

# Economy and institutions

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NUEVA GRANADA

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- Check the message **Welcome greeting** published in the News Bulletin Board.
- Dear student please edit your profile uploading a photo where your face is clearly visible.
- The purpose of the virtual meetings is to answer questions and not to make a summary of the study material.
- This presentation is based on (**Cardenas 2020, chap. 4**)



Analyze the role of institutions in the economy



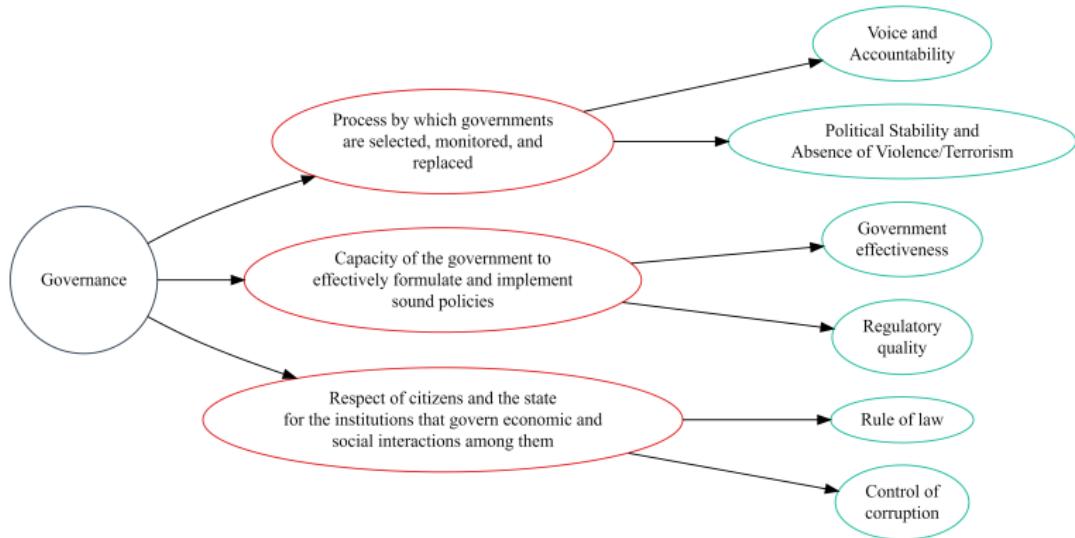
- “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction”  
*(Douglass C. North 1990, 3)*
- Institutions can be informal or formal (*Douglass C. North 1991*)
  - **Informal:** sanctions, taboos, customs, traditions, and codes of conduct
  - **Formal:** constitutions, laws, property right



- Governance

- Set of traditions and institutions by which authority in a country is exercised where it includes (**Kaufmann, Kraay, and Mastruzzi 2011, 222**):
  - The process by which governments are selected, monitored and replaced
  - The capacity of the government to effectively formulate and implement sound policies
  - The respect of citizens and the state for the institutions that govern economic and social interactions among them



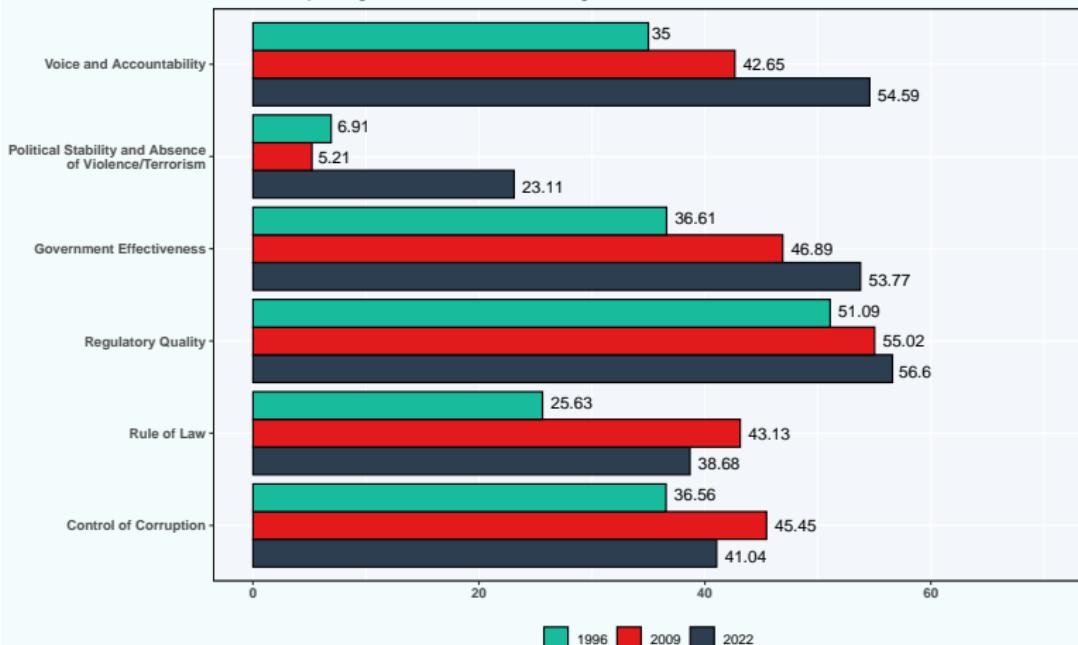


**Figure 1:** Governance dimensions (Kaufmann, Kraay, and Mastruzzi 2011, 223)

- Where can I find data?
  - Worldwide Governance Indicators (WGI) - WorldBank
    - <https://databank.worldbank.org/source/worldwide-governance-indicators>
- What is the methodology?
  - <https://info.worldbank.org/governance/wgi/> > Documentation



All indicators are expressed as percentile ranks  
 Percentile rank indicates the country's rank among all countries covered by the aggregate indicator,  
 with 0 corresponding to lowest rank, and 100 to highest rank



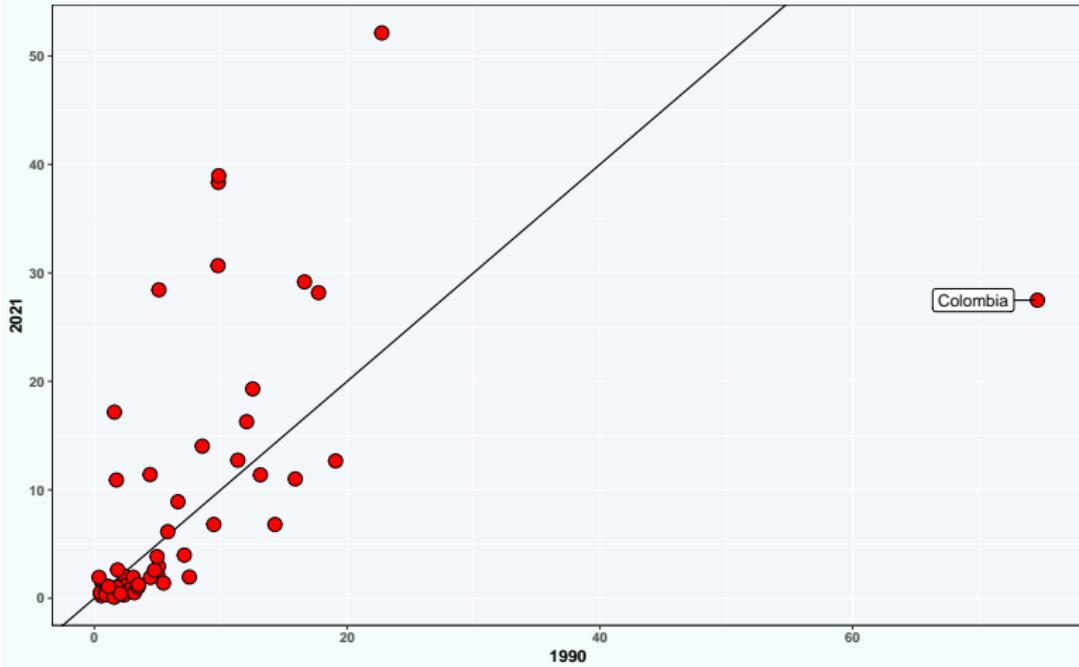
Source: Worldwide Governance Indicators (WGI) – World Bank  
 Last update: 2024-06-28

**Figure 2:** Governance dimensions for Colombia



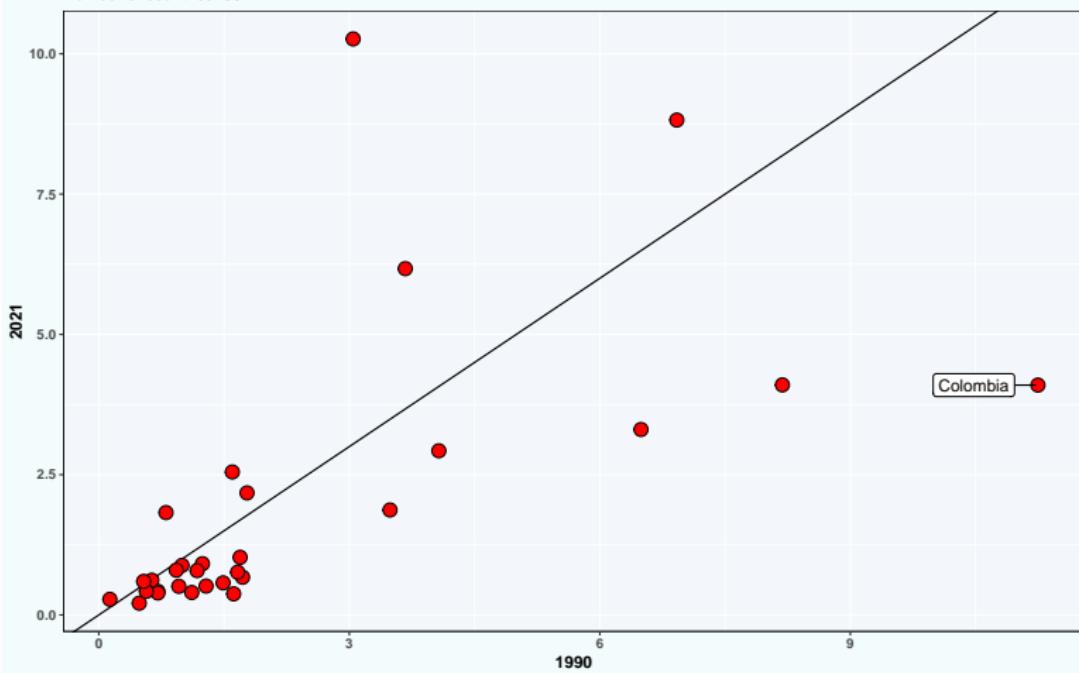
**Period: 1990 vs 2021**

Number of countries: 66

**Figure 3:** Intentional homicides (per 100,000 people)

Period: 1990 vs 2021

Number of countries: 30

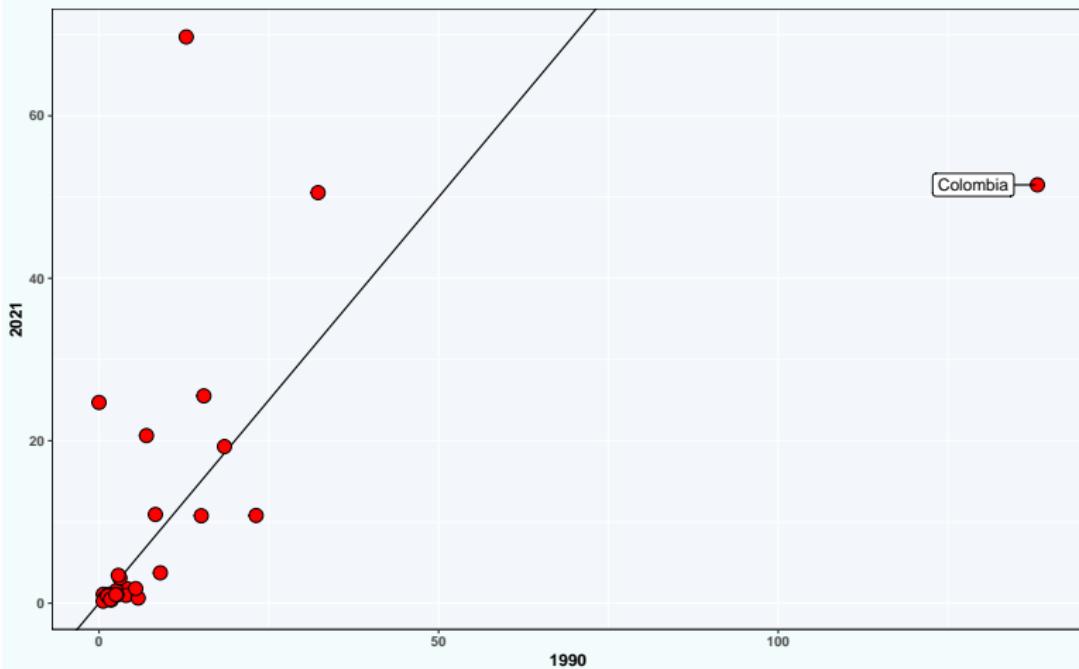


**Figure 4:** Intentional homicides, female (per 100,000 female)

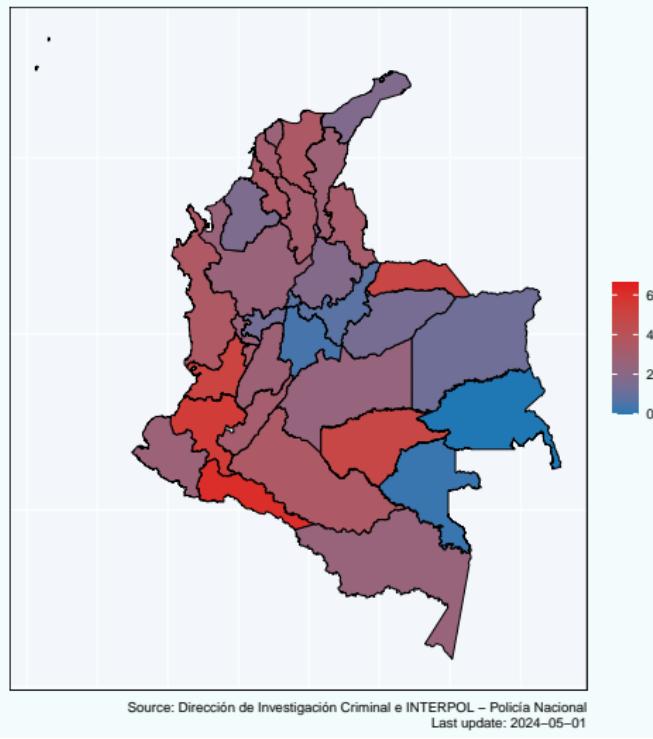


**Period: 1990 vs 2021**

Number of countries: 30

**Figure 5:** Intentional homicides, male (per 100,000 male)

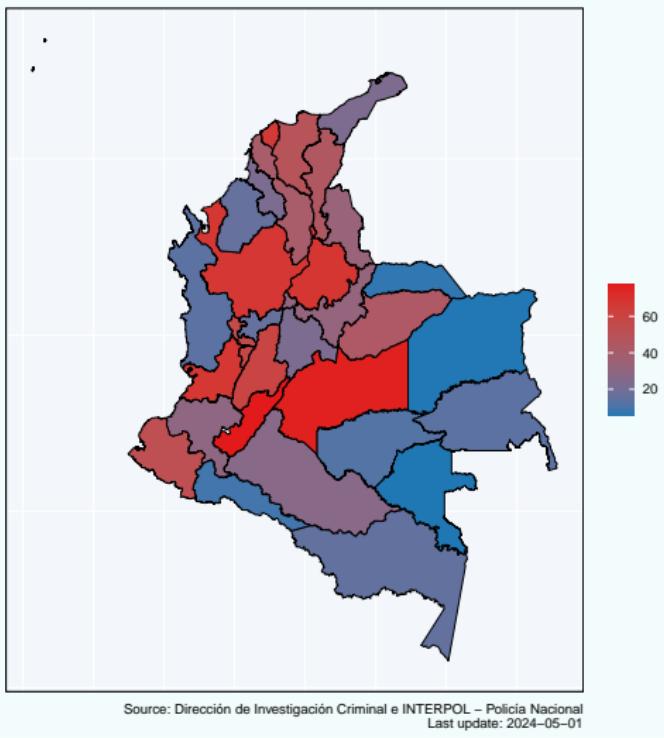
Year: 2023



**Figure 6:** Intentional homicides (per 100,000 people) by department



Year: 2023

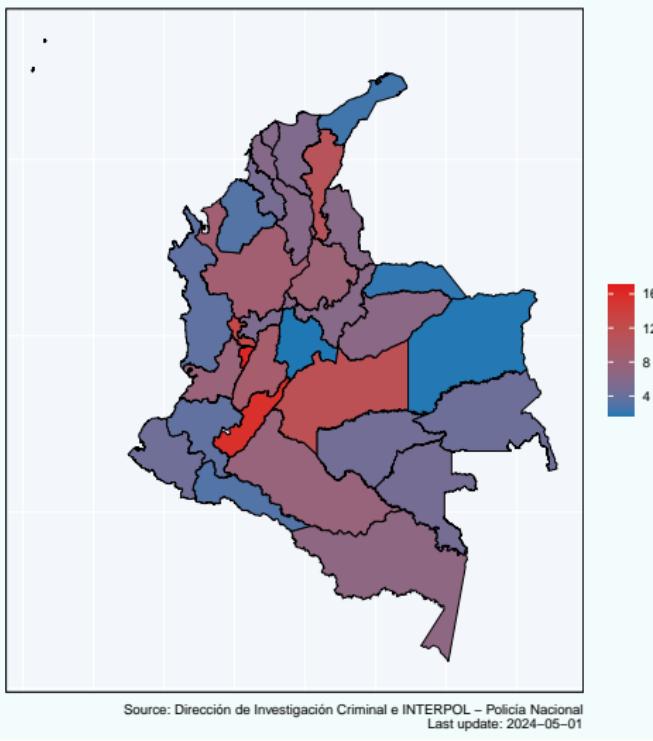


**Figure 7:** Theft from person<sup>1</sup> (per 100,000 people) by department

<sup>1</sup> *Hurto a personas* in spanish



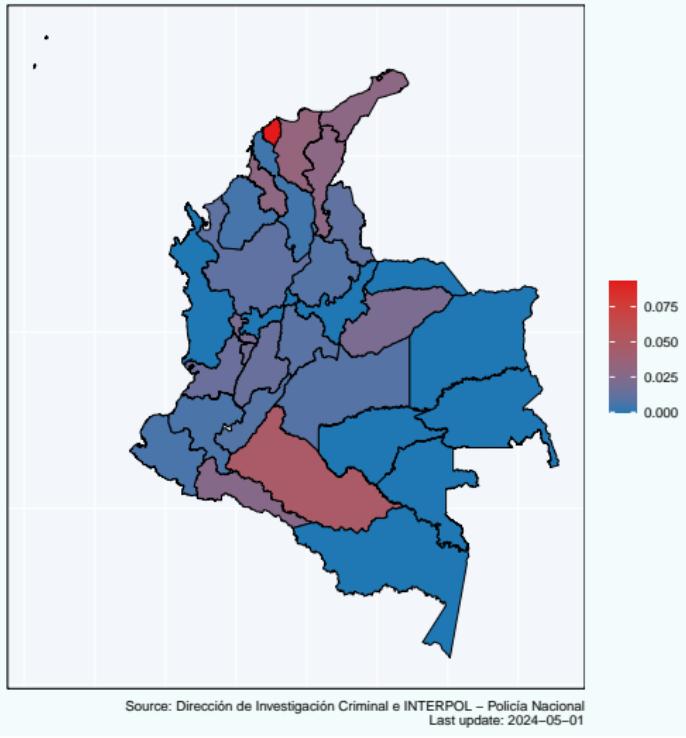
Year: 2023



**Figure 8:** Theft from commercial establishments<sup>2</sup> (per 100,000 people) by department

<sup>2</sup>*Hurto a comercio* in spanish

Year: 2023

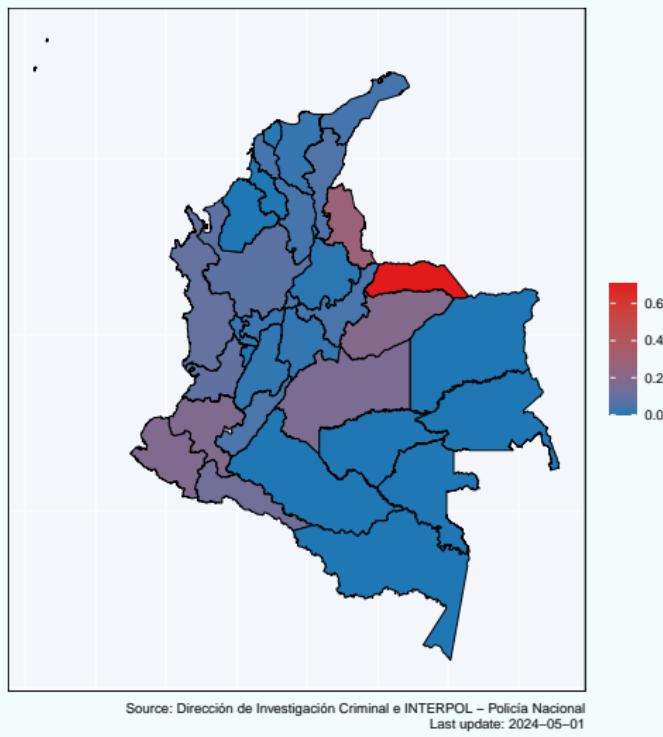


**Figure 9:** Robbery of Financial Institutions<sup>3</sup> (per 100,000 people) by department

<sup>3</sup> *Hurto a entidades financieras* in spanish



Year: 2023



**Figure 10:** Kidnapping (per 100,000 people) by department



- To my family that supports me
- To the taxpayers of Colombia and the **UMNG students** who pay my salary
- To the **Business Science** and **R4DS Online Learning** communities where I learn **R** and **π-thon**
- To the **R Core Team**, the creators of **RStudio IDE**, **Quarto** and the authors and maintainers of the packages **tidyverse**, **wbstats**, **tidyquant**, **janitor**, **ggrepel**, **sf** and **tinytex** for allowing me to access these tools without paying for a license
- To the **Linux kernel community** for allowing me the possibility to use some **Linux distributions** as my main **OS** without paying for a license



# References I

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