GOVERNANCE, INFRASTRUCTURE, AND THE LAW

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World Development Report 2017
Governance and the Law

WORLD BANK GROUP
Is Mexico facing a Middle Income Trap?

How can the

WDR 2017: Governance and The Law

help answer this question?
A framework

Feedback Channels
- “De facto Interests”
- Self-reinforcing dynamics: virtuous cycle

Institutional Functions
- Enhance coordination
  - Coordinate collective action: strategic complementarities
  - Solve market failures in the presence of externalities
  - Promote innovation and technology adoption
- Ensure commitment
  - Ensure certainty of property rights
  - Facilitate saving and appropriate risk-taking
  - Encourage investment
  - Induce cohesiveness
  - Provide public goods
  - Reduce segregation
  - Enhance quality of representation

Pillars of Governance
- Bureaucratic Capacity/Service Delivery
- Legal Order
- Accountability/Checks and Balances

Development Outcomes
- Growth
- Equality
- Resilience (Conflict/Climate-related Shocks)