



UNU-MERIT Working Paper Series

#2013-056

Economic development, growth, institutions and geography Samyukta Bhupatiraju & Bart Verspagen

Working Paper Series on Institutions and Economic Growth: IPD WP16

This working paper is part of the research programme on 'Institutions, Governance and Long-term Economic Growth', a partnership between the French Development Agency (AFD) and the Maastricht Graduate School of Governance (Maastricht University – UNU-Merit). The research builds on the Institutional Profiles Database IPD, jointly developed by AFD and the French Ministry of the Economy since 2001.

ISSN 1871-9872

Maastricht Economic and social Research institute on Innovation and Technology (UNU-MERIT)

email: info@merit.unu.edu | website: <http://www.merit.unu.edu>

Maastricht Graduate School of Governance (MGSOG)

email: info-governance@maastrichtuniversity.nl | website: <http://mgsog.merit.unu.edu>

Keizer Karelplein 19, 6211 TC Maastricht, The Netherlands

Tel: (31) (43) 388 4400, Fax: (31) (43) 388 4499

**AFD-MGSoG/UNU-Merit Working Paper Series on
« Institutions, Governance and Long term Growth »**

In 2010, the French Development Agency (AFD) initiated a partnership with the Maastricht Graduate School of Governance (Maastricht University - UNU-Merit) with a view to exploring the conceptual and econometric relationships between institutions and long-term growth. As a development bank with a long-term lending horizon, AFD is particularly interested in better understanding the determinants of countries' long term economic, social, and political trajectory.

AFD has thus developed a programme on “Institutions, Governance, and Long-term Growth” dealing with the five following dimensions:

- (i) Measuring institutions and discussing the meaning of such measures, notably through the Institutional Profiles Database;
- (ii) Testing the econometric relationship between institutional measures and long term growth;
- (iii) Exploring through a series of country case studies the historical relationship between processes of economic accumulation, forms of political organisation, and social cohesion;
- (iv) Discussing conceptual frameworks for making sense of the interaction between political, social and economic forces in the process of development;
- (v) Developing methodologies for political economy analyses.

The MGSoG/UNU-Merit team is involved in the five dimensions with a particular focus on the first two. Its primary objective is to explore the Institutional Profiles Database jointly developed by AFD and the French Ministry of the Economy since 2001. Institutional Profiles Database is unique by its scope (about 350 elementary questions pertaining to all institutional dimensions covering 148 countries in 2012), its entirely free access, and its ambition to incorporate the most recent theoretical advances in the field of political economy.

The present series intends to convey the results of our ongoing research, and in so doing to reflect the wealth of issues that can be fruitfully addressed from an “institutionalist” perspective. We hope that readers will find these papers stimulating and useful to develop their own understanding and research.

Nicolas Meisel (AFD)
Adam Szirmai (MGSoG/UNU-Merit)

For more information on the programme, please visit our websites:

<http://www.maastrichtuniversity.nl/web/Schools/MGSoG/ProjectPages/InstitutionalProfilesDatabase.htm>

<http://www.afd.fr/lang/en/home/recherche/themes-recherches/institutions-gouvernance-croissance>

The UNU-MERIT WORKING Paper Series

- 2013-01 *Effects of innovation on employment in Latin America* by Gustavo Crespi and Ezequiel Tacsir
- 2013-02 *Revisiting the porter hypothesis: An empirical analysis of green innovation for the Netherlands* George van Leeuwen and Pierre Mohnen
- 2013-03 *Impact of external knowledge acquisition strategies on innovation - A comparative study based on Dutch and Swiss panel data* by Spyros Arvanitis, Boris Lokshin, Pierre Mohnen and Martin Wörter
- 2013-04 *Interactive knowledge exchanges under complex social relations: A simulation model* Robin by Cowan and Anant Kamath
- 2013-05 *Innovation systems framework: still useful in the new global context?* by Michiko Iizuka
- 2013-06 *The importance of intrinsic and extrinsic motivation for measuring IQ* by Lex Borghans, Huub Meijers and Bas ter Weel
- 2013-07 *Firms' innovation capability-building paths and the nature of changes in learning mechanisms: Multiple case-study evidence from an emerging economy* by Paulo N. Figueiredo, Marcela Cohen and Saulo Gomes
- 2013-08 *A set of time series data labour market stocks and flows for the Netherlands 1980 to 2010* by Manuel Müllers, Joan Muysken and Erik de Regt
- 2013-09 *Designing an optimal 'tech fix' path to global climate stability: R&D in a multi-phase climate policy framework* by Adriaan van Zon and Paul A. David
- 2013-10 *Complementarity between internal knowledge creation and external knowledge sourcing in developing countries* by Jun Hou and Pierre Mohnen
- 2013-11 *Summarizing large spatial datasets: Spatial principal components and spatial canonical correlation* by Samyukta Bhupathiraju, Bart Verspagen and Thomas Zieseemer
- 2013-12 *Regional systems of innovation in the Arab region* by Samia Satti Osman Mohamed Nour
- 2013-13 *Development and social justice: Education, training and health in Sudan* by Samia Satti Osman Mohamed Nour
- 2013-14 *The economic importance and impacts of intellectual property rights (IPRs) in Sudan* by Samia Satti Osman Mohamed Nour
- 2013-15 *Overview of knowledge economy in the Arab region* by Samia Satti Osman Mohamed Nour
- 2013-16 *The importance (impacts) of knowledge at the macro-micro levels in the Arab Gulf countries* by Samia Satti Osman Mohamed Nour
- 2013-17 *Political determinants and impact analysis of using a cable system as a complement to an urban transport system* by Diego Escobar-García, Francisco García-Orozco and Carlos Cadena-Gaitán
- 2013-18 *Women entrepreneurs in the informal economy: Is formalization the only solution for business sustainability?* By Shyama V. Ramani, Ajay Thutupalli, Tamas Medovarszki, Sutapa Chattopadhyay, Veena Ravichandran
- 2013-19 *Heterogeneity in innovation strategies, evolving consumer preferences and market structure: An evolutionary multi-agent based modelling approach* by Salih Çevikarslan

- 2013-20 *Optimal patent length and patent breadth in an R&D driven market with evolving consumer preferences: An evolutionary multi-agent based modelling approach* by Salih Çevikarslan
- 2013-21 *Innovation and productivity: An update* by Pierre Mohnen and Bronwyn H. Hall
- 2013-22 *Fathers' use of parental leave. What do we know?* by Nevena Zhelyazkova
- 2013-23 *Eliciting Illegal migration rates through list randomization* by David McKenzie and Melissa Siegel
- 2013-24 *How do ICT firms in Turkey manage innovation? Diversity in expertise versus diversity in markets* by Semih Akçomak, Erdal Akdeve and Derya Findik
- 2013-25 *Dynamic models of R&D, innovation and productivity: Panel data evidence for Dutch and French manufacturing* by Wladimir Raymond, Jacques Mairesse, Pierre Mohnen and Franz Palm
- 2013-26 *Centre-based versus home-based childcare* by Robert Bauchmüller
- 2013-27 *Microeconomic evidence of financing frictions and innovative activity* by Amaresh K Tiwari, Pierre Mohnen, Franz C Palm and Sybrand Schim van der Loeff
- 2013-28 *Innovation for economic performance: The case of Latin American firms* by Elena Arias Ortiz, Gustavo Crespi, Ezequiel Tacsir, Fernando Vargas and Pluvia Zuñiga
- 2013-29 *Is money all? Financing versus knowledge and demand constraints to innovation* Gabriele Pellegrino and Maria Savona
- 2013-30 *Child deprivation in Ontario - A (less than perfect) comparison with Europe* by Geranda Notten
- 2013-31 *Measuring performance: does the assessment depend on the poverty proxy?* by Geranda Notten
- 2013-32 *How big is the impact of infrastructure on trade? Evidence from meta-analysis* by Mehmet Güney Celbis, Peter Nijkamp and Jacques Poot
- 2013-33 *Using a 'Systems' Perspective to Explain the Limits of 'New' Multinational Enterprises: the role of 'members-only' location advantages* by Rajneesh Narula
- 2013-34 *Foreign direct investment as a driver of industrial development: why is there so little evidence?* by Rajneesh Narula
- 2013-35 *The end of the multifibre arrangement (MFA) and the heterogeneous performance of quota-constrained countries* by Mulu Gebreeyesus
- 2013-36 *Technological capability building in MNE-related social businesses of less developed countries: The experience of Grameen-Danone Foods in Bangladesh* by Jahan A. Peerally and Paulo N. Figueiredo
- 2013-37 *The links between economic integration and remittances behaviour of migrants in the Netherlands* by Özge Bilgili
- 2013-38 *The influence of vulnerability on migration intentions in Afghanistan* by Craig Loschmann and Melissa Siegel
- 2013-39 *How unemployment insurance savings accounts affect employment duration: Evidence from Chile* by Paula Nagler
- 2013-40 *Self-organization of knowledge economies* by François Lafond
- 2013-41 *Designing an optimal 'tech fix' path to global climate stability: Directed R&D and embodied technical change in a multi-phase framework* by Adriaan van Zon & Paul A. David
- 2013-42 *The growth of outward FDI and the competitiveness of the underlying economy: the case of India* by Rajneesh Narula and Tiju Prasad Kodiyat

- 2013-43 *The impact of migration on children left behind in Moldova* by Franziska Gassmann, Melissa Siegel, Michaella Vanore and Jennifer Waidler
- 2013-44 *Technological spillovers and industrial growth in Chinese regions* by Lili Wang, Huub Meijers and Adam Szirmai
- 2013-45 *Male use of parental leave in Luxembourg: Empirical analysis of administrative records* by Nevena Zhelyazkova
- 2013-46 *Exploring the paradox of competence-creating subsidiaries: balancing bandwidth and dispersion in MNEs* by Rajneesh Narula
- 2013-47 *Switching off or switching source: energy consumption and household response to higher energy prices in the Kyrgyz Republic* by Franziska Gassmann and Raquel Tsukada
- 2013-48 *Beyond technological catch-up: An empirical investigation of further innovative capability accumulation outcomes in latecomer firms with evidence from Brazil* by Paulo N. Figueiredo
- 2013-49 *Parental leave within the broader work-family trajectory: What can we learn from sequence analysis?* by Nevena Zhelyazkova
- 2013-50 *Transnational corruption and innovation in transition economies* by Alexis Habiyaemye and Wladimir Raymond
- 2013-51 *The pace of poverty reduction - A fractional response approach* by Richard Bluhm, Denis de Crombrughe and Adam Szirmai
- 2013-52 *Minding Weber more than ever? The impacts of State Capacity and Bureaucratic Autonomy on development goals* by Luciana Cingolani, Kaj Thomsson and Denis de Crombrughe
- 2013-53 *The State of State Capacity: a review of concepts, evidence and measures* by Luciana Cingolani
- 2013-54 *Institutions, Foreign Direct Investment, and Domestic Investment: crowding out or crowding in?* by Kristine Farla, Denis de Crombrughe and Bart Verspagen
- 2013-55 *Determinants of firms' investment behaviour: A multilevel approach* by Kristine Farla
- 2013-56 *Economic development, growth, institutions and geography* by Samyukta Bhupatiraju & Bart Verspagen