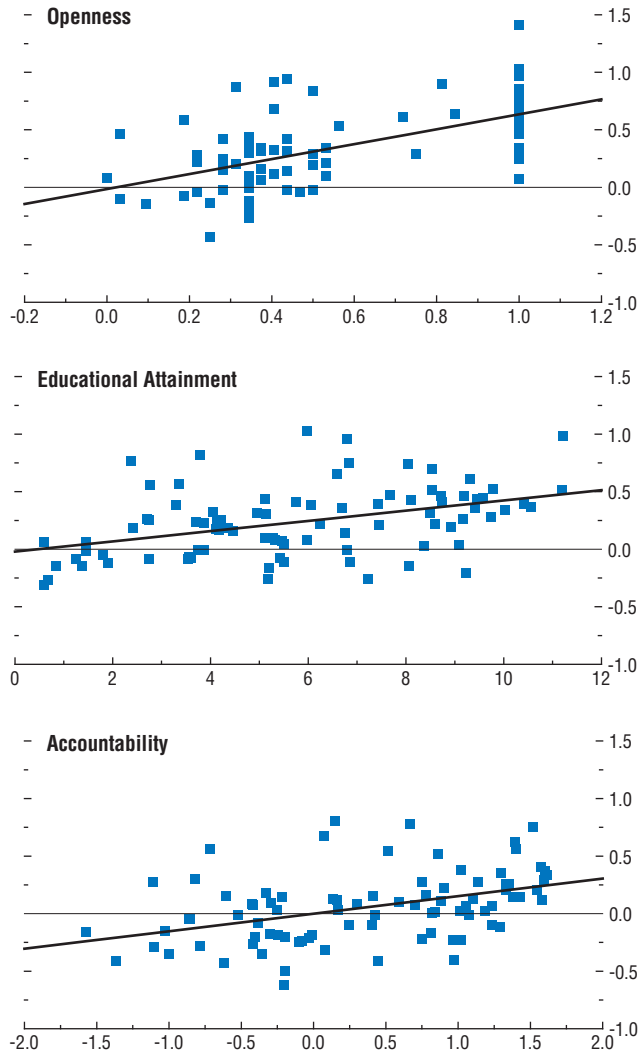


Figure 3.9. Openness, Education, Accountability, and Quality of Economic Institutions¹

(Economic institutions on y-axis; x-axis as stated; 1970–2003)

Trade openness, accountability, and, to a lesser degree, educational attainment are associated with institutional quality, even after controlling for other potential determinants of institutions.



Sources: Barro and Lee (2000); Heritage Foundation (2005); Kaufmann, Kraay, and Mastruzzi (2005); Wacziarg and Welch (2003); and IMF staff calculations.

¹Institutional quality is measured by Heritage Foundation's Economic Freedom index. The y-axis depicts that portion of the index which is not explained by determinants of institutional quality other than, respectively, openness, educational attainment, and accountability. For more information, see Appendix 3.1.