

The Significance of Good Governance Institutional Quality to Economic Growth and Development (In EME Country)

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Economic growth and development require adequate open institutional frameworks that protect and enforces the law, equitably and justly among all participants in the economy. The quality of institutions promotes the process of economic growth and development. This paper will explore the significance of the quality of institutions for economic growth and development, with a review of recent literature and supportive data from the Global Competitiveness Report (GCR) and Corrupt Perception Index (CPI) in relation to good governance in some selected developing countries. In considering the nature and intensity of good governance institutional quality and the synthetic instrument of economic growth and development, the paper empirically analysis the annual data suing specific indicators. The finding assumes various key roles, play by an institution in the process of economic growth and development. Furthermore, analysing the indicators showed that the quality of good governance framework is strongly dependent on the following aspects: the quality of political leadership; illegal payments and bribe (Corruptions). Similarly, property rights which including intellectual property; the efficiency of the legal framework; the independence of justice. The paper also observed that capacity of social and economic actors to exert pressure to change and eliminate inadequate institutions plays an important role in the economy growth and development. Moreover, the quality of the interconnection between organisations and the supervisory institutions in the economy growth and development was also analysed. These aspects may make or mar the growth and development of the economy; as such, this paper proposed that policy maker should practically and socially improve the quality and infrastructure of the institution to deliver long run economic growth and development.