

WBI DEVELOPMENT STUDIES

# Mexico's Transition to a Knowledge-Based Economy

*Challenges and Opportunities*

**Yevgeny Kuznetsov  
Carl. J. Dahlman**



**THE WORLD BANK**  
Washington, D.C.

# Contents

Foreword	vii
Acknowledgments	ix
Abbreviations and Acronyms	xi

## *Part I. Need for a Transition to Knowledge-Based Economy*

1. New Challenges and Opportunities	3
2. Benchmarking Mexico's Position in the Knowledge Economy	19

## *Part II. Major Policy Issues*

3. Transforming the Innovation and Enterprise Upgrading System	29
4. Enhancing Education and Skills	59
5. Updating the ICT Infrastructure in Mexico	85

## *Part III. Implementation Options*

6. Toward National Vision and Leadership	111
7. Regional Leadership in the Transition to a Knowledge Economy	123

## *Annexes*

1. Theoretical Framework for Growth Projections	137
2. Knowledge Assessment Methodology (KAM)	143
3. Comparator Scorecards for Mexico, United States, the Republic of Korea, China, Ireland, and Spain	145
4. Data for Scorecards for Mexico, United States, Republic of Korea, China, Ireland, and Spain	147
5. Performance, Economic Incentive Regime, Governance, Education, Innovation, and Information Communication Technologies: Scorecards for Mexico, United States, Republic of Korea, China, Ireland, and Spain	149
6. Variables for Regional Knowledge Assessment	161

Bibliography	163
--------------	-----