridker, Ronald G., ed. 1997. Determinants of Educational Achievement and Attainment in Africa: Findings from Nine Case Studies. SD Publication Series, Technical Paper No. 62. Washington, D.C.: U.S. Agency for International Development. Schultz, T. Paul. 2002. Why governments should invest more to

educate girls. World Development 30(2): 212. Thomas, Duncan. 1990. Intra-household allocation: An inferential approach. Journal of Human Resources 25(4): 635–64.

36. Girls' education also leads to increased income for both individuals and nations as a whole. See Herz, Barbara and Gene Sperling. 2004. What works in girls' education: evidence and policies for the developing world. New York: Council on Foreign Relations. Psacharopoulos, George and Harry Anthony Patrinos. 2004. Returns to investment in education: a further update. Education Economics 12(2): 111–134.
37. Barro, Robert J. 1999. Determinants of Democracy. Journal of Political Economy107 (6): S158–83. Behrman, J.R. and A Deolalikar. 1998. Health and nutrition. In Handbook of Development Economics, eds. H. Chenery and T. N. Srinivasan. Amsterdam: North Holland. Cochrane, S., J. Leslie, and D. O'Hara. 1982. Parental education and child health: Intercountry evidence. Health Policy and Education 2:213–50. De Walque, Damien, J. S. Nakiyingi-Miiro, J. Busingye, and J. A. Whitworth. 2005. Changing Association between Schooling Levels and HIV-1 Infection Over 11 Years in a Rural Population Cohort in South-West Uganda. Tropical Medicine and International Health 10(10): 993–1001. Dollar, David, Raymond Fisman, and Roberta Gatti. 2001. Are women really the 'fairer' sex? Corruption and women in government. Journal of Economic Behavior and Organization 46(4): 423–429. Gage, Anastasia, Elisabeth Sommerfeldt, and Andrea Piani. 1997. Household structure and childhood immunization in Niger and Nigeria. Demography 34(2): 195–309. Herz, Barbara and Gene Sperling. 2004. What works in girls' education: evidence and policies for the developing world. New York: Council on Foreign Relations. Hill, M. Anne and Elizabeth King. 1995."Women's Education and Economic Well-Being."Feminist Economics 1(2): 21–46. Klasen, Stephan. 1999. Does Gender Inequality Reduce Growth and Development? Evidence from Cross-Country Regressions. Policy Research Report on Gender and Development Working Paper No. 7. Washington, D.C.: World Bank. Lloyd, C. B., C. E. Kaufman, and P. Hewett. 2000. The Spread of Primary Schooling in Sub-Saharan Africa: Implications for Fertility Change. Population and Development Review 26 (3): 483–515. Malhotra, Anju, Caren Grown, and Rohini Pande. 2003. Impact of investments in female education on gender inequality. Washington, D.C.: International Center for Research on Women. Schultz, T. Paul. 1993."Returns to women's schooling,"in Elizabeth King and M. Anne Hill, eds., Women's Education in Developing Countries: Barriers, Benefits, and Policy. Baltimore: Johns Hopkins Press. Shuey, Dean, Bernadette B. Babishangire, Samuel Omiat and Henry Bagarukayo 1999. Increased sexual abstinence among in-school adolescents as a result of school health education in Soroti district, Uganda. Health Education Research 14(3): 411–419. Summers, Lawrence H. 1994. Investing in all the people: educating women in developing countries. EDI Seminar Paper No. 45, Washington, D.C.: World Bank. Thomas, D., J. Strauss, and M. H. Henriques. 1990. Child survival, height for age, and household characteristics in Brazil. Journal of Development. 33(2): 197–234. Trussell, T. J. and S. Preston. 1982. Estimating the covariates of child mortality from retrospective reports of mothers. Health Policy and Education. 3:1–36. UNESCO. 2000."Women and Girls: Education, Not Discrimination."Paris: UNESCO. Vandemoortele, J. and E. Delamonica. 2000. Education 'vaccine' against HIVAIDS. Current Issues in Comparative Education 3(1). World Bank. 2002. Education and HIV/AIDS: A Window of Hope. World Bank Education Section, Human Development Department. Washington D.C.: World Bank.
38. Behrman, Jere R. and Anil B. Deolalikar. 1995. Are there differential returns to schooling by gender? The case of Indonesian labor markets. Oxford Bulletin of Economics and Statistics, 57(1):

97–117. Chen, Derek H. C. 2004. Gender Equality and Economic Development: The Role for Information and Communication Technologies. World Bank Policy Research Working Paper 3285. David Dollar and Roberta Gatti. 1999. Gender inequality, income, and growth: Are good times good for women? World Bank Policy Research Report on Gender and Development Working Paper Series No. 1. World Bank: Washington, D.C. Deolalikar, Anil B. 1993. Gender Differences in the Returns to Schooling and in School Enrollment Rates in Indonesia. Journal of Human Resources 28 (4): 899–932. Klasen, Stephan. 2002. Low Schooling for Girls, Slower Growth for All? World Bank Economic Review 16(3): 345–373. Mathur, Ashok and Rajendra P. Mamgain. 2004. Human capital stocks: Their level of utilization and economic development in India, Indian Journal of Labour Economics 47(4): 655–75. Psacharopoulos, George and Harry Anthony Patrinos. 2004. Returns to investment in education: a further update. Education Economics 12(2): 111–134. Raza, Moonis, and H. Ramachandran. 1990. Schooling and Rural Transformation. New Delhi: Vikas for National Institute of Educational Planning and Administration. Schultz, T. Paul. 1993. Returns to women's schooling. In Elizabeth King and M. Anne Hill, eds., Women's Education in Developing Countries: Barriers, Benefits, and Policy. Baltimore: Johns Hopkins Press. Schultz, T. Paul. 1999. Health and schooling investments in Africa. The Journal of Economic Perspectives, 13(3): 67–88. Schultz, T. Paul. 2002. Why governments should invest more to educate girls. World Development 30(2): 212. Self, Sharmistha and Richard Grawbowski. 2004. Does education at all levels cause growth? India, a case study. Economics of Education Review, 23: 47–55. Smith, Lisa C. and Lawrence Haddad. 2002. How potent is economic growth in reducing undernutrition? What are the pathways of impact? New cross–country evidence. Economic Development and Cultural Change, 51(1): 55–76. Tilak, Jandhyala B. G. 1990. Education and earnings: Gender differences in India, International Journal of Development Planning Literature 5(4): 131–39. Tilak, Jandhyala B. G. Post–elementary Education, Poverty and Development in India. 1994. World Bank. 2001. Engendering Development: Through Gender Equality in Rights, Resources, and Voice. New York: Oxford University Press.

39. David Dollar and Roberta Gatti. 1999. Gender inequality, income, and growth: Are good times good for women? World Bank Policy Research Report on Gender and Development Working Paper Series No. 1. World Bank: Washington, D.C.
40. Alderman, Harold, and Elizabeth M. King. 1998. Gender Differences in Parental Investment in Education Structural Change and Economic Dynamics 9 (4): 453–68. Filmer, Deon. 2000. The Structure of Social Disparities in Education: Gender and Wealth. Policy Research Working Paper No. 2268, World Bank Development Research Group/Poverty Reduction and Economic Management Network. Washington, D.C.: World Bank. King, Elizabeth, and Rosemary Bellew. 1991. Gains in the education of Peruvian women, 1940–1980. In Barbara Herz and Shahidur Khandkher, Eds. Women's Work, Education, and Family Welfare in Peru. World Bank Discussion Paper No. 166. Washington D.C.: World Bank. Klasen, Stephan. 2002. Low Schooling for Girls, Slower Growth for All? World Bank Economic Review 16(3): 345–373. Lavy, Victor. 1996. School Supply Constraints and Children's Educational Outcomes in Rural Ghana. Journal of Development Economics 51 (2): 291–314. Lillard, Lee A. and Robert J. Willis. 1993. Intergenerational Education Mobility: Effects of family and state in Malaysia. RAND Labor and Population Program Working Paper Series 93–38. Mammen, Kristin, and Christina Paxon. 2000. Women's Work and Economic Development. Journal of Economic Perspectives 14 (4): 141–64. Schultz, T. Paul. 2002. Why governments should invest more to educate girls. World Development 30(2): 212. Thomas,

Duncan. 1990. Intra-household allocation: An inferential approach. Journal of Human Resources 25(4): 635–64.

41. Behrman, J.R. and A Deolalikar. 1998. Health and nutrition. In Handbook of Development Economics, eds. H. Chenery and T. N. Srinivasan. Amsterdam: North Holland. Cochrane, S., J. Leslie, and D. O'Hara. 1982. Parental education and child health: Intercountry evidence. Health Policy and Education 2:213–50. De Walque, Damien, J. S. Nakiyingi-Miiro, J. Busingye, and J. A. Whitworth. 2005. Changing Association between Schooling Levels and HIV-1 Infection Over 11 Years in a Rural Population Cohort in South-West Uganda. Tropical Medicine and International Health 10(10): 993–1001. De Walque, Damien. 2004. How does educational attainment affect the risk of being infected by HIV/AIDS? Evidence from a general population cohort in rural Uganda. World Bank Development Research Group Working Paper. Washington, D.C.: World Bank. Dollar, David, Raymond Fisman, and Roberta Gatti. 2001. Are women really the 'fairer' sex? Corruption and women in government. Journal of Economic Behavior and Organization 46(4): 423–429. Gage, Anastasia, Elisabeth Sommerfeldt, and Andrea Piani. 1997. Household structure and childhood immunization in Niger and Nigeria. Demography 34(2): 195–309. Herz, Barbara and Gene Sperling. 2004. What works in girls' education: evidence and policies for the developing world. New York: Council on Foreign Relations. Hill, M. Anne and Elizabeth King. 1995."Women's Education and Economic Well-Being." Feminist Economics 1(2): 21–46. Klasen, Stephan. 1999. Does Gender Inequality Reduce Growth and Development? Evidence from Cross-Country Regressions. Policy Research Report on Gender and Development Working Paper No. 7. Washington, D.C.: World Bank. Malhotra, Anju, Caren Grown, and Rohini Pande. 2003. Impact of investments in female education on gender inequality. Washington, D.C.: International Center for Research on Women. Schultz, T. Paul. 1993."Returns to women's schooling," in Elizabeth King and M. Anne Hill, eds., Women's Education in Developing Countries: Barriers, Benefits, and Policy. Baltimore: Johns Hopkins Press. Smith, Lisa C., and Lawrence Haddad. 1999. Explaining child malnutrition in developing countries: a cross-country analysis. International Food Policy Research Institute (IFPRI) Food Consumption and Nutrition Division Discussion Paper 60. Washington, D.C.: IFPRI. Subbarao, K., and Laura Raney. 1995. Social gains from female education. Economic Development and Cultural Change 44 (1): 105–28. Summers, Lawrence H. 1994. Investing in all the people: educating women in developing countries. EDI Seminar Paper No. 45, Washington, D.C.: World Bank. Thomas, D., J. Strauss, and M. H. Henriques. 1990. Child survival, height for age, and household characteristics in Brazil. Journal of Development. 33(2): 197–234. Trussell, T. J. and S. Preston. 1982. Estimating the covariates of child mortality from retrospective reports of mothers. Health Policy and Education. 3:1–36. UNESCO. 2000. "Women and Girls: Education, Not Discrimination." Paris: UNESCO. UNICEF. 2002. Education and HIV Prevention. Citing data from Kenya Demographic and Health Survey. New York: UNICEF. Vandemoortele, J. and E. Delamonica. 2000. Education 'vaccine' against HIVAIDS. Current Issues in Comparative Education 3(1).

42. UNICEF. 2009. Diarhhoea: Why children are still dying and what can be done. Access at: http://whqlibdoc.who.int/publications/2009/9789241598415_eng.pdf.

43. Cumming, Oliver. 2008. Tackling the silent killer: The case for sanitation. London: Water Aid. Organization for Economic Cooperation and Development. 2011. Benefits of Investing in Water and Sanitation: An OECD Perspective. Paris: OECD Publishing. Hutton et al, UNDP (2006) 'Economic and health effects of increasing coverage of low cost sanitation interventions', Human

Development Report Office occasional paper Evans, Hutton and Haller (2004), "Closing the sanitation gap: the case for better public funding of sanitation and hygiene", OECD Round Table on Sustainable Development 2004 UNDP (2006) Human Development Report: Beyond Scarcity: Power, Poverty, and the Global Water Crisis. New York: UNDP. World Bank (2008) Environmental Health and Child Survival: Epidemiology, Economics, and Experiences. Washington, D.C.: The World Bank. Haller L, Hutton G, and Bartram J. (2007). Estimating the costs and health benefits of water and sanitation improvements at global level. Journal of Water and Health 5:4, 476–480. Sijbesma, C. (2008). Sanitation and Hygiene in South Asia: Progress and Challenges. Chapter 25 from Beyond Construction Use by All. IRC, WaterAid and the WSSCC, Delft, Netherlands.

44. Organization for Economic Cooperation and Development. 2011. Benefits of Investing in Water and Sanitation: An OECD Perspective. Paris: OECD Publishing. Evans, Hutton and Haller (2004), "Closing the sanitation gap: the case for better public funding of sanitation and hygiene ", OECD Round Table on Sustainable Development 2004 UNDP (2006) Human Development Report: Beyond Scarcity: Power, Poverty, and the Global Water Crisis. New York: UNDP. World Bank (2008) Environmental Health and Child Survival: Epidemiology, Economics, and Experiences. Washington, D.C.: The World Bank. Sijbesma, C. (2008). Sanitation and Hygiene in South Asia: Progress and Challenges. Chapter 25 from Beyond Construction Use by All. IRC, WaterAid and the WSSCC, Delft, Netherlands.
45. Evans, Hutton and Haller (2004), "Closing the sanitation gap: the case for better public funding of sanitation and hygiene", OECD Round Table on Sustainable Development 2004. UNDP (2006) Human Development Report: Beyond Scarcity: Power, Poverty, and the Global Water Crisis. New York: UNDP. World Bank (2008) Environmental Health and Child Survival: Epidemiology, Economics, and Experiences. Washington, D.C.: The World Bank. Bethony, Jeffrey, Simon Brokker, Marco Albonico, Stefan M. Geiger, Alex Loukas, David Diemert, and Peter J. Hortez. 2006. Soil-trasmitted helminth infections: ascariasis, trichuriasis, and hookworm. Lancet, 367: 1521–32.
46. Balmford, A., Bruner A, Cooper P, Costanza R, Farber S, Green RE, Jenkins M, Jefferiss P, Jessamy V, Madden J, Munro K, Myers N, Naeem S, Paavola J, Rayment M, Rosendo S, Roughgarden J, Trumper K, Turner RK. 2002. Economic reasons for conserving wild nature. Science 297: 950–953. Costanza, Robert, Ralph d'Arge, Rudolf de Groot, Stephen Farber, Monica Grasso, Bruce Hannon, Karin Limburg, Shaid Naeem, Robert V O'Neill, Jose Paruelo, Robert G Raskin, Paul Sutton, and Marjan van den Belt. 1997. The value of the world's ecosystem services and natural capital. Nature, 387(15): 253–260. Costanza, Robert, Ralph d'Arge, Rudolf de Groot, Stephen Farber, Monica Grasso, Bruce Hannon, Karin Limburg, Shaid Naeem, Robert V O'Neill, Jose Paruelo, Robert G Raskin, Paul Sutton, and Marjan van den Belt. 1998. The value of ecosystem services: putting the issues in perspective. Ecological Economics, 25(1): 67–72. Costanza, Robert, Brendan Fisher, Kenneth Mulder, Shuang Liu, and Treg Christopher. 2007. Biodiversity and ecosystem services: A multi-scale empirical study of the relationship between species richness and net primary production. Ecological Economics, 61(2–3): 478–491. Kremen C, Niles JO, Dalton MG, Daily GC, Ehrlich PR, Fay JP, Grewal D, and Guillery RP. 2000. Economic incentives for rain forest conservation across scales. Science 288: 1828–1832. Millennium Ecosystem Assessment, 2005. Ecosystems and Human Well-Being: General Synthesis. New York: Island Press. Turner, R. Kerry, Jouni Paavola, Philip Cooper, Stephen Farber, Valma Jessamy, and Stavros Georgiou. 2003. Valuing

nature: Lessons learned and future research directions. Ecological Economics, 46(3): 493–510.

47. Dobie, Philip. 2001. Poverty and the Drylands. Nairobi: United Nations Development Programme, Drylands Development Centre. Hussain, I. and M.A. Hanrja. 2003. Does Irrigation water matter for rural poverty alleviation?: Evidence from South and South-East Asia. Water Policy 5:429–442. Millennium Ecosystem Assessment, 2005. Ecosystems and Human Well-Being: General Synthesis. New York: Island Press. Rijsberman, F. 2003. Can development of water resources reduce poverty? Water Policy 5: 399–412. Swinton, Scott M., Frank Lupi, G. Philip Robertson, and Stephen K. Hamilton. 2007. Ecosystem services and agriculture: Cultivating agricultural ecosystems for diverse benefits. Ecological Economics, 64(2): 245–252. Tscharntke, Teja, Alexandra M. Klein, Andreas Kruess, Ingolf Steffan-Dewenter and Carsten Thies. 2005. Landscape perspectives on agricultural intensification and biodiversity-ecosystem service management. Ecology Letters, 8(8): 857–874. Zhang, Wei, Taylor H. Ricketts, Claire Kremen, Karen Carney, and Scott M. Swinton. 2007. Ecosystem services and dis-services to agriculture. Ecological Economics, 64(2): 253–260.
48. Moreno, Luis Alberto."Banking on Global Sustainability."Americas 63, no. 2 (March 2011): 36–39. Academic Search Premier, EBSCOhost (accessed July 7, 2011). Hoekstra, Jonathan, Timothy Boucher, Taylor Ricketts, and Carter Robers. 2005. Confronting a Biome Crisis: Global Disparities of Habitat Loss and Protection. Ecology Letters. 8: 23–29. Panayotou, Theodore. 2003. Chapter 2: Economic growth and the environment. Economic Survey of Europe, 2: 45–67. Barretta, Gary W. and Eugene P. Odum. The Twenty-First Century: The World at Carrying Capacity. BioScience, 50(4): 363–368. Ayres, Robert U. Sustainability economics: Where do we stand? Ecological Economics, 67(2): 281–310. Arrow, Kenneth, Bert Bolin, Robert Costanza, Partha Dasgupta, Carl Folke, C.S. Holling, Bengt-Owe Jansson, Simon Levin, Karl-Goran Maler, Charles Perrings, and David Pimentel. 1996. Economic growth, carrying capacity, and the environment. Ecological Application, 6(1): 13–15. Díaz Sandra, Joseph Fargione, F. Stuart Chapin III, David Tilman. 2006. Biodiversity loss threatens human well-being. PLoS Biology 4(8): e277.
49. Millennium Ecosystem Assessment, 2005. Ecosystems and Human Well-Being: General Synthesis. New York: Island Press. UN Millennium Project. 2005. Environmental and Human Well-Being: A Practical Strategy. London: Earthscan. Díaz Sandra, Joseph Fargione, F. Stuart Chapin III, David Tilman. 2006. Biodiversity loss threatens human well-being. PLoS Biology 4(8): e277. DFID (U.K. Department for International Development) Livestock and Wildlife Advisory Group. 2002. Wildlife and Poverty Study. London: Department for International Development. U.K. Department for International Development, European Commission, United Nations Development Programme), and World Bank. 2002. Linking Poverty Reduction and Environmental Management: Policy Challenges and Opportunities. Working Paper 24824. Washington, D.C: World Bank. World Resources Institute. 2005. World resources 2005: The wealth of the poor: Managing ecosystems to fight poverty. Washington, D.C.: WRI. Wunder, Sven. 2001. Poverty alleviation and tropical forests — What scope for synergies? World Development, 29(11): 1817–1833.
50. Jalilian, Hossein, Colin Kirkpatrick, and David Parker. 2007. The Impact of Regulation on Economic Growth in Developing Countries: A Cross-Country Analysis. World Development 35(1): 87–103. Loayza, Norman, Ana Maria Oviedo, and Luis Serven. 2006."The Impact of Regulation on Growth and Informality Cross-Country Evidence,"in Linking the Formal and Informal Economy: Concepts and Policies, edited by Basudeb Guha-Khasnobis, Ravi Kanbur, and Elinor Ostrom. Oxford: Oxford University Press. World Bank. 2006. Doing Business 2007: How to Reform. Washington D.C.: World Bank. Djankov, Simeon, Caralee McLiesh, Rita Ramalho. 2006.

Regulation and Growth. Economic Letters. 3: 395–401. Djankov, Simeon, Rafael La Porta, Florencio Lopez de Silanes, and Andrei Shleifer. 2002. Regulation of Entry. Quarterly Journal of Economics 117: 1–37. Friedman, Eric, Simon Johnson, Daniel Kaufmann, and Pablo Zoido-Lobaton. 2000. Dodging the Grabbing Hand: The Determinant of Unofficial Activity in 69 Countries. Journal of Public Economics 76: 459–493.Koedijk, Kees and Jeroen Kremers. 1996. Market Opening, Regulation and Growth in Europe. Economic Policy 23: 445–467. Heckman, James and Carmen Pagés. 2000. The Cost of Job Security Regulation: Evidence from Latin American Labor Markets. NBER Working Paper 7773. CEPR-IFS. 2003. The Link Between Product Market Reform and Macroeconomic Performance. Final report ECFIN-E/2002.002. Johnson, McMillan, and Woodruff. 2002. Property Rights and Finance. The American Economic Review 92(5). Ades, Alberto, and Rafael Di Tella. 1999. Rents, Competition, and Corruption. American Economic Review 89: 982–993. Johnson, Simon, Daniel Kaufmann, and Pablo Zoido-Lobaton. 1998. Regulatory Discretion and the Unofficial Economy. American Economic Review 88(2): 387–392. Dollar, David, Mary Hallward-Driemeier, and Taye Mary & Mengistae, Taye, 2006. Investment climate and international integration. World Development 34(9): 1498–1516. Sala-i-Martin, X. 1997. I Just Ran 2 Million Regressions. American Economic Review 87(2): 178–83.

51. Pg. 4 of Djankov, Simeon, Caralee McLiesh, Rita Ramalho. 2006. Regulation and Growth. Economic Letters 3: 395–401.
52. Alesina, Alberto, Silvia Ardagna, Giuseppe Nicoletti, and Fabio Schiantarelli. 2005. Regulation and Investment. Journal of the European Economic Association 3: 791–825. Heckman, James and Carmen Pagés. 2000. The Cost of Job Security Regulation: Evidence from Latin American Labor Markets. Economía 2: 109–154. Johnson, Simon, Daniel Kaufmann, and Pablo Zoido-Lobaton. 1998. Regulatory Discretion and the Unofficial Economy. American Economic Review 88(2): 387–392. Ades, Alberto, and Rafael Di Tella. 1999. Rents, Competition, and Corruption. American Economic Review 89: 982–993. Ades, Alberto, and Rafael Di Tella. 1997. National Champions and Corruption: Some Unpleasant Interventionist Arithmetic. The Economic Journal 107:1023–1042. Fisman, Raymond, and Shang-Jin Wei. 2004. Tax Rates and Tax Evasion: Evidence from 'Missing Imports' in China. Journal of Political Economy 112(2): 471–496. Djankov, Simeon, Rafael La Porta, Florencio Lopez de Silanes, and Andrei Shleifer. 2002. Regulation of Entry. Quarterly Journal of Economics 117: 1–37. Larsson, Allan. 2006. Empowerment of the poor in informal employment. High Level Commission on Legal Empowerment of the Poor.
53. World Bank. 2003. Land Policies for Growth and Poverty Reduction. Washington D.C.: World Bank. Besley, Timothy. 1995. Property Rights and Investment Incentives: Theory and Evidence form Ghana. Journal of Political Economy 103(5): 905-93. Keefer, P., and S. Knack. 2002. Polarization, Politics, and Property Rights: Links between Inequality and Growth. Public Choice 111(1–2): 127–54.; De Soto, Hernando. 2000. The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else. New York: Basic Books.; Birdsall, N., and J. L. Londono. 1997. Asset Inequality Matters: An Assessment of the World Bank's Approach to Poverty Reduction. American Economic Review 87(2): 32–37. Acemoglu, D., S. Johnson, and J. Robinson. 2001. The Colonial Origins of Comparative Development: An Empirical Investigation. American Economic Review 91 (5): 1369-1401. Rodrik, Dani. 2000. Institutions for High-Quality Growth: What They Are and How to Acquire Them. Studies in Comparative International Development 35(3): 3-31.; Alden-Wily, L. 2002. Comments on the Legal Basis for Land Administration in an African Context. Paper presented at the World Bank Regional Land Policy Workshop, April

29–May 2, Kampala, Uganda. The empirical literature on secure land tenure also suggests a strong link to sustainable natural resource management. See A. Cattaneo, A. 2001. Deforestation in the Brazilian Amazon: Comparing the Impacts of Macroeconomic Shocks, Land Tenure, and Technological Change. Land Economics 77(2): 219–40. World Bank. 2003. Land Policies for Growth and Poverty Reduction. Washington D.C.: World Bank.) Cross-national empirical studies also demonstrate a strong relationship between rule of law – a close correlate of secure land tenure – and environmental protection. See Daniel Esty and Michael Porter. 2005. National environmental performance: an empirical analysis of policy results and determinants. Environment and Development Economics 10: 391–434; Robert T. Deacon. 1994. Deforestation and the Rule of Law in a Cross-Section of Countries. Land Economics 70: 414-430.

54. Ravallion, M., and Datt, G. 2002. Why has economic growth been more pro-poor in some states of India than others? Journal of Development Economics 68 (2): 381-400. Christiaensen, L., L. Demery, and S. Paternostro. 2003. Macro and Micro Perspectives of Growth and Poverty in Africa. The World Bank Economic Review 17: 317-334. World Bank. 2003. Land Policies for Growth and Poverty Reduction. Washington D.C.: World Bank.
55. World Bank. 2003. Land Policies for Growth and Poverty Reduction. Washington D.C.: World Bank. Adesina, A. A., and K. K. Djato. 1996. Farm Size, Relative Efficiency, and Agrarian Policy in Côte d'Ivoire: Profit Function Analysis of Rice Farms. Agricultural Economics 14(2): 93–102. Adesina, A. A., and K. K. Djato. 1997. Relative Efficiency of Women as Farm Managers: Profit Function Analysis in Côte d'Ivoire. Agricultural Economics 16(1): 47–53. Udry, C. 1996. Gender, Agricultural Production, and the Theory of the Household. Journal of Political Economy 104(5): 1010–46. Dolan, C. S. 2001. The 'Good Wife': Struggles over Resources in the Kenyan Horticultural Sector. Journal of Development Studies 37(3): 39–70. Quisumbing, A. R., and K. Otsuka. 2001. Land, Trees, and Women: Evolution of Land Tenure Institutions in Western Ghana and Sumatra. Research Report no. 121. International Food Policy Research Institute, Washington D.C. Deere, C. D., and M. Leon. 2001. Empowering Women: Land and Property Rights in Latin America. Pitt Latin America Series. Pittsburgh: University of Pittsburgh Press. Schultz, T. P. 1999. Women's Role in the Agricultural Household: Bargaining and Human Capital. Discussion Paper no. 803. Yale University, Economic Growth Center, New Haven, Connecticut. Strickland, Richard. 2004. To Have and To Hold: Women's Property and Inheritance Rights in the Context of HIV/AIDS in Sub-Saharan Africa. P
56. Beck, Thorsten and Asli Demirgüç-Kunt. 2006. Small and medium-size enterprises: Access to finance as a growth constraint. Journal of Banking & Finance, 30(11): 2931-2943. Beck, Thorsten, Asli Demirgüç-Kunt, and María Soledad Martínez Pería. 2008. Bank Financing for SMEs around the World: Drivers Obstacles, Business Models, and Lending Practices. Washington, D.C.: The World Bank. Demirgüç-Kunt, Asli, Thorsten Beck, and Patrick Honohan. 2008. Chapter 2: Firms' Access to Finance: Entry, Growth, and Productivity from Finance for All? Policies and Pitfalls in Expanding Access. Washington, D.C.: The World Bank. Diagne, Aliou, and Manfred Zeller. 2001. Access to Credit and Its Impact on Welfare in Malawi. Research Report 116. Washington, D.C.: International Food Policy Research Institute. Diagne, Aliou, Manfred Zeller, and Manohar Sharma. 2000. Empirical Measurements of Households' Access to Credit and Credit Constraints in Developing Countries: Methodological Issues and Evidence. Food Consumption and Nutrition Division Working Paper No. 90. Washington, D.C.: International Food Policy Research Institute. Schiffer, Mirjam and Beatrice Weder. 2001. Firm Size and the Business Environment: Worldwide

Survey Results. Washington, D.C.: The World Bank. Zeller, Manfred, Gertrud Schrieder, Joachim von Braun, and Franz Heidhues. 1997. Rural finance for food security for the poor: Implications for research and policy. Food Policy Review No. 4. Washington, D.C.: International Food Policy Research Institute.

57. Bustelo, Frederic. 2009 Finance for all: integrating microfinance to credit information sharing in Bolivia. Celebrating Reforms 2009, International Finance Corporation. Luoto, Jill, Craig McIntosh, and Bruce Wydick. 2007. Credit Information Systems in Less Developed Countries: A Test with Microfinance in Guatemala. Economic Development and Cultural Change, 55(2): 313-334. McIntosh, Craig, and Bruce Wydick. 2004. A decomposition of incentive and screening effects in credit market information systems. Working paper, Department of Economics, University of California, San Diego, School of International Relations and Pacific Studies, and University of San Francisco. De Janvry, Alain, Craig McIntosh, Elisabeth Sadoulet. 2010. The supply- and demand-side impacts of credit marke information. Journal of Development Economics, 93(2): 173-188. McIntosh, Craig and Bruce Wydick. 2005. Competition and microfinance. Journal of Development Economics, 78(2): 271-298. Padilla, Jorge A., and Marco Pagano. 2000. Sharing default information as a borrower discipline device. European Economic Review, 44(10): 1951–80. Powell, Andrew, Nataliya Mylenko, Margaret Miller, and Giovanni Majnoni. 2004. Improving credit information, bank regulation, and supervision: On the role and design of public credit registries. World Bank Policy Research Working Paper No. 3443. Washington, D.C.: The World Bank.
58. Fleisig, Heywood, Mehnaz Safavian, and Nuria de la Peña. 2006. Reforming Collateral Laws to Expand Access to Credit. Washington, D.C.: The World Bank. Safavian, Mehnaz, Heywood Fleisig, and Jevgenijs Steinbucks. 2006. Unlocking dead capital: How reforming collateral laws improves access to finance. Public Policy for the Private Sector series. Washington, D.C.: The World Bank. Fleisig, Heywood. 1996. Secured transactions: The power of collateral. Finance & Development, 33(2): 44-47.
59. World Bank. 2006. Doing Business 2007: How to Reform. Washington D.C.: World Bank. Djankov, Simeon, Rafael La Porta, Florencio Lopez de Silanes, and Andrei Shleifer. 2002. Regulation of Entry. Quarterly Journal of Economics 117: 1-37. De Soto, H. 1998. The Other Path: The Invisible Revolution in the Third World. New York: Harper Collins. De Soto, Hernando. 2000. The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else. New York: Basic Books. Klapper, Leora, Luc Laeven, and Raghuram Rajan. 2006. Entry regulation as a barrier to entrepreneurship. Journal of Financial Economics 82(3): 591-629.
60. World Bank. 2005. Doing Business in 2005: Removing Obstacles to Growth. Washington D.C.: World Bank. Djankov, Simeon, Rafael La Porta, Florencio Lopez de Silanes, and Andrei Shleifer. 2002. Regulation of Entry. Quarterly Journal of Economics 117: 1-37. Mauro, Paolo. 1995. Corruption and Growth. Quarterly Journal of Economics 110: 681-712. Baum, Matthew A., and David A. Lake. 2003. The Political Economy of Growth: Democracy and Human Capital. American Journal of Political Science 47(2): 333-347. Schneider, Friedrich and Dominik Enste. 2000. Shadow economies: Size, causes, and consequences. The Journal of Economic Literature 38(1): 77-114. Schneider, F., Enste D. 2002. The Shadow Economy: Theoretical Approaches, Empirical Studies, and Political Implications. Cambridge, UK: Cambridge University Press. Alesina, Alberto, Silvia Ardagna, Giuseppe Nicoletti, and Fabio Schiantarelli. 2005. Regulation and Investment. Journal of the European Economic Association 3: 791-825. Fonseca R., P. Lopez-Garcia and C.A. Pissarides. 2001. Entrepreneurship, Start-up Costs and Employment. European Economic Review 45: 692-705.

Bertrand, Marianne, and Francis Kramarz. 2002. Does Entry Regulation Hinder Job Creation? Evidence from the French Retail Industry. Quarterly Journal of Economics 117(4): 1369-1414. According to the Doing Business in 2005 report, "coupled with additional reforms, reductions in the cost of starting a business can yield even higher economic returns. A study by the World Bank shows that trade openness contributes about 0.4 percentage points annual economic growth in countries where labor markets are flexible and business start-up is easy. Why? Because trade enhances growth by channeling resources to their most productive uses in the economy. But if such resource movement is encumbered by high entry barriers, the effects of trade diminish and can even be reversed. This explains the negative effects of trade liberalization in some Latin American countries, where entry is difficult and labor markets inflexible."

61. World Bank. 2005. Doing Business in 2005: Removing Obstacles to Growth. Washington D.C.: World Bank.
62. World Bank. 2005. Doing Business in 2005: Removing Obstacles to Growth. Washington D.C.: World Bank.
63. De Soto, H. 1998. The Other Path: The Invisible Revolution in the Third World, New York: Harper Collins.
64. Sachs, Jeffrey, and Andrew Warner. 1995. Economic Reform and the Process of Global Integration. Brookings Papers on Economic Activity 1: 1-118. Dollar, David. 1992. Outward-Oriented Developing Economies Really Do Grow More Rapidly: Evidence from 95 LDCs, 1976-85. Economic Development and Cultural Change 523-544. Frankel, Jeffrey, and David Romer. 1999. Does Trade Cause Growth? American Economic Review 89(3): 379-399. Hall, R. and C. Jones. 1999. Why Do Some Countries Produce So Much More Output Per Worker Than Others? Quarterly Journal of Economics 114 (1): 83-116, 1999. Wacziarg, Romain. 1998. Measuring the Dynamic Gains from Trade. World Bank Working Paper no. 2001. Washington D.C.: World Bank. Wacziarg, R. T. and Karen Horn Welch. 2003. Trade Liberalization and Growth: New Evidence. NBER Working Paper 10152. Frankel, J.A. and Eduardo A. Cavallo. 2004. Does Openness to Trade Make Countries More Vulnerable to Sudden Stops, Or Less? Using Gravity to Establish Causality. NBER Working Paper 10957. Paul M. Romer. 1994. New Goods, Old Theory, and the Welfare Costs of Trade Restrictions. NBER Working Paper. Jonnson, G. and Arvind Subramanian. 1999. Dynamic Gains from Trade: Evidence from South Africa. International Monetary Fund Working Paper WP/00/45. Dollar, David and Aart Kraay. 2004. Trade, Growth, and Poverty. Economic Journal 114(493): 22-49. Arvind Panagariya, 2004. Miracles and Debacles: In Defense of Trade Openness. The World Economy 27(8): 1149-1171. Alcala, Francisco, and Antonio Ciccone. 2004. Trade and Productivity. Quarterly Journal of Economics 119(2): 613-646. Lee, H.Y., L.A. Ricci, and R. Rigobon. 2004. Once Again, is Openness Good for Growth? Journal of Development Economics 75(2): 451–72. Dollar, David and Aart Kraay. 2002. Institutions, Trade, and Growth. Journal of Monetary Economics 50:133-162. Sachs, Jeffrey D. and Warner, Andrew M. 1997. Sources of slow growth in African economies. Journal of African Economies 6(3): 335-76. Salinas, Gonzalo, and Ataman Aksoy. 2006. Growth before and after trade liberalization. World Bank Policy Research Working Paper 4062. Washington D.C.: World Bank. Doppelhofer, G., R. Miller and X. Sala-i-Martin. 2004. Determinants of Long-Term Growth: A Bayesian Averaging of Classical Estimates Approach. American Economic Review 94(4): 813-835.
65. Bottasso, Anna, and Alessandro Sembenelli. 2001. Market Power, Productivity and the EU Single Market Program: Evidence from a Panel of Italian Firms. European Economic Review 45(1):

167-186. Levinsohn, James A. 1993. Testing the Imports-as-Market-Discipline Hypothesis. Journal of International Economics 35(1-2): 1-22. Fisman, Ades, Alberto, and Rafael Di Tella. 1997. National Champions and Corruption: Some Unpleasant Interventionist Arithmetic. The Economic Journal 107: 1023-1042. Ades, Alberto, and Rafael Di Tella, 1999. Rent, Competition, and Corruption. American Economic Review 89(4): 982–93. Treisman, D. 2000. The Causes of Corruption: A Cross-National Study. Journal of Public Economics 76: 399-457. Gerring, J. and S. Thacker. 2005. Do Neoliberal Policies Deter Political Corruption? International Organization 59(1): 233–254. Sandholtz, Wayne and William Koetlze. 2000. Accounting for Corruption: Economic Structure, Democracy, and Trade. International Studies Quarterly 44 (1): 31-50. World Bank. 2006. Doing Business 2007: How to Reform. Washington D.C.: World Bank.

66. Sachs, Jeffrey, and Andrew Warner. 1995. Economic Reform and the Process of Global Integration. Brookings Papers on Economic Activity 1: 1-118.
67. Bannister, Geoffery J. and Kamau Thugge. May 2001. International Trade and Poverty Alleviation. IMF working paper WP/01/54. Christiaensen, L., L. Demery, and S. Paternostro. 2003. Macro and Micro Perspectives of Growth and Poverty in Africa. The World Bank Economic Review 17: 317-334. Berg, A. and Anne Krueger. 2003. Trade, Growth and Poverty: A Selective Survey. International Monetary Fund Working Paper WP/03/30. Kraay, Aart, and David Dollar. 2004. Trade, Growth, and Poverty. The Economic Journal 114 (493): F22-F49. Winters, A., N. McCulloch, and A. McKay .2004. Trade Liberalization and Poverty: The Evidence So Far. Journal of Economic Literature XLII: 72-115.
68. Bruno, M., and W. Easterly. 1998. Inflation crises and long-run growth. Journal of Monetary Economics 41(1): 3-26. Bruno, M. and Easterly, W. 1996. Inflation and growth: in search of a stable relationship. Federal Reserve Bank of St. Louis Review 78(3): 139-146. Easterly, William. 2001. The Elusive Quest for Growth. Cambridge, MA: MIT Press. Barro, R. J. 1997. Determinants of economic growth. Cambridge, Mass.: MIT Press. Andres, J. and I. Hernando. 1999. "Does Inflation harm Economic Growth? Evidence from the OECD." in The Costs and Benefits of Price Stability, edited by M. Feldstein. Chicago: University of Chicago Press. Bolton, Daniel M. and Alexander, W. Robert J. 2001. The Differing Consequences of Low and High Rates of Inflation. Applied Economics Letters 8(6): 411-14. Fernandez Valdovinos, Carlos G. 2003. Inflation and Economic Growth in the Long Run. Economics Letters 80(2): 167-73.
69. De Gregorio, Jose. 1993. Inflation, Taxation and Long-Run Growth. Journal of Monetary Economics 31: 271-98. Jones, L., R. E. Manuelli and P. E. Rossi. 1993. Optimal Taxation in Models of Endogenous Growth. Journal of Political Economy 101(3): 485-517. Feldstein, Martin. 1999. "Capital Income Taxes and the Benefit of Price Stability," in The Costs and Benefits of Achieving Price Stability, edited by M. Feldstein. Chicago: Chicago University Press. Fischer, Stanley, 1993. The Role of Macroeconomic Factors in Growth Journal of Monetary Economics 32(3): 485-512.
70. Boyd, John, Ross Levine, and Bruce Smith. 2001. The Impact of Inflation on Financial Sector Performance. Journal of Monetary Economics 47: 221-48. Braun, M., and R. Di Tella. 2004. Inflation, Inflation Variability, and Corruption. Economics and Politics 16(1): 77-100. Al-Marhubi, F. A. 2000. Corruption and Inflation. Economics Letters 66(2): 199-202.
71. Easterly, W. and Stanley Fischer. 2001. Inflation and the Poor. Journal of Money, Credit, and Banking 1: 159-178. Datt, Gaurav and Martin Ravallion. 1998. Why Have Some Indian States Done Better Than Others at Reducing Rural Poverty? Economica 65: 17-38. Agenor, Pierre-Richard. 1999. "Stabilization Policies, Poverty, and the Labor Market," in Poverty in sub-Saharan Africa,

edited by E. Thorbecke. Ithaca, NY: Cornell University Press. Romer, C. and Romer, D. 1999. "Monetary Policy and the Well-Being of the Poor." In Income Inequality: Issues and Policy Options. Kansas City: Federal Reserve Bank of Kansas City. Pg 159-201. Cardoso, Eliana. 1992. Inflation and Poverty. NBER Working Paper 4006. Powers, Elizabeth T. 1995. Inflation, Unemployment, and Poverty Revisited. Economic Review 3: 2-13. Li, Hongyi, and Heng-fu Zou. 2002. Inflation, Growth, and Income Distribution: A Cross-country Study. Annals of Economics and Finance 3(1): 85-101.Christiaensen, L., L. Demery, and S. Paternostro. 2003. Macro and Micro Perspectives of Growth and Poverty in Africa. The World Bank Economic Review 17: 317-334. World Bank. 2005. Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries. Washington D.C.: World Bank. Lustig, Nora. 2000. Crises and the Poor: Socially Responsible Macroeconomics. Economía 1(1): 1-30.

72. Fischer, Stanley. 1993. The Role of Macroeconomic Factors in Growth. Journal of Monetary Economics 32: 485-512. Easterly, W. and Rebelo, S. 1993. Fiscal Policy and Economic Growth: An Empirical Investigation. Journal of Monetary Economics 32(3): 417-458. Easterly, William. 2001. The Elusive Quest for Growth. Cambridge, MA: MIT Press.
73. Ahlquist, J.S. 2006. Economic policy, institutions, and capital flows: portfolio and direct investment flows in developing countries. International Studies Quarterly 50(3): 681-704.
74. Easterly, W. and Rebelo, S. 1993. Fiscal Policy and Economic Growth: An Empirical Investigation. Journal of Monetary Economics 32(3): 417-458. Ball, Laurence and N. Gregory Mankiw. 1995. "What Do Deficits Do?" in Budget Deficits and Debt: Issues and Options, Kansas City: Federal Reserve Bank of Kansas City, 95-119. Reinhart, C., Kenneth Rogoff and Miguel Savastano. 2003. Debt Intolerance. NBER Working Paper 9908.
75. Pattillo, C., H. Poirson, and L.A. Ricci. 2003. Through What Channels Does External Debt Affects Growth? Brookings Trade Forum. Washington D.C.: Brookings Institution Press. pp. 229–58. Elbadawi, I. and K. Schmidt-Hebbel. 1998. Macroeconomic policies, instability and growth in the world. Journal of African Economies 7: 116-168. Burnside, Craig, Martin Eichenbaum and Sergio Rebelo. 2001. Prospective Deficits and the Asian Currency Crisis. Journal of Political Economy 109(6): 1155-1197. Mussa, M. 2002. Argentina and the Fund: From Triumph to Tragedy. Policy Analyses in International Economics 67. Washington D.C.: International Institute for Economics. Cohen, D. 1993. Low Investment and Large LDC Debt in the 1980s. American Economic Review 52: 437–49. Servén, L., 1997. Uncertainty, Unstability, and Irreversible Investment: Theory, Evidence, and Lessons from Africa. World Bank Policy Research Working Paper No. 1722.
76. Christiaensen, L., L. Demery, and S. Paternostro. 2003. Macro and Micro Perspectives of Growth and Poverty in Africa. The World Bank Economic Review 17: 317-334. World Bank. 2005. Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries. Washington D.C.: World Bank. Lustig, Nora. 2000. Crises and the Poor: Socially Responsible Macroeconomics. Economía 1(1): 1-30.
77. Esteve-Volart, Berta. 2004 Gender Discrimination and Growth: Theory and Evidence from India. London School of Economics and Political Science. Klasen, Stephan. 1999. Does gender inequality reduce growth and development? Evidence from cross-country regressions. Working Paper No. 7, Policy Research Report on Gender and Development. Washington, D.C.: The World Bank. Dollar, David, and Roberta Gatti. 1999. Gender inequality, income, and growth: Are good times good for women? Working Paper No. 1, Policy Research Report on Gender and Development. Washington, D.C.: The World Bank. Morrisson, Christian and Johannes Jütting. 2004. The impacts of social

institutions on the economic role of women in developing countries. Working Paper No. 234. Paris: OECD Development Centre. Morrison, Andrew, Dhushyanth Raju, and Nistha Sinha. 2007. Gender equality, poverty, and economic growth. Policy Research Working Paper No. 4349. Washington, D.C.: The World Bank Doepke, Matthias, Michele Tertilt, and Alessandra Voena. 2011. The economics and politics of women's rights. Working Paper.

78. Blau, Francine. 1996. Where are We in the Economics of Gender? The Gender Pay Gap. NBER Working Paper 5664. Ali, Khadija. 2000. Structural adjustment policies and women in the labour market: Urban working women in Pakistan. Third World Planning Review, 22(10). Fontana, Marzia and Cristina Paciello. 2007. Labour Regulations and Anti-Discrimination Legislation: How Do They Influence Gender Equality in Employment and Pay? Sussex: Institute of Development Studies.
79. Kennedy, E. and P. Peters. 1992. Household food security and child nutrition: the interaction of income and gender of household head. World Development, Vol. 20, Issue 8, August 1992: 1077-1085. Hoddinott, John, and Lawrence Haddad. 1995. "Does Female Income Share Influence Household Expenditures? Evidence From Cote D'Ivoire." Oxford Bulletin of Economics & Statistics 57 (1): 77 – 96. World Bank. 2001. Engendring Development through Gender Equality in Rights, Resources, and Voice. ISBN 0-19-521596-6. Ranis, Gustav, Frances Stewart and Alejandro Ramirez. 2000. Economic growth and human development. World Development, 28(2): 197-219. Thomas, Duncan. 1990. Intra-household resource allocation: An inferential approach. The Journal of Human Resources, 25(4): 635-664.