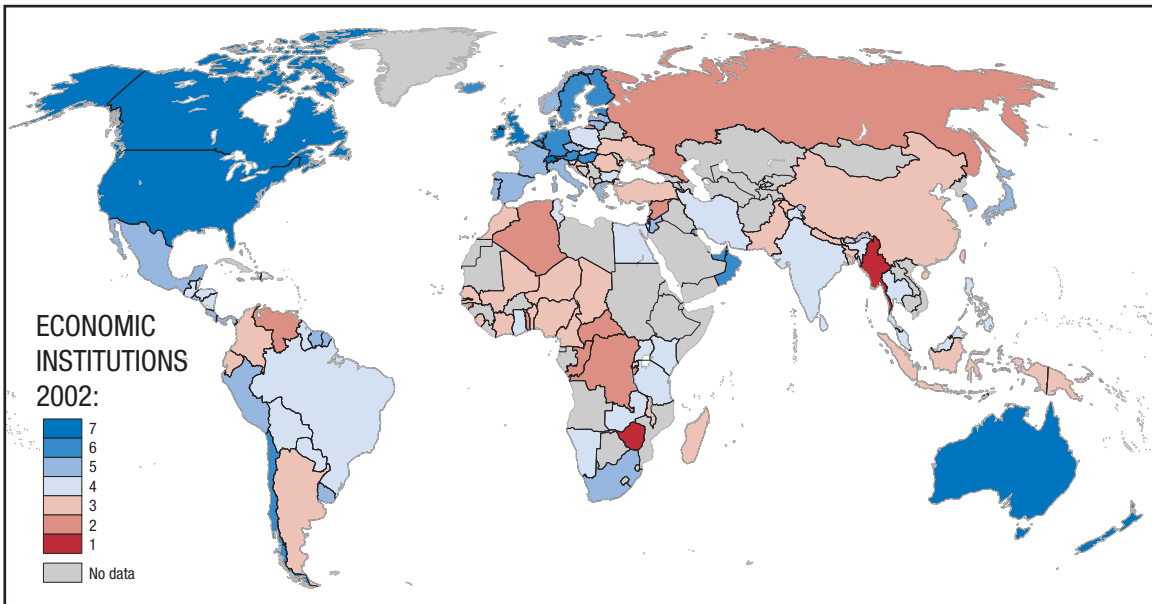
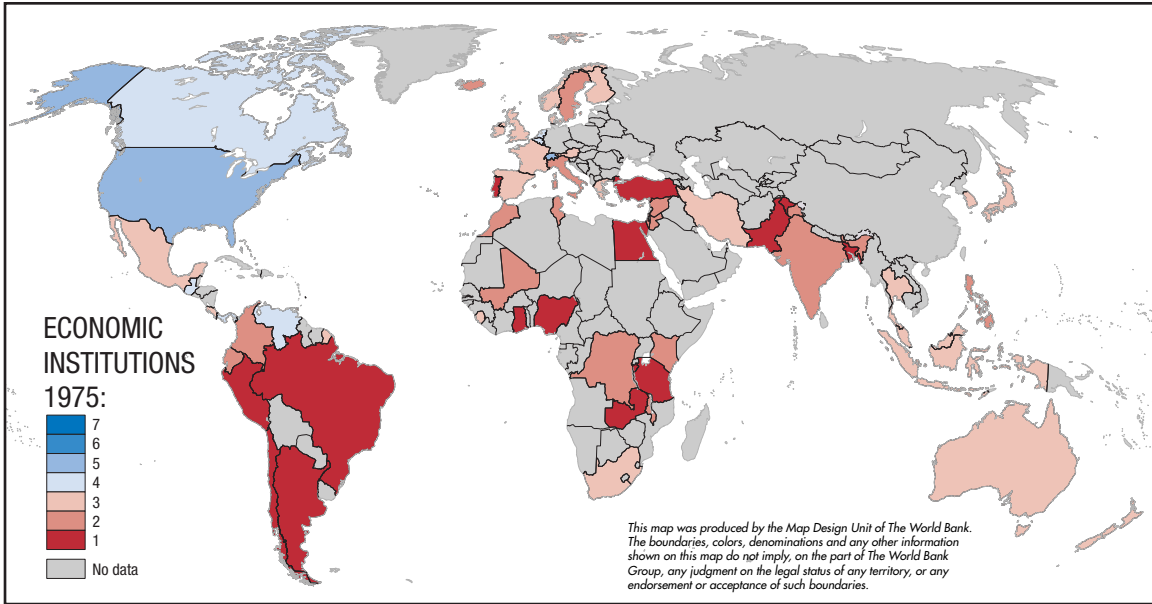


Figure 3.3. Evolution of Economic Institutions¹

Economic institutions as measured by Gwartney and Lawson's Economic Freedom Index have improved across the world over the past three decades. However, sub-Saharan Africa and many other—mostly low-income—countries continue to have low institutional scores.

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Sources: Gwartney and Lawson (2004); and IMF staff calculations.

¹ The measure of economic institutions is based on Gwartney and Lawson's Economic Freedom Index. Scores for individual countries were rescaled to the range from 1 to 7 with higher scores reflecting better institutional quality. See Appendix 3.1 for further details.