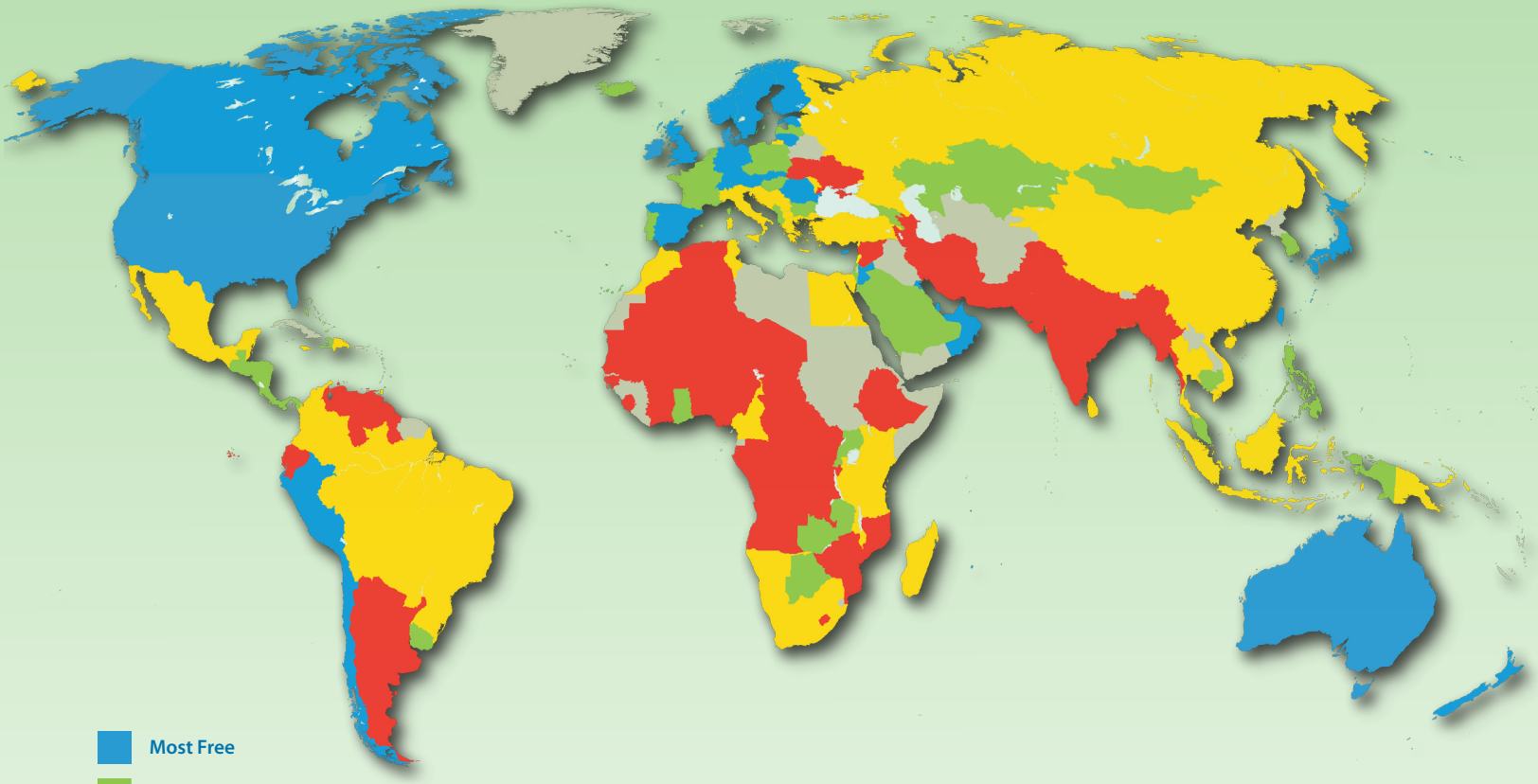
Economic Freedom of the World

2012
Annual Report



Most Free
2nd Quartile
3rd Quartile
Least Free

James Gwartney,
Robert Lawson,
& Joshua Hall

with Scott L. Baier, Christian Bjørnskov,
Matthew Clance, Alice M. Crisp, Axel Dreher,
Gerald P. Dwyer, Nicolai J. Foss, and Kai Gehring

FRASER INSTITUTE

Economic Freedom of the World

2012 Annual Report

James Gwartney
Florida State University

Robert Lawson
Southern Methodist University

Joshua Hall
Beloit College

with

Scott L. Baier
Clemson University

Christian Bjørnskov
Aarhus University

Matthew Clance
Clemson University

Alice M. Crisp
Florida State University

Axel Dreher
Heidelberg University

Gerald P. Dwyer
University of Carlos III

Nicolai J. Foss
Copenhagen Business School
& Norwegian School of Economics
& Business Administration

Kai Gehring
University of Göttingen

2012

Copyright ©2012 by the Fraser Institute. All rights reserved. No part of this book may be reproduced in any manner whatsoever without written permission except in the case of brief quotations embodied in critical articles and reviews.

The authors of this book have worked independently and opinions expressed by them are, therefore, their own and do not necessarily reflect the opinions of the supporters, trustees, or staff of the Fraser Institute. This publication in no way implies that the Fraser Institute, its trustees, or staff are in favor of, or oppose the passage of, any bill; or that they support or oppose any particular political party or candidate.

Published in cooperation with the Economic Freedom Network
Editing, design, and typesetting by Lindsey Thomas Martin
Cover design by Bill Ray
Printed and bound in Canada

Data available to researchers

The full data set, including all of the data published in this report as well as data omitted due to limited space, can be downloaded for free at <http://www.freetheworld.com>. The data file available there contains the most up-to-date and accurate data for the Economic Freedom of the World index. Some variable names and data sources have evolved over the years since the first publication in 1996; users should consult earlier editions of *Economic Freedom of the World* for details regarding sources and descriptions for those years. All editions of the report are available in PDF and can be downloaded for free from <http://www.freetheworld.com/datasets_efw.html>. However, users are always strongly encouraged to use the data from this most recent data file as updates and corrections, even to earlier years' data, do occur. Users doing long-term or longitudinal studies are encouraged to use the chain-linked index as it is the most consistent through time. If you have difficulty downloading the data, please contact Fred McMahon via e-mail to <freetheworld@fraserinstitute.org>. If you have technical questions about the data itself, please contact Robert Lawson via e-mail to <robert.a.lawson@gmail.com>. Please cite the data set as:

Authors: James Gwartney, Robert Lawson, and Joshua Hall
Title: 2012 Economic Freedom Dataset, published in *Economic Freedom of the World: 2012 Annual Report*
Publisher: Fraser Institute
Year: 2012
URL: <http://www.freetheworld.com/datasets_efw.html>

Cite this publication

Authors: James Gwartney, Robert Lawson, and Joshua Hall
Title: *Economic Freedom of the World: 2012 Annual Report*
Publisher: Fraser Institute
Date of publication: 2012
Digital copy available from <www.fraserinstitute.org> and <www.freetheworld.com>

Publishing history

See page 309 for a list of all volumes of *Economic Freedom of the World* and associated publications.

Cataloguing Information

Gwartney, James D.
Economic freedom of the world … annual report / James D. Gwartney.
Annual.
Description based on: 1997
2012 issue by James Gwartney, Robert Lawson, and Joshua Hall, with Scott L. Baier, Christian Bjørnskov, Matthew Clance, Alice M. Crisp, Axel Dreher, Gerald P. Dwyer, Nicolai J. Foss, and Kai Gehring.
Issued also online.
ISSN 1482-471X; ISBN 978-0-88975-258-0 (2012 edition).
1. Economic history--1990- --Periodicals. 2. Economic indicators--Periodicals.
I. Fraser Institute (Vancouver, B.C.) II. Title

Table of Contents

Executive Summary / *v*

Chapter 1 *Economic Freedom of the World in 2010* / *1*

Chapter 2 *Country Data Tables* / *27*

Chapter 3 *Institutions and Economic, Political, and Civil Liberty in Latin America* / *173*
by Alice M. Crisp and James Gwartney

Chapter 4 *Banking Crises and Economic Freedom* / *201*
by Scott L. Baier, Matthew Clance, and Gerald P. Dwyer

Chapter 5 *Does Aid Buy (Economic) Freedom?* / *219*
by Axel Dreher and Kai Gehring

Chapter 6 *How Institutions of Liberty Promote Entrepreneurship and Growth* / *247*
by Christian Bjørnskov and Nicolai J. Foss

Appendix *Explanatory Notes and Data Sources* / *271*

About the Authors / *285*

About the Contributors / *286*

Acknowledgments / *288*

The Economic Freedom Network / *289*

Executive Summary

Economic Freedom of the World

The index published in *Economic Freedom of the World* measures the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property. Forty-two variables are used to construct a summary index and to measure the degree of economic freedom in five broad areas:

1. Size of Government;
2. Legal System and Property Rights;
3. Sound Money;
4. Freedom to Trade Internationally;
5. Regulation.

An important anniversary

This year is the 100th anniversary of Milton Friedman's birth. Milton Friedman was the godfather of *Economic Freedom of the World*. He believed that, if economic freedom could be measured with greater accuracy, it would be possible to isolate its impact on the performance of economies and other factors of interest. This led to the Economic Freedom of the World project, headed by Milton and Rose Friedman and Michael Walker, then executive director of the Fraser Institute.

Since our first publication in 1996, numerous studies have used data from *Economic Freedom of the World* to examine the impact of economic freedom on investment, economic growth, income levels, and poverty rates. Virtually without exception, these studies have found that countries with institutions and policies more consistent with economic freedom have higher investment rates, more rapid economic growth, higher income levels, and more rapid reductions in poverty rates.

Economic freedom from around the world

- In the chain-linked index, average economic freedom rose from 5.30 (out of 10) in 1980 to 6.88 in 2007. It then fell for two consecutive years, resulting in a score of 6.79 in 2009 but has risen slightly to 6.83 in 2010, the most recent year available. It appears that responses to the economic crisis have reduced economic freedom in the short term and perhaps prosperity over the long term, but the upward movement this year is encouraging.

- In this year's index, Hong Kong retains the highest rating for economic freedom, 8.90 out of 10. The other top 10 nations are: Singapore, 8.69; New Zealand, 8.36; Switzerland, 8.24; Australia, 7.97; Canada, 7.97; Bahrain, 7.94; Mauritius, 7.90; Finland, 7.88; and Chile, 7.84.

- The rankings (and scores) of other large economies in this year's index are the United Kingdom, 12th (7.75); the United States, 18th (7.69); Japan, 20th (7.64); Germany, 31st (7.52); France, 47th (7.32); Italy, 83rd (6.77); Mexico, 91st, (6.66); Russia, 95th (6.56); Brazil, 105th (6.37); China, 107th (6.35); and India, 111th (6.26).

- The scores of the bottom ten nations in this year's index are: Venezuela, 4.07; Myanmar, 4.29; Zimbabwe, 4.35; Republic of the Congo, 4.86; Angola, 5.12; Democratic Republic of the Congo, 5.18; Guinea-Bissau, 5.23; Algeria, 5.34; Chad, 5.41; and, tied for 10th worst, Mozambique and Burundi, 5.45.

- The United States, long considered the standard bearer for economic freedom among large industrial nations, has experienced a substantial decline in economic freedom during the past decade. From 1980 to 2000, the United States was generally rated the third freest economy in the world, ranking behind only Hong Kong and Singapore. After increasing steadily during the period from 1980 to 2000, the chain-linked EFW rating of the United States fell from 8.65 in 2000 to 8.21 in 2005 and 7.70 in 2010. The chain-linked ranking of the United States has fallen precipitously from second in 2000 to eighth in 2005 and 19th in 2010 (unadjusted ranking of 18th).

Nations that are economically free out-perform non-free nations in indicators of well-being

- Nations in the top quartile of economic freedom had an average per-capita GDP of $37,691 in 2010, compared to $5,188 for bottom quartile nations in 2010 current international dollars (Exhibit 1.7).

- In the top quartile, the average income of the poorest 10% was $11,382, compared to $1,209 in the bottom in 2010 current international dollars (Exhibit 1.10). Interestingly, the average income of the poorest 10% in the most economically free nations is more than twice the overall average income in the least free nations.

- Life expectancy is 79.5 years in the top quartile compared to 61.6 years in the bottom quartile (Exhibit 1.11).

- Political and civil liberties are considerably higher in economically free nations than in unfree nations (Exhibit 1.12).

Chapter 1: Economic Freedom of the World in 2010

The authors of the report, James Gwartney (Florida State University), Robert Lawson (Southern Methodist University), and Joshua Hall (Beloit College) provide an overview of the report and discuss why economic freedom is important. They also consider the key factors underlying the decline in economic freedom of the United States since 2000.

Chapter 2: Country Data Tables

Detailed historical information is provided for each of the 144 countries and territories in the index.

Chapter 3: Institutions and Economic, Political, and Civil Liberty in Latin America

In this chapter, Alice M. Crisp and James Gwartney take a closer look at the economic, political, and civil institutions of 22 Latin American countries. These institutions are interrelated and they work as a combination to influence economic performance. To a large degree, researchers know the bundle of economic institutions and policies that lead to economic growth and prosperity. But economic institutions are an outgrowth of the political process. Similarly, civil liberties influence the public discourse and thereby have an impact on both economic and political decision-making. The quality of economic and political institutions is generally related. In Latin America, five countries—Chile, Peru, Panama, Trinidad & Tobago, and Uruguay—rank in the top eight in both economic and political institutional quality. Similarly, six countries—Venezuela, Ecuador, Haiti, Bolivia, Guyana, and Honduras—rank in the bottom eight in both the economic and political categories. The chapter provides detailed information on the strengths and weaknesses and changes in the institutional quality of Latin American countries during the past two decades.

Chapter 4: Banking Crises and Economic Freedom

Scott L. Baier, Matthew Clance, and Gerald P. Dwyer examine the connection between banking crises and measures of economic freedom from *Economic Freedom of the World: 2011 Annual Report*. They find that higher economic freedom—more personal choice, freedom of exchange, and protection of private property—is associated with a lower probability of a banking crisis. This is contrary to conventional wisdom that financial "deregulation" contributes to financial and banking crises. This finding appears in estimates from both a linear probability and a probit model and is also unaffected by inclusion of the growth of real Gross Domestic Product (GDP), deposit insurance, time or country dummy variables, or the level of real GDP. The authors also find that economic freedom falls after a financial crisis.

Chapter 5: Does Aid Buy (Economic) Freedom?

In this chapter, Axel Dreher and Kai Gehring survey the literature investigating the effects of development aid on economic freedom. The authors discuss the theoretical channels by which development aid can affect freedom and review the existing empirical literature. Overall, this literature does not establish a final answer to the question of whether aid works. However, multilateral aid seems to be more effective in increasing freedom than bilateral aid, and aid disbursed in the period after the Cold War seems to be more effective as well. This highlights the importance of changes in the prevailing aid paradigm over time when analyzing the effectiveness of aid. Moreover, the authors stress that a unified framework is required to conclusively investigate the effect of aid on freedom, including a common sample and method of estimation, common control variables, and changing one parameter of the empirical setup at a time rather than all of them together.

Chapter 6: How Institutions of Liberty Promote Entrepreneurship and Growth

Christian Bjørnskov and Nicolai J. Foss report on previous research on the links between institutions of freedom, entrepreneurship, and economic growth and add some new findings. Specifically, they discuss how economic policy and institutional design affect entrepreneurship, and how entrepreneurship in turn affects total factor productivity. In a panel of 25 developed countries observed between 1980 and 2005, they find that government size and sound money positively affect entrepreneurial activity while legal quality does so negatively. Further evidence shows that both entrepreneurship and legal quality exert a positive impact on productivity. The main effects of improvements to economic freedom are mediated through entrepreneurship and are substantial.

Data available to researchers

The full data set, including all of the data published in this report as well as data omitted due to limited space, can be downloaded for free at <http://www.freetheworld.com>. The data file available there contains the most up-to-date and accurate data for the Economic Freedom of the World index. Some variable names and data sources have evolved over the years since the first publication in 1996; users should consult earlier editions of *Economic Freedom of the World* for details regarding sources and descriptions for those years. All editions of the report are available in PDF and can be downloaded for free at <http://www.freetheworld.com>. However, users are always strongly encouraged to use the data from this most recent data file as updates and corrections, even to earlier years' data, do occur. Users doing long-term or longitudinal studies are encouraged to use the chain-linked index as it is the most consistent through time.

If you have difficulty downloading the data, please contact Fred McMahon via e-mail to <freetheworld@fraserinstitute.org>. If you have technical questions about the data itself, please contact Robert Lawson via e-mail to <robert.a.lawson@gmail.com>. Please cite the data set as:

Authors James Gwartney, Robert Lawson, and Joshua Hall
Title 2012 Economic Freedom Dataset, published in *Economic Freedom of the World: 2012 Annual Report*
Publisher Fraser Institute
Year 2012
URL <http://www.freetheworld.com/datasets_efw.html>.

Chapter 1 Economic Freedom of the World in 2010

This year is the 100th anniversary of Milton Friedman's birth. Milton Friedman was the godfather of the *Economic Freedom of the World* (EFW) project. He believed that, if economic freedom could be measured with greater accuracy, this would make it possible for researchers to identify its impact on economic performance with greater clarity. This has been the case. Since our first publication in 1996, numerous studies have used data from *Economic Freedom of the World* to examine the impact of economic freedom on investment, economic growth, income levels, and poverty rates. Virtually without exception, these studies have found that countries with institutions and policies more consistent with economic freedom have higher investment rates, more rapid economic growth, higher income levels, and more rapid reduction in poverty rates.

Nonetheless, the battle over the merits of economic freedom continues to rage. Several high-income economies are now experiencing high unemployment rates, sluggish growth, and rising levels of government debt. In spite of the evidence to the contrary, many believe that the financial crisis of 2008 was the result of lax regulation and insufficient government oversight. Both central planning and Keynesian economics have made a comeback. Budget deficits have soared recently to historic highs, and popular Keynesian economists like Paul Krugman argue that the continued sluggishness merely reflects that the deficits have not been large enough (Krugman, 2010, July 28). Democratic governments to a large degree centrally plan key sectors of many western economies, including energy, health care, and education. Against this background, both the measurement of economic freedom and the ideas of Milton Friedman are perhaps more relevant than ever before.

What is economic freedom?

The key ingredients of economic freedom are:

- personal choice
- voluntary exchange coordinated by markets;
- freedom to enter and compete in markets; and
- protection of persons and their property from aggression by others.

These four cornerstones imply that economic freedom is present when individuals are permitted to choose for themselves and engage in voluntary transactions as long as they do not harm the person or property of others. While individuals have a right to their own time, talents, and resources, they do not have a right to those of others. Thus, individuals do not have a right to take things from others or demand that others provide things for them. Use of violence, theft, fraud, and physical invasions are

not permissible but, otherwise, individuals are free to choose, trade, and cooperate with others, and compete as they see fit. In an economically free society, the primary role of government is to protect individuals and their property from aggression by others. The EFW index is designed to measure the extent to which the institutions and policies of a nation are consistent with this protective function.

Why is measurement of economic freedom important?

Building on the work of Nobel laureates Friedrich Hayek and Douglass North, there has been an explosion of research examining the impact of economic, political, and legal institutions on the performance of economies during the past two decades. Economists refer to this body of literature as the New Institutional Economics. This research illustrates that institutions exert a major impact on cross-country differences in both per capita income and economic growth.[1] Other factors, including cultural characteristics, climate, and location may also be important, but institutional attributes generally have more explanatory power. Debate continues on the set of institutions most important for the growth process and the cause and effect relationships among various economic and political arrangements. Research indicates that economic institutions exert a stronger and more consistent impact on economic growth than political democracy. However, the two may be complementary. Moves toward a more democratic political structure often occur either shortly before or shortly after economic reforms. This has led to debate about how the ordering of economic and political reforms influence performance and why reforms occur in some countries, but not others.

The New Institutional Economics highlights the importance of the Economic Freedom of the World project. The EFW data set provides the most comprehensive measure of the degree to which countries rely on markets rather than political decision-making to allocate resources. Obviously, a reliable measure of the degree to which countries rely on market institutions is central to the ongoing scholarly efforts to disentangle the importance of both economic and political institutions as determinants of economic performance, as well as the potential importance of other factors.

How does democracy affect economic freedom?

A larger share of the world's population now lives in democratic countries than at any time in history. However, there is little popular understanding of the limitations of democracy and why, if unconstrained, it is likely to result in outcomes that most would consider undesirable. A majority vote rule is a highly useful method of deciding who will carry out the protective functions of government. But, it is quite another thing to use majority voting to decide how resources will be used in the economy. As public choice analysis highlights, majoritarian democracy tends to be shortsighted. It is biased toward the adoption of programs that provide immediate, highly visible, benefits at the expense of future costs that are difficult to identify. This shortsighted nature of democratic politics explains why unconstrained democracies throughout the world are plagued by excessive debt and unfunded promises. Budget deficits, debt financing, and promises that cannot be kept without higher future taxes are not an aberration. They are reflective of the incentive structure accompanying unconstrained democracy.

---

1 See Acemoglu and Robinson, 2012 for an important recent contribution that focuses on the role of institutions in the growth and development process.

Moreover, unconstrained democracy will enhance the power of well-organized special interests relative to the ordinary citizen. Political incentives will lead politicians to "trade" favors to interest groups in exchange for political contributions that will help them win the next election. When the government becomes heavily involved in activities that provide favors to some at the expense of others, people will be encouraged to divert resources away from productive activities and toward lobbying, campaign contributions, and other forms of political favor seeking. All of these shortcomings tend to corrupt the political process and lead even democratic governments to adopt counterproductive policies.

However, research also indicates that shifts from authoritarian to democratic political regimes often precede the adoption of reforms that promote economic freedom. This raises an interesting possibility: perhaps democracy initially enhances economic freedom, but with time, this positive impact reverses.[2] As democracies mature, interest groups become more powerful, transfers and subsidies more widespread, and the share of the citizenry dependent on the government increases. This suggests that more mature democracies will tend to be characterized by declining economic freedom, a dependent population, and economic stagnation. Clearly, these issues are complex and accurate measurement of economic freedom is an essential element of scholarly research on these vitally important topics.

The *Economic Freedom of the World* index for 2010

The construction of the index published in *Economic Freedom of the World* is based on three important methodological principles. First, objective components are always preferred to those that involve surveys or value judgments. Given the multidimensional nature of economic freedom and the importance of legal and regulatory elements, it is sometimes necessary to use data based on surveys, expert panels, and generic case studies. To the fullest extent possible, however, the index uses objective components. Second, the data used to construct the index ratings are from external sources such as the International Monetary Fund, World Bank, and World Economic Forum that provide data for a large number of countries. Data provided directly from a source within a country are rarely used, and only when the data are unavailable from international sources. Importantly, the value judgments of the authors or others in the Economic Freedom Network are never used to alter the raw data or the rating of any country. Third, transparency is present throughout. The report provides information about the data sources, the methodology used to transform raw data into component ratings, and how the component ratings are used to construct both the area and summary ratings. Complete methodological details can be found in the Appendix: Explanatory Notes and Data Sources (page 271). The entire data set used in the construction of the index is freely available to researchers at <www.freetheworld.com>.

Structure of the EFW index

Exhibit 1.1 indicates the structure of the EFW index. The index measures the degree of economic freedom present in five major areas: [1] Size of Government; [2] Legal System and Security of Property Rights; [3] Sound Money; [4] Freedom to Trade Internationally; [5] Regulation.

2 This theory is highly consistent with the analysis of Olson, 1982.

Within the five major areas, there are 24 components in this year's index. Many of those components are themselves made up of several sub-components. In total, the index comprises 42 distinct variables. Each component and sub-component is placed on a scale from 0 to 10 that reflects the distribution of the underlying data. The sub-component ratings are averaged to determine each component. The component ratings within each area are then averaged to derive ratings for each of the five areas. In turn, the five area ratings are averaged to derive the summary rating for each country. The following section provides an overview of the five major areas.

1 *Size of Government*

The four components of Area 1 indicate the extent to which countries rely on the political process to allocate resources and goods and services. When government spending increases relative to spending by individuals, households, and businesses, government decision-making is substituted for personal choice and economic freedom is reduced. The first two components address this issue. Government consumption as a share of total consumption (1A) and transfers and subsidies as a share of GDP (1B) are indicators of the size of government. When government consumption is a larger share of the total, political choice is substituted for personal choice. Similarly, when governments tax some people in order to provide transfers to others, they reduce the freedom of individuals to keep what they earn.

The third component (1C) in this area measures the extent to which countries use private investment and firms rather than government investment and firms to direct resources. Governments and state-owned enterprises play by rules that are different from those to which private enterprises are subject. They are not dependent on consumers for their revenue or on investors for capital. They often operate in protected markets. Thus, economic freedom is reduced as government enterprises produce a larger share of total output.

The fourth component (1D) is based on (1Di) the top marginal income tax rate and (1Dii) the top marginal income and payroll tax rate and the income threshold at which these rates begin to apply. These two sub-components are averaged to calculate the top marginal tax rate (1D). High marginal tax rates that apply at relatively low income levels are also indicative of reliance upon government. Such rates deny individuals the fruits of their labor. Thus, countries with high marginal tax rates and low income thresholds are rated lower.

Taken together, the four components of Area 1 measure the degree to which a country relies on personal choice and markets rather than government budgets and political decision-making. Therefore, countries with low levels of government spending as a share of the total, a smaller government enterprise sector, and lower marginal tax rates earn the highest ratings in this area.

2 *Legal System and Property Rights*

Protection of persons and their rightfully acquired property is a central element of economic freedom and a civil society. Indeed, it is the most important function of government. Area 2 focuses on this issue. The key ingredients of a legal system consistent with economic freedom are rule of law, security of property rights, an independent judiciary, and an impartial court system. Components indicating how well the protective function of government is performed were assembled from three primary sources: the *International Country Risk Guide*, the *Global Competitiveness Report*, and the World Bank's *Doing Business* project.

Exhibit 1.1: Areas, Components, and Sub-components of the EFW Index

1. Size of Government

A. Government consumption

B. Transfers and subsidies

C. Government enterprises and investment

D. Top marginal tax rate
- (i) Top marginal income tax rate
- (ii) Top marginal income and payroll tax rate

2. Legal System and Property Rights

A. Judicial independence

B. Impartial courts

C. Protection of property rights

D. Military interference in rule of law and politics

E. Integrity of the legal system

F. Legal enforcement of contracts

G. Regulatory restrictions on the sale of real property

H. Reliability of police

I. Business costs of crime

3. Sound Money

A. Money growth

B. Standard deviation of inflation

C. Inflation: most recent year

D. Freedom to own foreign currency bank accounts

4. Freedom to Trade Internationally

A. Tariffs
- (i) Revenue from trade taxes (% of trade sector)
- (ii) Mean tariff rate
- (iii) Standard deviation of tariff rates

B. Regulatory trade barriers
- (i) Non-tariff trade barriers
- (ii) Compliance costs of importing and exporting

C. Black-market exchange rates

D. Controls of the movement of capital and people
- (i) Foreign ownership/investment restrictions
- (ii) Capital controls
- (iii) Freedom of foreigners to visit

5. Regulation

A. Credit market regulations
- (i) Ownership of banks
- (ii) Private sector credit
- (iii) Interest rate controls/negative real interest rates

B. Labor market regulations
- (i) Hiring regulations and minimum wage
- (ii) Hiring and firing regulations
- (iii) Centralized collective bargaining
- (iv) Hours regulations
- (v) Mandated cost of worker dismissal
- (vi) Conscription

C. Business regulations
- (i) Administrative requirements
- (ii) Bureaucracy costs
- (iii) Starting a business
- (iv) Extra payments/bribes/favoritism
- (v) Licensing restrictions
- (vi) Cost of tax compliance

Security of property rights, protected by the rule of law, provides the foundation for both economic freedom and the efficient operation of markets. Freedom to exchange, for example, is meaningless if individuals do not have secure rights to property, including the fruits of their labor. When individuals and businesses lack confidence that contracts will be enforced and the fruits of their productive efforts protected, their incentive to engage in productive activity is eroded. Perhaps more than any other area, this area is essential for the efficient allocation of resources. Countries with major deficiencies in this area are unlikely to prosper regardless of their policies in the other four areas.

3 *Sound Money*

Money oils the wheels of exchange. An absence of sound money undermines gains from trade. As Milton Friedman informed us long ago, inflation is a monetary phenomenon, caused by too much money chasing too few goods. High rates of monetary growth invariably lead to inflation. Similarly, when the rate of inflation increases, it also tends to become more volatile. High and volatile rates of inflation distort relative prices, alter the fundamental terms of long-term contracts, and make it virtually impossible for individuals and businesses to plan sensibly for the future. Sound money is essential to protect property rights and, thus, economic freedom. Inflation erodes the value of property held in monetary instruments. When governments finance their expenditures by creating money, in effect, they are expropriating the property and violating the economic freedom of their citizens.

The important thing is that individuals have access to sound money: who provides it makes little difference. Thus, in addition to data on a country's inflation and its government's monetary policy, it is important to consider how difficult it is to use alternative, more credible, currencies. If bankers can offer saving and checking accounts in other currencies or if citizens can open foreign bank accounts, then access to sound money is increased and economic freedom expanded.

There are four components to the EFW index in Area 3. All of them are objective and relatively easy to obtain and all have been included in the earlier editions of the index. The first three are designed to measure the consistency of monetary policy (or institutions) with long-term price stability. Component 3D is designed to measure the ease with which other currencies can be used via domestic and foreign bank accounts. In order to earn a high rating in this area, a country must follow policies and adopt institutions that lead to low (and stable) rates of inflation and avoid regulations that limit the ability to use alternative currencies.

4 *Freedom to Trade Internationally*

In our modern world of high technology and low costs for communication and transportation, freedom of exchange across national boundaries is a key ingredient of economic freedom. Many goods and services are now either produced abroad or contain resources supplied from abroad. Voluntary exchange is a positive-sum activity: both trading partners gain and the pursuit of the gain provides the motivation for the exchange. Thus, freedom to trade internationally also contributes substantially to our modern living standards.

At the urging of protectionist critics and special-interest groups, virtually all countries adopt trade restrictions of various types. Tariffs and quotas are obvious examples of roadblocks that limit international trade. Because they reduce the convertibility of currencies, controls on the exchange rate also hinder international

trade. The volume of trade is also reduced if the passage of goods through customs is onerous and time consuming. Sometimes these delays are the result of administrative inefficiency while in other instances they reflect the actions of corrupt officials seeking to extract bribes. In both cases, economic freedom is reduced.

The components in this area are designed to measure a wide variety of restraints that affect international exchange: tariffs, quotas, hidden administrative restraints, and controls on exchange rates and capital. In order to get a high rating in this area, a country must have low tariffs, easy clearance and efficient administration of customs, a freely convertible currency, and few controls on the movement of physical and human capital.

5 Regulation

When regulations restrict entry into markets and interfere with the freedom to engage in voluntary exchange, they reduce economic freedom. The fifth area of the index focuses on regulatory restraints that limit the freedom of exchange in credit, labor, and product markets. The first component (5A) reflects conditions in the domestic credit market. One sub-component provides evidence on the extent to which the banking industry is privately owned. The final two sub-components indicate the extent to which credit is supplied to the private sector and whether controls on interest rates interfere with the market in credit. Countries that use a private banking system to allocate credit to private parties and refrain from controlling interest rates receive higher ratings for this regulatory component.

Many types of labor-market regulations infringe on the economic freedom of employees and employers. Among the more prominent are minimum wages, dismissal regulations, centralized wage setting, extension of union contracts to non-participating parties, and conscription. The labor-market component (5B) is designed to measure the extent to which these restraints upon economic freedom are present. In order to earn high marks in the component rating regulation of the labor market, a country must allow market forces to determine wages and establish the conditions of hiring and firing, and refrain from the use of conscription.

Like the regulation of credit and labor markets, the regulation of business activities (component 5C) inhibits economic freedom. The sub-components of 5C are designed to identify the extent to which regulations and bureaucratic procedures restrain entry and reduce competition. In order to score high in this portion of the index, countries must allow markets to determine prices and refrain from regulatory activities that retard entry into business and increase the cost of producing products. They also must refrain from "playing favorites," that is, from using their power to extract financial payments and reward some businesses at the expense of others.

Construction of Area and Summary ratings

Theory provides us with some direction regarding elements that should be included in the five areas and the summary index, but it does not indicate what weights should be attached to the components within the areas or among the areas in the construction of the summary index. It would be nice if these factors were independent of each other and a weight could be attached to each of them. During the past several years, we have investigated several methods of weighting the various components, including principle component analysis and a survey of economists. We have also invited others to use their own weighting structure if they believe that it is preferable. In the final analysis, the summary index is not very sensitive to substantial variations in the weights.

Furthermore, there is reason to question whether the areas (and components) are independent or work together like the wheels, motor, transmission, drive shaft, and frame of a car. Just as it is these interconnected parts that provide the mobility of an automobile, it may be the working of a number of interrelated factors that brings about economic freedom. Which is more important for the mobility of an automobile: the motor, wheels, or transmission? The question cannot be easily answered because the parts work together. If any of these key parts break down, the car is immobile. Institutional quality may be much the same. If any of the key parts are absent, the overall effectiveness is undermined.

As the result of these two considerations, we organize the elements of the index in a manner that seems sensible to us but we make no attempt to weight the components in any special way when deriving either area or summary ratings. Of course, the component and sub-component data are available to researchers who would like to consider alternative weighting schemes and we encourage them to do so.

Changes in this year's index

Every five years we consider significant revisions that will improve the accuracy and comprehensiveness of the EFW index. This process has been undertaken during the past year. We are constantly looking for new data that might improve the quality of the index. In addition, external data sources might substantially modify or discontinue a data series used in the EFW index. Thus, while we recognize the value of continuity, occasional review and modification are necessary and prudent.

There have been 42 variables, organized into 23 components, in the EFW index since the last major revision five years ago. One component (size of the trade sector) and one sub-component (foreign bank regulations) were dropped from this year's index because of concerns expressed by many, including members of the Economic Freedom Network, that they were not effectively capturing constraints on economic freedom. One sub-component (price controls) was dropped from this year's index because it is no longer available from its original sources or elsewhere.

We added two new components and one new sub-component to this year's report. In Area 2 we are adding two components (2H and 2I) related to crime and the effectiveness of police. Both new components in this area come from the World Economic Forum's *Global Competitiveness Report*. In Area 4, we added a third sub-component to the component measuring international capital market controls. This new sub-component (4Diii) measures the freedom foreigners have to visit a country without a travel visa. This revised component (4D) is now called "Controls on the movement of capital and people". The three additions along with the three deletions result in an index that is comprised of 24 components (still based on 42 variables).

The methodology and basic structure of the index remains unchanged. As in previous years, the index still has a summary rating and ratings for each of the five major areas. Areas 1 and 3 remain unchanged. Area 2 has the two new components for a total of nine components. Area 4 has one fewer component, because the measure of the size of the trade sector was dropped, but one additional sub-component (4Diii: Freedom of foreigners to visit). In Area 5, Component 5A goes from four to three sub-components, since consideration of the regulation of foreign banks has been dropped, and Component 5C goes from seven to six sub-components with the dropping of the measure of price controls.

In addition, three countries were added to the index this year: Qatar, Cambodia, and Saudi Arabia. We expect to add additional countries in the next few years.

Summary Economic Freedom Ratings for 2010

Exhibit 1.2 presents summary economic freedom ratings, sorted from highest to lowest. These ratings are for the year 2010, the most recent year for which comprehensive data are available. Hong Kong and Singapore, once again, occupy the top two positions. The other nations in the top 10 are New Zealand, Switzerland, Australia, Canada, Bahrain, Mauritius, Finland, and Chile. The rankings of some other major countries are the United States (18th), Japan (20th), Germany (31st), Korea (37th), France (47th), Italy (83rd), Mexico (91st), Russia (95th), Brazil (105th), China (107th), and India (111th). It is worth noting that several oil-rich, middle-eastern nations including Bahrain, United Arab Emirates, Qatar, Kuwait, and Oman score reasonably well on the index. The 10 lowest-rated countries are Mozambique, Algeria, Guinea-Bissau, Democratic Republic of Congo, Angola, Republic of Congo, Zimbabwe, Myanmar, and—in last place—Venezuela. The results for the three newly added countries are: Qatar (7.70, 17th), Cambodia (7.16, 58th), and Saudi Arabia (7.06, 65th).

The EFW index is calculated back to 1970 as the availability of data allows; see the Country Data Tables in chapter 2 or our website, <http://www.freetheworld.com>, for information from past years. Because some data for earlier years may have been updated or corrected, researchers are always encouraged to use the data from the most recent annual report to assure the best-quality data.

Area Economic Freedom Ratings (and Rankings) for 2010

Exhibit 1.3 presents the ratings (and rankings) for each of the five areas of the index and for Components 5A, 5B, and 5C. A number of interesting patterns emerge from an analysis of these data. High-income industrial economies generally rank quite high for Legal System and Property Rights (Area 2), Sound Money (Area 3), and Freedom to Trade Internationally (Area 4). Their ratings were lower, however, for Size of Government (Area 1) and Regulation (Area 5). This was particularly true for western European countries.

On the other hand, a number of developing nations have a small fiscal size of government but rate low in other areas and, as a result, have a low overall rating. The lesson from this is clear: a small fiscal size of government is insufficient to ensure economic freedom. The institutions of economic freedom, such as the rule of law and property rights, as well as sound money, trade openness, and sensible regulation are also required.

Weakness in the rule of law and property rights is particularly pronounced in sub-Saharan Africa, among Islamic nations, and for several nations that were part of the Soviet bloc, though many of the last have made impressive strides toward improvement. Many nations in Latin America and Southeast Asia also score poorly for rule of law and property rights. The nations that rank poorly in this category also tend to score poorly in the trade and regulation areas, even though several have reasonably sized governments and sound money.

Exhibit 1.2: Summary Economic Freedom Ratings for 2010

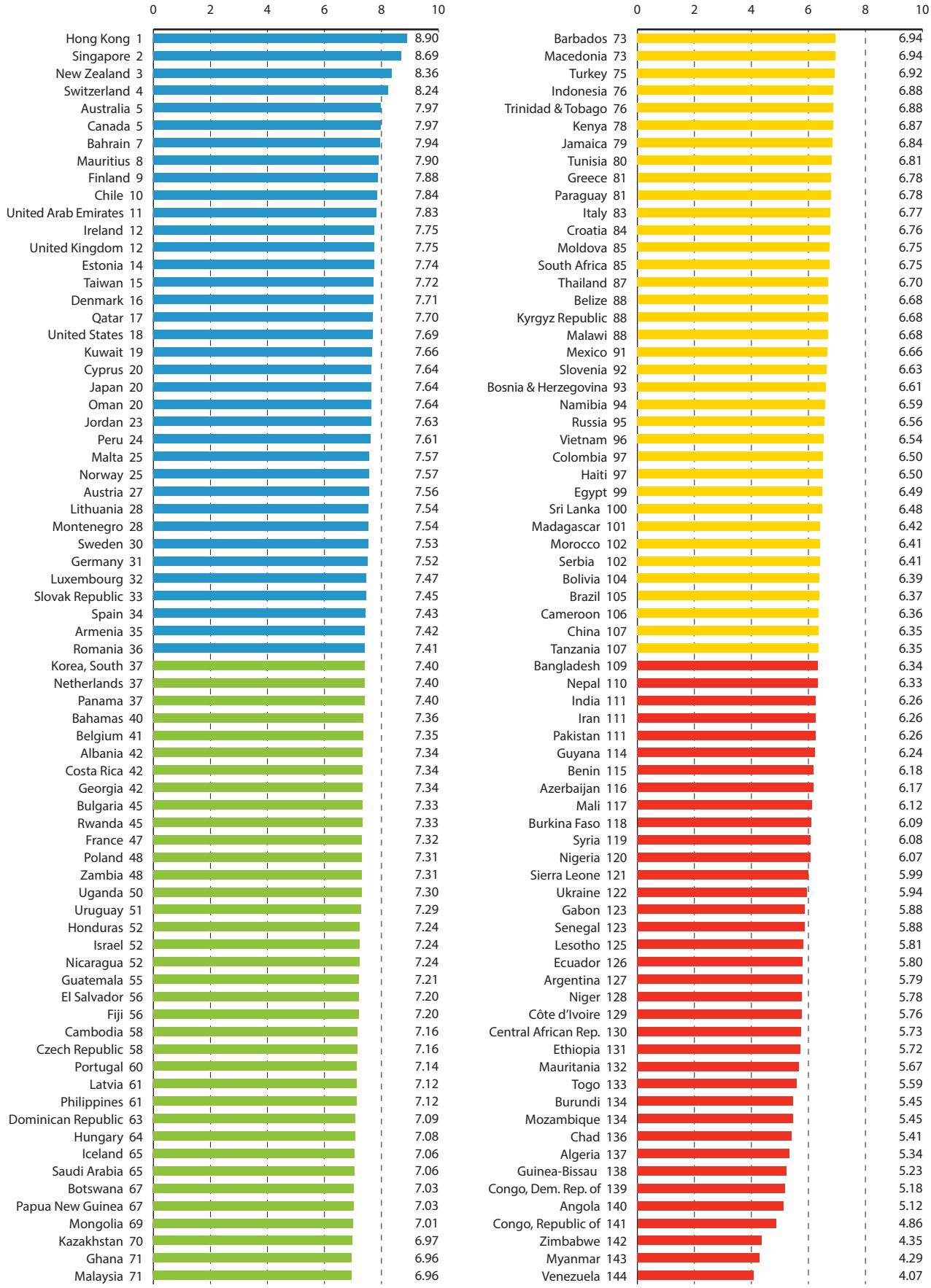


Exhibit 1.3: Area Economic Freedom Ratings (Rankings) for 2010

	Areas					Components of Area 5		
	1 Size of Government	2 Legal System and Property Rights	3 Sound Money	4 Freedom to trade internationally	5 Regulation	5A Credit market regulations	5B Labor market regulations	5C Business regulations
	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Albania	8.04 (15)	5.36 (78)	9.73 (4)	7.30 (64)	6.29 (111)	7.04 (117)	5.93 (89)	5.91 (78)
Algeria	3.65 (142)	4.44 (107)	8.42 (72)	5.65 (136)	4.56 (142)	3.72 (144)	5.17 (116)	4.80 (127)
Angola	4.63 (133)	3.74 (130)	5.57 (140)	6.47 (108)	5.18 (137)	7.38 (113)	3.79 (138)	4.36 (135)
Argentina	6.29 (81)	4.31 (115)	6.59 (118)	6.24 (120)	5.52 (133)	6.57 (124)	5.27 (113)	4.72 (130)
Armenia	7.64 (29)	5.56 (72)	9.18 (47)	7.59 (48)	7.12 (60)	8.80 (60)	6.61 (68)	5.94 (73)
Australia	6.67 (62)	8.09 (13)	9.43 (29)	7.28 (66)	8.40 (11)	9.69 (14)	7.90 (26)	7.60 (25)
Austria	4.90 (127)	8.08 (14)	9.64 (13)	7.66 (43)	7.54 (40)	8.97 (54)	6.33 (80)	7.31 (27)
Azerbaijan	4.88 (129)	5.97 (55)	6.27 (128)	6.79 (91)	6.94 (72)	8.00 (94)	6.86 (61)	5.95 (72)
Bahamas	8.19 (12)	6.57 (40)	7.21 (100)	5.95 (132)	8.89 (5)	8.79 (61)	9.17 (2)	8.73 (2)
Bahrain	6.88 (55)	7.00 (32)	9.18 (48)	7.90 (27)	8.73 (6)	9.00 (51)	8.87 (5)	8.33 (9)
Bangladesh	8.83 (3)	3.61 (132)	6.48 (124)	6.10 (126)	6.69 (91)	8.19 (84)	6.58 (69)	5.32 (112)
Barbados	6.73 (60)	7.79 (18)	6.57 (120)	6.68 (98)	6.91 (75)	7.00 (119)	6.93 (59)	6.81 (43)
Belgium	3.99 (138)	7.08 (30)	9.69 (6)	7.96 (21)	8.00 (21)	9.52 (20)	7.38 (46)	7.11 (35)
Belize	6.44 (72)	4.36 (112)	8.48 (69)	6.23 (121)	7.91 (24)	9.70 (13)	8.18 (18)	5.84 (82)
Benin	7.12 (44)	4.52 (102)	6.80 (113)	5.81 (134)	6.66 (94)	9.23 (37)	5.87 (92)	4.87 (126)
Bolivia	6.31 (78)	4.09 (120)	8.70 (65)	7.00 (82)	5.85 (128)	9.00 (51)	4.54 (130)	4.02 (138)
Bosnia & Herzegovina	5.53 (108)	4.57 (98)	8.27 (77)	7.64 (46)	7.02 (66)	9.49 (24)	6.43 (75)	5.13 (114)
Botswana	5.03 (121)	6.81 (35)	8.33 (74)	7.35 (61)	7.63 (35)	8.87 (57)	7.09 (55)	6.94 (40)
Brazil	6.63 (63)	5.16 (85)	8.00 (84)	7.13 (75)	4.91 (140)	6.53 (125)	4.47 (131)	3.73 (140)
Bulgaria	6.46 (68)	4.99 (90)	9.51 (24)	7.90 (25)	7.76 (30)	9.98 (8)	7.74 (30)	5.57 (101)
Burkina Faso	6.17 (84)	4.33 (114)	6.97 (109)	6.41 (110)	6.58 (99)	6.24 (130)	7.66 (37)	5.83 (83)
Burundi	5.24 (114)	2.98 (137)	6.98 (108)	5.29 (141)	6.76 (86)	7.60 (106)	7.97 (23)	4.70 (131)
Cambodia	7.89 (25)	4.61 (95)	9.26 (42)	7.50 (53)	6.54 (101)	7.03 (118)	7.51 (43)	5.09 (117)
Cameroon	7.98 (21)	4.00 (121)	6.74 (114)	6.51 (106)	6.55 (100)	7.50 (107)	7.53 (41)	4.63 (133)
Canada	6.12 (89)	8.16 (11)	9.46 (26)	7.53 (50)	8.59 (8)	9.30 (33)	8.49 (11)	7.99 (15)
Central African Rep.	7.00 (50)	2.34 (143)	6.95 (110)	6.64 (100)	5.71 (131)	7.43 (111)	3.79 (139)	5.92 (76)
Chad	7.57 (32)	3.08 (136)	5.75 (135)	5.72 (135)	4.94 (139)	6.03 (134)	5.92 (90)	2.87 (143)
Chile	7.77 (27)	7.17 (27)	8.94 (55)	8.20 (10)	7.10 (64)	8.28 (81)	5.79 (96)	7.22 (32)
China	4.98 (123)	6.25 (49)	7.89 (92)	6.57 (104)	6.05 (122)	6.91 (122)	5.57 (106)	5.67 (97)
Colombia	6.13 (87)	4.36 (111)	8.20 (79)	6.82 (90)	6.99 (68)	8.73 (63)	5.88 (91)	6.35 (55)
Congo, Dem. Rep. of	5.19 (116)	2.40 (142)	7.12 (102)	5.41 (139)	5.79 (130)	6.11 (132)	5.67 (101)	5.60 (98)
Congo, Rep. of	5.08 (119)	3.28 (133)	3.91 (143)	6.07 (128)	5.96 (125)	6.10 (133)	6.37 (78)	5.43 (108)
Costa Rica	7.85 (26)	6.11 (54)	8.00 (85)	8.05 (16)	6.71 (89)	7.45 (110)	6.55 (70)	6.13 (64)
Côte d'Ivoire	6.45 (70)	2.95 (138)	6.56 (121)	6.43 (109)	6.41 (108)	9.00 (51)	5.70 (98)	4.54 (134)
Croatia	4.96 (124)	5.76 (63)	8.42 (73)	7.71 (37)	6.95 (70)	9.01 (50)	6.40 (76)	5.45 (106)
Cyprus	6.93 (51)	6.88 (33)	9.44 (28)	8.04 (18)	6.89 (78)	7.82 (100)	6.17 (83)	6.69 (45)

Exhibit 1.3 (continued): Area Economic Freedom Ratings (Rankings) for 2010

	Areas					Components of Area 5		
	1 Size of Government	2 Legal System and Property Rights	3 Sound Money	4 Freedom to trade internationally	5 Regulation	5A Credit market regulations	5B Labor market regulations	5C Business regulations
	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Czech Republic	4.96 (125)	6.16 (52)	9.45 (27)	7.77 (33)	7.47 (46)	9.22 (38)	7.67 (36)	5.51 (105)
Denmark	3.78 (140)	8.67 (3)	9.60 (16)	7.99 (20)	8.52 (10)	9.69 (15)	7.46 (44)	8.41 (7)
Dominican Republic	8.18 (13)	4.22 (119)	9.24 (45)	7.52 (51)	6.29 (110)	7.15 (114)	6.31 (81)	5.42 (109)
Ecuador	5.63 (102)	3.97 (123)	6.38 (126)	6.88 (88)	6.16 (116)	9.30 (32)	4.21 (135)	4.97 (119)
Egypt	6.58 (66)	5.24 (83)	8.81 (61)	6.33 (116)	5.49 (134)	5.88 (138)	4.90 (121)	5.68 (95)
El Salvador	8.46 (6)	3.84 (129)	9.25 (44)	7.46 (58)	6.97 (69)	8.52 (74)	6.38 (77)	6.01 (68)
Estonia	6.06 (93)	7.29 (25)	9.43 (30)	8.08 (14)	7.84 (26)	9.81 (10)	5.96 (88)	7.74 (21)
Ethiopia	6.10 (91)	5.44 (77)	5.58 (139)	5.41 (138)	6.08 (121)	4.45 (143)	7.59 (40)	6.21 (62)
Fiji	7.51 (34)	5.77 (62)	6.67 (116)	7.07 (78)	8.98 (2)	9.67 (16)	8.98 (4)	8.30 (10)
Finland	4.98 (122)	8.85 (1)	9.62 (15)	7.89 (28)	8.04 (19)	10.00 (1)	5.63 (102)	8.49 (4)
France	4.66 (131)	7.43 (24)	9.67 (9)	7.67 (40)	7.16 (58)	8.52 (73)	5.83 (94)	7.14 (34)
Gabon	5.73 (100)	4.35 (113)	5.65 (137)	6.17 (123)	7.48 (43)	7.10 (116)	8.68 (7)	6.67 (46)
Georgia	6.24 (83)	5.71 (66)	8.80 (62)	8.20 (11)	7.75 (32)	8.18 (85)	7.80 (29)	7.28 (28)
Germany	5.46 (111)	7.97 (16)	9.59 (18)	7.65 (45)	6.93 (73)	7.99 (97)	5.35 (112)	7.46 (26)
Ghana	8.28 (10)	5.58 (71)	7.13 (101)	6.94 (84)	6.87 (79)	8.13 (90)	6.52 (71)	5.96 (70)
Greece	5.80 (96)	5.51 (74)	9.67 (10)	7.52 (52)	5.38 (136)	6.00 (135)	4.36 (133)	5.78 (87)
Guatemala	8.00 (19)	3.93 (126)	9.37 (33)	8.25 (8)	6.49 (102)	9.15 (44)	4.57 (127)	5.74 (89)
Guinea-Bissau	4.46 (135)	2.85 (139)	6.26 (130)	6.12 (125)	6.45 (106)	8.74 (62)	3.32 (141)	7.28 (29)
Guyana	4.28 (136)	4.44 (106)	7.96 (89)	7.07 (77)	7.46 (47)	8.43 (77)	8.05 (19)	5.92 (77)
Haiti	8.48 (5)	2.12 (144)	8.03 (83)	7.17 (71)	6.72 (88)	8.17 (86)	8.20 (16)	3.78 (139)
Honduras	8.21 (11)	4.29 (116)	9.35 (36)	7.60 (47)	6.77 (85)	9.04 (48)	4.98 (119)	6.29 (57)
Hong Kong	8.89 (2)	8.18 (10)	9.31 (38)	9.02 (2)	9.08 (1)	9.37 (27)	9.28 (1)	8.57 (3)
Hungary	3.94 (139)	6.34 (47)	9.60 (17)	7.92 (24)	7.62 (36)	9.28 (34)	7.32 (51)	6.27 (59)
Iceland	4.83 (130)	8.33 (8)	8.42 (71)	6.31 (118)	7.41 (48)	6.33 (127)	7.72 (32)	8.19 (12)
India	6.37 (75)	5.55 (73)	6.42 (125)	6.28 (119)	6.70 (90)	6.97 (120)	8.00 (21)	5.13 (115)
Indonesia	7.90 (23)	4.48 (105)	8.99 (53)	6.74 (93)	6.29 (112)	8.27 (82)	4.66 (125)	5.93 (74)
Iran	6.42 (74)	5.78 (60)	8.53 (68)	5.18 (142)	5.40 (135)	6.31 (129)	4.37 (132)	5.52 (104)
Ireland	5.72 (101)	7.79 (17)	9.48 (25)	8.50 (4)	7.23 (54)	6.00 (135)	7.93 (25)	7.75 (20)
Israel	6.10 (92)	6.16 (53)	8.88 (57)	7.95 (22)	7.11 (61)	9.27 (35)	5.19 (115)	6.88 (42)
Italy	3.68 (141)	5.95 (57)	9.66 (11)	7.66 (42)	6.91 (76)	8.65 (68)	6.48 (72)	5.59 (100)
Jamaica	7.62 (30)	4.88 (92)	7.98 (86)	7.11 (76)	6.59 (98)	6.33 (127)	7.61 (39)	5.83 (84)
Japan	5.80 (97)	7.52 (22)	9.89 (1)	7.16 (73)	7.83 (27)	8.14 (88)	8.30 (14)	7.04 (38)
Jordan	6.92 (52)	6.47 (43)	9.19 (46)	7.79 (32)	7.79 (29)	8.05 (92)	8.41 (13)	6.90 (41)
Kazakhstan	7.09 (45)	5.66 (70)	8.24 (78)	6.37 (111)	7.48 (44)	9.21 (39)	7.14 (54)	6.08 (66)
Kenya	7.04 (48)	4.56 (100)	8.74 (63)	6.87 (89)	7.11 (62)	8.41 (78)	7.52 (42)	5.41 (110)
Korea, South	6.85 (56)	6.50 (41)	9.58 (20)	7.21 (70)	6.86 (80)	9.33 (28)	4.58 (126)	6.66 (47)

Exhibit 1.3 (continued): Area Economic Freedom Ratings (Rankings) for 2010

	Areas					Components of Area 5		
	1 Size of Government	2 Legal System and Property Rights	3 Sound Money	4 Freedom to trade internationally	5 Regulation	5A Credit market regulations	5B Labor market regulations	5C Business regulations
	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Kuwait	6.45 (69)	7.10 (29)	9.26 (43)	7.66 (41)	7.81 (28)	10.00 (1)	6.93 (60)	6.51 (51)
Kyrgyz Republic	7.36 (39)	4.39 (108)	8.14 (81)	6.92 (86)	6.61 (97)	7.48 (109)	6.63 (67)	5.71 (92)
Latvia	5.22 (115)	6.40 (46)	8.93 (56)	7.90 (26)	7.14 (59)	8.37 (79)	6.82 (62)	6.23 (61)
Lesotho	5.08 (118)	4.48 (104)	5.82 (134)	6.37 (112)	7.29 (53)	10.00 (1)	7.09 (56)	4.77 (129)
Lithuania	6.79 (57)	6.45 (45)	9.37 (34)	7.49 (54)	7.60 (37)	8.70 (64)	7.65 (38)	6.45 (54)
Luxembourg	4.13 (137)	8.29 (9)	9.35 (35)	8.06 (15)	7.55 (39)	9.15 (43)	5.55 (107)	7.93 (16)
Macedonia	6.11 (90)	5.23 (84)	7.97 (87)	7.29 (65)	8.11 (16)	9.84 (9)	7.85 (28)	6.65 (48)
Madagascar	8.97 (1)	3.10 (135)	7.85 (93)	6.02 (130)	6.16 (115)	7.72 (104)	5.07 (117)	5.70 (94)
Malawi	7.45 (37)	5.47 (76)	6.98 (107)	6.62 (103)	6.90 (77)	8.03 (93)	6.95 (57)	5.71 (91)
Malaysia	6.13 (88)	6.86 (34)	6.52 (123)	7.25 (69)	8.03 (20)	9.12 (46)	7.87 (27)	7.10 (36)
Mali	6.44 (71)	4.49 (103)	6.86 (111)	6.66 (99)	6.14 (118)	8.00 (96)	5.21 (114)	5.22 (113)
Malta	5.80 (98)	7.52 (23)	9.54 (23)	8.15 (13)	6.86 (81)	9.03 (49)	6.76 (63)	4.77 (128)
Mauritania	5.59 (105)	4.60 (96)	5.24 (141)	6.22 (122)	6.69 (92)	8.00 (94)	7.14 (53)	4.92 (124)
Mauritius	7.89 (24)	6.21 (50)	9.28 (40)	8.17 (12)	7.97 (22)	9.52 (21)	7.38 (47)	7.02 (39)
Mexico	7.18 (43)	4.57 (97)	8.07 (82)	6.74 (95)	6.74 (87)	8.65 (69)	5.53 (108)	6.03 (67)
Moldova	7.19 (42)	5.48 (75)	7.38 (96)	6.92 (85)	6.77 (84)	9.13 (45)	5.59 (104)	5.60 (99)
Mongolia	7.45 (36)	5.67 (69)	7.22 (99)	7.26 (68)	7.47 (45)	9.50 (22)	7.23 (52)	5.67 (96)
Montenegro	6.00 (94)	6.47 (42)	9.57 (21)	7.77 (35)	7.90 (25)	9.78 (12)	8.01 (20)	5.91 (79)
Morocco	6.25 (82)	5.97 (56)	7.07 (103)	6.76 (92)	5.99 (123)	7.39 (112)	4.12 (137)	6.47 (53)
Mozambique	4.66 (132)	4.23 (118)	5.86 (133)	6.62 (102)	5.90 (127)	9.20 (40)	2.76 (143)	5.75 (88)
Myanmar	6.33 (77)	3.19 (134)	5.73 (136)	1.78 (144)	4.39 (143)	5.08 (141)	— —	— —
Namibia	5.60 (104)	6.68 (39)	6.36 (127)	6.36 (114)	7.94 (23)	10.00 (1)	7.69 (35)	6.13 (65)
Nepal	8.34 (8)	3.85 (128)	6.26 (129)	6.74 (94)	6.47 (103)	8.52 (75)	5.81 (95)	5.09 (116)
Netherlands	3.36 (144)	8.10 (12)	9.56 (22)	8.31 (7)	7.67 (33)	8.61 (70)	6.72 (66)	7.68 (22)
New Zealand	5.94 (95)	8.69 (2)	9.73 (3)	8.45 (6)	8.98 (3)	10.00 (1)	8.51 (9)	8.42 (6)
Nicaragua	8.45 (7)	4.53 (101)	8.29 (76)	7.72 (36)	7.19 (57)	9.42 (25)	6.73 (64)	5.43 (107)
Niger	6.79 (58)	3.95 (125)	6.65 (117)	5.56 (137)	5.96 (126)	9.62 (19)	3.30 (142)	4.97 (121)
Nigeria	6.16 (85)	3.95 (124)	6.59 (119)	6.55 (105)	7.11 (63)	8.68 (66)	7.97 (22)	4.67 (132)
Norway	5.55 (107)	8.65 (4)	9.32 (37)	6.98 (83)	7.32 (52)	10.00 (1)	4.34 (134)	7.63 (24)
Oman	5.35 (113)	7.58 (20)	8.86 (59)	7.69 (38)	8.72 (7)	9.63 (17)	8.75 (6)	7.79 (18)
Pakistan	8.68 (4)	4.27 (117)	6.04 (131)	5.87 (133)	6.44 (107)	8.57 (71)	5.68 (99)	5.06 (118)
Panama	8.02 (17)	5.06 (88)	9.04 (51)	8.00 (19)	6.85 (82)	9.18 (41)	5.40 (111)	5.98 (69)
Papua New Guinea	7.34 (40)	4.71 (94)	7.27 (98)	7.46 (56)	8.36 (12)	8.70 (65)	8.64 (8)	7.75 (19)
Paraguay	8.01 (18)	3.63 (131)	8.65 (66)	7.49 (55)	6.15 (117)	8.33 (80)	4.56 (128)	5.54 (102)
Peru	7.53 (33)	5.10 (86)	9.27 (41)	8.60 (3)	7.55 (38)	9.33 (28)	7.36 (49)	5.96 (71)
Philippines	8.31 (9)	4.37 (110)	9.29 (39)	6.69 (97)	6.92 (74)	8.91 (56)	6.02 (87)	5.83 (85)

Exhibit 1.3 (continued): Area Economic Freedom Ratings (Rankings) for 2010

	Areas					Components of Area 5		
	1 Size of Government	2 Legal System and Property Rights	3 Sound Money	4 Freedom to trade internationally	5 Regulation	5A Credit market regulations	5B Labor market regulations	5C Business regulations
	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Poland	6.35 (76)	6.33 (48)	9.39 (31)	7.27 (67)	7.20 (56)	8.24 (83)	7.42 (45)	5.93 (75)
Portugal	5.52 (110)	6.69 (38)	9.75 (2)	7.93 (23)	5.80 (129)	6.44 (126)	4.67 (124)	6.28 (58)
Qatar	6.59 (65)	7.53 (21)	8.64 (67)	7.68 (39)	8.04 (18)	7.95 (98)	7.69 (34)	8.48 (5)
Romania	7.04 (49)	5.72 (65)	9.02 (52)	7.86 (30)	7.39 (50)	9.38 (26)	6.93 (58)	5.85 (81)
Russia	6.75 (59)	5.27 (80)	8.47 (70)	6.08 (127)	6.24 (114)	7.77 (103)	6.05 (86)	4.90 (125)
Rwanda	5.57 (106)	6.72 (37)	9.05 (49)	7.02 (81)	8.30 (13)	8.55 (72)	8.48 (12)	7.88 (17)
Saudi Arabia	5.04 (120)	7.66 (19)	7.51 (95)	7.04 (79)	8.04 (17)	7.92 (99)	7.96 (24)	8.24 (11)
Senegal	5.40 (112)	4.39 (109)	7.03 (105)	6.50 (107)	6.10 (120)	8.84 (58)	4.55 (129)	4.92 (123)
Serbia	5.78 (99)	4.92 (91)	7.94 (90)	7.03 (80)	6.38 (109)	8.50 (76)	5.70 (97)	4.95 (122)
Sierra Leone	6.68 (61)	4.00 (122)	7.02 (106)	6.12 (124)	6.13 (119)	5.66 (139)	5.67 (100)	7.06 (37)
Singapore	8.06 (14)	8.38 (6)	9.05 (50)	9.05 (1)	8.92 (4)	10.00 (1)	7.72 (31)	9.04 (1)
Slovak Republic	6.29 (80)	5.78 (61)	9.71 (5)	8.04 (17)	7.40 (49)	9.16 (42)	7.33 (50)	5.72 (90)
Slovenia	4.54 (134)	6.20 (51)	8.30 (75)	7.65 (44)	6.47 (104)	7.50 (108)	5.42 (109)	6.49 (52)
South Africa	5.52 (109)	5.70 (67)	8.18 (80)	7.16 (72)	7.21 (55)	8.94 (55)	6.07 (85)	6.62 (49)
Spain	6.15 (86)	6.76 (36)	9.67 (8)	7.77 (34)	6.80 (83)	9.08 (47)	4.72 (123)	6.61 (50)
Sri Lanka	7.08 (46)	5.25 (82)	6.55 (122)	6.90 (87)	6.64 (96)	7.12 (115)	6.44 (73)	6.35 (56)
Sweden	3.60 (143)	8.38 (7)	9.64 (12)	7.88 (29)	8.13 (15)	9.78 (11)	6.43 (74)	8.19 (13)
Switzerland	7.60 (31)	8.55 (5)	9.39 (32)	7.14 (74)	8.54 (9)	9.33 (28)	8.19 (17)	8.10 (14)
Syria	6.52 (67)	5.06 (87)	7.28 (97)	5.99 (131)	5.57 (132)	5.59 (140)	5.58 (105)	5.54 (103)
Taiwan	7.45 (35)	7.02 (31)	9.63 (14)	7.55 (49)	6.94 (71)	8.67 (67)	4.93 (120)	7.22 (33)
Tanzania	5.60 (103)	5.73 (64)	7.71 (94)	6.05 (129)	6.68 (93)	8.83 (59)	5.84 (93)	5.36 (111)
Thailand	7.43 (38)	5.35 (79)	7.06 (104)	6.63 (101)	7.05 (65)	9.27 (36)	5.63 (103)	6.26 (60)
Togo	7.26 (41)	2.55 (140)	6.69 (115)	6.32 (117)	5.11 (138)	6.17 (131)	4.19 (136)	4.97 (120)
Trinidad & Tobago	6.91 (53)	4.56 (99)	7.96 (88)	7.43 (60)	7.52 (42)	9.33 (28)	7.38 (48)	5.86 (80)
Tunisia	7.05 (47)	6.45 (44)	6.85 (112)	6.34 (115)	7.35 (51)	8.12 (91)	6.72 (65)	7.22 (31)
Turkey	6.91 (54)	5.25 (81)	8.86 (60)	7.33 (63)	6.25 (113)	7.79 (101)	4.76 (122)	6.19 (63)
Uganda	7.66 (28)	5.05 (89)	8.71 (64)	7.44 (59)	7.64 (34)	9.49 (23)	7.71 (33)	5.70 (93)
Ukraine	6.62 (64)	4.79 (93)	5.60 (138)	6.72 (96)	5.97 (124)	8.14 (89)	6.08 (84)	3.69 (141)
United Arab Emirates	7.94 (22)	7.27 (26)	7.93 (91)	7.84 (31)	8.18 (14)	7.64 (105)	8.50 (10)	8.40 (8)
United Kingdom	5.18 (117)	7.97 (15)	9.58 (19)	8.48 (5)	7.53 (41)	6.69 (123)	8.24 (15)	7.65 (23)
United States	6.43 (73)	7.14 (28)	9.68 (7)	7.46 (57)	7.76 (31)	6.95 (121)	9.06 (3)	7.26 (30)
Uruguay	6.31 (79)	5.89 (58)	8.98 (54)	8.24 (9)	7.01 (67)	8.15 (87)	6.20 (82)	6.69 (44)
Venezuela	4.96 (126)	2.48 (141)	4.72 (142)	3.91 (143)	4.27 (144)	5.93 (137)	3.61 (140)	3.26 (142)
Vietnam	8.04 (16)	5.88 (59)	5.93 (132)	6.37 (113)	6.46 (105)	9.63 (18)	5.40 (110)	4.35 (136)
Zambia	7.99 (20)	5.70 (68)	8.87 (58)	7.34 (62)	6.64 (95)	7.78 (102)	6.34 (79)	5.80 (86)
Zimbabwe	4.90 (128)	3.90 (127)	2.87 (144)	5.40 (140)	4.70 (141)	4.79 (142)	5.05 (118)	4.25 (137)

The Chain-Linked Summary Index

The data published in *Economic Freedom of the World* are available for many countries back to 1970. Through time, the index has become more comprehensive and the available data more complete. As a result, the number and composition of the components for many countries will vary across time. This presents a problem similar to that confronted when calculating GDP or a price index over time when we know that the underlying bundle of goods and services is changing from one year to another. In order to correct for this problem and assure comparability across time, we have done the same thing that statisticians analyzing national income do: we have chain-linked the data.

The base year for the chain-linked index is 2000, and as a result the chain-linked index is not available for any countries added since that year. Changes in a country's chain-linked index through time are based only on changes in components that were present in adjoining years. For example, the 2005 chain-linked rating is based on the 2004 rating but is adjusted based on the changes in the underlying data between 2004 and 2005 for those components that were present in both years. If the common components for a country in 2005 were the same as in 2004, then no adjustment was made to the country's 2005 summary rating. However, if the 2005 components were lower than those for 2004 for the components present in both years, then the country's 2005 summary rating was adjusted downward proportionally to reflect this fact.

Correspondingly, in cases where the ratings for the common components were higher in 2005 than for 2004, the country's 2005 summary rating was adjusted upward proportionally. The chain-linked ratings were constructed by repeating this procedure backward in time to 1970 and forward in time to 2010. The chain-linked methodology means that a country's rating will change across time periods only when there is a change in ratings for components present during adjacent years. This is precisely what one would want when making comparisons across time periods.

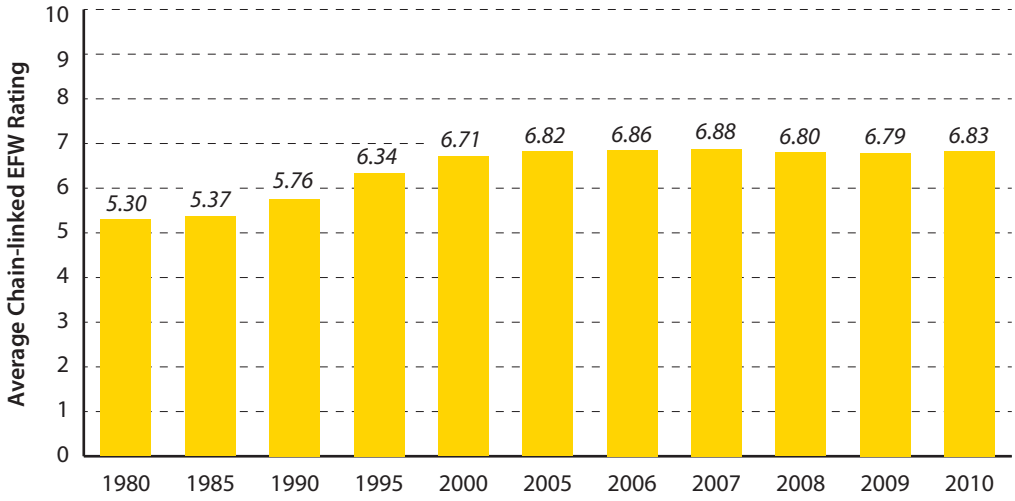
Average chain-linked economic freedom rating

Exhibit 1.4 shows the average chain-linked economic freedom rating for the 102 countries with ratings since 1980. The average level of economic freedom, as measured by this chain-linked EFW index, has increased from 5.30 in 1980 to 5.76 in 1990 to 6.71 in 2000 and finally to 6.83 in 2010. After seeing the global average drop for two consecutive years in 2008 and 2009, the average summary rating increased again in 2010. Much of the long-term increase since 1980 was driven by reductions in marginal income-tax rates, improvements in monetary policy, eliminations of military conscription, and global trade liberalization.

Chain-linked summary ratings from 1970 to 2010

The chain-linked summary ratings for all years are found in Exhibit 1.6. The chain-linked methodology was also used to derive ratings for Area 1 to Area 5 and for Components 5A, 5B, and 5C. These are shown at the top of the country tables above the unadjusted ratings. Please note that there can be significant differences between the unadjusted and the chain-linked ratings; this is especially true for countries with less complete data in earlier years. Researchers conducting long-term studies should use the chain-linked data.

Exhibit 1.4: Average Chain-linked EFW Rating for the 102 countries with ratings since 1980



Big movers

The chain-linked summary ratings are most useful for tracking changes over time. Since 1990, the chain-linked summary ratings of Uganda, Zambia, and Nicaragua have increased by 4 points; and many formerly Communist nations, such as Poland, Bulgaria, Albania, and Romania are among the countries with the sharpest increases in economic freedom since 1990. In Latin America, Peru and El Salvador have shown marked improvements as well. In contrast, the summary ratings of Venezuela, Zimbabwe, United States, and Malaysia fell.[3]

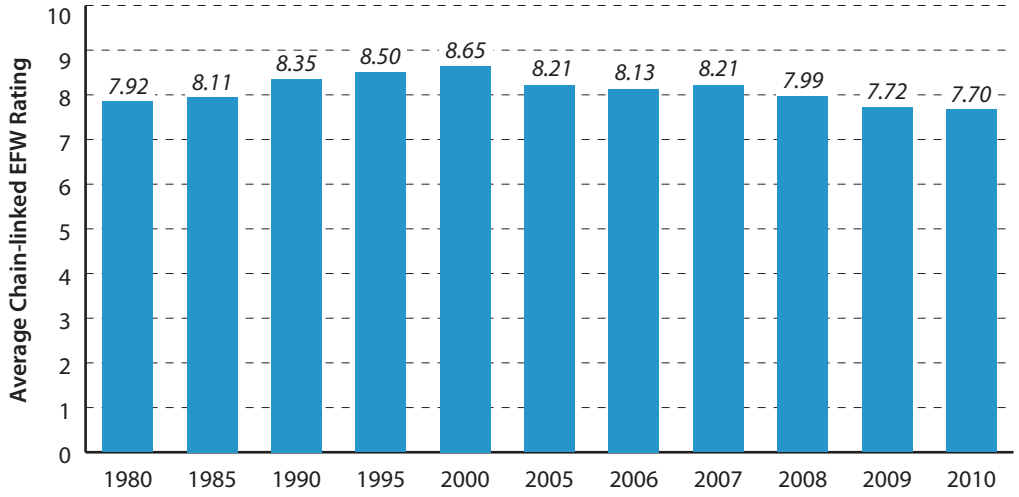
In the last 10 years, both African and formerly Communist nations—such as Rwanda, Malawi, and Ghana, and Romania, Bulgaria, and Albania—show the largest increases in economic freedom. Countries showing the biggest declines since 2000 include Venezuela, Argentina, Iceland, and the United States.

The declining economic freedom of the United States

The United States, long considered the standard bearer for economic freedom among large industrial nations, has experienced a remarkable plunge in economic freedom during the past decade. From 1980 to 2000, the United States was generally rated the third freest economy in the world, ranking behind only Hong Kong and Singapore. After increasing steadily during the period from 1980 to 2000, the chain-linked EFW rating of the United States fell from 8.65 in 2000 to 8.21 in 2005 and 7.70 in 2010 (Exhibit 1.5). The chain-linked ranking of the United States has fallen precipitously from second in 2000 to eighth in 2005 and 19th in 2010 (unadjusted ranking of 18th). By 2009, the United States had fallen behind Switzerland, Canada, Australia, Chile, and Mauritius, countries that chose not to follow the path of massive growth in government financed by borrowing that is now the most prominent characteristic of US fiscal policy. By 2010, the United States had also fallen behind Finland and Denmark, two European welfare states. Moreover, it now trails Bahrain, the United Arab Emirates, Estonia, Taiwan, and Qatar, countries that are not usually perceived of

3 See Chapter 3: Institutions and Economic, Political, and Civil Liberty in Latin America (p. 173) for additional details on the economic and political institutions of Latin American countries.

Exhibit 1.5: Average Chain-linked EFW Rating for the United States from 1980 to 2010



as bastions of economic freedom. The United States has now reached a point where even small additional decreases in the rating will cause large ranking changes because there are so many more countries clustered in this range of the index.

US ratings have declined in four of the five Areas of the EFW index. The rating in Legal System and Protection of Property Rights (Area 2) dropped by more than 2 points between 2000 and 2010. While it is difficult to pinpoint the precise reason for this decline, the increased use of eminent domain to transfer property to powerful political interests, the ramifications of the wars on terrorism and drugs, and the violation of the property rights of bondholders in the bailout of automobile companies have all weakened the United States' tradition of the rule of law and, we believe, contributed to the sharp decline of the Area 2 rating. The rating for Freedom to Trade Internationally (Area 4) fell by over one point, and the ratings for Size of Government (Area 1) and Regulation (Area 5) by more than a half point. The only Area where the United States' rating was basically unchanged was Access to Sound Money (Area 3).

Government consumption, transfers and subsidies, and government investment all rose during the decade, while their private-sector counterparts were lower. These changes were the major reason underlying the decline in the rating for Area 1. The time cost of clearing customs increased and government borrowing consumed a substantially larger share of the credit market, contributing to the rating reductions in Areas 4 and 5. Some of the declines between 2000 and 2010 in the ratings of individual components and sub-components were very large. For example, the rating for Protection of property rights (2C) fell to 6.8 from 9.1. The rating reflecting import and export compliance costs (4Bii) fell to 7.2 from 9.5. Reflecting the large fiscal deficits of recent years, the private-sector credit rating (5Aii) plummeted to 0.8 from 9.4. The rating reflecting burdensome administrative regulations (5Ci) plunged to 4.0 from 7.9.

The approximate one-point decline in the summary rating between 2000 and 2010 on the 10-point scale of the index may not sound like much, but scholarly work on this topic indicates that a one-point decline is associated with a reduction in the long-term growth of GDP of between 1.0 and 1.5 percentage points annually (Gwartney, Holcombe and Lawson, 2006). This implies that, unless policies undermining economic freedom are reversed, the future annual growth of the US economy will be half its historic average of 3%.

Exhibit 1.6: Chain-linked summary ratings from 1970 to 2010

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Albania					4.37	5.07	6.23	6.28	6.64	7.13	6.92	7.12	7.31	7.45	7.44	7.47	7.49
Algeria			3.82	3.60	3.43	4.06	4.66	4.68	4.60	4.63	4.76	5.25	5.17	5.02	4.82	4.88	4.88
Argentina	4.36	2.76	3.96	3.30	4.42	7.04	7.40	6.73	6.23	6.09	6.23	5.97	6.09	6.30	6.07	5.95	5.77
Australia	6.96	6.07	6.86	7.17	7.57	7.98	8.07	7.93	7.97	8.11	8.02	8.24	8.28	8.32	8.22	8.20	8.14
Austria	6.08	5.93	6.33	6.34	6.98	7.16	7.55	7.38	7.40	7.96	7.86	7.84	7.81	7.79	7.68	7.62	7.55
Bahamas		6.38	6.26	6.33	6.43	6.41	6.69	6.78	6.75	6.79	6.89	6.85	6.69	6.81	6.79	6.69	6.59
Bahrain			7.42	6.92	6.91	7.21	7.74	7.64	7.62	7.56	7.34	7.39	7.65	7.81	7.72	7.75	7.89
Bangladesh		3.03	3.38	3.68	4.57	5.49	6.02	5.81	5.99	5.89	5.69	6.17	6.34	6.29	6.29	6.51	6.43
Barbados		5.53	5.66	6.10	6.15	6.14	6.20	6.21	6.11	6.12	6.20	6.39	6.22	6.39	6.26	6.28	6.50
Belgium	7.44	6.80	7.06	7.03	7.35	7.43	7.89	7.53	7.48	7.67	7.54	7.53	7.50	7.54	7.46	7.42	7.47
Belize			5.69	5.42	6.10	6.86	6.54	6.48	6.93	6.96	6.90	6.90	6.82	6.81	6.78	6.81	6.68
Benin			5.23	4.98	5.25	4.92	5.49	5.51	5.64	5.59	5.41	5.55	5.85	5.83	5.78	5.81	5.79
Bolivia			4.18	3.44	5.42	6.60	6.97	6.70	6.55	6.49	6.38	6.38	6.40	6.17	6.12	6.34	6.36
Botswana			5.25	5.57	5.92	6.40	7.42	7.39	7.42	7.21	7.24	7.11	7.08	7.58	7.44	7.18	7.24
Brazil	5.10	4.06	3.83	3.28	4.46	4.72	5.93	5.86	6.16	6.01	6.03	6.27	6.21	6.16	6.42	6.32	6.42
Bulgaria				5.02	3.90	4.60	5.37	5.88	6.45	6.69	6.63	6.85	7.00	7.18	7.10	7.24	7.23
Burundi		3.83	3.94	4.37	4.58	3.89	4.73	4.95	4.73	4.50	4.61	4.66	5.00	5.16	4.73	5.22	5.17
Cameroon			5.62	5.73	5.81	5.68	5.92	6.04	6.07	6.10	6.18	6.19	6.27	6.28	6.14	6.28	6.62
Canada	7.91	7.12	7.68	7.78	8.09	8.11	8.36	8.25	8.22	8.33	8.29	8.34	8.31	8.29	8.25	8.14	8.09
Central African Rep.				4.35	4.80	4.39	5.27	5.35	5.21	5.75	5.82	5.48	5.69	5.77	5.70	5.80	6.28
Chad				5.00	5.00	4.96	5.40	5.83	5.90	5.81	5.62	5.30	5.38	5.37	5.36	5.52	5.64
Chile	3.96	3.62	5.38	5.83	6.78	7.53	7.41	7.57	7.70	7.89	7.75	7.92	7.93	8.05	7.96	7.89	7.87
China			3.74	4.74	4.43	5.17	5.75	5.81	5.79	5.87	5.54	5.88	5.98	6.09	6.07	6.12	6.16
Colombia	5.28	4.84	4.74	5.22	5.07	5.59	5.51	5.58	5.57	5.82	5.82	5.84	5.97	6.18	6.12	6.27	6.31
Congo, Dem. Rep. of	4.05	3.49	2.60	3.61	3.03	3.28	3.85	3.73	4.58	4.53	4.55	4.46	5.06	4.76	4.61	4.70	4.96
Congo, Rep. of			4.50	4.31	4.97	5.02	4.28	4.62	4.48	4.72	4.81	4.71	4.81	4.73	4.94	5.19	5.02
Costa Rica		5.92	5.07	5.03	6.64	6.97	7.51	7.32	7.21	7.44	7.20	7.66	7.85	7.67	7.45	7.48	7.44
Côte d'Ivoire			5.39	6.08	5.57	5.20	5.99	5.96	5.82	5.90	5.90	6.11	6.12	6.10	5.86	6.10	5.94
Croatia						5.06	6.35	6.28	6.43	6.54	6.68	6.75	6.82	6.92	7.04	7.05	7.03
Cyprus		5.80	5.53	5.53	6.04	6.41	6.51	6.52	6.98	6.87	7.63	7.55	7.53	7.77	7.73	7.60	7.55
Czech Republic						5.84	6.53	6.56	6.67	6.84	6.89	6.92	6.91	7.14	7.12	7.09	7.08
Denmark	6.84	6.24	6.39	6.53	7.26	7.73	7.92	7.69	7.78	8.06	8.00	7.94	7.96	7.97	7.87	7.64	7.76

Exhibit 1.6 (continued): Chain-linked summary ratings from 1970 to 2010

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Dominican Republic			5.16	4.91	4.34	5.99	6.76	6.73	6.69	6.19	5.59	6.53	6.33	6.42	6.39	6.82	6.98
Ecuador	3.87	4.89	5.29	4.38	5.35	6.15	5.82	5.61	6.22	6.21	5.47	5.85	5.93	5.77	5.80	5.79	5.70
Egypt		3.59	4.40	4.86	4.60	5.99	6.81	6.60	6.22	6.10	6.08	6.59	6.72	6.97	6.79	6.69	6.78
El Salvador			4.47	4.19	4.69	7.47	7.69	7.64	7.57	7.61	7.62	7.66	7.75	7.75	7.75	7.52	7.41
Estonia						6.08	7.61	7.67	7.75	7.86	7.81	7.97	7.95	8.02	7.76	7.72	7.75
Fiji		5.28	5.58	5.98	5.73	6.12	6.24	6.12	6.17	6.14	6.13	6.54	6.49	6.49	6.54	6.42	6.46
Finland	6.82	6.16	6.65	6.92	7.24	7.50	7.73	7.61	7.63	7.95	7.87	7.97	7.87	7.91	7.81	7.81	7.89
France	6.63	5.93	6.09	5.99	7.07	7.02	7.31	6.97	7.14	7.38	7.39	7.38	7.38	7.58	7.60	7.47	7.39
Gabon			4.50	5.08	5.47	5.38	5.81	5.64	5.58	5.65	5.68	5.60	5.78	5.69	5.73	5.69	5.66
Germany	7.44	6.85	7.16	7.25	7.65	7.63	7.67	7.45	7.54	7.83	7.73	7.76	7.70	7.61	7.53	7.57	7.53
Ghana		3.64	3.05	3.20	5.06	5.53	5.66	5.78	6.14	6.64	6.36	6.49	7.00	7.01	6.93	7.13	7.09
Greece	6.33	5.86	5.76	5.14	5.99	6.44	6.91	6.79	6.99	7.32	7.26	7.31	7.27	7.13	6.96	6.60	6.73
Guatemala	5.98	6.46	5.87	4.68	5.62	6.96	6.57	6.62	6.80	6.91	6.84	7.15	7.26	7.28	7.17	7.16	7.14
Guinea-Bissau					3.24	3.45	4.43	4.84	4.89	5.10	4.97	5.20	5.50	5.19	5.24	5.66	5.66
Guyana						5.20	6.72	6.65	6.41	6.28	6.01	6.36	6.53	6.74	6.96	6.89	6.75
Haiti			6.51	5.76	5.61	5.59	6.89	6.60	6.56	6.67	6.75	6.77	6.75	6.72	6.88	6.99	6.83
Honduras			5.97	5.38	5.45	6.26	6.68	6.47	6.72	6.78	6.75	6.86	7.19	7.22	7.14	6.96	7.03
Hong Kong	8.69	8.71	9.02	8.63	8.59	9.14	8.86	8.81	8.79	8.84	8.74	8.93	8.94	9.01	9.05	8.95	8.80
Hungary			3.94	4.67	5.04	6.19	6.56	6.90	6.68	7.21	7.35	7.23	7.13	7.14	7.18	7.19	7.10
Iceland	6.13	4.40	5.25	5.53	6.95	7.69	8.04	7.93	7.91	8.05	8.01	8.09	7.96	7.84	7.15	7.02	7.02
India	5.36	4.50	5.35	5.02	5.05	5.80	6.32	6.16	6.39	6.50	6.40	6.89	6.68	6.55	6.55	6.47	6.42
Indonesia	4.54	5.21	5.06	6.14	6.52	6.62	6.07	5.70	6.03	6.38	6.20	6.63	6.69	6.77	6.74	6.78	7.04
Iran	5.80	5.64	3.36	3.83	4.39	4.31	5.90	6.27	6.11	6.21	6.36	6.47	6.34	6.29	6.31	6.41	6.49
Ireland	6.79	5.97	6.47	6.54	7.13	8.29	8.20	8.01	8.06	8.05	8.11	8.41	8.26	8.30	8.20	7.82	7.92
Israel	4.58	3.87	3.48	4.03	4.66	6.04	6.77	6.70	7.20	7.20	7.14	7.37	7.25	7.26	7.22	7.13	7.25
Italy	5.98	5.17	5.37	5.57	6.60	6.66	7.36	7.20	7.29	7.15	7.18	7.33	7.23	6.85	6.76	6.72	6.73
Jamaica			3.92	4.85	5.48	6.65	7.57	7.34	7.38	7.36	7.48	7.62	7.60	7.45	7.25	7.25	6.95
Japan	6.78	6.38	6.88	7.05	7.58	7.50	7.90	7.51	7.46	7.88	7.77	7.83	7.79	7.78	7.65	7.59	7.61
Jordan		5.28	5.32	5.71	5.81	6.45	7.40	7.09	7.41	7.39	7.17	7.61	7.51	7.64	7.41	7.14	7.61
Kenya	4.80	4.63	4.80	5.29	5.43	5.89	6.72	6.80	6.81	6.96	6.59	7.09	7.01	7.05	6.68	6.91	6.91
Korea, South	5.39	5.26	5.49	5.54	6.31	6.67	6.79	7.10	7.15	7.27	7.31	7.26	7.44	7.47	7.26	7.23	7.20
Kuwait			4.99	6.85	5.46	6.93	7.07	7.49	7.58	7.59	7.48	7.46	7.57	7.73	7.46	7.76	7.75

Exhibit 1.6 (continued): Chain-linked summary ratings from 1970 to 2010

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Latvia						5.28	6.96	6.97	7.34	7.18	7.15	7.30	7.43	7.36	7.26	7.11	7.00
Lithuania						5.31	6.60	6.55	6.96	6.97	6.90	7.05	7.05	7.13	6.99	7.10	7.12
Luxembourg	7.48	7.63	7.51	7.83	7.80	7.94	8.02	8.02	7.89	7.93	7.98	7.72	7.70	7.76	7.77	7.68	7.59
Madagascar			4.01	4.59	4.49	4.61	5.96	6.27	5.83	6.03	5.78	5.79	5.89	6.19	6.13	6.22	6.41
Malawi		5.17	4.62	4.96	5.40	4.57	4.95	5.42	5.48	5.89	5.58	5.41	5.58	5.87	6.05	6.14	6.46
Malaysia	6.51	6.29	6.94	7.00	7.40	7.62	6.79	6.39	6.58	6.66	6.69	6.98	6.90	6.97	6.70	6.65	6.94
Mali		5.41	5.73	4.81	5.11	5.22	6.19	5.94	5.59	6.06	5.87	6.03	6.34	6.38	6.04	6.13	6.13
Malta			5.50	5.28	5.48	6.92	6.76	6.73	6.84	6.53	7.45	7.68	7.51	7.81	7.60	7.58	7.62
Mauritius		4.80	4.73	6.12	6.06	7.55	7.60	7.38	7.20	7.11	6.97	7.57	7.41	7.95	8.04	7.93	7.90
Mexico	6.45	5.76	5.13	4.61	6.13	6.43	6.44	6.31	6.64	6.62	6.62	6.87	6.91	6.83	6.77	6.60	6.65
Morocco	5.65	5.07	4.45	5.20	5.18	6.28	6.14	6.14	6.13	6.32	6.15	6.37	6.21	6.33	6.33	6.35	6.36
Myanmar			4.50	4.15	3.13	3.80	3.67	3.44	3.09	3.19	3.67	3.63	3.93	3.52	3.62	3.78	3.89
Namibia					5.11	6.14	6.38	6.35	6.39	6.51	6.24	6.46	6.36	6.57	6.35	6.41	6.40
Nepal			5.49	5.01	5.11	5.15	5.87	5.88	5.83	5.51	5.51	6.18	6.40	6.02	5.88	5.68	5.90
Netherlands	7.04	6.55	7.23	7.28	7.60	7.95	8.21	7.91	7.94	7.88	7.83	7.92	7.84	7.84	7.78	7.58	7.58
New Zealand	6.32	5.69	6.35	6.21	7.82	8.84	8.52	8.39	8.52	8.56	8.56	8.56	8.26	8.50	8.41	8.37	8.38
Nicaragua			3.69	1.78	2.75	5.47	6.69	6.38	6.75	6.80	6.61	6.86	7.00	7.01	6.81	6.76	6.88
Niger			4.63	5.07	5.16	4.33	5.44	5.07	5.03	5.24	5.63	5.62	5.70	5.64	5.59	5.67	5.90
Nigeria	3.55	3.36	3.25	3.68	3.31	3.76	5.30	5.03	5.53	5.57	5.56	6.03	6.42	6.28	5.98	5.84	6.01
Norway	5.93	5.58	5.79	6.46	7.13	7.56	7.27	7.12	7.03	7.60	7.53	7.69	7.54	7.69	7.59	7.56	7.53
Oman				6.78	6.34	6.99	7.53	7.57	7.53	7.58	7.45	7.39	7.42	7.72	7.61	7.71	8.00
Pakistan	4.20	3.54	4.30	4.91	4.87	5.67	5.41	5.42	5.62	5.40	5.41	5.86	5.93	5.89	5.72	5.93	5.94
Panama		6.67	5.55	6.12	6.45	7.44	7.56	7.53	7.52	7.59	7.51	7.60	7.56	7.64	7.13	7.15	7.44
Papua New Guinea				5.89	6.06	6.37	5.83	5.80	5.74	5.69	5.75	6.16	6.14	6.42	6.48	6.53	6.68
Paraguay			5.68	4.82	5.60	6.53	6.44	6.47	6.32	6.27	6.14	6.36	6.33	6.30	6.43	6.49	6.65
Peru	4.42	3.54	3.90	2.61	3.97	6.50	7.30	7.29	7.29	7.30	7.23	7.30	7.33	7.33	7.44	7.43	7.52
Philippines	5.29	5.22	5.33	5.07	5.79	7.30	6.97	6.81	6.92	6.94	6.64	7.00	7.05	6.93	6.82	6.78	7.06
Poland				3.46	3.55	5.37	6.34	6.13	6.45	6.50	6.89	6.89	6.99	7.04	7.14	7.28	7.29
Portugal	5.89	3.73	5.53	5.37	6.25	7.46	7.55	7.41	7.64	7.63	7.65	7.43	7.49	7.46	7.36	7.18	7.22
Romania				4.39	4.31	3.81	5.27	5.24	5.83	6.19	6.17	7.08	6.82	7.33	7.15	7.34	7.27
Russia						4.43	5.15	5.14	5.62	5.73	5.91	6.08	6.09	6.27	6.31	6.23	6.35
Rwanda					5.02	3.78	5.40	5.51	5.85	5.64	5.62	5.85	6.17	6.44	6.75	6.73	7.25

Exhibit 1.6 (continued): Chain-linked summary ratings from 1970 to 2010

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Senegal			4.43	5.17	5.31	4.56	5.88	5.65	5.73	5.63	5.67	5.72	5.62	5.73	5.64	5.73	5.63
Sierra Leone		4.97	4.97	3.67	3.86	4.33	5.23	4.99	5.50	5.93	5.77	6.06	6.19	6.62	6.21	6.28	6.43
Singapore	7.61	7.41	7.76	8.00	8.59	8.90	8.61	8.51	8.74	8.68	8.58	8.73	8.64	8.65	8.62	8.59	8.56
Slovak Republic						5.55	6.20	6.53	6.55	6.92	7.47	7.64	7.54	7.55	7.59	7.39	7.46
Slovenia						5.15	6.72	6.91	6.87	6.97	6.93	6.95	7.02	7.02	7.08	7.04	6.62
South Africa	6.30	5.71	5.85	5.49	5.50	6.57	7.08	7.05	7.04	7.20	7.02	7.00	6.94	6.95	6.67	6.61	6.88
Spain	6.41	5.85	6.10	6.08	6.57	7.25	7.54	7.26	7.31	7.72	7.65	7.60	7.55	7.52	7.44	7.32	7.40
Sri Lanka			4.77	4.95	4.81	6.07	6.16	6.12	6.08	6.26	6.05	6.21	6.39	6.20	6.04	6.15	6.25
Sweden	5.51	5.35	5.68	6.47	7.11	7.28	7.62	7.31	7.56	7.70	7.51	7.59	7.54	7.53	7.49	7.48	7.62
Switzerland	7.45	7.46	7.99	8.15	8.15	8.19	8.63	8.37	8.53	8.42	8.32	8.19	8.17	8.20	8.02	8.04	8.07
Syria	3.96	4.19	3.31	3.07	3.53	4.23	4.92	5.20	4.83	4.76	5.23	5.46	5.20	5.46	5.27	5.46	5.53
Taiwan	6.65	5.83	6.58	6.84	7.30	7.41	7.45	7.34	7.53	7.54	7.62	7.70	7.74	7.67	7.63	7.54	7.81
Tanzania	4.41	3.19	3.65	3.47	3.87	5.43	6.07	6.14	5.94	5.98	6.03	6.44	6.56	6.47	6.36	6.22	6.44
Thailand	6.05	6.01	6.09	6.17	6.83	7.18	6.51	6.16	6.63	6.68	6.56	6.68	6.80	6.80	6.78	6.69	6.66
Togo			4.07	5.15	5.73	5.46	5.81	5.99	6.16	5.93	5.76	6.13	6.29	5.57	5.55	5.56	5.79
Trinidad & Tobago		4.57	4.83	4.80	5.52	7.29	7.55	7.49	7.33	7.21	7.08	7.14	7.25	7.26	7.20	7.06	6.90
Tunisia	4.54	4.57	4.82	4.60	5.32	5.73	6.08	6.08	5.94	5.94	5.96	6.02	6.36	6.35	6.28	6.26	6.21
Turkey	3.49	3.87	3.77	4.85	5.06	5.89	5.81	5.20	5.48	5.93	6.07	6.09	6.20	6.33	6.65	6.57	6.56
Uganda			3.14	2.82	2.86	5.15	6.83	6.76	6.90	7.00	6.92	7.13	7.29	7.41	7.38	7.31	7.47
Ukraine						3.39	4.56	4.69	5.32	5.22	5.43	5.74	5.87	5.84	5.79	5.82	5.87
United Arab Emirates			6.03	6.83	7.20	6.95	7.28	7.30	7.52	7.43	7.26	7.50	7.65	7.74	7.70	7.42	7.61
United Kingdom	5.98	5.92	6.57	7.53	8.08	8.20	8.50	8.38	8.41	8.52	8.38	8.38	8.25	8.15	8.08	7.97	7.87
United States	7.60	7.73	7.92	8.11	8.35	8.50	8.65	8.44	8.40	8.36	8.37	8.21	8.13	8.21	7.99	7.72	7.70
Uruguay			6.07	5.97	6.34	6.47	7.08	6.85	7.09	6.92	7.00	7.02	6.98	7.08	7.12	7.16	7.25
Venezuela	7.31	6.17	6.69	6.08	5.69	4.40	5.83	5.71	4.57	4.18	4.57	4.52	4.54	4.15	4.10	4.16	3.88
Zambia		4.00	4.60	3.54	3.09	4.76	6.90	6.75	6.78	7.02	7.08	7.37	7.74	7.85	7.76	7.79	7.85
Zimbabwe			4.57	4.51	4.83	5.77	4.60	3.64	3.63	3.71	3.24	2.88	2.94	3.19	4.30	4.32	4.26

Economic freedom and human progress

As is customary, this chapter concludes with some graphs illustrating simple relationships between economic freedom and various other indicators of human and political progress (Exhibits 1.7–1.12, pp. 22–24). The graphs use the average of the chain-linked EFW index for the period from 1990 to 2010, breaking the data into four quartiles ordered from low to high. Because persistence is important and the impact of economic freedom will be felt over a lengthy time period, it is better to use the average rating over a fairly long time span rather than the current rating to observe the impact of economic freedom on performance.

The graphs begin with the data on the relationship between economic freedom and the level of per-capita GDP and economic growth. In recent years, numerous scholarly studies have analyzed these relationships in detail and, almost without exception, have found that countries with higher and improving economic freedom grow more rapidly and achieve higher levels of per-capita GDP.

Many of the relationships illustrated in the graphs below reflect the impact of economic freedom as it works through increasing economic growth. In other cases, the observed relationships may reflect the fact that some of the variables that influence economic freedom may also influence political factors like trust, honesty in government, and protection of civil liberties. Thus, we are not necessarily arguing that there is a direct causal relation between economic freedom and the variables considered below. In other words, these graphics are no substitute for real, scholarly investigation that controls for other factors. Nonetheless, we believe that the graphs provide some insights about the contrast between the nature and characteristics of market-oriented economies and those dominated by government regulation and planning. At the very least, these figures suggest potential fruitful areas for future research.

Exhibit 1.7: Economic Freedom and Income per Capita, 2010

Countries with more economic freedom have substantially higher per-capita incomes.

Sources: Fraser Institute, *Economic Freedom of the World: 2012 Annual Report*; World Bank, *World Development Indicators 2011*.

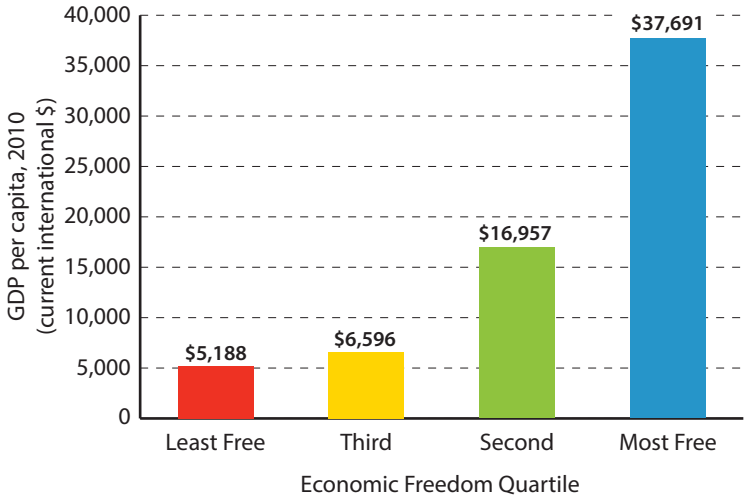


Exhibit 1.8: Economic Freedom and Economic Growth, 1990–2010

Countries with more economic freedom tend to grow more rapidly.

Sources: Fraser Institute, *Economic Freedom of the World: 2012 Annual Report*; World Bank, *World Development Indicators 2011*.
Note: The growth data were adjusted to control for the initial level of income.

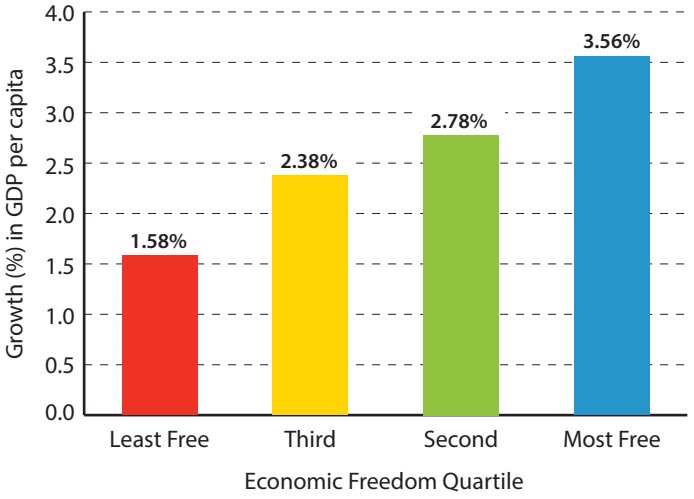


Exhibit 1.9: Economic Freedom and the Income Share of the Poorest 10%, 2000–2010

The share of income earned by the poorest 10% of the population is unrelated to economic freedom.

Sources: Fraser Institute, *Economic Freedom of the World: 2012 Annual Report*; World Bank, *World Development Indicators 2011*.

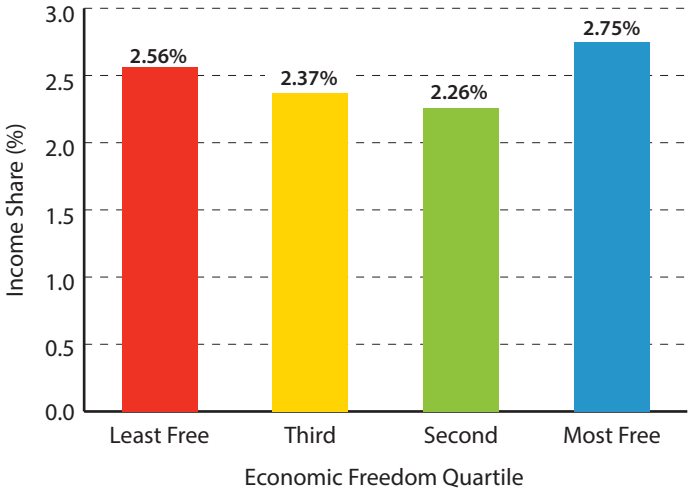


Exhibit 1.10: Economic Freedom and the Income Level of the Poorest 10%, 2010

The amount of income, as opposed to the share, earned by the poorest 10% of the population is much higher in countries with higher economic freedom.

Sources: Fraser Institute, *Economic Freedom of the World: 2012 Annual Report*; World Bank, *World Development Indicators 2011*.

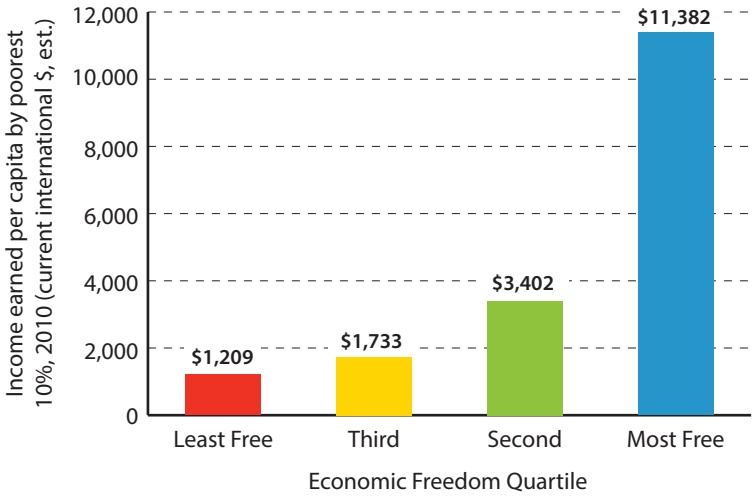


Exhibit 1.11: Economic Freedom and Life Expectancy, 2010

Life expectancy is about 20 years longer in countries with the most economic freedom than in countries with the least.

Sources: Fraser Institute, *Economic Freedom of the World: 2012 Annual Report*; World Bank, *World Development Indicators 2011*.

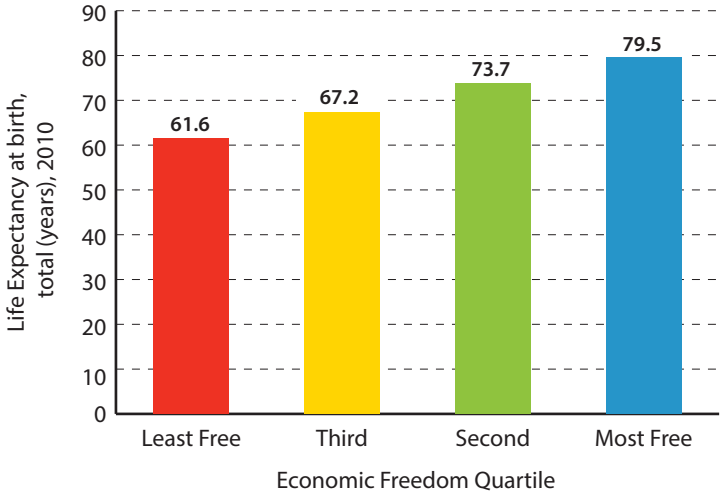
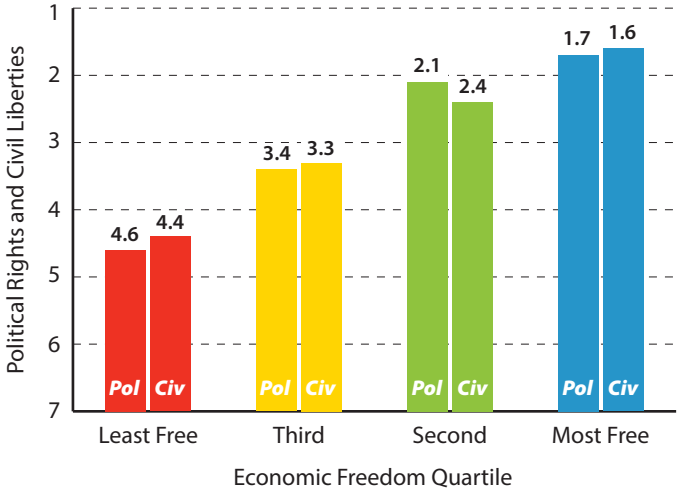


Exhibit 1.12: Economic Freedom and Political Rights and Civil Liberties

Greater economic freedom is associated with more political rights and civil liberties.

Sources: Fraser Institute, *Economic Freedom of the World: 2012 Annual Report*; Freedom House, *Freedom in the World 2011*.

Note: Political rights and civil liberties are measured on a scale from 1 to 7: 1 = the highest degree of political rights and civil liberties; 7 = the lowest.



References

Acemoglu, Daron, and James Robinson (2012). *Why Nations Fail*. Crown.

Gwartney, James, Randall Holcombe, and Robert Lawson (2006). Institutions and the Impact of Investment on Growth. *Kyklos* 59, 2: 255–276.

Krugman, Paul (2010, July 28). How Did We Know the Stimulus Was Too Small? *New York Times*: <http://krugman.blogs.nytimes.com/2010/07/28/how-did-we-know-the-stimulus-was-too-small/>.

Olson, Mancur (1982). *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*. Yale University Press.

World Bank (2011). *World Development Indicators 2011*. <http://publications.worldbank.org/index.php?main_page=product_info&products_id=24044>.

Freedom House (2011). *Freedom in the World 2011: The Authoritarian Challenge to Democracy*. <http://www.freedomhouse.org/report/freedom-world/freedom-world-2011>.

Data available to researchers

The full data set, including all of the data published in this report as well as data omitted due to limited space, can be downloaded for free at <http://www.freetheworld.com>. The data file available there contains the most up-to-date and accurate data for the Economic Freedom of the World index. Some variable names and data sources have evolved over the years since the first publication in 1996; users should consult earlier editions of *Economic Freedom of the World* for details regarding sources and descriptions for those years. All editions of the report are available in PDF and can be downloaded for free at <http://www.freetheworld.com>. However, users are always strongly encouraged to use the data from this most recent data file as updates and corrections, even to earlier years' data, do occur. Users doing long-term or longitudinal studies are encouraged to use the chain-linked index as it is the most consistent through time.

If you have difficulty downloading the data, please contact Fred McMahon via e-mail to <freetheworld@fraserinstitute.org>. If you have technical questions about the data itself, please contact Robert Lawson via e-mail to <robert.a.lawson@gmail.com>. Please cite the data set as:

Authors James Gwartney, Robert Lawson, and Joshua Hall
Title 2012 Economic Freedom Dataset, published in *Economic Freedom of the World: 2012 Annual Report*
Publisher Economic Freedom Network
Year 2012
URL <http://www.freetheworld.com/datasets_efw.html>

Published work using research ratings from *Economic Freedom of the World*

A list of published papers that have used the economic freedom ratings from *Economic Freedom of the World* is available on line at <http://www.freetheworld.com/papers.html>. In most cases, a brief abstract of the article is provided. If you know of any other papers current or forthcoming that should be included on this page, or have further information about any of these papers or authors, please write to <freetheworld@fraserinstitute.org>.

Chapter 2 Country Data Tables

This chapter presents detailed data on the components used in constructing the EFW index for the 144 countries included in this study. For each country for which data were available, we present the overall EFW index rating and the rank of that country for the years 1980, 1985, 1990, 1995, 2000, 2005, 2009, and 2010. (Ratings are also available for many countries for 1970, 1975, 2001, 2002, 2003, 2004, 2006, 2007, and 2008, but these data are not shown in the tables because of limited space.) Like all the ratings in the index, these are values out of 10; 10 is the highest possible rating and zero (0) is the lowest. A higher rating indicates a greater degree of economic freedom.

Chain-Linked The country data tables show both unadjusted and chain-linked ratings and ranks. See chapter 1 for a full explanation of the chain-linked method. The top row under the "Chain-linked" section shows the country's chain-linked summary rating for each year and, in parentheses, its overall rank. In the rows below, titles on the left in bold face indicate the five areas of economic freedom that are combined to generate an overall rating. The cells to their right give the chain-linked rating and, in parentheses, the rank for that particular area for each year.

Unadjusted The top row under the "Unadjusted" section shows the country's summary rating for each year and, in parentheses, its overall rank. In the rows below, titles on the left in bold face indicate the five areas of economic freedom that are combined to generate an overall score. The cells to their right give the rating for that area for each year. Underneath each area title are the titles of the components and sub-components that are combined to generate that area's score. In these rows are the scores for each year presented, where data are available. Shown in italic beside some scores are the actual data used to derive that particular component rating. For some countries, data for other components for certain years may be reported even though there were insufficient data to compute area or summary ratings. A more complete description of each component, including the methodology used to calculate the ratings, can be found in the Appendix: Explanatory Notes and Data Sources (p. 271).

Albania

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤			**4.37** (97)	**5.07** (97)	**6.23** (77)	**7.12** (51)	**7.47** (31)	**7.49** (32)
Area 1. Size of Government			3.51 (102)	6.54 (40)	7.63 (18)	8.89 (5)	8.55 (8)	8.89 (2)
Area 2. Legal System and Property Rights		5.25 (50)	5.21 (58)	4.85 (89)	4.77 (84)	5.22 (76)	6.14 (60)	5.82 (64)
Area 3. Sound Money		4.89 (94)	4.90 (91)	3.26 (105)	7.40 (71)	9.64 (9)	9.63 (7)	9.73 (4)
Area 4. Freedom to Trade Internationally				6.24 (72)	5.88 (89)	6.29 (85)	7.20 (59)	7.25 (56)
Area 5. Regulation			2.62 (112)	4.57 (103)	5.47 (100)	5.69 (101)	5.94 (102)	5.88 (105)
Unadjusted								
Summary Rating (Rank) ➤			**4.60** (90)	**4.98** (97)	**6.19** (77)	**6.98** (64)	**7.32** (41)	**7.34** (42)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government			**4.19**	**6.54**	**7.63**	**8.04**	**7.73**	**8.04**
A. Government consumption	7.70 *(13.81)*	7.83 *(13.39)*	4.87 *(23.44)*	7.78 *(13.55)*	9.10 *(9.07)*	8.99 *(9.42)*	9.08 *(9.13)*	9.29 *(8.41)*
B. Transfers and subsidies			3.51 *(24.30)*	7.85 *(8.40)*	7.80 *(8.57)*	9.66 *(1.73)*	7.35 *(10.21)*	7.39 *(10.09)*
C. Government enterprises and investment				4.00 *(39.00)*	6.00 *(26.70)*	8.00 *(19.45)*	6.00 *(28.93)*	7.00 *(21.28)*
D. Top marginal tax rate						5.50	8.50	8.50
(i) Top marginal income tax rate						9.00 *(25)*	10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate						2.00 *(51)*	7.00 *(35)*	7.00 *(32)*
Area 2. Legal System and Property Rights		**5.25**	**5.21**	**4.64**	**4.58**	**4.80**	**5.65**	**5.36**
A. Judicial independence						2.38	3.77	3.29
B. Impartial courts				3.94	4.31	2.66	4.70	4.51
C. Protection of property rights						3.36	3.91	4.05
D. Military interference in rule of law and politics				3.65	6.67	8.33	8.33	8.33
E. Integrity of the legal system				6.96	3.33	3.68	4.17	4.17
F. Legal enforcement of contracts						5.17	5.17	5.36
G. Regulatory restrictions on sale of real property						8.06	8.09	5.46
H. Reliability of police						4.91	5.77	7.17
I. Business costs of crime						4.64	6.93	5.86
Area 3. Sound Money		**6.52**	**6.54**	**3.26**	**7.40**	**9.64**	**9.63**	**9.73**
A. Money growth				0.00 *(78.90)*	9.57 *(2.16)*	9.50 *(2.50)*	9.24 *(3.80)*	9.86 *(0.71)*
B. Standard deviation of inflation		9.64 *(0.91)*	9.62 *(0.95)*	0.00 *(86.94)*	5.03 *(12.43)*	9.53 *(1.16)*	9.75 *(0.63)*	9.75 *(0.62)*
C. Inflation: most recent year		9.93 *(0.35)*	10.00 *(0.00)*	8.03 *(9.83)*	9.99 *(0.05)*	9.53 *(2.37)*	9.54 *(2.28)*	9.29 *(3.55)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally				**5.90**	**5.88**	**6.33**	**7.24**	**7.30**
A. Tariffs				5.70	6.11	8.24	8.45	8.45
(i) Revenue from trade taxes (% of trade sector)				5.70 *(6.45)*	5.14 *(7.29)*	8.14 *(2.79)*	8.57 *(2.14)*	8.57 *(2.14)*
(ii) Mean tariff rate					6.60 *(17.00)*	8.74 *(6.30)*	9.00 *(5.00)*	9.00 *(5.00)*
(iii) Standard deviation of tariff rates					6.60 *(8.50)*	7.83 *(5.42)*	7.78 *(5.55)*	7.78 *(5.55)*
B. Regulatory trade barriers						4.89	6.90	7.08
(i) Non-tariff trade barriers						4.41	6.35	6.28
(ii) Compliance cost of importing and exporting						5.36	7.45	7.88
C. Black-market exchange rates	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	2.00	1.54	2.19	3.62	3.68
(i) Foreign ownership/investment restrictions						5.02	6.26	6.41
(ii) Capital controls	0.00	0.00	0.00	2.00	1.54	1.54	4.62	4.62
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation			2.47	4.57	5.47	6.09	6.35	6.29
A. Credit market regulations			0.00	4.55	4.61	7.49	7.00	7.04
(i) Ownership of banks			0.00	2.00	2.00	5.00	5.00	5.00
(ii) Private sector credit				5.64	2.83	8.46	6.00	6.12
(iii) Interest rate controls/negative real interest rates			0.00	6.00	9.00	9.00	10.00	10.00
B. Labor market regulations						5.97	5.94	5.93
(i) Hiring regulations and minimum wage						5.60	5.57	5.57
(ii) Hiring and firing regulations						6.69	6.05	6.11
(iii) Centralized collective bargaining						7.74	7.02	6.86
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						4.81	6.03	6.03
(vi) Conscription	0.00	0.00	0.00	3.00	10.00	3.00	3.00	3.00
C. Business regulations						4.82	6.11	5.91
(i) Administrative requirements						2.66	5.01	5.68
(ii) Bureaucracy costs						0.99	6.30	4.81
(iii) Starting a business						8.40	9.66	9.54
(iv) Extra payments/bribes/favoritism						4.94	4.91	4.78
(v) Licensing restrictions						4.63	4.83	4.83
(vi) Cost of tax compliance						7.31	5.96	5.84

Algeria

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.82** (90)	**3.60** (98)	**3.43** (106)	**4.06** (115)	**4.66** (117)	**5.25** (116)	**4.88** (119)	**4.88** (120)
Area 1. Size of Government	4.72 (62)	3.55 (93)	5.02 (73)	6.71 (36)	5.65 (80)	4.84 (105)	3.80 (117)	3.65 (120)
Area 2. Legal System and Property Rights	3.77 (59)	3.52 (84)	3.50 (83)	3.52 (111)	2.39 (120)	3.48 (105)	3.14 (115)	2.90 (116)
Area 3. Sound Money	5.23 (87)	6.30 (74)	4.50 (97)	5.37 (84)	7.00 (80)	7.51 (79)	7.01 (94)	8.42 (67)
Area 4. Freedom to Trade Internationally	1.97 (79)	1.45 (87)	1.31 (101)	1.91 (110)	4.80 (115)	5.34 (111)	5.28 (109)	5.04 (115)
Area 5. Regulation			2.83 (109)	2.78 (123)	3.45 (123)	4.67 (119)	4.76 (120)	4.20 (121)
Unadjusted								
Summary Rating (Rank) ➤	**3.97** (89)	**3.74** (96)	**3.45** (107)	**4.09** (116)	**4.75** (117)	**5.74** (126)	**5.34** (132)	**5.34** (137)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.32**	**3.25**	**4.60**	**6.71**	**5.65**	**4.84**	**3.80**	**3.65**
A. Government consumption	4.65 *(24.19)*	4.50 *(24.69)*	5.19 *(22.35)*	5.29 *(22.01)*	4.53 *(24.60)*	3.90 *(26.74)*	3.24 *(28.98)*	2.80 *(30.47)*
B. Transfers and subsidies				7.84 *(8.43)*	8.41 *(6.32)*	8.63 *(5.52)*	8.15 *(7.29)*	8.15 *(7.29)*
C. Government enterprises and investment	4.00 *(32.50)*	2.00 *(47.90)*	4.00 *(30.40)*	7.00 *(24.90)*	4.00 *(37.80)*	2.00 *(48.40)*	0.00 *(61.26)*	0.00 *(61.26)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**3.77**	**3.52**	**3.50**	**3.68**	**2.87**	**5.32**	**4.81**	**4.44**
A. Judicial independence						4.57	3.00	2.54
B. Impartial courts				3.61	3.84	5.11	3.62	3.28
C. Protection of property rights						5.80	4.29	3.47
D. Military interference in rule of law and politics				0.00	0.00	5.00	5.00	5.00
E. Integrity of the legal system				6.96	3.33	5.00	5.00	5.00
F. Legal enforcement of contracts						4.39	4.39	4.39
G. Regulatory restrictions on sale of real property						6.57	6.78	6.76
H. Reliability of police						6.89	4.94	4.94
I. Business costs of crime						4.58	6.32	4.56
Area 3. Sound Money	**5.23**	**6.30**	**4.50**	**5.37**	**7.00**	**7.51**	**7.01**	**8.42**
A. Money growth	8.35 *(8.24)*	7.81 *(10.96)*	9.35 *(3.25)*	8.11 *(9.44)*	7.95 *(10.26)*	7.84 *(10.81)*	8.01 *(9.95)*	8.35 *(8.25)*
B. Standard deviation of inflation	7.70 *(5.75)*	8.33 *(4.17)*	5.53 *(11.17)*	4.07 *(14.83)*	5.14 *(12.16)*	7.52 *(6.20)*	6.19 *(9.52)*	6.13 *(9.67)*
C. Inflation: most recent year	4.87 *(25.66)*	9.07 *(4.64)*	3.12 *(34.40)*	4.31 *(28.46)*	9.93 *(0.34)*	9.67 *(1.64)*	8.85 *(5.74)*	9.22 *(3.91)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	5.00	5.00	10.00
Area 4. Freedom to Trade Internationally	**2.55**	**1.89**	**1.69**	**1.91**	**4.80**	**5.98**	**5.92**	**5.65**
A. Tariffs	7.66	5.66	5.08	3.72	4.95	6.95	5.96	5.96
(i) Revenue from trade taxes (% of trade sector)				3.58 *(9.63)*	6.36 *(5.46)*	8.21 *(2.69)*	5.77 *(6.35)*	5.77 *(6.35)*
(ii) Mean tariff rate	7.66 *(11.70)*	5.66 *(21.70)*	5.08 *(24.60)*	5.42 *(22.90)*	5.08 *(24.60)*	6.84 *(15.80)*	6.28 *(18.60)*	6.28 *(18.60)*
(iii) Standard deviation of tariff rates				2.16 *(19.60)*	3.40 *(16.50)*	5.81 *(10.47)*	5.83 *(10.42)*	5.83 *(10.42)*
B. Regulatory trade barriers						6.35	6.76	6.27
(i) Non-tariff trade barriers						5.16	6.21	4.73
(ii) Compliance cost of importing and exporting						7.53	7.30	7.81
C. Black-market exchange rates	0.00	0.00	0.00	0.00	7.78	7.93	9.18	8.57
D. Controls of the movement of capital and people	0.00	0.00	0.00	2.00	1.67	2.70	1.77	1.80
(i) Foreign ownership/investment restrictions						6.07	3.41	4.27
(ii) Capital controls	0.00	0.00	0.00	2.00	1.67	0.91	0.77	0.00
(iii) Freedom of foreigners to visit						1.13	1.13	1.13
Area 5. Regulation			2.93	2.78	3.45	5.06	5.17	4.56
A. Credit market regulations	0.00	0.00	0.87	0.48	2.26	4.45	4.72	3.72
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Private sector credit			1.74	1.44	1.78	3.34	4.17	4.15
(iii) Interest rate controls/negative real interest rates				0.00	5.00	10.00	10.00	7.00
B. Labor market regulations						5.16	5.32	5.17
(i) Hiring regulations and minimum wage						5.60	5.57	5.57
(ii) Hiring and firing regulations						4.35	4.70	4.74
(iii) Centralized collective bargaining						5.59	5.85	4.91
(iv) Hours regulations						6.00	6.00	6.00
(v) Mandated cost of worker dismissal						8.42	8.79	8.79
(vi) Conscription	5.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
C. Business regulations						5.58	5.47	4.80
(i) Administrative requirements						3.31	2.12	2.10
(ii) Bureaucracy costs						3.74	5.91	3.31
(iii) Starting a business						8.94	8.98	8.97
(iv) Extra payments/bribes/favoritism						5.66	3.92	3.20
(v) Licensing restrictions						6.90	6.93	6.29
(vi) Cost of tax compliance						4.94	4.94	4.94

Angola

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**3.69** (140)	**4.89** (138)	**5.12** (140)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**3.72**	**4.63**	**4.63**
A. Government consumption						2.59 *(31.20)*	0.00 *(41.60)*	0.02 *(39.93)*
B. Transfers and subsidies						8.58 *(5.71)*	9.00 *(4.17)*	9.00 *(4.17)*
C. Government enterprises and investment						0.00 *(62.50)*	0.00 *(83.75)*	0.00 *(83.33)*
D. Top marginal tax rate							9.50	9.50
(i) Top marginal income tax rate							10.00 *(17)*	10.00 *(17)*
(ii) Top marginal income and payroll tax rate							9.00 *(25)*	9.00 *(25)*
Area 2. Legal System and Property Rights						**3.15**	**3.69**	**3.74**
A. Judicial independence						3.08	3.26	2.36
B. Impartial courts						2.92	3.37	2.51
C. Protection of property rights						4.11	3.11	2.85
D. Military interference in rule of law and politics						3.33	3.33	3.33
E. Integrity of the legal system						5.00	5.00	5.00
F. Legal enforcement of contracts						2.30	2.30	2.30
G. Regulatory restrictions on sale of real property						1.35	2.74	5.47
H. Reliability of police						3.84	4.69	5.62
I. Business costs of crime						2.40	5.41	4.23
Area 3. Sound Money						**1.26**	**5.24**	**5.57**
A. Money growth						0.00 *(53.88)*	4.81 *(25.94)*	5.12 *(24.41)*
B. Standard deviation of inflation						0.00 *(40.17)*	3.89 *(15.28)*	5.06 *(12.36)*
C. Inflation: most recent year						5.05 *(24.76)*	7.25 *(13.73)*	7.11 *(14.47)*
D. Freedom to own foreign currency bank accounts						0.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**6.10**	**5.75**	**6.47**
A. Tariffs						7.92	7.91	7.91
(i) Revenue from trade taxes (% of trade sector)								
(ii) Mean tariff rate						8.48 *(7.60)*	8.54 *(7.30)*	8.54 *(7.30)*
(iii) Standard deviation of tariff rates						7.35 *(6.62)*	7.28 *(6.79)*	7.28 *(6.79)*
B. Regulatory trade barriers						4.02	3.62	5.45
(i) Non-tariff trade barriers						6.67	4.49	4.71
(ii) Compliance cost of importing and exporting						1.38	2.75	6.19
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						2.46	1.49	2.50
(i) Foreign ownership/investment restrictions						5.83	3.70	5.20
(ii) Capital controls						1.54	0.77	2.31
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation						4.22	5.16	5.18
A. Credit market regulations						5.20	6.55	7.38
(i) Ownership of banks						5.00	5.00	8.00
(ii) Private sector credit						5.61	5.65	6.15
(iii) Interest rate controls/negative real interest rates						5.00	9.00	8.00
B. Labor market regulations						3.99	3.87	3.79
(i) Hiring regulations and minimum wage						3.30	3.33	3.33
(ii) Hiring and firing regulations						4.39	4.60	4.17
(iii) Centralized collective bargaining						7.62	6.34	6.28
(iv) Hours regulations						4.00	4.00	4.00
(v) Mandated cost of worker dismissal						4.62	4.98	4.98
(vi) Conscription						0.00	0.00	0.00
C. Business regulations						3.46	5.04	4.36
(i) Administrative requirements						2.17	1.67	1.76
(ii) Bureaucracy costs						0.46	7.93	2.86
(iii) Starting a business						3.09	6.02	6.49
(iv) Extra payments/bribes/favoritism						4.88	3.47	2.89
(v) Licensing restrictions						3.18	4.31	5.36
(vi) Cost of tax compliance						6.95	6.84	6.84

Argentina

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.96** (84)	**3.30** (103)	**4.42** (95)	**7.04** (33)	**7.40** (34)	**5.97** (100)	**5.95** (102)	**5.77** (110)
Area 1. Size of Government	5.44 (38)	4.66 (63)	6.18 (41)	8.22 (7)	7.78 (17)	7.56 (31)	6.25 (67)	6.29 (69)
Area 2. Legal System and Property Rights	4.20 (52)	4.56 (62)	6.03 (37)	5.45 (73)	5.41 (71)	3.68 (104)	3.78 (105)	3.76 (105)
Area 3. Sound Money	2.50 (102)	2.50 (106)	2.50 (108)	6.57 (63)	9.71 (5)	5.44 (114)	7.03 (91)	6.59 (104)
Area 4. Freedom to Trade Internationally	3.91 (55)	1.43 (88)	4.13 (73)	8.61 (21)	7.62 (51)	6.28 (86)	6.27 (88)	6.09 (99)
Area 5. Regulation	3.78 (91)	3.65 (95)	3.38 (105)	6.36 (44)	6.49 (52)	6.81 (62)	6.29 (93)	5.96 (102)
Unadjusted								
Summary Rating (Rank) ➤	**4.30** (80)	**3.58** (100)	**4.54** (91)	**7.01** (36)	**7.40** (32)	**5.99** (111)	**5.97** (119)	**5.79** (127)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.10**	**5.22**	**6.18**	**8.22**	**7.78**	**7.56**	**6.25**	**6.29**
A. Government consumption	6.91 *(16.50)*	7.94 *(13.00)*	8.53 *(11.00)*	8.06 *(12.60)*	6.88 *(16.62)*	6.98 *(16.26)*	5.71 *(20.60)*	5.89 *(19.98)*
B. Transfers and subsidies	7.49 *(9.70)*	6.95 *(11.70)*	8.17 *(7.20)*	7.33 *(10.30)*	7.22 *(10.69)*	8.28 *(6.82)*	8.28 *(6.82)*	8.28 *(6.82)*
C. Government enterprises and investment	4.00 *(39.50)*	4.00 *(38.30)*	4.00 *(30.00)*	10.00 *(8.50)*	10.00 *(6.44)*	10.00 *(11.03)*	6.00 *(12.65)*	6.00 *(12.65)*
D. Top marginal tax rate	6.00	2.00	4.00	7.50	7.00	5.00	5.00	5.00
(i) Top marginal income tax rate	6.00 *(45)*	2.00 *(62)*	7.00 *(35)*	9.00 *(30)*	8.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			1.00 *(57)*	6.00 *(40)*	6.00 *(36-43)*	3.00 *(46)*	3.00 *(49)*	3.00 *(49)*
Area 2. Legal System and Property Rights	**4.20**	**4.56**	**6.03**	**5.45**	**5.41**	**4.22**	**4.34**	**4.31**
A. Judicial independence				3.87	3.17	1.96	2.60	2.63
B. Impartial courts				4.20	5.18	2.62	2.40	2.61
C. Protection of property rights				4.57	3.72	3.18	2.75	2.92
D. Military interference in rule of law and politics				7.66	6.67	7.22	7.50	7.50
E. Integrity of the legal system				6.96	8.33	5.00	4.17	4.17
F. Legal enforcement of contracts						5.02	5.02	5.02
G. Regulatory restrictions on sale of real property						6.74	6.72	6.70
H. Reliability of police						3.11	3.36	4.11
I. Business costs of crime						3.16	4.53	3.17
Area 3. Sound Money	**2.50**	**2.50**	**2.50**	**6.57**	**9.71**	**5.44**	**7.03**	**6.59**
A. Money growth	0.00 *(90.34)*	0.00 *(252.73)*	0.00 *(441.58)*	7.07 *(14.66)*	9.50 *(−2.48)*	3.33 *(33.35)*	7.80 *(10.99)*	7.53 *(12.34)*
B. Standard deviation of inflation	0.00 *(119.77)*	0.00 *(208.29)*	0.00 *(1198.84)*	0.00 *(52.44)*	9.52 *(1.20)*	5.37 *(11.56)*	8.50 *(3.74)*	9.14 *(2.16)*
C. Inflation: most recent year	0.00 *(92.02)*	0.00 *(620.84)*	0.00 *(2064.19)*	9.23 *(3.87)*	9.81 *(−0.94)*	8.07 *(9.64)*	6.80 *(16.00)*	4.70 *(26.60)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**4.62**	**1.69**	**4.40**	**8.54**	**7.62**	**6.43**	**6.42**	**6.24**
A. Tariffs	4.05	3.07	3.19	7.46	7.47	6.49	6.26	6.28
(i) Revenue from trade taxes (% of trade sector)	3.67 *(9.50)*	1.53 *(12.70)*	3.40 *(9.90)*	7.53 *(3.70)*	7.92 *(3.12)*	5.58 *(6.62)*	5.58 *(6.62)*	5.58 *(6.62)*
(ii) Mean tariff rate	4.44 *(27.80)*	4.60 *(27.00)*	5.90 *(20.50)*	7.90 *(10.50)*	7.48 *(12.60)*	7.88 *(10.60)*	7.48 *(12.60)*	7.48 *(12.60)*
(iii) Standard deviation of tariff rates			0.28 *(24.30)*	6.96 *(7.60)*	7.00 *(7.50)*	6.00 *(10.00)*	5.72 *(10.71)*	5.77 *(10.58)*
B. Regulatory trade barriers				7.17	6.42	5.69	5.56	5.04
(i) Non-tariff trade barriers				7.17	6.18	3.81	3.05	2.58
(ii) Compliance cost of importing and exporting					6.66	7.57	8.08	7.50
C. Black-market exchange rates	9.80	2.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	9.53	6.58	3.55	3.86	3.63
(i) Foreign ownership/investment restrictions				9.06	9.31	5.88	5.26	5.36
(ii) Capital controls	0.00	0.00	0.00	10.00	3.85	0.00	1.54	0.77
(iii) Freedom of foreigners to visit						4.76	4.76	4.76
Area 5. Regulation	4.09	3.95	3.58	6.28	6.49	6.31	5.82	5.52
A. Credit market regulations	4.45	4.20	3.70	7.54	7.32	8.26	6.96	6.57
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	8.34	7.61	6.09	7.61	6.95	9.78	5.88	5.72
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	10.00	10.00	10.00	10.00	9.00
B. Labor market regulations	3.73	3.70	3.46	5.94	6.11	5.12	5.32	5.27
(i) Hiring regulations and minimum wage				5.95	4.42	5.60	3.90	3.90
(ii) Hiring and firing regulations			3.00	3.00	5.28	2.50	2.76	2.82
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	4.83	4.60	3.32	2.91
(iv) Hours regulations	5.01	4.93	4.66	5.55	6.01	8.00	10.00	10.00
(v) Mandated cost of worker dismissal						0.00	1.97	1.97
(vi) Conscription	1.00	1.00	1.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				5.36	6.05	5.54	5.18	4.72
(i) Administrative requirements					6.78	2.48	2.68	2.43
(ii) Bureaucracy costs				6.70	7.50	7.09	5.74	3.50
(iii) Starting a business				6.22	4.83	8.87	9.01	9.04
(iv) Extra payments/bribes/favoritism				3.16	5.07	4.98	3.57	3.20
(v) Licensing restrictions						4.91	5.16	4.81
(vi) Cost of tax compliance						4.92	4.92	5.35

Armenia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**7.31** (47)	**7.41** (32)	**7.42** (35)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**7.75**	**7.63**	**7.64**
A. Government consumption						8.16 *(12.26)*	7.54 *(14.36)*	7.51 *(14.46)*
B. Transfers and subsidies						8.33 *(6.62)*	7.98 *(7.91)*	8.05 *(7.67)*
C. Government enterprises and investment						6.00	6.00	6.00
D. Top marginal tax rate						8.50	9.00	9.00
(i) Top marginal income tax rate						9.00	10.00 *(20)*	10.00 *(20)*
(ii) Top marginal income and payroll tax rate						8.00	8.00 *(26)*	8.00 *(26)*
Area 2. Legal System and Property Rights						**5.56**	**5.55**	**5.56**
A. Judicial independence						2.11	2.71	3.01
B. Impartial courts						2.97	3.40	3.88
C. Protection of property rights						5.53	4.45	4.62
D. Military interference in rule of law and politics						5.83	5.83	5.83
E. Integrity of the legal system						5.00	5.00	5.00
F. Legal enforcement of contracts						7.16	7.16	5.99
G. Regulatory restrictions on sale of real property						9.79	9.77	9.77
H. Reliability of police						4.63	3.82	7.82
I. Business costs of crime						7.00	7.79	4.10
Area 3. Sound Money						**9.21**	**9.44**	**9.18**
A. Money growth						7.56 *(12.20)*	9.46 *(2.71)*	9.64 *(1.82)*
B. Standard deviation of inflation						9.41 *(1.48)*	8.97 *(2.57)*	8.72 *(3.21)*
C. Inflation: most recent year						9.87 *(0.64)*	9.32 *(3.41)*	8.36 *(8.18)*
D. Freedom to own foreign currency bank accounts						10.00	10.00	10.00
Area 4. Freedom to Trade Internationally						**7.08**	**7.63**	**7.59**
A. Tariffs						7.71	8.85	8.85
(i) Revenue from trade taxes (% of trade sector)						9.37 *(0.95)*	9.01 *(1.49)*	9.01 *(1.48)*
(ii) Mean tariff rate						9.40 *(3.00)*	9.44 *(2.80)*	9.44 *(2.80)*
(iii) Standard deviation of tariff rates						4.36 *(14.10)*	8.11 *(4.73)*	8.11 *(4.73)*
B. Regulatory trade barriers						5.16	6.64	6.56
(i) Non-tariff trade barriers						5.31	5.33	5.25
(ii) Compliance cost of importing and exporting						5.00	7.95	7.88
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						5.45	5.03	4.96
(i) Foreign ownership/investment restrictions						6.76	5.63	5.42
(ii) Capital controls						8.46	8.33	8.33
(iii) Freedom of foreigners to visit						1.13	1.13	1.13
Area 5. Regulation						6.95	6.83	7.12
A. Credit market regulations						9.55	8.41	8.80
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit						9.66	6.22	7.39
(iii) Interest rate controls/negative real interest rates						9.00	9.00	9.00
B. Labor market regulations						6.05	6.23	6.61
(i) Hiring regulations and minimum wage						6.70	5.00	6.67
(ii) Hiring and firing regulations						5.15	5.79	6.31
(iii) Centralized collective bargaining						7.64	7.02	7.36
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						8.79	9.60	9.32
(vi) Conscription						0.00	0.00	0.00
C. Business regulations						5.25	5.84	5.94
(i) Administrative requirements						3.04	3.42	4.12
(ii) Bureaucracy costs						2.93	6.52	4.04
(iii) Starting a business						9.36	9.49	9.71
(iv) Extra payments/bribes/favoritism						5.19	3.64	3.85
(v) Licensing restrictions						7.47	8.46	9.53
(vi) Cost of tax compliance						3.49	3.49	4.40

Australia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.86** (13)	**7.17** (10)	**7.57** (12)	**7.98** (9)	**8.07** (10)	**8.24** (7)	**8.20** (4)	**8.14** (4)
Area 1. Size of Government	5.08 (48)	4.42 (73)	5.35 (65)	5.68 (73)	5.47 (81)	6.38 (73)	6.62 (47)	6.67 (53)
Area 2. Legal System and Property Rights	7.26 (14)	7.88 (11)	7.86 (15)	8.96 (11)	9.49 (3)	9.13 (7)	8.73 (11)	8.70 (13)
Area 3. Sound Money	9.00 (9)	9.35 (10)	9.15 (18)	9.40 (28)	9.40 (27)	9.44 (31)	9.62 (10)	9.43 (28)
Area 4. Freedom to Trade Internationally	5.90 (35)	6.97 (22)	7.87 (19)	8.28 (24)	8.33 (34)	7.89 (34)	7.92 (35)	7.67 (38)
Area 5. Regulation	7.11 (9)	7.20 (11)	7.54 (9)	7.56 (9)	7.63 (12)	8.32 (8)	8.04 (8)	8.17 (9)
Unadjusted								
Summary Rating (Rank) ➤	**6.85** (12)	**7.16** (12)	**7.73** (10)	**7.95** (9)	**8.07** (10)	**8.07** (10)	**8.03** (5)	**7.97** (5)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.08**	**4.42**	**5.35**	**5.68**	**5.47**	**6.38**	**6.62**	**6.67**
A. Government consumption	4.93 *(23.23)*	4.77 *(23.79)*	5.20 *(22.33)*	5.47 *(21.40)*	4.79 *(23.70)*	4.72 *(23.95)*	4.49 *(24.74)*	4.36 *(25.18)*
B. Transfers and subsidies	7.38 *(10.10)*	6.89 *(11.90)*	7.22 *(10.70)*	6.27 *(14.20)*	7.09 *(11.17)*	6.80 *(12.26)*	6.51 *(13.32)*	6.80 *(12.23)*
C. Government enterprises and investment	6.00 *(28.40)*	4.00 *(30.20)*	6.00 *(25.20)*	7.00 *(21.50)*	7.00 *(21.50)*	10.00 *(10.61)*	10.00 *(11.20)*	10.00 *(11.20)*
D. Top marginal tax rate	2.00	2.00	3.00	4.00	3.00	4.00	5.50	5.50
(i) Top marginal income tax rate	2.00 *(62)*	2.00 *(60)*	3.00 *(49)*	4.00 *(47)*	3.00 *(47)*	4.00 *(47)*	6.00 *(45)*	6.00 *(45)*
(ii) Top marginal income and payroll tax rate			3.00 *(49)*	4.00 *(48)*	3.00 *(49)*	4.00 *(49)*	5.00 *(47)*	5.00 *(47)*
Area 2. Legal System and Property Rights	**7.26**	**7.88**	**7.86**	**8.96**	**9.49**	**8.48**	**8.11**	**8.09**
A. Judicial independence				9.05	9.52	8.80	8.79	8.53
B. Impartial courts				9.00	9.69	8.31	6.99	6.62
C. Protection of property rights				7.32	8.27	8.97	8.11	7.59
D. Military interference in rule of law and politics				9.46	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	9.79	9.17	9.17
F. Legal enforcement of contracts						6.23	6.23	6.16
G. Regulatory restrictions on sale of real property						8.33	8.26	8.26
H. Reliability of police						8.07	8.17	8.19
I. Business costs of crime						7.82	7.26	8.24
Area 3. Sound Money	**9.00**	**9.35**	**9.15**	**9.40**	**9.40**	**9.44**	**9.62**	**9.43**
A. Money growth	8.57 *(7.17)*	9.50 *(2.50)*	8.06 *(9.70)*	8.43 *(7.83)*	9.19 *(4.04)*	8.61 *(6.94)*	8.94 *(5.30)*	9.13 *(4.37)*
B. Standard deviation of inflation	9.40 *(1.51)*	9.13 *(2.17)*	9.19 *(2.02)*	9.74 *(0.64)*	9.31 *(1.72)*	9.68 *(0.79)*	9.92 *(0.20)*	9.18 *(2.04)*
C. Inflation: most recent year	8.03 *(9.84)*	8.79 *(6.06)*	9.35 *(3.26)*	9.42 *(2.90)*	9.10 *(4.48)*	9.47 *(2.67)*	9.64 *(1.82)*	9.43 *(2.85)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.38**	**7.53**	**8.15**	**8.10**	**8.33**	**7.48**	**7.51**	**7.28**
A. Tariffs	7.35	7.60	6.46	7.71	8.43	8.43	8.79	8.83
(i) Revenue from trade taxes (% of trade sector)	7.60 *(3.60)*	7.87 *(3.20)*	7.93 *(3.10)*	8.80 *(1.80)*	9.06 *(1.41)*	8.97 *(1.55)*	9.25 *(1.12)*	9.25 *(1.12)*
(ii) Mean tariff rate	7.10 *(14.50)*	7.34 *(13.30)*	7.16 *(14.20)*	8.36 *(8.20)*	8.84 *(5.80)*	9.14 *(4.30)*	9.30 *(3.50)*	9.44 *(2.80)*
(iii) Standard deviation of tariff rates			4.28 *(14.30)*	5.96 *(10.10)*	7.40 *(6.50)*	7.17 *(7.07)*	7.80 *(5.50)*	7.80 *(5.49)*
B. Regulatory trade barriers				6.42	8.78	8.18	8.04	7.32
(i) Non-tariff trade barriers				6.42	8.07	7.44	7.16	7.65
(ii) Compliance cost of importing and exporting					9.50	8.91	8.91	7.00
C. Black-market exchange rates	9.80	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	5.00	8.00	8.27	6.11	3.33	3.24	2.97
(i) Foreign ownership/investment restrictions				8.53	9.14	7.57	7.29	7.26
(ii) Capital controls	2.00	5.00	8.00	8.00	3.08	2.31	2.31	1.54
(iii) Freedom of foreigners to visit						0.11	0.11	0.11
Area 5. Regulation	6.53	6.62	8.12	7.63	7.63	8.55	8.27	8.40
A. Credit market regulations	8.38	8.67	9.68	9.73	10.00	10.00	9.69	9.69
(i) Ownership of banks	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	7.14	8.00	9.03	9.19	10.00	10.00	9.07	9.07
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			6.56	5.43	5.57	8.36	8.39	7.90
(i) Hiring regulations and minimum wage				3.58	4.55	10.00	10.00	8.90
(ii) Hiring and firing regulations			4.50	4.50	3.08	4.60	4.64	4.14
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	5.52	5.93	5.69	5.44
(iv) Hours regulations				3.88	4.68	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.63	10.00	8.89
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				7.72	7.33	7.29	6.72	7.60
(i) Administrative requirements					6.73	3.49	3.99	3.64
(ii) Bureaucracy costs				7.21	6.20	5.32	2.00	7.12
(iii) Starting a business				6.80	7.37	9.92	9.93	9.93
(iv) Extra payments/bribes/favoritism				9.16	9.01	8.94	8.35	7.64
(v) Licensing restrictions						7.29	7.29	8.50
(vi) Cost of tax compliance						8.80	8.78	8.78

Austria

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.33** (22)	**6.34** (24)	**6.98** (23)	**7.16** (32)	**7.55** (25)	**7.84** (16)	**7.62** (20)	**7.55** (27)
Area 1. Size of Government	2.71 (97)	2.63 (106)	3.11 (106)	2.82 (115)	2.77 (122)	5.23 (96)	4.85 (107)	4.90 (105)
Area 2. Legal System and Property Rights	8.04 (6)	7.88 (10)	8.35 (8)	8.85 (14)	9.34 (5)	9.04 (10)	8.58 (16)	8.42 (16)
Area 3. Sound Money	8.40 (13)	8.31 (23)	9.63 (10)	9.55 (19)	9.63 (9)	9.55 (17)	9.58 (15)	9.64 (13)
Area 4. Freedom to Trade Internationally	6.60 (26)	6.66 (27)	7.65 (25)	8.92 (17)	9.11 (13)	8.07 (24)	7.96 (30)	7.58 (47)
Area 5. Regulation	6.02 (36)	6.35 (32)	6.26 (39)	5.70 (68)	6.91 (39)	7.30 (30)	7.13 (42)	7.22 (36)
Unadjusted								
Summary Rating (Rank) ➤	**6.45** (19)	**6.46** (21)	**6.95** (24)	**7.14** (32)	**7.55** (22)	**7.85** (16)	**7.63** (17)	**7.56** (27)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.14**	**3.05**	**3.11**	**2.82**	**2.77**	**5.23**	**4.85**	**4.90**
A. Government consumption	4.46 *(24.82)*	4.35 *(25.22)*	4.40 *(25.03)*	4.01 *(26.37)*	4.16 *(25.86)*	4.58 *(24.44)*	3.87 *(26.86)*	4.07 *(26.16)*
B. Transfers and subsidies	4.11 *(22.10)*	3.84 *(23.10)*	4.03 *(22.40)*	3.27 *(25.20)*	2.93 *(26.44)*	2.84 *(26.78)*	2.02 *(29.80)*	2.02 *(29.78)*
C. Government enterprises and investment	2.00 *(44.50)*	2.00 *(42.00)*	2.00 *(42.00)*	2.00 *(42.00)*	2.00 *(42.00)*	10.00 *(5.21)*	10.00 *(11.31)*	10.00 *(10.36)*
D. Top marginal tax rate	2.00	2.00	2.00	2.00	2.00	3.50	3.50	3.50
(i) Top marginal income tax rate	2.00 *(62)*	2.00 *(62)*	4.00 *(50)*	4.00 *(50)*	4.00 *(50)*	4.00 *(50)*	4.00 *(50)*	4.00 *(50)*
(ii) Top marginal income and payroll tax rate			0.00 *(62)*	0.00 *(66)*	0.00 *(66)*	3.00 *(54)*	3.00 *(54)*	3.00 *(54)*
Area 2. Legal System and Property Rights	**8.04**	**7.88**	**8.35**	**8.85**	**9.34**	**8.68**	**8.24**	**8.08**
A. Judicial independence				8.82	9.02	8.15	7.96	7.57
B. Impartial courts				7.72	9.02	8.56	6.98	6.51
C. Protection of property rights				7.73	8.65	9.08	8.59	8.23
D. Military interference in rule of law and politics				9.97	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						6.70	6.38	6.38
G. Regulatory restrictions on sale of real property						7.92	8.12	8.09
H. Reliability of police						8.63	7.89	7.74
I. Business costs of crime						9.04	8.22	8.21
Area 3. Sound Money	**8.40**	**8.31**	**9.63**	**9.55**	**9.63**	**9.55**	**9.58**	**9.64**
A. Money growth	9.97 *(−0.17)*	9.36 *(3.22)*	9.46 *(2.69)*	8.92 *(5.39)*	9.18 *(4.10)*	8.77 *(6.15)*	8.67 *(6.67)*	9.19 *(4.06)*
B. Standard deviation of inflation	9.64 *(0.90)*	9.51 *(1.23)*	9.75 *(0.63)*	9.69 *(0.78)*	9.80 *(0.50)*	9.91 *(0.23)*	9.74 *(0.64)*	9.74 *(0.64)*
C. Inflation: most recent year	9.00 *(5.00)*	9.38 *(3.08)*	9.31 *(3.45)*	9.57 *(2.13)*	9.53 *(2.35)*	9.54 *(2.30)*	9.90 *(0.49)*	9.64 *(1.81)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.87**	**6.93**	**7.64**	**8.84**	**9.11**	**8.16**	**8.04**	**7.66**
A. Tariffs	8.61	8.80	7.92	8.72	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.53 *(0.70)*	9.60 *(0.60)*	9.53 *(0.70)*	9.87 *(0.20)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	7.68 *(11.60)*	8.00 *(10.00)*	8.26 *(8.70)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			5.96 *(10.10)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.13	9.15	8.39	8.31	6.89
(i) Non-tariff trade barriers				8.13	8.80	7.84	7.53	6.77
(ii) Compliance cost of importing and exporting					9.50	8.93	9.08	7.00
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	5.00	8.50	8.11	5.86	5.65	5.41
(i) Foreign ownership/investment restrictions				9.00	9.30	7.93	7.29	6.57
(ii) Capital controls	2.00	2.00	5.00	8.00	6.92	3.08	3.08	3.08
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.79	6.11	6.05	5.67	6.91	7.62	7.44	7.54
A. Credit market regulations	6.96	7.59	7.46	6.82	9.72	9.75	9.64	8.97
(i) Ownership of banks	5.00	5.00	5.00	5.00	10.00	10.00	10.00	8.00
(ii) Private sector credit	7.88	7.78	7.39	7.47	9.16	9.24	8.91	8.91
(iii) Interest rate controls/negative real interest rates	8.00	10.00	10.00	8.00	10.00	10.00	10.00	10.00
B. Labor market regulations	4.63	4.63	4.63	4.28	3.86	5.91	6.21	6.33
(i) Hiring regulations and minimum wage				4.58	4.56	8.90	10.00	10.00
(ii) Hiring and firing regulations			4.82	4.82	3.05	4.25	3.94	4.26
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	3.50	2.77	2.33	2.71
(iv) Hours regulations	4.40	4.40	4.22	4.50	5.18	6.70	8.00	8.00
(v) Mandated cost of worker dismissal						9.81	10.00	10.00
(vi) Conscription	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations				5.90	7.16	7.21	6.48	7.31
(i) Administrative requirements					7.53	4.27	4.39	4.21
(ii) Bureaucracy costs				6.52	7.43	5.54	1.46	7.40
(iii) Starting a business				3.72	5.42	8.85	8.87	8.88
(iv) Extra payments/bribes/favoritism				7.48	8.27	8.92	8.41	7.65
(v) Licensing restrictions						7.61	7.62	7.65
(vi) Cost of tax compliance						8.09	8.09	8.09

Azerbaijan

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								

Unadjusted								
Summary Rating (Rank) ➤						**6.02** (108)	**6.12** (112)	**6.17** (116)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**5.02**	**4.62**	**4.88**
A. Government consumption						6.00 *(19.61)*	3.89 *(26.76)*	4.85 *(23.50)*
B. Transfers and subsidies					7.09 *(11.19)*	7.09 *(11.19)*	9.57 *(2.06)*	9.67 *(1.71)*
C. Government enterprises and investment						2.00	0.00 *(65.55)*	0.00 *(65.42)*
D. Top marginal tax rate						5.00	5.00	5.00
(i) Top marginal income tax rate						7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate						3.00 *(49)*	3.00 *(49)*	3.00 *(49)*
Area 2. Legal System and Property Rights						**5.87**	**5.94**	**5.97**
A. Judicial independence						2.98	3.86	4.05
B. Impartial courts						3.40	4.19	4.23
C. Protection of property rights						4.39	4.76	4.73
D. Military interference in rule of law and politics						6.67	5.83	5.83
E. Integrity of the legal system						6.04	5.83	5.83
F. Legal enforcement of contracts						7.33	7.55	7.55
G. Regulatory restrictions on sale of real property						8.85	9.73	9.73
H. Reliability of police						5.75	4.43	7.14
I. Business costs of crime						7.44	7.25	4.64
Area 3. Sound Money						**7.25**	**6.58**	**6.27**
A. Money growth						8.57 *(7.17)*	7.58 *(12.09)*	7.01 *(14.97)*
B. Standard deviation of inflation						7.77 *(5.58)*	4.00 *(14.99)*	4.22 *(14.45)*
C. Inflation: most recent year						7.68 *(11.59)*	9.72 *(1.40)*	8.87 *(5.67)*
D. Freedom to own foreign currency bank accounts						5.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**5.92**	**6.38**	**6.79**
A. Tariffs						6.91	7.83	7.83
(i) Revenue from trade taxes (% of trade sector)							8.47 *(2.29)*	8.47 *(2.29)*
(ii) Mean tariff rate						7.92 *(10.40)*	8.22 *(8.90)*	8.22 *(8.90)*
(iii) Standard deviation of tariff rates						5.89 *(10.27)*	6.80 *(8.01)*	6.80 *(8.01)*
B. Regulatory trade barriers						3.51	3.95	5.98
(i) Non-tariff trade barriers						4.38	4.21	4.59
(ii) Compliance cost of importing and exporting						2.64	3.69	7.38
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						3.25	3.74	3.33
(i) Foreign ownership/investment restrictions						6.68	5.84	5.38
(ii) Capital controls						3.08	5.38	4.62
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation						6.03	7.10	6.94
A. Credit market regulations						6.84	8.33	8.00
(i) Ownership of banks						5.00	5.00	5.00
(ii) Private sector credit				7.66	6.52	6.52	10.00	10.00
(iii) Interest rate controls/negative real interest rates						9.00	10.00	9.00
B. Labor market regulations						6.51	6.80	6.86
(i) Hiring regulations and minimum wage						6.70	8.33	8.33
(ii) Hiring and firing regulations						7.78	6.66	7.24
(iii) Centralized collective bargaining						7.60	8.02	7.82
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.96	8.79	8.79
(vi) Conscription						1.00	1.00	1.00
C. Business regulations						4.74	6.18	5.95
(i) Administrative requirements						3.96	4.49	4.48
(ii) Bureaucracy costs						5.89	5.58	3.68
(iii) Starting a business						8.27	9.71	9.72
(iv) Extra payments/bribes/favoritism						4.65	3.90	3.46
(v) Licensing restrictions						5.67	6.84	6.85
(vi) Cost of tax compliance						0.00	6.57	7.48

Bahamas

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.26** (23)	**6.33** (25)	**6.43** (33)	**6.41** (54)	**6.69** (60)	**6.85** (68)	**6.69** (73)	**6.59** (80)
Area 1. Size of Government	8.45 (6)	8.47 (2)	8.51 (3)	8.19 (11)	7.79 (16)	8.06 (19)	8.12 (11)	8.19 (13)
Area 2. Legal System and Property Rights		5.72 (43)	5.70 (48)	5.19 (79)	6.35 (55)	6.79 (43)	6.48 (49)	6.08 (57)
Area 3. Sound Money	6.25 (54)	6.48 (66)	7.02 (44)	7.05 (55)	6.87 (87)	6.82 (92)	7.07 (88)	7.21 (87)
Area 4. Freedom to Trade Internationally	3.40 (61)	3.78 (63)	3.59 (82)	4.15 (104)	4.96 (113)	5.20 (112)	4.61 (119)	4.51 (119)
Area 5. Regulation	6.98 (13)	7.27 (10)	7.41 (12)	7.51 (10)	7.51 (13)	7.36 (27)	7.34 (27)	7.19 (38)
Unadjusted								
Summary Rating (Rank) ➤	**6.28** (24)	**6.35** (26)	**6.46** (33)	**6.44** (52)	**6.69** (58)	**7.43** (36)	**7.47** (29)	**7.36** (40)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**8.45**	**8.47**	**8.51**	**8.19**	**7.79**	**8.06**	**8.12**	**8.19**
A. Government consumption	6.81 *(16.85)*	6.90 *(16.54)*	7.18 *(15.60)*	6.21 *(18.90)*	5.18 *(22.40)*	6.46 *(18.04)*	6.61 *(17.54)*	6.77 *(16.97)*
B. Transfers and subsidies	10.00 *(0.50)*	10.00 *(0.10)*	9.86 *(1.00)*	9.56 *(2.10)*	8.97 *(4.29)*	8.78 *(4.96)*	8.88 *(4.63)*	8.97 *(4.28)*
C. Government enterprises and investment	7.00 *(24.20)*	7.00 *(24.20)*	7.00 *(24.20)*	7.00	7.00	7.00	7.00	7.00
D. Top marginal tax rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(i) Top marginal income tax rate	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
(ii) Top marginal income and payroll tax rate					10.00 *(5-9)*	10.00 *(5-9)*	10.00 *(9)*	10.00 *(10)*
Area 2. Legal System and Property Rights		**5.72**	**5.70**	**5.19**	**6.35**	**8.47**	**6.99**	**6.57**
A. Judicial independence				5.00	5.00			
B. Impartial courts				6.56	7.07	7.90	7.00	6.80
C. Protection of property rights				3.00	3.00			
D. Military interference in rule of law and politics				7.30	10.00	10.00	10.00	10.00
E. Integrity of the legal system				4.11	6.67	7.50	7.50	7.50
F. Legal enforcement of contracts							5.49	5.49
G. Regulatory restrictions on sale of real property							4.98	3.06
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**6.25**	**6.48**	**7.02**	**7.05**	**6.87**	**6.82**	**7.07**	**7.21**
A. Money growth	8.43 *(7.84)*	9.72 *(1.41)*	9.38 *(3.08)*	9.40 *(2.99)*	8.05 *(9.74)*	8.61 *(6.95)*	9.47 *(2.66)*	9.93 *(0.34)*
B. Standard deviation of inflation	8.58 *(3.54)*	7.88 *(5.29)*	9.32 *(1.70)*	9.35 *(1.63)*	9.64 *(0.90)*	8.97 *(2.57)*	9.25 *(1.89)*	9.19 *(2.02)*
C. Inflation: most recent year	8.00 *(10.01)*	8.31 *(8.46)*	9.37 *(3.16)*	9.44 *(2.81)*	9.79 *(1.04)*	9.68 *(1.59)*	9.59 *(2.06)*	9.73 *(1.34)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**3.44**	**3.82**	**3.67**	**4.24**	**4.96**	**6.37**	**6.08**	**5.95**
A. Tariffs	4.32	3.67	3.60	3.13	3.33	4.26	2.07	2.64
(i) Revenue from trade taxes (% of trade sector)	4.60 *(8.10)*	3.80 *(9.30)*	3.60 *(9.60)*	3.13 *(10.30)*	3.67 *(9.50)*	4.14 *(8.79)*	0.40 *(14.40)*	2.13 *(11.80)*
(ii) Mean tariff rate	4.04 *(29.80)*	3.54 *(32.30)*			3.00 *(35.00)*	3.96 *(30.20)*	2.84 *(35.80)*	2.82 *(35.90)*
(iii) Standard deviation of tariff rates						4.68 *(13.29)*	2.98 *(17.54)*	2.96 *(17.59)*
B. Regulatory trade barriers							7.76	6.69
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting							7.76	6.69
C. Black-market exchange rates	6.00	7.80	7.40	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	1.54	4.85	4.47	4.47
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	1.54	1.54	0.77	0.77
(iii) Freedom of foreigners to visit						8.16	8.16	8.16
Area 5. Regulation	6.98	7.27	7.41	7.51	7.51	7.41	9.08	8.89
A. Credit market regulations	8.62	9.38	9.73	10.00	10.00	9.76	9.28	8.79
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	7.86	8.13	9.20	10.00	10.00	9.28	7.85	6.36
(iii) Interest rate controls/negative real interest rates	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations							9.44	9.17
(i) Hiring regulations and minimum wage							10.00	8.90
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations							10.00	10.00
(v) Mandated cost of worker dismissal							7.78	7.78
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations							8.52	8.73
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business							8.91	8.92
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions							7.30	7.91
(vi) Cost of tax compliance							9.35	9.35

Bahrain

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.42** (7)	**6.92** (15)	**6.91** (25)	**7.21** (30)	**7.74** (16)	**7.39** (38)	**7.75** (14)	**7.89** (10)
Area 1. Size of Government	7.26 (10)	6.00 (26)	5.91 (46)	6.18 (59)	6.80 (43)	6.48 (69)	6.56 (50)	6.88 (46)
Area 2. Legal System and Property Rights		5.72 (41)	5.70 (47)	6.60 (41)	6.54 (49)	5.84 (62)	6.71 (43)	6.94 (39)
Area 3. Sound Money	8.10 (18)	8.61 (19)	8.79 (22)	9.43 (27)	9.12 (35)	8.82 (49)	9.00 (48)	9.18 (45)
Area 4. Freedom to Trade Internationally	7.13 (18)	7.18 (19)	7.09 (30)	7.02 (55)	8.71 (23)	8.57 (11)	8.85 (4)	8.82 (3)
Area 5. Regulation	7.23 (7)	7.11 (14)	7.05 (18)	6.79 (31)	7.51 (13)	7.23 (37)	7.61 (16)	7.60 (22)
Unadjusted								
Summary Rating (Rank) ➤	**7.39** (7)	**6.87** (14)	**6.91** (26)	**7.07** (33)	**7.60** (19)	**7.20** (53)	**7.80** (10)	**7.94** (7)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**7.26**	**6.00**	**5.91**	**6.18**	**6.80**	**6.48**	**6.56**	**6.88**
A. Government consumption	3.25 *(28.95)*	0.00 *(43.46)*	0.00 *(43.78)*	1.41 *(35.20)*	3.78 *(27.15)*	2.94 *(29.99)*	2.72 *(30.75)*	4.09 *(26.10)*
B. Transfers and subsidies	9.81 *(1.20)*	10.00 *(0.00)*	9.64 *(1.80)*	9.30 *(3.06)*	9.43 *(2.59)*	8.99 *(4.21)*	9.53 *(2.24)*	9.44 *(2.56)*
C. Government enterprises and investment	6.00 *(29.80)*	4.00 *(31.70)*	4.00 *(31.70)*	4.00 *(31.70)*	4.00 *(31.70)*	4.00	4.00	4.00
D. Top marginal tax rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(i) Top marginal income tax rate	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
(ii) Top marginal income and payroll tax rate			10.00 *(0)*	10.00 *(0)*			10.00 *(17)*	10.00 *(17)*
Area 2. Legal System and Property Rights		**5.72**	**5.70**	**5.90**	**5.86**	**5.76**	**6.76**	**7.00**
A. Judicial independence						4.07	6.73	7.18
B. Impartial courts				6.74	6.30	4.12	4.95	6.02
C. Protection of property rights						6.62	7.71	7.86
D. Military interference in rule of law and politics				6.11	5.00	5.00	5.00	5.00
E. Integrity of the legal system				6.96	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts							4.79	4.79
G. Regulatory restrictions on sale of real property							8.53	8.53
H. Reliability of police						5.70	7.36	7.31
I. Business costs of crime						6.48	7.47	7.96
Area 3. Sound Money	**8.10**	**8.61**	**8.79**	**9.43**	**9.12**	**8.82**	**9.00**	**9.18**
A. Money growth	6.38 *(18.10)*	8.46 *(7.70)*	9.60 *(1.99)*	9.24 *(−3.82)*	9.71 *(1.46)*	8.40 *(7.99)*	8.05 *(9.77)*	8.56 *(7.20)*
B. Standard deviation of inflation	6.81 *(7.98)*	6.33 *(9.17)*	6.92 *(7.71)*	8.70 *(3.26)*	6.91 *(7.73)*	7.38 *(6.54)*	8.51 *(3.72)*	8.53 *(3.66)*
C. Inflation: most recent year	9.22 *(3.90)*	9.64 *(−1.82)*	8.63 *(6.84)*	9.80 *(1.00)*	9.86 *(−0.70)*	9.48 *(2.59)*	9.44 *(2.80)*	9.61 *(1.96)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**7.13**	**7.06**	**7.09**	**7.02**	**8.71**	**7.65**	**7.93**	**7.90**
A. Tariffs	9.39	9.17	9.27	9.07	9.19	8.37	8.26	8.26
(i) Revenue from trade taxes (% of trade sector)	9.39 *(0.91)*	9.53 *(0.70)*	9.27 *(1.10)*	9.07 *(1.40)*	9.19 *(1.21)*	8.83 *(1.75)*	9.53 *(0.70)*	9.53 *(0.70)*
(ii) Mean tariff rate		8.80 *(6.00)*				8.98 *(5.10)*	8.98 *(5.10)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates						7.31 *(6.73)*	6.26 *(9.36)*	6.26 *(9.36)*
B. Regulatory trade barriers						7.59	8.19	7.92
(i) Non-tariff trade barriers						7.59	8.07	8.28
(ii) Compliance cost of importing and exporting							8.31	7.56
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	6.92	4.62	5.27	5.40
(i) Foreign ownership/investment restrictions						7.14	7.75	8.15
(ii) Capital controls	2.00	2.00	2.00	2.00	6.92	6.15	7.50	7.50
(iii) Freedom of foreigners to visit						0.57	0.57	0.57
Area 5. Regulation	7.07	6.95	7.05	6.79	7.51	7.29	8.74	8.73
A. Credit market regulations	8.71	8.35	8.80	8.11	10.00	10.00	10.00	9.00
(i) Ownership of banks	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	9.42	8.71	8.41	8.32	10.00	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates			10.00	8.00	10.00	10.00	10.00	7.00
B. Labor market regulations						7.03	8.74	8.87
(i) Hiring regulations and minimum wage							10.00	10.00
(ii) Hiring and firing regulations						3.25	4.15	4.79
(iii) Centralized collective bargaining						7.85	8.28	8.42
(iv) Hours regulations							10.00	10.00
(v) Mandated cost of worker dismissal							10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						4.83	7.48	8.33
(i) Administrative requirements						4.04	5.01	6.45
(ii) Bureaucracy costs						2.93	3.82	7.36
(iii) Starting a business							8.81	8.85
(iv) Extra payments/bribes/favoritism						7.51	7.76	7.72
(v) Licensing restrictions							9.86	9.98
(vi) Cost of tax compliance							9.60	9.60

Bangladesh

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.38** (96)	**3.68** (94)	**4.57** (91)	**5.49** (82)	**6.02** (86)	**6.17** (90)	**6.51** (80)	**6.43** (87)
Area 1. Size of Government	4.52 (70)	4.56 (68)	7.37 (11)	8.07 (13)	8.07 (11)	8.62 (9)	9.09 (2)	8.83 (4)
Area 2. Legal System and Property Rights	2.26 (79)	2.19 (103)	2.17 (107)	4.78 (92)	3.23 (115)	3.35 (109)	4.08 (99)	4.09 (100)
Area 3. Sound Money	4.64 (95)	6.10 (84)	6.95 (49)	6.42 (67)	7.02 (79)	6.65 (97)	6.74 (101)	6.48 (110)
Area 4. Freedom to Trade Internationally	0.00 (91)	0.00 (97)	0.24 (103)	2.19 (108)	5.71 (96)	5.77 (92)	5.86 (95)	6.11 (98)
Area 5. Regulation	4.87 (74)	5.15 (70)	5.72 (56)	5.49 (79)	6.06 (78)	6.44 (79)	6.82 (60)	6.71 (75)
Unadjusted								
Summary Rating (Rank) ➤	**3.34** (101)	**3.64** (99)	**4.50** (92)	**5.34** (85)	**6.07** (82)	**6.08** (104)	**6.42** (96)	**6.34** (109)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.30**	**4.33**	**7.00**	**7.67**	**8.07**	**8.62**	**9.09**	**8.83**
A. Government consumption	9.89 *(6.38)*	10.00 *(5.39)*	10.00 *(4.82)*	10.00 *(5.33)*	10.00 *(5.60)*	9.69 *(7.04)*	9.89 *(6.36)*	9.84 *(6.53)*
B. Transfers and subsidies					9.28 *(3.15)*	9.78 *(1.29)*	9.47 *(2.45)*	9.47 *(2.45)*
C. Government enterprises and investment	2.00 *(44.40)*	2.00 *(46.60)*	2.00 *(47.10)*	4.00 *(34.00)*	4.00 *(30.03)*	6.00 *(25.30)*	8.00 *(19.29)*	7.00 *(20.54)*
D. Top marginal tax rate	1.00	1.00	9.00	9.00	9.00	9.00	9.00	9.00
(i) Top marginal income tax rate	1.00 *(60)*	1.00 *(60)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
Area 2. Legal System and Property Rights	**2.54**	**2.46**	**2.44**	**5.02**	**3.47**	**2.96**	**3.60**	**3.61**
A. Judicial independence						2.48	3.98	3.70
B. Impartial courts				3.91	4.22	2.97	3.30	3.70
C. Protection of property rights					2.02	4.70	4.07	4.44
D. Military interference in rule of law and politics				5.25	3.33	4.58	5.00	4.17
E. Integrity of the legal system				6.96	3.33	3.33	4.17	3.33
F. Legal enforcement of contracts						1.15	1.15	1.15
G. Regulatory restrictions on sale of real property						1.61	3.20	3.20
H. Reliability of police						2.27	3.19	5.32
I. Business costs of crime						3.52	4.34	3.44
Area 3. Sound Money	**4.64**	**6.10**	**6.95**	**6.42**	**7.02**	**6.65**	**6.74**	**6.48**
A. Money growth	7.03 *(14.86)*	7.84 *(10.82)*	9.62 *(1.89)*	7.99 *(10.03)*	9.07 *(4.64)*	8.55 *(7.24)*	8.63 *(6.85)*	8.08 *(9.61)*
B. Standard deviation of inflation	4.23 *(14.43)*	8.76 *(3.10)*	9.16 *(2.10)*	9.05 *(2.38)*	9.46 *(1.36)*	9.45 *(1.38)*	9.40 *(1.51)*	9.48 *(1.30)*
C. Inflation: most recent year	7.32 *(13.39)*	7.79 *(11.07)*	9.03 *(4.87)*	8.65 *(6.73)*	9.56 *(2.21)*	8.59 *(7.04)*	8.92 *(5.42)*	8.37 *(8.13)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**0.18**	**0.00**	**0.21**	**1.94**	**5.71**	**5.77**	**5.86**	**6.10**
A. Tariffs	0.53	0.00	0.64	1.42	5.19	5.76	6.23	6.23
(i) Revenue from trade taxes (% of trade sector)	1.07 *(13.40)*	0.00 *(17.90)*	1.93 *(12.10)*	4.27 *(8.60)*	5.33 *(7.00)*	4.12 *(8.82)*	5.09 *(7.37)*	5.09 *(7.37)*
(ii) Mean tariff rate	0.00 *(99.90)*	0.00 *(86.00)*	0.00 *(102.20)*	0.00 *(81.20)*	5.68 *(21.60)*	6.64 *(16.80)*	7.06 *(14.70)*	7.06 *(14.70)*
(iii) Standard deviation of tariff rates			0.00 *(50.40)*	0.00 *(26.10)*	4.56 *(13.60)*	6.53 *(8.66)*	6.53 *(8.67)*	6.53 *(8.67)*
B. Regulatory trade barriers					4.73	4.54	5.66	6.19
(i) Non-tariff trade barriers					4.73	5.40	5.18	5.32
(ii) Compliance cost of importing and exporting						3.67	6.13	7.06
C. Black-market exchange rates	0.00	0.00	0.00	4.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	2.93	2.76	1.54	2.00
(i) Foreign ownership/investment restrictions					5.86	7.52	4.62	6.01
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.77	0.00	0.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	5.03	5.31	5.91	5.66	6.06	6.42	6.80	6.69
A. Credit market regulations	3.44	4.19	5.76	5.12	6.68	8.21	8.19	8.19
(i) Ownership of banks	0.00	0.00	0.00	0.00	2.00	5.00	5.00	5.00
(ii) Private sector credit	4.31	6.56	7.28	7.37	8.05	9.64	9.57	9.57
(iii) Interest rate controls/negative real interest rates	6.00	6.00	10.00	8.00	10.00	10.00	10.00	10.00
B. Labor market regulations					6.55	6.76	6.54	6.58
(i) Hiring regulations and minimum wage					4.60	6.70	5.57	5.57
(ii) Hiring and firing regulations					4.97	6.00	6.09	6.23
(iii) Centralized collective bargaining					6.63	7.52	6.86	6.94
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						0.36	0.73	0.73
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					4.94	4.29	5.66	5.32
(i) Administrative requirements					7.55	2.40	3.15	3.40
(ii) Bureaucracy costs					5.73	2.40	6.37	2.88
(iii) Starting a business					4.58	7.85	9.04	9.07
(iv) Extra payments/bribes/favoritism					1.91	2.35	2.67	2.58
(v) Licensing restrictions						5.22	6.14	7.36
(vi) Cost of tax compliance						5.52	6.61	6.61

Barbados

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.66** (38)	**6.10** (31)	**6.15** (38)	**6.14** (63)	**6.20** (78)	**6.39** (81)	**6.28** (89)	**6.50** (82)
Area 1. Size of Government	6.04 (22)	6.14 (21)	6.42 (32)	6.40 (47)	6.85 (39)	6.59 (65)	6.33 (60)	6.73 (51)
Area 2. Legal System and Property Rights		5.92 (33)	5.90 (41)	4.76 (94)	5.20 (76)	6.52 (51)	6.33 (53)	6.54 (48)
Area 3. Sound Money	5.06 (90)	6.67 (52)	6.67 (57)	7.19 (50)	6.70 (91)	6.29 (107)	6.66 (104)	6.57 (106)
Area 4. Freedom to Trade Internationally	4.87 (44)	4.93 (49)	4.96 (59)	5.53 (85)	5.33 (103)	5.56 (103)	5.41 (106)	5.57 (107)
Area 5. Regulation	6.45 (24)	6.89 (17)	6.84 (22)	6.83 (28)	6.89 (41)	6.80 (63)	6.49 (83)	6.85 (59)
Unadjusted								
Summary Rating (Rank) ➤	**5.72** (36)	**6.13** (30)	**6.06** (41)	**6.07** (63)	**6.20** (75)	**6.81** (74)	**6.77** (80)	**6.94** (73)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.27**	**6.38**	**6.42**	**6.40**	**6.85**	**6.59**	**6.33**	**6.73**
A. Government consumption	6.09 *(19.28)*	4.52 *(24.62)*	4.69 *(24.07)*	5.09 *(22.70)*	3.91 *(26.70)*	4.44 *(24.92)*	6.34 *(18.45)*	6.43 *(18.15)*
B. Transfers and subsidies	10.00 *(0.20)*	10.00 *(0.00)*	10.00 *(0.50)*	10.00 *(0.00)*	10.00 *(0.00)*	8.43 *(6.28)*	5.50 *(17.02)*	5.50 *(17.02)*
C. Government enterprises and investment	8.00 *(19.00)*	10.00 *(11.90)*	8.00 *(18.30)*	7.00 *(22.78)*	10.00 *(12.00)*	10.00 *(3.68)*	10.00 *(3.68)*	10.00 *(3.68)*
D. Top marginal tax rate	1.00	1.00	3.00	3.50	3.50	3.50	3.50	5.00
(i) Top marginal income tax rate	1.00 *(60)*	1.00 *(60)*	4.00 *(50)*	5.00 *(40)*	5.00 *(40)*	5.00 *(40)*	5.00 *(40)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			2.00 *(54)*	2.00 *(53)*	2.00 *(53)*	2.00 *(53)*	2.00 *(53)*	3.00 *(47)*
Area 2. Legal System and Property Rights		**5.72**	**5.70**	**4.60**	**5.20**	**7.65**	**7.54**	**7.79**
A. Judicial independence				5.00	5.00	8.12	7.89	8.20
B. Impartial courts				6.29	7.61	7.15	6.40	6.26
C. Protection of property rights				3.00	3.00	7.35	7.69	8.04
D. Military interference in rule of law and politics						9.40	9.20	9.20
E. Integrity of the legal system				4.11				
F. Legal enforcement of contracts								
G. Regulatory restrictions on sale of real property								
H. Reliability of police						7.22	8.29	6.70
I. Business costs of crime						6.64	5.78	8.34
Area 3. Sound Money	**5.06**	**6.67**	**6.67**	**7.19**	**6.70**	**6.29**	**6.66**	**6.57**
A. Money growth	7.17 *(14.16)*	8.92 *(5.41)*	9.12 *(4.38)*	9.32 *(−3.38)*	7.89 *(10.55)*	7.66 *(11.68)*	8.22 *(8.88)*	8.22 *(8.88)*
B. Standard deviation of inflation	7.59 *(6.03)*	8.59 *(3.52)*	8.64 *(3.39)*	9.49 *(1.28)*	9.40 *(1.50)*	8.70 *(3.26)*	9.14 *(2.15)*	9.22 *(1.96)*
C. Inflation: most recent year	5.49 *(22.56)*	9.18 *(4.12)*	8.91 *(5.45)*	9.95 *(0.25)*	9.51 *(2.44)*	8.78 *(6.08)*	9.27 *(3.64)*	8.84 *(5.82)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**5.11**	**4.99**	**4.69**	**5.33**	**5.33**	**6.66**	**6.48**	**6.68**
A. Tariffs	7.53	7.17	6.06	6.58	6.20	5.63	5.31	5.31
(i) Revenue from trade taxes (% of trade sector)	7.53 *(3.70)*	7.73 *(3.40)*	7.60 *(3.60)*	7.80 *(3.30)*		7.90 *(3.16)*	6.89 *(4.67)*	6.89 *(4.67)*
(ii) Mean tariff rate		6.60 *(17.00)*		7.18 *(14.10)*	6.20 *(19.00)*	7.30 *(13.50)*	7.30 *(13.50)*	7.30 *(13.50)*
(iii) Standard deviation of tariff rates			4.52 *(13.70)*	4.76 *(13.10)*		1.68 *(20.79)*	1.74 *(20.66)*	1.74 *(20.66)*
B. Regulatory trade barriers						5.21	5.47	5.79
(i) Non-tariff trade barriers						5.21	5.47	5.79
(ii) Compliance cost of importing and exporting								
C. Black-market exchange rates	7.80	7.80	8.00	9.40	9.80	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	5.81	5.14	5.62
(i) Foreign ownership/investment restrictions						7.42	5.43	6.85
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	6.45	6.89	6.84	6.83	6.89	6.86	6.82	6.91
A. Credit market regulations	7.19	8.36	8.25	8.21	8.37	8.34	7.00	7.00
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	7.58	7.08	6.74	6.62	7.11	7.02	2.99	2.99
(iii) Interest rate controls/negative real interest rates	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations						7.21	7.62	6.93
(i) Hiring regulations and minimum wage								
(ii) Hiring and firing regulations						5.03	4.60	4.85
(iii) Centralized collective bargaining						6.61	5.88	5.94
(iv) Hours regulations							10.00	
(v) Mandated cost of worker dismissal								
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.03	5.83	6.81
(i) Administrative requirements						4.01	5.47	6.13
(ii) Bureaucracy costs						3.43	4.51	7.06
(iii) Starting a business								
(iv) Extra payments/bribes/favoritism						7.64	7.51	7.24
(v) Licensing restrictions								
(vi) Cost of tax compliance								

Belgium

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.06** (10)	**7.03** (12)	**7.35** (14)	**7.43** (24)	**7.89** (15)	**7.53** (33)	**7.42** (35)	**7.47** (34)
Area 1. Size of Government	3.42 (92)	3.40 (96)	4.19 (91)	4.04 (102)	4.57 (102)	4.34 (115)	3.91 (116)	3.99 (115)
Area 2. Legal System and Property Rights	7.83 (10)	7.88 (13)	8.35 (14)	7.52 (27)	8.29 (19)	7.93 (21)	8.01 (24)	8.05 (21)
Area 3. Sound Money	9.58 (2)	9.58 (3)	9.74 (3)	9.73 (6)	9.62 (10)	9.53 (21)	9.64 (6)	9.69 (6)
Area 4. Freedom to Trade Internationally	9.12 (3)	9.16 (5)	9.15 (7)	9.23 (9)	9.30 (9)	8.30 (16)	8.25 (18)	7.97 (24)
Area 5. Regulation	5.48 (52)	5.26 (65)	5.43 (69)	6.63 (35)	7.65 (11)	7.55 (20)	7.29 (30)	7.61 (19)
Unadjusted								
Summary Rating (Rank) ➤	**7.35** (9)	**7.32** (10)	**7.56** (12)	**7.39** (23)	**7.89** (15)	**7.41** (40)	**7.30** (42)	**7.35** (41)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.62**	**3.60**	**4.19**	**4.04**	**4.57**	**4.34**	**3.91**	**3.99**
A. Government consumption	5.43 *(21.55)*	5.79 *(20.30)*	6.44 *(18.10)*	6.20 *(18.93)*	3.45 *(28.26)*	2.95 *(29.96)*	2.35 *(32.00)*	2.53 *(31.39)*
B. Transfers and subsidies	3.05 *(26.00)*	2.62 *(27.60)*	3.32 *(25.00)*	2.97 *(26.30)*	3.81 *(23.21)*	3.39 *(24.77)*	2.29 *(28.81)*	2.43 *(28.29)*
C. Government enterprises and investment	6.00 *(26.80)*	6.00 *(25.30)*	6.00 *(27.00)*	6.00 *(27.00)*	10.00 *(11.86)*	10.00 *(8.70)*	10.00 *(13.77)*	10.00 *(13.30)*
D. Top marginal tax rate	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
(i) Top marginal income tax rate	0.00 *(76)*	0.00 *(76)*	2.00 *(55-61)*	1.00 *(58-64)*	2.00 *(58-62.7)*	2.00 *(50-55)*	2.00 *(50-55)*	2.00 *(50-55)*
(ii) Top marginal income and payroll tax rate			0.00 *(70)*	1.00 *(58-64)*	0.00 *(71)*	0.00 *(67-71)*	0.00 *(68-71)*	0.00 *(68-71)*
Area 2. Legal System and Property Rights	**7.83**	**7.88**	**8.35**	**7.52**	**8.29**	**6.97**	**7.05**	**7.08**
A. Judicial independence				5.78	7.35	6.98	7.01	7.11
B. Impartial courts				6.42	8.18	6.32	5.10	5.22
C. Protection of property rights				6.90	7.57	8.20	7.41	7.28
D. Military interference in rule of law and politics				8.49	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						5.65	5.65	5.58
G. Regulatory restrictions on sale of real property						3.33	4.33	4.62
H. Reliability of police						7.03	7.60	7.87
I. Business costs of crime						6.91	8.00	7.70
Area 3. Sound Money	**9.58**	**9.58**	**9.74**	**9.73**	**9.62**	**9.53**	**9.64**	**9.69**
A. Money growth	9.78 *(1.10)*	9.78 *(1.11)*	9.97 *(0.17)*	9.63 *(1.85)*	9.10 *(4.48)*	8.79 *(6.06)*	8.73 *(6.33)*	9.35 *(3.25)*
B. Standard deviation of inflation	9.38 *(1.56)*	9.76 *(0.59)*	9.62 *(0.95)*	9.64 *(0.90)*	9.89 *(0.28)*	9.89 *(0.28)*	9.85 *(0.38)*	9.87 *(0.34)*
C. Inflation: most recent year	9.16 *(4.18)*	8.79 *(6.05)*	9.37 *(3.14)*	9.67 *(1.67)*	9.49 *(2.54)*	9.44 *(2.78)*	9.99 *(−0.05)*	9.56 *(2.19)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.67**	**9.72**	**9.49**	**9.07**	**9.30**	**8.29**	**8.24**	**7.96**
A. Tariffs	9.02	9.15	8.46	8.68	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.80 *(0.30)*	9.80 *(0.30)*	9.73 *(0.40)*	9.73 *(0.40)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.28	8.86	8.07	8.53	7.35
(i) Non-tariff trade barriers				8.28	8.22	7.21	8.12	7.69
(ii) Compliance cost of importing and exporting					9.50	8.93	8.93	7.00
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	10.00	10.00	9.31	9.17	6.69	6.20	6.15
(i) Foreign ownership/investment restrictions				8.61	9.87	8.10	7.41	7.25
(ii) Capital controls	10.00	10.00	10.00	10.00	8.46	5.38	4.62	4.62
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	6.05	5.80	6.02	6.60	7.65	7.94	7.67	8.00
A. Credit market regulations	8.60	8.11	8.40	9.47	10.00	9.61	9.23	9.52
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	5.80	4.33	5.21	8.41	10.00	8.84	7.68	8.57
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.49	3.49	3.63	4.93	5.01	6.64	7.39	7.38
(i) Hiring regulations and minimum wage				3.87	5.12	8.90	8.90	8.90
(ii) Hiring and firing regulations			3.77	3.77	3.10	2.59	3.15	3.17
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	4.17	3.84	4.27	4.23
(iv) Hours regulations	2.99	2.99	3.25	2.55	2.67	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						8.52	10.00	10.00
(vi) Conscription	3.00	3.00	3.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				5.40	7.95	7.57	6.39	7.11
(i) Administrative requirements					8.20	3.04	2.70	2.49
(ii) Bureaucracy costs				6.49	8.88	7.94	1.90	6.72
(iii) Starting a business				4.60	6.42	9.00	9.75	9.76
(iv) Extra payments/bribes/favoritism				5.11	8.28	8.09	7.72	7.37
(v) Licensing restrictions						8.04	8.05	8.07
(vi) Cost of tax compliance						9.33	8.25	8.25

Belize

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.69** (35)	**5.42** (49)	**6.10** (40)	**6.86** (41)	**6.54** (66)	**6.90** (62)	**6.81** (65)	**6.68** (73)
Area 1. Size of Government	5.19 (46)	5.38 (43)	5.20 (69)	6.79 (34)	6.68 (48)	6.84 (55)	6.57 (49)	6.44 (60)
Area 2. Legal System and Property Rights					7.01 (40)	6.48 (54)	6.11 (61)	5.67 (70)
Area 3. Sound Money	6.18 (57)	6.56 (60)	7.01 (45)	7.16 (52)	6.65 (93)	8.27 (62)	8.32 (63)	8.48 (64)
Area 4. Freedom to Trade Internationally	4.13 (52)	2.58 (76)	4.27 (68)	5.71 (81)	5.19 (110)	5.52 (104)	5.43 (104)	5.34 (109)
Area 5. Regulation	6.88 (15)	6.79 (18)	7.48 (10)	7.31 (14)	7.19 (31)	7.18 (40)	7.30 (29)	7.16 (40)
Unadjusted								
Summary Rating (Rank) ➤	**5.59** (42)	**5.40** (53)	**5.90** (47)	**6.36** (55)	**6.38** (70)	**7.33** (46)	**7.23** (46)	**6.68** (88)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.18**	**5.03**	**4.86**	**6.34**	**6.68**	**6.84**	**6.57**	**6.44**
A. Government consumption	6.10 *(19.25)*	4.96 *(23.15)*	5.62 *(20.90)*	6.56 *(17.70)*	6.35 *(18.42)*	6.82 *(16.81)*	6.02 *(19.53)*	5.63 *(20.87)*
B. Transfers and subsidies	9.43 *(2.60)*	9.16 *(3.60)*	9.81 *(1.20)*	9.81 *(1.20)*	9.69 *(1.64)*	9.69 *(1.64)*	9.69 *(1.64)*	9.69 *(1.64)*
C. Government enterprises and investment	0.00 *(51.00)*	2.00 *(49.80)*	0.00 *(55.40)*	4.00 *(36.10)*	4.00 *(36.10)*	4.00 *(36.10)*	4.00	4.00
D. Top marginal tax rate		4.00	4.00	5.00				
(i) Top marginal income tax rate		4.00 *(50)*	4.00 *(45)*	5.00 *(45)*				
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights				**5.26**	**6.19**	**5.84**	**5.50**	**4.36**
A. Judicial independence								3.43
B. Impartial courts				5.72	6.87	5.60	4.90	3.48
C. Protection of property rights								4.73
D. Military interference in rule of law and politics					7.15	7.10	6.50	6.30
E. Integrity of the legal system								
F. Legal enforcement of contracts						3.33	3.33	3.33
G. Regulatory restrictions on sale of real property						7.32	7.29	7.32
H. Reliability of police								3.03
I. Business costs of crime								3.24
Area 3. Sound Money	**6.18**	**6.56**	**7.01**	**7.16**	**6.65**	**8.27**	**8.32**	**8.48**
A. Money growth	8.50 *(7.48)*	9.12 *(4.39)*	9.29 *(3.53)*	9.83 *(−0.84)*	8.46 *(7.70)*	9.74 *(−1.28)*	9.14 *(4.32)*	9.80 *(1.01)*
B. Standard deviation of inflation	8.50 *(3.76)*	7.50 *(6.25)*	8.81 *(2.98)*	9.61 *(0.98)*	8.28 *(4.30)*	9.07 *(2.31)*	9.35 *(1.63)*	9.30 *(1.74)*
C. Inflation: most recent year	7.72 *(11.40)*	9.62 *(−1.88)*	9.95 *(0.26)*	9.21 *(3.94)*	9.88 *(0.61)*	9.27 *(3.64)*	9.78 *(−1.08)*	9.82 *(0.89)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**4.13**	**3.22**	**4.27**	**5.71**	**5.19**	**6.59**	**6.47**	**6.23**
A. Tariffs	4.20	4.67	2.80	2.73	5.61	6.20	6.13	6.13
(i) Revenue from trade taxes (% of trade sector)	4.20 *(8.70)*	2.73 *(10.90)*	2.80 *(10.80)*	2.73 *(10.90)*	5.61 *(6.59)*	5.61 *(6.59)*	5.61 *(6.59)*	5.61 *(6.59)*
(ii) Mean tariff rate		6.60 *(17.00)*				7.84 *(10.80)*	7.80 *(11.00)*	7.80 *(11.00)*
(iii) Standard deviation of tariff rates						5.16 *(12.10)*	4.98 *(12.54)*	4.98 *(12.54)*
B. Regulatory trade barriers						7.09	7.09	5.29
(i) Non-tariff trade barriers								3.90
(ii) Compliance cost of importing and exporting						7.09	7.09	6.69
C. Black-market exchange rates	3.20	0.00	5.00	9.40	9.20	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	5.00	0.77	3.05	2.66	3.50
(i) Foreign ownership/investment restrictions								5.16
(ii) Capital controls	5.00	5.00	5.00	5.00	0.77	0.77	0.00	0.00
(iii) Freedom of foreigners to visit						5.33	5.33	5.33
Area 5. Regulation	6.87	6.78	7.48	7.31	7.19	9.12	9.27	7.91
A. Credit market regulations	8.11	7.83	9.94	9.48	9.15	9.49	9.80	9.70
(i) Ownership of banks			10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.22	7.67	9.82	8.44	8.46	8.46	9.39	9.11
(iii) Interest rate controls/negative real interest rates	8.00	8.00	10.00	10.00	9.00	10.00	10.00	10.00
B. Labor market regulations						9.17	9.26	8.18
(i) Hiring regulations and minimum wage						8.90	8.90	7.77
(ii) Hiring and firing regulations								6.03
(iii) Centralized collective bargaining								7.12
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						7.78	8.15	8.15
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						8.70	8.75	5.84
(i) Administrative requirements								3.16
(ii) Bureaucracy costs								3.26
(iii) Starting a business						7.96	8.09	8.05
(iv) Extra payments/bribes/favoritism								2.84
(v) Licensing restrictions						9.81	9.81	9.38
(vi) Cost of tax compliance						8.35	8.35	8.35

Benin

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.23** (56)	**4.98** (67)	**5.25** (69)	**4.92** (101)	**5.49** (103)	**5.55** (111)	**5.81** (106)	**5.79** (108)
Area 1. Size of Government	4.67 (64)	3.60 (92)	4.17 (92)	4.04 (103)	4.72 (98)	5.17 (97)	5.36 (94)	5.42 (93)
Area 2. Legal System and Property Rights	4.67 (46)	4.25 (68)	4.42 (69)	4.60 (96)	4.42 (94)	5.25 (75)	6.21 (57)	5.95 (60)
Area 3. Sound Money	6.23 (55)	6.40 (70)	6.57 (62)	5.26 (86)	6.62 (95)	6.56 (102)	6.72 (102)	6.80 (99)
Area 4. Freedom to Trade Internationally					5.87 (90)	5.57 (101)	5.51 (103)	5.59 (106)
Area 5. Regulation	5.01 (69)	5.31 (62)	5.45 (68)	5.43 (80)	5.80 (91)	5.45 (107)	5.69 (108)	5.57 (112)
Unadjusted								
Summary Rating (Rank) ➤	**4.98** (60)	**4.64** (82)	**5.03** (74)	**4.67** (103)	**5.47** (104)	**5.97** (112)	**6.20** (108)	**6.18** (115)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.67**	**3.60**	**4.17**	**4.04**	**4.72**	**7.00**	**7.03**	**7.12**
A. Government consumption	9.35 *(8.22)*	7.21 *(15.50)*	8.34 *(11.66)*	8.08 *(12.53)*	7.45 *(14.68)*	6.99 *(16.23)*	7.40 *(14.83)*	7.82 *(13.40)*
B. Transfers and subsidies						10.00 *(0.20)*	9.71 *(1.55)*	9.64 *(1.83)*
C. Government enterprises and investment	0.00 *(53.70)*	0.00 *(53.50)*	0.00 *(55.20)*	0.00 *(60.10)*	2.00 *(40.31)*	4.00 *(35.40)*	4.00 *(38.37)*	4.00 *(38.15)*
D. Top marginal tax rate							7.00	7.00
(i) Top marginal income tax rate							7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**4.67**	**4.25**	**4.42**	**4.46**	**4.33**	**3.99**	**4.72**	**4.52**
A. Judicial independence						4.59	3.75	3.47
B. Impartial courts				4.81	4.55	4.07	4.26	3.93
C. Protection of property rights						4.39	6.12	5.55
D. Military interference in rule of law and politics				3.82	4.70	7.10	7.50	7.10
E. Integrity of the legal system				5.18	4.00			
F. Legal enforcement of contracts						1.07	1.07	1.07
G. Regulatory restrictions on sale of real property						2.73	3.85	3.85
H. Reliability of police						3.87	5.85	5.17
I. Business costs of crime						4.06	5.36	6.04
Area 3. Sound Money	**6.23**	**6.40**	**6.57**	**5.26**	**6.62**	**6.56**	**6.72**	**6.80**
A. Money growth	8.22 *(8.91)*	9.32 *(3.38)*	9.18 *(4.08)*	9.11 *(4.44)*	8.05 *(9.76)*	8.42 *(−7.91)*	8.30 *(8.48)*	8.73 *(6.35)*
B. Standard deviation of inflation	8.74 *(3.15)*	7.24 *(6.89)*	8.34 *(4.16)*	4.98 *(12.54)*	9.26 *(1.86)*	8.89 *(2.79)*	9.01 *(2.47)*	8.95 *(2.64)*
C. Inflation: most recent year	7.96 *(10.19)*	9.02 *(−4.88)*	8.78 *(6.11)*	6.93 *(15.37)*	9.17 *(4.17)*	8.93 *(5.36)*	9.57 *(2.16)*	9.54 *(2.31)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.18**	**4.11**			**5.87**	**5.79**	**5.73**	**5.81**
A. Tariffs	2.93	2.52			7.60	5.86	5.39	4.97
(i) Revenue from trade taxes (% of trade sector)	2.93 *(10.60)*					3.20 *(10.20)*	1.27 *(13.10)*	0.00 *(15.70)*
(ii) Mean tariff rate		2.52 *(37.40)*			7.60 *(12.00)*	7.12 *(14.40)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						5.31	5.46	6.03
(i) Non-tariff trade barriers						5.67	5.26	5.05
(ii) Compliance cost of importing and exporting						4.94	5.65	7.00
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	1.99	2.07	2.24
(i) Foreign ownership/investment restrictions						5.97	5.43	5.94
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.77
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	5.15	4.83	4.96	4.94	5.80	6.51	6.80	6.66
A. Credit market regulations	5.31	5.92	6.25	6.20	9.42	9.13	9.23	9.23
(i) Ownership of banks	0.00	0.00	2.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	9.94	9.76	8.76	6.60	8.84	9.38	9.69	9.69
(iii) Interest rate controls/negative real interest rates	6.00	8.00	8.00	2.00		8.00	8.00	8.00
B. Labor market regulations						5.38	5.84	5.87
(i) Hiring regulations and minimum wage						6.10	6.10	6.10
(ii) Hiring and firing regulations						5.70	5.78	5.61
(iii) Centralized collective bargaining						6.83	7.10	7.42
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.66	7.09	7.09
(vi) Conscription		1.00	1.00	1.00	1.00	1.00	1.00	1.00
C. Business regulations						5.03	5.32	4.87
(i) Administrative requirements						2.40	4.43	4.12
(ii) Bureaucracy costs						6.51	5.67	3.54
(iii) Starting a business						5.57	6.47	6.58
(iv) Extra payments/bribes/favoritism						3.85	3.14	3.23
(v) Licensing restrictions						4.89	5.25	4.76
(vi) Cost of tax compliance						6.97	6.97	6.97

Bolivia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.18** (81)	**3.44** (102)	**5.42** (64)	**6.60** (46)	**6.97** (44)	**6.38** (82)	**6.34** (87)	**6.36** (94)
Area 1. Size of Government	4.95 (56)	7.06 (6)	6.94 (21)	6.68 (37)	7.97 (13)	6.14 (82)	6.30 (64)	6.31 (66)
Area 2. Legal System and Property Rights	1.79 (86)	1.29 (108)	2.45 (99)	4.59 (97)	3.43 (111)	3.40 (107)	3.23 (112)	3.59 (107)
Area 3. Sound Money	0.00 (107)	0.00 (111)	5.59 (84)	8.10 (39)	9.32 (28)	8.90 (43)	8.73 (53)	8.70 (61)
Area 4. Freedom to Trade Internationally	4.03 (54)	5.05 (48)	6.02 (42)	7.35 (47)	7.97 (38)	7.41 (48)	7.20 (58)	7.12 (61)
Area 5. Regulation			6.22 (40)	5.93 (56)	6.18 (71)	6.03 (93)	6.25 (95)	6.04 (97)
Unadjusted								
Summary Rating (Rank) ➤	**4.10** (84)	**3.47** (103)	**5.65** (52)	**6.80** (39)	**6.97** (42)	**6.41** (95)	**6.37** (100)	**6.39** (104)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.86**	**6.93**	**6.81**	**6.56**	**7.97**	**6.14**	**6.30**	**6.31**
A. Government consumption	6.75 *(17.05)*	8.08 *(12.52)*	7.86 *(13.27)*	7.28 *(15.24)*	7.12 *(15.80)*	6.03 *(19.51)*	6.37 *(18.34)*	6.42 *(18.17)*
B. Transfers and subsidies	9.70 *(1.60)*	9.65 *(1.80)*	9.37 *(2.80)*	9.46 *(2.50)*	8.76 *(5.04)*	8.54 *(5.86)*	8.84 *(4.77)*	8.84 *(4.77)*
C. Government enterprises and investment	0.00 *(50.10)*	2.00 *(42.50)*	0.00 *(60.60)*	0.00 *(51.20)*	6.00 *(28.30)*	0.00 *(50.70)*	0.00 *(59.86)*	0.00 *(57.02)*
D. Top marginal tax rate	3.00	8.00	10.00	9.50	10.00	10.00	10.00	10.00
(i) Top marginal income tax rate	3.00 *(48)*	8.00 *(30)*	10.00 *(10)*	10.00 *(13)*	10.00 *(13)*	10.00 *(13)*	10.00 *(13)*	10.00 *(13)*
(ii) Top marginal income and payroll tax rate			10.00 *(16)*	9.00 *(22)*		10.00 *(13)*	10.00 *(13)*	10.00 *(13)*
Area 2. Legal System and Property Rights	**2.32**	**1.67**	**3.17**	**5.43**	**3.43**	**3.88**	**3.68**	**4.09**
A. Judicial independence					2.17	2.49	2.19	3.37
B. Impartial courts				4.93	3.34	2.48	2.32	3.20
C. Protection of property rights					1.65	3.48	1.99	2.80
D. Military interference in rule of law and politics				5.93	5.00	5.00	5.00	5.00
E. Integrity of the legal system				6.96	5.00	5.00	4.17	4.17
F. Legal enforcement of contracts						3.99	3.99	3.99
G. Regulatory restrictions on sale of real property						6.62	6.68	6.68
H. Reliability of police						2.17	1.88	4.77
I. Business costs of crime						3.65	4.93	2.85
Area 3. Sound Money	**5.38**	**0.00**	**5.59**	**8.10**	**9.32**	**8.90**	**8.73**	**8.70**
A. Money growth	7.19 *(14.07)*	0.00 *(546.64)*	5.62 *(21.92)*	6.28 *(18.59)*	9.54 *(2.28)*	7.69 *(11.54)*	7.88 *(10.60)*	7.58 *(12.10)*
B. Standard deviation of inflation	3.81 *(15.47)*	0.00 *(4769.22)*	0.00 *(85.90)*	8.42 *(3.95)*	8.66 *(3.36)*	9.00 *(2.50)*	7.72 *(5.70)*	7.72 *(5.71)*
C. Inflation: most recent year	0.54 *(47.30)*	0.00 *(12336.70)*	6.75 *(16.26)*	7.71 *(11.43)*	9.08 *(4.60)*	8.92 *(5.40)*	9.33 *(3.35)*	9.50 *(2.50)*
D. Freedom to own foreign currency bank accounts	10.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**4.13**	**5.30**	**6.32**	**7.85**	**7.97**	**7.29**	**7.08**	**7.00**
A. Tariffs	4.80	5.69	7.56	8.74	8.62	8.84	8.26	7.92
(i) Revenue from trade taxes (% of trade sector)	4.80 *(7.80)*	5.33 *(7.00)*	8.47 *(2.30)*	8.60 *(2.10)*	8.41 *(2.38)*	9.16 *(1.26)*	9.24 *(1.14)*	9.24 *(1.14)*
(ii) Mean tariff rate		6.04 *(19.80)*	6.66 *(16.70)*	8.06 *(9.70)*	8.10 *(9.50)*	8.56 *(7.20)*	7.94 *(10.30)*	7.76 *(11.20)*
(iii) Standard deviation of tariff rates				9.56 *(1.10)*	9.36 *(1.60)*	8.80 *(2.99)*	7.61 *(5.97)*	6.77 *(8.06)*
B. Regulatory trade barriers					5.49	4.90	5.70	5.72
(i) Non-tariff trade barriers					4.82	3.90	4.26	4.38
(ii) Compliance cost of importing and exporting					6.16	5.90	7.14	7.06
C. Black-market exchange rates	5.60	8.20	9.40	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	5.00	7.78	5.42	4.35	4.35
(i) Foreign ownership/investment restrictions					8.63	4.91	4.02	4.02
(ii) Capital controls	2.00	2.00	2.00	5.00	6.92	6.92	4.62	4.62
(iii) Freedom of foreigners to visit						4.42	4.42	4.42
Area 5. Regulation	3.81		6.37	6.08	6.18	5.84	6.06	5.85
A. Credit market regulations	2.49	0.00	9.33	8.55	9.21	8.69	9.00	9.00
(i) Ownership of banks			10.00	8.00	10.00	8.00	8.00	8.00
(ii) Private sector credit	4.97		10.00	9.65	9.63	9.06	10.00	10.00
(iii) Interest rate controls/negative real interest rates	0.00	0.00	8.00	8.00	8.00	9.00	9.00	9.00
B. Labor market regulations					4.73	4.57	4.60	4.54
(i) Hiring regulations and minimum wage					3.09	2.20	2.23	2.23
(ii) Hiring and firing regulations					4.90	5.45	3.66	4.12
(iii) Centralized collective bargaining					7.13	7.50	6.09	5.37
(iv) Hours regulations					5.51	4.70	8.00	8.00
(v) Mandated cost of worker dismissal								
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations					4.59	4.26	4.57	4.02
(i) Administrative requirements					5.50	2.55	3.66	3.65
(ii) Bureaucracy costs					3.85	4.00	6.43	3.25
(iii) Starting a business					3.87	6.81	7.33	7.44
(iv) Extra payments/bribes/favoritism					5.14	4.72	3.33	3.05
(v) Licensing restrictions						7.51	6.66	6.72
(vi) Cost of tax compliance						0.00	0.00	0.00

Bosnia and Herzegovina

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.20** (101)	**6.48** (92)	**6.61** (93)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**5.48**	**5.49**	**5.53**
A. Government consumption						5.76 *(20.42)*	5.58 *(21.03)*	5.64 *(20.82)*
B. Transfers and subsidies						5.65 *(16.46)*	5.87 *(15.66)*	6.00 *(15.19)*
C. Government enterprises and investment						4.00 *(33.18)*	4.00 *(35.25)*	4.00 *(37.09)*
D. Top marginal tax rate						6.50	6.50	6.50
(i) Top marginal income tax rate						10.00 *(15)*	10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate						3.00 *(50)*	3.00 *(47)*	3.00 *(47)*
Area 2. Legal System and Property Rights						**3.58**	**4.44**	**4.57**
A. Judicial independence						3.54	2.62	3.44
B. Impartial courts						3.26	2.23	3.09
C. Protection of property rights						3.26	2.82	3.22
D. Military interference in rule of law and politics						4.20	4.80	4.50
E. Integrity of the legal system								
F. Legal enforcement of contracts						3.65	3.53	3.53
G. Regulatory restrictions on sale of real property						3.36	7.63	7.63
H. Reliability of police						2.83	5.24	5.76
I. Business costs of crime						4.51	6.66	5.40
Area 3. Sound Money						**8.42**	**8.30**	**8.27**
A. Money growth						9.80 *(1.00)*	9.59 *(2.06)*	9.88 *(0.58)*
B. Standard deviation of inflation						9.32 *(1.70)*	8.69 *(3.27)*	8.62 *(3.46)*
C. Inflation: most recent year						9.57 *(2.13)*	9.93 *(−0.37)*	9.56 *(2.19)*
D. Freedom to own foreign currency bank accounts						5.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**6.75**	**7.43**	**7.64**
A. Tariffs						5.93	8.34	8.44
(i) Revenue from trade taxes (% of trade sector)						3.89 *(9.16)*	10.00 *(0.00)*	10.00 *(0.00)*
(ii) Mean tariff rate						8.56 *(7.20)*	8.68 *(6.60)*	8.70 *(6.50)*
(iii) Standard deviation of tariff rates						5.33 *(11.66)*	6.33 *(9.17)*	6.62 *(8.45)*
B. Regulatory trade barriers						6.22	6.66	7.08
(i) Non-tariff trade barriers						5.67	5.49	5.66
(ii) Compliance cost of importing and exporting						6.76	7.82	8.50
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						4.85	4.74	5.06
(i) Foreign ownership/investment restrictions						5.25	4.92	5.12
(ii) Capital controls						3.85	3.85	4.62
(iii) Freedom of foreigners to visit						5.44	5.44	5.44
Area 5. Regulation						6.77	6.73	7.02
A. Credit market regulations						9.33	8.24	9.49
(i) Ownership of banks						8.00	8.00	10.00
(ii) Private sector credit						10.00	6.71	8.48
(iii) Interest rate controls/negative real interest rates						10.00	10.00	10.00
B. Labor market regulations						6.09	6.62	6.43
(i) Hiring regulations and minimum wage						3.30	3.33	3.33
(ii) Hiring and firing regulations						4.57	6.69	5.87
(iii) Centralized collective bargaining						7.87	7.40	7.03
(iv) Hours regulations						8.70	10.00	10.00
(v) Mandated cost of worker dismissal						7.13	7.32	7.32
(vi) Conscription						5.00	5.00	5.00
C. Business regulations						4.90	5.34	5.13
(i) Administrative requirements						1.99	3.05	2.97
(ii) Bureaucracy costs						6.16	6.27	4.00
(iii) Starting a business						7.72	7.95	8.44
(iv) Extra payments/bribes/favoritism						5.22	3.78	4.13
(v) Licensing restrictions						2.41	5.71	5.95
(vi) Cost of tax compliance						5.87	5.27	5.27

Botswana

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.25** (55)	**5.57** (44)	**5.92** (45)	**6.40** (56)	**7.42** (32)	**7.11** (52)	**7.18** (45)	**7.24** (46)
Area 1. Size of Government	3.62 (89)	3.78 (88)	4.74 (82)	4.29 (99)	4.76 (96)	4.54 (110)	4.90 (103)	5.03 (101)
Area 2. Legal System and Property Rights		6.31 (28)	6.28 (32)	7.23 (31)	7.81 (27)	7.83 (24)	8.04 (23)	8.16 (19)
Area 3. Sound Money	5.49 (80)	5.46 (90)	5.84 (76)	7.85 (43)	9.09 (37)	8.80 (50)	8.42 (61)	8.33 (69)
Area 4. Freedom to Trade Internationally	5.81 (36)	5.76 (37)	6.63 (39)	6.26 (71)	7.92 (42)	7.15 (60)	7.18 (61)	7.33 (53)
Area 5. Regulation	5.96 (37)	6.46 (29)	6.12 (42)	6.37 (43)	7.51 (13)	7.26 (33)	7.44 (22)	7.40 (29)
Unadjusted								
Summary Rating (Rank) ➤	**5.34** (51)	**5.66** (41)	**5.92** (45)	**6.23** (58)	**7.21** (39)	**6.91** (68)	**6.98** (67)	**7.03** (67)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.62**	**3.78**	**4.74**	**4.29**	**4.76**	**4.54**	**4.90**	**5.03**
A. Government consumption	3.68 *(27.50)*	0.97 *(36.71)*	1.63 *(34.45)*	0.00 *(45.92)*	0.00 *(49.02)*	0.00 *(43.91)*	3.44 *(28.29)*	3.94 *(26.59)*
B. Transfers and subsidies	8.80 *(4.90)*	8.15 *(7.30)*	8.34 *(6.60)*	8.17 *(7.20)*	8.04 *(7.70)*	7.16 *(10.91)*	7.16 *(10.91)*	7.16 *(10.91)*
C. Government enterprises and investment	2.00 *(44.90)*	4.00 *(39.40)*	6.00 *(26.50)*	2.00 *(46.20)*	2.00 *(46.20)*	2.00 *(40.60)*	0.00 *(53.63)*	0.00 *(50.17)*
D. Top marginal tax rate	0.00	2.00	3.00	7.00	9.00	9.00	9.00	9.00
(i) Top marginal income tax rate	0.00 *(75)*	2.00 *(60)*	3.00 *(50)*	7.00 *(35)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			3.00 *(50)*	7.00 *(35)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
Area 2. Legal System and Property Rights		**6.31**	**6.28**	**6.35**	**6.77**	**6.53**	**6.71**	**6.81**
A. Judicial independence						7.22	7.00	7.27
B. Impartial courts				6.45	6.76	6.57	5.94	6.32
C. Protection of property rights						6.43	7.17	6.86
D. Military interference in rule of law and politics				8.29	10.00	10.00	10.00	10.00
E. Integrity of the legal system				6.96	6.67	6.67	5.83	5.83
F. Legal enforcement of contracts						3.30	4.05	4.05
G. Regulatory restrictions on sale of real property						8.18	8.05	8.05
H. Reliability of police						5.22	6.36	6.41
I. Business costs of crime						5.15	5.95	6.45
Area 3. Sound Money	**5.49**	**5.46**	**5.84**	**7.85**	**9.09**	**8.80**	**8.42**	**8.33**
A. Money growth	9.32 *(3.41)*	9.91 *(0.44)*	8.00 *(9.98)*	9.98 *(−0.09)*	9.86 *(0.72)*	8.55 *(−7.27)*	8.83 *(5.87)*	8.37 *(8.14)*
B. Standard deviation of inflation	6.44 *(8.90)*	6.46 *(8.86)*	6.55 *(8.62)*	8.28 *(4.30)*	8.24 *(4.40)*	8.40 *(4.01)*	6.47 *(8.82)*	6.36 *(9.11)*
C. Inflation: most recent year	6.18 *(19.08)*	5.47 *(22.67)*	8.79 *(6.03)*	8.14 *(9.31)*	8.28 *(8.60)*	8.28 *(8.61)*	8.39 *(8.03)*	8.61 *(6.95)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.93**	**5.88**	**6.63**	**6.26**	**7.92**	**7.17**	**7.20**	**7.35**
A. Tariffs	4.79	7.03	6.29	4.18	6.84	6.27	6.57	6.50
(i) Revenue from trade taxes (% of trade sector)	1.47 *(12.80)*	5.27 *(7.10)*	5.60 *(6.60)*	5.25 *(7.13)*	5.96 *(6.06)*	5.96 *(6.06)*	5.96 *(6.06)*	5.96 *(6.06)*
(ii) Mean tariff rate	8.12 *(9.40)*	8.80 *(6.00)*	7.80 *(11.00)*	6.06 *(19.70)*	8.56 *(7.20)*	8.02 *(9.90)*	8.46 *(7.70)*	8.46 *(7.70)*
(iii) Standard deviation of tariff rates			5.48 *(11.30)*	1.24 *(21.90)*	6.00 *(10.00)*	4.82 *(12.96)*	5.29 *(11.78)*	5.07 *(12.32)*
B. Regulatory trade barriers						5.52	5.77	6.40
(i) Non-tariff trade barriers						6.33	6.27	6.36
(ii) Compliance cost of importing and exporting						4.71	5.26	6.44
C. Black-market exchange rates	8.00	5.60	8.60	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	5.00	6.92	6.88	6.45	6.52
(i) Foreign ownership/investment restrictions						6.90	7.15	7.37
(ii) Capital controls	5.00	5.00	5.00	5.00	6.92	6.92	5.38	5.38
(iii) Freedom of foreigners to visit						6.80	6.80	6.80
Area 5. Regulation	6.32	6.86	6.12	6.37	7.51	7.49	7.67	7.63
A. Credit market regulations	6.47	8.07	6.33	7.00	10.00	9.33	9.11	8.87
(i) Ownership of banks			5.00	5.00	10.00	8.00	8.00	8.00
(ii) Private sector credit	8.95	8.14	10.00	10.00	10.00	10.00	9.33	9.60
(iii) Interest rate controls/negative real interest rates	4.00	8.00	4.00	6.00	10.00	10.00	10.00	9.00
B. Labor market regulations						7.09	7.21	7.09
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						4.14	4.88	4.12
(iii) Centralized collective bargaining						6.72	6.14	6.21
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						1.66	2.21	2.21
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						6.04	6.68	6.94
(i) Administrative requirements						3.55	4.31	4.71
(ii) Bureaucracy costs						3.41	5.15	5.99
(iii) Starting a business						6.56	8.02	8.03
(iv) Extra payments/bribes/favoritism						6.91	6.59	6.44
(v) Licensing restrictions						7.41	7.72	8.19
(vi) Cost of tax compliance						8.43	8.30	8.30

Brazil

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.83** (89)	**3.28** (104)	**4.46** (93)	**4.72** (103)	**5.93** (89)	**6.27** (86)	**6.32** (88)	**6.42** (89)
Area 1. Size of Government	4.61 (68)	4.44 (72)	6.07 (44)	6.13 (60)	5.98 (71)	6.73 (59)	6.58 (48)	6.63 (54)
Area 2. Legal System and Property Rights	5.86 (34)	5.72 (42)	6.19 (36)	5.76 (59)	5.35 (74)	4.77 (83)	5.19 (78)	5.24 (77)
Area 3. Sound Money	0.00 (107)	0.00 (111)	0.00 (118)	0.00 (121)	6.14 (106)	7.64 (76)	7.93 (75)	8.00 (76)
Area 4. Freedom to Trade Internationally	1.36 (82)	1.13 (90)	5.14 (53)	6.83 (59)	6.67 (74)	7.13 (61)	6.97 (69)	7.11 (62)
Area 5. Regulation	5.16 (63)	4.58 (81)	4.74 (89)	4.99 (90)	5.53 (96)	5.05 (117)	4.89 (119)	5.06 (116)
Unadjusted								
Summary Rating (Rank) ➤	**4.18** (82)	**3.22** (105)	**4.18** (98)	**4.65** (104)	**5.93** (86)	**6.22** (100)	**6.27** (105)	**6.37** (105)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.27**	**5.08**	**6.07**	**6.13**	**5.98**	**6.73**	**6.58**	**6.63**
A. Government consumption	8.34 *(11.65)*	7.93 *(13.05)*	4.55 *(24.55)*	4.51 *(24.66)*	4.44 *(24.90)*	4.43 *(24.94)*	4.09 *(26.10)*	4.15 *(25.90)*
B. Transfers and subsidies	6.76 *(12.40)*	7.41 *(10.00)*	7.22 *(10.70)*	6.52 *(13.27)*	5.96 *(15.33)*	8.98 *(4.24)*	7.75 *(8.76)*	7.86 *(8.34)*
C. Government enterprises and investment	2.00 *(49.20)*	4.00 *(36.00)*	7.00 *(24.90)*	8.00 *(17.80)*	8.00 *(17.80)*	8.00 *(17.80)*	8.00 *(15.15)*	8.00 *(15.15)*
D. Top marginal tax rate	4.00	1.00	5.50	5.50	5.50	5.50	6.50	6.50
(i) Top marginal income tax rate	4.00 *(55)*	1.00 *(60)*	9.00 *(25)*	8.00 *(35)*	8.00 *(28)*	8.00 *(28)*	8.00 *(28)*	8.00 *(28)*
(ii) Top marginal income and payroll tax rate			2.00 *(53)*	3.00 *(60)*	3.00 *(50)*	3.00 *(50)*	5.00 *(36)*	5.00 *(36)*
Area 2. Legal System and Property Rights	**5.86**	**5.72**	**6.19**	**5.76**	**5.35**	**4.69**	**5.10**	**5.16**
A. Judicial independence				5.55	5.51	3.03	4.20	4.56
B. Impartial courts				6.67	6.18	3.42	4.06	4.30
C. Protection of property rights				4.15	5.08	6.02	5.45	5.69
D. Military interference in rule of law and politics				5.45	6.67	6.67	6.67	6.67
E. Integrity of the legal system				6.96	3.33	4.17	3.33	3.33
F. Legal enforcement of contracts						4.82	4.82	4.00
G. Regulatory restrictions on sale of real property						8.19	8.32	8.51
H. Reliability of police						3.11	5.18	3.97
I. Business costs of crime						2.76	3.90	5.42
Area 3. Sound Money	**1.66**	**0.00**	**0.00**	**0.00**	**6.14**	**7.64**	**7.93**	**8.00**
A. Money growth	3.26 *(33.71)*	0.00 *(111.36)*	0.00 *(458.38)*	0.00 *(479.01)*	8.07 *(9.63)*	7.92 *(10.39)*	8.27 *(8.67)*	8.55 *(7.27)*
B. Standard deviation of inflation	3.37 *(16.57)*	0.00 *(53.14)*	0.00 *(878.93)*	0.00 *(851.49)*	7.88 *(5.29)*	9.02 *(2.45)*	9.44 *(1.40)*	9.46 *(1.34)*
C. Inflation: most recent year	0.00 *(87.47)*	0.00 *(231.72)*	0.00 *(2509.47)*	0.00 *(77.59)*	8.59 *(7.04)*	8.63 *(6.87)*	9.02 *(4.89)*	8.99 *(5.04)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**3.24**	**0.94**	**4.28**	**6.49**	**6.67**	**7.16**	**6.99**	**7.13**
A. Tariffs	3.33	2.62	4.84	7.66	7.18	7.20	7.14	7.12
(i) Revenue from trade taxes (% of trade sector)	3.33 *(10.00)*	7.87 *(3.20)*	7.53 *(3.70)*	8.13 *(2.81)*	7.21 *(4.18)*	7.21 *(4.18)*	8.05 *(2.92)*	8.05 *(2.92)*
(ii) Mean tariff rate		0.00 *(55.60)*	4.00 *(30.00)*	7.60 *(12.00)*	7.12 *(14.40)*	7.54 *(12.30)*	7.28 *(13.60)*	7.26 *(13.70)*
(iii) Standard deviation of tariff rates		0.00 *(26.20)*	3.00 *(17.50)*	7.24 *(6.90)*	7.20 *(7.00)*	6.85 *(7.87)*	6.08 *(9.79)*	6.05 *(9.86)*
B. Regulatory trade barriers				5.27	5.34	6.14	6.39	6.44
(i) Non-tariff trade barriers				5.27	4.02	5.12	4.77	4.95
(ii) Compliance cost of importing and exporting					6.66	7.16	8.01	7.94
C. Black-market exchange rates	6.40	0.20	8.00	9.40	10.00	9.04	9.30	9.78
D. Controls of the movement of capital and people	0.00	0.00	0.00	3.64	4.17	6.26	5.14	5.18
(i) Foreign ownership/investment restrictions				7.29	7.56	6.16	5.89	5.99
(ii) Capital controls	0.00	0.00	0.00	0.00	0.77	6.15	3.08	3.08
(iii) Freedom of foreigners to visit						6.46	6.46	6.46
Area 5. Regulation	4.89	4.33	4.37	4.88	5.53	4.90	4.75	4.91
A. Credit market regulations	5.26	3.43	3.95	4.41	5.29	6.67	6.20	6.53
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	6.79	5.30	6.85	8.23	5.87	10.00	7.59	7.59
(iii) Interest rate controls/negative real interest rates	4.00	0.00	0.00	0.00	5.00	5.00	6.00	7.00
B. Labor market regulations			4.78	5.30	4.65	3.84	4.43	4.47
(i) Hiring regulations and minimum wage				6.67	3.46	2.20	2.23	2.23
(ii) Hiring and firing regulations			6.18	6.18	5.25	2.85	3.00	3.19
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	5.52	5.25	5.44	5.46
(iv) Hours regulations				5.47	6.01	4.00	6.00	6.00
(v) Mandated cost of worker dismissal						5.74	6.91	6.91
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations				4.94	6.64	4.20	3.61	3.73
(i) Administrative requirements					7.70	1.46	1.54	1.74
(ii) Bureaucracy costs				5.61	7.38	5.26	3.96	4.39
(iii) Starting a business				5.95	5.73	6.56	6.59	6.61
(iv) Extra payments/bribes/favoritism				3.27	5.73	6.28	4.65	4.69
(v) Licensing restrictions						5.65	4.92	4.93
(vi) Cost of tax compliance						0.00	0.00	0.00

Bulgaria

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**5.02** (64)	**3.90** (101)	**4.60** (105)	**5.37** (108)	**6.85** (69)	**7.24** (42)	**7.23** (47)
Area 1. Size of Government		3.73 (91)	2.11 (112)	3.63 (109)	4.51 (105)	6.30 (78)	6.73 (44)	6.46 (57)
Area 2. Legal System and Property Rights		6.03 (32)	6.03 (38)	5.47 (72)	5.41 (72)	4.84 (81)	4.86 (80)	4.85 (80)
Area 3. Sound Money		8.29 (24)	4.45 (98)	1.99 (112)	3.23 (118)	8.89 (44)	9.44 (29)	9.51 (23)
Area 4. Freedom to Trade Internationally		1.99 (80)	2.83 (90)	7.13 (52)	7.33 (59)	7.09 (64)	7.55 (48)	7.75 (35)
Area 5. Regulation			3.90 (101)	4.69 (100)	6.37 (58)	7.15 (42)	7.63 (15)	7.57 (23)
Unadjusted								
Summary Rating (Rank) ➤		**5.65** (43)	**4.17** (99)	**4.65** (104)	**5.37** (107)	**6.95** (67)	**7.34** (40)	**7.33** (45)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government		**6.74**	**2.54**	**4.03**	**4.51**	**6.30**	**6.73**	**6.46**
A. Government consumption	9.04 *(9.26)*	8.12 *(12.40)*	4.91 *(23.31)*	6.54 *(17.77)*	5.24 *(22.20)*	5.60 *(20.96)*	5.73 *(20.51)*	5.73 *(20.53)*
B. Transfers and subsidies		5.37 *(17.50)*	2.72 *(27.20)*	6.59 *(13.00)*	5.81 *(15.90)*	5.60 *(16.63)*	5.69 *(16.32)*	5.61 *(16.63)*
C. Government enterprises and investment			0.00 *(96.40)*	0.00 *(55.60)*	4.00 *(38.95)*	8.00 *(19.02)*	8.00 *(17.37)*	7.00 *(20.48)*
D. Top marginal tax rate				3.00	3.00	6.00	7.50	7.50
(i) Top marginal income tax rate				3.00 *(50)*	5.00 *(38)*	9.00 *(24)*	10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate					1.00 *(56)*	3.00 *(50)*	5.00 *(38)*	5.00 *(38)*
Area 2. Legal System and Property Rights		**7.25**	**7.25**	**5.88**	**5.41**	**4.98**	**5.00**	**4.99**
A. Judicial independence					4.18	2.51	3.26	3.23
B. Impartial courts				5.29	4.51	2.55	2.93	2.91
C. Protection of property rights					3.35	4.58	3.72	3.82
D. Military interference in rule of law and politics				7.46	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	6.67	6.67	4.17	4.17
F. Legal enforcement of contracts						4.77	4.77	4.77
G. Regulatory restrictions on sale of real property						8.88	8.73	8.73
H. Reliability of police						2.90	3.83	4.94
I. Business costs of crime						3.64	5.26	3.99
Area 3. Sound Money		**6.47**	**4.45**	**1.99**	**3.23**	**8.89**	**9.44**	**9.51**
A. Money growth			7.38 *(13.10)*	2.97 *(35.15)*	0.00 *(76.68)*	7.29 *(13.53)*	9.59 *(2.05)*	9.89 *(−0.57)*
B. Standard deviation of inflation		9.44 *(1.39)*	5.64 *(10.90)*	0.00 *(66.37)*	0.00 *(409.71)*	9.28 *(1.80)*	8.73 *(3.17)*	8.64 *(3.39)*
C. Inflation: most recent year		9.95 *(0.23)*	4.76 *(26.19)*	0.00 *(62.85)*	7.94 *(10.32)*	8.99 *(5.04)*	9.45 *(2.75)*	9.51 *(2.44)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally		**2.13**	**2.81**	**6.79**	**7.33**	**7.23**	**7.70**	**7.90**
A. Tariffs		6.40	8.43	6.37	7.85	7.75	8.37	9.15
(i) Revenue from trade taxes (% of trade sector)		6.40 *(5.40)*	9.13 *(1.30)*	7.87 *(3.20)*	9.53 *(0.71)*	9.59 *(0.62)*	9.87 *(0.20)*	9.63 *(0.55)*
(ii) Mean tariff rate			7.72 *(11.40)*	6.56 *(17.20)*	7.26 *(13.70)*	7.86 *(10.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates				4.68 *(13.30)*	6.76 *(8.11)*	5.80 *(10.50)*	6.29 *(9.28)*	8.84 *(2.91)*
B. Regulatory trade barriers					6.42	5.72	6.01	6.08
(i) Non-tariff trade barriers					4.35	5.02	5.10	5.23
(ii) Compliance cost of importing and exporting					8.50	6.42	6.92	6.94
C. Black-market exchange rates	0.00	0.00	0.00	9.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.00	5.04	5.47	6.43	6.39
(i) Foreign ownership/investment restrictions					7.01	5.21	5.03	4.89
(ii) Capital controls	0.00	0.00	0.00	5.00	3.08	4.62	7.69	7.69
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation			3.80	4.57	6.37	7.33	7.83	7.76
A. Credit market regulations	0.00	0.00	3.52	5.23	8.90	10.00	9.98	9.98
(i) Ownership of banks	0.00	0.00	0.00	2.00	8.00	10.00	10.00	10.00
(ii) Private sector credit			6.55	5.70	9.69	10.00	9.94	9.94
(iii) Interest rate controls/negative real interest rates			4.00	8.00	9.00	10.00	10.00	10.00
B. Labor market regulations					4.92	6.43	7.79	7.74
(i) Hiring regulations and minimum wage					2.57	8.30	6.67	6.67
(ii) Hiring and firing regulations					4.33	4.50	5.43	5.23
(iii) Centralized collective bargaining					7.87	7.62	7.06	6.95
(iv) Hours regulations					6.85	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						9.17	9.60	9.60
(vi) Conscription	0.00	0.00	0.00	1.00	3.00	3.00	10.00	10.00
C. Business regulations					5.29	5.57	5.71	5.57
(i) Administrative requirements					6.10	2.75	3.61	3.42
(ii) Bureaucracy costs					5.95	3.38	6.40	3.96
(iii) Starting a business					2.53	8.68	9.41	9.41
(iv) Extra payments/bribes/favoritism					6.57	7.42	3.90	3.87
(v) Licensing restrictions						8.09	7.85	8.39
(vi) Cost of tax compliance						3.10	3.10	4.40

Burkina Faso

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.08** (104)	**6.01** (115)	**6.09** (118)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**6.36**	**6.42**	**6.17**
A. Government consumption						5.10 *(22.66)*	5.30 *(21.99)*	4.54 *(24.55)*
B. Transfers and subsidies						9.97 *(0.60)*	9.96 *(0.63)*	9.96 *(0.66)*
C. Government enterprises and investment					2.00 *(41.40)*	4.00 *(37.90)*	4.00 *(38.70)*	4.00 *(38.70)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights						**4.17**	**4.42**	**4.33**
A. Judicial independence						3.37	2.43	2.58
B. Impartial courts						3.67	4.02	3.58
C. Protection of property rights						5.74	5.31	5.49
D. Military interference in rule of law and politics						5.00	4.17	4.17
E. Integrity of the legal system						5.83	5.83	5.83
F. Legal enforcement of contracts						2.10	2.14	2.14
G. Regulatory restrictions on sale of real property						1.56	4.58	4.68
H. Reliability of police						5.00	4.67	6.12
I. Business costs of crime						5.27	6.66	4.40
Area 3. Sound Money						**6.84**	**6.75**	**6.97**
A. Money growth						9.55 *(2.23)*	7.94 *(10.29)*	8.41 *(7.96)*
B. Standard deviation of inflation						9.11 *(2.23)*	9.57 *(1.07)*	9.61 *(0.98)*
C. Inflation: most recent year						8.72 *(6.42)*	9.48 *(2.61)*	9.85 *(−0.76)*
D. Freedom to own foreign currency bank accounts						0.00	0.00	0.00
Area 4. Freedom to Trade Internationally						**6.20**	**5.95**	**6.41**
A. Tariffs						7.05	6.93	6.93
(i) Revenue from trade taxes (% of trade sector)						6.52 *(5.22)*	5.89 *(6.16)*	5.89 *(6.16)*
(ii) Mean tariff rate						7.38 *(13.10)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						5.03	5.06	6.44
(i) Non-tariff trade barriers						7.04	6.45	5.93
(ii) Compliance cost of importing and exporting						3.02	3.67	6.94
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						2.72	1.81	2.28
(i) Foreign ownership/investment restrictions						7.40	4.66	6.06
(ii) Capital controls						0.77	0.77	0.77
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation						6.80	6.50	6.58
A. Credit market regulations						9.21	6.24	6.24
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit						9.64	0.73	0.73
(iii) Interest rate controls/negative real interest rates						8.00	8.00	8.00
B. Labor market regulations						5.89	7.22	7.66
(i) Hiring regulations and minimum wage						1.70	6.67	7.77
(ii) Hiring and firing regulations						4.82	5.23	5.94
(iii) Centralized collective bargaining						5.99	6.15	6.94
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.85	7.29	7.29
(vi) Conscription						10.00	10.00	10.00
C. Business regulations						5.30	6.02	5.83
(i) Administrative requirements						4.29	3.90	4.23
(ii) Bureaucracy costs						4.09	6.26	3.73
(iii) Starting a business						6.06	7.66	7.86
(iv) Extra payments/bribes/favoritism						5.04	3.42	3.51
(v) Licensing restrictions						5.35	7.89	8.70
(vi) Cost of tax compliance						6.97	6.97	6.97

Burundi

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.94** (85)	**4.37** (87)	**4.58** (90)	**3.89** (116)	**4.73** (116)	**4.66** (119)	**5.22** (117)	**5.17** (117)
Area 1. Size of Government	6.50 (18)	6.71 (11)	6.26 (39)	5.78 (70)	5.80 (76)	4.98 (99)	5.38 (93)	5.24 (96)
Area 2. Legal System and Property Rights					2.93 (117)	2.61 (116)	2.71 (119)	2.60 (120)
Area 3. Sound Money	5.56 (77)	6.27 (78)	6.50 (65)	5.83 (76)	6.19 (104)	6.71 (95)	6.78 (98)	6.98 (95)
Area 4. Freedom to Trade Internationally	0.35 (90)	1.75 (84)	2.85 (89)	0.93 (112)	4.48 (116)	2.75 (120)	3.59 (120)	3.90 (120)
Area 5. Regulation	4.84 (75)	5.23 (66)	4.96 (77)	4.51 (104)	4.27 (117)	6.02 (94)	7.18 (36)	6.56 (87)
Unadjusted								
Summary Rating (Rank) ➤	**3.99** (86)	**4.50** (85)	**4.72** (89)	**4.34** (110)	**4.80** (116)	**4.92** (134)	**5.51** (130)	**5.45** (134)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.53**	**4.68**	**4.37**	**5.78**	**5.80**	**4.98**	**5.38**	**5.24**
A. Government consumption	9.07 *(9.16)*	9.36 *(8.17)*	8.75 *(10.27)*	8.08 *(12.54)*	7.96 *(12.92)*	5.52 *(21.24)*	6.71 *(17.18)*	6.30 *(18.57)*
B. Transfers and subsidies				9.28 *(3.16)*	9.43 *(2.60)*	9.43 *(2.60)*	9.43 *(2.60)*	9.43 *(2.60)*
C. Government enterprises and investment	0.00 *(91.90)*	0.00 *(83.00)*	0.00 *(82.20)*	0.00 *(100.00)*	0.00 *(87.30)*	0.00 *(83.70)*	0.00 *(83.70)*	0.00 *(83.70)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**4.67**	**4.25**	**4.42**	**4.45**	**3.26**	**2.99**	**3.11**	**2.98**
A. Judicial independence						1.40	1.56	1.14
B. Impartial courts				4.00	3.67	2.53	2.93	2.64
C. Protection of property rights						3.31	3.27	2.84
D. Military interference in rule of law and politics					2.20	1.90	2.50	2.20
E. Integrity of the legal system				5.18				
F. Legal enforcement of contracts						3.91	2.65	2.65
G. Regulatory restrictions on sale of real property						3.22	6.32	6.38
H. Reliability of police						3.70	2.16	4.01
I. Business costs of crime						3.92	3.51	1.99
Area 3. Sound Money	**5.56**	**6.27**	**6.50**	**5.83**	**6.19**	**6.71**	**6.78**	**6.98**
A. Money growth	7.91 *(10.45)*	9.05 *(4.74)*	9.97 *(0.15)*	8.29 *(8.56)*	7.67 *(11.66)*	6.83 *(15.85)*	7.56 *(12.20)*	7.48 *(12.61)*
B. Standard deviation of inflation	7.60 *(5.99)*	7.05 *(7.37)*	7.22 *(6.94)*	8.06 *(4.86)*	6.95 *(7.62)*	7.72 *(5.69)*	6.75 *(8.13)*	6.72 *(8.21)*
C. Inflation: most recent year	6.72 *(16.38)*	8.99 *(5.07)*	8.80 *(5.99)*	6.96 *(15.18)*	5.14 *(24.31)*	7.30 *(13.52)*	7.80 *(10.98)*	8.72 *(6.40)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**0.33**	**2.07**	**3.37**	**1.10**	**4.48**	**3.73**	**4.87**	**5.29**
A. Tariffs	0.00	1.21	1.30	2.11	1.13	4.48	4.94	4.64
(i) Revenue from trade taxes (% of trade sector)	0.00 *(18.10)*	0.00 *(17.00)*	0.00 *(22.90)*	1.60 *(12.60)*	1.13 *(13.31)*	1.13 *(13.31)*	1.13 *(13.31)*	1.13 *(13.31)*
(ii) Mean tariff rate		2.42 *(37.90)*	2.60 *(37.00)*	2.62 *(36.90)*		6.08 *(19.60)*	7.46 *(12.70)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates						6.24 *(9.40)*	6.24 *(9.40)*	5.30 *(11.75)*
B. Regulatory trade barriers						2.96	3.04	5.35
(i) Non-tariff trade barriers						4.12	4.29	4.08
(ii) Compliance cost of importing and exporting						1.79	1.79	6.63
C. Black-market exchange rates	1.00	5.00	8.80	1.20	10.00	4.88	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	2.31	2.62	1.50	1.16
(i) Foreign ownership/investment restrictions						5.54	2.96	3.49
(ii) Capital controls	0.00	0.00	0.00	0.00	2.31	2.31	1.54	0.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	4.84	5.23	4.96	4.51	4.27	6.20	7.40	6.76
A. Credit market regulations	2.94	3.96	3.26	2.07	1.42	6.08	8.69	7.60
(i) Ownership of banks	2.00	2.00	0.00	0.00	0.00	8.00	8.00	5.00
(ii) Private sector credit	4.81	3.87	5.78	2.21	0.25	0.25	8.08	7.80
(iii) Interest rate controls/negative real interest rates	2.00	6.00	4.00	4.00	4.00	10.00	10.00	10.00
B. Labor market regulations						7.69	8.21	7.97
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						5.75	4.54	4.77
(iii) Centralized collective bargaining						8.07	7.91	8.24
(iv) Hours regulations						4.70	8.00	6.00
(v) Mandated cost of worker dismissal						7.59	8.79	8.79
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						4.82	5.30	4.70
(i) Administrative requirements						2.76	3.62	3.82
(ii) Bureaucracy costs						4.67	7.86	2.83
(iii) Starting a business						6.64	7.62	8.32
(iv) Extra payments/bribes/favoritism						3.98	2.60	2.60
(v) Licensing restrictions						2.46	2.46	3.72
(vi) Cost of tax compliance						8.43	7.63	6.93

Cambodia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤								**7.16** (58)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government								**7.89**
A. Government consumption								9.65 *(7.20)*
B. Transfers and subsidies								9.89 *(0.89)*
C. Government enterprises and investment								2.00 *(40.00)*
D. Top marginal tax rate								10.00
(i) Top marginal income tax rate								10.00 *(20)*
(ii) Top marginal income and payroll tax rate								10.00 *(20)*
Area 2. Legal System and Property Rights								**4.61**
A. Judicial independence								3.46
B. Impartial courts								4.88
C. Protection of property rights								4.63
D. Military interference in rule of law and politics								4.70
E. Integrity of the legal system								
F. Legal enforcement of contracts								2.44
G. Regulatory restrictions on sale of real property								7.53
H. Reliability of police								5.31
I. Business costs of crime								3.97
Area 3. Sound Money								**9.26**
A. Money growth								9.43 *(−2.86)*
B. Standard deviation of inflation								8.43 *(3.92)*
C. Inflation: most recent year								9.20 *(4.00)*
D. Freedom to own foreign currency bank accounts								10.00
Area 4. Freedom to Trade Internationally								**7.50**
A. Tariffs								8.55
(i) Revenue from trade taxes (% of trade sector)								8.55 *(2.17)*
(ii) Mean tariff rate								
(iii) Standard deviation of tariff rates								
B. Regulatory trade barriers								6.93
(i) Non-tariff trade barriers								5.48
(ii) Compliance cost of importing and exporting								8.38
C. Black-market exchange rates								10.00
D. Controls of the movement of capital and people								4.52
(i) Foreign ownership/investment restrictions								6.21
(ii) Capital controls								7.00
(iii) Freedom of foreigners to visit								0.34
Area 5. Regulation								6.54
A. Credit market regulations								7.03
(i) Ownership of banks								
(ii) Private sector credit							8.50	7.03
(iii) Interest rate controls/negative real interest rates								
B. Labor market regulations								7.51
(i) Hiring regulations and minimum wage								5.57
(ii) Hiring and firing regulations								5.44
(iii) Centralized collective bargaining								6.49
(iv) Hours regulations								10.00
(v) Mandated cost of worker dismissal								7.59
(vi) Conscription								10.00
C. Business regulations								5.09
(i) Administrative requirements								4.42
(ii) Bureaucracy costs								3.64
(iii) Starting a business								6.02
(iv) Extra payments/bribes/favoritism								3.45
(v) Licensing restrictions								4.93
(vi) Cost of tax compliance								8.06

Cameroon

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.62** (39)	**5.73** (41)	**5.81** (46)	**5.68** (76)	**5.92** (90)	**6.19** (88)	**6.28** (91)	**6.62** (79)
Area 1. Size of Government	6.74 (15)	5.40 (41)	5.24 (67)	6.58 (39)	6.89 (37)	7.04 (49)	6.79 (43)	7.98 (19)
Area 2. Legal System and Property Rights	5.78 (35)	5.85 (38)	5.79 (46)	5.04 (83)	4.59 (87)	4.19 (97)	4.72 (84)	4.76 (85)
Area 3. Sound Money	5.66 (74)	6.67 (54)	7.01 (46)	5.92 (75)	6.60 (97)	7.21 (84)	6.60 (107)	6.74 (100)
Area 4. Freedom to Trade Internationally	4.28 (50)	5.49 (42)	5.45 (51)	5.12 (96)	5.28 (105)	5.58 (100)	5.87 (94)	6.20 (94)
Area 5. Regulation	5.22 (61)	5.22 (67)	5.56 (64)	5.74 (66)	6.25 (63)	6.86 (55)	7.40 (25)	7.33 (32)
Unadjusted								
Summary Rating (Rank) ➤	**5.81** (33)	**5.69** (40)	**5.76** (49)	**5.50** (79)	**5.89** (90)	**5.95** (116)	**6.03** (114)	**6.36** (106)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**8.37**	**5.53**	**5.24**	**6.58**	**6.89**	**7.04**	**6.79**	**7.98**
A. Government consumption	8.18 *(12.19)*	8.16 *(12.27)*	7.04 *(16.06)*	8.61 *(10.73)*	8.00 *(12.80)*	8.07 *(12.55)*	7.09 *(15.88)*	7.85 *(13.31)*
B. Transfers and subsidies	9.92 *(0.80)*	9.97 *(0.60)*	9.40 *(2.70)*	9.70 *(1.60)*	9.57 *(2.09)*	9.57 *(2.09)*	9.57 *(2.09)*	9.57 *(2.09)*
C. Government enterprises and investment	7.00 *(22.20)*	2.00 *(44.80)*	4.00 *(31.50)*	8.00 *(18.10)*	10.00 *(13.10)*	10.00 *(14.00)*	10.00 *(13.95)*	10.00 *(13.95)*
D. Top marginal tax rate		2.00	0.50	0.00	0.00	0.50	0.50	4.50
(i) Top marginal income tax rate		2.00 *(60)*	1.00 *(60)*	0.00 *(66)*	0.00 *(65)*	1.00 *(60)*	1.00 *(60)*	5.00 *(39)*
(ii) Top marginal income and payroll tax rate			0.00 *(63)*	0.00 *(69)*	0.00 *(68)*	0.00 *(68)*	0.00 *(68)*	4.00 *(41)*
Area 2. Legal System and Property Rights	**5.78**	**5.85**	**5.79**	**4.77**	**4.45**	**3.53**	**3.97**	**4.00**
A. Judicial independence						2.06	2.75	2.86
B. Impartial courts				3.76	3.76	2.81	3.71	3.83
C. Protection of property rights						4.14	4.48	4.38
D. Military interference in rule of law and politics				4.38	6.67	6.67	5.83	5.83
E. Integrity of the legal system				6.96	3.33	3.33	3.33	3.33
F. Legal enforcement of contracts						2.17	2.17	2.17
G. Regulatory restrictions on sale of real property						3.24	3.24	3.24
H. Reliability of police						3.83	4.19	5.85
I. Business costs of crime						3.49	6.03	4.50
Area 3. Sound Money	**5.66**	**6.67**	**7.01**	**5.92**	**6.60**	**7.21**	**6.60**	**6.74**
A. Money growth	7.83 *(10.86)*	9.57 *(2.14)*	8.98 *(−5.10)*	9.74 *(−1.29)*	7.36 *(13.21)*	9.89 *(−0.53)*	8.27 *(8.64)*	8.32 *(8.38)*
B. Standard deviation of inflation	7.65 *(5.88)*	9.34 *(1.66)*	9.38 *(1.55)*	7.34 *(6.64)*	9.30 *(1.75)*	9.34 *(1.65)*	8.75 *(3.12)*	8.88 *(2.81)*
C. Inflation: most recent year	7.15 *(14.25)*	7.76 *(11.19)*	9.67 *(1.64)*	6.59 *(17.03)*	9.75 *(1.23)*	9.60 *(2.01)*	9.39 *(3.04)*	9.74 *(1.28)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.09**	**5.24**	**5.20**	**4.50**	**5.28**	**5.86**	**6.16**	**6.51**
A. Tariffs	2.67	5.93	6.40	3.71	5.08	5.50	5.50	5.50
(i) Revenue from trade taxes (% of trade sector)	2.67 *(11.00)*	5.93 *(6.10)*	6.40 *(5.40)*	4.87 *(7.70)*	3.84 *(9.24)*	3.84 *(9.24)*	3.84 *(9.24)*	3.84 *(9.24)*
(ii) Mean tariff rate				6.26 *(18.70)*	6.32 *(18.40)*	6.32 *(18.40)*	6.44 *(17.80)*	6.44 *(17.80)*
(iii) Standard deviation of tariff rates				0.00 *(29.60)*		6.33 *(9.18)*	6.23 *(9.43)*	6.23 *(9.43)*
B. Regulatory trade barriers						5.52	6.68	7.95
(i) Non-tariff trade barriers						5.20	6.75	6.46
(ii) Compliance cost of importing and exporting						5.84	6.61	9.44
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.77	2.41	2.47	2.58
(i) Foreign ownership/investment restrictions						6.46	5.88	6.19
(ii) Capital controls	0.00	0.00	0.00	0.00	0.77	0.77	1.54	1.54
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	5.16	5.16	5.56	5.74	6.25	6.14	6.61	6.55
A. Credit market regulations	3.00	3.00	4.85	5.33	6.67	8.00	7.47	7.50
(i) Ownership of banks	0.00	0.00	0.00	2.00	2.00	5.00	5.00	5.00
(ii) Private sector credit			6.54	10.00	10.00	10.00	8.40	8.50
(iii) Interest rate controls/negative real interest rates	6.00	6.00	8.00	4.00	8.00	9.00	9.00	9.00
B. Labor market regulations						7.30	7.57	7.53
(i) Hiring regulations and minimum wage						7.20	7.23	7.23
(ii) Hiring and firing regulations						5.71	6.22	6.32
(iii) Centralized collective bargaining						5.95	6.75	6.43
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.94	7.19	7.19
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						3.11	4.81	4.63
(i) Administrative requirements						1.75	3.16	3.39
(ii) Bureaucracy costs						3.66	6.41	3.45
(iii) Starting a business						6.54	8.23	8.44
(iv) Extra payments/bribes/favoritism						3.98	3.20	3.30
(v) Licensing restrictions						2.70	5.21	6.54
(vi) Cost of tax compliance						0.00	2.67	2.67

Canada

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.68** (5)	**7.78** (6)	**8.09** (5)	**8.11** (8)	**8.36** (7)	**8.34** (6)	**8.14** (5)	**8.09** (5)
Area 1. Size of Government	5.37 (40)	5.24 (46)	5.81 (54)	5.80 (69)	5.97 (72)	6.88 (53)	6.12 (70)	6.12 (74)
Area 2. Legal System and Property Rights	7.18 (16)	7.88 (9)	8.35 (7)	8.95 (12)	9.27 (8)	8.67 (16)	8.68 (14)	8.74 (12)
Area 3. Sound Money	9.09 (6)	8.93 (16)	9.68 (6)	9.63 (13)	9.53 (19)	9.68 (4)	9.55 (20)	9.46 (25)
Area 4. Freedom to Trade Internationally	8.60 (8)	8.70 (9)	8.79 (10)	8.12 (26)	8.97 (19)	7.90 (32)	8.00 (27)	7.65 (43)
Area 5. Regulation	8.14 (3)	8.11 (4)	7.82 (6)	8.02 (6)	8.06 (4)	8.55 (2)	8.31 (4)	8.48 (6)
Unadjusted								
Summary Rating (Rank) ➤	**7.77** (5)	**7.87** (5)	**8.11** (6)	**8.07** (8)	**8.36** (7)	**8.22** (7)	**8.02** (6)	**7.97** (5)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.37**	**5.24**	**5.81**	**5.80**	**5.97**	**6.88**	**6.12**	**6.12**
A. Government consumption	3.29 *(28.83)*	3.28 *(28.84)*	3.35 *(28.63)*	3.67 *(27.53)*	4.54 *(24.56)*	4.23 *(25.61)*	3.80 *(27.09)*	3.73 *(27.32)*
B. Transfers and subsidies	6.19 *(14.50)*	5.69 *(16.30)*	5.89 *(15.60)*	5.53 *(16.89)*	6.34 *(13.92)*	7.31 *(10.38)*	6.70 *(12.60)*	6.75 *(12.42)*
C. Government enterprises and investment	10.00 *(12.60)*	10.00 *(14.80)*	10.00 *(13.70)*	10.00 *(14.80)*	10.00 *(14.80)*	10.00 *(12.67)*	8.00 *(17.99)*	8.00 *(17.99)*
D. Top marginal tax rate	2.00	2.00	4.00	4.00	3.00	6.00	6.00	6.00
(i) Top marginal income tax rate	2.00 *(60-68)*	2.00 *(50-63)*	4.00 *(44-54)*	4.00 *(44-54)*	3.00 *(44-51)*	6.00 *(39-49)*	6.00 *(39-48)*	6.00 *(39-50)*
(ii) Top marginal income and payroll tax rate			4.00 *(44-54)*	4.00 *(44-54)*	3.00 *(44-51)*	6.00 *(39-49)*	6.00 *(39-48)*	6.00 *(39-50)*
Area 2. Legal System and Property Rights	**7.18**	**7.88**	**8.35**	**8.95**	**9.27**	**8.08**	**8.10**	**8.16**
A. Judicial independence				9.52	9.19	7.91	8.74	8.88
B. Impartial courts				8.85	9.19	7.42	6.81	7.08
C. Protection of property rights				7.34	7.98	8.16	8.43	8.32
D. Military interference in rule of law and politics				9.04	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	9.17	9.17
F. Legal enforcement of contracts						4.81	4.81	4.81
G. Regulatory restrictions on sale of real property						9.14	9.09	9.09
H. Reliability of police						7.95	8.74	7.19
I. Business costs of crime						7.37	7.13	8.85
Area 3. Sound Money	**9.09**	**8.93**	**9.68**	**9.63**	**9.53**	**9.68**	**9.55**	**9.46**
A. Money growth	9.24 *(3.78)*	7.50 *(12.48)*	9.70 *(1.50)*	9.33 *(3.35)*	9.31 *(3.46)*	9.64 *(1.81)*	9.64 *(1.79)*	9.55 *(2.27)*
B. Standard deviation of inflation	9.32 *(1.70)*	8.71 *(3.22)*	9.65 *(0.88)*	9.72 *(0.69)*	9.34 *(1.65)*	9.54 *(1.15)*	8.62 *(3.45)*	8.64 *(3.40)*
C. Inflation: most recent year	7.80 *(11.00)*	9.52 *(2.42)*	9.38 *(3.11)*	9.46 *(2.69)*	9.45 *(2.75)*	9.56 *(2.21)*	9.94 *(0.30)*	9.64 *(1.78)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**8.69**	**8.79**	**8.64**	**7.88**	**8.97**	**7.78**	**7.87**	**7.53**
A. Tariffs	8.08	8.38	7.93	5.94	8.78	6.65	7.19	7.25
(i) Revenue from trade taxes (% of trade sector)	8.40 *(2.40)*	8.87 *(1.70)*	9.20 *(1.20)*	9.53 *(0.70)*	9.79 *(0.31)*	9.77 *(0.35)*	9.73 *(0.40)*	9.77 *(0.35)*
(ii) Mean tariff rate	7.76 *(11.20)*	7.90 *(10.50)*	8.12 *(9.40)*	7.98 *(10.10)*	9.22 *(3.90)*	9.10 *(4.50)*	9.10 *(4.50)*	9.26 *(3.70)*
(iii) Standard deviation of tariff rates			6.48 *(8.80)*	0.32 *(24.20)*	7.32 *(6.70)*	1.07 *(22.33)*	2.73 *(18.18)*	2.73 *(18.17)*
B. Regulatory trade barriers				7.20	8.48	7.76	7.66	6.29
(i) Non-tariff trade barriers				7.20	7.45	6.63	6.42	6.26
(ii) Compliance cost of importing and exporting					9.50	8.89	8.89	6.31
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	8.00	8.00	8.00	8.39	8.65	6.71	6.66	6.56
(i) Foreign ownership/investment restrictions				8.78	8.83	7.50	7.35	7.07
(ii) Capital controls	8.00	8.00	8.00	8.00	8.46	6.92	6.92	6.92
(iii) Freedom of foreigners to visit						5.70	5.70	5.70
Area 5. Regulation	8.53	8.50	8.09	8.08	8.06	8.66	8.42	8.59
A. Credit market regulations	9.72	9.75	9.13	9.22	10.00	10.00	9.65	9.30
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	9.16	9.25	7.39	7.65	10.00	10.00	8.96	8.90
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00
B. Labor market regulations	7.33	7.24	7.05	7.13	6.41	8.20	8.49	8.49
(i) Hiring regulations and minimum wage				6.12	4.28	8.90	8.90	8.90
(ii) Hiring and firing regulations			6.47	6.47	5.08	5.44	6.34	6.47
(iii) Centralized collective bargaining	7.24	7.24	7.24	7.24	7.83	7.48	7.57	7.43
(iv) Hours regulations	4.75	4.49	4.49	5.80	4.84	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						7.40	8.15	8.15
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				7.90	7.77	7.79	7.13	7.99
(i) Administrative requirements					7.20	3.87	4.37	4.22
(ii) Bureaucracy costs				7.07	7.23	6.39	1.93	7.59
(iii) Starting a business				7.82	7.55	9.89	9.84	9.84
(iv) Extra payments/bribes/favoritism				8.82	9.08	8.39	8.59	8.13
(v) Licensing restrictions						9.52	9.51	9.63
(vi) Cost of tax compliance						8.67	8.53	8.53

Central African Republic

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**4.35** (88)	**4.80** (86)	**4.39** (110)	**5.27** (110)	**5.48** (112)	**5.80** (107)	**6.28** (97)
Area 1. Size of Government	3.84 (84)	5.58 (37)	4.70 (84)	3.83 (105)	5.28 (87)	4.95 (101)	6.99 (35)	6.82 (48)
Area 2. Legal System and Property Rights					4.35 (96)	5.49 (70)	4.01 (101)	4.59 (89)
Area 3. Sound Money	5.25 (86)	4.53 (96)	7.08 (42)	5.04 (91)	7.03 (78)	7.04 (88)	7.05 (89)	6.95 (96)
Area 4. Freedom to Trade Internationally		4.27 (59)	4.08 (75)	5.12 (95)	5.19 (109)	5.40 (107)	5.78 (96)	8.21 (18)
Area 5. Regulation		4.12 (90)	4.85 (85)	4.31 (108)	4.52 (115)	5.14 (116)	4.97 (118)	5.17 (114)
Unadjusted								
Summary Rating (Rank) ➤	**4.48** (75)	**4.53** (84)	**5.02** (75)	**4.68** (102)	**5.26** (111)	**4.97** (133)	**5.29** (133)	**5.73** (130)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.84**	**5.58**	**4.70**	**3.83**	**5.28**	**4.95**	**7.18**	**7.00**
A. Government consumption	7.67 *(15.91)*	7.16 *(15.66)*	7.41 *(14.81)*	7.65 *(13.98)*	8.55 *(10.92)*	7.91 *(13.12)*	10.00 *(4.54)*	9.37 *(8.15)*
B. Transfers and subsidies							9.72 *(1.54)*	9.65 *(1.78)*
C. Government enterprises and investment	0.00 *(53.50)*	4.00 *(35.70)*	2.00 *(41.30)*	0.00 *(74.20)*	2.00 *(49.16)*	2.00 *(45.30)*	4.00 *(34.84)*	4.00 *(34.84)*
D. Top marginal tax rate							5.00	5.00
(i) Top marginal income tax rate							5.00 *(39-48)*	5.00 *(39-48)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**4.67**	**4.25**	**4.42**	**4.88**	**4.28**	**2.81**	**2.05**	**2.34**
A. Judicial independence								
B. Impartial courts						3.30	3.20	3.30
C. Protection of property rights								
D. Military interference in rule of law and politics					4.70	3.30	0.90	0.60
E. Integrity of the legal system				5.18	4.00			
F. Legal enforcement of contracts						0.51	0.51	0.51
G. Regulatory restrictions on sale of real property						4.11	3.58	4.97
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**5.25**	**4.53**	**7.08**	**5.04**	**7.03**	**7.04**	**7.05**	**6.95**
A. Money growth	7.16 *(14.22)*	9.29 *(3.54)*	9.90 *(−0.50)*	6.81 *(15.97)*	9.12 *(−4.39)*	9.66 *(1.70)*	9.55 *(2.25)*	8.69 *(6.56)*
B. Standard deviation of inflation	7.50 *(6.24)*	5.64 *(10.90)*	8.86 *(2.85)*	6.02 *(9.94)*	9.65 *(0.88)*	9.08 *(2.30)*	9.35 *(1.63)*	9.39 *(1.52)*
C. Inflation: most recent year	6.35 *(18.27)*	3.17 *(34.15)*	9.55 *(2.27)*	7.32 *(13.41)*	9.36 *(3.20)*	9.42 *(2.88)*	9.30 *(3.52)*	9.70 *(1.49)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.18**	**4.47**	**4.06**	**5.34**	**5.19**	**4.37**	**4.68**	**6.64**
A. Tariffs	2.93	3.60	2.97	6.22	5.58	6.21	6.18	6.18
(i) Revenue from trade taxes (% of trade sector)	2.93 *(10.60)*		2.33 *(11.50)*		4.27 *(8.60)*	5.88 *(6.18)*	5.88 *(6.18)*	5.88 *(6.18)*
(ii) Mean tariff rate		3.60 *(32.00)*	3.60 *(32.00)*	6.28 *(18.60)*	6.28 *(18.60)*	6.42 *(17.90)*	6.44 *(17.80)*	6.44 *(17.80)*
(iii) Standard deviation of tariff rates				6.16 *(9.60)*	6.20 *(9.50)*	6.33 *(9.18)*	6.23 *(9.43)*	6.23 *(9.43)*
B. Regulatory trade barriers						1.26	1.77	9.63
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						1.26	1.77	9.63
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.77
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	1.54	1.54
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation		3.82	4.85	4.31	4.52	5.68	5.49	5.71
A. Credit market regulations	0.00	4.00	6.29	4.87	5.41	7.22	7.27	7.43
(i) Ownership of banks	0.00	0.00	2.00	2.00	2.00	5.00	5.00	5.00
(ii) Private sector credit			6.88	6.60	6.24	7.65	7.81	8.30
(iii) Interest rate controls/negative real interest rates		8.00	10.00	6.00	8.00	9.00	9.00	9.00
B. Labor market regulations						4.47	3.79	3.79
(i) Hiring regulations and minimum wage						3.90	2.77	2.77
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						6.00	4.00	4.00
(v) Mandated cost of worker dismissal						7.96	8.39	8.39
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						5.35	5.42	5.92
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						5.22	5.36	6.00
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						6.48	6.55	7.41
(vi) Cost of tax compliance						4.35	4.35	4.35

Chad

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**5.00** (66)	**5.00** (81)	**4.96** (100)	**5.40** (106)	**5.30** (115)	**5.52** (115)	**5.64** (114)
Area 1. Size of Government		6.14 (22)	6.19 (40)	6.33 (50)	6.45 (52)	7.21 (42)	7.60 (22)	7.57 (28)
Area 2. Legal System and Property Rights	4.67 (47)	4.25 (69)	4.42 (70)	4.54 (98)	4.25 (98)	3.39 (108)	4.57 (86)	4.76 (84)
Area 3. Sound Money	6.61 (36)	5.55 (88)	5.68 (82)	5.16 (88)	6.64 (94)	6.03 (111)	5.66 (119)	5.75 (117)
Area 4. Freedom to Trade Internationally					5.41 (102)	4.99 (116)	5.02 (113)	5.76 (101)
Area 5. Regulation		4.65 (79)	4.27 (98)	3.78 (116)	4.24 (118)	4.91 (118)	5.11 (116)	4.82 (118)
Unadjusted								
Summary Rating (Rank) ➤		**4.56** (83)	**5.22** (67)	**5.16** (91)	**5.39** (106)	**5.08** (132)	**5.29** (133)	**5.41** (136)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government		**4.30**	**6.19**	**6.33**	**6.45**	**7.21**	**7.60**	**7.57**
A. Government consumption	4.12 *(26.00)*	8.60 *(10.75)*	8.66 *(10.54)*	9.08 *(9.14)*	9.44 *(7.90)*	9.71 *(7.00)*	6.89 *(16.58)*	6.79 *(16.93)*
B. Transfers and subsidies			9.89 *(0.90)*	9.92 *(0.80)*	9.92 *(0.80)*	9.92 *(0.80)*	9.92 *(0.80)*	9.92 *(0.80)*
C. Government enterprises and investment		0.00 *(86.30)*	0.00 *(94.00)*	0.00 *(63.30)*	0.00 *(50.00)*	2.00 *(36.80)*	6.00 *(33.33)*	6.00 *(28.49)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**4.67**	**4.25**	**4.42**	**4.42**	**4.20**	**2.19**	**2.96**	**3.08**
A. Judicial independence						1.28	2.79	2.67
B. Impartial courts				4.10	4.04	1.97	3.22	3.18
C. Protection of property rights						2.66	2.33	2.61
D. Military interference in rule of law and politics				4.35	4.70	2.80	1.70	2.20
E. Integrity of the legal system				5.18	4.00			
F. Legal enforcement of contracts						0.30	2.22	2.22
G. Regulatory restrictions on sale of real property						4.17	4.17	4.17
H. Reliability of police						2.22	2.60	4.83
I. Business costs of crime						2.15	4.62	2.74
Area 3. Sound Money	**6.61**	**5.55**	**5.68**	**5.16**	**6.64**	**6.03**	**5.66**	**5.75**
A. Money growth	8.40 *(7.98)*	6.96 *(15.22)*	8.81 *(−5.93)*	9.56 *(2.19)*	9.67 *(−1.66)*	9.52 *(2.40)*	9.89 *(0.56)*	9.44 *(2.82)*
B. Standard deviation of inflation	9.76 *(0.59)*	6.00 *(10.00)*	6.19 *(9.53)*	2.84 *(17.90)*	7.65 *(5.87)*	6.17 *(9.56)*	4.74 *(13.15)*	5.91 *(10.23)*
C. Inflation: most recent year	8.25 *(8.73)*	9.25 *(3.75)*	7.72 *(11.41)*	8.22 *(8.90)*	9.24 *(3.82)*	8.42 *(7.89)*	8.01 *(9.95)*	7.68 *(11.62)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally			**5.53**	**6.11**	**5.41**	**4.96**	**4.99**	**5.72**
A. Tariffs			7.40	8.53	6.24	6.44	6.31	6.31
(i) Revenue from trade taxes (% of trade sector)			7.40 *(3.90)*	8.53 *(2.20)*				
(ii) Mean tariff rate					6.84 *(15.80)*	6.56 *(17.20)*	6.42 *(17.90)*	6.42 *(17.90)*
(iii) Standard deviation of tariff rates					5.64 *(10.90)*	6.33 *(9.18)*	6.21 *(9.49)*	6.21 *(9.49)*
B. Regulatory trade barriers						1.82	1.96	4.80
(i) Non-tariff trade barriers						3.64	3.92	4.09
(ii) Compliance cost of importing and exporting						0.00	0.00	5.50
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	1.57	1.67	1.77
(i) Foreign ownership/investment restrictions						4.70	3.47	3.76
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	1.54	1.54
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation		4.15	4.27	3.78	4.24	5.03	5.24	4.94
A. Credit market regulations	2.00	5.00	4.76	3.46	4.68	5.68	6.08	6.03
(i) Ownership of banks	2.00	2.00	0.00	0.00	0.00	2.00	2.00	2.00
(ii) Private sector credit			6.29	6.38	6.04	6.03	7.24	7.10
(iii) Interest rate controls/negative real interest rates		8.00	8.00	4.00	8.00	9.00	9.00	9.00
B. Labor market regulations						5.95	6.03	5.92
(i) Hiring regulations and minimum wage						6.10	6.10	5.00
(ii) Hiring and firing regulations						4.26	4.84	5.23
(iii) Centralized collective bargaining						7.70	6.73	6.78
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.66	7.49	7.49
(vi) Conscription	10.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00
C. Business regulations						3.47	3.61	2.87
(i) Administrative requirements						2.35	3.16	2.70
(ii) Bureaucracy costs						3.13	6.99	2.50
(iii) Starting a business						3.87	3.95	4.57
(iv) Extra payments/bribes/favoritism						3.69	2.52	2.24
(v) Licensing restrictions						5.97	3.24	3.41
(vi) Cost of tax compliance						1.79	1.79	1.79

Chile

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.38** (48)	**5.83** (39)	**6.78** (27)	**7.53** (18)	**7.41** (33)	**7.92** (14)	**7.89** (9)	**7.87** (13)
Area 1. Size of Government	5.00 (54)	5.71 (34)	6.51 (28)	7.30 (20)	6.12 (64)	7.43 (37)	7.65 (18)	7.77 (24)
Area 2. Legal System and Property Rights	6.43 (27)	5.02 (55)	6.19 (35)	6.75 (37)	6.53 (51)	6.61 (49)	7.12 (37)	7.03 (35)
Area 3. Sound Money	2.31 (103)	7.06 (34)	7.65 (37)	8.65 (36)	9.30 (32)	9.34 (35)	9.10 (45)	8.94 (52)
Area 4. Freedom to Trade Internationally	6.70 (24)	4.93 (50)	6.93 (33)	7.93 (34)	7.90 (43)	8.63 (10)	8.46 (12)	8.36 (14)
Area 5. Regulation	6.69 (20)	6.53 (25)	6.61 (29)	7.04 (18)	7.19 (30)	7.53 (21)	7.04 (45)	7.12 (43)
Unadjusted								
Summary Rating (Rank) ➤	**5.19** (55)	**5.66** (41)	**6.75** (28)	**7.52** (19)	**7.41** (30)	**7.89** (13)	**7.86** (8)	**7.84** (10)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.00**	**5.71**	**6.51**	**7.30**	**6.12**	**7.43**	**7.65**	**7.77**
A. Government consumption	7.36 *(14.98)*	6.86 *(16.69)*	7.76 *(13.62)*	7.77 *(13.58)*	7.02 *(16.14)*	7.13 *(15.76)*	6.40 *(18.25)*	6.64 *(17.44)*
B. Transfers and subsidies	6.62 *(12.90)*	5.97 *(15.30)*	7.28 *(10.50)*	7.42 *(9.97)*	6.48 *(13.42)*	7.60 *(9.32)*	7.22 *(10.70)*	7.46 *(9.81)*
C. Government enterprises and investment	4.00 *(32.20)*	8.00 *(16.10)*	7.00 *(20.50)*	8.00 *(16.60)*	6.00 *(28.21)*	10.00 *(8.72)*	10.00 *(13.87)*	10.00 *(13.87)*
D. Top marginal tax rate	2.00	2.00	4.00	6.00	5.00	5.00	7.00	7.00
(i) Top marginal income tax rate	2.00 *(58)*	2.00 *(56)*	4.00 *(50)*	6.00 *(45)*	5.00 *(45)*	5.00 *(40)*	7.00 *(40)*	7.00 *(40)*
(ii) Top marginal income and payroll tax rate			4.00 *(50)*	6.00 *(45)*	5.00 *(45)*	5.00 *(40)*	7.00 *(40)*	7.00 *(40)*
Area 2. Legal System and Property Rights	**6.43**	**5.02**	**6.19**	**6.75**	**6.53**	**6.74**	**7.26**	**7.17**
A. Judicial independence				6.62	5.85	4.77	7.27	7.45
B. Impartial courts				7.07	6.51	5.99	6.17	6.19
C. Protection of property rights				5.60	5.27	7.47	7.02	6.73
D. Military interference in rule of law and politics				7.51	6.67	6.88	7.50	7.50
E. Integrity of the legal system				6.96	8.33	8.33	8.33	7.50
F. Legal enforcement of contracts						5.11	5.11	5.11
G. Regulatory restrictions on sale of real property						8.99	8.99	8.99
H. Reliability of police						7.07	8.87	6.35
I. Business costs of crime						6.04	6.07	8.71
Area 3. Sound Money	**2.31**	**7.06**	**7.65**	**8.65**	**9.30**	**9.34**	**9.10**	**8.94**
A. Money growth	0.00 *(52.46)*	8.21 *(8.95)*	6.52 *(17.40)*	8.07 *(9.67)*	9.58 *(2.08)*	8.72 *(6.39)*	8.44 *(7.80)*	8.37 *(8.16)*
B. Standard deviation of inflation	0.00 *(80.63)*	6.17 *(9.58)*	8.34 *(4.15)*	8.40 *(4.00)*	8.40 *(4.01)*	9.23 *(1.92)*	8.29 *(4.28)*	7.68 *(5.79)*
C. Inflation: most recent year	4.25 *(28.76)*	3.86 *(30.71)*	5.75 *(21.24)*	8.14 *(9.32)*	9.23 *(3.84)*	9.39 *(3.05)*	9.66 *(1.68)*	9.72 *(1.41)*
D. Freedom to own foreign currency bank accounts	5.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.50**	**4.78**	**6.73**	**7.91**	**7.90**	**8.46**	**8.30**	**8.20**
A. Tariffs	8.71	6.73	8.18	8.49	8.91	9.48	9.47	9.44
(i) Revenue from trade taxes (% of trade sector)	8.13 *(2.80)*	6.20 *(5.70)*	7.53 *(3.70)*	7.67 *(3.49)*	8.53 *(2.20)*	9.61 *(0.58)*	9.79 *(0.31)*	9.69 *(0.46)*
(ii) Mean tariff rate	8.00 *(10.00)*	4.00 *(30.00)*	7.00 *(15.00)*	7.80 *(11.00)*	8.20 *(9.00)*	9.02 *(4.90)*	8.80 *(6.00)*	8.80 *(6.00)*
(iii) Standard deviation of tariff rates	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	9.81 *(0.48)*	9.81 *(0.48)*	9.83 *(0.42)*
B. Regulatory trade barriers				7.05	8.39	7.39	7.94	7.57
(i) Non-tariff trade barriers				7.05	8.28	7.68	8.80	8.40
(ii) Compliance cost of importing and exporting					8.50	7.09	7.09	6.75
C. Black-market exchange rates	8.80	5.60	10.00	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	6.49	4.30	6.99	5.77	5.80
(i) Foreign ownership/investment restrictions				7.98	8.61	8.38	7.80	7.89
(ii) Capital controls	2.00	2.00	2.00	5.00	0.00	6.92	3.85	3.85
(iii) Freedom of foreigners to visit						5.67	5.67	5.67
Area 5. Regulation	5.70	5.74	6.69	7.00	7.19	7.50	7.01	7.10
A. Credit market regulations	7.54	8.19	8.43	9.29	9.23	9.33	8.64	8.28
(i) Ownership of banks	5.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	9.63	8.56	9.28	9.86	9.68	10.00	7.93	9.83
(iii) Interest rate controls/negative real interest rates	8.00	8.00	8.00	10.00	10.00	10.00	10.00	7.00
B. Labor market regulations			4.95	5.27	4.86	6.04	5.79	5.79
(i) Hiring regulations and minimum wage				5.68	3.36	6.70	6.67	6.67
(ii) Hiring and firing regulations			6.91	6.91	5.57	4.92	3.77	3.92
(iii) Centralized collective bargaining		7.93	7.93	7.93	8.85	8.47	7.71	7.57
(iv) Hours regulations				5.85	6.51	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						5.18	5.58	5.58
(vi) Conscription	3.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
C. Business regulations				6.43	7.50	7.12	6.61	7.22
(i) Administrative requirements					7.88	4.66	4.31	4.41
(ii) Bureaucracy costs				6.18	7.93	6.03	3.77	6.88
(iii) Starting a business				6.52	5.65	9.03	9.22	9.72
(iv) Extra payments/bribes/favoritism				6.58	8.53	8.40	7.66	7.61
(v) Licensing restrictions						8.15	8.22	8.25
(vi) Cost of tax compliance						6.46	6.46	6.46

China

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.74** (92)	**4.74** (78)	**4.43** (94)	**5.17** (93)	**5.75** (100)	**5.88** (101)	**6.12** (100)	**6.16** (100)
Area 1. Size of Government	3.58 (90)	3.91 (84)	3.65 (99)	4.02 (104)	3.43 (115)	3.31 (121)	3.23 (123)	3.63 (121)
Area 2. Legal System and Property Rights		6.78 (24)	5.79 (45)	5.49 (70)	4.95 (79)	5.15 (77)	5.89 (64)	5.75 (67)
Area 3. Sound Money	6.18 (56)	6.19 (80)	6.73 (56)	5.77 (78)	8.12 (56)	8.18 (64)	8.05 (71)	7.89 (82)
Area 4. Freedom to Trade Internationally	2.30 (75)	3.53 (69)	2.74 (91)	5.89 (77)	6.46 (77)	6.93 (68)	6.85 (74)	6.86 (74)
Area 5. Regulation	2.62 (99)	2.62 (104)	2.69 (111)	4.69 (101)	5.79 (92)	5.94 (97)	6.75 (68)	6.70 (77)
Unadjusted								
Summary Rating (Rank) ➤	**3.64** (96)	**4.82** (76)	**4.09** (100)	**5.07** (96)	**5.75** (100)	**6.06** (106)	**6.31** (103)	**6.35** (107)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.63**	**3.91**	**3.65**	**4.02**	**3.43**	**4.54**	**4.43**	**4.98**
A. Government consumption	5.25 *(22.14)*	5.73 *(20.51)*	5.94 *(19.81)*	6.07 *(19.38)*	4.28 *(25.46)*	3.87 *(26.84)*	3.44 *(28.31)*	3.63 *(27.66)*
B. Transfers and subsidies						8.29 *(6.76)*	8.29 *(6.76)*	8.29 *(6.76)*
C. Government enterprises and investment	0.00 *(56.40)*	0.00 *(62.90)*	0.00 *(61.90)*	0.00 *(77.07)*	0.00 *(77.97)*	0.00 *(69.77)*	0.00 *(50.91)*	2.00 *(47.92)*
D. Top marginal tax rate		6.00	5.00	6.00	6.00	6.00	6.00	6.00
(i) Top marginal income tax rate		6.00 *(45)*	5.00 *(45)*	6.00 *(45)*	6.00 *(45)*	6.00 *(45)*	6.00 *(45)*	6.00 *(45)*
(ii) Top marginal income and payroll tax rate							6.00 *(45)*	6.00 *(45)*
Area 2. Legal System and Property Rights		**6.78**	**5.79**	**5.49**	**4.95**	**5.60**	**6.41**	**6.25**
A. Judicial independence				3.80	3.34	3.92	4.95	4.89
B. Impartial courts				4.92	4.18	4.03	5.16	5.21
C. Protection of property rights				4.15	3.22	4.95	6.85	6.74
D. Military interference in rule of law and politics				7.60	7.34	5.00	5.00	5.00
E. Integrity of the legal system				6.96	6.67	7.50	7.50	6.67
F. Legal enforcement of contracts						6.73	6.73	6.73
G. Regulatory restrictions on sale of real property						8.27	8.27	8.27
H. Reliability of police						5.08	5.99	6.77
I. Business costs of crime						4.92	7.22	5.95
Area 3. Sound Money	**6.18**	**6.19**	**6.73**	**5.77**	**8.12**	**8.18**	**8.05**	**7.89**
A. Money growth	6.00 *(20.00)*	8.14 *(9.31)*	9.18 *(4.09)*	7.63 *(11.83)*	8.90 *(5.48)*	9.05 *(4.76)*	8.64 *(6.81)*	8.57 *(7.14)*
B. Standard deviation of inflation	9.48 *(1.31)*	8.64 *(3.40)*	8.86 *(2.84)*	8.09 *(4.77)*	8.63 *(3.43)*	9.04 *(2.41)*	8.69 *(3.28)*	8.63 *(3.42)*
C. Inflation: most recent year	9.24 *(3.78)*	7.97 *(10.14)*	8.86 *(5.68)*	7.36 *(13.18)*	9.95 *(0.26)*	9.64 *(1.82)*	9.86 *(−0.70)*	9.34 *(3.31)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**2.72**	**4.17**	**2.72**	**5.51**	**6.46**	**6.64**	**6.57**	**6.57**
A. Tariffs	3.15	2.72	3.16	3.90	7.11	7.96	8.15	8.15
(i) Revenue from trade taxes (% of trade sector)	6.20 *(5.70)*	3.33 *(10.00)*	7.53 *(3.70)*	9.20 *(1.20)*	8.86 *(1.71)*	8.81 *(1.78)*	9.41 *(0.88)*	9.41 *(0.88)*
(ii) Mean tariff rate	0.10 *(49.50)*	2.10 *(39.50)*	1.94 *(40.30)*	2.50 *(37.50)*	6.74 *(16.30)*	8.16 *(9.20)*	8.08 *(9.60)*	8.08 *(9.60)*
(iii) Standard deviation of tariff rates			0.00 *(32.10)*	0.00 *(28.00)*	5.72 *(10.70)*	6.91 *(7.72)*	6.97 *(7.58)*	6.97 *(7.58)*
B. Regulatory trade barriers				4.63	6.01	6.02	6.46	5.93
(i) Non-tariff trade barriers				4.63	4.35	5.14	6.01	5.86
(ii) Compliance cost of importing and exporting					7.66	6.91	6.91	6.00
C. Black-market exchange rates	5.00	7.80	0.00	8.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	2.00	5.00	4.91	2.71	2.57	1.65	2.19
(i) Foreign ownership/investment restrictions				4.82	4.66	6.71	4.72	6.35
(ii) Capital controls	0.00	2.00	5.00	5.00	0.77	0.77	0.00	0.00
(iii) Freedom of foreigners to visit						0.23	0.23	0.23
Area 5. Regulation	3.04	3.04	1.58	4.57	5.79	5.36	6.10	6.05
A. Credit market regulations	0.00	0.00	0.00	4.60	6.46	7.23	7.24	6.91
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00
(ii) Private sector credit				9.81	9.39	9.68	9.73	9.73
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	4.00	10.00	10.00	10.00	9.00
B. Labor market regulations			3.16	4.54	4.66	4.98	5.51	5.57
(i) Hiring regulations and minimum wage				5.80	4.37	8.90	8.90	8.90
(ii) Hiring and firing regulations			4.30	4.30	5.10	5.27	5.11	5.45
(iii) Centralized collective bargaining	4.49	4.49	5.18	6.21	7.67	7.44	7.10	7.10
(iv) Hours regulations				6.42	6.18	6.70	10.00	10.00
(v) Mandated cost of worker dismissal						1.56	1.97	1.97
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				4.57	6.25	3.88	5.54	5.67
(i) Administrative requirements					7.60	3.96	4.99	4.89
(ii) Bureaucracy costs				4.78	5.40	2.00	4.65	5.02
(iii) Starting a business				6.05	6.52	8.08	8.35	8.42
(iv) Extra payments/bribes/favoritism				2.87	5.49	5.52	5.24	5.11
(v) Licensing restrictions						3.52	4.49	5.04
(vi) Cost of tax compliance						0.23	5.54	5.54

Colombia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.74** (67)	**5.22** (54)	**5.07** (75)	**5.59** (79)	**5.51** (102)	**5.84** (105)	**6.27** (92)	**6.31** (96)
Area 1. Size of Government	5.35 (41)	5.94 (27)	7.23 (14)	6.83 (30)	4.64 (99)	4.45 (112)	6.02 (72)	6.13 (72)
Area 2. Legal System and Property Rights	3.98 (55)	3.40 (85)	3.41 (87)	2.85 (114)	3.53 (110)	3.72 (102)	3.60 (107)	3.67 (106)
Area 3. Sound Money	4.86 (94)	6.69 (51)	4.90 (92)	5.32 (85)	6.31 (101)	7.81 (73)	8.13 (68)	8.20 (72)
Area 4. Freedom to Trade Internationally	3.83 (56)	4.36 (58)	4.08 (74)	7.21 (51)	6.98 (69)	6.14 (88)	6.52 (81)	6.45 (88)
Area 5. Regulation	5.70 (43)	5.70 (49)	5.70 (57)	5.75 (65)	6.10 (75)	6.94 (49)	7.01 (47)	7.02 (50)
Unadjusted								
Summary Rating (Rank) ➤	**4.59** (72)	**5.06** (64)	**5.02** (75)	**5.48** (81)	**5.51** (103)	**6.02** (108)	**6.46** (94)	**6.50** (97)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.35**	**5.94**	**7.23**	**6.83**	**4.64**	**4.45**	**6.02**	**6.13**
A. Government consumption	8.07 *(13.57)*	7.82 *(13.43)*	7.78 *(13.56)*	6.31 *(18.54)*	4.35 *(25.20)*	2.69 *(30.87)*	5.92 *(19.86)*	5.70 *(20.63)*
B. Transfers and subsidies	9.35 *(2.90)*	8.94 *(4.40)*	9.13 *(3.70)*	9.02 *(4.10)*	8.71 *(5.24)*	7.60 *(9.32)*	7.17 *(10.89)*	7.82 *(8.49)*
C. Government enterprises and investment	2.00 *(41.50)*	2.00 *(49.90)*	4.00 *(38.50)*	4.00 *(34.10)*	0.00 *(51.89)*	2.00	6.00	6.00
D. Top marginal tax rate	2.00	5.00	8.00	8.00	5.50	5.50	5.00	5.00
(i) Top marginal income tax rate	2.00 *(56)*	5.00 *(49)*	8.00 *(30)*	8.00 *(30)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			8.00 *(30)*	8.00 *(30)*	4.00 *(43)*	4.00 *(45)*	3.00 *(47)*	3.00 *(47)*
Area 2. Legal System and Property Rights	**3.98**	**3.40**	**3.41**	**2.85**	**3.53**	**4.42**	**4.28**	**4.36**
A. Judicial independence				3.72	3.51	4.42	4.14	4.17
B. Impartial courts				3.52	5.85	4.64	4.00	3.93
C. Protection of property rights				4.13	3.28	6.16	4.74	4.85
D. Military interference in rule of law and politics				2.88	3.33	3.33	3.33	3.33
E. Integrity of the legal system				0.00	1.67	1.67	3.33	3.33
F. Legal enforcement of contracts						1.80	2.09	2.09
G. Regulatory restrictions on sale of real property						8.74	8.96	9.06
H. Reliability of police						5.72	5.48	2.93
I. Business costs of crime						3.33	2.43	5.56
Area 3. Sound Money	**4.86**	**6.69**	**4.90**	**5.32**	**6.31**	**7.81**	**8.13**	**8.20**
A. Money growth	6.63 *(16.85)*	7.40 *(12.98)*	6.21 *(18.97)*	6.07 *(19.64)*	8.28 *(8.61)*	7.69 *(11.53)*	8.94 *(5.31)*	8.97 *(5.17)*
B. Standard deviation of inflation	8.33 *(4.17)*	9.33 *(1.68)*	9.09 *(2.27)*	9.15 *(2.12)*	8.81 *(2.97)*	9.57 *(1.09)*	9.42 *(1.45)*	9.30 *(1.75)*
C. Inflation: most recent year	4.48 *(27.61)*	5.02 *(24.90)*	4.29 *(28.55)*	6.04 *(19.79)*	8.16 *(9.22)*	8.99 *(5.05)*	9.16 *(4.20)*	9.54 *(2.28)*
D. Freedom to own foreign currency bank accounts	0.00	5.00	0.00	0.00	0.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**3.62**	**4.11**	**4.04**	**6.89**	**6.98**	**6.49**	**6.90**	**6.82**
A. Tariffs	4.05	4.14	5.53	7.81	7.85	7.72	7.47	7.24
(i) Revenue from trade taxes (% of trade sector)	4.80 *(7.80)*	5.00 *(7.50)*	5.99 *(6.01)*	8.04 *(2.94)*	8.37 *(2.44)*	8.73 *(1.90)*	8.07 *(2.90)*	7.77 *(3.34)*
(ii) Mean tariff rate	3.30 *(33.50)*	3.28 *(33.60)*	3.92 *(30.40)*	7.34 *(13.30)*	7.66 *(11.70)*	7.62 *(11.90)*	7.50 *(12.50)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates			6.68 *(8.30)*	8.04 *(4.90)*	7.52 *(6.20)*	6.80 *(8.00)*	6.85 *(7.88)*	6.45 *(8.88)*
B. Regulatory trade barriers				5.15	6.11	4.98	6.17	6.07
(i) Non-tariff trade barriers				5.15	4.90	4.83	4.17	4.94
(ii) Compliance cost of importing and exporting					7.33	5.13	8.18	7.19
C. Black-market exchange rates	6.80	8.20	6.60	8.60	10.00	8.07	9.26	9.02
D. Controls of the movement of capital and people	0.00	0.00	0.00	6.02	3.94	5.21	4.68	4.95
(i) Foreign ownership/investment restrictions				7.04	7.87	6.81	5.23	6.03
(ii) Capital controls	0.00	0.00	0.00	5.00	0.00	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						8.05	8.05	8.05
Area 5. Regulation	5.16	5.16	5.50	5.52	6.10	6.91	6.97	6.99
A. Credit market regulations	8.00	8.00	8.20	8.04	8.70	9.33	8.60	8.73
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit			8.61	8.11	8.10	10.00	7.81	8.18
(iii) Interest rate controls/negative real interest rates	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
B. Labor market regulations				4.75	3.89	5.37	5.92	5.88
(i) Hiring regulations and minimum wage				6.83	2.85	7.80	8.90	8.90
(ii) Hiring and firing regulations			5.50	5.50	4.15	5.05	4.85	4.91
(iii) Centralized collective bargaining					5.93	6.81	7.17	6.92
(iv) Hours regulations				5.68	5.51	8.00	10.00	10.00
(v) Mandated cost of worker dismissal						4.53	4.57	4.57
(vi) Conscription	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00
C. Business regulations				3.76	5.71	6.03	6.40	6.35
(i) Administrative requirements					6.43	2.61	2.68	3.17
(ii) Bureaucracy costs				6.20	6.75	5.81	5.06	4.12
(iii) Starting a business				2.63	3.75	8.38	9.40	9.47
(iv) Extra payments/bribes/favoritism				2.44	5.89	6.38	4.33	4.12
(v) Licensing restrictions						8.09	9.27	9.39
(vi) Cost of tax compliance						4.89	7.67	7.84

Congo, Democratic Republic of

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**2.60** (102)	**3.61** (97)	**3.03** (111)	**3.28** (123)	**3.85** (122)	**4.46** (121)	**4.70** (120)	**4.96** (119)
Area 1. Size of Government	4.42 (71)	6.22 (18)	5.74 (57)	5.63 (76)	7.45 (22)	6.91 (51)	5.41 (92)	5.19 (99)
Area 2. Legal System and Property Rights	2.37 (76)	2.46 (98)	2.44 (102)	1.49 (118)	1.75 (121)	1.42 (123)	1.84 (122)	1.66 (122)
Area 3. Sound Money	0.00 (107)	0.00 (111)	0.00 (118)	0.00 (121)	1.25 (123)	5.04 (117)	6.96 (96)	7.12 (89)
Area 4. Freedom to Trade Internationally	1.91 (80)	4.86 (53)	3.98 (77)	6.32 (68)	4.15 (119)	5.75 (94)	5.30 (108)	6.38 (90)
Area 5. Regulation	2.92 (97)	3.01 (100)	2.91 (108)	2.98 (120)	4.65 (110)	3.15 (123)	3.59 (122)	4.14 (123)
Unadjusted								
Summary Rating (Rank) ➤	**2.99** (102)	**3.70** (97)	**3.28** (108)	**3.64** (119)	**3.98** (122)	**4.66** (137)	**4.91** (137)	**5.18** (139)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.00**	**4.71**	**5.74**	**5.63**	**7.45**	**6.91**	**5.41**	**5.19**
A. Government consumption	9.04 *(9.28)*	9.12 *(8.98)*	8.03 *(12.70)*	10.00 *(5.72)*	9.29 *(8.41)*	9.16 *(8.87)*	9.12 *(8.98)*	8.26 *(11.90)*
B. Transfers and subsidies	9.97 *(0.60)*		9.92 *(0.80)*	10.00 *(0.49)*	10.00 *(0.01)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
C. Government enterprises and investment	0.00 *(58.20)*	4.00 *(30.50)*	4.00 *(31.10)*	2.00 *(45.30)*	10.00 *(13.10)*	6.00 *(26.05)*	0.00 *(79.69)*	0.00 *(79.69)*
D. Top marginal tax rate	1.00	1.00	1.00	0.50	0.50	2.50	2.50	2.50
(i) Top marginal income tax rate	1.00 *(60)*	1.00 *(60)*	1.00 *(60)*	1.00 *(60)*	1.00 *(60)*	3.00 *(50)*	3.00 *(50)*	3.00 *(50)*
(ii) Top marginal income and payroll tax rate			1.00 *(60)*	0.00 *(63)*	0.00 *(63)*	2.00 *(54)*	2.00 *(54)*	2.00 *(54)*
Area 2. Legal System and Property Rights	**2.37**	**2.46**	**2.44**	**2.22**	**2.41**	**2.05**	**2.65**	**2.40**
A. Judicial independence								
B. Impartial courts				3.02	3.59	2.50	2.50	2.70
C. Protection of property rights								
D. Military interference in rule of law and politics				1.45	0.00	0.00	0.00	0.00
E. Integrity of the legal system				0.00	1.67	1.67	3.33	1.67
F. Legal enforcement of contracts						0.30	0.75	0.87
G. Regulatory restrictions on sale of real property						5.80	6.68	6.74
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**1.10**	**1.49**	**0.00**	**0.00**	**1.25**	**5.04**	**6.96**	**7.12**
A. Money growth	4.39 *(28.06)*	1.12 *(44.40)*	0.00 *(62.92)*	0.00 *(1631.82)*	0.00 *(2290.00)*	4.44 *(27.79)*	6.44 *(17.79)*	5.55 *(22.27)*
B. Standard deviation of inflation	0.00 *(25.49)*	0.00 *(25.25)*	0.00 *(30.17)*	0.00 *(9932.53)*	0.00 *(248.28)*	0.00 *(163.85)*	7.44 *(6.41)*	7.41 *(6.46)*
C. Inflation: most recent year	0.00 *(51.40)*	4.84 *(25.82)*	0.00 *(108.95)*	0.00 *(466.40)*	0.00 *(550.01)*	5.74 *(21.32)*	3.95 *(30.25)*	5.51 *(22.43)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**2.07**	**5.25**	**4.30**	**6.32**	**4.15**	**4.88**	**4.49**	**5.41**
A. Tariffs	4.21	4.96	4.90	7.77	8.70	7.32	5.05	5.70
(i) Revenue from trade taxes (% of trade sector)	3.13 *(10.30)*	4.40 *(8.40)*	3.93 *(9.10)*	7.77 *(3.34)*	8.70 *(1.95)*	6.81 *(4.78)*	0.00 *(15.90)*	1.67 *(12.50)*
(ii) Mean tariff rate	5.28 *(23.60)*	5.52 *(22.40)*	5.86 *(20.70)*			7.60 *(12.00)*	7.60 *(12.00)*	7.80 *(11.00)*
(iii) Standard deviation of tariff rates						7.55 *(6.12)*	7.55 *(6.12)*	7.62 *(5.94)*
B. Regulatory trade barriers						2.19	2.54	5.57
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						2.19	2.54	5.57
C. Black-market exchange rates	0.00	8.80	6.00	9.20	1.43	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	2.31	0.00	0.38	0.38
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	2.00	2.00	2.00	2.00	2.31	0.00	0.77	0.77
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	4.43	4.57	3.94	4.03	4.65	4.41	5.03	5.79
A. Credit market regulations	4.34	4.75	2.88	3.12	5.00	4.32	4.71	6.11
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Private sector credit	8.69	9.50	8.65	9.35		7.96	9.12	9.34
(iii) Interest rate controls/negative real interest rates			0.00	0.00	10.00	5.00	5.00	9.00
B. Labor market regulations						5.11	5.67	5.67
(i) Hiring regulations and minimum wage						5.00	1.67	1.67
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						5.30	8.00	8.00
(v) Mandated cost of worker dismissal						7.13	10.00	10.00
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations						3.81	4.72	5.60
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						3.33	3.98	4.59
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						1.54	3.96	5.99
(vi) Cost of tax compliance						6.55	6.23	6.23

Congo, Republic of

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.50** (74)	**4.31** (89)	**4.97** (82)	**5.02** (99)	**4.28** (121)	**4.71** (118)	**5.19** (118)	**5.02** (118)
Area 1. Size of Government	3.17 (94)	2.63 (105)	5.77 (56)	6.20 (58)	4.54 (104)	4.66 (106)	5.20 (97)	5.21 (98)
Area 2. Legal System and Property Rights	4.67 (49)	3.05 (92)	3.02 (92)	2.90 (113)	1.73 (122)	1.99 (120)	3.58 (109)	2.78 (118)
Area 3. Sound Money	5.45 (82)	6.42 (68)	5.96 (73)	5.69 (80)	4.29 (114)	5.33 (115)	4.73 (122)	3.91 (122)
Area 4. Freedom to Trade Internationally			4.34 (67)	5.50 (87)	5.81 (94)	5.73 (96)	6.01 (91)	7.20 (59)
Area 5. Regulation	5.12 (66)	5.46 (58)	5.79 (52)	4.82 (98)	5.05 (105)	5.81 (98)	6.05 (99)	6.00 (100)
Unadjusted								
Summary Rating (Rank) ➤	**4.76** (68)	**4.36** (89)	**4.83** (85)	**5.09** (94)	**4.42** (121)	**4.59** (138)	**5.02** (136)	**4.86** (141)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.86**	**2.37**	**4.81**	**6.20**	**4.54**	**4.66**	**5.07**	**5.08**
A. Government consumption	3.72 *(27.34)*	4.75 *(23.86)*	6.42 *(18.16)*	6.50 *(17.89)*	1.60 *(34.55)*	2.33 *(32.09)*	5.48 *(21.36)*	5.51 *(21.28)*
B. Transfers and subsidies				9.30 *(3.09)*	9.55 *(2.15)*	9.31 *(3.03)*	9.31 *(3.03)*	9.31 *(3.03)*
C. Government enterprises and investment	2.00 *(44.20)*	0.00 *(61.00)*	4.00 *(32.60)*	6.00 *(27.00)*	4.00 *(33.20)*	4.00 *(33.25)*	2.00 *(44.16)*	2.00 *(49.64)*
D. Top marginal tax rate			4.00	3.00	3.00	3.00	3.50	3.50
(i) Top marginal income tax rate			4.00 *(50)*	3.00 *(50)*	3.00 *(50)*	3.00 *(50)*	4.00 *(45)*	4.00 *(45)*
(ii) Top marginal income and payroll tax rate							3.00 *(49)*	3.00 *(49)*
Area 2. Legal System and Property Rights	**4.67**	**3.05**	**3.02**	**3.24**	**2.39**	**2.35**	**4.22**	**3.28**
A. Judicial independence								
B. Impartial courts				1.75	1.86	3.00	3.50	3.60
C. Protection of property rights								
D. Military interference in rule of law and politics				0.00	0.00	0.00	2.50	2.50
E. Integrity of the legal system				6.96	3.33	3.33	6.67	3.33
F. Legal enforcement of contracts						3.01	3.01	3.01
G. Regulatory restrictions on sale of real property						2.41	5.44	3.96
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**5.45**	**6.42**	**5.96**	**5.69**	**4.29**	**5.33**	**4.73**	**3.91**
A. Money growth	8.78 *(6.12)*	9.77 *(1.16)*	9.81 *(0.93)*	9.40 *(2.99)*	7.24 *(13.81)*	8.60 *(7.01)*	8.28 *(8.61)*	7.56 *(12.19)*
B. Standard deviation of inflation	7.04 *(7.41)*	6.42 *(8.96)*	4.20 *(14.51)*	4.04 *(14.90)*	0.10 *(24.75)*	3.79 *(15.52)*	1.64 *(20.91)*	2.21 *(19.48)*
C. Inflation: most recent year	5.97 *(20.14)*	9.50 *(2.50)*	9.85 *(−0.77)*	9.32 *(3.38)*	9.83 *(−0.84)*	8.94 *(5.28)*	8.99 *(5.04)*	5.86 *(20.72)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**5.69**	**4.47**	**4.58**	**5.50**	**5.81**	**4.83**	**5.06**	**6.07**
A. Tariffs	7.47	3.60	4.53	6.70	7.43	7.21	7.36	7.36
(i) Revenue from trade taxes (% of trade sector)	7.47 *(3.80)*		4.53 *(8.20)*	7.61 *(3.58)*	9.25 *(1.13)*	9.20 *(1.20)*	9.47 *(0.80)*	9.47 *(0.80)*
(ii) Mean tariff rate		3.60 *(32.00)*		6.28 *(18.60)*	6.48 *(17.60)*	6.18 *(19.10)*	6.42 *(17.90)*	6.42 *(17.90)*
(iii) Standard deviation of tariff rates				6.20 *(9.50)*	6.56 *(8.60)*	6.25 *(9.38)*	6.21 *(9.49)*	6.21 *(9.49)*
B. Regulatory trade barriers						2.10	2.10	6.13
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						2.10	2.10	6.13
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.77
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	1.54	1.54
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	5.16	5.49	5.79	4.82	5.05	5.77	6.01	5.96
A. Credit market regulations	3.00	4.00	5.45	2.88	3.49	5.33	6.33	6.10
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Private sector credit			6.36	6.64	7.48	10.00	10.00	9.29
(iii) Interest rate controls/negative real interest rates	6.00	8.00	10.00	2.00	3.00	6.00	9.00	9.00
B. Labor market regulations						6.29	6.37	6.37
(i) Hiring regulations and minimum wage						2.20	2.23	2.23
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						6.00	6.00	6.00
(v) Mandated cost of worker dismissal						6.94	7.23	7.23
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.70	5.33	5.43
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						6.72	5.07	5.48
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						7.17	7.73	7.60
(vi) Cost of tax compliance						3.21	3.21	3.21

Costa Rica

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.07** (59)	**5.03** (62)	**6.64** (28)	**6.97** (36)	**7.51** (30)	**7.66** (23)	**7.48** (29)	**7.44** (36)
Area 1. Size of Government	5.53 (35)	5.03 (54)	7.20 (15)	6.81 (33)	7.13 (29)	8.57 (11)	7.94 (16)	7.85 (23)
Area 2. Legal System and Property Rights	4.57 (50)	4.60 (61)	4.78 (61)	5.66 (62)	6.87 (44)	7.26 (35)	7.19 (33)	7.02 (36)
Area 3. Sound Money	8.04 (20)	5.41 (91)	8.41 (27)	7.87 (42)	7.88 (62)	8.75 (52)	7.86 (77)	8.00 (77)
Area 4. Freedom to Trade Internationally	1.48 (81)	3.66 (67)	6.29 (40)	7.70 (40)	8.65 (26)	7.81 (38)	8.04 (25)	7.96 (26)
Area 5. Regulation	6.33 (28)	6.62 (21)	6.77 (24)	6.93 (22)	7.03 (36)	6.01 (95)	6.45 (85)	6.44 (89)
Unadjusted								
Summary Rating (Rank) ➤	**5.52** (48)	**5.33** (58)	**6.98** (23)	**7.20** (27)	**7.51** (25)	**7.56** (29)	**7.38** (36)	**7.34** (42)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.72**	**5.21**	**7.20**	**6.81**	**7.13**	**8.57**	**7.94**	**7.85**
A. Government consumption	5.37 *(21.75)*	5.66 *(20.76)*	5.04 *(22.85)*	5.02 *(22.93)*	6.94 *(16.40)*	6.66 *(17.36)*	5.83 *(20.18)*	5.49 *(21.35)*
B. Transfers and subsidies	8.50 *(6.00)*	8.17 *(7.20)*	8.77 *(5.00)*	8.23 *(7.00)*	8.59 *(5.66)*	8.64 *(5.50)*	9.44 *(2.54)*	9.42 *(2.63)*
C. Government enterprises and investment	4.00 *(36.20)*	4.00 *(34.10)*	7.00 *(21.00)*	6.00 *(27.10)*	6.00 *(27.10)*	10.00 *(5.66)*	10.00 *(9.47)*	10.00 *(9.47)*
D. Top marginal tax rate	5.00	3.00	8.00	8.00	7.00	9.00	6.50	6.50
(i) Top marginal income tax rate	5.00 *(50)*	3.00 *(50)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	10.00 *(15-25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			7.00 *(33)*	7.00 *(33)*	5.00 *(39)*	8.00 *(24-33)*	4.00 *(44)*	4.00 *(44)*
Area 2. Legal System and Property Rights	**5.21**	**5.25**	**5.46**	**5.80**	**6.87**	**6.32**	**6.26**	**6.11**
A. Judicial independence					6.35	6.87	7.13	6.46
B. Impartial courts				6.54	6.85	6.51	5.16	4.73
C. Protection of property rights					4.50	6.08	5.59	5.51
D. Military interference in rule of law and politics				8.73	10.00	10.00	10.00	10.00
E. Integrity of the legal system				4.11	6.67	6.67	5.83	5.83
F. Legal enforcement of contracts						3.52	3.52	3.52
G. Regulatory restrictions on sale of real property						8.45	8.49	8.50
H. Reliability of police						5.02	6.06	4.28
I. Business costs of crime						3.74	4.53	6.13
Area 3. Sound Money	**8.04**	**5.41**	**8.41**	**7.87**	**7.88**	**8.75**	**7.86**	**8.00**
A. Money growth	7.72 *(11.41)*	5.53 *(22.35)*	8.66 *(6.72)*	8.14 *(9.28)*	5.16 *(24.22)*	8.37 *(8.14)*	8.50 *(7.51)*	8.75 *(6.23)*
B. Standard deviation of inflation	8.22 *(4.46)*	0.23 *(24.42)*	8.68 *(3.29)*	7.60 *(5.99)*	8.55 *(3.63)*	9.40 *(1.49)*	9.50 *(1.26)*	9.36 *(1.61)*
C. Inflation: most recent year	6.23 *(18.83)*	5.89 *(20.53)*	6.29 *(18.57)*	5.73 *(21.34)*	7.80 *(10.99)*	7.24 *(13.80)*	8.43 *(7.84)*	8.87 *(5.66)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**1.74**	**4.00**	**6.88**	**8.42**	**8.65**	**7.90**	**8.13**	**8.05**
A. Tariffs	3.23	1.80	5.63	7.27	8.40	8.08	7.95	7.97
(i) Revenue from trade taxes (% of trade sector)	6.47 *(5.30)*	5.40 *(6.90)*	5.33 *(7.00)*	6.93 *(4.60)*	9.28 *(1.08)*	9.24 *(1.14)*	8.63 *(2.05)*	8.63 *(2.05)*
(ii) Mean tariff rate	0.00 *(55.00)*	0.00 *(53.00)*	6.72 *(16.40)*	7.96 *(10.20)*	8.92 *(5.40)*	8.60 *(7.00)*	8.92 *(5.40)*	8.92 *(5.40)*
(iii) Standard deviation of tariff rates		0.00 *(61.80)*	4.84 *(12.90)*	6.92 *(7.70)*	7.00 *(7.50)*	6.39 *(9.03)*	6.31 *(9.23)*	6.35 *(9.13)*
B. Regulatory trade barriers					6.58	4.84	6.73	6.43
(i) Non-tariff trade barriers					5.17	4.70	5.32	5.29
(ii) Compliance cost of importing and exporting					8.00	4.98	8.14	7.56
C. Black-market exchange rates	0.00	5.20	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	5.00	5.00	8.00	9.63	8.68	7.84	7.82
(i) Foreign ownership/investment restrictions					9.26	7.54	6.41	7.12
(ii) Capital controls	2.00	5.00	5.00	8.00	10.00	9.09	7.69	6.92
(iii) Freedom of foreigners to visit						9.41	9.41	9.41
Area 5. Regulation	6.90	6.79	6.94	7.10	7.03	6.26	6.73	6.71
A. Credit market regulations	8.18	8.09	8.50	8.93	9.21	7.50	7.45	7.45
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	5.00	5.00	5.00
(ii) Private sector credit	6.37	8.28	7.51	8.79	8.64	8.49	8.35	8.35
(iii) Interest rate controls/negative real interest rates		6.00	8.00	8.00	9.00	9.00	9.00	9.00
B. Labor market regulations					5.99	5.94	6.66	6.55
(i) Hiring regulations and minimum wage					3.46	1.10	2.23	2.23
(ii) Hiring and firing regulations					4.97	5.51	5.41	5.34
(iii) Centralized collective bargaining					5.00	5.73	6.64	6.04
(iv) Hours regulations					6.51	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.31	7.67	7.67
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					5.90	5.35	6.08	6.13
(i) Administrative requirements					6.83	2.58	3.83	3.45
(ii) Bureaucracy costs					6.15	2.35	4.35	5.23
(iii) Starting a business					4.70	7.29	7.97	7.96
(iv) Extra payments/bribes/favoritism					5.92	6.91	5.89	5.36
(v) Licensing restrictions						7.48	7.49	7.56
(vi) Cost of tax compliance						5.49	6.95	7.24

Côte d'Ivoire

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.39** (47)	**6.08** (33)	**5.57** (55)	**5.20** (91)	**5.99** (87)	**6.11** (93)	**6.10** (101)	**5.94** (103)
Area 1. Size of Government	5.99 (24)	7.20 (5)	5.83 (51)	4.95 (87)	8.41 (8)	8.54 (12)	7.53 (25)	6.95 (42)
Area 2. Legal System and Property Rights		5.72 (45)	4.80 (60)	5.96 (53)	3.76 (104)	4.10 (99)	4.30 (96)	4.13 (99)
Area 3. Sound Money	5.00 (91)	6.63 (56)	6.90 (52)	4.87 (96)	6.69 (92)	6.73 (94)	6.62 (106)	6.56 (107)
Area 4. Freedom to Trade Internationally	5.13 (43)	5.52 (41)	5.00 (57)	4.69 (99)	5.26 (107)	5.66 (98)	5.52 (102)	5.66 (105)
Area 5. Regulation	6.21 (31)	5.79 (43)	5.51 (67)	5.53 (77)	5.84 (87)	5.64 (102)	6.76 (66)	6.58 (84)
Unadjusted								
Summary Rating (Rank) ➤	**5.20** (54)	**5.53** (49)	**5.07** (71)	**5.09** (94)	**6.01** (84)	**5.95** (116)	**5.91** (120)	**5.76** (129)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.39**	**5.02**	**4.07**	**4.95**	**8.41**	**8.54**	**6.99**	**6.45**
A. Government consumption	5.54 *(21.17)*	6.06 *(19.38)*	6.20 *(18.93)*	7.37 *(14.95)*	8.18 *(12.20)*	8.82 *(10.02)*	8.60 *(10.76)*	8.65 *(10.59)*
B. Transfers and subsidies	9.01 *(4.15)*			9.44 *(2.55)*	9.48 *(2.41)*	9.35 *(2.89)*	9.85 *(1.03)*	9.66 *(1.75)*
C. Government enterprises and investment	2.00 *(46.80)*	4.00 *(31.80)*	2.00 *(42.20)*	0.00 *(62.70)*	6.00 *(25.30)*	6.00 *(28.00)*	6.00 *(26.50)*	4.00 *(33.51)*
D. Top marginal tax rate	5.00	5.00	4.00	3.00	10.00	10.00	3.50	3.50
(i) Top marginal income tax rate	5.00 *(45)*	5.00 *(45)*	4.00 *(45)*	3.00 *(49)*	10.00 *(10)*	10.00 *(10)*	5.00 *(39)*	5.00 *(39)*
(ii) Top marginal income and payroll tax rate							2.00 *(54)*	2.00 *(54)*
Area 2. Legal System and Property Rights		**5.72**	**4.80**	**5.44**	**3.85**	**3.11**	**3.08**	**2.95**
A. Judicial independence							1.55	1.33
B. Impartial courts				4.97	4.60	3.00	3.15	2.87
C. Protection of property rights							3.98	3.54
D. Military interference in rule of law and politics				5.94	1.67	1.67	2.50	2.50
E. Integrity of the legal system				6.96	5.00	4.17	4.17	4.17
F. Legal enforcement of contracts						2.47	2.47	2.47
G. Regulatory restrictions on sale of real property						4.23	4.26	4.26
H. Reliability of police							2.09	3.09
I. Business costs of crime							3.55	2.35
Area 3. Sound Money	**5.00**	**6.63**	**6.90**	**4.87**	**6.69**	**6.73**	**6.62**	**6.56**
A. Money growth	8.66 *(6.69)*	9.00 *(5.00)*	9.18 *(–4.12)*	7.60 *(12.02)*	9.79 *(1.06)*	8.49 *(7.54)*	7.73 *(11.37)*	7.81 *(10.93)*
B. Standard deviation of inflation	6.18 *(9.55)*	7.58 *(6.05)*	9.34 *(1.64)*	3.57 *(16.07)*	7.48 *(6.29)*	9.21 *(1.98)*	8.95 *(2.63)*	8.75 *(3.12)*
C. Inflation: most recent year	5.17 *(24.14)*	9.93 *(0.34)*	9.10 *(–4.52)*	8.30 *(8.50)*	9.51 *(2.46)*	9.22 *(3.89)*	9.79 *(1.03)*	9.66 *(1.68)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.19**	**4.51**	**4.09**	**4.69**	**5.26**	**5.91**	**6.28**	**6.43**
A. Tariffs	2.98	3.74	3.07	4.27	5.77	6.51	6.16	6.16
(i) Revenue from trade taxes (% of trade sector)	1.47 *(12.80)*	2.13 *(11.80)*	2.73 *(10.90)*	0.00 *(17.32)*	3.99 *(9.02)*	4.80 *(7.80)*	3.59 *(9.62)*	3.59 *(9.62)*
(ii) Mean tariff rate	4.50 *(27.50)*	5.34 *(23.30)*	3.40 *(33.00)*	3.40 *(33.00)*	7.60 *(12.00)*	7.48 *(12.60)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates				9.40 *(1.50)*	5.72 *(10.70)*	7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						5.55	5.89	6.20
(i) Non-tariff trade barriers							5.95	5.15
(ii) Compliance cost of importing and exporting						5.55	5.82	7.25
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	1.58	3.06	3.35
(i) Foreign ownership/investment restrictions							6.02	6.91
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						2.38	2.38	2.38
Area 5. Regulation	6.21	5.79	5.51	5.53	5.84	5.45	6.59	6.41
A. Credit market regulations	6.56	7.12	6.39	6.43	7.26	5.77	9.00	9.00
(i) Ownership of banks	2.00	2.00	2.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	9.67	9.35	9.17	7.29	7.78	3.31	10.00	10.00
(iii) Interest rate controls/negative real interest rates	8.00	10.00	8.00	4.00	6.00	6.00		
B. Labor market regulations						4.61	5.67	5.70
(i) Hiring regulations and minimum wage						6.70	6.67	6.67
(ii) Hiring and firing regulations							5.90	5.99
(iii) Centralized collective bargaining							7.38	7.44
(iv) Hours regulations						5.30	6.00	6.00
(v) Mandated cost of worker dismissal						5.46	7.09	7.09
(vi) Conscription	10.00	5.00	5.00	5.00	5.00	1.00	1.00	1.00
C. Business regulations						5.97	5.09	4.54
(i) Administrative requirements							3.08	3.53
(ii) Bureaucracy costs							6.57	2.73
(iii) Starting a business						6.41	6.66	6.93
(iv) Extra payments/bribes/favoritism							2.66	2.45
(v) Licensing restrictions						4.54	4.59	4.63
(vi) Cost of tax compliance						6.97	6.97	6.97

Croatia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.06** (98)	**6.35** (73)	**6.75** (71)	**7.05** (57)	**7.03** (58)
Area 1. Size of Government				4.52 (95)	4.03 (108)	4.55 (109)	4.96 (101)	4.96 (103)
Area 2. Legal System and Property Rights				6.95 (35)	7.58 (31)	7.11 (39)	7.69 (27)	7.67 (27)
Area 3. Sound Money			1.25 (112)	3.35 (104)	7.88 (61)	8.20 (63)	8.49 (60)	8.42 (68)
Area 4. Freedom to Trade Internationally				5.85 (78)	6.16 (83)	6.54 (80)	6.62 (78)	6.71 (82)
Area 5. Regulation				4.49 (105)	6.11 (74)	7.44 (24)	7.65 (14)	7.56 (24)
Unadjusted								
Summary Rating (Rank) ➤				**4.96** (99)	**6.16** (78)	**6.49** (85)	**6.78** (79)	**6.76** (84)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**5.28**	**4.03**	**4.55**	**4.96**	**4.96**
A. Government consumption				1.94 *(33.42)*	2.45 *(31.66)*	4.86 *(23.49)*	3.54 *(27.96)*	3.56 *(27.88)*
B. Transfers and subsidies				5.91 *(15.50)*	4.65 *(20.13)*	4.35 *(21.23)*	4.80 *(19.58)*	4.79 *(19.63)*
C. Government enterprises and investment				8.00 *(17.70)*	7.00 *(22.99)*	8.00 *(18.43)*	10.00 *(12.60)*	10.00 *(9.82)*
D. Top marginal tax rate					2.00	1.00	1.50	1.50
(i) Top marginal income tax rate					4.00 *(35-53)*	2.00 *(45-63)*	3.00 *(45-53)*	3.00 *(44-51)*
(ii) Top marginal income and payroll tax rate					0.00 *(55.9-68)*	0.00 *(62-75)*	0.00 *(62-68)*	0.00 *(62-67)*
Area 2. Legal System and Property Rights				**5.90**	**6.60**	**5.34**	**5.78**	**5.76**
A. Judicial independence						3.69	3.53	3.42
B. Impartial courts				5.82	6.07	4.04	2.79	2.81
C. Protection of property rights						4.98	4.93	4.88
D. Military interference in rule of law and politics				7.39	8.33	8.33	8.33	8.33
E. Integrity of the legal system					8.33	8.33	7.50	7.50
F. Legal enforcement of contracts						5.40	5.40	5.40
G. Regulatory restrictions on sale of real property						3.36	6.39	6.39
H. Reliability of police						4.53	5.73	6.97
I. Business costs of crime						5.43	7.45	6.16
Area 3. Sound Money			**2.50**	**3.35**	**7.88**	**8.20**	**8.49**	**8.42**
A. Money growth				0.00 *(62.40)*	8.28 *(8.60)*	8.62 *(6.89)*	9.98 *(−0.09)*	9.64 *(−1.78)*
B. Standard deviation of inflation				0.00 *(573.30)*	9.15 *(2.11)*	9.87 *(0.34)*	9.47 *(1.34)*	9.23 *(1.92)*
C. Inflation: most recent year			0.00 *(500.00)*	8.40 *(8.00)*	9.07 *(4.63)*	9.33 *(3.34)*	9.52 *(2.38)*	9.79 *(1.05)*
D. Freedom to own foreign currency bank accounts			5.00	5.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally				**5.79**	**6.16**	**7.52**	**7.61**	**7.71**
A. Tariffs				6.97	8.47	8.82	8.67	8.73
(i) Revenue from trade taxes (% of trade sector)				6.97 *(4.55)*	8.29 *(2.57)*	9.56 *(0.66)*	9.49 *(0.77)*	9.52 *(0.72)*
(ii) Mean tariff rate					8.66 *(6.70)*	9.52 *(2.40)*	9.02 *(4.90)*	9.04 *(4.80)*
(iii) Standard deviation of tariff rates						7.37 *(6.57)*	7.49 *(6.27)*	7.64 *(5.90)*
B. Regulatory trade barriers						6.43	6.77	6.81
(i) Non-tariff trade barriers						6.00	6.05	5.63
(ii) Compliance cost of importing and exporting						6.86	7.49	8.00
C. Black-market exchange rates			0.00	8.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people			0.00	2.00	0.00	4.84	5.00	5.28
(i) Foreign ownership/investment restrictions						6.17	5.12	4.44
(ii) Capital controls			0.00	2.00	0.00	1.54	3.08	4.62
(iii) Freedom of foreigners to visit						6.80	6.80	6.80
Area 5. Regulation				4.49	6.11	6.84	7.04	6.95
A. Credit market regulations			0.00	4.34	8.64	9.27	9.20	9.01
(i) Ownership of banks			0.00	0.00	10.00	10.00	10.00	10.00
(ii) Private sector credit				9.01	6.92	8.82	8.61	8.03
(iii) Interest rate controls/negative real interest rates				4.00	9.00	9.00	9.00	9.00
B. Labor market regulations						5.58	6.40	6.40
(i) Hiring regulations and minimum wage						3.90	2.23	2.23
(ii) Hiring and firing regulations						5.13	3.90	3.66
(iii) Centralized collective bargaining						7.07	6.70	6.92
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.38	7.59	7.59
(vi) Conscription				3.00	3.00	5.00	10.00	10.00
C. Business regulations						5.66	5.50	5.45
(i) Administrative requirements						3.22	1.87	2.05
(ii) Bureaucracy costs						5.70	4.80	4.20
(iii) Starting a business						9.01	9.64	9.64
(iv) Extra payments/bribes/favoritism						5.73	4.64	4.33
(v) Licensing restrictions						2.51	4.24	4.68
(vi) Cost of tax compliance						7.80	7.80	7.80

Cyprus

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.53** (42)	**5.53** (46)	**6.04** (43)	**6.41** (55)	**6.51** (68)	**7.55** (32)	**7.60** (21)	**7.55** (28)
Area 1. Size of Government	5.89 (27)	5.71 (33)	5.39 (64)	6.21 (57)	6.19 (59)	7.45 (36)	6.97 (36)	6.93 (43)
Area 2. Legal System and Property Rights		3.99 (72)	6.67 (29)	7.16 (32)	7.98 (26)	8.35 (17)	8.49 (18)	8.41 (17)
Area 3. Sound Money	5.69 (73)	6.84 (41)	7.03 (43)	7.25 (49)	6.88 (85)	9.35 (33)	9.42 (30)	9.44 (27)
Area 4. Freedom to Trade Internationally	5.39 (41)	5.52 (40)	5.32 (52)	5.58 (84)	6.00 (86)	7.29 (55)	7.28 (54)	7.10 (63)
Area 5. Regulation	5.15 (65)	5.61 (54)	5.81 (51)	5.84 (59)	5.52 (97)	5.22 (114)	5.68 (109)	5.71 (109)
Unadjusted								
Summary Rating (Rank) ➤	**5.56** (46)	**5.56** (48)	**5.94** (44)	**6.24** (57)	**6.30** (74)	**7.53** (30)	**7.69** (14)	**7.64** (20)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.03**	**5.85**	**5.39**	**6.21**	**6.19**	**7.45**	**6.97**	**6.93**
A. Government consumption	6.77 *(16.97)*	6.45 *(18.06)*	5.17 *(22.43)*	5.53 *(21.20)*	6.02 *(19.53)*	5.32 *(21.92)*	5.13 *(22.57)*	5.18 *(22.39)*
B. Transfers and subsidies	8.34 *(6.60)*	7.93 *(8.10)*	7.87 *(8.30)*	7.33 *(10.30)*	6.73 *(12.51)*	6.47 *(13.47)*	5.25 *(17.93)*	5.03 *(18.75)*
C. Government enterprises and investment	8.00 *(18.10)*	8.00 *(17.40)*	8.00 *(17.40)*	8.00 *(17.40)*	8.00 *(17.40)*	10.00 *(3.07)*	10.00 *(3.07)*	10.00 *(3.07)*
D. Top marginal tax rate	1.00	1.00	0.50	4.00	4.00	8.00	7.50	7.50
(i) Top marginal income tax rate	1.00 *(60)*	1.00 *(60)*	1.00 *(60)*	5.00 *(40)*	5.00 *(40)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			0.00 *(62)*	3.00 *(48)*	3.00 *(48)*	8.00 *(30)*	7.00 *(35)*	7.00 *(35)*
Area 2. Legal System and Property Rights		**3.99**	**6.67**	**6.30**	**6.89**	**7.43**	**6.95**	**6.88**
A. Judicial independence						6.99	7.49	7.15
B. Impartial courts				7.20	7.27	6.77	6.19	6.07
C. Protection of property rights						7.53	7.39	7.36
D. Military interference in rule of law and politics				7.32	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts							4.00	4.00
G. Regulatory restrictions on sale of real property							6.07	5.82
H. Reliability of police						6.57	6.61	7.81
I. Business costs of crime						7.47	8.13	7.08
Area 3. Sound Money	**5.69**	**6.84**	**7.03**	**7.25**	**6.88**	**9.35**	**9.42**	**9.44**
A. Money growth	6.40 *(18.00)*	9.60 *(1.99)*	9.45 *(2.75)*	9.91 *(0.45)*	8.65 *(6.77)*	8.48 *(7.62)*	8.55 *(7.23)*	9.03 *(4.84)*
B. Standard deviation of inflation	9.06 *(2.36)*	8.89 *(2.77)*	9.71 *(0.72)*	9.62 *(0.94)*	9.70 *(0.75)*	9.42 *(1.45)*	9.19 *(2.02)*	9.19 *(2.03)*
C. Inflation: most recent year	7.30 *(13.50)*	8.87 *(5.67)*	8.95 *(5.27)*	9.48 *(2.62)*	9.17 *(4.14)*	9.49 *(2.56)*	9.93 *(0.37)*	9.52 *(2.38)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.39**	**5.52**	**4.82**	**5.58**	**6.00**	**8.05**	**8.25**	**8.04**
A. Tariffs	6.96	6.77	5.47	7.73	7.99	8.39	8.35	8.34
(i) Revenue from trade taxes (% of trade sector)	7.33 *(4.00)*	7.07 *(4.40)*	7.20 *(4.20)*	8.27 *(2.60)*	9.27 *(1.10)*	9.59 *(0.62)*	9.81 *(0.29)*	9.63 *(0.55)*
(ii) Mean tariff rate	6.58 *(17.10)*	6.48 *(17.60)*	6.70 *(16.50)*	7.20 *(14.00)*	6.72 *(16.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			2.52 *(18.70)*			6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers						7.10	8.21	7.46
(i) Non-tariff trade barriers						7.10	7.15	6.73
(ii) Compliance cost of importing and exporting							9.27	8.19
C. Black-market exchange rates	9.20	9.80	9.00	9.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	6.73	6.44	6.37
(i) Foreign ownership/investment restrictions						6.68	6.59	6.37
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	6.92	6.15	6.15
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.15	5.61	5.81	5.84	5.52	5.39	6.85	6.89
A. Credit market regulations	7.09	8.30	8.83	8.92	8.08	7.81	7.82	7.82
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00
(ii) Private sector credit	9.28	8.90	8.50	8.75	6.23	3.43	3.47	3.47
(iii) Interest rate controls/negative real interest rates	4.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations						2.87	6.30	6.17
(i) Hiring regulations and minimum wage							6.67	6.67
(ii) Hiring and firing regulations						3.59	5.15	4.78
(iii) Centralized collective bargaining						5.02	6.00	5.59
(iv) Hours regulations							10.00	10.00
(v) Mandated cost of worker dismissal							10.00	10.00
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						5.50	6.43	6.69
(i) Administrative requirements						4.24	4.95	4.88
(ii) Bureaucracy costs						5.12	3.50	6.11
(iii) Starting a business							9.61	9.61
(iv) Extra payments/bribes/favoritism						7.14	7.26	6.29
(v) Licensing restrictions							4.92	4.91
(vi) Cost of tax compliance							8.33	8.33

Czech Republic

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.84** (72)	**6.53** (67)	**6.92** (61)	**7.09** (55)	**7.08** (54)
Area 1. Size of Government				2.81 (116)	3.13 (118)	3.30 (122)	3.62 (119)	3.68 (118)
Area 2. Legal System and Property Rights		6.78 (22)	7.25 (24)	6.55 (43)	6.89 (43)	6.61 (48)	6.93 (38)	6.74 (45)
Area 3. Sound Money				5.95 (74)	8.13 (55)	9.05 (41)	9.48 (27)	9.45 (26)
Area 4. Freedom to Trade Internationally				8.05 (28)	8.28 (35)	8.00 (27)	7.82 (39)	7.74 (36)
Area 5. Regulation			4.20 (100)	5.85 (57)	6.22 (66)	7.69 (17)	7.57 (17)	7.76 (14)
Unadjusted								
Summary Rating (Rank) ➤				**5.79** (73)	**6.53** (63)	**7.00** (62)	**7.17** (51)	**7.16** (58)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**2.81**	**3.13**	**4.45**	**4.88**	**4.96**
A. Government consumption				3.04 *(29.66)*	3.02 *(29.73)*	2.64 *(31.03)*	2.85 *(30.31)*	2.93 *(30.04)*
B. Transfers and subsidies			0.00 *(37.20)*	2.40 *(28.40)*	2.35 *(28.56)*	3.17 *(25.58)*	2.65 *(27.47)*	2.91 *(26.52)*
C. Government enterprises and investment						8.00 *(19.75)*	7.00 *(23.35)*	7.00 *(23.35)*
D. Top marginal tax rate				3.00	4.00	4.00	7.00	7.00
(i) Top marginal income tax rate				5.00 *(43)*	7.00 *(32)*	7.00 *(32)*	10.00 *(15)*	10.00 *(15)*
(ii) Top marginal income and payroll tax rate				1.00 *(64)*	1.00 *(56)*	1.00 *(58)*	4.00 *(45)*	4.00 *(45)*
Area 2. Legal System and Property Rights		**6.78**	**7.25**	**6.55**	**6.89**	**6.04**	**6.33**	**6.16**
A. Judicial independence				6.17	6.01	4.73	4.96	4.51
B. Impartial courts				3.58	4.51	4.12	3.70	3.16
C. Protection of property rights				4.54	5.58	6.00	5.65	5.14
D. Military interference in rule of law and politics				8.45	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						3.54	3.85	3.85
G. Regulatory restrictions on sale of real property						6.69	8.20	8.54
H. Reliability of police						4.67	4.65	7.50
I. Business costs of crime						6.30	7.62	4.38
Area 3. Sound Money				**5.95**	**8.13**	**9.05**	**9.48**	**9.45**
A. Money growth				6.00 *(20.00)*	9.87 *(0.65)*	7.45 *(12.76)*	8.70 *(6.48)*	8.80 *(6.00)*
B. Standard deviation of inflation				4.88 *(12.79)*	8.43 *(3.93)*	9.11 *(2.23)*	9.41 *(1.46)*	9.28 *(1.80)*
C. Inflation: most recent year				7.92 *(10.41)*	9.22 *(3.90)*	9.63 *(1.85)*	9.79 *(1.04)*	9.72 *(1.41)*
D. Freedom to own foreign currency bank accounts				5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally				**7.90**	**8.28**	**8.04**	**7.86**	**7.77**
A. Tariffs				8.45	8.22	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)				9.25 *(1.13)*	9.68 *(0.48)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate				8.66 *(6.70)*	8.70 *(6.50)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates				7.44 *(6.40)*	6.28 *(9.30)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				7.42	7.88	7.48	7.67	7.27
(i) Non-tariff trade barriers				7.42	7.27	7.27	7.84	7.29
(ii) Compliance cost of importing and exporting					8.50	7.70	7.49	7.25
C. Black-market exchange rates				10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.72	7.03	6.28	5.55	5.49
(i) Foreign ownership/investment restrictions				6.44	7.92	8.42	7.01	6.80
(ii) Capital controls	0.00	0.00	0.00	5.00	6.15	3.85	3.08	3.08
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation			3.42	5.72	6.22	7.40	7.28	7.47
A. Credit market regulations	0.00	0.00	0.00	6.89	6.85	9.52	9.00	9.22
(i) Ownership of banks	0.00	0.00	0.00	5.00	2.00	10.00	10.00	10.00
(ii) Private sector credit				9.68	8.56	8.57	6.99	7.67
(iii) Interest rate controls/negative real interest rates				6.00	10.00	10.00	10.00	10.00
B. Labor market regulations				5.03	5.22	7.61	7.60	7.67
(i) Hiring regulations and minimum wage				6.58	5.09	6.70	6.67	6.67
(ii) Hiring and firing regulations			5.62	5.62	5.30	3.26	3.36	3.59
(iii) Centralized collective bargaining				5.18	7.70	7.75	6.81	6.97
(iv) Hours regulations				4.75	5.01	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						7.96	8.79	8.79
(vi) Conscription	0.00	0.00	0.00	3.00	3.00	10.00	10.00	10.00
C. Business regulations				5.25	6.59	5.07	5.25	5.51
(i) Administrative requirements					7.80	2.22	2.78	2.70
(ii) Bureaucracy costs				5.89	8.10	5.51	2.47	4.32
(iii) Starting a business				5.97	5.53	9.02	9.16	9.17
(iv) Extra payments/bribes/favoritism				3.89	4.92	6.56	4.88	4.16
(v) Licensing restrictions						7.13	8.44	8.94
(vi) Cost of tax compliance						0.00	3.76	3.76

Denmark

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.39** (20)	**6.53** (21)	**7.26** (16)	**7.73** (12)	**7.92** (13)	**7.94** (13)	**7.64** (19)	**7.76** (16)
Area 1. Size of Government	3.06 (95)	3.14 (98)	3.17 (105)	3.07 (114)	3.48 (114)	3.81 (118)	3.41 (121)	3.78 (117)
Area 2. Legal System and Property Rights	7.18 (15)	7.88 (7)	8.35 (3)	9.09 (9)	9.54 (2)	9.46 (1)	8.97 (7)	9.12 (3)
Area 3. Sound Money	6.68 (34)	6.51 (64)	9.46 (13)	9.77 (2)	9.71 (4)	9.49 (24)	9.49 (25)	9.60 (16)
Area 4. Freedom to Trade Internationally	7.91 (12)	8.10 (12)	8.12 (16)	9.23 (8)	9.40 (6)	8.67 (8)	8.45 (13)	8.10 (20)
Area 5. Regulation	7.21 (8)	7.04 (15)	7.20 (15)	7.46 (11)	7.46 (17)	8.24 (10)	7.82 (11)	8.16 (10)
Unadjusted								
Summary Rating (Rank) ➤	**6.24** (25)	**6.37** (25)	**7.16** (17)	**7.72** (14)	**7.92** (13)	**7.89** (13)	**7.59** (21)	**7.71** (16)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.06**	**3.14**	**3.17**	**3.07**	**3.48**	**3.81**	**3.41**	**3.78**
A. Government consumption	1.76 *(34.01)*	1.99 *(33.23)*	1.69 *(34.25)*	1.87 *(33.63)*	1.74 *(34.08)*	1.55 *(34.74)*	0.65 *(37.80)*	0.74 *(37.48)*
B. Transfers and subsidies	4.47 *(20.80)*	4.58 *(20.40)*	3.98 *(22.60)*	2.92 *(26.50)*	3.67 *(23.72)*	3.18 *(25.54)*	3.51 *(24.31)*	3.39 *(24.76)*
C. Government enterprises and investment	6.00 *(25.00)*	6.00 *(26.00)*	7.00 *(20.30)*	7.00 *(24.90)*	7.00 *(24.90)*	10.00 *(9.07)*	8.00 *(17.07)*	8.00 *(17.62)*
D. Top marginal tax rate	0.00	0.00	0.00	0.50	1.50	0.50	1.50	3.00
(i) Top marginal income tax rate	0.00 *(66)*	0.00 *(73)*	0.00 *(68)*	1.00 *(64)*	2.00 *(59)*	1.00 *(59)*	2.00 *(59)*	3.00 *(52)*
(ii) Top marginal income and payroll tax rate			0.00 *(69)*	0.00 *(67)*	1.00 *(63)*	0.00 *(63)*	1.00 *(62)*	3.00 *(55)*
Area 2. Legal System and Property Rights	**7.18**	**7.88**	**8.35**	**9.09**	**9.54**	**8.99**	**8.52**	**8.67**
A. Judicial independence				8.82	9.35	8.78	9.00	9.26
B. Impartial courts				9.52	9.52	9.25	7.15	7.24
C. Protection of property rights				7.38	8.82	9.34	8.38	8.42
D. Military interference in rule of law and politics				9.73	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						6.19	5.96	5.96
G. Regulatory restrictions on sale of real property						9.01	9.01	9.50
H. Reliability of police						9.17	8.66	8.73
I. Business costs of crime						9.17	8.56	8.89
Area 3. Sound Money	**6.68**	**6.51**	**9.46**	**9.77**	**9.71**	**9.49**	**9.49**	**9.60**
A. Money growth	8.70 *(6.51)*	7.86 *(10.71)*	8.80 *(6.01)*	9.75 *(1.27)*	9.75 *(1.27)*	8.56 *(7.20)*	8.83 *(5.83)*	9.48 *(2.58)*
B. Standard deviation of inflation	9.67 *(0.82)*	9.03 *(2.42)*	9.72 *(0.71)*	9.76 *(0.60)*	9.69 *(0.76)*	9.77 *(0.58)*	9.41 *(1.48)*	9.36 *(1.60)*
C. Inflation: most recent year	8.35 *(8.23)*	9.13 *(4.33)*	9.32 *(3.40)*	9.57 *(2.14)*	9.42 *(2.92)*	9.64 *(1.81)*	9.73 *(1.33)*	9.54 *(2.30)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**7.85**	**8.04**	**7.83**	**9.13**	**9.40**	**8.55**	**8.34**	**7.99**
A. Tariffs	8.95	9.12	8.48	8.70	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.67 *(0.50)*	9.73 *(0.40)*	9.80 *(0.30)*	9.80 *(0.30)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				9.05	9.43	8.39	8.12	6.62
(i) Non-tariff trade barriers				9.05	9.04	7.35	6.81	7.05
(ii) Compliance cost of importing and exporting					9.83	9.43	9.43	6.19
C. Black-market exchange rates	9.60	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	8.77	8.97	7.42	7.02	6.99
(i) Foreign ownership/investment restrictions				9.54	9.48	8.08	6.87	6.79
(ii) Capital controls	5.00	5.00	5.00	8.00	8.46	7.69	7.69	7.69
(iii) Freedom of foreigners to visit						6.50	6.50	6.50
Area 5. Regulation	6.44	6.28	7.00	7.53	7.46	8.60	8.17	8.52
A. Credit market regulations	9.41	9.08	9.34	9.39	10.00	10.00	9.69	9.69
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.24	7.25	8.03	8.16	10.00	10.00	9.06	9.06
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.46	3.49	4.66	4.83	4.62	7.43	7.47	7.46
(i) Hiring regulations and minimum wage				3.68	4.76	10.00	10.00	10.00
(ii) Hiring and firing regulations			8.10	8.10	6.47	7.39	8.00	8.51
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	4.85	6.18	5.84	5.28
(iv) Hours regulations	2.20	2.29	2.37	4.17	4.01	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						10.00	10.00	10.00
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations				8.39	7.76	8.38	7.36	8.41
(i) Administrative requirements					7.05	4.56	4.72	5.03
(ii) Bureaucracy costs				8.87	8.23	8.44	2.32	8.37
(iii) Starting a business				6.32	6.45	9.66	9.72	9.73
(iv) Extra payments/bribes/favoritism				9.99	9.29	9.49	9.21	9.15
(v) Licensing restrictions						9.67	9.68	9.72
(vi) Cost of tax compliance						8.49	8.49	8.49

Dominican Republic

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.16** (57)	**4.91** (70)	**4.34** (98)	**5.99** (69)	**6.76** (55)	**6.53** (76)	**6.82** (64)	**6.98** (61)
Area 1. Size of Government	5.71 (30)	6.20 (19)	6.68 (25)	8.14 (12)	8.88 (3)	8.96 (4)	8.15 (9)	8.18 (14)
Area 2. Legal System and Property Rights	5.14 (43)	4.78 (58)	4.72 (64)	5.03 (84)	4.62 (86)	4.42 (88)	4.42 (94)	4.28 (96)
Area 3. Sound Money	7.34 (28)	3.82 (100)	2.05 (111)	4.48 (99)	6.82 (89)	5.87 (112)	8.12 (69)	9.24 (43)
Area 4. Freedom to Trade Internationally	2.32 (72)	4.27 (60)	2.25 (95)	5.25 (92)	6.41 (78)	6.80 (74)	7.07 (66)	7.04 (67)
Area 5. Regulation	5.51 (49)	5.38 (60)	5.83 (48)	6.93 (23)	7.08 (35)	6.59 (75)	6.29 (92)	6.20 (93)
Unadjusted								
Summary Rating (Rank) ➤	**5.66** (39)	**5.39** (55)	**4.48** (95)	**6.10** (61)	**6.73** (55)	**6.63** (81)	**6.92** (70)	**7.09** (63)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.71**	**6.20**	**6.68**	**8.14**	**8.88**	**8.96**	**8.15**	**8.18**
A. Government consumption	9.12 *(8.98)*	9.35 *(8.20)*	10.00 *(6.00)*	9.87 *(6.43)*	9.03 *(9.29)*	11.67 *(7.48)*	9.29 *(8.41)*	9.40 *(8.04)*
B. Transfers and subsidies	9.70 *(1.60)*	9.46 *(2.50)*	9.73 *(1.50)*	9.67 *(1.70)*	9.49 *(2.36)*	9.17 *(3.54)*	9.32 *(2.99)*	9.32 *(2.99)*
C. Government enterprises and investment	4.00 *(31.60)*	6.00 *(25.10)*	7.00 *(23.70)*	4.00 *(33.70)*	8.00 *(18.00)*	7.00 *(24.30)*	6.00 *(25.10)*	6.00 *(25.10)*
D. Top marginal tax rate	0.00	0.00	0.00	9.00	9.00	8.00	8.00	8.00
(i) Top marginal income tax rate	0.00 *(73)*	0.00 *(73)*	0.00 *(73)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			0.00 *(73)*	9.00 *(25)*	9.00 *(25)*	7.00 *(32)*	7.00 *(33)*	7.00 *(33)*
Area 2. Legal System and Property Rights	**5.78**	**5.38**	**5.30**	**5.22**	**4.47**	**4.36**	**4.37**	**4.22**
A. Judicial independence						4.17	3.44	2.82
B. Impartial courts				6.23	5.57	3.75	3.53	3.41
C. Protection of property rights					2.90	5.27	4.97	4.79
D. Military interference in rule of law and politics				6.63	5.00	5.00	5.00	5.00
E. Integrity of the legal system				4.11	5.00	3.33	4.17	4.17
F. Legal enforcement of contracts						4.51	4.51	4.51
G. Regulatory restrictions on sale of real property						6.30	7.65	7.65
H. Reliability of police						3.43	2.18	4.05
I. Business costs of crime						3.50	3.84	1.62
Area 3. Sound Money	**7.34**	**3.82**	**2.05**	**4.48**	**6.82**	**5.87**	**8.12**	**9.24**
A. Money growth	8.96 *(5.18)*	7.26 *(13.69)*	4.70 *(26.49)*	8.44 *(7.82)*	9.39 *(3.06)*	7.40 *(13.00)*	8.85 *(5.75)*	9.26 *(3.72)*
B. Standard deviation of inflation	8.14 *(4.64)*	3.00 *(17.49)*	3.48 *(16.30)*	1.99 *(20.03)*	9.42 *(1.45)*	1.91 *(20.22)*	8.91 *(2.72)*	8.97 *(2.58)*
C. Inflation: most recent year	7.26 *(13.70)*	0.00 *(50.50)*	0.00 *(51.05)*	7.49 *(12.56)*	8.46 *(7.72)*	9.16 *(4.19)*	9.71 *(1.44)*	8.73 *(6.33)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	0.00	0.00	0.00	5.00	5.00	10.00
Area 4. Freedom to Trade Internationally	**2.69**	**4.96**	**2.37**	**5.53**	**6.41**	**7.27**	**7.55**	**7.52**
A. Tariffs	3.47	5.67	5.11	5.00	5.78	7.03	7.54	7.54
(i) Revenue from trade taxes (% of trade sector)	3.47 *(9.80)*	5.67 *(6.50)*	5.83 *(6.26)*	4.01 *(8.99)*	5.23 *(7.16)*	6.03 *(5.96)*	7.60 *(3.60)*	7.60 *(3.60)*
(ii) Mean tariff rate			4.40 *(28.00)*	6.00 *(20.00)*	6.10 *(19.50)*	8.20 *(9.00)*	8.58 *(7.10)*	8.58 *(7.10)*
(iii) Standard deviation of tariff rates					6.00 *(10.00)*	6.87 *(7.82)*	6.45 *(8.88)*	6.45 *(8.88)*
B. Regulatory trade barriers					3.33	6.04	6.75	6.33
(i) Non-tariff trade barriers					3.33	4.40	4.71	4.79
(ii) Compliance cost of importing and exporting						7.68	8.79	7.88
C. Black-market exchange rates	2.60	7.20	0.00	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	6.52	6.00	5.92	6.22
(i) Foreign ownership/investment restrictions					8.42	7.70	6.68	6.81
(ii) Capital controls	2.00	2.00	2.00	2.00	4.62	3.85	4.62	5.38
(iii) Freedom of foreigners to visit						6.46	6.46	6.46
Area 5. Regulation	6.76	6.61	5.99	7.12	7.08	6.69	6.39	6.29
A. Credit market regulations	7.79	7.34	5.99	8.97	9.39	7.88	6.82	7.15
(i) Ownership of banks	8.00	8.00	10.00	10.00	10.00	5.00	5.00	5.00
(ii) Private sector credit	7.58	6.68	7.97	8.90	9.17	9.63	6.45	6.45
(iii) Interest rate controls/negative real interest rates			0.00	8.00	9.00	9.00	9.00	10.00
B. Labor market regulations					5.92	6.47	6.25	6.31
(i) Hiring regulations and minimum wage					2.93	4.40	5.57	5.57
(ii) Hiring and firing regulations					5.17	7.10	4.52	4.77
(iii) Centralized collective bargaining					5.58	7.50	7.16	7.26
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						1.84	2.25	2.25
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					5.94	5.71	6.09	5.42
(i) Administrative requirements					7.37	3.55	3.54	3.12
(ii) Bureaucracy costs					5.18	4.44	6.54	3.46
(iii) Starting a business					5.48	7.38	8.98	9.02
(iv) Extra payments/bribes/favoritism					5.73	5.11	3.93	3.31
(v) Licensing restrictions						7.02	7.20	7.25
(vi) Cost of tax compliance						6.79	6.37	6.37

Ecuador

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.29** (53)	**4.38** (86)	**5.35** (66)	**6.15** (61)	**5.82** (96)	**5.85** (103)	**5.79** (108)	**5.70** (111)
Area 1. Size of Government	5.29 (44)	4.94 (55)	8.25 (4)	8.22 (8)	8.93 (2)	8.03 (20)	6.20 (68)	5.63 (82)
Area 2. Legal System and Property Rights	5.35 (42)	4.80 (57)	4.76 (62)	4.10 (103)	3.30 (113)	3.08 (112)	3.25 (111)	3.26 (109)
Area 3. Sound Money	8.15 (17)	6.89 (40)	3.98 (101)	6.47 (65)	4.90 (113)	4.73 (121)	6.36 (111)	6.38 (112)
Area 4. Freedom to Trade Internationally	3.32 (62)	1.88 (83)	4.86 (63)	6.43 (65)	7.39 (56)	7.15 (59)	6.65 (77)	6.78 (78)
Area 5. Regulation	4.26 (85)	3.66 (94)	4.82 (87)	5.54 (76)	4.59 (114)	6.17 (90)	6.35 (90)	6.31 (92)
Unadjusted								
Summary Rating (Rank) ➤	**5.77** (34)	**4.66** (81)	**5.53** (58)	**6.34** (56)	**5.82** (94)	**5.96** (114)	**5.89** (123)	**5.80** (126)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.45**	**5.09**	**8.25**	**8.22**	**8.93**	**8.03**	**6.20**	**5.63**
A. Government consumption	6.01 *(19.57)*	7.32 *(15.10)*	8.48 *(11.16)*	7.15 *(15.68)*	7.86 *(13.27)*	7.53 *(14.41)*	7.19 *(15.54)*	7.42 *(14.77)*
B. Transfers and subsidies	8.80 *(4.90)*	9.05 *(4.00)*	9.51 *(2.30)*	9.73 *(1.50)*	9.86 *(1.02)*	9.59 *(2.00)*	9.59 *(2.00)*	9.59 *(2.00)*
C. Government enterprises and investment	2.00 *(40.20)*	2.00 *(41.30)*	7.00 *(21.70)*	8.00 *(18.30)*	10.00 *(3.15)*	7.00 *(22.42)*	0.00 *(51.99)*	0.00 *(51.80)*
D. Top marginal tax rate	5.00	2.00	8.00	8.00	8.00	8.00	8.00	5.50
(i) Top marginal income tax rate	5.00 *(50)*	2.00 *(58)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			7.00 *(32)*	7.00 *(32)*	7.00 *(32)*	7.00 *(35)*	7.00 *(32)*	4.00 *(47)*
Area 2. Legal System and Property Rights	**5.86**	**5.25**	**5.21**	**4.38**	**3.30**	**3.75**	**3.95**	**3.97**
A. Judicial independence					2.67	1.90	1.66	2.17
B. Impartial courts				4.28	2.51	2.20	2.37	2.41
C. Protection of property rights					2.98	4.05	3.63	3.68
D. Military interference in rule of law and politics				5.07	3.33	2.50	2.50	2.50
E. Integrity of the legal system				4.11	5.00	4.38	4.17	4.17
F. Legal enforcement of contracts						4.38	4.38	4.38
G. Regulatory restrictions on sale of real property						8.49	8.97	9.01
H. Reliability of police						3.07	3.38	3.84
I. Business costs of crime						2.76	4.51	3.57
Area 3. Sound Money	**8.15**	**6.89**	**3.98**	**6.47**	**4.90**	**4.73**	**6.36**	**6.38**
A. Money growth	8.13 *(9.33)*	7.90 *(10.48)*	2.62 *(36.92)*	4.76 *(26.19)*	4.25 *(28.73)*	2.73 *(36.33)*	7.71 *(11.43)*	7.48 *(12.61)*
B. Standard deviation of inflation	8.38 *(4.06)*	5.85 *(10.37)*	3.29 *(16.77)*	5.78 *(10.54)*	5.36 *(11.61)*	6.69 *(8.29)*	8.75 *(3.12)*	8.75 *(3.13)*
C. Inflation: most recent year	6.10 *(19.51)*	3.82 *(30.90)*	0.00 *(54.01)*	5.35 *(23.23)*	0.00 *(96.09)*	9.52 *(2.41)*	8.97 *(5.16)*	9.29 *(3.56)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.87**	**2.19**	**5.10**	**6.75**	**7.39**	**7.25**	**6.74**	**6.88**
A. Tariffs	5.20	4.16	3.30	7.66	7.14	7.14	6.37	6.37
(i) Revenue from trade taxes (% of trade sector)	5.20 *(7.20)*	5.87 *(6.20)*	7.33 *(4.00)*	7.67 *(3.50)*	6.53 *(5.20)*	6.53 *(5.20)*	6.53 *(5.20)*	6.53 *(5.20)*
(ii) Mean tariff rate		2.46 *(37.70)*	2.58 *(37.10)*	7.54 *(12.30)*	7.42 *(12.90)*	7.64 *(11.80)*	7.76 *(11.20)*	7.76 *(11.20)*
(iii) Standard deviation of tariff rates			0.00 *(27.00)*	7.76 *(5.60)*	7.48 *(6.30)*	7.24 *(6.90)*	4.80 *(12.99)*	4.80 *(12.99)*
B. Regulatory trade barriers					4.73	4.74	4.63	5.18
(i) Non-tariff trade barriers					3.13	3.91	2.59	3.43
(ii) Compliance cost of importing and exporting					6.33	5.57	6.68	6.94
C. Black-market exchange rates	7.40	0.40	10.00	7.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	5.00	7.69	7.12	5.97	5.95
(i) Foreign ownership/investment restrictions					9.23	4.95	4.05	4.01
(ii) Capital controls	2.00	2.00	2.00	5.00	6.15	8.46	3.85	3.85
(iii) Freedom of foreigners to visit						7.94	10.00	10.00
Area 5. Regulation	4.52	3.88	5.12	5.87	4.59	6.02	6.20	6.16
A. Credit market regulations	5.42	3.74	6.00	8.00	5.33	9.33	9.30	9.30
(i) Ownership of banks	5.00	5.00	8.00	8.00	2.00	8.00	8.00	8.00
(ii) Private sector credit	7.27	6.21	10.00	10.00	10.00	10.00	9.90	9.90
(iii) Interest rate controls/negative real interest rates	4.00	0.00	0.00	6.00	4.00	10.00	10.00	10.00
B. Labor market regulations					3.57	3.93	4.09	4.21
(i) Hiring regulations and minimum wage					3.49	5.60	5.57	5.57
(ii) Hiring and firing regulations					3.43	3.24	2.45	3.21
(iii) Centralized collective bargaining					4.25	5.74	5.54	5.47
(iv) Hours regulations					3.67	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations					4.86	4.81	5.21	4.97
(i) Administrative requirements					5.33	2.41	3.22	3.23
(ii) Bureaucracy costs					5.25	3.28	5.72	3.76
(iii) Starting a business					3.97	7.53	7.85	7.89
(iv) Extra payments/bribes/favoritism					4.87	4.54	3.80	3.78
(v) Licensing restrictions						7.81	8.01	8.50
(vi) Cost of tax compliance						3.27	2.67	2.67

Egypt

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.40** (79)	**4.86** (72)	**4.60** (89)	**5.99** (68)	**6.81** (51)	**6.59** (74)	**6.69** (72)	**6.78** (69)
Area 1. Size of Government	3.95 (82)	4.54 (69)	4.37 (88)	4.73 (91)	6.13 (63)	6.34 (75)	6.54 (51)	7.27 (36)
Area 2. Legal System and Property Rights	2.76 (70)	5.38 (49)	3.50 (81)	4.88 (87)	5.87 (63)	5.63 (67)	5.60 (73)	5.40 (76)
Area 3. Sound Money	7.70 (23)	8.85 (18)	8.16 (30)	7.61 (45)	9.53 (18)	8.85 (46)	8.66 (56)	8.81 (58)
Area 4. Freedom to Trade Internationally	2.18 (77)	0.40 (96)	1.12 (102)	6.27 (69)	6.66 (76)	6.67 (78)	6.74 (75)	6.77 (79)
Area 5. Regulation	4.76 (79)	5.16 (69)	5.68 (58)	6.49 (40)	5.84 (88)	5.37 (111)	5.89 (104)	5.69 (110)
Unadjusted								
Summary Rating (Rank) ➤	**4.38** (79)	**4.83** (74)	**4.49** (94)	**5.90** (70)	**6.81** (50)	**6.42** (92)	**6.40** (97)	**6.49** (99)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.95**	**4.54**	**4.37**	**4.73**	**6.13**	**6.34**	**5.92**	**6.58**
A. Government consumption	6.33 *(18.47)*	5.83 *(20.18)*	7.77 *(13.60)*	8.12 *(12.40)*	8.29 *(11.80)*	7.32 *(15.11)*	7.95 *(12.98)*	7.94 *(13.00)*
B. Transfers and subsidies	5.45 *(17.20)*	6.35 *(13.90)*	7.71 *(8.90)*	7.81 *(8.53)*	9.22 *(3.38)*	8.06 *(7.62)*	6.21 *(14.39)*	6.87 *(11.97)*
C. Government enterprises and investment	4.00 *(39.70)*	4.00 *(30.70)*	0.00 *(54.50)*	0.00 *(76.40)*	0.00 *(52.10)*	0.00 *(51.90)*	2.00 *(42.41)*	4.00 *(34.52)*
D. Top marginal tax rate	0.00	2.00	2.00	3.00	7.00	10.00	7.50	7.50
(i) Top marginal income tax rate	0.00 *(80)*	2.00 *(65)*	2.00 *(65)*	3.00 *(50)*	7.00 *(34)*	10.00 *(20)*	10.00 *(20)*	10.00 *(20)*
(ii) Top marginal income and payroll tax rate							5.00 *(40)*	5.00 *(40)*
Area 2. Legal System and Property Rights	**2.76**	**5.38**	**3.50**	**4.88**	**5.87**	**5.47**	**5.43**	**5.24**
A. Judicial independence				5.93	6.85	6.37	4.85	6.28
B. Impartial courts				3.33	5.68	5.09	4.90	4.24
C. Protection of property rights				4.90	5.17	6.22	6.06	5.21
D. Military interference in rule of law and politics				6.13	5.00	5.00	5.00	4.17
E. Integrity of the legal system				4.11	6.67	6.67	5.83	5.83
F. Legal enforcement of contracts						3.41	3.41	3.41
G. Regulatory restrictions on sale of real property						4.25	8.38	8.38
H. Reliability of police						5.88	4.93	4.84
I. Business costs of crime						6.31	5.52	4.82
Area 3. Sound Money	**7.70**	**8.85**	**8.16**	**7.61**	**9.53**	**8.85**	**8.66**	**8.81**
A. Money growth	6.29 *(18.55)*	8.57 *(7.17)*	8.93 *(5.33)*	9.12 *(4.42)*	9.46 *(2.69)*	7.94 *(10.31)*	8.13 *(9.33)*	8.31 *(8.47)*
B. Standard deviation of inflation	8.12 *(4.71)*	8.63 *(3.42)*	7.38 *(6.56)*	8.20 *(4.51)*	9.20 *(2.01)*	8.42 *(3.94)*	8.88 *(2.81)*	9.19 *(2.02)*
C. Inflation: most recent year	6.39 *(18.03)*	8.19 *(9.04)*	6.31 *(18.44)*	8.12 *(9.41)*	9.46 *(2.68)*	9.03 *(4.87)*	7.65 *(11.76)*	7.75 *(11.27)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.03**	**0.56**	**1.04**	**6.02**	**6.66**	**6.23**	**6.30**	**6.33**
A. Tariffs	0.89	1.69	3.12	3.06	3.74	4.90	4.88	4.83
(i) Revenue from trade taxes (% of trade sector)	1.27 *(13.10)*	1.93 *(12.10)*	6.07 *(5.90)*	4.83 *(7.75)*	5.33 *(7.00)*	8.48 *(2.28)*	8.05 *(2.93)*	7.88 *(3.18)*
(ii) Mean tariff rate	0.52 *(47.40)*	1.44 *(42.80)*	3.30 *(33.50)*	4.34 *(28.30)*	5.90 *(20.50)*	6.22 *(18.90)*	6.60 *(17.00)*	6.60 *(17.00)*
(iii) Standard deviation of tariff rates			0.00 *(425.80)*	0.00 *(28.90)*	0.00 *(39.50)*	0.00 *(141.08)*	0.00 *(149.47)*	0.00 *(149.47)*
B. Regulatory trade barriers				4.52	5.58	5.74	6.68	6.92
(i) Non-tariff trade barriers				4.52	4.50	4.55	4.94	5.09
(ii) Compliance cost of importing and exporting					6.66	6.93	8.41	8.75
C. Black-market exchange rates	8.20	0.00	0.00	9.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	7.10	7.31	4.30	3.63	3.57
(i) Foreign ownership/investment restrictions				9.21	9.23	5.94	5.48	5.29
(ii) Capital controls	0.00	0.00	0.00	5.00	5.38	6.15	4.62	4.62
(iii) Freedom of foreigners to visit						0.79	0.79	0.79
Area 5. Regulation	4.46	4.84	5.39	6.24	5.84	5.19	5.69	5.49
A. Credit market regulations	3.93	5.20	6.79	8.33	8.03	6.35	6.02	5.88
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	2.00	2.00	2.00
(ii) Private sector credit	2.80	4.60	9.37	10.00	9.08	7.05	6.07	5.65
(iii) Interest rate controls/negative real interest rates	4.00	6.00	6.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			3.98	5.57	4.01	4.98	4.97	4.90
(i) Hiring regulations and minimum wage				8.33	4.17	10.00	10.00	10.00
(ii) Hiring and firing regulations			4.02	4.02	3.05	3.44	4.76	4.47
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.93	7.50	8.44	7.06	6.91
(iv) Hours regulations				7.55	5.34	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				4.81	5.47	4.23	6.07	5.68
(i) Administrative requirements					7.50	3.10	3.53	3.32
(ii) Bureaucracy costs				4.70	2.75	1.13	5.91	4.48
(iii) Starting a business				6.02	5.83	6.39	9.71	9.72
(iv) Extra payments/bribes/favoritism				3.72	5.80	6.39	5.28	4.36
(v) Licensing restrictions						5.08	6.83	7.08
(vi) Cost of tax compliance						3.32	5.15	5.15

El Salvador

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.47** (76)	**4.19** (90)	**4.69** (87)	**7.47** (21)	**7.69** (18)	**7.66** (24)	**7.52** (28)	**7.41** (38)
Area 1. Size of Government	6.59 (17)	6.41 (15)	6.89 (22)	8.59 (5)	8.67 (4)	8.58 (10)	8.59 (7)	8.58 (7)
Area 2. Legal System and Property Rights	2.43 (75)	1.90 (106)	1.87 (109)	5.61 (66)	4.51 (90)	4.39 (90)	4.00 (102)	3.84 (104)
Area 3. Sound Money	5.63 (75)	5.48 (89)	5.25 (89)	8.88 (34)	9.42 (26)	9.63 (10)	9.28 (35)	9.25 (42)
Area 4. Freedom to Trade Internationally	2.30 (74)	2.13 (79)	4.24 (71)	6.97 (58)	8.51 (29)	7.99 (29)	7.96 (29)	7.79 (33)
Area 5. Regulation		5.31 (61)	5.31 (71)	7.33 (13)	7.31 (23)	7.73 (15)	7.76 (12)	7.61 (20)
Unadjusted								
Summary Rating (Rank) ➤	**4.12** (83)	**4.34** (90)	**4.81** (87)	**7.20** (27)	**7.59** (21)	**7.47** (33)	**7.30** (42)	**7.20** (56)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.59**	**6.41**	**6.89**	**8.59**	**8.67**	**8.58**	**8.47**	**8.46**
A. Government consumption	6.97 *(16.30)*	7.05 *(16.02)*	8.81 *(10.03)*	9.11 *(9.02)*	8.70 *(10.42)*	9.01 *(9.38)*	8.70 *(10.42)*	8.69 *(10.46)*
B. Transfers and subsidies	9.40 *(2.70)*	9.59 *(2.00)*	9.75 *(1.40)*	9.24 *(3.30)*	10.00 *(0.32)*	9.32 *(3.00)*	9.20 *(3.44)*	9.16 *(3.58)*
C. Government enterprises and investment	7.00 *(20.20)*	6.00 *(28.40)*	7.00 *(20.00)*	8.00 *(19.00)*	8.00 *(19.89)*	8.00 *(15.40)*	8.00 *(16.66)*	8.00 *(16.00)*
D. Top marginal tax rate	3.00	3.00	2.00	8.00	8.00	8.00	8.00	8.00
(i) Top marginal income tax rate	3.00 *(60)*	3.00 *(48)*	2.00 *(60)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate							8.00 *(30)*	8.00 *(30)*
Area 2. Legal System and Property Rights	**2.54**	**1.99**	**1.95**	**5.37**	**4.51**	**4.40**	**4.01**	**3.84**
A. Judicial independence					4.34	3.07	3.31	3.14
B. Impartial courts				4.40	4.18	3.37	3.47	3.14
C. Protection of property rights					4.05	5.78	5.12	4.60
D. Military interference in rule of law and politics				6.25	5.00	5.00	4.17	4.17
E. Integrity of the legal system				6.96	5.00	4.58	2.50	2.50
F. Legal enforcement of contracts						3.83	3.83	3.83
G. Regulatory restrictions on sale of real property						8.19	8.17	8.20
H. Reliability of police						4.26	4.25	1.42
I. Business costs of crime						1.47	1.27	3.57
Area 3. Sound Money	**5.63**	**5.48**	**5.25**	**8.88**	**9.42**	**9.63**	**9.28**	**9.25**
A. Money growth	8.52 *(7.40)*	7.74 *(11.29)*	8.48 *(7.60)*	8.20 *(8.98)*	9.03 *(−4.83)*	9.98 *(0.10)*	8.41 *(7.94)*	8.39 *(8.03)*
B. Standard deviation of inflation	7.39 *(6.53)*	8.23 *(4.43)*	7.02 *(7.45)*	9.39 *(1.52)*	9.09 *(2.29)*	9.48 *(1.29)*	8.90 *(2.75)*	8.85 *(2.87)*
C. Inflation: most recent year	6.61 *(16.95)*	5.97 *(20.17)*	5.51 *(22.47)*	7.91 *(10.44)*	9.55 *(2.27)*	9.06 *(4.69)*	9.79 *(1.06)*	9.76 *(1.18)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**1.71**	**2.42**	**4.57**	**7.44**	**8.51**	**7.64**	**7.62**	**7.46**
A. Tariffs	3.13	5.27	6.52	7.51	8.02	8.29	8.14	8.17
(i) Revenue from trade taxes (% of trade sector)	5.87 *(6.20)*	5.27 *(7.10)*	7.27 *(4.10)*	7.60 *(3.60)*	8.99 *(1.51)*	9.01 *(1.48)*	8.92 *(1.62)*	9.00 *(1.50)*
(ii) Mean tariff rate	0.40 *(48.00)*		5.78 *(21.10)*	7.96 *(10.20)*	8.52 *(7.40)*	8.72 *(6.40)*	8.82 *(5.90)*	8.82 *(5.90)*
(iii) Standard deviation of tariff rates				6.96 *(7.60)*	6.56 *(8.60)*	7.14 *(7.14)*	6.67 *(8.32)*	6.70 *(8.26)*
B. Regulatory trade barriers					7.11	6.12	7.34	6.94
(i) Non-tariff trade barriers					5.72	5.80	6.31	5.51
(ii) Compliance cost of importing and exporting					8.50	6.45	8.37	8.38
C. Black-market exchange rates	0.00	0.00	5.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	5.00	8.93	6.16	4.99	4.71
(i) Foreign ownership/investment restrictions					8.62	7.38	6.95	6.10
(ii) Capital controls	2.00	2.00	2.00	5.00	9.23	7.69	4.62	4.62
(iii) Freedom of foreigners to visit						3.40	3.40	3.40
Area 5. Regulation		5.38	5.38	5.74	6.85	7.08	7.10	6.97
A. Credit market regulations	9.85	8.66	8.65	9.74	9.70	8.73	8.54	8.52
(i) Ownership of banks						10.00	10.00	8.00
(ii) Private sector credit	9.85	9.32	9.30	9.48	9.39	6.18	5.62	7.56
(iii) Interest rate controls/negative real interest rates		8.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations					6.24	6.52	6.49	6.38
(i) Hiring regulations and minimum wage					3.12	6.70	6.67	6.67
(ii) Hiring and firing regulations					4.85	6.31	6.51	5.81
(iii) Centralized collective bargaining					7.73	8.08	7.70	7.75
(iv) Hours regulations					5.51	6.00	6.00	6.00
(v) Mandated cost of worker dismissal						2.03	2.05	2.05
(vi) Conscription	3.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					6.01	6.00	6.28	6.01
(i) Administrative requirements					7.27	3.76	4.06	3.93
(ii) Bureaucracy costs					5.40	2.98	5.30	4.38
(iii) Starting a business					5.78	7.98	8.97	8.97
(iv) Extra payments/bribes/favoritism					5.57	6.86	4.87	4.29
(v) Licensing restrictions						8.01	8.08	8.05
(vi) Cost of tax compliance						6.41	6.41	6.41

Estonia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**6.08** (65)	**7.61** (21)	**7.97** (12)	**7.72** (16)	**7.75** (17)
Area 1. Size of Government				6.40 (46)	6.43 (54)	6.99 (50)	5.71 (81)	6.06 (75)
Area 2. Legal System and Property Rights				6.56 (42)	6.73 (45)	7.34 (31)	7.36 (30)	7.39 (29)
Area 3. Sound Money		6.98 (37)	3.36 (107)	2.30 (111)	8.67 (44)	9.43 (32)	9.51 (23)	9.43 (29)
Area 4. Freedom to Trade Internationally			3.38 (85)	9.66 (2)	9.04 (15)	8.64 (9)	8.59 (11)	8.23 (17)
Area 5. Regulation				5.65 (72)	7.17 (34)	7.51 (23)	7.49 (20)	7.66 (16)
Unadjusted								
Summary Rating (Rank) ➤				**5.97** (65)	**7.46** (28)	**7.96** (11)	**7.71** (12)	**7.74** (14)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**5.22**	**6.43**	**6.99**	**5.71**	**6.06**
A. Government consumption			5.74 *(20.48)*	3.22 *(29.06)*	3.73 *(27.33)*	4.38 *(25.12)*	3.16 *(29.24)*	3.50 *(28.09)*
B. Transfers and subsidies				6.43 *(13.60)*	5.98 *(15.25)*	7.08 *(11.23)*	6.17 *(14.54)*	6.23 *(14.35)*
C. Government enterprises and investment					10.00 *(14.28)*	10.00 *(4.81)*	7.00 *(23.45)*	8.00 *(19.46)*
D. Top marginal tax rate				6.00	6.00	6.50	6.50	6.50
(i) Top marginal income tax rate				8.00 *(26)*	8.00 *(26)*	9.00 *(24)*	9.00 *(21)*	9.00 *(21)*
(ii) Top marginal income and payroll tax rate				4.00 *(44)*	4.00 *(44)*	4.00 *(45)*	4.00 *(42)*	4.00 *(44)*
Area 2. Legal System and Property Rights				**6.50**	**6.00**	**7.24**	**7.26**	**7.29**
A. Judicial independence						7.12	7.43	7.51
B. Impartial courts				6.46	6.94	6.84	5.39	5.52
C. Protection of property rights					5.00	7.68	7.22	7.17
D. Military interference in rule of law and politics				8.42	8.33	8.33	8.33	8.33
E. Integrity of the legal system					6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						6.11	5.66	5.91
G. Regulatory restrictions on sale of real property						8.81	9.50	9.53
H. Reliability of police						6.50	7.31	7.48
I. Business costs of crime						7.09	7.84	7.52
Area 3. Sound Money		**8.77**	**4.48**	**2.30**	**8.67**	**9.43**	**9.51**	**9.43**
A. Money growth				0.00 *(67.37)*	8.32 *(8.39)*	9.34 *(3.30)*	9.56 *(−2.19)*	9.98 *(−0.10)*
B. Standard deviation of inflation		8.65 *(3.37)*	5.18 *(12.06)*	0.00 *(323.00)*	7.15 *(7.13)*	9.20 *(1.99)*	8.49 *(3.77)*	8.35 *(4.12)*
C. Inflation: most recent year		8.88 *(−5.61)*	3.27 *(33.65)*	4.20 *(29.00)*	9.19 *(4.03)*	9.18 *(4.09)*	9.98 *(−0.08)*	9.41 *(2.97)*
D. Freedom to own foreign currency bank accounts			5.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally			**3.26**	**9.27**	**9.04**	**8.48**	**8.43**	**8.08**
A. Tariffs			9.77	9.81	9.99	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)			9.77 *(0.34)*	9.94 *(0.09)*	9.99 *(0.02)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate				9.98 *(0.10)*		9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates				9.52 *(1.20)*		6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers					8.34	8.34	8.57	7.13
(i) Non-tariff trade barriers					8.34	7.24	7.71	7.56
(ii) Compliance cost of importing and exporting						9.43	9.43	6.69
C. Black-market exchange rates			0.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people			0.00	8.00	7.82	7.18	6.93	6.85
(i) Foreign ownership/investment restrictions					9.49	8.04	7.28	7.04
(ii) Capital controls			0.00	8.00	6.15	6.92	6.92	6.92
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation				6.58	7.17	7.68	7.67	7.84
A. Credit market regulations			0.00	4.30	9.33	9.67	9.81	9.81
(i) Ownership of banks			0.00	5.00	8.00	10.00	10.00	10.00
(ii) Private sector credit				7.90	10.00	10.00	9.44	9.44
(iii) Interest rate controls/negative real interest rates				0.00	10.00	9.00	10.00	10.00
B. Labor market regulations					4.74	5.76	5.94	5.96
(i) Hiring regulations and minimum wage					2.94	6.70	6.67	5.00
(ii) Hiring and firing regulations					4.57	5.33	5.22	5.87
(iii) Centralized collective bargaining					8.45	8.75	8.37	8.32
(iv) Hours regulations						4.00	4.00	4.00
(v) Mandated cost of worker dismissal						6.76	8.39	9.60
(vi) Conscription			0.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations				8.85	7.43	7.63	7.24	7.74
(i) Administrative requirements					7.62	5.34	5.59	5.55
(ii) Bureaucracy costs				8.47	7.15	6.18	3.15	6.69
(iii) Starting a business				8.52	8.03	8.71	9.67	9.68
(iv) Extra payments/bribes/favoritism				9.57	6.91	7.51	7.26	6.98
(v) Licensing restrictions						8.95	8.68	8.47
(vi) Cost of tax compliance						9.09	9.09	9.05

Ethiopia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**5.49** (129)	**5.76** (127)	**5.72** (131)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**6.09**	**6.22**	**6.10**
A. Government consumption						7.37 *(14.95)*	9.24 *(8.58)*	8.76 *(10.23)*
B. Transfers and subsidies						10.00 *(0.03)*	8.66 *(5.43)*	8.63 *(5.54)*
C. Government enterprises and investment						0.00 *(64.00)*	0.00 *(73.76)*	0.00 *(76.65)*
D. Top marginal tax rate						7.00	7.00	7.00
(i) Top marginal income tax rate						7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights						**4.70**	**5.47**	**5.44**
A. Judicial independence						1.97	3.76	3.53
B. Impartial courts						2.68	4.34	4.47
C. Protection of property rights						4.34	5.90	5.73
D. Military interference in rule of law and politics						1.67	1.67	1.67
E. Integrity of the legal system						8.33	7.50	7.50
F. Legal enforcement of contracts						4.34	4.87	4.87
G. Regulatory restrictions on sale of real property						7.97	8.53	8.53
H. Reliability of police						5.32	5.66	7.47
I. Business costs of crime						5.66	6.99	5.21
Area 3. Sound Money						**5.67**	**5.71**	**5.58**
A. Money growth						8.20 *(8.99)*	8.15 *(9.24)*	8.15 *(9.24)*
B. Standard deviation of inflation						6.79 *(8.03)*	6.37 *(9.07)*	5.80 *(10.50)*
C. Inflation: most recent year						7.68 *(11.61)*	8.31 *(8.47)*	8.37 *(8.14)*
D. Freedom to own foreign currency bank accounts						0.00	0.00	0.00
Area 4. Freedom to Trade Internationally						**4.88**	**5.06**	**5.41**
A. Tariffs						4.54	4.49	4.49
(i) Revenue from trade taxes (% of trade sector)						1.56 *(12.66)*	1.56 *(12.66)*	1.56 *(12.66)*
(ii) Mean tariff rate						6.64 *(16.80)*	6.54 *(17.30)*	6.54 *(17.30)*
(iii) Standard deviation of tariff rates						5.43 *(11.42)*	5.36 *(11.59)*	5.36 *(11.59)*
B. Regulatory trade barriers						4.54	4.37	5.52
(i) Non-tariff trade barriers						5.39	5.08	4.28
(ii) Compliance cost of importing and exporting						3.69	3.67	6.75
C. Black-market exchange rates						8.00	10.00	10.00
D. Controls of the movement of capital and people						2.42	1.40	1.65
(i) Foreign ownership/investment restrictions						5.50	3.96	4.73
(ii) Capital controls						1.54	0.00	0.00
(iii) Freedom of foreigners to visit						0.23	0.23	0.23
Area 5. Regulation						6.10	6.32	6.08
A. Credit market regulations						5.76	4.85	4.45
(i) Ownership of banks						2.00	2.00	2.00
(ii) Private sector credit						6.29	7.55	6.34
(iii) Interest rate controls/negative real interest rates						9.00	5.00	5.00
B. Labor market regulations						7.16	7.60	7.59
(i) Hiring regulations and minimum wage						6.70	6.67	6.67
(ii) Hiring and firing regulations						4.56	4.57	4.81
(iii) Centralized collective bargaining						7.43	7.27	6.97
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						6.29	7.09	7.09
(vi) Conscription						10.00	10.00	10.00
C. Business regulations						5.37	6.51	6.21
(i) Administrative requirements						3.33	4.71	4.29
(ii) Bureaucracy costs						3.66	5.85	4.29
(iii) Starting a business						5.67	8.36	8.48
(iv) Extra payments/bribes/favoritism						5.18	4.32	4.28
(v) Licensing restrictions						6.60	8.07	8.16
(vi) Cost of tax compliance						7.78	7.78	7.78

Fiji

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.58** (40)	**5.98** (36)	**5.73** (50)	**6.12** (64)	**6.24** (76)	**6.54** (75)	**6.42** (83)	**6.46** (85)
Area 1. Size of Government	4.75 (61)	5.22 (50)	4.69 (85)	5.92 (66)	6.56 (50)	8.02 (21)	7.50 (27)	7.51 (31)
Area 2. Legal System and Property Rights				5.51 (69)	5.99 (60)	6.05 (58)	5.50 (74)	5.50 (72)
Area 3. Sound Money	6.02 (66)	6.67 (53)	6.53 (63)	6.94 (57)	6.90 (84)	6.56 (101)	6.76 (100)	6.67 (102)
Area 4. Freedom to Trade Internationally	5.93 (34)	6.14 (31)	5.73 (49)	6.23 (73)	5.56 (98)	5.39 (109)	5.41 (105)	5.76 (102)
Area 5. Regulation	5.65 (45)	5.96 (41)	6.00 (45)	6.07 (51)	6.21 (67)	6.67 (71)	6.82 (61)	6.72 (74)
Unadjusted								
Summary Rating (Rank) ➤	**5.57** (44)	**5.97** (34)	**5.72** (51)	**6.03** (64)	**6.14** (80)	**7.29** (49)	**7.16** (54)	**7.20** (56)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.75**	**5.22**	**4.69**	**5.92**	**6.56**	**8.02**	**7.50**	**7.51**
A. Government consumption	5.56 *(21.09)*	4.96 *(23.12)*	5.90 *(19.93)*	5.48 *(21.38)*	5.88 *(20.00)*	6.47 *(17.99)*	6.32 *(18.51)*	6.34 *(18.45)*
B. Transfers and subsidies	9.46 *(2.50)*	8.91 *(4.50)*	9.86 *(1.00)*	9.18 *(3.50)*	9.35 *(2.90)*	8.59 *(5.68)*	8.69 *(5.32)*	8.69 *(5.32)*
C. Government enterprises and investment	2.00 *(46.20)*	4.00 *(32.90)*	0.00 *(55.40)*	2.00 *(40.40)*	4.00 *(33.30)*	10.00 *(14.82)*	8.00 *(16.38)*	8.00 *(18.02)*
D. Top marginal tax rate	2.00	3.00	3.00	7.00	7.00	7.00	7.00	7.00
(i) Top marginal income tax rate	2.00 *(53)*	3.00 *(50)*	3.00 *(50)*	7.00 *(35)*	7.00 *(34)*	7.00 *(31)*	7.00 *(31)*	7.00 *(31)*
(ii) Top marginal income and payroll tax rate			3.00 *(50)*	7.00 *(35)*	7.00 *(34)*	7.00 *(31)*	7.00 *(31)*	7.00 *(31)*
Area 2. Legal System and Property Rights				**5.12**	**5.46**	**6.34**	**5.77**	**5.77**
A. Judicial independence								
B. Impartial courts				4.68	4.63	5.10	4.20	4.00
C. Protection of property rights								
D. Military interference in rule of law and politics				6.34	7.34	7.10	5.70	5.90
E. Integrity of the legal system								
F. Legal enforcement of contracts						5.11	5.11	5.11
G. Regulatory restrictions on sale of real property						8.06	8.06	8.06
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**6.02**	**6.67**	**6.53**	**6.94**	**6.90**	**6.56**	**6.76**	**6.67**
A. Money growth	9.82 *(−0.89)*	9.73 *(1.34)*	8.40 *(8.00)*	9.02 *(4.92)*	9.41 *(2.93)*	7.62 *(11.91)*	9.03 *(4.86)*	9.15 *(4.25)*
B. Standard deviation of inflation	7.72 *(5.71)*	8.44 *(3.89)*	9.16 *(2.10)*	9.06 *(2.36)*	8.42 *(3.95)*	9.11 *(2.22)*	8.74 *(3.15)*	8.63 *(3.44)*
C. Inflation: most recent year	6.54 *(17.31)*	8.50 *(7.49)*	8.58 *(7.10)*	9.68 *(1.59)*	9.78 *(1.09)*	9.53 *(2.37)*	9.26 *(3.69)*	8.89 *(5.54)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**5.84**	**6.04**	**5.64**	**6.13**	**5.56**	**6.62**	**6.65**	**7.07**
A. Tariffs	6.13	4.73	5.73	6.60	7.27	5.23	5.11	5.12
(i) Revenue from trade taxes (% of trade sector)	6.13 *(5.80)*	4.73 *(7.90)*	5.73 *(6.40)*	6.60 *(5.10)*	7.03 *(4.46)*	7.73 *(3.40)*	7.73 *(3.40)*	7.73 *(3.40)*
(ii) Mean tariff rate					7.52 *(12.40)*	7.96 *(10.20)*	7.60 *(12.00)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						0.00 *(43.04)*	0.00 *(38.04)*	0.00 *(35.11)*
B. Regulatory trade barriers						6.65	6.88	8.56
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						6.65	6.88	8.56
C. Black-market exchange rates	6.40	8.40	9.20	9.80	9.40	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	2.00	2.00	0.00	4.59	4.59	4.59
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	5.00	5.00	2.00	2.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						9.18	9.18	9.18
Area 5. Regulation	5.65	5.96	6.00	6.07	6.21	8.92	9.11	8.98
A. Credit market regulations	5.09	5.91	6.00	6.19	6.56	8.92	10.00	9.67
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	10.00	10.00	10.00
(ii) Private sector credit	7.27	7.73	10.00	8.56	7.67	6.77	10.00	10.00
(iii) Interest rate controls/negative real interest rates	6.00	8.00	6.00	8.00	10.00	10.00	10.00	9.00
B. Labor market regulations						9.40	8.98	8.98
(i) Hiring regulations and minimum wage						7.80	7.77	7.77
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.81	8.15	8.15
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						8.42	8.36	8.30
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						8.26	8.28	8.30
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						8.58	8.63	8.42
(vi) Cost of tax compliance						8.43	8.17	8.17

Finland

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.65** (15)	**6.92** (14)	**7.24** (17)	**7.50** (19)	**7.73** (17)	**7.97** (11)	**7.81** (11)	**7.89** (11)
Area 1. Size of Government	4.53 (69)	4.28 (76)	4.15 (93)	2.69 (117)	3.00 (119)	4.97 (100)	4.95 (102)	4.98 (102)
Area 2. Legal System and Property Rights	6.83 (20)	7.88 (6)	8.35 (1)	9.28 (1)	9.49 (4)	9.32 (3)	9.00 (3)	9.09 (4)
Area 3. Sound Money	7.78 (22)	7.94 (29)	9.27 (17)	9.55 (18)	9.55 (15)	9.58 (14)	9.55 (19)	9.62 (15)
Area 4. Freedom to Trade Internationally	6.71 (23)	6.93 (23)	6.88 (34)	9.19 (10)	9.25 (10)	8.32 (15)	8.14 (24)	7.85 (30)
Area 5. Regulation	7.53 (5)	7.72 (6)	7.66 (8)	6.77 (33)	7.35 (21)	7.65 (18)	7.39 (26)	7.85 (12)
Unadjusted								
Summary Rating (Rank) ➤	**6.50** (17)	**6.77** (17)	**6.99** (21)	**7.51** (20)	**7.73** (16)	**7.96** (11)	**7.80** (10)	**7.88** (9)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.67**	**4.41**	**4.15**	**2.69**	**3.00**	**4.97**	**4.95**	**4.98**
A. Government consumption	4.43 *(24.93)*	3.82 *(27.02)*	3.33 *(28.69)*	3.34 *(28.66)*	3.08 *(29.54)*	2.94 *(30.00)*	2.54 *(31.38)*	2.71 *(30.77)*
B. Transfers and subsidies	6.24 *(14.30)*	5.83 *(15.80)*	5.78 *(16.00)*	3.92 *(22.80)*	4.93 *(19.11)*	4.44 *(20.92)*	3.77 *(23.38)*	3.72 *(23.54)*
C. Government enterprises and investment	7.00 *(23.30)*	7.00 *(24.20)*	6.00 *(29.30)*	2.00 *(42.20)*	2.00 *(42.20)*	10.00 *(12.53)*	10.00 *(14.49)*	10.00 *(14.56)*
D. Top marginal tax rate	1.00	1.00	1.50	1.50	2.00	2.50	3.50	3.50
(i) Top marginal income tax rate	1.00 *(65-71)*	1.00 *(64-70)*	2.00 *(57-63)*	2.00 *(54-59)*	3.00 *(51-57)*	3.00 *(50-56)*	4.00 *(48-53)*	4.00 *(46-51)*
(ii) Top marginal income and payroll tax rate			1.00 *(61-69)*	1.00 *(60-66)*	1.00 *(53.5-60.5)*	2.00 *(54-60)*	3.00 *(52-57)*	3.00 *(52-57)*
Area 2. Legal System and Property Rights	**6.83**	**7.88**	**8.35**	**9.28**	**9.49**	**9.07**	**8.75**	**8.85**
A. Judicial independence				9.82	9.69	8.59	8.88	9.02
B. Impartial courts				9.35	8.85	8.57	7.51	7.92
C. Protection of property rights				7.23	8.92	9.03	9.02	9.08
D. Military interference in rule of law and politics				10.00	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						8.06	6.83	6.83
G. Regulatory restrictions on sale of real property						8.42	8.42	8.42
H. Reliability of police						9.38	9.40	8.87
I. Business costs of crime						9.54	8.73	9.51
Area 3. Sound Money	**7.78**	**7.94**	**9.27**	**9.55**	**9.55**	**9.58**	**9.55**	**9.62**
A. Money growth	8.82 *(5.92)*	8.58 *(7.12)*	8.62 *(6.91)*	8.98 *(5.08)*	9.48 *(2.58)*	9.01 *(4.96)*	8.64 *(6.82)*	9.11 *(4.45)*
B. Standard deviation of inflation	9.27 *(1.82)*	9.26 *(1.86)*	9.63 *(0.92)*	9.71 *(0.72)*	9.38 *(1.54)*	9.48 *(1.31)*	9.58 *(1.05)*	9.60 *(1.00)*
C. Inflation: most recent year	8.05 *(9.75)*	8.93 *(5.33)*	8.84 *(5.82)*	9.52 *(2.42)*	9.33 *(3.37)*	9.83 *(0.86)*	10.00 *(0.00)*	9.76 *(1.22)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.83**	**7.06**	**6.67**	**9.18**	**9.25**	**8.37**	**8.18**	**7.89**
A. Tariffs	8.69	9.17	8.01	8.72	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.47 *(0.80)*	9.73 *(0.40)*	9.60 *(0.60)*	9.87 *(0.20)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	7.92 *(10.40)*	8.60 *(7.00)*	8.46 *(7.70)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			5.96 *(10.10)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				9.30	9.76	8.86	8.61	7.73
(i) Non-tariff trade barriers				9.30	9.69	8.72	8.22	8.47
(ii) Compliance cost of importing and exporting					9.83	8.99	8.99	7.00
C. Black-market exchange rates	9.80	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	8.68	8.08	6.22	5.89	5.50
(i) Foreign ownership/investment restrictions				9.36	10.00	8.23	8.01	6.83
(ii) Capital controls	2.00	2.00	2.00	8.00	6.15	3.85	3.08	3.08
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	6.38	6.54	6.52	6.84	7.35	7.83	7.56	8.04
A. Credit market regulations	8.63	9.30	9.32	8.18	10.00	10.00	10.00	10.00
(i) Ownership of banks	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	9.89	9.91	9.97	6.54	10.00	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	4.14	3.79	3.71	3.49	3.33	4.84	5.55	5.63
(i) Hiring regulations and minimum wage				4.12	4.72	5.60	3.90	3.90
(ii) Hiring and firing regulations			3.86	3.86	3.23	3.79	4.83	4.99
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	2.87	3.07	3.56	3.88
(iv) Hours regulations	4.93	3.87	3.52	2.02	2.84	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.59	10.00	10.00
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations				8.85	8.71	8.66	7.14	8.49
(i) Administrative requirements					7.97	6.42	5.54	5.62
(ii) Bureaucracy costs				8.47	8.48	9.94	1.73	8.31
(iii) Starting a business				8.52	8.80	9.45	9.51	9.52
(iv) Extra payments/bribes/favoritism				9.57	9.59	9.41	9.19	8.82
(v) Licensing restrictions						9.76	9.60	9.72
(vi) Cost of tax compliance						6.98	7.28	8.96

France

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.09** (25)	**5.99** (35)	**7.07** (22)	**7.02** (34)	**7.31** (37)	**7.38** (39)	**7.47** (32)	**7.39** (40)
Area 1. Size of Government	3.94 (83)	2.92 (102)	3.53 (101)	3.22 (111)	2.56 (123)	4.11 (116)	4.72 (109)	4.66 (108)
Area 2. Legal System and Property Rights	6.83 (22)	7.25 (18)	7.73 (20)	7.49 (28)	8.09 (22)	7.70 (27)	8.01 (25)	7.96 (24)
Area 3. Sound Money	6.40 (44)	6.69 (50)	9.69 (5)	9.83 (1)	9.59 (11)	9.58 (13)	9.66 (4)	9.67 (9)
Area 4. Freedom to Trade Internationally	7.00 (22)	6.99 (21)	8.30 (15)	8.39 (23)	8.99 (17)	8.24 (18)	8.17 (22)	7.68 (37)
Area 5. Regulation	6.13 (32)	6.03 (39)	6.08 (43)	6.16 (48)	7.30 (26)	7.19 (39)	6.73 (69)	6.92 (52)
Unadjusted								
Summary Rating (Rank) ➤	**6.13** (27)	**6.03** (32)	**7.04** (20)	**6.99** (37)	**7.31** (35)	**7.31** (47)	**7.40** (33)	**7.32** (47)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.22**	**3.13**	**3.53**	**3.22**	**2.56**	**4.11**	**4.72**	**4.66**
A. Government consumption	4.84 *(23.55)*	4.68 *(24.07)*	4.85 *(23.52)*	2.85 *(30.29)*	1.86 *(33.69)*	3.13 *(29.36)*	3.03 *(29.68)*	2.96 *(29.92)*
B. Transfers and subsidies	3.02 *(26.10)*	2.83 *(26.80)*	3.27 *(25.20)*	2.53 *(27.90)*	3.40 *(24.71)*	3.33 *(24.98)*	2.84 *(26.78)*	2.67 *(27.41)*
C. Government enterprises and investment	6.00 *(27.40)*	4.00 *(33.20)*	4.00 *(35.00)*	4.00 *(30.00)*	4.00 *(30.00)*	8.00 *(16.54)*	8.00 *(16.38)*	8.00 *(16.38)*
D. Top marginal tax rate	3.00	1.00	2.00	3.50	1.00	2.00	5.00	5.00
(i) Top marginal income tax rate	3.00 *(60)*	1.00 *(65)*	3.00 *(53)*	4.00 *(51)*	2.00 *(54)*	3.00 *(52)*	6.00 *(43)*	6.00 *(43)*
(ii) Top marginal income and payroll tax rate			1.00 *(61)*	3.00 *(60)*	0.00 *(62-65)*	1.00 *(62-64)*	4.00 *(54-56)*	4.00 *(54-56)*
Area 2. Legal System and Property Rights	**6.83**	**7.25**	**7.73**	**7.49**	**8.09**	**7.19**	**7.47**	**7.43**
A. Judicial independence				6.62	6.35	6.77	6.32	6.50
B. Impartial courts				5.55	8.02	6.78	6.51	6.38
C. Protection of property rights				7.28	9.40	8.47	8.06	8.25
D. Military interference in rule of law and politics				8.03	8.33	8.82	9.17	9.17
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						6.91	6.91	6.91
G. Regulatory restrictions on sale of real property						4.34	6.88	6.88
H. Reliability of police						7.69	7.66	7.15
I. Business costs of crime						6.59	7.43	7.33
Area 3. Sound Money	**6.40**	**6.69**	**9.69**	**9.83**	**9.59**	**9.58**	**9.66**	**9.67**
A. Money growth	8.19 *(9.06)*	8.83 *(5.85)*	9.72 *(1.38)*	9.89 *(0.57)*	8.84 *(5.82)*	8.79 *(6.03)*	8.99 *(5.05)*	9.35 *(3.23)*
B. Standard deviation of inflation	9.69 *(0.77)*	9.08 *(2.29)*	9.64 *(0.89)*	9.74 *(0.65)*	9.85 *(0.38)*	9.88 *(0.30)*	9.67 *(0.83)*	9.61 *(0.96)*
C. Inflation: most recent year	7.72 *(11.38)*	8.85 *(5.76)*	9.38 *(3.09)*	9.69 *(1.57)*	9.66 *(1.69)*	9.64 *(1.81)*	9.98 *(0.08)*	9.69 *(1.53)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.78**	**6.77**	**7.82**	**8.30**	**8.99**	**8.23**	**8.16**	**7.67**
A. Tariffs	8.95	9.12	8.46	8.70	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.67 *(0.50)*	9.73 *(0.40)*	9.73 *(0.40)*	9.80 *(0.30)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				7.70	8.79	7.95	7.83	5.98
(i) Non-tariff trade barriers				7.70	8.42	7.40	6.94	6.64
(ii) Compliance cost of importing and exporting					9.17	8.49	8.72	5.31
C. Black-market exchange rates	9.40	9.20	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	5.00	6.81	8.01	6.59	6.60	6.38
(i) Foreign ownership/investment restrictions				8.62	9.09	7.05	7.07	7.18
(ii) Capital controls	2.00	2.00	5.00	5.00	6.92	6.15	6.15	5.38
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	6.42	6.32	6.42	6.10	7.30	7.44	6.97	7.16
A. Credit market regulations	8.91	8.82	9.01	9.46	9.74	9.51	8.52	8.52
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.73	8.46	9.03	8.37	9.23	8.53	5.57	5.57
(iii) Interest rate controls/negative real interest rates	8.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.93	3.81	3.83	3.35	4.98	5.51	5.92	5.83
(i) Hiring regulations and minimum wage				2.55	4.55	3.30	3.33	3.33
(ii) Hiring and firing regulations			4.16	4.16	1.67	2.35	3.18	2.76
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	5.53	6.41	7.15	7.03
(iv) Hours regulations	4.31	3.96	3.69	2.58	3.17	4.00	4.00	4.00
(v) Mandated cost of worker dismissal						7.03	7.86	7.86
(vi) Conscription	3.00	3.00	3.00	3.00	10.00	10.00	10.00	10.00
C. Business regulations				5.50	7.17	7.31	6.48	7.14
(i) Administrative requirements					7.73	2.75	2.69	2.74
(ii) Bureaucracy costs				6.30	8.08	5.87	1.76	6.78
(iii) Starting a business				3.43	5.15	9.76	9.77	9.77
(iv) Extra payments/bribes/favoritism				6.76	7.71	8.29	7.51	7.16
(v) Licensing restrictions						8.64	8.64	7.89
(vi) Cost of tax compliance						8.52	8.52	8.52

Gabon

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.50** (73)	**5.08** (59)	**5.47** (60)	**5.38** (86)	**5.81** (97)	**5.60** (110)	**5.69** (110)	**5.66** (112)
Area 1. Size of Government	5.47 (37)	4.63 (64)	6.08 (43)	5.54 (79)	7.61 (19)	6.01 (86)	6.11 (71)	5.97 (76)
Area 2. Legal System and Property Rights	3.94 (56)	4.46 (64)	4.96 (59)	5.47 (71)	4.37 (95)	4.34 (91)	4.34 (95)	4.34 (94)
Area 3. Sound Money	4.09 (99)	6.20 (79)	5.43 (88)	5.44 (83)	5.81 (109)	5.85 (113)	5.68 (118)	5.65 (119)
Area 4. Freedom to Trade Internationally					5.33 (103)	5.39 (108)	5.58 (101)	5.70 (104)
Area 5. Regulation	5.12 (67)	5.45 (59)	5.78 (53)	5.52 (78)	5.94 (84)	6.44 (80)	6.72 (70)	6.62 (80)
Unadjusted								
Summary Rating (Rank) ➤	**4.48** (75)	**5.40** (53)	**5.52** (59)	**5.35** (84)	**5.80** (98)	**5.82** (123)	**5.91** (120)	**5.88** (123)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.94**	**5.93**	**6.08**	**5.54**	**7.61**	**5.77**	**5.86**	**5.73**
A. Government consumption	1.88 *(33.60)*	0.38 *(38.72)*	5.52 *(21.23)*	4.33 *(25.26)*	7.65 *(14.00)*	4.28 *(25.45)*	5.64 *(20.82)*	5.62 *(20.88)*
B. Transfers and subsidies		9.40 *(2.70)*	9.81 *(1.20)*	9.81 *(1.20)*	9.81 *(1.20)*	9.81 *(1.20)*	9.81 *(1.20)*	9.81 *(1.20)*
C. Government enterprises and investment	8.00 *(19.90)*	8.00 *(17.30)*	8.00 *(18.00)*	7.00 *(24.20)*	10.00 *(13.30)*	8.00 *(19.90)*	7.00 *(22.15)*	4.00 *(34.62)*
D. Top marginal tax rate			1.00	1.00	3.00	1.00	1.00	3.50
(i) Top marginal income tax rate			1.00 *(60)*	1.00 *(60)*	3.00 *(50)*	1.00 *(56)*	1.00 *(56)*	5.00 *(40)*
(ii) Top marginal income and payroll tax rate						1.00 *(56)*	1.00 *(56)*	2.00 *(52-57)*
Area 2. Legal System and Property Rights	**3.94**	**4.46**	**4.96**	**5.09**	**4.29**	**4.35**	**4.35**	**4.35**
A. Judicial independence								
B. Impartial courts				4.63	4.78	4.70	4.70	4.70
C. Protection of property rights								
D. Military interference in rule of law and politics				4.82	3.33	3.33	3.33	3.33
E. Integrity of the legal system				6.96	5.00	5.00	5.00	5.00
F. Legal enforcement of contracts						2.92	2.92	2.92
G. Regulatory restrictions on sale of real property						5.81	5.81	5.81
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**4.09**	**6.20**	**5.43**	**5.44**	**5.81**	**5.85**	**5.68**	**5.65**
A. Money growth	8.28 *(−8.59)*	7.68 *(11.59)*	9.61 *(1.96)*	9.97 *(0.13)*	9.75 *(1.27)*	6.92 *(15.39)*	8.85 *(5.76)*	8.81 *(5.93)*
B. Standard deviation of inflation	5.43 *(11.42)*	7.39 *(6.53)*	5.17 *(12.08)*	1.88 *(20.31)*	3.60 *(16.00)*	6.47 *(8.83)*	4.27 *(14.33)*	4.09 *(14.78)*
C. Inflation: most recent year	2.64 *(36.78)*	9.74 *(−1.28)*	6.93 *(15.36)*	9.89 *(−0.54)*	9.90 *(0.50)*	10.00 *(−0.01)*	9.62 *(1.89)*	9.71 *(1.46)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.28**	**4.90**	**5.33**	**5.20**	**5.33**	**5.84**	**6.05**	**6.17**
A. Tariffs	3.24	4.91	6.80	5.80	6.00	6.17	6.30	6.30
(i) Revenue from trade taxes (% of trade sector)	5.13 *(7.30)*	5.73 *(6.40)*	6.80 *(4.80)*	5.80 *(6.30)*				
(ii) Mean tariff rate	1.34 *(43.30)*	4.08 *(29.60)*			5.92 *(20.40)*	6.02 *(19.90)*	6.44 *(17.80)*	6.44 *(17.80)*
(iii) Standard deviation of tariff rates					6.08 *(9.80)*	6.33 *(9.18)*	6.16 *(9.61)*	6.16 *(9.61)*
B. Regulatory trade barriers						7.20	7.11	7.63
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						7.20	7.11	7.63
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.77
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	1.54	1.54
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	5.16	5.49	5.78	5.52	5.94	7.27	7.60	7.48
A. Credit market regulations	3.00	4.00	5.43	4.73	5.85	7.35	7.52	7.10
(i) Ownership of banks	0.00	0.00	2.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit			6.30	5.20	7.56	8.06	8.57	7.29
(iii) Interest rate controls/negative real interest rates	6.00	8.00	8.00	4.00	5.00	9.00	9.00	9.00
B. Labor market regulations						7.08	8.68	8.68
(i) Hiring regulations and minimum wage						8.30	8.33	8.33
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						4.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.01	8.39	8.39
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						7.39	6.58	6.67
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						7.77	7.81	7.87
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						7.44	7.42	7.60
(vi) Cost of tax compliance						6.95	4.53	4.53

Georgia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**7.42** (37)	**7.20** (49)	**7.34** (42)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government					**4.70**	**7.38**	**5.48**	**6.24**
A. Government consumption					9.40 *(8.03)*	5.72 *(20.56)*	4.99 *(23.04)*	5.45 *(21.46)*
B. Transfers and subsidies						7.79 *(8.60)*	6.91 *(11.83)*	7.49 *(9.71)*
C. Government enterprises and investment					0.00	7.00 *(21.00)*	0.00 *(53.55)*	2.00 *(47.49)*
D. Top marginal tax rate						9.00	10.00	10.00
(i) Top marginal income tax rate						10.00 *(12)*	10.00 *(20)*	10.00 *(20)*
(ii) Top marginal income and payroll tax rate						8.00 *(27)*	10.00 *(20)*	10.00 *(20)*
Area 2. Legal System and Property Rights						**5.08**	**5.55**	**5.71**
A. Judicial independence						1.88	3.22	3.63
B. Impartial courts						2.38	3.68	3.78
C. Protection of property rights						4.23	3.74	3.71
D. Military interference in rule of law and politics						4.20	3.70	4.50
E. Integrity of the legal system								
F. Legal enforcement of contracts						6.50	6.50	6.50
G. Regulatory restrictions on sale of real property						9.67	9.93	9.93
H. Reliability of police						5.73	6.22	7.02
I. Business costs of crime						6.04	7.44	6.63
Area 3. Sound Money						**8.64**	**9.24**	**8.80**
A. Money growth					6.24 *(18.80)*	7.01 *(14.97)*	9.30 *(3.51)*	8.66 *(6.68)*
B. Standard deviation of inflation						9.19 *(2.02)*	7.99 *(5.01)*	7.97 *(5.07)*
C. Inflation: most recent year						8.35 *(8.23)*	9.65 *(1.74)*	8.58 *(7.10)*
D. Freedom to own foreign currency bank accounts						10.00	10.00	10.00
Area 4. Freedom to Trade Internationally						**8.20**	**8.54**	**8.20**
A. Tariffs						8.51	9.07	9.10
(i) Revenue from trade taxes (% of trade sector)					9.23 *(1.16)*	9.17 *(1.25)*	9.73 *(0.41)*	9.57 *(0.65)*
(ii) Mean tariff rate						8.60 *(7.00)*	9.74 *(1.30)*	9.74 *(1.30)*
(iii) Standard deviation of tariff rates						7.76 *(5.60)*	7.74 *(5.66)*	7.99 *(5.03)*
B. Regulatory trade barriers						6.75	7.62	6.34
(i) Non-tariff trade barriers						5.22	6.73	6.50
(ii) Compliance cost of importing and exporting						8.28	8.51	6.19
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						7.54	7.48	7.34
(i) Foreign ownership/investment restrictions						5.81	6.25	5.84
(ii) Capital controls						8.33	7.69	7.69
(iii) Freedom of foreigners to visit						8.49	8.49	8.49
Area 5. Regulation						7.81	7.17	7.75
A. Credit market regulations						9.67	6.33	8.18
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit					9.11	10.00	0.00	5.53
(iii) Interest rate controls/negative real interest rates					10.00	9.00	9.00	9.00
B. Labor market regulations						7.62	7.87	7.80
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						6.78	6.95	6.74
(iii) Centralized collective bargaining						8.31	7.70	7.46
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.63	9.60	9.60
(vi) Conscription						3.00	3.00	3.00
C. Business regulations						6.13	7.30	7.28
(i) Administrative requirements						4.74	6.08	5.89
(ii) Bureaucracy costs						3.22	6.65	6.13
(iii) Starting a business						9.36	9.85	9.89
(iv) Extra payments/bribes/favoritism						5.00	6.28	6.44
(v) Licensing restrictions						8.79	9.28	9.68
(vi) Cost of tax compliance						5.66	5.66	5.66

Germany

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.16** (9)	**7.25** (9)	**7.65** (9)	**7.63** (14)	**7.67** (19)	**7.76** (18)	**7.57** (25)	**7.53** (29)
Area 1. Size of Government	4.34 (73)	4.26 (78)	5.15 (70)	4.36 (98)	3.96 (109)	5.74 (90)	5.41 (91)	5.46 (92)
Area 2. Legal System and Property Rights	7.70 (12)	7.48 (14)	8.35 (5)	9.13 (5)	9.14 (10)	9.14 (5)	8.54 (17)	8.28 (18)
Area 3. Sound Money	9.43 (3)	9.47 (6)	9.67 (8)	9.76 (4)	9.55 (16)	9.53 (20)	9.53 (22)	9.59 (18)
Area 4. Freedom to Trade Internationally	8.50 (11)	9.17 (4)	9.18 (6)	9.25 (7)	9.39 (7)	8.20 (20)	7.97 (28)	7.60 (45)
Area 5. Regulation	5.93 (38)	5.93 (42)	5.97 (46)	5.67 (69)	6.33 (60)	6.24 (89)	6.40 (88)	6.72 (72)
Unadjusted								
Summary Rating (Rank) ➤	**7.18** (11)	**7.27** (11)	**7.64** (11)	**7.60** (16)	**7.67** (17)	**7.75** (17)	**7.56** (23)	**7.52** (31)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.34**	**4.26**	**5.15**	**4.36**	**3.96**	**5.74**	**5.41**	**5.46**
A. Government consumption	4.03 *(26.30)*	4.09 *(26.10)*	4.35 *(25.20)*	4.19 *(25.75)*	4.55 *(24.52)*	4.67 *(24.11)*	4.39 *(25.07)*	4.24 *(25.57)*
B. Transfers and subsidies	5.34 *(17.60)*	4.96 *(19.00)*	5.26 *(17.90)*	4.25 *(21.60)*	2.29 *(28.81)*	2.29 *(28.78)*	2.26 *(28.89)*	2.59 *(27.71)*
C. Government enterprises and investment	6.00 *(25.70)*	7.00 *(24.40)*	7.00 *(24.00)*	6.00 *(25.50)*	6.00 *(25.50)*	10.00 *(7.75)*	10.00 *(9.30)*	10.00 *(8.69)*
D. Top marginal tax rate	2.00	1.00	4.00	3.00	3.00	6.00	5.00	5.00
(i) Top marginal income tax rate	2.00 *(65)*	1.00 *(65)*	4.00 *(53)*	3.00 *(57)*	3.00 *(56)*	6.00 *(44)*	5.00 *(47)*	5.00 *(47)*
(ii) Top marginal income and payroll tax rate			4.00 *(53)*	3.00 *(57)*	3.00 *(56)*	6.00 *(44)*	5.00 *(47)*	5.00 *(47)*
Area 2. Legal System and Property Rights	**7.70**	**7.48**	**8.35**	**9.13**	**9.14**	**8.80**	**8.21**	**7.97**
A. Judicial independence				9.27	9.35	9.18	8.94	8.89
B. Impartial courts				8.60	9.19	8.95	7.12	6.61
C. Protection of property rights				7.99	8.84	9.61	8.54	7.88
D. Military interference in rule of law and politics				9.81	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						6.62	6.62	6.62
G. Regulatory restrictions on sale of real property						7.86	7.57	7.53
H. Reliability of police						9.22	8.65	7.72
I. Business costs of crime						9.38	8.16	8.15
Area 3. Sound Money	**9.43**	**9.47**	**9.67**	**9.76**	**9.55**	**9.53**	**9.53**	**9.59**
A. Money growth	9.18 *(4.10)*	8.80 *(6.01)*	9.68 *(1.60)*	9.90 *(0.48)*	8.77 *(6.13)*	8.64 *(6.81)*	8.46 *(7.71)*	8.86 *(5.69)*
B. Standard deviation of inflation	9.64 *(0.89)*	9.52 *(1.20)*	9.52 *(1.20)*	9.54 *(1.16)*	9.71 *(0.72)*	9.88 *(0.31)*	9.73 *(0.66)*	9.73 *(0.67)*
C. Inflation: most recent year	8.90 *(5.50)*	9.56 *(2.18)*	9.46 *(2.70)*	9.58 *(2.10)*	9.71 *(1.47)*	9.61 *(1.95)*	9.94 *(0.31)*	9.77 *(1.14)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**8.98**	**9.69**	**9.48**	**9.14**	**9.39**	**8.25**	**8.02**	**7.65**
A. Tariffs	8.95	9.08	8.44	8.66	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.67 *(0.50)*	9.67 *(0.50)*	9.67 *(0.50)*	9.67 *(0.50)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.28	8.89	8.39	7.91	6.64
(i) Non-tariff trade barriers				8.28	8.45	7.65	6.68	6.21
(ii) Compliance cost of importing and exporting					9.33	9.14	9.14	7.06
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	8.00	10.00	10.00	9.61	9.48	6.21	5.94	5.60
(i) Foreign ownership/investment restrictions				9.23	9.72	8.22	7.39	6.39
(ii) Capital controls	8.00	10.00	10.00	10.00	9.23	3.85	3.85	3.85
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.45	5.45	5.56	5.63	6.33	6.44	6.60	6.93
A. Credit market regulations	7.61	7.58	7.65	6.98	8.33	7.99	7.99	7.99
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	7.83	7.74	7.94	5.93	10.00	8.96	8.98	8.98
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.29	3.32	3.48	3.56	2.85	3.94	5.28	5.35
(i) Hiring regulations and minimum wage				3.38	4.63	6.70	6.67	6.67
(ii) Hiring and firing regulations			3.94	3.94	1.82	2.42	2.86	3.01
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	2.32	3.20	3.20	3.45
(iv) Hours regulations	4.40	4.49	4.49	2.97	2.51	4.70	8.00	8.00
(v) Mandated cost of worker dismissal						3.60	5.98	5.98
(vi) Conscription	1.00	1.00	1.00	3.00	3.00	3.00	5.00	5.00
C. Business regulations				6.37	7.79	7.39	6.51	7.46
(i) Administrative requirements					8.18	3.43	3.38	3.42
(ii) Bureaucracy costs				6.47	8.53	5.80	1.18	7.31
(iii) Starting a business				4.97	6.40	9.03	9.47	9.47
(iv) Extra payments/bribes/favoritism				7.68	8.04	9.10	8.26	7.78
(v) Licensing restrictions						9.17	9.18	9.25
(vi) Cost of tax compliance						7.80	7.59	7.52

Ghana

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.05** (101)	**3.20** (105)	**5.06** (77)	**5.53** (81)	**5.66** (101)	**6.49** (77)	**7.13** (52)	**7.09** (53)
Area 1. Size of Government	5.42 (39)	5.13 (52)	4.82 (80)	5.61 (77)	6.09 (66)	6.49 (68)	7.65 (19)	8.28 (10)
Area 2. Legal System and Property Rights	2.76 (71)	2.69 (96)	5.79 (44)	6.18 (50)	4.59 (88)	4.85 (80)	5.61 (72)	5.74 (68)
Area 3. Sound Money	1.60 (105)	2.38 (107)	4.58 (95)	4.13 (100)	5.82 (108)	7.38 (82)	8.16 (67)	7.13 (88)
Area 4. Freedom to Trade Internationally	0.00 (91)	0.68 (95)	4.41 (66)	5.23 (93)	6.03 (85)	6.70 (75)	7.40 (51)	7.43 (48)
Area 5. Regulation	4.77 (78)	5.06 (71)	5.65 (59)	6.50 (38)	5.80 (90)	7.09 (44)	6.98 (50)	7.03 (48)
Unadjusted								
Summary Rating (Rank) ➤	**2.89** (103)	**3.16** (106)	**4.95** (81)	**5.31** (88)	**5.64** (101)	**6.42** (92)	**7.00** (66)	**6.96** (71)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.70**	**5.40**	**4.82**	**5.61**	**6.09**	**6.49**	**7.65**	**8.28**
A. Government consumption	8.31 *(11.74)*	8.80 *(10.07)*	8.87 *(9.85)*	7.72 *(13.77)*	7.12 *(15.80)*	7.09 *(15.90)*	7.94 *(13.02)*	8.48 *(11.16)*
B. Transfers and subsidies	9.48 *(2.40)*	9.78 *(1.30)*	9.43 *(2.60)*	9.24 *(3.30)*	9.24 *(3.30)*	9.87 *(0.98)*	9.68 *(1.67)*	9.65 *(1.78)*
C. Government enterprises and investment	4.00 *(35.40)*	2.00 *(43.60)*	0.00 *(51.90)*	0.00 *(66.50)*	2.00 *(45.00)*	2.00 *(40.10)*	6.00 *(26.13)*	8.00 *(18.04)*
D. Top marginal tax rate	1.00	1.00	1.00	5.50	6.00	7.00	7.00	7.00
(i) Top marginal income tax rate	1.00 *(60)*	1.00 *(60)*	2.00 *(55)*	7.00 *(35)*	8.00 *(30)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			0.00 *(62)*	4.00 *(45)*	4.00 *(41)*	5.00 *(37)*	5.00 *(37)*	5.00 *(37)*
Area 2. Legal System and Property Rights	**2.76**	**2.69**	**5.79**	**5.60**	**4.45**	**4.88**	**5.45**	**5.58**
A. Judicial independence							4.65	5.12
B. Impartial courts				5.54	5.42	5.20	4.85	4.99
C. Protection of property rights							5.34	5.03
D. Military interference in rule of law and politics				6.04	5.00	4.44	5.00	5.00
E. Integrity of the legal system				6.96	3.33	3.61	4.17	4.17
F. Legal enforcement of contracts						4.91	5.40	5.40
G. Regulatory restrictions on sale of real property						6.25	9.03	9.13
H. Reliability of police							5.30	5.57
I. Business costs of crime							5.28	5.83
Area 3. Sound Money	**1.60**	**2.38**	**4.58**	**4.13**	**5.82**	**7.38**	**8.16**	**7.13**
A. Money growth	3.23 *(33.84)*	3.64 *(31.78)*	4.46 *(27.69)*	4.51 *(27.44)*	7.46 *(12.72)*	6.06 *(19.71)*	6.92 *(15.39)*	6.15 *(19.24)*
B. Standard deviation of inflation	3.17 *(17.07)*	0.00 *(38.34)*	8.00 *(4.99)*	5.65 *(10.88)*	5.85 *(10.37)*	6.47 *(8.83)*	9.56 *(1.11)*	9.50 *(1.24)*
C. Inflation: most recent year	0.00 *(51.13)*	5.87 *(20.65)*	5.87 *(20.66)*	1.37 *(43.17)*	4.96 *(25.19)*	6.98 *(15.12)*	6.15 *(19.25)*	7.86 *(10.71)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	10.00	10.00	5.00
Area 4. Freedom to Trade Internationally	**0.00**	**0.67**	**4.33**	**5.23**	**6.03**	**5.80**	**6.91**	**6.94**
A. Tariffs	0.00	2.00	4.38	6.09	6.54	5.48	7.11	7.13
(i) Revenue from trade taxes (% of trade sector)	0.00 *(17.30)*	0.00 *(21.70)*	2.27 *(11.60)*	4.60 *(8.10)*	6.93 *(4.60)*	6.86 *(4.71)*	6.79 *(4.81)*	6.79 *(4.81)*
(ii) Mean tariff rate		4.00 *(30.00)*	6.50 *(17.50)*	7.00 *(15.00)*	6.96 *(15.20)*	7.36 *(13.20)*	7.40 *(13.00)*	7.40 *(13.00)*
(iii) Standard deviation of tariff rates				6.68 *(8.30)*	5.72 *(10.70)*	2.23 *(19.43)*	7.14 *(7.15)*	7.19 *(7.02)*
B. Regulatory trade barriers						5.78	6.67	6.61
(i) Non-tariff trade barriers							6.58	6.52
(ii) Compliance cost of importing and exporting						5.78	6.76	6.69
C. Black-market exchange rates	0.00	0.00	8.60	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	1.54	1.95	3.86	4.02
(i) Foreign ownership/investment restrictions							6.15	6.62
(ii) Capital controls	0.00	0.00	0.00	0.00	1.54	2.31	3.85	3.85
(iii) Freedom of foreigners to visit						1.59	1.59	1.59
Area 5. Regulation	4.40	4.67	5.21	5.99	5.80	7.56	6.82	6.87
A. Credit market regulations	1.76	2.48	3.93	6.00	4.93	9.09	8.13	8.13
(i) Ownership of banks	2.00	2.00	2.00	5.00	5.00	8.00	8.00	8.00
(ii) Private sector credit	3.29	5.45	7.79	8.99	4.85	9.27	6.39	6.39
(iii) Interest rate controls/negative real interest rates	0.00	0.00	2.00	4.00		10.00	10.00	10.00
B. Labor market regulations						7.00	6.23	6.52
(i) Hiring regulations and minimum wage						10.00	8.90	10.00
(ii) Hiring and firing regulations							5.19	5.28
(iii) Centralized collective bargaining							5.28	5.83
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						6.60	6.11	5.96
(i) Administrative requirements							4.23	4.32
(ii) Bureaucracy costs							5.89	4.21
(iii) Starting a business						6.81	9.37	9.42
(iv) Extra payments/bribes/favoritism							4.17	3.98
(v) Licensing restrictions						6.41	5.49	6.35
(vi) Cost of tax compliance						6.59	7.49	7.49

Greece

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.76** (33)	**5.14** (58)	**5.99** (44)	**6.44** (52)	**6.91** (47)	**7.31** (43)	**6.60** (76)	**6.73** (72)
Area 1. Size of Government	5.76 (29)	3.74 (90)	4.81 (81)	5.23 (86)	4.95 (92)	6.77 (56)	4.86 (106)	5.80 (78)
Area 2. Legal System and Property Rights	5.57 (38)	5.61 (46)	6.76 (27)	6.69 (39)	5.70 (65)	7.03 (40)	5.79 (69)	5.75 (66)
Area 3. Sound Money	7.12 (29)	6.96 (38)	6.89 (53)	7.34 (48)	9.32 (29)	9.56 (16)	9.63 (9)	9.67 (10)
Area 4. Freedom to Trade Internationally	6.13 (31)	5.26 (46)	6.72 (36)	8.03 (29)	9.05 (14)	7.64 (45)	7.56 (47)	7.40 (50)
Area 5. Regulation	4.11 (88)	4.05 (91)	4.68 (90)	4.85 (96)	5.51 (98)	5.60 (104)	5.13 (115)	5.01 (117)
Unadjusted								
Summary Rating (Rank) ➤	**5.72** (36)	**5.10** (62)	**5.95** (43)	**6.37** (54)	**6.91** (45)	**7.37** (43)	**6.65** (84)	**6.78** (81)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.76**	**3.74**	**4.81**	**5.23**	**4.95**	**6.77**	**4.86**	**5.80**
A. Government consumption	7.44 *(14.69)*	6.63 *(17.46)*	6.69 *(17.25)*	6.95 *(16.38)*	6.57 *(17.67)*	6.71 *(17.17)*	5.30 *(21.97)*	6.00 *(19.61)*
B. Transfers and subsidies	8.59 *(5.69)*	5.31 *(17.70)*	4.55 *(20.50)*	4.96 *(19.00)*	5.23 *(18.00)*	5.35 *(17.55)*	4.12 *(22.09)*	4.22 *(21.72)*
C. Government enterprises and investment	4.00 *(32.00)*	2.00 *(41.00)*	4.00 *(37.50)*	4.00 *(35.80)*	4.00 *(35.80)*	10.00 *(13.64)*	4.00 *(30.33)*	7.00 *(23.85)*
D. Top marginal tax rate	3.00	1.00	4.00	5.00	4.00	5.00	6.00	6.00
(i) Top marginal income tax rate	3.00 *(60)*	1.00 *(63)*	4.00 *(50)*	5.00 *(45)*	5.00 *(42)*	5.00 *(40)*	6.00 *(40)*	6.00 *(40)*
(ii) Top marginal income and payroll tax rate			4.00 *(50)*	5.00 *(45)*	3.00 *(50)*	5.00 *(40)*	6.00 *(40)*	6.00 *(40)*
Area 2. Legal System and Property Rights	**5.57**	**5.61**	**6.76**	**6.69**	**5.70**	**6.74**	**5.55**	**5.51**
A. Judicial independence				5.45	6.35	5.63	4.24	3.89
B. Impartial courts				5.70	5.68	5.45	3.57	2.98
C. Protection of property rights				5.44	4.83	7.24	6.19	5.77
D. Military interference in rule of law and politics				6.86	6.67	7.64	8.33	8.33
E. Integrity of the legal system				10.00	5.00	7.50	7.50	7.50
F. Legal enforcement of contracts						4.13	4.13	4.13
G. Regulatory restrictions on sale of real property						8.27	5.41	5.72
H. Reliability of police						6.69	4.52	6.26
I. Business costs of crime						8.12	6.05	5.03
Area 3. Sound Money	**7.12**	**6.96**	**6.89**	**7.34**	**9.32**	**9.56**	**9.63**	**9.67**
A. Money growth	7.94 *(10.30)*	7.39 *(13.06)*	7.05 *(14.74)*	7.67 *(11.66)*	8.70 *(6.52)*	9.10 *(4.49)*	9.11 *(4.46)*	9.99 *(−0.07)*
B. Standard deviation of inflation	9.06 *(2.35)*	9.00 *(2.51)*	9.05 *(2.37)*	8.47 *(3.82)*	9.21 *(1.97)*	9.85 *(0.37)*	9.64 *(0.90)*	9.62 *(0.96)*
C. Inflation: most recent year	6.46 *(17.69)*	6.47 *(17.67)*	6.47 *(17.67)*	8.22 *(8.88)*	9.37 *(3.17)*	9.29 *(3.56)*	9.76 *(1.21)*	9.06 *(4.71)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.22**	**5.34**	**6.60**	**7.86**	**9.05**	**7.76**	**7.68**	**7.52**
A. Tariffs	8.05	9.02	8.41	8.68	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	7.87 *(3.20)*	9.53 *(0.70)*	9.60 *(0.60)*	9.73 *(0.40)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				6.25	8.73	7.01	6.99	6.63
(i) Non-tariff trade barriers				6.25	7.95	7.10	7.06	6.82
(ii) Compliance cost of importing and exporting					9.50	6.93	6.93	6.44
C. Black-market exchange rates	8.60	5.00	9.40	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	6.52	8.30	5.64	5.51	5.10
(i) Foreign ownership/investment restrictions				8.03	8.91	6.49	6.10	4.89
(ii) Capital controls	2.00	2.00	2.00	5.00	7.69	3.85	3.85	3.85
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	3.93	3.87	4.66	4.73	5.51	6.01	5.52	5.38
A. Credit market regulations	4.24	4.13	5.63	5.97	7.36	7.89	6.00	6.00
(i) Ownership of banks	2.00	2.00	5.00	5.00	5.00	8.00	8.00	8.00
(ii) Private sector credit	4.73	4.38	3.90	4.90	7.08	5.68	0.00	0.00
(iii) Interest rate controls/negative real interest rates	6.00	6.00	8.00	8.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.61	3.61	3.69	3.99	3.38	4.01	4.50	4.36
(i) Hiring regulations and minimum wage				5.23	4.07	5.60	5.57	5.57
(ii) Hiring and firing regulations			4.81	4.81	2.33	2.93	3.17	3.27
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	4.17	3.48	3.48	3.51
(iv) Hours regulations	6.33	6.33	5.45	5.45	6.35	3.30	4.00	4.00
(v) Mandated cost of worker dismissal						7.78	7.78	6.79
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	1.00	3.00	3.00
C. Business regulations				4.23	5.78	6.13	6.05	5.78
(i) Administrative requirements					6.98	2.79	2.29	2.24
(ii) Bureaucracy costs				4.79	6.40	4.51	5.13	3.65
(iii) Starting a business				4.20	4.08	8.20	9.10	9.39
(iv) Extra payments/bribes/favoritism				3.71	5.65	6.22	4.24	3.77
(v) Licensing restrictions						8.04	8.07	8.16
(vi) Cost of tax compliance						7.04	7.49	7.49

Guatemala

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.87** (30)	**4.68** (79)	**5.62** (52)	**6.96** (37)	**6.57** (64)	**7.15** (48)	**7.16** (47)	**7.14** (50)
Area 1. Size of Government	7.49 (9)	6.85 (8)	8.07 (6)	9.12 (3)	8.53 (5)	8.08 (18)	8.00 (15)	8.00 (17)
Area 2. Legal System and Property Rights	2.30 (78)	1.81 (107)	2.21 (104)	4.50 (99)	3.16 (116)	4.61 (84)	3.92 (104)	3.87 (102)
Area 3. Sound Money	8.95 (10)	8.02 (28)	6.83 (54)	8.08 (40)	7.64 (66)	9.17 (39)	9.40 (31)	9.37 (32)
Area 4. Freedom to Trade Internationally	4.25 (51)	1.94 (81)	5.57 (50)	7.30 (49)	7.38 (57)	7.12 (62)	7.71 (43)	7.66 (40)
Area 5. Regulation	7.05 (10)	5.75 (45)	5.60 (63)	5.77 (63)	6.15 (72)	6.57 (76)	6.52 (81)	6.56 (86)
Unadjusted								
Summary Rating (Rank) ➤	**6.33** (22)	**5.05** (65)	**5.86** (48)	**7.21** (26)	**6.63** (60)	**7.22** (50)	**7.23** (46)	**7.21** (55)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**7.72**	**7.07**	**8.07**	**9.12**	**8.53**	**8.08**	**8.00**	**8.00**
A. Government consumption	9.07 *(9.16)*	9.48 *(7.77)*	9.62 *(7.30)*	9.99 *(6.05)*	9.66 *(7.14)*	9.17 *(8.81)*	8.65 *(10.58)*	8.61 *(10.73)*
B. Transfers and subsidies	9.81 *(1.20)*	9.78 *(1.30)*	9.65 *(1.80)*	10.00 *(0.50)*	9.47 *(2.46)*	9.65 *(1.79)*	9.86 *(1.00)*	9.88 *(0.93)*
C. Government enterprises and investment	4.00 *(37.40)*	4.00 *(32.10)*	7.00 *(21.00)*	8.00 *(17.30)*	8.00 *(16.43)*	8.00 *(15.07)*	8.00 *(15.41)*	8.00 *(15.41)*
D. Top marginal tax rate	8.00	5.00	6.00	8.50	7.00	5.50	5.50	5.50
(i) Top marginal income tax rate	8.00 *(40)*	5.00 *(48)*	7.00 *(34)*	9.00 *(25)*	7.00 *(31)*	7.00 *(31)*	7.00 *(31)*	7.00 *(31)*
(ii) Top marginal income and payroll tax rate			5.00 *(37)*	8.00 *(28)*	7.00 *(34)*	4.00 *(42)*	4.00 *(42)*	4.00 *(42)*
Area 2. Legal System and Property Rights	**2.54**	**1.99**	**2.44**	**4.72**	**3.42**	**4.68**	**3.98**	**3.93**
A. Judicial independence						3.80	2.87	2.75
B. Impartial courts				3.60	3.79	3.82	3.39	3.13
C. Protection of property rights					2.18	5.30	4.43	4.31
D. Military interference in rule of law and politics				4.31	3.33	8.33	6.67	6.67
E. Integrity of the legal system				6.96	3.33	3.89	2.50	2.50
F. Legal enforcement of contracts						3.39	3.39	3.39
G. Regulatory restrictions on sale of real property						8.94	9.24	9.27
H. Reliability of police						2.94	2.22	1.18
I. Business costs of crime						1.67	1.16	2.14
Area 3. Sound Money	**8.95**	**8.02**	**6.83**	**8.08**	**7.64**	**9.17**	**9.40**	**9.37**
A. Money growth	9.26 *(3.72)*	7.97 *(10.14)*	7.15 *(14.24)*	7.69 *(11.54)*	7.47 *(12.64)*	8.64 *(6.82)*	8.93 *(5.35)*	9.14 *(4.28)*
B. Standard deviation of inflation	8.56 *(3.61)*	7.88 *(5.31)*	3.94 *(15.15)*	6.37 *(9.07)*	9.28 *(1.79)*	9.73 *(0.68)*	9.05 *(2.37)*	9.11 *(2.23)*
C. Inflation: most recent year	8.00 *(10.00)*	6.24 *(18.78)*	6.24 *(18.78)*	8.27 *(8.67)*	8.80 *(5.98)*	8.32 *(8.42)*	9.63 *(1.86)*	9.23 *(3.86)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.47**	**2.50**	**6.44**	**8.45**	**7.38**	**7.67**	**8.30**	**8.25**
A. Tariffs	3.40	2.50	4.33	7.36	7.93	6.74	8.47	8.47
(i) Revenue from trade taxes (% of trade sector)	6.80 *(4.80)*	5.00 *(7.50)*	7.60 *(3.60)*	7.07 *(4.40)*	8.36 *(2.46)*	8.19 *(2.71)*	8.96 *(1.56)*	8.96 *(1.56)*
(ii) Mean tariff rate	0.00 *(50.00)*	0.00 *(50.00)*	5.40 *(23.00)*	7.96 *(10.20)*	8.56 *(7.20)*	9.46 *(2.70)*	8.88 *(5.60)*	8.88 *(5.60)*
(iii) Standard deviation of tariff rates			0.00 *(26.70)*	7.04 *(7.40)*	6.88 *(7.80)*	2.57 *(18.57)*	7.56 *(6.10)*	7.58 *(6.05)*
B. Regulatory trade barriers					4.13	6.11	6.85	7.03
(i) Non-tariff trade barriers					4.13	5.56	6.03	5.62
(ii) Compliance cost of importing and exporting						6.66	7.68	8.44
C. Black-market exchange rates	8.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	8.00	7.46	7.82	7.87	7.49
(i) Foreign ownership/investment restrictions					7.23	6.84	6.98	5.84
(ii) Capital controls	5.00	5.00	5.00	8.00	7.69	8.46	8.46	8.46
(iii) Freedom of foreigners to visit						8.16	8.16	8.16
Area 5. Regulation	6.95	5.67	5.52	5.69	6.15	6.50	6.44	6.49
A. Credit market regulations	8.53	8.46	8.07	8.53	8.52	9.30	8.82	9.15
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00
(ii) Private sector credit	9.58	9.38	8.22	9.58	8.56	8.91	7.45	7.45
(iii) Interest rate controls/negative real interest rates	8.00	8.00	8.00	8.00	9.00	9.00	9.00	10.00
B. Labor market regulations					4.77	4.66	4.55	4.57
(i) Hiring regulations and minimum wage					4.62	5.60	5.57	5.57
(ii) Hiring and firing regulations					5.25	5.91	5.00	5.18
(iii) Centralized collective bargaining					6.22	6.84	7.10	7.06
(iv) Hours regulations						6.00	6.00	6.00
(v) Mandated cost of worker dismissal						0.64	0.63	0.63
(vi) Conscription	10.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00
C. Business regulations					5.17	5.54	5.96	5.74
(i) Administrative requirements					6.10	3.86	4.30	4.33
(ii) Bureaucracy costs					4.53	4.64	5.68	4.37
(iii) Starting a business					5.12	8.41	8.22	8.19
(iv) Extra payments/bribes/favoritism					4.94	6.00	4.49	4.18
(v) Licensing restrictions						4.16	6.93	7.25
(vi) Cost of tax compliance						6.14	6.14	6.14

Guinea-Bissau

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤			**3.24** (108)	**3.45** (121)	**4.43** (120)	**5.20** (117)	**5.66** (113)	**5.66** (113)
Area 1. Size of Government			4.32 (89)	4.95 (89)	4.56 (103)	2.87 (123)	4.25 (114)	4.46 (111)
Area 2. Legal System and Property Rights		1.99 (105)	2.93 (95)	1.94 (117)	2.63 (119)	3.47 (106)	3.59 (108)	3.11 (114)
Area 3. Sound Money	4.07 (100)	1.47 (108)	0.88 (114)	1.82 (115)	3.26 (117)	6.59 (100)	6.26 (112)	6.26 (115)
Area 4. Freedom to Trade Internationally					5.87 (90)	6.41 (82)	6.23 (89)	6.17 (96)
Area 5. Regulation			3.77 (102)	3.97 (115)	5.83 (89)	6.76 (64)	8.25 (6)	8.62 (4)
Unadjusted								
Summary Rating (Rank) ➤			**2.98** (110)	**3.32** (121)	**4.51** (120)	**4.86** (135)	**5.23** (135)	**5.23** (138)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government			**4.32**	**4.95**	**4.56**	**2.87**	**4.25**	**4.46**
A. Government consumption		7.46 *(14.64)*	8.65 *(10.59)*	9.90 *(6.33)*	9.11 *(9.02)*	5.74 *(20.48)*	8.50 *(11.10)*	8.93 *(9.64)*
B. Transfers and subsidies								
C. Government enterprises and investment			0.00 *(91.40)*	0.00 *(67.60)*	0.00 *(88.30)*	0.00 *(54.56)*	0.00 *(55.61)*	0.00 *(55.61)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights		**1.99**	**2.93**	**2.54**	**3.04**	**3.17**	**3.28**	**2.85**
A. Judicial independence								
B. Impartial courts				2.70	2.90	3.20	3.10	3.20
C. Protection of property rights								
D. Military interference in rule of law and politics				3.11	3.33	2.50	1.67	0.83
E. Integrity of the legal system				0.00	1.67	5.00	4.17	4.17
F. Legal enforcement of contracts						3.48	3.48	3.48
G. Regulatory restrictions on sale of real property						1.67	4.01	2.55
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**5.43**	**1.96**	**0.88**	**1.82**	**3.26**	**6.59**	**6.26**	**6.26**
A. Money growth			0.00 *(105.63)*	2.67 *(36.64)*	1.65 *(41.76)*	9.11 *(−4.45)*	7.44 *(12.79)*	7.40 *(13.00)*
B. Standard deviation of inflation	8.61 *(3.48)*	2.33 *(19.18)*	0.00 *(28.57)*	3.58 *(16.06)*	3.10 *(17.24)*	7.93 *(5.17)*	7.95 *(5.14)*	8.16 *(4.60)*
C. Inflation: most recent year	7.67 *(11.63)*	3.54 *(32.31)*	3.54 *(32.31)*	1.05 *(44.74)*	8.27 *(8.64)*	9.33 *(3.33)*	9.67 *(−1.65)*	9.50 *(2.52)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally		**3.01**			**5.87**	**6.35**	**6.18**	**6.12**
A. Tariffs		4.84			7.60	8.44	7.45	7.45
(i) Revenue from trade taxes (% of trade sector)		4.84 *(7.74)*						
(ii) Mean tariff rate					7.60 *(12.00)*	7.22 *(13.90)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						9.66 *(0.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						6.57	6.86	6.63
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						6.57	6.86	6.63
C. Black-market exchange rates		4.20	8.20	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	5.00	5.00	0.00	0.38	0.38	0.38
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	5.00	5.00	0.00	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation			3.77	3.97	5.83	5.32	6.17	6.45
A. Credit market regulations			3.87	4.46	10.01	9.08	8.93	8.74
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit			7.75	8.92	10.01	7.23	7.87	7.49
(iii) Interest rate controls/negative real interest rates			0.00	0.00	10.00	10.00		
B. Labor market regulations						3.13	3.82	3.32
(i) Hiring regulations and minimum wage						3.30	3.33	3.33
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						7.30	10.00	8.00
(v) Mandated cost of worker dismissal						1.93	1.97	1.97
(vi) Conscription		0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						3.76	5.77	7.28
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						0.00	3.38	7.88
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						3.62	6.25	6.28
(vi) Cost of tax compliance						7.67	7.67	7.67

Guyana

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.20** (92)	**6.72** (57)	**6.36** (85)	**6.89** (63)	**6.75** (70)
Area 1. Size of Government		3.08 (99)	4.04 (94)	4.38 (97)	3.85 (112)	3.79 (119)	4.81 (108)	4.28 (112)
Area 2. Legal System and Property Rights	2.23 (81)	2.11 (104)	3.41 (86)	5.07 (82)	7.48 (34)	5.36 (74)	6.21 (58)	6.09 (56)
Area 3. Sound Money	5.82 (72)	5.24 (92)	2.19 (110)	4.94 (94)	7.87 (63)	7.72 (75)	7.94 (74)	7.96 (80)
Area 4. Freedom to Trade Internationally					7.51 (54)	7.85 (36)	7.92 (34)	7.96 (25)
Area 5. Regulation				5.79 (62)	6.91 (40)	7.16 (41)	7.66 (13)	7.62 (18)
Unadjusted								
Summary Rating (Rank) ➤		**3.29** (104)		**4.98** (97)	**6.53** (63)	**5.88** (119)	**6.37** (100)	**6.24** (114)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government		**3.48**	**4.04**	**4.38**	**3.85**	**3.79**	**4.81**	**4.28**
A. Government consumption	2.82 *(30.41)*	4.96 *(23.14)*	7.11 *(15.83)*	5.64 *(20.81)*	5.54 *(21.15)*	3.87 *(26.83)*	6.94 *(16.42)*	7.34 *(15.04)*
B. Transfers and subsidies								
C. Government enterprises and investment		2.00 *(49.30)*	2.00 *(47.90)*	2.00 *(48.90)*	0.00 *(58.07)*	2.00 *(41.15)*	2.00 *(46.17)*	0.00 *(53.56)*
D. Top marginal tax rate			3.00	5.50	6.00	5.50	5.50	5.50
(i) Top marginal income tax rate			3.00 *(50)*	7.00 *(33)*	7.00 *(33)*	7.00 *(33)*	7.00 *(33)*	7.00 *(33)*
(ii) Top marginal income and payroll tax rate			3.00 *(50)*	4.00 *(41)*	5.00 *(39)*	4.00 *(41)*	4.00 *(41)*	4.00 *(41)*
Area 2. Legal System and Property Rights	**2.23**	**2.11**	**3.41**	**4.80**	**6.54**	**3.91**	**4.53**	**4.44**
A. Judicial independence						3.01	3.96	3.77
B. Impartial courts				5.31	5.79	2.40	3.32	3.75
C. Protection of property rights						3.95	4.55	4.42
D. Military interference in rule of law and politics				5.79	10.00	6.67	6.67	6.67
E. Integrity of the legal system				4.11	6.67	4.17	2.50	2.50
F. Legal enforcement of contracts						4.55	4.55	4.55
G. Regulatory restrictions on sale of real property						7.85	7.88	7.07
H. Reliability of police						1.47	3.78	3.54
I. Business costs of crime						1.11	3.57	3.69
Area 3. Sound Money	**5.82**	**5.24**	**2.19**	**4.94**	**7.87**	**7.72**	**7.94**	**7.96**
A. Money growth	8.55 *(7.26)*	6.21 *(18.95)*	1.87 *(40.67)*	6.98 *(15.12)*	9.25 *(3.74)*	8.47 *(7.64)*	8.59 *(7.07)*	8.44 *(7.79)*
B. Standard deviation of inflation	7.07 *(7.32)*	7.66 *(5.86)*	0.00 *(53.12)*	0.00 *(48.31)*	8.47 *(3.83)*	8.80 *(3.01)*	8.77 *(3.07)*	8.81 *(2.97)*
C. Inflation: most recent year	7.64 *(11.78)*	7.10 *(14.51)*	6.90 *(15.51)*	7.77 *(11.17)*	8.77 *(6.15)*	8.61 *(6.93)*	9.42 *(2.91)*	9.58 *(2.09)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**2.93**	**2.34**			**7.51**	**6.97**	**7.04**	**7.07**
A. Tariffs	8.80	7.01			6.60	6.49	6.47	6.47
(i) Revenue from trade taxes (% of trade sector)	8.80 *(1.80)*	7.41 *(3.88)*						
(ii) Mean tariff rate		6.60 *(17.00)*			6.60 *(17.00)*	7.78 *(11.10)*	7.82 *(10.90)*	7.82 *(10.90)*
(iii) Standard deviation of tariff rates						5.20 *(11.99)*	5.12 *(12.21)*	5.12 *(12.21)*
B. Regulatory trade barriers						6.38	6.47	6.56
(i) Non-tariff trade barriers						5.99	5.73	5.49
(ii) Compliance cost of importing and exporting						6.78	7.20	7.63
C. Black-market exchange rates	0.00	0.00	8.20	9.20	9.00	9.49	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	5.00	5.00	6.92	5.50	5.21	5.26
(i) Foreign ownership/investment restrictions						5.85	5.22	5.36
(ii) Capital controls	0.00	0.00	5.00	5.00	6.92	6.92	6.67	6.67
(iii) Freedom of foreigners to visit						3.74	3.74	3.74
Area 5. Regulation				5.79	6.91	7.02	7.51	7.46
A. Credit market regulations	3.02	2.38	4.61	4.90	8.21	8.21	8.42	8.43
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit	3.02	2.38	4.61	5.80	7.42	5.62	6.27	6.29
(iii) Interest rate controls/negative real interest rates				4.00	9.00	9.00	9.00	9.00
B. Labor market regulations						7.12	7.82	8.05
(i) Hiring regulations and minimum wage						6.70	8.90	10.00
(ii) Hiring and firing regulations						6.00	6.08	6.31
(iii) Centralized collective bargaining						6.50	6.76	6.79
(iv) Hours regulations						8.70	10.00	10.00
(v) Mandated cost of worker dismissal						4.81	5.18	5.18
(vi) Conscription			10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.73	6.27	5.92
(i) Administrative requirements						2.54	4.21	4.29
(ii) Bureaucracy costs						5.21	5.62	3.89
(iii) Starting a business						7.47	8.84	9.01
(iv) Extra payments/bribes/favoritism						4.26	3.67	3.54
(v) Licensing restrictions						8.11	8.51	7.71
(vi) Cost of tax compliance						6.77	6.77	7.05

Haiti

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.51** (18)	**5.76** (40)	**5.61** (53)	**5.59** (78)	**6.89** (49)	**6.77** (70)	**6.99** (60)	**6.83** (68)
Area 1. Size of Government	9.13 (4)	5.66 (35)	6.37 (34)	6.49 (43)	8.34 (9)	9.20 (2)	8.79 (4)	8.77 (5)
Area 2. Legal System and Property Rights	2.23 (82)	2.93 (94)	1.95 (108)	3.88 (106)	3.78 (103)	2.46 (119)	2.34 (121)	2.04 (121)
Area 3. Sound Money	7.70 (24)	8.92 (17)	8.46 (26)	6.34 (68)	8.37 (49)	7.99 (69)	8.65 (57)	8.03 (75)
Area 4. Freedom to Trade Internationally					6.67 (75)	7.33 (53)	7.72 (42)	8.51 (8)
Area 5. Regulation			5.82 (50)	5.83 (60)	7.32 (22)	6.74 (67)	7.27 (32)	6.79 (68)
Unadjusted								
Summary Rating (Rank) ➤	**5.38** (50)	**5.01** (67)	**4.99** (79)	**5.50** (79)	**6.91** (45)	**6.72** (76)	**6.94** (68)	**6.50** (97)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**8.27**	**6.14**	**6.85**	**5.88**	**8.34**	**8.90**	**8.51**	**8.48**
A. Government consumption	8.54 *(10.96)*	8.26 *(11.92)*	9.54 *(7.58)*	9.76 *(6.82)*	5.10 *(22.65)*	9.69 *(7.05)*	9.10 *(9.05)*	9.01 *(9.35)*
B. Transfers and subsidies		8.15 *(7.30)*			9.92 *(0.81)*	9.92 *(0.81)*	9.92 *(0.81)*	9.92 *(0.81)*
C. Government enterprises and investment	8.00 *(19.00)*	2.00 *(48.80)*	2.00 *(42.00)*	2.00 *(47.00)*	10.00 *(11.50)*	8.00 *(18.70)*	7.00 *(24.90)*	7.00 *(24.90)*
D. Top marginal tax rate			9.00			8.00	8.00	8.00
(i) Top marginal income tax rate			9.00 *(30)*			8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**2.23**	**2.93**	**1.95**	**3.94**	**3.86**	**2.66**	**2.54**	**2.12**
A. Judicial independence								1.23
B. Impartial courts				2.91	2.99	2.70	3.20	1.83
C. Protection of property rights								1.96
D. Military interference in rule of law and politics				1.76	5.00	0.00	0.00	0.00
E. Integrity of the legal system				6.96	3.33	3.75	2.50	2.50
F. Legal enforcement of contracts						4.05	4.05	3.88
G. Regulatory restrictions on sale of real property						2.80	2.93	2.83
H. Reliability of police								2.26
I. Business costs of crime								2.64
Area 3. Sound Money	**7.70**	**8.92**	**8.46**	**6.34**	**8.37**	**7.99**	**8.65**	**8.03**
A. Money growth	8.40 *(7.99)*	9.02 *(4.91)*	8.94 *(5.30)*	5.26 *(23.72)*	7.87 *(10.67)*	7.07 *(14.63)*	7.42 *(12.91)*	6.46 *(17.68)*
B. Standard deviation of inflation	6.67 *(8.33)*	8.75 *(3.13)*	7.00 *(7.50)*	6.32 *(9.19)*	8.38 *(4.06)*	8.05 *(4.88)*	7.18 *(7.05)*	6.78 *(8.05)*
C. Inflation: most recent year	5.72 *(21.39)*	7.92 *(10.41)*	7.92 *(10.41)*	3.80 *(31.00)*	7.26 *(13.71)*	6.85 *(15.73)*	10.00 *(–0.01)*	8.86 *(5.70)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.31**	**2.06**	**1.84**		**6.67**	**6.69**	**7.05**	**7.17**
A. Tariffs	3.93	6.17	5.53		8.00	8.81	8.79	8.40
(i) Revenue from trade taxes (% of trade sector)	3.40 *(9.90)*	4.67 *(8.00)*	5.53 *(6.70)*					
(ii) Mean tariff rate	4.46 *(27.70)*	7.68 *(11.60)*			8.00 *(10.00)*	9.44 *(2.80)*	9.44 *(2.80)*	9.06 *(4.70)*
(iii) Standard deviation of tariff rates						8.17 *(4.56)*	8.14 *(4.65)*	7.74 *(5.64)*
B. Regulatory trade barriers						3.42	5.17	6.11
(i) Non-tariff trade barriers								4.15
(ii) Compliance cost of importing and exporting						3.42	5.17	8.06
C. Black-market exchange rates	6.00	0.00	0.00	0.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	2.00	2.00	4.55	4.23	4.18
(i) Foreign ownership/investment restrictions								3.32
(ii) Capital controls	0.00	0.00	0.00	2.00	2.00	9.09	8.46	9.23
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation			5.82	5.83	7.32	7.36	7.94	6.72
A. Credit market regulations	10.00	9.71	4.97	4.99	9.44	8.30	8.56	8.17
(i) Ownership of banks								
(ii) Private sector credit	10.00	9.71	9.94	9.99	9.88	8.61	9.12	8.33
(iii) Interest rate controls/negative real interest rates			0.00	0.00	9.00	8.00	8.00	8.00
B. Labor market regulations						8.56	9.73	8.20
(i) Hiring regulations and minimum wage						7.80	8.90	6.67
(ii) Hiring and firing regulations								5.09
(iii) Centralized collective bargaining								7.46
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						8.42	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.23	5.54	3.78
(i) Administrative requirements								2.70
(ii) Bureaucracy costs								2.65
(iii) Starting a business						3.91	4.37	3.29
(iv) Extra payments/bribes/favoritism								2.49
(v) Licensing restrictions						3.57	4.05	3.62
(vi) Cost of tax compliance						8.21	8.21	7.94

Honduras

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.97** (29)	**5.38** (50)	**5.45** (62)	**6.26** (59)	**6.68** (62)	**6.86** (66)	**6.96** (61)	**7.03** (57)
Area 1. Size of Government	8.52 (5)	5.48 (40)	6.38 (33)	6.51 (42)	8.12 (10)	8.46 (13)	8.11 (13)	8.21 (12)
Area 2. Legal System and Property Rights	2.46 (74)	2.73 (95)	3.13 (88)	4.87 (88)	3.58 (109)	3.70 (103)	4.12 (98)	4.30 (95)
Area 3. Sound Money	8.76 (11)	9.51 (5)	8.38 (28)	7.17 (51)	8.22 (53)	8.85 (45)	9.24 (38)	9.35 (35)
Area 4. Freedom to Trade Internationally			4.91 (61)	6.99 (56)	6.94 (70)	6.93 (69)	7.00 (68)	6.96 (70)
Area 5. Regulation	5.55 (48)	4.53 (83)	4.55 (94)	5.61 (73)	6.55 (49)	6.41 (81)	6.36 (89)	6.38 (90)
Unadjusted								
Summary Rating (Rank) ➤	**5.47** (49)	**5.77** (38)	**5.74** (50)	**6.50** (47)	**6.71** (57)	**7.07** (57)	**7.17** (51)	**7.24** (52)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.43**	**5.48**	**6.38**	**6.51**	**8.12**	**8.46**	**8.11**	**8.21**
A. Government consumption	7.28 *(15.25)*	7.40 *(14.83)*	7.00 *(16.21)*	8.00 *(12.80)*	7.43 *(14.75)*	7.32 *(15.11)*	5.95 *(19.76)*	6.34 *(18.44)*
B. Transfers and subsidies		9.51 *(2.30)*	9.54 *(2.20)*	9.05 *(4.00)*	9.05 *(4.00)*	10.00 *(0.47)*	10.00 *(0.35)*	10.00 *(0.30)*
C. Government enterprises and investment	4.00 *(37.90)*	0.00 *(52.40)*	4.00 *(32.50)*	2.00 *(41.80)*	7.00 *(21.30)*	8.00 *(17.90)*	8.00 *(15.54)*	8.00 *(16.89)*
D. Top marginal tax rate	8.00	5.00	5.00	7.00	9.00	8.50	8.50	8.50
(i) Top marginal income tax rate	8.00 *(40)*	5.00 *(46)*	5.00 *(46)*	7.00 *(40)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			5.00 *(46)*	7.00 *(40)*	9.00 *(25)*	8.00 *(28)*	8.00 *(28)*	8.00 *(28)*
Area 2. Legal System and Property Rights	**2.76**	**3.05**	**3.50**	**5.07**	**3.72**	**3.69**	**4.11**	**4.29**
A. Judicial independence						2.44	3.53	4.33
B. Impartial courts				3.98	3.68	3.02	3.86	4.06
C. Protection of property rights					2.30	4.15	4.70	4.55
D. Military interference in rule of law and politics				5.42	5.00	5.56	5.00	5.83
E. Integrity of the legal system				6.96	3.33	2.50	2.50	2.50
F. Legal enforcement of contracts						2.86	2.86	2.86
G. Regulatory restrictions on sale of real property						7.41	7.76	7.69
H. Reliability of police						3.44	4.02	2.44
I. Business costs of crime						1.87	2.79	4.34
Area 3. Sound Money	**8.76**	**9.51**	**8.38**	**7.17**	**8.22**	**8.85**	**9.24**	**9.35**
A. Money growth	8.89 *(5.56)*	9.67 *(1.66)*	7.23 *(13.85)*	7.09 *(14.57)*	7.66 *(11.70)*	7.74 *(11.28)*	9.12 *(4.41)*	9.20 *(4.02)*
B. Standard deviation of inflation	8.81 *(2.97)*	9.42 *(1.45)*	7.34 *(6.64)*	6.88 *(7.81)*	7.42 *(6.44)*	9.41 *(1.49)*	8.93 *(2.69)*	9.15 *(2.12)*
C. Inflation: most recent year	7.35 *(13.27)*	8.95 *(5.25)*	8.95 *(5.25)*	4.73 *(26.34)*	7.79 *(11.06)*	8.24 *(8.81)*	8.90 *(5.49)*	9.06 *(4.70)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.22**		**5.33**	**7.50**	**6.94**	**7.56**	**7.64**	**7.60**
A. Tariffs	3.67		6.00	7.69	7.83	8.52	8.45	8.44
(i) Revenue from trade taxes (% of trade sector)	5.53 *(6.70)*				8.07 *(2.90)*	9.42 *(0.87)*	9.42 *(0.87)*	9.39 *(0.92)*
(ii) Mean tariff rate	1.80 *(41.00)*		6.00 *(20.00)*	7.98 *(10.10)*	8.42 *(7.90)*	8.66 *(6.70)*	8.90 *(5.50)*	8.90 *(5.50)*
(iii) Standard deviation of tariff rates				7.40 *(6.50)*	7.00 *(7.50)*	7.49 *(6.27)*	7.04 *(7.39)*	7.04 *(7.39)*
B. Regulatory trade barriers					3.35	5.76	6.43	6.51
(i) Non-tariff trade barriers					3.35	4.47	5.72	5.39
(ii) Compliance cost of importing and exporting						7.05	7.14	7.63
C. Black-market exchange rates	6.00	0.00	10.00	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.00	6.57	5.97	5.68	5.44
(i) Foreign ownership/investment restrictions					8.53	6.23	6.15	6.18
(ii) Capital controls	0.00	0.00	0.00	5.00	4.61	3.85	3.08	2.31
(iii) Freedom of foreigners to visit						7.82	7.82	7.82
Area 5. Regulation	6.20	5.06	5.08	6.26	6.55	6.81	6.75	6.77
A. Credit market regulations	6.10	7.70	7.77	6.30	9.43	9.89	8.72	9.04
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit	8.20	7.41	7.54	8.60	9.86	9.68	7.17	8.11
(iii) Interest rate controls/negative real interest rates	4.00	8.00	8.00	4.00	9.00	10.00	9.00	9.00
B. Labor market regulations					5.72	5.42	5.00	4.98
(i) Hiring regulations and minimum wage					2.72	0.00	0.00	0.00
(ii) Hiring and firing regulations					4.50	5.10	4.24	4.14
(iii) Centralized collective bargaining					5.67	6.27	5.80	5.77
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						3.14	1.97	1.97
(vi) Conscription	10.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					4.49	5.11	6.52	6.29
(i) Administrative requirements					5.80	3.00	4.43	4.10
(ii) Bureaucracy costs					4.88	3.25	5.91	4.24
(iii) Starting a business					2.85	7.86	9.00	9.01
(iv) Extra payments/bribes/favoritism					4.42	4.57	3.93	4.10
(v) Licensing restrictions						6.72	8.34	8.83
(vi) Cost of tax compliance						5.25	7.49	7.49

Hong Kong

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**9.02** (1)	**8.63** (1)	**8.59** (1)	**9.14** (1)	**8.86** (1)	**8.93** (1)	**8.95** (1)	**8.80** (1)
Area 1. Size of Government	9.75 (2)	8.89 (1)	9.31 (1)	9.47 (1)	9.35 (1)	9.08 (3)	9.35 (1)	8.89 (3)
Area 2. Legal System and Property Rights	8.13 (4)	6.31 (29)	5.94 (40)	8.17 (19)	7.23 (37)	7.99 (20)	8.14 (20)	7.97 (23)
Area 3. Sound Money	8.51 (12)	9.33 (13)	9.02 (19)	9.44 (26)	9.11 (36)	9.48 (26)	9.28 (34)	9.31 (37)
Area 4. Freedom to Trade Internationally	9.69 (1)	9.68 (1)	9.70 (1)	9.71 (1)	9.72 (1)	9.41 (1)	9.27 (1)	8.92 (1)
Area 5. Regulation	8.99 (1)	8.99 (1)	8.99 (1)	8.96 (1)	8.89 (1)	8.68 (1)	8.72 (1)	8.89 (1)
Unadjusted								
Summary Rating (Rank) ➤	**8.72** (1)	**8.34** (2)	**8.73** (1)	**9.11** (1)	**8.86** (1)	**9.03** (1)	**9.05** (1)	**8.90** (1)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**9.75**	**8.89**	**9.31**	**9.47**	**9.35**	**9.08**	**9.35**	**8.89**
A. Government consumption	9.02 *(9.34)*	8.66 *(10.57)*	8.36 *(11.58)*	8.03 *(12.70)*	7.58 *(14.22)*	7.92 *(13.07)*	8.10 *(12.45)*	8.25 *(11.94)*
B. Transfers and subsidies	9.97 *(0.60)*	9.89 *(0.90)*	9.89 *(0.90)*	9.84 *(1.10)*	9.84 *(1.10)*	8.41 *(6.34)*	9.31 *(3.02)*	9.31 *(3.02)*
C. Government enterprises and investment	10.00 *(14.80)*	8.00 *(15.20)*	10.00 *(12.70)*	10.00 *(14.00)*	10.00 *(14.00)*	10.00 *(1.38)*	10.00 *(12.70)*	8.00 *(15.40)*
D. Top marginal tax rate	10.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
(i) Top marginal income tax rate	10.00 *(15)*	9.00 *(25c)*	9.00 *(25)*	10.00 *(20)*	10.00 *(17)*	10.00 *(20)*	10.00 *(17)*	10.00 *(17)*
(ii) Top marginal income and payroll tax rate			9.00 *(25)*	10.00 *(20)*	10.00 *(17)*	10.00 *(20)*	10.00 *(17)*	10.00 *(17)*
Area 2. Legal System and Property Rights	**8.13**	**6.31**	**5.94**	**8.17**	**7.23**	**8.20**	**8.36**	**8.18**
A. Judicial independence				8.07	7.68	8.17	8.58	8.47
B. Impartial courts				7.93	8.85	8.31	8.23	7.70
C. Protection of property rights				6.07	6.30	8.73	8.82	8.54
D. Military interference in rule of law and politics				8.76	5.00	8.33	8.33	8.33
E. Integrity of the legal system				10.00	8.33	7.71	8.33	8.33
F. Legal enforcement of contracts						7.69	7.17	7.07
G. Regulatory restrictions on sale of real property						7.34	7.94	7.97
H. Reliability of police						8.59	8.88	8.51
I. Business costs of crime						8.94	8.94	8.71
Area 3. Sound Money	**8.51**	**9.33**	**9.02**	**9.44**	**9.11**	**9.48**	**9.28**	**9.31**
A. Money growth	9.04 *(4.80)*	9.48 *(2.60)*	8.36 *(8.20)*	9.33 *(3.37)*	9.46 *(−2.71)*	8.98 *(5.08)*	7.75 *(11.25)*	8.21 *(8.97)*
B. Standard deviation of inflation	7.99 *(5.03)*	8.97 *(2.57)*	8.86 *(2.85)*	8.96 *(2.59)*	7.73 *(5.68)*	9.10 *(2.25)*	9.47 *(1.32)*	9.50 *(1.24)*
C. Inflation: most recent year	7.01 *(14.96)*	8.86 *(5.71)*	8.86 *(5.71)*	9.49 *(2.56)*	9.25 *(−3.76)*	9.82 *(0.91)*	9.89 *(0.55)*	9.53 *(2.34)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.94**	**9.93**	**9.97**	**9.60**	**9.72**	**9.52**	**9.37**	**9.02**
A. Tariffs	9.83	9.80	9.91	9.93	9.93	10.00	10.00	10.00
(i) Revenue from trade taxes (% of trade sector)	9.67 *(0.50)*	9.60 *(0.60)*	9.73 *(0.40)*	9.80 *(0.30)*	9.80 *(0.30)*	10.00 *(0.00)*	9.99 *(0.02)*	9.99 *(0.02)*
(ii) Mean tariff rate	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
(iii) Standard deviation of tariff rates			10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
B. Regulatory trade barriers				8.75	9.38	8.94	9.12	7.47
(i) Non-tariff trade barriers				8.75	8.94	8.60	8.89	8.25
(ii) Compliance cost of importing and exporting					9.83	9.29	9.35	6.69
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	10.00	10.00	9.70	9.57	9.14	8.37	8.63
(i) Foreign ownership/investment restrictions				9.40	9.92	8.96	8.96	8.19
(ii) Capital controls	10.00	10.00	10.00	10.00	9.23	8.46	6.15	7.69
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	7.25	7.25	9.43	8.89	8.89	8.86	8.90	9.08
A. Credit market regulations	10.00	10.00	9.94	9.89	9.70	9.63	9.31	9.37
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit			9.82	9.68	9.10	8.89	7.93	8.11
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			8.92	8.14	8.55	9.15	9.46	9.28
(i) Hiring regulations and minimum wage				7.40		10.00	10.00	10.00
(ii) Hiring and firing regulations			8.83	8.83	7.55	6.90	8.28	7.78
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.94	8.99	8.90	9.00	8.46
(iv) Hours regulations				6.53	7.68	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.07	9.46	9.46
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				8.63	8.40	7.80	7.94	8.57
(i) Administrative requirements					8.54	6.38	6.91	6.70
(ii) Bureaucracy costs				9.55	7.25	4.57	3.21	7.84
(iii) Starting a business				9.08	9.02	9.61	9.79	9.88
(iv) Extra payments/bribes/favoritism				7.27	8.81	8.80	8.86	8.09
(v) Licensing restrictions						8.35	9.79	9.79
(vi) Cost of tax compliance						9.10	9.10	9.10

Hungary

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.94** (86)	**4.67** (80)	**5.04** (79)	**6.19** (60)	**6.56** (65)	**7.23** (47)	**7.19** (44)	**7.10** (52)
Area 1. Size of Government	2.58 (99)	2.64 (104)	2.94 (109)	3.73 (108)	3.85 (111)	4.64 (107)	4.51 (112)	3.94 (116)
Area 2. Legal System and Property Rights		6.78 (20)	7.25 (23)	7.60 (26)	7.01 (39)	6.89 (41)	6.61 (48)	6.56 (47)
Area 3. Sound Money	6.48 (41)	6.82 (43)	5.75 (81)	6.24 (70)	7.16 (74)	9.44 (30)	9.53 (21)	9.60 (17)
Area 4. Freedom to Trade Internationally	2.31 (73)	2.61 (75)	4.22 (72)	7.62 (41)	7.59 (52)	7.92 (30)	7.90 (36)	7.86 (29)
Area 5. Regulation	4.13 (87)	4.27 (88)	4.88 (83)	5.74 (67)	7.18 (32)	7.29 (31)	7.43 (23)	7.60 (21)
Unadjusted								
Summary Rating (Rank) ➤	**4.07** (85)	**4.48** (87)	**4.89** (82)	**6.16** (59)	**6.56** (61)	**7.21** (52)	**7.17** (51)	**7.08** (64)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.77**	**2.92**	**2.94**	**3.73**	**3.85**	**4.64**	**4.51**	**3.94**
A. Government consumption	7.53 *(14.40)*	7.69 *(13.87)*	7.43 *(14.75)*	7.58 *(14.23)*	7.86 *(13.27)*	3.19 *(29.15)*	3.13 *(29.36)*	3.21 *(29.07)*
B. Transfers and subsidies		1.06 *(33.30)*	2.32 *(28.70)*	3.32 *(25.00)*	5.04 *(18.71)*	4.86 *(19.36)*	4.40 *(21.06)*	4.55 *(20.52)*
C. Government enterprises and investment	0.00 *(92.60)*	0.00 *(83.50)*	0.00 *(68.50)*	0.00 *(68.50)*	0.00 *(68.50)*	8.00 *(17.23)*	8.00 *(15.54)*	4.00 *(35.11)*
D. Top marginal tax rate			2.00	4.00	2.50	2.50	2.50	4.00
(i) Top marginal income tax rate			3.00 *(50)*	4.00 *(44)*	5.00 *(40)*	5.00 *(38)*	5.00 *(40)*	7.00 *(32)*
(ii) Top marginal income and payroll tax rate			1.00 *(60)*	4.00 *(44)*	0.00 *(62)*	0.00 *(64)*	0.00 *(63)*	1.00 *(56)*
Area 2. Legal System and Property Rights		**6.78**	**7.25**	**7.60**	**7.01**	**6.66**	**6.39**	**6.34**
A. Judicial independence				6.68	6.51	5.38	5.06	4.87
B. Impartial courts				6.77	6.35	5.36	3.45	3.42
C. Protection of property rights				4.93	5.53	7.44	5.59	5.54
D. Military interference in rule of law and politics				9.62	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						7.15	6.58	6.58
G. Regulatory restrictions on sale of real property						4.91	8.04	8.04
H. Reliability of police						5.94	5.38	6.52
I. Business costs of crime						7.07	6.71	5.41
Area 3. Sound Money	**6.48**	**6.82**	**5.75**	**6.24**	**7.16**	**9.44**	**9.53**	**9.60**
A. Money growth	8.26 *(8.70)*	8.66 *(6.70)*	7.33 *(13.34)*	7.67 *(11.67)*	7.62 *(11.91)*	9.49 *(2.55)*	9.49 *(2.54)*	9.76 *(1.19)*
B. Standard deviation of inflation	8.87 *(2.82)*	9.80 *(0.50)*	6.87 *(7.83)*	7.64 *(5.90)*	7.97 *(5.08)*	8.98 *(2.54)*	9.49 *(1.28)*	9.60 *(1.01)*
C. Inflation: most recent year	8.79 *(6.03)*	8.82 *(5.91)*	8.82 *(5.91)*	4.65 *(26.73)*	8.04 *(9.80)*	9.29 *(3.55)*	9.16 *(4.21)*	9.02 *(4.88)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**2.22**	**2.51**	**3.90**	**7.55**	**7.59**	**7.98**	**7.96**	**7.92**
A. Tariffs	6.67	7.53	6.09	6.67	7.31	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	6.67 *(5.00)*	7.53 *(3.70)*	6.57 *(5.14)*	6.09 *(5.86)*	9.45 *(0.83)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate				7.80 *(11.00)*	8.36 *(8.20)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			5.60 *(11.00)*	6.12 *(9.70)*	4.12 *(14.70)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				7.13	8.52	7.45	7.65	7.50
(i) Non-tariff trade barriers				7.13	8.20	7.30	7.71	7.62
(ii) Compliance cost of importing and exporting					8.83	7.59	7.59	7.38
C. Black-market exchange rates	0.00	0.00	5.60	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	6.38	4.53	6.10	5.98	5.86
(i) Foreign ownership/investment restrictions				7.76	8.29	7.86	7.53	7.16
(ii) Capital controls	0.00	0.00	0.00	5.00	0.77	3.85	3.85	3.85
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	3.82	3.37	4.61	5.71	7.18	7.31	7.46	7.62
A. Credit market regulations	3.56	2.66	4.40	6.43	8.87	8.64	9.28	9.28
(i) Ownership of banks	0.00	0.00	2.00	8.00	8.00	10.00	10.00	10.00
(ii) Private sector credit	4.68	5.33	5.21	5.28	8.62	5.92	7.85	7.85
(iii) Interest rate controls/negative real interest rates	6.00		6.00	6.00	10.00	10.00	10.00	10.00
B. Labor market regulations				5.41	5.59	6.84	7.31	7.32
(i) Hiring regulations and minimum wage				6.67	4.65	8.90	7.23	7.23
(ii) Hiring and firing regulations			7.07	7.07	5.50	4.62	5.14	5.29
(iii) Centralized collective bargaining				5.18	6.97	7.49	7.51	7.38
(iv) Hours regulations				5.15	5.85	3.30	6.00	6.00
(v) Mandated cost of worker dismissal						6.76	7.99	7.99
(vi) Conscription	0.00	0.00	1.00	3.00	5.00	10.00	10.00	10.00
C. Business regulations				5.29	7.08	6.46	5.78	6.27
(i) Administrative requirements					7.42	3.03	2.00	2.23
(ii) Bureaucracy costs				6.14	6.18	6.58	3.12	4.67
(iii) Starting a business				6.40	7.37	8.32	9.75	9.76
(iv) Extra payments/bribes/favoritism				3.32	7.35	7.27	5.07	4.84
(v) Licensing restrictions						7.36	7.82	9.25
(vi) Cost of tax compliance						6.19	6.90	6.90

Iceland

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.25** (54)	**5.53** (47)	**6.95** (24)	**7.69** (13)	**8.04** (11)	**8.09** (10)	**7.02** (59)	**7.02** (59)
Area 1. Size of Government	5.02 (52)	5.24 (48)	5.91 (47)	5.60 (78)	6.07 (69)	6.90 (52)	5.01 (100)	4.83 (107)
Area 2. Legal System and Property Rights	6.83 (21)	7.88 (12)	8.35 (13)	8.30 (18)	9.03 (12)	9.27 (4)	8.65 (15)	8.53 (15)
Area 3. Sound Money	2.62 (101)	2.84 (104)	7.08 (40)	9.45 (25)	9.18 (34)	8.75 (53)	7.80 (78)	8.42 (66)
Area 4. Freedom to Trade Internationally	5.65 (39)	5.49 (43)	6.72 (37)	8.00 (30)	8.24 (36)	7.00 (67)	6.43 (85)	6.19 (95)
Area 5. Regulation	6.34 (27)	6.35 (33)	6.72 (26)	7.16 (17)	7.69 (10)	8.54 (4)	7.21 (34)	7.16 (41)
Unadjusted								
Summary Rating (Rank) ➤	**5.15** (57)	**5.42** (52)	**6.92** (25)	**7.73** (13)	**8.04** (11)	**8.13** (9)	**7.06** (62)	**7.06** (65)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.12**	**5.35**	**6.03**	**5.72**	**6.07**	**6.90**	**5.01**	**4.83**
A. Government consumption	5.23 *(22.21)*	5.45 *(21.48)*	4.74 *(23.87)*	4.22 *(25.65)*	3.44 *(28.31)*	3.22 *(29.04)*	1.72 *(34.15)*	1.88 *(33.60)*
B. Transfers and subsidies	7.25 *(10.60)*	6.95 *(11.70)*	7.38 *(10.10)*	7.65 *(9.12)*	8.34 *(6.60)*	7.86 *(8.35)*	7.32 *(10.35)*	7.42 *(9.95)*
C. Government enterprises and investment	8.00 *(15.30)*	8.00 *(16.10)*	7.00 *(22.20)*	7.00 *(24.80)*	7.00 *(24.80)*	10.00 *(10.92)*	7.00 *(24.96)*	7.00 *(20.00)*
D. Top marginal tax rate	0.00	1.00	5.00	4.00	5.50	6.50	4.00	3.00
(i) Top marginal income tax rate	0.00 *(63)*	1.00 *(56)*	5.00 *(40)*	4.00 *(47)*	6.00 *(45)*	7.00 *(39)*	5.00 *(40)*	4.00 *(46)*
(ii) Top marginal income and payroll tax rate					5.00 *(48)*	6.00 *(42)*	3.00 *(50)*	2.00 *(56)*
Area 2. Legal System and Property Rights	**6.83**	**7.88**	**8.35**	**8.30**	**9.03**	**9.05**	**8.45**	**8.33**
A. Judicial independence				7.78	8.52	8.39	8.18	8.05
B. Impartial courts				8.28	9.02	8.94	6.73	6.30
C. Protection of property rights				5.80	7.62	9.44	7.30	6.96
D. Military interference in rule of law and politics				9.64	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						7.13	6.82	6.82
G. Regulatory restrictions on sale of real property						9.14	9.14	9.14
H. Reliability of police						8.83	8.92	8.94
I. Business costs of crime						9.60	8.96	8.79
Area 3. Sound Money	**2.62**	**2.84**	**7.08**	**9.45**	**9.18**	**8.75**	**7.80**	**8.42**
A. Money growth	3.57 *(32.16)*	4.81 *(25.96)*	5.77 *(21.13)*	9.18 *(4.12)*	8.16 *(9.21)*	7.06 *(14.68)*	5.00 *(24.98)*	5.78 *(21.09)*
B. Standard deviation of inflation	6.92 *(7.70)*	2.82 *(17.95)*	8.81 *(2.97)*	9.16 *(2.09)*	9.61 *(0.97)*	8.76 *(3.11)*	8.58 *(3.54)*	9.00 *(2.51)*
C. Inflation: most recent year	0.00 *(52.48)*	3.74 *(31.30)*	3.74 *(31.30)*	9.45 *(2.75)*	8.97 *(5.16)*	9.17 *(4.16)*	7.60 *(12.00)*	8.92 *(5.40)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.69**	**5.53**	**6.62**	**7.89**	**8.24**	**7.13**	**6.55**	**6.31**
A. Tariffs	6.87	7.80	7.86	8.65	8.02	6.05	6.34	6.48
(i) Revenue from trade taxes (% of trade sector)	5.67 *(6.50)*	6.93 *(4.60)*	7.34 *(3.99)*	9.61 *(0.58)*	9.65 *(0.53)*	9.69 *(0.46)*	9.76 *(0.36)*	9.65 *(0.53)*
(ii) Mean tariff rate	8.08 *(9.60)*	8.66 *(6.70)*	9.24 *(3.80)*	9.26 *(3.70)*	9.62 *(1.90)*	8.46 *(7.70)*	8.84 *(5.80)*	8.88 *(5.60)*
(iii) Standard deviation of tariff rates			7.00 *(7.50)*	7.08 *(7.30)*	4.80 *(13.00)*	0.00 *(38.65)*	0.42 *(23.95)*	0.91 *(22.74)*
B. Regulatory trade barriers				6.62	8.71	6.95	6.51	5.68
(i) Non-tariff trade barriers				6.62	8.25	5.86	5.33	4.73
(ii) Compliance cost of importing and exporting					9.17	8.03	7.70	6.63
C. Black-market exchange rates	8.20	6.80	10.00	10.00	10.00	10.00	10.00	9.48
D. Controls of the movement of capital and people	2.00	2.00	2.00	6.28	6.25	5.52	3.37	3.61
(i) Foreign ownership/investment restrictions				7.56	8.65	6.15	2.75	3.47
(ii) Capital controls	2.00	2.00	2.00	5.00	3.85	3.85	0.77	0.77
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.50	5.51	6.54	7.31	7.69	8.84	7.47	7.41
A. Credit market regulations	5.20	5.23	6.28	7.14	8.00	9.67	7.01	6.33
(i) Ownership of banks	2.00	2.00	2.00	2.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	9.61	9.69	8.83	9.42	10.00	10.00	2.03	0.00
(iii) Interest rate controls/negative real interest rates	4.00	4.00	8.00	10.00	9.00	9.00	9.00	9.00
B. Labor market regulations			6.80	6.38	6.66	7.97	7.84	7.72
(i) Hiring regulations and minimum wage				6.20	4.76	6.70	5.57	5.57
(ii) Hiring and firing regulations			5.92	5.92	6.03	7.67	7.51	7.23
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	5.48	6.67	5.94	5.51
(iv) Hours regulations				5.28	7.01	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						8.79	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				8.41	8.41	8.89	7.56	8.19
(i) Administrative requirements					6.98	7.24	5.49	5.24
(ii) Bureaucracy costs				8.06	8.43	8.57	3.01	7.77
(iii) Starting a business				7.67	8.25	9.76	9.78	9.76
(iv) Extra payments/bribes/favoritism				9.50	9.99	9.69	8.97	8.28
(v) Licensing restrictions						9.64	9.66	9.68
(vi) Cost of tax compliance						8.43	8.43	8.43

India

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.35** (50)	**5.02** (63)	**5.05** (78)	**5.80** (73)	**6.32** (75)	**6.89** (64)	**6.47** (82)	**6.42** (90)
Area 1. Size of Government	5.00 (53)	4.50 (70)	4.88 (76)	6.26 (55)	6.83 (41)	7.42 (38)	6.33 (63)	6.37 (63)
Area 2. Legal System and Property Rights	5.78 (36)	4.92 (56)	4.39 (72)	5.87 (58)	5.99 (59)	7.29 (32)	6.48 (50)	6.22 (53)
Area 3. Sound Money	6.29 (51)	6.61 (57)	6.63 (60)	6.50 (64)	6.88 (86)	6.84 (91)	6.55 (108)	6.42 (111)
Area 4. Freedom to Trade Internationally	4.41 (48)	3.53 (68)	3.92 (78)	4.56 (102)	5.51 (99)	6.35 (84)	6.48 (83)	6.57 (86)
Area 5. Regulation	5.28 (57)	5.29 (63)	5.35 (70)	5.76 (64)	6.40 (56)	6.65 (72)	6.59 (76)	6.60 (81)
Unadjusted								
Summary Rating (Rank) ➤	**5.15** (57)	**4.83** (74)	**4.89** (82)	**5.76** (75)	**6.32** (73)	**6.72** (76)	**6.31** (103)	**6.26** (111)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.00**	**4.50**	**4.88**	**6.26**	**6.83**	**7.42**	**6.33**	**6.37**
A. Government consumption	8.34 *(11.65)*	7.62 *(14.11)*	7.15 *(15.68)*	7.31 *(15.16)*	6.74 *(17.10)*	6.95 *(16.38)*	6.64 *(17.44)*	6.82 *(16.81)*
B. Transfers and subsidies	8.66 *(5.40)*	8.37 *(6.50)*	8.37 *(6.50)*	8.72 *(5.20)*	8.59 *(5.66)*	8.74 *(5.14)*	7.68 *(9.02)*	7.68 *(9.02)*
C. Government enterprises and investment	2.00 *(46.70)*	2.00 *(49.50)*	2.00 *(42.30)*	4.00 *(31.40)*	4.00 *(31.40)*	7.00 *(24.22)*	4.00 *(27.40)*	4.00 *(29.51)*
D. Top marginal tax rate	1.00	0.00	2.00	5.00	8.00	7.00	7.00	7.00
(i) Top marginal income tax rate	1.00 *(60)*	0.00 *(62)*	2.00 *(53)*	5.00 *(40)*	8.00 *(30)*	7.00 *(34)*	7.00 *(34)*	7.00 *(31)*
(ii) Top marginal income and payroll tax rate			2.00 *(53)*	5.00 *(40)*	8.00 *(30)*	7.00 *(34)*	7.00 *(34)*	7.00 *(31)*
Area 2. Legal System and Property Rights	**5.78**	**4.92**	**4.39**	**5.87**	**5.99**	**6.51**	**5.78**	**5.55**
A. Judicial independence				7.33	7.01	8.16	6.28	5.57
B. Impartial courts				7.60	8.02	6.87	5.24	4.69
C. Protection of property rights				4.10	3.27	7.88	5.90	5.49
D. Military interference in rule of law and politics				6.21	5.00	6.67	6.67	6.67
E. Integrity of the legal system				4.11	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						2.59	2.59	2.59
G. Regulatory restrictions on sale of real property						6.28	6.74	6.77
H. Reliability of police						5.83	5.37	6.36
I. Business costs of crime						7.60	6.59	5.15
Area 3. Sound Money	**6.29**	**6.61**	**6.63**	**6.50**	**6.88**	**6.84**	**6.55**	**6.42**
A. Money growth	9.36 *(3.22)*	8.38 *(8.10)*	8.58 *(7.08)*	8.56 *(7.22)*	9.03 *(4.86)*	8.41 *(7.97)*	8.87 *(5.65)*	8.93 *(5.35)*
B. Standard deviation of inflation	8.10 *(4.76)*	9.56 *(1.11)*	9.42 *(1.45)*	9.06 *(2.34)*	9.29 *(1.77)*	9.79 *(0.53)*	9.52 *(1.21)*	9.13 *(2.17)*
C. Inflation: most recent year	7.69 *(11.54)*	8.50 *(7.52)*	8.50 *(7.52)*	8.37 *(8.16)*	9.20 *(4.01)*	9.15 *(4.25)*	7.82 *(10.88)*	7.60 *(11.99)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**3.00**	**2.40**	**2.67**	**4.50**	**5.51**	**6.07**	**6.20**	**6.28**
A. Tariffs	0.00	0.00	0.00	0.91	4.34	5.59	6.31	6.16
(i) Revenue from trade taxes (% of trade sector)	0.00 *(15.50)*	0.00 *(24.20)*	0.00 *(21.10)*	2.16 *(11.76)*	4.49 *(8.26)*	7.15 *(4.27)*	7.85 *(3.22)*	7.53 *(3.70)*
(ii) Mean tariff rate	0.00 *(74.30)*	0.00 *(98.80)*	0.00 *(79.20)*	0.00 *(55.20)*	3.50 *(32.50)*	6.60 *(17.00)*	7.42 *(12.90)*	7.40 *(13.00)*
(iii) Standard deviation of tariff rates			0.00 *(45.20)*	0.56 *(23.60)*	5.04 *(12.40)*	3.01 *(17.47)*	3.65 *(15.87)*	3.55 *(16.12)*
B. Regulatory trade barriers				6.35	5.67	6.13	6.43	6.79
(i) Non-tariff trade barriers				6.35	5.35	6.91	5.37	5.33
(ii) Compliance cost of importing and exporting					5.99	5.34	7.49	8.25
C. Black-market exchange rates	9.00	7.20	8.00	8.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	2.33	2.02	2.58	2.05	2.16
(i) Foreign ownership/investment restrictions				4.67	4.05	7.40	5.81	6.13
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						0.34	0.34	0.34
Area 5. Regulation	5.68	5.70	5.87	5.66	6.40	6.74	6.68	6.70
A. Credit market regulations	5.22	5.28	5.49	6.39	6.82	7.01	6.87	6.97
(i) Ownership of banks	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00
(ii) Private sector credit	7.67	7.84	8.46	9.17	8.45	9.04	8.60	8.91
(iii) Interest rate controls/negative real interest rates	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
B. Labor market regulations			6.26	6.11	6.05	7.27	7.93	8.00
(i) Hiring regulations and minimum wage				6.23	4.35	10.00	10.00	10.00
(ii) Hiring and firing regulations			2.56	2.56	1.70	3.31	4.49	4.98
(iii) Centralized collective bargaining	6.21	6.21	6.21	6.21	7.72	7.47	7.05	7.02
(iv) Hours regulations				5.55	6.50	8.00	10.00	10.00
(v) Mandated cost of worker dismissal						4.81	6.03	6.03
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				4.48	6.32	5.94	5.26	5.13
(i) Administrative requirements					7.37	3.23	3.31	3.29
(ii) Bureaucracy costs				6.06	7.40	5.17	4.92	4.04
(iii) Starting a business				4.95	5.93	7.03	7.86	8.09
(iv) Extra payments/bribes/favoritism				2.42	4.57	6.62	4.47	3.92
(v) Licensing restrictions						6.58	3.86	4.26
(vi) Cost of tax compliance						7.04	7.11	7.15

Indonesia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.06** (60)	**6.14** (28)	**6.52** (31)	**6.62** (45)	**6.07** (84)	**6.63** (73)	**6.78** (66)	**7.04** (56)
Area 1. Size of Government	5.27 (45)	6.35 (17)	7.13 (16)	7.96 (14)	7.57 (21)	7.59 (30)	7.58 (24)	7.90 (21)
Area 2. Legal System and Property Rights	3.41 (61)	4.46 (66)	4.72 (63)	3.55 (109)	3.36 (112)	4.19 (98)	4.56 (87)	4.38 (93)
Area 3. Sound Money	6.54 (38)	9.27 (14)	8.76 (23)	9.09 (32)	6.20 (103)	7.39 (81)	7.71 (79)	8.99 (50)
Area 4. Freedom to Trade Internationally	5.62 (40)	5.81 (35)	6.13 (41)	6.34 (67)	7.15 (65)	7.30 (54)	7.17 (62)	7.04 (65)
Area 5. Regulation	4.42 (83)	4.57 (82)	5.73 (55)	6.06 (53)	6.04 (80)	6.70 (69)	6.91 (55)	6.89 (57)
Unadjusted								
Summary Rating (Rank) ➤	**4.90** (62)	**5.94** (35)	**6.23** (37)	**6.45** (51)	**6.07** (82)	**6.48** (86)	**6.63** (86)	**6.88** (76)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.27**	**6.35**	**7.13**	**7.96**	**7.57**	**7.59**	**7.58**	**7.90**
A. Government consumption	6.84 *(16.75)*	6.95 *(16.36)*	7.93 *(13.04)*	8.45 *(11.28)*	8.98 *(9.47)*	8.47 *(11.19)*	7.50 *(14.52)*	7.72 *(13.75)*
B. Transfers and subsidies	9.24 *(3.30)*	9.46 *(2.50)*	9.59 *(2.00)*	9.89 *(0.90)*	8.30 *(6.73)*	8.90 *(4.55)*	9.34 *(2.92)*	9.36 *(2.84)*
C. Government enterprises and investment	2.00 *(49.50)*	2.00 *(43.00)*	4.00 *(32.50)*	7.00 *(20.70)*	7.00 *(20.70)*	7.00 *(20.70)*	7.00	7.00
D. Top marginal tax rate	3.00	7.00	7.00	6.50	6.00	6.00	6.50	7.50
(i) Top marginal income tax rate	3.00 *(50)*	7.00 *(35)*	7.00 *(35)*	8.00 *(30)*	7.00 *(35)*	7.00 *(35)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			7.00 *(35)*	5.00 *(40)*	5.00 *(40)*	5.00 *(40)*	5.00 *(37)*	7.00 *(35)*
Area 2. Legal System and Property Rights	**3.41**	**4.46**	**4.72**	**3.55**	**3.36**	**4.29**	**4.66**	**4.48**
A. Judicial independence				2.33	3.01	3.01	4.66	4.33
B. Impartial courts				4.22	4.01	3.92	4.72	4.53
C. Protection of property rights				4.20	3.13	4.59	5.07	4.94
D. Military interference in rule of law and politics				2.88	3.33	4.17	4.17	4.17
E. Integrity of the legal system				4.11	3.33	5.00	5.00	5.00
F. Legal enforcement of contracts						1.17	1.17	1.17
G. Regulatory restrictions on sale of real property						5.81	6.00	6.03
H. Reliability of police						3.51	4.93	5.57
I. Business costs of crime						7.40	6.20	4.56
Area 3. Sound Money	**6.54**	**9.27**	**8.76**	**9.09**	**6.20**	**7.39**	**7.71**	**8.99**
A. Money growth	6.30 *(18.49)*	9.36 *(3.20)*	8.03 *(9.87)*	8.97 *(5.17)*	5.56 *(22.19)*	8.45 *(7.76)*	8.57 *(7.14)*	8.66 *(6.70)*
B. Standard deviation of inflation	6.07 *(9.82)*	8.59 *(3.52)*	7.86 *(5.35)*	9.38 *(1.54)*	0.00 *(27.72)*	8.21 *(4.48)*	8.53 *(3.67)*	8.32 *(4.21)*
C. Inflation: most recent year	3.80 *(30.99)*	9.14 *(4.28)*	9.14 *(4.28)*	8.02 *(9.89)*	9.26 *(3.72)*	7.91 *(10.45)*	8.72 *(6.38)*	8.97 *(5.13)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	5.00	5.00	10.00
Area 4. Freedom to Trade Internationally	**5.24**	**5.42**	**5.29**	**5.88**	**7.15**	**6.99**	**6.87**	**6.74**
A. Tariffs	6.13	7.66	5.88	6.43	7.88	7.93	7.90	7.89
(i) Revenue from trade taxes (% of trade sector)	8.07 *(2.90)*	8.93 *(1.60)*	8.39 *(2.41)*	9.13 *(1.31)*	9.65 *(0.53)*	9.38 *(0.93)*	9.53 *(0.71)*	9.48 *(0.78)*
(ii) Mean tariff rate	4.20 *(29.00)*	6.38 *(18.10)*	5.94 *(20.30)*	6.60 *(17.00)*	8.32 *(8.40)*	8.70 *(6.50)*	8.64 *(6.80)*	8.64 *(6.80)*
(iii) Standard deviation of tariff rates			3.32 *(16.70)*	3.56 *(16.10)*	5.68 *(10.80)*	5.72 *(10.70)*	5.54 *(11.15)*	5.54 *(11.15)*
B. Regulatory trade barriers				3.33	5.91	6.30	6.48	6.17
(i) Non-tariff trade barriers				3.33	3.82	6.41	6.16	5.53
(ii) Compliance cost of importing and exporting					8.00	6.20	6.80	6.81
C. Black-market exchange rates	9.60	8.60	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	3.76	4.83	3.72	3.08	2.92
(i) Foreign ownership/investment restrictions				7.53	8.12	8.36	6.45	5.98
(ii) Capital controls	0.00	0.00	0.00	0.00	1.54	1.54	1.54	1.54
(iii) Freedom of foreigners to visit						1.25	1.25	1.25
Area 5. Regulation	4.05	4.18	5.25	5.79	6.04	6.12	6.32	6.29
A. Credit market regulations	3.18	4.53	7.33	8.33	7.71	8.11	8.09	8.27
(i) Ownership of banks	0.00	2.00	2.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	7.53	7.58	10.00	10.00	8.13	9.34	9.28	9.82
(iii) Interest rate controls/negative real interest rates	2.00	4.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations				4.22	4.97	4.93	4.81	4.66
(i) Hiring regulations and minimum wage				5.12	4.62	2.80	2.23	2.23
(ii) Hiring and firing regulations			5.56	5.56	3.20	4.49	5.64	5.28
(iii) Centralized collective bargaining					6.18	7.30	5.98	5.47
(iv) Hours regulations				6.22	5.85	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	3.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
C. Business regulations				4.81	5.45	5.31	6.04	5.93
(i) Administrative requirements					6.95	6.26	4.42	4.28
(ii) Bureaucracy costs				6.30	5.30	5.85	4.68	3.97
(iii) Starting a business				5.22	5.63	5.85	8.09	8.22
(iv) Extra payments/bribes/favoritism				2.91	3.91	3.13	4.07	3.95
(v) Licensing restrictions						7.24	8.00	8.15
(vi) Cost of tax compliance						3.54	7.02	7.02

Iran

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.36** (97)	**3.83** (93)	**4.39** (96)	**4.31** (113)	**5.90** (91)	**6.47** (78)	**6.41** (84)	**6.49** (83)
Area 1. Size of Government	3.42 (91)	4.33 (75)	5.06 (72)	5.35 (82)	4.92 (93)	6.32 (77)	6.45 (54)	6.42 (62)
Area 2. Legal System and Property Rights	1.76 (88)	2.26 (99)	2.20 (105)	6.18 (49)	6.62 (48)	6.44 (55)	6.34 (52)	6.40 (51)
Area 3. Sound Money	6.90 (30)	8.10 (27)	8.99 (21)	3.87 (102)	8.00 (59)	8.06 (68)	8.18 (66)	8.53 (63)
Area 4. Freedom to Trade Internationally	0.98 (86)	1.07 (91)	2.05 (97)	2.43 (107)	5.73 (95)	5.80 (91)	5.13 (112)	5.27 (112)
Area 5. Regulation	3.86 (90)	3.38 (97)	3.65 (104)	3.73 (117)	4.23 (119)	5.71 (100)	5.90 (103)	5.79 (106)
Unadjusted								
Summary Rating (Rank) ➤	**3.61** (97)	**3.83** (94)	**4.39** (97)	**4.20** (115)	**5.76** (99)	**6.37** (96)	**6.18** (109)	**6.26** (111)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.56**	**4.33**	**5.06**	**5.35**	**4.92**	**6.32**	**6.45**	**6.42**
A. Government consumption	3.44 *(28.29)*	6.00 *(19.59)*	7.30 *(15.17)*	6.12 *(19.19)*	4.68 *(24.10)*	5.51 *(21.28)*	6.83 *(16.78)*	6.68 *(17.28)*
B. Transfers and subsidies	8.23 *(7.00)*	9.32 *(3.00)*	8.94 *(4.40)*	9.29 *(3.10)*	9.52 *(2.26)*	8.27 *(6.85)*	7.99 *(7.88)*	7.99 *(7.88)*
C. Government enterprises and investment	2.00 *(44.50)*	2.00 *(40.40)*	4.00 *(32.50)*	2.00 *(49.70)*	4.00 *(33.60)*	4.00 *(33.70)*	4.00 *(35.30)*	4.00 *(35.30)*
D. Top marginal tax rate		0.00	0.00	4.00	1.50	7.50	7.00	7.00
(i) Top marginal income tax rate		0.00 *(90)*	0.00 *(75)*	4.00 *(54)*	2.00 *(54)*	8.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			0.00 *(75)*	4.00 *(54)*	1.00 *(57)*	7.00 *(37)*	7.00 *(37)*	7.00 *(37)*
Area 2. Legal System and Property Rights	**1.76**	**2.26**	**2.20**	**5.60**	**5.91**	**6.11**	**5.73**	**5.78**
A. Judicial independence							4.73	4.69
B. Impartial courts				4.92	4.86	4.20	3.57	3.76
C. Protection of property rights							5.48	5.63
D. Military interference in rule of law and politics				6.67	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						5.51	5.63	5.63
G. Regulatory restrictions on sale of real property						5.84	5.87	5.87
H. Reliability of police							5.94	5.70
I. Business costs of crime							5.32	5.77
Area 3. Sound Money	**6.90**	**8.10**	**8.99**	**3.87**	**8.00**	**8.06**	**8.18**	**8.53**
A. Money growth	4.64 *(26.80)*	5.94 *(20.30)*	8.19 *(9.07)*	6.09 *(19.57)*	7.15 *(14.27)*	7.69 *(11.57)*	8.58 *(7.08)*	8.58 *(7.08)*
B. Standard deviation of inflation	7.66 *(5.85)*	7.40 *(6.51)*	8.73 *(3.17)*	7.31 *(6.72)*	7.73 *(5.67)*	7.23 *(6.93)*	6.83 *(7.92)*	7.56 *(6.11)*
C. Inflation: most recent year	5.32 *(23.41)*	9.05 *(4.73)*	9.05 *(4.73)*	2.10 *(39.50)*	7.10 *(14.48)*	7.31 *(13.43)*	7.30 *(13.50)*	7.97 *(10.14)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	0.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**0.98**	**1.07**	**2.05**	**2.43**	**5.73**	**5.62**	**5.05**	**5.18**
A. Tariffs	2.93	3.20	6.15	7.30	8.34	6.92	4.17	4.17
(i) Revenue from trade taxes (% of trade sector)	0.00 *(17.00)*	0.53 *(14.20)*	6.43 *(5.35)*	8.74 *(1.89)*	7.67 *(3.49)*	7.59 *(3.62)*	7.72 *(3.42)*	7.72 *(3.42)*
(ii) Mean tariff rate	5.86 *(20.70)*	5.86 *(20.70)*	5.86 *(20.70)*	5.86 *(20.70)*	9.02 *(4.90)*	6.26 *(18.70)*	4.80 *(26.00)*	4.80 *(26.00)*
(iii) Standard deviation of tariff rates					8.32 *(4.20)*		0.00 *(28.08)*	0.00 *(28.08)*
B. Regulatory trade barriers						5.55	5.02	5.53
(i) Non-tariff trade barriers							3.97	4.05
(ii) Compliance cost of importing and exporting						5.55	6.07	7.00
C. Black-market exchange rates	0.00	0.00	0.00	0.00	8.86	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.00	1.01	1.04
(i) Foreign ownership/investment restrictions							3.03	3.11
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	3.86	3.38	3.65	3.73	4.23	5.73	5.50	5.40
A. Credit market regulations	2.68	2.40	3.13	3.33	4.67	6.33	6.39	6.31
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Private sector credit	8.03	7.19	9.38	10.00	10.00	10.00	9.18	8.92
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	0.00	4.00	9.00	10.00	10.00
B. Labor market regulations						4.53	4.38	4.37
(i) Hiring regulations and minimum wage						8.90	7.77	7.77
(ii) Hiring and firing regulations							4.36	4.39
(iii) Centralized collective bargaining							4.22	4.11
(iv) Hours regulations						7.30	8.00	8.00
(v) Mandated cost of worker dismissal						1.93	1.97	1.97
(vi) Conscription	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						6.32	5.73	5.52
(i) Administrative requirements							3.18	3.04
(ii) Bureaucracy costs							5.60	4.47
(iii) Starting a business						9.04	9.70	9.70
(iv) Extra payments/bribes/favoritism							4.81	4.71
(v) Licensing restrictions						3.76	4.97	5.06
(vi) Cost of tax compliance						6.14	6.14	6.14

Ireland

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked								
Summary Rating (Rank) ➤	**6.47** (19)	**6.54** (20)	**7.13** (20)	**8.29** (5)	**8.20** (9)	**8.41** (4)	**7.82** (10)	**7.92** (8)
Area 1. Size of Government	4.67 (66)	4.26 (79)	5.56 (61)	5.76 (71)	6.13 (62)	6.64 (64)	5.72 (80)	5.72 (81)
Area 2. Legal System and Property Rights	7.08 (17)	6.65 (26)	7.73 (17)	9.09 (8)	8.97 (14)	8.75 (14)	8.98 (6)	8.85 (8)
Area 3. Sound Money	5.93 (69)	6.65 (55)	6.80 (55)	9.60 (15)	9.43 (25)	9.65 (7)	9.12 (43)	9.48 (24)
Area 4. Freedom to Trade Internationally	7.80 (13)	7.70 (15)	7.84 (22)	9.11 (13)	9.18 (11)	8.92 (4)	8.71 (7)	8.49 (9)
Area 5. Regulation	6.85 (17)	7.41 (7)	7.71 (7)	7.86 (7)	7.30 (25)	8.01 (13)	6.68 (73)	7.07 (45)
Unadjusted								
Summary Rating (Rank) ➤	**6.46** (18)	**6.53** (20)	**7.06** (18)	**8.26** (5)	**8.20** (9)	**8.23** (6)	**7.66** (16)	**7.75** (12)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.67**	**4.26**	**5.56**	**5.76**	**6.13**	**6.64**	**5.72**	**5.72**
A. Government consumption	5.31 *(21.96)*	5.15 *(22.49)*	5.80 *(20.27)*	5.44 *(21.52)*	5.33 *(21.88)*	5.12 *(22.58)*	3.60 *(27.75)*	3.80 *(27.08)*
B. Transfers and subsidies	5.37 *(17.50)*	4.88 *(19.30)*	5.42 *(17.30)*	5.10 *(18.50)*	4.20 *(21.78)*	6.94 *(11.73)*	5.26 *(17.91)*	5.09 *(18.51)*
C. Government enterprises and investment	7.00 *(24.60)*	7.00 *(24.70)*	10.00 *(11.10)*	10.00 *(14.30)*	10.00 *(14.30)*	10.00 *(13.33)*	10.00 *(7.85)*	10.00 *(6.14)*
D. Top marginal tax rate	1.00	0.00	1.00	2.50	5.00	4.50	4.00	4.00
(i) Top marginal income tax rate	1.00 *(60)*	0.00 *(65)*	1.00 *(56)*	3.00 *(48)*	5.00 *(42)*	5.00 *(42)*	5.00 *(41)*	5.00 *(41)*
(ii) Top marginal income and payroll tax rate			1.00 *(57)*	2.00 *(51)*	5.00 *(42)*	4.00 *(49)*	3.00 *(55)*	3.00 *(55)*
Area 2. Legal System and Property Rights	**7.08**	**6.65**	**7.73**	**9.09**	**8.97**	**7.71**	**7.91**	**7.79**
A. Judicial independence				9.30	8.68	8.57	8.75	8.78
B. Impartial courts				8.88	9.19	7.10	5.88	5.81
C. Protection of property rights				7.29	7.00	9.00	8.15	8.31
D. Military interference in rule of law and politics				10.00	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						4.95	4.95	3.93
G. Regulatory restrictions on sale of real property						5.90	7.21	7.15
H. Reliability of police						7.19	8.30	7.79
I. Business costs of crime						6.71	7.98	8.39
Area 3. Sound Money	**5.93**	**6.65**	**6.80**	**9.60**	**9.43**	**9.65**	**9.12**	**9.48**
A. Money growth	8.07 *(9.64)*	9.56 *(2.19)*	9.25 *(3.75)*	9.03 *(4.87)*	9.39 *(−3.05)*	9.73 *(1.34)*	8.55 *(7.26)*	9.23 *(3.87)*
B. Standard deviation of inflation	8.61 *(3.48)*	8.09 *(4.78)*	8.97 *(2.57)*	9.47 *(1.32)*	9.42 *(1.44)*	9.37 *(1.57)*	8.84 *(2.91)*	8.89 *(2.78)*
C. Inflation: most recent year	7.06 *(14.71)*	8.96 *(5.18)*	8.96 *(5.18)*	9.91 *(0.43)*	8.89 *(5.56)*	9.51 *(2.43)*	9.10 *(−4.48)*	9.81 *(−0.95)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**7.65**	**7.55**	**7.56**	**8.93**	**9.18**	**8.93**	**8.72**	**8.50**
A. Tariffs	7.95	8.25	7.88	8.37	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	7.67 *(3.50)*	8.00 *(3.00)*	8.00 *(3.00)*	8.80 *(1.80)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.88	8.93	8.51	8.25	7.06
(i) Non-tariff trade barriers				8.88	8.18	8.19	7.67	7.88
(ii) Compliance cost of importing and exporting					9.67	8.83	8.83	6.25
C. Black-market exchange rates	10.00	9.40	9.80	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	8.46	8.61	8.84	8.41	8.60
(i) Foreign ownership/investment restrictions				8.91	8.76	9.10	7.81	8.37
(ii) Capital controls	5.00	5.00	5.00	8.00	8.46	8.46	8.46	8.46
(iii) Freedom of foreigners to visit						8.96	8.96	8.96
Area 5. Regulation	6.95	7.52	7.65	7.91	7.30	8.19	6.83	7.23
A. Credit market regulations	7.35	8.46	8.77	9.00	9.00	9.33	6.00	6.00
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	8.04	7.37	8.32	9.01	10.00	10.00	0.00	0.00
(iii) Interest rate controls/negative real interest rates	6.00	10.00	10.00	10.00	9.00	10.00	10.00	10.00
B. Labor market regulations	6.55	6.58	6.53	6.68	5.35	7.48	7.77	7.93
(i) Hiring regulations and minimum wage				6.95	4.69	8.90	8.90	8.90
(ii) Hiring and firing regulations			5.52	5.52	3.77	3.95	4.55	4.56
(iii) Centralized collective bargaining	5.18	5.18	6.21	6.21	2.93	4.24	4.06	5.06
(iv) Hours regulations	4.49	4.57	4.40	4.72	5.34	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						7.78	9.09	9.09
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				8.04	7.56	7.76	6.72	7.75
(i) Administrative requirements					7.20	4.80	3.44	4.01
(ii) Bureaucracy costs				7.61	7.93	6.72	2.23	7.31
(iii) Starting a business				7.63	6.92	9.58	9.58	9.58
(iv) Extra payments/bribes/favoritism				8.87	8.17	8.42	8.26	7.90
(v) Licensing restrictions						7.86	7.68	8.56
(vi) Cost of tax compliance						9.15	9.15	9.15

Israel

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.48** (95)	**4.03** (92)	**4.66** (88)	**6.04** (67)	**6.77** (54)	**7.37** (40)	**7.13** (51)	**7.25** (43)
Area 1. Size of Government	1.61 (106)	2.41 (108)	3.72 (98)	3.10 (113)	2.87 (121)	4.45 (111)	4.62 (110)	4.64 (109)
Area 2. Legal System and Property Rights	4.06 (54)	6.78 (23)	4.39 (71)	6.98 (34)	8.01 (25)	7.26 (34)	6.79 (40)	6.96 (38)
Area 3. Sound Money	2.03 (104)	1.25 (109)	3.95 (102)	7.43 (47)	8.09 (58)	9.34 (34)	8.84 (51)	8.88 (54)
Area 4. Freedom to Trade Internationally	6.26 (30)	6.35 (29)	7.01 (32)	7.43 (45)	8.70 (24)	8.97 (3)	8.79 (5)	8.41 (13)
Area 5. Regulation	3.69 (93)	3.49 (96)	4.34 (97)	5.29 (85)	6.19 (69)	6.83 (57)	6.50 (82)	7.26 (34)
Unadjusted								
Summary Rating (Rank) ➤	**3.51** (99)	**4.07** (92)	**4.50** (92)	**5.93** (68)	**6.77** (54)	**7.08** (56)	**7.12** (58)	**7.24** (52)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**1.82**	**2.74**	**3.72**	**3.10**	**2.87**	**4.45**	**6.06**	**6.10**
A. Government consumption	0.00 *(43.15)*	0.45 *(38.48)*	2.09 *(32.90)*	2.24 *(32.38)*	2.18 *(32.58)*	2.11 *(32.82)*	3.01 *(29.76)*	3.12 *(29.39)*
B. Transfers and subsidies	4.47 *(20.80)*	4.77 *(19.70)*	5.59 *(16.70)*	5.07 *(18.60)*	3.92 *(22.80)*	7.25 *(10.58)*	7.24 *(10.61)*	7.26 *(10.55)*
C. Government enterprises and investment							10.00 *(10.57)*	10.00 *(10.57)*
D. Top marginal tax rate	1.00	3.00	3.50	2.00	2.50	4.00	4.00	4.00
(i) Top marginal income tax rate	1.00 *(66)*	3.00 *(60)*	5.00 *(48)*	4.00 *(50)*	4.00 *(50)*	4.00 *(49)*	5.00 *(46)*	5.00 *(46)*
(ii) Top marginal income and payroll tax rate			2.00 *(64)*	0.00 *(66)*	1.00 *(62)*	4.00 *(49)*	3.00 *(60)*	3.00 *(60)*
Area 2. Legal System and Property Rights	**4.06**	**6.78**	**4.39**	**6.98**	**8.01**	**6.42**	**6.00**	**6.16**
A. Judicial independence				8.68	9.19	8.87	8.68	8.63
B. Impartial courts				7.02	9.35	7.14	5.28	5.19
C. Protection of property rights				7.15	6.53	7.94	6.25	7.15
D. Military interference in rule of law and politics				5.10	6.67	4.17	4.17	4.17
E. Integrity of the legal system				6.96	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						3.46	3.46	3.46
G. Regulatory restrictions on sale of real property						4.81	5.63	5.63
H. Reliability of police						6.06	4.98	6.83
I. Business costs of crime						7.02	7.26	6.02
Area 3. Sound Money	**2.03**	**1.25**	**3.95**	**7.43**	**8.09**	**9.34**	**8.84**	**8.88**
A. Money growth	3.13 *(34.36)*	0.00 *(136.22)*	5.48 *(22.59)*	7.80 *(10.98)*	9.07 *(4.64)*	8.44 *(7.80)*	6.86 *(15.71)*	6.86 *(15.71)*
B. Standard deviation of inflation	0.00 *(37.42)*	0.00 *(103.70)*	5.32 *(11.71)*	8.59 *(3.53)*	8.50 *(3.74)*	9.17 *(2.08)*	9.18 *(2.04)*	9.20 *(2.00)*
C. Inflation: most recent year	0.00 *(134.74)*	0.00 *(260.00)*	0.00 *(260.00)*	8.33 *(8.36)*	9.77 *(1.14)*	9.73 *(1.33)*	9.34 *(3.33)*	9.46 *(2.69)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.13**	**6.22**	**6.86**	**6.89**	**8.70**	**8.48**	**8.31**	**7.95**
A. Tariffs	6.60	8.07	9.39	7.95	9.68	7.86	7.40	7.40
(i) Revenue from trade taxes (% of trade sector)	6.60 *(5.10)*	8.07 *(2.90)*	9.39 *(0.92)*	9.84 *(0.24)*	9.75 *(0.37)*	9.77 *(0.34)*	9.69 *(0.47)*	9.69 *(0.46)*
(ii) Mean tariff rate				8.34 *(8.30)*	9.60 *(2.00)*	9.46 *(2.70)*	8.72 *(6.40)*	8.72 *(6.40)*
(iii) Standard deviation of tariff rates				5.68 *(10.80)*		4.36 *(14.11)*	3.79 *(15.54)*	3.79 *(15.54)*
B. Regulatory trade barriers				5.38	8.11	7.84	8.05	6.87
(i) Non-tariff trade barriers				5.38	6.88	7.27	7.49	7.36
(ii) Compliance cost of importing and exporting					9.33	8.41	8.62	6.38
C. Black-market exchange rates	9.80	8.60	9.20	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	4.21	7.02	8.23	7.79	7.55
(i) Foreign ownership/investment restrictions				6.42	9.42	7.70	6.38	7.14
(ii) Capital controls	2.00	2.00	2.00	2.00	4.61	9.17	9.17	7.69
(iii) Freedom of foreigners to visit						7.82	7.82	7.82
Area 5. Regulation	3.52	3.34	3.58	5.27	6.19	6.70	6.37	7.11
A. Credit market regulations	1.75	1.14	3.81	5.38	6.30	8.03	7.29	9.27
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	5.00	5.00	10.00
(ii) Private sector credit	5.25	3.43	5.43	8.14	8.89	9.10	7.87	7.80
(iii) Interest rate controls/negative real interest rates	0.00	0.00	6.00	8.00	10.00	10.00	9.00	10.00
B. Labor market regulations			3.35	3.84	4.26	4.87	5.32	5.19
(i) Hiring regulations and minimum wage				4.75	4.20	8.90	8.90	8.90
(ii) Hiring and firing regulations			4.87	4.87	5.43	5.74	5.41	5.07
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	6.17	6.99	7.67	7.21
(iv) Hours regulations				4.38	5.51	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						1.56	1.97	1.97
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				6.60	8.01	7.20	6.49	6.88
(i) Administrative requirements					8.18	4.36	3.45	3.81
(ii) Bureaucracy costs				6.34	7.73	7.30	4.23	6.76
(iii) Starting a business				5.77	7.68	8.86	8.87	8.87
(iv) Extra payments/bribes/favoritism				7.69	8.44	8.40	8.15	7.21
(v) Licensing restrictions						6.85	6.90	7.30
(vi) Cost of tax compliance						7.42	7.37	7.37

Italy

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.37** (49)	**5.57** (43)	**6.60** (29)	**6.66** (43)	**7.36** (36)	**7.33** (42)	**6.72** (70)	**6.73** (71)
Area 1. Size of Government	4.10 (76)	2.96 (101)	3.33 (103)	3.75 (107)	4.62 (100)	5.92 (88)	3.77 (118)	3.68 (119)
Area 2. Legal System and Property Rights	5.70 (37)	6.78 (21)	7.73 (21)	6.47 (46)	7.66 (29)	6.23 (56)	5.82 (67)	5.95 (61)
Area 3. Sound Money	5.55 (78)	6.29 (76)	9.28 (16)	9.58 (17)	9.47 (21)	9.52 (23)	9.58 (13)	9.66 (11)
Area 4. Freedom to Trade Internationally	7.52 (15)	7.57 (16)	7.58 (26)	8.62 (20)	9.01 (16)	8.05 (25)	7.87 (37)	7.66 (39)
Area 5. Regulation	4.00 (89)	4.24 (89)	5.10 (75)	4.91 (94)	6.03 (81)	6.81 (60)	6.46 (84)	6.60 (82)
Unadjusted								
Summary Rating (Rank) ➤	**5.58** (43)	**5.78** (37)	**6.75** (28)	**6.61** (43)	**7.36** (34)	**7.37** (43)	**6.76** (81)	**6.77** (83)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.10**	**2.96**	**3.33**	**3.75**	**4.62**	**5.92**	**3.77**	**3.68**
A. Government consumption	5.96 *(19.75)*	5.48 *(21.37)*	5.22 *(22.26)*	5.67 *(20.71)*	4.84 *(23.54)*	4.20 *(25.71)*	3.99 *(26.45)*	4.17 *(25.83)*
B. Transfers and subsidies	4.44 *(20.90)*	2.37 *(28.50)*	3.11 *(25.80)*	2.32 *(28.70)*	4.64 *(20.17)*	4.47 *(20.79)*	3.59 *(24.02)*	3.56 *(24.15)*
C. Government enterprises and investment	6.00 *(25.90)*	4.00 *(33.20)*	4.00 *(30.30)*	6.00 *(28.30)*	6.00 *(28.30)*	10.00 *(11.37)*	4.00 *(20.36)*	4.00 *(16.02)*
D. Top marginal tax rate	0.00	0.00	1.00	1.00	3.00	5.00	3.50	3.00
(i) Top marginal income tax rate	0.00 *(72)*	0.00 *(81)*	1.00 *(66)*	1.00 *(67)*	3.00 *(51)*	6.00 *(43-45)*	5.00 *(43-45)*	5.00 *(43-45)*
(ii) Top marginal income and payroll tax rate			1.00 *(66)*	1.00 *(67)*	3.00 *(52)*	4.00 *(51)*	2.00 *(59-61)*	1.00 *(61-62)*
Area 2. Legal System and Property Rights	**5.70**	**6.78**	**7.73**	**6.47**	**7.66**	**6.23**	**5.82**	**5.95**
A. Judicial independence				5.12	4.84	4.31	4.13	4.99
B. Impartial courts				5.43	5.68	3.66	2.82	2.73
C. Protection of property rights				5.43	7.80	6.79	5.50	5.42
D. Military interference in rule of law and politics				9.39	10.00	10.00	10.00	10.00
E. Integrity of the legal system				6.96	10.00	6.67	6.67	6.67
F. Legal enforcement of contracts						3.18	3.18	3.18
G. Regulatory restrictions on sale of real property						9.29	8.01	8.01
H. Reliability of police						6.47	6.32	5.76
I. Business costs of crime						5.67	5.76	6.77
Area 3. Sound Money	**5.55**	**6.29**	**9.28**	**9.58**	**9.47**	**9.52**	**9.58**	**9.66**
A. Money growth	7.33 *(13.36)*	8.40 *(7.99)*	9.20 *(4.00)*	9.89 *(0.56)*	8.94 *(5.29)*	8.65 *(6.76)*	8.64 *(6.79)*	9.33 *(3.34)*
B. Standard deviation of inflation	9.04 *(2.41)*	8.54 *(3.65)*	9.72 *(0.69)*	9.43 *(1.42)*	9.43 *(1.43)*	9.83 *(0.41)*	9.85 *(0.38)*	9.63 *(0.93)*
C. Inflation: most recent year	5.82 *(20.91)*	8.20 *(9.01)*	8.20 *(9.01)*	8.99 *(5.06)*	9.49 *(2.54)*	9.60 *(1.99)*	9.85 *(0.77)*	9.69 *(1.54)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**8.00**	**8.05**	**7.83**	**8.42**	**9.01**	**8.05**	**7.86**	**7.66**
A. Tariffs	8.99	9.15	8.48	8.70	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.73 *(0.40)*	9.80 *(0.30)*	9.80 *(0.30)*	9.80 *(0.30)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				6.98	8.51	7.18	6.94	6.14
(i) Non-tariff trade barriers				6.98	7.68	7.00	6.53	6.41
(ii) Compliance cost of importing and exporting					9.33	7.36	7.36	5.88
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	8.00	8.36	6.62	6.27	6.16
(i) Foreign ownership/investment restrictions				8.00	9.04	5.59	5.32	4.97
(ii) Capital controls	5.00	5.00	5.00	8.00	7.69	7.69	6.92	6.92
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	4.57	4.85	5.56	4.86	6.03	7.13	6.77	6.91
A. Credit market regulations	5.02	5.58	6.93	7.18	8.22	8.74	7.98	8.65
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	8.00	8.00	10.00
(ii) Private sector credit	6.06	5.73	5.80	6.55	9.65	8.21	6.95	6.95
(iii) Interest rate controls/negative real interest rates	4.00	6.00	10.00	10.00	10.00	10.00	9.00	9.00
B. Labor market regulations	4.12	4.12	4.20	3.49	3.53	6.49	6.76	6.48
(i) Hiring regulations and minimum wage				3.40	4.01	6.70	5.57	3.90
(ii) Hiring and firing regulations			2.62	2.62	2.10	2.80	3.09	3.26
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	3.68	3.59	3.88	3.70
(iv) Hours regulations	6.86	6.86	6.69	3.95	4.84	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						9.81	10.00	10.00
(vi) Conscription	1.00	1.00	3.00	3.00	3.00	10.00	10.00	10.00
C. Business regulations				3.91	6.34	6.17	5.57	5.59
(i) Administrative requirements					6.85	1.73	2.03	1.81
(ii) Bureaucracy costs				4.71	6.05	6.08	3.76	4.40
(iii) Starting a business				4.10	5.08	9.34	9.58	9.58
(iv) Extra payments/bribes/favoritism				2.91	7.39	7.44	4.74	4.51
(v) Licensing restrictions						6.46	6.47	6.46
(vi) Cost of tax compliance						5.96	6.81	6.81

Jamaica

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.92** (87)	**4.85** (73)	**5.48** (58)	**6.65** (44)	**7.57** (23)	**7.62** (26)	**7.25** (41)	**6.95** (62)
Area 1. Size of Government	2.53 (101)	6.69 (12)	7.49 (8)	7.86 (15)	8.52 (6)	8.66 (8)	8.74 (5)	7.62 (27)
Area 2. Legal System and Property Rights	3.01 (66)	3.24 (86)	3.89 (78)	5.09 (81)	5.58 (68)	5.88 (61)	5.93 (63)	5.93 (62)
Area 3. Sound Money	5.19 (88)	4.10 (99)	4.96 (90)	6.10 (71)	8.72 (43)	8.64 (57)	8.22 (65)	7.98 (78)
Area 4. Freedom to Trade Internationally	2.88 (68)	4.57 (55)	4.07 (76)	7.34 (48)	7.80 (48)	7.22 (57)	6.74 (76)	6.67 (84)
Area 5. Regulation	5.78 (41)	5.76 (44)	7.20 (16)	6.83 (29)	7.21 (28)	7.81 (14)	6.77 (64)	6.69 (79)
Unadjusted								
Summary Rating (Rank) ➤	**3.98** (88)	**5.09** (63)	**5.62** (53)	**6.72** (41)	**7.48** (26)	**7.50** (31)	**7.14** (56)	**6.84** (79)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.23**	**6.91**	**7.49**	**7.86**	**8.52**	**8.66**	**8.74**	**7.62**
A. Government consumption	4.68 *(24.08)*	6.64 *(17.41)*	6.35 *(18.40)*	6.37 *(18.33)*	6.09 *(19.30)*	6.70 *(17.23)*	7.16 *(15.64)*	6.73 *(17.11)*
B. Transfers and subsidies		10.00 *(0.50)*	9.59 *(2.00)*	9.07 *(3.90)*	10.00 *(0.00)*	9.92 *(0.78)*	9.79 *(1.27)*	9.76 *(1.39)*
C. Government enterprises and investment	2.00 *(46.50)*	10.00 *(13.40)*	8.00 *(16.50)*	8.00 *(17.00)*	10.00 *(10.30)*	10.00 *(6.10)*	10.00 *(6.10)*	7.00 *(21.92)*
D. Top marginal tax rate	0.00	1.00	6.00	8.00	8.00	8.00	8.00	7.00
(i) Top marginal income tax rate	0.00 *(80)*	1.00 *(58)*	7.00 *(33)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	8.00 *(35)*
(ii) Top marginal income and payroll tax rate			5.00 *(37)*	7.00 *(31)*	7.00 *(31)*	7.00 *(33)*	7.00 *(33)*	6.00 *(44)*
Area 2. Legal System and Property Rights	**3.28**	**3.52**	**4.23**	**5.14**	**5.17**	**4.84**	**4.88**	**4.88**
A. Judicial independence						5.40	5.76	5.72
B. Impartial courts				4.27	4.90	4.67	3.91	3.97
C. Protection of property rights					4.10	6.59	5.45	5.52
D. Military interference in rule of law and politics				5.39	10.00	10.00	10.00	10.00
E. Integrity of the legal system				6.96	3.33	4.17	3.33	3.33
F. Legal enforcement of contracts						3.44	2.76	2.76
G. Regulatory restrictions on sale of real property						4.52	6.84	6.84
H. Reliability of police						2.97	3.99	1.53
I. Business costs of crime						1.78	1.89	4.23
Area 3. Sound Money	**5.19**	**4.10**	**4.96**	**6.10**	**8.72**	**8.64**	**8.22**	**7.98**
A. Money growth	6.54 *(17.28)*	6.93 *(15.34)*	7.76 *(11.21)*	4.67 *(26.67)*	8.62 *(6.89)*	8.37 *(8.13)*	8.60 *(7.00)*	8.18 *(9.09)*
B. Standard deviation of inflation	7.88 *(5.29)*	5.61 *(10.97)*	8.20 *(4.49)*	5.31 *(11.73)*	7.90 *(5.26)*	9.24 *(1.89)*	6.18 *(9.55)*	6.24 *(9.40)*
C. Inflation: most recent year	6.33 *(18.34)*	3.86 *(30.69)*	3.86 *(30.69)*	4.41 *(27.93)*	8.37 *(8.17)*	6.94 *(15.30)*	8.09 *(9.57)*	7.48 *(12.61)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.35**	**5.31**	**4.40**	**7.84**	**7.80**	**7.70**	**7.18**	**7.11**
A. Tariffs	8.05	7.73	6.60	6.92	7.28	7.33	7.27	7.27
(i) Revenue from trade taxes (% of trade sector)	9.40 *(0.90)*	8.87 *(1.70)*		8.55 *(2.18)*	8.49 *(2.27)*	7.66 *(3.51)*	7.56 *(3.66)*	7.56 *(3.66)*
(ii) Mean tariff rate	6.70 *(16.50)*	6.60 *(17.00)*	6.60 *(17.00)*	7.20 *(14.00)*	7.88 *(10.60)*	8.54 *(7.30)*	8.50 *(7.50)*	8.50 *(7.50)*
(iii) Standard deviation of tariff rates				5.00 *(12.50)*	5.48 *(11.30)*	5.80 *(10.51)*	5.74 *(10.65)*	5.74 *(10.65)*
B. Regulatory trade barriers					5.73	6.45	6.58	6.31
(i) Non-tariff trade barriers					5.73	5.86	6.13	6.00
(ii) Compliance cost of importing and exporting						7.03	7.03	6.63
C. Black-market exchange rates	0.00	6.20	4.60	8.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	8.00	8.18	7.02	4.88	4.87
(i) Foreign ownership/investment restrictions					8.67	7.63	6.59	6.55
(ii) Capital controls	2.00	2.00	2.00	8.00	7.69	5.38	0.00	0.00
(iii) Freedom of foreigners to visit						8.05	8.05	8.05
Area 5. Regulation	5.85	5.62	7.02	6.66	7.21	7.68	6.67	6.59
A. Credit market regulations	5.06	5.00	8.72	7.76	8.76	9.49	6.33	6.33
(i) Ownership of banks		5.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	6.13	5.99	8.17	7.29	7.27	9.48	0.00	0.00
(iii) Interest rate controls/negative real interest rates	4.00	4.00	8.00	6.00	9.00	9.00	9.00	9.00
B. Labor market regulations					6.45	7.63	7.74	7.61
(i) Hiring regulations and minimum wage					3.98	8.90	8.90	8.90
(ii) Hiring and firing regulations					4.77	5.27	5.15	4.86
(iii) Centralized collective bargaining					7.07	7.35	7.00	6.52
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						4.25	5.36	5.36
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					6.42	5.93	5.94	5.83
(i) Administrative requirements					6.83	2.85	2.84	2.68
(ii) Bureaucracy costs					6.88	5.41	5.11	4.61
(iii) Starting a business					5.70	9.65	9.69	9.70
(iv) Extra payments/bribes/favoritism					6.28	6.10	4.72	4.49
(v) Licensing restrictions						6.22	7.91	8.14
(vi) Cost of tax compliance						5.36	5.36	5.36

Japan

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.88** (12)	**7.05** (11)	**7.58** (11)	**7.50** (20)	**7.90** (14)	**7.83** (17)	**7.59** (22)	**7.61** (23)
Area 1. Size of Government	5.68 (31)	5.83 (29)	5.83 (50)	4.95 (88)	5.71 (79)	5.72 (92)	5.89 (74)	5.80 (79)
Area 2. Legal System and Property Rights	7.91 (8)	7.25 (16)	7.73 (18)	8.13 (20)	8.18 (20)	7.85 (23)	7.45 (29)	7.49 (28)
Area 3. Sound Money	8.28 (15)	8.54 (20)	9.80 (1)	9.72 (8)	9.65 (8)	9.66 (6)	9.77 (1)	9.89 (1)
Area 4. Freedom to Trade Internationally	6.04 (32)	7.00 (20)	7.86 (20)	7.82 (37)	8.55 (28)	7.71 (42)	7.42 (50)	7.19 (60)
Area 5. Regulation	6.56 (21)	6.60 (22)	6.71 (27)	6.81 (30)	7.40 (19)	8.24 (9)	7.45 (21)	7.72 (15)
Unadjusted								
Summary Rating (Rank) ➤	**7.37** (8)	**7.55** (8)	**7.96** (8)	**7.42** (21)	**7.90** (14)	**7.86** (15)	**7.62** (19)	**7.64** (20)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.80**	**5.95**	**5.83**	**4.95**	**5.71**	**5.72**	**5.89**	**5.80**
A. Government consumption	7.56 *(14.29)*	7.65 *(13.98)*	7.80 *(13.47)*	5.50 *(21.32)*	5.04 *(22.85)*	4.76 *(23.82)*	4.45 *(24.88)*	4.26 *(25.50)*
B. Transfers and subsidies	7.63 *(9.20)*	7.17 *(10.90)*	7.00 *(11.50)*	6.81 *(12.20)*	6.81 *(12.20)*	5.10 *(18.47)*	4.10 *(22.16)*	3.95 *(22.72)*
C. Government enterprises and investment	8.00 *(19.60)*	8.00 *(17.90)*	7.00 *(20.40)*	6.00 *(28.50)*	6.00 *(28.50)*	8.00 *(15.33)*	10.00 *(12.86)*	10.00 *(12.86)*
D. Top marginal tax rate	0.00	1.00	1.50	1.50	5.00	5.00	5.00	5.00
(i) Top marginal income tax rate	0.00 *(75)*	1.00 *(70)*	2.00 *(65)*	2.00 *(65)*	5.00 *(50)*	5.00 *(50)*	5.00 *(50)*	5.00 *(50)*
(ii) Top marginal income and payroll tax rate			1.00 *(69)*	1.00 *(69)*	5.00 *(50)*	5.00 *(50)*	5.00 *(50)*	5.00 *(50)*
Area 2. Legal System and Property Rights	**7.91**	**7.25**	**7.73**	**8.13**	**8.18**	**7.88**	**7.48**	**7.52**
A. Judicial independence				8.33	8.02	7.60	7.83	8.05
B. Impartial courts				6.13	7.01	7.31	5.87	5.92
C. Protection of property rights				6.83	7.55	8.73	7.64	7.81
D. Military interference in rule of law and politics				9.38	10.00	8.33	8.33	8.33
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						6.37	6.37	5.80
G. Regulatory restrictions on sale of real property						8.06	7.93	7.86
H. Reliability of police						7.79	8.03	7.45
I. Business costs of crime						8.43	7.02	8.10
Area 3. Sound Money	**8.28**	**8.54**	**9.80**	**9.72**	**9.65**	**9.66**	**9.77**	**9.89**
A. Money growth	9.92 *(0.39)*	9.93 *(−0.37)*	9.96 *(0.22)*	9.46 *(2.70)*	9.09 *(4.56)*	8.80 *(6.00)*	9.46 *(2.72)*	9.93 *(−0.33)*
B. Standard deviation of inflation	9.28 *(1.80)*	9.65 *(0.87)*	9.66 *(0.84)*	9.53 *(1.17)*	9.65 *(0.89)*	9.91 *(0.22)*	9.91 *(0.22)*	9.76 *(0.61)*
C. Inflation: most recent year	8.91 *(5.44)*	9.58 *(2.12)*	9.58 *(2.12)*	9.87 *(−0.64)*	9.86 *(−0.71)*	9.95 *(−0.27)*	9.73 *(−1.35)*	9.86 *(−0.72)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.92**	**8.02**	**8.74**	**7.37**	**8.55**	**7.67**	**7.38**	**7.16**
A. Tariffs	8.75	9.06	8.23	8.10	8.43	6.11	6.80	7.13
(i) Revenue from trade taxes (% of trade sector)	9.40 *(0.90)*	9.47 *(0.80)*	9.40 *(0.90)*	8.93 *(1.60)*	9.00 *(1.50)*	9.00 *(1.50)*	9.61 *(0.59)*	9.61 *(0.59)*
(ii) Mean tariff rate	8.10 *(9.50)*	8.66 *(6.70)*	8.62 *(6.90)*	8.74 *(6.30)*	9.10 *(4.50)*	9.34 *(3.30)*	9.02 *(4.90)*	9.12 *(4.40)*
(iii) Standard deviation of tariff rates			6.68 *(8.30)*	6.64 *(8.40)*	7.20 *(7.00)*	0.00 *(25.59)*	1.77 *(20.58)*	2.66 *(18.35)*
B. Regulatory trade barriers				3.68	7.37	7.33	7.12	5.98
(i) Non-tariff trade barriers				3.68	5.42	6.03	5.61	5.16
(ii) Compliance cost of importing and exporting					9.33	8.64	8.64	6.81
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	5.00	8.00	7.70	8.40	7.23	5.59	5.51
(i) Foreign ownership/investment restrictions				7.40	9.11	6.31	6.01	5.78
(ii) Capital controls	2.00	5.00	8.00	8.00	7.69	8.46	3.85	3.85
(iii) Freedom of foreigners to visit						6.92	6.92	6.92
Area 5. Regulation	7.92	7.97	7.71	6.91	7.40	8.36	7.56	7.83
A. Credit market regulations	7.82	7.88	8.22	8.22	8.22	9.22	8.22	8.14
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	8.00	8.00	8.00
(ii) Private sector credit	8.45	8.65	9.65	9.65	9.65	9.65	6.65	6.42
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	8.03	8.06	7.20	7.46	6.48	8.47	8.35	8.30
(i) Hiring regulations and minimum wage				7.55	3.99	8.90	8.90	8.90
(ii) Hiring and firing regulations			4.82	4.82	4.18	4.62	3.29	2.97
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.93	7.40	8.37	7.93	7.96
(iv) Hours regulations	6.16	6.25	6.07	6.98	6.85	9.30	10.00	10.00
(v) Mandated cost of worker dismissal						9.63	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				5.06	7.50	7.39	6.11	7.04
(i) Administrative requirements					6.50	4.29	3.80	3.66
(ii) Bureaucracy costs				5.86	9.13	7.14	1.50	7.29
(iii) Starting a business				4.72	5.85	9.18	9.18	9.18
(iv) Extra payments/bribes/favoritism				4.60	8.50	8.94	8.33	8.06
(v) Licensing restrictions						8.71	7.83	7.72
(vi) Cost of tax compliance						6.08	6.02	6.30

Jordan

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.32** (52)	**5.71** (42)	**5.81** (47)	**6.45** (51)	**7.40** (34)	**7.61** (27)	**7.14** (50)	**7.61** (24)
Area 1. Size of Government	5.33 (42)	5.14 (51)	7.27 (13)	6.38 (48)	6.08 (68)	6.85 (54)	4.90 (104)	7.56 (29)
Area 2. Legal System and Property Rights	2.32 (77)	3.52 (81)	3.99 (74)	5.95 (54)	7.22 (38)	6.86 (42)	6.76 (41)	6.53 (49)
Area 3. Sound Money	6.82 (32)	7.74 (30)	6.20 (69)	7.15 (53)	9.67 (7)	9.21 (37)	9.27 (36)	9.19 (44)
Area 4. Freedom to Trade Internationally	6.02 (33)	6.04 (32)	5.74 (48)	6.27 (70)	7.22 (62)	7.76 (40)	7.66 (44)	7.61 (44)
Area 5. Regulation	6.31 (29)	6.24 (35)	6.21 (41)	6.68 (34)	6.83 (44)	7.37 (26)	6.94 (54)	7.21 (37)
Unadjusted								
Summary Rating (Rank) ➤	**5.23** (52)	**5.65** (43)	**5.60** (54)	**6.39** (53)	**7.40** (32)	**7.63** (21)	**7.16** (54)	**7.63** (23)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.77**	**4.60**	**6.12**	**5.71**	**6.08**	**6.27**	**4.48**	**6.92**
A. Government consumption	3.89 *(26.78)*	5.04 *(22.85)*	4.37 *(25.14)*	3.72 *(27.36)*	4.75 *(23.84)*	6.66 *(17.34)*	5.28 *(22.04)*	5.82 *(20.21)*
B. Transfers and subsidies	8.42 *(6.30)*	8.75 *(5.10)*	9.13 *(3.70)*	9.40 *(2.70)*	9.56 *(2.13)*	6.42 *(13.63)*	7.65 *(9.12)*	8.35 *(6.55)*
C. Government enterprises and investment	2.00 *(48.70)*	0.00 *(56.20)*	6.00 *(27.60)*	4.00 *(30.50)*	2.00 *(43.60)*	7.00 *(23.90)*	0.00 *(56.80)*	6.00 *(25.59)*
D. Top marginal tax rate			5.00		8.00	5.00	5.00	7.50
(i) Top marginal income tax rate			5.00 *(45)*		8.00 *(30)*	7.00 *(35)*	7.00 *(35)*	10.00 *(14)*
(ii) Top marginal income and payroll tax rate						3.00 *(46)*	3.00 *(46)*	5.00 *(40)*
Area 2. Legal System and Property Rights	**2.32**	**3.52**	**3.99**	**5.95**	**7.22**	**6.79**	**6.69**	**6.47**
A. Judicial independence				6.45	8.18	6.53	6.02	5.59
B. Impartial courts				5.85	6.85	6.32	5.28	4.74
C. Protection of property rights				4.33	6.05	6.63	7.33	6.98
D. Military interference in rule of law and politics				6.16	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						3.38	3.38	3.38
G. Regulatory restrictions on sale of real property						6.32	7.14	7.14
H. Reliability of police						8.27	7.83	7.73
I. Business costs of crime						8.64	8.25	7.64
Area 3. Sound Money	**6.82**	**7.74**	**6.20**	**7.15**	**9.67**	**9.21**	**9.27**	**9.19**
A. Money growth	5.86 *(20.70)*	9.17 *(−4.13)*	8.36 *(8.18)*	9.77 *(−1.14)*	9.85 *(0.75)*	8.03 *(9.87)*	9.15 *(4.23)*	9.46 *(2.72)*
B. Standard deviation of inflation	6.64 *(8.40)*	7.09 *(7.27)*	6.74 *(8.14)*	9.52 *(1.21)*	8.97 *(2.57)*	9.51 *(1.23)*	8.06 *(4.85)*	8.31 *(4.22)*
C. Inflation: most recent year	9.78 *(1.10)*	9.71 *(−1.45)*	9.71 *(−1.45)*	9.32 *(3.39)*	9.87 *(0.67)*	9.30 *(3.49)*	9.86 *(−0.68)*	9.00 *(5.01)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	0.00	0.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.76**	**6.00**	**4.81**	**6.63**	**7.22**	**7.94**	**7.85**	**7.79**
A. Tariffs	5.27	6.59	4.63	6.20	4.35	6.54	6.77	6.86
(i) Revenue from trade taxes (% of trade sector)	5.27 *(7.10)*	5.93 *(6.10)*	6.67 *(5.00)*	6.20 *(5.70)*	6.98 *(4.53)*	8.21 *(2.68)*	8.72 *(1.92)*	8.85 *(1.72)*
(ii) Mean tariff rate		7.24 *(13.80)*			5.20 *(24.00)*	7.52 *(12.40)*	7.96 *(10.20)*	8.00 *(10.00)*
(iii) Standard deviation of tariff rates			2.60 *(18.50)*		0.88 *(22.80)*	3.88 *(15.30)*	3.64 *(15.91)*	3.72 *(15.70)*
B. Regulatory trade barriers				5.08	6.34	6.73	6.77	6.59
(i) Non-tariff trade barriers				5.08	5.35	6.26	5.68	5.61
(ii) Compliance cost of importing and exporting					7.33	7.20	7.87	7.56
C. Black-market exchange rates	10.00	9.40	7.80	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	5.43	8.20	8.51	7.84	7.74
(i) Foreign ownership/investment restrictions				8.85	8.71	7.83	6.60	6.28
(ii) Capital controls	2.00	2.00	2.00	2.00	7.69	7.69	6.92	6.92
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	6.49	6.42	6.89	6.53	6.83	7.95	7.48	7.79
A. Credit market regulations	7.01	6.70	5.72	6.77	7.79	9.37	7.12	8.05
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	9.02	8.40	8.16	9.31	8.38	8.10	1.35	4.14
(iii) Interest rate controls/negative real interest rates			4.00	6.00	10.00	10.00	10.00	10.00
B. Labor market regulations			8.07	7.34	6.50	8.39	8.44	8.41
(i) Hiring regulations and minimum wage				6.62	3.75	8.90	8.90	8.90
(ii) Hiring and firing regulations			6.27	6.27	4.45	3.91	4.21	4.11
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.93	7.80	7.93	7.51	7.44
(iv) Hours regulations				5.88	6.51	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.63	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				5.49	6.20	6.10	6.90	6.90
(i) Administrative requirements					7.55	4.33	4.13	3.79
(ii) Bureaucracy costs				5.40	4.60	3.07	4.77	5.20
(iii) Starting a business				6.57	6.27	5.91	9.06	9.47
(iv) Extra payments/bribes/favoritism				4.50	6.37	7.08	6.22	5.44
(v) Licensing restrictions						7.34	8.35	8.81
(vi) Cost of tax compliance						8.87	8.87	8.70

Kazakhstan

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.82** (73)	**6.87** (73)	**6.97** (70)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**7.91**	**6.83**	**7.09**
A. Government consumption						6.39 *(18.27)*	5.56 *(21.10)*	6.48 *(17.97)*
B. Transfers and subsidies						8.76 *(5.06)*	8.78 *(4.98)*	8.89 *(4.59)*
C. Government enterprises and investment						7.00 *(21.09)*	4.00 *(19.85)*	4.00 *(21.09)*
D. Top marginal tax rate						9.50	9.00	9.00
(i) Top marginal income tax rate						10.00 *(20)*	10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate						9.00 *(25)*	8.00 *(30)*	8.00 *(30)*
Area 2. Legal System and Property Rights						**5.71**	**5.74**	**5.66**
A. Judicial independence						2.89	3.10	2.90
B. Impartial courts						4.13	3.85	3.76
C. Protection of property rights						4.89	4.11	4.29
D. Military interference in rule of law and politics						8.33	8.33	8.33
E. Integrity of the legal system						6.67	6.67	6.67
F. Legal enforcement of contracts						6.19	6.19	6.19
G. Regulatory restrictions on sale of real property						8.62	9.21	9.21
H. Reliability of police						4.56	3.80	5.77
I. Business costs of crime						5.11	6.39	3.84
Area 3. Sound Money						**6.85**	**8.29**	**8.24**
A. Money growth						5.86 *(20.71)*	7.37 *(13.15)*	7.20 *(13.99)*
B. Standard deviation of inflation						8.07 *(4.82)*	7.26 *(6.85)*	7.20 *(7.00)*
C. Inflation: most recent year						8.48 *(7.58)*	8.54 *(7.31)*	8.58 *(7.12)*
D. Freedom to own foreign currency bank accounts						5.00	10.00	10.00
Area 4. Freedom to Trade Internationally						**6.12**	**5.78**	**6.37**
A. Tariffs						9.49	8.17	6.90
(i) Revenue from trade taxes (% of trade sector)					9.56 *(0.66)*	9.43 *(0.85)*	8.70 *(1.95)*	7.05 *(4.42)*
(ii) Mean tariff rate						9.54 *(2.30)*	8.82 *(5.90)*	8.16 *(9.20)*
(iii) Standard deviation of tariff rates							7.00 *(7.49)*	5.47 *(11.32)*
B. Regulatory trade barriers						2.42	2.83	6.04
(i) Non-tariff trade barriers						4.59	4.84	4.94
(ii) Compliance cost of importing and exporting						0.25	0.82	7.13
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						2.56	2.13	2.56
(i) Foreign ownership/investment restrictions						6.14	4.85	5.38
(ii) Capital controls						1.54	1.54	2.31
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation						7.52	7.69	7.48
A. Credit market regulations						10.00	9.76	9.21
(i) Ownership of banks						10.00	10.00	8.00
(ii) Private sector credit					10.00	10.00	9.29	9.62
(iii) Interest rate controls/negative real interest rates						10.00	10.00	10.00
B. Labor market regulations						7.19	7.17	7.14
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						7.61	5.84	5.70
(iii) Centralized collective bargaining						8.34	7.58	7.53
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.17	9.60	9.60
(vi) Conscription						0.00	0.00	0.00
C. Business regulations						5.37	6.13	6.08
(i) Administrative requirements						3.40	3.70	3.85
(ii) Bureaucracy costs						4.23	5.50	3.89
(iii) Starting a business						9.18	9.38	9.38
(iv) Extra payments/bribes/favoritism						5.54	4.09	3.81
(v) Licensing restrictions						2.90	7.13	7.67
(vi) Cost of tax compliance						6.96	6.96	7.89

Kenya

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.80** (65)	**5.29** (52)	**5.43** (63)	**5.89** (71)	**6.72** (57)	**7.09** (53)	**6.91** (62)	**6.91** (64)
Area 1. Size of Government	3.79 (86)	3.94 (83)	4.83 (79)	5.70 (72)	7.09 (30)	7.82 (27)	7.16 (33)	7.04 (39)
Area 2. Legal System and Property Rights	4.20 (53)	5.25 (52)	5.30 (53)	3.63 (108)	3.92 (102)	4.57 (86)	4.44 (93)	4.63 (86)
Area 3. Sound Money	6.17 (59)	6.84 (42)	6.66 (58)	6.81 (58)	8.76 (41)	8.62 (58)	8.65 (58)	8.74 (59)
Area 4. Freedom to Trade Internationally	3.75 (57)	4.15 (61)	3.87 (80)	7.44 (44)	7.06 (67)	7.04 (65)	7.26 (56)	7.28 (55)
Area 5. Regulation	6.06 (33)	6.26 (34)	6.50 (31)	5.85 (58)	6.75 (47)	7.35 (28)	7.00 (48)	6.82 (64)
Unadjusted								
Summary Rating (Rank) ➤	**4.84** (65)	**5.34** (56)	**5.43** (62)	**5.91** (69)	**6.73** (55)	**7.05** (61)	**6.87** (73)	**6.87** (78)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.79**	**3.94**	**4.83**	**5.70**	**7.09**	**7.82**	**7.16**	**7.04**
A. Government consumption	4.65 *(24.20)*	4.92 *(23.26)*	4.96 *(23.14)*	6.58 *(17.63)*	6.15 *(19.10)*	6.36 *(18.37)*	6.81 *(16.85)*	6.39 *(18.28)*
B. Transfers and subsidies	9.51 *(2.30)*	8.86 *(4.70)*	9.37 *(2.80)*	9.22 *(3.35)*	9.21 *(3.40)*	9.91 *(0.84)*	9.81 *(1.18)*	9.79 *(1.27)*
C. Government enterprises and investment	0.00 *(55.10)*	2.00 *(49.50)*	2.00 *(47.10)*	4.00 *(36.80)*	6.00 *(27.30)*	7.00 *(20.50)*	4.00 *(27.67)*	4.00 *(29.43)*
D. Top marginal tax rate	1.00	0.00	3.00	3.00	7.00	8.00	8.00	8.00
(i) Top marginal income tax rate	1.00 *(65)*	0.00 *(65)*	3.00 *(50)*	3.00 *(50)*	7.00 *(32)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			3.00 *(50)*	3.00 *(50)*	7.00 *(32)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
Area 2. Legal System and Property Rights	**4.20**	**5.25**	**5.30**	**3.76**	**3.97**	**4.51**	**4.38**	**4.56**
A. Judicial independence						3.32	2.63	3.24
B. Impartial courts				3.40	3.43	3.33	3.42	4.10
C. Protection of property rights						4.90	4.42	4.42
D. Military interference in rule of law and politics				3.39	5.00	6.67	6.67	6.67
E. Integrity of the legal system				4.11	3.33	3.89	3.33	3.33
F. Legal enforcement of contracts						4.88	4.09	4.09
G. Regulatory restrictions on sale of real property						7.27	7.41	7.38
H. Reliability of police						3.85	3.56	4.12
I. Business costs of crime						2.43	3.86	3.68
Area 3. Sound Money	**6.17**	**6.84**	**6.66**	**6.81**	**8.76**	**8.62**	**8.65**	**8.74**
A. Money growth	9.07 *(4.63)*	9.53 *(2.37)*	8.85 *(5.77)*	7.18 *(14.09)*	8.60 *(6.99)*	7.80 *(10.98)*	7.73 *(11.37)*	7.38 *(13.11)*
B. Standard deviation of inflation	7.53 *(6.18)*	9.48 *(1.31)*	9.44 *(1.39)*	7.32 *(6.71)*	8.44 *(3.89)*	8.75 *(3.12)*	8.71 *(3.23)*	8.38 *(4.05)*
C. Inflation: most recent year	8.09 *(9.55)*	8.35 *(8.23)*	8.35 *(8.23)*	7.74 *(11.31)*	8.00 *(9.98)*	7.94 *(10.31)*	8.15 *(9.23)*	9.21 *(3.96)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.98**	**4.40**	**3.87**	**7.44**	**7.06**	**6.64**	**6.84**	**6.87**
A. Tariffs	3.94	3.61	2.81	4.72	5.79	6.88	6.68	6.67
(i) Revenue from trade taxes (% of trade sector)	5.93 *(6.10)*	5.07 *(7.40)*	5.80 *(6.30)*	6.27 *(5.59)*	6.31 *(5.54)*	7.75 *(3.38)*	7.29 *(4.07)*	7.20 *(4.20)*
(ii) Mean tariff rate	1.94 *(40.30)*	2.16 *(39.20)*	1.26 *(43.70)*	3.20 *(34.00)*	6.14 *(19.30)*	7.58 *(12.10)*	7.48 *(12.60)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates			1.36 *(21.60)*	4.68 *(13.30)*	4.92 *(12.70)*	5.33 *(11.68)*	5.26 *(11.84)*	5.30 *(11.75)*
B. Regulatory trade barriers						4.78	6.03	6.26
(i) Non-tariff trade barriers						4.14	5.58	5.52
(ii) Compliance cost of importing and exporting						5.42	6.49	7.00
C. Black-market exchange rates	8.00	9.60	8.80	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	8.00	5.38	4.91	4.67	4.55
(i) Foreign ownership/investment restrictions						6.49	5.75	6.17
(ii) Capital controls	0.00	0.00	0.00	8.00	5.38	4.62	4.62	3.85
(iii) Freedom of foreigners to visit						3.63	3.63	3.63
Area 5. Regulation	6.06	6.26	6.50	5.85	6.75	7.67	7.30	7.11
A. Credit market regulations	6.17	6.69	7.33	5.60	8.00	10.00	8.47	8.41
(i) Ownership of banks	2.00	2.00	5.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	8.52	8.06	6.99	7.81	10.00	10.00	6.41	6.23
(iii) Interest rate controls/negative real interest rates	8.00	10.00	10.00	4.00	9.00	10.00	9.00	9.00
B. Labor market regulations						7.55	7.82	7.52
(i) Hiring regulations and minimum wage						6.70	7.77	7.77
(ii) Hiring and firing regulations						5.86	6.53	6.69
(iii) Centralized collective bargaining						7.11	6.63	6.65
(iv) Hours regulations						10.00	10.00	8.00
(v) Mandated cost of worker dismissal						5.64	6.03	6.03
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.47	5.61	5.41
(i) Administrative requirements						2.91	3.06	3.37
(ii) Bureaucracy costs						4.34	5.06	3.34
(iii) Starting a business						7.78	8.54	8.55
(iv) Extra payments/bribes/favoritism						4.41	2.75	3.01
(v) Licensing restrictions						8.22	8.66	8.59
(vi) Cost of tax compliance						5.16	5.59	5.59

Korea, South

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.49** (45)	**5.54** (45)	**6.31** (36)	**6.67** (42)	**6.79** (52)	**7.26** (46)	**7.23** (43)	**7.20** (49)
Area 1. Size of Government	5.86 (28)	6.12 (23)	6.49 (29)	6.42 (45)	6.26 (57)	6.66 (63)	6.82 (40)	6.85 (47)
Area 2. Legal System and Property Rights	6.52 (26)	4.16 (71)	5.45 (52)	5.62 (65)	5.97 (62)	6.52 (52)	6.14 (59)	6.14 (55)
Area 3. Sound Money	5.29 (85)	6.41 (69)	6.59 (61)	8.05 (41)	8.27 (51)	9.53 (22)	9.49 (26)	9.58 (20)
Area 4. Freedom to Trade Internationally	4.77 (45)	5.40 (44)	7.40 (27)	7.61 (43)	7.19 (64)	6.68 (77)	7.02 (67)	6.68 (83)
Area 5. Regulation	4.99 (70)	5.58 (55)	5.65 (61)	5.65 (71)	6.26 (62)	7.00 (48)	6.76 (65)	6.84 (60)
Unadjusted								
Summary Rating (Rank) ➤	**5.53** (47)	**5.58** (45)	**6.38** (35)	**6.58** (45)	**6.79** (51)	**7.46** (35)	**7.43** (31)	**7.40** (37)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.97**	**6.24**	**6.49**	**6.42**	**6.26**	**6.66**	**6.82**	**6.85**
A. Government consumption	7.29 *(15.23)*	7.43 *(14.74)*	7.10 *(15.87)*	6.99 *(16.22)*	6.37 *(18.33)*	5.55 *(21.13)*	5.07 *(22.77)*	5.13 *(22.56)*
B. Transfers and subsidies	9.59 *(2.00)*	9.54 *(2.20)*	9.35 *(2.90)*	7.68 *(9.01)*	7.68 *(9.01)*	7.10 *(11.13)*	8.22 *(7.02)*	8.28 *(6.83)*
C. Government enterprises and investment	7.00 *(22.60)*	6.00 *(25.40)*	8.00 *(19.20)*	6.00 *(25.50)*	6.00 *(25.50)*	8.00 *(18.82)*	8.00 *(17.18)*	8.00 *(17.18)*
D. Top marginal tax rate	0.00	2.00	1.50	5.00	5.00	6.00	6.00	6.00
(i) Top marginal income tax rate	0.00 *(89)*	2.00 *(65)*	2.00 *(64)*	5.00 *(48)*	5.00 *(44)*	6.00 *(39)*	6.00 *(39)*	6.00 *(39)*
(ii) Top marginal income and payroll tax rate			1.00 *(66)*	5.00 *(48)*	5.00 *(44)*	6.00 *(39)*	6.00 *(39)*	6.00 *(39)*
Area 2. Legal System and Property Rights	**6.52**	**4.16**	**5.45**	**5.62**	**5.97**	**6.90**	**6.51**	**6.50**
A. Judicial independence				4.87	4.68	5.21	4.98	4.59
B. Impartial courts				5.25	5.18	5.26	3.91	3.71
C. Protection of property rights				4.26	5.00	7.40	6.18	5.92
D. Military interference in rule of law and politics				6.75	8.33	6.67	5.00	6.67
E. Integrity of the legal system				6.96	6.67	8.33	10.00	8.33
F. Legal enforcement of contracts						8.11	8.11	8.11
G. Regulatory restrictions on sale of real property						8.12	8.12	8.12
H. Reliability of police						6.49	6.21	6.57
I. Business costs of crime						6.56	6.05	6.49
Area 3. Sound Money	**5.29**	**6.41**	**6.59**	**8.05**	**8.27**	**9.53**	**9.49**	**9.58**
A. Money growth	7.32 *(13.39)*	8.53 *(7.37)*	9.11 *(4.47)*	9.06 *(4.68)*	9.68 *(−1.62)*	9.23 *(3.86)*	9.19 *(4.03)*	9.57 *(2.14)*
B. Standard deviation of inflation	8.79 *(3.02)*	8.04 *(4.89)*	9.22 *(1.94)*	9.26 *(1.85)*	8.87 *(2.83)*	9.42 *(1.45)*	9.33 *(1.68)*	9.32 *(1.69)*
C. Inflation: most recent year	5.03 *(24.87)*	9.07 *(4.64)*	8.02 *(9.91)*	8.88 *(5.60)*	9.55 *(2.27)*	9.45 *(2.75)*	9.43 *(2.83)*	9.41 *(2.93)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**4.80**	**5.43**	**7.42**	**7.18**	**7.19**	**7.21**	**7.57**	**7.21**
A. Tariffs	6.59	6.50	7.46	7.91	8.35	5.86	5.64	5.64
(i) Revenue from trade taxes (% of trade sector)	7.27 *(4.10)*	7.60 *(3.60)*	7.73 *(3.40)*	8.67 *(2.00)*	9.15 *(1.28)*	9.37 *(0.95)*	9.35 *(0.98)*	9.35 *(0.97)*
(ii) Mean tariff rate	5.92 *(20.40)*	5.40 *(23.00)*	7.34 *(13.30)*	7.70 *(11.50)*	8.26 *(8.70)*	8.20 *(9.00)*	7.58 *(12.10)*	7.58 *(12.10)*
(iii) Standard deviation of tariff rates			7.32 *(6.70)*	7.36 *(6.60)*	7.64 *(5.90)*	0.00 *(49.37)*	0.00 *(49.25)*	0.00 *(49.25)*
B. Regulatory trade barriers				5.97	6.84	7.19	7.02	5.44
(i) Non-tariff trade barriers				5.97	5.18	5.98	4.98	4.82
(ii) Compliance cost of importing and exporting					8.50	8.41	9.06	6.06
C. Black-market exchange rates	7.80	7.80	9.80	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	2.00	5.00	4.83	3.58	5.79	7.64	7.76
(i) Foreign ownership/investment restrictions				4.66	7.16	5.82	5.23	5.60
(ii) Capital controls	0.00	2.00	5.00	5.00	0.00	1.54	7.69	7.69
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	5.05	5.65	5.96	5.62	6.26	7.01	6.77	6.86
A. Credit market regulations	6.13	8.11	8.33	8.33	8.33	9.33	9.33	9.33
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	8.00	8.00	8.00
(ii) Private sector credit	9.40	9.32	10.00	10.00	10.00	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates	4.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			3.59	4.43	4.20	4.84	4.44	4.58
(i) Hiring regulations and minimum wage				5.83	4.14	8.90	5.57	6.67
(ii) Hiring and firing regulations			3.53	3.53	4.70	4.71	3.66	3.76
(iii) Centralized collective bargaining	7.24	7.24	7.24	7.24	6.17	7.87	7.46	7.11
(iv) Hours regulations				5.53	6.01	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						1.56	1.97	1.97
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				4.10	6.24	6.86	6.54	6.66
(i) Administrative requirements					6.52	3.54	3.01	2.73
(ii) Bureaucracy costs				5.38	7.65	6.31	4.06	5.04
(iii) Starting a business				3.65	5.38	8.28	9.40	9.62
(iv) Extra payments/bribes/favoritism				3.28	5.40	6.51	5.84	5.22
(v) Licensing restrictions						9.79	9.76	9.86
(vi) Cost of tax compliance						6.75	7.20	7.48

Kuwait

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.99** (61)	**6.85** (16)	**5.46** (61)	**6.93** (39)	**7.07** (43)	**7.46** (35)	**7.76** (13)	**7.75** (18)
Area 1. Size of Government	10.00 (1)	4.63 (65)	3.89 (96)	5.97 (63)	6.37 (55)	6.72 (60)	6.44 (55)	6.45 (58)
Area 2. Legal System and Property Rights	1.84 (85)	5.85 (40)	2.73 (96)	7.42 (30)	8.06 (23)	8.27 (18)	8.14 (21)	8.04 (22)
Area 3. Sound Money	5.19 (89)	8.93 (15)	7.84 (35)	8.89 (33)	8.09 (57)	7.84 (72)	9.26 (37)	9.26 (41)
Area 4. Freedom to Trade Internationally			7.07 (31)	7.13 (53)	7.96 (39)	8.03 (26)	7.93 (32)	8.13 (19)
Area 5. Regulation	6.04 (34)	5.68 (51)	5.88 (47)	5.17 (87)	4.86 (107)	6.60 (74)	7.05 (43)	6.90 (54)
Unadjusted								
Summary Rating (Rank) ➤	**3.78** (92)	**5.70** (39)	**5.09** (70)	**6.50** (47)	**6.85** (48)	**7.38** (42)	**7.67** (15)	**7.66** (19)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.97**	**1.19**	**3.15**	**4.83**	**6.37**	**6.72**	**6.44**	**6.45**
A. Government consumption	3.95 *(26.58)*	2.38 *(31.90)*	0.00 *(40.57)*	0.00 *(44.39)*	1.41 *(35.21)*	2.07 *(32.97)*	1.31 *(35.55)*	1.35 *(35.40)*
B. Transfers and subsidies			7.46 *(9.83)*	7.50 *(9.66)*	7.08 *(11.22)*	7.82 *(8.49)*	7.46 *(9.81)*	7.46 *(9.81)*
C. Government enterprises and investment	2.00 *(43.50)*	0.00 *(61.30)*	2.00 *(46.00)*	7.00 *(21.80)*	7.00 *(21.80)*	7.00 *(21.80)*	7.00	7.00
D. Top marginal tax rate					10.00	10.00	10.00	10.00
(i) Top marginal income tax rate					10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
(ii) Top marginal income and payroll tax rate					10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
Area 2. Legal System and Property Rights	**1.84**	**5.85**	**2.73**	**6.49**	**6.95**	**7.30**	**7.18**	**7.10**
A. Judicial independence						6.98	6.55	6.88
B. Impartial courts				7.17	7.51	6.76	5.44	5.06
C. Protection of property rights						6.32	6.53	6.63
D. Military interference in rule of law and politics				8.13	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						5.06	5.06	5.06
G. Regulatory restrictions on sale of real property						8.80	8.80	8.95
H. Reliability of police						7.40	6.74	7.96
I. Business costs of crime						7.70	8.86	6.66
Area 3. Sound Money	**5.18**	**8.92**	**7.51**	**8.89**	**8.09**	**7.84**	**9.26**	**9.26**
A. Money growth	7.16 *(14.18)*	9.63 *(−1.85)*	9.95 *(−0.24)*	9.29 *(−3.57)*	9.89 *(−0.55)*	7.13 *(14.35)*	9.04 *(4.82)*	9.04 *(4.81)*
B. Standard deviation of inflation	2.07 *(19.83)*	7.03 *(7.43)*	4.55 *(13.62)*	7.54 *(6.16)*	2.98 *(17.55)*	5.06 *(12.36)*	8.80 *(3.00)*	8.80 *(3.01)*
C. Inflation: most recent year	1.49 *(42.57)*	9.03 *(4.86)*	8.03 *(9.83)*	8.74 *(6.29)*	9.50 *(2.51)*	9.18 *(4.12)*	9.21 *(3.97)*	9.20 *(4.02)*
D. Freedom to own foreign currency bank accounts	10.00	10.00		10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally		**7.07**	**7.07**	**7.13**	**7.96**	**7.57**	**7.47**	**7.66**
A. Tariffs		9.20	9.20	9.40	9.27	8.83	8.52	8.52
(i) Revenue from trade taxes (% of trade sector)			9.20 *(1.20)*	9.40 *(0.90)*	9.27 *(1.09)*	9.49 *(0.76)*	8.56 *(2.16)*	8.56 *(2.16)*
(ii) Mean tariff rate		9.20 *(4.00)*				9.06 *(4.70)*	9.06 *(4.70)*	9.06 *(4.70)*
(iii) Standard deviation of tariff rates						7.94 *(5.15)*	7.93 *(5.17)*	7.93 *(5.17)*
B. Regulatory trade barriers						7.25	7.09	7.86
(i) Non-tariff trade barriers						7.27	6.63	6.90
(ii) Compliance cost of importing and exporting						7.24	7.55	8.81
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	4.61	4.18	4.28	4.27
(i) Foreign ownership/investment restrictions						3.72	4.46	3.60
(ii) Capital controls	2.00	2.00	2.00	2.00	4.61	4.61	4.17	5.00
(iii) Freedom of foreigners to visit						4.20	4.20	4.20
Area 5. Regulation	5.13	5.49	4.99	5.17	4.86	7.47	7.99	7.81
A. Credit market regulations	7.41	7.66	7.50	7.13	6.33	8.33	10.00	10.00
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	9.83	7.98	10.00	6.40	6.99	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates		10.00		10.00	7.00	5.00	10.00	10.00
B. Labor market regulations						7.78	7.30	6.93
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						5.53	4.95	4.83
(iii) Centralized collective bargaining						8.40	7.91	7.76
(iv) Hours regulations						10.00	8.00	6.00
(v) Mandated cost of worker dismissal						2.77	2.97	2.97
(vi) Conscription	1.00	1.00	0.00	0.00	0.00	10.00	10.00	10.00
C. Business regulations						6.30	6.65	6.51
(i) Administrative requirements						3.16	2.80	2.72
(ii) Bureaucracy costs						1.65	5.25	4.97
(iii) Starting a business						8.53	8.59	8.73
(iv) Extra payments/bribes/favoritism						7.13	5.68	5.37
(v) Licensing restrictions						8.68	8.91	8.58
(vi) Cost of tax compliance						8.68	8.68	8.68

Kyrgyz Republic

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.55** (83)	**6.89** (72)	**6.68** (88)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**6.62**	**8.07**	**7.36**
A. Government consumption						6.43 *(18.13)*	6.05 *(19.44)*	6.34 *(18.44)*
B. Transfers and subsidies						9.43 *(2.60)*	9.25 *(3.25)*	8.62 *(5.57)*
C. Government enterprises and investment						4.00 *(33.25)*	8.00 *(17.65)*	6.00 *(26.03)*
D. Top marginal tax rate							9.00	8.50
(i) Top marginal income tax rate							10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate							8.00 *(30)*	7.00 *(31)*
Area 2. Legal System and Property Rights						**3.98**	**4.54**	**4.39**
A. Judicial independence						1.59	1.77	1.52
B. Impartial courts						2.44	2.78	2.62
C. Protection of property rights						3.33	2.96	2.37
D. Military interference in rule of law and politics						3.10	4.90	3.80
E. Integrity of the legal system								
F. Legal enforcement of contracts						6.74	6.74	6.74
G. Regulatory restrictions on sale of real property						9.22	9.15	9.18
H. Reliability of police						2.11	2.70	5.99
I. Business costs of crime						3.28	5.34	2.93
Area 3. Sound Money						**8.65**	**8.20**	**8.14**
A. Money growth						6.34 *(18.28)*	7.05 *(14.75)*	7.05 *(14.75)*
B. Standard deviation of inflation						9.11 *(2.22)*	7.13 *(7.18)*	7.11 *(7.21)*
C. Inflation: most recent year						9.13 *(4.35)*	8.63 *(6.86)*	8.41 *(7.97)*
D. Freedom to own foreign currency bank accounts						10.00	10.00	10.00
Area 4. Freedom to Trade Internationally						**6.62**	**6.33**	**6.92**
A. Tariffs						8.80	8.48	8.53
(i) Revenue from trade taxes (% of trade sector)					9.69 *(0.47)*	9.63 *(0.55)*	8.35 *(2.47)*	8.53 *(2.20)*
(ii) Mean tariff rate						9.04 *(4.80)*	9.08 *(4.60)*	9.08 *(4.60)*
(iii) Standard deviation of tariff rates						7.72 *(5.71)*	8.01 *(4.97)*	7.98 *(5.06)*
B. Regulatory trade barriers						2.15	2.40	4.74
(i) Non-tariff trade barriers						3.98	4.29	4.47
(ii) Compliance cost of importing and exporting						0.32	0.50	5.00
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						5.55	4.45	4.41
(i) Foreign ownership/investment restrictions						4.91	3.92	3.80
(ii) Capital controls						5.38	3.08	3.08
(iii) Freedom of foreigners to visit						6.35	6.35	6.35
Area 5. Regulation						6.86	7.30	6.61
A. Credit market regulations						9.19	9.01	7.48
(i) Ownership of banks						10.00	10.00	8.00
(ii) Private sector credit				0.00	8.05	9.56	9.03	7.44
(iii) Interest rate controls/negative real interest rates						8.00	8.00	7.00
B. Labor market regulations						6.51	6.44	6.63
(i) Hiring regulations and minimum wage						6.70	5.00	5.00
(ii) Hiring and firing regulations						7.35	5.93	6.55
(iii) Centralized collective bargaining						7.59	7.88	8.43
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						8.42	8.79	8.79
(vi) Conscription						1.00	1.00	1.00
C. Business regulations						4.88	6.46	5.71
(i) Administrative requirements						1.83	3.46	3.45
(ii) Bureaucracy costs						2.97	6.81	2.75
(iii) Starting a business						9.21	9.64	9.64
(iv) Extra payments/bribes/favoritism						3.53	2.83	2.45
(v) Licensing restrictions						4.03	8.31	8.29
(vi) Cost of tax compliance						7.74	7.74	7.65

Latvia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.28** (89)	**6.96** (46)	**7.30** (45)	**7.11** (53)	**7.00** (60)
Area 1. Size of Government				4.27 (100)	5.18 (89)	6.35 (74)	5.33 (95)	5.22 (97)
Area 2. Legal System and Property Rights				6.14 (51)	6.67 (46)	6.79 (44)	6.44 (51)	6.46 (50)
Area 3. Sound Money			4.86 (93)	2.98 (109)	8.55 (46)	8.68 (55)	8.90 (50)	8.93 (53)
Area 4. Freedom to Trade Internationally				7.91 (35)	7.81 (47)	7.84 (37)	7.82 (40)	7.59 (46)
Area 5. Regulation				4.66 (102)	6.61 (48)	6.88 (54)	7.03 (46)	6.80 (65)
Unadjusted								
Summary Rating (Rank) ➤				**5.54** (78)	**6.82** (49)	**7.42** (37)	**7.23** (46)	**7.12** (61)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**5.41**	**5.18**	**6.35**	**5.33**	**5.22**
A. Government consumption			7.65 *(13.99)*	4.06 *(26.19)*	4.94 *(23.22)*	5.25 *(22.15)*	4.65 *(24.19)*	5.46 *(21.42)*
B. Transfers and subsidies				5.18 *(18.20)*	5.80 *(15.91)*	7.63 *(9.20)*	4.19 *(21.84)*	3.91 *(22.86)*
C. Government enterprises and investment					4.00	6.00	6.00	6.00
D. Top marginal tax rate				7.00	6.00	6.50	6.50	5.50
(i) Top marginal income tax rate				7.00 *(35)*	9.00 *(25)*	9.00 *(25)*	9.00 *(23)*	8.00 *(26)*
(ii) Top marginal income and payroll tax rate					3.00 *(48)*	4.00 *(45)*	4.00 *(44)*	3.00 *(47)*
Area 2. Legal System and Property Rights				**5.96**	**5.95**	**6.72**	**6.37**	**6.40**
A. Judicial independence						4.65	4.44	4.68
B. Impartial courts				5.83	6.20	4.58	3.07	3.44
C. Protection of property rights					3.82	6.46	5.45	5.22
D. Military interference in rule of law and politics				7.53	8.33	8.33	8.33	8.33
E. Integrity of the legal system					8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						7.39	6.73	6.28
G. Regulatory restrictions on sale of real property						8.32	8.55	9.00
H. Reliability of police						5.53	5.10	6.98
I. Business costs of crime						6.89	7.34	5.34
Area 3. Sound Money			**6.43**	**2.98**	**8.55**	**8.68**	**8.90**	**8.93**
A. Money growth				0.10 *(49.50)*	6.81 *(15.97)*	7.41 *(12.93)*	8.77 *(−6.15)*	9.23 *(−3.86)*
B. Standard deviation of inflation		8.91 *(2.73)*	7.44 *(6.39)*	0.00 *(365.31)*	7.93 *(5.17)*	8.65 *(3.37)*	7.52 *(6.20)*	6.72 *(8.20)*
C. Inflation: most recent year			6.85 *(15.74)*	6.80 *(16.00)*	9.47 *(2.65)*	8.65 *(6.76)*	9.29 *(3.53)*	9.78 *(−1.09)*
D. Freedom to own foreign currency bank accounts			5.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally				**9.02**	**7.81**	**8.16**	**8.14**	**7.90**
A. Tariffs				9.46	8.33	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)				9.46 *(0.81)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate					8.88 *(5.60)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates					6.32 *(9.20)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers					5.30	7.46	7.78	6.82
(i) Non-tariff trade barriers					5.30	6.42	6.92	6.33
(ii) Compliance cost of importing and exporting						8.49	8.64	7.31
C. Black-market exchange rates			0.00	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people			0.00	8.00	7.60	6.79	6.57	6.42
(i) Foreign ownership/investment restrictions					8.28	6.87	6.20	5.77
(ii) Capital controls			0.00	8.00	6.92	6.92	6.92	6.92
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation				4.33	6.61	7.22	7.38	7.14
A. Credit market regulations				5.03	9.61	9.53	8.92	8.37
(i) Ownership of banks					10.00	10.00	10.00	8.00
(ii) Private sector credit				8.05	8.82	9.60	7.77	7.11
(iii) Interest rate controls/negative real interest rates				2.00	10.00	9.00	9.00	10.00
B. Labor market regulations					4.53	5.71	7.16	6.82
(i) Hiring regulations and minimum wage					3.33	3.30	3.33	2.23
(ii) Hiring and firing regulations					3.93	5.26	5.39	5.28
(iii) Centralized collective bargaining					7.85	8.30	7.82	7.00
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						8.42	8.39	8.39
(vi) Conscription			0.00	1.00	3.00	3.00	10.00	10.00
C. Business regulations					5.69	6.40	6.07	6.23
(i) Administrative requirements					7.18	3.88	3.44	3.80
(ii) Bureaucracy costs					4.73	4.53	4.27	4.90
(iii) Starting a business					5.00	9.37	9.42	9.46
(iv) Extra payments/bribes/favoritism					5.84	6.44	4.70	4.93
(v) Licensing restrictions						7.79	7.85	7.54
(vi) Cost of tax compliance						6.41	6.72	6.75

Lesotho

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.05** (107)	**6.13** (111)	**5.81** (125)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**4.63**	**4.90**	**5.08**
A. Government consumption						2.74 *(30.67)*	3.50 *(28.10)*	4.06 *(26.21)*
B. Transfers and subsidies						7.16 *(10.92)*	9.20 *(3.45)*	9.20 *(3.45)*
C. Government enterprises and investment						4.00 *(31.66)*	2.00 *(41.10)*	2.00 *(44.64)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights						**4.65**	**4.60**	**4.48**
A. Judicial independence						5.00	3.73	3.13
B. Impartial courts						4.68	3.07	3.36
C. Protection of property rights						3.95	4.44	4.08
D. Military interference in rule of law and politics						7.10	7.30	7.60
E. Integrity of the legal system								
F. Legal enforcement of contracts						4.04	3.82	3.82
G. Regulatory restrictions on sale of real property						5.36	5.46	5.46
H. Reliability of police						3.74	4.21	4.49
I. Business costs of crime						3.29	4.78	3.93
Area 3. Sound Money						**8.08**	**7.65**	**5.82**
A. Money growth						8.92 *(5.38)*	8.10 *(9.48)*	0.00 *(71.94)*
B. Standard deviation of inflation						9.10 *(2.24)*	8.95 *(2.64)*	9.00 *(2.50)*
C. Inflation: most recent year						9.31 *(3.44)*	8.57 *(7.16)*	9.28 *(3.58)*
D. Freedom to own foreign currency bank accounts						5.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**6.00**	**6.14**	**6.37**
A. Tariffs						4.57	4.66	4.67
(i) Revenue from trade taxes (% of trade sector)					0.00 *(15.81)*	0.00 *(17.36)*	0.00 *(23.76)*	0.00 *(23.76)*
(ii) Mean tariff rate						8.02 *(9.90)*	8.46 *(7.70)*	8.48 *(7.60)*
(iii) Standard deviation of tariff rates						5.70 *(10.74)*	5.53 *(11.17)*	5.53 *(11.17)*
B. Regulatory trade barriers						4.28	5.14	5.81
(i) Non-tariff trade barriers						5.15	4.90	4.81
(ii) Compliance cost of importing and exporting						3.42	5.38	6.81
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						5.16	4.74	5.00
(i) Foreign ownership/investment restrictions						6.71	5.45	6.24
(ii) Capital controls						2.31	2.31	2.31
(iii) Freedom of foreigners to visit						6.46	6.46	6.46
Area 5. Regulation						6.89	7.35	7.29
A. Credit market regulations						10.00	9.67	10.00
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit			9.92	10.00	10.00	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates						10.00	9.00	10.00
B. Labor market regulations						6.77	7.12	7.09
(i) Hiring regulations and minimum wage						7.80	7.77	7.77
(ii) Hiring and firing regulations						4.49	4.87	4.34
(iii) Centralized collective bargaining						4.38	5.78	6.12
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						5.92	6.29	6.29
(vi) Conscription						10.00	10.00	10.00
C. Business regulations						3.90	5.27	4.77
(i) Administrative requirements						2.53	3.98	3.42
(ii) Bureaucracy costs						1.30	6.41	3.73
(iii) Starting a business						7.19	8.41	8.42
(iv) Extra payments/bribes/favoritism						5.32	3.80	3.56
(v) Licensing restrictions						3.40	2.66	3.12
(vi) Cost of tax compliance						3.68	6.37	6.37

Lithuania

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.31** (88)	**6.60** (63)	**7.05** (55)	**7.10** (54)	**7.12** (51)
Area 1. Size of Government				5.64 (75)	5.45 (82)	5.61 (94)	5.56 (86)	5.62 (83)
Area 2. Legal System and Property Rights				5.90 (57)	6.48 (53)	6.16 (57)	6.23 (56)	6.24 (52)
Area 3. Sound Money			3.74 (105)	1.85 (114)	7.09 (76)	8.83 (48)	9.16 (42)	9.37 (33)
Area 4. Freedom to Trade Internationally				7.98 (31)	7.88 (45)	7.53 (47)	7.24 (57)	7.04 (66)
Area 5. Regulation				4.94 (92)	6.11 (73)	7.07 (46)	7.28 (31)	7.31 (33)
Unadjusted								
Summary Rating (Rank) ➤				**5.33** (86)	**6.47** (67)	**7.47** (33)	**7.52** (25)	**7.54** (28)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**5.64**	**5.45**	**6.78**	**6.73**	**6.79**
A. Government consumption			4.34 *(25.25)*	5.11 *(22.62)*	4.44 *(24.90)*	5.78 *(20.35)*	4.66 *(24.16)*	4.83 *(23.57)*
B. Transfers and subsidies				7.30 *(10.40)*	6.92 *(11.82)*	6.83 *(12.13)*	4.75 *(19.77)*	5.35 *(17.58)*
C. Government enterprises and investment						10.00 *(5.58)*	10.00 *(5.58)*	10.00 *(5.58)*
D. Top marginal tax rate				4.50	5.00	4.50	7.50	7.00
(i) Top marginal income tax rate				7.00 *(35)*	7.00 *(33)*	7.00 *(33)*	10.00 *(15)*	10.00 *(15)*
(ii) Top marginal income and payroll tax rate				2.00 *(51)*	3.00 *(50)*	2.00 *(51)*	5.00 *(38)*	4.00 *(41)*
Area 2. Legal System and Property Rights				**5.87**	**5.81**	**6.37**	**6.44**	**6.45**
A. Judicial independence						3.96	4.32	3.99
B. Impartial courts				5.88	6.07	4.31	3.86	4.28
C. Protection of property rights					3.20	6.51	5.56	5.58
D. Military interference in rule of law and politics				7.23	8.33	8.33	8.33	8.33
E. Integrity of the legal system					8.33	6.67	6.67	6.67
F. Legal enforcement of contracts						7.45	6.96	6.96
G. Regulatory restrictions on sale of real property						9.71	9.68	9.68
H. Reliability of police						4.54	5.08	7.27
I. Business costs of crime						5.82	7.50	5.27
Area 3. Sound Money			**7.49**	**1.85**	**7.09**	**8.83**	**9.16**	**9.37**
A. Money growth				0.00 *(53.00)*	7.47 *(12.63)*	6.96 *(15.19)*	9.42 *(−2.88)*	9.76 *(−1.22)*
B. Standard deviation of inflation				0.00 *(329.24)*	6.09 *(9.77)*	8.91 *(2.73)*	8.09 *(4.79)*	7.97 *(5.08)*
C. Inflation: most recent year			9.97 *(−0.15)*	2.39 *(38.05)*	9.80 *(1.01)*	9.47 *(2.66)*	9.11 *(4.45)*	9.74 *(1.32)*
D. Freedom to own foreign currency bank accounts			5.00	5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally				**8.78**	**7.88**	**8.00**	**7.69**	**7.49**
A. Tariffs				8.35	8.50	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)				9.56 *(0.66)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate				9.10 *(4.50)*	8.92 *(5.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates				6.40 *(9.00)*	6.80 *(8.00)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers					5.20	7.37	7.40	6.64
(i) Non-tariff trade barriers					5.20	6.10	6.11	5.84
(ii) Compliance cost of importing and exporting						8.64	8.70	7.44
C. Black-market exchange rates			0.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people			0.00	8.00	7.81	6.25	5.15	4.96
(i) Foreign ownership/investment restrictions					8.12	6.03	5.81	5.24
(ii) Capital controls			0.00	8.00	7.50	6.15	3.08	3.08
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation				4.53	6.11	7.35	7.57	7.60
A. Credit market regulations			0.00	4.44	7.30	9.91	9.31	8.70
(i) Ownership of banks			0.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit				8.32	7.89	9.73	7.92	6.11
(iii) Interest rate controls/negative real interest rates				0.00	9.00	10.00	10.00	10.00
B. Labor market regulations					4.23	5.46	7.11	7.65
(i) Hiring regulations and minimum wage					3.01	6.70	5.00	8.33
(ii) Hiring and firing regulations					2.75	3.55	3.86	3.66
(iii) Centralized collective bargaining					8.17	8.28	8.19	8.29
(iv) Hours regulations						4.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.22	7.59	7.59
(vi) Conscription			0.00	3.00	3.00	3.00	10.00	10.00
C. Business regulations					6.81	6.70	6.31	6.45
(i) Administrative requirements					7.28	3.34	2.81	2.94
(ii) Bureaucracy costs					7.48	4.81	4.03	4.87
(iii) Starting a business					4.18	8.98	9.15	9.15
(iv) Extra payments/bribes/favoritism					8.29	6.86	5.67	5.17
(v) Licensing restrictions						8.05	8.15	8.56
(vi) Cost of tax compliance						8.14	8.04	8.04

Luxembourg

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.51** (6)	**7.83** (5)	**7.80** (8)	**7.94** (11)	**8.02** (12)	**7.72** (19)	**7.68** (18)	**7.59** (25)
Area 1. Size of Government	4.41 (72)	4.81 (60)	4.73 (83)	4.40 (96)	4.78 (95)	4.35 (114)	4.37 (113)	4.13 (114)
Area 2. Legal System and Property Rights	7.83 (9)	8.35 (4)	8.35 (12)	9.10 (7)	8.62 (16)	8.74 (15)	8.98 (5)	8.96 (7)
Area 3. Sound Money	9.05 (8)	9.58 (4)	9.53 (11)	9.73 (7)	9.75 (3)	9.47 (27)	9.55 (18)	9.35 (34)
Area 4. Freedom to Trade Internationally	9.32 (2)	9.36 (3)	9.37 (4)	9.44 (4)	9.46 (4)	8.51 (13)	8.35 (16)	8.09 (21)
Area 5. Regulation	7.04 (11)	7.04 (16)	7.04 (19)	7.04 (19)	7.51 (13)	7.53 (22)	7.16 (39)	7.47 (27)
Unadjusted								
Summary Rating (Rank) ➤	**8.05** (3)	**8.39** (1)	**8.07** (7)	**7.90** (11)	**8.02** (12)	**7.60** (26)	**7.56** (23)	**7.47** (32)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.77**	**7.39**	**4.73**	**4.40**	**4.78**	**4.35**	**4.37**	**4.13**
A. Government consumption	6.54 *(17.75)*	6.79 *(16.92)*	6.54 *(17.77)*	3.84 *(26.95)*	3.15 *(29.30)*	2.40 *(31.84)*	2.09 *(32.89)*	2.01 *(33.16)*
B. Transfers and subsidies			2.89 *(26.60)*	3.27 *(25.20)*	4.47 *(20.81)*	4.01 *(22.50)*	3.39 *(24.76)*	3.49 *(24.39)*
C. Government enterprises and investment	7.00 *(22.00)*	8.00 *(18.20)*	8.00 *(19.20)*	8.00 *(19.20)*	8.00 *(19.20)*	7.00 *(21.91)*	7.00 *(21.25)*	7.00 *(24.67)*
D. Top marginal tax rate			1.50	2.50	3.50	4.00	5.00	4.00
(i) Top marginal income tax rate			1.00 *(56)*	3.00 *(50)*	4.00 *(48)*	5.00 *(39)*	6.00 *(39)*	5.00 *(39)*
(ii) Top marginal income and payroll tax rate			2.00 *(58)*	2.00 *(60)*	3.00 *(54)*	3.00 *(46)*	4.00 *(46)*	3.00 *(46)*
Area 2. Legal System and Property Rights	**7.83**	**8.35**	**8.35**	**9.10**	**8.62**	**8.09**	**8.31**	**8.29**
A. Judicial independence				9.45	7.30	7.43	8.11	8.49
B. Impartial courts				8.62	8.20	7.44	7.50	7.22
C. Protection of property rights				7.39	7.60	8.84	8.73	8.82
D. Military interference in rule of law and politics				10.03	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						7.51	7.46	7.46
G. Regulatory restrictions on sale of real property						6.10	6.10	6.13
H. Reliability of police						7.85	8.30	8.38
I. Business costs of crime						7.66	8.64	8.12
Area 3. Sound Money	**9.05**	**9.58**	**9.53**	**9.73**	**9.75**	**9.47**	**9.55**	**9.35**
A. Money growth	9.22 *(3.88)*	9.98 *(0.10)*	9.27 *(3.64)*	9.82 *(0.92)*	9.81 *(0.95)*	9.20 *(4.00)*	9.28 *(3.62)*	8.87 *(5.65)*
B. Standard deviation of inflation	8.56 *(3.60)*	8.93 *(2.68)*	9.52 *(1.20)*	9.23 *(1.93)*	9.84 *(0.41)*	9.18 *(2.05)*	9.01 *(2.47)*	9.00 *(2.49)*
C. Inflation: most recent year	8.42 *(7.92)*	9.40 *(2.98)*	9.32 *(3.42)*	9.86 *(0.71)*	9.37 *(3.15)*	9.50 *(2.49)*	9.93 *(0.37)*	9.54 *(2.28)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.70**	**9.74**	**9.51**	**9.22**	**9.46**	**8.48**	**8.32**	**8.06**
A. Tariffs	9.09	9.22	8.52	8.74	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.93 *(0.10)*	9.93 *(0.10)*	9.93 *(0.10)*	9.93 *(0.10)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.67	9.10	8.68	8.88	7.50
(i) Non-tariff trade barriers				8.67	8.20	8.07	8.47	8.37
(ii) Compliance cost of importing and exporting					10.00	9.29	9.29	6.63
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	10.00	10.00	9.45	9.56	6.85	6.18	6.39
(i) Foreign ownership/investment restrictions				8.90	9.90	8.59	8.11	8.75
(ii) Capital controls	10.00	10.00	10.00	10.00	9.23	5.38	3.85	3.85
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	6.90	6.90	8.24	7.08	7.51	7.61	7.24	7.55
A. Credit market regulations	10.00	10.00	10.00	8.76	10.00	9.33	9.21	9.15
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	8.00	8.00	8.00
(ii) Private sector credit				6.28	10.00	10.00	9.62	9.46
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			6.48	5.45		5.80	5.52	5.55
(i) Hiring regulations and minimum wage				3.62		3.30	2.23	2.23
(ii) Hiring and firing regulations			4.28	4.28		4.60	3.74	3.93
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18		6.49	5.56	5.55
(iv) Hours regulations				4.17		4.00	4.00	4.00
(v) Mandated cost of worker dismissal						6.38	7.59	7.59
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				7.02		7.69	6.99	7.93
(i) Administrative requirements						4.94	4.97	4.32
(ii) Bureaucracy costs				7.24		6.78	2.06	7.83
(iii) Starting a business				6.95		8.97	9.29	9.30
(iv) Extra payments/bribes/favoritism				6.87		8.77	8.92	8.47
(v) Licensing restrictions						7.34	7.34	8.32
(vi) Cost of tax compliance						9.35	9.34	9.34

Macedonia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.44** (89)	**6.91** (71)	**6.94** (73)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**5.71**	**5.83**	**6.11**
A. Government consumption					6.94 *(16.42)*	6.03 *(19.51)*	5.89 *(19.99)*	5.99 *(19.65)*
B. Transfers and subsidies						6.81 *(12.21)*	5.95 *(15.37)*	5.95 *(15.37)*
C. Government enterprises and investment						4.00 *(35.72)*	4.00 *(31.15)*	4.00 *(33.50)*
D. Top marginal tax rate						6.00	7.50	8.50
(i) Top marginal income tax rate						9.00 *(24)*	10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate						3.00 *(47)*	5.00 *(36)*	7.00 *(34)*
Area 2. Legal System and Property Rights						**4.27**	**5.28**	**5.23**
A. Judicial independence						2.37	3.24	3.15
B. Impartial courts						3.19	3.42	3.44
C. Protection of property rights						4.12	4.42	4.42
D. Military interference in rule of law and politics						3.50	5.70	5.10
E. Integrity of the legal system								
F. Legal enforcement of contracts						5.55	5.66	5.79
G. Regulatory restrictions on sale of real property						7.00	7.85	8.23
H. Reliability of police						4.70	5.32	6.45
I. Business costs of crime						3.69	6.61	5.26
Area 3. Sound Money						**7.59**	**7.96**	**7.97**
A. Money growth					7.20 *(13.98)*	6.01 *(19.95)*	7.62 *(11.88)*	8.05 *(9.76)*
B. Standard deviation of inflation						9.36 *(1.59)*	9.25 *(1.87)*	9.16 *(2.11)*
C. Inflation: most recent year						9.99 *(0.04)*	9.95 *(−0.27)*	9.68 *(1.61)*
D. Freedom to own foreign currency bank accounts						5.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**7.38**	**7.48**	**7.29**
A. Tariffs						9.01	7.92	7.92
(i) Revenue from trade taxes (% of trade sector)						8.83 *(1.75)*	8.97 *(1.54)*	8.97 *(1.54)*
(ii) Mean tariff rate						9.18 *(4.10)*	8.46 *(7.70)*	8.46 *(7.70)*
(iii) Standard deviation of tariff rates							6.34 *(9.16)*	6.34 *(9.16)*
B. Regulatory trade barriers						5.95	7.11	6.40
(i) Non-tariff trade barriers						5.56	5.75	5.48
(ii) Compliance cost of importing and exporting						6.34	8.47	7.31
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						4.54	4.90	4.84
(i) Foreign ownership/investment restrictions						5.04	4.57	4.39
(ii) Capital controls						0.77	2.31	2.31
(iii) Freedom of foreigners to visit						7.82	7.82	7.82
Area 5. Regulation						7.24	8.02	8.11
A. Credit market regulations						10.00	9.84	9.84
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit						10.00	9.51	9.51
(iii) Interest rate controls/negative real interest rates					10.00	10.00	10.00	10.00
B. Labor market regulations						5.89	7.86	7.85
(i) Hiring regulations and minimum wage						3.90	7.23	7.23
(ii) Hiring and firing regulations						5.06	5.58	5.58
(iii) Centralized collective bargaining						7.80	8.35	8.27
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.59	7.99	7.99
(vi) Conscription						5.00	10.00	10.00
C. Business regulations						5.82	6.37	6.65
(i) Administrative requirements						3.20	3.42	3.59
(ii) Bureaucracy costs						5.29	5.23	4.82
(iii) Starting a business						8.98	9.88	9.88
(iv) Extra payments/bribes/favoritism						4.88	5.36	4.93
(v) Licensing restrictions						3.66	5.64	8.01
(vi) Cost of tax compliance						8.92	8.67	8.67

Madagascar

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.01** (83)	**4.59** (83)	**4.49** (92)	**4.61** (104)	**5.96** (88)	**5.79** (106)	**6.22** (96)	**6.41** (91)
Area 1. Size of Government	5.65 (32)	6.06 (25)	6.34 (35)	6.52 (41)	7.21 (25)	7.66 (29)	9.07 (3)	9.29 (1)
Area 2. Legal System and Property Rights		4.32 (67)	3.09 (89)	5.09 (80)	4.78 (83)	3.26 (110)	3.40 (110)	3.21 (111)
Area 3. Sound Money	5.82 (71)	5.99 (85)	5.79 (79)	2.82 (110)	7.17 (73)	7.02 (89)	7.55 (81)	7.85 (83)
Area 4. Freedom to Trade Internationally	1.13 (85)	2.75 (73)	3.49 (84)	4.64 (100)	5.70 (97)	5.77 (93)	5.63 (100)	5.75 (103)
Area 5. Regulation	3.77 (92)	3.84 (92)	3.76 (103)	3.98 (114)	4.95 (106)	5.22 (113)	5.48 (112)	5.95 (103)
Unadjusted								
Summary Rating (Rank) ➤	**3.87** (90)	**4.40** (88)	**4.48** (95)	**4.61** (106)	**5.92** (87)	**5.86** (120)	**6.23** (107)	**6.42** (101)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.13**	**4.43**	**6.34**	**6.52**	**7.21**	**7.66**	**8.75**	**8.97**
A. Government consumption	8.25 *(11.94)*	8.86 *(9.89)*	9.25 *(8.54)*	9.73 *(6.90)*	9.75 *(6.83)*	9.22 *(8.64)*	8.01 *(12.75)*	8.88 *(9.82)*
B. Transfers and subsidies			9.75 *(1.40)*	9.84 *(1.10)*	9.86 *(1.00)*	9.77 *(1.35)*	10.00 *(0.00)*	10.00 *(0.00)*
C. Government enterprises and investment	0.00 *(65.40)*	0.00 *(69.80)*	0.00 *(53.50)*	0.00 *(52.90)*	2.00 *(44.73)*	4.00 *(39.20)*	10.00 *(9.58)*	10.00 *(9.58)*
D. Top marginal tax rate							7.00	7.00
(i) Top marginal income tax rate							9.00 *(23)*	9.00 *(23)*
(ii) Top marginal income and payroll tax rate							5.00 *(36)*	5.00 *(36)*
Area 2. Legal System and Property Rights		**4.32**	**3.09**	**4.81**	**4.59**	**3.15**	**3.29**	**3.10**
A. Judicial independence						3.26	2.50	2.10
B. Impartial courts				4.10	4.35	3.73	3.19	2.97
C. Protection of property rights						4.32	3.34	2.97
D. Military interference in rule of law and politics				4.22	5.00	1.67	1.67	1.67
E. Integrity of the legal system				6.96	5.00	2.08	4.17	4.17
F. Legal enforcement of contracts						2.42	2.42	2.42
G. Regulatory restrictions on sale of real property						3.65	5.38	5.12
H. Reliability of police						4.19	2.91	4.04
I. Business costs of crime						3.03	3.99	2.43
Area 3. Sound Money	**5.82**	**5.99**	**5.79**	**2.82**	**7.17**	**7.02**	**7.55**	**7.85**
A. Money growth	7.38 *(13.08)*	9.18 *(4.09)*	7.37 *(13.13)*	6.26 *(18.68)*	7.85 *(10.74)*	9.32 *(3.38)*	8.57 *(7.14)*	8.80 *(6.01)*
B. Standard deviation of inflation	8.89 *(2.77)*	6.87 *(7.82)*	8.08 *(4.81)*	4.05 *(14.88)*	8.22 *(4.44)*	7.44 *(6.39)*	8.42 *(3.96)*	9.47 *(1.33)*
C. Inflation: most recent year	7.00 *(14.99)*	7.92 *(10.42)*	7.71 *(11.46)*	0.97 *(45.17)*	7.59 *(12.03)*	6.30 *(18.51)*	8.21 *(8.96)*	8.15 *(9.25)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**1.34**	**3.00**	**3.44**	**4.89**	**5.70**	**6.04**	**5.90**	**6.02**
A. Tariffs	4.02	0.80	1.73	5.08	4.11	6.86	5.90	5.92
(i) Revenue from trade taxes (% of trade sector)	4.33 *(8.50)*		0.67 *(14.00)*	4.33 *(8.50)*	4.11 *(8.83)*	5.23 *(7.15)*	2.75 *(10.87)*	2.75 *(10.87)*
(ii) Mean tariff rate	3.70 *(31.50)*	0.80 *(46.00)*	2.80 *(36.00)*	4.00 *(30.00)*		7.68 *(11.60)*	7.64 *(11.80)*	7.66 *(11.70)*
(iii) Standard deviation of tariff rates				6.92 *(7.70)*		7.66 *(5.85)*	7.31 *(6.73)*	7.33 *(6.67)*
B. Regulatory trade barriers						4.32	6.31	6.66
(i) Non-tariff trade barriers						5.49	5.72	5.31
(ii) Compliance cost of importing and exporting						3.14	6.91	8.00
C. Black-market exchange rates	0.00	8.20	8.60	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	3.00	3.00	1.39	1.52
(i) Foreign ownership/investment restrictions						6.01	4.18	4.57
(ii) Capital controls	0.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	4.20	4.28	3.76	3.98	4.95	5.40	5.67	6.16
A. Credit market regulations	4.63	4.87	3.09	3.67	6.23	6.61	5.61	7.72
(i) Ownership of banks	0.00	0.00	0.00	2.00	2.00	5.00	5.00	10.00
(ii) Private sector credit	9.27	9.75	9.26	9.00	7.68	5.84	5.84	8.15
(iii) Interest rate controls/negative real interest rates			0.00	0.00	9.00	9.00	6.00	5.00
B. Labor market regulations						4.59	5.25	5.07
(i) Hiring regulations and minimum wage						1.10	2.23	1.10
(ii) Hiring and firing regulations						5.35	5.82	5.87
(iii) Centralized collective bargaining						6.90	6.86	6.89
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.22	7.59	7.59
(vi) Conscription	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
C. Business regulations						5.01	6.16	5.70
(i) Administrative requirements						2.75	3.34	3.21
(ii) Bureaucracy costs						4.14	6.84	3.23
(iii) Starting a business						7.74	8.83	9.62
(iv) Extra payments/bribes/favoritism						4.07	3.38	3.04
(v) Licensing restrictions						4.77	6.83	7.35
(vi) Cost of tax compliance						6.59	7.75	7.75

Malawi

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.62** (70)	**4.96** (68)	**5.40** (65)	**4.57** (106)	**4.95** (114)	**5.41** (114)	**6.14** (98)	**6.46** (84)
Area 1. Size of Government	5.05 (50)	4.87 (58)	6.15 (42)	5.83 (68)	5.33 (83)	6.44 (72)	5.87 (75)	7.45 (33)
Area 2. Legal System and Property Rights	3.62 (60)	3.99 (74)	4.48 (66)	5.36 (75)	5.53 (69)	5.42 (72)	6.10 (62)	5.92 (63)
Area 3. Sound Money	6.05 (64)	6.55 (61)	5.59 (85)	1.21 (118)	2.88 (120)	4.44 (122)	6.97 (95)	6.98 (94)
Area 4. Freedom to Trade Internationally	2.93 (67)	3.71 (66)	5.13 (54)	5.47 (88)	5.26 (106)	4.51 (119)	4.99 (114)	5.34 (110)
Area 5. Regulation	5.49 (51)	5.74 (46)	5.75 (54)	5.17 (86)	5.73 (94)	6.37 (82)	6.96 (53)	6.78 (69)
Unadjusted								
Summary Rating (Rank) ➤	**4.52** (74)	**4.93** (70)	**5.37** (64)	**4.31** (112)	**4.95** (114)	**5.55** (128)	**6.35** (102)	**6.68** (88)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.75**	**4.58**	**5.78**	**4.32**	**5.33**	**6.44**	**5.87**	**7.45**
A. Government consumption	5.41 *(21.62)*	5.79 *(20.30)*	6.65 *(17.39)*	5.95 *(19.77)*	6.82 *(16.80)*	7.29 *(15.23)*	5.01 *(22.95)*	5.31 *(21.95)*
B. Transfers and subsidies	9.59 *(2.00)*	9.51 *(2.30)*	9.48 *(2.40)*		9.48 *(2.40)*	9.48 *(2.40)*	9.48 *(2.40)*	9.48 *(2.40)*
C. Government enterprises and investment	0.00 *(78.60)*	0.00 *(62.00)*	4.00 *(38.30)*	0.00 *(65.10)*	0.00 *(81.30)*	4.00 *(35.77)*	4.00 *(31.60)*	7.00 *(21.82)*
D. Top marginal tax rate	4.00	3.00	3.00	7.00	5.00	5.00	5.00	8.00
(i) Top marginal income tax rate	4.00 *(45)*	3.00 *(50)*	3.00 *(50)*	7.00 *(35)*	5.00 *(38)*	5.00 *(38)*	5.00 *(38)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			3.00 *(50)*	7.00 *(35)*	5.00 *(38)*	5.00 *(38)*	5.00 *(38)*	8.00 *(30)*
Area 2. Legal System and Property Rights	**3.62**	**3.99**	**4.48**	**5.36**	**5.53**	**5.01**	**5.64**	**5.47**
A. Judicial independence				6.67	6.18	5.90	6.08	5.57
B. Impartial courts				4.84	4.91	4.41	4.89	5.04
C. Protection of property rights				4.77	3.23	5.28	5.31	5.03
D. Military interference in rule of law and politics				6.41	6.67	6.67	6.67	6.67
E. Integrity of the legal system				4.11	6.67	5.00	5.00	5.00
F. Legal enforcement of contracts						2.21	3.11	3.11
G. Regulatory restrictions on sale of real property						7.22	8.02	7.64
H. Reliability of police						4.25	5.94	5.81
I. Business costs of crime						4.14	5.76	5.36
Area 3. Sound Money	**6.05**	**6.55**	**5.59**	**1.21**	**2.88**	**4.44**	**6.97**	**6.98**
A. Money growth	9.73 *(1.36)*	9.04 *(4.82)*	7.17 *(14.15)*	4.85 *(25.73)*	5.05 *(24.75)*	5.86 *(20.72)*	6.50 *(17.51)*	6.37 *(18.17)*
B. Standard deviation of inflation	7.64 *(5.89)*	8.94 *(2.66)*	7.35 *(6.63)*	0.00 *(28.51)*	2.37 *(19.06)*	0.00 *(26.01)*	8.05 *(4.88)*	8.04 *(4.89)*
C. Inflation: most recent year	6.84 *(15.79)*	8.21 *(8.93)*	7.83 *(10.85)*	0.00 *(90.42)*	4.08 *(29.58)*	6.92 *(15.41)*	8.32 *(8.42)*	8.52 *(7.41)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**2.67**	**3.80**	**5.26**	**5.47**	**5.26**	**5.59**	**6.18**	**6.62**
A. Tariffs	5.60	5.40	6.58	4.61	4.96	3.97	6.02	5.95
(i) Revenue from trade taxes (% of trade sector)	5.60 *(6.60)*	4.13 *(8.80)*	6.20 *(5.70)*	6.20 *(5.70)*	4.60 *(8.10)*	4.60 *(8.10)*	4.60 *(8.10)*	4.60 *(8.10)*
(ii) Mean tariff rate		6.66 *(16.70)*	6.96 *(15.20)*	3.84 *(30.80)*	6.08 *(19.60)*	7.30 *(13.50)*	7.40 *(13.00)*	7.46 *(12.70)*
(iii) Standard deviation of tariff rates				3.80 *(15.50)*	4.20 *(14.50)*	0.00 *(34.29)*	6.05 *(9.88)*	5.78 *(10.54)*
B. Regulatory trade barriers						3.92	4.13	5.72
(i) Non-tariff trade barriers						4.82	4.72	5.13
(ii) Compliance cost of importing and exporting						3.02	3.54	6.32
C. Black-market exchange rates	0.40	4.00	7.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	0.83	4.46	4.58	4.80
(i) Foreign ownership/investment restrictions						6.58	5.39	6.04
(ii) Capital controls	2.00	2.00	2.00	2.00	0.83	0.00	1.54	1.54
(iii) Freedom of foreigners to visit						6.80	6.80	6.80
Area 5. Regulation	5.49	5.74	5.75	5.17	5.73	6.28	7.08	6.90
A. Credit market regulations	4.65	5.32	5.35	3.82	5.30	7.94	8.45	8.03
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	10.00	10.00	8.00
(ii) Private sector credit	7.95	5.96	8.05	5.47	5.91	5.81	7.36	8.09
(iii) Interest rate controls/negative real interest rates	4.00	8.00	6.00	4.00	8.00	8.00	8.00	8.00
B. Labor market regulations						6.57	6.99	6.95
(i) Hiring regulations and minimum wage						5.60	5.57	4.43
(ii) Hiring and firing regulations						4.56	5.79	5.68
(iii) Centralized collective bargaining						7.06	8.00	7.61
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						2.21	2.58	3.97
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						4.32	5.80	5.71
(i) Administrative requirements						3.98	4.42	3.92
(ii) Bureaucracy costs						1.09	5.15	4.36
(iii) Starting a business						6.55	7.61	7.80
(iv) Extra payments/bribes/favoritism						5.46	5.21	4.27
(v) Licensing restrictions						2.97	4.16	5.71
(vi) Cost of tax compliance						5.85	8.24	8.24

Malaysia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.94** (11)	**7.00** (13)	**7.40** (13)	**7.62** (15)	**6.79** (52)	**6.98** (59)	**6.65** (74)	**6.94** (63)
Area 1. Size of Government	4.84 (60)	5.56 (38)	6.27 (38)	6.92 (26)	6.08 (67)	6.03 (84)	5.55 (87)	6.13 (73)
Area 2. Legal System and Property Rights	6.59 (24)	6.31 (30)	6.52 (30)	6.63 (40)	5.62 (67)	7.27 (33)	6.65 (46)	7.14 (32)
Area 3. Sound Money	9.05 (7)	8.38 (21)	9.00 (20)	9.11 (31)	8.15 (54)	6.60 (98)	6.50 (110)	6.52 (109)
Area 4. Freedom to Trade Internationally	7.32 (17)	7.44 (18)	7.75 (23)	7.81 (38)	6.88 (71)	6.87 (71)	6.59 (80)	6.75 (81)
Area 5. Regulation	6.88 (16)	7.34 (9)	7.46 (11)	7.60 (8)	7.22 (27)	8.18 (11)	8.04 (9)	8.24 (8)
Unadjusted								
Summary Rating (Rank) ➤	**6.76** (13)	**6.82** (16)	**7.43** (15)	**7.54** (18)	**6.79** (51)	**7.00** (62)	**6.67** (83)	**6.96** (71)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.84**	**5.56**	**6.27**	**6.92**	**6.08**	**6.03**	**5.55**	**6.13**
A. Government consumption	4.52 *(22.64)*	5.08 *(22.72)*	5.58 *(21.02)*	5.62 *(20.88)*	5.87 *(20.05)*	5.03 *(22.89)*	5.29 *(22.03)*	5.60 *(20.95)*
B. Transfers and subsidies	8.83 *(4.80)*	9.16 *(3.60)*	9.48 *(2.40)*	9.05 *(4.00)*	8.45 *(6.20)*	9.08 *(3.87)*	8.90 *(4.52)*	8.91 *(4.50)*
C. Government enterprises and investment	4.00 *(37.30)*	2.00 *(46.80)*	4.00 *(33.80)*	6.00 *(28.40)*	2.00 *(47.00)*	2.00 *(49.90)*	0.00 *(53.00)*	2.00 *(49.40)*
D. Top marginal tax rate	2.00	6.00	6.00	7.00	8.00	8.00	8.00	8.00
(i) Top marginal income tax rate	2.00 *(60)*	6.00 *(45)*	6.00 *(45)*	7.00 *(32)*	8.00 *(29)*	8.00 *(28)*	8.00 *(26)*	8.00 *(26)*
(ii) Top marginal income and payroll tax rate			6.00 *(45)*	7.00 *(32)*	8.00 *(29)*	8.00 *(28)*	8.00 *(26)*	8.00 *(26)*
Area 2. Legal System and Property Rights	**6.59**	**6.31**	**6.52**	**6.63**	**5.62**	**6.99**	**6.39**	**6.86**
A. Judicial independence				6.22	4.51	7.24	5.56	6.13
B. Impartial courts				6.05	6.01	7.35	5.86	6.59
C. Protection of property rights				6.14	4.23	7.93	6.82	7.19
D. Military interference in rule of law and politics				7.78	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	5.00	6.67	6.67	6.67
F. Legal enforcement of contracts						4.27	4.38	5.59
G. Regulatory restrictions on sale of real property						6.49	8.12	8.01
H. Reliability of police						7.51	6.05	6.56
I. Business costs of crime						7.11	5.74	6.72
Area 3. Sound Money	**9.05**	**8.38**	**9.00**	**9.11**	**8.15**	**6.60**	**6.50**	**6.52**
A. Money growth	8.81 *(5.94)*	9.89 *(−0.53)*	8.69 *(6.57)*	8.03 *(9.86)*	9.12 *(−4.39)*	9.16 *(4.21)*	8.60 *(7.00)*	8.93 *(5.34)*
B. Standard deviation of inflation	8.78 *(3.06)*	8.95 *(2.63)*	7.92 *(5.20)*	9.41 *(1.48)*	8.79 *(3.04)*	7.84 *(5.40)*	7.52 *(6.19)*	7.51 *(6.23)*
C. Inflation: most recent year	8.63 *(6.87)*	9.70 *(−1.51)*	9.41 *(2.95)*	9.00 *(5.02)*	9.69 *(1.53)*	9.41 *(2.96)*	9.88 *(0.58)*	9.66 *(1.71)*
D. Freedom to own foreign currency bank accounts	10.00	5.00	10.00	10.00	5.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**7.12**	**7.25**	**7.25**	**7.45**	**6.88**	**7.39**	**7.09**	**7.25**
A. Tariffs	6.37	6.74	6.76	6.92	5.92	6.63	6.07	6.06
(i) Revenue from trade taxes (% of trade sector)	4.87 *(7.70)*	6.20 *(5.70)*	7.87 *(3.20)*	8.93 *(1.60)*	9.59 *(0.62)*	9.57 *(0.64)*	9.81 *(0.28)*	9.79 *(0.31)*
(ii) Mean tariff rate	7.88 *(10.60)*	7.28 *(13.60)*	7.40 *(13.00)*	7.44 *(12.80)*	8.16 *(9.20)*	8.50 *(7.50)*	8.40 *(8.00)*	8.40 *(8.00)*
(iii) Standard deviation of tariff rates			5.00 *(12.50)*	4.40 *(14.00)*	0.00 *(33.30)*	1.81 *(20.49)*	0.00 *(27.22)*	0.00 *(27.22)*
B. Regulatory trade barriers				6.73	7.92	7.03	6.65	6.97
(i) Non-tariff trade barriers				6.73	6.67	6.27	5.52	6.31
(ii) Compliance cost of importing and exporting					9.17	7.78	7.78	7.63
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	6.15	3.69	5.89	5.62	5.97
(i) Foreign ownership/investment restrictions				7.31	6.61	7.67	6.10	7.13
(ii) Capital controls	5.00	5.00	5.00	5.00	0.77	0.00	0.77	0.77
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	6.18	6.60	8.11	7.58	7.22	7.97	7.83	8.03
A. Credit market regulations	6.30	7.68	8.02	8.33	8.05	9.61	9.31	9.12
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	7.90	8.04	9.06	10.00	9.16	8.84	7.92	8.37
(iii) Interest rate controls/negative real interest rates	6.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00
B. Labor market regulations			8.19	7.55	6.60	7.67	7.75	7.87
(i) Hiring regulations and minimum wage				6.73	4.47	10.00	10.00	10.00
(ii) Hiring and firing regulations			6.65	6.65	4.00	5.05	5.35	5.82
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.93	7.53	7.95	7.35	7.57
(iv) Hours regulations				6.45	7.01	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						3.05	3.82	3.82
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				6.87	7.00	6.63	6.43	7.10
(i) Administrative requirements					7.13	5.96	5.07	5.71
(ii) Bureaucracy costs				8.08	8.43	3.47	3.55	5.99
(iii) Starting a business				7.17	6.33	8.83	9.27	9.64
(iv) Extra payments/bribes/favoritism				5.36	6.11	7.39	5.66	6.06
(v) Licensing restrictions						6.25	6.65	6.67
(vi) Cost of tax compliance						7.87	8.37	8.51

Mali

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.73** (34)	**4.81** (76)	**5.11** (72)	**5.22** (90)	**6.19** (80)	**6.03** (98)	**6.13** (99)	**6.13** (101)
Area 1. Size of Government	7.98 (7)	5.24 (47)	5.80 (55)	5.27 (84)	7.15 (27)	7.49 (34)	6.43 (56)	6.44 (59)
Area 2. Legal System and Property Rights	4.23 (51)	3.05 (90)	3.02 (90)	5.75 (60)	5.35 (75)	5.65 (66)	5.72 (71)	5.62 (71)
Area 3. Sound Money	6.04 (65)	6.39 (71)	6.98 (48)	5.14 (89)	8.40 (47)	6.12 (109)	6.76 (99)	6.86 (97)
Area 4. Freedom to Trade Internationally	4.74 (46)	4.88 (52)	5.06 (55)	5.52 (86)	5.91 (88)	5.56 (102)	5.90 (93)	6.15 (97)
Area 5. Regulation	5.35 (54)	4.39 (85)	4.61 (92)	4.27 (109)	4.13 (121)	5.27 (112)	5.74 (106)	5.45 (113)
Unadjusted								
Summary Rating (Rank) ➤	**5.92** (30)	**4.97** (68)	**5.28** (66)	**4.91** (100)	**6.12** (81)	**6.02** (108)	**6.12** (112)	**6.12** (117)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**8.84**	**5.81**	**6.43**	**4.23**	**7.15**	**7.49**	**6.43**	**6.44**
A. Government consumption	10.00 *(4.86)*	7.92 *(13.08)*	7.31 *(15.13)*	6.46 *(18.03)*	7.47 *(14.60)*	8.46 *(11.22)*	5.30 *(21.97)*	5.32 *(21.90)*
B. Transfers and subsidies	9.51 *(2.30)*	9.51 *(2.30)*	9.97 *(0.60)*		9.97 *(0.60)*	10.00 *(0.01)*	10.00 *(0.00)*	10.00 *(0.29)*
C. Government enterprises and investment	7.00 *(21.40)*	0.00 *(57.10)*	2.00 *(45.90)*	2.00 *(41.10)*	4.00 *(35.07)*	4.00 *(33.93)*	4.00 *(37.60)*	4.00 *(37.60)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**4.23**	**3.05**	**3.02**	**5.29**	**5.00**	**4.52**	**4.57**	**4.49**
A. Judicial independence						4.43	3.08	2.89
B. Impartial courts				4.74	4.38	3.90	4.19	4.23
C. Protection of property rights						5.12	4.22	4.11
D. Military interference in rule of law and politics				5.55	6.67	5.83	5.83	5.83
E. Integrity of the legal system				6.96	5.00	5.00	5.00	5.00
F. Legal enforcement of contracts						1.95	2.63	2.63
G. Regulatory restrictions on sale of real property						4.38	5.54	5.47
H. Reliability of police						5.48	3.86	6.29
I. Business costs of crime						4.59	6.79	3.98
Area 3. Sound Money	**6.04**	**6.39**	**6.98**	**5.14**	**8.40**	**6.12**	**6.76**	**6.86**
A. Money growth	8.58 *(7.09)*	7.51 *(12.44)*	9.10 *(−4.52)*	7.89 *(10.55)*	10.00 *(−0.02)*	8.55 *(7.24)*	9.25 *(3.74)*	9.38 *(3.10)*
B. Standard deviation of inflation	8.83 *(2.93)*	8.30 *(4.26)*	9.36 *(1.59)*	5.18 *(12.04)*	8.72 *(3.20)*	7.21 *(6.97)*	8.22 *(4.45)*	8.29 *(4.26)*
C. Inflation: most recent year	6.74 *(16.31)*	9.73 *(1.33)*	9.45 *(2.73)*	7.50 *(12.49)*	9.86 *(−0.68)*	8.72 *(6.40)*	9.56 *(2.20)*	9.78 *(1.11)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.74**	**4.88**	**5.06**	**5.32**	**5.91**	**6.02**	**6.39**	**6.66**
A. Tariffs	5.23	4.83	5.97	6.17	7.73	7.30	7.65	7.65
(i) Revenue from trade taxes (% of trade sector)	7.47 *(3.80)*	6.67 *(5.00)*	6.93 *(4.60)*	6.80 *(4.80)*	7.87 *(3.20)*	7.11 *(4.33)*	8.03 *(2.95)*	8.03 *(2.95)*
(ii) Mean tariff rate	3.00 *(35.00)*	3.00 *(35.00)*	5.00 *(25.00)*	6.74 *(16.30)*	7.60 *(12.00)*	7.52 *(12.40)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates				4.96 *(12.60)*		7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						3.73	5.55	6.29
(i) Non-tariff trade barriers						5.04	5.05	5.02
(ii) Compliance cost of importing and exporting						2.42	6.05	7.56
C. Black-market exchange rates	9.00	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	3.05	2.35	2.70
(i) Foreign ownership/investment restrictions						6.77	3.90	4.96
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.77
(iii) Freedom of foreigners to visit						2.38	2.38	2.38
Area 5. Regulation	5.73	4.70	4.94	4.58	4.13	5.94	6.47	6.14
A. Credit market regulations	5.29	5.90	6.52	5.57	4.94	7.93	8.00	8.00
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	8.00	8.00	8.00
(ii) Private sector credit	9.88	9.70	9.57	8.71	7.89	7.80	8.00	8.00
(iii) Interest rate controls/negative real interest rates	4.00	6.00	8.00	6.00		8.00	8.00	8.00
B. Labor market regulations						5.58	5.54	5.21
(i) Hiring regulations and minimum wage						6.70	6.67	5.00
(ii) Hiring and firing regulations						5.58	5.18	4.79
(iii) Centralized collective bargaining						6.09	5.92	6.00
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.13	7.49	7.49
(vi) Conscription	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						4.30	5.87	5.22
(i) Administrative requirements						3.33	4.07	4.04
(ii) Bureaucracy costs						1.74	6.51	2.89
(iii) Starting a business						4.86	7.90	7.65
(iv) Extra payments/bribes/favoritism						4.15	2.50	2.56
(v) Licensing restrictions						4.75	7.27	7.20
(vi) Cost of tax compliance						6.97	6.97	6.97

Malta

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.50** (44)	**5.28** (53)	**5.48** (59)	**6.92** (40)	**6.76** (55)	**7.68** (22)	**7.58** (24)	**7.62** (21)
Area 1. Size of Government	4.67 (65)	4.67 (62)	4.30 (90)	5.97 (64)	6.00 (70)	5.85 (89)	5.80 (79)	5.80 (80)
Area 2. Legal System and Property Rights		3.52 (80)	4.48 (65)	8.97 (10)	8.37 (18)	8.79 (13)	8.71 (13)	8.60 (14)
Area 3. Sound Money	6.50 (40)	7.01 (36)	7.27 (38)	7.07 (54)	7.00 (81)	8.99 (42)	9.46 (28)	9.54 (22)
Area 4. Freedom to Trade Internationally	5.15 (42)	5.55 (38)	5.78 (46)	6.53 (63)	6.23 (82)	7.68 (43)	7.31 (53)	7.30 (54)
Area 5. Regulation	5.68 (44)	5.64 (52)	5.55 (66)	6.08 (50)	6.23 (65)	7.01 (47)	6.57 (78)	6.80 (67)
Unadjusted								
Summary Rating (Rank) ➤	**5.57** (44)	**5.34** (56)	**5.54** (57)	**6.72** (41)	**6.53** (63)	**7.63** (21)	**7.58** (22)	**7.57** (25)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.67**	**4.67**	**4.30**	**5.97**	**6.00**	**5.85**	**5.80**	**5.80**
A. Government consumption	5.88 *(20.01)*	5.83 *(20.19)*	5.33 *(21.89)*	4.38 *(25.11)*	5.10 *(22.67)*	4.58 *(24.44)*	4.39 *(25.07)*	4.28 *(25.45)*
B. Transfers and subsidies	6.81 *(12.20)*	5.86 *(15.70)*	5.89 *(15.60)*	6.49 *(13.38)*	5.92 *(15.49)*	5.82 *(15.85)*	5.79 *(15.95)*	5.92 *(15.47)*
C. Government enterprises and investment	6.00 *(28.60)*	7.00 *(20.00)*	6.00 *(28.80)*	6.00 *(28.80)*	6.00 *(28.80)*	6.00	6.00	6.00
D. Top marginal tax rate	0.00	0.00	0.00	7.00	7.00	7.00	7.00	7.00
(i) Top marginal income tax rate	0.00 *(65)*	0.00 *(65)*	0.00 *(65)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			0.00 *(65)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
Area 2. Legal System and Property Rights		**3.52**	**4.48**	**7.60**	**7.17**	**7.68**	**7.61**	**7.52**
A. Judicial independence						7.18	6.73	6.89
B. Impartial courts				7.09	6.77	5.93	5.18	5.01
C. Protection of property rights						6.92	7.19	7.09
D. Military interference in rule of law and politics				9.82	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts								
G. Regulatory restrictions on sale of real property								
H. Reliability of police						7.12	7.17	8.37
I. Business costs of crime						8.31	8.68	6.92
Area 3. Sound Money	**6.50**	**7.01**	**7.27**	**7.07**	**7.00**	**8.99**	**9.46**	**9.54**
A. Money growth	9.68 *(1.60)*	9.39 *(−3.03)*	10.00 *(−0.02)*	9.75 *(−1.24)*	9.94 *(−0.28)*	6.82 *(15.91)*	8.41 *(7.97)*	8.59 *(7.06)*
B. Standard deviation of inflation	8.80 *(3.00)*	8.77 *(3.07)*	9.74 *(0.64)*	9.63 *(0.93)*	8.51 *(3.72)*	9.75 *(0.63)*	9.86 *(0.36)*	9.87 *(0.32)*
C. Inflation: most recent year	7.52 *(12.40)*	9.87 *(0.63)*	9.36 *(3.21)*	8.89 *(5.56)*	9.53 *(2.37)*	9.40 *(3.01)*	9.58 *(2.09)*	9.70 *(1.52)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.44**	**5.87**	**6.11**	**6.90**	**6.23**	**8.57**	**8.16**	**8.15**
A. Tariffs	6.73	7.00	6.73	9.50	8.51	9.28	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	6.73 *(4.90)*	7.00 *(4.50)*	6.73 *(4.90)*	9.50 *(0.75)*	9.58 *(0.63)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate					8.24 *(8.80)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates					7.72 *(5.70)*	8.80 *(3.00)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers						7.47	7.45	7.45
(i) Non-tariff trade barriers						7.47	7.45	7.45
(ii) Compliance cost of importing and exporting								
C. Black-market exchange rates	7.60	8.60	9.60	9.20	9.40	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	0.77	7.51	6.95	6.80
(i) Foreign ownership/investment restrictions						7.48	6.58	6.90
(ii) Capital controls	2.00	2.00	2.00	2.00	0.77	8.46	7.69	6.92
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.68	5.64	5.55	6.08	6.23	7.07	6.89	6.86
A. Credit market regulations	5.15	5.06	4.81	6.22	6.62	9.08	8.31	9.03
(i) Ownership of banks	0.00	0.00	0.00	0.00	2.00	10.00	10.00	10.00
(ii) Private sector credit	9.45	9.17	8.43	8.65	7.86	7.24	4.94	7.09
(iii) Interest rate controls/negative real interest rates	6.00	6.00	6.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations						7.09	7.69	6.76
(i) Hiring regulations and minimum wage								
(ii) Hiring and firing regulations						4.14	4.20	4.17
(iii) Centralized collective bargaining						7.14	6.55	6.12
(iv) Hours regulations							10.00	
(v) Mandated cost of worker dismissal								
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.03	4.66	4.77
(i) Administrative requirements						2.99	3.26	3.05
(ii) Bureaucracy costs						4.78	4.51	5.45
(iii) Starting a business								
(iv) Extra payments/bribes/favoritism						7.32	6.20	5.82
(v) Licensing restrictions								
(vi) Cost of tax compliance								

Mauritania

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.29** (98)	**5.86** (125)	**5.67** (132)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**7.00**	**6.12**	**5.59**
A. Government consumption						6.01 *(19.57)*	6.23 *(18.81)*	7.19 *(15.57)*
B. Transfers and subsidies								
C. Government enterprises and investment						8.00 *(18.17)*	6.00 *(28.76)*	4.00 *(32.17)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights						**5.56**	**4.58**	**4.60**
A. Judicial independence						4.71	2.31	2.69
B. Impartial courts						5.12	3.88	4.18
C. Protection of property rights						4.57	4.23	4.27
D. Military interference in rule of law and politics						5.50	3.20	3.00
E. Integrity of the legal system								
F. Legal enforcement of contracts						6.04	6.27	6.27
G. Regulatory restrictions on sale of real property						7.36	7.36	7.53
H. Reliability of police						5.27	2.88	6.10
I. Business costs of crime						5.91	6.50	2.74
Area 3. Sound Money						**6.11**	**5.46**	**5.24**
A. Money growth						9.17 *(4.15)*	8.21 *(8.95)*	8.21 *(8.95)*
B. Standard deviation of inflation						7.71 *(5.72)*	4.07 *(14.83)*	3.99 *(15.02)*
C. Inflation: most recent year						7.57 *(12.13)*	9.56 *(2.22)*	8.74 *(6.28)*
D. Freedom to own foreign currency bank accounts						0.00	0.00	0.00
Area 4. Freedom to Trade Internationally						**5.98**	**5.94**	**6.22**
A. Tariffs						7.50	7.41	7.64
(i) Revenue from trade taxes (% of trade sector)								
(ii) Mean tariff rate						7.86 *(10.70)*	7.62 *(11.90)*	8.08 *(9.60)*
(iii) Standard deviation of tariff rates						7.13 *(7.17)*	7.19 *(7.02)*	7.20 *(7.01)*
B. Regulatory trade barriers						4.00	4.84	5.78
(i) Non-tariff trade barriers						3.40	5.40	4.93
(ii) Compliance cost of importing and exporting						4.61	4.27	6.63
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						2.42	1.51	1.45
(i) Foreign ownership/investment restrictions						6.43	3.54	3.36
(ii) Capital controls						0.83	1.00	1.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation						6.80	7.23	6.69
A. Credit market regulations						9.22	9.22	8.00
(i) Ownership of banks								
(ii) Private sector credit						9.44	9.44	
(iii) Interest rate controls/negative real interest rates						9.00	9.00	8.00
B. Labor market regulations						7.02	7.06	7.14
(i) Hiring regulations and minimum wage						3.30	4.43	5.57
(ii) Hiring and firing regulations						7.79	5.40	4.99
(iii) Centralized collective bargaining						5.88	7.03	6.81
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.13	7.49	7.49
(vi) Conscription						10.00	10.00	10.00
C. Business regulations						4.17	5.40	4.92
(i) Administrative requirements						6.00	5.55	4.88
(ii) Bureaucracy costs						2.68	7.49	3.09
(iii) Starting a business						4.03	7.69	7.79
(iv) Extra payments/bribes/favoritism						3.77	2.70	2.66
(v) Licensing restrictions						6.36	6.80	8.89
(vi) Cost of tax compliance						2.20	2.20	2.20

Mauritius

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.73** (68)	**6.12** (29)	**6.06** (41)	**7.55** (17)	**7.60** (22)	**7.57** (31)	**7.93** (8)	**7.90** (9)
Area 1. Size of Government	5.63 (34)	6.79 (9)	6.81 (23)	6.89 (27)	7.37 (24)	7.19 (43)	7.79 (17)	7.89 (22)
Area 2. Legal System and Property Rights		5.54 (47)	5.51 (51)	7.06 (33)	6.94 (42)	7.19 (37)	7.89 (26)	7.86 (25)
Area 3. Sound Money	4.92 (92)	6.81 (45)	6.20 (70)	9.51 (21)	9.58 (12)	9.49 (25)	9.20 (41)	9.28 (39)
Area 4. Freedom to Trade Internationally	2.37 (70)	4.90 (51)	4.90 (62)	7.26 (50)	7.20 (63)	7.79 (39)	8.17 (21)	7.98 (23)
Area 5. Regulation	6.37 (25)	6.51 (27)	6.81 (23)	6.99 (21)	6.88 (42)	6.31 (84)	6.79 (62)	6.70 (78)
Unadjusted								
Summary Rating (Rank) ➤	**4.90** (62)	**6.38** (24)	**6.21** (38)	**7.65** (15)	**7.60** (19)	**7.57** (28)	**7.93** (7)	**7.90** (8)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.63**	**6.79**	**6.81**	**6.89**	**7.37**	**7.19**	**7.79**	**7.89**
A. Government consumption	7.14 *(15.72)*	7.44 *(14.69)*	7.24 *(15.40)*	7.13 *(15.75)*	7.00 *(16.19)*	6.62 *(17.50)*	7.06 *(15.98)*	7.09 *(15.89)*
B. Transfers and subsidies	8.37 *(6.50)*	8.72 *(5.20)*	8.99 *(4.20)*	8.94 *(4.40)*	8.49 *(6.06)*	8.62 *(5.55)*	8.61 *(5.62)*	8.45 *(6.19)*
C. Government enterprises and investment	4.00 *(36.00)*	4.00 *(32.26)*	4.00 *(37.32)*	4.00 *(34.43)*	6.00 *(28.01)*	6.00 *(29.59)*	6.00 *(25.64)*	7.00 *(24.53)*
D. Top marginal tax rate	3.00	7.00	7.00	7.50	8.00	7.50	9.50	9.00
(i) Top marginal income tax rate	3.00 *(50)*	7.00 *(35)*	7.00 *(35)*	8.00 *(30)*	9.00 *(25)*	8.00 *(30)*	10.00 *(15)*	10.00 *(15)*
(ii) Top marginal income and payroll tax rate			7.00 *(35)*	7.00 *(32)*	7.00 *(33)*	7.00 *(31)*	9.00 *(25)*	8.00 *(26)*
Area 2. Legal System and Property Rights		**6.31**	**6.28**	**6.94**	**6.94**	**5.68**	**6.23**	**6.21**
A. Judicial independence					6.18	6.11	6.38	6.43
B. Impartial courts				7.82	7.01	6.42	5.94	5.80
C. Protection of property rights					4.80	7.63	7.16	7.06
D. Military interference in rule of law and politics				9.35	10.00	8.70	7.90	7.70
E. Integrity of the legal system				6.96	6.70			
F. Legal enforcement of contracts						3.94	4.55	4.55
G. Regulatory restrictions on sale of real property						1.03	6.02	6.10
H. Reliability of police						5.49	5.44	6.54
I. Business costs of crime						6.11	6.49	5.47
Area 3. Sound Money	**4.92**	**6.81**	**6.20**	**9.51**	**9.58**	**9.49**	**9.20**	**9.28**
A. Money growth	9.21 *(3.95)*	9.35 *(3.26)*	7.47 *(12.64)*	9.54 *(2.30)*	9.64 *(−1.81)*	9.35 *(3.25)*	8.29 *(8.57)*	8.82 *(5.88)*
B. Standard deviation of inflation	5.80 *(10.50)*	9.54 *(1.14)*	9.37 *(1.58)*	9.46 *(1.36)*	9.51 *(1.21)*	9.59 *(1.03)*	9.02 *(2.46)*	8.87 *(2.83)*
C. Inflation: most recent year	4.69 *(26.57)*	8.36 *(8.20)*	7.98 *(10.12)*	9.06 *(4.69)*	9.16 *(4.20)*	9.02 *(4.91)*	9.49 *(2.55)*	9.42 *(2.89)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**2.44**	**5.04**	**4.51**	**7.47**	**7.20**	**7.98**	**8.36**	**8.17**
A. Tariffs	3.31	3.31	3.14	4.41	3.54	7.44	9.15	9.15
(i) Revenue from trade taxes (% of trade sector)	3.60 *(9.60)*	3.60 *(9.60)*	4.93 *(7.60)*	6.05 *(5.92)*	6.81 *(4.78)*	7.59 *(3.62)*	9.66 *(0.51)*	9.66 *(0.51)*
(ii) Mean tariff rate	3.02 *(34.90)*	3.02 *(34.90)*	4.48 *(27.60)*	2.76 *(36.20)*	3.80 *(31.00)*	8.30 *(8.50)*	9.72 *(1.40)*	9.72 *(1.40)*
(iii) Standard deviation of tariff rates			0.00 *(91.50)*		0.00 *(27.80)*	6.43 *(8.93)*	8.06 *(4.86)*	8.08 *(4.80)*
B. Regulatory trade barriers					7.44	6.99	7.44	6.81
(i) Non-tariff trade barriers					7.88	6.15	6.61	6.43
(ii) Compliance cost of importing and exporting					6.99	7.82	8.26	7.19
C. Black-market exchange rates	2.00	9.80	8.40	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	8.00	7.84	7.48	6.86	6.73
(i) Foreign ownership/investment restrictions					8.75	6.57	7.01	6.63
(ii) Capital controls	2.00	2.00	2.00	8.00	6.92	6.92	4.62	4.62
(iii) Freedom of foreigners to visit						8.96	8.96	8.96
Area 5. Regulation	6.59	6.93	7.25	7.45	6.88	7.51	8.08	7.97
A. Credit market regulations	7.28	8.47	9.33	9.84	9.53	9.27	9.67	9.52
(i) Ownership of banks	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	6.56	7.42	10.00	9.52	9.59	8.82	10.00	8.57
(iii) Interest rate controls/negative real interest rates		10.00	8.00	10.00	9.00	9.00	9.00	10.00
B. Labor market regulations					4.90	6.93	7.46	7.38
(i) Hiring regulations and minimum wage					3.12	10.00	10.00	10.00
(ii) Hiring and firing regulations					1.98	2.59	4.77	4.61
(iii) Centralized collective bargaining					3.55	3.52	5.97	5.64
(iv) Hours regulations					5.85	8.70	8.00	8.00
(v) Mandated cost of worker dismissal						6.76	6.03	6.03
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					6.22	6.33	7.12	7.02
(i) Administrative requirements					5.93	2.16	4.61	4.28
(ii) Bureaucracy costs					7.50	4.40	4.88	5.59
(iii) Starting a business					5.42	8.44	9.77	9.77
(iv) Extra payments/bribes/favoritism					6.01	6.56	6.17	5.62
(v) Licensing restrictions						8.25	9.12	8.65
(vi) Cost of tax compliance						8.20	8.20	8.20

Mexico

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.13** (58)	**4.61** (81)	**6.13** (39)	**6.43** (53)	**6.44** (70)	**6.87** (65)	**6.60** (77)	**6.65** (77)
Area 1. Size of Government	5.32 (43)	5.78 (30)	7.44 (9)	6.98 (24)	7.14 (28)	7.11 (47)	6.79 (42)	7.18 (37)
Area 2. Legal System and Property Rights	6.29 (29)	5.38 (48)	6.76 (28)	5.30 (76)	4.25 (97)	4.87 (79)	4.45 (92)	4.49 (91)
Area 3. Sound Money	7.70 (25)	3.67 (102)	3.59 (106)	5.50 (82)	6.85 (88)	8.08 (67)	7.97 (73)	8.07 (74)
Area 4. Freedom to Trade Internationally	1.32 (83)	4.44 (56)	7.85 (21)	7.96 (33)	7.47 (55)	7.28 (56)	7.09 (64)	6.77 (80)
Area 5. Regulation	5.05 (68)	3.80 (93)	5.04 (76)	6.44 (41)	6.50 (51)	6.90 (52)	6.52 (80)	6.58 (85)
Unadjusted								
Summary Rating (Rank) ➤	**5.19** (55)	**4.67** (80)	**6.26** (36)	**6.46** (50)	**6.44** (69)	**6.89** (70)	**6.61** (87)	**6.66** (91)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.69**	**6.19**	**7.96**	**7.47**	**7.14**	**7.11**	**6.79**	**7.18**
A. Government consumption	7.83 *(13.36)*	8.08 *(12.52)*	8.60 *(10.75)*	7.80 *(13.48)*	7.65 *(13.98)*	7.51 *(14.46)*	7.25 *(15.34)*	7.29 *(15.23)*
B. Transfers and subsidies	8.94 *(4.40)*	8.66 *(5.40)*	9.25 *(3.24)*	8.09 *(7.50)*	7.92 *(8.13)*	7.92 *(8.13)*	7.92 *(8.13)*	7.92 *(8.13)*
C. Government enterprises and investment	2.00 *(43.00)*	4.00 *(34.80)*	7.00 *(23.90)*	7.00 *(23.20)*	8.00 *(16.80)*	7.00 *(22.40)*	6.00 *(26.62)*	6.00 *(29.26)*
D. Top marginal tax rate	4.00	4.00	7.00	7.00	5.00	6.00	6.00	7.50
(i) Top marginal income tax rate	4.00 *(55)*	4.00 *(55)*	7.00 *(40)*	7.00 *(35)*	7.00 *(40)*	8.00 *(30)*	8.00 *(28)*	9.00 *(30)*
(ii) Top marginal income and payroll tax rate					3.00 *(47)*	4.00 *(42)*	4.00 *(41)*	6.00 *(43)*
Area 2. Legal System and Property Rights	**6.29**	**5.38**	**6.76**	**5.30**	**4.25**	**4.96**	**4.53**	**4.57**
A. Judicial independence				3.88	3.34	4.41	3.69	3.74
B. Impartial courts				5.05	5.18	3.85	3.74	3.72
C. Protection of property rights				5.22	4.38	6.05	4.88	5.05
D. Military interference in rule of law and politics				5.37	5.00	7.50	7.50	7.50
E. Integrity of the legal system				6.96	3.33	5.00	3.33	3.33
F. Legal enforcement of contracts						5.39	5.39	5.39
G. Regulatory restrictions on sale of real property						6.89	6.89	6.86
H. Reliability of police						3.29	2.56	2.91
I. Business costs of crime						2.28	2.80	2.64
Area 3. Sound Money	**7.70**	**3.67**	**3.59**	**5.50**	**6.85**	**8.08**	**7.97**	**8.07**
A. Money growth	6.27 *(18.66)*	2.80 *(36.00)*	0.00 *(51.34)*	8.95 *(5.23)*	7.22 *(13.89)*	8.60 *(7.02)*	8.29 *(8.55)*	8.48 *(7.59)*
B. Standard deviation of inflation	9.08 *(2.29)*	1.90 *(20.26)*	0.00 *(43.89)*	5.62 *(10.95)*	7.09 *(7.27)*	9.51 *(1.22)*	9.64 *(0.90)*	9.61 *(0.97)*
C. Inflation: most recent year	5.44 *(22.80)*	0.00 *(54.01)*	4.37 *(28.13)*	2.43 *(37.85)*	8.10 *(9.50)*	9.20 *(3.99)*	8.94 *(5.30)*	9.17 *(4.16)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	5.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**1.30**	**4.38**	**7.63**	**7.72**	**7.47**	**7.25**	**7.06**	**6.74**
A. Tariffs	1.91	6.13	7.88	8.21	7.48	7.55	6.66	6.58
(i) Revenue from trade taxes (% of trade sector)	0.00 *(17.60)*	8.27 *(2.60)*	8.67 *(2.00)*	9.30 *(1.05)*	9.37 *(0.94)*	9.37 *(0.94)*	9.37 *(0.94)*	9.37 *(0.94)*
(ii) Mean tariff rate	3.82 *(30.90)*	4.00 *(30.00)*	7.78 *(11.10)*	7.48 *(12.60)*	6.76 *(16.20)*	8.16 *(9.20)*	7.70 *(11.50)*	8.20 *(9.00)*
(iii) Standard deviation of tariff rates			7.20 *(7.00)*	7.84 *(5.40)*	6.32 *(9.20)*	5.13 *(12.18)*	2.92 *(17.71)*	2.15 *(19.62)*
B. Regulatory trade barriers				6.30	7.28	7.04	7.33	6.15
(i) Non-tariff trade barriers				6.30	6.40	6.15	6.25	6.05
(ii) Compliance cost of importing and exporting					8.16	7.93	8.41	6.25
C. Black-market exchange rates	0.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	5.00	6.39	5.12	4.43	4.25	4.23
(i) Foreign ownership/investment restrictions				7.77	8.70	7.54	7.02	6.97
(ii) Capital controls	2.00	2.00	5.00	5.00	1.54	1.54	1.54	1.54
(iii) Freedom of foreigners to visit						4.20	4.20	4.20
Area 5. Regulation	4.97	3.74	5.33	6.32	6.50	7.07	6.68	6.74
A. Credit market regulations	5.62	2.36	5.58	8.56	9.48	9.81	8.58	8.65
(i) Ownership of banks	8.00	0.00	0.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	4.87	3.08	8.74	9.68	9.43	9.43	5.74	5.94
(iii) Interest rate controls/negative real interest rates	4.00	4.00	8.00	8.00	9.00	10.00	10.00	10.00
B. Labor market regulations			5.08	5.87	4.40	5.74	5.47	5.53
(i) Hiring regulations and minimum wage				7.92	2.75	6.70	6.67	6.67
(ii) Hiring and firing regulations			5.00	5.00	4.10	4.65	3.32	3.47
(iii) Centralized collective bargaining			7.24	7.24	5.65	6.89	6.18	6.41
(iv) Hours regulations				6.18	6.51	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						5.18	5.63	5.63
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations				4.53	5.62	5.65	5.99	6.03
(i) Administrative requirements					6.73	2.70	2.80	3.15
(ii) Bureaucracy costs				6.09	6.33	3.79	4.89	4.18
(iii) Starting a business				4.15	3.70	8.95	9.55	9.57
(iv) Extra payments/bribes/favoritism				3.36	5.73	6.19	4.26	4.16
(v) Licensing restrictions						8.48	9.00	9.00
(vi) Cost of tax compliance						3.81	5.47	6.11

Moldova

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.77** (75)	**6.65** (84)	**6.75** (85)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**8.04**	**6.67**	**7.19**
A. Government consumption						7.55 *(14.33)*	6.03 *(19.50)*	5.70 *(20.61)*
B. Transfers and subsidies						6.56 *(13.13)*	5.64 *(16.51)*	6.07 *(14.91)*
C. Government enterprises and investment						10.00 *(8.09)*	8.00 *(16.14)*	10.00 *(3.62)*
D. Top marginal tax rate							7.00	7.00
(i) Top marginal income tax rate							10.00 *(18)*	10.00 *(18)*
(ii) Top marginal income and payroll tax rate							4.00 *(41)*	4.00 *(41)*
Area 2. Legal System and Property Rights						**5.30**	**5.55**	**5.48**
A. Judicial independence						1.98	2.12	1.99
B. Impartial courts						2.62	3.35	3.34
C. Protection of property rights						4.20	3.86	3.86
D. Military interference in rule of law and politics						6.67	6.67	6.67
E. Integrity of the legal system						8.33	7.50	7.50
F. Legal enforcement of contracts						6.71	6.44	6.07
G. Regulatory restrictions on sale of real property						8.73	9.61	9.61
H. Reliability of police						3.60	3.66	6.82
I. Business costs of crime						4.88	6.78	3.41
Area 3. Sound Money						**6.65**	**7.74**	**7.38**
A. Money growth						5.30 *(23.51)*	8.01 *(9.93)*	8.06 *(9.72)*
B. Standard deviation of inflation						8.92 *(2.70)*	7.97 *(5.09)*	7.96 *(5.10)*
C. Inflation: most recent year						7.38 *(13.11)*	9.99 *(−0.05)*	8.52 *(7.40)*
D. Freedom to own foreign currency bank accounts						5.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**6.81**	**6.80**	**6.92**
A. Tariffs						8.50	8.56	8.55
(i) Revenue from trade taxes (% of trade sector)					9.23 *(1.15)*	9.15 *(1.27)*	8.84 *(1.74)*	8.89 *(1.66)*
(ii) Mean tariff rate						8.96 *(5.20)*	9.08 *(4.60)*	9.08 *(4.60)*
(iii) Standard deviation of tariff rates						7.38 *(6.55)*	7.76 *(5.61)*	7.68 *(5.80)*
B. Regulatory trade barriers						5.50	5.45	5.90
(i) Non-tariff trade barriers						5.70	5.61	5.48
(ii) Compliance cost of importing and exporting						5.30	5.30	6.31
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						3.26	3.17	3.23
(i) Foreign ownership/investment restrictions						5.02	4.76	4.94
(ii) Capital controls						0.00	0.00	0.00
(iii) Freedom of foreigners to visit						4.76	4.76	4.76
Area 5. Regulation						7.06	6.52	6.77
A. Credit market regulations						9.33	8.32	9.13
(i) Ownership of banks						8.00	8.00	10.00
(ii) Private sector credit					9.09	10.00	6.97	8.38
(iii) Interest rate controls/negative real interest rates						10.00	10.00	9.00
B. Labor market regulations						6.04	5.38	5.59
(i) Hiring regulations and minimum wage						6.70	4.43	5.57
(ii) Hiring and firing regulations						5.73	4.05	4.11
(iii) Centralized collective bargaining						7.48	7.43	7.55
(iv) Hours regulations						6.00	6.00	6.00
(v) Mandated cost of worker dismissal						7.31	7.34	7.34
(vi) Conscription						3.00	3.00	3.00
C. Business regulations						5.81	5.85	5.60
(i) Administrative requirements						2.55	3.08	3.22
(ii) Bureaucracy costs						3.53	5.36	3.73
(iii) Starting a business						8.84	9.53	9.58
(iv) Extra payments/bribes/favoritism						6.78	3.72	3.56
(v) Licensing restrictions						5.76	5.94	6.03
(vi) Cost of tax compliance						7.40	7.44	7.44

Mongolia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**7.06** (58)	**7.04** (64)	**7.01** (69)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**7.58**	**7.11**	**7.45**
A. Government consumption						6.41 *(18.22)*	5.81 *(20.23)*	5.73 *(20.53)*
B. Transfers and subsidies						7.90 *(8.20)*	6.62 *(12.89)*	7.08 *(11.23)*
C. Government enterprises and investment						10.00 *(7.63)*	7.00 *(22.79)*	8.00 *(18.83)*
D. Top marginal tax rate						6.00	9.00	9.00
(i) Top marginal income tax rate						8.00 *(30)*	10.00 *(10)*	10.00 *(10)*
(ii) Top marginal income and payroll tax rate						4.00 *(49)*	8.00 *(29)*	8.00 *(29)*
Area 2. Legal System and Property Rights						**5.28**	**5.63**	**5.67**
A. Judicial independence						2.62	2.64	2.67
B. Impartial courts						2.52	3.04	3.21
C. Protection of property rights						5.00	3.94	3.84
D. Military interference in rule of law and politics						8.80	8.33	8.33
E. Integrity of the legal system							6.67	6.67
F. Legal enforcement of contracts						6.24	6.24	6.24
G. Regulatory restrictions on sale of real property						9.07	9.07	9.10
H. Reliability of police						3.23	4.40	6.52
I. Business costs of crime						4.73	6.32	4.42
Area 3. Sound Money						**8.31**	**7.98**	**7.22**
A. Money growth						8.48 *(7.61)*	7.02 *(14.91)*	4.74 *(26.30)*
B. Standard deviation of inflation						7.30 *(6.74)*	6.15 *(9.62)*	6.17 *(9.57)*
C. Inflation: most recent year						7.46 *(12.72)*	8.74 *(6.28)*	7.97 *(10.15)*
D. Freedom to own foreign currency bank accounts						10.00	10.00	10.00
Area 4. Freedom to Trade Internationally						**6.81**	**6.98**	**7.26**
A. Tariffs						9.18	9.17	9.04
(i) Revenue from trade taxes (% of trade sector)						9.01 *(1.48)*	8.80 *(1.80)*	8.41 *(2.39)*
(ii) Mean tariff rate						9.16 *(4.20)*	9.00 *(5.00)*	9.00 *(5.00)*
(iii) Standard deviation of tariff rates						9.37 *(1.58)*	9.72 *(0.70)*	9.70 *(0.75)*
B. Regulatory trade barriers						4.62	4.60	5.69
(i) Non-tariff trade barriers						3.90	5.82	5.32
(ii) Compliance cost of importing and exporting						5.34	3.37	6.07
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						3.43	4.15	4.29
(i) Foreign ownership/investment restrictions						6.75	5.62	6.06
(ii) Capital controls						3.08	6.36	6.36
(iii) Freedom of foreigners to visit						0.45	0.45	0.45
Area 5. Regulation						7.33	7.48	7.47
A. Credit market regulations						9.13	8.97	9.50
(i) Ownership of banks								
(ii) Private sector credit				10.00	10.00	9.25	8.95	10.00
(iii) Interest rate controls/negative real interest rates						9.00	9.00	9.00
B. Labor market regulations						7.05	7.24	7.23
(i) Hiring regulations and minimum wage						8.90	8.90	8.90
(ii) Hiring and firing regulations						7.00	5.96	5.95
(iii) Centralized collective bargaining						8.25	7.97	7.96
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						9.17	9.60	9.60
(vi) Conscription						3.00	3.00	3.00
C. Business regulations						5.82	6.24	5.67
(i) Administrative requirements						2.92	2.83	2.83
(ii) Bureaucracy costs						3.36	6.88	3.28
(iii) Starting a business						9.12	9.40	9.44
(iv) Extra payments/bribes/favoritism						4.67	3.19	3.19
(v) Licensing restrictions						7.12	7.29	7.44
(vi) Cost of tax compliance						7.71	7.85	7.85

Montenegro

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								

Unadjusted								
Summary Rating (Rank) ➤						**6.71** (79)	**7.52** (25)	**7.54** (28)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**5.60**	**5.81**	**6.00**
A. Government consumption						3.81 *(27.03)*	6.44 *(18.09)*	6.50 *(17.91)*
B. Transfers and subsidies								
C. Government enterprises and investment						6.00 *(25.80)*	4.00 *(31.43)*	4.00 *(24.96)*
D. Top marginal tax rate						7.00	7.00	7.50
(i) Top marginal income tax rate						9.00 *(23)*	10.00 *(14)*	10.00 *(14)*
(ii) Top marginal income and payroll tax rate							4.00 *(43)*	5.00 *(40)*
Area 2. Legal System and Property Rights						**5.56**	**6.41**	**6.47**
A. Judicial independence						3.50	5.16	5.28
B. Impartial courts						3.50	5.21	5.41
C. Protection of property rights						4.50	6.25	6.20
D. Military interference in rule of law and politics						10.00	7.80	7.70
E. Integrity of the legal system								
F. Legal enforcement of contracts						4.80	4.80	4.80
G. Regulatory restrictions on sale of real property						7.72	7.57	7.64
H. Reliability of police						4.49	6.19	8.20
I. Business costs of crime						5.96	8.29	6.52
Area 3. Sound Money						**8.79**	**9.44**	**9.57**
A. Money growth							9.73 *(1.35)*	9.94 *(−0.29)*
B. Standard deviation of inflation						7.24 *(6.90)*	8.74 *(3.16)*	8.48 *(3.81)*
C. Inflation: most recent year						9.14 *(4.32)*	9.31 *(3.47)*	9.87 *(0.65)*
D. Freedom to own foreign currency bank accounts						10.00	10.00	10.00
Area 4. Freedom to Trade Internationally						**7.23**	**7.94**	**7.77**
A. Tariffs						7.51	8.12	8.13
(i) Revenue from trade taxes (% of trade sector)						7.80 *(3.30)*	7.80 *(3.30)*	7.80 *(3.30)*
(ii) Mean tariff rate						8.68 *(6.60)*	9.02 *(4.90)*	9.02 *(4.90)*
(iii) Standard deviation of tariff rates						6.05 *(9.90)*	7.55 *(6.13)*	7.57 *(6.08)*
B. Regulatory trade barriers						6.31	7.38	6.74
(i) Non-tariff trade barriers						4.50	6.65	6.35
(ii) Compliance cost of importing and exporting						8.12	8.12	7.13
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						5.10	6.26	6.19
(i) Foreign ownership/investment restrictions							6.75	6.55
(ii) Capital controls							6.92	6.92
(iii) Freedom of foreigners to visit						5.10	5.10	5.10
Area 5. Regulation						6.38	8.01	7.90
A. Credit market regulations						9.45	9.80	9.78
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit						8.34	9.39	9.34
(iii) Interest rate controls/negative real interest rates						10.00	10.00	10.00
B. Labor market regulations						4.76	8.29	8.01
(i) Hiring regulations and minimum wage						6.70	10.00	8.90
(ii) Hiring and firing regulations						2.00	5.46	5.21
(iii) Centralized collective bargaining						2.50	6.68	6.35
(iv) Hours regulations						8.00	10.00	10.00
(v) Mandated cost of worker dismissal						6.38	7.59	7.59
(vi) Conscription						3.00	10.00	10.00
C. Business regulations						4.92	5.94	5.91
(i) Administrative requirements						4.00	4.49	5.06
(ii) Bureaucracy costs						3.00	5.05	5.40
(iii) Starting a business						9.16	9.66	9.66
(iv) Extra payments/bribes/favoritism						3.00	5.64	5.62
(v) Licensing restrictions						4.55	4.97	3.90
(vi) Cost of tax compliance						5.83	5.83	5.83

Morocco

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.45** (77)	**5.20** (55)	**5.18** (70)	**6.28** (58)	**6.14** (82)	**6.37** (83)	**6.35** (86)	**6.36** (93)
Area 1. Size of Government	4.63 (67)	5.23 (49)	5.91 (48)	6.27 (53)	6.32 (56)	6.71 (62)	6.33 (59)	6.25 (70)
Area 2. Legal System and Property Rights	2.24 (80)	3.99 (73)	3.99 (73)	7.77 (24)	7.68 (28)	7.55 (28)	7.33 (31)	7.30 (30)
Area 3. Sound Money	6.26 (52)	6.81 (44)	6.50 (64)	6.69 (59)	6.96 (83)	7.10 (86)	7.02 (93)	7.07 (90)
Area 4. Freedom to Trade Internationally	4.35 (49)	5.30 (45)	4.66 (65)	5.67 (83)	4.40 (117)	4.92 (118)	5.13 (111)	5.30 (111)
Area 5. Regulation	4.82 (77)	4.70 (77)	4.90 (81)	5.01 (88)	5.36 (102)	5.61 (103)	5.85 (105)	5.76 (107)
Unadjusted								
Summary Rating (Rank) ➤	**4.42** (77)	**5.22** (61)	**5.20** (68)	**6.08** (62)	**5.94** (85)	**6.42** (92)	**6.40** (97)	**6.41** (102)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.63**	**5.23**	**5.91**	**6.27**	**6.32**	**6.71**	**6.33**	**6.25**
A. Government consumption	5.51 *(21.26)*	6.06 *(19.41)*	6.12 *(19.18)*	6.01 *(19.57)*	5.10 *(22.65)*	4.48 *(24.75)*	4.71 *(23.98)*	4.87 *(23.43)*
B. Transfers and subsidies	9.02 *(4.10)*	8.88 *(4.60)*	9.51 *(2.30)*	9.07 *(3.92)*	8.16 *(7.25)*	8.37 *(6.48)*	8.63 *(5.54)*	8.13 *(7.35)*
C. Government enterprises and investment	2.00 *(46.80)*	6.00 *(27.90)*	8.00 *(19.80)*	7.00 *(21.90)*	8.00 *(18.10)*	10.00 *(13.60)*	8.00 *(19.33)*	8.00 *(18.67)*
D. Top marginal tax rate	2.00	0.00	0.00	3.00	4.00	4.00	4.00	4.00
(i) Top marginal income tax rate	2.00 *(64)*	0.00 *(87)*	0.00 *(87)*	3.00 *(46)*	4.00 *(44)*	4.00 *(44)*	4.00 *(44)*	4.00 *(44)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**2.24**	**3.99**	**3.99**	**6.74**	**6.67**	**6.17**	**5.99**	**5.97**
A. Judicial independence						4.07	4.14	4.28
B. Impartial courts				6.76	6.37	5.06	4.84	4.83
C. Protection of property rights						6.26	5.70	5.62
D. Military interference in rule of law and politics				6.55	6.67	6.67	6.67	6.67
E. Integrity of the legal system				10.00	10.00	8.33	8.33	8.33
F. Legal enforcement of contracts						4.30	4.30	5.09
G. Regulatory restrictions on sale of real property						7.65	7.50	6.97
H. Reliability of police						6.65	5.54	6.60
I. Business costs of crime						6.60	6.93	5.34
Area 3. Sound Money	**6.26**	**6.81**	**6.50**	**6.69**	**6.96**	**7.10**	**7.02**	**7.07**
A. Money growth	8.75 *(6.25)*	9.30 *(3.48)*	8.09 *(9.57)*	9.25 *(3.73)*	8.63 *(6.84)*	8.94 *(5.29)*	8.97 *(5.16)*	9.29 *(3.56)*
B. Standard deviation of inflation	8.19 *(4.52)*	9.64 *(0.91)*	9.06 *(2.36)*	9.11 *(2.22)*	9.60 *(0.99)*	9.65 *(0.86)*	9.30 *(1.75)*	9.18 *(2.05)*
C. Inflation: most recent year	8.11 *(9.46)*	8.32 *(8.42)*	8.87 *(5.66)*	8.41 *(7.96)*	9.62 *(1.89)*	9.80 *(0.98)*	9.80 *(1.00)*	9.80 *(0.99)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.41**	**5.37**	**4.73**	**5.67**	**4.40**	**6.28**	**6.55**	**6.76**
A. Tariffs	1.43	5.52	4.78	5.20	3.19	4.74	5.36	5.50
(i) Revenue from trade taxes (% of trade sector)	2.87 *(10.70)*	5.73 *(6.40)*	4.27 *(8.60)*	5.45 *(6.82)*	5.09 *(7.36)*	7.51 *(3.73)*	7.88 *(3.18)*	8.29 *(2.57)*
(ii) Mean tariff rate	0.00 *(54.00)*	5.30 *(23.50)*	5.30 *(23.50)*	5.44 *(22.80)*	3.28 *(33.60)*	6.12 *(19.40)*	6.38 *(18.10)*	6.38 *(18.10)*
(iii) Standard deviation of tariff rates				4.72 *(13.20)*	1.20 *(22.00)*	0.59 *(23.52)*	1.82 *(20.45)*	1.82 *(20.45)*
B. Regulatory trade barriers						5.88	6.59	6.75
(i) Non-tariff trade barriers						4.98	5.25	5.49
(ii) Compliance cost of importing and exporting						6.78	7.93	8.00
C. Black-market exchange rates	9.80	8.60	7.40	9.80	10.00	9.42	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	0.00	5.07	4.24	4.81
(i) Foreign ownership/investment restrictions						7.07	5.35	6.30
(ii) Capital controls	2.00	2.00	2.00	2.00	0.00	0.77	0.00	0.77
(iii) Freedom of foreigners to visit						7.37	7.37	7.37
Area 5. Regulation	4.55	4.70	4.90	5.01	5.36	5.84	6.09	5.99
A. Credit market regulations	5.69	5.57	6.09	6.39	7.32	7.74	8.00	7.39
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	6.38	5.72	5.26	6.16	7.95	9.21	10.00	9.16
(iii) Interest rate controls/negative real interest rates		6.00	8.00	8.00	9.00	9.00	9.00	8.00
B. Labor market regulations						3.65	4.12	4.12
(i) Hiring regulations and minimum wage						0.00	1.10	1.10
(ii) Hiring and firing regulations						5.30	4.92	5.08
(iii) Centralized collective bargaining						7.50	6.77	6.65
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						2.12	2.92	2.92
(vi) Conscription	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
C. Business regulations						6.12	6.16	6.47
(i) Administrative requirements						3.56	3.99	3.86
(ii) Bureaucracy costs						5.40	5.18	4.61
(iii) Starting a business						9.26	9.41	9.42
(iv) Extra payments/bribes/favoritism						5.08	4.60	4.70
(v) Licensing restrictions						7.42	7.81	8.91
(vi) Cost of tax compliance						5.99	5.99	7.33

Mozambique

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**5.45** (130)	**5.53** (129)	**5.45** (134)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**5.47**	**4.74**	**4.66**
A. Government consumption					8.08 *(12.51)*	8.41 *(11.41)*	7.73 *(13.73)*	7.97 *(12.90)*
B. Transfers and subsidies								
C. Government enterprises and investment						2.00 *(45.74)*	0.00 *(62.38)*	0.00 *(55.27)*
D. Top marginal tax rate						6.00	6.50	6.00
(i) Top marginal income tax rate						7.00 *(32)*	7.00 *(32)*	7.00 *(32)*
(ii) Top marginal income and payroll tax rate						5.00 *(37)*	6.00 *(38)*	5.00 *(38)*
Area 2. Legal System and Property Rights						**3.23**	**4.26**	**4.23**
A. Judicial independence						2.46	3.22	2.83
B. Impartial courts						2.68	4.02	3.69
C. Protection of property rights						4.82	3.89	4.17
D. Military interference in rule of law and politics						3.61	6.67	6.67
E. Integrity of the legal system						5.00	5.00	5.00
F. Legal enforcement of contracts						0.00	0.00	0.00
G. Regulatory restrictions on sale of real property						4.54	5.95	6.35
H. Reliability of police						3.07	4.53	5.06
I. Business costs of crime						2.85	5.03	4.32
Area 3. Sound Money						**7.64**	**6.53**	**5.86**
A. Money growth			2.88 *(35.58)*	3.91 *(30.43)*	7.63 *(11.85)*	8.45 *(7.77)*	7.62 *(11.88)*	7.37 *(13.16)*
B. Standard deviation of inflation						8.56 *(3.59)*	9.16 *(2.09)*	8.60 *(3.51)*
C. Inflation: most recent year						8.57 *(7.17)*	9.35 *(3.25)*	7.46 *(12.70)*
D. Freedom to own foreign currency bank accounts						5.00	0.00	0.00
Area 4. Freedom to Trade Internationally						**6.10**	**6.27**	**6.62**
A. Tariffs						6.75	7.51	7.52
(i) Revenue from trade taxes (% of trade sector)								
(ii) Mean tariff rate						7.38 *(13.10)*	7.94 *(10.30)*	7.98 *(10.10)*
(iii) Standard deviation of tariff rates						6.13 *(9.68)*	7.07 *(7.31)*	7.05 *(7.37)*
B. Regulatory trade barriers						5.10	5.58	6.54
(i) Non-tariff trade barriers						4.68	4.80	4.82
(ii) Compliance cost of importing and exporting						5.53	6.36	8.25
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						2.54	2.00	2.43
(i) Foreign ownership/investment restrictions						6.70	5.10	6.38
(ii) Capital controls						0.00	0.00	0.00
(iii) Freedom of foreigners to visit						0.91	0.91	0.91
Area 5. Regulation						4.82	5.83	5.90
A. Credit market regulations						7.16	8.45	9.20
(i) Ownership of banks								10.00
(ii) Private sector credit						5.31	6.90	7.59
(iii) Interest rate controls/negative real interest rates					10.00	9.00	10.00	10.00
B. Labor market regulations						2.96	3.06	2.76
(i) Hiring regulations and minimum wage						2.80	3.33	1.67
(ii) Hiring and firing regulations						3.01	3.84	3.90
(iii) Centralized collective bargaining						5.25	5.20	4.97
(iv) Hours regulations						6.70	6.00	6.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription						0.00	0.00	0.00
C. Business regulations						4.35	5.98	5.75
(i) Administrative requirements						2.01	4.02	4.33
(ii) Bureaucracy costs						2.31	6.61	4.24
(iii) Starting a business						5.73	9.44	9.46
(iv) Extra payments/bribes/favoritism						5.09	4.35	4.28
(v) Licensing restrictions						3.50	4.04	4.78
(vi) Cost of tax compliance						7.42	7.42	7.42

Myanmar

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.50** (75)	**4.15** (91)	**3.13** (109)	**3.80** (118)	**3.67** (123)	**3.63** (122)	**3.78** (123)	**3.89** (122)
Area 1. Size of Government					5.76 (78)	6.33 (76)	6.33 (61)	6.33 (65)
Area 2. Legal System and Property Rights	5.35 (41)	3.99 (77)	3.50 (82)	4.93 (86)	2.92 (118)	2.60 (117)	3.19 (114)	3.19 (113)
Area 3. Sound Money	6.90 (31)	7.31 (33)	4.23 (99)	4.84 (97)	5.53 (111)	4.96 (118)	6.25 (113)	5.73 (118)
Area 4. Freedom to Trade Internationally	0.00 (91)	0.00 (97)	0.00 (104)	0.00 (113)	0.00 (122)	0.00 (122)	0.00 (122)	0.00 (122)
Area 5. Regulation	3.03 (96)	2.93 (102)	3.04 (106)	3.26 (119)	4.14 (120)	4.36 (121)	3.31 (123)	4.39 (119)
Unadjusted								
Summary Rating (Rank) ➤	**3.86** (91)	**3.56** (101)	**2.69** (113)	**3.20** (122)	**3.74** (123)	**4.01** (139)	**4.34** (141)	**4.29** (143)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government					**5.76**	**6.33**	**6.33**	**6.33**
A. Government consumption					8.28 *(11.86)*	10.00 *(4.10)*	10.00 *(5.16)*	10.00 *(5.27)*
B. Transfers and subsidies								
C. Government enterprises and investment			2.00 *(45.00)*	2.00 *(47.65)*	4.00 *(34.36)*	4.00 *(34.36)*	4.00	4.00
D. Top marginal tax rate					5.00	5.00	5.00	5.00
(i) Top marginal income tax rate					5.00 *(40)*	5.00 *(40)*	5.00 *(40)*	5.00 *(40)*
(ii) Top marginal income and payroll tax rate					5.00 *(40)*	5.00 *(40)*	5.00 *(40)*	5.00 *(40)*
Area 2. Legal System and Property Rights	**5.35**	**3.99**	**3.50**	**4.69**	**3.25**	**2.60**	**3.19**	**3.19**
A. Judicial independence								
B. Impartial courts				4.08	3.76	2.80	2.90	2.90
C. Protection of property rights								
D. Military interference in rule of law and politics				3.74	0.00	0.00	1.67	1.67
E. Integrity of the legal system				6.96	5.00	5.00	5.00	5.00
F. Legal enforcement of contracts								
G. Regulatory restrictions on sale of real property								
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**6.90**	**7.31**	**4.23**	**4.84**	**5.53**	**4.96**	**6.25**	**5.73**
A. Money growth	9.26 *(3.69)*	9.98 *(−0.10)*	7.46 *(12.70)*	5.64 *(21.82)*	6.93 *(15.36)*	7.10 *(14.51)*	8.26 *(8.70)*	7.71 *(11.43)*
B. Standard deviation of inflation	8.59 *(3.53)*	9.59 *(1.03)*	3.16 *(17.09)*	7.62 *(5.96)*	5.22 *(11.96)*	4.60 *(13.49)*	7.05 *(7.38)*	6.76 *(8.10)*
C. Inflation: most recent year	9.75 *(1.24)*	9.69 *(1.57)*	6.29 *(18.54)*	6.11 *(19.44)*	9.98 *(−0.11)*	8.13 *(9.37)*	9.71 *(1.47)*	8.46 *(7.72)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**0.18**	**0.00**	**0.00**	**0.00**	**0.00**	**1.81**	**1.78**	**1.78**
A. Tariffs	0.53	0.00	0.00	0.00	0.00	5.42	5.35	5.35
(i) Revenue from trade taxes (% of trade sector)	0.53 *(14.20)*	0.00 *(17.60)*	0.00 *(19.35)*	0.00 *(24.66)*	0.00 *(19.80)*	0.00 *(57.21)*	0.00 *(57.21)*	0.00 *(57.21)*
(ii) Mean tariff rate						9.10 *(4.50)*	8.88 *(5.60)*	8.88 *(5.60)*
(iii) Standard deviation of tariff rates						7.16 *(7.11)*	7.16 *(7.11)*	7.16 *(7.11)*
B. Regulatory trade barriers								
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting								
C. Black-market exchange rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	3.03	2.93	3.04	3.26	4.14	4.36	4.15	4.39
A. Credit market regulations	0.47	0.20	0.50	1.08	3.42	4.00	2.21	5.08
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Private sector credit	1.40	0.61	1.49	3.25	3.26	1.99	1.62	5.25
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	0.00	7.00	10.00	5.00	10.00
B. Labor market regulations								
(i) Hiring regulations and minimum wage								
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations							10.00	
(v) Mandated cost of worker dismissal								
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
C. Business regulations								
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business								
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions								
(vi) Cost of tax compliance								

Namibia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤			**5.11** (73)	**6.14** (62)	**6.38** (72)	**6.46** (79)	**6.41** (85)	**6.40** (92)
Area 1. Size of Government	3.02 (96)	1.16 (111)	4.88 (77)	4.72 (92)	5.14 (90)	6.21 (81)	5.68 (83)	5.60 (85)
Area 2. Legal System and Property Rights			2.33 (103)	7.83 (23)	8.15 (21)	7.74 (25)	8.30 (19)	7.84 (26)
Area 3. Sound Money		4.28 (98)	5.82 (77)	6.03 (72)	6.07 (107)	6.48 (103)	6.09 (116)	6.36 (113)
Area 4. Freedom to Trade Internationally			5.85 (45)	5.29 (91)	5.13 (111)	5.03 (114)	4.98 (115)	5.08 (114)
Area 5. Regulation			6.75 (25)	6.84 (27)	7.43 (18)	6.94 (50)	7.17 (37)	7.17 (39)
Unadjusted								
Summary Rating (Rank) ➤			**5.05** (72)	**6.15** (60)	**6.38** (70)	**6.65** (80)	**6.60** (89)	**6.59** (94)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**1.70**	**0.65**	**4.92**	**4.77**	**5.14**	**6.21**	**5.68**	**5.60**
A. Government consumption	3.40 *(28.44)*	1.31 *(35.55)*	1.50 *(34.91)*	1.09 *(36.28)*	2.24 *(32.40)*	4.41 *(24.99)*	3.44 *(28.30)*	3.14 *(29.33)*
B. Transfers and subsidies			9.26 *(3.20)*	9.21 *(3.40)*	9.33 *(2.96)*	9.41 *(2.66)*	9.26 *(3.20)*	9.26 *(3.20)*
C. Government enterprises and investment	0.00 *(57.90)*	0.00 *(64.30)*	4.00 *(38.60)*	4.00 *(31.90)*	4.00 *(32.26)*	4.00 *(34.27)*	4.00 *(36.84)*	4.00 *(36.32)*
D. Top marginal tax rate					5.00	7.00	6.00	6.00
(i) Top marginal income tax rate					5.00 *(36)*	7.00 *(35)*	6.00 *(37)*	6.00 *(37)*
(ii) Top marginal income and payroll tax rate					5.00 *(36)*	7.00 *(35)*	6.00 *(37)*	6.00 *(37)*
Area 2. Legal System and Property Rights			**2.33**	**7.83**	**8.15**	**6.59**	**7.06**	**6.68**
A. Judicial independence				7.17	7.18	7.07	7.43	6.44
B. Impartial courts				7.25	7.75	5.94	6.50	6.10
C. Protection of property rights				6.53	5.82	7.46	7.74	7.28
D. Military interference in rule of law and politics				8.21	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	8.33	8.33	8.33
F. Legal enforcement of contracts						6.25	6.25	6.25
G. Regulatory restrictions on sale of real property						6.28	6.41	4.76
H. Reliability of police						3.63	5.90	4.94
I. Business costs of crime						4.32	4.98	5.97
Area 3. Sound Money		**4.00**	**5.44**	**6.03**	**6.07**	**6.48**	**6.09**	**6.36**
A. Money growth				7.21 *(13.96)*	7.57 *(12.15)*	8.97 *(5.17)*	8.12 *(9.42)*	8.24 *(8.82)*
B. Standard deviation of inflation		6.96 *(7.61)*	7.99 *(5.03)*	8.34 *(4.16)*	8.70 *(3.25)*	7.40 *(6.49)*	8.02 *(4.95)*	8.12 *(4.71)*
C. Inflation: most recent year		5.04 *(24.82)*	8.33 *(8.34)*	8.56 *(7.18)*	8.00 *(10.02)*	9.55 *(2.26)*	8.24 *(8.78)*	9.11 *(4.47)*
D. Freedom to own foreign currency bank accounts		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally			**5.85**	**5.29**	**5.13**	**6.30**	**6.24**	**6.36**
A. Tariffs	8.12	8.80	6.14	3.86	5.40	5.70	5.10	5.03
(i) Revenue from trade taxes (% of trade sector)			5.13 *(7.30)*	4.29 *(8.56)*	1.63 *(12.55)*	3.04 *(10.44)*	1.55 *(12.67)*	1.55 *(12.67)*
(ii) Mean tariff rate	8.12 *(9.40)*	8.80 *(6.00)*	7.80 *(11.00)*	6.06 *(19.70)*	8.56 *(7.20)*	8.88 *(5.60)*	8.46 *(7.70)*	8.46 *(7.70)*
(iii) Standard deviation of tariff rates			5.48 *(11.30)*	1.24 *(21.90)*	6.00 *(10.00)*	5.17 *(12.08)*	5.29 *(11.78)*	5.07 *(12.32)*
B. Regulatory trade barriers						5.74	6.02	6.40
(i) Non-tariff trade barriers						5.25	5.80	5.80
(ii) Compliance cost of importing and exporting						6.23	6.23	7.00
C. Black-market exchange rates		5.00	9.40	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people			2.00	2.00	0.00	3.76	3.86	4.00
(i) Foreign ownership/investment restrictions						6.64	6.15	6.58
(ii) Capital controls			2.00	2.00	0.00	0.00	0.77	0.77
(iii) Freedom of foreigners to visit						4.65	4.65	4.65
Area 5. Regulation			6.73	6.82	7.43	7.69	7.94	7.94
A. Credit market regulations			7.68	7.94	9.79	9.99	10.00	10.00
(i) Ownership of banks					10.00	10.00	10.00	10.00
(ii) Private sector credit			9.37	7.88	9.36	9.98	10.00	10.00
(iii) Interest rate controls/negative real interest rates			6.00	8.00	10.00	10.00	10.00	10.00
B. Labor market regulations						7.61	7.66	7.69
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						3.68	3.20	3.57
(iii) Centralized collective bargaining						6.18	6.60	6.42
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.78	8.15	8.15
(vi) Conscription			10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.47	6.16	6.13
(i) Administrative requirements						2.87	4.40	3.98
(ii) Bureaucracy costs						3.45	4.41	5.39
(iii) Starting a business						6.77	7.69	7.71
(iv) Extra payments/bribes/favoritism						5.80	6.23	5.45
(v) Licensing restrictions						8.15	8.45	8.47
(vi) Cost of tax compliance						5.80	5.80	5.80

Nepal

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.49** (46)	**5.01** (65)	**5.11** (74)	**5.15** (96)	**5.87** (93)	**6.18** (89)	**5.68** (111)	**5.90** (105)
Area 1. Size of Government	6.77 (14)	5.29 (45)	5.50 (62)	5.33 (83)	5.30 (85)	9.23 (1)	7.60 (23)	7.70 (25)
Area 2. Legal System and Property Rights					5.01 (78)	2.98 (113)	2.72 (118)	2.84 (117)
Area 3. Sound Money	6.10 (60)	6.28 (77)	6.26 (68)	6.26 (69)	6.97 (82)	6.60 (99)	6.13 (115)	6.26 (114)
Area 4. Freedom to Trade Internationally	4.59 (47)	3.99 (62)	3.57 (83)	3.93 (106)	5.97 (87)	6.15 (87)	5.99 (92)	6.26 (92)
Area 5. Regulation	5.24 (60)	5.18 (68)	5.83 (49)	5.81 (61)	6.09 (76)	6.00 (96)	6.02 (100)	6.46 (88)
Unadjusted								
Summary Rating (Rank) ➤	**5.77** (34)	**5.27** (59)	**5.37** (64)	**5.15** (92)	**5.82** (94)	**6.50** (84)	**5.98** (117)	**6.33** (110)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.77**	**5.29**	**5.50**	**5.33**	**5.30**	**9.23**	**7.60**	**8.34**
A. Government consumption	9.55 *(7.54)*	8.58 *(10.83)*	9.00 *(9.40)*	8.65 *(10.57)*	8.60 *(10.77)*	8.45 *(11.27)*	8.20 *(12.12)*	8.40 *(11.45)*
B. Transfers and subsidies								9.62 *(1.89)*
C. Government enterprises and investment	4.00 *(37.30)*	2.00 *(45.80)*	2.00 *(43.20)*	2.00 *(43.20)*	2.00 *(43.20)*	10.00 *(14.64)*	7.00 *(20.98)*	7.00 *(22.38)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights				**4.44**	**4.76**	**4.05**	**3.70**	**3.85**
A. Judicial independence						5.16	3.68	3.63
B. Impartial courts				4.57	4.42	3.57	2.84	3.27
C. Protection of property rights						5.09	3.41	3.65
D. Military interference in rule of law and politics					5.61	0.00	1.50	1.80
E. Integrity of the legal system								
F. Legal enforcement of contracts						3.37	3.37	3.37
G. Regulatory restrictions on sale of real property						7.80	8.33	8.26
H. Reliability of police						3.45	3.11	3.61
I. Business costs of crime						3.97	3.35	3.21
Area 3. Sound Money	**6.10**	**6.28**	**6.26**	**6.26**	**6.97**	**6.60**	**6.13**	**6.26**
A. Money growth	8.07 *(9.66)*	8.26 *(8.71)*	7.71 *(11.47)*	8.13 *(9.35)*	9.19 *(−4.05)*	8.91 *(−5.46)*	7.77 *(11.14)*	8.34 *(8.32)*
B. Standard deviation of inflation	7.86 *(5.36)*	9.13 *(2.18)*	9.48 *(1.29)*	8.16 *(4.60)*	9.19 *(2.03)*	8.86 *(2.86)*	9.05 *(2.37)*	8.72 *(3.20)*
C. Inflation: most recent year	8.48 *(7.61)*	7.72 *(11.42)*	7.86 *(10.71)*	8.74 *(6.30)*	9.50 *(2.48)*	8.63 *(6.84)*	7.68 *(11.61)*	8.00 *(9.98)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.97**	**4.32**	**3.87**	**3.93**	**5.97**	**6.62**	**6.45**	**6.74**
A. Tariffs	4.92	5.17	4.81	5.60	6.10	6.14	6.38	6.16
(i) Revenue from trade taxes (% of trade sector)	4.27 *(8.60)*	4.87 *(7.70)*	4.13 *(8.80)*	6.37 *(5.44)*	6.59 *(5.11)*	5.97 *(6.05)*	5.78 *(6.33)*	5.33 *(7.00)*
(ii) Mean tariff rate	5.58 *(22.10)*	5.48 *(22.60)*	5.48 *(22.60)*	6.78 *(16.10)*	7.06 *(14.70)*	7.06 *(14.70)*	7.52 *(12.40)*	7.54 *(12.30)*
(iii) Standard deviation of tariff rates				3.64 *(15.90)*	4.64 *(13.40)*	5.39 *(11.54)*	5.83 *(10.42)*	5.62 *(10.95)*
B. Regulatory trade barriers						4.58	4.81	6.11
(i) Non-tariff trade barriers						4.79	5.08	4.90
(ii) Compliance cost of importing and exporting						4.37	4.54	7.31
C. Black-market exchange rates	10.00	7.80	6.80	6.20	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	1.82	5.77	4.62	4.69
(i) Foreign ownership/investment restrictions						4.82	3.85	4.08
(ii) Capital controls	0.00	0.00	0.00	0.00	1.82	2.50	0.00	0.00
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	5.24	5.18	5.83	5.81	6.09	6.02	6.03	6.47
A. Credit market regulations	4.00	3.84	5.56	5.52	6.25	7.23	6.89	8.52
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	2.00	2.00	8.00
(ii) Private sector credit	6.00	5.53	6.68	8.55	8.76	9.68	9.68	8.55
(iii) Interest rate controls/negative real interest rates	6.00	6.00	10.00	8.00	10.00	10.00	9.00	9.00
B. Labor market regulations						5.91	5.85	5.81
(i) Hiring regulations and minimum wage						4.40	3.33	3.33
(ii) Hiring and firing regulations						3.56	4.09	4.13
(iii) Centralized collective bargaining						5.86	5.65	5.35
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						1.66	2.05	2.05
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						4.91	5.36	5.09
(i) Administrative requirements						3.07	2.81	3.13
(ii) Bureaucracy costs						4.18	7.06	3.25
(iii) Starting a business						8.18	8.52	8.68
(iv) Extra payments/bribes/favoritism						4.20	2.89	3.22
(v) Licensing restrictions						4.41	4.65	5.93
(vi) Cost of tax compliance						5.43	6.21	6.35

Netherlands

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.23** (8)	**7.28** (8)	**7.60** (10)	**7.95** (10)	**8.21** (8)	**7.92** (15)	**7.58** (23)	**7.58** (26)
Area 1. Size of Government	4.03 (80)	3.98 (82)	4.94 (74)	4.78 (90)	4.46 (106)	4.40 (113)	3.45 (120)	3.36 (123)
Area 2. Legal System and Property Rights	7.48 (13)	8.35 (1)	8.35 (2)	9.11 (6)	9.62 (1)	9.37 (2)	8.97 (8)	9.08 (5)
Area 3. Sound Money	9.43 (4)	9.44 (8)	9.64 (9)	9.70 (9)	9.57 (14)	9.46 (28)	9.50 (24)	9.56 (21)
Area 4. Freedom to Trade Internationally	8.59 (10)	8.63 (10)	8.62 (14)	9.34 (6)	9.57 (2)	8.69 (7)	8.69 (8)	8.44 (10)
Area 5. Regulation	6.73 (19)	6.08 (37)	6.46 (32)	6.85 (26)	7.84 (7)	7.70 (16)	7.31 (28)	7.48 (26)
Unadjusted								
Summary Rating (Rank) ➤	**7.29** (10)	**7.34** (9)	**7.56** (12)	**7.95** (9)	**8.21** (8)	**7.73** (18)	**7.40** (33)	**7.40** (37)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.34**	**4.28**	**4.94**	**4.78**	**4.46**	**4.40**	**3.45**	**3.36**
A. Government consumption	5.23 *(22.22)*	5.60 *(20.96)*	5.93 *(19.85)*	6.08 *(19.34)*	2.54 *(31.37)*	2.05 *(33.02)*	0.51 *(38.25)*	0.42 *(38.56)*
B. Transfers and subsidies	2.13 *(29.40)*	1.53 *(31.60)*	2.32 *(28.70)*	2.04 *(29.70)*	2.79 *(26.97)*	4.55 *(20.51)*	3.27 *(25.20)*	3.02 *(26.12)*
C. Government enterprises and investment	10.00 *(14.80)*	10.00 *(14.70)*	10.00 *(12.70)*	10.00 *(13.80)*	10.00 *(13.80)*	8.00 *(17.37)*	7.00 *(20.29)*	7.00 *(20.73)*
D. Top marginal tax rate	0.00	0.00	1.50	1.00	2.50	3.00	3.00	3.00
(i) Top marginal income tax rate	0.00 *(72)*	0.00 *(72)*	3.00 *(60)*	2.00 *(60)*	3.00 *(52)*	3.00 *(52)*	3.00 *(52)*	3.00 *(52)*
(ii) Top marginal income and payroll tax rate			0.00 *(63)*	0.00 *(63)*	2.00 *(54)*	3.00 *(52)*	3.00 *(52)*	3.00 *(52)*
Area 2. Legal System and Property Rights	**7.48**	**8.35**	**8.35**	**9.11**	**9.62**	**8.36**	**8.00**	**8.10**
A. Judicial independence				9.37	9.52	9.05	8.71	8.91
B. Impartial courts				8.73	9.52	8.90	7.16	7.32
C. Protection of property rights				7.46	9.09	9.21	8.07	8.06
D. Military interference in rule of law and politics				10.00	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						5.11	5.11	5.14
G. Regulatory restrictions on sale of real property						7.90	7.86	7.86
H. Reliability of police						7.99	8.31	7.08
I. Business costs of crime						7.05	6.79	8.51
Area 3. Sound Money	**9.43**	**9.44**	**9.64**	**9.70**	**9.57**	**9.46**	**9.50**	**9.56**
A. Money growth	9.47 *(2.64)*	8.84 *(5.79)*	9.45 *(2.74)*	9.27 *(3.65)*	9.26 *(3.70)*	8.87 *(5.64)*	8.69 *(6.57)*	8.92 *(5.40)*
B. Standard deviation of inflation	9.35 *(1.63)*	9.28 *(1.79)*	9.58 *(1.04)*	9.85 *(0.37)*	9.54 *(1.15)*	9.30 *(1.75)*	9.56 *(1.09)*	9.57 *(1.08)*
C. Inflation: most recent year	8.90 *(5.52)*	9.65 *(1.76)*	9.54 *(2.31)*	9.67 *(1.63)*	9.50 *(2.52)*	9.66 *(1.70)*	9.76 *(1.19)*	9.75 *(1.27)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.00**	**9.04**	**8.81**	**9.27**	**9.57**	**8.55**	**8.55**	**8.31**
A. Tariffs	8.99	9.12	8.44	8.66	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.73 *(0.40)*	9.73 *(0.40)*	9.67 *(0.50)*	9.67 *(0.50)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.88	9.54	8.15	8.28	7.22
(i) Non-tariff trade barriers				8.88	9.25	7.01	7.27	7.31
(ii) Compliance cost of importing and exporting					9.83	9.29	9.29	7.13
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	8.00	8.00	8.00	9.55	9.54	7.66	7.71	7.67
(i) Foreign ownership/investment restrictions				9.10	9.85	7.95	7.38	7.26
(ii) Capital controls	8.00	8.00	8.00	10.00	9.23	8.46	9.17	9.17
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	6.21	5.60	6.05	6.91	7.84	7.89	7.49	7.67
A. Credit market regulations	9.44	8.59	9.26	8.85	10.00	9.99	9.28	8.61
(i) Ownership of banks	10.00	8.00	10.00	10.00	10.00	10.00	10.00	8.00
(ii) Private sector credit	8.33	7.77	7.78	6.54	10.00	9.96	7.83	7.83
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	2.97	2.62	2.83	4.09	5.19	6.67	6.74	6.72
(i) Hiring regulations and minimum wage				4.52	4.47	8.30	6.67	6.67
(ii) Hiring and firing regulations			3.38	3.38	2.58	3.17	3.71	3.57
(iii) Centralized collective bargaining	5.18	4.49	4.49	4.49	4.40	4.14	4.06	4.09
(iv) Hours regulations	2.73	2.37	2.46	5.08	4.51	6.00	6.00	6.00
(v) Mandated cost of worker dismissal						8.42	10.00	10.00
(vi) Conscription	1.00	1.00	1.00	3.00	10.00	10.00	10.00	10.00
C. Business regulations				7.79	8.32	7.02	6.45	7.68
(i) Administrative requirements					7.73	3.64	3.55	4.15
(ii) Bureaucracy costs				7.37	9.10	5.99	1.64	7.63
(iii) Starting a business				7.53	7.58	9.40	9.51	9.52
(iv) Extra payments/bribes/favoritism				8.46	8.88	8.91	8.55	8.34
(v) Licensing restrictions						7.01	6.96	7.85
(vi) Cost of tax compliance						7.20	8.50	8.58

New Zealand

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.35** (21)	**6.21** (26)	**7.82** (7)	**8.84** (3)	**8.52** (5)	**8.56** (3)	**8.37** (3)	**8.38** (3)
Area 1. Size of Government	3.82 (85)	3.54 (94)	5.30 (66)	7.46 (18)	6.68 (47)	6.74 (58)	6.00 (73)	5.94 (77)
Area 2. Legal System and Property Rights	8.04 (5)	7.88 (8)	8.35 (6)	9.17 (3)	9.10 (11)	9.04 (9)	8.99 (4)	9.03 (6)
Area 3. Sound Money	6.31 (50)	6.17 (81)	8.64 (25)	9.75 (5)	9.54 (17)	9.65 (8)	9.70 (2)	9.73 (3)
Area 4. Freedom to Trade Internationally	7.07 (20)	6.78 (24)	8.65 (12)	9.03 (14)	9.32 (8)	8.89 (5)	8.90 (3)	8.59 (7)
Area 5. Regulation	6.49 (23)	6.68 (20)	8.18 (5)	8.78 (2)	7.94 (5)	8.55 (3)	8.32 (3)	8.65 (3)
Unadjusted								
Summary Rating (Rank) ➤	**6.44** (20)	**6.29** (27)	**7.86** (9)	**8.84** (3)	**8.52** (5)	**8.54** (3)	**8.35** (3)	**8.36** (3)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.82**	**3.54**	**5.30**	**7.46**	**6.68**	**6.74**	**6.00**	**5.94**
A. Government consumption	5.12 *(22.59)*	5.63 *(20.86)*	5.54 *(21.17)*	6.21 *(18.89)*	4.84 *(23.56)*	4.87 *(23.45)*	4.17 *(25.84)*	4.00 *(26.40)*
B. Transfers and subsidies	4.17 *(21.90)*	4.52 *(20.60)*	2.64 *(27.50)*	6.65 *(12.80)*	6.90 *(11.87)*	7.10 *(11.16)*	6.85 *(12.06)*	6.76 *(12.40)*
C. Government enterprises and investment	4.00 *(30.80)*	4.00 *(31.40)*	6.00 *(25.30)*	10.00 *(12.00)*	10.00 *(12.00)*	10.00 *(13.51)*	8.00 *(19.36)*	8.00 *(19.36)*
D. Top marginal tax rate	2.00	0.00	7.00	7.00	5.00	5.00	5.00	5.00
(i) Top marginal income tax rate	2.00 *(62)*	0.00 *(66)*	7.00 *(33)*	7.00 *(33)*	5.00 *(39)*	5.00 *(39)*	5.00 *(38)*	5.00 *(36)*
(ii) Top marginal income and payroll tax rate			7.00 *(33)*	7.00 *(33)*	5.00 *(40)*	5.00 *(40)*	5.00 *(40)*	5.00 *(37)*
Area 2. Legal System and Property Rights	**8.04**	**7.88**	**8.35**	**9.17**	**9.10**	**8.70**	**8.65**	**8.69**
A. Judicial independence				9.47	9.19	8.86	9.60	9.55
B. Impartial courts				9.08	9.19	8.15	7.54	7.59
C. Protection of property rights				7.29	7.15	8.66	7.88	8.07
D. Military interference in rule of law and politics				10.00	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	9.65	9.17	9.17
F. Legal enforcement of contracts						7.50	7.48	7.48
G. Regulatory restrictions on sale of real property						9.93	9.93	9.93
H. Reliability of police						7.46	8.64	7.76
I. Business costs of crime						8.08	7.65	8.67
Area 3. Sound Money	**6.31**	**6.17**	**8.64**	**9.75**	**9.54**	**9.65**	**9.70**	**9.73**
A. Money growth	9.11 *(4.46)*	8.84 *(5.80)*	7.25 *(13.76)*	9.58 *(2.09)*	9.19 *(4.06)*	9.73 *(1.36)*	9.76 *(1.21)*	9.79 *(−1.03)*
B. Standard deviation of inflation	9.20 *(2.00)*	8.68 *(3.29)*	7.84 *(5.39)*	9.87 *(0.33)*	9.48 *(1.29)*	9.47 *(1.33)*	9.41 *(1.48)*	9.69 *(0.78)*
C. Inflation: most recent year	6.93 *(15.36)*	7.16 *(14.19)*	9.46 *(2.70)*	9.55 *(2.27)*	9.48 *(2.62)*	9.39 *(3.04)*	9.62 *(1.89)*	9.42 *(2.91)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**7.62**	**7.31**	**8.85**	**8.96**	**9.32**	**8.74**	**8.75**	**8.45**
A. Tariffs	7.87	7.73	6.56	7.74	9.01	8.88	9.09	9.09
(i) Revenue from trade taxes (% of trade sector)	8.33 *(2.50)*	8.67 *(2.00)*	8.87 *(1.70)*	9.07 *(1.40)*	9.47 *(0.79)*	9.30 *(1.04)*	8.77 *(1.85)*	8.77 *(1.85)*
(ii) Mean tariff rate	7.40 *(13.00)*	6.80 *(16.00)*	7.10 *(14.50)*	8.30 *(8.50)*	9.32 *(3.40)*	9.00 *(5.00)*	9.58 *(2.10)*	9.58 *(2.10)*
(iii) Standard deviation of tariff rates			3.72 *(15.70)*	5.84 *(10.40)*	8.24 *(4.40)*	8.33 *(4.17)*	8.92 *(2.69)*	8.92 *(2.69)*
B. Regulatory trade barriers				8.52	9.38	8.90	8.78	7.94
(i) Non-tariff trade barriers				8.52	9.09	9.04	8.80	8.95
(ii) Compliance cost of importing and exporting					9.67	8.76	8.76	6.94
C. Black-market exchange rates	10.00	9.20	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	10.00	9.59	8.89	7.18	7.13	6.76
(i) Foreign ownership/investment restrictions				9.18	9.32	7.84	7.87	7.36
(ii) Capital controls	5.00	5.00	10.00	10.00	8.46	7.69	7.50	6.92
(iii) Freedom of foreigners to visit						6.01	6.01	6.01
Area 5. Regulation	6.38	6.57	8.18	8.86	7.94	8.86	8.63	8.98
A. Credit market regulations	6.18	6.64	9.59	9.86	9.83	10.00	10.00	10.00
(i) Ownership of banks	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	7.54	6.91	8.77	9.58	9.49	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates	6.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	6.58	6.50	6.78	7.46	5.92	8.51	8.51	8.51
(i) Hiring regulations and minimum wage				6.52	3.62	8.90	8.90	8.90
(ii) Hiring and firing regulations			7.62	7.62	3.07	4.46	4.59	4.54
(iii) Centralized collective bargaining	5.18	5.18	5.18	7.93	8.05	7.68	7.58	7.61
(iv) Hours regulations	4.57	4.31	4.31	5.25	4.84	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						10.00	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				9.25	8.09	8.08	7.37	8.42
(i) Administrative requirements					7.47	4.13	4.75	5.01
(ii) Bureaucracy costs				9.35	7.80	6.13	2.31	8.37
(iii) Starting a business				8.47	7.85	9.61	9.96	9.96
(iv) Extra payments/bribes/favoritism				9.94	9.23	9.60	9.58	9.27
(v) Licensing restrictions						9.81	9.80	9.81
(vi) Cost of tax compliance						9.22	7.85	8.07

Nicaragua

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.69** (93)	**1.78** (109)	**2.75** (113)	**5.47** (83)	**6.69** (60)	**6.86** (67)	**6.76** (68)	**6.88** (66)
Area 1. Size of Government	4.08 (78)	2.73 (103)	3.32 (104)	6.63 (38)	6.81 (42)	7.87 (23)	7.62 (21)	8.45 (8)
Area 2. Legal System and Property Rights	2.22 (83)	2.23 (102)	3.43 (84)	3.97 (104)	4.06 (100)	3.95 (101)	3.97 (103)	4.07 (101)
Area 3. Sound Money	0.00 (107)	0.00 (111)	0.00 (118)	5.20 (87)	8.66 (45)	8.85 (47)	8.71 (54)	8.29 (71)
Area 4. Freedom to Trade Internationally	0.63 (88)	0.76 (93)	4.25 (69)	6.14 (74)	7.64 (50)	6.82 (73)	6.94 (71)	6.89 (72)
Area 5. Regulation		3.06 (99)	2.35 (113)	5.29 (83)	6.28 (61)	6.85 (56)	6.61 (74)	6.75 (71)
Unadjusted								
Summary Rating (Rank) ➤	**3.52** (98)	**2.00** (110)	**2.92** (111)	**5.79** (73)	**6.69** (58)	**7.19** (54)	**7.11** (59)	**7.24** (52)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.03**	**3.36**	**3.43**	**6.63**	**6.81**	**7.87**	**7.62**	**8.45**
A. Government consumption	6.09 *(19.29)*	0.00 *(42.59)*	0.00 *(42.57)*	8.03 *(12.71)*	6.72 *(17.14)*	8.47 *(11.19)*	8.65 *(10.60)*	8.97 *(9.50)*
B. Transfers and subsidies	9.02 *(4.10)*	8.45 *(6.20)*	8.28 *(6.80)*	8.50 *(6.00)*	8.53 *(5.88)*	10.00 *(0.40)*	9.82 *(1.17)*	9.84 *(1.08)*
C. Government enterprises and investment	0.00 *(71.90)*	0.00 *(62.18)*	2.00 *(45.30)*	4.00 *(38.30)*	6.00 *(25.50)*	7.00 *(24.30)*	6.00 *(25.97)*	7.00 *(23.69)*
D. Top marginal tax rate	5.00	5.00		6.00	6.00	6.00	6.00	8.00
(i) Top marginal income tax rate	5.00 *(50)*	5.00 *(50)*		8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate				4.00 *(41)*	4.00 *(44)*	4.00 *(44)*	4.00 *(45)*	8.00 *(30)*
Area 2. Legal System and Property Rights	**2.58**	**2.59**	**3.99**	**4.47**	**4.07**	**4.29**	**4.42**	**4.53**
A. Judicial independence						0.81	1.81	1.34
B. Impartial courts				4.28	4.16	1.91	2.42	2.29
C. Protection of property rights					2.08	4.06	3.47	3.69
D. Military interference in rule of law and politics				5.45	3.33	3.89	5.00	5.00
E. Integrity of the legal system				4.11	6.67	6.67	6.67	5.83
F. Legal enforcement of contracts						4.77	4.77	5.75
G. Regulatory restrictions on sale of real property						6.51	6.37	7.73
H. Reliability of police						5.45	4.24	5.04
I. Business costs of crime						4.60	5.03	4.13
Area 3. Sound Money	**5.78**	**0.00**	**0.00**	**5.20**	**8.66**	**8.85**	**8.71**	**8.29**
A. Money growth	5.91 *(20.47)*	0.00 *(62.40)*	0.00 *(1589.23)*	7.76 *(11.22)*	7.58 *(12.11)*	8.34 *(8.30)*	7.09 *(14.55)*	6.55 *(17.27)*
B. Standard deviation of inflation	4.56 *(13.61)*	0.00 *(60.08)*	0.00 *(4792.48)*	0.00 *(1852.08)*	9.26 *(1.85)*	8.96 *(2.59)*	8.47 *(3.82)*	7.70 *(5.74)*
C. Inflation: most recent year	2.68 *(36.62)*	0.00 *(168.07)*	0.00 *(5012.69)*	8.04 *(9.79)*	7.81 *(10.94)*	8.08 *(9.60)*	9.26 *(3.69)*	8.91 *(5.45)*
D. Freedom to own foreign currency bank accounts	10.00	0.00	0.00	5.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**0.70**	**0.84**	**4.70**	**7.09**	**7.64**	**7.64**	**7.78**	**7.72**
A. Tariffs	2.10	2.53	6.09	7.88	8.77	8.31	8.38	8.41
(i) Revenue from trade taxes (% of trade sector)	4.20 *(8.70)*	5.07 *(7.40)*	7.13 *(4.30)*	6.07 *(5.90)*	8.84 *(1.74)*	9.16 *(1.26)*	9.28 *(1.08)*	9.29 *(1.06)*
(ii) Mean tariff rate	0.00 *(54.00)*	0.00 *(54.00)*	5.04 *(24.80)*	7.86 *(10.70)*	9.36 *(3.20)*	8.64 *(6.80)*	8.88 *(5.60)*	8.88 *(5.60)*
(iii) Standard deviation of tariff rates				9.72 *(25.70)*	8.12 *(4.70)*	7.13 *(7.17)*	6.98 *(7.56)*	7.07 *(7.34)*
B. Regulatory trade barriers					3.78	4.24	5.65	5.50
(i) Non-tariff trade barriers					3.78	3.70	4.95	4.94
(ii) Compliance cost of importing and exporting						4.77	6.36	6.06
C. Black-market exchange rates	0.00	0.00	8.00	8.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.00	7.99	8.02	7.08	6.98
(i) Foreign ownership/investment restrictions					8.30	6.37	5.85	5.57
(ii) Capital controls	0.00	0.00	0.00	5.00	7.69	7.69	5.38	5.38
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation		3.21	2.47	5.56	6.28	7.30	7.04	7.19
A. Credit market regulations	0.00	2.20	0.00	4.21	7.30	9.26	8.58	9.42
(i) Ownership of banks						10.00	10.00	10.00
(ii) Private sector credit		4.40	0.00	2.42	5.60	8.77	7.75	9.25
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	6.00	9.00	9.00	8.00	9.00
B. Labor market regulations					6.60	7.17	6.77	6.73
(i) Hiring regulations and minimum wage					3.63	7.80	6.67	6.67
(ii) Hiring and firing regulations					6.12	5.70	5.40	5.39
(iii) Centralized collective bargaining					6.65	7.58	6.55	6.34
(iv) Hours regulations						4.00	4.00	4.00
(v) Mandated cost of worker dismissal						7.96	7.99	7.99
(vi) Conscription	5.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					4.94	5.46	5.77	5.43
(i) Administrative requirements					6.03	3.24	3.94	3.74
(ii) Bureaucracy costs					5.18	4.62	6.01	3.62
(iii) Starting a business					4.10	7.37	7.51	7.62
(iv) Extra payments/bribes/favoritism					4.45	4.80	3.68	3.34
(v) Licensing restrictions						5.44	5.96	6.59
(vi) Cost of tax compliance						7.31	7.51	7.68

Niger

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.63** (69)	**5.07** (61)	**5.16** (71)	**4.33** (112)	**5.44** (104)	**5.62** (109)	**5.67** (112)	**5.90** (106)
Area 1. Size of Government	4.10 (77)	4.28 (77)	3.81 (97)	3.81 (106)	3.96 (110)	6.02 (85)	5.49 (88)	5.56 (87)
Area 2. Legal System and Property Rights	4.67 (48)	4.78 (60)	5.30 (54)	2.61 (115)	4.50 (91)	4.31 (92)	4.45 (91)	4.14 (98)
Area 3. Sound Money	4.90 (93)	6.53 (62)	7.08 (41)	5.71 (79)	8.25 (52)	6.47 (104)	6.50 (109)	6.65 (103)
Area 4. Freedom to Trade Internationally					5.87 (90)	5.75 (95)	6.11 (90)	7.79 (34)
Area 5. Regulation		4.76 (75)	4.79 (88)	4.83 (97)	4.61 (113)	5.55 (106)	6.02 (101)	5.97 (101)
Unadjusted								
Summary Rating (Rank) ➤	**4.95** (61)	**4.85** (73)	**5.04** (73)	**4.31** (112)	**5.41** (105)	**5.39** (131)	**5.56** (128)	**5.78** (128)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.88**	**4.28**	**3.81**	**3.81**	**3.96**	**7.35**	**6.69**	**6.79**
A. Government consumption	8.19 *(12.15)*	8.56 *(10.90)*	7.63 *(14.06)*	7.62 *(14.10)*	7.91 *(13.10)*	8.04 *(12.65)*	6.24 *(18.77)*	6.52 *(17.83)*
B. Transfers and subsidies	9.46 *(2.50)*					10.00 *(0.38)*	9.84 *(1.09)*	9.84 *(1.09)*
C. Government enterprises and investment	0.00 *(79.90)*	0.00 *(79.90)*	0.00 *(64.80)*	0.00 *(74.30)*	0.00 *(58.50)*	4.00 *(33.80)*	4.00 *(33.80)*	4.00 *(33.80)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**4.67**	**4.78**	**5.30**	**3.02**	**4.38**	**4.11**	**4.24**	**3.95**
A. Judicial independence								
B. Impartial courts				3.54	3.49	4.10	4.40	4.60
C. Protection of property rights								
D. Military interference in rule of law and politics				4.28	6.67	5.00	5.00	3.33
E. Integrity of the legal system				0.00	3.33	3.33	3.33	3.33
F. Legal enforcement of contracts						2.74	2.74	2.74
G. Regulatory restrictions on sale of real property						5.36	5.72	5.72
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**4.90**	**6.53**	**7.08**	**5.71**	**8.25**	**6.47**	**6.50**	**6.65**
A. Money growth	5.92 *(20.42)*	9.92 *(0.40)*	9.78 *(−1.10)*	9.28 *(3.62)*	9.04 *(−4.78)*	8.98 *(−5.11)*	8.15 *(9.26)*	7.82 *(10.88)*
B. Standard deviation of inflation	7.86 *(5.35)*	7.36 *(6.60)*	8.86 *(2.85)*	4.64 *(13.40)*	9.54 *(1.14)*	8.46 *(3.85)*	8.73 *(3.19)*	8.93 *(2.68)*
C. Inflation: most recent year	5.84 *(20.82)*	8.82 *(−5.90)*	9.68 *(−1.60)*	8.92 *(5.38)*	9.42 *(2.90)*	8.44 *(7.80)*	9.14 *(4.31)*	9.84 *(0.80)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.67**	**4.49**	**4.22**	**4.20**	**5.87**	**4.10**	**4.37**	**5.56**
A. Tariffs	4.40	3.67	3.47	2.80	7.60	5.19	6.24	6.24
(i) Revenue from trade taxes (% of trade sector)	4.40 *(8.40)*	3.67 *(9.50)*	3.47 *(9.80)*	2.80 *(10.80)*		0.86 *(13.71)*	3.82 *(9.27)*	3.82 *(9.27)*
(ii) Mean tariff rate					7.60 *(12.00)*	7.46 *(12.70)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						1.22	1.22	6.00
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						1.22	1.22	6.00
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	4.64	4.19	4.79	4.83	4.61	4.94	6.00	5.96
A. Credit market regulations	4.30	5.12	6.13	6.24	5.67	7.70	9.55	9.62
(i) Ownership of banks	2.00	2.00	2.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	8.91	8.24	8.38	7.73	8.01	9.09	9.09	9.24
(iii) Interest rate controls/negative real interest rates	2.00		8.00	6.00	4.00	4.00		
B. Labor market regulations						3.14	3.30	3.30
(i) Hiring regulations and minimum wage						1.10	0.00	0.00
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						4.70	6.00	6.00
(v) Mandated cost of worker dismissal						6.76	7.19	7.19
(vi) Conscription		0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						3.97	5.17	4.97
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						3.35	6.20	6.34
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						1.60	2.34	1.59
(vi) Cost of tax compliance						6.97	6.97	6.97

Nigeria

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.25** (99)	**3.68** (95)	**3.31** (107)	**3.76** (120)	**5.30** (109)	**6.03** (97)	**5.84** (104)	**6.01** (102)
Area 1. Size of Government	2.19 (103)	4.07 (81)	2.49 (111)	6.26 (54)	6.19 (58)	6.72 (61)	5.80 (78)	5.47 (91)
Area 2. Legal System and Property Rights	2.78 (69)	2.24 (100)	2.66 (98)	4.27 (102)	3.60 (107)	4.40 (89)	4.68 (85)	4.79 (81)
Area 3. Sound Money	5.91 (70)	6.32 (72)	4.14 (100)	1.27 (116)	5.37 (112)	6.41 (105)	6.16 (114)	6.59 (105)
Area 4. Freedom to Trade Internationally	0.68 (87)	0.80 (92)	1.84 (98)	1.23 (111)	4.92 (114)	5.63 (99)	5.39 (107)	6.20 (93)
Area 5. Regulation	5.65 (46)	6.04 (38)	5.26 (73)	5.65 (70)	6.42 (55)	7.23 (36)	7.54 (18)	7.38 (31)
Unadjusted								
Summary Rating (Rank) ➤	**3.46** (100)	**4.19** (91)	**3.52** (105)	**3.81** (118)	**5.33** (109)	**5.93** (118)	**5.90** (122)	**6.07** (120)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.19**	**5.50**	**2.49**	**6.26**	**6.19**	**6.72**	**6.53**	**6.16**
A. Government consumption	6.58 *(17.64)*	7.21 *(15.49)*	5.48 *(21.37)*	7.78 *(13.56)*	7.56 *(14.28)*	9.15 *(8.91)*	7.49 *(14.55)*	6.01 *(19.56)*
B. Transfers and subsidies		9.78 *(1.30)*					9.62 *(1.91)*	9.62 *(1.91)*
C. Government enterprises and investment	0.00 *(50.90)*	2.00 *(49.80)*	0.00 *(88.10)*	4.00 *(32.14)*	2.00 *(47.28)*	2.00 *(45.28)*	2.00 *(46.82)*	2.00 *(46.82)*
D. Top marginal tax rate	0.00	3.00	2.00	7.00	9.00	9.00	7.00	7.00
(i) Top marginal income tax rate	0.00 *(70)*	3.00 *(55)*	2.00 *(55)*	7.00 *(35)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate					9.00 *(25)*	9.00 *(25)*	5.00 *(37)*	5.00 *(37)*
Area 2. Legal System and Property Rights	**3.06**	**2.46**	**2.93**	**4.53**	**3.74**	**3.63**	**3.86**	**3.95**
A. Judicial independence						3.59	4.14	4.52
B. Impartial courts				3.62	3.56	3.74	4.20	4.78
C. Protection of property rights					2.52	4.66	3.88	3.69
D. Military interference in rule of law and politics				3.51	3.33	3.33	3.33	3.33
E. Integrity of the legal system				6.96	5.00	2.78	3.33	3.33
F. Legal enforcement of contracts						5.08	5.08	5.08
G. Regulatory restrictions on sale of real property						3.45	3.45	3.45
H. Reliability of police						2.91	3.07	4.04
I. Business costs of crime						3.14	4.23	3.33
Area 3. Sound Money	**5.91**	**6.32**	**4.14**	**1.27**	**5.37**	**6.41**	**6.16**	**6.59**
A. Money growth	6.70 *(16.51)*	8.64 *(6.79)*	6.06 *(19.72)*	4.00 *(29.98)*	5.93 *(20.35)*	7.74 *(11.30)*	5.96 *(20.19)*	6.11 *(19.46)*
B. Standard deviation of inflation	9.44 *(1.39)*	7.39 *(6.52)*	1.93 *(20.18)*	1.06 *(22.35)*	1.95 *(20.12)*	6.46 *(8.86)*	6.00 *(10.01)*	8.00 *(4.99)*
C. Inflation: most recent year	7.52 *(12.42)*	9.26 *(3.69)*	8.57 *(7.16)*	0.00 *(55.83)*	8.61 *(6.93)*	6.43 *(17.86)*	7.69 *(11.54)*	7.26 *(13.72)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**1.30**	**1.53**	**2.96**	**1.56**	**4.92**	**5.95**	**5.70**	**6.55**
A. Tariffs	3.91	4.60	3.49	4.68	3.76	7.04	7.22	7.26
(i) Revenue from trade taxes (% of trade sector)	4.33 *(8.50)*	6.60 *(5.10)*	7.33 *(4.00)*					
(ii) Mean tariff rate	3.48 *(32.60)*	2.60 *(37.00)*	3.14 *(34.30)*	5.64 *(21.80)*		7.68 *(11.60)*	7.76 *(11.20)*	7.66 *(11.70)*
(iii) Standard deviation of tariff rates			0.00 *(30.80)*	3.72 *(15.70)*	3.76 *(15.60)*	6.40 *(9.00)*	6.68 *(8.29)*	6.86 *(7.84)*
B. Regulatory trade barriers					3.20	4.80	5.04	5.86
(i) Non-tariff trade barriers					3.20	4.48	4.36	4.65
(ii) Compliance cost of importing and exporting						5.11	5.72	7.06
C. Black-market exchange rates	0.00	0.00	5.40	0.00	5.68	7.86	7.06	9.42
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	7.04	4.11	3.49	3.68
(i) Foreign ownership/investment restrictions					8.69	6.93	5.48	6.05
(ii) Capital controls	0.00	0.00	0.00	0.00	5.38	5.38	5.00	5.00
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	4.82	5.16	5.08	5.46	6.42	6.97	7.27	7.11
A. Credit market regulations	2.00	3.00	3.56	4.57	6.53	9.13	9.41	8.68
(i) Ownership of banks	2.00	2.00	2.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit			8.69	8.71	6.60	7.39	8.23	7.05
(iii) Interest rate controls/negative real interest rates	2.00	4.00	0.00	0.00	8.00	10.00	10.00	9.00
B. Labor market regulations					7.22	8.11	8.35	7.97
(i) Hiring regulations and minimum wage					4.79	10.00	10.00	7.77
(ii) Hiring and firing regulations					7.15	6.62	6.95	6.93
(iii) Centralized collective bargaining					6.93	6.69	7.40	7.36
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						5.36	5.76	5.76
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					5.50	3.66	4.05	4.67
(i) Administrative requirements					7.83	3.72	3.44	4.38
(ii) Bureaucracy costs					6.03	3.16	5.32	3.67
(iii) Starting a business					5.12	8.05	8.18	8.17
(iv) Extra payments/bribes/favoritism					3.03	3.89	3.24	3.20
(v) Licensing restrictions						3.16	4.13	8.62
(vi) Cost of tax compliance						0.00	0.00	0.00

Norway

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.79** (32)	**6.46** (23)	**7.13** (19)	**7.56** (16)	**7.27** (40)	**7.69** (21)	**7.56** (26)	**7.53** (30)
Area 1. Size of Government	2.64 (98)	2.99 (100)	2.94 (108)	3.17 (112)	3.25 (116)	5.69 (93)	5.24 (96)	5.55 (88)
Area 2. Legal System and Property Rights	7.05 (18)	8.11 (5)	8.35 (9)	9.19 (2)	8.85 (15)	9.14 (6)	8.92 (9)	8.81 (9)
Area 3. Sound Money	6.43 (43)	6.45 (67)	8.73 (24)	9.47 (23)	9.03 (39)	9.20 (38)	9.24 (39)	9.32 (36)
Area 4. Freedom to Trade Internationally	7.04 (21)	8.28 (11)	9.30 (5)	9.11 (11)	8.43 (32)	7.37 (50)	7.45 (49)	6.96 (69)
Area 5. Regulation	5.86 (39)	6.58 (23)	6.43 (33)	6.88 (25)	6.79 (46)	7.12 (43)	6.97 (51)	7.02 (49)
Unadjusted								
Summary Rating (Rank) ➤	**5.72** (36)	**6.39** (23)	**6.99** (21)	**7.57** (17)	**7.27** (38)	**7.73** (18)	**7.60** (20)	**7.57** (25)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.87**	**3.25**	**2.94**	**3.17**	**3.25**	**5.69**	**5.24**	**5.55**
A. Government consumption	3.36 *(28.57)*	3.69 *(27.46)*	3.06 *(29.59)*	3.00 *(29.79)*	2.76 *(30.62)*	2.13 *(32.75)*	1.64 *(34.43)*	1.81 *(33.83)*
B. Transfers and subsidies	4.11 *(22.10)*	4.31 *(21.40)*	2.70 *(27.30)*	4.20 *(21.80)*	4.76 *(19.72)*	5.11 *(18.44)*	4.81 *(19.54)*	4.88 *(19.30)*
C. Government enterprises and investment	4.00 *(35.90)*	4.00 *(34.20)*	4.00 *(37.40)*	2.00 *(43.10)*	2.00 *(43.10)*	10.00 *(14.50)*	10.00 *(8.39)*	10.00 *(9.51)*
D. Top marginal tax rate	0.00	1.00	2.00	3.50	3.50	5.50	4.50	5.50
(i) Top marginal income tax rate	0.00 *(75)*	1.00 *(64)*	3.00 *(51)*	5.00 *(42)*	5.00 *(48)*	7.00 *(40)*	6.00 *(40)*	7.00 *(40)*
(ii) Top marginal income and payroll tax rate			1.00 *(64)*	2.00 *(56)*	2.00 *(64)*	4.00 *(54)*	3.00 *(54)*	4.00 *(54)*
Area 2. Legal System and Property Rights	**7.05**	**8.11**	**8.35**	**9.19**	**8.85**	**8.97**	**8.76**	**8.65**
A. Judicial independence				9.45	8.35	8.86	8.71	8.80
B. Impartial courts				8.88	8.68	8.81	7.51	7.33
C. Protection of property rights				7.61	7.20	8.83	8.44	8.22
D. Military interference in rule of law and politics				10.00	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						7.53	7.75	7.75
G. Regulatory restrictions on sale of real property						9.16	9.12	9.12
H. Reliability of police						8.63	8.70	8.32
I. Business costs of crime						8.93	8.62	8.34
Area 3. Sound Money	**6.43**	**6.45**	**8.73**	**9.47**	**9.03**	**9.20**	**9.24**	**9.32**
A. Money growth	9.41 *(2.93)*	7.97 *(10.15)*	6.77 *(16.13)*	9.06 *(4.69)*	9.17 *(4.17)*	8.64 *(6.80)*	9.67 *(1.64)*	9.93 *(–0.33)*
B. Standard deviation of inflation	8.95 *(2.63)*	8.86 *(2.84)*	8.91 *(2.72)*	9.43 *(1.43)*	7.55 *(6.11)*	8.45 *(3.87)*	7.70 *(5.74)*	7.82 *(5.44)*
C. Inflation: most recent year	7.38 *(13.12)*	8.96 *(5.21)*	9.23 *(3.87)*	9.38 *(3.09)*	9.38 *(3.09)*	9.70 *(1.52)*	9.57 *(2.17)*	9.52 *(2.40)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.89**	**8.11**	**8.88**	**8.97**	**8.43**	**7.40**	**7.48**	**6.98**
A. Tariffs	9.28	9.33	8.63	8.09	7.55	6.07	6.23	6.16
(i) Revenue from trade taxes (% of trade sector)	9.80 *(0.30)*	9.80 *(0.30)*	9.80 *(0.30)*	9.73 *(0.40)*	9.88 *(0.17)*	9.92 *(0.12)*	9.90 *(0.15)*	9.89 *(0.16)*
(ii) Mean tariff rate	8.76 *(6.20)*	8.86 *(5.70)*	8.86 *(5.70)*	8.82 *(5.90)*	9.42 *(2.90)*	8.28 *(8.60)*	8.78 *(6.10)*	8.60 *(7.00)*
(iii) Standard deviation of tariff rates			7.24 *(6.90)*	5.72 *(10.70)*	3.36 *(16.60)*	0.00 *(37.41)*	0.00 *(27.51)*	0.00 *(29.75)*
B. Regulatory trade barriers				9.17	8.32	7.02	7.23	5.78
(i) Non-tariff trade barriers				9.17	7.80	4.90	5.33	4.99
(ii) Compliance cost of importing and exporting					8.83	9.14	9.14	6.56
C. Black-market exchange rates	9.40	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	5.00	8.00	8.64	7.84	6.50	6.45	5.98
(i) Foreign ownership/investment restrictions				9.28	8.76	7.42	7.28	6.64
(ii) Capital controls	2.00	5.00	8.00	8.00	6.92	5.38	5.38	4.62
(iii) Freedom of foreigners to visit						6.69	6.69	6.69
Area 5. Regulation	5.35	6.01	6.08	7.05	6.79	7.42	7.26	7.32
A. Credit market regulations	7.19	8.80	8.51	8.71	9.00	9.67	10.00	10.00
(i) Ownership of banks	10.00	10.00	8.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	5.56	6.39	7.53	8.12	10.00	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates	6.00	10.00	10.00	10.00	7.00	9.00	10.00	10.00
B. Labor market regulations	3.52	3.23	3.64	4.33	3.79	4.86	5.07	4.34
(i) Hiring regulations and minimum wage				4.45	5.00	3.90	3.90	3.90
(ii) Hiring and firing regulations			4.88	4.88	2.05	2.83	3.21	2.94
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	4.03	4.63	4.29	4.17
(iv) Hours regulations	4.40	3.52	3.52	4.17	4.84	6.00	6.00	4.00
(v) Mandated cost of worker dismissal						8.79	10.00	10.00
(vi) Conscription	1.00	1.00	1.00	3.00	3.00	3.00	3.00	1.00
C. Business regulations				8.11	7.59	7.74	6.72	7.63
(i) Administrative requirements					6.08	4.70	4.01	3.78
(ii) Bureaucracy costs				8.11	8.70	7.09	1.80	7.83
(iii) Starting a business				7.22	6.83	9.67	9.69	9.69
(iv) Extra payments/bribes/favoritism				9.01	8.73	9.26	9.06	8.67
(v) Licensing restrictions						6.72	6.73	6.78
(vi) Cost of tax compliance						9.02	9.02	9.02

Oman

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**6.78** (19)	**6.34** (35)	**6.99** (35)	**7.53** (29)	**7.39** (37)	**7.71** (17)	**8.00** (7)
Area 1. Size of Government	4.90 (58)	4.82 (59)	4.84 (78)	5.24 (85)	5.31 (84)	4.94 (102)	5.58 (85)	5.35 (95)
Area 2. Legal System and Property Rights		5.85 (34)	5.21 (56)	7.72 (25)	8.03 (24)	7.89 (22)	9.19 (2)	9.12 (2)
Area 3. Sound Money	5.40 (83)	9.45 (7)	7.67 (36)	9.15 (30)	8.31 (50)	8.68 (56)	7.34 (85)	8.86 (56)
Area 4. Freedom to Trade Internationally		6.65 (28)	6.74 (35)	6.72 (60)	8.68 (25)	8.22 (19)	8.66 (9)	8.67 (4)
Area 5. Regulation	7.26 (6)	7.14 (12)	7.24 (13)	6.13 (49)	7.31 (24)	7.23 (35)	7.90 (10)	8.06 (11)
Unadjusted								
Summary Rating (Rank) ➤		**6.87** (14)	**6.41** (34)	**6.79** (40)	**7.31** (35)	**7.42** (37)	**7.36** (38)	**7.64** (20)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.90**	**4.82**	**4.84**	**5.24**	**5.31**	**4.94**	**5.58**	**5.35**
A. Government consumption	0.00 *(47.45)*	0.00 *(45.46)*	0.00 *(58.84)*	1.18 *(36.00)*	1.65 *(34.40)*	0.34 *(38.84)*	2.91 *(30.10)*	1.98 *(33.26)*
B. Transfers and subsidies	9.59 *(2.00)*	9.29 *(3.10)*	9.35 *(2.90)*	9.78 *(1.30)*	9.61 *(1.92)*	9.40 *(2.69)*	9.40 *(2.69)*	9.40 *(2.69)*
C. Government enterprises and investment	0.00 *(58.80)*	0.00 *(58.80)*	0.00 *(59.19)*	0.00 *(65.23)*	0.00 *(62.99)*	0.00 *(65.34)*	0.00	0.00
D. Top marginal tax rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(i) Top marginal income tax rate	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
(ii) Top marginal income and payroll tax rate			10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
Area 2. Legal System and Property Rights		**5.85**	**5.21**	**6.71**	**6.93**	**7.46**	**7.64**	**7.58**
A. Judicial independence							6.84	6.83
B. Impartial courts				7.47	7.43	6.80	6.60	6.34
C. Protection of property rights							7.52	7.54
D. Military interference in rule of law and politics				8.74	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						5.14	5.14	5.14
G. Regulatory restrictions on sale of real property						8.71	8.71	8.71
H. Reliability of police							8.14	8.77
I. Business costs of crime							9.12	8.22
Area 3. Sound Money	**5.40**	**9.45**	**7.67**	**9.15**	**8.31**	**8.68**	**7.34**	**8.86**
A. Money growth	9.35 *(3.25)*	9.80 *(0.98)*	9.47 *(−2.67)*	9.76 *(−1.20)*	9.62 *(−1.92)*	8.75 *(6.23)*	7.88 *(10.60)*	7.58 *(12.10)*
B. Standard deviation of inflation	2.24 *(19.39)*	8.09 *(4.78)*	4.54 *(13.65)*	7.56 *(6.11)*	3.88 *(15.31)*	6.32 *(9.19)*	2.26 *(19.34)*	8.50 *(3.76)*
C. Inflation: most recent year	0.00 *(51.11)*	9.90 *(−0.51)*	6.68 *(16.62)*	9.26 *(3.68)*	9.75 *(−1.27)*	9.63 *(1.86)*	9.21 *(3.94)*	9.36 *(3.20)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally		**7.08**	**7.11**	**6.72**	**8.68**	**7.43**	**7.69**	**7.69**
A. Tariffs		9.23	9.33	8.15	9.38	7.70	7.93	7.93
(i) Revenue from trade taxes (% of trade sector)		9.07 *(1.40)*	9.33 *(1.00)*	9.27 *(1.10)*	9.55 *(0.67)*	9.45 *(0.82)*	9.45 *(0.82)*	9.45 *(0.82)*
(ii) Mean tariff rate		9.40 *(3.00)*		8.86 *(5.70)*	9.06 *(4.70)*	9.24 *(3.80)*	8.90 *(5.50)*	8.90 *(5.50)*
(iii) Standard deviation of tariff rates				6.32 *(9.20)*	9.52 *(1.20)*	4.40 *(13.99)*	5.44 *(11.40)*	5.44 *(11.40)*
B. Regulatory trade barriers						6.70	7.43	7.47
(i) Non-tariff trade barriers							6.94	6.51
(ii) Compliance cost of importing and exporting						6.70	7.93	8.44
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	6.67	5.32	5.38	5.37
(i) Foreign ownership/investment restrictions							6.35	6.32
(ii) Capital controls	2.00	2.00	2.00	2.00	6.67	6.67	5.83	5.83
(iii) Freedom of foreigners to visit						3.97	3.97	3.97
Area 5. Regulation	7.14	7.14	7.24	6.13	7.31	8.58	8.56	8.72
A. Credit market regulations	8.89	9.04	9.28	6.36	9.49	9.59	9.74	9.63
(i) Ownership of banks	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	9.79	9.12	9.85	1.09	8.47	8.76	9.21	8.89
(iii) Interest rate controls/negative real interest rates		10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations						8.91	8.85	8.75
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations							5.62	5.12
(iii) Centralized collective bargaining							7.47	7.38
(iv) Hours regulations						6.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.63	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						7.26	7.08	7.79
(i) Administrative requirements							5.57	5.42
(ii) Bureaucracy costs							3.32	7.36
(iii) Starting a business						6.98	8.64	8.82
(iv) Extra payments/bribes/favoritism							7.96	7.85
(v) Licensing restrictions						5.37	7.69	8.00
(vi) Cost of tax compliance						9.42	9.31	9.31

Pakistan

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.30** (80)	**4.91** (71)	**4.87** (83)	**5.67** (77)	**5.41** (105)	**5.86** (102)	**5.93** (103)	**5.94** (104)
Area 1. Size of Government	5.03 (51)	4.73 (61)	5.14 (71)	5.84 (67)	7.19 (26)	8.26 (15)	8.65 (6)	8.68 (6)
Area 2. Legal System and Property Rights	2.54 (73)	3.52 (83)	2.68 (97)	5.25 (77)	4.84 (80)	2.93 (114)	2.85 (117)	3.09 (115)
Area 3. Sound Money	6.39 (45)	6.78 (46)	7.87 (34)	7.60 (46)	6.15 (105)	6.04 (110)	5.98 (117)	6.04 (116)
Area 4. Freedom to Trade Internationally	2.20 (76)	3.77 (64)	3.07 (87)	4.22 (103)	2.85 (121)	5.02 (115)	5.16 (110)	4.83 (118)
Area 5. Regulation	5.35 (53)	5.74 (47)	5.61 (62)	5.43 (81)	6.00 (83)	6.91 (51)	6.90 (56)	6.91 (53)
Unadjusted								
Summary Rating (Rank) ➤	**4.30** (80)	**4.91** (71)	**4.87** (84)	**5.60** (77)	**5.36** (108)	**6.18** (103)	**6.25** (106)	**6.26** (111)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.03**	**4.73**	**5.14**	**5.84**	**7.19**	**8.26**	**8.65**	**8.68**
A. Government consumption	8.60 *(10.77)*	7.97 *(12.91)*	6.62 *(17.49)*	7.70 *(13.81)*	7.91 *(13.12)*	9.11 *(9.04)*	9.10 *(9.06)*	9.16 *(8.84)*
B. Transfers and subsidies	9.54 *(2.20)*	9.95 *(0.70)*	8.94 *(4.40)*	9.66 *(1.75)*	9.85 *(1.05)*	9.92 *(0.79)*	9.51 *(2.30)*	9.55 *(2.17)*
C. Government enterprises and investment	0.00 *(65.30)*	0.00 *(53.90)*	2.00 *(49.40)*	2.00 *(46.80)*	4.00 *(35.29)*	7.00 *(24.89)*	6.00 *(26.14)*	6.00 *(26.01)*
D. Top marginal tax rate	2.00	1.00	3.00	4.00	7.00	7.00	10.00	10.00
(i) Top marginal income tax rate	2.00 *(55)*	1.00 *(60)*	3.00 *(50)*	4.00 *(45)*	7.00 *(35)*	7.00 *(35)*	10.00 *(20)*	10.00 *(20)*
(ii) Top marginal income and payroll tax rate			3.00 *(50)*	4.00 *(45)*	7.00 *(35)*	7.00 *(35)*	10.00 *(20)*	10.00 *(20)*
Area 2. Legal System and Property Rights	**2.54**	**3.52**	**2.68**	**4.93**	**4.63**	**4.04**	**3.94**	**4.27**
A. Judicial independence						3.79	4.26	4.89
B. Impartial courts				4.21	4.26	3.39	3.51	3.72
C. Protection of property rights						4.50	4.28	4.08
D. Military interference in rule of law and politics				4.57	5.28	0.42	1.67	2.50
E. Integrity of the legal system				6.96	5.00	5.00	5.00	5.83
F. Legal enforcement of contracts						3.55	3.55	3.55
G. Regulatory restrictions on sale of real property						6.95	6.03	6.52
H. Reliability of police						4.13	3.43	3.69
I. Business costs of crime						4.66	3.69	3.60
Area 3. Sound Money	**6.39**	**6.78**	**7.87**	**7.60**	**6.15**	**6.04**	**5.98**	**6.04**
A. Money growth	8.05 *(9.75)*	8.94 *(5.28)*	8.72 *(6.40)*	8.97 *(5.17)*	8.55 *(7.27)*	6.92 *(15.40)*	8.94 *(5.29)*	8.94 *(5.29)*
B. Standard deviation of inflation	9.33 *(1.67)*	9.06 *(2.34)*	9.05 *(2.38)*	9.21 *(1.97)*	6.91 *(7.73)*	9.05 *(2.38)*	7.71 *(5.72)*	8.00 *(5.01)*
C. Inflation: most recent year	8.19 *(9.06)*	9.09 *(4.53)*	8.71 *(6.45)*	7.24 *(13.79)*	9.13 *(4.37)*	8.19 *(9.06)*	7.27 *(13.65)*	7.22 *(13.88)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	5.00	5.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**2.20**	**3.77**	**3.07**	**4.22**	**2.85**	**6.11**	**6.27**	**5.87**
A. Tariffs	0.00	0.10	0.00	1.27	2.79	6.42	6.62	4.78
(i) Revenue from trade taxes (% of trade sector)	0.00 *(15.30)*	0.20 *(14.70)*	0.00 *(15.21)*	2.58 *(11.13)*	6.18 *(5.73)*	6.59 *(5.12)*	7.24 *(4.14)*	7.13 *(4.30)*
(ii) Mean tariff rate	0.00 *(77.60)*	0.00 *(78.00)*	0.00 *(58.80)*	0.00 *(61.10)*	0.68 *(46.60)*	7.08 *(14.60)*	7.22 *(13.90)*	7.22 *(13.90)*
(iii) Standard deviation of tariff rates			0.00 *(34.00)*	1.24 *(21.90)*	1.52 *(21.20)*	5.60 *(11.01)*	5.39 *(11.54)*	0.00 *(27.11)*
B. Regulatory trade barriers						6.35	6.22	6.38
(i) Non-tariff trade barriers						5.56	5.15	4.89
(ii) Compliance cost of importing and exporting						7.13	7.28	7.88
C. Black-market exchange rates	4.60	9.20	7.20	9.40	5.00	8.93	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	0.77	2.75	2.27	2.32
(i) Foreign ownership/investment restrictions						6.70	5.24	5.40
(ii) Capital controls	2.00	2.00	2.00	2.00	0.77	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						0.79	0.79	0.79
Area 5. Regulation	5.35	5.74	5.61	5.43	6.00	6.43	6.43	6.44
A. Credit market regulations	4.29	5.31	4.97	4.49	6.00	8.92	8.28	8.57
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00
(ii) Private sector credit	6.87	7.93	8.90	7.46	7.99	8.75	7.84	7.70
(iii) Interest rate controls/negative real interest rates	6.00	8.00	6.00	6.00	10.00	10.00	9.00	10.00
B. Labor market regulations						5.74	5.59	5.68
(i) Hiring regulations and minimum wage						2.20	2.23	2.23
(ii) Hiring and firing regulations						5.96	5.35	5.72
(iii) Centralized collective bargaining						6.63	5.87	6.09
(iv) Hours regulations						8.00	8.00	8.00
(v) Mandated cost of worker dismissal						1.66	2.05	2.05
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						4.64	5.43	5.06
(i) Administrative requirements						3.45	3.73	3.62
(ii) Bureaucracy costs						1.91	6.25	3.58
(iii) Starting a business						9.01	9.22	9.21
(iv) Extra payments/bribes/favoritism						4.52	3.40	3.41
(v) Licensing restrictions						5.25	6.24	6.82
(vi) Cost of tax compliance						3.72	3.72	3.72

Panama

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.55** (41)	**6.12** (30)	**6.45** (32)	**7.44** (23)	**7.56** (24)	**7.60** (29)	**7.15** (49)	**7.44** (37)
Area 1. Size of Government	4.71 (63)	4.89 (57)	5.57 (60)	7.36 (19)	7.81 (15)	8.30 (14)	6.28 (65)	8.02 (16)
Area 2. Legal System and Property Rights	2.91 (68)	3.22 (87)	3.42 (85)	5.64 (63)	5.69 (66)	5.49 (69)	5.43 (75)	5.46 (74)
Area 3. Sound Money	6.78 (33)	9.68 (1)	9.79 (2)	9.50 (22)	9.58 (13)	9.55 (18)	9.09 (46)	9.04 (48)
Area 4. Freedom to Trade Internationally	6.45 (28)	6.28 (30)	6.66 (38)	7.78 (39)	7.89 (44)	7.99 (28)	8.14 (23)	7.88 (28)
Area 5. Regulation	6.73 (18)	6.69 (19)	6.90 (21)	6.90 (24)	6.86 (43)	6.69 (70)	6.82 (59)	6.78 (70)
Unadjusted								
Summary Rating (Rank) ➤	**6.09** (28)	**6.71** (18)	**6.83** (27)	**7.76** (12)	**7.48** (26)	**7.59** (27)	**7.11** (59)	**7.40** (37)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.82**	**5.00**	**5.57**	**7.36**	**7.81**	**8.30**	**6.28**	**8.02**
A. Government consumption	3.48 *(28.18)*	4.16 *(25.84)*	4.66 *(24.15)*	5.14 *(22.51)*	5.26 *(22.10)*	6.65 *(17.40)*	6.56 *(17.70)*	9.54 *(7.57)*
B. Transfers and subsidies	8.80 *(4.90)*	8.83 *(4.80)*	8.12 *(7.40)*	8.31 *(6.70)*	8.48 *(6.06)*	8.56 *(5.80)*	8.56 *(5.80)*	8.56 *(5.80)*
C. Government enterprises and investment	4.00 *(39.90)*	4.00 *(31.40)*	7.00 *(22.10)*	8.00 *(16.10)*	10.00 *(11.86)*	10.00 *(14.46)*	4.00 *(38.64)*	8.00 *(15.29)*
D. Top marginal tax rate	3.00	3.00	2.50	8.00	7.50	8.00	6.00	6.00
(i) Top marginal income tax rate	3.00 *(56)*	3.00 *(56)*	3.00 *(56)*	9.00 *(30)*	8.00 *(31)*	9.00 *(30)*	8.00 *(27)*	8.00 *(27)*
(ii) Top marginal income and payroll tax rate			2.00 *(64)*	7.00 *(38)*	7.00 *(38)*	7.00 *(36)*	4.00 *(43)*	4.00 *(43)*
Area 2. Legal System and Property Rights	**3.19**	**3.52**	**3.75**	**5.60**	**5.24**	**5.24**	**5.03**	**5.06**
A. Judicial independence						2.40	2.52	1.85
B. Impartial courts				4.87	5.35	3.10	3.82	4.11
C. Protection of property rights					4.07	6.71	6.24	6.25
D. Military interference in rule of law and politics				6.71	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	5.00	5.00	5.00	5.00
F. Legal enforcement of contracts						2.26	2.26	2.26
G. Regulatory restrictions on sale of real property						8.38	7.62	7.65
H. Reliability of police						5.92	4.77	4.48
I. Business costs of crime						5.10	4.72	5.64
Area 3. Sound Money	**6.78**	**9.68**	**9.79**	**9.50**	**9.58**	**9.55**	**9.09**	**9.04**
A. Money growth	8.23 *(8.85)*	9.86 *(−0.71)*	9.75 *(−1.23)*	8.82 *(5.90)*	9.32 *(3.39)*	9.05 *(4.76)*	7.95 *(10.23)*	7.95 *(10.23)*
B. Standard deviation of inflation	5.62 *(10.96)*	9.04 *(2.39)*	9.54 *(1.16)*	9.26 *(1.85)*	9.28 *(1.80)*	9.80 *(0.49)*	8.88 *(2.80)*	8.92 *(2.70)*
C. Inflation: most recent year	3.26 *(33.69)*	9.84 *(0.81)*	9.89 *(0.57)*	9.91 *(0.47)*	9.70 *(1.50)*	9.35 *(3.26)*	9.52 *(2.41)*	9.30 *(3.49)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**8.64**	**8.42**	**7.80**	**9.11**	**7.89**	**8.11**	**8.26**	**8.00**
A. Tariffs	7.93	7.27	5.40	7.33	7.49	7.95	7.88	7.88
(i) Revenue from trade taxes (% of trade sector)	7.93 *(3.10)*	7.27 *(4.10)*	8.80 *(1.80)*	9.07 *(1.40)*	7.33 *(4.00)*	8.94 *(1.59)*	8.94 *(1.59)*	8.94 *(1.59)*
(ii) Mean tariff rate			2.00 *(40.00)*	5.60 *(22.00)*	8.10 *(9.50)*	8.52 *(7.40)*	8.56 *(7.20)*	8.56 *(7.20)*
(iii) Standard deviation of tariff rates					7.04 *(7.40)*	6.38 *(9.05)*	6.14 *(9.66)*	6.14 *(9.66)*
B. Regulatory trade barriers					4.95	6.97	7.56	6.37
(i) Non-tariff trade barriers					4.95	5.09	6.27	6.31
(ii) Compliance cost of importing and exporting						8.85	8.85	6.44
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	8.00	8.00	8.00	10.00	9.12	7.53	7.59	7.74
(i) Foreign ownership/investment restrictions					8.24	7.13	7.33	7.76
(ii) Capital controls	8.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00
(iii) Freedom of foreigners to visit						5.44	5.44	5.44
Area 5. Regulation	6.99	6.95	7.25	7.25	6.86	6.77	6.90	6.85
A. Credit market regulations	8.47	8.33	9.33	9.33	9.21	9.33	9.19	9.18
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	8.95	8.67	10.00	10.00	9.64	10.00	9.56	9.54
(iii) Interest rate controls/negative real interest rates			10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations					5.94	5.16	5.32	5.40
(i) Hiring regulations and minimum wage					3.76	1.10	2.23	2.23
(ii) Hiring and firing regulations					4.15	3.37	3.42	3.56
(iii) Centralized collective bargaining					5.85	6.59	6.35	6.67
(iv) Hours regulations						4.00	4.00	4.00
(v) Mandated cost of worker dismissal						5.92	5.92	5.92
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					5.42	5.80	6.19	5.98
(i) Administrative requirements					6.93	3.07	4.37	4.05
(ii) Bureaucracy costs					3.90	4.69	4.91	4.49
(iii) Starting a business					5.53	9.17	9.60	9.64
(iv) Extra payments/bribes/favoritism					5.30	5.76	4.81	4.22
(v) Licensing restrictions						8.39	8.85	8.90
(vi) Cost of tax compliance						3.72	4.60	4.60

Papua New Guinea

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**5.89** (38)	**6.06** (42)	**6.37** (57)	**5.83** (94)	**6.16** (91)	**6.53** (79)	**6.68** (74)
Area 1. Size of Government	3.64 (88)	5.39 (42)	5.87 (49)	9.19 (2)	6.18 (60)	6.75 (57)	7.23 (31)	7.34 (35)
Area 2. Legal System and Property Rights		5.72 (44)	6.28 (33)	5.74 (61)	4.46 (92)	4.26 (96)	4.75 (83)	4.77 (82)
Area 3. Sound Money	6.06 (63)	6.57 (59)	6.65 (59)	5.56 (81)	6.27 (102)	7.08 (87)	7.04 (90)	7.27 (86)
Area 4. Freedom to Trade Internationally		5.25 (47)	4.93 (60)	5.19 (94)	5.45 (100)	5.37 (110)	6.41 (87)	6.88 (73)
Area 5. Regulation	6.25 (30)	6.42 (30)	6.42 (34)	6.61 (36)	6.80 (45)	7.27 (32)	7.19 (35)	7.11 (44)
Unadjusted								
Summary Rating (Rank) ➤		**6.02** (33)	**6.07** (40)	**5.96** (67)	**5.81** (96)	**6.48** (86)	**6.87** (73)	**7.03** (67)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.75**	**5.86**	**5.79**	**7.33**	**6.18**	**6.75**	**7.23**	**7.34**
A. Government consumption	3.50 *(28.12)*	4.13 *(25.95)*	3.06 *(29.61)*	6.00 *(19.59)*	3.80 *(27.08)*	6.88 *(16.61)*	7.80 *(13.49)*	8.26 *(11.91)*
B. Transfers and subsidies		9.46 *(2.50)*	9.10 *(3.80)*		9.92 *(0.79)*	9.12 *(3.74)*	9.12 *(3.74)*	9.12 *(3.74)*
C. Government enterprises and investment	2.00 *(41.40)*	4.00 *(34.20)*	7.00 *(20.40)*	8.00 *(18.70)*	8.00 *(18.70)*	8.00 *(18.70)*	8.00	8.00
D. Top marginal tax rate			4.00	8.00	3.00	3.00	4.00	4.00
(i) Top marginal income tax rate			4.00 *(45)*	8.00 *(28)*	3.00 *(47)*	3.00 *(47)*	5.00 *(42)*	5.00 *(42)*
(ii) Top marginal income and payroll tax rate			4.00 *(45)*	8.00 *(28)*	3.00 *(47)*	3.00 *(47)*	3.00 *(47)*	3.00 *(47)*
Area 2. Legal System and Property Rights		**5.72**	**6.28**	**5.28**	**4.36**	**4.21**	**4.69**	**4.71**
A. Judicial independence								
B. Impartial courts				5.02	5.06	3.90	3.80	3.90
C. Protection of property rights								
D. Military interference in rule of law and politics				5.25	5.00	5.42	7.50	7.50
E. Integrity of the legal system				6.96	3.33	3.75	4.17	4.17
F. Legal enforcement of contracts						1.01	1.01	1.01
G. Regulatory restrictions on sale of real property						6.96	6.96	6.96
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**6.06**	**6.57**	**6.65**	**5.56**	**6.27**	**7.08**	**7.04**	**7.27**
A. Money growth	8.71 *(6.47)*	9.38 *(3.12)*	9.05 *(4.73)*	8.68 *(6.60)*	9.73 *(1.36)*	6.58 *(17.12)*	7.80 *(11.00)*	7.83 *(10.87)*
B. Standard deviation of inflation	6.95 *(7.63)*	7.23 *(6.93)*	8.39 *(4.02)*	7.52 *(6.19)*	8.49 *(3.78)*	7.08 *(7.30)*	6.73 *(8.18)*	7.47 *(6.33)*
C. Inflation: most recent year	8.58 *(7.09)*	9.68 *(1.62)*	9.17 *(4.13)*	6.05 *(19.73)*	6.88 *(15.60)*	9.66 *(1.70)*	8.62 *(6.92)*	8.80 *(6.02)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally		**5.51**	**5.18**	**5.03**	**5.45**	**5.82**	**6.95**	**7.46**
A. Tariffs	7.80	7.33	6.93	6.50	4.80	6.15	6.83	7.33
(i) Revenue from trade taxes (% of trade sector)	7.80 *(3.30)*	6.07 *(5.90)*	5.27 *(7.10)*	5.99 *(6.01)*	6.03 *(5.96)*	6.61 *(5.08)*	6.61 *(5.08)*	6.61 *(5.08)*
(ii) Mean tariff rate		8.60 *(7.00)*	8.60 *(7.00)*		5.78 *(21.10)*	8.78 *(6.10)*	9.00 *(5.00)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates				7.00 *(7.50)*	2.60 *(18.50)*	3.05 *(17.38)*	4.88 *(12.80)*	6.41 *(8.98)*
B. Regulatory trade barriers						6.17	6.17	7.69
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						6.17	6.17	7.69
C. Black-market exchange rates		9.20	8.60	8.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	1.54	0.96	4.81	4.81
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	1.54	0.00	7.69	7.69
(iii) Freedom of foreigners to visit						1.93	1.93	1.93
Area 5. Regulation	6.29	6.46	6.45	6.61	6.80	8.55	8.45	8.36
A. Credit market regulations	6.37	6.88	6.87	7.62	8.14	9.23	8.95	8.70
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit	7.75	8.76	8.73	9.87	9.42	8.70	6.86	7.10
(iii) Interest rate controls/negative real interest rates				8.00	10.00	9.00	10.00	9.00
B. Labor market regulations						8.82	8.64	8.64
(i) Hiring regulations and minimum wage						8.90	7.77	7.77
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						6.38	6.79	6.79
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						7.59	7.75	7.75
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						7.91	8.18	8.20
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						7.18	7.24	7.23
(vi) Cost of tax compliance						7.69	7.83	7.83

Paraguay

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.68** (36)	**4.82** (75)	**5.60** (54)	**6.53** (48)	**6.44** (70)	**6.36** (84)	**6.49** (81)	**6.65** (76)
Area 1. Size of Government	9.16 (3)	7.75 (3)	9.31 (2)	8.69 (4)	7.58 (20)	7.87 (24)	7.65 (20)	8.27 (11)
Area 2. Legal System and Property Rights	3.29 (64)	3.54 (79)	3.97 (77)	3.91 (105)	3.67 (106)	2.57 (118)	2.65 (120)	2.73 (119)
Area 3. Sound Money	7.87 (21)	7.48 (32)	6.50 (66)	8.20 (38)	8.72 (42)	8.37 (60)	8.70 (55)	8.65 (62)
Area 4. Freedom to Trade Internationally	4.12 (53)	2.30 (78)	4.24 (70)	6.60 (62)	6.78 (72)	7.22 (58)	6.96 (70)	7.24 (57)
Area 5. Regulation			4.39 (96)	5.34 (82)	5.46 (101)	5.77 (99)	6.45 (86)	6.37 (91)
Unadjusted								
Summary Rating (Rank) ➤	**6.55** (16)	**5.58** (45)	**6.04** (42)	**7.03** (35)	**6.47** (67)	**6.48** (86)	**6.61** (87)	**6.78** (81)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**9.06**	**7.75**	**9.31**	**8.69**	**7.58**	**7.62**	**7.41**	**8.01**
A. Government consumption	9.60 *(7.36)*	9.45 *(7.87)*	9.57 *(7.45)*	8.46 *(11.23)*	7.04 *(16.07)*	8.25 *(11.95)*	7.88 *(13.20)*	8.26 *(11.91)*
B. Transfers and subsidies	9.59 *(2.00)*	9.56 *(2.10)*	9.65 *(1.80)*	9.32 *(3.00)*	9.26 *(3.21)*	9.21 *(3.38)*	9.25 *(3.24)*	9.26 *(3.20)*
C. Government enterprises and investment	8.00 *(17.80)*	4.00 *(31.40)*	10.00 *(13.30)*	7.00 *(23.20)*	4.00 *(35.71)*	4.00 *(35.71)*	4.00	6.00 *(27.68)*
D. Top marginal tax rate		8.00	8.00	10.00	10.00	9.00	8.50	8.50
(i) Top marginal income tax rate		8.00 *(30)*	8.00 *(30)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(8)*	10.00 *(8)*
(ii) Top marginal income and payroll tax rate						8.00 *(27)*	7.00 *(33)*	7.00 *(33)*
Area 2. Legal System and Property Rights	**3.71**	**3.99**	**4.48**	**4.32**	**3.79**	**3.41**	**3.51**	**3.63**
A. Judicial independence						1.08	1.17	1.30
B. Impartial courts				4.33	4.08	1.76	2.57	2.86
C. Protection of property rights					2.27	3.35	3.22	3.39
D. Military interference in rule of law and politics				4.79	3.33	2.50	2.50	2.50
E. Integrity of the legal system				4.11	5.00	3.33	3.33	3.33
F. Legal enforcement of contracts						4.19	4.19	4.19
G. Regulatory restrictions on sale of real property						8.47	8.51	8.51
H. Reliability of police						3.03	2.14	4.09
I. Business costs of crime						2.94	4.00	2.48
Area 3. Sound Money	**7.87**	**7.48**	**6.50**	**8.20**	**8.72**	**8.37**	**8.70**	**8.65**
A. Money growth	6.93 *(15.33)*	8.12 *(9.39)*	4.67 *(26.66)*	7.09 *(14.57)*	8.66 *(6.72)*	7.09 *(14.53)*	7.06 *(14.68)*	7.26 *(13.72)*
B. Standard deviation of inflation	7.91 *(5.23)*	6.84 *(7.91)*	8.58 *(3.55)*	8.29 *(4.27)*	8.02 *(4.94)*	7.75 *(5.62)*	8.26 *(4.36)*	8.27 *(4.34)*
C. Inflation: most recent year	6.66 *(16.71)*	4.95 *(25.24)*	2.74 *(36.28)*	7.40 *(12.99)*	8.20 *(8.98)*	8.64 *(6.79)*	9.48 *(2.59)*	9.07 *(4.65)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**5.53**	**3.09**	**5.44**	**8.46**	**6.78**	**7.46**	**7.19**	**7.49**
A. Tariffs	3.00	4.27	6.51	7.99	7.63	7.94	7.73	7.65
(i) Revenue from trade taxes (% of trade sector)	6.00 *(6.00)*	8.53 *(2.20)*	7.80 *(3.30)*	8.60 *(2.10)*	7.76 *(3.37)*	8.90 *(1.65)*	8.56 *(2.16)*	8.29 *(2.57)*
(ii) Mean tariff rate	0.00 *(71.00)*	0.00 *(71.70)*	6.80 *(16.00)*	8.14 *(9.30)*	7.82 *(10.90)*	8.34 *(8.30)*	7.94 *(10.30)*	7.96 *(10.20)*
(iii) Standard deviation of tariff rates			4.92 *(12.70)*	7.24 *(6.90)*	7.32 *(6.70)*	6.59 *(8.51)*	6.70 *(8.24)*	6.70 *(8.26)*
B. Regulatory trade barriers					2.43	5.07	5.51	6.91
(i) Non-tariff trade barriers					2.43	4.98	5.68	5.87
(ii) Compliance cost of importing and exporting						5.17	5.34	7.94
C. Black-market exchange rates	8.60	0.00	4.80	7.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	5.00	10.00	7.06	6.81	5.52	5.39
(i) Foreign ownership/investment restrictions					5.67	5.07	5.82	5.44
(ii) Capital controls	5.00	5.00	5.00	10.00	8.46	9.23	4.62	4.62
(iii) Freedom of foreigners to visit						6.12	6.12	6.12
Area 5. Regulation			4.48	5.45	5.46	5.57	6.23	6.15
A. Credit market regulations			5.97	8.88	8.82	8.33	8.33	8.33
(i) Ownership of banks					8.00	8.00	8.00	8.00
(ii) Private sector credit			9.95	9.76	9.47	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates			2.00	8.00	9.00	7.00	7.00	7.00
B. Labor market regulations					3.33	3.32	4.34	4.56
(i) Hiring regulations and minimum wage					4.67	4.40	4.43	5.57
(ii) Hiring and firing regulations					4.72	3.26	3.97	3.94
(iii) Centralized collective bargaining					3.95	5.74	6.58	6.80
(iv) Hours regulations						4.70	8.00	8.00
(v) Mandated cost of worker dismissal						0.82	2.05	2.05
(vi) Conscription	1.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
C. Business regulations					4.22	5.05	6.00	5.54
(i) Administrative requirements					4.87	2.94	4.02	4.17
(ii) Bureaucracy costs					4.95	5.13	6.73	3.51
(iii) Starting a business					3.98	6.19	8.30	8.38
(iv) Extra payments/bribes/favoritism					3.07	4.30	2.99	3.26
(v) Licensing restrictions						5.39	7.46	8.25
(vi) Cost of tax compliance						6.32	6.51	5.66

Peru

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.90** (88)	**2.61** (108)	**3.97** (100)	**6.50** (49)	**7.30** (38)	**7.30** (44)	**7.43** (33)	**7.52** (31)
Area 1. Size of Government	6.36 (20)	5.33 (44)	7.13 (17)	8.21 (9)	8.07 (12)	7.71 (28)	7.51 (26)	7.53 (30)
Area 2. Legal System and Property Rights	3.77 (58)	2.23 (101)	2.93 (94)	4.76 (95)	3.94 (101)	4.27 (95)	4.76 (82)	4.77 (83)
Area 3. Sound Money	0.00 (107)	0.00 (111)	1.25 (113)	5.13 (90)	8.79 (40)	9.68 (5)	9.23 (40)	9.27 (40)
Area 4. Freedom to Trade Internationally	2.86 (69)	1.23 (89)	3.85 (81)	7.89 (36)	8.35 (33)	7.91 (31)	8.38 (15)	8.43 (11)
Area 5. Regulation	5.15 (64)	5.04 (72)	4.95 (80)	6.53 (37)	7.39 (20)	6.88 (53)	7.17 (38)	7.49 (25)
Unadjusted								
Summary Rating (Rank) ➤	**3.72** (94)	**2.47** (109)	**3.87** (102)	**6.47** (49)	**7.30** (37)	**7.39** (41)	**7.52** (25)	**7.61** (24)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.47**	**5.42**	**7.13**	**8.21**	**8.07**	**7.71**	**7.51**	**7.53**
A. Government consumption	7.26 *(15.33)*	8.04 *(12.67)*	8.69 *(10.46)*	8.77 *(10.17)*	7.73 *(13.72)*	7.86 *(13.29)*	7.75 *(13.64)*	7.73 *(13.71)*
B. Transfers and subsidies	9.62 *(1.90)*	9.65 *(1.80)*	9.32 *(3.00)*	9.07 *(3.90)*	9.04 *(4.02)*	8.99 *(4.20)*	9.29 *(3.10)*	9.37 *(2.82)*
C. Government enterprises and investment	7.00 *(24.30)*	4.00 *(33.90)*	7.00 *(20.00)*	8.00 *(19.50)*	8.00 *(19.61)*	8.00 *(15.60)*	7.00 *(24.34)*	7.00 *(23.59)*
D. Top marginal tax rate	2.00	0.00	3.50	7.00	7.50	6.00	6.00	6.00
(i) Top marginal income tax rate	2.00 *(65)*	0.00 *(65)*	4.00 *(45)*	8.00 *(30)*	10.00 *(20)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			3.00 *(48)*	6.00 *(39)*	5.00 *(41)*	4.00 *(48)*	4.00 *(48)*	4.00 *(48)*
Area 2. Legal System and Property Rights	**3.77**	**2.23**	**2.93**	**4.76**	**3.94**	**4.56**	**5.09**	**5.10**
A. Judicial independence				2.75	1.50	1.59	2.69	2.70
B. Impartial courts				4.33	3.17	2.58	3.44	3.47
C. Protection of property rights				4.83	3.33	4.13	4.71	4.78
D. Military interference in rule of law and politics				4.90	6.67	8.33	7.50	7.50
E. Integrity of the legal system				6.96	5.00	5.00	5.83	5.83
F. Legal enforcement of contracts						4.77	5.07	5.07
G. Regulatory restrictions on sale of real property						8.29	8.78	8.78
H. Reliability of police						3.71	3.47	4.07
I. Business costs of crime						2.67	4.30	3.69
Area 3. Sound Money	**1.62**	**0.00**	**1.25**	**5.13**	**8.79**	**9.68**	**9.23**	**9.27**
A. Money growth	3.38 *(33.12)*	0.00 *(83.59)*	0.00 *(597.16)*	2.94 *(35.32)*	7.03 *(14.85)*	9.77 *(1.13)*	8.38 *(8.10)*	8.42 *(7.89)*
B. Standard deviation of inflation	3.10 *(17.26)*	0.00 *(37.94)*	0.00 *(2341.35)*	0.00 *(127.50)*	8.87 *(2.83)*	9.25 *(1.87)*	9.14 *(2.15)*	8.97 *(2.57)*
C. Inflation: most recent year	0.00 *(65.92)*	0.00 *(167.75)*	0.00 *(6134.79)*	7.56 *(12.18)*	9.25 *(3.76)*	9.68 *(1.62)*	9.41 *(2.94)*	9.69 *(1.53)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	5.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.29**	**1.30**	**4.07**	**7.90**	**8.35**	**8.08**	**8.56**	**8.60**
A. Tariffs	1.47	1.89	3.40	7.02	7.80	8.08	8.49	8.50
(i) Revenue from trade taxes (% of trade sector)	2.93 *(10.60)*	4.47 *(8.30)*	7.40 *(3.90)*	6.33 *(5.50)*	7.23 *(4.16)*	8.48 *(2.28)*	9.13 *(1.30)*	9.12 *(1.32)*
(ii) Mean tariff rate	0.00 *(57.00)*	0.00 *(64.00)*	2.80 *(36.00)*	6.48 *(17.60)*	7.32 *(13.40)*	8.16 *(9.20)*	8.90 *(5.50)*	8.92 *(5.40)*
(iii) Standard deviation of tariff rates		1.20 *(22.00)*	0.00 *(25.00)*	8.24 *(4.40)*	8.84 *(2.90)*	7.59 *(6.02)*	7.45 *(6.38)*	7.47 *(6.32)*
B. Regulatory trade barriers				5.98	6.71	5.70	7.41	7.37
(i) Non-tariff trade barriers				5.98	6.75	5.19	6.71	6.80
(ii) Compliance cost of importing and exporting					6.66	6.22	8.10	7.94
C. Black-market exchange rates	6.40	0.00	6.80	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	8.61	8.88	8.53	8.33	8.54
(i) Foreign ownership/investment restrictions				9.22	9.30	7.27	7.45	7.29
(ii) Capital controls	2.00	2.00	2.00	8.00	8.46	8.46	7.69	8.46
(iii) Freedom of foreigners to visit						9.87	9.87	9.87
Area 5. Regulation	3.46	3.39	3.96	6.37	7.39	6.93	7.22	7.55
A. Credit market regulations	2.95	2.72	2.54	7.59	9.27	8.86	8.45	9.33
(i) Ownership of banks					10.00	8.00	8.00	10.00
(ii) Private sector credit	5.90	5.44	5.08	9.18	8.81	9.58	9.35	10.00
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	6.00	9.00	9.00	8.00	8.00
B. Labor market regulations				5.36	6.75	6.51	7.31	7.36
(i) Hiring regulations and minimum wage				6.45	3.08	5.60	3.90	3.90
(ii) Hiring and firing regulations			6.75	6.75	7.20	3.74	3.98	4.21
(iii) Centralized collective bargaining				7.93	7.93	7.82	7.58	7.62
(iv) Hours regulations				5.68	5.51	6.70	10.00	10.00
(v) Mandated cost of worker dismissal						5.18	8.41	8.41
(vi) Conscription	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
C. Business regulations				6.15	6.15	5.43	5.91	5.96
(i) Administrative requirements					6.75	2.25	2.76	2.72
(ii) Bureaucracy costs				7.00	7.50	4.19	5.23	4.68
(iii) Starting a business				6.43	3.57	7.35	8.99	9.04
(iv) Extra payments/bribes/favoritism				5.02	6.78	6.41	5.09	5.05
(v) Licensing restrictions						7.16	7.62	7.71
(vi) Cost of tax compliance						5.25	5.74	6.54

Philippines

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.33** (51)	**5.07** (60)	**5.79** (48)	**7.30** (26)	**6.97** (44)	**7.00** (58)	**6.78** (67)	**7.06** (55)
Area 1. Size of Government	6.49 (19)	6.75 (10)	8.00 (7)	8.20 (10)	6.87 (38)	8.79 (6)	8.08 (14)	8.31 (9)
Area 2. Legal System and Property Rights	3.06 (65)	2.46 (97)	2.44 (100)	4.82 (91)	4.65 (85)	4.28 (94)	4.02 (100)	3.85 (103)
Area 3. Sound Money	6.10 (61)	4.59 (95)	5.76 (80)	8.80 (35)	9.23 (33)	7.94 (71)	7.98 (72)	9.29 (38)
Area 4. Freedom to Trade Internationally	5.65 (38)	5.82 (34)	5.89 (44)	7.62 (42)	7.09 (66)	7.11 (63)	6.94 (72)	6.95 (71)
Area 5. Regulation	5.17 (62)	5.62 (53)	6.60 (30)	7.02 (20)	7.00 (37)	6.75 (65)	6.79 (63)	6.80 (66)
Unadjusted								
Summary Rating (Rank) ➤	**5.22** (53)	**4.97** (68)	**5.91** (46)	**7.16** (31)	**6.97** (42)	**7.06** (58)	**6.84** (77)	**7.12** (61)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.49**	**6.75**	**8.00**	**8.20**	**6.87**	**8.79**	**8.08**	**8.31**
A. Government consumption	8.13 *(12.35)*	9.01 *(9.37)*	8.11 *(12.43)*	7.85 *(13.32)*	7.26 *(15.31)*	8.17 *(12.23)*	8.34 *(11.66)*	8.25 *(11.96)*
B. Transfers and subsidies	9.84 *(1.10)*	10.00 *(0.20)*	9.89 *(0.90)*	9.95 *(0.70)*	9.21 *(3.40)*	10.00 *(0.26)*	10.00 *(0.23)*	10.00 *(0.20)*
C. Government enterprises and investment	7.00 *(20.10)*	7.00 *(23.70)*	7.00 *(23.30)*	8.00 *(17.50)*	4.00 *(31.10)*	10.00 *(10.32)*	7.00 *(20.44)*	8.00 *(18.20)*
D. Top marginal tax rate	1.00	1.00	7.00	7.00	7.00	7.00	7.00	7.00
(i) Top marginal income tax rate	1.00 *(70)*	1.00 *(60)*	7.00 *(35)*	7.00 *(35)*	7.00 *(32)*	7.00 *(32)*	7.00 *(32)*	7.00 *(32)*
(ii) Top marginal income and payroll tax rate			7.00 *(35)*	7.00 *(35)*	7.00 *(32)*	7.00 *(32)*	7.00 *(32)*	7.00 *(32)*
Area 2. Legal System and Property Rights	**3.06**	**2.46**	**2.44**	**4.82**	**4.65**	**4.86**	**4.56**	**4.37**
A. Judicial independence				3.72	4.51	3.93	3.07	3.25
B. Impartial courts				5.27	5.51	3.62	3.06	3.04
C. Protection of property rights				3.96	3.22	5.69	4.45	4.35
D. Military interference in rule of law and politics				7.04	6.67	5.83	5.83	5.00
E. Integrity of the legal system				4.11	3.33	3.75	4.17	4.17
F. Legal enforcement of contracts						3.42	3.42	3.42
G. Regulatory restrictions on sale of real property						8.00	7.96	7.69
H. Reliability of police						4.13	4.04	4.58
I. Business costs of crime						5.36	5.07	3.80
Area 3. Sound Money	**6.10**	**4.59**	**5.76**	**8.80**	**9.23**	**7.94**	**7.98**	**9.29**
A. Money growth	8.41 *(7.94)*	8.43 *(7.87)*	6.95 *(15.23)*	8.11 *(9.47)*	8.41 *(7.96)*	8.77 *(6.14)*	8.44 *(7.81)*	8.74 *(6.30)*
B. Standard deviation of inflation	8.83 *(2.92)*	3.45 *(16.37)*	8.69 *(3.27)*	8.58 *(3.54)*	9.32 *(1.71)*	9.51 *(1.22)*	9.12 *(2.20)*	9.19 *(2.03)*
C. Inflation: most recent year	7.15 *(14.25)*	6.47 *(17.63)*	7.41 *(12.97)*	8.49 *(7.55)*	9.21 *(3.95)*	8.47 *(7.63)*	9.35 *(3.23)*	9.24 *(3.81)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	5.00	5.00	10.00
Area 4. Freedom to Trade Internationally	**5.11**	**5.26**	**5.43**	**7.10**	**7.09**	**6.84**	**6.67**	**6.69**
A. Tariffs	3.93	5.17	5.69	6.08	7.86	8.14	7.68	7.72
(i) Revenue from trade taxes (% of trade sector)	5.47 *(6.80)*	5.87 *(6.20)*	5.60 *(6.60)*	5.73 *(6.40)*	8.26 *(2.61)*	8.24 *(2.64)*	7.10 *(4.35)*	7.21 *(4.19)*
(ii) Mean tariff rate	2.40 *(38.00)*	4.48 *(27.60)*	5.14 *(24.30)*	4.48 *(27.60)*	8.48 *(7.60)*	8.92 *(5.40)*	8.74 *(6.30)*	8.74 *(6.30)*
(iii) Standard deviation of tariff rates			6.32 *(9.20)*	8.04 *(4.90)*	6.84 *(7.90)*	7.25 *(6.87)*	7.20 *(6.99)*	7.20 *(6.99)*
B. Regulatory trade barriers				5.72	5.89	6.82	6.76	6.74
(i) Non-tariff trade barriers				5.72	3.95	6.03	5.50	5.36
(ii) Compliance cost of importing and exporting					7.83	7.62	8.03	8.13
C. Black-market exchange rates	9.40	8.60	8.60	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	6.61	4.60	2.40	2.24	2.30
(i) Foreign ownership/investment restrictions				8.21	8.44	6.21	5.73	5.89
(ii) Capital controls	2.00	2.00	2.00	5.00	0.77	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						0.23	0.23	0.23
Area 5. Regulation	5.34	5.81	7.92	6.88	7.00	6.87	6.90	6.92
A. Credit market regulations	6.60	5.50	8.19	9.19	8.98	9.01	9.01	8.91
(i) Ownership of banks	5.00	5.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	6.79	7.51	8.56	9.58	8.94	9.02	9.02	8.73
(iii) Interest rate controls/negative real interest rates	8.00	4.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			7.65	6.82	6.06	5.95	6.02	6.02
(i) Hiring regulations and minimum wage				5.05	4.38	4.40	4.43	4.43
(ii) Hiring and firing regulations			5.70	5.70	3.30	4.28	3.62	3.81
(iii) Centralized collective bargaining			7.24	7.24	6.92	5.47	6.08	5.89
(iv) Hours regulations				6.10	5.68	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						1.56	1.97	1.97
(vi) Conscription	3.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				4.63	5.97	5.65	5.68	5.83
(i) Administrative requirements					7.20	2.39	2.56	2.62
(ii) Bureaucracy costs				5.48	6.68	4.13	5.65	3.38
(iii) Starting a business				6.08	5.63	7.88	8.45	8.66
(iv) Extra payments/bribes/favoritism				2.32	4.35	4.24	2.88	3.15
(v) Licensing restrictions						7.41	6.75	9.33
(vi) Cost of tax compliance						7.81	7.81	7.81

Poland

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**3.46** (101)	**3.55** (104)	**5.37** (87)	**6.34** (74)	**6.89** (63)	**7.28** (40)	**7.29** (41)
Area 1. Size of Government	4.00 (81)	3.90 (85)	1.85 (113)	2.62 (119)	4.25 (107)	5.40 (95)	6.38 (58)	6.35 (64)
Area 2. Legal System and Property Rights		4.78 (59)	6.19 (34)	6.84 (36)	6.50 (52)	5.93 (60)	6.61 (47)	6.67 (46)
Area 3. Sound Money	8.34 (14)	4.43 (97)	2.50 (109)	6.03 (73)	7.49 (69)	9.27 (36)	9.32 (32)	9.39 (30)
Area 4. Freedom to Trade Internationally		1.91 (82)	4.96 (58)	7.12 (54)	7.25 (61)	7.04 (66)	7.18 (60)	7.02 (68)
Area 5. Regulation	2.06 (100)	2.09 (105)	2.19 (114)	4.27 (110)	6.20 (68)	6.83 (58)	6.96 (52)	7.05 (46)
Unadjusted								
Summary Rating (Rank) ➤		**3.70** (97)	**3.54** (104)	**5.30** (89)	**6.34** (72)	**6.91** (68)	**7.30** (42)	**7.31** (48)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.10**	**4.21**	**2.00**	**2.62**	**4.25**	**5.40**	**6.38**	**6.35**
A. Government consumption	8.21 *(12.09)*	7.95 *(12.97)*	3.33 *(28.69)*	4.99 *(23.02)*	5.00 *(23.00)*	5.15 *(22.50)*	4.95 *(23.18)*	4.84 *(23.53)*
B. Transfers and subsidies		2.67 *(27.40)*	2.67 *(27.40)*	3.49 *(24.40)*	4.50 *(20.69)*	4.96 *(19.01)*	5.06 *(18.65)*	5.05 *(18.67)*
C. Government enterprises and investment	2.00 *(40.70)*	2.00 *(40.70)*	0.00 *(58.80)*	0.00 *(55.80)*	4.00 *(36.62)*	8.00 *(18.69)*	10.00 *(13.01)*	10.00 *(13.66)*
D. Top marginal tax rate				2.00	3.50	3.50	5.50	5.50
(i) Top marginal income tax rate				4.00 *(45)*	5.00 *(40)*	5.00 *(40)*	7.00 *(32)*	7.00 *(32)*
(ii) Top marginal income and payroll tax rate				0.00 *(63)*	2.00 *(53)*	2.00 *(55)*	4.00 *(44)*	4.00 *(44)*
Area 2. Legal System and Property Rights		**4.78**	**6.19**	**6.84**	**6.50**	**5.63**	**6.28**	**6.33**
A. Judicial independence				6.47	5.34	4.18	5.56	5.55
B. Impartial courts				5.60	5.85	4.37	3.48	3.69
C. Protection of property rights				3.58	4.63	4.58	5.98	5.90
D. Military interference in rule of law and politics				8.54	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	6.67	7.08	7.50	7.50
F. Legal enforcement of contracts						4.27	4.27	4.27
G. Regulatory restrictions on sale of real property						5.75	7.00	7.00
H. Reliability of police						4.89	5.63	7.44
I. Business costs of crime						5.57	7.09	5.61
Area 3. Sound Money	**7.42**	**4.43**	**2.50**	**6.03**	**7.49**	**9.27**	**9.32**	**9.39**
A. Money growth		5.90 *(20.50)*	0.00 *(110.44)*	3.83 *(30.87)*	8.97 *(5.14)*	8.05 *(9.75)*	8.48 *(7.61)*	8.59 *(7.04)*
B. Standard deviation of inflation	9.21 *(1.97)*	0.00 *(37.35)*	0.00 *(167.57)*	5.91 *(10.22)*	8.00 *(5.00)*	9.44 *(1.41)*	9.58 *(1.05)*	9.51 *(1.21)*
C. Inflation: most recent year	8.04 *(9.80)*	6.83 *(15.83)*	0.00 *(435.66)*	4.37 *(28.17)*	7.99 *(10.06)*	9.58 *(2.11)*	9.23 *(3.83)*	9.46 *(2.71)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	10.00	10.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally		**1.92**	**4.97**	**6.82**	**7.25**	**7.29**	**7.44**	**7.27**
A. Tariffs		5.77	6.70	6.38	7.76	8.39	8.22	8.28
(i) Revenue from trade taxes (% of trade sector)		4.27 *(8.60)*	6.00 *(6.00)*	5.95 *(6.08)*	9.20 *(1.20)*	9.59 *(0.62)*	9.44 *(0.84)*	9.44 *(0.84)*
(ii) Mean tariff rate		7.28 *(13.60)*	7.66 *(11.70)*	6.32 *(18.40)*	8.00 *(10.00)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			6.44 *(8.90)*	6.88 *(7.80)*	6.08 *(9.80)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				5.70	7.45	6.19	6.79	6.23
(i) Non-tariff trade barriers				5.70	6.23	5.19	6.40	5.96
(ii) Compliance cost of importing and exporting					8.66	7.18	7.18	6.50
C. Black-market exchange rates	0.00	0.00	8.20	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.21	3.78	4.59	4.73	4.56
(i) Foreign ownership/investment restrictions				5.41	6.78	5.65	6.09	5.56
(ii) Capital controls	0.00	0.00	0.00	5.00	0.77	1.54	1.54	1.54
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	3.10	3.13	2.03	4.22	6.20	6.97	7.11	7.20
A. Credit market regulations	0.24	0.38	0.44	3.94	7.61	8.59	8.24	8.24
(i) Ownership of banks	0.00	0.00	0.00	2.00	5.00	8.00	8.00	8.00
(ii) Private sector credit	0.48	0.76	1.31	3.82	7.84	7.76	6.71	6.71
(iii) Interest rate controls/negative real interest rates			0.00	6.00	10.00	10.00	10.00	10.00
B. Labor market regulations			3.62	4.45	4.20	6.56	7.45	7.42
(i) Hiring regulations and minimum wage				5.38	3.39	10.00	5.57	5.57
(ii) Hiring and firing regulations			5.67	5.67	2.72	4.78	3.86	3.78
(iii) Centralized collective bargaining	4.49	4.49	5.18	5.18	7.03	6.11	7.30	7.19
(iv) Hours regulations				5.00	4.84	6.70	8.00	8.00
(v) Mandated cost of worker dismissal						8.79	10.00	10.00
(vi) Conscription	0.00	0.00	0.00	1.00	3.00	3.00	10.00	10.00
C. Business regulations				4.27	6.78	5.75	5.63	5.93
(i) Administrative requirements					7.40	3.45	2.86	2.68
(ii) Bureaucracy costs				5.14	7.13	6.50	3.84	5.58
(iii) Starting a business				4.37	6.98	8.11	8.74	8.75
(iv) Extra payments/bribes/favoritism				3.30	5.60	5.55	6.35	5.98
(v) Licensing restrictions						5.59	5.63	5.91
(vi) Cost of tax compliance						5.31	6.36	6.68

Portugal

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.53** (43)	**5.37** (51)	**6.25** (37)	**7.46** (22)	**7.55** (25)	**7.43** (36)	**7.18** (46)	**7.22** (48)
Area 1. Size of Government	3.31 (93)	3.52 (95)	5.22 (68)	5.49 (80)	5.26 (88)	5.73 (91)	5.47 (89)	5.52 (90)
Area 2. Legal System and Property Rights	8.00 (7)	6.08 (31)	7.73 (19)	8.04 (21)	7.64 (30)	7.72 (26)	7.18 (34)	7.05 (34)
Area 3. Sound Money	5.61 (76)	5.61 (87)	6.05 (72)	9.18 (29)	9.51 (20)	9.54 (19)	9.61 (11)	9.75 (2)
Area 4. Freedom to Trade Internationally	6.57 (27)	6.77 (25)	7.66 (24)	9.02 (15)	8.95 (20)	7.89 (33)	8.02 (26)	7.83 (31)
Area 5. Regulation	4.26 (86)	5.00 (73)	4.58 (93)	5.55 (74)	6.39 (57)	6.33 (83)	5.72 (107)	6.01 (99)
Unadjusted								
Summary Rating (Rank) ➤	**5.62** (41)	**5.46** (51)	**6.20** (39)	**7.40** (22)	**7.55** (22)	**7.34** (45)	**7.10** (61)	**7.14** (60)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.63**	**3.86**	**5.22**	**5.49**	**5.26**	**5.73**	**5.47**	**5.52**
A. Government consumption	6.83 *(16.76)*	6.60 *(17.57)*	5.95 *(19.76)*	5.47 *(21.41)*	4.18 *(25.80)*	4.61 *(24.33)*	4.33 *(25.29)*	4.52 *(24.62)*
B. Transfers and subsidies	5.69 *(16.30)*	4.82 *(19.50)*	5.91 *(15.50)*	6.49 *(13.40)*	5.88 *(15.64)*	4.81 *(19.54)*	4.04 *(22.37)*	4.04 *(22.37)*
C. Government enterprises and investment	2.00 *(42.20)*	4.00 *(30.50)*	6.00 *(29.90)*	7.00 *(23.20)*	7.00 *(23.20)*	10.00 *(13.22)*	10.00 *(9.53)*	10.00 *(7.96)*
D. Top marginal tax rate	0.00	0.00	3.00	3.00	4.00	3.50	3.50	3.50
(i) Top marginal income tax rate	0.00 *(84)*	0.00 *(69)*	5.00 *(40)*	5.00 *(40)*	6.00 *(40)*	5.00 *(42)*	5.00 *(42)*	5.00 *(47)*
(ii) Top marginal income and payroll tax rate			1.00 *(57)*	1.00 *(57)*	2.00 *(57)*	2.00 *(58)*	2.00 *(58)*	2.00 *(62)*
Area 2. Legal System and Property Rights	**8.00**	**6.08**	**7.73**	**8.04**	**7.64**	**7.32**	**6.81**	**6.69**
A. Judicial independence				8.15	7.01	7.76	5.48	4.89
B. Impartial courts				6.97	6.35	5.33	3.14	2.91
C. Protection of property rights				5.10	6.48	7.43	6.73	6.31
D. Military interference in rule of law and politics				9.99	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						5.25	5.55	5.55
G. Regulatory restrictions on sale of real property						6.04	7.55	7.58
H. Reliability of police						7.42	6.76	7.94
I. Business costs of crime						8.29	7.72	6.70
Area 3. Sound Money	**5.61**	**5.61**	**6.05**	**9.18**	**9.51**	**9.54**	**9.61**	**9.75**
A. Money growth	7.96 *(10.18)*	7.84 *(10.78)*	8.23 *(8.87)*	8.80 *(5.98)*	8.77 *(6.14)*	8.83 *(5.83)*	9.08 *(4.60)*	9.78 *(1.12)*
B. Standard deviation of inflation	8.66 *(3.34)*	8.94 *(2.64)*	8.54 *(3.66)*	8.95 *(2.62)*	9.85 *(0.39)*	9.78 *(0.55)*	9.51 *(1.21)*	9.51 *(1.23)*
C. Inflation: most recent year	5.82 *(20.90)*	5.65 *(21.73)*	7.45 *(12.77)*	8.97 *(5.16)*	9.43 *(2.85)*	9.54 *(2.29)*	9.84 *(−0.83)*	9.72 *(1.39)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.73**	**6.93**	**7.55**	**8.80**	**8.95**	**7.99**	**8.13**	**7.93**
A. Tariffs	8.60	9.20	8.26	8.70	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	8.60 *(2.10)*	9.20 *(1.20)*	9.13 *(1.30)*	9.80 *(0.30)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate			8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.18	8.62	7.80	7.81	7.12
(i) Non-tariff trade barriers				8.18	7.73	7.78	7.74	7.67
(ii) Compliance cost of importing and exporting					9.50	7.82	7.89	6.56
C. Black-market exchange rates	9.60	9.60	9.40	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	5.00	8.32	7.99	5.77	6.47	6.25
(i) Foreign ownership/investment restrictions				8.64	9.05	7.67	6.67	6.03
(ii) Capital controls	2.00	2.00	5.00	8.00	6.92	3.08	6.15	6.15
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	4.10	4.81	4.45	5.48	6.39	6.10	5.51	5.80
A. Credit market regulations	4.42	6.17	5.76	6.59	7.84	6.89	5.44	6.44
(i) Ownership of banks	0.00	0.00	2.00	2.00	5.00	5.00	5.00	8.00
(ii) Private sector credit	9.27	8.50	7.29	7.78	8.51	5.66	1.32	1.32
(iii) Interest rate controls/negative real interest rates	4.00	10.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.78	3.46	3.13	4.64	4.46	5.26	5.16	4.67
(i) Hiring regulations and minimum wage				6.42	4.05	6.70	5.57	2.23
(ii) Hiring and firing regulations			3.40	3.40	2.83	2.86	2.18	2.30
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	4.88	5.51	5.28	5.53
(iv) Hours regulations	6.16	5.19	3.96	5.22	5.51	5.30	6.00	6.00
(v) Mandated cost of worker dismissal						1.19	1.97	1.97
(vi) Conscription	0.00	0.00	0.00	3.00	5.00	10.00	10.00	10.00
C. Business regulations				5.21	6.87	6.15	5.93	6.28
(i) Administrative requirements					7.58	3.68	2.54	2.48
(ii) Bureaucracy costs				5.53	7.20	3.57	3.54	5.68
(iii) Starting a business				4.32	5.65	9.53	9.63	9.82
(iv) Extra payments/bribes/favoritism				5.79	7.04	8.33	6.83	6.09
(v) Licensing restrictions						5.48	6.39	6.67
(vi) Cost of tax compliance						6.32	6.66	6.92

Qatar

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤								**7.70** (17)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government								**6.59**
A. Government consumption								0.59 *(38.01)*
B. Transfers and subsidies								9.19 *(3.49)*
C. Government enterprises and investment								
D. Top marginal tax rate								10.00
(i) Top marginal income tax rate								10.00 *(0)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights								**7.53**
A. Judicial independence								8.37
B. Impartial courts								6.32
C. Protection of property rights								6.32
D. Military interference in rule of law and politics								6.67
E. Integrity of the legal system								8.33
F. Legal enforcement of contracts								4.86
G. Regulatory restrictions on sale of real property								9.66
H. Reliability of police								8.48
I. Business costs of crime								8.79
Area 3. Sound Money								**8.64**
A. Money growth								8.84 *(−5.78)*
B. Standard deviation of inflation								6.19 *(9.52)*
C. Inflation: most recent year								9.51 *(−2.43)*
D. Freedom to own foreign currency bank accounts								10.00
Area 4. Freedom to Trade Internationally								**7.68**
A. Tariffs								7.94
(i) Revenue from trade taxes (% of trade sector)								8.14 *(2.79)*
(ii) Mean tariff rate							9.00 *(5.00)*	9.00 *(5.00)*
(iii) Standard deviation of tariff rates							6.68 *(8.30)*	6.68 *(8.30)*
B. Regulatory trade barriers								7.81
(i) Non-tariff trade barriers								8.36
(ii) Compliance cost of importing and exporting								7.25
C. Black-market exchange rates								10.00
D. Controls of the movement of capital and people								4.97
(i) Foreign ownership/investment restrictions								6.79
(ii) Capital controls								4.62
(iii) Freedom of foreigners to visit								3.52
Area 5. Regulation								8.04
A. Credit market regulations								7.95
(i) Ownership of banks								
(ii) Private sector credit								5.90
(iii) Interest rate controls/negative real interest rates								10.00
B. Labor market regulations								7.69
(i) Hiring regulations and minimum wage								10.00
(ii) Hiring and firing regulations								5.44
(iii) Centralized collective bargaining								8.27
(iv) Hours regulations								8.00
(v) Mandated cost of worker dismissal								4.44
(vi) Conscription								10.00
C. Business regulations								8.48
(i) Administrative requirements								6.48
(ii) Bureaucracy costs								7.62
(iii) Starting a business								9.32
(iv) Extra payments/bribes/favoritism								8.08
(v) Licensing restrictions								9.78
(vi) Cost of tax compliance								9.60

Romania

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤		**4.39** (85)	**4.31** (99)	**3.81** (117)	**5.27** (110)	**7.08** (54)	**7.34** (37)	**7.27** (42)
Area 1. Size of Government	4.08 (79)	4.63 (66)	3.09 (107)	3.37 (110)	5.02 (91)	7.86 (25)	7.23 (30)	7.04 (40)
Area 2. Legal System and Property Rights		3.59 (78)	5.65 (50)	5.62 (64)	6.16 (57)	5.70 (63)	6.28 (55)	5.97 (59)
Area 3. Sound Money	6.61 (37)	6.95 (39)	7.18 (39)	0.74 (119)	2.71 (121)	8.30 (61)	9.03 (47)	9.02 (49)
Area 4. Freedom to Trade Internationally			3.16 (86)	5.71 (82)	6.70 (73)	7.35 (51)	7.60 (45)	7.40 (51)
Area 5. Regulation	3.14 (95)	2.94 (101)	2.94 (107)	3.39 (118)	5.78 (93)	6.24 (88)	6.58 (77)	6.90 (55)
Unadjusted								
Summary Rating (Rank) ➤		**5.58** (45)	**5.02** (75)	**3.63** (120)	**5.16** (112)	**7.22** (50)	**7.48** (28)	**7.41** (36)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**7.85**	**8.92**	**5.94**	**3.37**	**5.02**	**7.86**	**7.23**	**7.04**
A. Government consumption	9.41 *(8.01)*	9.85 *(6.51)*	6.82 *(16.82)*	6.81 *(16.84)*	7.50 *(14.48)*	8.44 *(11.31)*	5.92 *(19.86)*	5.71 *(20.57)*
B. Transfers and subsidies	6.29 *(14.10)*	7.98 *(7.90)*	5.07 *(18.60)*	6.16 *(14.59)*	6.09 *(14.84)*	7.01 *(11.49)*	6.50 *(13.33)*	5.96 *(15.33)*
C. Government enterprises and investment				0.00 *(60.70)*	4.00 *(60.70)*	10.00 *(10.56)*	10.00 *(7.75)*	10.00 *(9.33)*
D. Top marginal tax rate				0.50	2.50	6.00	6.50	6.50
(i) Top marginal income tax rate				1.00 *(60)*	5.00 *(40)*	10.00 *(16)*	10.00 *(16)*	10.00 *(16)*
(ii) Top marginal income and payroll tax rate				0.00 *(72)*	0.00 *(68)*	2.00 *(54)*	3.00 *(48)*	3.00 *(48)*
Area 2. Legal System and Property Rights		**3.99**	**6.28**	**5.64**	**5.58**	**5.47**	**6.02**	**5.72**
A. Judicial independence						3.14	4.12	3.52
B. Impartial courts				5.40	5.52	3.45	3.20	3.04
C. Protection of property rights					4.10	5.12	5.29	4.89
D. Military interference in rule of law and politics				6.37	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						5.21	4.85	4.85
G. Regulatory restrictions on sale of real property						7.97	8.67	9.11
H. Reliability of police						4.44	5.27	6.56
I. Business costs of crime						4.87	7.78	4.54
Area 3. Sound Money	**6.61**	**6.95**	**7.18**	**0.74**	**2.71**	**8.30**	**9.03**	**9.02**
A. Money growth	7.76 *(11.20)*	9.75 *(−1.25)*	8.57 *(7.13)*	0.00 *(58.13)*	9.98 *(−0.12)*	8.92 *(−5.39)*	8.15 *(9.25)*	8.65 *(6.77)*
B. Standard deviation of inflation	8.78 *(3.05)*	8.11 *(4.73)*	7.87 *(5.32)*	0.00 *(68.32)*	0.00 *(44.43)*	6.07 *(9.82)*	9.10 *(2.24)*	8.65 *(3.38)*
C. Inflation: most recent year	9.88 *(0.59)*	9.93 *(0.37)*	7.26 *(13.72)*	2.94 *(35.30)*	0.87 *(45.67)*	8.20 *(8.99)*	8.88 *(5.59)*	8.78 *(6.09)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	5.00	0.00	0.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally			**3.24**	**5.54**	**6.70**	**7.80**	**8.08**	**7.86**
A. Tariffs			9.73	7.22	6.76	7.75	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)			9.73 *(0.40)*	8.20 *(2.70)*	8.95 *(1.58)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate				6.24 *(18.80)*	6.96 *(15.20)*	8.68 *(6.60)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates					4.36 *(14.10)*	4.98 *(12.56)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers					5.48	6.89	7.43	6.49
(i) Non-tariff trade barriers					5.48	5.43	6.51	5.78
(ii) Compliance cost of importing and exporting						8.35	8.35	7.19
C. Black-market exchange rates	0.00	0.00	0.00	9.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	4.54	6.58	6.65	6.60
(i) Foreign ownership/investment restrictions					7.55	6.23	5.70	5.54
(ii) Capital controls	0.00	0.00	0.00	0.00	1.54	6.92	7.69	7.69
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	2.64	2.47	2.47	2.85	5.78	6.69	7.05	7.39
A. Credit market regulations	0.00	0.00	0.00	0.67	5.34	7.79	7.71	9.38
(i) Ownership of banks	0.00	0.00	0.00	2.00	0.00	5.00	5.00	10.00
(ii) Private sector credit	0.00	0.00	0.00	0.00	6.02	9.37	8.14	8.14
(iii) Interest rate controls/negative real interest rates			0.00	0.00	10.00	9.00	10.00	10.00
B. Labor market regulations					6.28	5.63	7.05	6.93
(i) Hiring regulations and minimum wage					4.66	3.30	3.33	3.33
(ii) Hiring and firing regulations					8.80	4.15	4.73	4.29
(iii) Centralized collective bargaining					8.67	7.87	6.62	6.37
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						9.44	9.60	9.60
(vi) Conscription	1.00	0.00	0.00	1.00	3.00	3.00	10.00	10.00
C. Business regulations					5.73	6.64	6.40	5.85
(i) Administrative requirements					6.63	3.50	3.20	3.08
(ii) Bureaucracy costs					7.50	7.04	5.56	4.39
(iii) Starting a business					3.60	9.60	9.65	9.52
(iv) Extra payments/bribes/favoritism					5.18	5.18	5.40	4.49
(v) Licensing restrictions						6.72	7.07	6.11
(vi) Cost of tax compliance						7.84	7.51	7.51

Russia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**4.43** (108)	**5.15** (113)	**6.08** (95)	**6.23** (94)	**6.35** (95)
Area 1. Size of Government	1.14 (108)	1.06 (112)	1.13 (114)	6.78 (35)	6.77 (44)	7.24 (41)	6.66 (45)	6.75 (50)
Area 2. Legal System and Property Rights				3.54 (110)	4.45 (93)	4.51 (87)	4.55 (88)	4.43 (92)
Area 3. Sound Money	6.38 (46)	6.52 (63)	5.95 (74)	1.25 (117)	3.66 (115)	6.69 (96)	8.30 (64)	8.47 (65)
Area 4. Freedom to Trade Internationally				6.44 (64)	6.23 (81)	5.99 (90)	5.74 (97)	6.32 (91)
Area 5. Regulation	1.08 (101)	1.08 (106)	1.08 (115)	4.19 (113)	4.64 (112)	6.13 (91)	6.13 (97)	6.07 (96)
Unadjusted								
Summary Rating (Rank) ➤				**4.33** (111)	**5.15** (113)	**6.24** (99)	**6.44** (95)	**6.56** (95)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**1.66**	**1.54**	**1.24**	**6.78**	**6.77**	**7.24**	**6.66**	**6.75**
A. Government consumption	3.03 *(29.70)*	2.65 *(31.00)*	2.99 *(29.84)*	3.74 *(27.30)*	5.01 *(22.96)*	4.40 *(25.06)*	3.35 *(28.61)*	3.45 *(28.27)*
B. Transfers and subsidies	1.96 *(30.00)*	1.96 *(30.00)*	1.96 *(30.00)*	7.90 *(8.20)*	6.56 *(13.11)*	7.05 *(11.33)*	4.80 *(19.58)*	5.07 *(18.61)*
C. Government enterprises and investment			0.00 *(90.00)*	10.00 *(11.10)*	10.00 *(10.30)*	10.00 *(14.50)*	10.00 *(14.69)*	10.00 *(12.81)*
D. Top marginal tax rate	0.00	0.00	0.00	5.50	5.50	7.50	8.50	8.50
(i) Top marginal income tax rate	0.00 *(100)*	0.00 *(100)*	0.00 *(80)*	8.00 *(30)*	8.00 *(30)*	10.00 *(13)*	10.00 *(13)*	10.00 *(13)*
(ii) Top marginal income and payroll tax rate				3.00 *(51)*	3.00 *(50)*	5.00 *(39)*	7.00 *(35)*	7.00 *(35)*
Area 2. Legal System and Property Rights				**3.43**	**4.45**	**5.21**	**5.42**	**5.27**
A. Judicial independence				3.48	3.51	2.14	2.87	2.66
B. Impartial courts				4.20	5.18	2.78	3.13	2.88
C. Protection of property rights				1.56	1.88	3.63	3.23	3.02
D. Military interference in rule of law and politics				4.49	6.67	7.50	7.50	7.50
E. Integrity of the legal system					5.00	6.67	6.67	6.67
F. Legal enforcement of contracts						7.53	7.53	7.53
G. Regulatory restrictions on sale of real property						8.92	9.15	9.12
H. Reliability of police						3.28	2.89	5.31
I. Business costs of crime						4.49	5.76	2.72
Area 3. Sound Money	**5.72**	**6.52**	**5.95**	**1.25**	**3.66**	**6.69**	**8.30**	**8.47**
A. Money growth	7.88 *(10.60)*	8.08 *(9.60)*	8.06 *(9.70)*	0.00 *(401.40)*	2.19 *(39.06)*	5.31 *(23.43)*	8.28 *(8.60)*	7.77 *(11.14)*
B. Standard deviation of inflation	9.28 *(1.80)*	9.44 *(1.40)*	8.92 *(2.70)*	0.00 *(522.92)*	1.61 *(20.98)*	8.97 *(2.57)*	7.23 *(6.92)*	7.47 *(6.33)*
C. Inflation: most recent year		8.54 *(7.30)*	6.82 *(15.90)*	0.00 *(170.74)*	5.84 *(20.78)*	7.46 *(12.68)*	7.67 *(11.65)*	8.63 *(6.86)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	5.00	10.00	10.00
Area 4. Freedom to Trade Internationally				**6.11**	**6.23**	**5.76**	**5.53**	**6.08**
A. Tariffs				6.60	7.00	5.08	4.05	4.59
(i) Revenue from trade taxes (% of trade sector)				7.07 *(4.40)*	6.92 *(4.62)*	1.17 *(13.24)*	0.00 *(19.40)*	0.00 *(20.30)*
(ii) Mean tariff rate				7.70 *(11.50)*	7.48 *(12.60)*	8.08 *(9.60)*	7.90 *(10.50)*	8.10 *(9.50)*
(iii) Standard deviation of tariff rates				5.04 *(12.40)*	6.60 *(8.50)*	5.99 *(10.03)*	4.25 *(14.39)*	5.67 *(10.83)*
B. Regulatory trade barriers				4.32	5.06	4.83	4.54	5.94
(i) Non-tariff trade barriers				4.32	3.78	4.76	4.17	4.12
(ii) Compliance cost of importing and exporting					6.33	4.90	4.90	7.75
C. Black-market exchange rates	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	3.54	2.86	3.14	3.53	3.81
(i) Foreign ownership/investment restrictions				5.08	5.71	4.22	4.21	4.23
(ii) Capital controls	0.00	0.00	0.00	2.00	0.00	3.85	5.00	5.83
(iii) Freedom of foreigners to visit						1.36	1.36	1.36
Area 5. Regulation	2.47	2.47	1.00	4.08	4.64	6.31	6.31	6.24
A. Credit market regulations	0.00	0.00	0.17	5.02	4.29	8.00	8.33	7.77
(i) Ownership of banks	0.00	0.00	0.00	2.00	2.00	5.00	5.00	5.00
(ii) Private sector credit			0.50	5.05	5.88	10.00	10.00	9.30
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	8.00	5.00	9.00	10.00	9.00
B. Labor market regulations			1.84	4.00	4.50	5.98	6.10	6.05
(i) Hiring regulations and minimum wage				6.00	2.58	6.70	5.00	5.00
(ii) Hiring and firing regulations			1.03	1.03	6.08	6.75	4.76	4.55
(iii) Centralized collective bargaining			4.49	7.24	8.30	8.02	6.67	6.57
(iv) Hours regulations				5.72	5.51	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						8.42	9.20	9.20
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00
C. Business regulations				3.23	5.14	4.94	4.48	4.90
(i) Administrative requirements					6.22	2.06	2.45	2.36
(ii) Bureaucracy costs				4.79	5.00	3.60	5.50	3.36
(iii) Starting a business				3.52	4.00	8.97	9.00	9.01
(iv) Extra payments/bribes/favoritism				1.40	5.36	5.59	3.53	3.23
(v) Licensing restrictions						4.43	0.00	4.67
(vi) Cost of tax compliance						4.98	6.41	6.75

Rwanda

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤			**5.02** (80)	**3.78** (119)	**5.40** (106)	**5.85** (104)	**6.73** (69)	**7.25** (44)
Area 1. Size of Government	4.94 (57)	5.08 (53)	6.59 (27)	6.32 (51)	7.39 (23)	6.50 (67)	5.62 (84)	5.57 (86)
Area 2. Legal System and Property Rights				1.14 (119)	1.16 (123)	1.84 (121)	3.60 (106)	3.58 (108)
Area 3. Sound Money	6.45 (42)	6.76 (48)	6.06 (71)	3.17 (107)	7.44 (70)	7.75 (74)	7.55 (82)	9.05 (46)
Area 4. Freedom to Trade Internationally								
Area 5. Regulation	5.62 (47)	5.72 (48)	5.65 (60)	4.37 (107)	5.62 (95)	6.81 (61)	8.31 (5)	8.52 (5)
Unadjusted								
Summary Rating (Rank) ➤	**4.60** (71)		**4.99** (79)	**3.95** (117)	**5.61** (102)	**5.84** (121)	**6.81** (78)	**7.33** (45)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.95**	**4.08**	**6.59**	**6.32**	**7.39**	**6.50**	**5.62**	**5.57**
A. Government consumption	7.93 *(13.04)*	8.15 *(12.28)*	8.59 *(10.81)*	9.42 *(7.98)*	8.63 *(10.66)*	7.96 *(12.94)*	7.31 *(15.15)*	7.17 *(15.63)*
B. Transfers and subsidies	9.92 *(0.80)*		9.18 *(3.50)*	9.54 *(2.20)*	9.54 *(2.20)*	9.54 *(2.20)*	9.54 *(2.20)*	9.54 *(2.20)*
C. Government enterprises and investment	0.00 *(100.00)*	0.00 *(100.00)*	2.00 *(40.46)*	0.00 *(60.25)*	4.00 *(33.90)*	2.00 *(42.15)*	0.00 *(51.17)*	0.00 *(51.17)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights				**2.38**	**1.98**	**3.02**	**6.76**	**6.72**
A. Judicial independence							6.80	7.02
B. Impartial courts				3.43	3.48	3.80	5.54	6.11
C. Protection of property rights							6.59	6.82
D. Military interference in rule of law and politics					0.00	3.10	5.40	6.00
E. Integrity of the legal system				0.00	0.00			
F. Legal enforcement of contracts						3.35	3.95	3.95
G. Regulatory restrictions on sale of real property						1.84	8.83	7.46
H. Reliability of police							8.03	8.24
I. Business costs of crime							8.97	8.15
Area 3. Sound Money	**6.45**	**6.76**	**6.06**	**3.17**	**7.44**	**7.75**	**7.55**	**9.05**
A. Money growth	8.44 *(7.78)*	10.00 *(0.01)*	9.59 *(−2.07)*	4.43 *(27.87)*	8.62 *(6.88)*	9.94 *(0.31)*	8.86 *(5.71)*	8.86 *(5.71)*
B. Standard deviation of inflation	7.99 *(5.03)*	7.97 *(5.07)*	7.34 *(6.65)*	3.27 *(16.82)*	6.98 *(7.56)*	7.86 *(5.35)*	8.40 *(3.99)*	7.81 *(5.48)*
C. Inflation: most recent year	9.39 *(3.06)*	9.09 *(4.56)*	7.31 *(13.46)*	0.00 *(54.20)*	9.14 *(4.29)*	8.20 *(9.01)*	7.93 *(10.36)*	9.54 *(2.31)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	5.00	5.00	10.00
Area 4. Freedom to Trade Internationally	**0.38**		**1.64**	**3.50**		**4.79**	**6.04**	**7.02**
A. Tariffs	1.13		0.53	1.10		6.30	6.15	6.40
(i) Revenue from trade taxes (% of trade sector)	1.13 *(13.30)*		0.53 *(14.20)*	0.27 *(14.60)*				
(ii) Mean tariff rate				3.04 *(34.80)*		6.56 *(17.20)*	6.26 *(18.70)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates				0.00 *(33.10)*		6.04 *(9.91)*	6.04 *(9.91)*	5.30 *(11.75)*
B. Regulatory trade barriers						0.13	4.72	6.11
(i) Non-tariff trade barriers							4.33	5.16
(ii) Compliance cost of importing and exporting						0.13	5.11	7.06
C. Black-market exchange rates	0.00	0.20	4.40	9.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	1.54	2.72	3.31	5.57
(i) Foreign ownership/investment restrictions							6.03	6.67
(ii) Capital controls	0.00	0.00	0.00	0.00	1.54	3.85	2.31	8.46
(iii) Freedom of foreigners to visit						1.59	1.59	1.59
Area 5. Regulation	5.62	5.72	5.65	4.37	5.62	7.16	8.09	8.30
A. Credit market regulations	5.01	5.26	5.08	1.68	5.01	7.35	8.55	8.55
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00
(ii) Private sector credit	9.03	7.79	5.24	5.04	5.04	5.04	8.65	8.65
(iii) Interest rate controls/negative real interest rates	6.00	8.00	10.00	0.00	10.00	9.00	9.00	9.00
B. Labor market regulations						7.30	8.47	8.48
(i) Hiring regulations and minimum wage						5.60	8.90	10.00
(ii) Hiring and firing regulations							5.93	5.48
(iii) Centralized collective bargaining							7.99	7.42
(iv) Hours regulations						6.00	10.00	10.00
(v) Mandated cost of worker dismissal						7.59	7.99	7.99
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						6.83	7.25	7.88
(i) Administrative requirements							6.72	6.97
(ii) Bureaucracy costs							4.08	7.04
(iii) Starting a business						7.51	9.81	9.85
(iv) Extra payments/bribes/favoritism							7.46	7.39
(v) Licensing restrictions						4.86	7.10	7.68
(vi) Cost of tax compliance						8.12	8.34	8.34

Saudi Arabia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤								**7.06** (65)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government								**5.04**
A. Government consumption								0.07 *(39.76)*
B. Transfers and subsidies								
C. Government enterprises and investment								
D. Top marginal tax rate								10.00
(i) Top marginal income tax rate								10.00 *(0)*
(ii) Top marginal income and payroll tax rate								10.00 *(18)*
Area 2. Legal System and Property Rights								**7.66**
A. Judicial independence								7.63
B. Impartial courts								6.17
C. Protection of property rights								7.65
D. Military interference in rule of law and politics								8.33
E. Integrity of the legal system								8.33
F. Legal enforcement of contracts								4.01
G. Regulatory restrictions on sale of real property								9.96
H. Reliability of police								9.10
I. Business costs of crime								7.78
Area 3. Sound Money								**7.51**
A. Money growth								8.83 *(5.84)*
B. Standard deviation of inflation								3.71 *(15.72)*
C. Inflation: most recent year								*(5.34)*
D. Freedom to own foreign currency bank accounts								10.00
Area 4. Freedom to Trade Internationally								**7.04**
A. Tariffs								8.20
(i) Revenue from trade taxes (% of trade sector)								
(ii) Mean tariff rate							9.04 *(4.80)*	9.04 *(4.80)*
(iii) Standard deviation of tariff rates							7.35 *(6.62)*	7.35 *(6.62)*
B. Regulatory trade barriers								6.93
(i) Non-tariff trade barriers								7.41
(ii) Compliance cost of importing and exporting								6.44
C. Black-market exchange rates								10.00
D. Controls of the movement of capital and people								3.04
(i) Foreign ownership/investment restrictions								7.00
(ii) Capital controls								1.54
(iii) Freedom of foreigners to visit								0.57
Area 5. Regulation								8.04
A. Credit market regulations								7.92
(i) Ownership of banks								8.00
(ii) Private sector credit								7.84
(iii) Interest rate controls/negative real interest rates								
B. Labor market regulations								7.96
(i) Hiring regulations and minimum wage								10.00
(ii) Hiring and firing regulations								6.83
(iii) Centralized collective bargaining								7.98
(iv) Hours regulations								10.00
(v) Mandated cost of worker dismissal								2.97
(vi) Conscription								10.00
C. Business regulations								8.24
(i) Administrative requirements								5.64
(ii) Bureaucracy costs								7.36
(iii) Starting a business								9.78
(iv) Extra payments/bribes/favoritism								7.87
(v) Licensing restrictions								9.66
(vi) Cost of tax compliance								9.11

Senegal

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.43** (78)	**5.17** (56)	**5.31** (68)	**4.56** (107)	**5.88** (92)	**5.72** (108)	**5.73** (109)	**5.63** (115)
Area 1. Size of Government	4.15 (74)	6.17 (20)	6.96 (20)	5.67 (74)	7.08 (31)	6.05 (83)	5.42 (90)	5.40 (94)
Area 2. Legal System and Property Rights	3.41 (62)	3.99 (76)	3.99 (76)	3.13 (112)	4.55 (89)	4.30 (93)	4.29 (97)	4.20 (97)
Area 3. Sound Money	6.36 (47)	6.76 (47)	6.93 (51)	5.80 (77)	7.28 (72)	7.11 (85)	7.02 (92)	7.03 (92)
Area 4. Freedom to Trade Internationally	3.68 (59)	4.38 (57)	3.92 (79)	4.02 (105)	6.11 (84)	5.49 (106)	5.69 (99)	5.49 (108)
Area 5. Regulation	4.84 (76)	4.62 (80)	4.87 (84)	4.24 (111)	4.38 (116)	5.58 (105)	6.06 (98)	5.94 (104)
Unadjusted								
Summary Rating (Rank) ➤	**5.01** (59)	**5.03** (66)	**5.16** (69)	**4.48** (107)	**5.86** (91)	**5.82** (123)	**5.98** (117)	**5.88** (123)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.36**	**5.32**	**6.01**	**4.89**	**7.08**	**6.05**	**5.42**	**5.40**
A. Government consumption	6.08 *(19.34)*	6.97 *(16.31)*	7.02 *(16.13)*	7.68 *(13.90)*	8.32 *(11.70)*	8.48 *(11.18)*	8.98 *(9.45)*	8.90 *(9.75)*
B. Transfers and subsidies	8.99 *(4.20)*				10.00 *(0.43)*	8.71 *(5.24)*	8.71 *(5.24)*	8.71 *(5.24)*
C. Government enterprises and investment	4.00 *(32.20)*	8.00 *(18.20)*	7.00 *(22.60)*	7.00 *(21.50)*	7.00 *(20.10)*	4.00 *(33.56)*	4.00 *(36.20)*	4.00 *(37.24)*
D. Top marginal tax rate		1.00	4.00	0.00	3.00	3.00	0.00	0.00
(i) Top marginal income tax rate		1.00 *(65)*	4.00 *(48)*	0.00 *(64)*	3.00 *(50)*	3.00 *(50)*	0.00 *(61)*	0.00 *(61)*
(ii) Top marginal income and payroll tax rate			4.00 *(48)*	0.00 *(64)*	3.00 *(50)*	3.00 *(50)*	0.00 *(61)*	0.00 *(61)*
Area 2. Legal System and Property Rights	**3.41**	**3.99**	**3.99**	**3.40**	**4.43**	**3.82**	**4.49**	**4.39**
A. Judicial independence							3.49	2.92
B. Impartial courts				5.39	5.33	5.10	4.08	3.76
C. Protection of property rights							5.07	5.17
D. Military interference in rule of law and politics				3.99	3.33	3.33	3.33	3.33
E. Integrity of the legal system				0.00	5.00	5.00	5.00	5.00
F. Legal enforcement of contracts						3.39	3.39	3.39
G. Regulatory restrictions on sale of real property						2.26	2.69	2.69
H. Reliability of police							5.39	8.10
I. Business costs of crime							7.94	5.12
Area 3. Sound Money	**6.36**	**6.76**	**6.93**	**5.80**	**7.28**	**7.11**	**7.02**	**7.03**
A. Money growth	8.79 *(6.05)*	9.54 *(2.30)*	8.94 *(−5.32)*	8.73 *(6.34)*	9.45 *(2.74)*	9.42 *(2.89)*	9.32 *(3.41)*	9.43 *(2.85)*
B. Standard deviation of inflation	8.95 *(2.63)*	9.38 *(1.55)*	9.01 *(2.47)*	5.65 *(10.87)*	9.82 *(0.44)*	9.34 *(1.64)*	8.98 *(2.54)*	8.93 *(2.68)*
C. Inflation: most recent year	7.69 *(11.53)*	8.14 *(9.30)*	9.76 *(1.19)*	8.82 *(5.92)*	9.85 *(0.73)*	9.66 *(1.70)*	9.79 *(−1.05)*	9.75 *(1.25)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**4.00**	**4.38**	**3.92**	**4.02**	**6.11**	**6.40**	**6.74**	**6.50**
A. Tariffs	2.40	3.33	2.57	2.25	6.02	6.10	6.25	6.25
(i) Revenue from trade taxes (% of trade sector)	2.40 *(11.40)*	4.47 *(8.30)*	2.13 *(11.80)*	1.33 *(13.00)*	4.44 *(8.34)*	3.83 *(9.25)*	3.83 *(9.25)*	3.83 *(9.25)*
(ii) Mean tariff rate		2.20 *(39.00)*	3.00 *(35.00)*	3.16 *(34.20)*	7.60 *(12.00)*	7.20 *(14.00)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						6.86	7.11	5.91
(i) Non-tariff trade barriers							5.86	5.20
(ii) Compliance cost of importing and exporting						6.86	8.37	6.63
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	2.31	2.65	3.60	3.86
(i) Foreign ownership/investment restrictions							5.50	6.26
(ii) Capital controls	0.00	0.00	0.00	0.00	2.31	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						4.54	4.54	4.54
Area 5. Regulation	4.91	4.68	4.94	4.30	4.38	5.72	6.23	6.10
A. Credit market regulations	6.46	5.86	6.53	4.84	5.68	8.84	8.83	8.84
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	10.00	10.00	10.00
(ii) Private sector credit	9.37	9.57	9.60	8.53	9.37	8.52	8.49	8.51
(iii) Interest rate controls/negative real interest rates	8.00	6.00	8.00	4.00		8.00	8.00	8.00
B. Labor market regulations						3.49	4.59	4.55
(i) Hiring regulations and minimum wage						2.80	3.90	3.90
(ii) Hiring and firing regulations							4.85	4.83
(iii) Centralized collective bargaining							5.93	5.69
(iv) Hours regulations						4.70	6.00	6.00
(v) Mandated cost of worker dismissal						6.48	6.89	6.89
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						4.84	5.26	4.92
(i) Administrative requirements							4.03	3.71
(ii) Bureaucracy costs							5.55	4.09
(iii) Starting a business						6.08	8.41	8.46
(iv) Extra payments/bribes/favoritism							4.36	4.04
(v) Licensing restrictions						6.24	6.66	6.71
(vi) Cost of tax compliance						2.20	2.53	2.53

Serbia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**5.96** (114)	**6.48** (92)	**6.41** (102)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**6.47**	**5.85**	**5.78**
A. Government consumption						5.60 *(20.95)*	5.76 *(20.42)*	5.74 *(20.50)*
B. Transfers and subsidies						4.26 *(21.56)*	4.14 *(21.99)*	3.88 *(22.96)*
C. Government enterprises and investment						10.00 *(14.06)*	6.00 *(15.01)*	6.00 *(15.46)*
D. Top marginal tax rate						6.00	7.50	7.50
(i) Top marginal income tax rate						10.00 *(15)*	10.00 *(15)*	10.00 *(15)*
(ii) Top marginal income and payroll tax rate						2.00 *(53)*	5.00 *(37)*	5.00 *(37)*
Area 2. Legal System and Property Rights						**4.78**	**4.76**	**4.92**
A. Judicial independence						2.45	2.55	2.38
B. Impartial courts						2.94	2.71	2.59
C. Protection of property rights						4.62	3.68	3.54
D. Military interference in rule of law and politics						6.67	6.67	6.67
E. Integrity of the legal system						5.83	5.83	5.83
F. Legal enforcement of contracts						3.95	3.92	3.78
G. Regulatory restrictions on sale of real property						6.13	7.39	8.87
H. Reliability of police						4.49	4.38	5.85
I. Business costs of crime						5.96	5.71	4.78
Area 3. Sound Money						**4.55**	**7.72**	**7.94**
A. Money growth						6.40 *(17.99)*	8.91 *(5.44)*	9.37 *(3.17)*
B. Standard deviation of inflation						0.00 *(32.54)*	8.52 *(3.69)*	8.63 *(3.42)*
C. Inflation: most recent year						6.78 *(16.10)*	8.44 *(7.78)*	8.77 *(6.14)*
D. Freedom to own foreign currency bank accounts						5.00	5.00	5.00
Area 4. Freedom to Trade Internationally						**7.18**	**7.25**	**7.03**
A. Tariffs						7.75	7.91	8.05
(i) Revenue from trade taxes (% of trade sector)						7.47 *(3.80)*	8.03 *(2.96)*	8.49 *(2.27)*
(ii) Mean tariff rate						8.36 *(8.20)*	8.54 *(7.30)*	8.52 *(7.40)*
(iii) Standard deviation of tariff rates						7.43 *(6.42)*	7.17 *(7.08)*	7.13 *(7.18)*
B. Regulatory trade barriers						6.83	6.99	6.24
(i) Non-tariff trade barriers						5.37	5.70	5.35
(ii) Compliance cost of importing and exporting						8.28	8.28	7.13
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						4.13	4.08	3.86
(i) Foreign ownership/investment restrictions						5.37	5.24	4.57
(ii) Capital controls						0.77	0.77	0.77
(iii) Freedom of foreigners to visit						6.24	6.24	6.24
Area 5. Regulation						6.83	6.83	6.38
A. Credit market regulations						9.39	9.50	8.50
(i) Ownership of banks						10.00	10.00	8.00
(ii) Private sector credit						9.16	8.49	7.51
(iii) Interest rate controls/negative real interest rates						9.00	10.00	10.00
B. Labor market regulations						5.90	5.71	5.70
(i) Hiring regulations and minimum wage						3.30	2.23	2.23
(ii) Hiring and firing regulations						5.00	4.61	4.38
(iii) Centralized collective bargaining						7.12	6.79	6.95
(iv) Hours regulations						9.30	10.00	10.00
(v) Mandated cost of worker dismissal						7.68	7.66	7.66
(vi) Conscription						3.00	3.00	3.00
C. Business regulations						5.19	5.27	4.95
(i) Administrative requirements						1.72	2.22	2.23
(ii) Bureaucracy costs						5.14	5.76	3.80
(iii) Starting a business						9.13	9.48	9.48
(iv) Extra payments/bribes/favoritism						5.68	4.20	3.83
(v) Licensing restrictions						2.59	3.07	3.47
(vi) Cost of tax compliance						6.87	6.87	6.87

Sierra Leone

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.97** (62)	**3.67** (96)	**3.86** (103)	**4.33** (111)	**5.23** (112)	**6.06** (96)	**6.28** (90)	**6.43** (88)
Area 1. Size of Government	7.79 (8)	7.71 (4)	6.67 (26)	6.23 (56)	5.83 (75)	7.28 (39)	5.87 (76)	6.68 (52)
Area 2. Legal System and Property Rights		5.25 (53)	5.30 (55)	2.08 (116)	3.30 (114)	4.57 (85)	5.74 (70)	5.81 (65)
Area 3. Sound Money	6.02 (67)	0.42 (110)	0.06 (117)	3.81 (103)	6.47 (99)	6.32 (106)	7.54 (83)	7.02 (93)
Area 4. Freedom to Trade Internationally	0.60 (89)	0.69 (94)	2.46 (94)	4.57 (101)	4.33 (118)	5.72 (97)	5.72 (98)	5.90 (100)
Area 5. Regulation	5.49 (50)	4.29 (87)	4.84 (86)	4.96 (91)	6.25 (63)	6.29 (85)	6.72 (71)	6.89 (56)
Unadjusted								
Summary Rating (Rank) ➤	**4.79** (67)	**3.76** (95)	**3.86** (103)	**4.47** (108)	**5.28** (110)	**5.65** (127)	**5.85** (126)	**5.99** (121)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.65**	**7.71**	**6.67**	**6.23**	**5.83**	**7.28**	**5.87**	**6.68**
A. Government consumption	9.29 *(8.40)*	9.15 *(8.90)*	8.30 *(11.78)*	7.72 *(13.75)*	7.79 *(13.50)*	7.83 *(13.37)*	7.62 *(14.09)*	8.04 *(12.67)*
B. Transfers and subsidies		9.97 *(0.60)*	9.70 *(1.60)*	8.96 *(4.30)*	9.71 *(1.57)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
C. Government enterprises and investment	4.00 *(35.80)*	4.00 *(31.00)*	2.00 *(40.40)*	2.00 *(46.43)*	0.00 *(75.30)*	4.00 *(33.40)*	0.00 *(50.79)*	2.00 *(49.10)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights		**5.25**	**5.30**	**2.64**	**3.52**	**3.15**	**3.95**	**4.00**
A. Judicial independence								
B. Impartial courts				3.96	4.89	3.60	3.80	3.90
C. Protection of property rights								
D. Military interference in rule of law and politics				2.27	0.00	4.17	4.17	4.17
E. Integrity of the legal system				0.00	5.00	5.83	5.83	5.83
F. Legal enforcement of contracts						1.58	1.58	1.58
G. Regulatory restrictions on sale of real property						0.56	4.36	4.50
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**6.02**	**0.42**	**0.06**	**3.81**	**6.47**	**6.32**	**7.54**	**7.02**
A. Money growth	7.16 *(14.22)*	1.69 *(41.56)*	0.24 *(48.82)*	6.93 *(15.37)*	4.37 *(28.16)*	5.91 *(20.44)*	8.22 *(8.92)*	7.73 *(11.34)*
B. Standard deviation of inflation	8.90 *(2.76)*	0.00 *(26.10)*	0.00 *(29.16)*	0.00 *(26.09)*	6.67 *(8.33)*	6.78 *(8.04)*	8.80 *(3.01)*	8.68 *(3.30)*
C. Inflation: most recent year	8.02 *(9.90)*	0.00 *(85.08)*	0.00 *(89.15)*	3.30 *(33.49)*	9.83 *(−0.84)*	7.59 *(12.05)*	8.15 *(9.25)*	6.67 *(16.64)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**1.00**	**1.15**	**2.46**	**4.69**	**4.33**	**5.93**	**5.93**	**6.12**
A. Tariffs	2.99	3.45	7.37	4.48	3.37	5.63	5.69	5.69
(i) Revenue from trade taxes (% of trade sector)	1.13 *(13.30)*	2.07 *(11.90)*	7.37 *(3.95)*	4.11 *(8.83)*	3.37 *(9.95)*	3.32 *(10.02)*	3.49 *(9.76)*	3.49 *(9.76)*
(ii) Mean tariff rate	4.84 *(25.80)*	4.84 *(25.80)*		4.84 *(25.80)*		7.28 *(13.60)*	7.28 *(13.60)*	7.28 *(13.60)*
(iii) Standard deviation of tariff rates						6.30 *(9.25)*	6.30 *(9.25)*	6.30 *(9.25)*
B. Regulatory trade barriers						5.44	6.05	6.81
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						5.44	6.05	6.81
C. Black-market exchange rates	0.00	0.00	0.00	9.60	5.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	4.61	2.66	1.99	1.99
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	4.61	3.85	2.50	2.50
(iii) Freedom of foreigners to visit						1.47	1.47	1.47
Area 5. Regulation	5.49	4.29	4.84	4.96	6.25	5.59	5.98	6.13
A. Credit market regulations	4.67	1.47	2.94	3.25	6.67	5.31	5.66	5.66
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
(ii) Private sector credit	6.02	2.40	6.82	5.76	10.00	4.94	5.98	5.98
(iii) Interest rate controls/negative real interest rates	6.00	0.00	0.00	2.00	8.00	9.00	9.00	9.00
B. Labor market regulations						5.68	5.39	5.67
(i) Hiring regulations and minimum wage						6.70	5.57	6.67
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						6.00	6.00	6.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.79	6.88	7.06
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						5.83	8.45	8.64
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						6.00	6.19	6.54
(vi) Cost of tax compliance						5.53	6.00	6.00

Singapore

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.76** (4)	**8.00** (4)	**8.59** (2)	**8.90** (2)	**8.61** (4)	**8.73** (2)	**8.59** (2)	**8.56** (2)
Area 1. Size of Government	6.98 (12)	6.59 (13)	8.22 (5)	8.39 (6)	7.97 (14)	8.00 (22)	8.12 (12)	8.06 (15)
Area 2. Legal System and Property Rights	8.13 (3)	7.25 (17)	7.25 (22)	8.31 (17)	8.53 (17)	8.21 (19)	8.12 (22)	8.11 (20)
Area 3. Sound Money	6.51 (39)	8.29 (25)	9.34 (15)	9.69 (11)	9.46 (22)	9.71 (2)	9.12 (44)	9.05 (47)
Area 4. Freedom to Trade Internationally	8.97 (6)	9.63 (2)	9.64 (2)	9.61 (3)	9.15 (12)	9.17 (2)	9.20 (2)	8.86 (2)
Area 5. Regulation	8.34 (2)	8.36 (2)	8.49 (3)	8.49 (3)	7.92 (6)	8.51 (5)	8.38 (2)	8.69 (2)
Unadjusted								
Summary Rating (Rank) ➤	**7.42** (6)	**7.65** (7)	**8.49** (2)	**8.88** (2)	**8.61** (4)	**8.86** (2)	**8.72** (2)	**8.69** (2)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.98**	**6.59**	**8.22**	**8.39**	**7.97**	**8.00**	**8.12**	**8.06**
A. Government consumption	7.08 *(15.93)*	4.70 *(24.02)*	6.45 *(18.06)*	6.92 *(16.47)*	5.65 *(20.80)*	5.81 *(20.24)*	5.46 *(21.42)*	5.24 *(22.20)*
B. Transfers and subsidies	9.84 *(1.10)*	9.65 *(1.80)*	9.43 *(2.60)*	9.65 *(1.80)*	9.23 *(3.32)*	9.17 *(3.54)*	10.00 *(0.05)*	10.00 *(0.04)*
C. Government enterprises and investment	7.00 *(24.20)*	4.00 *(34.70)*	8.00 *(18.60)*	8.00 *(18.60)*	8.00 *(18.60)*	7.00 *(21.30)*	7.00	7.00
D. Top marginal tax rate	4.00	8.00	9.00	9.00	9.00	10.00	10.00	10.00
(i) Top marginal income tax rate	4.00 *(55)*	8.00 *(40)*	9.00 *(33)*	9.00 *(30)*	9.00 *(28)*	10.00 *(21)*	10.00 *(20)*	10.00 *(20)*
(ii) Top marginal income and payroll tax rate			9.00 *(33)*	9.00 *(30)*	9.00 *(28)*	10.00 *(21)*	10.00 *(20)*	10.00 *(20)*
Area 2. Legal System and Property Rights	**8.13**	**7.25**	**7.25**	**8.31**	**8.53**	**8.49**	**8.39**	**8.38**
A. Judicial independence				7.17	7.35	7.01	7.73	7.73
B. Impartial courts				7.05	7.68	7.97	8.03	7.99
C. Protection of property rights				7.33	7.62	8.90	8.90	8.97
D. Military interference in rule of law and politics				10.00	10.00	8.33	8.33	8.33
E. Integrity of the legal system				10.00	10.00	8.33	8.33	8.33
F. Legal enforcement of contracts						8.48	7.77	7.77
G. Regulatory restrictions on sale of real property						8.91	8.99	8.99
H. Reliability of police						9.17	9.05	8.30
I. Business costs of crime						9.29	8.42	9.03
Area 3. Sound Money	**6.51**	**8.29**	**9.34**	**9.69**	**9.46**	**9.71**	**9.12**	**9.05**
A. Money growth	9.76 *(1.21)*	9.47 *(−2.66)*	9.42 *(2.90)*	9.89 *(0.55)*	9.42 *(−2.88)*	9.83 *(0.85)*	7.45 *(12.77)*	7.65 *(11.77)*
B. Standard deviation of inflation	8.57 *(3.57)*	8.90 *(2.76)*	8.91 *(2.73)*	9.39 *(1.53)*	8.70 *(3.24)*	9.11 *(2.21)*	9.15 *(2.13)*	9.12 *(2.21)*
C. Inflation: most recent year	7.71 *(11.47)*	9.78 *(−1.10)*	9.02 *(4.92)*	9.47 *(2.66)*	9.73 *(1.36)*	9.91 *(0.43)*	9.88 *(0.60)*	9.44 *(2.80)*
D. Freedom to own foreign currency bank accounts	0.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.28**	**9.96**	**9.90**	**9.45**	**9.15**	**9.37**	**9.40**	**9.05**
A. Tariffs	9.84	9.87	9.70	9.59	9.95	9.99	10.00	10.00
(i) Revenue from trade taxes (% of trade sector)	9.73 *(0.40)*	9.80 *(0.30)*	9.91 *(0.14)*	9.93 *(0.10)*	9.93 *(0.11)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
(ii) Mean tariff rate	9.94 *(0.30)*	9.94 *(0.30)*	9.92 *(0.40)*	9.92 *(0.40)*	9.92 *(0.40)*	9.98 *(0.10)*	10.00 *(0.00)*	10.00 *(0.00)*
(iii) Standard deviation of tariff rates			9.28 *(1.80)*	8.92 *(2.70)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
B. Regulatory trade barriers				8.85	9.39	9.08	9.11	7.62
(i) Non-tariff trade barriers				8.85	8.79	8.60	8.73	8.50
(ii) Compliance cost of importing and exporting					10.00	9.56	9.50	6.75
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	8.00	10.00	10.00	9.34	7.25	8.40	8.47	8.58
(i) Foreign ownership/investment restrictions				8.68	9.12	9.06	8.49	8.82
(ii) Capital controls	8.00	10.00	10.00	10.00	5.38	6.15	6.92	6.92
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	6.18	6.19	7.74	8.56	7.92	8.73	8.60	8.92
A. Credit market regulations	9.64	9.67	10.00	10.00	10.00	10.00	10.00	10.00
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.91	9.00	10.00	10.00	10.00	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			5.48	6.16	5.52	7.65	7.78	7.72
(i) Hiring regulations and minimum wage				7.13	4.56	10.00	10.00	10.00
(ii) Hiring and firing regulations			8.50	8.50	7.17	8.15	8.20	8.03
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.93	8.37	8.15	8.46	8.30
(iv) Hours regulations				7.25	7.52	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						9.63	10.00	10.00
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				9.50	8.22	8.54	8.02	9.04
(i) Administrative requirements					7.68	6.79	7.56	7.60
(ii) Bureaucracy costs				9.73	8.05	6.42	2.25	8.61
(iii) Starting a business				9.07	8.02	9.80	9.90	9.90
(iv) Extra payments/bribes/favoritism				9.72	9.15	9.58	9.37	9.09
(v) Licensing restrictions						9.22	9.96	9.97
(vi) Cost of tax compliance						9.45	9.06	9.06

Slovak Republic

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.55** (80)	**6.20** (78)	**7.64** (25)	**7.39** (36)	**7.46** (35)
Area 1. Size of Government				2.66 (118)	2.98 (120)	6.48 (70)	5.80 (77)	6.29 (68)
Area 2. Legal System and Property Rights				6.50 (45)	6.30 (56)	6.51 (53)	5.84 (66)	5.67 (69)
Area 3. Sound Money			8.16 (29)	6.69 (60)	7.90 (60)	9.15 (40)	9.69 (3)	9.71 (5)
Area 4. Freedom to Trade Internationally				6.98 (57)	7.92 (41)	8.49 (14)	8.39 (14)	8.36 (15)
Area 5. Regulation				4.91 (93)	5.91 (86)	7.58 (19)	7.24 (33)	7.24 (35)
Unadjusted								
Summary Rating (Rank) ➤				**5.42** (82)	**6.20** (75)	**7.63** (21)	**7.38** (36)	**7.45** (33)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**2.39**	**2.98**	**6.48**	**5.80**	**6.29**
A. Government consumption			3.27 *(28.89)*	3.18 *(29.20)*	4.04 *(26.26)*	4.59 *(24.38)*	4.49 *(24.73)*	4.38 *(25.11)*
B. Transfers and subsidies					3.88 *(22.95)*	4.82 *(19.50)*	4.23 *(21.68)*	4.29 *(21.46)*
C. Government enterprises and investment				0.00 *(75.10)*	0.00 *(75.10)*	10.00 *(7.86)*	8.00 *(16.78)*	10.00 *(12.29)*
D. Top marginal tax rate				4.00	4.00	6.50	6.50	6.50
(i) Top marginal income tax rate				4.00 *(42)*	4.00 *(42)*	10.00 *(19)*	10.00 *(19)*	10.00 *(19)*
(ii) Top marginal income and payroll tax rate				4.00 *(42)*	4.00 *(44)*	3.00 *(48)*	3.00 *(48)*	3.00 *(48)*
Area 2. Legal System and Property Rights				**6.50**	**6.30**	**6.63**	**5.95**	**5.78**
A. Judicial independence				5.08	5.01	4.30	3.17	2.77
B. Impartial courts				5.43	5.18	4.37	2.43	2.13
C. Protection of property rights				3.97	4.67	6.67	5.41	5.09
D. Military interference in rule of law and politics				8.04	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						4.64	4.38	4.38
G. Regulatory restrictions on sale of real property						9.65	9.68	9.68
H. Reliability of police						5.77	4.60	6.64
I. Business costs of crime						7.62	7.21	4.67
Area 3. Sound Money			**8.81**	**6.69**	**7.90**	**9.15**	**9.69**	**9.71**
A. Money growth				7.32 *(13.40)*	9.81 *(−0.94)*	7.67 *(11.66)*	9.56 *(2.20)*	9.56 *(2.20)*
B. Standard deviation of inflation			8.99 *(2.52)*	6.39 *(9.03)*	9.20 *(2.01)*	9.46 *(1.34)*	9.52 *(1.21)*	9.48 *(1.29)*
C. Inflation: most recent year			8.63 *(6.86)*	8.05 *(9.73)*	7.59 *(12.04)*	9.46 *(2.71)*	9.68 *(1.62)*	9.81 *(0.96)*
D. Freedom to own foreign currency bank accounts				5.00	5.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally				**6.81**	**7.92**	**8.16**	**8.07**	**8.04**
A. Tariffs				8.78	9.07	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)					9.34 *(0.99)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate				8.78 *(6.10)*	8.80 *(6.00)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates						6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				4.83	7.17	7.35	7.52	7.22
(i) Non-tariff trade barriers				4.83	6.67	7.94	7.48	7.01
(ii) Compliance cost of importing and exporting					7.66	6.76	7.55	7.44
C. Black-market exchange rates				10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people				3.65	5.46	6.91	6.54	6.61
(i) Foreign ownership/investment restrictions				5.29	7.83	8.77	7.66	7.86
(ii) Capital controls				2.00	3.08	5.38	5.38	5.38
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation				4.68	5.91	7.75	7.39	7.40
A. Credit market regulations				5.44	7.70	9.55	9.16	9.16
(i) Ownership of banks				5.00	5.00	10.00	10.00	10.00
(ii) Private sector credit				5.31	8.10	8.66	7.48	7.48
(iii) Interest rate controls/negative real interest rates				6.00	10.00	10.00	10.00	10.00
B. Labor market regulations				4.38	4.54	7.53	7.44	7.33
(i) Hiring regulations and minimum wage				6.12	4.17	8.30	6.67	6.67
(ii) Hiring and firing regulations			4.92	4.92	3.00	6.83	3.97	3.71
(iii) Centralized collective bargaining				5.18	7.67	8.28	7.18	6.79
(iv) Hours regulations				4.68	4.84	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						8.79	8.79	8.79
(vi) Conscription				1.00	3.00	5.00	10.00	10.00
C. Business regulations				4.23	5.49	6.15	5.59	5.72
(i) Administrative requirements					8.00	3.49	3.07	2.76
(ii) Bureaucracy costs				4.70	4.50	5.21	2.75	4.34
(iii) Starting a business				4.28	3.00	9.02	9.39	9.34
(iv) Extra payments/bribes/favoritism				3.70	6.47	6.61	4.96	4.22
(v) Licensing restrictions						6.21	6.21	6.24
(vi) Cost of tax compliance						6.36	7.12	7.41

Slovenia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**5.15** (95)	**6.72** (57)	**6.95** (60)	**7.04** (58)	**6.62** (78)
Area 1. Size of Government				1.46 (121)	4.92 (94)	4.91 (104)	4.57 (111)	4.54 (110)
Area 2. Legal System and Property Rights				8.04 (22)	7.29 (36)	6.76 (45)	7.16 (36)	6.88 (40)
Area 3. Sound Money				3.12 (108)	7.49 (68)	8.79 (51)	9.63 (8)	8.30 (70)
Area 4. Freedom to Trade Internationally				7.42 (46)	7.69 (49)	7.62 (46)	7.34 (52)	7.35 (52)
Area 5. Regulation				5.97 (55)	6.18 (70)	6.72 (68)	6.60 (75)	6.16 (94)
Unadjusted								
Summary Rating (Rank) ➤				**5.11** (93)	**6.54** (62)	**6.96** (66)	**7.05** (63)	**6.63** (92)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government				**1.75**	**4.92**	**4.91**	**4.57**	**4.54**
A. Government consumption			4.15 *(25.90)*	4.17 *(25.83)*	3.67 *(27.51)*	4.04 *(26.27)*	3.84 *(26.95)*	3.81 *(27.06)*
B. Transfers and subsidies				1.09 *(33.20)*	4.02 *(22.44)*	4.08 *(22.22)*	3.95 *(22.72)*	3.85 *(23.08)*
C. Government enterprises and investment				0.00 *(75.10)*	10.00 *(4.60)*	10.00 *(8.70)*	8.00 *(19.04)*	8.00 *(19.38)*
D. Top marginal tax rate					2.00	1.50	2.50	2.50
(i) Top marginal income tax rate					4.00 *(50)*	3.00 *(50)*	4.00 *(41)*	4.00 *(41)*
(ii) Top marginal income and payroll tax rate					0.00 *(70)*	0.00 *(70)*	1.00 *(60)*	1.00 *(60)*
Area 2. Legal System and Property Rights				**7.44**	**6.40**	**6.09**	**6.45**	**6.20**
A. Judicial independence						5.87	5.41	4.63
B. Impartial courts				7.02	7.14	5.27	3.96	3.30
C. Protection of property rights					5.37	6.48	6.04	5.68
D. Military interference in rule of law and politics				9.22	8.33	8.33	9.17	9.17
E. Integrity of the legal system				10.00	8.33	7.50	7.50	7.50
F. Legal enforcement of contracts						3.87	4.23	4.23
G. Regulatory restrictions on sale of real property						4.34	7.17	7.26
H. Reliability of police						5.74	6.18	8.43
I. Business costs of crime						7.42	8.40	5.64
Area 3. Sound Money				**3.12**	**7.49**	**8.79**	**9.63**	**8.30**
A. Money growth				0.00 *(57.50)*	7.62 *(11.91)*	6.88 *(15.58)*	9.19 *(4.03)*	9.41 *(2.96)*
B. Standard deviation of inflation				0.00 *(79.63)*	9.12 *(2.19)*	8.78 *(3.04)*	9.51 *(1.23)*	9.16 *(2.11)*
C. Inflation: most recent year				7.48 *(12.60)*	8.22 *(8.88)*	9.50 *(2.48)*	9.83 *(0.86)*	9.63 *(1.84)*
D. Freedom to own foreign currency bank accounts			5.00	5.00	5.00	10.00	10.00	5.00
Area 4. Freedom to Trade Internationally				**7.51**	**7.69**	**7.93**	**7.64**	**7.65**
A. Tariffs				7.53	8.05	8.48	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)				7.53 *(3.70)*	9.48 *(0.78)*	9.84 *(0.24)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate					7.64 *(11.80)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates					7.04 *(7.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers					7.38	7.23	7.17	7.38
(i) Non-tariff trade barriers					7.38	7.29	6.83	6.69
(ii) Compliance cost of importing and exporting						7.18	7.51	8.06
C. Black-market exchange rates			0.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.00	5.30	6.01	5.18	4.90
(i) Foreign ownership/investment restrictions					6.76	5.30	5.12	4.27
(ii) Capital controls	0.00	0.00	0.00	5.00	3.85	6.15	3.85	3.85
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation				5.74	6.18	7.06	6.93	6.47
A. Credit market regulations				7.65	8.18	9.14	8.50	7.50
(i) Ownership of banks				5.00	5.00	8.00	8.00	5.00
(ii) Private sector credit				9.94	9.55	9.42	7.51	7.50
(iii) Interest rate controls/negative real interest rates				8.00	10.00	10.00	10.00	10.00
B. Labor market regulations					3.60	5.56	5.97	5.42
(i) Hiring regulations and minimum wage					4.02	3.90	2.23	2.23
(ii) Hiring and firing regulations					2.32	2.92	2.91	2.21
(iii) Centralized collective bargaining					5.05	5.55	5.38	4.74
(iv) Hours regulations						4.70	8.00	6.00
(v) Mandated cost of worker dismissal						6.29	7.32	7.32
(vi) Conscription				3.00	3.00	10.00	10.00	10.00
C. Business regulations					6.77	6.47	6.33	6.49
(i) Administrative requirements					6.95	3.18	4.11	3.33
(ii) Bureaucracy costs					7.80	5.38	2.83	5.59
(iii) Starting a business					5.73	7.80	9.66	9.66
(iv) Extra payments/bribes/favoritism					6.58	8.27	6.77	5.72
(v) Licensing restrictions						7.12	7.52	7.56
(vi) Cost of tax compliance						7.09	7.09	7.09

South Africa

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.85** (31)	**5.49** (48)	**5.50** (57)	**6.57** (47)	**7.08** (41)	**7.00** (57)	**6.61** (75)	**6.88** (67)
Area 1. Size of Government	5.97 (26)	6.10 (24)	6.32 (36)	6.30 (52)	6.45 (53)	5.99 (87)	5.02 (98)	5.52 (89)
Area 2. Legal System and Property Rights	6.18 (31)	4.46 (65)	2.93 (93)	6.11 (52)	6.54 (50)	7.19 (36)	6.66 (45)	6.98 (37)
Area 3. Sound Money	5.29 (84)	5.63 (86)	5.81 (78)	6.44 (66)	7.85 (64)	7.98 (70)	7.92 (76)	8.18 (73)
Area 4. Freedom to Trade Internationally	7.09 (19)	5.80 (36)	7.13 (29)	6.70 (61)	7.35 (58)	6.69 (76)	6.60 (79)	6.80 (77)
Area 5. Regulation	4.98 (71)	5.55 (56)	5.55 (65)	7.27 (15)	7.19 (29)	7.21 (38)	6.86 (57)	6.96 (51)
Unadjusted								
Summary Rating (Rank) ➤	**5.84** (32)	**5.48** (50)	**5.56** (55)	**6.51** (46)	**7.08** (41)	**6.87** (71)	**6.49** (91)	**6.75** (85)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.97**	**6.10**	**6.32**	**6.30**	**6.45**	**5.99**	**5.02**	**5.52**
A. Government consumption	5.61 *(20.94)*	4.58 *(24.43)*	4.46 *(24.83)*	4.50 *(24.69)*	5.17 *(22.42)*	4.76 *(23.83)*	4.26 *(25.53)*	3.96 *(26.53)*
B. Transfers and subsidies	9.26 *(3.20)*	8.83 *(4.80)*	8.83 *(4.80)*	8.69 *(5.30)*	8.62 *(5.55)*	8.69 *(5.31)*	8.34 *(6.59)*	8.62 *(5.57)*
C. Government enterprises and investment	7.00 *(24.60)*	7.00 *(24.60)*	7.00 *(20.30)*	8.00 *(15.10)*	8.00 *(17.80)*	6.00 *(25.60)*	2.00 *(40.63)*	4.00 *(39.20)*
D. Top marginal tax rate	2.00	4.00	5.00	4.00	4.00	4.50	5.50	5.50
(i) Top marginal income tax rate	2.00 *(60)*	4.00 *(50)*	5.00 *(45)*	4.00 *(43)*	4.00 *(45)*	5.00 *(40)*	6.00 *(40)*	6.00 *(40)*
(ii) Top marginal income and payroll tax rate			5.00 *(45)*	4.00 *(43)*	4.00 *(45)*	4.00 *(41)*	5.00 *(41)*	5.00 *(41)*
Area 2. Legal System and Property Rights	**6.18**	**4.46**	**2.93**	**6.11**	**6.54**	**5.87**	**5.44**	**5.70**
A. Judicial independence				7.17	7.18	7.63	6.16	6.62
B. Impartial courts				7.85	8.02	7.62	6.54	6.46
C. Protection of property rights				6.53	5.82	7.97	7.34	7.15
D. Military interference in rule of law and politics				4.91	8.33	8.33	8.33	8.33
E. Integrity of the legal system				4.11	3.33	4.17	4.17	4.17
F. Legal enforcement of contracts						3.93	3.93	3.93
G. Regulatory restrictions on sale of real property						6.64	6.65	7.72
H. Reliability of police						3.88	4.05	2.52
I. Business costs of crime						2.70	1.79	4.38
Area 3. Sound Money	**5.29**	**5.63**	**5.81**	**6.44**	**7.85**	**7.98**	**7.92**	**8.18**
A. Money growth	7.86 *(10.69)*	7.60 *(12.01)*	6.75 *(16.24)*	8.22 *(8.89)*	7.87 *(10.66)*	8.60 *(6.98)*	9.01 *(4.94)*	9.22 *(3.90)*
B. Standard deviation of inflation	8.12 *(4.71)*	8.54 *(3.66)*	9.49 *(1.27)*	9.29 *(1.78)*	9.60 *(0.99)*	9.01 *(2.48)*	9.08 *(2.29)*	9.37 *(1.57)*
C. Inflation: most recent year	5.18 *(24.12)*	6.39 *(18.06)*	6.98 *(15.09)*	8.25 *(8.76)*	8.93 *(5.34)*	9.32 *(3.40)*	8.58 *(7.13)*	9.15 *(4.27)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**6.49**	**5.31**	**6.22**	**6.48**	**7.35**	**7.05**	**6.95**	**7.16**
A. Tariffs	8.66	8.93	7.27	5.54	7.74	6.84	7.08	6.86
(i) Revenue from trade taxes (% of trade sector)	9.20 *(1.20)*	9.07 *(1.40)*	8.53 *(2.20)*	9.33 *(1.00)*	9.01 *(1.48)*	8.59 *(2.11)*	8.84 *(1.74)*	8.84 *(1.74)*
(ii) Mean tariff rate	8.12 *(9.40)*	8.80 *(6.00)*	7.80 *(11.00)*	6.06 *(19.70)*	8.30 *(8.50)*	8.30 *(8.50)*	8.46 *(7.70)*	8.46 *(7.70)*
(iii) Standard deviation of tariff rates			5.48 *(11.30)*	1.24 *(21.90)*	5.92 *(10.20)*	3.63 *(15.92)*	3.93 *(15.17)*	3.29 *(16.79)*
B. Regulatory trade barriers				6.40	7.56	6.07	5.80	6.57
(i) Non-tariff trade barriers				6.40	6.62	6.67	6.13	6.13
(ii) Compliance cost of importing and exporting					8.50	5.46	5.46	7.00
C. Black-market exchange rates	8.80	5.00	9.40	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	3.98	4.12	5.30	4.94	5.22
(i) Foreign ownership/investment restrictions				5.97	7.46	6.97	5.88	6.73
(ii) Capital controls	2.00	2.00	2.00	2.00	0.77	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						8.16	8.16	8.16
Area 5. Regulation	5.30	5.90	6.50	7.23	7.19	7.47	7.10	7.21
A. Credit market regulations	7.48	9.08	9.07	9.77	9.59	9.96	8.94	8.94
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.43	9.25	9.22	9.30	8.76	9.87	6.81	6.81
(iii) Interest rate controls/negative real interest rates	4.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			3.92	6.11	5.47	6.06	6.11	6.07
(i) Hiring regulations and minimum wage				2.87	4.61	4.40	4.43	4.43
(ii) Hiring and firing regulations			5.55	5.55	2.05	2.36	2.49	2.46
(iii) Centralized collective bargaining			6.21	6.21	4.52	3.84	3.58	3.39
(iv) Hours regulations				5.90	6.18	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.78	8.15	8.15
(vi) Conscription	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				5.81	6.53	6.38	6.24	6.62
(i) Administrative requirements					6.92	3.29	3.33	2.88
(ii) Bureaucracy costs				6.38	6.53	4.55	3.10	5.42
(iii) Starting a business				6.43	5.88	8.81	9.23	9.39
(iv) Extra payments/bribes/favoritism				4.60	6.77	7.54	6.00	5.46
(v) Licensing restrictions						8.02	8.04	8.81
(vi) Cost of tax compliance						6.08	7.76	7.76

Spain

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.10** (24)	**6.08** (32)	**6.57** (30)	**7.25** (29)	**7.54** (28)	**7.60** (28)	**7.32** (38)	**7.40** (39)
Area 1. Size of Government	5.18 (47)	4.20 (80)	4.67 (86)	4.16 (101)	4.75 (97)	6.57 (66)	6.14 (69)	6.15 (71)
Area 2. Legal System and Property Rights	6.35 (28)	6.42 (27)	7.16 (26)	7.46 (29)	7.54 (32)	6.75 (46)	6.70 (44)	6.79 (44)
Area 3. Sound Money	6.07 (62)	6.61 (58)	6.36 (67)	9.61 (14)	9.44 (24)	9.58 (15)	9.57 (16)	9.67 (8)
Area 4. Freedom to Trade Internationally	7.60 (14)	7.48 (17)	8.63 (13)	8.94 (16)	8.98 (18)	7.85 (35)	7.76 (41)	7.66 (41)
Area 5. Regulation	5.31 (56)	5.69 (50)	6.00 (44)	6.06 (52)	7.00 (38)	7.32 (29)	6.54 (79)	6.82 (63)
Unadjusted								
Summary Rating (Rank) ➤	**6.16** (26)	**6.14** (29)	**6.56** (32)	**7.19** (29)	**7.54** (24)	**7.63** (21)	**7.35** (39)	**7.43** (34)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.18**	**4.20**	**4.67**	**4.16**	**4.75**	**6.57**	**6.14**	**6.15**
A. Government consumption	6.93 *(16.45)*	6.27 *(18.67)*	5.89 *(19.98)*	5.53 *(21.18)*	5.22 *(22.25)*	4.79 *(23.73)*	3.77 *(27.19)*	4.05 *(26.24)*
B. Transfers and subsidies	6.78 *(12.30)*	5.53 *(16.90)*	5.78 *(16.00)*	5.10 *(18.47)*	5.76 *(16.05)*	6.00 *(15.18)*	4.78 *(19.65)*	4.56 *(20.46)*
C. Government enterprises and investment	6.00 *(27.10)*	4.00 *(30.20)*	4.00 *(33.50)*	4.00 *(33.50)*	4.00 *(33.50)*	10.00 *(12.08)*	10.00 *(9.77)*	10.00 *(9.07)*
D. Top marginal tax rate	1.00	1.00	3.00	2.00	4.00	5.50	6.00	6.00
(i) Top marginal income tax rate	1.00 *(66)*	1.00 *(66)*	3.00 *(56)*	2.00 *(56)*	4.00 *(48)*	6.00 *(35-45)*	6.00 *(35-43)*	6.00 *(35-43)*
(ii) Top marginal income and payroll tax rate			3.00 *(56)*	2.00 *(56)*	4.00 *(48)*	5.00 *(45)*	6.00 *(35-43)*	6.00 *(35-43)*
Area 2. Legal System and Property Rights	**6.35**	**6.42**	**7.16**	**7.46**	**7.54**	**6.73**	**6.67**	**6.76**
A. Judicial independence				6.75	7.52	4.49	4.70	4.86
B. Impartial courts				6.63	8.02	5.26	4.39	4.43
C. Protection of property rights				6.09	7.15	7.69	6.54	6.49
D. Military interference in rule of law and politics				7.85	8.33	8.33	8.33	8.33
E. Integrity of the legal system				10.00	6.67	8.33	8.33	8.33
F. Legal enforcement of contracts						5.54	5.54	5.54
G. Regulatory restrictions on sale of real property						7.31	7.33	7.42
H. Reliability of police						7.47	7.81	7.41
I. Business costs of crime						6.11	7.07	8.06
Area 3. Sound Money	**6.07**	**6.61**	**6.36**	**9.61**	**9.44**	**9.58**	**9.57**	**9.67**
A. Money growth	8.36 *(8.21)*	8.80 *(5.98)*	7.70 *(11.50)*	9.93 *(−0.35)*	8.66 *(6.70)*	9.02 *(4.88)*	8.98 *(5.08)*	9.65 *(1.73)*
B. Standard deviation of inflation	8.60 *(3.49)*	9.16 *(2.09)*	9.22 *(1.95)*	9.48 *(1.31)*	9.77 *(0.57)*	9.95 *(0.12)*	9.38 *(1.54)*	9.38 *(1.54)*
C. Inflation: most recent year	7.33 *(13.35)*	8.46 *(7.69)*	8.54 *(7.31)*	9.04 *(4.81)*	9.31 *(3.43)*	9.33 *(3.37)*	9.92 *(−0.40)*	9.64 *(1.80)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**7.74**	**7.62**	**8.60**	**8.66**	**8.98**	**7.96**	**7.87**	**7.77**
A. Tariffs	8.22	8.25	8.21	8.72	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	8.20 *(2.70)*	8.00 *(3.00)*	9.00 *(1.50)*	9.87 *(0.20)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				7.63	8.73	7.76	7.75	7.35
(i) Non-tariff trade barriers				7.63	7.62	6.73	6.71	6.83
(ii) Compliance cost of importing and exporting					9.83	8.79	8.79	7.88
C. Black-market exchange rates	10.00	9.60	9.60	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	5.00	5.00	8.00	8.28	8.02	5.68	5.51	5.37
(i) Foreign ownership/investment restrictions				8.57	9.11	7.39	6.89	6.47
(ii) Capital controls	5.00	5.00	8.00	8.00	6.92	3.08	3.08	3.08
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.46	5.85	5.99	6.03	7.00	7.30	6.52	6.80
A. Credit market regulations	7.37	8.27	8.27	8.45	9.93	10.00	8.53	9.08
(i) Ownership of banks	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.11	6.80	6.82	7.36	9.79	10.00	5.60	7.25
(iii) Interest rate controls/negative real interest rates	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	3.55	3.44	3.71	4.07	3.92	5.33	5.05	4.72
(i) Hiring regulations and minimum wage				5.78	3.06	2.20	2.23	2.23
(ii) Hiring and firing regulations			2.62	2.62	3.67	2.82	2.40	2.61
(iii) Centralized collective bargaining	5.18	5.18	5.18	5.18	4.85	6.13	4.48	4.29
(iv) Hours regulations	4.49	4.13	4.05	3.75	5.01	6.00	6.00	4.00
(v) Mandated cost of worker dismissal						4.81	5.18	5.18
(vi) Conscription	1.00	1.00	3.00	3.00	3.00	10.00	10.00	10.00
C. Business regulations				5.58	7.15	6.58	5.97	6.61
(i) Administrative requirements					7.40	3.23	2.93	2.95
(ii) Bureaucracy costs				6.37	7.90	6.30	3.24	5.79
(iii) Starting a business				5.32	5.67	8.28	8.29	9.01
(iv) Extra payments/bribes/favoritism				5.06	7.63	8.02	6.56	6.14
(v) Licensing restrictions						6.99	7.03	7.86
(vi) Cost of tax compliance						6.66	7.79	7.90

Sri Lanka

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.77** (66)	**4.95** (69)	**4.81** (85)	**6.07** (66)	**6.16** (81)	**6.21** (87)	**6.15** (97)	**6.25** (98)
Area 1. Size of Government	5.64 (33)	5.77 (31)	7.03 (18)	6.83 (31)	7.02 (35)	8.09 (17)	6.66 (46)	7.08 (38)
Area 2. Legal System and Property Rights	3.77 (57)	3.22 (88)	2.19 (106)	4.38 (101)	4.21 (99)	4.08 (100)	4.49 (90)	4.60 (88)
Area 3. Sound Money	5.47 (81)	6.29 (75)	5.50 (87)	6.69 (61)	6.74 (90)	6.13 (108)	6.69 (103)	6.55 (108)
Area 4. Freedom to Trade Internationally	3.11 (64)	2.92 (71)	2.92 (88)	5.93 (76)	6.35 (79)	6.46 (81)	6.44 (84)	6.39 (89)
Area 5. Regulation	5.75 (42)	6.46 (28)	6.38 (36)	6.50 (39)	6.49 (53)	6.27 (87)	6.40 (87)	6.58 (83)
Unadjusted								
Summary Rating (Rank) ➤	**4.54** (73)	**4.71** (79)	**4.75** (88)	**5.97** (65)	**6.15** (79)	**6.44** (89)	**6.38** (99)	**6.48** (100)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.20**	**4.29**	**6.97**	**6.83**	**7.02**	**8.09**	**6.66**	**7.08**
A. Government consumption	8.93 *(9.62)*	8.42 *(11.39)*	8.41 *(11.39)*	7.78 *(13.54)*	8.04 *(12.68)*	8.84 *(9.96)*	5.43 *(21.53)*	6.13 *(19.15)*
B. Transfers and subsidies	7.85 *(8.40)*	8.75 *(5.10)*	8.50 *(6.00)*	8.53 *(5.90)*	9.03 *(4.05)*	8.53 *(5.90)*	9.19 *(3.47)*	9.19 *(3.47)*
C. Government enterprises and investment	0.00 *(53.50)*	0.00 *(54.30)*	4.00 *(39.20)*	4.00 *(39.20)*	4.00 *(39.20)*	8.00 *(16.46)*	6.00 *(26.91)*	7.00 *(22.30)*
D. Top marginal tax rate	0.00	0.00		7.00	7.00	7.00	6.00	6.00
(i) Top marginal income tax rate	0.00 *(60)*	0.00 *(60)*		7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate				7.00 *(35)*	7.00 *(35)*	7.00 *(35)*	5.00 *(38)*	5.00 *(38)*
Area 2. Legal System and Property Rights	**3.98**	**3.40**	**2.31**	**4.47**	**4.18**	**4.66**	**5.13**	**5.25**
A. Judicial independence						4.16	6.09	5.51
B. Impartial courts				4.92	5.01	4.38	5.26	5.68
C. Protection of property rights					3.50	6.02	5.70	5.77
D. Military interference in rule of law and politics				1.98	3.33	3.33	3.33	3.33
E. Integrity of the legal system				6.96	5.00	5.00	5.00	4.17
F. Legal enforcement of contracts						3.61	3.61	3.61
G. Regulatory restrictions on sale of real property						6.75	6.75	6.75
H. Reliability of police						3.82	4.53	7.33
I. Business costs of crime						4.83	5.86	5.10
Area 3. Sound Money	**5.47**	**6.29**	**5.50**	**6.69**	**6.74**	**6.13**	**6.69**	**6.55**
A. Money growth	7.31 *(13.43)*	8.27 *(8.64)*	8.03 *(9.85)*	8.78 *(6.08)*	9.22 *(3.92)*	8.12 *(9.42)*	9.12 *(4.41)*	9.17 *(4.16)*
B. Standard deviation of inflation	8.57 *(3.57)*	7.01 *(7.47)*	8.01 *(4.97)*	9.82 *(0.45)*	8.99 *(2.52)*	8.75 *(3.13)*	8.36 *(4.10)*	8.21 *(4.47)*
C. Inflation: most recent year	6.00 *(19.98)*	9.88 *(0.58)*	5.94 *(20.29)*	8.14 *(9.30)*	8.76 *(6.18)*	7.67 *(11.64)*	9.30 *(3.51)*	8.81 *(5.94)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**3.39**	**3.19**	**2.71**	**5.48**	**6.35**	**6.98**	**6.96**	**6.90**
A. Tariffs	1.97	3.57	2.92	4.85	7.62	6.85	6.71	6.57
(i) Revenue from trade taxes (% of trade sector)	2.20 *(11.70)*	2.93 *(10.60)*	4.13 *(8.80)*	7.00 *(4.50)*	8.57 *(2.15)*	7.92 *(3.12)*	7.33 *(4.00)*	7.33 *(4.00)*
(ii) Mean tariff rate	1.74 *(41.30)*	4.20 *(29.00)*	4.62 *(26.90)*	4.78 *(26.10)*	8.02 *(9.90)*	7.74 *(11.30)*	7.76 *(11.20)*	7.88 *(10.60)*
(iii) Standard deviation of tariff rates			0.00 *(25.50)*	2.76 *(18.10)*	6.28 *(9.30)*	4.89 *(12.77)*	5.03 *(12.43)*	4.49 *(13.78)*
B. Regulatory trade barriers					4.75	5.84	6.24	5.95
(i) Non-tariff trade barriers					4.75	5.23	5.25	5.08
(ii) Compliance cost of importing and exporting						6.44	7.22	6.81
C. Black-market exchange rates	8.20	6.00	5.20	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	2.00	3.02	5.24	4.89	5.09
(i) Foreign ownership/investment restrictions					6.04	7.00	5.94	6.54
(ii) Capital controls	0.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						8.73	8.73	8.73
Area 5. Regulation	5.67	6.36	6.28	6.40	6.49	6.32	6.45	6.64
A. Credit market regulations	5.13	6.97	6.76	7.06	7.04	7.34	7.12	7.12
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	6.39	7.92	7.27	6.19	6.12	7.03	6.35	6.35
(iii) Interest rate controls/negative real interest rates	4.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations					5.87	6.60	6.49	6.44
(i) Hiring regulations and minimum wage					4.06	10.00	10.00	10.00
(ii) Hiring and firing regulations					2.88	3.40	4.17	3.87
(iii) Centralized collective bargaining					6.53	6.22	6.77	6.78
(iv) Hours regulations						10.00	8.00	8.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					6.55	5.02	5.75	6.35
(i) Administrative requirements					7.27	2.84	3.88	4.53
(ii) Bureaucracy costs					7.15	3.66	4.48	5.26
(iii) Starting a business					6.48	8.30	8.82	8.83
(iv) Extra payments/bribes/favoritism					5.30	4.74	5.19	5.02
(v) Licensing restrictions						3.46	5.01	7.31
(vi) Cost of tax compliance						7.13	7.13	7.13

Sweden

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**5.68** (37)	**6.47** (22)	**7.11** (21)	**7.28** (28)	**7.62** (20)	**7.59** (30)	**7.48** (30)	**7.62** (20)
Area 1. Size of Government	1.63 (105)	2.61 (107)	2.62 (110)	2.60 (120)	3.17 (117)	3.67 (120)	3.25 (122)	3.60 (122)
Area 2. Legal System and Property Rights	6.61 (23)	7.41 (15)	8.35 (11)	8.85 (13)	9.02 (13)	8.98 (11)	9.24 (1)	9.20 (1)
Area 3. Sound Money	7.56 (26)	8.10 (26)	8.03 (31)	9.54 (20)	9.84 (1)	9.71 (3)	9.57 (17)	9.64 (12)
Area 4. Freedom to Trade Internationally	6.44 (29)	7.82 (14)	9.46 (3)	9.37 (5)	8.89 (21)	8.19 (21)	8.20 (20)	7.81 (32)
Area 5. Regulation	6.35 (26)	6.55 (24)	7.22 (14)	6.05 (54)	7.17 (33)	7.42 (25)	7.16 (40)	7.84 (13)
Unadjusted								
Summary Rating (Rank) ➤	**5.66** (39)	**6.45** (22)	**7.06** (18)	**7.28** (25)	**7.62** (18)	**7.50** (31)	**7.39** (35)	**7.53** (30)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**1.63**	**2.61**	**2.62**	**2.60**	**3.17**	**3.67**	**3.25**	**3.60**
A. Government consumption	1.10 *(36.25)*	1.39 *(35.27)*	1.49 *(34.95)*	2.05 *(33.02)*	1.68 *(34.28)*	1.17 *(36.03)*	1.09 *(36.30)*	1.27 *(35.69)*
B. Transfers and subsidies	3.41 *(24.70)*	3.05 *(26.00)*	1.99 *(29.90)*	0.84 *(34.10)*	3.98 *(22.59)*	4.00 *(22.51)*	3.91 *(22.86)*	4.13 *(22.04)*
C. Government enterprises and investment	2.00 *(41.20)*	6.00 *(28.00)*	7.00 *(22.80)*	6.00 *(28.30)*	6.00 *(28.30)*	8.00 *(17.13)*	7.00 *(20.05)*	8.00 *(19.51)*
D. Top marginal tax rate	0.00	0.00	0.00	1.50	1.00	1.50	1.00	1.00
(i) Top marginal income tax rate	0.00 *(87)*	0.00 *(80)*	0.00 *(61-68)*	3.00 *(46-53)*	2.00 *(51-58)*	3.00 *(52-59)*	2.00 *(52-59)*	2.00 *(52-59)*
(ii) Top marginal income and payroll tax rate			0.00 *(79-86)*	0.00 *(66-73)*	0.00 *(68.4-75.4)*	0.00 *(66)*	0.00 *(63-69)*	0.00 *(63-69)*
Area 2. Legal System and Property Rights	**6.61**	**7.41**	**8.35**	**8.85**	**9.02**	**8.17**	**8.41**	**8.38**
A. Judicial independence				8.82	8.68	8.11	9.26	9.12
B. Impartial courts				8.88	8.35	8.72	8.27	8.01
C. Protection of property rights				6.57	8.08	8.71	8.80	8.70
D. Military interference in rule of law and politics				10.00	10.00	9.17	9.17	9.17
E. Integrity of the legal system				10.00	10.00	10.00	10.00	10.00
F. Legal enforcement of contracts						4.73	4.74	4.74
G. Regulatory restrictions on sale of real property						8.73	8.88	8.45
H. Reliability of police						7.37	8.54	8.34
I. Business costs of crime						8.03	8.00	8.86
Area 3. Sound Money	**7.56**	**8.10**	**8.03**	**9.54**	**9.84**	**9.71**	**9.57**	**9.64**
A. Money growth	8.18 *(9.11)*	9.23 *(3.86)*	9.44 *(2.78)*	9.81 *(0.97)*	9.71 *(1.47)*	9.25 *(3.77)*	8.69 *(6.56)*	9.16 *(4.19)*
B. Standard deviation of inflation	9.41 *(1.47)*	9.50 *(1.26)*	9.44 *(1.40)*	9.10 *(2.24)*	9.83 *(0.44)*	9.69 *(0.79)*	9.65 *(0.87)*	9.65 *(0.88)*
C. Inflation: most recent year	7.66 *(11.72)*	8.67 *(6.63)*	8.23 *(8.84)*	9.27 *(3.67)*	9.82 *(0.90)*	9.91 *(0.45)*	9.94 *(−0.28)*	9.77 *(1.16)*
D. Freedom to own foreign currency bank accounts	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.67**	**8.10**	**9.65**	**9.28**	**8.89**	**8.27**	**8.27**	**7.88**
A. Tariffs	9.02	9.49	8.96	8.68	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.53 *(0.70)*	9.80 *(0.30)*	9.73 *(0.40)*	9.73 *(0.40)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.50 *(7.50)*	9.18 *(4.10)*	9.06 *(4.70)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			8.08 *(4.80)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				9.13	9.15	8.71	8.87	7.34
(i) Non-tariff trade barriers				9.13	8.80	8.30	8.61	8.56
(ii) Compliance cost of importing and exporting					9.50	9.12	9.12	6.13
C. Black-market exchange rates	9.00	9.80	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	5.00	10.00	9.30	7.22	5.97	6.01	5.85
(i) Foreign ownership/investment restrictions				8.59	9.05	8.24	8.36	7.90
(ii) Capital controls	2.00	5.00	10.00	10.00	5.38	3.08	3.08	3.08
(iii) Freedom of foreigners to visit						6.58	6.58	6.58
Area 5. Regulation	5.85	6.03	6.64	6.13	7.17	7.69	7.42	8.13
A. Credit market regulations	7.59	8.07	9.33	7.81	10.00	10.00	9.82	9.78
(i) Ownership of banks	8.00	8.00	8.00	8.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	6.76	6.22	10.00	5.43	10.00	10.00	9.46	9.34
(iii) Interest rate controls/negative real interest rates	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	4.11	3.99	3.95	3.03	3.38	5.06	5.37	6.43
(i) Hiring regulations and minimum wage				1.83	4.41	8.30	6.67	6.67
(ii) Hiring and firing regulations			3.93	3.93	2.18	1.92	3.11	2.52
(iii) Centralized collective bargaining	4.49	4.49	4.49	4.49	3.78	3.56	3.43	3.41
(iv) Hours regulations	4.84	4.49	4.40	1.90	3.51	6.00	6.00	6.00
(v) Mandated cost of worker dismissal						7.59	10.00	10.00
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	10.00
C. Business regulations				7.55	8.14	8.02	7.09	8.19
(i) Administrative requirements					7.27	3.73	5.07	4.76
(ii) Bureaucracy costs				8.28	8.30	8.26	1.11	8.26
(iii) Starting a business				5.08	7.87	9.40	9.47	9.47
(iv) Extra payments/bribes/favoritism				9.29	9.12	9.30	9.41	9.12
(v) Licensing restrictions						8.82	8.83	8.88
(vi) Cost of tax compliance						8.63	8.63	8.63

Switzerland

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.99** (2)	**8.15** (2)	**8.15** (4)	**8.19** (7)	**8.63** (3)	**8.19** (9)	**8.04** (6)	**8.07** (6)
Area 1. Size of Government	6.61 (16)	6.52 (14)	6.43 (31)	6.37 (49)	7.00 (36)	7.04 (48)	6.80 (41)	6.79 (49)
Area 2. Legal System and Property Rights	8.13 (2)	8.35 (2)	8.35 (4)	9.14 (4)	9.27 (7)	8.94 (12)	8.72 (12)	8.76 (10)
Area 3. Sound Money	9.59 (1)	9.66 (2)	9.72 (4)	9.63 (12)	9.70 (6)	9.61 (11)	9.29 (33)	9.39 (31)
Area 4. Freedom to Trade Internationally	9.03 (4)	9.08 (6)	9.09 (8)	8.60 (22)	9.49 (3)	7.33 (52)	7.27 (55)	7.06 (64)
Area 5. Regulation	6.50 (22)	7.14 (13)	7.16 (17)	7.22 (16)	7.70 (9)	8.02 (12)	8.08 (7)	8.31 (7)
Unadjusted								
Summary Rating (Rank) ➤	**7.99** (4)	**8.15** (4)	**8.21** (4)	**8.17** (7)	**8.63** (3)	**8.37** (4)	**8.21** (4)	**8.24** (4)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.78**	**6.69**	**6.43**	**6.37**	**7.00**	**7.88**	**7.61**	**7.60**
A. Government consumption	6.86 *(17.68)*	6.54 *(17.77)*	6.01 *(19.55)*	6.12 *(19.19)*	7.16 *(15.64)*	7.08 *(15.91)*	6.96 *(16.34)*	6.91 *(16.52)*
B. Transfers and subsidies	6.49 *(13.40)*	6.54 *(13.20)*	5.78 *(16.00)*	4.99 *(18.90)*	5.85 *(15.75)*	6.42 *(13.65)*	5.50 *(17.03)*	5.50 *(17.03)*
C. Government enterprises and investment						10.00 *(10.32)*	10.00 *(9.57)*	10.00 *(9.15)*
D. Top marginal tax rate	7.00	7.00	7.50	8.00	8.00	8.00	8.00	8.00
(i) Top marginal income tax rate	7.00 *(31-44)*	7.00 *(33-46)*	8.00 *(33-43)*	8.00 *(35-39)*	9.00 *(31-40)*	9.00 *(26-42)*	9.00 *(26-42)*	9.00 *(26-42)*
(ii) Top marginal income and payroll tax rate			7.00 *(36-46)*	8.00 *(38-42)*	7.00 *(39-48)*	7.00 *(34-50)*	7.00 *(35-49)*	7.00 *(35-49)*
Area 2. Legal System and Property Rights	**8.13**	**8.35**	**8.35**	**9.14**	**9.27**	**8.72**	**8.51**	**8.55**
A. Judicial independence				9.35	8.68	8.63	8.98	9.01
B. Impartial courts				7.92	8.52	8.61	7.35	7.50
C. Protection of property rights				8.44	9.17	9.28	9.02	9.07
D. Military interference in rule of law and politics				10.00	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	8.33	8.33	8.33
F. Legal enforcement of contracts						6.03	5.86	6.07
G. Regulatory restrictions on sale of real property						9.57	9.57	9.57
H. Reliability of police						9.06	8.77	8.50
I. Business costs of crime						9.00	8.67	8.86
Area 3. Sound Money	**9.59**	**9.66**	**9.72**	**9.63**	**9.70**	**9.61**	**9.29**	**9.39**
A. Money growth	9.35 *(3.25)*	9.81 *(0.94)*	9.93 *(0.33)*	9.44 *(2.82)*	9.28 *(3.60)*	8.94 *(5.28)*	7.63 *(11.84)*	8.06 *(9.71)*
B. Standard deviation of inflation	9.55 *(1.13)*	9.30 *(1.75)*	9.78 *(0.55)*	9.32 *(1.70)*	9.83 *(0.42)*	9.75 *(0.63)*	9.63 *(0.93)*	9.64 *(0.89)*
C. Inflation: most recent year	9.46 *(2.71)*	9.53 *(2.37)*	9.15 *(4.27)*	9.77 *(1.13)*	9.69 *(1.54)*	9.77 *(1.17)*	9.90 *(−0.48)*	9.86 *(0.70)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.58**	**9.63**	**9.76**	**8.43**	**9.49**	**7.42**	**7.35**	**7.14**
A. Tariffs	8.74	8.89	9.28	7.70	9.92	6.43	5.98	6.30
(i) Revenue from trade taxes (% of trade sector)	8.40 *(2.40)*	8.67 *(2.00)*	8.73 *(1.90)*	8.47 *(2.30)*	9.79 *(0.31)*	9.84 *(0.24)*	9.25 *(1.13)*	9.25 *(1.13)*
(ii) Mean tariff rate	9.08 *(4.60)*	9.12 *(4.40)*	9.12 *(4.40)*	9.28 *(3.60)*	10.00 *(0.00)*	9.46 *(2.70)*	8.70 *(6.50)*	8.96 *(5.20)*
(iii) Standard deviation of tariff rates			10.00 *(0.00)*	5.36 *(11.60)*	9.96 *(0.10)*	0.00 *(30.48)*	0.00 *(29.45)*	0.68 *(23.30)*
B. Regulatory trade barriers				6.40	8.94	7.00	7.17	6.17
(i) Non-tariff trade barriers				6.40	8.22	5.07	5.41	5.40
(ii) Compliance cost of importing and exporting					9.67	8.93	8.93	6.94
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	10.00	10.00	9.62	9.08	6.24	6.26	6.09
(i) Foreign ownership/investment restrictions				9.25	9.70	7.96	8.03	7.51
(ii) Capital controls	10.00	10.00	10.00	10.00	8.46	3.85	3.85	3.85
(iii) Freedom of foreigners to visit						6.92	6.92	6.92
Area 5. Regulation	5.85	6.43	6.82	7.30	7.70	8.24	8.30	8.54
A. Credit market regulations	6.69	8.08	8.15	8.27	9.33	9.29	9.33	9.33
(i) Ownership of banks	5.00	5.00	5.00	5.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	9.07	9.25	9.46	9.81	10.00	9.88	10.00	10.00
(iii) Interest rate controls/negative real interest rates	6.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	5.01	4.77	5.48	5.79	5.70	7.61	8.45	8.19
(i) Hiring regulations and minimum wage				7.05	4.56	10.00	10.00	8.33
(ii) Hiring and firing regulations			7.71	7.71	5.62	7.79	7.91	7.95
(iii) Centralized collective bargaining	6.21	6.21	6.21	6.21	7.80	8.06	7.80	7.86
(iv) Hours regulations	5.81	5.10	5.01	5.00	5.51	6.00	10.00	10.00
(v) Mandated cost of worker dismissal						8.79	10.00	10.00
(vi) Conscription	3.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00
C. Business regulations				7.84	8.06	7.82	7.11	8.10
(i) Administrative requirements					7.30	5.11	5.35	5.23
(ii) Bureaucracy costs				8.31	9.08	5.99	1.67	7.99
(iii) Starting a business				6.58	7.67	9.29	9.25	9.31
(iv) Extra payments/bribes/favoritism				8.62	8.18	8.92	8.80	8.44
(v) Licensing restrictions						8.30	8.31	8.34
(vi) Cost of tax compliance						9.29	9.29	9.29

Syria

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.31** (98)	**3.07** (106)	**3.53** (105)	**4.23** (114)	**4.92** (115)	**5.46** (113)	**5.46** (116)	**5.53** (116)
Area 1. Size of Government	2.09 (104)	1.95 (110)	4.38 (87)	4.57 (93)	3.75 (113)	3.90 (117)	4.01 (115)	4.21 (113)
Area 2. Legal System and Property Rights	1.76 (87)	3.05 (91)	3.02 (91)	5.23 (78)	5.44 (70)	5.48 (71)	4.86 (79)	4.90 (79)
Area 3. Sound Money	8.18 (16)	6.10 (83)	5.58 (86)	6.59 (62)	6.46 (100)	7.39 (80)	7.30 (86)	7.28 (85)
Area 4. Freedom to Trade Internationally	2.08 (78)	1.63 (85)	2.10 (96)	2.13 (109)	5.06 (112)	6.87 (72)	7.15 (63)	7.24 (58)
Area 5. Regulation	2.65 (98)	2.80 (103)	2.77 (110)	2.82 (122)	3.90 (122)	3.90 (122)	4.14 (121)	4.16 (122)
Unadjusted								
Summary Rating (Rank) ➤	**3.77** (93)	**3.14** (107)	**3.46** (106)	**4.25** (114)	**4.85** (115)	**5.84** (121)	**6.00** (116)	**6.08** (119)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.84**	**1.95**	**4.38**	**4.57**	**3.75**	**5.72**	**6.20**	**6.52**
A. Government consumption	4.17 *(25.82)*	3.89 *(26.76)*	6.76 *(17.03)*	7.14 *(15.72)*	7.50 *(14.51)*	7.16 *(15.65)*	6.85 *(16.71)*	8.11 *(12.41)*
B. Transfers and subsidies	7.36 *(10.20)*						8.97 *(4.29)*	8.97 *(4.29)*
C. Government enterprises and investment	0.00 *(59.50)*	0.00 *(62.50)*	2.00 *(45.00)*	2.00 *(43.75)*	0.00 *(63.64)*	2.00 *(46.40)*	2.00 *(46.55)*	2.00 *(48.37)*
D. Top marginal tax rate						8.00	7.00	7.00
(i) Top marginal income tax rate						8.00 *(28)*	9.00 *(22)*	9.00 *(22)*
(ii) Top marginal income and payroll tax rate							5.00 *(39)*	5.00 *(39)*
Area 2. Legal System and Property Rights	**1.76**	**3.05**	**3.02**	**4.91**	**5.06**	**4.84**	**5.03**	**5.06**
A. Judicial independence							3.13	2.93
B. Impartial courts				5.05	4.64	4.80	3.03	3.26
C. Protection of property rights							5.72	6.13
D. Military interference in rule of law and politics				6.53	3.33	3.33	3.33	3.33
E. Integrity of the legal system				4.11	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						3.22	3.22	3.22
G. Regulatory restrictions on sale of real property						4.49	4.64	4.64
H. Reliability of police							4.47	9.37
I. Business costs of crime							9.36	4.36
Area 3. Sound Money	**8.18**	**6.10**	**5.58**	**6.59**	**6.46**	**7.39**	**7.30**	**7.28**
A. Money growth	7.66 *(11.72)*	7.29 *(13.53)*	7.42 *(12.90)*	8.83 *(5.83)*	9.16 *(4.20)*	8.01 *(9.93)*	9.00 *(5.02)*	9.03 *(4.84)*
B. Standard deviation of inflation	8.56 *(3.60)*	7.91 *(5.22)*	8.75 *(3.13)*	8.62 *(3.46)*	7.47 *(6.33)*	8.00 *(4.99)*	5.79 *(10.54)*	5.95 *(10.12)*
C. Inflation: most recent year	6.51 *(17.47)*	9.18 *(4.10)*	6.13 *(19.33)*	8.92 *(5.38)*	9.23 *(−3.85)*	8.55 *(7.24)*	9.42 *(2.92)*	9.12 *(4.40)*
D. Freedom to own foreign currency bank accounts	10.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**2.30**	**1.81**	**1.55**	**2.36**	**5.06**	**5.70**	**5.91**	**5.99**
A. Tariffs	3.90	5.43	4.66	7.09	5.17	5.17	5.97	5.97
(i) Revenue from trade taxes (% of trade sector)	5.27 *(7.10)*	6.27 *(5.60)*	8.07 *(2.90)*	7.15 *(4.28)*	7.55 *(3.67)*	7.55 *(3.67)*	7.55 *(3.67)*	7.55 *(3.67)*
(ii) Mean tariff rate	2.54 *(37.30)*	4.60 *(27.00)*	5.92 *(20.40)*	7.04 *(14.80)*	6.08 *(19.60)*	6.08 *(19.60)*	7.16 *(14.20)*	7.16 *(14.20)*
(iii) Standard deviation of tariff rates			0.00 *(27.70)*		1.89 *(20.28)*	1.89 *(20.28)*	3.18 *(17.04)*	3.18 *(17.04)*
B. Regulatory trade barriers						7.14	6.19	6.41
(i) Non-tariff trade barriers							4.78	4.64
(ii) Compliance cost of importing and exporting						7.14	7.60	8.19
C. Black-market exchange rates	3.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.50	1.50	1.58
(i) Foreign ownership/investment restrictions							3.68	3.90
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	1.00	0.83	0.83
(iii) Freedom of foreigners to visit						0.00	0.00	0.00
Area 5. Regulation	2.75	2.80	2.77	2.82	3.90	5.54	5.55	5.57
A. Credit market regulations	0.82	0.85	0.78	0.92	3.79	4.39	4.84	5.59
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
(ii) Private sector credit	1.63	2.56	2.33	2.75	2.38	4.18	4.51	4.76
(iii) Interest rate controls/negative real interest rates		0.00	0.00	0.00	9.00	9.00	10.00	10.00
B. Labor market regulations						5.65	6.08	5.58
(i) Hiring regulations and minimum wage						10.00	7.23	6.10
(ii) Hiring and firing regulations							4.08	4.27
(iii) Centralized collective bargaining							7.15	7.13
(iv) Hours regulations						10.00	8.00	6.00
(v) Mandated cost of worker dismissal						2.58	10.00	10.00
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						6.57	5.72	5.54
(i) Administrative requirements							2.22	2.46
(ii) Bureaucracy costs							6.56	3.64
(iii) Starting a business						5.07	8.02	8.99
(iv) Extra payments/bribes/favoritism							3.51	3.61
(v) Licensing restrictions						8.40	7.80	8.31
(vi) Cost of tax compliance						6.23	6.23	6.23

Taiwan

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.58** (16)	**6.84** (17)	**7.30** (15)	**7.41** (25)	**7.45** (31)	**7.70** (20)	**7.54** (27)	**7.81** (15)
Area 1. Size of Government	4.96 (55)	4.91 (56)	5.40 (63)	6.10 (62)	6.73 (46)	7.15 (44)	6.42 (57)	7.45 (32)
Area 2. Legal System and Property Rights	7.83 (11)	7.25 (19)	7.25 (25)	6.74 (38)	6.08 (58)	6.54 (50)	6.74 (42)	6.86 (41)
Area 3. Sound Money	8.05 (19)	9.33 (12)	9.42 (14)	9.69 (10)	9.46 (23)	9.58 (12)	9.65 (5)	9.63 (14)
Area 4. Freedom to Trade Internationally	6.66 (25)	6.70 (26)	8.10 (18)	8.20 (25)	8.46 (31)	8.13 (22)	7.85 (38)	7.93 (27)
Area 5. Regulation	5.34 (55)	6.01 (40)	6.28 (38)	6.28 (47)	6.50 (50)	7.09 (45)	6.99 (49)	7.13 (42)
Unadjusted								
Summary Rating (Rank) ➤	**6.35** (21)	**6.60** (19)	**7.18** (16)	**7.34** (24)	**7.45** (29)	**7.61** (25)	**7.45** (30)	**7.72** (15)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.96**	**4.91**	**5.40**	**6.10**	**6.73**	**7.15**	**6.42**	**7.45**
A. Government consumption	4.82 *(23.60)*	4.71 *(24.00)*	4.74 *(23.90)*	6.03 *(19.50)*	6.69 *(17.25)*	6.53 *(17.78)*	6.59 *(17.59)*	6.73 *(17.13)*
B. Transfers and subsidies	10.00 *(0.35)*	9.95 *(0.67)*	9.87 *(0.99)*	9.37 *(2.80)*	9.21 *(3.40)*	9.08 *(3.89)*	9.08 *(3.89)*	9.08 *(3.89)*
C. Government enterprises and investment	2.00 *(44.30)*	2.00 *(43.00)*	2.00 *(44.30)*	2.00 *(47.20)*	4.00 *(30.23)*	6.00 *(25.48)*	4.00 *(30.35)*	7.00 *(24.61)*
D. Top marginal tax rate	3.00	3.00	5.00	7.00	7.00	7.00	6.00	7.00
(i) Top marginal income tax rate	3.00 *(60)*	3.00 *(60)*	5.00 *(50)*	7.00 *(40)*	7.00 *(40)*	7.00 *(40)*	7.00 *(40)*	7.00 *(40)*
(ii) Top marginal income and payroll tax rate			5.00 *(50)*	7.00 *(40)*	7.00 *(40)*	7.00 *(40)*	5.00 *(40)*	7.00 *(40)*
Area 2. Legal System and Property Rights	**7.83**	**7.25**	**7.25**	**6.74**	**6.08**	**6.69**	**6.89**	**7.02**
A. Judicial independence				5.53	5.34	5.05	6.00	6.09
B. Impartial courts				6.47	5.68	5.69	5.08	5.42
C. Protection of property rights				5.92	6.07	7.15	7.75	8.08
D. Military interference in rule of law and politics				8.81	6.67	6.67	6.67	6.67
E. Integrity of the legal system				6.96	6.67	8.33	8.33	8.33
F. Legal enforcement of contracts						5.55	5.55	5.55
G. Regulatory restrictions on sale of real property						7.87	7.87	7.87
H. Reliability of police						6.59	7.30	7.78
I. Business costs of crime						7.32	7.46	7.35
Area 3. Sound Money	**8.05**	**9.33**	**9.42**	**9.69**	**9.46**	**9.58**	**9.65**	**9.63**
A. Money growth	8.24 *(8.79)*	9.84 *(−0.81)*	9.18 *(4.09)*	9.56 *(−2.21)*	9.50 *(−2.52)*	8.95 *(5.27)*	9.27 *(3.66)*	9.27 *(3.65)*
B. Standard deviation of inflation	7.76 *(5.60)*	7.52 *(6.21)*	9.32 *(1.71)*	9.80 *(0.51)*	9.09 *(2.28)*	9.64 *(0.90)*	9.50 *(1.24)*	9.46 *(1.35)*
C. Inflation: most recent year	6.20 *(19.00)*	9.96 *(−0.20)*	9.18 *(4.10)*	9.40 *(3.00)*	9.27 *(3.67)*	9.75 *(1.26)*	9.83 *(−0.87)*	9.81 *(0.97)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**6.47**	**6.51**	**7.78**	**7.91**	**8.46**	**7.74**	**7.47**	**7.55**
A. Tariffs	7.60	8.13	8.33	8.63	7.98	7.41	7.50	7.73
(i) Revenue from trade taxes (% of trade sector)	7.60 *(3.60)*	8.13 *(2.80)*	8.60 *(2.10)*	8.87 *(1.70)*	8.98 *(1.52)*	9.61 *(0.58)*	9.68 *(0.47)*	9.68 *(0.47)*
(ii) Mean tariff rate			8.06 *(9.70)*	8.40 *(8.00)*	8.24 *(8.80)*	8.72 *(6.40)*	8.78 *(6.10)*	8.78 *(6.10)*
(iii) Standard deviation of tariff rates					6.72 *(8.20)*	3.88 *(15.30)*	4.05 *(14.88)*	4.73 *(13.18)*
B. Regulatory trade barriers				7.30	8.23	7.67	7.28	6.66
(i) Non-tariff trade barriers				7.30	7.13	7.02	6.14	6.07
(ii) Compliance cost of importing and exporting					9.33	8.33	8.41	7.25
C. Black-market exchange rates	9.80	9.40	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	5.00	5.71	7.63	5.87	5.11	5.81
(i) Foreign ownership/investment restrictions				6.43	7.63	7.44	5.92	7.31
(ii) Capital controls	2.00	2.00	5.00	5.00				
(iii) Freedom of foreigners to visit						4.31	4.31	4.31
Area 5. Regulation	4.46	5.02	6.03	6.28	6.50	6.89	6.80	6.94
A. Credit market regulations	5.26	6.74	7.33	7.33	7.33	9.33	8.66	8.67
(i) Ownership of banks	0.00	2.00	2.00	2.00	2.00	8.00	8.00	8.00
(ii) Private sector credit	7.79	8.23	10.00	10.00	10.00	10.00	7.97	8.01
(iii) Interest rate controls/negative real interest rates	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			4.73	5.22	4.51	4.34	5.17	4.93
(i) Hiring regulations and minimum wage				6.50	3.78	2.20	2.23	2.23
(ii) Hiring and firing regulations			6.26	6.26	4.60	5.92	5.92	4.68
(iii) Centralized collective bargaining			7.93	7.93	7.98	8.36	7.88	7.71
(iv) Hours regulations				5.43	6.18	8.00	10.00	10.00
(v) Mandated cost of worker dismissal						1.56	1.97	1.97
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00
C. Business regulations				6.28	7.67	7.00	6.59	7.22
(i) Administrative requirements					7.63	5.21	4.53	4.63
(ii) Bureaucracy costs				6.88	7.35	6.52	3.38	6.30
(iii) Starting a business				7.50	7.58	7.76	9.48	9.65
(iv) Extra payments/bribes/favoritism				4.46	8.09	7.95	6.73	6.67
(v) Licensing restrictions						8.41	8.42	8.80
(vi) Cost of tax compliance						6.19	6.98	7.25

Tanzania

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.65** (94)	**3.47** (100)	**3.87** (102)	**5.43** (85)	**6.07** (84)	**6.44** (80)	**6.22** (95)	**6.44** (86)
Area 1. Size of Government	2.27 (102)	1.96 (109)	3.58 (100)	7.01 (22)	5.77 (77)	6.27 (80)	5.02 (99)	5.60 (84)
Area 2. Legal System and Property Rights	6.13 (32)	5.85 (36)	5.21 (57)	5.92 (55)	6.95 (41)	6.73 (47)	6.88 (39)	6.83 (42)
Area 3. Sound Money	4.11 (98)	4.92 (93)	4.58 (96)	5.02 (93)	7.59 (67)	7.57 (78)	7.53 (84)	7.71 (84)
Area 4. Freedom to Trade Internationally	1.31 (84)	1.56 (86)	1.50 (100)	5.02 (97)	5.24 (108)	5.09 (113)	4.98 (116)	5.02 (116)
Area 5. Regulation	4.35 (84)	3.21 (98)	4.51 (95)	4.20 (112)	4.80 (109)	6.48 (78)	6.72 (72)	7.03 (47)
Unadjusted								
Summary Rating (Rank) ➤	**4.41** (78)	**3.87** (93)	**3.88** (101)	**5.33** (86)	**5.91** (88)	**6.35** (97)	**6.14** (110)	**6.35** (107)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.83**	**3.79**	**3.58**	**7.01**	**5.77**	**6.27**	**5.02**	**5.60**
A. Government consumption	7.50 *(14.50)*	6.44 *(18.10)*	6.75 *(17.06)*	7.03 *(16.08)*	8.31 *(11.76)*	6.30 *(18.58)*	5.57 *(21.05)*	5.31 *(21.95)*
B. Transfers and subsidies	10.00 *(0.00)*	8.72 *(5.20)*						
C. Government enterprises and investment	0.00 *(53.80)*	0.00 *(53.50)*	2.00 *(40.03)*	8.00 *(17.20)*	4.00 *(34.60)*	7.00 *(24.15)*	4.00 *(30.01)*	6.00 *(29.20)*
D. Top marginal tax rate		0.00	2.00	6.00	5.00	5.50	5.50	5.50
(i) Top marginal income tax rate		0.00 *(95)*	3.00 *(50)*	8.00 *(30)*	7.00 *(31)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			1.00 *(57)*	4.00 *(45)*	3.00 *(46)*	3.00 *(46)*	3.00 *(48)*	3.00 *(48)*
Area 2. Legal System and Property Rights	**6.13**	**5.85**	**5.21**	**5.41**	**6.15**	**5.65**	**5.78**	**5.73**
A. Judicial independence						4.91	4.18	4.36
B. Impartial courts				5.84	5.84	4.46	4.33	4.65
C. Protection of property rights						4.90	4.42	4.23
D. Military interference in rule of law and politics				7.81	6.67	6.67	6.67	6.67
E. Integrity of the legal system				4.11	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						6.11	6.11	6.11
G. Regulatory restrictions on sale of real property						7.10	7.17	7.17
H. Reliability of police						4.19	4.68	5.48
I. Business costs of crime						4.18	6.12	4.62
Area 3. Sound Money	**4.11**	**4.92**	**4.58**	**5.02**	**7.59**	**7.57**	**7.53**	**7.71**
A. Money growth	5.94 *(20.30)*	7.92 *(10.40)*	4.00 *(30.00)*	4.48 *(27.60)*	8.72 *(6.40)*	7.32 *(13.41)*	7.99 *(10.04)*	7.54 *(12.29)*
B. Standard deviation of inflation	6.54 *(8.66)*	8.43 *(3.93)*	8.70 *(3.26)*	6.38 *(9.06)*	7.83 *(5.43)*	9.68 *(0.80)*	9.54 *(1.16)*	9.54 *(1.14)*
C. Inflation: most recent year	3.96 *(30.20)*	3.34 *(33.28)*	5.64 *(21.82)*	4.23 *(28.86)*	8.82 *(5.92)*	8.27 *(8.63)*	7.57 *(12.14)*	8.76 *(6.20)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**1.62**	**1.57**	**1.51**	**5.02**	**5.24**	**6.13**	**6.00**	**6.05**
A. Tariffs	4.87	4.70	4.53	5.26	4.96	4.94	4.92	4.96
(i) Revenue from trade taxes (% of trade sector)	4.87 *(7.70)*	5.80 *(6.30)*	5.00 *(7.50)*	4.60 *(8.10)*	2.07 *(11.90)*	2.07 *(11.90)*	2.07 *(11.90)*	2.07 *(11.90)*
(ii) Mean tariff rate		3.60 *(32.00)*	4.06 *(29.70)*	6.10 *(19.50)*	6.18 *(19.10)*	7.42 *(12.90)*	7.48 *(12.60)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates				5.08 *(12.30)*	6.64 *(8.40)*	5.33 *(11.68)*	5.21 *(11.97)*	5.30 *(11.75)*
B. Regulatory trade barriers						5.60	5.78	5.81
(i) Non-tariff trade barriers						4.93	5.35	5.12
(ii) Compliance cost of importing and exporting						6.28	6.22	6.50
C. Black-market exchange rates	0.00	0.00	0.00	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.77	3.97	3.29	3.42
(i) Foreign ownership/investment restrictions						7.38	5.34	5.72
(ii) Capital controls	0.00	0.00	0.00	0.00	0.77	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						4.54	4.54	4.54
Area 5. Regulation	4.35	3.21	4.51	4.20	4.80	6.15	6.38	6.68
A. Credit market regulations	1.64	0.30	3.74	2.90	4.50	7.89	8.25	8.83
(i) Ownership of banks	0.00	0.00	0.00	0.00	0.00	8.00	8.00	10.00
(ii) Private sector credit	0.93	0.89	7.21	4.69	4.51	6.67	6.74	6.49
(iii) Interest rate controls/negative real interest rates	4.00	0.00	4.00	4.00	9.00	9.00	10.00	10.00
B. Labor market regulations						5.76	5.80	5.84
(i) Hiring regulations and minimum wage						0.00	1.10	1.10
(ii) Hiring and firing regulations						5.09	4.51	4.66
(iii) Centralized collective bargaining						7.43	5.13	5.21
(iv) Hours regulations						8.70	10.00	10.00
(v) Mandated cost of worker dismissal						8.33	9.07	9.07
(vi) Conscription	10.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
C. Business regulations						4.80	5.08	5.36
(i) Administrative requirements						4.19	3.90	3.95
(ii) Bureaucracy costs						2.98	5.55	3.80
(iii) Starting a business						8.08	8.75	8.77
(iv) Extra payments/bribes/favoritism						4.60	3.64	3.71
(v) Licensing restrictions						0.90	0.58	3.86
(vi) Cost of tax compliance						8.07	8.07	8.07

Thailand

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.09** (26)	**6.17** (27)	**6.83** (26)	**7.18** (31)	**6.51** (68)	**6.68** (72)	**6.69** (71)	**6.66** (75)
Area 1. Size of Government	6.01 (23)	5.58 (36)	7.36 (12)	7.76 (16)	6.84 (40)	7.12 (46)	7.08 (34)	7.43 (34)
Area 2. Legal System and Property Rights	6.52 (25)	5.85 (37)	6.43 (31)	5.41 (74)	5.99 (61)	5.97 (59)	5.37 (76)	5.09 (78)
Area 3. Sound Money	6.32 (49)	7.02 (35)	7.97 (32)	9.46 (24)	6.61 (96)	6.76 (93)	7.08 (87)	7.06 (91)
Area 4. Freedom to Trade Internationally	5.66 (37)	5.89 (33)	5.90 (43)	6.42 (66)	7.03 (68)	6.66 (79)	7.08 (65)	6.86 (75)
Area 5. Regulation	5.85 (40)	6.51 (26)	6.38 (35)	6.77 (32)	6.07 (77)	6.82 (59)	6.84 (58)	6.88 (58)
Unadjusted								
Summary Rating (Rank) ➤	**5.86** (31)	**5.94** (35)	**6.69** (30)	**7.07** (33)	**6.51** (66)	**6.72** (76)	**6.73** (82)	**6.70** (87)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.01**	**5.58**	**7.36**	**7.76**	**6.84**	**7.12**	**7.08**	**7.43**
A. Government consumption	7.11 *(17.81)*	6.51 *(17.86)*	7.57 *(14.26)*	7.19 *(15.57)*	6.77 *(17.00)*	6.71 *(17.18)*	6.04 *(19.47)*	6.05 *(19.44)*
B. Transfers and subsidies	9.95 *(0.70)*	9.81 *(1.20)*	9.86 *(1.00)*	9.84 *(1.10)*	9.60 *(1.96)*	8.79 *(4.95)*	9.29 *(3.09)*	9.67 *(1.70)*
C. Government enterprises and investment	4.00 *(31.90)*	4.00 *(32.00)*	8.00 *(15.20)*	7.00 *(21.60)*	4.00 *(37.20)*	7.00 *(24.70)*	6.00 *(27.13)*	7.00 *(23.81)*
D. Top marginal tax rate	3.00	2.00	4.00	7.00	7.00	6.00	7.00	7.00
(i) Top marginal income tax rate	3.00 *(60)*	2.00 *(65)*	4.00 *(55)*	7.00 *(37)*	7.00 *(37)*	6.00 *(37)*	7.00 *(37)*	7.00 *(37)*
(ii) Top marginal income and payroll tax rate			4.00 *(55)*	7.00 *(37)*	7.00 *(37)*	6.00 *(37)*	7.00 *(37)*	7.00 *(37)*
Area 2. Legal System and Property Rights	**6.52**	**5.85**	**6.43**	**5.41**	**5.99**	**6.28**	**5.64**	**5.35**
A. Judicial independence				5.77	5.85	5.67	5.53	5.34
B. Impartial courts				3.75	4.68	5.87	5.12	4.86
C. Protection of property rights				3.60	4.42	7.11	4.85	4.29
D. Military interference in rule of law and politics				6.96	6.67	6.67	5.83	5.00
E. Integrity of the legal system				6.96	8.33	4.17	4.17	4.17
F. Legal enforcement of contracts						6.11	6.11	6.11
G. Regulatory restrictions on sale of real property						7.89	8.55	7.89
H. Reliability of police						6.27	4.65	5.98
I. Business costs of crime						6.74	5.99	4.53
Area 3. Sound Money	**6.32**	**7.02**	**7.97**	**9.46**	**6.61**	**6.76**	**7.08**	**7.06**
A. Money growth	8.96 *(5.20)*	9.49 *(−2.55)*	8.69 *(6.56)*	9.42 *(2.90)*	8.71 *(6.47)*	8.53 *(7.34)*	8.97 *(5.16)*	9.32 *(3.40)*
B. Standard deviation of inflation	8.85 *(2.87)*	9.02 *(2.45)*	9.34 *(1.66)*	9.62 *(0.96)*	8.06 *(4.86)*	9.40 *(1.49)*	9.53 *(1.17)*	9.57 *(1.08)*
C. Inflation: most recent year	7.46 *(12.70)*	9.56 *(2.18)*	8.85 *(5.77)*	8.80 *(6.01)*	9.69 *(1.57)*	9.09 *(4.54)*	9.83 *(−0.85)*	9.34 *(3.31)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	5.00	10.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**5.16**	**5.37**	**5.07**	**6.09**	**7.03**	**6.44**	**6.84**	**6.63**
A. Tariffs	4.47	4.71	3.21	4.57	6.65	6.84	7.37	7.37
(i) Revenue from trade taxes (% of trade sector)	5.40 *(6.90)*	5.67 *(6.50)*	6.40 *(5.40)*	7.67 *(3.50)*	9.06 *(1.41)*	9.29 *(1.06)*	9.36 *(0.96)*	9.36 *(0.96)*
(ii) Mean tariff rate	3.54 *(32.30)*	3.76 *(31.20)*	1.84 *(40.80)*	2.80 *(36.00)*	6.60 *(17.00)*	7.88 *(10.60)*	8.02 *(9.90)*	8.02 *(9.90)*
(iii) Standard deviation of tariff rates			1.40 *(21.50)*	3.24 *(16.90)*	4.28 *(14.30)*	3.35 *(16.64)*	4.73 *(13.17)*	4.73 *(13.17)*
B. Regulatory trade barriers				5.13	7.20	5.89	7.08	6.07
(i) Non-tariff trade barriers				5.13	5.73	5.00	5.97	5.45
(ii) Compliance cost of importing and exporting					8.66	6.78	8.18	6.69
C. Black-market exchange rates	9.00	9.40	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	4.65	4.28	3.01	2.93	3.07
(i) Foreign ownership/investment restrictions				7.30	7.02	6.25	5.99	6.43
(ii) Capital controls	2.00	2.00	2.00	2.00	1.54	1.54	1.54	1.54
(iii) Freedom of foreigners to visit						1.25	1.25	1.25
Area 5. Regulation	5.29	5.88	6.62	6.65	6.07	6.99	7.01	7.05
A. Credit market regulations	6.67	8.65	8.26	9.08	8.06	9.33	8.99	9.27
(i) Ownership of banks	8.00	8.00	8.00	8.00	5.00	8.00	8.00	8.00
(ii) Private sector credit	8.02	7.96	8.78	9.23	9.17	10.00	8.97	9.80
(iii) Interest rate controls/negative real interest rates	4.00	10.00	8.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations			4.98	5.39	4.30	5.43	5.70	5.63
(i) Hiring regulations and minimum wage				5.77	3.94	6.70	6.67	6.67
(ii) Hiring and firing regulations			7.01	7.01	4.60	4.75	5.81	5.59
(iii) Centralized collective bargaining	7.93	7.93	7.93	7.93	6.45	6.12	6.34	6.14
(iv) Hours regulations				6.27	6.51	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						4.99	5.36	5.36
(vi) Conscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				5.47	5.86	6.20	6.34	6.26
(i) Administrative requirements					6.88	4.89	4.34	4.28
(ii) Bureaucracy costs				6.77	3.98	2.17	4.51	4.57
(iii) Starting a business				6.53	7.28	8.88	8.92	9.01
(iv) Extra payments/bribes/favoritism				3.11	5.31	5.85	4.85	4.31
(v) Licensing restrictions						8.35	8.36	8.34
(vi) Cost of tax compliance						7.04	7.04	7.04

Togo

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.07** (82)	**5.15** (57)	**5.73** (49)	**5.46** (84)	**5.81** (97)	**6.13** (92)	**5.56** (114)	**5.79** (109)
Area 1. Size of Government	1.60 (107)	3.80 (86)	6.43 (30)	6.86 (29)	8.44 (7)	8.70 (7)	6.33 (62)	6.54 (56)
Area 2. Legal System and Property Rights	3.33 (63)	4.22 (70)	4.48 (68)	5.00 (85)	3.59 (108)	3.11 (111)	3.22 (113)	3.19 (112)
Area 3. Sound Money	5.53 (79)	6.75 (49)	6.95 (50)	5.03 (92)	6.48 (98)	6.88 (90)	6.63 (105)	6.69 (101)
Area 4. Freedom to Trade Internationally					5.87 (90)	6.38 (83)	6.43 (86)	6.65 (85)
Area 5. Regulation	4.89 (73)	4.97 (74)	4.96 (78)	4.88 (95)	4.65 (111)	5.38 (110)	5.30 (114)	6.03 (98)
Unadjusted								
Summary Rating (Rank) ➤	**3.99** (86)	**5.27** (59)	**5.44** (61)	**5.38** (83)	**5.84** (92)	**5.97** (112)	**5.37** (131)	**5.59** (133)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**1.60**	**5.69**	**6.43**	**6.86**	**8.44**	**9.65**	**7.03**	**7.26**
A. Government consumption	3.20 *(29.11)*	7.60 *(14.18)*	6.87 *(16.65)*	7.72 *(13.76)*	8.88 *(9.82)*	8.96 *(9.52)*	7.69 *(13.85)*	8.13 *(12.36)*
B. Transfers and subsidies		9.48 *(2.40)*				10.00 *(0.28)*	9.39 *(2.74)*	9.65 *(1.79)*
C. Government enterprises and investment	0.00 *(71.70)*	0.00 *(73.90)*	6.00 *(28.80)*	6.00 *(25.80)*	8.00 *(16.80)*	10.00 *(12.50)*	4.00 *(12.50)*	4.00 *(12.50)*
D. Top marginal tax rate								
(i) Top marginal income tax rate								
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**3.33**	**4.22**	**4.48**	**4.75**	**3.73**	**2.48**	**2.57**	**2.55**
A. Judicial independence								
B. Impartial courts				4.15	4.11	3.70	4.00	3.90
C. Protection of property rights								
D. Military interference in rule of law and politics				3.90	1.67	0.14	0.00	0.00
E. Integrity of the legal system				6.96	5.00	5.00	5.00	5.00
F. Legal enforcement of contracts						3.15	3.15	3.15
G. Regulatory restrictions on sale of real property						0.43	0.73	0.73
H. Reliability of police								
I. Business costs of crime								
Area 3. Sound Money	**5.53**	**6.75**	**6.95**	**5.03**	**6.48**	**6.88**	**6.63**	**6.69**
A. Money growth	8.66 *(6.68)*	9.66 *(−1.72)*	9.03 *(−4.84)*	8.06 *(9.71)*	8.66 *(6.69)*	9.94 *(−0.32)*	8.10 *(9.50)*	8.29 *(8.54)*
B. Standard deviation of inflation	5.56 *(11.11)*	8.04 *(4.90)*	9.37 *(1.58)*	4.50 *(13.74)*	7.65 *(5.88)*	8.94 *(2.66)*	8.82 *(2.95)*	8.84 *(2.91)*
C. Inflation: most recent year	7.91 *(10.47)*	9.32 *(3.40)*	9.40 *(2.98)*	7.57 *(12.17)*	9.62 *(1.89)*	8.64 *(6.80)*	9.61 *(1.95)*	9.63 *(1.83)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**3.78**	**4.69**	**4.36**		**5.87**	**6.06**	**6.11**	**6.32**
A. Tariffs	1.73	4.27	3.87		7.60	7.39	7.52	7.52
(i) Revenue from trade taxes (% of trade sector)	1.73 *(12.40)*	4.27 *(8.60)*	3.87 *(9.20)*			7.82 *(3.27)*	7.66 *(3.50)*	7.66 *(3.50)*
(ii) Mean tariff rate					7.60 *(12.00)*	7.08 *(14.60)*	7.62 *(11.90)*	7.62 *(11.90)*
(iii) Standard deviation of tariff rates						7.26 *(6.84)*	7.29 *(6.78)*	7.29 *(6.78)*
B. Regulatory trade barriers						6.34	6.40	7.25
(i) Non-tariff trade barriers								
(ii) Compliance cost of importing and exporting						6.34	6.40	7.25
C. Black-market exchange rates	9.60	9.80	9.20	9.80	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50
(i) Foreign ownership/investment restrictions								
(ii) Capital controls	0.00	0.00	0.00	0.00	0.00	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						0.23	0.23	0.23
Area 5. Regulation	5.70	4.97	4.96	4.88	4.65	4.77	4.49	5.11
A. Credit market regulations	6.42	6.61	6.59	6.38	5.78	4.80	4.20	6.17
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	5.00	5.00	5.00
(ii) Private sector credit	9.26	9.82	9.77	9.15	9.33	3.40	3.40	7.34
(iii) Interest rate controls/negative real interest rates	8.00	8.00	8.00	8.00	6.00	6.00		
B. Labor market regulations						4.57	4.19	4.19
(i) Hiring regulations and minimum wage						5.60	1.67	1.67
(ii) Hiring and firing regulations								
(iii) Centralized collective bargaining								
(iv) Hours regulations						6.00	8.00	8.00
(v) Mandated cost of worker dismissal						6.66	7.09	7.09
(vi) Conscription		0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations						4.94	5.09	4.97
(i) Administrative requirements								
(ii) Bureaucracy costs								
(iii) Starting a business						3.88	4.13	3.86
(iv) Extra payments/bribes/favoritism								
(v) Licensing restrictions						3.96	4.15	4.08
(vi) Cost of tax compliance						6.97	6.97	6.97

Trinidad and Tobago

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.83** (63)	**4.80** (77)	**5.52** (56)	**7.29** (27)	**7.55** (25)	**7.14** (49)	**7.06** (56)	**6.90** (65)
Area 1. Size of Government	5.48 (36)	3.79 (87)	6.31 (37)	7.04 (21)	7.05 (33)	7.45 (35)	7.16 (32)	6.91 (44)
Area 2. Legal System and Property Rights	5.08 (44)	4.48 (63)	5.79 (42)	5.54 (67)	6.65 (47)	5.40 (73)	5.81 (68)	5.49 (73)
Area 3. Sound Money	4.50 (96)	6.16 (82)	5.94 (75)	8.61 (37)	9.03 (38)	8.58 (59)	8.06 (70)	7.96 (79)
Area 4. Freedom to Trade Internationally	2.37 (71)	2.47 (77)	2.65 (92)	7.96 (32)	7.28 (60)	7.73 (41)	7.57 (46)	7.41 (49)
Area 5. Regulation	6.94 (14)	7.36 (8)	7.03 (20)	7.34 (12)	7.75 (8)	6.56 (77)	6.76 (67)	6.72 (73)
Unadjusted								
Summary Rating (Rank) ➤	**4.89** (64)	**4.87** (72)	**5.52** (59)	**7.19** (29)	**7.41** (30)	**7.12** (55)	**7.04** (64)	**6.88** (76)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.38**	**3.79**	**6.31**	**7.04**	**7.05**	**7.45**	**7.16**	**6.91**
A. Government consumption	5.64 *(20.81)*	3.09 *(29.49)*	6.81 *(16.84)*	6.73 *(17.11)*	6.74 *(17.10)*	5.97 *(19.70)*	6.40 *(18.23)*	5.42 *(21.58)*
B. Transfers and subsidies	8.50 *(6.00)*	6.08 *(14.90)*	7.41 *(10.00)*	8.45 *(6.20)*	8.45 *(6.20)*	8.83 *(4.80)*	8.24 *(6.97)*	8.24 *(6.97)*
C. Government enterprises and investment	2.00 *(47.60)*	2.00 *(40.60)*	4.00 *(34.60)*	8.00 *(16.70)*	6.00 *(28.67)*	7.00 *(23.59)*	7.00 *(23.59)*	7.00
D. Top marginal tax rate		4.00	7.00	5.00	7.00	8.00	7.00	7.00
(i) Top marginal income tax rate		4.00 *(50)*	7.00 *(35)*	5.00 *(38)*	7.00 *(35)*	8.00 *(30)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate			7.00 *(35)*	5.00 *(38)*	7.00 *(35)*	8.00 *(30)*	5.00 *(39)*	5.00 *(39)*
Area 2. Legal System and Property Rights	**5.42**	**4.78**	**6.19**	**5.40**	**5.93**	**4.48**	**4.83**	**4.56**
A. Judicial independence						5.32	6.11	5.73
B. Impartial courts				6.47	6.28	5.16	4.72	4.24
C. Protection of property rights					5.30	5.98	5.36	4.96
D. Military interference in rule of law and politics				7.15	8.33	8.33	8.33	8.33
E. Integrity of the legal system				4.11	6.67	3.82	4.17	4.17
F. Legal enforcement of contracts						2.96	2.96	2.96
G. Regulatory restrictions on sale of real property						4.64	4.64	4.64
H. Reliability of police						1.93	4.02	2.54
I. Business costs of crime						2.22	3.17	3.51
Area 3. Sound Money	**4.50**	**6.16**	**5.94**	**8.61**	**9.03**	**8.58**	**8.06**	**7.96**
A. Money growth	7.62 *(11.88)*	9.98 *(−0.09)*	9.06 *(4.70)*	8.76 *(6.18)*	8.83 *(5.86)*	8.23 *(8.83)*	7.85 *(10.77)*	7.85 *(10.77)*
B. Standard deviation of inflation	5.89 *(10.27)*	6.66 *(8.34)*	7.81 *(5.47)*	6.41 *(8.98)*	8.02 *(4.95)*	7.47 *(6.33)*	5.81 *(10.48)*	6.12 *(9.70)*
C. Inflation: most recent year	4.49 *(27.53)*	7.98 *(10.10)*	6.90 *(15.49)*	9.25 *(3.75)*	9.29 *(3.56)*	8.62 *(6.89)*	8.61 *(6.97)*	7.89 *(10.55)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**2.69**	**2.87**	**2.71**	**8.13**	**7.28**	**7.75**	**7.59**	**7.43**
A. Tariffs	7.87	6.40	6.12	6.99	5.40	7.83	7.23	7.23
(i) Revenue from trade taxes (% of trade sector)	7.87 *(3.20)*	6.20 *(5.70)*	8.20 *(2.70)*	8.87 *(1.70)*	3.20 *(10.20)*	9.07 *(1.40)*	7.73 *(3.41)*	7.73 *(3.41)*
(ii) Mean tariff rate		6.60 *(17.00)*	6.28 *(18.60)*	7.18 *(14.10)*	6.32 *(18.40)*	8.44 *(7.80)*	8.50 *(7.50)*	8.50 *(7.50)*
(iii) Standard deviation of tariff rates			3.88 *(15.30)*	4.92 *(12.70)*	6.68 *(8.30)*	5.98 *(10.06)*	5.47 *(11.33)*	5.47 *(11.33)*
B. Regulatory trade barriers					6.20	6.53	7.15	6.44
(i) Non-tariff trade barriers					6.20	5.70	6.49	6.06
(ii) Compliance cost of importing and exporting						7.37	7.80	6.81
C. Black-market exchange rates	0.20	2.20	2.00	9.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	8.00	7.53	6.65	5.99	6.03
(i) Foreign ownership/investment restrictions					8.15	7.37	6.14	6.27
(ii) Capital controls	0.00	0.00	0.00	8.00	6.92	6.92	6.15	6.15
(iii) Freedom of foreigners to visit						5.67	5.67	5.67
Area 5. Regulation	6.47	6.77	6.46	6.75	7.75	7.34	7.56	7.52
A. Credit market regulations	6.90	8.04	7.24	7.99	8.99	8.33	9.00	9.33
(i) Ownership of banks	5.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	8.81	8.12	7.71	9.98	9.98	10.00	10.00	10.00
(iii) Interest rate controls/negative real interest rates		8.00	6.00	6.00	9.00	7.00	9.00	10.00
B. Labor market regulations					7.15	7.54	7.51	7.38
(i) Hiring regulations and minimum wage					5.34	10.00	10.00	10.00
(ii) Hiring and firing regulations					5.80	5.35	4.86	4.59
(iii) Centralized collective bargaining					7.47	6.13	5.84	5.30
(iv) Hours regulations						10.00	10.00	10.00
(v) Mandated cost of worker dismissal						3.79	4.38	4.38
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					7.10	6.14	6.18	5.86
(i) Administrative requirements					7.47	3.27	4.11	4.04
(ii) Bureaucracy costs					7.70	4.75	4.97	4.52
(iii) Starting a business					6.63	8.61	8.61	8.61
(iv) Extra payments/bribes/favoritism					6.60	4.84	5.05	4.27
(v) Licensing restrictions						6.65	6.65	6.06
(vi) Cost of tax compliance						8.72	7.65	7.65

Tunisia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.82** (64)	**4.60** (82)	**5.32** (67)	**5.73** (75)	**6.08** (83)	**6.02** (99)	**6.26** (93)	**6.21** (99)
Area 1. Size of Government	4.87 (59)	4.48 (71)	5.81 (53)	4.56 (94)	5.28 (86)	5.17 (98)	6.97 (37)	6.97 (41)
Area 2. Legal System and Property Rights	4.92 (45)	3.52 (82)	3.50 (80)	6.29 (48)	7.33 (35)	7.36 (30)	7.49 (28)	6.80 (43)
Area 3. Sound Money	6.18 (58)	6.50 (65)	6.98 (47)	7.02 (56)	7.05 (77)	7.30 (83)	6.81 (97)	6.85 (98)
Area 4. Freedom to Trade Internationally	3.74 (58)	3.74 (65)	5.04 (56)	5.47 (89)	5.43 (101)	4.93 (117)	4.71 (117)	4.85 (117)
Area 5. Regulation	4.44 (82)	4.69 (78)	5.27 (72)	5.29 (84)	5.30 (104)	5.39 (109)	5.55 (111)	5.64 (111)
Unadjusted								
Summary Rating (Rank) ➤	**4.71** (70)	**4.49** (86)	**5.38** (63)	**5.66** (76)	**5.90** (89)	**6.60** (82)	**6.87** (73)	**6.81** (80)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.19**	**3.86**	**5.81**	**4.56**	**5.28**	**5.23**	**7.05**	**7.05**
A. Government consumption	6.17 *(19.03)*	5.16 *(22.46)*	5.75 *(20.45)*	5.56 *(21.11)*	5.74 *(20.50)*	6.01 *(19.58)*	5.65 *(20.78)*	5.70 *(20.61)*
B. Transfers and subsidies	8.61 *(5.60)*	8.28 *(6.80)*	7.68 *(9.00)*	8.14 *(7.34)*	8.10 *(7.47)*	7.41 *(10.00)*	7.05 *(11.33)*	7.00 *(11.50)*
C. Government enterprises and investment	0.00 *(53.10)*	0.00 *(52.80)*	4.00 *(35.90)*	0.00 *(50.70)*	2.00 *(47.40)*	2.00 *(44.40)*	10.00 *(14.34)*	10.00 *(14.34)*
D. Top marginal tax rate	2.00	2.00				5.50	5.50	5.50
(i) Top marginal income tax rate	2.00 *(62)*	2.00 *(62)*				7.00 *(35)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate						4.00 *(51)*	4.00 *(51)*	4.00 *(51)*
Area 2. Legal System and Property Rights	**4.92**	**3.52**	**3.50**	**5.68**	**6.43**	**6.98**	**7.10**	**6.45**
A. Judicial independence						6.78	6.31	5.12
B. Impartial courts				6.71	6.99	6.59	6.69	6.01
C. Protection of property rights						7.37	7.31	6.48
D. Military interference in rule of law and politics				8.07	6.67	6.67	6.67	6.67
E. Integrity of the legal system				4.11	8.33	8.33	8.33	8.33
F. Legal enforcement of contracts						4.88	4.88	4.88
G. Regulatory restrictions on sale of real property						7.11	7.26	7.26
H. Reliability of police						7.43	7.51	7.36
I. Business costs of crime						7.67	8.99	5.93
Area 3. Sound Money	**6.18**	**6.50**	**6.98**	**7.02**	**7.05**	**7.30**	**6.81**	**6.85**
A. Money growth	8.64 *(6.80)*	8.48 *(7.61)*	9.63 *(1.86)*	9.48 *(2.60)*	9.04 *(4.82)*	9.78 *(1.09)*	8.63 *(6.86)*	8.86 *(5.71)*
B. Standard deviation of inflation	8.63 *(3.43)*	8.25 *(4.37)*	9.20 *(2.00)*	9.62 *(0.94)*	9.75 *(0.62)*	9.83 *(0.41)*	9.37 *(1.58)*	9.44 *(1.41)*
C. Inflation: most recent year	7.44 *(12.80)*	9.28 *(3.60)*	9.10 *(4.48)*	8.96 *(5.19)*	9.41 *(2.93)*	9.60 *(2.02)*	9.23 *(3.83)*	9.12 *(4.42)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally	**3.59**	**3.59**	**5.04**	**5.47**	**5.43**	**6.45**	**6.17**	**6.34**
A. Tariffs	4.36	3.17	4.71	4.61	5.53	5.34	5.79	6.73
(i) Revenue from trade taxes (% of trade sector)	4.00 *(9.00)*	1.13 *(13.30)*	3.67 *(9.50)*	4.00 *(9.00)*	7.75 *(3.37)*	8.69 *(1.96)*	8.28 *(2.58)*	8.31 *(2.54)*
(ii) Mean tariff rate	4.72 *(26.40)*	5.20 *(24.00)*	4.50 *(27.50)*	4.50 *(27.50)*	3.88 *(30.60)*	7.32 *(13.40)*	5.70 *(21.50)*	6.70 *(16.50)*
(iii) Standard deviation of tariff rates			5.96 *(10.10)*	5.32 *(11.70)*	4.96 *(12.60)*	0.00 *(26.00)*	3.38 *(16.56)*	5.18 *(12.05)*
B. Regulatory trade barriers						6.57	7.10	6.60
(i) Non-tariff trade barriers						6.30	6.19	5.77
(ii) Compliance cost of importing and exporting						6.84	8.01	7.44
C. Black-market exchange rates	6.40	7.60	8.40	9.80	10.00	8.79	7.16	7.05
D. Controls of the movement of capital and people	0.00	0.00	2.00	2.00	0.77	5.12	4.63	4.98
(i) Foreign ownership/investment restrictions						7.45	5.98	7.03
(ii) Capital controls	0.00	0.00	2.00	2.00	0.77	0.77	0.77	0.77
(iii) Freedom of foreigners to visit						7.14	7.14	7.14
Area 5. Regulation	4.70	4.96	5.57	5.59	5.30	7.02	7.24	7.35
A. Credit market regulations	4.89	5.58	7.21	7.27	6.93	7.82	8.08	8.12
(i) Ownership of banks	2.00	2.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	8.68	8.75	8.63	8.80	8.86	8.45	9.25	9.35
(iii) Interest rate controls/negative real interest rates	4.00	6.00	8.00	8.00		10.00	10.00	10.00
B. Labor market regulations						6.52	6.64	6.72
(i) Hiring regulations and minimum wage						7.20	7.23	8.33
(ii) Hiring and firing regulations						5.83	5.33	4.89
(iii) Centralized collective bargaining						5.97	5.48	5.31
(iv) Hours regulations						8.70	10.00	10.00
(v) Mandated cost of worker dismissal						8.42	8.79	8.79
(vi) Conscription	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations						6.74	6.98	7.22
(i) Administrative requirements						5.28	5.28	4.68
(ii) Bureaucracy costs						4.30	3.53	5.76
(iii) Starting a business						9.46	9.60	9.60
(iv) Extra payments/bribes/favoritism						6.84	7.34	5.88
(v) Licensing restrictions						7.54	7.78	9.01
(vi) Cost of tax compliance						7.00	8.39	8.39

Turkey

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.77** (91)	**4.85** (74)	**5.06** (76)	**5.89** (70)	**5.81** (97)	**6.09** (94)	**6.57** (78)	**6.56** (81)
Area 1. Size of Government	4.13 (75)	4.63 (67)	5.82 (52)	6.93 (25)	7.08 (32)	7.84 (26)	6.90 (38)	6.91 (45)
Area 2. Legal System and Property Rights	5.57 (39)	5.85 (39)	4.48 (67)	4.85 (90)	5.39 (73)	5.62 (68)	4.81 (81)	4.62 (87)
Area 3. Sound Money	0.78 (106)	2.68 (105)	3.87 (103)	3.21 (106)	3.57 (116)	4.84 (120)	8.91 (49)	8.86 (57)
Area 4. Freedom to Trade Internationally	3.62 (60)	5.53 (39)	5.76 (47)	8.11 (27)	7.55 (53)	6.88 (70)	6.93 (73)	6.84 (76)
Area 5. Regulation	4.69 (81)	5.55 (57)	5.26 (74)	6.44 (42)	5.49 (99)	5.21 (115)	5.47 (113)	5.71 (108)
Unadjusted								
Summary Rating (Rank) ➤	**3.72** (94)	**4.78** (77)	**4.83** (85)	**5.80** (71)	**5.81** (96)	**6.43** (91)	**6.94** (68)	**6.92** (75)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**4.40**	**4.93**	**5.82**	**6.93**	**7.08**	**7.84**	**6.90**	**6.91**
A. Government consumption	7.09 *(15.89)*	8.40 *(11.44)*	7.71 *(13.78)*	7.85 *(13.30)*	6.93 *(16.43)*	6.98 *(16.26)*	6.75 *(17.06)*	6.86 *(16.67)*
B. Transfers and subsidies	8.50 *(6.00)*	7.30 *(10.40)*	9.07 *(3.90)*	7.86 *(8.36)*	9.37 *(2.81)*	9.38 *(2.77)*	6.86 *(12.04)*	6.77 *(12.37)*
C. Government enterprises and investment	2.00 *(40.00)*	2.00 *(45.50)*	4.00 *(31.70)*	8.00 *(16.50)*	7.00 *(22.80)*	8.00 *(15.70)*	7.00 *(21.65)*	7.00 *(20.57)*
D. Top marginal tax rate	0.00	2.00	2.50	4.00	5.00	7.00	7.00	7.00
(i) Top marginal income tax rate	0.00 *(75)*	2.00 *(63)*	4.00 *(50)*	4.00 *(55)*	6.00 *(45)*	7.00 *(40)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate			1.00 *(57)*	4.00 *(55)*	4.00 *(46)*	7.00 *(40)*	7.00 *(35)*	7.00 *(35)*
Area 2. Legal System and Property Rights	**5.57**	**5.85**	**4.48**	**4.85**	**5.39**	**6.39**	**5.47**	**5.25**
A. Judicial independence				5.47	5.34	5.30	4.01	3.77
B. Impartial courts				6.62	6.51	4.68	4.17	4.43
C. Protection of property rights				4.25	3.43	6.35	5.08	5.35
D. Military interference in rule of law and politics				3.80	5.00	6.67	3.33	3.33
E. Integrity of the legal system				4.11	6.67	7.50	7.50	5.83
F. Legal enforcement of contracts						6.16	6.16	5.60
G. Regulatory restrictions on sale of real property						8.87	8.90	8.80
H. Reliability of police						5.87	4.29	5.95
I. Business costs of crime						6.14	5.81	4.19
Area 3. Sound Money	**0.78**	**2.68**	**3.87**	**3.21**	**3.57**	**4.84**	**8.91**	**8.86**
A. Money growth	3.14 *(34.30)*	5.02 *(24.88)*	2.36 *(38.20)*	0.00 *(50.41)*	0.00 *(81.91)*	0.00 *(59.29)*	8.18 *(9.10)*	8.34 *(8.30)*
B. Standard deviation of inflation	0.00 *(27.75)*	5.71 *(10.72)*	3.11 *(17.23)*	2.84 *(17.89)*	4.27 *(14.33)*	1.40 *(21.49)*	8.73 *(3.18)*	8.80 *(3.00)*
C. Inflation: most recent year	0.00 *(85.04)*	0.00 *(52.18)*	0.00 *(58.21)*	0.00 *(86.99)*	0.00 *(54.92)*	7.97 *(10.14)*	8.75 *(6.25)*	8.29 *(8.57)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.43**	**5.25**	**4.71**	**7.75**	**7.55**	**7.38**	**7.43**	**7.33**
A. Tariffs	3.50	6.34	4.53	8.31	7.42	6.87	6.20	6.16
(i) Revenue from trade taxes (% of trade sector)	5.80 *(6.30)*	8.00 *(3.00)*	8.13 *(2.80)*	9.00 *(1.50)*	9.55 *(0.67)*	9.73 *(0.41)*	9.34 *(0.99)*	9.30 *(1.05)*
(ii) Mean tariff rate	1.20 *(44.00)*	4.68 *(26.60)*	5.46 *(22.70)*	8.20 *(9.00)*	8.58 *(7.10)*	9.52 *(2.40)*	8.06 *(9.70)*	8.02 *(9.90)*
(iii) Standard deviation of tariff rates			0.00 *(35.70)*	7.72 *(5.70)*	4.12 *(14.70)*	1.36 *(21.60)*	1.19 *(22.02)*	1.17 *(22.08)*
B. Regulatory trade barriers				7.60	6.98	6.60	7.07	6.86
(i) Non-tariff trade barriers				7.60	5.63	6.28	6.08	5.66
(ii) Compliance cost of importing and exporting					8.33	6.93	8.05	8.06
C. Black-market exchange rates	6.80	9.40	9.60	9.60	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	5.49	5.79	6.03	6.44	6.30
(i) Foreign ownership/investment restrictions				8.98	9.27	6.55	6.25	5.82
(ii) Capital controls	0.00	0.00	0.00	2.00	2.31	1.54	3.08	3.08
(iii) Freedom of foreigners to visit						10.00	10.00	10.00
Area 5. Regulation	4.41	5.21	5.28	6.27	5.49	5.69	5.98	6.25
A. Credit market regulations	3.99	6.65	5.41	7.78	6.14	6.65	6.90	7.79
(i) Ownership of banks	8.00	8.00	8.00	8.00	8.00	5.00	5.00	5.00
(ii) Private sector credit	3.98	3.96	6.22	7.35	4.29	4.95	5.69	8.36
(iii) Interest rate controls/negative real interest rates	0.00	8.00	2.00	8.00		10.00	10.00	10.00
B. Labor market regulations			5.16	5.35	4.49	3.83	4.78	4.76
(i) Hiring regulations and minimum wage				6.35	3.38	4.40	5.57	5.57
(ii) Hiring and firing regulations			7.23	7.23	5.32	4.02	5.03	5.00
(iii) Centralized collective bargaining	7.24	7.24	7.24	7.24	6.57	6.39	7.11	7.06
(iv) Hours regulations				4.93	6.18	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						1.19	1.97	1.97
(vi) Conscription	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
C. Business regulations				5.67	5.82	6.60	6.27	6.19
(i) Administrative requirements					7.40	3.28	3.47	3.34
(ii) Bureaucracy costs				6.24	5.15	6.21	4.98	4.64
(iii) Starting a business				7.55	5.22	9.47	9.59	9.66
(iv) Extra payments/bribes/favoritism				3.23	5.52	6.33	4.68	4.51
(v) Licensing restrictions						7.13	7.43	7.48
(vi) Cost of tax compliance						7.15	7.50	7.50

Uganda

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**3.14** (100)	**2.82** (107)	**2.86** (112)	**5.15** (94)	**6.83** (50)	**7.13** (50)	**7.31** (39)	**7.47** (33)
Area 1. Size of Government		3.77 (89)	4.90 (75)	7.47 (17)	6.73 (45)	7.54 (33)	7.45 (28)	7.66 (26)
Area 2. Legal System and Property Rights	2.76 (72)	2.93 (93)	2.44 (101)	4.45 (100)	4.80 (82)	5.03 (78)	5.23 (77)	5.44 (75)
Area 3. Sound Money	0.00 (107)	0.00 (111)	0.28 (116)	4.62 (98)	9.30 (31)	8.70 (54)	8.40 (62)	8.71 (60)
Area 4. Freedom to Trade Internationally	2.96 (66)	2.71 (74)	1.80 (99)	4.76 (98)	7.96 (40)	7.41 (49)	8.27 (17)	8.61 (6)
Area 5. Regulation	4.72 (80)	4.70 (76)	4.95 (79)	4.47 (106)	5.32 (103)	6.74 (66)	7.05 (44)	6.84 (62)
Unadjusted								
Summary Rating (Rank) ➤	**2.79** (104)	**2.82** (108)	**2.80** (112)	**5.17** (90)	**6.79** (51)	**6.97** (65)	**7.14** (56)	**7.30** (50)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government		**3.73**	**4.52**	**7.47**	**6.73**	**7.54**	**7.45**	**7.66**
A. Government consumption		7.20 *(15.51)*	9.57 *(7.48)*	8.68 *(10.49)*	7.50 *(14.51)*	7.16 *(15.65)*	7.85 *(13.32)*	7.74 *(13.69)*
B. Transfers and subsidies				9.20 *(3.42)*	8.94 *(4.40)*	9.99 *(0.55)*	9.97 *(0.61)*	9.89 *(0.90)*
C. Government enterprises and investment	2.00 *(42.80)*	4.00 *(39.00)*	2.00 *(49.10)*	6.00 *(27.80)*	4.00 *(31.50)*	7.00 *(22.40)*	6.00 *(25.84)*	7.00 *(24.09)*
D. Top marginal tax rate		0.00	2.00	6.00	6.50	6.00	6.00	6.00
(i) Top marginal income tax rate		0.00 *(70)*	3.00 *(50)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate			1.00 *(59)*	4.00 *(41)*	5.00 *(40)*	4.00 *(41)*	4.00 *(41)*	4.00 *(41)*
Area 2. Legal System and Property Rights	**2.76**	**2.93**	**2.44**	**4.35**	**4.60**	**4.67**	**4.86**	**5.05**
A. Judicial independence						4.63	3.99	4.56
B. Impartial courts				5.54	4.41	4.12	4.58	4.82
C. Protection of property rights						4.29	4.69	5.20
D. Military interference in rule of law and politics				3.70	3.33	3.33	3.33	3.33
E. Integrity of the legal system				4.11	6.67	6.67	5.83	5.83
F. Legal enforcement of contracts						3.70	4.04	4.04
G. Regulatory restrictions on sale of real property						7.03	7.49	8.14
H. Reliability of police						3.97	5.04	4.57
I. Business costs of crime						4.29	4.70	4.95
Area 3. Sound Money	**1.04**	**0.00**	**0.28**	**4.62**	**9.30**	**8.70**	**8.40**	**8.71**
A. Money growth	3.12 *(34.40)*	0.00 *(76.20)*	0.00 *(410.00)*	5.96 *(20.21)*	8.73 *(6.34)*	8.56 *(7.20)*	7.97 *(10.14)*	7.33 *(13.35)*
B. Standard deviation of inflation	0.00 *(33.80)*	0.00 *(40.83)*	0.00 *(52.40)*	4.36 *(14.10)*	9.05 *(2.39)*	7.86 *(5.36)*	8.30 *(4.25)*	8.32 *(4.21)*
C. Inflation: most recent year		0.00 *(120.35)*	1.12 *(44.38)*	8.15 *(9.23)*	9.43 *(2.83)*	8.37 *(8.15)*	7.31 *(13.45)*	9.20 *(3.98)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**2.64**	**2.71**	**1.80**	**4.93**	**7.96**	**6.39**	**7.14**	**7.44**
A. Tariffs	7.93	3.13	3.39	5.38	5.43	5.72	6.95	6.95
(i) Revenue from trade taxes (% of trade sector)	7.93 *(3.10)*	2.27 *(11.60)*	2.80 *(10.80)*	3.20 *(10.20)*	2.51 *(11.23)*	4.31 *(8.54)*	8.05 *(2.92)*	8.05 *(2.92)*
(ii) Mean tariff rate		4.00 *(30.00)*	3.98 *(30.10)*	6.58 *(17.10)*	8.34 *(8.30)*	7.52 *(12.40)*	7.48 *(12.60)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates				6.36 *(9.10)*		5.33 *(11.68)*	5.31 *(11.72)*	5.30 *(11.75)*
B. Regulatory trade barriers						3.29	5.43	6.50
(i) Non-tariff trade barriers						4.12	5.92	5.63
(ii) Compliance cost of importing and exporting						2.46	4.94	7.38
C. Black-market exchange rates	0.00	5.00	2.00	9.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	0.00	8.46	6.57	6.18	6.29
(i) Foreign ownership/investment restrictions						7.97	6.80	7.13
(ii) Capital controls	0.00	0.00	0.00	0.00	8.46	8.46	8.46	8.46
(iii) Freedom of foreigners to visit						3.29	3.29	3.29
Area 5. Regulation	4.72	4.70	4.95	4.47	5.32	7.53	7.87	7.64
A. Credit market regulations	2.61	2.58	3.23	4.29	6.55	9.54	9.49	9.49
(i) Ownership of banks	2.00	2.00	2.00	2.00	2.00	10.00	10.00	10.00
(ii) Private sector credit	5.84	5.74	7.70	6.86	8.66	9.62	9.48	9.48
(iii) Interest rate controls/negative real interest rates	0.00	0.00	0.00	4.00	9.00	9.00	9.00	9.00
B. Labor market regulations						7.56	8.07	7.71
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						6.88	7.01	6.73
(iii) Centralized collective bargaining						8.69	8.42	8.55
(iv) Hours regulations						8.00	10.00	8.00
(v) Mandated cost of worker dismissal						8.79	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	3.00	3.00	3.00	3.00	3.00
C. Business regulations						5.49	6.05	5.70
(i) Administrative requirements						3.82	4.86	4.89
(ii) Bureaucracy costs						2.41	6.14	3.49
(iii) Starting a business						8.10	8.21	8.02
(iv) Extra payments/bribes/favoritism						4.20	3.08	3.03
(v) Licensing restrictions						7.05	5.80	7.17
(vi) Cost of tax compliance						7.34	8.20	7.61

Ukraine

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤				**3.39** (122)	**4.56** (119)	**5.74** (107)	**5.82** (105)	**5.87** (107)
Area 1. Size of Government					4.59 (101)	6.46 (71)	6.53 (52)	6.62 (55)
Area 2. Legal System and Property Rights				4.78 (93)	4.81 (81)	4.79 (82)	4.51 (89)	4.50 (90)
Area 3. Sound Money			0.00 (118)	0.00 (121)	2.24 (122)	4.88 (119)	5.32 (121)	5.60 (120)
Area 4. Freedom to Trade Internationally				6.00 (75)	6.31 (80)	6.07 (89)	6.52 (82)	6.56 (87)
Area 5. Regulation				2.82 (121)	4.84 (108)	6.61 (73)	6.32 (91)	6.14 (95)
Unadjusted								
Summary Rating (Rank) ➤				**3.03** (123)	**4.56** (119)	**5.81** (125)	**5.89** (123)	**5.94** (122)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government					**4.59**	**6.46**	**6.53**	**6.62**
A. Government consumption	4.65 *(24.20)*	4.41 *(25.00)*	5.16 *(22.44)*	3.58 *(27.84)*	3.59 *(27.80)*	4.38 *(25.12)*	4.76 *(23.81)*	4.68 *(24.10)*
B. Transfers and subsidies					6.26 *(14.24)*	3.98 *(22.59)*	3.87 *(23.00)*	4.28 *(21.48)*
C. Government enterprises and investment					4.00	10.00 *(8.46)*	10.00 *(6.40)*	10.00 *(7.13)*
D. Top marginal tax rate					4.50	7.50	7.50	7.50
(i) Top marginal income tax rate					5.00 *(40)*	10.00 *(13)*	10.00 *(15)*	10.00 *(15)*
(ii) Top marginal income and payroll tax rate					4.00 *(44)*	5.00 *(38)*	5.00 *(40)*	5.00 *(40)*
Area 2. Legal System and Property Rights				**4.32**	**4.81**	**5.09**	**4.79**	**4.79**
A. Judicial independence				6.10	3.17	2.56	1.66	1.80
B. Impartial courts				4.28	3.51	3.05	2.11	2.27
C. Protection of property rights				1.22	2.38	3.95	2.66	2.78
D. Military interference in rule of law and politics				5.67	8.33	8.33	8.33	8.33
E. Integrity of the legal system					6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						5.28	5.34	5.36
G. Regulatory restrictions on sale of real property						7.12	6.44	6.51
H. Reliability of police						3.96	3.30	6.08
I. Business costs of crime						4.93	6.63	3.28
Area 3. Sound Money			**3.37**	**0.00**	**2.24**	**4.88**	**5.32**	**5.60**
A. Money growth					3.17 *(34.15)*	5.27 *(23.66)*	7.20 *(13.98)*	6.98 *(15.11)*
B. Standard deviation of inflation				0.00 *(1158.31)*	1.45 *(21.38)*	6.95 *(7.64)*	7.26 *(6.86)*	7.29 *(6.78)*
C. Inflation: most recent year			6.73 *(16.34)*	0.00 *(415.53)*	4.36 *(28.20)*	7.30 *(13.52)*	6.82 *(15.89)*	8.12 *(9.38)*
D. Freedom to own foreign currency bank accounts			0.00	0.00	0.00	0.00	0.00	0.00
Area 4. Freedom to Trade Internationally				**5.12**	**6.31**	**6.21**	**6.67**	**6.72**
A. Tariffs					7.62	6.75	8.69	8.53
(i) Revenue from trade taxes (% of trade sector)					9.36 *(0.96)*	8.87 *(1.70)*	9.17 *(1.25)*	9.17 *(1.25)*
(ii) Mean tariff rate					7.90 *(10.50)*	8.64 *(6.80)*	9.08 *(4.60)*	9.08 *(4.60)*
(iii) Standard deviation of tariff rates					5.60 *(11.00)*	2.74 *(18.16)*	7.83 *(5.43)*	7.33 *(6.67)*
B. Regulatory trade barriers				2.52	5.51	4.84	4.86	5.42
(i) Non-tariff trade barriers				2.52	4.03	4.56	4.40	3.91
(ii) Compliance cost of importing and exporting					6.99	5.13	5.32	6.94
C. Black-market exchange rates	0.00	0.00	0.00	9.40	7.78	10.00	10.00	10.00
D. Controls of the movement of capital and people	0.00	0.00	0.00	3.43	4.34	3.27	3.13	2.91
(i) Foreign ownership/investment restrictions				4.86	7.13	4.61	4.21	4.31
(ii) Capital controls	0.00	0.00	0.00	2.00	1.54	0.77	0.77	0.00
(iii) Freedom of foreigners to visit						4.42	4.42	4.42
Area 5. Regulation				2.70	4.84	6.42	6.14	5.97
A. Credit market regulations			0.00	0.57	5.59	9.16	8.14	8.14
(i) Ownership of banks			0.00	0.00	0.00	8.00	8.00	8.00
(ii) Private sector credit				1.72	9.76	9.47	6.41	6.41
(iii) Interest rate controls/negative real interest rates				0.00	7.00	10.00	10.00	10.00
B. Labor market regulations				5.35	4.51	6.17	6.07	6.08
(i) Hiring regulations and minimum wage				6.62	1.87	5.60	5.57	5.57
(ii) Hiring and firing regulations			5.83	5.83	6.25	6.34	6.11	6.32
(iii) Centralized collective bargaining				7.93	8.07	7.30	7.15	7.01
(iv) Hours regulations				5.35	5.34	8.00	8.00	8.00
(v) Mandated cost of worker dismissal						8.79	9.60	9.60
(vi) Conscription				1.00	1.00	1.00	0.00	0.00
C. Business regulations				2.18	4.43	3.95	4.22	3.69
(i) Administrative requirements					6.27	2.58	2.65	2.45
(ii) Bureaucracy costs				2.20	4.80	3.80	6.25	2.79
(iii) Starting a business				3.73	2.87	8.20	9.06	9.18
(iv) Extra payments/bribes/favoritism				0.62	3.79	5.59	2.88	2.70
(v) Licensing restrictions						3.51	1.86	2.35
(vi) Cost of tax compliance						0.00	2.64	2.64

United Arab Emirates

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.03** (28)	**6.83** (18)	**7.20** (18)	**6.95** (38)	**7.28** (39)	**7.50** (34)	**7.42** (34)	**7.61** (22)
Area 1. Size of Government	5.97 (25)	5.75 (32)	7.43 (10)	5.94 (65)	6.11 (65)	8.09 (16)	7.43 (29)	7.94 (20)
Area 2. Legal System and Property Rights	2.06 (84)	5.85 (35)	5.79 (43)	6.51 (44)	7.52 (33)	7.18 (38)	7.26 (32)	7.18 (31)
Area 3. Sound Money	6.64 (35)	7.64 (31)	7.91 (33)	7.76 (44)	7.75 (65)	7.60 (77)	7.65 (80)	7.93 (81)
Area 4. Freedom to Trade Internationally					8.58 (27)	8.55 (12)	8.65 (10)	8.27 (16)
Area 5. Regulation	5.28 (58)	6.22 (36)	6.33 (37)	6.29 (45)	6.45 (54)	6.11 (92)	6.15 (96)	6.70 (76)
Unadjusted								
Summary Rating (Rank) ➤	**6.09** (28)	**6.88** (13)	**7.46** (14)	**6.88** (38)	**7.09** (40)	**7.71** (20)	**7.63** (17)	**7.83** (11)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.19**	**5.00**	**7.43**	**5.94**	**6.11**	**8.09**	**7.43**	**7.94**
A. Government consumption	0.37 *(38.73)*	0.00 *(41.76)*	2.91 *(30.10)*	3.88 *(26.80)*	4.71 *(23.97)*	8.66 *(10.54)*	8.02 *(12.73)*	8.06 *(12.58)*
B. Transfers and subsidies			9.81 *(1.20)*	9.86 *(1.00)*	9.71 *(1.55)*	9.71 *(1.55)*	9.71 *(1.55)*	9.71 *(1.55)*
C. Government enterprises and investment			7.00 *(21.40)*	0.00 *(55.70)*	0.00 *(56.90)*	4.00 *(38.18)*	2.00 *(40.61)*	4.00 *(36.28)*
D. Top marginal tax rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(i) Top marginal income tax rate	10.00 *(0)*	10.00 *(0)*	10.00	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*
(ii) Top marginal income and payroll tax rate						10.00 *(16)*	10.00 *(16)*	10.00 *(16)*
Area 2. Legal System and Property Rights	**2.06**	**5.85**	**5.79**	**5.83**	**6.56**	**7.27**	**7.35**	**7.27**
A. Judicial independence						6.30	6.49	6.80
B. Impartial courts				6.92	7.55	6.35	6.21	5.66
C. Protection of property rights						6.82	6.71	6.35
D. Military interference in rule of law and politics				8.50	8.33	8.33	8.33	8.33
E. Integrity of the legal system				4.11	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						4.83	4.83	4.83
G. Regulatory restrictions on sale of real property						9.30	9.30	9.30
H. Reliability of police						8.23	8.66	8.98
I. Business costs of crime						8.63	8.99	8.55
Area 3. Sound Money	**7.93**	**9.12**	**9.44**	**9.45**	**7.75**	**7.60**	**7.65**	**7.93**
A. Money growth	5.46 *(22.70)*	9.30 *(−3.51)*	9.27 *(3.66)*	8.90 *(5.51)*	8.87 *(5.66)*	6.65 *(16.75)*	7.71 *(11.44)*	8.21 *(8.95)*
B. Standard deviation of inflation	8.08 *(4.79)*	8.09 *(4.78)*	9.32 *(1.69)*		6.49 *(8.78)*	6.62 *(8.45)*	5.13 *(12.17)*	5.23 *(11.92)*
C. Inflation: most recent year	8.18 *(9.10)*	9.11 *(4.46)*	9.18 *(4.10)*		5.63 *(21.83)*	7.14 *(14.29)*	7.74 *(−11.28)*	8.29 *(8.55)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**10.00**	**8.20**	**8.33**		**8.58**	**8.11**	**8.20**	**7.84**
A. Tariffs	10.00	9.60	10.00		9.60	8.87	8.67	8.67
(i) Revenue from trade taxes (% of trade sector)	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*		10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*	10.00 *(0.00)*
(ii) Mean tariff rate		9.20 *(4.00)*			9.20 *(4.00)*	9.04 *(4.80)*	9.02 *(4.90)*	9.02 *(4.90)*
(iii) Standard deviation of tariff rates						7.56 *(6.10)*	7.00 *(7.50)*	7.00 *(7.50)*
B. Regulatory trade barriers						8.11	8.63	7.36
(i) Non-tariff trade barriers						7.62	8.12	7.65
(ii) Compliance cost of importing and exporting						8.60	9.14	7.06
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	5.00	5.00	5.00	6.15	5.45	5.50	5.34
(i) Foreign ownership/investment restrictions						6.69	7.15	6.68
(ii) Capital controls	10.00	5.00	5.00	5.00	6.15	6.15	5.83	5.83
(iii) Freedom of foreigners to visit						3.52	3.52	3.52
Area 5. Regulation	5.28	6.22	6.33	6.29	6.45	7.46	7.51	8.18
A. Credit market regulations	6.85	6.17	6.49	6.36	6.86	7.74	7.75	7.64
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	8.71	7.35	7.98	7.73	8.71	8.21	8.24	7.92
(iii) Interest rate controls/negative real interest rates						10.00	10.00	10.00
B. Labor market regulations						7.48	7.19	8.50
(i) Hiring regulations and minimum wage						10.00	10.00	10.00
(ii) Hiring and firing regulations						6.21	6.17	6.59
(iii) Centralized collective bargaining						8.47	8.34	8.38
(iv) Hours regulations						8.00	6.00	6.00
(v) Mandated cost of worker dismissal						2.21	2.65	10.00
(vi) Conscription	3.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						7.15	7.59	8.40
(i) Administrative requirements						5.56	5.51	5.60
(ii) Bureaucracy costs						2.18	2.81	7.47
(iii) Starting a business						8.03	9.45	9.52
(iv) Extra payments/bribes/favoritism						8.07	8.10	7.97
(v) Licensing restrictions						9.21	9.81	9.99
(vi) Cost of tax compliance						9.87	9.87	9.87

United Kingdom

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.57** (17)	**7.53** (7)	**8.08** (6)	**8.20** (6)	**8.50** (6)	**8.38** (5)	**7.97** (7)	**7.87** (12)
Area 1. Size of Government	3.77 (87)	4.41 (74)	5.65 (58)	5.42 (81)	6.13 (61)	6.29 (79)	5.68 (82)	5.18 (100)
Area 2. Legal System and Property Rights	7.05 (19)	6.65 (25)	7.73 (16)	8.84 (15)	9.29 (6)	9.07 (8)	8.75 (10)	8.74 (11)
Area 3. Sound Money	5.96 (68)	9.35 (11)	9.48 (12)	9.60 (16)	9.31 (30)	9.45 (29)	9.58 (14)	9.58 (19)
Area 4. Freedom to Trade Internationally	8.99 (5)	9.04 (7)	9.04 (9)	9.11 (12)	9.40 (5)	8.75 (6)	8.71 (6)	8.43 (12)
Area 5. Regulation	6.99 (12)	8.23 (3)	8.55 (2)	8.04 (5)	8.36 (3)	8.35 (7)	7.14 (41)	7.42 (28)
Unadjusted								
Summary Rating (Rank) ➤	**6.72** (14)	**7.71** (6)	**8.18** (5)	**8.19** (6)	**8.50** (6)	**8.25** (5)	**7.85** (9)	**7.75** (12)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**3.94**	**4.61**	**5.65**	**5.42**	**6.13**	**6.29**	**5.68**	**5.18**
A. Government consumption	3.93 *(26.62)*	4.16 *(25.85)*	4.52 *(24.63)*	4.36 *(25.18)*	5.23 *(22.22)*	4.32 *(25.31)*	3.97 *(26.49)*	3.98 *(26.46)*
B. Transfers and subsidies	5.83 *(15.80)*	5.26 *(17.90)*	6.08 *(14.90)*	5.31 *(17.70)*	6.31 *(14.05)*	6.33 *(13.97)*	5.74 *(16.14)*	5.75 *(16.10)*
C. Government enterprises and investment	6.00 *(29.10)*	7.00 *(23.50)*	8.00 *(15.30)*	8.00 *(16.40)*	8.00 *(16.40)*	10.00 *(4.24)*	8.00 *(18.26)*	8.00 *(17.45)*
D. Top marginal tax rate	0.00	2.00	4.00	4.00	5.00	4.50	5.00	3.00
(i) Top marginal income tax rate	0.00 *(83)*	2.00 *(60)*	5.00 *(40)*	5.00 *(40)*	6.00 *(40)*	5.00 *(41)*	6.00 *(40)*	5.00 *(50)*
(ii) Top marginal income and payroll tax rate			3.00 *(48)*	3.00 *(48)*	4.00 *(48)*	4.00 *(48)*	4.00 *(48)*	1.00 *(66)*
Area 2. Legal System and Property Rights	**7.05**	**6.65**	**7.73**	**8.84**	**9.29**	**8.27**	**7.98**	**7.97**
A. Judicial independence				9.50	9.02	8.74	8.81	8.66
B. Impartial courts				8.88	9.02	8.38	6.98	6.79
C. Protection of property rights				7.08	8.44	9.09	7.92	8.34
D. Military interference in rule of law and politics				8.76	10.00	10.00	10.00	10.00
E. Integrity of the legal system				10.00	10.00	9.17	9.17	9.17
F. Legal enforcement of contracts						6.00	6.04	5.95
G. Regulatory restrictions on sale of real property						8.26	8.50	7.91
H. Reliability of police						7.51	7.44	7.15
I. Business costs of crime						7.25	6.97	7.77
Area 3. Sound Money	**5.96**	**9.35**	**9.48**	**9.60**	**9.31**	**9.45**	**9.58**	**9.58**
A. Money growth	8.57 *(7.17)*	9.57 *(2.17)*	9.75 *(1.27)*	9.59 *(2.06)*	8.14 *(9.31)*	8.54 *(7.30)*	8.68 *(6.61)*	9.26 *(3.70)*
B. Standard deviation of inflation	9.04 *(2.40)*	9.01 *(2.48)*	9.45 *(1.38)*	9.30 *(1.74)*	9.69 *(0.77)*	9.82 *(0.44)*	9.75 *(0.61)*	9.73 *(0.67)*
C. Inflation: most recent year	6.23 *(18.84)*	8.82 *(5.91)*	8.72 *(6.42)*	9.51 *(2.44)*	9.41 *(2.93)*	9.43 *(2.83)*	9.89 *(−0.55)*	9.34 *(3.29)*
D. Freedom to own foreign currency bank accounts	0.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**9.63**	**9.68**	**9.47**	**9.03**	**9.40**	**8.80**	**8.76**	**8.48**
A. Tariffs	8.89	9.05	8.41	8.63	9.18	8.39	8.22	8.34
(i) Revenue from trade taxes (% of trade sector)	9.53 *(0.70)*	9.60 *(0.60)*	9.60 *(0.60)*	9.60 *(0.60)*	9.78 *(0.33)*	9.59 *(0.62)*	9.44 *(0.84)*	9.63 *(0.55)*
(ii) Mean tariff rate	8.24 *(8.80)*	8.50 *(7.50)*	8.52 *(7.40)*	8.66 *(6.70)*	9.52 *(2.40)*	9.46 *(2.70)*	8.94 *(5.30)*	8.98 *(5.10)*
(iii) Standard deviation of tariff rates			7.12 *(7.20)*	7.64 *(5.90)*	8.24 *(4.40)*	6.13 *(9.67)*	6.29 *(9.28)*	6.41 *(8.98)*
B. Regulatory trade barriers				8.03	9.32	8.07	8.27	7.07
(i) Non-tariff trade barriers				8.03	8.97	7.23	7.34	7.51
(ii) Compliance cost of importing and exporting					9.67	8.91	9.20	6.63
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	10.00	10.00	9.45	9.10	8.74	8.56	8.50
(i) Foreign ownership/investment restrictions				8.89	9.75	8.59	8.15	7.99
(ii) Capital controls	10.00	10.00	10.00	10.00	8.46	8.46	8.33	8.33
(iii) Freedom of foreigners to visit						9.18	9.18	9.18
Area 5. Regulation	7.00	8.25	8.59	8.06	8.36	8.46	7.24	7.53
A. Credit market regulations	7.33	9.71	9.93	8.79	10.00	9.33	6.69	6.69
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.00	9.12	9.79	6.36	10.00	7.98	1.07	1.07
(iii) Interest rate controls/negative real interest rates	4.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00
B. Labor market regulations	6.67	6.79	7.24	7.22	6.92	8.47	8.19	8.24
(i) Hiring regulations and minimum wage				6.67	4.61	8.90	8.90	8.90
(ii) Hiring and firing regulations			7.39	7.39	4.90	5.83	5.36	5.67
(iii) Centralized collective bargaining	5.18	5.18	6.21	6.21	8.60	8.10	7.87	7.87
(iv) Hours regulations	4.84	5.19	5.37	5.85	6.51	10.00	8.00	8.00
(v) Mandated cost of worker dismissal						7.96	9.03	9.01
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				8.18	8.17	7.60	6.85	7.65
(i) Administrative requirements					7.93	3.80	3.43	3.50
(ii) Bureaucracy costs				7.78	8.03	5.90	1.98	7.16
(iii) Starting a business				8.07	7.73	9.58	9.58	9.58
(iv) Extra payments/bribes/favoritism				8.70	8.97	9.04	8.08	7.70
(v) Licensing restrictions						8.45	9.24	9.19
(vi) Cost of tax compliance						8.82	8.77	8.77

United States

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**7.92** (3)	**8.11** (3)	**8.35** (3)	**8.50** (4)	**8.65** (2)	**8.21** (8)	**7.72** (15)	**7.70** (19)
Area 1. Size of Government	5.08 (49)	5.94 (28)	6.71 (24)	6.88 (28)	7.03 (34)	7.13 (45)	6.49 (53)	6.43 (61)
Area 2. Legal System and Property Rights	8.35 (1)	8.35 (3)	8.35 (10)	8.76 (16)	9.23 (9)	7.51 (29)	7.16 (35)	7.12 (33)
Area 3. Sound Money	9.22 (5)	9.36 (9)	9.68 (7)	9.76 (3)	9.78 (2)	9.76 (1)	9.60 (12)	9.68 (7)
Area 4. Freedom to Trade Internationally	8.77 (7)	8.73 (8)	8.77 (11)	8.83 (18)	8.78 (22)	8.28 (17)	7.93 (31)	7.65 (42)
Area 5. Regulation	8.11 (4)	8.09 (5)	8.23 (4)	8.29 (4)	8.43 (2)	8.37 (6)	7.41 (24)	7.64 (17)
Unadjusted								
Summary Rating (Rank) ➤	**8.07** (2)	**8.26** (3)	**8.43** (3)	**8.48** (4)	**8.65** (2)	**8.20** (8)	**7.71** (12)	**7.69** (18)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**5.17**	**6.05**	**6.71**	**6.88**	**7.03**	**7.13**	**6.49**	**6.43**
A. Government consumption	5.53 *(21.21)*	5.45 *(21.46)*	5.66 *(20.76)*	6.18 *(18.97)*	6.59 *(17.60)*	6.34 *(18.43)*	6.02 *(19.55)*	6.02 *(19.54)*
B. Transfers and subsidies	7.17 *(10.90)*	6.73 *(12.50)*	6.68 *(12.70)*	6.32 *(14.00)*	6.54 *(13.19)*	6.69 *(12.66)*	5.94 *(15.40)*	5.69 *(16.31)*
C. Government enterprises and investment	8.00 *(17.71)*	8.00 *(18.07)*	8.00 *(18.28)*	8.00 *(16.70)*	8.00 *(17.68)*	8.00 *(15.23)*	7.00 *(22.68)*	7.00 *(22.52)*
D. Top marginal tax rate	0.00	4.00	6.50	7.00	7.00	7.50	7.00	7.00
(i) Top marginal income tax rate	0.00 *(70-75)*	4.00 *(50-59)*	7.00 *(33-42)*	7.00 *(40-46)*	7.00 *(40-46)*	8.00 *(35-42)*	7.00 *(35-41)*	7.00 *(35-41)*
(ii) Top marginal income and payroll tax rate			6.00 *(36-45)*	7.00 *(42-49)*	7.00 *(42-49)*	7.00 *(37-44)*	7.00 *(37-43)*	7.00 *(37-44)*
Area 2. Legal System and Property Rights	**8.35**	**8.35**	**8.35**	**8.76**	**9.23**	**7.54**	**7.19**	**7.14**
A. Judicial independence				8.30	8.02	6.60	6.62	6.57
B. Impartial courts				8.52	9.02	6.80	5.70	5.63
C. Protection of property rights				7.76	9.10	8.05	6.83	6.76
D. Military interference in rule of law and politics				9.23	10.00	6.67	6.67	6.67
E. Integrity of the legal system				10.00	10.00	8.33	8.33	8.33
F. Legal enforcement of contracts						7.33	7.33	7.33
G. Regulatory restrictions on sale of real property						9.61	9.61	9.51
H. Reliability of police						7.82	7.71	5.89
I. Business costs of crime						6.66	5.89	7.60
Area 3. Sound Money	**9.22**	**9.36**	**9.68**	**9.76**	**9.78**	**9.76**	**9.60**	**9.68**
A. Money growth	9.25 *(3.75)*	9.11 *(4.46)*	9.86 *(−0.72)*	9.70 *(1.51)*	9.94 *(−0.28)*	9.92 *(−0.41)*	8.86 *(5.72)*	9.46 *(2.69)*
B. Standard deviation of inflation	9.54 *(1.15)*	9.04 *(2.41)*	9.71 *(0.72)*	9.74 *(0.64)*	9.84 *(0.40)*	9.79 *(0.52)*	9.63 *(0.91)*	9.58 *(1.05)*
C. Inflation: most recent year	8.10 *(9.51)*	9.30 *(3.52)*	9.13 *(4.34)*	9.60 *(2.00)*	9.32 *(3.38)*	9.32 *(3.39)*	9.93 *(−0.36)*	9.67 *(1.64)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**8.97**	**8.92**	**8.74**	**8.65**	**8.78**	**8.07**	**7.73**	**7.46**
A. Tariffs	8.90	8.77	8.23	8.41	8.12	8.38	8.45	8.42
(i) Revenue from trade taxes (% of trade sector)	9.27 *(1.10)*	8.87 *(1.70)*	9.00 *(1.50)*	9.20 *(1.20)*	9.44 *(0.84)*	9.49 *(0.76)*	9.56 *(0.66)*	9.53 *(0.71)*
(ii) Mean tariff rate	8.54 *(7.30)*	8.68 *(6.60)*	8.76 *(6.20)*	8.82 *(5.90)*	9.20 *(4.00)*	9.36 *(3.20)*	9.30 *(3.50)*	9.30 *(3.50)*
(iii) Standard deviation of tariff rates			6.92 *(7.70)*	7.20 *(7.00)*	5.72 *(10.70)*	6.28 *(9.31)*	6.50 *(8.75)*	6.43 *(8.93)*
B. Regulatory trade barriers				7.82	8.81	8.03	7.69	6.58
(i) Non-tariff trade barriers				7.82	8.12	6.72	6.03	5.97
(ii) Compliance cost of importing and exporting					9.50	9.35	9.35	7.19
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	8.00	8.00	8.00	8.39	8.21	5.88	4.79	4.83
(i) Foreign ownership/investment restrictions				8.78	9.49	7.28	6.32	6.46
(ii) Capital controls	8.00	8.00	8.00	8.00	6.92	6.15	3.85	3.85
(iii) Freedom of foreigners to visit						4.20	4.20	4.20
Area 5. Regulation	8.63	8.60	8.66	8.33	8.43	8.50	7.53	7.76
A. Credit market regulations	9.52	9.47	9.64	9.60	9.81	9.10	6.67	6.95
(i) Ownership of banks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
(ii) Private sector credit	8.55	8.40	8.93	8.79	9.43	7.29	0.00	0.84
(iii) Interest rate controls/negative real interest rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
B. Labor market regulations	7.74	7.74	7.68	7.46	7.17	9.14	9.10	9.06
(i) Hiring regulations and minimum wage				5.90	3.82	10.00	10.00	10.00
(ii) Hiring and firing regulations			7.15	7.15	6.65	7.01	7.05	6.84
(iii) Centralized collective bargaining	7.59	7.59	7.59	7.59	8.35	7.83	7.55	7.49
(iv) Hours regulations	5.63	5.63	5.98	6.67	7.01	10.00	10.00	10.00
(v) Mandated cost of worker dismissal						10.00	10.00	10.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				7.94	8.32	7.26	6.81	7.26
(i) Administrative requirements					7.92	4.29	4.13	4.03
(ii) Bureaucracy costs				7.48	8.15	5.93	2.58	5.88
(iii) Starting a business				8.43	8.40	9.80	9.79	9.79
(iv) Extra payments/bribes/favoritism				7.91	8.82	7.23	6.47	5.99
(v) Licensing restrictions						9.98	9.98	9.98
(vi) Cost of tax compliance						6.36	7.90	7.90

Uruguay

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.07** (27)	**5.97** (37)	**6.34** (34)	**6.47** (50)	**7.08** (41)	**7.02** (56)	**7.16** (48)	**7.25** (45)
Area 1. Size of Government	7.13 (11)	6.40 (16)	7.00 (19)	6.83 (32)	6.53 (51)	7.25 (40)	6.87 (39)	6.31 (67)
Area 2. Legal System and Property Rights	5.37 (40)	5.15 (54)	6.01 (39)	6.46 (47)	6.39 (54)	5.69 (65)	5.89 (65)	6.01 (58)
Area 3. Sound Money	4.18 (97)	3.71 (101)	3.76 (104)	3.92 (101)	8.39 (48)	8.18 (65)	8.83 (52)	8.98 (51)
Area 4. Freedom to Trade Internationally	7.43 (16)	8.06 (13)	8.10 (17)	8.69 (19)	8.18 (37)	7.68 (44)	7.92 (33)	8.06 (22)
Area 5. Regulation	6.03 (35)	6.37 (31)	6.63 (28)	6.28 (46)	5.91 (85)	6.28 (86)	6.28 (94)	6.84 (61)
Unadjusted								
Summary Rating (Rank) ➤	**6.33** (22)	**6.16** (28)	**6.60** (31)	**6.59** (44)	**6.95** (44)	**7.06** (58)	**7.20** (49)	**7.29** (51)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**7.82**	**7.01**	**7.67**	**7.48**	**6.53**	**7.25**	**6.87**	**6.31**
A. Government consumption	7.61 *(17.11)*	6.64 *(17.41)*	6.83 *(16.77)*	7.49 *(14.52)*	7.40 *(14.84)*	7.88 *(13.19)*	7.10 *(15.88)*	6.94 *(16.39)*
B. Transfers and subsidies	7.66 *(9.10)*	7.41 *(10.00)*	6.87 *(12.00)*	5.42 *(17.30)*	5.20 *(18.10)*	6.60 *(13.00)*	6.40 *(13.80)*	6.30 *(14.10)*
C. Government enterprises and investment	6.00 *(29.00)*	4.00 *(36.20)*	7.00 *(23.00)*	7.00 *(22.90)*	6.00 *(25.20)*	7.00 *(20.41)*	6.00 *(29.79)*	4.00 *(31.08)*
D. Top marginal tax rate	10.00	10.00	10.00	10.00	7.50	7.50	8.00	8.00
(i) Top marginal income tax rate	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	10.00 *(0)*	9.00 *(25)*	9.00 *(25)*
(ii) Top marginal income and payroll tax rate					5.00 *(36)*	5.00 *(36)*	7.00 *(31)*	7.00 *(31)*
Area 2. Legal System and Property Rights	**5.61**	**5.38**	**6.28**	**6.00**	**5.74**	**5.57**	**5.77**	**5.89**
A. Judicial independence						6.55	7.11	7.13
B. Impartial courts				6.04	6.67	5.47	5.17	5.26
C. Protection of property rights					5.53	6.26	6.24	6.75
D. Military interference in rule of law and politics				7.24	8.33	8.19	6.67	6.67
E. Integrity of the legal system				6.96	5.00	4.17	4.17	4.17
F. Legal enforcement of contracts						3.88	3.88	3.88
G. Regulatory restrictions on sale of real property						6.42	6.42	6.42
H. Reliability of police						4.84	5.81	6.68
I. Business costs of crime						4.35	6.45	6.02
Area 3. Sound Money	**4.18**	**3.71**	**3.76**	**3.92**	**8.39**	**8.18**	**8.83**	**8.98**
A. Money growth	1.45 *(42.73)*	2.98 *(35.11)*	0.00 *(54.79)*	2.99 *(35.05)*	8.49 *(7.57)*	6.89 *(15.53)*	8.09 *(9.54)*	7.90 *(10.51)*
B. Standard deviation of inflation	5.28 *(11.81)*	1.85 *(20.37)*	5.03 *(12.43)*	1.08 *(22.30)*	6.04 *(9.89)*	6.76 *(8.11)*	8.67 *(3.33)*	9.36 *(1.60)*
C. Inflation: most recent year	0.00 *(54.76)*	0.00 *(74.02)*	0.00 *(100.39)*	1.59 *(42.03)*	9.05 *(4.76)*	9.06 *(4.70)*	8.58 *(7.10)*	8.66 *(6.68)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**8.02**	**8.32**	**8.65**	**9.28**	**8.18**	**7.85**	**8.10**	**8.24**
A. Tariffs	4.07	4.97	5.94	7.83	7.72	7.73	7.77	7.73
(i) Revenue from trade taxes (% of trade sector)	4.07 *(8.90)*	6.13 *(5.80)*	6.27 *(5.60)*	8.20 *(2.70)*	8.71 *(1.93)*	8.43 *(2.35)*	8.65 *(2.03)*	8.51 *(2.23)*
(ii) Mean tariff rate		3.80 *(31.00)*	3.90 *(30.50)*	8.14 *(9.30)*	7.78 *(11.10)*	8.02 *(9.90)*	7.90 *(10.50)*	7.90 *(10.50)*
(iii) Standard deviation of tariff rates			7.64 *(5.90)*	7.16 *(7.10)*	6.68 *(8.30)*	6.74 *(8.16)*	6.77 *(8.09)*	6.77 *(8.09)*
B. Regulatory trade barriers					6.25	6.22	6.67	7.34
(i) Non-tariff trade barriers					6.25	5.73	6.14	6.56
(ii) Compliance cost of importing and exporting						6.72	7.20	8.13
C. Black-market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	10.00	10.00	10.00	8.74	7.45	7.97	7.87
(i) Foreign ownership/investment restrictions					9.02	6.74	8.29	8.02
(ii) Capital controls	10.00	10.00	10.00	10.00	8.46	8.46	8.46	8.46
(iii) Freedom of foreigners to visit						7.14	7.14	7.14
Area 5. Regulation	6.00	6.36	6.63	6.27	5.91	6.43	6.44	7.01
A. Credit market regulations	5.50	6.97	7.67	6.72	5.75	6.71	6.71	8.15
(i) Ownership of banks	5.00	5.00	5.00	5.00	5.00	2.00	2.00	5.00
(ii) Private sector credit		7.91	10.00	9.15	7.25	9.13	9.13	9.44
(iii) Interest rate controls/negative real interest rates	6.00	8.00	8.00	6.00	5.00	9.00	9.00	10.00
B. Labor market regulations					5.89	6.43	6.59	6.20
(i) Hiring regulations and minimum wage					2.56	6.70	6.67	6.67
(ii) Hiring and firing regulations					4.12	3.29	3.37	3.28
(iii) Centralized collective bargaining					6.90	3.47	2.37	2.14
(iv) Hours regulations						8.00	10.00	8.00
(v) Mandated cost of worker dismissal						7.13	7.11	7.11
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations					6.09	6.16	6.01	6.69
(i) Administrative requirements					6.75	3.50	3.46	3.52
(ii) Bureaucracy costs					6.48	4.96	4.53	6.71
(iii) Starting a business					5.00	7.56	7.48	9.51
(iv) Extra payments/bribes/favoritism					6.11	7.49	7.40	7.20
(v) Licensing restrictions						6.85	6.95	6.97
(vi) Cost of tax compliance						6.59	6.23	6.23

Venezuela

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**6.69** (14)	**6.08** (34)	**5.69** (51)	**4.40** (109)	**5.83** (94)	**4.52** (120)	**4.16** (122)	**3.88** (123)
Area 1. Size of Government	6.29 (21)	6.86 (7)	5.95 (45)	6.13 (61)	5.95 (73)	4.91 (103)	4.88 (105)	4.96 (104)
Area 2. Legal System and Property Rights	6.22 (30)	5.25 (51)	5.70 (49)	3.84 (107)	3.75 (105)	1.64 (122)	1.47 (123)	1.46 (123)
Area 3. Sound Money	7.40 (27)	8.34 (22)	4.74 (94)	1.93 (113)	5.56 (110)	5.10 (116)	5.51 (120)	4.72 (121)
Area 4. Freedom to Trade Internationally	8.59 (9)	4.60 (54)	7.14 (28)	5.34 (90)	7.86 (46)	5.50 (105)	3.42 (121)	3.83 (121)
Area 5. Regulation	4.92 (72)	5.26 (64)	4.89 (82)	4.71 (99)	6.05 (79)	5.41 (108)	5.62 (110)	4.38 (120)
Unadjusted								
Summary Rating (Rank) ➤	**6.72** (14)	**6.08** (31)	**5.55** (56)	**4.35** (109)	**5.83** (93)	**4.74** (136)	**4.44** (139)	**4.07** (144)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.29**	**6.86**	**5.95**	**6.13**	**5.95**	**4.91**	**4.88**	**4.96**
A. Government consumption	6.56 *(17.68)*	7.52 *(14.44)*	8.25 *(11.95)*	9.02 *(9.32)*	6.06 *(19.39)*	6.36 *(18.37)*	6.73 *(17.13)*	7.06 *(16.00)*
B. Transfers and subsidies	9.59 *(2.00)*	8.91 *(4.50)*	8.56 *(5.80)*	8.50 *(6.01)*	7.74 *(8.79)*	5.77 *(16.01)*	5.77 *(16.01)*	5.77 *(16.01)*
C. Government enterprises and investment	2.00 *(45.60)*	4.00 *(35.80)*	0.00 *(65.20)*	0.00 *(58.30)*	2.00 *(42.36)*	2.00 *(42.36)*	0.00 *(56.38)*	0.00 *(56.38)*
D. Top marginal tax rate	7.00	7.00	7.00	7.00	8.00	5.50	7.00	7.00
(i) Top marginal income tax rate	7.00 *(45)*	7.00 *(45)*	7.00 *(45)*	7.00 *(34)*	8.00 *(35)*	7.00 *(34)*	8.00 *(34)*	8.00 *(34)*
(ii) Top marginal income and payroll tax rate			7.00 *(45)*	7.00 *(34)*	8.00 *(35)*	4.00 *(49)*	6.00 *(41)*	6.00 *(41)*
Area 2. Legal System and Property Rights	**6.22**	**5.25**	**5.70**	**3.84**	**3.75**	**2.77**	**2.50**	**2.48**
A. Judicial independence				2.85	1.67	0.31	1.15	1.08
B. Impartial courts				2.90	3.67	0.93	1.22	1.24
C. Protection of property rights				3.72	3.40	2.27	1.26	1.25
D. Military interference in rule of law and politics				5.65	3.33	0.83	0.83	0.83
E. Integrity of the legal system				4.11	6.67	5.00	1.67	1.67
F. Legal enforcement of contracts						3.97	3.97	3.97
G. Regulatory restrictions on sale of real property						8.42	8.39	8.46
H. Reliability of police						1.82	1.86	1.81
I. Business costs of crime						1.36	2.12	1.99
Area 3. Sound Money	**7.40**	**8.34**	**4.74**	**1.93**	**5.56**	**5.10**	**5.51**	**4.72**
A. Money growth	7.79 *(11.04)*	7.49 *(12.53)*	7.28 *(13.58)*	3.94 *(30.28)*	5.48 *(22.60)*	3.12 *(34.40)*	6.69 *(16.53)*	5.90 *(20.49)*
B. Standard deviation of inflation	7.02 *(7.44)*	7.94 *(5.15)*	0.00 *(30.17)*	3.77 *(15.57)*	0.00 *(39.24)*	5.49 *(11.29)*	6.06 *(9.84)*	3.81 *(15.48)*
C. Inflation: most recent year	4.80 *(26.02)*	7.92 *(10.41)*	1.66 *(41.71)*	0.00 *(51.93)*	6.76 *(16.21)*	6.81 *(15.95)*	4.28 *(28.59)*	4.19 *(29.06)*
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	0.00	10.00	5.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**8.67**	**4.56**	**6.41**	**5.20**	**7.86**	**5.63**	**3.49**	**3.91**
A. Tariffs	8.00	3.68	4.22	7.78	7.61	7.64	7.80	7.80
(i) Revenue from trade taxes (% of trade sector)	8.00 *(3.00)*	3.93 *(9.10)*	8.53 *(2.20)*	7.93 *(3.10)*	7.89 *(3.16)*	8.45 *(2.33)*	8.45 *(2.33)*	8.45 *(2.33)*
(ii) Mean tariff rate		3.42 *(32.90)*	3.88 *(30.60)*	7.32 *(13.40)*	7.30 *(13.50)*	7.44 *(12.80)*	7.50 *(12.50)*	7.50 *(12.50)*
(iii) Standard deviation of tariff rates			0.24 *(24.40)*	8.08 *(4.80)*	7.64 *(5.90)*	7.04 *(7.41)*	7.45 *(6.38)*	7.45 *(6.38)*
B. Regulatory trade barriers				4.57	5.68	4.04	2.67	4.31
(i) Non-tariff trade barriers				4.57	4.87	4.78	3.71	3.56
(ii) Compliance cost of importing and exporting					6.49	3.30	1.62	5.07
C. Black-market exchange rates	10.00	5.00	10.00	1.60	10.00	5.13	0.00	0.00
D. Controls of the movement of capital and people	8.00	5.00	5.00	6.87	8.15	5.70	3.51	3.55
(i) Foreign ownership/investment restrictions				8.74	9.37	5.03	3.08	3.18
(ii) Capital controls	8.00	5.00	5.00	5.00	6.92	5.38	0.77	0.77
(iii) Freedom of foreigners to visit						6.69	6.69	6.69
Area 5. Regulation	5.04	5.39	4.93	4.64	6.05	5.27	5.85	4.27
A. Credit market regulations	6.09	6.92	6.00	5.64	8.55	9.33	9.33	5.93
(i) Ownership of banks	5.00	8.00	8.00	8.00	8.00	8.00	8.00	5.00
(ii) Private sector credit	9.26	8.77	10.00	8.92	9.64	10.00	10.00	7.79
(iii) Interest rate controls/negative real interest rates	4.00	4.00	0.00	0.00	8.00	10.00	10.00	5.00
B. Labor market regulations			3.87	4.30	4.03	3.06	4.52	3.61
(i) Hiring regulations and minimum wage				4.85	4.07	3.30	2.23	3.33
(ii) Hiring and firing regulations			4.36	4.36	4.55	1.69	2.05	2.16
(iii) Centralized collective bargaining	7.24	7.24	7.24	7.24	5.83	4.29	4.81	4.55
(iv) Hours regulations				5.03	5.68	6.00	8.00	8.00
(v) Mandated cost of worker dismissal							10.00	
(vi) Conscription	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Business regulations				3.98	5.57	3.43	3.69	3.26
(i) Administrative requirements					6.42	1.39	1.88	1.97
(ii) Bureaucracy costs				5.31	6.15	3.73	5.94	3.22
(iii) Starting a business				4.57	4.68	6.40	6.35	6.39
(iv) Extra payments/bribes/favoritism				2.07	5.02	4.44	3.06	2.98
(v) Licensing restrictions						4.30	4.59	4.71
(vi) Cost of tax compliance						0.32	0.32	0.32

Vietnam

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤								
Area 1. Size of Government								
Area 2. Legal System and Property Rights								
Area 3. Sound Money								
Area 4. Freedom to Trade Internationally								
Area 5. Regulation								
Unadjusted								
Summary Rating (Rank) ➤						**6.19** (102)	**6.58** (90)	**6.54** (96)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government						**6.58**	**8.10**	**8.04**
A. Government consumption					9.38 *(8.09)*	9.17 *(8.83)*	9.20 *(8.73)*	9.08 *(9.14)*
B. Transfers and subsidies								
C. Government enterprises and investment								
D. Top marginal tax rate						4.00	7.00	7.00
(i) Top marginal income tax rate						5.00 *(40)*	7.00 *(35)*	7.00 *(35)*
(ii) Top marginal income and payroll tax rate						3.00 *(52)*	7.00 *(35)*	7.00 *(35)*
Area 2. Legal System and Property Rights						**5.86**	**5.98**	**5.88**
A. Judicial independence						4.13	4.78	4.33
B. Impartial courts						4.60	4.65	4.39
C. Protection of property rights						5.72	5.14	4.52
D. Military interference in rule of law and politics						5.00	5.00	5.00
E. Integrity of the legal system						6.67	6.67	6.67
F. Legal enforcement of contracts						6.36	6.51	6.51
G. Regulatory restrictions on sale of real property						8.34	8.73	8.73
H. Reliability of police						5.88	6.54	5.85
I. Business costs of crime						6.00	5.78	6.96
Area 3. Sound Money						**6.30**	**5.94**	**5.93**
A. Money growth					6.96 *(15.21)*	7.95 *(10.27)*	7.75 *(11.23)*	8.02 *(9.92)*
B. Standard deviation of inflation						8.90 *(2.76)*	7.42 *(6.44)*	7.46 *(6.35)*
C. Inflation: most recent year						8.35 *(8.27)*	8.59 *(7.05)*	8.23 *(8.86)*
D. Freedom to own foreign currency bank accounts						0.00	0.00	0.00
Area 4. Freedom to Trade Internationally						**5.84**	**6.19**	**6.37**
A. Tariffs						5.80	6.90	7.14
(i) Revenue from trade taxes (% of trade sector)					8.18 *(2.73)*	8.16 *(2.76)*	8.16 *(2.76)*	8.16 *(2.76)*
(ii) Mean tariff rate						7.36 *(13.20)*	7.82 *(10.90)*	8.04 *(9.80)*
(iii) Standard deviation of tariff rates						1.87 *(20.33)*	4.72 *(13.19)*	5.22 *(11.96)*
B. Regulatory trade barriers						5.53	5.99	6.11
(i) Non-tariff trade barriers						4.35	4.97	4.54
(ii) Compliance cost of importing and exporting						6.72	7.01	7.69
C. Black-market exchange rates						10.00	10.00	10.00
D. Controls of the movement of capital and people						2.04	1.86	2.23
(i) Foreign ownership/investment restrictions						5.54	5.00	5.35
(ii) Capital controls						0.00	0.00	0.77
(iii) Freedom of foreigners to visit						0.57	0.57	0.57
Area 5. Regulation						6.39	6.70	6.46
A. Credit market regulations						9.54	9.61	9.63
(i) Ownership of banks								
(ii) Private sector credit						9.09	9.23	9.26
(iii) Interest rate controls/negative real interest rates					10.00	10.00	10.00	10.00
B. Labor market regulations						5.38	5.71	5.40
(i) Hiring regulations and minimum wage						10.00	8.90	7.23
(ii) Hiring and firing regulations						5.41	5.78	5.44
(iii) Centralized collective bargaining						6.24	7.62	7.79
(iv) Hours regulations						8.70	10.00	10.00
(v) Mandated cost of worker dismissal						1.93	1.97	1.97
(vi) Conscription						0.00	0.00	0.00
C. Business regulations						4.25	4.78	4.35
(i) Administrative requirements						2.30	2.70	2.85
(ii) Bureaucracy costs						3.98	6.19	3.66
(iii) Starting a business						8.14	8.46	8.48
(iv) Extra payments/bribes/favoritism						4.05	3.79	3.63
(v) Licensing restrictions						7.00	7.52	7.46
(vi) Cost of tax compliance						0.00	0.00	0.00

Zambia

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.60** (71)	**3.54** (99)	**3.09** (110)	**4.76** (102)	**6.90** (48)	**7.37** (41)	**7.79** (12)	**7.85** (14)
Area 1. Size of Government	2.56 (100)	3.15 (97)	3.97 (95)	6.43 (44)	6.63 (49)	7.56 (32)	8.14 (10)	7.99 (18)
Area 2. Legal System and Property Rights	6.09 (33)	3.99 (75)	3.70 (79)	5.91 (56)	5.85 (64)	5.69 (64)	6.30 (54)	6.18 (54)
Area 3. Sound Money	6.26 (53)	3.33 (103)	0.59 (115)	0.65 (120)	7.15 (75)	8.11 (66)	8.55 (59)	8.87 (55)
Area 4. Freedom to Trade Internationally	2.98 (65)	2.91 (72)	2.59 (93)	5.81 (80)	8.48 (30)	8.09 (23)	8.24 (19)	8.65 (5)
Area 5. Regulation	5.26 (59)	4.37 (86)	4.63 (91)	4.99 (89)	6.36 (59)	7.26 (34)	7.51 (19)	7.39 (30)
Unadjusted								
Summary Rating (Rank) ➤	**4.73** (69)	**3.55** (102)	**3.10** (109)	**4.76** (101)	**6.90** (47)	**6.86** (72)	**7.25** (45)	**7.31** (48)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**2.56**	**3.15**	**3.97**	**6.43**	**6.63**	**7.56**	**8.14**	**7.99**
A. Government consumption	2.47 *(31.60)*	3.60 *(27.78)*	4.96 *(23.14)*	7.28 *(15.24)*	8.53 *(11.00)*	8.24 *(11.98)*	6.59 *(17.60)*	6.06 *(19.40)*
B. Transfers and subsidies	7.77 *(8.70)*	8.99 *(4.20)*	8.91 *(4.50)*	9.43 *(2.60)*	10.00 *(0.00)*	10.00 *(0.40)*	9.99 *(0.55)*	9.91 *(0.83)*
C. Government enterprises and investment	0.00 *(77.10)*	0.00 *(90.70)*	2.00 *(46.20)*	2.00 *(41.30)*	0.00 *(62.60)*	4.00 *(31.00)*	8.00 *(19.62)*	8.00 *(18.28)*
D. Top marginal tax rate	0.00	0.00	0.00	7.00	8.00	8.00	8.00	8.00
(i) Top marginal income tax rate	0.00 *(70)*	0.00 *(80)*	0.00 *(75)*	7.00 *(35)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*	8.00 *(30)*
(ii) Top marginal income and payroll tax rate								
Area 2. Legal System and Property Rights	**6.09**	**3.99**	**3.70**	**5.91**	**5.85**	**5.24**	**5.80**	**5.70**
A. Judicial independence				6.67	6.18	2.86	4.65	4.12
B. Impartial courts				4.85	4.86	5.00	4.63	4.98
C. Protection of property rights				4.77	3.23	6.05	5.24	5.23
D. Military interference in rule of law and politics				6.31	8.33	8.33	8.33	8.33
E. Integrity of the legal system				6.96	6.67	6.67	6.67	6.67
F. Legal enforcement of contracts						4.56	4.56	4.56
G. Regulatory restrictions on sale of real property						5.52	7.07	6.52
H. Reliability of police						4.95	5.27	5.84
I. Business costs of crime						3.26	5.79	5.03
Area 3. Sound Money	**6.26**	**3.33**	**0.59**	**0.65**	**7.15**	**8.11**	**8.55**	**8.87**
A. Money growth	9.21 *(3.95)*	6.58 *(17.10)*	1.92 *(40.40)*	0.00 *(58.52)*	5.45 *(22.73)*	6.97 *(15.14)*	8.29 *(8.57)*	7.69 *(11.56)*
B. Standard deviation of inflation	8.18 *(4.55)*	4.96 *(12.60)*	0.43 *(23.92)*	0.00 *(49.23)*	8.35 *(4.11)*	9.13 *(2.17)*	8.58 *(3.55)*	9.47 *(1.32)*
C. Inflation: most recent year	7.65 *(11.76)*	1.77 *(41.14)*	0.00 *(106.39)*	2.62 *(36.92)*	4.79 *(26.03)*	6.34 *(18.32)*	7.32 *(13.40)*	8.30 *(8.50)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
Area 4. Freedom to Trade Internationally	**3.47**	**2.93**	**2.61**	**5.81**	**8.48**	**6.86**	**6.99**	**7.34**
A. Tariffs	8.40	4.39	5.84	6.04	6.22	6.97	6.66	6.68
(i) Revenue from trade taxes (% of trade sector)	8.40 *(2.40)*	5.73 *(6.40)*	6.80 *(4.80)*	7.47 *(3.80)*	5.11 *(7.33)*	7.82 *(3.27)*	6.72 *(4.92)*	6.91 *(4.64)*
(ii) Mean tariff rate		3.04 *(34.80)*	4.88 *(25.60)*	4.88 *(25.60)*	7.06 *(14.70)*	7.08 *(14.60)*	7.28 *(13.60)*	7.32 *(13.40)*
(iii) Standard deviation of tariff rates				5.76 *(10.60)*	6.48 *(8.80)*	6.00 *(10.01)*	5.97 *(10.06)*	5.82 *(10.45)*
B. Regulatory trade barriers						3.40	4.68	5.86
(i) Non-tariff trade barriers						5.07	6.38	6.22
(ii) Compliance cost of importing and exporting						1.72	2.98	5.50
C. Black-market exchange rates	0.00	2.40	0.00	9.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	2.00	9.23	7.07	6.61	6.80
(i) Foreign ownership/investment restrictions						8.25	6.86	7.44
(ii) Capital controls	2.00	2.00	2.00	2.00	9.23	9.23	9.23	9.23
(iii) Freedom of foreigners to visit						3.74	3.74	3.74
Area 5. Regulation	5.26	4.37	4.63	4.99	6.36	6.52	6.75	6.64
A. Credit market regulations	4.04	1.70	2.39	3.34	6.95	6.79	8.00	7.78
(i) Ownership of banks	2.00	2.00	2.00	5.00	5.00	5.00	5.00	5.00
(ii) Private sector credit	6.13	3.10	5.18	5.03	7.86	7.37	10.00	9.33
(iii) Interest rate controls/negative real interest rates	4.00	0.00	0.00	0.00	8.00	8.00	9.00	9.00
B. Labor market regulations						6.92	6.47	6.34
(i) Hiring regulations and minimum wage						10.00	8.90	7.77
(ii) Hiring and firing regulations						8.16	5.71	5.75
(iii) Centralized collective bargaining						8.68	6.22	6.52
(iv) Hours regulations						4.70	8.00	8.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations						5.86	5.78	5.80
(i) Administrative requirements						5.31	4.65	4.66
(ii) Bureaucracy costs						5.53	5.52	4.32
(iii) Starting a business						8.56	9.13	9.14
(iv) Extra payments/bribes/favoritism						2.90	4.54	4.09
(v) Licensing restrictions						4.35	2.33	4.08
(vi) Cost of tax compliance						8.52	8.52	8.52

Zimbabwe

	1980	1985	1990	1995	2000	2005	2009	2010
Chain-Linked	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
Summary Rating (Rank) ➤	**4.57** (72)	**4.51** (84)	**4.83** (84)	**5.77** (74)	**4.60** (118)	**2.88** (123)	**4.32** (121)	**4.26** (121)
Area 1. Size of Government	6.90 (13)	5.48 (39)	5.57 (59)	7.00 (23)	5.85 (74)	4.59 (108)	6.25 (66)	4.90 (106)
Area 2. Legal System and Property Rights	2.97 (67)	3.05 (89)	3.99 (75)	5.53 (68)	5.02 (77)	2.87 (115)	3.11 (116)	3.21 (110)
Area 3. Sound Money	6.35 (48)	6.31 (73)	5.67 (83)	4.92 (95)	2.89 (119)	0.00 (123)	0.00 (123)	0.00 (123)
Area 4. Freedom to Trade Internationally	3.28 (63)	3.17 (70)	4.70 (64)	5.85 (79)	3.23 (120)	2.27 (121)	4.65 (118)	5.16 (113)
Area 5. Regulation	3.53 (94)	4.52 (84)	4.27 (99)	5.54 (75)	6.02 (82)	4.55 (120)	5.05 (117)	5.06 (115)
Unadjusted								
Summary Rating (Rank) ➤	**4.80** (66)	**4.74** (78)	**5.01** (78)	**5.80** (71)	**4.60** (118)	**2.94** (141)	**4.41** (140)	**4.35** (142)
	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*	Rating *(Data)*
Area 1. Size of Government	**6.90**	**5.48**	**5.57**	**7.00**	**5.85**	**4.59**	**6.25**	**4.90**
A. Government consumption	5.56 *(21.10)*	4.52 *(24.65)*	4.84 *(23.56)*	5.42 *(21.57)*	3.65 *(27.60)*	7.60 *(14.16)*	8.74 *(10.27)*	7.34 *(15.04)*
B. Transfers and subsidies	7.03 *(11.40)*	7.41 *(10.00)*	8.45 *(6.20)*	8.57 *(5.73)*	7.75 *(8.77)*	7.75 *(8.77)*	7.75 *(8.77)*	7.75 *(8.77)*
C. Government enterprises and investment	10.00 *(12.70)*	10.00 *(14.50)*	8.00 *(18.60)*	10.00 *(11.80)*	10.00 *(6.20)*	0.00 *(100.00)*	4.00 *(31.78)*	0.00 *(98.40)*
D. Top marginal tax rate	5.00	0.00	1.00	4.00	2.00	3.00	4.50	4.50
(i) Top marginal income tax rate	5.00 *(45)*	0.00 *(63)*	1.00 *(60)*	4.00 *(45)*	2.00 *(53)*	3.00 *(46)*	5.00 *(36)*	5.00 *(36)*
(ii) Top marginal income and payroll tax rate			1.00 *(60)*	4.00 *(45)*	2.00 *(53)*	3.00 *(46)*	4.00 *(42)*	4.00 *(42)*
Area 2. Legal System and Property Rights	**2.97**	**3.05**	**3.99**	**5.53**	**5.02**	**3.49**	**3.78**	**3.90**
A. Judicial independence				6.67	6.18	1.10	2.10	2.73
B. Impartial courts				7.25	7.35	2.14	3.16	3.32
C. Protection of property rights				4.77	3.23	1.44	1.95	2.24
D. Military interference in rule of law and politics				4.87	5.00	5.00	3.33	3.33
E. Integrity of the legal system				4.11	3.33	5.00	5.00	5.00
F. Legal enforcement of contracts						5.43	2.37	2.37
G. Regulatory restrictions on sale of real property						4.43	6.62	6.78
H. Reliability of police						3.01	3.03	6.26
I. Business costs of crime						3.84	6.44	3.04
Area 3. Sound Money	**6.35**	**6.31**	**5.67**	**4.92**	**2.89**	**0.00**	**2.48**	**2.87**
A. Money growth	7.96 *(10.19)*	8.86 *(5.70)*	7.24 *(13.79)*	4.53 *(27.34)*	3.92 *(30.39)*	0.00 *(224.09)*	0.00 *(457.94)*	0.00 *(457.94)*
B. Standard deviation of inflation	8.75 *(3.13)*	7.68 *(5.80)*	8.38 *(4.05)*	7.28 *(6.81)*	2.64 *(18.39)*	0.00 *(140.78)*	0.00 *(10773.88)*	0.00 *(10799.45)*
C. Inflation: most recent year	8.69 *(6.57)*	8.70 *(6.49)*	7.05 *(14.75)*	7.86 *(10.70)*	0.00 *(55.86)*	0.00 *(302.12)*	4.93 *(25.33)*	6.50 *(17.51)*
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	5.00	0.00	5.00	5.00
Area 4. Freedom to Trade Internationally	**3.48**	**3.35**	**4.90**	**5.95**	**3.23**	**2.38**	**4.87**	**5.40**
A. Tariffs	8.43	6.46	5.71	6.78	4.56	3.92	3.33	3.74
(i) Revenue from trade taxes (% of trade sector)	8.87 *(1.70)*	4.67 *(8.00)*	3.87 *(9.20)*	5.40 *(6.90)*	5.11 *(7.33)*	5.11 *(7.33)*	5.11 *(7.33)*	5.11 *(7.33)*
(ii) Mean tariff rate	8.00 *(10.00)*	8.26 *(8.70)*	7.98 *(10.10)*	8.16 *(9.20)*	5.72 *(21.40)*	6.66 *(16.70)*	4.88 *(25.60)*	6.10 *(19.50)*
(iii) Standard deviation of tariff rates			5.28 *(11.80)*		2.84 *(17.90)*	0.00 *(71.68)*	0.00 *(54.83)*	0.00 *(68.06)*
B. Regulatory trade barriers				3.68	5.86	3.15	3.45	5.39
(i) Non-tariff trade barriers				3.68	5.22	4.68	5.73	5.84
(ii) Compliance cost of importing and exporting					6.49	1.62	1.16	4.94
C. Black-market exchange rates	0.00	1.60	7.00	9.80	0.00	0.00	10.00	10.00
D. Controls of the movement of capital and people	2.00	2.00	2.00	3.53	2.50	2.43	2.71	2.49
(i) Foreign ownership/investment restrictions				5.06	5.00	4.00	4.85	4.17
(ii) Capital controls	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00
(iii) Freedom of foreigners to visit						3.29	3.29	3.29
Area 5. Regulation	4.28	5.49	4.90	5.58	6.02	4.23	4.69	4.70
A. Credit market regulations	4.45	4.65	6.16	6.76	7.71	4.11	4.46	4.79
(i) Ownership of banks	2.00	2.00	2.00	5.00	8.00	8.00	8.00	8.00
(ii) Private sector credit	5.36	3.95	8.49	7.27	7.12	4.33	5.38	6.37
(iii) Interest rate controls/negative real interest rates	6.00	8.00	8.00	8.00	8.00	0.00	0.00	0.00
B. Labor market regulations			3.63	6.02	4.88	5.05	5.17	5.05
(i) Hiring regulations and minimum wage				5.85	3.52	8.90	6.67	6.67
(ii) Hiring and firing regulations			3.42	3.42	1.57	2.59	3.28	3.17
(iii) Centralized collective bargaining			4.49	4.49	2.45	2.82	3.05	2.48
(iv) Hours regulations				6.35	6.85	6.00	8.00	8.00
(v) Mandated cost of worker dismissal						0.00	0.00	0.00
(vi) Conscription	1.00	10.00	3.00	10.00	10.00	10.00	10.00	10.00
C. Business regulations				3.97	5.48	3.51	4.44	4.25
(i) Administrative requirements					5.10	1.99	3.50	3.52
(ii) Bureaucracy costs				4.30	7.05	3.37	5.87	4.60
(iii) Starting a business				3.68	5.68	3.59	5.20	5.55
(iv) Extra payments/bribes/favoritism				3.92	4.09	4.55	4.82	4.55
(v) Licensing restrictions						0.00	0.00	0.00
(vi) Cost of tax compliance						7.58	7.29	7.29

Chapter 3 Institutions and Economic, Political, and Civil Liberty in Latin America

*Alice M. Crisp and James Gwartney**

Introduction

The economic, political, and civil institutions of a country are interrelated and they work as a combination to influence the operation of an economy. To a large degree, we know the bundle of economic institutions and policies that lead to economic growth and prosperity. But economic institutions are an outgrowth of political institutions and the choices that emanate from the political process. Similarly, civil liberties influence the public discourse and thereby have an impact on both economic and political decision-making. Because of these interrelationships, it is important to consider institutional quality in all of these areas. This chapter takes a closer look at the economic, political, and civil institutions of 22 Latin American countries. This analysis will enhance our knowledge of the interaction among institutional factors, and the strengths and weaknesses of each of these economies.[1]

In addition to the summary index of *Economic Freedom of the World* (EFW index), two other measures of the quality of economic institutions are considered. These two measures are the World Bank's *Doing Business* report and the *Global Competitiveness Report* of the World Economic Forum. *Doing Business* compares the regulatory cost imposed on business activity across countries and over time. The index is based on the time and money cost of regulatory compliance accompanying ten generic business activities. The ten areas covered by the index are: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. Countries imposing regulations that increase the cost of engaging in normal business activities or substitute government mandates for agreements among parties are given lower ratings. The *Global*

---

* Cite this chapter: Crisp, Alice M., and James Gwartney (2012). Institutions and Economic, Political, and Civil Liberty in Latin America. In James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World: 2012 Annual Report* (Fraser Institute): 173–200.

1 Note that Caribbean countries are generally considered a subregion of Latin America. Thus, Latin America covers Mexico, the Caribbean countries, and all of Central and South America. Countries such as the Bahamas, Barbados, and Belize with populations less than half a million are not included in this analysis.

Competitiveness Report (GCR) uses a combination of objective and survey data to rate the "competitiveness" of various countries. While this measure considers some institutional variables, it also incorporates factors such as educational and skill levels of the labor force, size of the domestic market, the environment for innovation, access to advanced technology, and the development of the country's physical infrastructure (roads, telecommunications, and transportation networks).

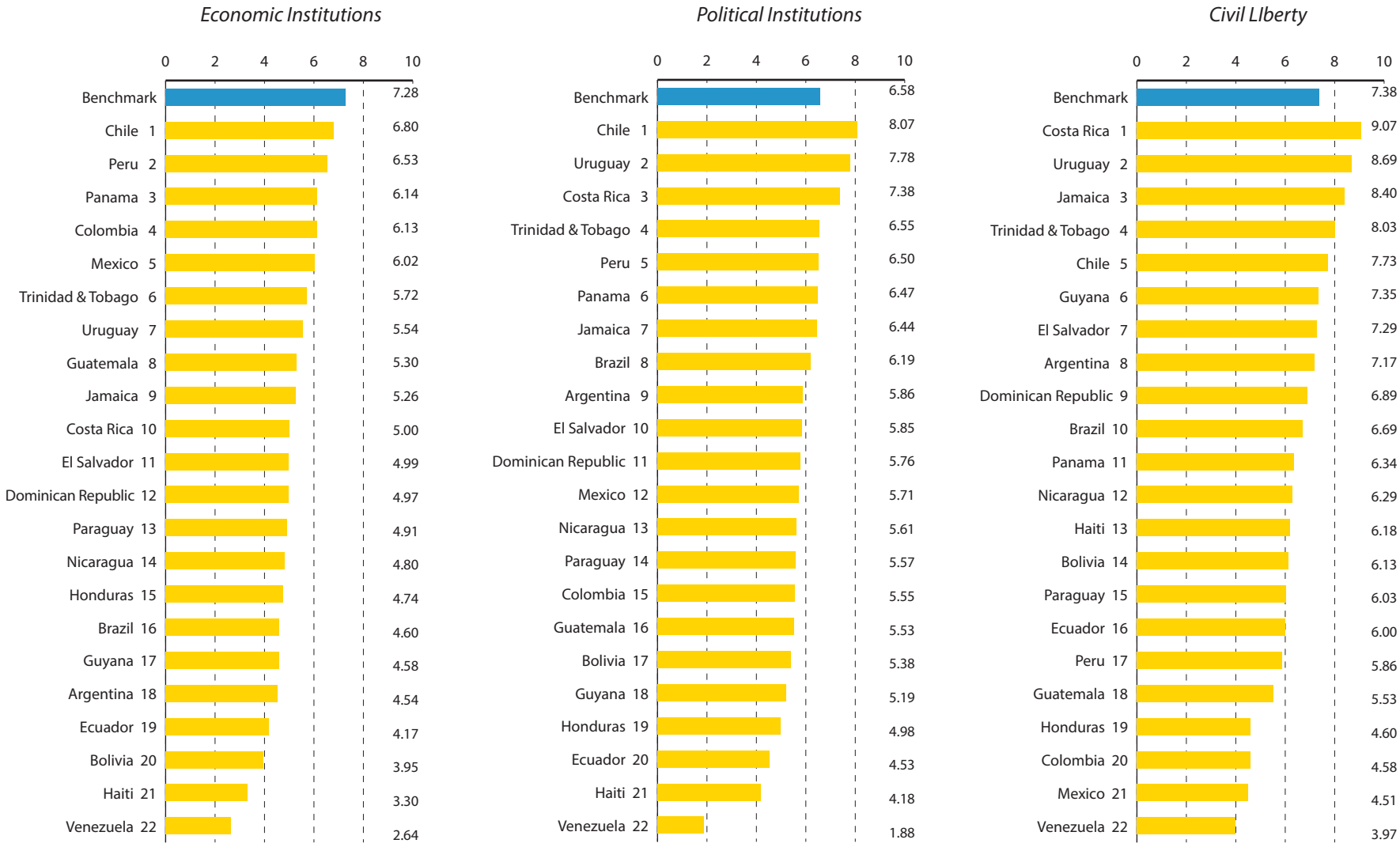
These three reports measure different dimensions of a country's economic environment. The index in *Economic Freedom of the World* uses several components from both the *Doing Business* report and the *Global Competitiveness Report* in some of its area components. To some extent, a country's performance in one of these indexes will tend to be correlated with the others. The original ratings of the three indicators were converted to a zero-to-10 scale and averaged to derive a measure of the economic institutional quality of Latin American countries. These ratings are presented in Exhibit 3.1.

Five measures were used to rate countries in the area of political institutions: (1) the rating for Legal System and Property Rights from the EFW index, (2) Political Rights rating from Freedom House's *Freedom in the World*, (3) the Polity IV rating on the authoritarian-democratic scale, (4) the Polity IV rating for constraints on the executive, and (5) the *Corruption Perceptions Index* from Transparency International. These five measures were placed on a zero-to-10 scale and used to derive a combination measure of the political institutions of the Latin American countries (Exhibit 3.1). Clearly, this measure incorporates a broad range of political factors, including a legal system that protects property rights and enforces contracts in an even-handed manner, democratic decision-making, constraints on the executive, openness of the political process, and absence of corruption.

Three measures were used to examine differences in civil liberties among the countries: (1) the Civil Liberties rating from Freedom House, (2) the press freedom measure from *Freedom of the Press* of Freedom House, and (3) the *Press Freedom Index* from Reporters Without Borders. The civil liberties component from Freedom House provides a measure of the degree to which freedom of speech, religion, association, and other civil liberties of individuals are protected both legally and in practice. Freedom House's *Freedom of the Press* considers legal, political, and economic factors that might interfere with the free flow of news or exert an impact on its content. The *Press Freedom Index* from Reporters without Borders measures violations of press freedom and government efforts to ensure freedom of the press, and indicates the degree of freedom available to journalists and news organizations. The latter measure gives considerable attention to violence against journalists, censorship of the news media, searches and harassment, self-censorship, and financial pressures that affect the freedom of the press. As in the case of the economic and political institutional measures, the three indicators of civil liberty were placed on a zero-to-10 scale in order to derive a country average (Exhibit 3.1). Taken together, they provide a broad indicator of the extent to which a country protects civil liberties and provides a free and competitive environment for the news media.

In order to provide some international perspective on the ratings of Latin American countries, the three measures of economic institutions, political institutions, and civil liberty were also derived for the top 20 countries in the index of *Economic Freedom of the World*. This benchmark will provide perspective on the strengths and weaknesses of Latin American countries by comparing them with the world's best performers.

Exhibit 3.1: Economic, Political, and Civil Liberties of Latin American Countries for 2010



www.freetheworld.com • www.fraserinstitute.org • Fraser Institute ©2012

The Institutional Ratings of Latin American Countries

Economic institutions The top five Latin American countries are Chile, Peru, Panama, Colombia, and Mexico. However, all of these countries fall well below the top-20 benchmark . Chile has the highest rating, 6.80, compared to the benchmark, 7.28. At the other end of the spectrum, the five countries with the lowest rating for economic institutions are Venezuela, Haiti, Bolivia, Ecuador, and Argentina. In all except Argentina, the rating of these countries is three points or more below the top-20 benchmark.

Political institutions The ratings of three Latin American countries—Chile, Uruguay, and Costa Rica—exceed the top-20 benchmark. All other countries are below the benchmark. The bottom five Latin American countries in the political-institutions category are Venezuela, Haiti, Ecuador, Honduras, and Guyana.

Civil liberties The five highest-rated countries are Costa Rica, Uruguay, Jamaica, Trinidad & Tobago, and Chile. These top five countries in Latin America exceed the top-20 benchmark. The bottom five countries in this category are Venezuela, Mexico, Colombia, Honduras, and Guatemala.

There is a close relationship between the quality of economic and political institutions. Countries that have institutions of high quality in one tend to rank highly in the other. For example, five countries—Chile, Peru, Panama, Trinidad & Tobago, and Uruguay—rank in the top eight in both economic and political institutional quality. Similarly, six countries—Venezuela, Ecuador, Haiti, Bolivia, Guyana, and Honduras—rank in the bottom eight in both the economic and political categories.

The governments of Latin America might be placed into three broad categories. First, there is a group characterized by modest restrictions on economic freedom, a legal system that generally protects property rights and enforces contracts, and a political system based primarily on democratic principles, constraints on the executive, and rule of law. Countries in this group would include Chile, Peru, Panama, Uruguay, Costa Rica, and Trinidad & Tobago. These countries have flaws. With the exception of Chile, none rank in the top 20 worldwide in economic freedom. Nonetheless, the combination of their economic and political institutions is generally the best in Latin America.

Second, at the other end of the spectrum, there is another group characterized by extensive restrictions on economic freedom, a politicized and arbitrary legal system, extensive regulation, and a political system that is authoritarian with few effective constraints on the power of the executive. Countries in this group include Venezuela, Haiti, Bolivia, Ecuador, Honduras, and Guyana. Both the economic and political institutions of these countries undermine personal freedom and economic progress.

Finally, there is an intermediate group. These countries have substantial restrictions on economic freedom and their legal systems are often poor. But, they are more democratic and less authoritarian than the second group. Countries in this category would include Nicaragua, Paraguay, Mexico, Colombia, Jamaica, El Salvador, and the Dominican Republic.

Argentina, Brazil, and Guatemala do not fit precisely into any of the three groups. Brazil and Argentina rank relatively high, 8th and 9th respectively, in political

measures, but low in the economic measures, Brazil (16th) and Argentina (17th). On the other hand, Guatemala's economic rating is relatively high, 8th, but its political ranking is low, 16th, among Latin American countries.

Compared to countries worldwide, most Latin American countries have governments of small size but politicized legal systems, often favoring some relative to others. In the EFW index, 13 of the 22 Latin American countries rank among the top 50 worldwide in Area 1, Size of Government but only Chile places among the top 50 in Area 2, Legal System and Property Rights.[2] In contrast, 15 of the 22 Latin American countries place among the bottom 50 worldwide in Area 2. This indicates that, while the tax and spending levels of most Latin American governments are low, these countries generally perform the basic protective functions of government poorly. Moreover, they rely extensively on regulatory mandates. Only two—Peru and Trinidad & Tobago—rank among the top 50 worldwide in Area 5, Regulation, while nine countries in the region place among the bottom 50.

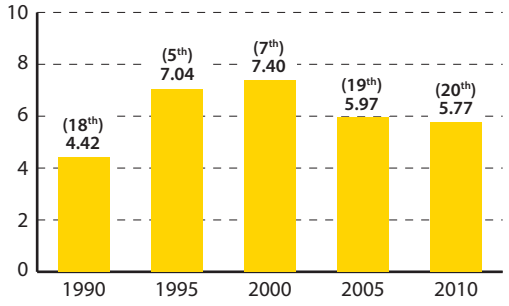
The data from *Economic Freedom of the World* indicates that the region has become more economically free during the past two decades. The mean EFW chain-linked summary rating of the 22 Latin American countries included in this chapter rose from 5.32 in 1990 to 6.33 in 1995 and 6.83 in 2000. In 2010, the mean regional EFW rating was 6.73, an increase of 1.41 units compared to 1990. But the changes were highly uneven. The EFW rating of four countries—Nicaragua, Peru, El Salvador, and Dominican Republic—rose by more than two units between 1990 and 2010. In contrast, during the same period, the EFW rating of Venezuela declined by 1.5 units and the ratings of Mexico and Ecuador increased by less than four tenths of a point. Since 1995, the EFW ratings of five countries—Argentina, Venezuela, Ecuador, Bolivia, and Trinidad & Tobago—have declined.

We now turn to a more detailed analysis of the institutional environment of each of the countries in the region.

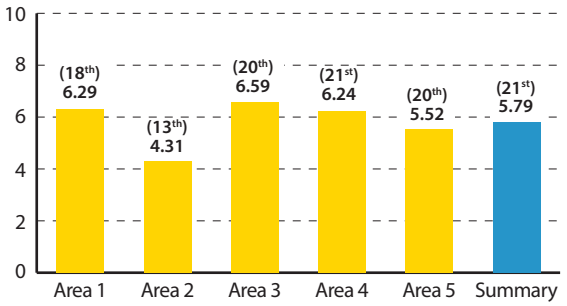
2 The five Areas of the EFW Index are: [1] Size of Government; [2] Legal System and Property Rights; [3] Sound Money; [4] Freedom to Trade Internationally; [5] Regulation. For a complete list of the Areas, Components, and Sub-components, see Exhibit 1.1, page 5, in this volume.

Argentina

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Argentina's income per capita was $16,011, placing it 2nd among 22 Latin American countries. From 2000 to 2010, real GDP per capita grew at an annual rate of 4.08%, the 8th most rapid in Latin America.

Economic institutions and analysis

During the 1990s, there were signs that Argentina was turning away from its statist history and moving toward a freer economy, but this expectation proved to be premature. By 2010, Argentina's EFW rating had fallen to 5.77, down from 7.40 in 2000. Among the 22 Latin American countries, only Venezuela had a lower summary rating in 2010. Argentina was rated marginally better in the *Doing Business* report and *Global Competitiveness Report*: its regional ranking was 13th in the former and 11th in the latter.

Argentina lags well behind most countries in the region in all five areas of the EFW index. Its regional ranking is 18th in Area 1: Size of Government. The top marginal personal income-tax rate is 35% (49% including payroll taxes). Furthermore, government consumption as a share of the total is high compared to Latin American standards, 20%.

In Area 3, Sound Money, Argentina ranks 20th in the region. Its high inflation rate, 26.6%, is a major contributing factor to this low rating. The government claims that the inflation rate is lower but most independent sources place it in the 20% range. *The Economist* recently challenged the government's data and announced that it would no longer publish Argentina's official statistics because "[w]e are tired of being an unwilling party to what appears to be a deliberate attempt to deceive voters and swindle investors" (*The Economist*, 2012, February 25). Moreover, the monetary situation is likely to get worse. A 1991 monetary rule requiring that base money be backed with international reserves and placed beyond the control of the executive has recently been eliminated. So has the mandate that the central bank pursue the singular goal of price stability. Instead, the central bank is now instructed to pursue wider goals, including growth with social fairness and financial stability. Given the country's inflationary past, these are ominous signs.

Argentina ranks 13th in the region in Area 2 and 20th in Area 5. Several of its component ratings in these two areas placed in the bottom four in the region. These included Impartial courts (2B), Protection of property rights (2C), and Hiring and firing regulations (5Bii). Since 2003, the Argentine government has confiscated bank deposits and retirement savings, abrogated contracts, imposed export taxes, and expanded price controls. The controlling interest of the largest Argentinean oil producer, YPF, a subsidiary of the Spanish company Repsol, has been nationalized.

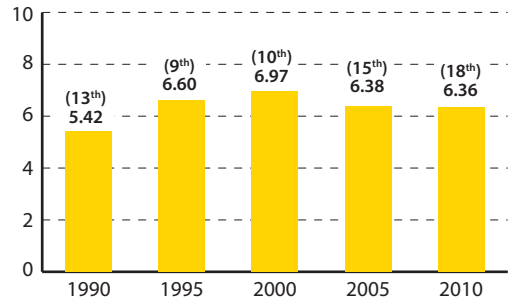
Political institutions and civil liberty

While Argentina is a political democracy with a diverse number of political parties, it has a history of arbitrary exercise of political power, crony capitalism, government favoritism, and corruption. Argentina ranked 5th among Latin American countries in the Freedom House political rights measure. In both the Polity IV measures of democracy and constraints on the executive, it ranked 9th. Argentina ranked 11th in the region in Transparency International's *Corruption Perceptions Index*. However, it ranked 105th among the 178 countries worldwide.

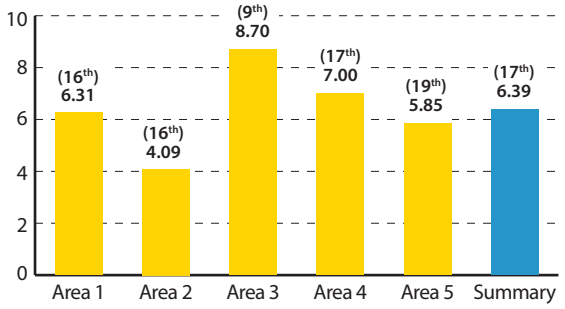
Though Argentina ranked 5th in the Reporters without Borders *Press Freedom Index*, this mainly demonstrates that journalists are free from violent attacks or threats. While freedom of the press is constitutionally protected, extensive government purchases of advertising provides political leaders with a powerful tool with which to exert control over the press. Of the 22 countries in the region, Argentina ranks 15th in Freedom House's *Freedom of the Press*, indicating substantial government involvement in actions that undermine the independence of the press.

Bolivia

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

Bolivia is one of the poorest countries in Latin America. Its income per capita in 2010 was $4,849, 17th among the 22 Latin American countries. From 2000 to 2010, real GDP per capita grew at an annual rate of 3.7%, 11th most rapid in Latin America.

Economic institutions and analysis

The economic institutions of Bolivia are among the weakest in Latin America. In 2010, Bolivia ranked 17th among the 22 Latin American countries in the EFW index. Its ranking was even lower (20th in the region) in the *Doing Business* report, indicating that Bolivia is a highly regulated and bureaucratic economy. Its ranking in the *Global Competitiveness Report* (GCR) was slightly higher, 14th. Bolivia's summary EFW rating has fluctuated substantially in recent decades. It made modest moves toward economic freedom during the 1990s and its ranking climbed to 10th in the region by 2000. The situation has reversed dramatically during the last decade. By 2005 its ranking had plunged to 15th and, by 2010, it had fallen to 18th.

Bolivia ranks in the bottom half among Latin American countries in Areas 1, 2, 4, and 5 in the EFW index. The Bolivian economy is characterized by widespread government enterprises, excessive regulation, and a politicized legal system. Government enterprises account for 57% of investment in Bolivia, resulting in a zero rating for this component of Area 1, Size of Government. Excessive regulation is an obvious weakness of the Bolivian economy. Its rating for Area 5, Regulation places it 19th in the region. In Bolivia, the cost of starting a business is 90.4% of GDP per capita compared to 5.1% in Chile, and 11.9% in Peru, two of its closest neighbors. Furthermore, it takes 1,080 hours to prepare and pay taxes in Bolivia, nearly 3 times the 316 hours in Chile, and 309 hours in Peru. Given Bolivia's regulatory environment, the weakness in the Area 2, Legal System and Property Rights is an expected result. Indeed, this is the case.

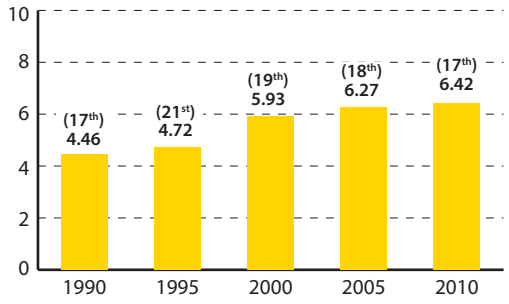
Political institutions and civil liberty

While Bolivia is an electoral democracy, its legal and political institutions are both weak and fragile. It ranks 16th among the 22 Latin American countries in the Area 2, Legal System and Property Rights, of the EFW Index and the Polity IV measure of democracy. Its ranking was a little better for other political measures. It ranked 13th in Freedom House's *Freedom in the World* Political Rights component, and Transparency International's *Corruption Perceptions Index*. In summary, Bolivia's legal and political institutions are weak and this deficiency is a major deterrent to growth and achievement of high levels of income per capita.

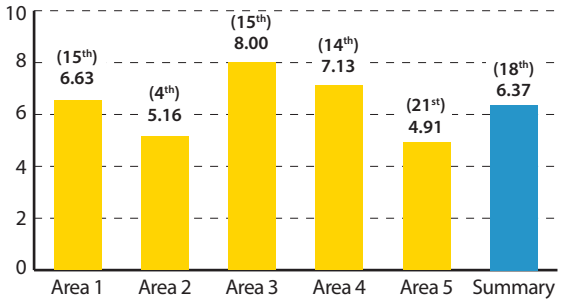
In the area of civil liberties, Bolivia's overall 14th ranking places it in the lower half among Latin American countries. It ranked 9th in the Freedom House's 2012 civil liberties measure, 12th in *Freedom of the Press*, and 16th in the Reporters Without Borders' *Press Freedom Index*. While freedom of expression, religion, and assembly are constitutionally guaranteed, enforcement is often questionable and protests have been known to turn violent and impede day-to-day life.

Brazil

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Brazil's per capita income was $11,210, placing it 9th among 22 Latin American countries. From 2000 to 2010, real GDP grew at an annual rate of 3.67%, 12th most rapid in Latin America.

Economic institutions and analysis

Brazil ranked 18th in the region in the EFW index and 17th in the *Doing Business* report. In contrast, Brazil's *Global Competitiveness* ranking is strikingly high, 3rd in the region. To a large degree, the GCR rating reflects the skill level of the workforce, development of financial markets, and availability of technology in Brazil. Brazil's EFW summary rating rose from 4.46 in 1990 to 5.93 in 2000 and to 6.42 in 2010. However, its ranking in the region has been relatively constant, remaining at 17th in both 1990 and 2010.

The only area in the EFW index where Brazil ranks in the top ten in the region is Area 2, Legal System and Property Rights, where it places 4th. However, judged by worldwide standards, Brazil's legal structure is weak. Among the 144 countries in the EFW index, Brazil ranks 85th for Area 2. Its ranking among the Latin American countries is 15th in Areas 1 and 3, and 14th in Area 4.

The Brazilian economy is plagued with excessive regulation. In Area 5, Regulation, it ranks next to last among Latin American economies and 140th among 144 countries worldwide. Consider the following. According to the *Doing Business* indicators, it takes 2,600 hours for a Brazilian business to prepare and pay taxes, 1,500 hours more than the average for the other countries included in the EFW index. It takes 469 days to obtain a construction permit in Brazil, far greater than the 46 days in Colombia, 155 days in Chile, and 188 days in Peru. Similarly, it takes 119 days to start a business in Brazil, compared to 7 days in Chile, Jamaica, and Uruguay and 8 days in Panama.

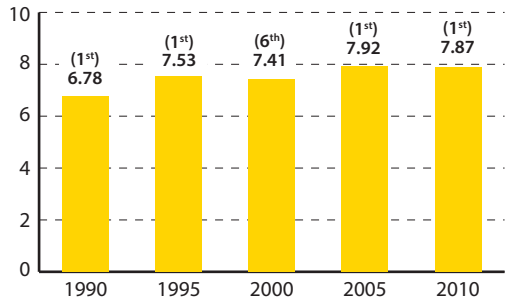
Political institutions and civil liberty

Brazil's political system is relatively open and highly competitive. A diverse set of political parties is present and most observers believe that recent elections have been relatively fair. Various measures of the quality of political institutions rank Brazil in the upper middle among Latin American countries. Its ranking is 4th in Area 2 of the EFW index, 5th in Freedom House's Political Rights index, and 9th in the Polity IV measures of both democracy and constraints on the executive. It places 4th among the Latin American countries in Transparency International's *Corruption Perceptions Index*.

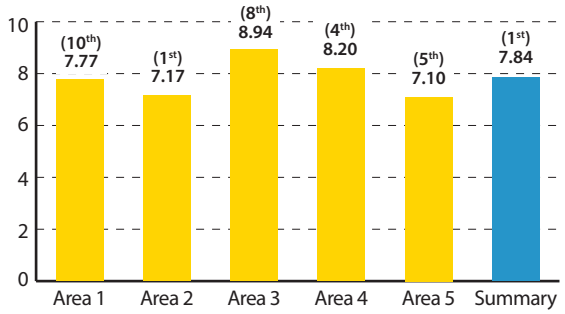
While civil liberties are generally protected, there are some problems in the freedom of the press area. Brazil ranks 4th among Latin countries in Freedom House's *Freedom in the World* Civil Liberties component, but only 12th in its *Freedom of the Press* ranking. This press freedom ranking is also consistent with Brazil's 14th place ranking in the Reporters Without Borders' *Press Freedom Index*.

Chile

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Chile's per capita income was $15,779, 3rd highest in Latin America. This high income level was coupled with a 3.8% annual growth rate of per-capita real GDP from 2000 to 2010.

Economic institutions and analysis

The economic institutions of Chile provide a standard for other Latin American countries to emulate. Among Latin American countries, Chile ranks 1st in the EFW index, the *Global Competitiveness Report*, and the World Bank's *Doing Business* report. This was not always the case. Chile ranked 71st among the 72 countries included in the EFW Index in 1975, but has registered steady improvement through the years. By 1990, its ranking on the EFW index had risen to 27th among the 113 countries rated worldwide. Since 2005, Chile has continually ranked 1st in Latin America and 11th or higher worldwide.

Among Latin American countries, Chile ranks 1st in Area 2, Legal System and Property Rights, and 4th in Area 4, Freedom to Trade Internationally, for which its worldwide ranking is also high, 10th. Chile's tariff rate is low, 6%, and uniform. The uniform tariff rate is particularly important because it substantially reduces the incentive for businesses to engage in rent-seeking activities. Weak legal structures are a deficiency throughout Latin America. Thus, even though Chile ranks number one among Latin American countries in the Area 2, its 27th place worldwide is less impressive.

While Chile's rating in Area 5, Regulation places it 5th in Latin America, its worldwide ranking is 64th. A closer look at the business regulation components illustrates why. Though Chile's 316 hours required for a business to prepare and pay taxes is low by Latin American standards, it is less impressive when compared to higher-income countries such as Australia (109 hours), Sweden (122 hours), and Canada (131 hours).

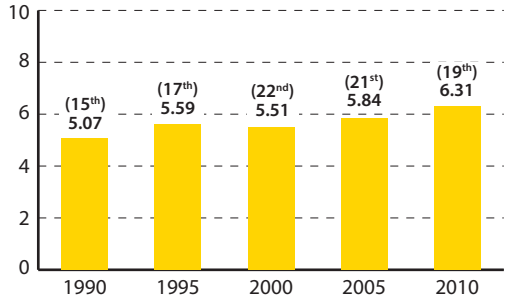
Political institutions and civil liberty

The political institutions of Chile are now the strongest in Latin America. It ranks first in the region in each of the five political measures of this analysis. This is quite an achievement for a country that moved from an authoritarian political regime to democratic decision-making only two decades ago. The combination of economic freedom, democracy, constraint on the executive, and clean government has served Chile well. Since 1990, Chile's average annual growth rate of per-capita GDP, 3.74%, has been one of the highest in the world.

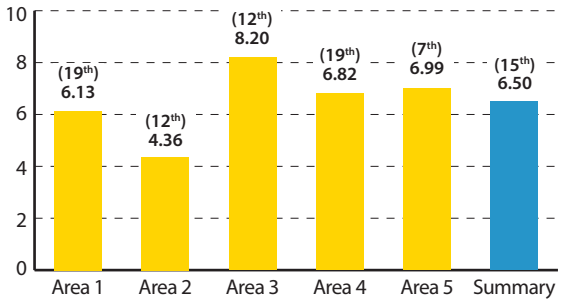
While Chile ranks first among Latin American countries in the Freedom House's *Freedom in the World* Civil Liberties component, it ranks only 5th in Freedom House's *Freedom of the Press* and 10th in the Reporters Without Borders' *Press Freedom Index*. One political party heavily dominates the print media. Violence against journalists, though limited, still occurs.

Colombia

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Colombia's income per capita was $9,452, placing it 11th among the 22 Latin American countries. From 2000 to 2010, real GDP grew at an annual rate of 4.13%, 7th most rapid in Latin America.

Economic institutions and analysis

While the EFW summary rating, *Doing Business* report, and *Global Competitiveness Report* (GCR) measure different aspects of an economy, they are generally closely related. However, this is not the case for Colombia. The 2010 EFW summary rating places Colombia 15th among the 22 Latin American countries, but it ranks 3rd in the *Doing Business* index and 8th in the GCR. Colombia has shown steady improvement over the past two decades. Colombia's chain-linked summary rating rose from 5.07 in 1990 to 5.59 in 1995 and to 6.31 in 2010.

Colombia placed in the top ten in the region in only one area of the EFW index, Area 5, Regulation. Its weakest areas are in Area 1, Size of Government, and Area 4, Freedom to Trade Internationally: it ranks 19th in both. The top marginal income and payroll tax rate in Colombia is 47%, one of the highest in Latin America. The mean tariff rate in Colombia is 12.5% and the capital market controls are among the most rigid in Latin America.

Colombia's performance in Area 3, Sound Money, and Area 5, Regulation, is stronger, but still weak compared to other Latin American countries and the world. Ranking 12th in Area 3, Colombia had single digit inflation in the most recent year, 2.28%, and low variation in the inflation rate, 1.75. However, restrictions on owning foreign currency bank accounts decrease Colombia's rating for Area 3. Colombia ranked 7th in the region in Area 5, its highest area ranking. It only takes 14 days to start a business in Colombia, the fourth shortest time compared to Latin American countries. Yet, it takes 165 days to get electricity in Colombia, the longest time in Latin America.

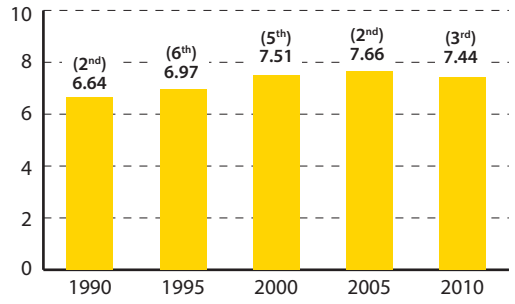
Political institutions and civil liberty

The political institutions of Colombia place it in the middle group among Latin American countries. It ranks 12th in Area 2, Legal System and Property Rights of the EFW index, and 13th in Freedom House's *Freedom in the World* political rights component. However, it ranks poorly in the Polity IV measure of democracy, 16th. Its rankings are higher in the Polity IV measure of constraints on the executive, 9th, and Transparency International's measure of perceived corruption, 5th.

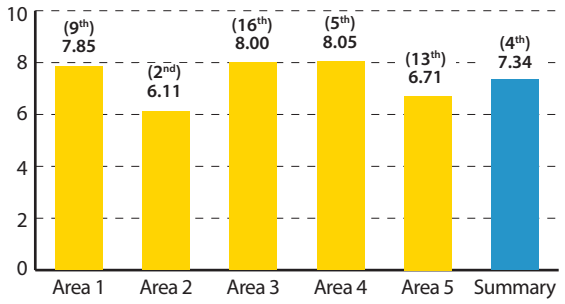
Protection of civil liberties is a continuing problem. Colombia ranks 17th among the 22 countries in the region in Freedom House's *Freedom in the World* civil liberties component and *Freedom of the Press*. Reporters Without Borders' *Press Freedom Index* ranks Colombia's press freedom 21st among 22 Latin American countries. While the Colombian constitution guarantees freedom of expression, crime, drug trafficking, and political corruption often undermine civil liberties and make it difficult for journalists to operate effectively.

Costa Rica

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Costa Rica's income per capita was $11,568, 8th highest in the region. During the period between 2000 and 2010, real GDP grew at an annual rate of 4.06%, 9th most rapid in Latin America.

Economic institutions and analysis

Among the 22 countries in the region, Costa Rica ranked 4th in the EFW index and 5th in the *Global Competitiveness Report*. However, its ranking is only 16th in the World Bank's *Doing Business* report. This suggests that excessive regulation is a problem in Costa Rica. During the past two decades, Costa Rica has consistently registered an EFW summary rating well above both the Latin American and worldwide averages.

Costa Rica has a relatively sound legal system and only modest trade restrictions. Among Latin American countries, it ranks 2nd in Area 2 (54th worldwide) and 5th in Area 4 (16th worldwide). Rule of law is strong and military intervention in legal affairs absent. The mean tariff rate in Costa Rica is 5.4%.

In Area 5, Regulation, Costa Rica ranked 13th in Latin America and 89th worldwide. It takes 60 days to start a business in Costa Rica, a lengthy time compared to some of its close neighbors. By way of comparison, it only takes 7 days in Chile, Jamaica, and Uruguay, and 8 days in Panama. Furthermore, it takes 246 hours for a business to prepare and pay taxes in Costa Rica, twice the required time in Australia (109 hours) and Canada (131 hours). Costa Rica's ranking for Area 1, Size of Government, placed it 9th among Latin American countries. Judged by Latin American standards, government consumption was large and the top marginal tax rate relatively high.

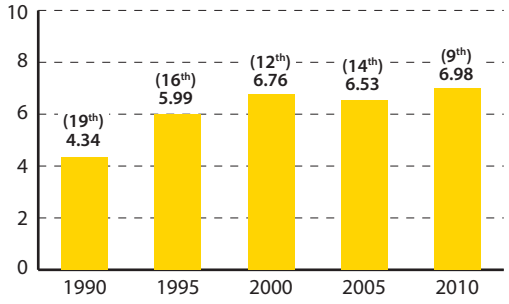
Costa Rica's area of greatest weakness is Area 3, Sound Money, where it ranks 16th in the region and 85th worldwide. This low rating for Sound Money is primarily the result of restrictions on ownership of foreign currency bank accounts.

Political institutions and civil liberty

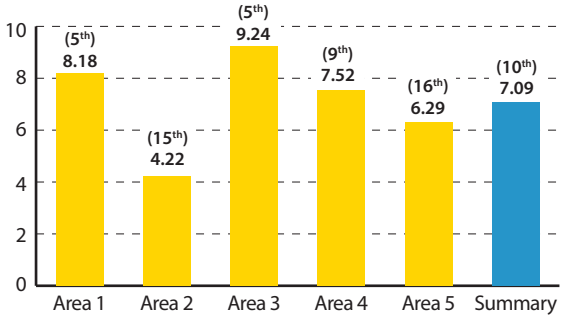
Costa Rica is an electoral democracy and its elections are generally considered to be free and fair. Its rating in Area 2, Legal System and Property Rights in the EFW index was the 2nd highest among the 22 countries in the region. It was the highest ranked Latin American country in Freedom House's *Freedom in the World* political rights component, and the Polity IV measures of both democracy and constraints on the executive. It ranked 3rd in the region in Transparency International's *Corruption Perceptions Index*, even though all but one of the country's presidents since 1990 have been accused of corruption after their departure from office. Costa Rica's record for civil liberties protection and freedom of the press is outstanding. It ranks number one in Latin America in each of the three civil liberty measures included in this analysis. Clearly, the political and legal institutions of Costa Rica are among the strongest in Latin America.

Dominican Republic

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, the Dominican Republic's income per capita was $9,350, placing it 12th among the 22 Latin American countries. From 2000 to 2010, real GDP grew at an annual rate of 5.38%, 4th most rapid in Latin America.

Economic institutions and analysis

The economic institutions of the Dominican Republic are generally in the lower middle group among Latin countries. Its 2010 summary EFW rating placed it 10th among the 22 countries in the region. Its 11th place ranking in the *Doing Business* report was similar, but its 17th rank in the *Global Competitiveness Report* was a little lower. The EFW summary rating of the Dominican Republic has improved during the past two decades, rising from 4.34 in 1990 to 6.98 in 2010. In turn, its ranking among Latin American countries rose from 19th in 1990 to 9th in 2010.

The Dominican Republic's highest EFW ranking is 5th, in both Area 1, Size of Government, and Area 3, Sound Money. Government consumption as a share of the total is low, 8%, and the top marginal income tax rate moderate, 25% without the payroll tax, and 33% when the payroll tax is included.

The Dominican Republic's rankings in the other three areas range from 9th to 16th. It ranks mid-range among Latin American countries for most components, including Impartial courts (13th), Protection of property rights (10th), Hiring regulations and minimum wage (11th), and Hiring and firing regulations (9th). On the positive side, it only takes 8 days to obtain the necessary permission for exporting, the shortest in Latin America. The 19 days required to start a business ranks 9th in Latin America.

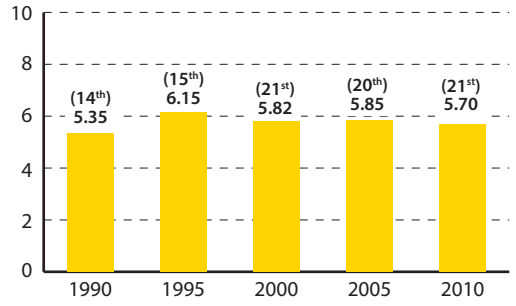
Political institutions and civil liberty

The legal and political institutions of the Dominican Republic also place it in the middle group in the region. Its EFW ranking for Area 2, Legal System and Property Rights is 15th among the 22 countries in the region. Freedom House ranks it 5th in its political liberties index, while the Polity IV Project places it 9th in its measures of both democracy and constraints on the executive. Corruption is a continuing problem in the Dominican Republic: it ranked 16th among Latin American countries and 129th among 182 countries worldwide in Transparency International's *Corruption Perceptions Index*. Political leaders, judges, and the police have all been involved in various types of corrupt behavior. This reduces the confidence of the general populace in the legal and political institutions of the country.

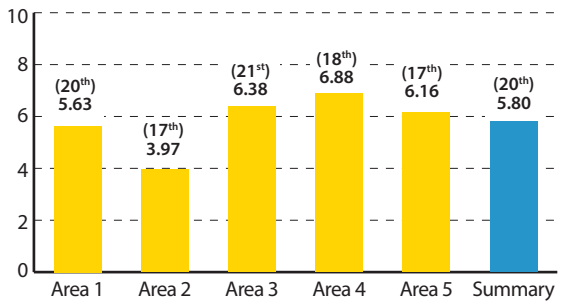
The Dominican Republic ranks in the upper middle group among Latin American countries in measures of civil liberties and freedom of the press. It places 4th in the region in Freedom House's *Freedom in the World* Civil Liberties component, but its press freedom rankings in the Freedom House and Reporters Without Borders publications were 7th and 12th, respectively. The constitution of the Dominican Republic guarantees freedom of speech, press, religion, and association. Moreover, the country has an abundance of newspaper publications, and there are no legal restrictions on access to the Internet, though it is not widely available except in large, urban areas.

Ecuador

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Ecuador's income per capita was $8,027, 13th among Latin American countries. Its growth rate during the past decade has been more impressive. From 2000 to 2010, real GDP grew at an annual rate of 4.46%, the 5th most rapid in Latin America.

Economic institutions and analysis

The economic institutions of Ecuador are poor, even by Latin American standards. It ranks 20th among 22 Latin American countries in the EFW index and 19th in the World Bank's *Doing Business* report. Its *Global Competitiveness* ranking is slightly higher, 15th. Taken together, the measures of economic institutions indicate that the economy of Ecuador is highly regulated and politically directed. Ecuador's EFW summary rating has fluctuated between 5.35 and 6.15 during the past two decades. However, its ranking in Latin America has slipped from 14th in 1990 to 21st in 2010.

Ecuador ranks in the bottom group in all five areas of the EFW index. It ranks 20th in the region in Area 1, Size of Government. Government consumption spending makes up 15% of the total. Transfers and subsidies are small, only 2% of GDP. However, Ecuador's top marginal tax rate is high, 35% without the payroll tax and 47% when the payroll tax is included. Its ranking in Area 3, Sound Money is 21st. Restrictions on the ownership of foreign currency bank accounts contribute to its low rating in this area.

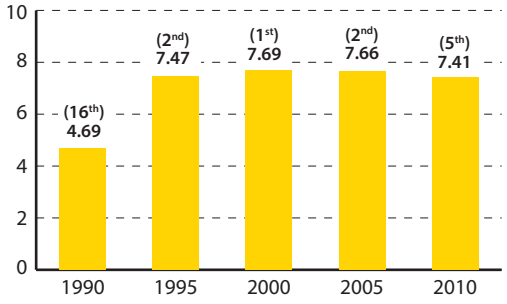
Its rankings in Area 2, Legal System and Property Rights (17th), Area 4, Freedom to Trade Internationally (18th), and Area 5, Regulation (17th) are also low. As is so often the case, countries with low regulatory ratings also have weak legal systems. Ecuador ranked 19th in the region in the Impartial courts component (2B), 17th in the Protection of property rights component (2C), and 19th in the Hiring and firing regulation component (5Bii). In Ecuador, it takes 654 hours for a business to prepare and pay taxes, more than twice the figure for Chile (316 hours) and Peru (309 hours). Moreover, it takes 5.3 years to resolve insolvency in Ecuador, the longest time among Latin American countries except for Haiti.

Political institutions and civil liberty

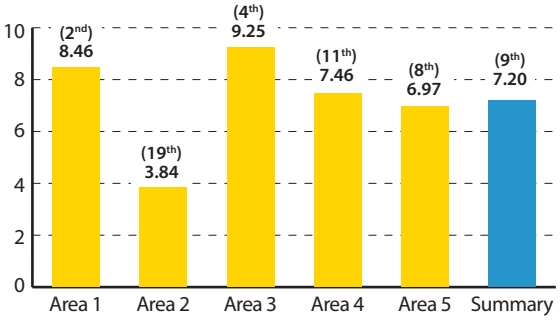
While Ecuador is an electoral democracy, its political institutions are characterized by instability, arbitrary actions, and widespread corruption. The eight changes in executive power since 1996 are indicative of the country's political instability. Ecuador's ranking in Area 2, Legal System and Property Rights of the FEW index was 17th in the region. Ecuador ranked 13th in Freedom House's political rights index, 20th in the Polity IV measure of democracy, and 21st for constraints on the executive. The president's authority to dissolve the legislature and call for new assembly elections once during his term contributes to Ecuador's low rating for constraints on the executive. Given the presence of extensive regulation and arbitrary power, it is not surprising that corruption is widespread. Ecuador ranked 14th among the 22 Latin American countries in Transparency International's *Corruption Perceptions Index*. While Ecuador ranks 9th in Freedom House's Civil Liberties component, its ranking in *Freedom of the Press* is only 16th among Latin American countries. Even though freedom of expression is generally respected, there has been a recent increase in violent attacks against journalists, resulting in a ranking of 15th in the Reporters Without Borders' *Press Freedom Index*.

El Salvador

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, El Salvador's income per capita was $6,667, 15th among the Latin American countries. During the period from 2000 to 2010, real GDP per capita grew at an annual rate of 1.93%, placing it 20th among the countries in the region.

Economic institutions and analysis

El Salvador's summary EFW rating is the 9th highest among Latin American countries. However, its ranking is substantially lower for the other measures of economic institutions. It ranks 12th among Latin American countries in the *Doing Business* index and 13th in the *Global Competitiveness Report*. El Salvador substantially increased its EFW summary rating from 4.69 in 1990 to 7.66 in 2005, increasing its ranking in the region from 16th in 1990 to 2nd in 2005. By 2010, however, its summary rating had fallen to 7.41.

The government of El Salvador is small. El Salvador's rating for Area 1, Size of Government was the 2nd highest in Latin America and the 6th highest worldwide. Government consumption was only 10.5% of total consumption and transfers and subsidies were only 3.6% of GDP. El Salvador also ranks high, 4th in the region, in Area 3, Sound Money of the EFW index. It has adopted the US dollar as its official currency and citizens are free to maintain foreign currency bank accounts if they prefer. In recent years, the inflation rate has been low and relatively constant.

El Salvador has major weaknesses in legal structure and regulation. In Area 2, Legal System and Property Rights, it ranked 19th in the region and 129th among 144 countries worldwide. Ratings were particularly low for the following components: Judicial independence (2A), Impartiality of the courts (2B), Integrity of the legal system (2E), and Legal enforcement of contracts (2F). In Area 5, Regulation, El Salvador ranked 8th in the region and 69th worldwide. High costs of employee dismissal and military conscription contribute to the low rating in this area.

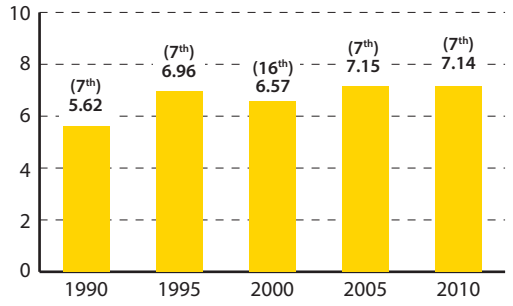
Political institutions and civil liberty

The political institutions of El Salvador rank in the upper middle among Latin American countries. It ranks 5th in the political liberties component of Freedom House's *Freedom in the World* and 9th in the Polity IV index of both democracy and constraints on the executive. Transparency International also places it 5th among Latin American countries in its *Corruption Perceptions Index*.

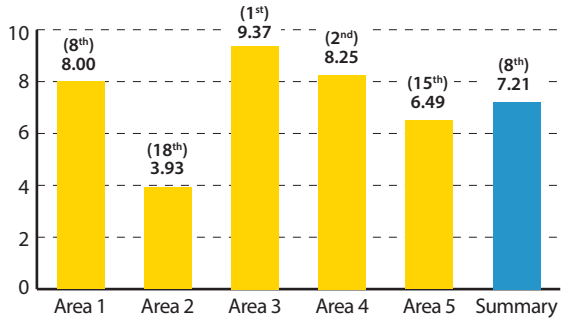
In the civil liberties area, El Salvador also places in the upper middle group of Latin Countries. Freedom House ranks it 9th in civil liberties protection and 8th in *Freedom of the Press*. Its 4th-place ranking in Reporters without Borders' *Press Freedom Index* is significantly higher. This indicates that, while reporters seldom face violence, there are still limitations on the media. While freedom of the press is constitutionally guaranteed, media ownership is highly concentrated.

Guatemala

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Guatemala's income per capita was $4,784, 18th among Latin American countries. From 2000 to 2010, real GDP per capita grew at an annual rate of 3.37%, placing it 16th among Latin American countries.

Economic institutions and analysis

Guatemala's EFW summary rating in 2010 was the 8th highest among Latin American countries. Moreover, its ranking was only slightly lower for the other economic institutional measures. Guatemala's ranking was 9th in Latin America in both the World Bank's *Doing Business* report and the *Global Competitiveness Report*. During the last decade, Guatemala has made significant moves toward economic liberalization. Its summary EFW rating was 6.57 in 2000 but by 2010 the rating had climbed to 7.14, increasing its ranking among Latin American countries from 16th in 2000 to 7th in 2010.

As is often the case in Latin America, Guatemala's weakest areas in the EFW index are Area 2, Legal System and Property Rights, and Area 5, Regulation, where it ranks 18th (126th worldwide) and 15th (102nd worldwide), respectively. A closer look at a few components shows areas in need of improvement. Guatemala ranks 16th in Latin America in Impartial courts (2B), 15th in Protection of property rights (2C), and 11th in Hiring regulations and minimum wage (5Bi). It takes 37 days to start a business in Guatemala, the 14th longest in Latin America. Guatemala's most striking barrier to conducting business is the difficulty in enforcing contracts. According to the World Bank, it takes 1,459 days or four years to obtain a judicial judgment for the collection of an undisputed debt, the longest in Latin America.

Guatemala ranked 1st in Latin American and 33rd worldwide in Area 3, Sound Money, its best area ranking. In the most recent year, Guatemala's inflation rate was 3.86%. Guatemala also has strength in Area 4, Freedom to Trade Internationally, where it ranks 2nd in the region and 8th worldwide. The high ranking in this area is a result of a low mean tariff rate, 5.60%, and low international trade tax revenues as a share of the trade sector, 1.56%.

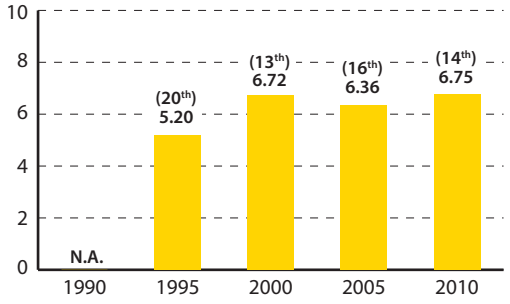
Political institutions and civil liberty

The political institutions of Guatemala place it in the middle group among Latin American countries. Its rating for EFW Area 2, Legal System and Property Rights, place it 18th among the 22 Latin countries. It ranks 13th in Freedom House's *Freedom in the World* political rights component, but 9th in the region in the Polity IV index of democracy and constraints on the executive. Transparency International places it 14th in its *Corruption Perceptions Index*.

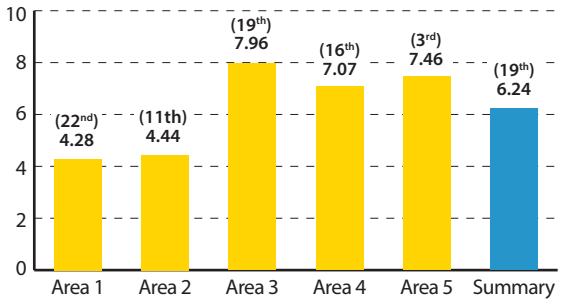
Guatemala's civil liberties and press freedom are among the lowest in Latin America. Guatemala ranks 17th in Freedom House's Civil Liberties measure and 18th in *Freedom of the Press*. It ranks 13th in the region in Reporters Without Borders' *Press Freedom Index*. Even though the constitution guarantees freedom of expression and speech, those who criticize the government or condemn past human rights violations have been known to face persecution. Both journalists and scholars have received death threats and faced violent attacks for raising questions about government actions. Guatemala has recently enacted measures such as the 2009 Law for Free Access of Public Information to increase the transparency of government operations, which was also served by a decision in 2010 of the Constitutional Court that made information on the beneficiaries of Guatemala's conditional cash-transfer program, *Mi Familia Progresa*, publically available.

Guyana

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

Guyana is one of the poorest countries in Latin America. In 2010, its per-capita GDP was $3,431, 20th among the 22 Latin American countries. Only Nicaragua and Haiti had a lower income level. From 2000 to 2010, real per-capita GDP grew at an annual rate of 2.1%, 19th in the region.

Economic institutions and analysis

The economic institutions of Guyana are among the weakest in Latin America. Its summary economic freedom rating is 19th among the 22 Latin American countries. Its rankings in *Doing Business* and the *Global Competitiveness Report* are only incrementally higher, 14th in the former and 18th in the latter. Moreover, its EFW summary rating has changed little during the past decade.

Guyana is a "big government" economy. It ranks last in the region and 136th among the 144 countries worldwide in Area 1, Size of Government in the EFW index. Government consumption makes up 15% of total consumption. Government enterprises dominate the economy and government investment sums to more than half of total investment, 54%. By Latin American standards, the top marginal income tax rate, 41% when the payroll tax is included, is high.

Among Latin countries, Guyana ranks 11th in Area 2, Legal System and Property Rights, 16th in Area 4, Freedom to Trade Internationally, and 19th in Area 3, Sound Money. Weaknesses in the independence of the judiciary, impartiality of the courts, and integrity of the legal system contribute to Guyana's low rating in Area 2. Guyana's 11% mean tariff rate is high by Latin American standards. Considering the usual correlation in Latin America between Areas 2 and 5, Guyana's high regulatory ranking (3rd in the region and 47th worldwide) is surprising. Military conscription is absent and other regulation of the labor market is low. However, business regulations are somewhat less impressive. It takes 26 days to start a business, placing it 10th in the region for this component.

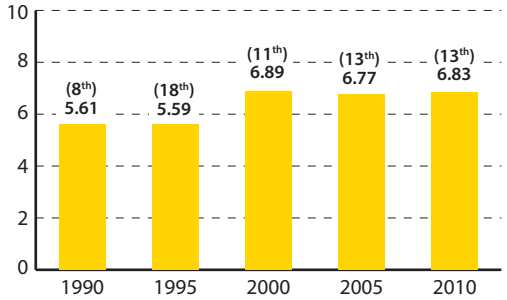
Political institutions and civil liberty

Guyana's legal and political institutions are characterized by judicial uncertainty and favoritism, weak protection of personal liberty, and political corruption. While Guyana places 11th in the region in the Area 2 of the EFW index and 5th in Freedom House's political rights measure, its ranking is 19th in the Polity IV measures of democracy and constraint on the executive and 18th in the *Corruption Perceptions Index* of Transparency International.

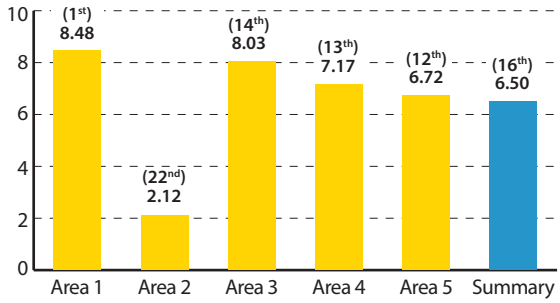
The civil liberties ratings of Guyana are marginally better. Freedom House places it 9th in the region in its civil liberties index and 6th in *Freedom of the Press*. Guyana's press freedom ranking by Reporters Without Borders is 8th. Even though freedom of expression is constitutionally guaranteed, opposition party leaders often complain about a lack of access to state-owned media, which operates the country's only radio station. Furthermore, Guyana serves the drug trafficking community as a transshipment point for cocaine between South America and North America and Europe. According to Freedom House, drug revenues fuel the informal economy, and provide the raw material for corruption that reaches to the highest levels of government.

Haiti

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

Haiti is the poorest country in Latin America and its growth rate is anemic. In 2010, Haiti's income per capita was $1,110, substantially lower than any other country in Latin America. From 2000 to 2010, real GDP grew at an annual rate of 0.23%, last in the region.

Economic institutions and analysis

While Haiti's summary rating in the EFW index places it 16th in Latin America, its regional ranking is 21st in the World Bank's *Doing Business* report and 22nd in the *Global Competitiveness Report*. Its EFW summary rating is based on incomplete data. The *Doing Business* and GCR data suggest that, if the EFW figures for Haiti were more complete, it is highly likely that its rating and ranking would decline.

Haiti ranked 1st among Latin American countries in the EFW index for Area 1, Size of Government. Government consumption as a share of the total, 10%, and other indicators of size of government push Haiti's rating up in this area. But, this does not mean that the government is focusing on basic functions such as protection of people and their property. Clearly, failure in this vitally important area is a major deficiency of Haiti. In the EFW Area 2, Legal System and Property Rights, Haiti ranks last among the 22 Latin American countries and last among the 144 countries worldwide.

Haiti ranks 12th in the region in Area 5, Regulation. However, this ranking is misleading. It is based on incomplete data and relatively high ratings for labor-market regulation. Business regulations, however, are quite restrictive. It takes 105 days to start a business in Haiti, the third longest in Latin America. Furthermore, it takes 1,129 days to obtain a construction permit in Haiti, the longest in Latin America and more than four times the number of days of any other Latin American country. Regulations also restrict trade. It takes 31 days to clear customs for imports and 33 days for exports, the second longest time among Latin American countries.

Political institutions and civil liberty

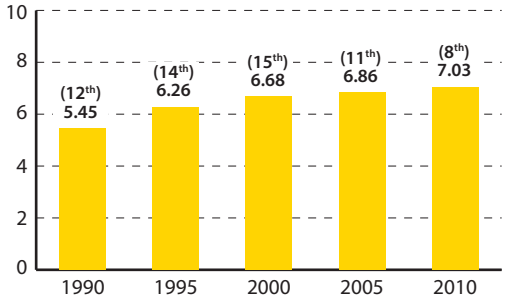
While Haiti has had several elections in recent decades, they have been characterized by intimidation, violence, and corruption. The history of the country is one of authoritarian government and political corruption. In the political rights area, Freedom House places it in a tie with Honduras for 19th place among the 22 Latin countries. Only Nicaragua and Venezuela earned lower ratings. In the Polity IV measure of democracy, Haiti tied with Ecuador for 20th. Only Venezuela had a lower rating. Moreover, corruption is rampant. In 2011, Transparency International's *Corruption Perceptions Index* ranked Haiti 175th among the 182 countries worldwide. Even Venezuela had a higher rating in the region.

In the civil liberties area, Haiti ranks 21st in Freedom House's *Freedom in the World* civil liberties component and 14th in *Freedom of the Press* among Latin countries. Its ranking in the Reporters Without Borders' *Press Freedom Index* is 7th, reflecting that journalists seldom face violence or death in Haiti. However, corruption and unreliable police protection undermine security of the right to assemble and freedom of speech. Additionally, the high level of corruption persuades many press outlets to self-censor, and violence against women and children is extremely prevalent.

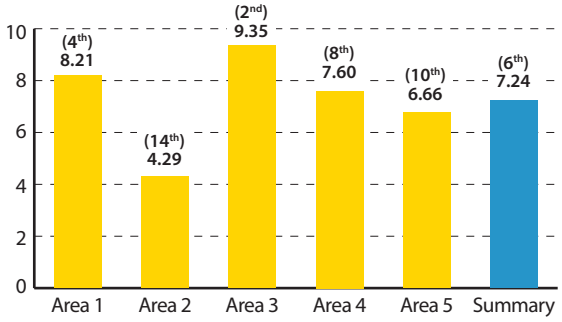
Clearly, a corrupt government that tramples on political and civil rights and fails to protect property rights and provide for the personal safety of citizens is a huge problem. These weaknesses undermine economic progress. Until improvement is made in these areas, Haiti will remain one of the poorest countries in the world.

Honduras

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Honduras' income per capita was $3,922, 19th among the 22 Latin American countries. Its growth rate during the past decade provides some justification for optimism: from 2000 to 2010, the annual growth rate of real GDP per capita was 4.24%, the 6th most rapid in Latin America.

Economic institutions and analysis

Honduras ranks 6th among Latin American countries in the EFW index but its ranking is significantly lower for other economic indicators. Among Latin American countries, its ranking is 18th in the *Doing Business* report and 12th in the *Global Competitiveness Report*. Its summary rating in the EFW has shown some improvement, rising from 5.45 in 1990 to 6.68 in 2000 and 7.03 in 2010.

The ratings of Honduras are relatively robust in three areas of the EFW index: Area 1, Size of Government, Area 3, Sound Money, and Area 4, Freedom to Trade Internationally. Honduras ranks in the top five in the region in both Size of Government, 4th, and Sound Money, 2nd. Transfers and subsidies account for only 0.30% of GDP, the lowest in Latin America. In recent years, the rate of inflation has been both modest and relatively stable. In Area 4, Honduras ranks 8th in the region and 47th worldwide. Its tariffs are low. The mean tariff rate is 5.50% and trade tax revenues are only 0.92% of the trade sector.

The EFW area ratings highlight two major economic institutional weaknesses of Honduras: an unsound legal system and excessive regulation. Honduras's rating for Area 2, Legal System and Property Rights gave it a rank of 14th in the region and 116th among 144 countries worldwide. Its rating in Area 5, Regulation places it 10th in the region and 85th worldwide. As an example, it takes 920 days to settle a contractual issue in Honduras, the 4th longest in Latin America, shorter only than in Guatemala, Colombia, and Trinidad & Tobago. Honduras ranked last among Latin American countries for sub-component 5Bi, Hiring regulations and minimum wage.

Political institutions and civil liberty

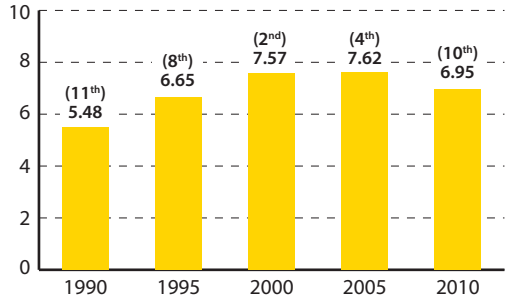
Honduras ranks near the bottom of the region in all measures of political and civil freedoms. Its 14th ranking in the EFW index for Area 2, Legal System and Property Rights, is reinforced by measures of its political institutions. Freedom House ranks Honduras 19th in its *Freedom in the World* political liberties component, while the Polity IV Project places it 16th in its measure of democracy and 19th in its constraints on the executive measure. Transparency International places Honduras 16th in the region and 129th among the 182 countries included in its *Corruption Perceptions Index*.

Its civil liberties performance is equally poor. Freedom House places Honduras 17th in its *Freedom in the World* civil liberties component and 20th in *Freedom of the Press* among the countries in the region. The Reporters Without Borders' *Press Freedom Index* also places Honduras 20th in the region. Honduras can be a very dangerous location for journalists, and media self-censorship is prevalent. According to Freedom House, "since the 2009 coup, authorities have systematically violated the constitution's press freedom guarantees."

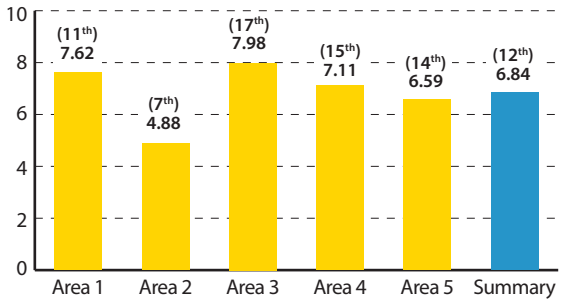
Given its institutional deficiencies, Honduras is considering a unique method of improving institutional quality: contracting out special enterprise zones to developers pledging to establish a legal and regulatory infrastructure to promote economic freedom and entrepreneurial activity. The idea is to set aside special enterprise zones patterned after Hong Kong that will establish transparent and predictable rules administered impartially to encourage investment, employment, and economic growth. Economists Paul Romer and Brandon Fuller have been at the forefront of those advocating this path of institutional development. Several investment groups are engaged with the government of Honduras in an effort to work out such a development plan. Both judicial and political obstacles still stand in the way, but it will be interesting to observe if this form of institutional development is able to move forward.

Jamaica

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Jamaica's income per capita was $7,673, 14th highest among the 22 Latin American countries. From 2000 to 2010, real GDP grew at an annual rate of 0.96%, one of the slowest in the region, outpacing only Haiti.

Economic institutions and analysis

While Jamaica ranks 12th in the region in the EFW index and 7th in the *Doing Business* report, its ranking is lower (16th) in the *Global Competitiveness Report*. Its small size and limited domestic market contribute to its lower ranking in the latter index. Jamaica's summary EFW rating has fallen in recent years. Its 2010 rating was 6.95, down from 7.62 in 2005. In the chain-linked index, this corresponds to a reduction in its regional ranking from 4th in 2005 to 10th in 2010.

Jamaica's ranking in Area 2, Legal System and Property Rights, is 7th in the region and 92nd worldwide, and performance for several components in this area is borderline. For example, in the Impartial courts component (2B) it ranks 8th in the region, and in the Protection of property rights component (2C) it ranks 5th.

Jamaica's performance in other areas is strong compared to the rest of the region, but unimpressive in contrast with the rest of the world. In Area 1, Size of Government, Jamaica ranks 11th in the region. Transfers and subsidies as a share of GDP are small, 1.4%, there are few government enterprises, and the top marginal income-tax rate is relatively low, 25%. Jamaica ranked 14th in Latin America in Area 5, Regulation. In some components, Jamaica's performance in the region is outstanding. It only takes 7 days to start a business in Jamaica, the shortest time in Latin America. Moreover, in the sub-component showing the regulatory cost of hiring, Hiring regulation and minimum wage (5Bi), it ranks in the top five in the region.

Areas of weakness include sound money and trade barriers. Jamaica ranks 17th in the region in Area 3, where the inflation rate has been high—12.61% in the most recent year—and 15th in Area 4, where the mean tariff rate is relatively high, 7.5%.

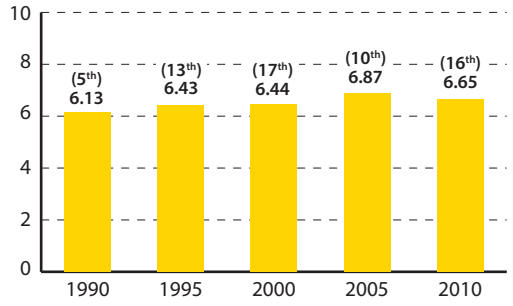
Political institutions and civil liberty

By Latin American standards, the legal and political institutions of Jamaica are strong. Jamaica ranks 7th in Area 2, Legal System and Property Rights, and 5th in Freedom House's *Freedom in the World* political liberties measure. It places 5th in the Polity IV measure of democracy and 1st for its constraints on the executive. Transparency International places Jamaica 8th in the region in its *Corruption Perceptions Index*.

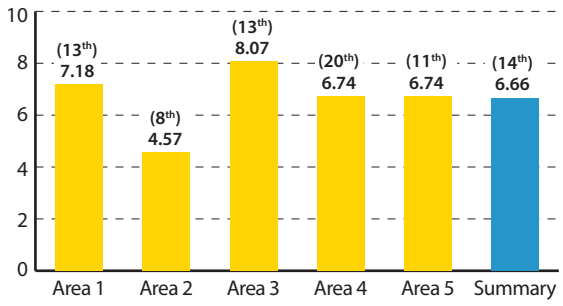
In the area of civil liberties, Freedom House ranks Jamaica 9th among Latin American countries in its *Freedom in the World* civil liberties measure. Its ratings for press freedom were excellent. Jamaica ranked 1st in the region in both the Reporters Without Borders' *Press Freedom Index* and Freedom House's *Freedom of the Press.* Jamaica's journalists operate with a high level of autonomy on story selection and rarely fall victim to intimidation or violence.

Mexico

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Mexico's income per capita was $14,563, 4th highest in the region. From 2000 to 2010, real GDP per capita grew at an annual rate of 2.25%, placing Mexico 18th in Latin America.

Economic institutions and analysis

Mexico placed 14th in the region in the EFW index. This deviates substantially from Mexico's ranking in the *Doing Business* report and the *Global Competitiveness Report*, 4th. Its EFW summary rating shows a modest upward trend over the past two decades from 6.13 in 1990 to 6.65 in 2010. However, the ratings of other Latin American countries have increased even more rapidly. As a result, Mexico's regional chain-linked ranking fell from 5th in 1990 to 16th in 2010.

Mexico's strongest regional rankings are in Area 2, Legal System and Property Rights, where it placed 8th, and Area 5, Regulation, where it was 11th. It only takes 9 days to start a business in Mexico, the second shortest time in Latin America and competitive even compared to Australia (2 days) and Canada (5 days).

On the other hand, Mexico falls behind the region and the world for freedom of international trade (Area 4), ranking 20th among Latin American countries and 95th worldwide. Its low rating is a result of a high mean tariff rate, 9%, and substantial variance in tariff rates, 19.6. Mexico also has room for improvement in Area 1, Size of Government, and Area 3, Sound Money, where it ranked 13th. Though general government consumption spending as a share of the total is competitive worldwide, 15%, government enterprises account for 29% of investment in Mexico, and the top marginal income and payroll tax rate is 43%, both high figures when compared to other Latin American countries. Mexico has a history of monetary instability. Its inflation rate was 4.16% in the most recent year.

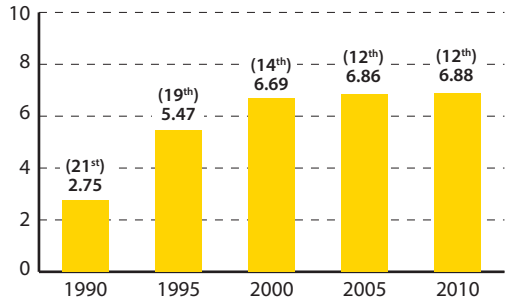
Political institutions and civil liberty

Mexico's legal and political institutions place it in the middle among Latin American countries. Mexico ranks 8th in Area 2 of the EFW index, Legal System and Property Rights, and 13th in the Freedom House political rights measure. It places 9th in the Polity IV measures of democracy and constraints on the executive. Transparency International places Mexico 11th in the region in its *Corruption Perceptions Index*.

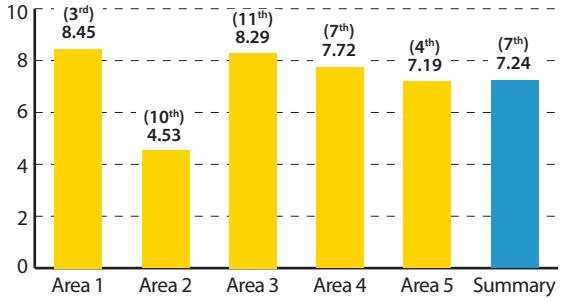
While Mexico places 9th in the Freedom House civil liberties measure, its ranking in the press freedom area is substantially lower. Freedom House ranks it 21st among 22 Latin American countries in *Freedom of the Press* and Reporters Without Borders places it dead last in the *Press Freedom Index*. Moreover, the environment has been deteriorating: "Eighty journalists have been murdered since 2000 and 14 others have disappeared since 2003" (*Press Freedom Index*). Self-censorship has become more prevalent because of the increase in violence towards reporters who investigate drug trafficking, police brutality, and corruption. Reporters Without Borders describes Mexico as "the western hemisphere's most dangerous country for the media."

Nicaragua

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Nicaragua's income per capita was $2,913, 21st among the 22 Latin American countries. Only Haiti had a lower income per capita. From 2000 to 2010, real GDP grew at an annual rate of 3.48%, 13th most rapid in Latin America.

Economic institutions and analysis

Nicaragua's summary rating in the EFW index places it 7th among countries in the region. However, its rankings in the *Doing Business* report and the *Global Competitiveness Report* are substantially lower, 15th in the former and 19th in the latter. Nicaragua's EFW rating has increased significantly during the past two decades. Its summary rating rose from 2.75 in 1990 to 6.88 in 2010, pushing its chain-linked regional ranking up from 21st in 1990 to 12th in 2010.

Nicaragua has made substantial improvements in the last year towards increasing economic freedom. It now ranks in the top ten in the region in four areas, Size of Government, Legal System and Property Rights, Freedom to Trade Internationally, and Regulation. Its strongest area ranking was 3rd in the region, which it earned in Area 1, Size of Government. Compared to regional standards, government consumption as a share of the total is low, 9.5%. The top marginal income-tax rates are reasonable, 30% with or without the payroll tax.

It achieved a high ranking in Area 4, Freedom to Trade Internationlly, 7th, with relatively low tariff rates, 5.6%. Nicaragua ranked 4th in Area 5, Regulation. In two regulation components, Hiring regulations and minimum wage (5Bi) and Hiring and firing regulations (5Bii), it ranks in the top five in the region. However, Nicaragua could still make improvements to its regulatory structure. It costs 107.9% of income per capita to start a business in Nicaragua, the second highest cost in Latin America. There is also room for improvement in the legal structure. Nicaragua's regional rankings—20th for Impartial courts (2B) and 16th for Protection of property rights (2C)—are particularly weak.

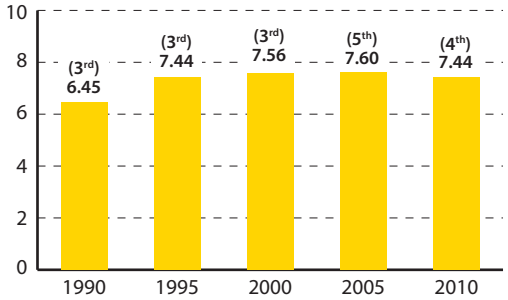
Political institutions and civil liberty

The rankings for political institutions of both Freedom House and Transparency International are similar to that of Area 2, Legal System and Property Rights in *Economic Freedom of the World*. Nicaragua's political liberties rating from Freedom House was the lowest, tied with Venezuela, in Latin America. Transparency International placed it 18th in its *Corruption Perceptions Index* among Latin countries. Surprisingly, its ratings by the Polity IV Project were substantially higher: 5th in the democracy index and 1st (tied with eight other regional countries) in the constraints on the executive measure. In October of 2009, the Supreme Court in Nicaragua lifted the restriction on presidential term limits, effectively lifting constraints on the executive. This may affect its future ratings by the Polity IV Project.

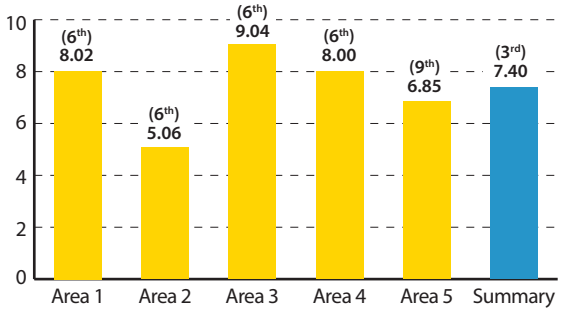
Freedom House ranked Nicaragua 17th in its *Freedom in the World* Civil Liberties component and 13th in *Freedom of the Press*. Reporters Without Borders placed it 9th in its *Press Freedom Index*. According to Freedom House, "the press has faced increased political and judicial harassment since 2007."

Panama

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Panama's income per capita was $13,607, the 6th highest in the region. From 2000 to 2010, Panama's real GDP per capita grew at an annual rate of 5.73%, the 2nd most rapid in Latin America.

Economic institutions and analysis

The economic institutions of Panama are among the most sound in the region. Panama's EFW summary rating places it 3rd in the region, behind only Chile and Peru. It ranks 5th in the *Doing Business* index of regulation and 2nd in the *Global Competitiveness Report*. Panama has continually placed among the freest economies in the region since 1990.

International trade and sound money are strengths of the Panamanian economy. Panama ranked 6th in the region and 19th in the world in Area 4 of the EFW index, Freedom to Trade Internationally. Tariffs are relatively low and goods move efficiently through the canal and into and out of the country. Its ranking for Area 3, Sound Money, is also 6th in the region. Panama has used the US dollar for more than a century and its inflation rate is low and relatively stable. Moreover, the widespread use of the dollar throughout the world facilitates international exchange and enhances the size of the trade sector.

Panama ranked 6th in the region in Area 1, Size of Government. Government consumption accounts for 8% of the total, the lowest in Latin America. Its top marginal personal income-tax rate is 27% (43% when the payroll tax is included).

As is the case with many countries in the region, Panama's legal system needs improvement and regulation is excessive. Its regional rankings for Areas 2 and 5 are 6th and 9th, respectively. However, worldwide its ranking for Area 2 is 88th and its rating for Area 5 places it 82nd among the 144 countries. Absence of judicial independence and lengthy time for the legal enforcement of contracts contribute to Panama's low rating in Area 2. Labor market regulations are particularly restrictive. For example, it ranked 16th in the sub-component, Hiring and firing regulations (5Bii).

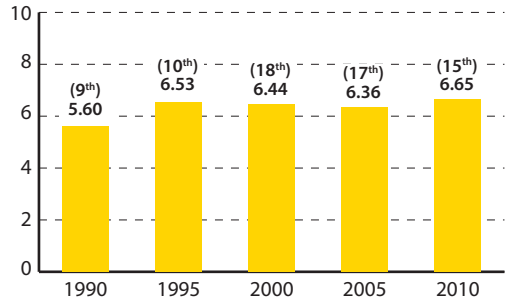
Political institutions and civil liberty

While Panama's rating for Area 2 places it 6th in the region, Freedom House ranks it number 1 in Latin America for its protection of political rights. The Polity IV index places it 5th in its democracy index and 9th for constraints on the executive. Transparency International ranks it 8th in Latin America in its *Corruption Perceptions Index*.

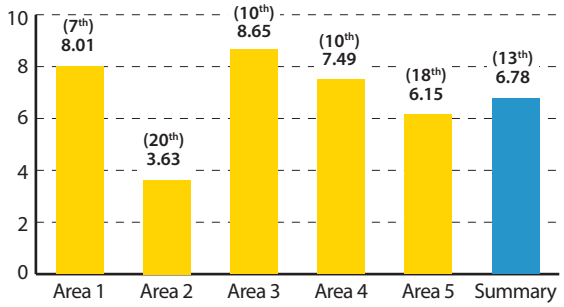
Panama also ranked highly, 4th in Latin America, in Freedom House's index of protection of civil liberties. However, its freedom of the press rankings were lower, 10th in the Freedom House measure and 17th in the Reporters Without Borders' index. Journalists who condemn and reveal the presence of sex trafficking in Panama often face criminal prosecution. As Freedom House notes in *Freedom in the World 2012*, "the U.S. State Department's 2010 Trafficking in Persons Report criticized Panama for its failure to comply with minimum international standards to combat human trafficking."

Paraguay

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Paraguay's per–capita income was $5,181, 16th among Latin American countries. From 2000 to 2010, real GDP per capita grew at an annual rate of 3.42%, 15th in Latin America.

Economic institutions and analysis

Paraguay ranked 13th in the EFW index and 20th in the *Global Competitiveness Report* among Latin American countries. Its ranking was higher, 10th, in the World Bank's *Doing Business* report. Its EFW summary rating has fluctuated substantially since 1990, but its regional chain-linked ranking fell from 9th in 1990 to 15th in 2010.

Paraguay places in the top ten in the region in three areas of the EFW index: Area 1, Size of Government, Area 3, Sound Money, and Area 4, Freedom to Trade Internationally, where it ranks 10th. The mean tariff rate is high, 10.2%, and varies substantially. There are high compliance costs with importing and exporting and debilitating capital controls. It takes 33 days to fulfill the necessary requirements to import or export goods, one of the longest waiting periods in Latin America.

The legal system and regulation are major weakness of the Paraguayan economy. In Area 2, Legal System and Property Rights, Paraguay ranked 20th in the region and 131st among the 144 countries worldwide. This low ranking is explained partly by its performance in two components, Impartial courts (2B) where it ranked 17th in the region, and Protection of property rights (2C) where it ranked 18th. In Area 5, Regulation, Paraguay ranked 18th in Latin America and 117th in the world. The presence of conscription pulls Paraguay's rating down in this area.

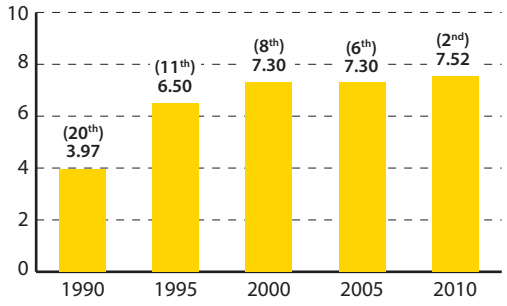
Political institutions and civil liberty

Widespread corruption permeates the political institutions of Paraguay. Its rating for Area 2 of the EFW index, Legal System and Property Rlghts, is 20th among the 22 countries in the region. Its Freedom House ranking of political liberty is slightly higher, 13th, but Transparency International's *Corruption Perceptions Index* places it 20th in the region. In 2011, Paraguay ranked 154th among the 182 countries included in the *Corruption Perceptions Index*. The Polity IV Project ranks Paraguay 9th in its democracy measure and 1st (tied with eight other countries) in its executive constraints index. Nonetheless, the indicators illustrate that rule of law is uncertain and corruption widespread. Until there is substantial improvement in these areas, Paraguay will continue to be one of the poorer countries in the region.

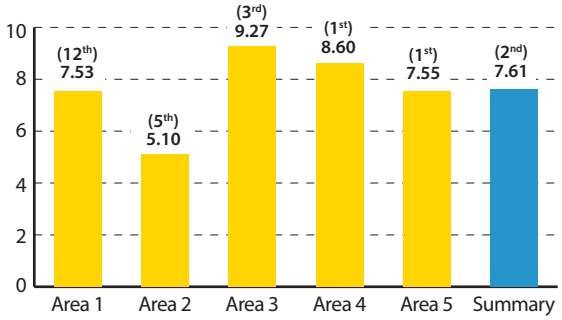
Paraguay ranks 9th in Freedom House's *Freedom in the World* civil liberties component and 19th in its *Freedom of the Press* measure. Reporters Without Borders places it 10th in its *Press Freedom Index*. The latter ranking indicates that violence against journalists is less of a problem than corruption. As Freedom House notes in *Freedom in the World 2012*, "corruption cases languish for years in the courts without resolution, and corruption often goes unpunished as judges favor the powerful and wealthy."

Peru

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Peru's income per capita was $9,537, placing it 10th in the region. From 2000 to 2010, real GDP per capita grew at an annual rate of 5.46%, the 3rd most rapid in Latin America.

Economic institutions and analysis

Peru's summary rating on the EFW index is the 2nd highest in Latin America, behind only Chile. Its rating in the *Doing Business* report is the 2nd highest in the region. It places 7th in the *Global Competitiveness Report*. During the past two decades, Peru has moved from one of the least free economies in Latin America to one of the most free. After implementing several liberal economic reforms in the early 1990s, Peru's summary EFW rating rose steadily from 3.97 in 1990 to 7.52 in 2010. The reforms continued and some were expanded even though the country experienced several periods of political upheaval and uncertainty. Peru's impressive average annual growth rate during the past two decades, 3.36%, provides strong evidence for the potency of economic freedom as a source of growth and prosperity.

Peru ranks in the top five among the countries in the region in all areas of the EFW index except Area 1, Size of Government. Its high rating in Area 3, Sound Money, reflects its low 1.53% rate of inflation and the low variation in that rate. Peru allows its citizens to own foreign currency bank accounts and has now moved into the top 25 countries worldwide for Freedom to Trade Internationally, ranking 1st. International trade tax revenues as a percentage of the trade sector are very low, 1.32%, and the mean tariff rate is competitive at 5.4%. In Area 5, Regulation, Peru ranks 1st in the region and 38th in the world. Despite its high regional ranking, restrictive regulations are present in some areas. In Peru, it takes 26 days to start a business, three times as long as some of its Latin American neighbors, including Jamaica, Chile, and Uruguay (7 days), and Panama (8 days). It takes 309 hours for a business to prepare and pay taxes in Peru, more than three times the number of hours required in Australia (109 hours), and Canada (131 hours).

In Area 1, Size of Government, Peru ranks 12th in the region. The top marginal income and payroll tax rate in Peru is 48%, one of the highest in the region.

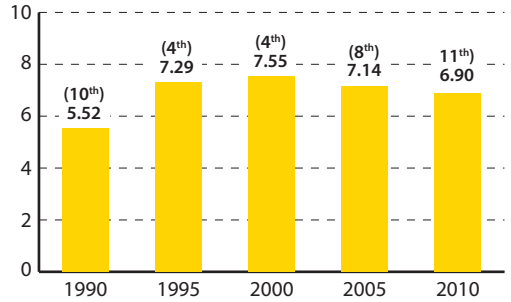
Political institutions and civil liberty

Peru is an electoral democracy and its political institutions rank in the top third among Latin American countries. Its rating in Area 2, Legal System and Property Rights, of the EFW index places it 5th in the region. Freedom House ranks it 5th for protection of political freedom. The Polity IV Project places it 5th in its democracy index and 1st (tied with 8 other countries) for the constraints on the executive component. Transparency International ranked it 5th in Latin America in its *Corruption Perceptions Index*.

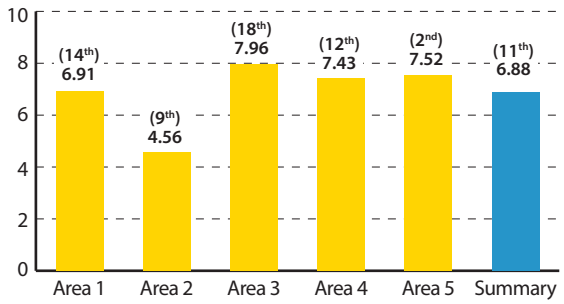
Peru's performance in the civil liberties area is less impressive. Freedom House placed it 9th in both the civil liberties component of *Freedom in the World* and *Freedom of the Press*. It placed even lower, 18th, in the Reporters Without Borders' *Press Freedom Index*. Murder of journalists is rare in Peru, but they often face physical attacks and verbal threats.

Trinidad & Tobago

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Trinidad & Tobago's income per capita was $25,738, the highest in Latin America. Its growth rate was equally impressive. From 2000 to 2010, real GDP per capita grew at an annual rate of 5.76%, the highest in the region.

Economic institutions and analysis

The economic institutions of Trinidad & Tobago rank in the upper half among Latin American countries. Trinidad & Tobago's summary rating on the EFW index places it 11th in the region. The *Global Competitiveness Report* places it 10th in the region, while the World Bank ranks it a little higher, 6th, in its *Doing Business* Index. The EFW summary rating of Trinidad & Tobago rose during the 1990s and reached a peak of 7.35 in 2000, but it has fallen during the past decade.

Trinidad & Tobago's highest ranking in the region is in Area 5, Regulation, where it ranks 2nd. Regulatory costs of hiring are the lowest in Latin America, and military conscription is absent. The monetary cost of starting a business is also low, 0.9% of income per capita.

Trinidad & Tobago ranks 14th in the region in the Area 1, Size of Government and 9th in the Area 2, Legal System and Property Rights. Its top marginal personal income-tax rate is 25% (39% when the payroll tax is included). Government investment sums to 24% of total investment. By Latin American standards, its ratings for judicial independence, integrity of the court system, and absence of military interference in rule of law are strengths of the judicial system.

Area 3, Sound Money, is a major weakness for Trinidad & Tobago. It ranks 18th among the 22 Latin American countries in this area. In 2010, the inflation rate was high, 10.6%. Citizens are permitted to maintain foreign currency bank accounts.

Political institutions and civil liberty

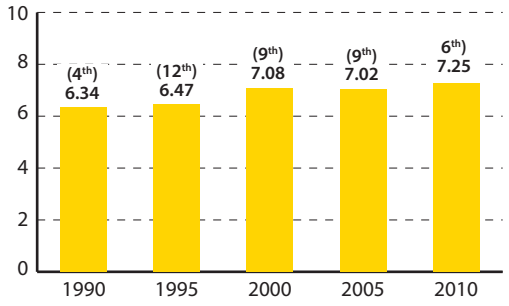
The political institutions of Trinidad & Tobago are democratic, personal liberties are protected, and the political process is open and relatively free of corruption. Trinidad & Tobago ranks 5th among countries in the region in Freedom House's political rights index, but Polity IV ranks it first in the region in its measures of democracy and first, tied with eight other countries, for effective constraints on the executive. It ranks 10th in Latin America in Transparency International's *Corruption Perceptions Index*.

Trinidad & Tobago's civil liberties ratings are also high: it ranked 4th in Freedom House's civil liberties measure and 3rd in *Freedom of the Press*. Reporters Without Borders ranks it 6th in the region in its *Press Freedom Index*. The constitution of Trinidad & Tobago guarantees citizens freedom of speech, religion, association, and assembly. To a large degree, these freedoms are both respected and upheld in practice.

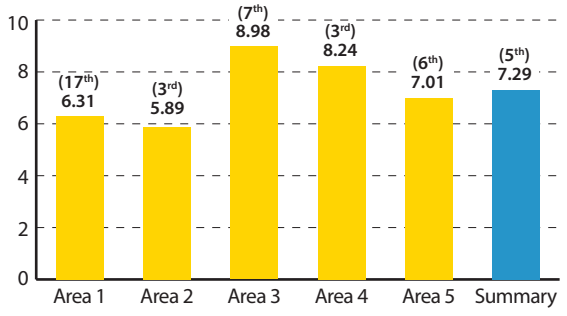
Taken as a whole, the economic, legal, and political institutions of Trinidad & Tobago are among the strongest in Latin America. Its growth rate during the past decade has been impressive. With some modest improvements in legal structure and economic policy, this country could become a major success story in the decade immediately ahead.

Uruguay

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Uruguay's income per capita was $14,108, the 5th highest in Latin America. From 2000 to 2010, real GDP per capita grew at an annual rate of 2.82%, 17th among Latin American countries.

Economic institutions and analysis

The economic institutions of Uruguay fall in the upper middle group of the countries in the region. Uruguay's summary rating in the EFW index ranked 5th and its *Doing Business* regulatory rating placed 8th among Latin American countries. Its ranking, 6th in the region, in the *Global Competitiveness Report* was a little higher. Uruguay's summary chain-linked rating in the EFW index has steadily increased over the past 15 years, jumping from 6.47 in 1995 to 7.25 in 2010. Among countries in the region, its chain-linked ranking has risen from 12th in 1995 to 6th in 2010.

Uruguay is a "big government" economy. It ranked 17th in the region in Area 1, Size of Government. A large number of government enterprises as a share of investment in Uruguay, 31%, and a relatively high top marginal income and payroll tax rate, 31%, contribute to Uruguay's low rating in this area.

In contrast with its low rating for Area 1, Uruguay's legal structure is relatively sound. In this respect, it is an anomaly in Latin America. Uruguay ranked 3rd in the region and 58th worldwide in Area 2, Legal System and Property Rights. This is a result of its strong protection of property rights and impartial courts. It ranks in the top two for both of these components of Area 2. It ranked 6th in the region and 67th worldwide in Area 5, Regulation. Military conscription is absent and the regulatory costs of hiring are low (5Bi). However, regulations on hiring and firing are restrictive. Uruguay's ranking for this component (5Bii) is 18th in the region.

Political institutions and civil liberty

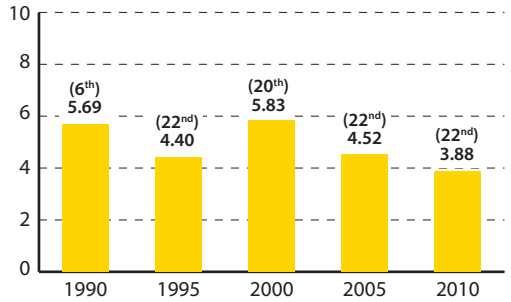
Uruguay is an electoral democracy with political parties that represent a diversity of views. Uruguay receives high marks from each of the political measures of our analysis. This provides confirmation of its high rating in Area 2 of the EFW index, Legal System and Property Rights. Uruguay ranks 1st in the region in Freedom House's *Freedom in the World* political rights component and the Polity IV measures of democracy and constraints on the executive. It is also relatively free of corruption, placing 2nd in Transparency International's *Corruption Perceptions Index*.

Uruguay is the highest rated Latin American country in Freedom House's civil liberty index, tied with Chile. It ranks 4th in *Freedom of the Press* and 3rd in the Reporters Without Borders' *Press Freedom Index*. Civil liberties such as the freedom of expression, religion, and assembly are constitutionally protected and widely respected in Uruguay.

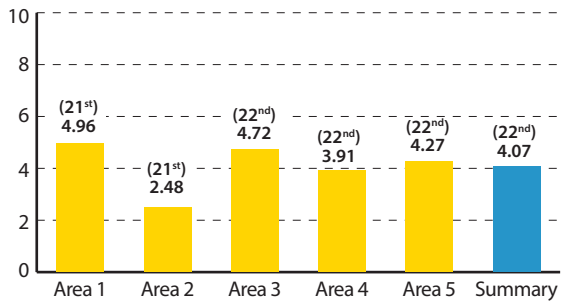
In summary, the legal and political institutions of Uruguay are among the best in the region. However, it would benefit substantially from more economic liberalization. Of course, Uruguay is a small country, but Hong Kong is also small. With a substantial move toward economic liberalization, Uruguay has the potential to become the Hong Kong of South America.

Venezuela

Changes across Time: Chain-linked Summary Rating (Ranking)



EFW Area Ratings (Rankings) in 2010



Income and growth

In 2010, Venezuela's income per capita was $12,232, the 7th highest in Latin America. From 2000 to 2010, real GDP per capita grew at an annual rate of 3.48%, 13th among Latin American countries.

Economic institutions and analysis

This resource-rich country has the worst economic institutions in Latin America. It ranks last among the countries in the region in both the summary index of *Economic Freedom of the World* and the World Bank's *Doing Business* report. It is next to last—only Haiti is lower—in the *Global Competitiveness Report*. Worldwide, Venezuela's summary ranking places it dead last among the 144 countries included in the EFW index.

Venezuela's record for economic freedom over the past two decades stands in stark contrast with the situation from 1970 to 1980. Worldwide, among the countries for which EFW data were available, Venezuela's economic freedom rating placed it 11th in 1970, 17th in 1975, and 16th among 104 countries in 1980. During the next three decades, Venezuela's ranking worldwide declined precipitously, plunging to 56th in 1990, 101st in 2000, and 144th in 2010.

Venezuela ranks in the bottom two in the region in each of the five areas of the EFW index. Worldwide, it ranks in the bottom five in each of the areas except the Area 1, Size of Government, where it ranks 126th out of 144 countries. The Venezuelan economy is characterized by numerous government enterprises, high rates of inflation, and restrictions on international trade. Specifically, government enterprises make up 56% of investment in Venezuela, crowding out the private sector. A 29% inflation rate in 2010, and restrictions on owning foreign-currency bank accounts contributed to Venezuela's low rating in Area 3, Sound Money. Venezuela's 12.5% mean tariff rate is the third highest in Latin America. The time cost to export a standard 20-foot container of dry goods is 49 days and the money cost per container is $2,590, 50% more than any other Latin American country.

Furthermore, regulation in Venezuela is a major deterrent to business activity. It takes 141 days to start a business in Venezuela, the longest time of any Latin American country. The time costs of complying with the tax code for a business amount to approximately 864 hours, more than twice the parallel figures for Chile and Peru. As if the regulatory environment was not bad enough, an authoritarian political regime, military interference, and a partial and politicized judiciary undermine the legal system of Venezuela.

Political institutions and civil liberty

Like the economic institutions, the political institutions of Venezuela are the worst in Latin America. It has the least democratic, most authoritarian, and most corrupt government in the region. Venezuela ranks either last or next to last in all five of the legal and political measures included here. Venezuela ranks 21st, just above Haiti, in Area 2, Legal System and Property Rights, of the EFW index, Freedom House's political liberties measure, and the *Corruption Perceptions Index*. Not only does Venezuela rank next to last in the region in the *Corruption Perceptions Index*, it places 172nd among 182 countries worldwide.

Although the constitution guarantees several civil liberties, in practice the government suppresses their exercise. Freedom House ranks Venezuela 21st among the 22 Latin countries in its *Freedom in the World* civil liberties measure and 22nd in its *Freedom of the Press*. Reporters Without Borders ranks Venezuela 19th in its *Press Freedom Index*. In summary, a broad set of measures assembled by a diverse group of institutes and scholars reflect remarkable agreement that the economic, political, and civil institutions of Venezuela are the most disastrous in Latin America.

References

Freedom House (2011). *Freedom of the Press 2011*. <http://www.freedomhouse.org/report-types/freedom-world>.

Freedom House (2012). *Freedom in the World 2012*. <http://www.freedomhouse.org/report-types/freedom-world>.

Gwartney, James, Robert Lawson, and Joshua Hall (2012). *Economic Freedom of the World: 2012 Annual Report*. This volume. Fraser Institute. <www.fraserinstitute.org>; data available from <www.freetheworld.com>.

Marshall, Monty G., Dir. (2010). *Polity IV Project: Political Regime Characteristics and Transitions, 1800-2010*. Integrated Network for Societal Conflict Research (INSCR), Center for Systemic Peace. <http://www.systemicpeace.org/inscr/inscr.htm>.

Reporters Without Borders (2012). *Press Freedom Index2011-2012*. <http://en.rsf.org/press-freedom-index-2011-2012,1043.html>.

Schwab, Klaus (ed.) (2011). *Global Competitiveness Report 2011-2012*. Centre for Global Competitiveness and Performance, World Economic Forum. <http://reports.weforum.org/global-competitiveness-2011-2012>.

The Economist (2012, February 25). Official Statistics: Don't Lie to Me, Argentina. Why We Are Removing a Figure from Our Indicators Page. <http://www.economist.com/node/21548242?zid=305&ah=417bd5664dc76da5d98af4f7a640fd8a>.

Transparency International (2011). *Corruption Perceptions Index*. <http://cpi.transparency.org/cpi2011/results/>.

World Bank (2012). *Doing Business*. World Bank Publications. <http://www.doingbusiness.org/reports/global-reports/doing-business-2012>.

Chapter 4 Banking Crises and Economic Freedom

*Scott L. Baier, Matthew Clance, and Gerald P. Dwyer**

Are financial crises more likely among countries that have more economic freedom? At one level, the answer to this is obvious. Consider an economy such as North Korea, which has a totally repressed financial system run by the government. The possibility of a financial crisis is not a problem for North Korea, even if a lack of economic growth is a problem for the citizens. Beyond that extreme though, the relationship between economic freedom and financial crises is not so obvious.

Just as for economic freedom, a careful definition of financial crises is necessary before examining it empirically. Financial crises often are not well defined: many definitions are broad, such as sharp decreases in asset prices, and would include many relatively common decreases in stock prices; others are quite narrow, including only runs on banking systems. Reinhart and Rogoff (2009) define a financial crisis either by events (banking crises, domestic defaults, or external debt defaults) or by "quantitative thresholds" (inflation crisis, currency crashes, currency debasement, and the bursting of asset-price bubbles). We limit our empirical analysis in this chapter to banking crises, which can be defined by relatively objective criteria and are an important aspect of recent events.

There is a large empirical literature that looks at financial crises and the role government regulation or the lack thereof played in the financial crises and subsequent events. For example, after the Asian financial crisis, several empirical papers examined the relationship between capital controls and currency crises and capital-account liberalization and the likelihood of a financial-market and exchange-rate crisis.[1] As for North Korea, the answer is partly obvious. A closed economy cannot have a crisis due to inflows or outflows of foreign funds. On the other hand, permitting capital flows into and out of a country can improve the economy's efficiency and can make the country's citizens better off (Bekaert, Harvey, and Lundblad, 2005)

---

* Scott L. Baier and Matthew Clance are from Clemson University; Gerald P. Dwyer, from the University of Carlos III, Madrid. We thank three referees and Koen Schoors for helpful comments on earlier drafts. Dwyer thanks the Spanish Ministry of Education and Culture for support of project ECO2010-17158. Any errors are our responsibility. Cite this chapter: Baier, Scott L., Matthew Clance, and Gerald P. Dwyer (2012). Banking Crises and Economic Freedom. In James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World: 2012 Annual Report* (Fraser Institute): 201–217.

1 See for example Edwards, 2007; Glick and Hutchinson, 2005; and Mishkin, 1999.

even though it does make capital-account crises possible. Similarly, prohibiting stock exchanges prevents stock-market crashes. On the other hand, opening a stock market can improve a country's prospects for economic growth (Baier, Dwyer, and Tamura, 2004). While a financial crisis is possible after an economy liberalizes capital flows, this does not mean the citizens of the country are necessarily worse off, even if there is a financial crisis. Similarly, a stock-market crash is more likely if a country has an active stock exchange but that does not imply that a country would be better off without a stock market and the improved economic efficiency that goes along with it. Liberalization of capital and stock markets without a crisis clearly is better than having a crisis, but that does not imply that people in an economy are better off without the liberalization.

Banking crises are similar to exchange-rate and stock-market crises. Everything else the same, the disruption, difficulties, and recessions usually associated with banking crises are best avoided. If everything else were the same though, a crisis would would not be avoided. Avoiding crises requires changing some things, possibly making the banking system less efficient or less supportive of economic growth. Even with a crisis, citizens can be better off in an economy that permits crises (Rancière, Tornell, and Westermann, 2008). The question is how to avoid or at least ameliorate these crises without stifling growth. How to do that? In order to answer this question, it is necessary to have some idea of how regulation and crises are related.

In this chapter, we examine the relationship between economic freedom and banking crises. We focus on this subset of financial crises because banking crises can be defined in a moderately objective way, which is a substantial advantage. In addition, banking develops at relatively low income levels when not suppressed and therefore is common across most countries. Issues of financial-market development are not so pressing when examining banking crises. We examine the relationship between banking crises and measures of economic freedom from Gwartney, Lawson, and Hall (2011). Economic freedom can be defined as having "personal choice, voluntary exchange coordinated by markets, freedom to enter and compete in markets, and protection of persons and their property from aggression by others" as its central elements (Gwartney, Lawson, and Hall, 2011: 1). Government regulation, that is, lower economic freedom, typically involves more government restrictions on private economic activity. These restrictions can be explicit regulations or they can be implicit responses by the government to private activity that distort that activity. In addition to an overall measure of economic freedom, we examine subsets of the overall economic freedom index related to the financial sector. We investigate the relationships of credit-market restrictions and the soundness of the monetary system with the likelihood of a banking crisis. Monetary developments can help create a banking crisis and monetary developments are affected by banking crises.

There is an informative literature on the relationship between financial crises and government regulation of banking.[2] Demircüç-Kunt and Detragiache (1998) provide one of the first empirical studies of the determinants of banking crises across a large number of countries. Their results indicate that more deposit insurance is associated with a higher probability of banking crises. Later studies by Barth, Caprio

2 These studies use a summary variable to indicate whether or not a banking crisis occurred with little indication of its severity. Reasonably accurate and comparable data on banks' losses in banking crises, for example, would be extremely expensive to compile and would require a great deal of judgement.

and Levine (2004) and others also find that deposit insurance raises the probability of banking crises. In a recent paper, Shehzad and De Haan (2008) find that financial liberalization leads to a lower probability of a banking crisis.[3] Johnson (2011) and Beltratti and Stulz (2012) analyze the effect of the recent crisis on banks' stock returns, one measure of the severity of the crisis's effects because smaller falls in stock returns can reflect fewer problems and more resilient banking systems. Johnson's results (2011) suggest larger government, higher taxes, and more government regulation are associated with more difficulties during the crisis. Beltratti and Stulz (2012) find little evidence that more banking regulation resulted in banks performing better during the crisis.

We also examine the effects of banking crises on regulation, the monetary system, and economic freedom more generally. While the answer to this seems obvious from casual empiricism since the most recent crisis—politicians' increase regulation and restrict freedom after a crisis—we are aware of only one empirical paper on this issue. De Haan, Sturm, and Zandberg (2009) examine the effects of crises on economic freedom in a case study for Norway and Sweden and by cross-country regressions. They find that economic freedom is hardly affected in Norway and Sweden and goes up over time if it was affected. Their regressions suggest that economic freedom falls right after a crisis but then increases.

Banking crises and economic freedom across countries

Our data on banking crises span over 30 years from 1976 to 2008. The data are from Laeven and Valencia (2010), who define a banking crisis as occurring when there are "significant signs of financial distress in the banking system (as indicated by significant bank runs, losses in the banking system, and bank liquidations)" and "significant banking policy intervention measures in response to significant losses in the banking system" (Laeven and Valencia, 2010: 6).[4] Sufficient conditions are either: [1] non-performing loans above 20% of loans or banks closing with at least 20% of total banking assets; or [2] outlays by government for restructuring banking of at least 5% of Gross Domestic Product (GDP). These crises last for more than one year and are defined as ending when real GDP growth and real credit growth are positive for two consecutive years (Laeven and Valencia, 2010: 10).

Figure 4.1 shows the fraction of countries in our dataset in which a banking crisis begins in each year. The year 2008 stands out as the year with the highest fraction of countries—21 out of 152 countries—in which a banking crisis starts. There is another peak, though, with 14 of the countries having a banking crisis starting in 1995. There were also eight years in which no banking crisis started in any country; in fact, no banking crisis started from 2004 to 2006 before the sharp increase in 2007 and 2008.

Figure 4.2 shows a different view of these crises over time, which is the fraction of countries at the start of a crisis or not yet out of the aftermath. The year 1995 stands out with nearly 20% of the countries in a banking crisis. In terms of the

3 They distinguish systemic banking crises—those in which bank capital in the country is exhausted—and non-systemic banking crises—those of lesser significance in which large banks fail. We discuss only their results concerning systemic banking crises. All the crises in this paper and our source (Laeven and Valencia, 2010) are systemic banking crises as defined by Laeven and Valencia.

4 The commonly used earlier definition of a banking crisis as occurring when all or almost all bank capital has been depleted seems more precise but it is not, because accounting rarely keeps up with reality and stock-market prices reflect both banks' activities and government bailouts.

Figure 4.1: Countries with a banking crisis starting, by year

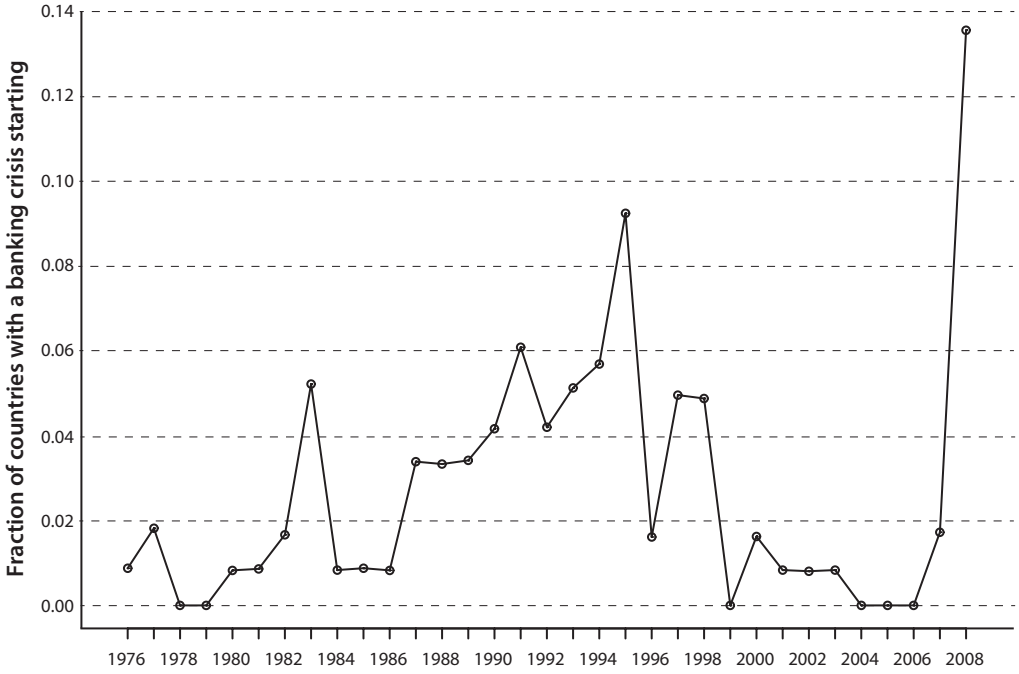


Figure 4.2: Countries in banking crises, by year

fraction of countries dealing with a crisis or its aftermath, 2008 stands out but it is a secondary peak compared to 1995.[5] Also, 2006 stands out as the only year in the data set in which no country is in a banking crisis.

We use the economic freedom index published in Gwartney, Lawson, and Hall (2011) and two of the subcomponent indices: credit-market regulation, and the soundness of money. Because evidence indicates that deposit insurance is linked to banking crises, we also use data from Demircüç-Kunt, Karacaovali, and Laeven (2005) and Barth, Caprio, and Levine (2008) on deposit insurance. Figures 4.3a, 4.3b, and 4.3c show the evolution of overall economic freedom from 1975 to 2009. The horizontal axes shows the years in which economic freedom is available from 1975 to 2009. The vertical axes are identical, making it easier to compare across the figures showing economic freedom and the components.

The indicators for regulation of the credit market and access to sound money provide insight in addition to what can be learned from overall economic freedom (Gwartney, Lawson, and Hall, 2011: Appendix). Fewer restrictions on the credit market are given a higher score in these data. This is consistent with this aspect of economic freedom increasing as the index increases in magnitude. We will use the

5 Laeven and Valencia limited the length of crises to five years but then introduced immediately succeeding crises in Brazil in 1990 and Zaire in 1991. We code the crises with durations of nine years and eight years, respectively.

Figure 4.3a: Average economic freedom by year, 1975–2009

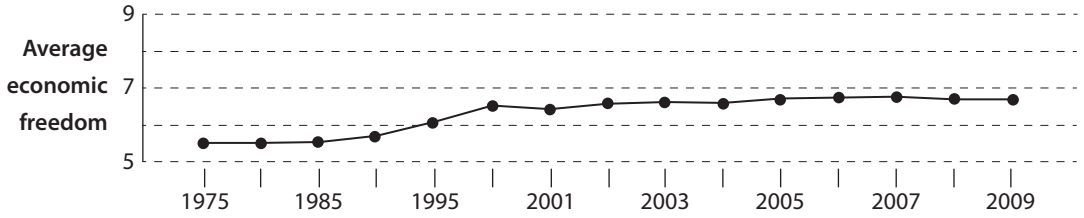


Figure 4.3b: Average economic freedom by year—credit market, 1975–2009

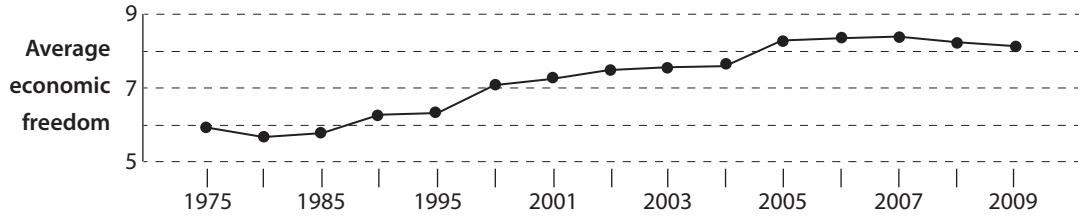
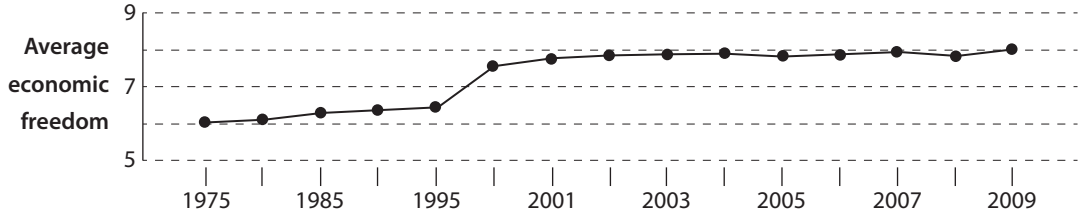


Figure 4.3c: Average economic freedom by year—sound money, 1975–2009



term "credit market freedom" although this strains the use of the word "freedom." The indicators included in the index for credit market freedom are: 1. private versus government ownership of banks; 2. approval of applications for competition by foreign banks; 3. government borrowing compared to private borrowing; and 4. interest rate controls and the magnitude of negative real interest rates if present. The indicators included in the index for access to sound money include: 1. money growth; 2. the standard deviation of inflation; 3. the level of inflation in the most recent year; and 4. citizens' freedom to own foreign bank accounts.

Overall economic freedom is highest in the late 2000s after a gradual rise from 1975 to 2000. Overall economic freedom increases relatively less than the more specific measures: economic freedom in the credit market and economic freedom in terms of having access to sound money.

Figures 4.4a, 4.4b, and 4.4c provide a more detailed view of changes in economic freedom over time. Again, the scales are the same on the vertical and horizontal axes for each of the graphs. The vertical scales are different from those in figures 4.3a, 4.3b and 4.3c because there the means do not range from almost zero to almost 10, whereas the values for individual countries do vary over almost that wide a range. Economic freedom has increased on average and higher economic freedom is more typical in 2009 than in 1975. Some countries reach levels of economic freedom in 2009 not seen in 1975, and countries less commonly have levels of economic freedom in 2009 as low as the lowest levels in 1975. The figures show much more dispersion of credit market freedom and sound money than of overall economic freedom. This is not surprising because overall economic freedom is an average of many components including credit market freedom and access to sound money. It is clear that the increases in economic freedom in credit markets and

Figure 4.4a: Economic freedom by year, 1975–2009

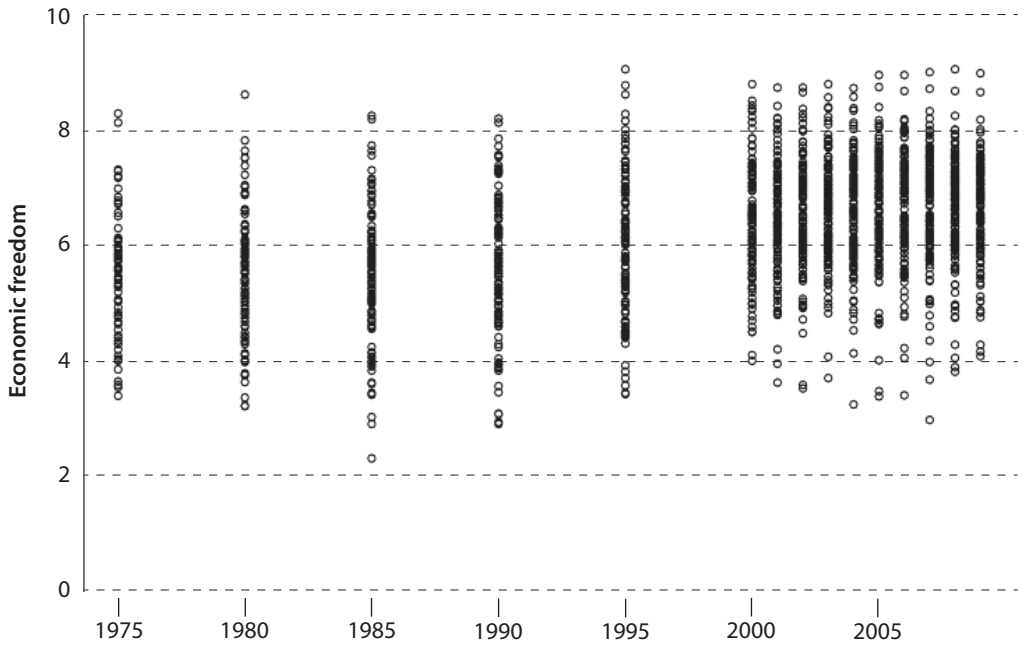


Figure 4.4b: Economic freedom by year—credit market, 1975–2009

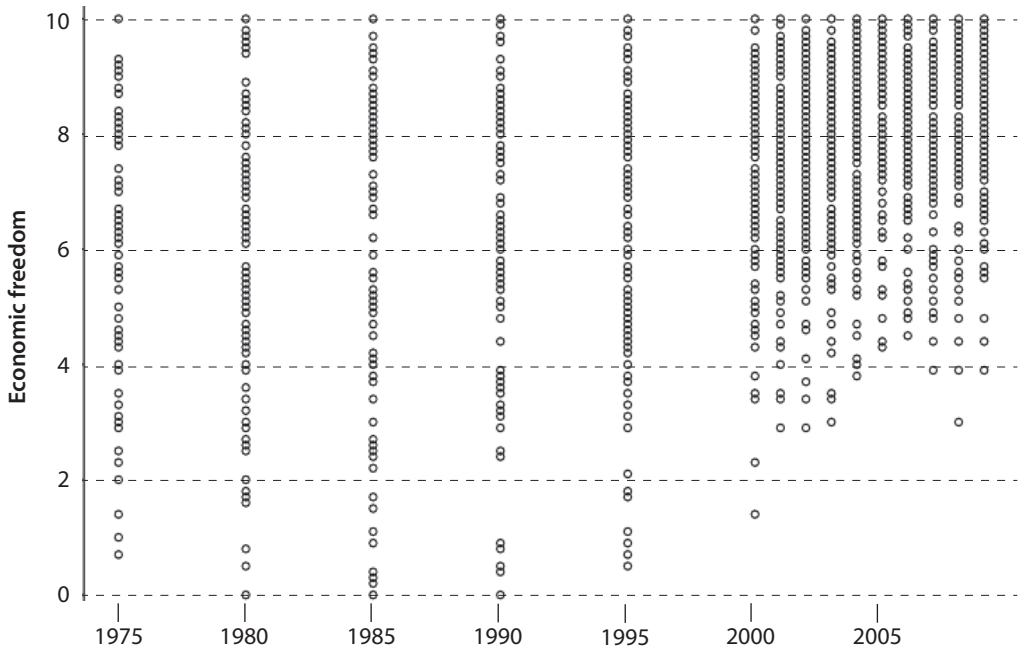
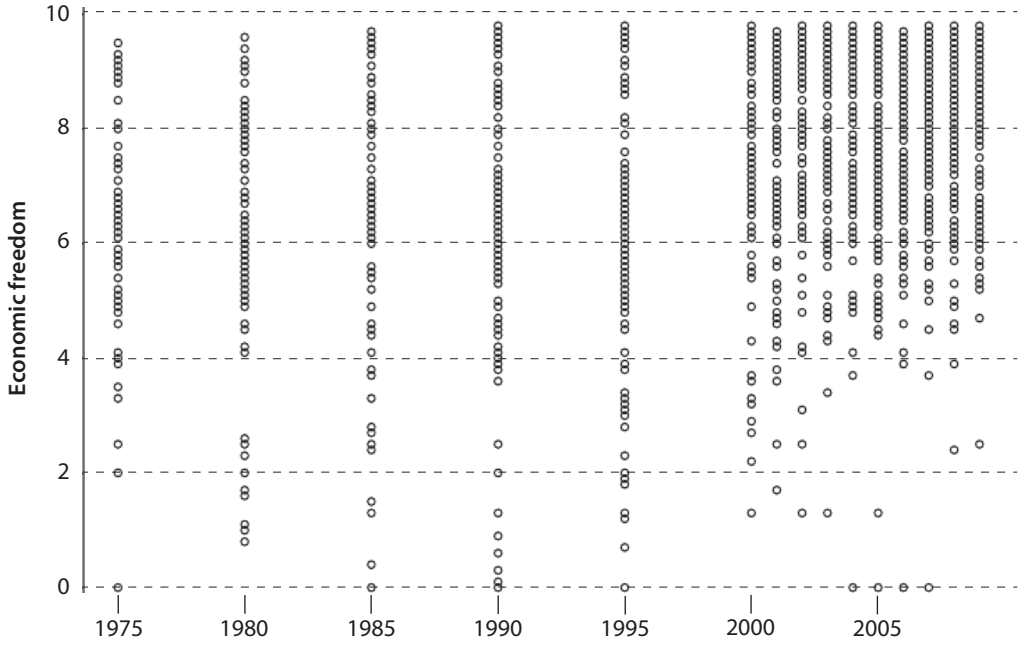


Figure 4.4c: Economic freedom by year—sound money, 1975–2009



access to sound money occurred in no small part because the countries with the lowest scores have increased their scores substantially. This is less obviously correct for overall economic freedom.

The trend of increasing economic freedom in these figures does appear to be loosely correlated with more countries being in banking crises in 2008, which is consistent with the conventional wisdom. On the other hand, it is not obvious that higher economic freedom is contributing to the banking crises across countries. A simple way to examine the relationship between economic freedom and banking crises is to classify countries based on their economic freedom and examine the frequency of banking crises for the levels of economic freedom. We use four categories for the freedom indices. The categories are:

- High economic freedom = 8 ≤ economic freedom
- High-medium economic freedom = 6 ≤ economic freedom < 8
- Low-medium economic freedom = 4 ≤ economic freedom < 6
- Low economic freedom = economic freedom < 4.[6]

An observation is the five-year interval between each release of the freedom data from 1975 to 2005. For each observation, we calculate the number of countries in each category and whether the country is in a banking crisis in the five years after the observed level of economic freedom.[7] Table 4.1 provides a summary of the data. The table shows the proportion of countries in a crisis by level of economic freedom. It suggests that more economic freedom is associated with a lower proportion of countries experiencing a banking crisis.

We also examine the relationship between banking crises and deposit insurance. As indicated above, prior studies have found a relationship between banking crises and explicit deposit insurance. This can be interpreted as reflecting the effects of deposit insurance on banks' riskiness. With deposit insurance, depositors are not as concerned about the risk on banks' balance sheets. As a result, banks' interest rates on deposits become less sensitive to the riskiness of banks' activities and possible fall. If deposit insurance is associated with a higher likelihood of guarantees being provided to others providing funds to banks, the rates on those funds can become less sensitive to risk and possibly lower as well. These effects lower the cost of engaging in riskier activities, which can lead to banking crises, and banking crises become more likely. An alternative explanation of the relationship inverts the causality. Countries that are not likely to have a banking crisis also are not likely to create a deposit insurance program.

The data on deposit insurance are easily summarized. Demircüç-Kunt, Karacaovali, and Laeven (2005) and Barth, Caprio, and Levine (2008) collected data on explicit government-provided deposit insurance across countries in 2003 and 2008.[8] There are 142 countries, 75 of which (52%) had deposit insurance in

6 These four ranges are narrower than the three ranges in Gwartney, Holcombe, and Lawson, 2006.

7 The exception is 2005, for which we have four years of economic freedom from 2006 to 2009.

8 There are a few inconsistencies between the data sets. In addition, the data for 2003 include the year deposit insurance was adopted; the 2008 data do not. As a result, we had to determine adoption dates between 2003 and 2008. We adjusted the inconsistencies, determining that three countries did not have explicit deposit insurance from 1975 to 2008: the Dominican Republic, Sri Lanka, and Thailand.

Table 4.1: Economic freedom rankings and the relative frequency of countries in banking crises

	Number of observations	Number of countries in banking crisis	Proportion
Overall Economic Freedom			
High	93	11	0.12
High-middle	435	34	0.08
Low-middle	358	47	0.13
Low	95	23	0.24
Credit Market Freedom			
High	487	40	0.08
High-middle	225	20	0.09
Low-middle	154	24	0.16
Low	213	35	0.16
Access to Sound Money			
High	446	41	0.09
High-middle	350	26	0.07
Low-middle	179	22	0.12
Low	121	30	0.25

Note: This table shows the proportion of countries in banking crises by level of economic freedom for the three measures of economic freedom: overall economic freedom, credit market freedom, and access to sound money. Economic freedom is measured once every five years, from 1975 to 2005. For each level of overall economic freedom and the two components, the table shows the proportion of countries in a banking crisis in the subsequent five years.

1975. No country dropped explicit deposit insurance from 1975 to 2009 and a few countries adopted it. Morocco adopted deposit insurance in 1996; Bolivia, in 2001; Armenia and Moldova, in 2005; and Hong Kong and Singapore, in 2006. This is a fairly small change in the percentage of countries with deposit insurance, an increase from 52% to 56%.[9]

Economic freedom and the probability of having a banking crisis

We examine the relationship between banking crises and economic freedom in more detail using a linear probability model and a probit model.[10] Table 4.2 presents estimates from a simple regression of the indicator for banking crises on economic freedom and other variables. Estimates of statistical reliability are of uncertain value in

9 The stability of the countries' deposit insurance schemes indicates that dummy variables by country "explain" almost all the variation in deposit insurance across countries. This does not mean that including deposit insurance and dummy variables by country are the same because the coefficient of deposit insurance is assumed to be the same across all countries. It does mean that estimating the effect of deposit insurance in equations that include dummy variables by country is likely to be problematic.

10 Logit estimates are similar.

Table 4.2: Linear probability regression estimates of effect of economic freedom on banking crises

	Overall Economic Freedom				Credit Market Freedom				Sound Money			
Economic freedom	−0.032***	−0.031**	−0.017	−0.032	−0.013***	−0.016***	−0.012	−0.025**	−0.022***	−0.021***	−0.015*	−0.017**
GDP growth	−0.179**	−0.141	−0.119	−0.019	−0.229***	−0.177**	−0.137	−0.020	−0.183**	−0.141	−0.141	−0.056
Deposit insurance	0.047	0.049	−0.066	−0.090**	0.041	0.044	−0.064	−0.087**	0.055*	0.053*	−0.045	−0.075
Constant	0.347***	0.240***	1.152***	1.028	0.252***	0.159***	0.131	0.093	0.299***	0.311***	0.062	−0.023
Fixed effects												
Time	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Country	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes
R-squared	0.018	0.049	0.151	0.179	0.020	0.057	0.149	0.192	0.028	0.062	0.144	0.181
№ of observations	747	747	747	747	780	780	780	780	792	792	792	792

Note: The dependent variable equals one if the country experiences a banking crisis in the five-year interval and zero otherwise. The measures of economic freedom are the levels of overall economic freedom, credit market freedom, and access to sound money in the year before the five-year period covered by the crisis variable. GDP growth is the growth rate of real Gross Domestic Product in the five-year period before the five-year period covered by the crisis variable. Deposit insurance equals one if the country has explicit deposit insurance in the year in which economic freedom is measured and zero otherwise.

*** denotes statistical significance at the 1% level; ** denotes statistical significance at the 5% level; and * denotes statistical significance at the 10% level.

these estimates but the estimates are nevertheless informative about overall results before examining estimates from more complicated procedures.[11] We use data that span five-year intervals except for the final period. Economic freedom is based on the values at five-year intervals from 1975 to 2005.

The dependent variable indicates whether a country is in a banking crisis at any time in the following five years.[12] A value of one indicates that the country is in a banking crisis for one or more years in that period. In separate equations, we use the three measures of economic freedom discussed in the prior section, the overall freedom index, credit market freedom, and access to sound money. Because it is commonly thought that large increases in asset prices often precede a banking crisis, whether or not those increases are bubbles, we include an indicator of growth, which is likely to be associated with increases in asset prices, namely the growth rate of real GDP in the prior five-year period.[13] The equations include an

11 A benefit of a linear probability model is the ease of assessing the effect of a change in the right-hand-side variables, the effect being provided by the coefficients. In the next section, we use a probit model, which is more appropriate given a dependent variable equal to only one or zero. The coefficients of the probit model, though, do not themselves provide the marginal effects of changes in the right-hand-side variables and the marginal effects are different for every observation.

12 Our data on banking crises end in 2008, which means the final data include only three years with banking crises. This shortened time scale is not likely to make a great deal of difference given that the period includes the Financial Crisis of 2007/08.

13 To be more specific, an observation for a banking crisis between 1976 and 1980 includes the growth rate of real GDP from 1971 to 1975 on the right-hand side of the equation. We also estimated equations that include the level of real GDP in addition to these variables because economic and financial development might be related to the level of real GDP and economic

indicator for whether or not a country has explicit deposit insurance, with the indicator taking the value of one if a country has explicit deposit insurance. The values of variables on the right-hand sides of the equations occur before the dating of a banking crisis, which reduces concern that estimates are affected by reverse causality. Finally, because world-wide developments in any given year—such as 2008—may be important, some estimated equations include dummy variables to indicate the year. Similarly, countries may have different average incidences of crises and other variables for reasons unrelated to the factors considered in the estimated equations. Some equations include dummy variables by country to allow for these different average values. We included these estimates for completeness but put less weight on them because the deposit insurance variable is almost perfectly correlated with the dummy variables for countries.

The linear probability model indicates that a one-unit increase in the overall index of economic freedom is associated with a reduction of about three percentage points in the probability of there being in a banking crisis. Banking crises are not common—on average there is a 9% probability that a country will be in a banking crisis in a five-year period—and a one-unit increase in economic freedom implies a decrease of three percentage points in the probability.[14] When we include year- and country-fixed effects, an increase in the overall freedom index is also associated with a decrease of three percentage points in the probability of there being a banking crisis; the effect, however, is imprecisely measured.[15] An increase in the index for credit market freedom is associated with a reduction of about two percentage points in the probability of there being a banking crisis. The estimated results are similar when indicators are included for country and time. The evidence in the table indicates that higher GDP growth is associated with a lower probability of a banking crisis, if there is any relationship. This is consistent with an explanation of banking crises being the result of low growth but not necessarily supportive of an explanation based on extraordinary and unsustainable prosperity—"bubbles" or "credit booms." The countries with explicit deposit insurance in table 4.2 hardly changed, suggesting there is limited evidence about deposit insurance in these data when dummy variables for each country are included in the estimates. In regressions without dummy variables by country, the estimates of deposit insurance's coefficients are consistent with increases in deposit insurance increasing the probability of a banking crisis. The coefficients, however, also are imprecisely measured. On net, we interpret table 4.2 as providing some evidence that deposit insurance makes banking crises more likely.

Table 4.3 presents the estimates of the effects of economic freedom on the probability of there being in a banking crisis in the next five years based on a probit model. The results in table 4.3 provide substantial support for an inverse relationship

---

freedom. The estimated coefficients for economic freedom and their statistical signficance hardly change. The data for real GDP are from the World Bank Development Indicators Database online in early 2012.

14 Of course, the linear model makes extrapolation difficult because at some point the probabilities will become negative or greater than one. The following probit analysis allows us to examine the effect of economic freedom at different levels without this problem.

15 The errors in this equation are heteroskedastic, which implies standard errors of estimated coefficients are not consistently estimated and statements of statistical significance are at best approximate.

Table 4.3: Probit Estimates of Effect of Economic Freedom on Banking Crises

	Overall Economic Freedom				Credit Market Freedom				Sound Money			
Economic freedom	−0.138***	−0.144**	−0.070	−0.155	−0.058***	−0.073***	−0.047	−0.130**	−0.084***	−0.083***	−0.056	−0.049
GDP growth	−0.681**	−0.061	−0.591	−0.133	−0.898***	−0.63**	−0.6663	−0.081	−0.704*	−0.505	−0.659	−0.218
Deposit insurance	0.225**	0.234*	−0.275	−0.558**	0.129	0.215	−0.261	−0.527*	0.246*	0.230*	−0.198	−0.486*
Constant	−0.220	−0.078	−0.567	0.186	−0.632***	−0.398	0.622	0.158	−0.505***	−0.377***	−0.611	0.445
Fixed effects												
Time	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Country	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes
Psuedo R-squared	0.021	0.064	0.064	0.134	0.023	0.074	0.066	0.149	0.036	0.078	0.075	0.135
№ of observations	747	747	525	525	917	780	554	554	792	792	565	565

Note: The dependent variable equals one if the country experiences a banking crisis in the five-year interval and zero otherwise. The measures of economic freedom are the levels of overall economic freedom, credit market freedom, and access to sound money in the year before the five-year period covered by the crisis variable. GDP growth is the growth rate of real Gross Domestic Product in the five-year period before the five-year period covered by the crisis variable. Deposit insurance equals one if the country has explicit deposit insurance in the year in which economic freedom is measured and zero otherwise.

*** denotes statistical significance at the 1% level; ** denotes statistical significance at the 5% level; and * denotes statistical significance at the 10% level.

between banking crises and economic freedom. Whether measured by overall economic freedom, credit market freedom, or access to sound money, higher economic freedom is associated with a lower probability of a banking crisis. The estimated effect of GDP growth is consistently negative although only statistically significant when economic freedom is measured by credit market freedom. The estimated coefficients for deposit insurance are positive but not statistically significant at the 5% significance level when dummy variables for each country are excluded from the regressions. The point estimates are consistent with the possibility that deposit insurance increases the probability of a banking crisis but they also are consistent with no effect. Because probit estimates are nonlinear, the coefficients in table 4.3 do not provide estimates of the marginal change in the probability of a banking crisis with increases in economic freedom.

Table 4.4 presents estimates of the probability of a country being in a banking crisis for the four different levels of economic freedom: high, high-middle, low-middle, and low. These estimated probabilities are calculated from the probit estimates (columns 2, 6, and 10 in table 4.3) using the coefficient estimates and the mean values of the right-hand-side variables for each the countries in each of the groups. Because deposit insurance is measured by a dummy variable, countries are classified into countries with and without deposit insurance and the table shows the probability of a banking crisis separately for countries that have deposit insurance and those that do not.[16] These estimated probabilities should be roughly similar to the proportions

16 In columns 2, 6, and 10, the statistical relationship between deposit insurance and the likelihood of a banking crisis is positive. This implies that having deposit insurance means a country is more likely to be in a banking crisis.

Table 4.4: The probability of being in a banking crisis for different levels of economic freedom

	Overall Economic Freedom Index		Credit Market Regulations		Sound Money	
	No deposit insurance	Deposit insurance	No deposit insurance	Deposit insurance	No deposit insurance	Deposit insurance
High economic freedom	0.079	0.117	0.097	0.137	0.091	0.132
High-middle economic freedom	0.105	0.152	0.124	0.170	0.123	0.174
Low-middle economic freedom	0.205	0.147	0.150	0.202	0.146	0.202
Low economic freedom	0.209	0.279	0.210	0.273	0.220	0.289

Note: This table shows the predicted probability of a country being in a banking crisis in a five-year period given the level of economic freedom and whether or not the country has deposit insurance and the average level of GDP growth in the prior five years.

All estimates are statistically significant at the 5% significance level and most at the 1% significance level.

in table 4.1.[17] Table 4.4 shows that the relationship between economic freedom and the likelihood of a country being in a banking crisis can be important. For example, a country with high economic freedom and no deposit insurance on average has an 8% probability of having at least one year in a banking crisis in the following five years. A country with low economic freedom and no deposit insurance has a 21% probability of having a banking crisis. Deposit insurance itself increases the probability of being in a banking crisis given the level of economic freedom, consistent with the positive coefficients in the underlying probit estimates.

Marginal probabilities, the effects of changes in the right-hand-side variables on the left-hand-side variables, also are of interest. Table 4.5 provides estimates of marginal probabilities for the four levels of economic freedom and for countries that have deposit insurance and those that do not. The estimates are based on the same estimated equations as table 4.4. The marginal probabilities presented in the table show the effect a one-unit change in economic freedom on the probability of being in a banking crisis. To calculate the response probabilities, we use the coefficient estimates from the probit equations and evaluate changes in the probabilities using the mean values of the right-hand-side variables. Unlike the linear probability model, the response probabilities from the probit estimates are nonlinear and differ depending on the level of economic freedom. Table 4.5 indicates that countries with low economic freedom experience the biggest decrease in the probability of being in a banking crisis when economic freedom increases by one unit. This relationship holds for all three measures of economic freedom, and deposit insurance enhances this effect.

Banking crises and subsequent economic freedom

After a banking crisis, does economic freedom increase or decrease? Casual observation of experience since the Financial Crisis of 2007/08 suggests that economic freedom declines. Table 4.6 presents estimates for banking crises from 1976 to 2005. These estimates use the measures of economic freedom on the left-hand sides of regressions and an indicator of whether the country is in a banking crisis in prior years. We use an indicator for whether the country was in a banking crisis at any

17 The growth of real GDP and dummy variables for years effects account for the largest part of the difference.

Table 4.5: The estimated change in the probability of a banking crisis for an increase in economic freedom by unity

	Overall Economic Freedom Index		Credit Market Regulations		**Sound Money**	
	No deposit insurance	Deposit insurance	No deposit insurance	Deposit insurance	No deposit insurance	Deposit insurance
High economic freedom	–0.020	–0.027	–0.012	–0.015	–0.013	–0.017
High-middle economic freedom	–0.032	–0.025	–0.014	–0.018	–0.016	–0.020
Low-middle economic freedom	–0.032	–0.039	–0.016	–0.019	–0.018	–0.022
Low economic freedom	–0.039	–0.046	–0.020	–0.023	–0.023	–0.027

Note: This table shows the marginal effect of a change in economic freedom on the probability of being in a banking crisis in the subsequent five years given the level of economic freedom, whether or not the country has deposit insurance and the average level of GDP growth in the prior five years.

All estimates are statistically significant at the 5% significance level and most at the 1% significance level.

Table 4.6: Banking crises and subsequent economic freedom

Dependent Variable	**Overall Economic Freedom**				**Credit Market Freedom**				**Sound Money**			
Banking crisis	–0.413***	–0.400***	–0.267***	–0.232***	–0.721***	–0.595***	–0.425***	–0.291**	–1.025***	–0.975***	–0.735***	–0.667***
Banking crisis lagged	–0.230*	–0.365*	0.148	0.009	–0.060***	–0.232	0.525**	0.361**	–0.666***	–0.865***	–0.028	–0.203
Constant	6.196***	5.505***	7.454	6.146***	6.930***	5.451***	9.287***	6.612***	7.234***	6.864***	8.518***	7.033***
Fixed effects												
Time	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Country	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes
R-squared	0.015	0.190	0.551	0.772	0.008	0.197	0.462	0.665	0.030	0.147	0.399	0.546
№ of observations	855	855	855	855	872	872	872	872	877	877	877	877

Note: The dependent variable is economic freedom measured at five-year intervals starting in 1980 and ending in 2005. The measures of economic freedom are the levels of overall economic freedom, credit market freedom, and access to sound money. The dummy variable for a banking crisis equals one if there is a banking crisis in the prior five years and equals zero otherwise. The lagged value is an indicator for a banking crisis six to ten years before the measured level of economic freedom.

*** denotes statistical significance at the 1% level; ** denotes statistical significance at the 5% level; and * denotes statistical significance at the 10% level.

time in the previous five years. The effect of a crisis may continue for more than five years, and we also include an indicator for whether the country was in a banking crisis six to 10 years ago. We present estimates with and without indicators for the years and countries.

The evidence is unequivocal. Economic freedom decreases after a financial crisis. The effect is largest for access to sound money. The estimated change in access to sound money varies from a high of one index point to a low of two thirds of a point, which is a tight range given the variability evident in figures 4.3 and 4.4. The index for sound money reflects four equally weighted components: 1. money growth; 2. the standard deviation of inflation; 3. the level of inflation in the most recent year; and 4. citizens' freedom to own foreign bank accounts. The change in one or more of these components is substantial. Credit market freedom also falls, indicating that our result for overall economic freedom is not solely due to effects on access to sound money.

Our results are different from those in the last part of the paper by de Haan, Sturm, and Zandbergde (2009). They find that economic freedom falls in the year after banking crises but is higher five years later. Our results are for five-year periods only, and we find that economic freedom is lower. There are some differences in the specifications that may affect the results.[18] Perhaps most importantly, they include the lagged value of economic freedom on the right-hand sides of the equations and include dummy variables for countries. There is a large literature on estimators of dynamic panel models such as these that indicates that such estimates are problematic. Rather than deal with these complicated problems directly, we do not include lagged values of economic freedom in the estimated equations. While not fully satisfactory either, our relatively simple estimates by ordinary least squares are likely to recover the sign if not the magnitude of the long-run effects of banking crises.

Conclusion

The financial crisis that began in many countries has yet to run its course completely in 2012. A financial crisis that began in banks and financial markets has become a sovereign-debt crisis, partly due to ensuing deficits associated with severe recessions, partly due to obligations associated with bailouts of financial institutions, and partly due to extravagant increases in government spending. While a final summary of this financial crisis cannot yet be written, past financial crises can be informative about what might be expected if this one follows a course similar to those in the past.

Our results from that crisis and prior ones indicate that higher economic freedom is associated with a lower probability of a banking crisis. And the effect is substantial. This is the opposite of what may well be conventional wisdom: "deregulation" or economic freedom more generally made the financial crisis more likely. Our results indicate this conventional wisdom is incorrect. More economic freedom makes banking crises such as the recent one less likely.

Given this result, it seems at best odd that lowering economic freedom is the common reaction to a crisis. If lower economic freedom makes a financial crisis more likely, responding to a crisis by lowering economic freedom makes a subsequent crisis more likely, not less. One reaction would be simply to assert that politicians and citizens are stupid or irrational and be satisfied with this explanation. We think such a reaction is not warranted and is less informative than examining developments in more detail. Our results indicate that access to sound money is most adversely affected by banking crises, and this may well reflect higher inflation or restricted access to foreign exchange. Our results also indicate that credit market regulation increases after a financial crisis. These changes and possibly changes in other components of economic freedom are associated with lower overall economic freedom. Further research on these issues will be quite informative about responses to financial crises.

18 A superficial difference is de Haan et al.'s (2009) use of the change in economic freedom as the dependent variable and the lagged level of economic freedom on the right-hand side of their equations and our use of the level of economic freedom on the left-hand side and the lagged level on the right-hand side, but this only affects the estimated coefficient of lagged economic freedom by a linear transformation. Our estimated coefficients on lagged economic freedom are comparable to their coefficients plus unity.

References

Baier, Scott L., Gerald P. Dwyer, and Robert Tamura (2004). Does Opening a Stock Exchange Increase Economic Growth? *Journal of International Money and Finance* 23 (April): 311–331.

Barth, James R., Gerard Caprio, Jr., and Ross Levine (2004). Bank Regulation and Supervision: What Works Best? *Journal of Financial Intermediation* 13, 2 (April): 205–248.

Barth, James R., Gerard Caprio, Jr., and Ross Levine (2008). Bank Regulations Are Changing: For Better or Worse? Unpublished paper. World Bank.

Beltratti, Andrea, and René Stulz (2012). The Credit Crisis around the Globe: Why Did Some Banks Perform Better? *Journal of Financial Economics* (in press).

Bekaert, Geert, Campbell R. Harvey, and Christian Lundblad (2005). Does Financial Liberalization Spur Growth? *Journal of Financial Economics* 77 (July): 3–55.

De Haan, Jakob, Jan-Egbert Sturm, and Eelco Zandberg (2009). The Impact of Financial and Economic Crises on Economic Freedom. In James D. Gwartney, Robert Lawson, with Joshua C. Hall, eds., *Economic Freedom of the World: 2009 Annual Report* (Fraser Institute): 25–36.

Demircüç-Kunt, Asli, and Enrica Detragiache (1998). The Determinants of Banking Crises in Developing and Developed Countries. *IMF Staff Papers* 45 (March): 81–109.

Demircüç-Kunt, Asli, Baybars Karacaovali, and Luc Laeven (2005). Deposit Insurance around the World: A Comprehensive Database. Unpublished paper. World Bank.

Edwards, Sebastian (2007). Capital Controls, Sudden Stops, and Current Account Reversals. In *Capital Controls and Capital Flows in Emerging Economies: Policies, Practices, and Consequences* (National Bureau of Economic Research): 73–120.

Glick, Reuven, and Michael Hutchinson (2005). Capital Controls and Exchange Rate Instability. *Journal of International Money and Finance* 24, 3: 357–412.

Gwartney, James, Randall G. Holcombe, and Robert Lawson (2006). Institutions and the Impact of Investment on Growth. *Kyklos* 59, 2 (May): 255–273.

Gwartney, James, Robert Lawson, and Joshua Hall (2011). *Economic Freedom of the World: 2011 Annual Report.* Fraser Institute.

Johnson, William F. (2011). International Economic Freedoms, Banks and the Market Crisis of 2007–2009. *Journal of Banking Regulation* 12, 3: 195–209.

Mishkin, Frederic S. (1999). Lessons from the Asian Crisis. *Journal of International Money and Finance* 18, 4: 709–723.

Rancière, Romain, Aaron Tornell, and Frank Westermann (2008). Systemic Crises and Growth. *Quarterly Journal of Economics* 108 (February): 359–406.

Reinhart, Carmen M., and Kenneth Rogoff (2009). *This Time It Is Different: Eight Centuries of Financial Folly*. Princeton University Press.

Shehzad, Choudhry Tanveer, and Jakob De Haan (2008). Financial Liberalization and Banking Crises. Unpublished paper. University of Groningen.

Chapter 5 Does Aid Buy (Economic) Freedom?

*Axel Dreher and Kai Gehring**

1 Introduction

Consider Tanzania. In the period from 1960 to 1980, donors supported Tanzania's inward-oriented policy stance with substantial amounts of aid. According to Edwards, "aid agencies were heavily involved in supporting (and even helping design) [Tanzanian President] Nyerere's *ujamaa* Socialism economic policies" (2012: 3). In the early 1980s, the donor community changed gears. As the Tanzanian government did not agree on more market-friendly policies, aid amounts were substantially reduced in the period from 1981 to 1985. In the following years, "the international community continued to use development assistance as a tool to induce change and guide policy. When the reforms stalled, the donors would withhold aid flows" (Edwards 2012: 4). In the mid-1980s, the government finally gave in and implemented more market-friendly economic policies that led to a substantial increase in development aid.

Anecdotes like these on the role of foreign aid in restricting or promoting market-liberal reforms abound, often with contradictory conclusions.[1] Does aid buy freedom? Alternatively, does it restrict freedom? While anecdotes can provide illustrative examples, evidence that is more systematic is needed to gauge the roles of aid in affecting economic freedom. Such evidence is scarcer, but exists. Boockmann and Dreher (2003) report that the number of World Bank projects increases economic freedom, while the effect of the amount of World Bank credits on economic freedom appears to be negative. They find no clear relationship between loans and programs of the IMF and economic freedom. Regarding bilateral aid, Heckelman and Knack (2008) find that aid reduces freedom, but only up until the 1990s.

Building on these first empirical tests, a number of additional papers investigated the role of aid in changing (economic) freedom. The hypotheses tested stress the effect of money being disbursed, the conditionality of aid, moral hazard, and the

---

* Axel Dreher is from Heidelberg University; Kai Gehring, from the University of Göttingen. Parts of this article are based on joint work with Bernhard Boockmann, Martin Gassebner, Roland Hodler, Sarah Rupprecht, and Roland Vaubel. We thank Jamie Parsons for proofreading. Cite this chapter: Dreher, Axel, and Kai Gehring (2012). Does Aid Buy (Economic) Freedom? In James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World: 2012 Annual Report* (Fraser Institute): 219–246.

1 See Hodler and Dreher, 2012 for further examples.

potential for donors to be used as scapegoats.[2] The literature, however, does not converge to a unique (or conclusive) answer as to whether aid does affect economic freedom, and to what extent. Authors come to opposing conclusions, sometimes using similar data and methods, sometimes deviating from the previous literature without setting their results in the perspective of previous work. This chapter evaluates the evolving empirical literature on foreign aid and economic freedom.

Before turning to the evidence, we discuss the hypotheses proposed in the previous literature. Our evaluation of the empirical evidence tries to gauge whether the literature has, overall, established the role of foreign aid in promoting or preventing economic freedom. Arguably, this is an important question. First, economic freedom could be considered a value in itself. Second, economic freedom contributes directly to important aims that donors want to achieve when they give aid. Economic freedom increases economic growth (De Haan et al., 2006; Berggren, 2003; Carlsson and Lundström, 2002; De Haan and Sturm, 2000), investment rates (Dawson, 2003), improves health and prevents disease (Stroup, 2007), leads to higher ranks on the Human Development Index (Norton, 1998; Goldsmith, 1997) and higher subjective well-being (Gehring, 2012). Even if aid does not directly increase economic growth, it could contribute to growth indirectly via the positive effect of increased economic freedom on growth.[3]

The literature does not provide strong support for this hypothesis. It shows that aid promotes freedom only in certain areas. Moreover, the effect of aid is more positive since the end of the Cold War-period. The aim of this chapter is to highlight the main areas of difficulty in assessing this impact to guide future research in its attempts to answer this question. We argue that a well-defined framework for assessment needs to be constructed, tested, and consistently used in order to make comparisons between research in this area easier and more conclusive.

2 The hypotheses

Foreign aid may influence the recipient country's economic freedom in a number of ways. First, there is the direct impact of the aid money. The availability of foreign aid for public investment projects ensures that the investment (or any other expenditure) can be carried out without the need to raise taxes (Vasquez, 1998), in effect increasing economic freedom directly if funding the investment would otherwise require an increase in tax revenue. Aid going to governments can however

2 These aspects apply to donors to different degrees. Prior to 1990, aid was largely used for strategic purposes. US aid aimed to develop military relationships, the British and French governments tried to maintain their influence on former colonies, and German and Japanese aid aimed to promote economic interests (Lancaster, 2007). These strategic interests have not disappeared with the end of the Cold War, but their importance might be smaller (Bermeo, 2008). Some but not all countries tie their aid to formal conditions. Since the Maastricht Treaty, provision of aid by the European Union and its member states is conditional on the presence of human rights, democracy, and low military expenditures. Since 1990, the United States' USAID has made its aid conditional on democratic and governance reforms (Crawford, 2001). Many bilateral donors also make their aid disbursements on the condition that World Bank or IMF conditions have been met (White and Dijkstra, 2003). Koeberle, 2004 gives an overview of conditions included in World Bank lending; see Dreher, 2009 on the IMF; and Oehler et al., 2012 on the United States' Millennium Challenge Corporation.

3 On the effect of aid on growth, see Doucouliagos and Paldam, 2009 and Nowak-Lehmann et al., 2012, among many others.

strengthen their role relative to the private sector (Friedman, 1958). It might contribute to increased central planning, forced collectivization, and the public takeover of foreign enterprises instead of encouraging private entrepreneurship (Bauer, 1991). The money available to governments can also deteriorate the quality of legal security and regulation by making rent-seeking more attractive and increasing corruption (Svensson, 2000). Foreign aid thus can also reduce economic freedom.

A second channel is conditionality, where donors directly tie the disbursement of money to certain conditions. Aid might be "remarkably effective if it induces governments to adopt growth-inducing and poverty-reducing policies. This is indeed the core of what conditionality is supposedly about—aid buys reform" (Collier, 1997). In this context, the effect of aid on freedom depends on whether donors condition their aid on changes in economic freedom and the extent to which recipients implement these conditions. Most of the literature concludes, however, that conditionality has failed.[4] But, even if there is no immediate success and recipients do not implement all conditions as negotiated, aid programs may still affect policies over time. Recipients need to implement some conditions to get access to the aid money, and governments in need of continuous support might be reluctant to overturn such changes after they received the money. In the longer run, the introduction of reforms might create enough support for their maintenance. Interest groups representing the net beneficiaries might defend those reforms even in the absence of further conditionality.[5]

Besides the direct "carrot-and-stick" effect of money and conditionality, there are also more informal channels through which a donor may influence policies in recipient countries (Boockmann and Dreher, 2003). The inclusion of conditionality may start a process of negotiations between the donor and national actors during the period of aid transfers, especially if some slippage from agreed targets occurs. On one hand, negotiations may turn the balance in favor of reformers in the domestic political game (Haggard and Webb, 1994). On the other hand, the donors' programs may increase awareness of the relevance of economic imbalances and, therefore, help to bring about a different approach to policy. They may also make the necessity of reaching consensus over the measures demanded by conditionality obvious to otherwise opposing social groups (Drake, 1998; Ratnam, 1996). Consequently, the donor may reinforce a liberal consensus in the recipient countries.

The impact of the donor on domestic policies may even come about without formal conditionality at all (Boockmann and Dreher, 2003). Policy advice may strengthen reformers within the recipient countries. If the interests of governments and interest groups are heterogeneous in the recipient country, a donor can provide leverage by changing the incentives of the government in a way that affects what interest groups offer in the bargaining process (Dreher, 2009). Moreover, because of a lack of expertise in economic policy areas, some countries lack the capacity to implement comprehensive market-liberal reforms. In this case, aid programs negotiated with the donor may not actually impose unwanted conditionality but rather provide welcome advice.

---

4 See Oehler et al., 2012 for a short summary.

5 This assumes an asymmetry in the lobbying capacity of interest groups in introducing reforms and in defending them: "For the initiator [of a new system] has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who would gain by the new ones," Machiavelli, *The Prince* (1513); cited in Feinberg, 2006.

The transfer of knowledge may take very different routes that are only loosely connected with specific instruments of the donor (Boockmann and Dreher, 2003). One example of leverage of a donor on national policies is the influence of senior officials who were educated in the universities of donor countries or have been staff members of donor aid agencies. These officials may have the ability to contribute to changing attitudes and steering policy change. In almost all developing countries, several senior economic officials have spent time as staff members of the IMF, the World Bank, or a regional development bank. Conversely, there may also be a transfer of knowledge from recipient countries to the donor. Higher involvement could help the donor learn more about conditions in the particular country. Consequently, aid relationships improve. Therefore, money disbursed by the donors may, in the long run, be less important than training and socialization, which can change the attitudes of political actors and influence the domestic debate regarding adjustment policies.

When conditions (and less formal channels of influence) fail to produce the desired results, subsidized credits may give rise to moral hazard. They may soften the need for reforms during economic crises and enable inefficient structures to survive. If donors are perceived as disbursing aid according to financing needs, potential recipients have an incentive to appear needy. They might reduce domestic investment or purposely delay reform in order to remain eligible for aid (Harms and Lutz, 2004; Easterly, 2002; Vaubel, 1990). Even if governments are unlikely to provoke a crisis deliberately, they might reduce precautionary measures if they are eligible for donor support. Furthermore, if foreign aid can be interpreted as income insurance against adverse shocks, it might induce the potential recipients to lower their precautions against such damages (Dreher and Vaubel, 2004).

In a wider sense, moral hazard might result in an incentive to abuse aid disbursements after a crisis occurs. This kind of behavior is not necessarily prevented by the donor's (*ex post*) conditionality (Dreher and Vaubel, 2004).[6] Governments may agree only formally to the attached conditions and circumvent the program's spirit with countervailing measures not covered under the program (Heckelman and Knack, 2008). In addition, turning the argument concerning the checks and balances in domestic politics upside down, the government's increased leeway may result in an inability to persuade pressure groups as to the necessity of fiscal stringency.

In summary, there is a diversity of channels for the possible effects of aid on freedom and it seems difficult to find equivalents for them in terms of observable variables. According to the arguments above, the number of aid programs or projects in operation increases the pressure for reforms. This is due either to the direct effect of conditionality on policies, or to the transfer of knowledge and advice, which increases with the number of contacts between a recipient country and the donor (Boockmann and Dreher, 2003). Contacts should be measured directly in order to distinguish between conditionality, transfer of knowledge, and other informal effects, but as yet the data to do so do not exist.

---

6 Note that the terms *ex ante* and *ex post* conditionality are used in the literature in different ways. In the Public Choice literature, *ex ante* refers to the time before a country turns to international institutions, notably the IMF, for financial assistance (e.g., Vaubel, 1991; Meltzer, 2006). Typical *ex ante* conditions suggested in the literature include responsible fiscal and monetary policies and sound financial systems. *Ex post* conditionality refers to conditions negotiated after a country has turned to the IMF. Examples are reductions in the government's deficit or in the rate of monetary expansion.

Capturing the softening of the budget constraint and other adverse effects requires the inclusion of financial variables. To ensure that the variable containing the financial flows from the donor to the country reflects the softening of the budget constraint and, hence, reduced pressure on the government for reform, net credit amounts should be used to test for the effect of this channel. In principle, the amount of aid a country receives may also be a proxy for the direct effect of conditionality on national policies (Boockmann and Dreher, 2003). However, conditions and credit volumes need not be proportional, and some conditions are included in almost all programs. Thus, the number of arrangements concluded may be a better measure for donor conditionality than the flow of finances. Controlling for the programs in operation, the amount of credit could increase economic freedom (if it finances required public goods and supports reform-oriented groups), have no measurable effect, or reduce reform efforts (if the effect of a softening of the budget constraint or increased rent-seeking prevails).

3 Empirical evidence

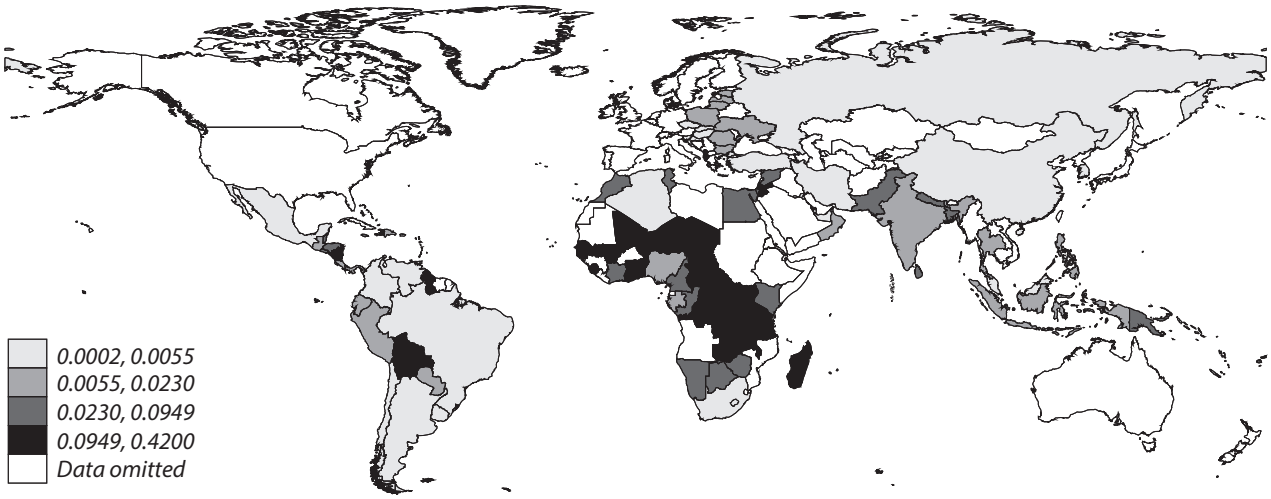
Figure 5.1 shows average yearly Official Development Aid (ODA) disbursements in constant 2009 US$ over the period from 1980 to 2008.[7] Figure 5.2 shows changes in economic freedom over the same period derived from *Economic Freedom of the World: 2010 Annual Report* (Gwartney et al., 2010). Darker colors indicate higher levels of aid received and more positive changes in economic freedom. To ensure clarity we only display the changes in economic freedom for those countries receiving aid.

It is not surprising that aid disbursements have been largest in Africa and Latin America, but they have also been sizable in Asia and Eastern Europe. Improvements in economic freedom roughly display the same pattern. There is, however, no obvious relation between the two. Take Bolivia as an example. Bolivia received large amounts of aid while its economic freedom has improved substantially. By contrast, Chile received little aid but also experienced a large increase in freedom. In Africa, some major aid recipients like Zimbabwe, Mali, or Niger experienced reduced freedom. In other examples, large inflows of aid were associated with large increases in economic freedom (for instance, Madagascar, Uganda, and Zambia).

Figures 5.3 and 5.4 restrict the sample to the period after the Cold War. The end of the Cold War arguably had a large impact on economic freedom and the way foreign aid was allocated (Alesina and Dollar, 2000). In the 1980s, the import-substitution paradigm was replaced by the Washington consensus, which emphasized free trade and liberalization. Hodler and Dreher (2012) show that donors allocate more money to countries that follow the prevailing aid paradigms. Openness as measured by the Sachs-Warner Index reduces aid over the period from 1960 to 1970 (significant at the 10% level), and has a negative but marginally insignificant effect from 1970 to 1980. From 1980 to 1990 the effect is not significant at conventional levels, while over the period from 1990 to 2000 openness increases aid receipts on average, significant at the 5% level. Hence, the change in donors' aid allocation policies reflects the change in paradigms.

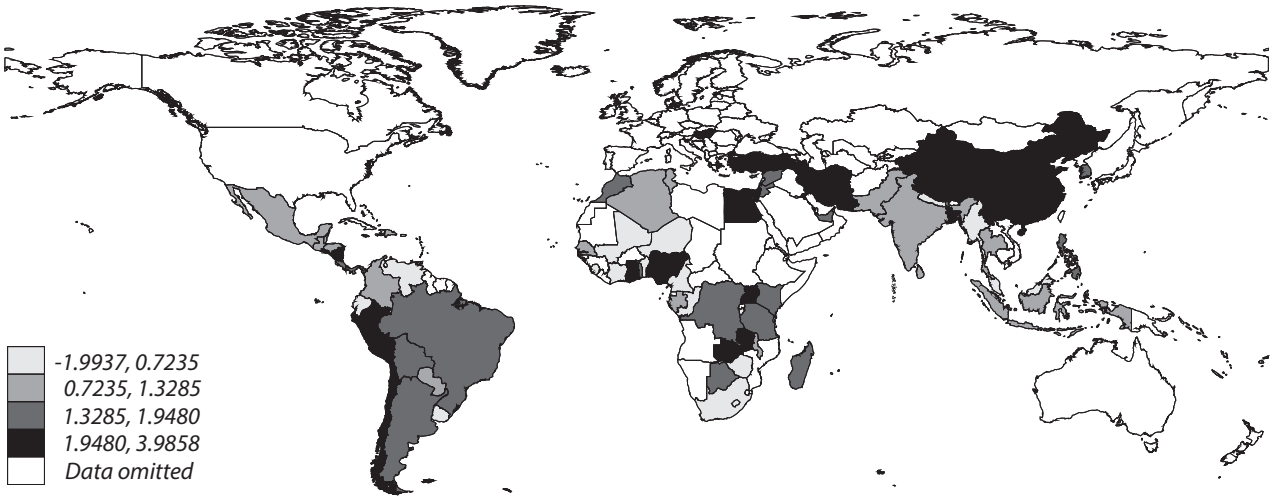
7 The OECD's Development Assistance Committee (DAC) collects these data from the donors. The DAC defines aid as net financial flows to countries on its list of ODA recipients and to certain multilateral institutions and NGOs, including technical cooperation. The DAC only includes aid that is concessional—that is, consists of grants or loans with a grant share of at least 25%— and excludes military aid. ODA excludes most IMF lending and about two thirds of the World Bank's loans (Heckelman and Knack, 2008).

Figure 5.1: Average yearly aid/GDP disbursements, 1980–2008



Source: OECD DAC statistics, 1960-2010, DAC2a ODA Disbursements, downloaded as ready-made file from <http://stats.oecd.org/Index.aspx?DataSetCode=TABLE2A>, as of February 2012.

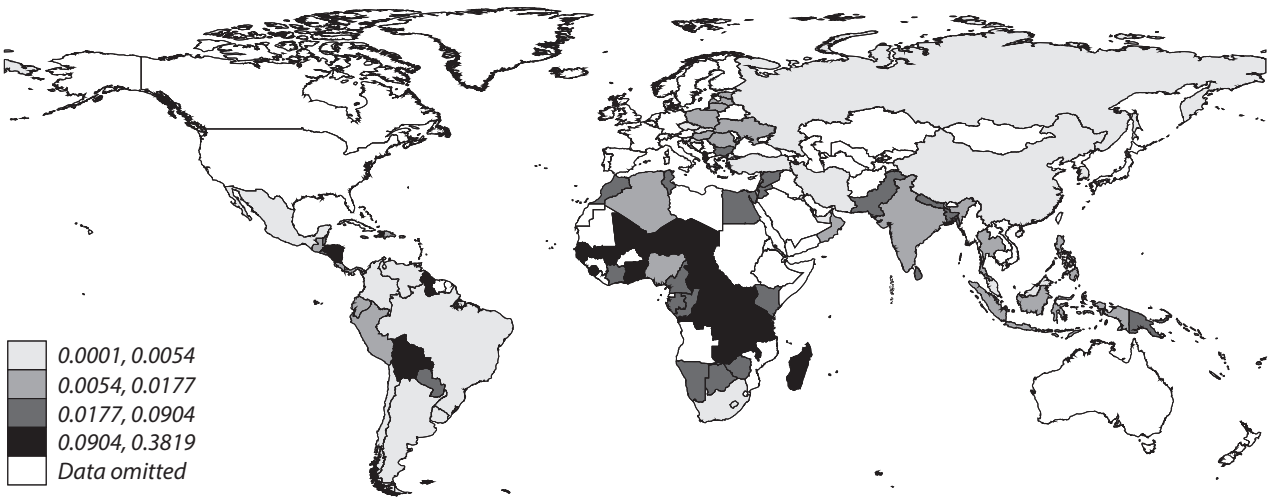
Figure 5.2: Changes in economic freedom, 1980–2008



Source: Gwartney et al., 2010 (*Economic Freedom of the World: 2010 Annual Report*).

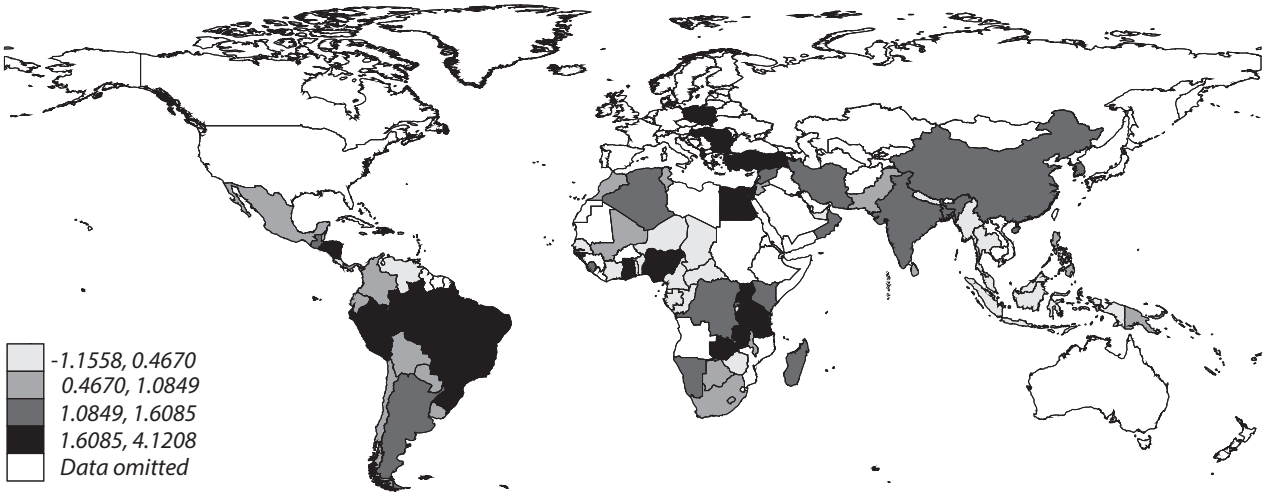
If donors used aid to promote economic freedom starting in the 1980s only, there is no reason to expect a positive correlation between the two in the Cold War period. The figures, however, show no clear pattern for the period after the Cold War either. For example, out of the major aid recipients in Africa in the post-Cold-War period, Niger, the Central African Republic, Togo, and Senegal, all exhibit large declines in economic freedom while others like Zambia, Tanzania, and Uganda showed strong improvements. Clearly, aid is only one factor among many that can influence changes in economic freedom. Correlations between aid and freedom could suggest a relationship between these two but do not imply causality. For example, donors can allocate aid specifically to reward economically free countries, or give it to countries with decreasing freedom because these are most in need of aid. In order to investigate the causal effect of aid on freedom (or changes in freedom)

Figure 5.3: Average yearly aid/GDP disbursements, 1990–2008



Source: OECD DAC statistics, 1960-2010, DAC2a ODA Disbursements, downloaded as ready-made file from <http://stats.oecd.org/Index.aspx?DataSetCode=TABLE2A>, as of February 2012.

Figure 5.4: Changes in economic freedom, 1990–2008



Source: Gwartney et al., 2010 (*Economic Freedom of the World: 2010 Annual Report*).

we need to account for the endogeneity of aid and control for other potentially influential variables. The following section reviews the existing empirical literature, first focusing on the effect of aid on overall economic freedom and then looking at individual components of economic freedom. The Appendix (pg. 271 ff.) summarizes the results.[8]

8 The Appendix covers studies that use economic freedom as a dependent variable. That includes the overall index, but also individual dimensions like the rule of law or size of government. While corruption and other dimensions of governance can also be considered measures of economic freedom, the relation is less direct. We discuss selected studies using such variables but the survey is not exhaustive and we do not cover these studies in the Appendix. We admit that this choice can sometimes appear arbitrary.

3.1 The effect of aid on overall economic freedom

When investigating the impact of aid on economic freedom, researchers need to address a number of critical choices. Most obviously, economic freedom needs to be measured and quantified. To do so, researchers can choose between two aggregate indices and various indicators focusing on individual dimensions of economic freedom. The Heritage Foundation has published its *Index of Economic Freedom* on an annual basis since 1995 (*Miller and Holmes, 2011*). Given the comparably short time-frame covered and the interest of economists in longer-term analyses, this index is not widely used. The indicator of choice in the bulk of the literature is the Fraser Institute's index published in *Economic Freedom of the World* by Gwartney et al. (1996–2011).[9] For both indices, the time lag between the data collection and the year indicated in the published index differs across countries (Cummings, 2000) and, therefore, interpreting short-term changes from one year to the next is difficult. Overall, the index from the Fraser Institute's *Economic Freedom of the World* (EFW index) has several advantages over the Heritage's *Index of Economic Freedom* (IEF index), including the practical advantage of its wider availability; it has been available in five-year intervals since 1970 and on an annual basis since 2000. A second important advantage of the EFW index is the transparency regarding its calculation and the data sources used for calculating the index. Because the methodology is made public and can easily be replicated, manipulations (for example, for ideological reasons) are unlikely (Paldam, 2003). Third, the EFW index uses reliable and widely used data sources like the World Bank and the IMF, and relies on objective data instead of subjective judgments whenever possible. When objective judgments are impossible—on perceptions of judicial independence, for example—the EFW index is transparent about the origin of surveys and questions used therein. As has been pointed out in the literature, Heritage's *Index of Economic Freedom* lacks transparency, theoretical foundation, and frequently changes the method underlying its index (Quinn et al., 2011; Cummings, 2000). Nevertheless, the two indices are highly correlated (e.g., rho ≈ 0.8 in Gehring, 2012).

The Fraser Institute's index of economic freedom can be decomposed into its components to get a more nuanced view of specific changes. Included are several indicators from other institutions that can be used to proxy the individual items. Important data sources include the World Bank, the International Monetary Fund, the World Trade Organization, the World Economic Forum, and the International Country Risk Guide (ICRG). Obviously, there are also other indicators, which are not part of the Fraser Institute's EFW index, but may still provide important information. Morley et al. (2003), for instance, provide indicators about structural reform specifically for Latin America. Plenty of indicators are available to measure the freedom of flows of capital and trade (Rose, 2004; Quinn et al., 2011). Generally, using individual dimensions enables researchers to derive more specific policy implications rather than focusing on aggregate indices. While investigating the effect of aid on overall economic freedom is important, in order to identify individual transmission channels, more precise and specific indicators or components are preferable. Some of the individual indicators are available on a yearly basis for a longer time period than the overall index. For instance, regarding the freedom to invest, indicators based on the IMF's *Annual Report on Exchange Arrangements and*

9 See the Publishing History of *Economic Freedom of the World* on page 309 for a full list of preparatory studies and annual reports.

Exchange Restrictions are available on a yearly basis since 1965 (*de jure* indicators) and 1970 (*de facto* indicators) (Quinn et al., 2011), providing researchers with the opportunity to look at long-term developments.

While most of the earlier literature investigates the level of economic freedom, using first differences might be preferable. Investigating whether aid triggers economic reform is better captured by looking at how it affects changes in freedom in subsequent periods. As past levels determine subsequent levels of freedom (Coviello, 2006), regression-toward-the-mean effects are likely. Moreover, high freedom in one period could lead to large improvements in subsequent periods. Conversely, if economic reforms are politically costly, achieving further reforms might be less likely when countries have already achieved a high level of economic freedom (Bearce and Tirone, 2010; Heckelman and Knack, 2008). To capture these effects, regression equations that want to measure the effect of aid on freedom have to include the initial level of economic freedom also.

Of similar importance in choosing how to measure economic freedom is the choice of the type of aid to be investigated. Aid can be classified by its source, that is, the type of donor, which could be either bilateral or multilateral; official or private; or all donors of one category rather than selected donors only. Different donors pursue different (aid) policies. Some donors grant aid mainly for political reasons (see Dreher et al., 2009a; Dreher et al., 2009b; Kilby, 2011), and the motive for granting aid can influence the effect of the aid given (Kilby and Dreher, 2010). Some donors put more emphasis on economic freedom than others. For example, the United States and the World Bank are strong supporters of market-liberal policies (Hodler and Dreher, 2012), and condition their aid on them. Other donors are arguably more reluctant to support economic freedom, in particular non-traditional donors granting aid outside the Development Assistance Committee (DAC), like China.[10]

Researchers also face the decision whether to measure aid in terms of commitments or disbursements. Commitments are usually disbursed in the recipient country over several years. Hence, they measure when and how much aid is assigned, and might be more suitable in investigating the determinants of governments' aid allocation decisions (given that disbursements depend on factors beyond the control of the governments and are determined by commitments made over an extended period before aid is actually given, so timing is more difficult to measure). Disbursements capture the flows that eventually reach the recipient country and are, therefore, the variable of choice to assess the effects of aid on them. Roodman (2007) suggests Effective Development Assistance (EDA) as an alternative to Official Development Aid (ODA). EDA contains the sum of grants and the grant element of the loans rather than all loans with a certain grant element, and excludes technical assistance (Coviello, 2006). This measure thus captures the net aid resources that actually flow into the recipient country more accurately.[11] Because of some limitations on the data, EDA has only been available since 1975. It is important to note that ODA excludes most IMF lending and about two-thirds of the World Bank's loans (Heckelman and Knack, 2008). The aid measure typically used in the literature also excludes aid by non-DAC countries, which can be

10 See Dreher and Fuchs, 2011 for an investigation of China's aid policies and Fuchs and Vadlamannati, 2012 on India. Dreher et al., 2011 covers a large sample of "new" donors.

11 On the other hand, the non-grant element of a loan can also be consequential for economic freedom.

substantial for some countries. Given that aid by new donors, for example, could be given to counteract the effects of DAC aid in buying reforms, omitting them potentially biases the results.

The specific type of aid delivery can also influence the effect of aid on economic freedom. Program aid is used more often than other forms of aid to encourage reforms (Heckelman and Knack, 2008) and thus, potentially, has a greater influence on economic freedom. Project aid is less likely to have such effects. The effects of short- and long-term aid might also differ (Clemens et al., 2012), and aid given for specific areas, or with different type of concessionality (i.e., the degree to which the terms are more favorable than commercial terms), might be more effective in targeting freedom than others. These possible differences in effects are largely ignored by the existing literature.

Finally, the researcher has to decide on the period of study, the choice of control variables, and the strategy to deal with the obvious problem of endogeneity. Regarding the period of study, choices are mostly driven by the availability of data. However, the end of the Cold War marks an obvious turning point. Consequently, some studies analyze the post-Cold-War period separately. Given the variability of the prevailing aid paradigm, and the associated changes in donors' aid policies over time (Hodler and Dreher, 2012), one can hardly expect a meaningful result when investigating the period from 1975 to 2005 in total, for example.[12] Therefore, choosing a shorter period of time, defined by the prevailing aid paradigm, would arguably lead to clearer results.

The choice of control variables when there is no underlying theoretical model poses particular difficulties. Ad-hoc choices can affect the results and raise doubts regarding the reliability of the results. The Appendix shows that, while GDP and GDP growth are included in all studies, there is considerable disagreement over the additional control variables. Only those results that turn out to be robust regarding reasonable changes in the set of control variables contribute to our level of knowledge. Finally, and obviously, simply regressing freedom on aid, even controlling for some confounding factors, is not likely to produce meaningful results. The potential endogeneity or simultaneity of aid needs to be taken into account.

Bilateral aid

While some papers investigating the effect of aid on economic freedom are careful in addressing the choices outlined above, the results of some others can be questioned. For instance, Powell and Ryan (2006) investigate the period from 1970 to 2000, using overall aid (ODA) as their variable of interest. Their specification does not show robust results. Given the large variations in policies across donors and over time, this result is not surprising. The overall (insignificant) effect could be the result of a negative effect during the import-substitution development paradigm of the 1970s and a positive effect during the period of the Washington consensus thereafter. It could also be confounded by the opposing effects of donors with a greater focus on freedom compared to donors who do not condition aid at all, or even supported more inward-looking policies. Powell and Ryan do not use instruments for aid, so reversed causality and omitted variable bias could affect their correlations.

Heckelman and Knack (2008) improve the analysis on several fronts. They use a larger set of control variables, instruments for aid to explain the change in economic freedom over the period from 1980 to 2000, investigate several types of aid, and

12 The prevailing development paradigm of the 1970s was the import-substitution paradigm with its associated inward-looking policies.

investigate the period after the Cold War separately. Their results show that economic freedom decreases with aid overall, and also when separately investigating project aid, program aid, and technical assistance. As instruments for aid, they use initial levels of life expectancy, sectorial composition of the economy, and population size. The first two components proxy recipient countries' need. Aid per capita decreases with population if donors want to spread their aid across many recipients to increase their national prestige. Empirically, this motivation can be questioned, as there are quite a few countries that focus their aid on specific countries, for example, on former colonies (Lancaster, 2007), rather than spreading it across a large number of countries. While Heckelman and Knack (2008) report that all instruments are individually significant at conventional levels and together explain almost half of the variance in aid, they do not report more specific tests for the quality of their instruments. Theoretically, it is possible that these instruments in themselves cause changes in economic freedom directly. They use lower life expectancy to proxy need but low life expectancy could also affect the need for reforms. Sectorial composition is measured by the share of the economy made up by the agriculture and manufacturing sectors. This is argued to be relevant as both groups might lobby for protectionist measures, but one might be more successful in restricting economic freedom in its favor than the other group. In this case, the size of each sector's respective share of GDP also has a direct influence on the probability of changes in economic freedom. Farmers, for instance, might form effective lobbying groups as they have rather homogenous interests with concentrated benefits (Olson, 1965). Regarding population, it could be argued that smaller countries have been exposed to comparatively larger competitive pressure in the third wave of globalization since 1980. Because of a lack of domestic economies of scale, smaller countries have had to liberalize more to grow (Alesina, 2003).

Heckelman and Knack (2008) investigate the 1980s and 1990s separately. While freedom decreases with aid in the 1980s, aid does not significantly affect economic freedom in the 1990s. This is what one would expect given that the bulk of donors supported an inward-looking development paradigm until the early- to mid-1980s (Hodler and Dreher, 2012). Jointly investigating aid by donors in support of liberal policies with donors more in favor of inward-looking policies (or those who do not tie aid to policy reform) makes it difficult to identify significant results.

Knedlik and Kronthaler (2007) and Bearce and Tirone (2010) investigate what affects changes in freedom. Bearce and Tirone's panel data analysis uses lagged flows of aid to investigate subsequent changes in economic freedom. They find that aid had no effect in the period from 1975 to 1990, at conventional levels of significance. In the period after the Cold War, they find that freedom increased with aid. In an attempt to alleviate the potential endogeneity problem, Bearce and Tirone replicate the analysis exclusively focusing on countries that did not introduce reforms in the previous period, confirming their results. Knedlik and Kronthaler estimate similar models for the period from 1995 to 2004, but investigate the contemporaneous rather than the lagged effect of ODA. They measure economic freedom using the Heritage Foundation's *Index of Economic Freedom* (IEF index) rather than the EFW index from the Fraser Institute's *Economic Freedom of the World* and do not find an effect at conventional levels of significance.[13]

13 Dreher and Rupprecht (2007) include an overall aid measure in their analysis of IMF programs on economic reforms and find that overall aid does not have an effect on changes in economic freedom, at conventional levels of significance.

Taken together, these studies provide some preliminary evidence that aid increases economic freedom in the post-Cold-War period when freedom is measured by the EFW index (but not when it is measured by the IEF index). Whether these differences in results are indeed due to the different measures of freedom, the different set of variables the studies control for, the assumed timing of how aid affects freedom, or the specific periods the studies investigate, is an interesting question that cannot conclusively be answered by the existing literature. Furthermore, the literature does not attempt to shed light on the different potential channels by which aid could affect freedom. Hence, its usefulness for deriving specific implications for policy is limited.

Multilateral aid

Turning to multilateral aid, Boockmann and Dreher (2003) provide a starting point. They try to separate the channels by which aid could affect freedom with respect to IMF and World Bank loans. They suggest including the flow of funds and the number of programs negotiated with the IMF and the World Bank at the same time. The flow of monetary resources is measured with the change in the stock of outstanding IMF and World Bank loans. They use net rather than gross flows because payments and repayments both affect the government's budget constraint. If the variable containing the financial flows from international financial institutions to the country is to reflect the softening of the budget constraint and, hence, the reduced pressure on the government to implement reforms, net amounts are preferable. Boockmann and Dreher use the number of programs that were active over at least five months in a given calendar year.[14]

The results in Boockmann and Dreher (2003) suggest that the activities of the World Bank affect the level of economic freedom, while those of the IMF do not. Economic freedom increases with the number of World Bank projects and decreases with the volume of credits. Controlled for the number of projects, the sum of World Bank credits measures the average size of the projects in a particular country and year. Taken together, World Bank projects seem productive of "good" economic policies unless they become too large. As outlined above, a positive effect of aid could occur via information transmission, training, and supporting reformers. These positive effects can turn negative if the adverse incentives created by continuously providing large sums of money to recipient governments prevail.

Overall, the analysis suggests a differentiated picture, where the total effect of aid depends on whether aid is given by the World Bank or the IMF, and the specific combination of the number of projects and amounts of aid. Rather than investigating the period after the end of the Cold War separately, Boockmann and Dreher include a dummy for it. It is, thus, not possible to see whether the effect of aid has changed with the end of the Cold War. They also investigate levels, rather than changes in economic freedom and do not use external instruments. Their instrumentation strategy is based on internal instruments in a difference GMM estimation setup (following Arellano and Bond, 1991). This estimator however frequently produces instable results. There is little theoretical guidance on how to choose the matrix of instruments, and the results frequently depend on this choice.

14 For the World Bank, part of these data were lacking so they use the number of programs and projects negotiated instead.

Dreher and Rupprecht (2007) and Knedlik and Kronthaler (2007) focus on changes in economic freedom as the dependent variable but do not try to separate different channels of influence by donors and only investigate the IMF. Both studies find that IMF involvement reduces economic freedom. While Dreher and Rupprecht show that IMF programs reduce economic freedom, Knedlik and Kronthaler report similar results for IMF disbursements using changes in the Heritage Foundation's IEF index rather than the Fraser Institute's EFW index. The estimated effect of the IMF in Dreher and Rupprecht is sizable: over a five-year period, one IMF program reduces the EFW index by 0.22 to 0.83 points, on average. Given the average yearly change of 0.2 points across the sample, this is a substantial impact, which could result from the softening of the budget constraint due to support from the IMF.

Overall, there is some evidence in support of the claim that the IMF reduces economic freedom. According to Knedlik and Kronthaler (2007), however, the effect is not significant when a comprehensive set of control variables is included. Moreover, Knedlik and Kronthaler do not attempt to use instruments for aid to correct for the possibility of endogeneity. They use the Heritage Institute's IEF index, which has the advantage of being available annually since 1995. Still, it is methodologically unwise to focus on yearly changes of freedom: the effect of aid on freedom can hardly be expected to be immediate and the underlying data used to construct the indices do not sharply refer to one particular year. Dreher and Rupprecht (2007) alleviate this problem by using 5-year instead of 1-year intervals. They do not, however, control for the size of programs. Therefore, a more detailed assessment of the channels through which aid reduces economic freedom is not possible with the existing studies.

3.2 The effect of aid on individual dimensions of economic freedom

A number of studies investigate the effect of aid on individual dimensions of economic freedom. The Fraser Institute's EFW index covers the size of government and taxation, private property and the rule of law, soundness of money, trade regulation and tariffs, regulation of business, and labor and capital markets. The Heritage Foundation's IEF index examines freedom in ten categories: business, trade, fiscal burden, government spending, monetary policy, investment, finance, labor, as well as secure property rights and absence of corruption. When investigating individual dimensions of freedom, some researchers use the sub-indices provided in the EFW and IEF indexes, while others investigate the effect of aid focusing on selected variables taken from their original sources.[15]

The following section begins with a discussion of the evidence regarding the effects of bilateral aid on economic freedom, including its effects on governance, the size of specific sectors of the economy, corruption, the size of government, and the costs of trade. Thereafter, we turn to the effects of multilateral aid.

Bilateral aid

Bräutigam (2000) investigates the effect of aid on governance. She uses the quality-of-governance index from the International Country Risk Guide (ICRG) for the period from 1982 to 1995 and finds a negative relation to bilateral aid. This finding

15 We do not cover studies investigating the effect of aid on democracy, which can be considered as one aspect of economic freedom, but predominantly belongs to the area of political freedom.

is supported by Knack (2001) and Bräutigam and Knack (2004), who also use the ICRG data and find that higher ODA is associated with larger declines in the quality of governance. Rajan and Subramanian (2007) show that governance-dependent industries grow more slowly in countries that receive large amounts of aid. Busse and Gröning (2009) use a composite governance indicator, computed with ICRG data. Using system GMM and a panel that consists of 106 countries for the period from 1984 to 2004, the effect of ODA on governance is robustly negative throughout their regressions.

More directly related to economic freedom is Rajan and Subramanian (2011). They argue that manufacturing industries, particularly the traded-goods sector, are subject to high international competitive pressure. Hence, this sector is a strong political force pushing governments to pursue liberal economic policies. If aid is supposed to increase economic freedom, it should come with an increase in the share that these industries have in the economy. Their results show, however, that aid reduces the share of manufacturing. One reason they suggest for this is Dutch Disease, according to which inflows of aid cause a real exchange-rate appreciation through rising wages in the affected sectors. Rajan and Subramanian (2011) show that ODA reduces the share of labor-intensive and tradable industries compared to other industries, which are less likely to be affected by aid inflows. Nevertheless, the relation of these industries to economic freedom is not entirely clear. Industries under competitive pressure might also push for supporting measures like export subsidies, which undermine economic freedom.

Corruption can be more directly related to decreases in economic freedom. In the Fraser Institute's EFW index, it affects the legal-structure component, the security of property rights, and parts of business regulation. The literature on aid and corruption has not converged to a commonly accepted result. Tavares (2003) uses the ICRG indicator of perceived corruption for a panel of non-OECD recipients with 200 observations and finds that bilateral aid significantly decreases corruption, at the 5% level. The effect is larger when he uses the inverse of the bilateral distance to the donor and three dummy variables for common land border, same majority religion, and same official language as instruments for aid. The result is in line with Alesina and Weder (2002), who suggest that increases in aid tend to be associated with an increase in corruption. Svensson (2000) presents similar results for ethnically diverse recipient countries in which social groups compete over common-pool resources.

More recently, Okada and Samreth (2012) support this finding for a sample of 120 developing countries for the period from 1995 to 2009. Okada and Samreth measure corruption using the *Worldwide Governance Indicators* (Kaufmann, Kraay, and Mastruzzi, 2009) that capture perceptions of how much public power is exercised for private gains. This study concludes that aid reduces corruption overall, significant at the 1% level, an effect that is stronger in countries with already lower levels of corruption. The effect of aid on corruption, however, depends on the donor. For example, Japanese aid was shown to reduce corruption, while aid from the United Kingdom and the United States increased corruption. These results point to the importance of disaggregated analyses. Clearly, countries differ in the degree to which they provide aid for strategic purposes or attach conditions to their aid. Empirically, it seems hard to justify pooling all donors and restricting the coefficient of aid on freedom to be the same. These findings thus highlight the importance of a more nuanced look at the origin of aid in future research.

In addition to the origin of aid, its destination also seems to matter. Asongu (2012) focuses on Africa, where the negative effect of ODA on corruption does not hold, based on regressions for 52 countries in the period from 1996 to 2010. His dependent variables are the "control of corruption" index from the World Bank and the "corruption perception" index from Transparency International. He uses contemporaneous rather than lagged values of aid and levels instead of changes in economic freedom. His use of yearly data instead of longer-term averages makes the results prone to short-term economic fluctuations. Asongu employs the system GMM estimator to address the endogeneity of aid and alternatively uses legal origin, income levels, and religious denominations as external instruments. These variables could well be directly related to corruption levels, however. Both sets of regressions show similar results: When the sample is restricted to sub-Saharan Africa, ODA increases corruption.

Another important component of economic freedom is the size of government. Using data from the World Development Indicators for the period from 1970 to 1999, Remmer (2004) finds that bilateral aid increases government spending as a share of GDP, significant at the 5% level. He does not address the potential endogeneity of aid. The robustness of the positive relation between aid and government spending is supported by the results of an Extreme Bound Analysis (EBA), which tests for the sensitivity of the impact of aid towards changes in the set of control variables. With the data in Remmer (2004), it is not possible to distinguish government spending on infrastructure from those on consumption, whose effects on economic freedom might arguably differ. Boone (1996) separates the two. He finds that aid increases government consumption, but not investment. His sample, however, only extends until 1990, the end of the Cold War.

Regarding freedom to trade, Cali and te Velde (2011) assess the effect of bilateral aid on the costs of trade, taken from the World Bank's "Doing Business Indicators." Rather than looking at aggregate measures, Cali and te Velde focus on the effect of a particular type of aid (aid for trade) on a particular area of economic freedom (freedom to trade). Their fixed-effects estimations include a time trend, which captures country-specific trends in trade costs. As instruments for aid, they use political proximity measured by the voting similarity between donor and recipient in the United Nations General Assembly (UNGA) and the degree of civil liberties. Their results suggest that this type of aid reduces trading costs. The data refer to a comparably short period of time (2005–2009), however, and the use of 1-year periods does not allow them to evaluate the more interesting medium- to long-term consequences of aid. Still, if at least parts of aid are not fungible, their approach of looking at specific types of aid rather than all aid, and linking it to a specific outcome might more easily allow detecting causal effects, which might be blurred when using more aggregate measures.

The effect of bilateral aid on regulation was examined in Kilby (2005), using the respective component of the Fraser Institute's EFW index for the period from 1975 to 1995. Kilby uses the levels of the regulation component and finds that EDA reduces the regulatory burden. He uses contemporaneous values of aid and levels of aid and regulation. The recipient's population size is used as an instrument for aid; the time dimension of the data is not accounted for. His results are disputed by Coviello and Islam (2006), who show that the level and changes in ODA as a percentage of GDP reduce legal security and property rights (at the 10% level) and increase regulation (at the 1% level) in the period from 1970 to

2000. They address potential endogeneity by using the system GMM estimator and alternatively use a comprehensive set of external instruments following Rajan and Subramanian (2005).

Coviello and Islam (2006) show that other dimensions of economic freedom—bureaucratic quality, law and order, risk of expropriation, repudiation risk, and corruption (taken from the ICRG)—are not robustly affected by aid. The robust relationship of aid on regulation might imply that aid enables governments to enlarge their influence on the economy. Legal security can be negatively affected if large amounts of aid encourage rent seeking and criminal activities.

Ear (2007) also focuses on regulatory quality (and political stability). He finds that ODA reduces regulatory quality and political stability in the period from 1996 to 2004, significant at the 5% level. More aid can increase the probability of military coups and civil wars, as it makes holding government more attractive (de Ree and Nillesen, 2009). While the effect of aid on regulation and stability prevails in a cross-sectional analysis only, the negative effect of aid on the rule of law remains significant at the 10% level in a fixed-effects panel specification, using infant mortality as an instrument for aid. As Ear (2007) describes for the case of Cambodia, ill-suited legal advice by foreign experts without detailed knowledge about the recipient country might deteriorate the rule of law. Existing traditional land-use systems could, for example, be replaced by more complicated laws. This can provide an opportunity for the well-informed and better-connected to exploit the poor who cannot afford legal advice.

Multilateral aid

In assessing the effects of multilateral aid on economic freedom, Boockmann and Dreher (2003) examine each component of the Fraser Institute's EFW index in isolation. Their motivation is that the World Bank and the IMF only include some of the components of the overall index as conditions for granting new loans, while other components are never made a condition. In relation to the composite freedom index, the absence of an effect of IMF involvement, for instance, may simply mean that the EFW index does not appropriately represent the policy goals of the IMF, rather than being evidence for the ineffectiveness of the Fund. Hence, there might be an effect on some areas of economic freedom but not on others. Boockmann and Dreher's results for the components, however, are similar to the findings for the composite index. In cases where the effects are significant, World Bank credit is in most cases negatively correlated with economic freedom, the only exception being the use of non-tariff restraints. World Bank credit was shown to have a significantly negative effect on three sub-indexes for the whole period and on eleven sub-indexes after 1990. It appears that World Bank money induces countries to have less private ownership of banks, and a higher level and standard deviation of inflation. For the IMF, Dreher (2005) found arrangements under the IMF Standby and Extended Fund Facility to have a strong negative effect on the rate of monetary growth for the pre-1990 period. Such a decline in monetary growth is usually followed by lower inflation, which effectively increases economic freedom. When Boockmann and Dreher (2003) look at the post-1990 period separately, policies concerning the freedom to own currency accounts abroad, the black-market premium, private ownership rights, enforcement of contracts, as well as policies concerning the financial system are all influenced in the "wrong" direction by the amount of World Bank credit.

The number of World Bank programs, however, increases economic freedom, in particular for the category of variables relating to the legal system (only in the 1990s).[16] These topics are frequently covered under the Bank's structural conditionality. The number of programs are also found to increase the difference between the official and the black-market exchange rate. Although the Bank does not directly condition its loans on exchange-rate devaluations, some adjustment programs aim at liberalizing the exchange rate. Consequently, overvalued currencies may devalue, which decreases the black market premium (and increases economic freedom ratings). The World Bank's activities are also related to the use of conscripts in national defense forces (which is rather surprising), and interest-rate controls (only for the 1990s). Hence, the overall effect of a World Bank presence in a country negatively depends on the amount of credit, and positively depends on the number of programs. Arguably, the number of programs can increase the extent of conditionality and the amount of contact between donors and recipients, and thus aid the transfer of knowledge.

Dreher and Rupprecht (2008) focus on changes in economic freedom and the average number of IMF programs in the previous five-year period. According to their results, the number of programs has no significant impact on the size of government and access to sound money. This might be due to the potential positive effects that are achieved by privatization and other conditions, which are curbed by adverse effects like the softening of the budget constraint. IMF programs, however, significantly prevent reforms of the legal structure and security of property rights, with a coefficient significant at least at the 5% level. When the endogeneity of IMF programs is taken into account (via system GMM estimation), IMF programs also delay reforms of exchanges with foreigners, at the 5% level of significance. As for regulation of credit, labor, and business, the negative coefficient is marginally insignificant once controlled for economic growth and significant at the 5% level otherwise (estimated with Feasible GLS). In other words, according to Dreher and Rupprecht the overall effect of the IMF on economic freedom is negative in some important areas.

Mukherjee and Singer (2010), report a positive effect of IMF loans on capital account liberalization, measured by a continuous index derived from four indicators reported in the IMF's *Annual Report on Exchange Arrangements and Exchange Restrictions*. They use a Heckman selection model to correct for selection bias. The model takes into account that a country is more likely to liberalize its capital account when its neighbors do the same. In their second stage regression, they regress capital account liberalization on IMF loan volumes, an interaction between IMF loans and welfare spending and a number of control variables. They argue that liberal reforms are politically costly and more likely when the potential losers are somehow compensated. Governments in favor of capital account liberalization, but lacking political bargaining power, can use the IMF's conditions as political cover to implement these reforms. Their regressions for a panel of 87 countries over the period from 1975 to 2002 yield a significant positive interaction effect (at the 1% level). The marginal effect of IMF loans is positive and significant at the 5% level for all levels of welfare spending. Therefore, IMF loans seem to ease the implementation of reforms if the money is at least partly used to compensate potential losers.

16 In line with this, Okada and Samreth (2012) show that aid from multilateral organizations reduces corruption.

Biglaiser and DeRouen (2011) focus on Latin America. They find that participation in an IMF program increases trade and promotes capital-market reforms, at the 1% level of significance (for 12 countries over the period from 1980 to 2003). IMF conditions in that period often pushed free trade. Governments can blame the IMF as a scapegoat for these reforms, which decreases their political costs of implementing the reform. On the other hand, IMF programs often aim to foster privatization in an attempt to increase productivity. The results show that in Latin America IMF programs reduced privatization efforts. This is in line with the hypothesis that inefficient structures are more likely to survive with IMF credit because the pressure to reform is reduced (Dreher and Rupprecht, 2007). Therefore, the IMF can be seen as having a negative effect on economic freedom in most areas, while enhancing freedom in some (mostly capital markets and sometimes freedom to trade). However, the lack of a common framework makes it impossible to know whether the differences in results arise from the different dimensions of economic freedom under consideration or differences in samples and methods.

4 Conclusion

Does aid buy economic freedom? The literature does not provide a clear answer. The majority of studies have focused on individual dimensions of economic freedom. Most of the studies that examined individual dimensions did not look at the pre- and post-Cold-War period separately, even though development paradigms changed fundamentally during the 1980s (Hodler and Dreher, 2012). There is, however, evidence that Official Development Aid in general leads to a deteriorating quality of governance. The effect on perceived corruption differs among donors. Bilateral aid seems to have negative effects on measures of legal quality, regulatory quality, and government spending. It has been suggested that most of this increase in spending is targeted towards consumption, an effect that is yet to be verified for the post-Cold-War period. Aid given to strengthen trade decreases the costs of trading, which effectively increases economic freedom. Given the large differences in the choice of control variables and persistent problems with the endogeneity of aid, however, these results can only be preliminary.

For multilateral aid, the empirical results suggest that international financial organizations can increase freedom. This positive effect most likely comes from conditionality and the information transmission between donor and recipient. This effect was found to diminish or even turn negative with increases in loan amounts. The international financial institutions' influence differs across areas of economic freedom. The IMF is more successful in promoting trade or capital reform than in promoting privatization, at least in Latin America. There is some evidence that the Fund provides recipient governments with the necessary political bargaining power to implement liberal capital-account reforms, increasing economic freedom.

The effect of aid on overall economic freedom measured by composite indices remains disputed. In the post-Cold-War era, economic freedom tends to increase with aid, while the effect of aid on freedom tends to be negative during the Cold War. This is in line with the observation that the bulk of donors supported an inward-looking development paradigm until the mid-1980s (Hodler and Dreher, 2012). Moreover, some studies reveal the importance of looking at different donor countries and recipient regions separately.

Overall, the lack of a unified framework is obvious. There have been attempts to control for the endogeneity of aid, with instrumental variable estimators (e.g.,

Heckelman and Knack, 2008) or by using the System GMM estimator (e.g., Dreher and Rupprecht, 2007; Coviello and Islam, 2006). Most studies have tested for the sensitivity of their results with regard to some dimensions: the choice of the aid variable and time period (e.g., Bearce and Tirone, 2010), the choice of estimation method (Ear, 2007) or the choice of control variables (Remmer, 2004). Given the different periods under investigation, methods of estimation, and sets of control and instrumental variables, it is impossible to know what drives the differences in results. Ideally, a unified framework should be thoroughly assessed by separately varying each of these components, and comparing the results.

First, future studies should start with a clear theory establishing which donor is likely to promote or restrict a specific component of economic freedom at which period in time, and with which aid instrument. Clearly, some donors are more likely to target economic freedom than others, and are more likely to do so at certain times than at others. Donors might also differ in their effectiveness in achieving recipient cooperation. On the recipient side, distinguishing between recipient regions might also reveal differing effects of aid inflows. Additional research on the different channels by which aid can affect freedom is needed. The theoretical literature has identified the direct effect of money and conditions, and indirect effects like moral hazard and scapegoat effects as potential channels. Their proper identification is difficult given the data at hand.

Second, future studies should take the existing set of control variables as a starting point to ensure comparability. An important avenue for improvement is a careful test for robustness. The literature applies Extreme Bounds Analysis or Bayesian Averaging of Classical Estimates to test for the robustness of particular variables in similar settings (e.g., Lamla, 2009; Gassebner et al., 2011). These methods could easily be applied to the impact of aid on economic freedom.

Finally, properly controlling for the potential endogeneity of aid to freedom provides an important avenue for additional research. The existing literature on aid and growth can provide useful guidance in this respect. Many instruments that are exogenous to economic growth might be exogenous to economic policies as well. Rajan and Subramanian (2005), for example, who model the supply side of aid, could be used as a starting point for the choice of instruments. They suggest the relative size of the donor compared to the recipient as a proxy for donor influence and colonial origin for the existence of a common history. Political variables like temporary membership in the United Nations Security Council (Kuziemko and Werker, 2006; Dreher et al., 2009a, 2009b) or voting in line with donors in the United Nations General Assembly (Carter and Stone, 2010) might also prove useful.

Overall, future research should address the problems prevailing in the literature, and try to provide a more nuanced view of the effects of aid on economic freedom. Considering that the current way of providing and conditioning aid seems to have (at least partly) adverse effects on economic freedom, this is an important endeavor. Researchers need to begin with a clear definition of each of the components involved, including the type of aid given and the component of economic freedom to be assessed. Moreover, they need to be aware of the problems in assessing the effect of aid across different time periods due to changing aid paradigms. Only with a unified framework that takes account of the issues outlined above is it possible to derive practical policy implications and augment the existing knowledge on whether or not aid affects economic freedom.

Appendix: Selected studies on the relationship between aid and economic freedom

This Appendix covers studies that use economic freedom as a dependent variable. That includes the overall index, but also individual dimensions like the rule of law or size of government. While corruption and other dimensions of governance can also be considered measures of economic freedom, the relation is less direct and we do not cover these studies in the Appendix. We admit that this choice can sometimes appear arbitrary.

Data	Dependent variable	Independent variables	Results
Biglaiser and DeRouen Jr. (2011)			
15 Latin American countries 1980–2003 (annual data) 353 observations ML treatment effects regression	Trade index Financial reform index Privatization index Tax reform index Capital account index (changes, indexes from Morley et al., 2003)	Binary IMF SBA-program participation dummy Affinity with US on UN votes SBA * affinity with US on UN votes Government ideology GDP p.c. GDP p.c. growth rate Democracy from Polity IV data Age of regime, chief executive party tenure Number of years since last election Total reserves Inflation measured by CPI Country and time fixed effects Instrument for participation: Number of years country is under IMF program	In a two-stage model, IMF programs have a positive effect on trade and capital reform, but a negative effect on privatization. With OLS, IMF programs positively affect trade reform. Affinity with the US influences the effect of the program on reform. The "honeymoon effect," i.e., the number of years since the last election, has a positive effect on reform implementation. Leftist governments are less likely to introduce capital liberalization and privatization measures.
Bearce and Tirone (2010)			
1975–2000 (5-year intervals) 181–408 observations OLS	Economic freedom (Fraser Inst.), change Other variables not shown	Net amount of bi- and multilateral development assistance from Western countries (t-1), change Initial economic freedom GDP and GDP p.c. Population growth Democratic transition dummy (Polity IV) External and internal military conflict dummy Regional and time fixed effects	Regards aid as a "bribe" to the recipient government to encourage economic reforms. Aid was unrelated to economic freedom before 1990, but positively related in the post-1990 period. A possible reason is that, after the end of the Cold-War era, Western donor governments can more credibly threaten to stop aid when conditions are not fulfilled.
Heckelman and Knack (2008)			
50–91 countries 1980–2000, (20-year intervals) Cross-section, OLS, and 2SLS	Economic freedom (Fraser Inst.), individual components, change	ODA/GNI or ODA p.c. (20 year average) Initial economic freedom Initial GDP p.c. and av. GDP p.c. growth Linguistic fractionalization Democracy Initial level and change in democracy (Freedom House) Instruments for aid: Life expectancy Sectorial composition of economy Population size	With OLS, average aid/GDP for the years 1980–2000 negatively and mostly sig. affects economic freedom; aid for the years 1990–2000 has no sig. effect. With 2SLS, the coefficients are similar but larger, and exhibit higher significance levels. The effect is larger for Sub-Saharan and high-aid countries; not sig. for low-aid countries. Aid Type did not play a role. The only single, negative coefficient was for government size. The results seem to be influenced by extreme values. Moreover, there are signs that the effect of aid is non-linear.

Data	Dependent variable	Independent variables	Results
Knedlik and Kronthaler (2007)			
104 countries 1995–2004 Random-effects model	Economic freedom (Heritage), change	(ODA) p.c. or official aid (OA) p.c. IMF disbursements, p.c. GDP p.c. growth rate Terms of trade Political rights Percent of fuel exports School enrolment	In all regressions, the IMF disbursements sign. decrease economic freedom. It is mainly fiscal burden and trade policy that deteriorate, as taxes are increased instead of expenditures cut. Aid in general increases economic freedom in 7 out of 8 regressions. However, it is insig. when all control variables are included and for a Sub-Saharan subsample.
Dreher and Rupprecht (2008)			
106–109 countries 1970–2000 446–523 observations (5-year intervals) FGLS and GMM	Economic freedom (Fraser Inst.), individual components, change	Number of IMF programs (t-1) Initial economic freedom GDP p.c. growth Linguistic fractionalization Civil liberties (initial and change) Aid/GDP	IMF programs reduce economic freedom with FGSL and GMM. There is a negative impact of IMF programs on legal security and property rights and freedom to trade. Regulation of credit, labor, and business is negatively affected when using FGLS and not controlling for growth. Other aid has no effect with GMM and is negative with FGSL only if not controlling for GDP p.c. growth.
Ear (2007)			
155 countries, 1996–2004 (2-year intervals) 750 observations OLS, 2SLS, fixed- and random-effects model	Voice and accountability Political stability Government effectiveness Regulatory quality Rule of law Control of corruption (from Kaufmann et al., 2005)	Net ODA plus OA/ GNI (t-1, 5-year average) GNI Initial dependent variable Population Instruments for aid: Infant mortality in 1980 Log (initial GDP) and log (initial population) Franc zone and Central America dummy	In a cross-section analysis, aid reduces government effectiveness and control of corruption. When being instrumented with 2SLS, rule of law, regulatory quality, and political stability are also reduced by aid. With a fixed-effects panel model, aid reduces regulatory quality and rule of law if it is not instrumented. When looking at technical assistance and aid separately, both reduce the rule of law.
Coviello and Islam (2006)			
104–176 countries 1970–2002 (5-year intervals) 602–1500 observations, OLS, 2SLS, Difference and System GMM	Regulation and legal security & property rights (part of economic freedom, Fraser Inst.), change Bureaucratic quality, law and order, expropriation risk, repudiation risk and corruption (ICRG, 1984–2002 annually), change Financial assets kept in the banking system, change	EDA/GDP, level and change Initial level of dependent variable Initial or current level of GDP Legal origin Latitude Settler mortality rates Ethnic fractionalization Openness to trade Population Time fixed effects Instruments for aid: Lag of GDP p.c. and log of population Ex-colonies and regional dummies	With OLS, the most robust empirical relationship is between higher aid and more regulation. Legal security and property rights are also negatively affected by aid, but only when aid is not instrumented. All other indicators are not robust to different specifications or change when there is a large set of control variables. The past level of institutional quality had the largest influence on the change in, and the current, institutional quality. With a 1- or 2-step difference-GMM estimator, there was no sign. connection between aid and the institutional dependent variables.

Data	Dependent variable	Independent variables	Results
Kilby (2005)			
71 countries 1975–1995 235–306 observations (5-year intervals) Cross-section, OLS and 2SLS	Regulation area of economic freedom (Fraser Inst.), level	EDA/ GDP, level Initial level of dependent variable Initial level of GDP per capita Ethno-linguistic fractionalization in 1960 Share of imports that is military equipment Franc zone dummy Regional dummies Instrument for aid: Population	Higher aid levels are related to lower levels of regulation, both if aid is being instrumented and if not. Excluding all potential outliers, there is no significant effect. There is some evidence that aid is targeted towards more regulated economies.
Powell and Ryan (2005)			
79 countries 1970–2000 173–476 observations (5- and 10-year intervals) Fixed-effects estimations	Economic freedom (Fraser Inst.), level Economic freedom (Fraser Inst.), change Economic freedom (Fraser Inst.), change	Specification 1 and 2: ODA/GNI or ODA/government expenditure (previous 5- or 10-year averages), level Ex-communist dummy GNI p.c. Specification 3: Changes in Aid/GNI or aid/government expenditure (previous 5- or 10-year averages), changes Ex-communist dummy GNI p.c., changes	In specification 1, both measures of aid had significant and negative coefficients. In specification 2, aid was mainly insig., but three times sign. and positive for the 10-year average Aid/GNI measure. With specification 3, the aid measures have negative but insignificant coefficients. The authors conclude that improvements in economic freedom have no effect on aid in the subsequent period when controlling for GDP.
Boockmann and Dreher (2003)			
85 countries 1970–1997 192–404 observations (5-year intervals) Fixed-effects and Aranello-Bond GMM	Economic freedom (Fraser Inst.), level	Sum of credits and number of projects World Bank and IMF (t-1) Military rule dummy Exports into industrial countries Technical assistance Secondary-school enrollment Radios per capita Post-1990 dummy	The number of World Bank (WB) projects increases economic freedom, but the sum of WB credit decreases economic freedom. The sum of IMF loans has on average no significant effect. The effects of both IMF and World Bank vary for different components of economic freedom, and the sign. positive and negative effects are mainly after 1990.
Boone (1996)			
1971–1990 96 countries (10-year average), countries with aid share ≤15% of GNP; excludes OPEC countries and Israel	Government consumption Black-market premium Indirect taxes/GNP Inflation tax rate (change in GDP deflator/100)	Net ODA/ GNP (t-1) GNP p.c. and GNP p.c. growth rate Regional dummies Instruments for aid: Political proxies: friend of US, of OPEC, of France Log of population	There is a significant positive effect of foreign aid on government consumption. There is no sign. effect on the black market premium, the share of indirect taxes or the change in the GDP deflator.

References

Alesina, A. (2003). The Size of Countries: Does It Matter? *Journal of the European Economic Association* 1, 2: 301–316.

Alesina, A., and D. Dollar (2000). Who Gives Foreign Aid to Whom and Why? *Journal of Economic Growth* 5, 1: 33–63.

Alesina, A., and B. Weder (2002). Do Corrupt Governments Receive Less Foreign Aid? *American Economic Review* 92, 4: 1126–1137.

Arellano, M., and S. Bond (1991). Some Tests of Specification for Panel Data: Monte Carlo Evidence and an Application to Employment Equations. *The Review of Economic Studies* 2, 58: 277–297.

Asongu, S. (2012). On the Effect of Foreign Aid on Corruption. Working paper, MPRA Paper No. 36545 (February). University of Munich.

Bauer, P.T. (1991). *The Development Frontier: Essays in Applied Economics*. Harvard University Press.

Bearce, D.H., and D.C. Tirone (2010). Foreign Aid Effectiveness and the Strategic Goals of Donor Governments. *The Journal of Politics* 72, 3: 837–851.

Berggren, N. (2003). The Benefits of Economic Freedom: A Survey. *The Independent Review* 8, 2: 193–211.

Bermeo, S.B. (2008). Foreign Aid, Foreign Policy, and Strategic Development. Dissertation. Department of Politics, Princeton University.

Biglaiser, G., and K. DeRouen (2011). How Soon Is Now? The Effects of the IMF on Economic Reforms in Latin America. *The Review of International Organizations* 6, 2: 189–213.

Boockmann, B., and A. Dreher (2003). The Contribution of the IMF and the World Bank to Economic Freedom. *European Journal of Political Economy* 19, 3: 633–649.

Boone, P. (1996). Politics and the Effectiveness of Foreign Aid. *European Economic Review* 40: 289–329. Correct citation is:

Bräutigam, D. (2000). *Aid Dependence and Governance*. Expert Group on Development Issues.

Bräutigam, D., and S. Knack (2004). Foreign Aid, Institutions, and Governance in Sub-Saharan Africa. *Economic Development and Cultural Change* 52, 2: 255–285.

Busse, M., and S. Gröning (2009). Does Foreign Aid Improve Governance? *Economics Letters* 104, 2: 76–78.

Cali, M., and D.W. te Velde (2011). Does Aid for Trade Really Improve Trade Performance? *World Development* 39, 5: 725–740.

Carlsson, F., and S. Lundström (2002). Economic Freedom and Growth: Decomposing the Effects. *Public Choice* 112, 3: 335–344.

Carter, D.B., and R.W. Stone (2010). Sincere or Strategic? U.S. Aid Disbursements and Voting in the United Nations General Assembly. Unpublished paper prepared for presentation at the conference, The Political Economy of International Organizations, ETH and University Zurich (January 2011).

Clemens M.A., S. Radelet, R.R. Bhavnani, and S. Bazzi (2012). Counting Chickens When They Hatch: Timing and the Effects of Aid on Growth. *The Economic Journal* 122: 590–617.

Coviello, D. (2006). *Does Aid Help Improve Economic Institutions?* World Bank Policy Research Working Paper 3990 (August).

Crawford, G. (2001). *Foreign Aid and Political Reform: A Comparative Analysis of Democracy Assistance and Political Conditionality* (1st ed.). Palgrave.

Cummings, J.T. (2000). *Economic Freedom Indices: Their Use as Tools for Monitoring and Evaluation*. SCS Working Paper 00/01: 1–64.

Dawson, J. (2003). Causality in the Freedom–Growth Relationship. *European Journal of Political Economy* 19, 3: 479–495.

De Haan, J., S. Lundström, and J.-E. Sturm (2006). Market-Oriented Institutions and Policies and Economic Growth: A Critical Survey. *Journal of Economic Surveys* 20, 2: 157–181.

De Haan, J., and J.-E. Sturm (2000). On the Relationship between Economic Freedom and Economic Growth. *European Journal of Political Economy* 16: 215–241.

Doucouliagos, H., and M. Paldam (2009). The Aid Effectiveness Literature: The Sad Results of 40 Years of Research. *Journal of Economic Surveys* 23, 3: 433–461.

Drake, P. (1998). The International Causes of Democratization. In P. Drake and M. McCubbins, eds., *The Origins of Liberty: Political and Economic Liberalization in the Modern World* (Princeton University Press): 70–91.

Dreher, A. (2005). Does the IMF Influence Fiscal and Monetary Policy? *The Journal of Policy Reform* 8, 3: 225–238.

Dreher, A. (2009). IMF Conditionality: Theory and Evidence. *Public Choice* 141, 1-2: 233–267.

Dreher, A., and A. Fuchs (2011). *Rogue Aid? The Determinants of China's Aid Allocation*. Courant Research Centre "Poverty, Equity and Growth" Discussion Paper 93, University of Goettingen (September).

Dreher, A., P. Nunnenkamp, and R. Thiele (2011). Are "New" Donors Different? Comparing the Allocation of Bilateral Aid between NonDAC and DAC Donor Countries? *World Development* 39, 11: 1950–1968.

Dreher, A., and S. Rupprecht (2007). IMF Programs and Reforms—Inhibition or Encouragement? *Economics Letters* 95, 3: 320–326.

Dreher, A., J.-E. Sturm, and J.R. Vreeland (2009a). Development Aid and International Politics: Does Membership on the UN Security Council Influence World Bank Decisions? *Journal of Development Economics* 88: 1–18.

Dreher, A., J.-E. Sturm, and J.R. Vreeland (2009b). Global Horse Trading: IMF Loans for Votes in the United Nations Security Council. *European Economic Review* 53: 742–757.

Dreher, A., and R. Vaubel (2004). Do IMF and IBRD Cause Moral Hazard and Political Business Cycles? Evidence from Panel Data. *Open Economies Review* 15: 5–22.

Dreher, A., and S. Walter (2010). Does the IMF Help or Hurt? The Effect of IMF Programs on the Likelihood and Outcome of Currency Crises. *World Development* 38, 1: 1–18.

Ear, S. (2007). Does Aid Dependence Worsen Governance? *International Public Management Journal* 10, 3: 259–286.

Easterly, W.R., and I. Ebrary (2002). *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT press.

Edwards, S. (2012). *Is Tanzania a Success Story? A Long Term Analysis*.NBER Working Paper No. 17764 (January).

Esarey, J. (2012). Overconfidence in Testing of Interaction Hypotheses: Determining and Controlling the False Positive Rate. Working paper. <http://jee3.web.rice.edu/interaction-overconfidence.pdf>.

Feinberg, R.E. (2006). Presidential Mandates and Ministerial Institutions: Summitry of the Americas, the Organization of American States (OAS) and the Inter-American Development Bank (IDB). *The Review of International Organizations* 1, 1: 69–94.

Fuchs, A., and K.C. Vadlamannati (2012). The Needy Donor: An Empirical Analysis of India's Aid Motives. Mimeo. Department of Economics, Heidelberg University.

Gassebner, M., M. Lamla, and J.-E. Sturm (2011). The Inverse Domino Effect: Are Economic Reforms Contagious? *International Economic Review* 52, 1: 183–200.

Gehring, K. (2012). *Benefit or Burden? Unraveling the Effect of Economic Freedom on Subjective Well-Being*. Discussion papers series no. 531. Heidelberg University, Department of Economics. <http://www.uni-heidelberg.de/md/awi/forschung/dp531.pdf>.

Goldsmith, A. (1997). Economic Rights and Government in Developing Countries: Cross-National Evidence on Growth and Development. *Studies in Comparative International Development* 32, 2: 29–44.

Gwartney, J., J. Hall, and R. Lawson, with C.J. Coyne, J.W. Dawson, H. Feldmann, J. Levendis, R.S. Sobel, and E.P. Stringham (2010). *Economic Freedom of the World: 2010 Annual Report*. Fraser Institute.

Haggard, S., and S.B. Webb (1994). *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*. World Bank and Oxford University Press.

Harms, P., and M. Lutz (2004). The Macroeconomic Effects of Foreign Aid: A Survey. Discussion Paper no. 2004-11 (September). University of St. Gallen.

Heckelman, J.C., and S. Knack (2008). Foreign Aid and Market-Liberalizing Reform. *Economica* 75, 299: 524–548.

Hodler, R., and A. Dreher (2012). Development (Paradigm) Failures. *Journal of Development Economics*, forthcoming.

Kaufmann, D., A. Kraay, and M. Mastruzzi (2009). *Worldwide Governance Indicators*. World Bank. <http://info.worldbank.org/governance/wgi/index.asp>.

Kilby, C. (2005). Aid and Regulation. *The Quarterly Review of Economics and Finance* 45, 2-3: 325–345.

Kilby, C. (2009). The Political Economy of Conditionality: An Empirical Analysis of World Bank Loan Disbursements. *Journal of Development Economics* 89, 1: 51–61.

Kilby, C., and A. Dreher (2010). The Impact of Aid on Growth Revisited: Do Donor Motives Matter? *Economics Letters* 107, 3: 338–340.

Knack, S. (2001). Aid Dependence and the Quality of Governance: Cross-Country Empirical Tests. *Southern Economic Journal* 68, 2: 310–329.

Knedlik, T., and F. Kronthaler (2007). Aid and Economic Freedom: An Empirical Investigation Using the Heritage Index. *Journal of Development Perspectives* 3, 1: 116–135.

Kuziemko, I., and E. Werker (2006). How Much I s a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations. *Journal of Political Economy* 114, 5: 905–930.

Lamla, M. (2009). Long-Run Determinants of Pollution: A Robustness Analysis. *Ecological Economics* 69, 1: 135–144.

Lancaster, C. (2007). *Foreign Aid: Diplomacy, Development, Domestic Politics*. University of Chicago Press.

Miller, T., and K.R. Holmes (2011). *2011 Index of Economic Freedom*. Heritage Foundation and Dow Jones & Co. <http://www.heritage.org/index>.

Morley, S.A., R. Machado, and S. Pettinato (2003). *Indexes of Structural Reform in Latin America*. ECLAC—Economic Commission for Latin America and the Caribbean. Part of the project, Growth, Employment and Equity: Latin America in the 1990s (HOL/97/6034).

Mukherjee, B., and D.A. Singer (2010). International Institutions and Domestic Compensation: The IMF and the Politics of Capital Account Liberalization. *American Journal of Political Science* 54, 1: 45–60.

Norton, S.W. (1998). Poverty, Property Rights, and Human Well-Being: A Cross-National Study. *Cato Journal* 18, 2: 233–246.

Nowak-Lehmann, D.F., A. Dreher, I. Martínez-Zarzoso, D. Herzer, and S. Klasen (2012). Does Foreign Aid Really Raise Per-Capita Income? A Time Series Perspective. *Canadian Journal of Economics* 45: 288–313.

Oehler, H., A. Dreher, and P. Nunnenkamp (2012). Does Conditionality Work? A Test for an Innovative US Aid Scheme. *European Economic Review* 56: 138–153.

Okada, K., and S. Samreth (2012). The Effect of Foreign Aid on Corruption: A Quantile Regression Approach. *Economics Letters* 115, 2: 240–243.

Olson, M. (1965). *The Logic of Collective Action: Public Goods and the Theory of Groups*. Harvard University Press.

Paldam, M. (2003). Economic Freedom and the Success of the Asian Tigers: An Essay on Controversy. *European Journal of Political Economy* 19, 3: 453–477.

Powell, B., and M.E. Ryan (2006). Does Development Aid Lead to Economic Freedom? *Journal of Private Enterprise* 22, 1: 1–21.

PRS Group (various issues). *International Country Risk Guide*. <http://www.prsgroup.com/ICRG.aspx>.

Quinn, D., and M. Schindler (2011). Assessing Measures of Financial Openness and Integration. *IMF Economic Review* 59, 3: 488–522.

Rajan, R.G., and A. Subramanian (2005). Aid and Growth: What Does the Cross-Country Evidence Really Show? *The Review of Economics and Statistics* 90 (November): 643–665.

Rajan, R.G., and A. Subramanian (2007). Does Aid Affect Governance. *The American Economic Review* 97, 2: 322–327.

Rajan, R.G., and A. Subramanian (2011). Aid, Dutch disease, and Manufacturing Growth. *Journal of Development Economics* 94: 106–118.

Ratnam, C. (1996). *Trade Unions and Structural Adjustment*. Working paper, International Labour Office, Geneva.

Ree, J. de, and E. Nillesen (2009). Aiding Violence or Peace? The Impact of Foreign Aid on the Risk of Civil Conflict in Sub-Saharan Africa. *Journal of Development Economics* 88, 2: 301–313.

Remmer, K.L. (2004). Does Foreign Aid Promote the Expansion of Government? *Political Science* 48, 1: 77–92.

Roodman, D. (2007). The Anarchy of Numbers: Aid, Development, and Cross-Country Empirics. *The World Bank Economic Review* 21, 2: 255–277.

Rose, A.K. (2004). Do WTO Members Have More Liberal Trade Policy? *Journal of International Economics* 63, 2: 209–235.

Svensson, J. (2000). Foreign Aid and Rent-Seeking. *Journal of International Economics* 51, 2: 437–461.

Tavares, J. (2003). Does Foreign Aid Corrupt? *Economics Letters* 79, 1: 99–106.

Vasquez, I. (1998). Official Assistance, Economic Freedom, and Policy Change: Is Foreign Aid like Champagne? *Cato Journal* 18, 2: 275–286.

Vaubel, R. (1991). The Political Economy of the International Monetary Fund: A Public Choice Analysis. In Roland Vaubel and Thomas D. Willett, eds., *The Political Economy of International Organizations: A Public Choice Approach* (Westview Press): 204–244 .

White, H., and A.G. Dijkstra (2003). *Programme Aid and Development: Beyond Conditionality*. Routledge.

Chapter 6 How Institutions of Liberty Promote Entrepreneurship and Growth

Christian Bjørnskov and Nicolai J. Foss

Introduction

Because of its aggregate nature, much of the economics of growth seems "individualless," growth being driven by the accumulation of capital along equilibrium growth paths and/or fuelled by investments in research and development with (probabilistically) known outcomes. Yet, individuals, and particularly entrepreneurs, are central to the growth process, a process propelled by individuals who exercise their judgment in the recognition, evaluation, and exploitation of opportunities for profit in the face of uncertainty (Knight, 1921; Mises, 1949; Foss and Klein, 2012). There are rather large differences in the supply and allocation of entrepreneurial activity across countries and time (Blau, 1987; Blanchflower, 2000). For example, France and Australia differ dramatically with respect to formation of new firms. Given such stylized facts, two highly pertinent questions are: 1) how do institutions affect the supply of entrepreneurship; and 2) how is entrepreneurship linked to growth? These are the two overall questions that we deal with in this chapter, starting from and summarizing our own work (Bjørnskov and Foss, 2008, 2012). We answer both questions by arguing that entrepreneurship is a main mediator between institutions and growth.

Although Baumol (1990) rightly points out that entrepreneurial creativity need not necessarily be socially beneficial, new products, processes, ways of organizing—all essential aspects of the growth process—are outcomes of entrepreneurship (Schumpeter, 1911; Rosenberg, 1992). Recognizing this, economists have over the last two decades or so increasingly tried to integrate entrepreneurship with the economics of growth (Aghion and Howitt, 1998; Baumol, 1993; Wennekers and

* Christian Bjørnskov is from the Department of Economics and Business, Aarhus University, Aarhus, Denmark; Nicolai J. Foss is from the Department for Strategic Management and Globalization, Copenhagen Business School, Frederiksberg, Denmark and the Department of Strategy and Management, Norwegian School of Economics and Business Administration, Bergen, Norway.
This chapter draws on passages and sections in Bjørnskov and Foss, 2008 and 2012. Cite this chapter: Bjørnskov, Christian, and Nicolai J. Foss (2012). How Institutions of Liberty Promote Entrepreneurship and Growth. In James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World: 2012 Annual Report* (Fraser Institute): 247–270.

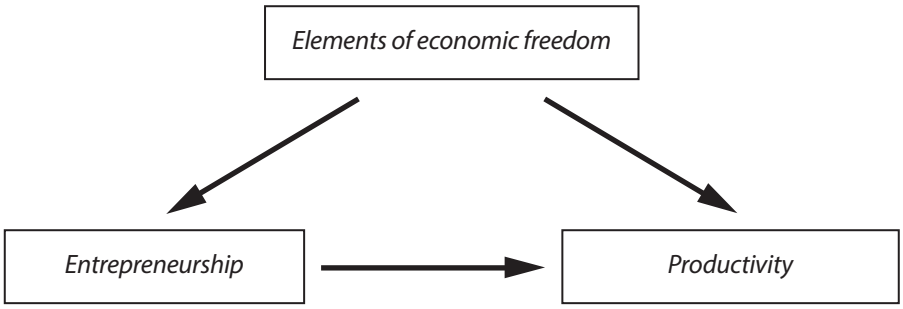
Thurik, 1999; Audretsch and Thurik, 2001). However, many gaps remain in our understanding of how entrepreneurship and economic growth are linked. For example, most research has focused on firms just starting up although established firms are perfectly capable of exercising entrepreneurship (Foss and Klein, 2012).

As a parallel development in the same time period, economists have increasingly looked for institutional and policy-related determinants of growth performance (e.g., Barro, 1991; Temple, 1999; Glaeser et al., 2004). Here, too, gaps remain, in particular with respect to the understanding of the transmission mechanisms between institutions and growth. This is not surprising: to the extent that entrepreneurship plays a significant role in this mechanism—and we trust few economists would disagree with this—we face the well-known difficulties of modeling the entrepreneurial function and measuring the incidence and effects of entrepreneurship (Bianchi and Henrekson, 2005).

In previous work, we have explored the links between institutions and entrepreneurship (Bjørnskov and Foss, 2008) and entrepreneurship and economic growth, with institutions playing a moderating role (Bjørnskov and Foss, 2012). We proffer a specific theoretical mechanism through which institutions affect growth. Thus, we build on the argument that transaction costs, which are to a large extent shaped by the institutional matrix of society (North, 1990), include the costs of entrepreneurs searching for, combining, adapting, and fitting heterogeneous resources in the pursuit of profit under uncertainty (cf. Matsusaka, 2001; Foss et al., 2007; Foss and Foss, 2008). The lower the transaction costs, the more such activity will take place (Agarwal et al., 2010). In turn, entrepreneurial experimentation with new combinations of heterogeneous resources is one of the drivers of growth. In related work, we have explored the reasons that the institutional matrix, and particularly measures of economic freedom, influences the supply of entrepreneurship. In sum, institutions and entrepreneurship influence growth because they influence total factor productivity (TFP).

It is exactly this mediation that we examine in this chapter. Our basic research model is graphically represented in figure 6.1, and we follow the logic of this research model in the following. We first discuss how institutions of economic freedom may determine entrepreneurship and how entrepreneurial activity in turn affects total factor productivity (TFP). We next report on our empirical findings in two steps. First, we explore the effects of economic freedom on entrepreneurial activity across 25 countries observed in six five-year periods. Second, we estimate the effects of entrepreneurship on a standard measure of total factor productivity. We end the chapter by discussing some of the many questions left for future research.

Figure 6.1: Research approach



The determinants of entrepreneurship

Entrepreneurship

Because entrepreneurs are often taken to be the drivers of economic dynamism and change, one may expect the entrepreneur be recognized as "the single most important player in a modern economy" (Lazear, 2002: 1). However, as numerous writers (Hayek, 1945; Baumol, 1990; Bianchi and Henrekson, 2005) have argued, the real-world importance of entrepreneurs is not reflected in economic theorizing, although increasingly economists address the formation of new firms in the context of self-employment (both are usually associated with entrepreneurship in the economics literature). Moreover, much work has been done on entrepreneurship at the fringes of mainstream economics (i.e., Austrian and Schumpeterian traditions). Foss and Klein (2012) identify notions of entrepreneurship as innovation (e.g., Schumpeter, 1911; Aghion and Howitt, 1998; Baumol, 1993); entrepreneurship as alertness and discovery (Kirzner, 1997); and entrepreneurship as judgment, that is, profit-oriented decision-making under conditions of uncertainty, as the dominant conceptions in the economics literature.

Drawing on these conceptions, and echoing Wennekers and Thurik (1999: 46–47), in Bjørnskov and Foss (2008, 2012) we define "entrepreneurship as the manifest ability and willingness of individuals" to perceive new economic opportunities and to introduce their ways of seizing these opportunities into the market in the face of uncertainty. These opportunities may be new products, new processes, new modes of organization, and new product-market combinations, as well as possibilities for inter- and intra-market arbitrage.

Institutions

How institutions affect the supply, quality, and allocation (for example, across the categories of productive, unproductive, and destructive entrepreneurship described in Baumol 1990) of entrepreneurial efforts, and even their consequences, has been a relatively under-researched area in mainstream economics. The set of possible determinants of entrepreneurship is very large indeed, including the size of the government, the degree of administrative complexity and bureaucracy, the tax environment, the intellectual property rights regime, the enforcement of property rights in general, the level of trust, competition law, political freedom, labor laws, social security regime, bankruptcy law, corruption, crime, the ethnic composition of the population, availability of finance capital, and so on. Some of these have been examined in previous work. For example, in a survey of obstacles to the formation of firms in the private sector, Brunetti and colleagues (1997) show that the most frequently mentioned obstacles to entrepreneurs are taxes, labor, and safety regulations, and access to finance.[1] In a series of papers, Grilo and Thurik (e.g., 2004) build what they term an "eclectic framework" of determinants of entrepreneurship, highlighting demography, various kinds of government intervention, unemployment levels, and the risk-reward profiles of self-employment compared to other types of employment. While elements of their framework relate to economic freedom, and it may

1 It is a matter of argument how much finance really matters. For example, Kreft and Sobel (2005) apply Granger causality testing to US panel data, and argue that venture capital follows entrepreneurial activity rather than the other way around. For the contrary view, see Kortum and Lerner, 2000.

be possible to build indices of economic freedom from this framework, they do not directly develop any theory concerning how such freedom affects entrepreneurship, a generally neglected focus in the academic literature.

Economic freedom variables

In order to relate economic freedom to entrepreneurship, operational definitions of economic freedom are needed. Economists have typically treated economic freedom as a composite construct that includes components that all ultimately boil down to the security and extent of property rights, but include, for example, the freedom to save, to change jobs, to devise contracts, and to keep legal income. In the following, we discuss these components and relate them to the supply of entrepreneurship.

Many scholars have used the *size of government* in a broad sense as a good measure of economic freedom (e.g., Gwartney et al., 1999; Carlsson and Lundström, 2002). For many reasons, the size of government influences entrepreneurship. Thus, and perhaps most obviously, if economic activities in certain industries or sectors have been nationalized *de facto* (e.g., child care, health care, and care of the elderly), the scope for entrepreneurship is reduced to the extent that nationalization means public monopoly. Likewise, government enterprises—that is, when government directly competes with the private sector—also tend to crowd out private activity. More indirect governmental control, such as requirements that certain trades be licensed, may reduce entrepreneurial activity because public licensing amounts to a barrier to entry (Demsetz, 1967). To the extent that a large government is associated with high levels of publicly financed provision of various services (e.g., care of the elderly, education) and with generous social security systems, the incentives to engage in entrepreneurial acts in order to make a living—what is sometimes referred to as "necessity entrepreneurship"—are reduced because a relatively high reservation wage is practically guaranteed.

However, such schemes also reduce incentives for individual wealth formation that may be expected to influence the level of non-necessity entrepreneurial activity negatively (Henrekson, 2005: 11). One reason has to do with entrepreneurial judgment being idiosyncratic and often hard to communicate clearly to potential investors (Knight, 1921; Foss and Klein, 2012). The entrepreneur may have to finance his venture himself, at least in the start-up phase. As Kuznets (1955) argued, if individual wealth formation is reduced because of generous public-transfer schemes and highly progressive tax burdens, this makes such financing difficult. Moreover, if entrepreneurs are able to only commit small amounts of personal capital to their entrepreneurial venture, their signal to potential outside investors concerning their commitment to the venture is correspondingly weaker. In addition, assets that may otherwise function as collateral are not applicable with weakly defined property rights, which may limit access to credit.

A large government also needs to be financed, ultimately by taxation. As Henrekson rightly points out, "[i]n order to analyze how the tax system impacts on entrepreneurial behaviour, it is not sufficient to focus on the taxation of owners of firms. To a large extent, the return on entrepreneurial effort is taxed as wage income" (2005: 9). One reason is that parts of the income that accrue from closely held companies may be paid out as wage income (depending on the specific tax regime), and that entrepreneurial activity may be carried out by employees. Rewards for entrepreneurial behavior in firms (e.g., stock options, bonuses for suggesting improvements)

are taxed as wage income. Henrekson (2005: 14) also points out that a high level of taxation moves many household-related services out of the reach for entrepreneurial exploitation: "… higher rates of personal taxation discourage the market provision of goods and services that substitute closely for home-produced services" (2005: 15).

A related, yet distinct, item in an overall measure of economic freedom relates to the enforcement of property rights, that is, the extent to which property rights are secure over time (North, 1990; Barzel, 2005). Huge literatures in economic history, on intellectual property rights, and on innovation stress the importance for entrepreneurial activity at the micro-level and economic development at the macro-level of property rights being well-defined and enforced (e.g., Rosenberg and Birdzell, 1986; North et al., 2000; Glaeser et al. 2004). As we explain in greater detail later, well-defined and enforced property rights reduce the transaction costs of carrying out the commercial experimentation that we associate with entrepreneurship (Rosenberg, 1992). Well-defined and enforced rights to residual income imply that the risk of undertaking entrepreneurial activities is reduced, which may also stimulate the supply of entrepreneurship. If so, it should be expected that institutional features, such as the quality of regulations and the judicial system, affect the overall level of entrepreneurial activity. However, it is uncertain whether this activity is likely to take place within existing firms, which are better protected by legal institutions, or in new firms.

A third important item in a measure of economic freedom arguably is sound money (Friedman, 1962), in particular the rate and variability of inflation. While anticipations of future relative prices are important in general for economic decision makers, it is arguable that they matter particularly for entrepreneurs because they are essentially speculators who receive a residual income (Knight, 1921; Kirzner, 1997). Inflation, and particularly erratic inflation, "jams" the signaling effects of relative prices (Friedman, 1977). While this may be less of a problem for risk-loving entrepreneurs, many entrepreneurs, particularly those who engage in necessity entrepreneurship or activity within well-developed sectors, may well be averse to risk. In addition, the concept and measurement of sound money is associated with the level of financial development and financial depth, and as such is a proxy for the access to capital, which classical theories stress as a crucial condition of entrepreneurship.

The fourth area of economic freedom is the degree of openness to international trade and investment. A greater flow of trade through a country may imply more access to international price signals, thus allowing potential entrepreneurs to take advantage not only of national but also of international opportunities. In addition, freedom to invest may, as is often found in empirical studies, increase the rate at which technology is adopted (cf. Wazciarg, 2001), providing further impetus for entrepreneurial discovery, as well as competition from foreign entrepreneurs. In addition, the absence of capital restrictions also implies that entrepreneurs gain easier access to international capital markets, thereby potentially increasing the supply of venture capital.

Finally, following Kirzner (1985) public regulation is an important item in an economic freedom measure that is relevant to explaining the prevalence of entrepreneurial activity. Arguably, regulations can both help and hinder entrepreneurs who need clear rules and predictable enforcement of those rules. On the other hand, excessive regulation imposes burdens on all firms, not the least start-ups that may be faced with prohibitive start-up costs.

In sum, many elements of economic freedom and institutional quality are likely to influence entrepreneurial activity. This activity is, in turn, likely affects productivity and development.

The consequences of entrepreneurship

Total factor productivity

Economists have studied a variety of consequences of entrepreneurship, such as profit, self-employment (with which it is often identified), foundation of new firms, market equilibration, and, more recently, growth. Historically, there has been a divide in the understanding of the growth process between those who stress the driving role of capital accumulation (Jorgenson and Griliches, 1967; Lucas, 1988) and those who stress "technology" (Solow, 1956, 1957) and other factors that fall outside the accumulation of (physical and human) capital (cf. Aghion and Howitt, 1998; Hulten, 2001). According to the latter camp, the growth process is fundamentally one of improvements in total factor productivity (TFP). Thus, disparities in wealth and productivity across nations are driven by "residual factors." Klenow and Rodriguez-Clare (1997), Hall and Jones (1999), and Parente and Prescott (2005) present evidence that most of the extant cross-country differences in output per worker is driven by differences in total factor productivities.

Entrepreneurship as a driver of total factor productivity

Since the initial identification of the "unexplained" causes of growth (Solow, 1956), significant attention has been devoted to research and development (R&D) as a driver of growth (e.g., Romer, 1990; Coe and Helpman, 1995). However, R&D itself does not drive TFP; innovations that emerge from R&D do (Acs et al., 2009). In turn, innovations are introduced by enterprising firms and individuals (Schumpeter, 1939; Baumol, 1993; Ireland et al., 2003; Kuratko and Audretsch, 2009). In addition, innovations have many other sources than R&D, and include process innovations and innovations of management and organization. Fundamentally, these processes are entrepreneurial (Baumol, 1993; Foss and Klein, 2012): they amount to combining and recombining heterogeneous resources (Schumpeter, 1911; Rosenberg, 1992; Barney, 1991) in the uncertain pursuit of opportunities for profit. Their aggregate results are productivity advances and improvements in the use of resources, that is, increases in TFP.

While Kirzner (1980) and others point to the logical conclusion that the "entrepreneur is the prime mover of progress," growth economists until recently ignored any discussion or modelling of the entrepreneurial function (the first attempt to seriously grapple with the entrepreneur in growth economics is Aghion and Howitt, 1998). The dominance of the production function paradigm since the 1950s is a main cause of this neglect (Foss and Klein, 2012): if production factors are assumed to be homogenous within categories, such as Solow's assumption of "shmoo" capital, and production is assumed to be at the efficient frontier, there are, in Olson's (1996) words, no "big bills left on the sidewalk." In other words, there is no role for entrepreneurs or other actors to move the economy in any direction. Yet, within any description of the real world, factors of production are heterogeneous (Lachmann, 1956), and how they should be combined is not obvious and a matter of discussion. Settling this matter with the given tangible knowledge available at any time necessarily requires technical and commercial processes that are fundamentally

experimental (Hayek, 2002; Matsusaka, 2001). In addition, what is at any moment the optimal combination will change as a result of changes in underlying scarcities and newly discovered knowledge. Hayek (2002) argues that, given the dispersed nature of knowledge in society, competition performs this matching mechanism in a superior way compared to any known (political) alternatives.

On-going processes of industrial dynamics, that is, processes of mergers, divestments, spin-offs, new firm formation, and so on reflect such experimentation. On the aggregate level, these processes make the economy track its (moving) production-possibility frontier, improving the efficiency with which resources are used. These processes are driven by entrepreneurs and entrepreneurial firms. Also, entrepreneurs who are alert to knowledge produced abroad and import it in the hope of realizing a profit opportunity contribute to national catching-up (Fagerberg, 1987), that is, the national production possibility frontier tracking those of more advanced nations. In sum, entrepreneurship positively contributes to TFP.

Institutions and transaction costs

In addition to stressing the role of entrepreneurs in the growth process, economic historians have also pointed to the decisive role of institutions in the growth process (North, 1990; Rosenberg, 1992). The specialized literature on economic growth has for the last decade repeatedly documented the importance of different institutions and how they differentially affect growth (Acemoglu, 1995; Glaeser et al., 2004; Rodrik et al., 2004). The primary role of high-quality institutions seems to be that they entail decreased transaction costs through reducing the uncertainty of economic transactions. As North explains, "[t]he major role of institutions in a society is to reduce uncertainty by establishing a stable (but not necessarily efficient) structure to human interaction. The overall stability of an institutional framework makes complex exchange possible across both time and space" (North, 1990: 6; see also Barzel, 2005). The general characteristics of such institutional frameworks are generality (equals are treated equally), transparency and accountability in public decision-making and, importantly, a rational and verifiable expectation that the institutional decisions will be properly implemented and enforced. Thus, by creating proper incentives of political and economic actors to behave honestly and predictably, high-quality institutions help ensure that the consequences of economic undertakings are more easily foreseen and that incentives stimulate productive rather than unproductive behavior (Baumol, 1990). This certainty increases the expected value of projects, reduces risk premia, and hence makes projects where medium profits and high risk are foreseen more likely to be undertaken, which eventually contributes to economic growth.

Transmission mechanisms—freedom variables, entrepreneurship, and total factor productivity

Increases in TFP result from a large number of radical and incremental processes involving start-ups as well as the entrepreneurship exercised by established firms. Given this, the *flexibility* (that is, costliness) with which such changes can be carried out becomes highly important. In terms of economic-production theory, this flexibility is captured by the notion of the elasticity of factor substitution (Klump and de la Grandville, 2000), that is, the percentage change in factor proportions due to a change in the marginal rate of technical substitution (in the extreme case of a Leontieff technology, for example, the elasticity is 0). At the level of a country, the (aggregate) elasticity of substitution is a measure of the flexibility of the economy

in reacting to, say, external shocks. It is also clear that the elasticity of substitution is affected by a number of forces: for example, an argument for liberalizing trade is that it expands the possibility set with respect to input combinations that a country's entrepreneurs face. Hence, it becomes less likely that a single factor will act as a brake on the growth process (Ventura, 1997).

Thus, as argued by Arrow and colleagues (1961) the aggregate elasticity of substitution is endogenous. Although certain inherent technical constraints imply that factors will never be perfect substitutes, we argue that the aggregate elasticity of substitution is to a large extent endogenous to institutional variables, specifically to freedom variables. In turn, a high elasticity of substitution implies high factor productivity, because it means that resources are more easily allocated to highly valued uses, new modes of organization and new processes are more easily put into practice, and so on.

Underlying the positive impact on factor productivity of high elasticity of substitution is a high degree of certainty in dealings and, therefore, low transaction costs in searching for contract partners, bargaining, monitoring, and enforcing contracts. As we have already suggested, huge literatures in economic history, on intellectual property rights, and on innovation stress the importance for entrepreneurial activity at the micro-level and economic development at the macro-level of property rights being well defined and enforced (e.g., North, 1990; Mokyr, 2006). Well-defined and enforced property rights reduce the transaction costs of carrying out entrepreneurial activities: contracting costs are relatively low, implying low costs of searching for, negotiating with, and concluding bargains with owners of those inputs that enter into entrepreneurial ventures (Rosenberg, 1992). In short, the transaction costs of searching for, measuring, combining, and recombining heterogeneous assets in the pursuit of uncertain profits are low. Moreover, well-defined and enforced income rights imply that the risk of undertaking entrepreneurial activities is reduced (Foss and Foss, 2008), which may also stimulate the supply of entrepreneurship (Baumol, 1993). If so, it can be expected that institutional features, such as the quality of regulations and the judicial system, positively affect TFP. As we outline above, similar reasoning applies to the freedom variable of sound money (cf. Friedman, 1962, 1977).

Based on our earlier reasoning, the degree of openness to international trade and investment has a positive impact upon the elasticity of substitution and, in turn, TFP (Ventura, 1997). The reason is that a greater flow of trade through a country may imply a greater exposure to international opportunities, including adopting foreign technology, and a higher supply of venture capital.

Following Kirzner (1985), public regulation is another important item in any measure of economic freedom that is relevant to understanding the flexibility with which the market system works and, therefore, also how TFP develops. Arguably, regulations can both help and hinder entrepreneurs who need clear rules and predictable enforcement of those rules. On one hand, excessive regulations impose burdens on all firms, not the least firms just starting up, that may imply prohibitive start-up costs. On the other hand, a measurement problem may arise since heavy regulations can force individuals with low marginal productivity entirely out of the labor force, thereby seemingly increasing productivity while lowering overall wealth. In addition, as Baumol (1990) pointed out, individuals operating in a heavily regulated economic environment may have larger gains from engaging in rent-seeking activities within the public sector—what he termed "destructive entrepreneurship"—than in real economic activities.

There are many reasons that the size of government may be expected on *a priori* grounds to influence TFP. As we note above, the degree of nationalization and the extent to which public monopolies are prevalent directly influence the ability of the industries to adapt effectively to changing circumstances (Mises, 1949). High levels of publicly financed provision of various services (e.g., care of the elderly, education), generous social security systems, and high levels of taxation, also negatively influence the level of entrepreneurial activity (Henrekson, 2005: 11), as already explained, and thereby put a brake on TFP.

However, some scholars have argued that large welfare states create the sufficient stability to allow more people to commit larger amounts of capital to entrepreneurial activities (Galbraith, 2006). Another mechanism, introduced by Hirschman (1958), is the notion of a creative tension between government interventions and innovation: if government controls a large share of the economy, it places an artificial competitive pressure on private actors, which induces them to search for more productive solutions; that is, it forces them into entrepreneurial activities.

In sum, the above suggests the hypothesis that secure property rights and a high-quality judicial system, sound money, and openness to international trade and investment positively influence TFP, while a high level of regulation and a large government and high taxes may or may not be harmful to TFP. We next move on to describing the data and empirical strategies to explore these issues.

Data on entrepreneurship and total factor productivity

First, our institutional data all derive from the annual reports of the Fraser Institute in *Economic Freedom in the World*. These data have been used in many studies on growth and other macroeconomic outcomes (de Haan and Sturm, 2000; Méon and Weill, 2005; de Haan et al., 2006; Dreher et al., 2007; Knack and Keefer, 1995; Bjørnskov, 2008; Justesen, 2008; Aghion et al., 2010). This literature documents how several aspects of economic freedom are strongly associated with economic growth, productivity, and various measures of human development. Our interest is in how these aspects influence entrepreneurship and, through this channel, affect TFP. We therefore need proxies for entrepreneurship and productivity.

While TFP cannot be measured with any high degree of precision, we follow the standard in a growing literature in calculating a Solow residual from growth accounting exercises (e.g., Caselli, 2005; Bjørnskov and Foss, 2012). The identifying assumption in using the Solow residual is that production can be approximately characterized by a Cobb-Douglas production function with Y as output, K as physical real capital, L as labor input, and h as the stock of human capital; α captures the capital share of output while $1-\alpha$ measures the share contributed by quality-adjusted labor. We outline this function in logs:

$$logY = logA + \alpha\, logK + (1-\alpha) log\,(Lh) \qquad [1]$$

Sorting out the share of output that can be attributed to capital and effective labor implies that the rest, A, must logically derive from the productivity of inputs, TFP. Following Bjørnskov and Méon's (2010) estimates and setting α at .4, and using investment and output data from Heston et al. (2009) and human-capital data from Barro and Lee (2001), yields our TFP measure. We summarize the 2005 TFP measures in table 6.1.[2]

2 Bjørnskov and Foss (2012) provide all specific details relating to the calculation of these numbers, as well as their robustness to different assumptions of the capital share or the depreciation

Table 6.1: Total factor productivity (TFP) and entrepreneurship in 2005

	TFP	Entrepreneurship		TFP	Entrepreneurship
Australia	90.03	17.3	Japan	78.83	10.9
Austria	97.08	11.9	Mexico	64.66	27.4
Belgium	109.62	12.1	Netherlands	93.81	12.5
Canada	90.04	12.9	New Zealand	68.90	17.0
Denmark	82.28	7.6	Norway	95.09	9.1
Finland	87.45	10.9	Poland	67.71	16.8
France	97.31	9.8	Portugal	84.99	22.2
Germany	90.31	10.3	Spain	100.49	15.0
Greece	88.46	27.2	Sweden	99.07	9.2
Hungary	79.72	12.2	Switzerland	76.69	8.9
Iceland	96.08	13.7	United Kingdom	99.54	11.7
Ireland	116.03	15.8	United States	100.00	10.6
Italy	99.26	22.7			

Note: all TFP data are percent of US productivity.

Comparable, non-agricultural, self-employment rates would seem to be good proxies for entrepreneurship. Yet, while OECD statistics provide raw data on self-employment, these data do not rest on similar definitions of self-employment and incorporated businesses and are, in general, not comparable across countries (OECD, 2009). We therefore follow recent studies by employing the Compendia database, which provides the only cross-country data available that are comparable across countries by including owners and managers of both unincorporated and incorporated businesses, but neither family members nor self-employment as a secondary activity (van Stel, 2005). Although this excludes entrepreneurial activity that is kept within existing firms, entrepreneurship theory suggests that entrepreneurship is fundamentally about deploying resources to new uses in the pursuit of profit under uncertainty (Knight, 1921; Kirzner, 1997; Foss and Klein, 2012). Focusing entirely on primary self-employment ensures that we measure actual reported economic activity, and not prospective activities or activity in the shadow economy (Nyström, 2009).

In the following, we combine the data on economic freedom in the six five-year periods ending in 1980, 1985, 1990, 1995, 2000, and 2005 with a set of control variables to get at estimates of the joint importance of economic freedom and entrepreneurship. In regressions in which entrepreneurship is the dependent variable, we add control variables to the set of economic freedom indices. These controls are a post-communist dummy, openness to trade, investment prices and a measure of international information flows. The price level of capital and investment goods (from the Penn World Tables) captures the costs of entrepreneurial start-ups (cf. Fonseca et al., 2001) while international information flows, which we get from Dreher (2006), proxy for the ease with which entrepreneurs can get

rate used to calculate capital stocks. The capital stocks are calculated using the perpetual inventory method (King and Levine, 1994; Hall and Jones, 1999). In two robustness tests, we also provide the same numbers calculated with α set at either .3 or .5.

Table 6.2: Descriptive statistics of all variables

Variable	Mean	Standard deviation	Observations
Agricultural employment	3.80572	2.7413	140
Government consumption	4.784	1.650	140
Government enterprise	6.807	2.487	140
Government final consumption	15.043	3.882	140
Government size	4.864	1.268	140
Information flows	75.318	17.318	140
Investment prices	82.857	23.410	140
Legal quality	7.917	1.068	140
Log population size	9.609	1.469	140
Openness	68.746	32.439	140
Post-communist	0.050	.219	140
Entrepreneurship	14.988	5.816	140
Sound money	8.507	1.627	140
Special production	0.086	0.289	140
Tax burden	2.856	2.226	139
Total factor productivity	87.858	12.254	140
Transfers and subsidies	5.012	1.694	140
Regulatory freedom	6.357	1.02	140

information from the rest of the world. In TFP regressions, we follow the general literature by adding a set of determinants of TFP: openness (trade volumes as percentage of GDP), two dummies for post-communist and Asian countries, the share of the population employed in agriculture, and a full set of period dummies to take joint international productivity increases into account. All variables derive from the Penn World Tables, mark 6.3 (Heston et al., 2009) except agricultural employment, which is from the World Bank's (2011) database.

Finally, we note the possibility that entrepreneurship might respond to productivity potential, that is, that productivity differences across countries would drive entrepreneurial differences. We handle this causality problem in our TFP regressions by employing three variables as instruments. Investment prices and information flows derive from the first set of regressions, while we also add the logarithm to population as an instrument, based on the assumption that countries with faster growing populations also have more entrepreneurs. This has the benefit of giving us more temporal identification. All data are summarized in table 6.2.

These data provide a slightly unbalanced panel of 25 countries observed in the six five-year intervals between 1980 and 2005. We estimate determinants of entrepreneurship and TFP by simple OLS with Beck and Katz's (1995) panel-corrected standard errors, to which we add instrumental variables for entrepreneurship in the second set of regressions. In Bjørnskov and Foss, 2012, we argue that this is necessary if potential or actual entrepreneurs rationally react to opportunities resulting from being behind the international production possibility frontier. In this case, TPF difference would drive entrepreneurship.

Determinants of entrepreneurship and total factor productivity

Entrepreneurship estimates

First, we estimate the effects of economic freedom on entrepreneurial activity. We mainly follow our approach in Bjørnskov and Foss (2008) but use self-employment as our measure of entrepreneurship in order to make all results comparable to the following estimates. As such, our overall estimates in table 6.3 here closely resemble those in Nyström (2009).

We first note that the government-size index is positively associated with entrepreneurship. In other words, as in Bjørnskov and Foss (2008), which used a different measure of entrepreneurship, as well as the comparable analysis in Nyström (2009), more government intervention in the economy is detrimental to entrepreneurial activity. Similarly, we find that sound money and policies ensuring stable and predictable monetary institutions are associated with more entrepreneurship. Conversely, although legal quality is strongly associated with overall development, we find that it decreases the rate of entrepreneurship. While we can only speculate, this is consistent with legal institutions protecting innovation in formal firms, thus making self-employment and semiformal economic activity less attractive (Dreher and Gassebner, forthcoming).

We also find that investment prices and information flows, which we use as instrumental variables in the following, are both negatively associated with entrepreneurship. On one hand, more expensive capital goods reduce the supply of entrepreneurial activity simply by making starting-up a firm more expensive. On the other hand, while perhaps not immediately intuitive, reduced information flows increase the premium on people with a comparative advantage in collecting, combining, and recombining information, that is, entrepreneurs.

Results in columns 1 and 2 of table 6.3 suggest that a one-point improvement in the government size index is associated with almost half a percent more self-employment. In columns 3 to 6, we move beyond Nyström's (2009) study by exploring which subcomponents of government size are responsible for this effect. We find that two components are significant: government consumption and government enterprises, while transfers and subsidies and the tax burden are insignificant. This being the case, the estimates suggest that governments actively engaging in the economy, either through pure consumption or by competing with private actors through either government-owned enterprises or government subsidies, effectively crowd out entrepreneurial activity. Government enterprises, in particular, exert a strongly significant and sizeable negative effect on entrepreneurship. The same applies to sound money, which is also often negatively affected by governments trying to affect the economy and raise seignorage. Freely operating capital markets and predictable monetary circumstances clearly enable entrepreneurship.

In sum, elements of economic freedom thus affect entrepreneurial activity substantially. In the following, we assess the dynamic productivity consequences of these direct effects on entrepreneurship.

Estimates of total factor productivity

The estimates in table 6.4 first exhibit intuitive results with respect to the small set of control variables. Openness to trade is significantly positive in three of five columns and larger agricultural sectors are associated with substantially smaller measured

Table 6.3: Determinants of entrepreneurship

	1	2	3	4	5	6
Information flows	–.156*** (.027)	–.145*** (.026)	–.131*** (.027)	–.142*** (.026)	–.163*** (.026)	–.141*** (.026)
Investment price level	–.069*** (.014)	–.072*** (.013)	–.065*** (.014)	–.076*** (.013)	–.073*** (.012)	–.077*** (.013)
Openness	.010 (.007)					
Agricultural employment	.889*** (.168)	.915*** (.151)	.963*** (.148)	.908*** (.155)	.945*** (.149)	.959*** (.153)
Government size	.411** (.187)	.385** (.157)				
Government consumption			.340*** (.124)			
Transfers and subsidies				.184 (.133)		
Government enterprise					.367*** (.103)	
Tax burden						.007 (.092)
Legal quality	–1.439*** (.309)	–1.392*** (.295)	–1.308*** (.301)	–1.388*** (.296)	–1.437*** (.298)	–1.364*** (.303)
Sound money	.999*** (.235)	.948*** (.219)	.889*** (.219)	.989*** (.219)	1.008*** (.221)	.978*** (.224)
Freedom to trade	–.151 (.411)					
Regulatory freedom	.089 (.403)					
Post-Communist	–6.502*** (1.047)	–6.595*** (1.065)	–7.465*** (.988)	–6.819*** (1.120)	–5.860*** (1.173)	–7.084*** (1.098)
Period dummies	Yes	Yes	Yes	Yes	Yes	Yes
№ of observations	140	140	140	140	140	139
Countries	25	25	25	25	25	25
R-squared	.825	.823	.823	.819	.829	.817
Wald Chi	741.69	684.37	660.49	636.18	622.52	585.39

Note: all estimates are 2SLS; *** (**) [*] denote significance at p <.01 (p <.05) [p <.10].

productivity. We also note that the Asian economies in the dataset on average are less productive, as originally suggested by Young (1995) while post-Communist economies are not (see also Felipe, 1997). The only instance in which we find a significant difference is in column 5 in which we use TFP measures calculated with a particularly high capital share. We also note that a set of five-year period dummies (not shown) documents an international trend towards higher TFP.

Turning to the economic-freedom indices, we find no support for direct effects of government size, sound money, or freedom to trade internationally. Logically, any effects of the two former indices are therefore indirect by being mediated by entrepreneurship. Conversely, we find a strongly positive effect of legal quality, which more than offsets the negative indirect effect through entrepreneurship. Finally, we find a negative effect of regulatory freedom. This seems surprising, yet we note two reasons for not placing too much weight on this finding. First, we show in further

Table 6.4: Basic estimates, determinants of total factor productivity

	1	2	3	4	5
Openness	.072** (.031)	.059* (.034)	.051 (.032)	.065** (.033)	.035 (.032)
Agricultural employment	−5.733*** (.720)	−6.282*** (.884)	−6.282*** (.849)	−6.563*** (.925)	−5.992*** (.812)
Asia	−8.014*** (2.373)	−7.921** (3.157)	−7.474*** (2.695)	−4.343 (2.800)	−10.769*** (2.623)
Post-communist	.970 (4.892)	7.078 (5.622)	9.329 (6.111)	3.526 (6.635)	15.802*** (5.966)
Economic freedom	−2.879* (1.507)				
Government size		−.157 (.728)			
Legal quality		3.901** (1.657)	4.350** (1.754)	4.970*** (1.861)	3.672** (1.774)
Sound money		−.373 (.839)			
Freedom to trade		−1.095 (1.765)			
Regulatory freedom		−4.871*** (1.493)	−5.207*** (1.378)	−6.922*** (1.465)	−3.453*** (1.344)
Entrepreneurship	1.820*** (.323)	2.185*** (.431)	2.339*** (.487)	2.464*** (.512)	2.202*** (.486)
Period dummies	Yes	Yes	Yes	Yes	Yes
№ of observations	140	140	140	140	140
Countries	25	25	25	25	25
R-squared	.433	.430	.396	.429	.383
Wald Chi / F stat	21.82	13.54	16.18	17.72	15.73
First stage F stat	23.52	18.33	14.61	14.61	14.61
Hansen J stat, p<	.329	.065	.458	.459	.084

Note: all estimates are 2SLS; *** (**) [*] denote significance at p <.01 (p <.05) [p <.10]. Instruments are the logarithm to population size, the investment price level, and Dreher's (2006) index of global "information flows," supplemented by add interactions between these instruments and the government size indices. Results in column 4 are with a TFP measure based on a capital share of .3; those in columns 5 are based on a capital share of .5.

tests in Bjørnskov and Foss (2012) that the effect of regulations is not as robust as one would ideally want. Second, further tests (not shown) suggest that this finding is driven by labor-market regulations. As such, regulations arguably drive low-productivity people out of the labor force and this would, for purely mechanical reasons, result in what appears as higher TFP, although making the economy poorer.

The estimate of the main variable, on the other hand, turns out significantly positive, as expected. We interpret this estimate as causal, since standard test statistics suggest neither weak identification nor over-identification problems; partial first stage R-squared is .36 and Hansen's J Statistic is very far from significance. Further tests also suggest that the relation between TFP and entrepreneurship is clearly endogenous (Durbin-Wu-Hausman test with Chi squared = 13.977; p < .000).

This being the case, we find that entrepreneurship—which itself is affected by economic freedom—is a main predictor of productivity differences across OECD countries. In societies with better protection for property rights and less

direct government intervention, entrepreneurial talent and effort might arguably flow more readily to its most productive uses. What the estimates show is that this entrepreneurial activity is actually contributing positively to productivity differences across OECD countries.

However, one needs to be careful when interpreting TFP studies, as results can often depend on specific identifying assumptions. In column 4 of table 6.4, we therefore replace our preferred TFP measures with data calculated using a much lower capital share ($\alpha = .3$) while in column 5 we do the opposite and assume a high capital share ($\alpha = .5$). While these changes cause large differences in the estimates of regulatory freedom, openness and the Asian dummy, the point estimate of entrepreneurship remains remarkably stable. As such, this finding is not sensitive to assumptions of the production function, that is, it is not driven by economies that are particularly labor- or capital-intensive. It also remains stable when deleting single countries, single periods, or adding further control variables (Bjørnskov and Foss, 2012).

How large are the effects?

As a final exercise, we therefore use the central estimates from both tables to track the effects of changes in economic freedom on TFP within a time horizon of five years (figure 6.2). First, a one-point improvement in the overall size-of-government index is associated with .39 percentage points additional entrepreneurial activity, or roughly 7% of a standard deviation. However, as only two of four elements of government size are significantly associated with entrepreneurship, the estimate of the overall index is likely to be biased towards zero. Adding the two significant components instead suggests a joint effect of the government consumption and government enterprise indices roughly double of the overall index. Similarly, a one-point improvement in sound money yields almost one percentage point more entrepreneurship, or 16 % of a standard deviation. A similar improvement in legal quality conversely causes a 1.3 percentage point (24% of a standard deviation) decline.

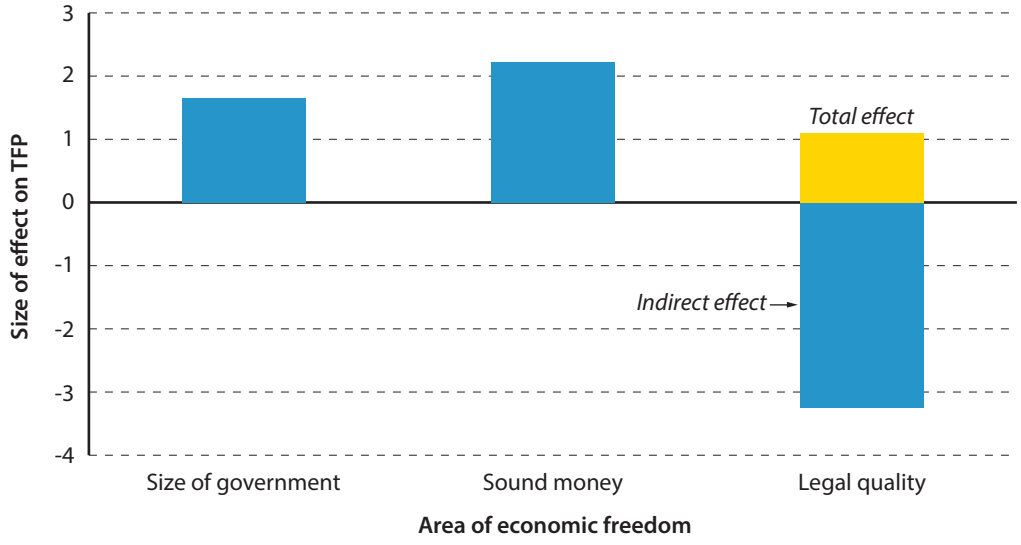
These changes in turn affect TFP. The government size improvements add 1.6 points to the TFP measure, an improvement of 13% of a standard deviation, entirely mediated by entrepreneurship. In the same way, an improvement in sound money results in a 2.2 point (16% of a standard deviation) improvement in TFP. Finally, while legal quality exerts a negative indirect effect through entrepreneurship within new firms, its direct effect—most likely by causing more entrepreneurial activity in existing firms—dominates and creates a net effect of 1.1 points (9% of a standard deviation).

As such, the total effects on TFP of changes in economic freedom are substantial. A one-point change to total economic freedom, arising from changes to government size, legal quality, and sound money, therefore result in an increase in TFP of approximately 35% to 40% of a standard deviation. In 2005, this was approximately the productivity difference between Portugal and Germany and, therefore, a substantial effect.

Concluding discussion

Entrepreneurship has often been linked to the growth process, albeit mainly informally and in policy-oriented work. The same may be said of institutions of economic freedom. However, few studies consider both determinants simultaneously,

Figure 6.2: Effect on total factor productivity of one-point change in three areas of economic freedom: size of government, sound money and legal quality



which is the main purpose of this chapter, perhaps due to the intricacies involved in featuring institutions and entrepreneurship in the same model, as well as the general problem of securing reliable data on entrepreneurship. There is nevertheless a need to bring these determinants together, as there are strong reasons to suspect that they are closely intertwined in the growth process. We have argued that entrepreneurship influences total factor productivity because the optimal combination of productive factors is not a datum but needs to be discovered and rediscovered in response to changing circumstances by enterprising firms and individuals (however, we do not possess the micro-level data that will allow us to test this part of our overall argument). We argued that it is particularly natural to assume that entrepreneurship affects TFP. Similarly, we argued that the effects of institutions of economic freedom on TFP are mediated through the reduction of uncertainty and transaction costs that institutions may bring about (cf. North, 1990), which in turns eases the process of commercial experimentation. Relative to the extant literature, our emphasis on TPF as well as the mediating role of entrepreneurship are novel contributions.

Relying on harmonized entrepreneurship data (van Stel, 2005), we exploit a unique dataset consisting of 25 countries observed in the six five-year intervals between 1980 and 2005, and test the influence of economic freedom on entrepreneurship, and in turn the influence of entrepreneurship on TFP. While entrepreneurship strongly and significantly affects TFP, our results only partially support the intuition that institutions of liberty as well as liberal economic policies promote growth in productivity. In fact, we find no significant direct effects of size of government or sound money on TFP in the medium run. What our set of estimates suggests is that two main elements of economic freedom—size of government and the access to sound money—affect TFP entirely through their influence on entrepreneurial activity. Conversely, institutions of property rights protection reduce entrepreneurial activity in new firms but still exert an overall positive effect on TFP.

Our results thus suggest that large welfare states and societies with weak monetary institutions suffer productivity loses relative to other comparable countries, as these features significantly reduce the supply of entrepreneurship (Henrekson, 2005; Kreft and Sobel, 2005; Bjørnskov and Foss, 2008; Nyström, 2009). However, while the mass of all these entrepreneurial activities have historically caused major technological breakthroughs that influenced growth and development in the course of economic history (cf. Mokyr, 2006), they are seldom visible from the point of view of politics. Yet, while very few single entrepreneurial innovations visibly drive overall job creation, a substantial part of job creation is driven by self-employment and small firms (Baptista et al., 2007; Malchow-Møller et al., 2011). In this perspective, it is a paradox that, although entrepreneurial ventures as activities are limited by the rise of the welfare state, they at the same time protect welfare states from falling too far behind in terms of productivity in the private sector that necessarily finances welfare spending. The long-run dynamics of such political-economic systems seem worthy of further research.

References

Acemoglu, Daron (1995). Reward Structures and the Allocation of Talent. *European Economic Review* 39: 17–33.

Acs, Zoltan, J. Pontus Braunerhjelm, David B. Audretsch, and Bo Carlsson (2009). The Knowledge Spillover Theory of Entrepreneurship. *Small Business Economics* 32: 15-30.

Agarwal, Rajshree, Jay B. Barney, Nicolai J. Foss, and Peter G. Klein (2010). Heterogeneous Resources and the Financial Crisis: Implications of Strategic Management Theory. *Strategic Organization* 7: 467–484.

Aghion, Philippe, Yann Algan, Pierre Cahuc, and Andrei Shleifer (2010). Regulation and Distrust. *Quarterly Journal of Economics* 25, 1015–1049.

Aghion, Philippe, and Peter Howitt (1998). Capital Accumulation and Innovation as Complementary Factors in Long-Run Growth. *Journal of Economic Growth* 3: 111–130.

Arrow, K.J., H.B. Chenery, B.S. Minhas, and R.M. Solow (1961). Capital-Labour Substitution and Economic Efficiency. *Review of Economics and Statistics* 43: 225–250.

Audretsch, David B., and Roy Thurik (2001). What's New about the New Economy? Sources of Growth in the Managed and Entrepreneurial Economies. *Industrial and Corporate Change* 10: 267–315.

Baptista, Rui, Vitor Escária, and Paulo Madruga (2008). Entrepreneurship, Regional Development and Job Creation: The Case of Portugal. *Small Business Economics* 30: 49–58.

Barney, Jay B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management* 17: 99–120.

Barro, Robert J. (1991). Economic Growth in a Cross-Section of Countries. *Quarterly Journal of Economics* 106: 407–443.

Barro, Robert J., and Jong-Wha Lee (2001). International Data on Educational Attainment: Updates and Implications. *Oxford Economic Papers* 53: 541–563.

Barzel, Yoram (2005). *A Theory of the State.* Cambridge University Press.

Baumol, William J. (1990). Entrepreneurship: Productive, Unproductive, and Destructive. *Journal of Political Economy* 98: 893–919.

Baumol, William J. (1993). *Entrepreneurship, Management, and the Structure of Payoffs*. MIT Press.

Beck, Nathaniel, and Jonathan N. Katz (1995). Nuisance vs. Substance: Specifying and Estimating Time-Series Cross Section Models. *Political Analysis* 6: 1–36.

Bianchi, Milo, and Magnus Henrekson (2005). Is Neoclassical Economics Still Entrepreneurless? *Kyklos* 58: 353–377.

Bjørnskov, Christian (2008). The Growth-Inequality Association: Government Ideology Matters. *Journal of Development Economics* 87: 300–308.

Bjørnskov, Christian, and Nicolai J. Foss (2008). Economic Freedom and Entrepreneurial Activity: Some Cross-Country Evidence. *Public Choice* 134: 307–328.

Bjørnskov, Christian, and Nicolai J. Foss (2012). Do Economic Freedom and Entrepreneurship Impact Total Factor Productivity? Mimeo. Copenhagen Business School.

Bjørnskov, Christian, and Pierre-Guillaume Méon (2010). The Productivity of Trust. Centre Emil Bernheim Working Paper 10-042. Université Libre de Bruxelles.

Blanchflower, David G. (2000). Self-Employment in OECD countries. *Labour Economics* 7: 471–505.

Blau, David M. (1987). A Time-Series Analysis of Self-Employment in the United States. *Journal of Political Economy* 95: 445–467.

Brunetti, Aymo, Gregory Kisunko, and Beatrice Weder (1997). Institutional Obstacles to Doing Business: Region-By-Region Results from a Worldwide Survey of the Private Sector. Background paper for World Development Report 1997, Policy Research Working Paper 1759. The World Bank.

Cagetti, Marco, and Mariacristina De Nardi (2006). Entrepreneurship, Frictions, and Wealth. *Journal of Political Economy* 114: 835–870.

Carlsson, Fredrik, and Susanna Lundström (2002). Economic Freedom and Growth: Decomposing the Effects. *Public Choice* 112: 335–344.

Caselli, Francesco (2005). Accounting for Cross-Country Income Differences. In Philippe Aghion and Steven Durlauf (eds.), *Handbook of Economic Growth* (Elsevier): 679–742.

Coe, David T., and Elhanan Helpman (1995). International R&D Spillovers. *European Economic Review* 39: 859–887.

Demsetz, Harold (1967). Toward a Theory of Property Rights. *American Economic Review* 57: 347–359.

Dreher, Axel (2006). Does Globalization Affect Growth? Evidence From a New Index of Globalization. *Applied Economics* 38: 1091–1110.

Dreher, Axel, and Martin Gassebner (forthcoming). Greasing the Wheels? The Impact of Regulation and Corruption on Firm Entry. *Public Choice*.

Dreher, Axel, Christos Kotsogiannis, and Steve McCorriston (2007). Corruption around the World: Evidence from a Structural Model. *Journal of Comparative Economics* 35: 443–466.

Fagerberg, Jan (1987). A Technology Gap Approach to Why Growth Rates Differ. *Research Policy* 16: 87–99.

Fonseca, Raquel, Paloma Lopez-Garcia, and Christopher A. Pissarides (2001). Entrepreneurship, Start-up Costs and Employment. *European Economic Review* 45: 692–705.

Foss, Kirsten, and Nicolai J. Foss (2008). Understanding Opportunity Discovery and Sustainable Advantage: the Role of Transaction Costs and Property Rights. *Strategic Entrepreneurship Journal* 2: 191–207.

Foss, Kirsten, Nicolai J. Foss, Peter G. Klein, and Sandra Klein (2007). Heterogenous Capital and the Organization of Entrepreneurship. *Journal of Management Studies* 44: 1165–1186.

Foss, Nicolai J., and Peter G. Klein (2012). *Organizing Entrepreneurial Judgment: A New Theory of the Firm*. Cambridge University Press.

Friedman, Milton (1962). *Capitalism and Freedom*. University of Chicago Press.

Friedman, Milton (1977). Nobel Lecture: Inflation and Unemployment. *Journal of Political Economy* 85: 451–472.

Galbraith, James K. (2006). Some Notes on Entrepreneurship and Welfare State. *Industrial and Corporate Change* 15: 203–207.

Glaeser, Edward L., Rafael La Porta, Florencio Lopez de Silanes, and Andrei Shleifer (2004). Do Institutions Cause Growth? *Journal of Economic Growth* 9: 271–303.

Gwartney, James, Robert Lawson, and Randall Holcombe (1999). Economic Freedom and the Environment for Economic Growth. *Journal of Institutional and Theoretical Economics* 155: 643–663.

Grilo, Isabel, and Roy Thurik (2004). Determinants of Entrepreneurship in Europe. Discussion Paper no. 3004, Max Planck Institute for Research into Economic Systems, Group Entrepreneurship, Growth and Public Policy.

Haan, Jakob de, Susanna Lundström, and Jan-Egbert Sturm (2006). Market-Oriented Institutions and Policies and Economic Growth: A Critical Survey. *Journal of Economic Surveys* 20: 157–191.

Haan, Jakob de, and Jan-Egbert Sturm (2000). On the Relationship between Economic Freedom and Economic Growth. *European Journal of Political Economy* 16: 215–241.

Hall, R.E., and C.I. Jones (1999). Why Do Some Countries Produce So Much More Output per Worker Than Others? *The Quarterly Journal of Economics* 114: 83–116.

Hayek, Friedrich A. (1945). The Use of Knowledge in Society. *American Economic Review* 35: 519–530.

Hayek, Friedrich A. (2002). Competition as a Discovery Procedure. Translation by Marcellus S. Snow from German of *Der Wettbewerb als Entdeckungsverfahren* (1968), a lecture sponsored by the Institut für Weltwirtschaft, University of Kiel; published as No. 56 in the series, Kieler Vorträge. *Quarterly Journal of Austrian Economics* 5: 9–23.

Henrekson, Magnus (2005). Entrepreneurship: A Weak Link in the Welfare State? *Industrial and Corporate Change* 14: 437–467.

Heston, Alan, Robert Summers, and Betina Aten (2009). *Penn World Tables Version 6.3.* University of Pennsylvania, Center for International Comparisons of Production, Income and Prices.

Hirschman, Albert O. (1958). *The Strategy of Economic Development*. Yale University Press.

Holcombe, Randall (1998). Entrepreneurship and Economic Growth. *Quarterly Journal of Austrian Economics* 1: 45–62.

Hulten, Charles R. (2001). Total Factor Productivity: A Short Biography. In Charles R. Hulten, Edwin. R. Dean, and Michael J. Harper (eds.), *New Developments in Productivity Analysis* (NBER Books): 1–54.

Ireland, R Duane, Michael A. Hitt, and David G. Sirmon (2003). A Model of Strategic Entrepreneurship: The Construct and its Dimensions. *Journal of Management* 29: 963–989.

Jorgenson, Dale W., and Zvi Griliches (1967). The Explanation of Productivity Change. *Review of Economic Studies* 34: 249–283.

Justesen, Mogens K. (2008). The Effect of Economic Freedom on Growth: New Evidence from a Panel of Countries, 1970–1999. *European Journal of Political Economy* 24, 642–660.

Kirzner, Israel M. (1980). The Prime Mover of Progress. In Israel M. Kirzner and Arthur Seldon (eds.), *The Entrepreneur in Capitalism and Socialism* (Institute of Economic Affairs): 1–30.

Kirzner, Israel M. (1985). *Discovery and the Capitalist Process*. University of Chicago Press.

Kirzner, Israel M. (1997). Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach. *Journal of Economic Literature* 35: 60–85.

Klenow, Peter J., and Andrés Rodriguez-Clare (1997). The Neoclassical Revival in Growth Economics: Has It Gone Too Far? *NBER Macroeconomics Annual* 12: 73–103.

Klump, Rainer, and Olivier de la Grandville (2000). Economic Growth and the Elasticity of Substitution: Two Theorems and Some Suggestions. *American Economic Review* 90: 282–291.

Knack, Stephen, and Philip Keefer (1995). Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures. *Economics and Politics* 7: 207–227.

Knight, Frank H. (1921). *Risk, Uncertainty, and Profit*. Augustus M. Lelley.

Kortum, Samuel S., and Josh Lerner (2000). Assessing the Contribution of Venture Capital to Innovation. *Rand Journal of Economics* 31: 674–691.

Kreft, Steven F., and Russell S. Sobel (2005). Public Policy, Entrepreneurship, and Economic Freedom. *Cato Journal* 25: 595–616.

Kuratko, Donald F., and David B. Audretsch (2009). Strategic Entrepreneurship: Exploring Different Perspectives on an Emerging Concept. *Entrepreneurship Theory and Practice* 33: 1–17.

Kuznets, Simon (1955). Economic Growth and Income Inequality. *American Economic Review* 45: 1–28.

Lachmann, Ludwig M. (1956). *Capital and Its Structure*. Sheed, Andrews, and McMeel.

Lazear, Edward M. (2002). Entrepreneurship. NBER working paper 9109.

Lucas, Robert (1988). On the Mechanics of Economic Development. *Journal of Monetary Economics* 22: 3–42.

Malchow-Møller, Nikolaj, Bertel Schjerning, and Anders Sørensen (2011). Entrepreneurship, Job Creation, and Wage Growth. *Small Business Economics* 36: 15–32.

Matsusaka, John (2001). Corporate Diversification, Value Maximization, and Organizational Capabilities. *Journal of Business* 74: 409–432.

Méon, Pierre-Guillaume, and Laurent Weill (2005). Does Better Governance Foster Efficiency? An Aggregate Frontier Analysis. *Economics of Governance* 6: 75–90.

Mises, Ludvig von (1949). *Human Action: A Treatise on Economics*. William Hodge.

Mokyr, Joel (2006). Long-Term Economic Growth and the History of Technology. In Philippe Aghion and Steven Durlauf (eds.), *Handbook of Economic Growth* (Oxford University Press): 1113–1180.

North, Douglass N. (1990). *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.

North, Douglass N., William Summerhill, and Barry R. Weingast (2000). Order, Disorder and Economic Change: Latin America vs. North America. In Bruce Bueno de Mesquita and Hilton Root, eds., *Governing for Prosperity* (Yale University Press): 17–58.

Nyström, Kristina (2009). The Institutions of Economic Freedom and Entrepreneurship: Evidence From Panel Data. *Public Choice* 136: 269–282.

Olson, Mancur (1996). Big Bills Left on the Sidewalk: Why Some Nations Are Rich, Others Poor. *Journal of Economic Perspectives* 10: 3–24.

Organisation for Economic Co-operation and Development [OECD] (2009). *Measuring Entrepreneurship*. OECD.

Parente, Stephen, and Edward C. Prescott (2005). A Unified Theory of International Income Levels. In Philippe Aghion and Steven Durlauf (eds.), *Handbook of Economic Growth* (Oxford University Press): 1371–1416.

Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi (2004). Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development. *Journal of Economic Growth* 9: 131–165.

Romer, Paul (1990). Endogenous Technological Change. *Journal of Political Economy* 98: 71–102.

Rosenberg, Nathan (1992). Economic Experiments. *Industrial and Corporate Change* 1: 181–203.

Rosenberg, Nathan, and L.E. Birdzell, Jr. (1986). *How the West Grew Rich: The Economic Transformation of the Industrial World*. Basic Books.

Schumpeter, Joseph A. (1911). *Theorie der Wirtschaftlichen Entwicklung. Eine Untersuchung ueber Unternehmergewinn, Kaptial, Kredit, Zins und den Konjunkturzyklus*. Duncker und Humblot.

Schumpeter, Joseph A. (1939). *Business Cycles: A Theoretical, Historical and Statistical Analysis of the Capitalist Process*. McGraw-Hill.

Solow, Robert (1956). A Contribution to the Theory of Growth. *Quarterly Journal of Economics* 70: 65–94.

Solow, Robert (1957). Technical Change and the Aggregate Production Function. *Review of Economics and Statistics* 39: 312–320.

Temple, Jonathan (1999). The New Growth Evidence. *Journal of Economic Literature* 37: 112–156.

van Stel, André J. (2005). COMPENDIA: Harmonising Business Ownership Data across Countries and over Time. *International Entrepreneurship and Management Journal* 1: 105–123.

Ventura, Jaume (1997). Growth and Interdependence. *Quarterly Journal of Economics* 62: 57–84.

Wazciarg, Romain (2001). Measuring the Dynamic Gains from Trade. *World Bank Economic Review* 15: 393–429.

Wennekers, Sander, and Roy Thurik (1999). Linking Entrepreneurship and Economic Growth. *Small Business Economics* 13: 27–55.

World Bank (2011). *World Development Indicators*. The World Bank.

Young, Andrew (1995). The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience. *Quarterly Journal of Economics* 110: 641–680.

Appendix Explanatory Notes and Data Sources

Area 1 Size of Government

A Government consumption

This component is measured as general government consumption spending as a percentage of total consumption. The rating for this component is equal to: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. The V_i is the country's actual government consumption as a proportion of total consumption, while the V_{max} and V_{min} were set at 40 and 6, respectively. The 1990 data were used to derive the maximum and minimum values for this component. Countries with a larger proportion of government expenditures received lower ratings. In contrast, as the ratio approaches the maximum value, the ratio moves toward zero.

Sources World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); United Nations National Accounts.

B Transfers and subsidies

This component is measured as general government transfers and subsidies as a percentage of GDP. The rating for this component is equal to: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. The V_i is the country's ratio of transfers and subsidies to GDP, while the V_{max} and V_{min} values are set at 37.2 and 0.5, respectively. The 1990 data were used to derive the maximum and minimum values for this component. The formula will generate lower ratings for countries with larger transfer sectors. When the size of a country's transfer sector approaches that of the country with the largest transfer sector during the 1990 benchmark year, the rating of the country will approach zero.

Sources International Monetary Fund, *Government Finance Statistics Yearbook* (various years); World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); United Nations National Accounts.

C Government enterprises and investment

Data on the number, composition, and share of output supplied by State-Operated Enterprises (SOEs) and government investment as a share of total investment

were used to construct the zero-to-10 ratings. Countries with more government enterprises and government investment received lower ratings. When government investment was generally less than 15% of total investment, countries were given a rating of 10. When government investment was between 15% and 20% of the total, countries received a rating of 8. When government investment was between 20% and 25% of the total, countries were rated at 7. When government investment was between 25% and 30% of the total, countries were assigned a rating of 6. When government investment was generally between 30% and 40% of the total, countries received a rating of 4. When government investment was between 40% and 50% of the total, countries were rated at 2. A rating of zero was assigned when government investment exceeded 50% of total investment.

In cases where government investment data were unavailable we used qualitative data on the scope of SOEs to assign ratings. Also, in some cases, this rating was estimated from the *Global Competitiveness Report* questions: "State-owned enterprises in your country: 1 = Play a dominant role in the economy; 7 = Have little or no role in the economy"; and "State-owned enterprises in your country: 1 = Are heavily favoured over private sector competitors; 7 = Compete on an equal basis with the private sector."

Sources International Monetary Fund, *Government Finance Statistics Yearbook* (various issues); World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Finance Statistics* (various issues); World Economic Forum, *Global Competitiveness Report* (various issues); United Nations National Accounts; European Bank for Reconstruction and Development, *Transition Indicators*.

D Top marginal tax rate

i Top marginal income tax rate

Countries with higher marginal tax rates that take effect at lower income thresholds received lower ratings based on the matrix below. The income threshold data were converted from local currency to 1982/1984 US dollars (using beginning-of-year exchange rates and the US Consumer Price Index). These figures include sub-national rates if applicable.

ii Top marginal income and payroll tax rates

Countries with higher marginal income and payroll (wage) tax rates that take effect at lower income thresholds received lower ratings based on the matrix below. The income threshold data were converted from local currency to 1982/1984 US dollars (using beginning-of-year exchange rates and the US Consumer Price Index). These figures include sub-national rates if applicable.

Source PricewaterhouseCoopers, *Worldwide Tax Summaries Online*, via <http://www.pwc.com/extweb/pwcpublications.nsf/docid/9B2B76032544964C8525717E00606CBD>; PricewaterhouseCoopers, *Individual Taxes: A Worldwide Summary* (various issues).

Top Marginal Tax Rate	Income Threshold at Which the Top Marginal Rate Applies (1982/1984 US$)			
	< $25,000	$25,000 – $50,000	$50,000 – $150,000	> $150,000
< 20%	10	10	10	10
21% – 25%	9	9	10	10
26% – 30%	8	8	9	9
31% – 35%	7	7	8	9
36% – 40%	5	6	7	8
41% – 45%	4	5	6	7
46% – 50%	3	4	5	5
51% – 55%	2	3	4	4
56% – 60%	1	2	3	3
61% – 65%	0	1	2	2
66% – 70%	0	0	1	1
> 70%	0	0	0	0

Area 2 Legal System and Property Rights

Note The ratings for Area 2 from 1970 to 1995 are the same as the Area V ratings from *Economic Freedom of the World: 2001 Annual Report*. Please see that report for methodological details.

A Judicial independence

This component is from the *Global Competitiveness Report* question: "Is the judiciary in your country independent from political influences of members of government, citizens, or firms? No—heavily influenced (= 1) or Yes—entirely independent (= 7)." The question's wording has varied slightly over the years. All variables from the *Global Competitiveness Report* were converted from the original 1-to-7 scale to a 0-to-10 scale using this formula: $EFW_i = ((GCR_i - 1) \div 6) \times 10$.

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

B Impartial courts

This component is from the *Global Competitiveness Report* question: "The legal framework in your country for private businesses to settle disputes and challenge the legality of government actions and/or regulations is inefficient and subject to manipulation (= 1) or is efficient and follows a clear, neutral process (= 7)." The question's wording has varied slightly over the years.

Note The "Rule of Law" ratings from the World Bank's *Worldwide Governance Indicators* have been used to fill in country omissions in the primary data source since 1995.

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>; World Bank, Worldwide Governance Ind*icators* (various years), <http://info.worldbank.org/governance/wgi/index.asp>.

C Protection of property rights

This component is from the *Global Competitiveness Report* question: "Property rights, including over financial assets, are poorly defined and not protected by law (= 1) or are clearly defined and well protected by law (= 7)."

Note This replaces a previous *Global Competitiveness Report* question on protection of intellectual property.

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

D Military interference in rule of law and politics

This component is based on the *International Country Risk Guide* Political Risk Component G. Military in Politics: "A measure of the military's involvement in politics. Since the military is not elected, involvement, even at a peripheral level, diminishes democratic accountability. Military involvement might stem from an external or internal threat, be symptomatic of underlying difficulties, or be a full-scale military takeover. Over the long term, a system of military government will almost certainly diminish effective governmental functioning, become corrupt, and create an uneasy environment for foreign businesses."

Note The "Political Stability and Absence of Violence" ratings from the World Bank's *Worldwide Governance Indicators* Project have been used to fill in country omissions in the primary data source since 1995.

Sources PRS Group, *International Country Risk Guide* (various issues), <http://www.prsgroup.com/ICRG.aspx>; World Bank, Worldwide Governance Ind*icators* (various years), <http://info.worldbank.org/governance/wgi/index.asp>.

E Integrity of the legal system

This component is based on the *International Country Risk Guide* Political Risk Component I for Law and Order: "Two measures comprising one risk component. Each sub-component equals half of the total. The 'law' sub-component assesses the strength and impartiality of the legal system, and the 'order' sub-component assesses popular observance of the law."

Source PRS Group, *International Country Risk Guide* (various issues), <http://www.prsgroup.com/ICRG.aspx>.

F Legal enforcement of contracts

This component is based on the World Bank's *Doing Business* estimates for the time and money required to collect a clear-cut debt. The debt is assumed to equal 200% of the country's per-capita income where the plaintiff has complied with the contract and judicial judgment is rendered in his favor. Zero-to-10 ratings were constructed for (1) the time cost (measured in number of calendar days required from the moment the lawsuit is filed until payment) and (2) the monetary cost of the case (measured as a percentage of the debt). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents

the time or money cost value. The values for V_{max} and V_{min} were set at 725 days and 82.3% (1.5 standard deviations above average) and 62 days (1.5 standard deviations below average), and 0%, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or 10 accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

G Regulatory restrictions on the sale of real property

This sub-component is based on the World Bank's *Doing Business* data on the time measured in days and monetary costs required to transfer ownership of property that includes land and a warehouse. Zero-to-10 ratings were constructed for (1) the time cost (measured in number of calendar days required to transfer ownership) and (2) the monetary cost of transferring ownership (measured as a percentage of the property value). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the time or money cost value. The values for V_{max} and V_{min} were set at 265 days and 15% (1.5 standard deviations above average) and 0 days and 0%, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or ten accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

H Reliability of police

This component is from the *Global Competitiveness Report* question: "To what extent can police services be relied upon to enforce law and order in your country? (1 = Cannot be relied upon at all; 7 = Can be completely relied upon)."

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

I Business costs of crime

This component is from the *Global Competitiveness Report* question: "To what extent does the incidence of crime and violence impose costs on businesses in your country? (1 =To a great extent; 7 = Not at all)."

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

Area 3 Sound Money

A Money growth

The component measures the average annual growth of the money supply in the last five years minus average annual growth of real GDP in the last ten years. The M1 money-supply figures were used to measure the growth rate of the money supply. The rating is equal to: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the average annual growth rate of the money supply during the last five years adjusted for the growth of real GDP during the previous ten years. The values for V_{min} and V_{max} were set

at zero and 50%, respectively. Therefore, if the adjusted growth rate of the money supply during the last five years was zero, indicating that money growth was equal to the long-term growth of real output, the formula generates a rating of 10. Ratings decline as the adjusted growth of the money supply increases toward 50%. When the adjusted annual money growth is equal to (or greater than) 50%, a rating of zero results.

Sources World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); United Nations National Accounts.

B Standard deviation of inflation

The component measures the standard deviation of the inflation rate over the last five years. Generally, the GDP deflator was used as the measure of inflation for this component. When these data were unavailable, the Consumer Price Index was used. The following formula was used to determine the zero-to-10 scale rating for each country: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the country's standard deviation of the annual rate of inflation during the last five years. The values for V_{min} and V_{max} were set at zero and 25%, respectively. This procedure will allocate the highest ratings to the countries with least variation in the annual rate of inflation. A perfect 10 results when there is no variation in the rate of inflation over the five-year period. Ratings will decline toward zero as the standard deviation of the inflation rate approaches 25% annually.

Sources World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

C Inflation: most recent year

Generally, the CPI was used as the measure of inflation for this component. When these data were unavailable, the GDP deflator inflation rate was used. The zero-to-10 country ratings were derived by the following formula: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the rate of inflation during the most recent year. The values for V_{min} and V_{max} were set at zero and 50%, respectively—the lower the rate of inflation, the higher the rating. Countries that achieve perfect price stability earn a rating of 10. As the inflation rate moves toward a 50% annual rate, the rating for this component moves toward zero. A zero rating is assigned to all countries with an inflation rate of 50% or more.

Sources World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

D Freedom to own foreign currency bank accounts

When foreign currency bank accounts were permissible without restrictions both domestically and abroad, the rating was 10; when these accounts were restricted, the rating was zero. If foreign currency bank accounts were permissible domestically but not abroad (or vice versa), the rating was 5.

Sources International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues).

Area 4 Freedom to Trade Internationally

A Tariffs

i Revenue from trade taxes (% of trade sector)

This sub-component measures the amount of tax on international trade as a share of exports and imports. The formula used to calculate the ratings for this sub-component was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the revenue derived from taxes on international trade as a share of the trade sector. The values for V_{min} and V_{max} were set at zero and 15%, respectively. This formula leads to lower ratings as the average tax rate on international trade increases. Countries with no specific taxes on international trade earn a perfect 10. As the revenues from these taxes rise toward 15% of international trade, ratings decline toward zero. (Note that except for two or three extreme observations, the revenues from taxes on international trade as a share of the trade sector are within the zero-to-15% range.)

Sources International Monetary Fund, *Government Finance Statistics Yearbook* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

ii Mean tariff rate

This sub-component is based on the unweighted mean of tariff rates. The formula used to calculate the zero-to-10 rating for each country was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the country's mean tariff rate. The values for V_{min} and V_{max} were set at 0% and 50%, respectively. This formula will allocate a rating of 10 to countries that do not impose tariffs. As the mean tariff rate increases, countries are assigned lower ratings. The rating will decline toward zero as the mean tariff rate approaches 50%. (Note that except for two or three extreme observations, all countries have mean tariff rates within this 0%-to-50% range.)

Sources World Trade Organization, *World Tariff Profiles* (various issues).

iii Standard deviation of tariff rates

Compared to a uniform tariff, wide variation in tariff rates exerts a more restrictive impact on trade and, therefore, on economic freedom. Thus, countries with greater variation in their tariff rates should be given lower ratings. The formula used to calculate the zero-to-10 ratings for this component was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the standard deviation of the country's tariff rates. The values for V_{min} and V_{max} were set at 0% and 25%, respectively. This formula will allocate a rating of 10 to countries that impose a uniform tariff. As the standard deviation of tariff rates increases toward 25%, ratings decline toward zero. (Note that except for a few very extreme observations, the standard deviations of the tariff rates for the countries in our study fall within this 0%-to-25% range.)

Sources World Trade Organization, *World Tariff Profiles* (various issues).

B Regulatory trade barriers

i Non-tariff trade barriers

This sub-component is based on the *Global Competitiveness Report* survey question: "In your country, tariff and non-tariff barriers significantly reduce the ability of imported goods to compete in the domestic market." The question's wording has varied slightly over the years.

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

ii Compliance costs of importing and exporting

This sub-component is based on the World Bank's *Doing Business* data on the time (i.e., non-money) cost of procedures required to import a full 20-foot container of dry goods that contains no hazardous or military items. Countries where it takes longer to import and export are given lower ratings. Zero-to-10 ratings were constructed for (1) the time cost to export a good (measured in number of calendar days required) and (2) the time cost to import a good (measured in number of calendar days required). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the time cost value. The values for V_{max} and V_{min} were set at 62 and 80 days (1.5 standard deviations above average), and 2 days (1.5 standard deviations below average) and 0 days, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or ten accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

C Black-market exchange rates

This component is based on the percentage difference between the official and the parallel (black) market exchange rate. The formula used to calculate the zero-to-10 ratings for this component was the following: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i is the country's black-market exchange rate premium. The values for V_{min} and V_{max} were set at 0% and 50%, respectively. This formula will allocate a rating of 10 to countries without a black-market exchange rate—that is, those with a domestic currency that is fully convertible without restrictions. When exchange rate controls are present and a black market exists, the ratings will decline toward zero as the black-market premium increases toward 50%. A zero rating is given when the black-market premium is equal to, or greater than, 50%.

Sources *MRI Bankers' Guide to Foreign Currency* (various issues).

D Controls of the movement of capital and people

i Foreign ownership/investment restrictions

This sub-component is based on the following two *Global Competitiveness Report* questions: "How prevalent is foreign ownership of companies in your country? 1 = Very rare , 7 = Highly prevalent"; and "How restrictive are regulations in your country relating to international capital flows? 1 = Highly restrictive, 7 = Not restrictive at all."

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

ii Capital controls

The International Monetary Fund reports on up to 13 types of international capital controls. The zero-to-10 rating is the percentage of capital controls not levied as a share of the total number of capital controls listed multiplied by 10.

Source International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues).

iii Freedom of foreigners to visit

This component measures the percentage of countries for which this country requires a visa from foreign visitors. It reflects the freedom of foreigners to travel to this country for tourist and short-term business purposes. The formula used to calculate the zero-to-10 ratings was: $(V_i - V_{min}) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the component value. The values for V_{max} and V_{min} were set at 47.2 (1 standard deviation above average) and 0. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or ten accordingly.

Source Robert Lawson and Jayme Lemke, Travel Visas, *Public Choice* (2011), <http://www.springerlink.com/content/n0n2x00164v74123/>.

Area 5 Regulation

A Credit market regulations

i Ownership of banks

Data on the percentage of bank deposits held in privately owned banks were used to construct rating intervals. Countries with larger shares of privately held deposits received higher ratings. When privately held deposits totaled between 95% and 100%, countries were given a rating of 10. When private deposits constituted between 75% and 95% of the total, a rating of 8 was assigned. When private deposits were between 40% and 75% of the total, the rating was 5. When private deposits totaled between 10% and 40%, countries received a rating of 2. A zero rating was assigned when private deposits were 10% or less of the total.

Sources James R. Barth, Gerard Caprio, Jr., and Ross Levine, *Bank Regulation and Supervision* (various years); James R. Barth, Gerard Caprio, and Ross Levine, *Rethinking Bank Regulation: Till Angels Govern* (2006).

ii Private sector credit

This sub-component measures the extent to which government borrowing crowds out private borrowing. If available, this sub-component is calculated as the government fiscal deficit as a share of gross saving. Since the deficit is expressed as a negative value, higher numerical values result in higher ratings. The formula used to derive the country ratings for this sub-component was $(-V_{max} - V_i) / (V_{max} + V_{min})$

multiplied by 10. V_i is the deficit to gross investment ratio, and the values for V_{max} and V_{min} are set at 0 and –100.0%, respectively. The formula allocates higher ratings as the deficit gets smaller (i.e., closer to zero) relative to gross saving.

If the deficit data are not available, the component is instead based on the share of private credit to total credit extended in the banking sector. Higher values are indicative of greater economic freedom. Thus, the formula used to derive the country ratings for this sub-component was $(V_i - V_{min}) / (V_{max} - V_{min})$ multiplied by 10. V_i is the share of the country's total domestic credit allocated to the private sector and the values for V_{max} and V_{min} are set at 99.9% and 10.0%, respectively. The 1990 data were used to derive the maximum and minimum values for this component. The formula allocates higher ratings as the share of credit extended to the private sector increases.

Note In previous editions, this component was based only on the ratio of private credit to total credit in the banking sector. The database has been updated back to 1990 using this new methodology.

Sources World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

iii Interest rate controls/negative real interest rates

Data on credit-market controls and regulations were used to construct rating intervals. Countries with interest rates determined by the market, stable monetary policy, and positive real deposit and lending rates received higher ratings. When interest rates were determined primarily by market forces and the real rates were positive, countries were given a rating of 10. When interest rates were primarily market-determined but the real rates were sometimes slightly negative (less than 5%) or the differential between the deposit and lending rates was large (8% or more), countries received a rating of 8. When the real deposit or lending rate was persistently negative by a single-digit amount or the differential between them was regulated by the government, countries were rated at 6. When the deposit and lending rates were fixed by the government and the real rates were often negative by single-digit amounts, countries were assigned a rating of 4. When the real deposit or lending rate was persistently negative by a double-digit amount, countries received a rating of 2. A zero rating was assigned when the deposit and lending rates were fixed by the government and real rates were persistently negative by double-digit amounts or hyperinflation had virtually eliminated the credit market.

Source World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

B Labor market regulations

i Hiring regulations and minimum wage

This sub-component is based on the World Bank's *Doing Business* "Difficulty of Hiring Index," which is described as follows: "The difficulty of hiring index measures (i) whether fixed-term contracts are prohibited for permanent tasks; (ii) the maximum cumulative duration of fixed-term contracts; and (iii) the ratio of the minimum wage for a trainee or first-time employee to the average value added per

worker. An economy is assigned a score of 1 if fixed-term contracts are prohibited for permanent tasks and a score of 0 if they can be used for any task. A score of 1 is assigned if the maximum cumulative duration of fixed-term contracts is less than 3 years; 0.5 if it is 3 years or more but less than 5 years; and 0 if fixed-term contracts can last 5 years or more. Finally, a score of 1 is assigned if the ratio of the minimum wage to the average value added per worker is 0.75 or more; 0.67 for a ratio of 0.50 or more but less than 0.75; 0.33 for a ratio of 0.25 or more but less than 0.50; and 0 for a ratio of less than 0.25." Countries with higher difficulty of hiring are given lower ratings.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

ii Hiring and firing regulations

This sub-component is based on the *Global Competitiveness Report* question: "The hiring and firing of workers is impeded by regulations (= 1) or flexibly determined by employers (= 7)." The question's wording has varied slightly over the years.

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

iii Centralized collective bargaining

This sub-component is based on the *Global Competitiveness Report* question: "Wages in your country are set by a centralized bargaining process (= 1) or up to each individual company (= 7)." The question's wording has varied slightly over the years.

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

iv Hours regulations

This sub-component is based on the World Bank's *Doing Business* "Rigidity of Hours Index," which is described as follows: "The rigidity of hours index has 5 components: (i) whether there are restrictions on night work; (ii) whether there are restrictions on weekly holiday work; (iii) whether the work-week can consist of 5.5 days; (iv) whether the work-week can extend to 50 hours or more (including overtime) for 2 months a year to respond to a seasonal increase in production; and (v) whether paid annual vacation is 21 working days or fewer. For questions (i) and (ii), when restrictions other than premiums apply, a score of 1 is given. If the only restriction is a premium for night work and weekly holiday work, a score of 0, 0.33, 0.66, or 1 is given according to the quartile in which the economy's premium falls. If there are no restrictions, the economy receives a score of 0. For questions (iii), (iv), and (v), when the answer is 'no', a score of 1 is assigned; otherwise a score of 0 is assigned." Countries with less rigid work rules receive better scores in this component.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

Note This component was previously denoted "Mandated cost of hiring a worker" and was based on the World Bank's *Doing Business* data on the cost of all social security and payroll taxes and the cost of other mandated benefits including those for retirement, sickness, health care, maternity leave, family allowance, and paid

vacations and holidays associated with hiring an employee. Because of pressure from the International Labour Organization this measure was dropped from the *Doing Business* project. In recent years, the entire labor market area has been dropped from the *Doing Business* project; however, they continue to present the data in a separate section. In order to maintain as much consistency over time as possible, we have revised the dataset back to 2002 with these data replacing the previous values.

v Mandated cost of worker dismissal

This sub-component is based on the World Bank's *Doing Business* data on the cost of the advance notice requirements, severance payments, and penalties due when dismissing a redundant worker. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the dismissal cost (measured in weeks of wages). The values for V_{max} and V_{min} were set at 108 weeks (1.5 standard deviations above average) and 0 weeks, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or ten accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

vi Conscription

Data on the use and duration of military conscription were used to construct rating intervals. Countries with longer conscription periods received lower ratings. A rating of 10 was assigned to countries without military conscription. When length of conscription was six months or less, countries were given a rating of 5. When length of conscription was more than six months but not more than 12 months, countries were rated at 3. When length of conscription was more than 12 months but not more than 18 months, countries were assigned a rating of 1. When conscription periods exceeded 18 months, countries were rated zero. If conscription was present, but apparently not strictly enforced or the length of service could not be determined, the country was given a rating of 3. In cases where it is clear conscription is never used, even though it may be possible, a rating of 10 is given. If a country's mandated national service includes clear non-military options, the country was given a rating of 5.

Source International Institute for Strategic Studies, *The Military Balance* (various issues); War Resisters International, *World Survey of Conscription and Conscientious Objection to Military Service*, <http://www.wri-irg.org/programmes/world_survey/>.

C Business regulations

i Administrative requirements

This sub-component is based on the *Global Competitiveness Report* question: "Complying with administrative requirements (permits, regulations, reporting) issued by the government in your country is (1 = burdensome, 7 = not burdensome)."

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

ii Bureaucracy costs

This sub-component is based on the *Global Competitiveness Report* question: "Standards on product/service quality, energy and other regulations (outside environmental regulations) in your country are: (1 = Lax or non-existent, 7 = among the world's most stringent)".

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

iii Starting a business

This sub-component is based on the World Bank's *Doing Business* data on the amount of time and money it takes to start a new limited-liability business. Countries where it takes longer or is more costly to start a new business are given lower ratings. Zero-to-10 ratings were constructed for three different variables: (1) time (measured in days) necessary to comply with regulations when starting a limited liability company, (2) money costs of the fees paid to regulatory authorities (measured as a share of per-capita income) and (3) minimum capital requirements, that is, funds that must be deposited into a company bank account (measured as a share of per-capita income). These three ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the variable value. The values for V_{max} and V_{min} were set at 104 days, 317%, and 1017% (1.5 standard deviations above average), and 0 days, 0%, and 0%, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or ten accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

iv Extra payments/bribes/favoritism

This sub-component is based on the *Global Competitiveness Report* questions: "In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with the following: A – Import and export permits; B – Connection to public utilities (e.g., telephone or electricity); C – Annual tax payments; D – Awarding of public contracts (investment projects); E – Getting favorable judicial decisions. Common (= 1) Never occur (= 7)"; "Do illegal payments aimed at influencing government policies, laws or regulations have an impact on companies in your country? 1 = Yes, significant negative impact, 7 = No, no impact at all"; and "To what extent do government officials in your country show favoritism to well-connected firms and individuals when deciding upon policies and contracts? 1 = Always show favoritism, 7 = Never show favoritism."

Source World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

v Licensing restrictions

This sub-component is based on the World Bank's *Doing Business* data on the time in days and monetary costs required to obtain a license to construct a standard warehouse. Zero-to-10 ratings were constructed for (1) the time cost (measured in number of calendar days required to obtain a license) and (2) the monetary cost of

obtaining the license (measured as a share of per-capita income). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the time or money cost value. The values for V_{max} and V_{min} were set at 363 days and 2763% (1.5 standard deviations above average), and 56 days (1.5 standard deviations below average) and 0%, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or 10 accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

vi Cost of tax compliance

This sub-component is based on the World Bank's *Doing Business* data on the time required per year for a business to prepare, file, and pay taxes on corporate income, value added or sales taxes, and taxes on labor. The formula used to calculate the zero-to-10 ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the time cost (measured in hours) of tax compliance. The values for V_{max} and V_{min} were set at 892 hours (1.5 standard deviations above average) and 0 hours, respectively. Countries with values outside the V_{max} and V_{min} range received ratings of either zero or 10 accordingly.

Source World Bank, *Doing Business* (various issues), <http://www.doingbusiness.org/>.

About the Authors

James D. Gwartney

James Gwartney holds the Gus A. Stavros Eminent Scholar Chair at Florida State University, where he directs the Stavros Center for the Advancement of Free Enterprise and Economic Education. He is the coauthor of *Economics: Private and Public Choice* (Cengage/South-Western Press, 2012), a widely used text on the principles of economics that is now in its 14th edition. He is also coauthor of an economics primer, *Common Sense Economics: What Everyone Should Know about Wealth and Prosperity* (St. Martin's Press, 2010). His publications have appeared in both professional journals and popular media such as the *Wall Street Journal* and the *New York Times*. He served as Chief Economist of the Joint Economic Committee of the US Congress during 1999/2000. In 2004, he was the recipient of the Adam Smith Award of the Association of Private Enterprise Education for his contribution to the advancement of free-market ideals. He is a past President of the Southern Economic Association and the Association of Private Enterprise Education. His Ph.D. in economics is from the University of Washington.

Robert A. Lawson

Robert Lawson is the Jerome M. Fullinwider Chair in Economic Freedom in the O'Neil Center for Global Markets and Freedom in the Cox School of Business at Southern Methodist University. Prior to taking a position at SMU, he taught at Auburn University, Capital University, and Shawnee State University. Lawson has numerous professional publications in journals such as *Public Choice, Journal of Economic Behavior and Organization, Cato Journal, Kyklos, Journal of Labor Research, Journal of Institutional and Theoretical Economics*, and *European Journal of Political Economy*. Lawson has served as president of the Association of Private Enterprise Education and is a member of the Mont Pelerin Society. He earned his B.S. in economics from the Honors Tutorial College at Ohio University and his M.S. and Ph.D. in economics from Florida State University.

Joshua C. Hall

Joshua C. Hall is the Elbert H. Neese, Jr. Professor of Economics at Beloit College in Beloit, Wisconsin. He earned his B.B.A. and M.A. in economics from Ohio University and his Ph.D. from West Virginia University. Formerly an economist for the Joint Economic Committee of the US Congress, he has published numerous policy studies and professional publications. Professor Hall's research has appeared in journals such as the *Atlantic Economic Journal, Cato Journal, Journal of Economic Behavior and Organization, Journal of Economic Education, Journal of Labor Research, Southern Economic Journal*, and *Public Finance Review*.

About the Contributors

Scott L. Baier Scott Baier is currently an associate professor of economics in the John E. Walker Department of Economics at Clemson University. He has been a visiting scholar at the Federal Reserve Bank in Atlanta and has served as a Senior Economist at the Council of Economic Advisers. Prof. Baier received his Ph.D. from Michigan State University and his undergraduate from Bowling Green State University. His current research focuses on international trade and economic growth. Prof. Baier has written many articles that have been published in scholarly journals such as the *Journal of International Economics*, *Journal of International Money and Finance*, *Economic Inquiry*, and *Journal of Economic Growth*.

Christian Bjørnskov Christian Bjørnskov is currently associate professor of economics at Aarhus University in Denmark and is also affiliated with the Center for Political Studies in Copenhagen. He earned his Ph.D. in economics from Aarhus School of Business. Christian Bjørnskov has published articles in a range of journals including *Public Choice*, *European Journal of Political Economy*, *Journal of Economic Behavior and Organization*, *Journal of Development Economics*, and *Journal of Law and Economics*. He is a member of the editorial board of *Public Choice* and the *European Journal of Political Economy*. His most recent research focuses on the institutional determinants of long-run development. Prof. Bjørnskov teaches development economics, international economics, and general macroeconomics at the Department of Economics as well as the Department of Political Science, Aarhus University.

Matthew Clance Matthew Clance received his Ph.D. in economics from Clemson University in 2012. His current research interests include international trade, open-economy macroeconomics, banking crises, and applied econometrics. In 2011, he worked as a Research Associate for the Federal Reserve Bank of Atlanta on a project that focused on the movement of macroeconomic variables due to financial crises.

Alice M. Crisp Alice M. Crisp is currently working on a Ph.D. in Economics from Florida State University in Tallahassee, Florida. As a Charles G. Koch Doctoral Fellowship recipient, she serves as a research assistant for Dr. James Gwartney. Ms Crisp's research will be published in the *Journal of Economics and Finance Education*, forthcoming. She earned her B.B.A in Economics from Mercer University in Macon, Georgia, USA. Mercer University awarded her the Algernon Sydney Sullivan Award for exemplary scholarship, character, leadership, and service. As an undergraduate, she participated in

the Koch Internship Program, working for the Atlas Economic Research Foundation in Washington, DC as coordinator for the Sound Money Project. She also worked as an intern for the Foundation for Economic Education in Atlanta, Georgia.

Axel Dreher

Axel Dreher is professor of International and Development Politics at Heidelberg University. He received his Ph.D. from the University of Mannheim in 2003 and has since then been employed at the Universities of Exeter, Konstanz, and Goettingen, and the KOF Swiss Economic Institute at ETH Zurich. Prof. Dreher is Affiliated Professor at the University of Goettingen and the KOF Swiss Economic Institute, and Research Fellow at IZA and CESifo. He has published numerous articles in refereed journals, among them the *International Economic Review*, *Journal of Development Economics*, *International Organization*, and the *Journal of International Economics*. He is editor of the *Review of International Organizations* and author of the *KOF Index of Globalization*. Most of his current research is in the fields of political economy, economic development, and globalization.

Gerald P. Dwyer

Gerald P. Dwyer is an adjunct faculty member at the University of Carlos III, Madrid and at Trinity College Dublin. Outside academe, most recently he was Director of the Center for Financial Innovation and Stability at the Federal Reserve Bank of Atlanta and, before that, Vice President in charge of the Finance group in the Research Department. Prof. Dwyer has been a faculty member at Clemson University, the University of Houston, Emory University, and Texas A&M University and an adjunct faculty member at other universities; a Visiting Scholar at the Federal Reserve Banks of Atlanta, St. Louis and Minneapolis; and an economist at the Federal Reserve Banks of St. Louis and Chicago. Prof. Dwyer's research focuses on financial markets and banking. This research has appeared in leading economics and finance journals, in *Reviews* published by Federal Reserve Banks, and in books and conference volumes. He serves on the editorial boards of *Economic Inquiry* and the *Journal of Financial Stability*; and is a past President of the Association of Private Enterprise Education and the Society for Nonlinear Dynamics and Econometrics, which honored him by creating the Gerald P. Dwyer Prize in Financial Econometrics.

Nicolai J. Foss

Nicolai J Foss is a professor of Organization and Strategy at the Copenhagen Business School and the head of department of the Department of Strategic Management and Globalization at the CBS. He is also professor of Knowledge-based Value Creation at the Norwegian School of Economics. The author of 140 papers in reviewed journals, Foss' main research interests are entrepreneurship, strategic management and the economics of the firm. He is one of the founders of the Center for Policy Studies, a Danish free-market think tank. Prof. Foss blogs at the popular blog, <organizationsandmarkets.com>.

Kai Gehring

Kai Gehring is a Ph.D. student at the University of Goettingen and Heidelberg University and is part of the Research Training Group (RTG 1723), Globalization and Development. He carried out his studies in business and economics at the University of Mannheim and the University of Canterbury, New Zealand; and completed Ph.D. courses in economics at the Graduate School of Economic & Social Sciences in Mannheim. Kai Gehring gained working experience as a management consultant and as a student assistant at the Centre for European Economic Research. His main research interest is political economy and public-choice theory, with a focus on international organizations, globalization, and economic development.

Acknowledgments

As always, we are grateful for the intellectual and financial assistance of the Fraser Institute and Niels Veldhuis, the Institute's president. Without the assistance and guidance of both Michael Walker, former Executive Director of the Fraser Institute, and the late Milton Friedman, this project would never have gotten off the ground.

The members of the Economic Freedom Network again provided valuable support for this report. Our thanks also go to Kathy Makinen and Joe Connors at Florida State University, both of whom provided us with research assistance. We are grateful for the hard work of many at the Fraser Institute who help with the project, including especially Fred McMahon, Miguel Cervantes, and Jean-François Minardi. Also, thanks to Ian Vasquez at the Cato Institute for his continued support. Steve Knack (World Bank) and Ciara Browne (World Economic Forum) were instrumental in helping secure data from their respective organizations.

Thanks also go to the Charles G. Koch Charitable Foundation and Searle Freedom Trust for their support.

James Gwartney, Robert Lawson & Joshua Hall

The Economic Freedom Network

Co-publishers of *Economic Freedom of the World*

Afghanistan **Afghanistan Economic and Legal Studies Organization**

The Afghanistan Economic and Legal Studies Organization (AELSO) is a non governmental think thank that aims to introduce and promote a free market economy, the rule of law and good governance to the people of Afghanistan.

e-mail: info@aelso.org • website: <http://www.aelso.org/>

Albania **Albanian Center for Economic Research**

Established in November 1992, the Albanian Center for Economic Research (ACER) is Albania's first independent, non-governmental organization dedicated to the value of democracy and market economy.

e-mail: acer@icc-al.org • website: <http://www.acer.org.al>

Argentina **Fundación Libertad**

Fundación Libertad is a private, non-profit institution working towards two main goals: the research and distribution of public-policy issues (specifically in socio-economic and business areas) and the promotion of the concept of a free-market society. Founded in Rosario, Argentina, in 1988 by a group of businessmen, professionals, and intellectuals, the Foundation has developed its activities with the support of more than 200 private companies. Its projects include courses, lectures, seminars, research, studies, and publications as well as a strong permanent presence in the media, through columns, and television and radio programs produced by the Foundation. These projects have focused on economic policies, education, regulations, and public spending. Outstanding guest speakers have delivered lectures and conferences for the Fundación Libertad; these include Peruvian writer Mario Vargas Llosa, Nobel prize-winning economists such as Gary Becker, Douglass North, Robert Lucas, and James Buchanan, historian Paul Johnson, Nobel Peace Prize Laureate Lech Walessa, and other intellectuals like Jean Francois Revel. Fundación Libertad has also led the creation of REFUNDAR, a network of Argentine foundations made up of ten organizations, located in the country's major cities. This network has helped us spread our ideas all over the country and is affiliated with similar international organizations.

e-mail: fundacion@libertad.org.ar • website: <http://www.libertad.org.ar>

Armenia **Centre of Political, Legal and Economic Researches and Forecasting**

The Centre of Political, Legal and Economic Researches and Forecasting (PLERF)is a non-governmental organization created in 2002. Its mission is to assist the development

of an effective socio-economic policy; to establish an economy based on the free market; and to contribute to the development of democracy in the Republic of Armenia. PLERF organizes seminars and conferences related to its goals and carries out research, independent estimations of social and economic reforms, government policy in certain spheres, and assessment of transition process and surveys among experts and policy makers.

e-mail: khachatryanvahagn@yahoo.com

Australia **Institute of Public Affairs**

Established in 1943, the Institute of Public Affairs (IPA) is Australia's oldest and largest private-sector think-tank. Its aim is to foster prosperity and full employment, the rule of law, democratic freedoms, security from crime and invasion, and high standards in education and family life for the Australian people. To identify and promote the best means of securing these values, the IPA undertakes research, organizes seminars, and publishes widely.

e-mail: ipa@ipa.org.au • website: <http://ipa.org.au>

Austria **TIGRA®**

TIGRA® is the premier Austrian think-tank on governance research. Headquartered in Salzburg, it was founded to study and advance effective and efficient economic policies. TIGRA® organizes workshops and publishes papers and reports. Their mission is "From analysis to action." TIGRA® is a network of experts who provide effective market solutions to policy-makers. Special emphasis is put on knowledge management, monitoring the scope and quality of regulations ("cutting red tape"), and setting benchmarks.

e-mail: bendl@erwin.tc

Azerbaijan **Center for Economic and Political Research**

The Center for Economic and Political Research, Azerbaijan, is a non-profit, non-governmental, research institute founded in 1994. Its mission is to facilitate the country's democratization and economic liberalization and to increase the role of civil society. The main objectives of the Center's activities are analyzing the economic situation and progress of market reforms, political processes, foreign political relations, and regional economic and political tendencies. The Center also conducts sociological surveys and holds conferences, round-tables, and seminars on different aspects of economic and political reforms in the country.

e-mail: info@cesd.az • website: <http://www.cesd.az/>

Bahamas **The Nassau Institute**

The Nassau Institute is an independent, non-political, non-profit institute that promotes economic growth, employment, and entrepreneurial activity. It believes that this can best be achieved with a free-market economy and a decent society—one that embraces the rule of law, the right of private property, the free exchange of property and services, and the individual virtues of self-control, commitment, and good will.

e-mail: joan@nassauinstitute.org • website: <http://www.nassauinstitute.org>

Bangladesh **Making Our Economy Right**

Making Our Economy Right (MOER), founded in 1991, is the country's lone free-market institute and continues to struggle to promote free-market capitalism against all odds. The concept of individual freedom and free markets determining the supply of goods, services, and capital is little understood in Bangladesh. For the past 50

years or so, Fabian socialism and the doctrines of Karl Marx were the basis of our country's economy. MOER contributes free-market, libertarian articles in English and Bangla newspapers. MOER also publishes books both in Bangla and in English for free distribution to libraries and others with the support of the International Policy Network of London. MOER's fourth book, published in 2002, *Clamoring for Free Market Freedom in Bangladesh*, has a foreword by Nobel laureate Milton Friedman. The book is a compilation of articles by Nizam Ahmad.

Belarus **Scientific Research Mises Center**

Scientific Research Mises Center was founded in 2001. Its mission is to advance ideas and ideals of a free-market democratic society based on individual choice and personal responsibility and to create an open community of people who share those ideas. The Center promotes the original ideas of limited government, individual liberty, and private property through publications and discussion forums and conferences. The goal of the Center is to demonstrate the power of private institutions, both for-profit and non-profit, to create a good society and to foster the understanding that free choice of a fully informed individual is the foundation for a just, prosperous, and open society.

e-mail: liberti@belsonet.net • website: <http://liberty-belarus.info>

Belgium **Centre for the New Europe**

The Centre for the New Europe (CNE) is a European research institute based in Brussels that promotes a market economy, personal liberty, and creativity and responsibility in an ordered society. CNE is founded on the belief that European integration can work only in a society led by a spirit of democratic capitalism. The Centre develops policy alternatives, encourages economic growth and deregulation, seeks new market-based solutions for social and environmental concerns, and promotes individual freedom, choice and responsibility.

e-mail: info@cne.org

Bolivia **Política Publicas para la Libertad**

The mission of Política Publicas para la Libertad (POPULI) is to generate and promote public policies, in accordance with the country's social and economic realities, within the field of private enterprise, under the principle of state subsidiarity, preserving property rights, human rights, and strengthening the concept of liberty. Its vision is to generate and promote a benchmark of public policies while maintaining institutional independence and a strong commitment to the values of a free society.

e-mail: populi@populi-bo.org • website: <http://www.populi.org.bo>

Brazil **Instituto Liberal do Rio de Janeiro**

Instituto Liberal was founded to persuade Brazilians of the advantages of a liberal order. It is a non-profit institution supported by donations and the sponsorship of private individuals and corporations. Its by-laws provide for a Board of Trustees and forbid any political or sectarian affiliations. The institute publishes books, organizes seminars, and elaborates policy papers on subjects related to public policy.

e-mail: ilrj@gbl.com.br • website: <http://www.institutoliberal.org.br>

Bulgaria **Institute for Market Economics**

Established in 1993, the Institute for Market Economics (IME) is the first independent economic think-tank in Bulgaria. It is a private, registered, non-profit

corporation that receives international support and is widely respected for its expertise. IME designs and promotes solutions to the problems that Bulgaria is facing in its transition to a market economy, provides independent assessment and analysis of the government's economic policies, and supports an exchange of views on market economics and relevant policy issues.

e-mail: mail@ime.bg • website: <http://www.ime.bg>

Burkina Faso **Le Centre des Affaires Humaines**

Le Centre des Affaires Humaines (CEDAH) is a free-market educational and research public-policy think-tank founded in December 2007 in Burkina Faso. The CEDAH is an independent, non-profit organization with no affiliations to any political party. It is financed entirely from contributions from individuals, organizations, and foundations. In order to protect its research independence, it does not accept grants from the government of Burkina Faso or political parties. The mission of CEDAH is to propose original and innovative solutions for the crafting of efficient public policies, using successful reforms applied elsewhere as models. The CEDAH studies how markets function with the aim of identifying the mechanisms and institutions that foster the prosperity and long-term welfare of all the individuals that make up our society.

e-mail: info@cedah.org • website: <http://www.cedah.org/>

Cambodia **The Cambodia Institute of Development Study**

The Cambodia Institute of Development Study (CIDS) is a non-profit, independent, local research institute founded in December 2004. The Institute's mission is to provide high-quality research on the local and provincial levels in the specialized areas of economics, natural resources and environment, agriculture and rural development, and public finance and governance, within the context of world integration. Its objectives are to generate and disseminate research on the national and provincial economies, and to enhance the capacity and promote the professional development of local resources by providing training and practical research opportunities.

e-mail: info@cids.cambodia.org • website: <http://www.cids-cambodia.org/>

Canada **The Fraser Institute**

The vision of the Fraser Institute is a free and prosperous world where individuals benefit from greater choice, competitive markets, and personal responsibility. Our mission is to measure, study, and communicate the impact of competitive markets and government interventions on the welfare of individuals. Founded in 1974, we are an independent research and educational organization with locations throughout North America and international partners in over 85 countries. Our work is financed by tax-deductible contributions from thousands of individuals, organizations, and foundations. In order to protect its independence, the Institute does not accept grants from government or contracts for research.

e-mail: info@fraserinstitute.org • websites: <http://www.fraserinstitute.org>

Chile **Instituto Libertad y Desarrollo**

The Instituto Libertad y Desarrollo is a private think-tank wholly independent of any religious, political, financial, or governmental groups. It is committed to the free market and to political and economic freedom. It publishes studies and analyses of public-policy issues.

e-mail: lyd@lyd.org • website: <http://www.lyd.com>

China **Center for China & Globalization**

The Center for China & Globalization (CCG) is a non-profit and independent think-tank. It has a pool of first-class scholars, business leaders, and experts in government addressing issues on the challenges and opportunities of positioning China in the process of globalization. CCG conducts timely strategic analysis and feasibility studies of policy-making options for China's economic development and social progress. The top-level experts, Chinese and foreign alike, help assess the regional and global implications of China's rise in the context of international political and economic reconfiguration. CCG aims to become the leading international think-tank for China's society and business community and seeks to remain independent, objective and constructive in all its research activities.

e-mail: ccg@ccg.org.cn • website: <http://www.ccg.org.cn/ccg/ccgen/>

Colombia **Instituto de Ciencia Politica**

Since 1987, the Instituto de Ciencia Política (ICP) has established itself as a center of democratic thought and as an association of free men and women united by a common affection for an intellectual identity with the principles, values, and feelings that constitute democracy as a political, economic, social, and cultural system, and united also by their desire to act constantly and efficiently towards overcoming the lack of stability and mistakes of our political sector, in order to achieve economic, political, social, and environmental development.

ICP, as an influential think-tank in the nation, has been able, through its studies, recommendations and debates, to mediate decisively in the new directions and measures taken on different occasions by public authorities, as well as in the formation of new national political thought, favorable to the market economy, economic openness, necessary privatizations, and the modernization of the State. The institution is not, nor aspires to be, a new political party or movement, and it is independent of parties, religions, and governments. Its mission is to establish as fundamental principles the free-market economy, competition, and individual initiative, as well as the reduction of State intervention and control to the minimum indispensable.

e-mail: info@icpcolombia.org • website: <http://www.icpcolombia.org/index.php>

Costa Rica **Instituto para la Libertad y el Análisis de Políticas**

The Instituto para la Libertad y el Análisis de Políticas (INLAP—the Institute for Liberty and Public Policy Analysis) is a non-profit, non-partisan organization created to defend and promote individual liberty through analysis of public policy and educational activities. Its specific objectives are to increase awareness of the moral foundations of liberty and to promote liberty as an individual right necessary to achieve the highest levels of economic and human development; and to foster changes in social organization and public policies by influencing the thinking of policy makers, community leaders, and citizens. INLAP produces timely analyses of proposed laws, decrees, and regulations, and its recommendations provide guidance for elected officials who seek to achieve greater individual liberty and creativity and a more productive economy. It also conducts detailed studies of well-meant public policies that may ultimately have unintended adverse effects. The Institute's studies and recommendations are published in books, journals, and newspapers, appear as position papers and bulletins, and are also available via our website.

e-mail: inlapp@racsa.co.cr

Côte d'Ivoire **Audace Institut Afrique**

Audace Institut Afrique (AIA) is a think-tank established in November 2009 that aims to promote classical liberalism, the theory and politics of the market economy as well as the philosophy of the Austrian school in Africa. The Insitute wishes to initiate reflections on economic and political freedoms in Africa through the organization of symposia, seminars, conferences, workshops, training at the university, and a research program.

e-mail: institut@audace-afrique.org • website: <http://www.audace-afrique.com>

Croatia **The Institute of Economics**

The Institute of Economics, Zagreb, established in 1939, is a major scientific and research institution for the study of economic processes and the application of contemporary theories in economics. The Institute's objective is the economic and social advance of Croatia. Research encompasses both macroeconomics and microeconomics, policy issues (including specialized areas such as business economics), current economic trends, methods of economic analysis, development of human resources, spatial and regional economics, international economics and technological development, and investment project planning. Researchers from inside and outside the Institute work together on research projects. The Institute employs 40 full-time researchers, the majority of whom have completed specialized training courses in foreign countries. Results of the Institute's research activities are published in books, reports, and studies as well as in scientific journals. The Institute maintains close contact with international organizations, professional associations, institutes, and universities.

Email: eizagreb@eizg.hr • website: <http://www.eizg.hr>

Czech Republic **Liberální Institut**

Liberální Institut is an independent, non-profit organization for the development and application of classical liberal ideas: individual rights, private property, rule of law, self-regulating markets, and delineated government functions. It is financed by its various activities and by donations from individuals and private corporations.

E-mail: eva.horova@libinst.cz • website: <http://www.libinst.cz>

Denmark **Center for Politiske Studier**

The Center for Politiske Studier (CEPOS—Center for Political Studies) was founded in 2004 as an independent, non-profit think-tank based in Copenhagen. It seeks to promote a free and prosperous society by conducting research that will foster the policies, institutions, and culture that will best support a market economy, rule of law, and a civil society consisting of free and responsible individuals. It does so by producing academic studies and policy analyses aimed partly at general political debates and partly at the political process in areas such as welfare, taxation, regulation, education, entrepreneurship, health care, the environment, and the organization of the public sector.

e-mail: info@cepos.dk • website: <http://www.cepos.dk>

Dominican Republic **Fundación Economía y Desarrollo, Inc.**

The Fundación Economía y Desarrollo, Inc. (FEyD) is a private, non-profit organization dedicated to fostering competitive markets, private enterprise, and strategies that promote economic development. To meet its objectives, FEyD has several

one-hour television program called "Triálogo," which is broadcast three times a week and explains studies of the performance of the Dominican economy and its sectors.

Ecuador **Instituto Ecuatoriano de Economía Política**

The Instituto Ecuatoriano de Economia Politica (IEEP) is a private, independent, non-profit institution that defends and promotes the classical liberal ideals of individual liberty, free markets, limited government, property rights, and the rule of law. The IEEP achieves its mission through publications, seminars, and workshops that debate socioeconomic and political issues. The IEEP's funding comes from voluntary donations, membership subscriptions, and income from sales of its publications.

e-mail: info@ieep.org.ec • website: <http://www.ieep.org.ec>

Finland **Libera Foundation**

Libera Foundation is a private, independent, non-political think tank that advances and supports the principles and values of individual liberty, free enterprise, free markets, and a free society. Libera is supported solely by contributions from private individuals, foundations, and businesses, and it accepts no taxpayer money. Libera works by disseminating information, arranging seminars and events, publishing relevant literature, supporting and facilitating academic knowledge creation and ideas, conducting research and raising public awareness of the current issues related to its mission.

e-mail: info@libera.fi • website: <http://www.libera.fi/en>

France **Institut Economique Molinari**

The Molinari Economic Institute (MEI) is a research and educational think-tank. It aims to initiate and stimulate an economic approach to the analysis of public policy. It was named after Gustave de Molinari, a Franco-Belgian economist and journalist; he himself has worked all his life to promote this approach. The MEI has set as its mission to propose alternative and innovative solutions favorable to the prosperity of all individuals in society. The MEI is a non-profit organization funded by the voluntary contributions of its members: individuals, corporations, or other foundations. Affirming its intellectual independence, it accepts no government funding or support from political parties.

website: <http://www.institutmolinari.org>

Georgia **Society for Disseminating Economic Knowledge: New Economic School**

The Society was founded in 2001. The goal of the Society is to disseminate and promote free-market ideas and to create a resource center promoting free-market economics for students, young scientists, teachers, and other interested parties. Through publications, conferences, seminars, lectures, panel workshops, summer and winter schools, scientific Olympiads, and competitions, the Society seeks to disseminate classical liberal ideas.

Email: office@nesgeorgia.org • website: <http://www.nesgeorgia.org>

Germany **Liberales Institut**

The Liberales Institut (Liberty Institute), based in Potsdam, is the think-tank of the Friedrich-Naumann-Foundation. It spreads free-market ideas through the publication of classical liberal literature, the analysis of current political trends, and the promotion of research. The Institute organizes conferences and workshops to stimulate an intellectual exchange among liberals around the world.

e-mail: libinst@freiheit.org • <http://www.freiheit.org>

Ghana **The Institute of Economic Affairs**

The Institute of Economic Affairs (IEA), Ghana, was founded in October 1989 as an independent, non-governmental institution dedicated to the establishment and strengthening of a market economy and a democratic, free, and open society. It considers improvements in the legal, social, and political institutions as necessary conditions for sustained economic growth and human development. The IEA supports research and promotes and publishes studies on important economic, socio-political, and legal issues in order to enhance understanding of public policy.

e-mail: iea@ieagh.org • website: < http://www.ieagh.org/ >

Guatemala **Centro de Investigaciones Económicas Nacionales**

The Centro de Investigaciones Económicas Nacionales (CIEN—the Center for Research on the National Economy) was established in Guatemala in 1982. It is a private, non-partisan, not-for-profit, public-policy institute, funded by the sale of its books and periodical publications, income from conferences and seminars, and the support it receives from its members and the public. The Center's program is devoted to the technical study of economic and social problems that impede the stable development of the nation. Its members, staff, research associates, and supporters share the principles of a social order of free and responsible individuals interacting through a market economy functioning within the rule of law.

e-mail: cien@cien.org.gt • website: <http://www.cien.org.gt>

Guinea **InafEcon—Institute of African Economics**

The Institute of African Economics aims to promote and stimulate economic research and training in Guinea and other African countries through organizing conferences, congresses, seminars, and courses; publishing technical and scientific studies; granting scholarships and prizes; and advising sound economic policy. By doing so, the Institute would like to help reverse the tendencies of afro-pessimism and the marginalization of the African continent in worldwide cultural, scientific, and commercial exchanges through the ownership by the African public (academics, political leaders, civil servants, corporate managers, and civil society) of the development challenges in a world integrated globally between the North, the South, the East, and, the West.

e-mail: inafecon@inafecon.org • website: <http://www.inafecon.org/>

Haiti **Institut de Recherche pour la Liberté Économique et la Prospérité**

L'Institut de Recherche pour la Liberté Économique et la Prospérité (IRLEP), Haiti, was founded in 2004. It is a non-partisan, non-profit, research and educational organization devoted to improving the quality of life in Haiti through economic growth and development. Through publications and conferences, IRLEP promotes the principles and concepts of individual rights, limited government, competition, free trade, and physical and intellectual property rights. IRLEP does not accept funding and subsidies from public institutions and political parties.

e-mail: irlephaiti@yahoo.com

Honduras **Centro de Investigaciones Economicas y Sociales (CIES)**

website: <https://cies.cohep.com>

Hong Kong **Hong Kong Centre for Economic Research**

The Hong Kong Centre for Economic Research is an educational, charitable trust established in 1987 to promote the free market in Hong Kong by fostering public understanding of economic affairs and developing alternative policies for government. The Centre publishes authoritative research studies and is widely recognized as the leading free-market think-tank in Asia. It has been influential in persuading public opinion and the government in Hong Kong to liberalize telecommunications, open up air-cargo-handling franchises, privatize public housing, adopt a fully funded provident scheme instead of a pay-as-you-go pension scheme, remove the legally sanctioned fixing of deposit interest rates by banks, and adopt market mechanisms for protecting the environment.

e-mail: hkcer@econ.hku.hk • website: <http://www.hku.hk/hkcer>

Hungary **Szazadveg Foundation**

The Szazadveg Foundation is a non-profit organization performing political and economic research, and advisory and training activities. This think-tank is independent of the government or any political parties and has been operating as a foundation since its establishment in 1990. Szazadveg publishes the results of its research to the public at large and also provides professional services to economic institutions, political and civil organizations, political parties, and the government.

e-mail: varkonyi@szazadveg.hu • website: <http://www.szazadveg.hu>

Iceland **Centre for Social and Economic Research**

The Centre for Social and Economic Research (RSE) is an independent, non partisan, non-profit organization in Reykjavik, Iceland, founded in 2004. Its mission is to promote an understanding of private property and free-market ideas for a progressive, democratic society. RSE achieves its mission through programs of publication and conferences. Its work is assisted by a council of academic advisors of the highest standard from various academic fields. RSE is funded entirely by voluntary contributions from its supporters.

website: <http://www.rse.is>

India **Centre for Civil Society**

The Centre for Civil Society (CCS) is an independent, non-profit, research and educational organization inaugurated on August 15, 1997 and devoted to improving the quality of life for all citizens of India. The CCS maintains that, having earlier attained their political independence from an alien state, the Indian people must now seek economic, social, and cultural independence from the Indian state. This can work from two directions simultaneously: a "mortar" program of building or rebuilding the institutions of civil society and a "hammer" program of readjusting the size and scope of the political society. The CCS conducts monthly dialogues on topical issues to introduce classical liberal philosophy and market-based solutions into public debate. It has published *Agenda for Change*, a volume in 17 chapters that outlines policy reforms for the Indian government, Israel Kirzner's *How Markets Work*, and *Self-Regulation in the Civil Society*, edited by Ashok Desai. It organizes Liberty and Society seminars for college students and journalists.

e-mail: ccs@ccs.in • website: <http://www.ccsindia.org>

Indonesia **The Institute for Development of Economics and Finance**

Indonesian Development of Economics and Finance (INDEF) is an NGO founded in Jakarta in 1996. It is a source of information in economics for policy makers, press, students, and business.

e-mail: Indef@indo.net.id • website: <http://home.indo.net.id/~indef>

Ireland **Open Republic Institute**

The Open Republic Institute (ORI) is Ireland's only platform for public-policy discussion that is specifically interested in individual rights within the context of open-society and open-market ideas. The ORI works within a non-political framework to provide public-policy analysis and new policy ideas to government, public representatives, civil servants, academics, students, and citizens.

website: <http://www.openrepublic.ie>

Israel **Jerusalem Institute for Market Studies**

The Jerusalem Institute for Market Studies (JIMS) was founded in 2003 in Jerusalem, Israel, as an independent non-profit, economic policy think-tank. JIMS' mission is to promote market solutions and limited government in Israel and the region. In order to spread free-market ideas, JIMS conducts original research and publishes public-policy papers and editorials. JIMS also runs a wide range of educational programs for young professionals and students in elementary school, high school, and college.

e-mail: corinne.sauer@jims-israel.org • website: <http://www.jims-israel.org>

Italy **Centro Einaudi**

The Centro di Ricerca e Documentazione "Luigi Einaudi" was founded in 1963 in Turin, Italy, as a free association of businessmen and young intellectuals to foster individual freedom and autonomy, economic competition, and the free market. The Centro is an independent, non-profit institute financed by contributions from individuals and corporations, by the sale of its publications, and by specific research commissions. The Centro carries on research activities, trains young scholars and researchers, organizes seminars, conferences and lectures, and publishes monographs, books, and periodicals, including: the quarterly journal, *Biblioteca della libertà*; *Rapporto sull'economia globale e l'Italia* (*Report on the Global Economy and Italy*); *Rapporto sul risparmio e sui risparmiatori in Italia* (*Report on Savings and Savers in Italy*); and *Rapporto sulla distribuzione in Italia* (*Report on the Retail Trade in Italy*—published also in English).

e-mail: segreteria@centroeinaudi.it • website: <http://www.centroeinaudi.it>

Jordan **Young Entrepreneurs Association**

The Young Entrepreneurs Association (YEA) is a non-profit organization that aims to help small and medium-sized Jordanian companies become investor- and market-ready, and develop their ideas to facilitate the growth of their businesses. The YEA aims to foster fellowship and the exchnage of ideas between entrepreneurs; educate and train entrepreneurs; and be the voice for the entrepreneurial community as a whole. For entrepreneurial activities to succeed in Jordan, the YEA must act as an advocate for legislative change, thereby helping shape, through rules and regulation, a favorable business environment for startups and expanding businesses.

Email: director@yea.com.jo • website: <http://www.yea.com.jo>

Kazakhstan **Central Asian Free Market Institute**

The Central Asian Free Market Institute is an independent think-tank. Its mission is to increase the individual freedom and responsibility of people in Central Asia. That includes strengthening the institutions of the market economy, property, and the rule of law.

email: office@freemarket.kg • website: <http://www.freemarket.kg>

Kenya **African Research Center for Public Policy and Market Process**

The African Research Center for Public Policy and Market Process, Kenya, is the first research centre founded in Africa by the African Educational Foundation for Public Policy and Market Process, an independent educational organization registered in the United States. The primary mission of the Center and the Foundation is to promote ideas about free markets and voluntary associations in Africa. The Center conducts research on all aspects of free markets, voluntary association, and individual liberty, and publishes the results to as wide an audience as possible. The Center also organizes seminars and conferences to examine liberty and enterprise in Africa.

e-mail: kimenyi@kippra.or.ke

Korea **Center for Free Enterprise**

The Center for Free Enterprise (CFE) is a foundation committed to promoting free enterprise, limited government, freedom and individual responsibility, the rule of law, and restraint of violence. Funded by the members of the Federation of Korean Industries (FKI), the CFE was founded as a non-profit, independent foundation on April 1, 1997, at a time of economic crisis in Korean society. The CFE has concentrated on championing a free economy through books and reports on public policies, statistics, and analyses. In workshops and policy forums, the CFE has put forward alternatives to policies proposed as solutions for issues facing Korean society.

e-mail: csn@cfe.org • website: <http://eng.cfe.org>

Kosovo **Group for Legal and Political Studies**

The Group for Legal and Political Studies is a non-profit organization, based in Kosovo. The Group's main aim is to provide a qualitative and highly competitive research environment with the intention to offer a new perspective for the reform, democratization, and development of the governing system of Kosovo.

e-mail: office@legalpoliticalstudies.org • website: <http://legalpoliticalstudies.org>

Kyrgyz Republic **Economic Policy Institute—Bishkek Consensus**

The Economic Policy Institute—Bishkek Consensus (EPI), Kyrgyzstan, was created in December of 2003 as a non-profit, non-partisan, independent institute with developed partnerships and cooperative relationships with government, business, the international community, civil society, and the news media. EPI's mission is to promote economic, social, and governance reforms in Kyrgyzstan, involving institutions of civil society to elaborate and execute the reforms, developing local potential and using the best international experience. Its strategic position is to be an independent and highly objective source of information and research on public-policy issues, as well as an unbiased forum for collaboration of diverse interest groups in the reform of public policy.

e-mail: office@epi.kg

Lithuania **Lithuanian Free Market Institute**

The Lithuanian Free Market Institute (LFMI) is an independent, non-profit organization established in 1990 to advance the ideas of individual freedom and responsibility, free markets, and limited government. Since its inception, LFMI has been at the forefront of economic thought and reform in Lithuania. Not only has LFMI helped frame policy debates by conducting research and creating reform packages on key issues, it has also conducted extensive educational campaigns and played a key role "behind the scenes" in helping to craft and refine legislative proposals. LFMI promoted the idea of a currency board and provided decisive input to the Law on Litas Credibility; it led the creation of the legal and institutional framework for the securities market and contributed significantly to the country's privatization legislation; and it initiated and participated in the policy-making process on private, fully funded pension insurance. LFMI's recommendations were adopted in legislation on commercial banks, the Bank of Lithuania, credit unions, insurance, and foreign investment. LFMI significantly influenced the improvement of company, bankruptcy, and competition law.

e-mail: lfmi@freema.org • website: <http://www.freema.org>

Malaysia **Institute for Democracy and Economic Affairs**

The Institute for Democracy and Economic Affairs (IDEAS) is Malaysia's first think-tank dedicated to promoting market-based solutions to public policy challenges. We are an independent, not-for-profit organization. As a cross-partisan think-tank, we work across the political spectrum. Our purpose is to advance market-based principles, and we are not bound by party politics, race, or religion. Our office is in Bukit Tunku, Kuala Lumpur, just minutes away from Parliament. We achieve our aims by working with an extensive network of experts who share our ideals.

e-mail: admin@ideas.org.my • website: <http://ideas.org.my>

Mexico **Centro de Investigación para el Desarrollo A.C.**

The Centro de Investigación para el Desarrollo A.C. (CIDAC) is an independent, not-for-profit research institution devoted to the study of Mexico's economy and political system. Its philosophy is that Mexico's economy can be made viable only through a greater, more efficient, and more competitive private sector. CIDAC was founded in 1980 as an executive training facility for the financial sector at large (public and private, banking and business). It received an endowment from Banamex, then Mexico's largest private bank. In 1983, immediately after the expropriation of the private banks, CIDAC changed its mandate from teaching to research. Over the last five years, CIDAC has held over 40 conferences for businessmen and its professionals continuously address academic, policy, and business forums. CIDAC has also published 19 books on various economic, political, and policy issues, 45 monographs, and over 500 op-ed pieces in Mexican, American, and European papers and magazines.

e-mail: info@cidac.org • website: <http://www.cidac.org>

Mongolia **Open Society Forum**

The Open Society Forum is an independent, non-governmental, organization founded in 2004. The Forum's goals are to provide quality policy research and analysis and broad public access to information resources pertaining to governance, economic, and social policies. It focuses on economic freedom, land reform, rule of

law, freedom of media, campaign financing, nomadic pastoralism, privatization, the shadow economy, and education policy. The Forum conducts research and holds conferences to encourage public participation in policy formulation.

e-mail: osf@forum.mn • website: <http://www.forum.mn>

Montenegro **The Center for Entrepreneurship and Economic Development**

The Center for Entrepreneurship and Economic Development (CEED) is the first non-governmental, non-partisan free-market center established in Montenegro. Its mission is to educate entrepreneurs about private ownership, democratic society, free markets, and the rule of law through a number of programs, initiatives, publications, and events. The Center was established to meet the demand for business knowledge by pioneering entrepreneurs who needed training to operate in a new environment after the break-up of the former Yugoslavia.

e-mail: ceed@t-com.me • website: <http://www.visit-ceed.org.me>

Nepal **The Prosperity Foundation**

Samriddhi, The Prosperity Foundation, envisions a free and prosperous Nepal where individuals can live a dignified life in a vibrant and democratic society with equal access to opportunities and respect for the rule of law. Its mission is to promote ideas of freedom—civil, political, and economic—through public-policy recommendations (based on independent research), educational programs, and public participation for a free and prosperous Nepal.

e-mail: info@samriddhi.org • website: <http://www.samriddhi.org>

New Zealand **New Zealand Business Roundtable**

The New Zealand Business Roundtable is made up of the chief executives of about 60 of New Zealand's largest businesses. Its aim is to contribute to the development of sound public policies that reflect New Zealand's overall interests. It has been a prominent supporter of the country's economic liberalization.

e-mail: nzbr@nzbr.org.nz • website: <http://www.nzbr.org.nz>

Nigeria **Initiative of Public Policy Analysis**

The Initiative of Public Policy Analysis (IPPA) is a private, non-profit organization involved in research, education, and publication on matters affecting the freedom of individuals. Its objective is to provide market-oriented analysis of current and emerging policy issues, with a view to influencing the public debate and the political decision-making process.

e-mail: info@ippanigeria.org • website: <http://www.ippanigeria.org>

Norway **Center for Business and Society Incorporated**

The Center for Business and Society Incorporated (Civita), the first market-oriented think-tank in Norway, was established in 2004. It strives for increased consensus on important market economic principles and their implications for welfare, freedom, and democracy. Civita is also dedicated to promoting personal responsibility and civil society to achieve larger, more important roles in society's development. To communicate its ideas to the public, it conducts research, publishes reports, and holds seminars and conferences.

e-mail: civita@civita.no • website: <http://www.civita.no>

Oman **International Research Foundation**

The International Research Foundation (IRF), Sultanate of Oman, was established in 2005 as a non-governmental, independent, non-profit "Think-Tank" based in Oman to conduct research on domestic and international economic issues with emphasis on the Arab World. The IRF has set its research and public-affairs agenda on a collegial basis, relying on the input of its research staff, its editorial board, and its Senior Fellows. It maintains a working arrangement with governmental and non-governmental organizations in the region and other parts of the world. IRF is the regional member of the Fraser Institute's Economic Freedom Network.

The vision of IRF is to create wealth and jobs through the promotion of economic freedom. Its mission is to measure, research, and communicate to a global audience the impact of competitive markets on the welfare of individuals. The Board of Trustees of the IRF consists of high-profile private-sector members from different organizations. IRF has initiated the establishment of a network of academic researchers to facilitate research projects, which will help in its endeavor to research economic issues affecting the daily life of individuals.

e-mail: azzan@ociped.com • website: <www.irfoman.org>

Pakistan **Alternate Solutions Institute**

Alternate Solutions Institute, founded in 2003, is the first free-market think-tank in Pakistan. Its mission is (1) to seek solutions to challenges pertaining to the economy, law, education, and health in accordance with the principles of classical liberalism and (2) to promote the implementation of these solutions. The Institute aims to promote the concept of a limited, responsible government in Pakistan under the rule of law protecting life, liberty, and property of all of its citizens without any discrimination. The Institute conducts research and holds seminars, workshops, and conferences to educate interested students, teachers, and journalists about the principles of classical liberalism.

e-mail: info@asinstitute.org • website: <http://asinstitute.org>

Palestine **Pal-Think for Strategic Studies**

Pal-Think for Strategic Studies is an independent, non-profit, institute in Gaza, Palestine. It was established in March 2007. Pal-Think's mission is to promote peace, freedom, and prosperity through debates on public issues, producing policy recommendations for the decision-makers in Palestine and the Middle East. The main objective of Pal-Think is to conduct research on thematic issues that serve as a basis for policy debates on matters that are important to the Palestinians, the region, and the international community.

To achieve its vision of being a leading think-tank in Palestine and the Middle East, Pal-Think also organizes conferences, workshops, round-table discussions, and other events on specific issues in Palestine and the region to deepen the understanding by the various constituencies and to provide appropriate policy solutions.

e-mail: info@palthink.org • website: <http://www.palthink.org>

Panama **Fundación Libertad**

The Fundación Libertad, Panama, is a non-profit foundation engaged in the promotion and development of liberty, individual choice, and voluntary cooperation, and in the reduction of the size of government. Fundación Libertad was founded in 2001

by members of professional and business organizations to promote free enterprise and democracy and to address issues affecting the freedom of the common citizen, including the increasing discretionary power of the state and the proliferation of legislation fostering discrimination and establishing privileges, all of which are contrary to the spirit of democratic capitalism. Fundación Libertad has drawn initial support from sister organizations such as Centro de Divulgación del Conocimiento Económico (CEDICE) in Caracas, Venezuela, and the Centro de Investigación y Estudios Nacionales (CIEN) in Guatemala.

Email: info@fundacionlibertad.org.pa • website: <http://www.fundacionlibertad.org.pa>

Peru **Centro de Investigación y Estudios Legales**

The Centro de Investigación y Estudios Legales (CITEL) was organized in 1989. Its principal field is the economic analysis of law. To that end, it conducts research on different legal institutions, publishes books, and organizes seminars and colloquia.

e-mail: info@citel.org • website: <http://www.citel.org>

Philippines **Center for Research and Communication**

The Center for Research and Communication (CRC) has, since 1967, conducted research and published works on domestic and international economic and political issues that affect the Asia-Pacific region. It provides forums for discussion and debate among academicians, businessmen, civil officials, and representatives of other sectors that shape public opinion and chart the course of policies. The Center for Research and Communicationis the main research arm of the University of Asia and the Pacific in Metro Manila.

e-mail: crc@uap.asia; crc@uap.edu.ph • website: <http://uap.asia/crc>

Poland **Centrum im. Adama Smitha**

The Centrum im. Adama Smitha (the Adam Smith Research Centre—ASRC) is a private, non-partisan, non-profit, public-policy institute. It was founded in 1989 and was the first such institute in Poland and in Eastern Europe. The ASRC promotes a free and fair market economy, participatory democracy, and a virtuous society. Its activities in research and development, education, and publishing cover almost all important issues within the areas of economy and social life. The ASRC acts as a guardian of economic freedom in Poland. More than 50 experts are associated with the ASRC.

e-mail: 1989@smith.pl • website: <http://www.smith.org.pl>

Portugal **Causa Liberal**

Causa Liberal is an independent, non-partisan, non-profit organization of Portuguese individuals who share the principles of the classical liberal tradition and wish to further its application in modern-day Portugal. Its mission is to defend the principles of the free society and its building blocks: individual rights, the rule of law, free markets, and private property. Its primary goals are to establish and consolidate a network of individuals with an interest in the study, discussion, and promotion of the classical liberal tradition, and to advance free-market ideas and policies in Portugal.

e-mail: Geral@causaliberal.net • website: <http://www.causaliberal.net>

Romania **Romania Think Tank**

Romania Think Tank is an independent research institute founded in 2003. The Think Tank is funded entirely by its founding members. Its objective is to promote the development of free markets, low taxation, reduction of bureaucracy, free trade, and the stimulation of foreign investment. To this end, the Romania Think Tank publishes numerous articles in the Romanian and international media, and studies and analyzes issues relevant to the development of a free-market economy in Romania.

e-mail: office@rtt.ro • website: <http://www.thinktankromania.ro>

Russia **Institute of Economic Analysis**

The Institute of Economic Analysis is an institute for macroeconomic research that analyzes the current economic situation and policies, and provides expert analysis of acts, programs, and current economic policy. It offers advice to Russian government bodies, enterprises, and organizations; and prepares and publishes scientific, research, and methodological economic literature. It also conducts seminars, conferences, and symposia on economic topics. The Institute is an independent, non-governmental, non-political, non-profit research center that works closely with leading Russian and international research centres. Its research focuses on macroeconomic, budget, and social policies.

e-mail: iea@iea.ru • website: <http://www.iea.ru>

Serbia **Free Market Center**

The Free Market Center (FMC) is a non-profit, non-governmental organization founded in 2001. The Center promotes the understanding and acceptance of ideas like individual liberty, the free-market economy, limited government, and peaceful cooperation. To that end, the FMC strives to achieve greater involvement in redirecting the attention not only of leading thinkers but also of members of the public, entrepreneurs, policy-makers, and students to the role of free markets and the proper role of government. Through publications, discussion forums, and conferences, the Center seeks to disseminate classical liberal ideas.

e-mail: fmc@yubc.net

Slovak Republic **F.A. Hayek Foundation**

The F.A. Hayek Foundation is an independent and non-partisan, non-profit organization that provides a forum for the exchange of opinions among scholars, businessmen, and policy-makers on the causes of, and solutions to, economic, social, and political problems. It proposes practical reforms of the economy, education, social security, and legislation as the Slovak Republic is transformed into an open society. Education of high-school and university students is a large part of its activities. The F.A. Hayek Foundation promotes the ideas of classical liberalism, virtually absent until 1989: market economy, reduced role for the government, rule of law and individual choice, responsibilities, and rights to life, liberty, and property.

e-mail: hayek@hayek.sk • website: <http://www.hayek.sk>

Slovenia **Svetilnik**

Svetilnik—*društvo za promocijo svobode*—is an independent, non-partisan, non-profit organization founded in 2008. Its aim is the dissemination of classical liberal ideas in Slovenia. To that end, Svetilnik has been organizing a spectrum of

events and providing a platform for open and informative discussion on the classical liberal solutions to economic and political issues.

e-mail: info@svetilnik-slovenija.org • website: <http://www.svetilnik-slovenija.org>

South Africa **Free Market Foundation of Southern Africa**

The Free Market Foundation is an independent policy research and educational organization founded in 1975 to promote the principles of limited government, economic freedom, and individual liberty in southern Africa. Funding is received from members (corporate, organizational and individual), sponsorships, and the sale of publications.

e-mail: fmf@mweb.co.za • website: <http://www.freemarketfoundation.com>

Spain **Fundacio Catalunya Oberta**

Fundació Catalunya Oberta (Open Catalonia Foundation) was founded in 2001 with the objective of promoting, analyzing, and extending the values of the open society, freedom, democracy, and the market economy. The Foundation also defends the rights of Catalonia as a nation, especially in the cultural and economic fields. It is a private foundation, espousing liberal ideology, with no political connections, whose aim is to influence the public opinion of civil society. The Open Catalonia Foundation organizes a range of activities every year and publishes a number of reports. The Foundation also awards a yearly prize of €10,000 to prestigious journalists from all over the world to reward their endeavors on behalf of democracy and freedom.

e-mail: fund@fco.cat • website: <http://www.catalunyaoberta.cat>

Sri Lanka **Pathfinder Foundation**

The Pathfinder Foundation has replaced the Center for Policy Research. Through informed and well-researched information, it seeks to challenge old ideas and conventional wisdom, stimulate debate, change public attitudes, and seek new and innovative solutions to the economic and social problems of Sri Lanka.

e-mail: pm@pathfinderfoundation.org • website: <http://www.pathfinderfoundation.org>

Sudan **Nile Institute of Economic Studies**

The mission of the Nile Institute of Economic Studies is to serve as one of the leading promoters of economic and social freedom. We look to promote the public's understanding of free-market principles such as individual liberty, rights to private property, rule of law, limited government, and free enterprise in Khartoum. Our primary focus is to achieve a considerable level of influence as a catalyst in Khartoum within the policy community and to establish a reputation for intellectual honesty, providing reliable, non-biased policy research that will help drive understanding of Sudan's development.

e-mail: nileinstitute@gmail.com

Sweden **Timbro**

Timbro is a Swedish think-tank that encourages public opinion to favor free enterprise, a free economy, and a free society. Timbro publishes books, papers, reports, and the magazine, *Smedjan*. It also arranges seminars and establishes networks among people. Founded in 1978, Timbro is owned by the Swedish Free Enterprise Foundation, which has as its principals a large number of Swedish companies and organizations.

e-mail: info@timbro.se • website: <http://www.timbro.se>

Switzerland **Liberales Institut**

The Liberales Institut is a forum where the basic values and concepts of a free society can be discussed and questioned. The Institute's aim is the establishment of free markets as the best way towards the goals of openness, diversity, and autonomy. The Liberales Institut is not associated with any political party. Through publications, discussion forums, and seminars, it seeks to develop and disseminate classical liberal ideas.

e-mail: libinst@libinst.ch • website: <http://www.libinst.ch>

Tajikistan **Tajikistan Free Market Centre**

The long-term objectives of the Tajikistan Free Market Center are: advancement and protection of values of individualism and personal freedom; dissemination and advocacy of ideas about the priority of private property and the free market; advancement of the principle of a limited state (non-interference of the state in the personal and economic life of the individual); training and support of activists and the organizations that are supporters of ideas of individual and economic freedom.

e-mail: freemarket.tj@gmail.com • website: <http://www.freemarket.tj>

Trinidad and Tobago **Arthur Lok Jack Graduate School of Business, University of the West Indies**

The Arthur Lok Jack Graduate School of Business was created in 1989 as a channel partner for developing managerial talent for the business community in Trinidad and Tobago. Its mission is to empower people and organizations in developing nations to optimize their performance capabilities and international competitiveness through development and deployment of consulting; education, research, and training resources. One of the Institute's core services are business and academic research in areas of real concern to business managers, enabling them to improve their ability to manage successfully in the face of increasingly complex markets.

e-mail: r.balgobin@gsb.tt • website: <http://www.lokjackgsb.org>

Turkey **Association for Liberal Thinking**

The Association for Liberal Thinking is a non-profit, non-governmental organization seeking to introduce the liberal democratic tradition into Turkey. The Association promotes the understanding and acceptance of ideas like liberty, justice, peace, human rights, equality, and tolerance. It also encourages academic writing on liberal themes to help the Turkish people assess contemporary domestic and international changes and attempts to find effective solutions to Turkey's problems within liberal thought. The Association for Liberal Thinking is not involved in day-to-day politics and has no direct links to any political party or movement. Instead, as an independent intellectual group, it aims to set broader political agendas so as to contribute to the liberalization of economics and politics in Turkey.

e-mail: info@liberal-dt.org.tr • website: <http://www.liberal.org.tr>

Ukraine **Ukrainian Center for Independent Political Research**

The Ukrainian Center for Independent Political Research (UCIPR) was established in early 1991 as a non-profit, non-partisan, and non-governmental research institution that would increase awareness of democracy among the Ukrainian people and analyze domestic and international politics and security. The UCIPR is politically

independent; it does not accept any funding from either the state or any political party. The UCIPR publishes books and research papers on Ukraine's domestic and foreign policy, the economy in transition, security, relations with neighboring states, the Crimean dilemma, interethnic relations, and the freedom of the news media. The Center has hosted a number of national and international conferences and workshops.

e-mail: ucipr@ucipr.kiev.ua • website: <http://www.ucipr.kiev.ua>

United Kingdom **Institute of Economic Affairs**

The mission of the Institute of Economic Affairs (IEA) is to improve public understanding of the foundations of a free and harmonious society by expounding and analyzing the role of markets in solving economic and social problems, and bringing the results of that work to the attention of those who influence thinking. The IEA achieves its mission by a high-quality publishing program; conferences, seminars, and lectures on a range of subjects; outreach to school and college students; brokering media introductions and appearances; and other related activities. Incorporated in 1955 by the late Sir Antony Fisher, the IEA is an educational charity, limited by guarantee. It is independent of any political party or group, and is financed by sales of publications, conference fees, and voluntary donations.

e-mail: iea@iea.org.uk • website: <http://www.iea.org.uk>

United States of America **Cato Institute**

Founded in 1977, the Cato Institute is a research foundation dedicated to broadening debate about public policy to include more options consistent with the traditional American principles of limited government, individual liberty, free markets, and peace. To that end, the Institute strives to achieve greater involvement by the intelligent, concerned, lay public in questions of policy and the proper role of government through an extensive program of publications and seminars.

e-mail: ivasquez@cato.org • website: <http://www.cato.org>

Venezuela **Center for the Dissemination of Economic Knowledge**

The Center for the Dissemination of Economic Knowledge (CEDICE) is a nonpartisan, non-profit, private association dedicated to the research and promotion of philosophical, economic, political, and social thinking that focuses on individual initiative and a better understanding of the free-market system and free and responsible societies. To this end, CEDICE operates a library and bookstore, publishes the series, *Venezuela Today*, and other studies, provides economic training for journalists, and conducts special events and community programs.

e-mail: cedice@cedice.org.ve • website: <http://www.cedice.org.ve>

Vietnam **Research Center for Entrepreneurship Development**

The Research Center for Entrepreneurship Development, founded in 2004, is a nongovernment research and educational organization devoted to the entrepreneurial development of the private sector in Vietnam. Its mission is to study the development of policies that create the most favorable institutional and policy environment for entrepreneurial development of the private sector in Vietnam. Through publications, discussion forums, and conferences, the Center seeks to disseminate and encourage appropriate polices and entrepreneurial development.

e-mail: rced@rced.com.vn • website: <http://www.rced.com.vn>

Zambia **Zambia Institute for Public Policy Analysis**

The mission of the Zambia Institute for Public Policy Analysis (ZIPPA) is to promote wider appreciation of the key role of free markets and competition in economic development. ZIPPA wants to play a constructive role by promoting realistic economic policies and by suggesting solutions that have been successfully applied in other countries to similar economic problems.

e-mail: zippamail@gmail.com • website: <http://www.zippa.co.zm>

Publishing history

Prepatory studies

Walker, Michael A., ed. (1988). *Freedom, Democracy, and Economic Welfare: Proceedings of an International Symposium*. (Volume 1.) Fraser Institute.

Block, Walter E., ed. (1991). *Economic Freedom: Proceedings of an International Symposium*. (Volume 2.) Fraser Institute.

Easton, Stephen T., and Michael A. Walker, eds. (1992). *Rating Global Economic Freedom*. Fraser Institute.

Annual reports—*Economic Freedom of the World*

Gwartney, James, Robert Lawson, and Walter Block (1996). *Economic Freedom of the World: 1975–1995*. Fraser Institute.

Gwartney, James, and Robert Lawson (1997). *Economic Freedom of the World: 1997 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson (1998). *Economic Freedom of the World: 1998/1999 Interim Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Dexter Samida (2000). *Economic Freedom of the World: 2000 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Walter Park and Charles Skipton (2001). *Economic Freedom of the World: 2001 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Chris Edwards, Walter Park, Veronique de Rugy, and Smita Wagh (2002). *Economic Freedom of the World: 2002 Annual Report*. Preface by Milton Friedman. Fraser Institute.

Gwartney, James, and Robert Lawson, with Neil Emerick (2003). *Economic Freedom of the World: 2003 Annual Report*. Fraser Institute.

Note Links to these publications can be found at <www.freetheworld.com>.

Gwartney, James, and Robert Lawson (2004). *Economic Freedom of the World: 2004 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Erik Gartzke (2005). *Economic Freedom of the World: 2005 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with William Easterly (2006). *Economic Freedom of the World: 2006 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Russell S. Sobel and Peter T. Leeson (2007). *Economic Freedom of the World: 2007 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Seth Norton (2008). *Economic Freedom of the World: 2008 Annual Report*. Fraser Institute.

Gwartney, James, and Robert Lawson, with Herbert Grubel, Jakob de Haan, Jan-Egbert Sturm, and Eelco Zandberg (2009). *Economic Freedom of the World: 2009 Annual Report*. Fraser Institute.

Gwartney, James, Joshua Hall, and Robert Lawson, with Christopher J. Coyne, John W. Dawson, Horst Feldmann, John Levendis, Russell S. Sobel, and Edward Peter Stringham (2010). *Economic Freedom of the World: 2010 Annual Report*. Fraser Institute.

Gwartney, James, Robert Lawson, and Joshua Hall, with Jean-Pierre Chauffour and Michael D. Stroup (2011). *Economic Freedom of the World: 2011 Annual Report*. Fraser Institute.

Annual reports—*Economic Freedom of North America*

Karabegović, Amela, and Fred McMahon, with Glenn Mitchell (2005). *Economic Freedom of North America: 2005 Annual Report*. Fraser Institute; National Center for Policy Analysis.

Karabegović, Amela, and Fred McMahon, with Christy G. Black (2006). *Economic Freedom of North America: 2006 Annual Report*. Fraser Institute; National Center for Policy Analysis.

Karabegović, Amela, and Fred McMahon, with Nathan J. Ashby and Russell S. Sobel (2008). *Economic Freedom of North America: 2008 Annual Report*. Fraser Institute; National Center for Policy Analysis.

Ashby, Nathan J., Amela Karabegović, Fred McMahon, and Avilia Bueno, with Noel D. Campbell, Joab Corey, Alex Fayman, Deborah Martinez, and Tammy Rogers (2010). *Economic Freedom of North America 2010*. Fraser Institute.

Ashby, Nathan J., Avilia Bueno, and Fred McMahon, with Deborah Martinez (2011). *Economic Freedom of North America 2011*. Fraser Institute.

Annual reports—*Economic Freedom of the Arab World*

Al Ismaily, Salem Ben Nasser, Amela Karabegović, and Fred McMahon (2007). *Economic Freedom of the Arab World: Report and Index – 2006–07*. Fraser Institute.

Al Ismaily, Salem Ben Nasser, Amela Karabegović, and Fred McMahon (2008). *Economic Freedom of the Arab World: 2008 Annual Report*. Friedrich Naumann Foundation for Liberty; International Research Foundation of Oman; Fraser Institute.

Al Ismaily, Salem Ben Nasser, Amela Karabegović, and Fred McMahon, with Marisha Warrington (2009). *Economic Freedom of the Arab World: 2009 Annual Report*. Friedrich Naumann Foundation for Liberty; International Research Foundation of Oman; Fraser Institute.

Al Ismaily, Salem Ben Nasser, Fred McMahon, Miguel Cervantes, and Amela Karabegović (2010). *Economic Freedom of the Arab World: 2010 Annual Report*. Friedrich Naumann Foundation for Liberty; International Research Foundation of Oman; Fraser Institute.

Al Ismaily, Salem Ben Nasser, Miguel Cervantes, and Fred McMahon, (2011). *Economic Freedom of the Arab World: 2011 Annual Report*. Friedrich Naumann Foundation for Liberty; International Research Foundation of Oman; Fraser Institute.