

Economic Freedom of the World 2002 Annual Report

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2002 Annual Report

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Table of Contents

Acknowledgments / iv

About the Authors & Contributors / v

About the Participating Institutes / vi

Preface / xvii

by Milton Friedman

Executive Summary / 3

Chapter 1: Economic Freedom of the World, 2000 / 5

Appendix: Explanatory Notes and Data Sources / 23

Chapter 2: Index of Patent Rights / 33

by Walter G. Park and Smita Wagh

Chapter 3: International Tax Competition / 43

by Chris Edwards and Veronique de Rugy

Chapter 4: Country Data Tables / 59

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James Gwartney
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Veronique de Rugy is a Fiscal Policy Analyst at the Cato Institute. Her research interests include tax competition, financial privacy, and fiscal sovereignty issues. She is the co-author of *Action ou Taxation*, published in Switzerland in 1996. Ms de Rugy is currently on the Board of Directors of the Center for Freedom and Prosperity. She holds a Ph.D. from the University of Paris-Sorbonne and previously directed academic programs for the Institute for Humane Studies in Europe.

About the Participating Institutes

Co-publishers of *Economic Freedom of the World*

African Research Center for Public Policy and Market Process, Kenya

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)

Albanian Center for Economic Research (ACER), Albania

The Albanian Center for Economic Research is a public-policy institute that focuses on research and advocacy activities. In addition to providing policy makers and academics with applied economic research, it works to build public understanding of economic development issues. (E-mail: qshke@ngo.org.al)

Association for Liberal Thinking, Turkey

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: liberal@ada.net.tr; website: <http://www.liberal-dt.org.tr>)

Association pour la Liberté Economique et le Progrès Social (ALEPS), France

ALEPS promotes the idea of free markets generating social progress. It connects French liberal intellectuals with the global scientific community. Thanks to its permanent contacts with various prestigious foreign institutes, in 1990 ALEPS published "Manifeste de l'Europe pour les Européens," signed by 600 faculties from 28 countries.

The economic collapse of central planning and the disappearance of totalitarian regimes in Eastern Europe has not solved all social problems. A post-socialist society has still to be set up, both in Eastern Europe as well as in Western countries such as France, where 40 years of the welfare state have led to mass unemployment, fiscal oppression, an explosive expansion of social security, an increase in poverty and inequality, and a loss of moral virtues and spiritual values. ALEPS provides the political and intellectual push towards this necessary revival. (E-mail: jacques.garello@univ-u-3mrs.fr)

Cato Institute, United States of America

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>)

Center for the Dissemination of Economic Knowledge (CEDICE), Venezuela

CEDICE is a non-partisan, 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>)

Center for Free Enterprise, Korea

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://www.cfe.org>)

Center for Policy Research, Sri Lanka

The Center for Policy Research (CPR) is a non-partisan advocacy and policy-research institute dedicated to fostering democracy and promoting free enterprise. As part of its philosophy, CPR actively takes positions on the reform of critical policies and aggressively lobbies key decision-makers in the country. (E-mail: mmoragoda@eureka.lk)

The Center for Research and Communication, Philippines

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. CRC is the main research arm of the University of Asia and the Pacific in Metro Manila, Philippines, and currently serves as the Secretariat of the Asia Pacific Economic Cooperation (APEC) Business Advisory Council. (E-mail: hbasilio@info.com.ph)

Centre for Civil Society, India

The Centre for Civil Society 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: parth@ccsindia.org; website: <http://www.ccsindia.org>)

Centre for the New Europe, Belgium

The Center for the New Europe 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 Center 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: cne-brussels@cne-network.org; website: <http://cne-network.org>)

Centro Einaudi, Italy

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 the savings and the savers in Italy); and *Rapporto sulla distribuzione in Italia* (Report on the retail trade in Italy—published also in English). (E-mail: giovanni.ronca@geva.fiatgroup.com; website: <http://www.centroeinaudi.it>)

Centro de Investigación para el Desarrollo A.C., Mexico

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: cidacmx@aol.com; website: <http://www.cidac.org>)

Centro de Investigación y Estudios Legales (CITEL), Peru

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: eghers@tsi.com.pe)

Centro de Investigaciones Económicas Nacionales, Guatemala

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: curizarh@cien.org.gt)

Centrum im. Adama Smitha, Poland

The Centrum im. Adama Smitha, Poland (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: adam.smith@adam-smith.pl; website: <http://www.adam-smith.pl>)

The Estonian Institute for Open Society Research, Estonia

The Estonian Institute for Open Society Research was established in 1993 as an independent non-profit public-policy research institute. EIOSR's research and public-communication programs focus on the key issues of Estonian social and political development: building a free-market economy and open civil society; enhancing social stability and integration of minority groups; and promoting Estonia's integration into European and world structures. EIOSR's first effort was the Estonian translation of Milton Friedman's *Capitalism and Freedom* in early 1994. Current EIOSR projects include promoting the idea of philanthropy to local businesses and elaborating future scenarios concerning the integration of the Russian minority into Estonian society. (E-mail: volli@lin2.tpu.ee)

The F.A. Hayek Foundation, Slovak Republic

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 classical liberalism, which was virtually absent until 1989: market economy, reduced role of the government, rule of law and individual choice, responsibilities and rights to life, liberty, and property. (E-mail: hayek@changenet.sk; website: <http://www.hayek.sk>)

The Fraser Institute, Canada

The Fraser Institute is an independent Canadian economic and social research and educational organization. It has as its objective the redirection of public attention to the role of competitive markets in providing for the well-being of Canadians. Where markets work, the Institute's interest lies in trying to discover prospects for improvement. Where markets do not work, its interest lies in finding the reasons. Where competitive markets have been replaced by government control, the interest of the Institute lies in documenting objectively the nature of the improvement or deterioration resulting from government intervention. The work of the Institute is assisted by an Editorial Advisory Board of internationally renowned economists. The Fraser Institute is a national, federally chartered, non-profit organization financed by the sale of its publications and the tax-deductible contributions of its members. (E-mail: info@fraserinstitute.ca; website: <http://www.fraserinstitute.ca>)

The Free Market Foundation of Southern Africa, South Africa

The Free Market Foundation of Southern Africa was established in 1975 to promote economic freedom. The FMF sponsors and conducts research, conferences, lectures, training programs and lobbying efforts in support of the free market. Its funding comes from membership subscriptions, project sponsorships, and income from sales and fees. (E-mail: fmf@mweb.co.za)

Fundación DL, Colombia

Fundación DL is a private, non-profit research and educational institution based in Cali, Colombia. Its mission is to help improve the levels of economic, political and human development of Colombia through the promotion of policies based on the principles of economic and political freedom. Fundación DL was created in April 2000 by its General Director Andrés Mejía-Vergnaud. From its very beginning, Fundación DL has been closely associated with Atlas Economic Research Foundation and some of the main free-market-oriented think-tanks around the world. Fundación DL has a special unit devoted to economic affairs (Center for the Analysis of Colombian Economy). This unit, which has been very successful, works in identifying the main trends of the Colombian economy and producing policy recommendations from a free-market point of view. Fundación DL publishes *Política Económica* (Economic Policy), a monthly magazine about economic trends, strategy, and policy recommendations, including the section *War and Peace Watch* that deals with trends of Colombian political situation and economic consequences of internal conflict. It also publishes *Colombian Economic Watch*, a bi-weekly e-commentary by Director General Andrés Mejía-Vergnaud. (E-mail: fdl@fundaciondl.org; website: <http://www.fundaciondl.org>)

Fundación Economía y Desarrollo, Inc., Dominican Republic

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 regular publications in the most important newspapers in the country. It also produces a 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. (E-mail: feyd03@tricom.net)

Fundación Libertad, Argentina

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 Francoise 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: dmaggiolo@libertad.org.ar)

Fundación Libertad, Panama

Fundación Libertad, Panama, is a recently formed, non-profit foundation engaged in the promotion and development of liberty, individual choice, and voluntary cooperation and in the reduction of government. Fundación Libertad was founded by members of professional and business organizations promoting free enterprise and democracy because the existing organizations could not fully address issues affecting the freedom of the common citizen, particularly 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. (E-mail: Roberto Brenes: diablo@pty.com; Carlos E. González: cg@pananet.com)

Fundación Libertad, Democracia y Desarrollo, Bolivia

The Fundación Libertad, Democracia y Desarrollo (FULIDED) is a non-profit organization founded by citizens interested in promoting democracy and freedom. The purpose of the Foundation is to investigate and analyze issues that have economic, political, or social impact on the free market and private initiative. Through seminars, debates, and publications, FULIDED seeks to reflect Bolivia's participation in the global economy. (E-mail: fulided@cainco.org.bo; website: <http://www.fulided.org>)

Hong Kong Centre for Economic Research, Hong Kong

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: asiue@econ.hku.hk; website: <http://www.hku.hk/hkcer/>)

Institute for Advanced Strategic and Political Studies, Israel

The mission of the Institute for Advanced Strategic and Political Studies is to develop policies in economics, strategic studies, and politics that will bring about limited government in domestic affairs and the balance of power in strategic planning. The Institute's Division for Economic Policy Research (DEPR) publishes Policy Studies in both English and Hebrew, while the Division for Research in Strategy and Politics produces a series of documents in strategic studies and another in politics. (E-mail: tcoffice@iasps.org; website: <http://www.israeleconomy.org>)

Institute for Market Economics, Bulgaria

Established in 1993, 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: ime@omega.bg; website: <http://www.ime-bg.org>)

The Institute of Economic Affairs, Ghana

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@ghana.com; Tel: 233-21-244716/233-21-7010714; Fax: 233-21-222313)

The Institute of Economic Affairs, United Kingdom

The IEA's mission 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: crobinson@iea.org.uk; website: <http://www.iea.org.uk>)

Institute of Economic Analysis, Russia

The Institute of Economic Analysis is a macroeconomic research institute that analyzes the current economic situation and policies and provides expert analysis of acts, programs, and current economic policy. It will offer 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 centre that works closely with leading Russian and international research centres. Its research focuses on macroeconomic, budget, and social policies. (E-mail: iea@iea.ru)

Institute of Economic Studies, Iceland

The Institute of Economic Studies was founded in 1989. It operates within the Department of Economics in the Faculty of Economics and Business Administration at the University of Iceland. From the outset, the Institute has been active in carrying out applied research projects commissioned by private and public clients ranging from small Icelandic interest groups to the Nordic Investment Bank to the governments of Iceland, Denmark, and the Faroe Islands. More recently, funded by research grants, the Institute has taken on large-scale applied research projects with substantial analytical content and economic research. (E-mail: tthh@rhi.hi.is)

The Institute of Economics, Croatia

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 macro-economics and micro-economics, 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 both 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. (E-mail: zbaletic@eizg.hr; website: <http://www.eizg.hr?Eizge.htm>)

Institute of Public Affairs, Australia

Established in 1943, the 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>)

Institute of Public Policy Analysis, Nigeria

PPA 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: Thompson@ippanigeria.org; website: <http://www.ippanigeria.org>; mail: P.O. Box 6434 Shomolu, Lagos-Nigeria)

Instituto Ecuatoriano de Economía Política, Ecuador

The Instituto Ecuatoriano de Economía Política (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 socio-economic and political issues. The IEEP's funding comes from voluntary donations, membership subscriptions, and income from sales of its publications. (E-mail: dampuero@ecua.net.ec; website: <http://www.his.com/~ieep/>)

Instituto Liberal do Rio de Janeiro, Brazil

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>)

Instituto Libertad y Desarrollo, Chile

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: ega@chilesat.net; website: <http://www.lyd.com>)

Instituto para la Libertad y el Análisis de Políticas, Costa Rica

The Institute for Liberty and Public Policy Analysis (INLAP) 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 (1) 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 (2) 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: inlap@inlap.org; website: www.inlap.org)

Liberales Institut, Germany

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: Liblnst@fnst.org; website: <http://www.fnst.de>)

Liberales Institut, Switzerland

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, the Institute seeks to develop and disseminate classical liberal ideas. (E-mail: libinst@bluewin.ch; website: <http://www.libinst.ch>)

Liberální Institut, Czech Republic

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: michal.uryc@libinst.cz; website: <http://www.libinst.cz>)

Lithuanian Free Market Institute, Lithuania

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 "behind-the-scenes" role 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. LFMI led the creation of the legal and institutional framework for the securities market and contributed significantly to the country's privatization legislation. LFMI 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.

LFMI has provided a valuable input to tax and budgetary policy. LFMI's influence led to introducing program budgeting, exempting reinvested profits, reducing inheritance and gift taxes, abolishing capital-gains tax, suspending the introduction of real-estate tax, eliminating income tax on interest on loans from foreign banks and international financial organizations as well as revising stamp duties, VAT regulations and other taxes. LFMI initiated a deregulation and de-bureaucratization process aimed at eliminating excessive business regulations and downsizing bureaucracy. An important influence was exerted on the revision of employment, capital market, land purchase, and building regulations. Passage was gained for a deregulation-based approach to the fight against corruption. (E-mail: edita@FreeMa.org; website: <http://www.FreeMa.org>)

Making Our Economy Right (MOER), Bangladesh

MOER (Making Our Economy Right), 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. We also moderate a weekly radio talk show that focuses on liberalization of the economy. 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 this year, *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. MOER contact person: Nizam Ahmad. (E-mail: nizam@bdmail.net; website: <http://www.moer.org>)

The Nassau Institute, Bahamas

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: joanmt@coralwave.com or info@nassauinstitute.org; website: <http://www.nassauinstitute.org>)

The New Zealand Business Roundtable, New Zealand

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>)

Open Republic Institute, Ireland

Open Republic Institute proposes open markets, individual freedom, voluntary action, the rule of law and religion as the means to make Ireland and all other countries better places to live and work. It opposes state control of industry and services and believes that state direction of economies and societies is the prime cause of corruption, poverty, and tyranny in the world. Open Republic Institute is Ireland's only source of policy and analysis oriented towards individual rights and open markets. It evaluates public policy and proposes open-market, open-society solutions to Ireland's economic and social problems. (E-mail: pmacdonnell@openrepublic.org; website: www.openrepublic.org)

Szazadveg Policy Research Center, Hungary

The Szazadveg Policy Research Center is a non-profit organization performing political and economic research, 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: gazso@szazadveg.hu; website: www.szazadveg.hu)

TIGRA®, Austria

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, 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: tigra@tigra.at)

Timbro, Sweden

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: mattiasb@timbro.se; website: <http://www.timbro.se>)

The Ukrainian Center for Independent Political Research, Ukraine

The Ukrainian Center for Independent Political Research 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 neighbouring 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: kam@political.kiev.ua)

Other Members of the Economic Freedom Network

D'Letzeburger Land, Luxembourg (e-mail: info@mmp.lu)

The Institute for Development of Economics and Finance, Indonesia (e-mail: Indef@indo.net.id)

Liberty Network (LINE), Denmark (e-mail: palle@line.dk)

Liberty Institute, Romania

Bureau d'Analyse d'Ingenierie et de Logiciels (BAILO), Ivory Coast (e-mail: bailo@GLOBEACCESS.NET)

Preface: Economic Freedom behind the Scenes

by Milton Friedman

The meeting of the Economic Freedom of the World network late in 2001 in San Francisco re-united the two prime movers of the Economic Freedom project: Milton Friedman and Michael Walker. The meeting, chaired by Dr. Walker, offered network members from around the world the opportunity to put their questions about the economic freedom project directly to Rose and Milton Friedman. What follows is an edited excerpt from the discussion.

Milton Friedman: I am enormously impressed by the cooperation that has been achieved among so many countries in the economic freedom project and by the diligence with which Jim Gwartney and Bob Lawson have managed to put the statistics together into this impressive array of findings [the series, *Economic Freedom of the World*].

In looking to the future, I believe one has to be careful not to over-emphasize the role of economic freedom as a source of economic growth, as compared with the role of economic freedom as a part of freedom, of human freedom.

We've talked about economic and political freedom as if they were wholly separate things, which they are not. I think the next big task facing the economic freedom project will be to try to weld the two together and make a combined index of economic and political freedom, especially where they mesh with one another. Property rights are not only a source of economic freedom. They are also a source of political freedom. That's what really got us interested in economic freedom in the first place. Some of the elements in the Freedom House index¹ seem to me to be inconsistent with some of the elements in our index, and it would seem to be useful to see how to reconcile those two and put them on the same philosophical basis.

Question: *Various concepts of freedom are in play. Could you give us your thoughts?*

MF: I've grown increasingly to think that we need to make three classifications instead of two: economic freedom; social or civil freedom; and political freedom. Hong Kong is the key example of the importance of that distinction. Hong Kong has never had any political freedom as Freedom House would understand it. More recently, it has had a little but, as long as the British were in control, it was essentially a benevolent dictatorship. It was run by officials in the British foreign office and, yet, Hong Kong had a very high degree of civil freedom—freedom of speech and freedom of association. You can have a high degree of social freedom, and a high degree of economic freedom without any political freedom. What's not clear is whether you can have any political freedom if you don't have some of the other freedoms.

Q: *Those inter-relationships relate, in part, to the importance of rule of law and, indeed, to the even-handedness of the legal system in general. If we reflect upon the fall of communism and the transition from the centrally planned economy to a market economy, what have we learned in the last decade of the importance of economic freedom and other institutions that may be necessary to support economic freedom?*

MF: We have learned about the importance of private property and the rule of law as a basis for economic freedom. Just after the Berlin Wall fell and the Soviet Union collapsed, I used to be asked a lot: "What do these ex-communist states have to do in order to become market economies?" And I used to say: "You can describe that in three words: privatize, privatize, privatize." But, I was wrong. That wasn't enough. The example of Russia

shows that. Russia privatized but in a way that created private monopolies—private centralized economic controls that replaced government’s centralized controls. It turns out that the rule of law is probably more basic than privatization. Privatization is meaningless if you don’t have the rule of law. What does it mean to privatize if you do not have security of property, if you can’t use your property as you want to?

We boast in the United States that our nation is a bastion of private enterprise but, in fact, what we can do with our private property is severely limited. To begin with, the government takes a significant proportion, at times as much as nearly 40 percent of it for its purposes and, in that respect, we’re a nearly 40-percent enslaved state.

The road from a centralized government to a truly free, private-enterprise society has three components. First of all, and most important, the rule of law, which extends to the protection of property. Second, widespread private ownership of the means of production. Third, freedom to enter or to leave industries, freedom of competition, freedom of trade. Those are essentially the basic requirements.

We’ve got a very interesting experiment under way. All of a sudden, countries are moving from centralized control in an attempt to achieve a market economy. We’ve had in the past 10 years a wonderful body of data with which to try to analyze what are the essential requirements for success in that venture. The mere elimination of communism does not convert a nation to freedom.

Q: Intellectual property rights are under attack. Could you dwell a little on that?

MF: The question of intellectual property rights is very complicated. Freedom of speech is the opposite of copyright, which means that you can’t get copyright rights. And, intellectual property is different from physical property: in both cases, you have a monopoly but the monopoly on intellectual property is wholly different because duplicating the property comes generally at a very low or zero marginal cost. You are enforcing a monopoly pricing, as it were, that limits output to lower than the optimum social level. You cannot be in favor of infinite copyright. Essentially it’s a problem of practical compromise, whether you have 17 years, 25 years, 10 years, 50 years.

Q: I don’t understand your distinction between political freedom and social freedom.

MF: I was thinking of political freedom as essentially the mode of representation in the political structure, the right to vote, the definition of democracy as the society in which the public servants—the people who determine public policy—are chosen by the votes of the citizens. That’s political freedom. That’s the kind of freedom that Hong Kong does not have. By civil freedom, I mean the freedom to speak, the freedom to assemble, the freedom to express your views—what we call human rights. It seems to me that they are quite obviously different. The most important difference is that you can have economic freedom and civil freedom without political freedom but it seems to me very dubious whether you can have any kind of effective political freedom without having economic freedom, without having some independent source of power as opposed to the vested authority.

Q: How do we measure the “rule of law”? I do not believe that it is just procedures. What really matters is the anchoring in social behavior, honesty, customs, and so on. In China, the formal aspects of the rule of law are pretty atrocious. But, if you work in China, as I frequently have, you realize that there are certain fundamentals dating back maybe 2,000 years, which underpin the rule of law in a much more informal way. You don’t lie to neighbors, for instance. You may lie to the state in China or to outsiders but you are honest and loyal to people within your neighborhood. And, I would like to ask you how we could promote these informal rules and how important they are as a foundation for society, as opposed to the formal procedural protections of the rule of law.

MF: I really don’t know how to answer that. That’s not a subject I can pretend to have done a great deal of work on, but it’s clear that what’s written down on paper is not what matters. What matters is what happens in practice. Many of the Latin American countries copied word for word the American constitution but these constitutions did not have the same effect in those countries as here. Forms alone are not enough. It’s not an

easy topic. It's one of those things where "you know it when you see it," even if you can't define it. You can have two countries that seem to have, on the books, the same law yet the actual results are very different.

Q: The point that was made about economic freedom, civic freedom, and political freedom, has become very, very important, and connected to the issue of the rule of law. I teach a class for the international affairs department at Princeton and this fall our class ended in a stalemate. Which is the best route to reform—political reform as in Russia or economic reform as in China?

MF: Comparing those two measures, it looks as if China has done better but it's very hard to make any long-run predictions because China's system is very unstable. On the whole, it's not desirable to have to depend on a benevolent dictatorship. Most dictatorships aren't benevolent and those that are generally don't last. When you have a transition from one dictatorship to another, it doesn't stay benevolent.

Q: I wonder if we are not coming upon a hard paradox in these three relationships. Consider a country suffering from an absence of political freedom but with economic freedom and certain civil liberties that allow the economic freedoms to flourish. Acquiring political freedom becomes a problem because the government sees that maintaining economic freedom is more important than certain political freedoms.

MF: I don't think the situation can be described as you have described it. In my opinion, the expansion of economic freedom will bring in train greater political freedoms. If you look at what's happening in China, that seems clearly the situation there. You haven't had what Freedom House would call political freedom at the higher levels of government but you are already getting it at some of the lower levels. In the villages and the small towns, you are having more and more elections, more movement toward political freedom in that sense. So, I don't believe the situation is one in which you sacrifice economic freedom for political freedom. I think it's the other way around. The more you can advance economic freedom, the more support there will be, the more *pressure* there will be, for a considerable degree of political freedom.

Q: Do you think that over the years something has changed in our concept of economic freedom?

MF: I don't think the concept of economic freedom is any different. But, I think our understanding of the inter-relationships between economic freedom, and civil and political freedom, is more sophisticated than it was. When *Capitalism and Freedom* was published in 1962, it was straightforward: political freedom versus economic freedom. It was only really the experience of countries like Hong Kong and Singapore that led me to believe that we really ought to have a tripartite distinction, rather than a two-way distinction. But then, the real world is a complicated world. There's a phrase written on the entrance to one of the social sciences buildings at the University of Chicago: "When you cannot measure something, your knowledge is meager and unsatisfying." In the process of measuring, you find that measuring is a form of definition. It isn't just that there's economic freedom out there to be measured. In the process of measuring it, we're going to define what economic freedom is. We don't really know what we have, what economic freedom is, unless we've gotten to the point of trying to measure it and see what variables it consists of, and what each of those means. Over the course of time, we have gotten a much more sophisticated understanding of what we mean when we talk about economic freedom.

Q: It's one thing to be concerned and preoccupied with emerging nations and their efforts to acquire freedom and the rule of law. Of equal concern to me is what's happening in mature nations, where the rule of law is being supplemented by the rule of the regulatory and administrative state. We are losing economic freedoms by virtue of that transformation. My concern is once you acquire the rule of law, retaining it in any meaningful way is tough.

MF: There is no doubt that that is right. There's a strong force always for government to expand. Everybody is in favor, and talks about being in favor, of free markets and private enterprise. But that's talk. If you look at what's happening, in most of the countries of the world—or in many of them anyway—the size of government

is growing, not getting smaller. Here in the United States, we've been through a fortunate period in which we had divided government. As a result, we did not get many new laws. The economy grew and government did not grow, and government went down a little as a fraction of income. But that's a temporary phenomenon. Leviathan government is the basic danger to economic, political, and civil freedom.

Q: Would you agree that there has been some movement towards liberalization, in, for example, international exchange and financial markets, which also promotes liberalization in other areas?

MF: There's been trade liberalization but it's by no means a one-way street. Was the creation of the European common market liberalization of trade? It liberalized internal trade and put greater restrictions on external trade. NAFTA, like all of these trade agreements, has elements of trade diversion as well as of trade creation. World trade has grown more rapidly than world income and that would seem to suggest more international trade. Still, people talk free trade but they don't always support free trade. Mr. Bush is talking about a dumping tax on steel. Absolutely absurd. And it's done in the name of free trade.

I have no doubt that trade liberalizes and that the influence of the West throughout the so-called under-developed world has been promoted much more by Coca Cola than by foreign aid and American embassies. So, I don't have any quarrel with the general proposition but I'm troubled by the extent to which you would describe the movement as a one-way movement towards freer trade.

Michael Walker: I have a question about something we've wrestled with right from the beginning: that is, how can we determine the size of government that is compatible with freedom? We recognize that without some framework of government, freedom cannot exist. On the other hand, government quickly grows to the point where you lose freedom.

MF: I think the optimal size of government is government that controls about 10% of national income. That's much lower than the size of government we now have, and we're headed in the opposite direction. There's no objective way to derive the optimal size of government. I do it on the following basis.

Looking back at the period when Britain was ruling the world, at the time of Queen Victoria's jubilee in 1899, government spending in Britain was about 10% of the national income. The church, throughout the centuries, has always favored tithing; that again is 10%. In the United States, before the Great Depression, except in major wars, total government spending (federal, state, and local), never exceeded about 10% of national income. In Hong Kong during its period of real economic freedom, before the Chinese took over, government spending tended to be about 10% to 15% of national income. As a fraction of income, government spending in Hong Kong is tending to creep up, which is going to create real problems.

I also think there is a very real problem in measuring the size of government. The size of government is determined not only by what's recorded as government spending but also by government rules and regulations. In the United States, I would say that half of all spending is controlled by governments at federal, state, and local levels. So we're a long way from that ideal of 10%.

Q: You have been a fellow at the Hoover Institution. My understanding is that when Herbert Hoover started the Hoover Institution, his motivation was deep concern over the relationship between war and totalitarianism. There was the war and the absence of freedom. Do you think that the index would be more instructive if it looked at relationships between economic freedom, or lack thereof, and those societies that are bent on war-making? The growth of government often comes through a series of ratchet effects as a result of national emergencies, real or imagined. And, when these emergencies pass, government remains large.

MF: It certainly is a very important question. War is a friend to government. War leads to an expansion in the role of government. When war ends, government seldom falls back to where it was before. In the United States, government ratcheted up to a slightly higher level through the civil war. World War I did the same thing. World War II did the same thing. We're seeing that phenomenon right now. The talk of war against terrorism has led to a removal of all restrictions on government spending. The budget of the US government is about to explode.

We are spending money in foolish and unfoolish ways. The relationship between war and economic freedom is worthy of further investigation.

MW: At the Fraser Institute, we have investigated the relationship between economic freedom and both civil war and external war. We calculated the probability that a nation would engage in war. The results show that, for any given past history of warfare, the more economic freedom a country subsequently adopts, the less likely it is in the future to engage in either internal or external warfare.

In this context, I want to push Milton a little bit on the idea of the optimal size of government. Milton said we should think about the size of government that is most compatible with freedom—that involves the minimum amount of coercion of the citizenry. Yet, warfare is an opportunity for government to get everybody to agree to an expansion of the size of government because they feel threatened.

MF: The optimal size of government does depend on the military situation. The optimal size of government is not the same for Israel as for many other nations. Israel is in trouble in part because its government is too large. Israel has been a very controlled and regulated state, far from a free market. Part of that involved discrimination against Israel's Arab neighbors. Israel would have done far better if it had had a lot freer trade with its Arab neighbors and made fewer attempts to restrict trade. When Israel first won the 1967 war and gained the additional West Bank territory, the government had generals run the territory and they ran it on a strictly laissez-faire basis. They had very little trouble. I remember being over there and being taken around the West Bank by a general. He pointed out that the civil servants were being allowed to accept both Jordanian pay and Israeli pay. They were allowed to use Jordanian money or Israeli money. There was essentially free trade. Everything was working fine. But partly because of internal pressures for restraint of trade, discriminatory regulations were imposed. In a case like Israel, the existence of a specific problem requires a larger government. But their excessively large government has made that problem worse, not better.

MW: Thank you for sharing your insights with us.

Note

- (1) Freedom House is an international non-profit organization that rates political and civil liberties across nations.

Economic Freedom of the World 2002 Annual Report

Executive Summary

- ▶ This is the sixth edition of *Economic Freedom of the World*. It rates and ranks 123 nations for 2000, the most recent year for which data are available. Economic freedom continues to gain ground around the world. Based on the 10-point scale of this index, the average economic freedom rating was 6.39 for 2000, up from 5.99 in 1995. Economic freedom decreased through the 1970s, falling from 5.98 in 1970 to 5.32 in 1980. It has been on the rise since then.
- ▶ Chapter 1 updates and expands data from earlier editions of this report. Hong Kong retains the highest rating for economic freedom, 8.8 of 10, closely followed by Singapore at 8.6, the United States at 8.5 and the United Kingdom at 8.4. The other top 10 nations are New Zealand, Switzerland, Ireland, Australia, Canada, and the Netherlands. The rankings of other large economies are Japan, 24; Germany, 15; Italy, 35; France, 38; Mexico, 66; China, 101; India, 73; Brazil, 82; and Russia, 116.
- ▶ Most of the lowest-ranking nations are African, Latin American or former communist states. Botswana has the best record for an African nation, tied with 6 other nations, including France and South Korea, at 38. Chile, with the best record in Latin America, was tied with three other nations at 15. The bottom five nations were the Democratic Republic of the Congo, Myanmar, Guinea-Bissau, Algeria, and the Ukraine. However, a number of other nations for which data are not available, such as North Korea and Cuba, may have even less economic freedom.
- ▶ The number of variables in this index has been greatly expanded to broaden and deepen the information the report contains. The index now contains 37 variables, including 18 survey-based variables obtained from survey data published in the *International Country Risk Guide* and the *Global Competitiveness Report*. While survey data have weaknesses, they provide insight into the important areas of legal structure and regulation and, to a lesser extent, of international trade. Unfortunately, these data are only available for 74 nations. While statistical adjustments are made to enable comparisons between these nations and the other 49 in the index, such comparisons should be made with caution.
- ▶ Economic freedom is highly correlated with per-capita income, economic growth, and life expectancy. Increased economic freedom does not lead to greater income inequality. The lowest 10% of income earners in nations in the bottom quintile of economic freedom receive 2.43% of total income in their nations; in nations in the fourth quintile, the bottom 10% receive 2.84% of total income; in the third quintile, 2.06%; in the second quintile, 2.90%; and in the top quintile, 2.86%. The actual income of poor people increases as nations gain in economic freedom because of the increased wealth economic freedom generates. The average per-capita income of the poorest 10% of people in nations in the bottom quintile is US\$728 compared to US\$7,017 for those in the top quintile.

- ▶ Chapter 2 presents an index of patent rights, reflecting the protection of intellectual property around the world. The index contains 14 variables in five categories: breadth of coverage, duration of protection, enforcement, treaty membership, and restrictions on patent rights. Of the 63 nations for which these data are available, only the United States receives full scores in each category. Austria, Germany, and Italy also score highly. Mozambique has a score of 0. Ethiopia, Nicaragua and Guatemala also score at the bottom of the index.

- ▶ Chapter 3 reviews the evidence on tax competition and concludes that lower taxes attract investment and skilled workers and help generate economic growth. Although a number of nations have cut top marginal corporate and personal tax rates, the overall tax burden has been increasing, from 32% of the GDP of OECD nations in 1980 to 37% in 1999. The chapter shows how international attempts to stifle tax competition would reduce economic freedom and the economic prospects of many nations, particularly poor nations.

- ▶ The country reports of Chapter 4 provide the detailed information underlying the EFW ratings for 1970, 1975, 1980, 1985, 1990, 1995, and 2000.

Chapter 1: Economic Freedom of the World, 2000

Introduction

Beginning in 1986, Michael Walker of the Fraser Institute and Nobel Laureate Milton Friedman hosted a series of conferences that focused on the measurement of economic freedom. Several other leading scholars, including Nobel Prize winners Gary Becker and Douglass North, also participated in the series. Six meetings were held during the period from 1986 to 1994, and dozens of papers were presented and several approaches were analyzed.¹ Eventually, these conferences led to the development of the *Economic Freedom of the World* (EFW) index. The index, currently available for 123 countries, measures the consistency of a nation's policies and institutions with economic freedom.

What Is Economic Freedom?

The key ingredients of economic freedom are personal choice, voluntary exchange, freedom to compete, and protection of person and property. Institutions and policies are consistent with economic freedom when they provide an infrastructure for voluntary exchange, and protect individuals and their property from aggressors seeking to use violence, coercion, and fraud to seize things that do not belong to them. Legal and monetary arrangements are particularly important: governments promote economic freedom when they provide a legal structure and law-enforcement system that protects the property rights of owners and enforces contracts in an even-handed manner. They also enhance economic freedom when they facilitate access to sound money. In some cases, the government itself may provide a currency of stable value. In other instances, it may simply remove obstacles that retard the use of sound money that is provided by others, including private organizations and other governments.

However, economic freedom also requires governments to refrain from many activities. They must

refrain from actions that interfere with personal choice, voluntary exchange, and the freedom to enter and compete in labor and product markets. Economic freedom is reduced when taxes, government expenditures, and regulations are substituted for personal choice, voluntary exchange, and market coordination. Restrictions that limit entry into occupations and business activities also retard economic freedom.

Measurement of Economic Freedom

We are confident that the *Economic Freedom of the World* (EFW) index is the best available and that it provides a reliable measure of cross-country differences in economic freedom, using third-party data to help ensure objectivity.² However, as Milton Friedman noted following the publication of the first annual report, *Economic Freedom of the World, 1975–1995*, it is still a work in progress. We are constantly searching for ways to improve the measure and make it more valuable to both researchers and policy makers.

Differences among countries in the quality of the legal system and regulatory policies have proven particularly difficult to measure. Nonetheless, they exert a major impact on economic freedom. The *Economic Freedom of the World: 2001 Annual Report* contained a special chapter that used survey data to measure several of these dimensions of economic freedom that are difficult to quantify. In this year's report, several components based on survey data will be incorporated into the main EFW index. While we would prefer to have objective variables, we believe that the information provided by the survey data will significantly improve our measure of the differences among countries in the areas of legal structure and regulation.

The survey data are from two annual publications: the *Global Competitiveness Report* and the *International Country Risk Guide*.³ Unfortunately, only 74 of the countries in the EFW index are included in

the *Global Competitiveness Report* and then only in the most recent publication. Thus, a sizable number of countries will have missing components.

Exhibit 1 indicates the structure of the index used in *Economic Freedom of the World: 2002 Annual Report*. The index measures the degree of economic freedom present in five major areas:

- ▶ Size of Government: Expenditures, Taxes, and Enterprises
- ▶ Legal Structure and Security of Property Rights
- ▶ Sound Money
- ▶ Freedom to Trade with Foreigners
- ▶ Regulation of Credit, Labor, and Business

Within the five major areas, 21 components are incorporated into the index but many of those components are themselves made up of several sub-components. Counting the various sub-components, the EFW index utilizes 37 distinct pieces of data. Each component and sub-component is placed on a scale from 0 to 10 that reflects the distribution of the underlying data. The component ratings within each area are averaged to derive ratings for each of the five areas. In turn, the summary rating is the average of the five area ratings.⁴ Methodological details are found in the Appendix: Explanatory Notes and Data Sources (p. 23) at the end of this chapter.

Following is a brief explanation of the components incorporated into each of the five areas and their relationship to economic freedom. See Exhibit 1 on pages 8 and 9 for a list of all areas and components.

Area 1: Size of Government: Expenditures, Taxes and Enterprises

The four components of Area 1 indicate the extent to which countries rely on individual choice and markets rather than 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 private 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. Thus, the greater the share of transfers and subsidies in an economy, the less economic freedom.⁵

The third component (1C) in this area measures the extent to which countries use private rather than government enterprises to produce goods and services. Government firms play by rules that are different from those that private enterprises are subject to. They are not dependent on consumers for their revenue or on investors for risk 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 the top marginal income-tax rate and the income threshold at which it applies. 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 are rated lower.

Taken together, the four components measure the degree of a country's reliance 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.

Area 2: Legal Structure and Security of Property Rights

Protection of persons and their rightfully acquired property is a central element of both 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 two sources: the *International Country Risk Guide* and the *Global Competitiveness Report*. The ratings from both are based on a survey approach.⁶ The three components from the *Global Competitiveness Report*,

however, are available for only 74 countries. The correlation coefficient between the two sets of data for countries included in both sets was 0.748. This high correlation increases our confidence in the reliability of the country ratings in this area even when they are based solely on data from the *International Country Risk Guide*.

Security of property rights, protected by the rule of law, is essential to economic freedom. Freedom to exchange, for example, is meaningless if individuals do not have secure rights to property, including the fruits of their labor. Failure of a country's legal system to provide for the security of property rights, enforcement of contracts, and the mutually agreeable settlement of disputes will undermine the operation of a market-exchange system. If 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 will be eroded. Furthermore, poor performance in this area is sure to deter investment. Therefore, it is highly unlikely that countries with low ratings in this area will be able to achieve and sustain high rates of growth.

Area 3: Access to 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. Governments have used inflation and printing presses, in effect, to expropriate citizens' property by devaluing it while using newly printed currency for government expenditures.

It makes little difference who provides the sound money. The important thing is that individuals have access to it. Thus, in addition to a 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 cur-

rencies 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 use of alternative currencies should citizens want to use them.

Area 4: Freedom to Exchange with Foreigners

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. The vast majority of our current goods and services are now either produced abroad or contain resources supplied from abroad. Of course, 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 exchange with foreigners also contributes substantially to our modern living standards.

Responding to protectionist critics and special-interest politics, 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 retard international trade. The volume of trade is also reduced by administrative factors that delay the passage of goods through customs. Sometimes these delays are the result of inefficiency while in other instances they reflect the actions of corrupt officials seeking to extract bribes.

The components in this area are designed to measure a wide variety of restraints that affect international exchange: these include tariffs, quotas, hidden administrative restraints, exchange rate and capital controls. The regulatory items of Component 4B (regulatory trade barriers) and Component 4Di (capital market controls) are based on survey data from the *Global Competitiveness Report*. The other components in this area can be quantified objectively. In

Exhibit 1: The Areas and Components of the EFW Index

1 Size of Government: Expenditures, Taxes, and Enterprises

- A General government consumption spending as a percentage of total consumption
- B Transfers and subsidies as a percentage of GDP
- C Government enterprises and investment as a percentage of GDP
- D Top marginal tax rate (and income threshold to which it applies)

2 Legal Structure and Security of Property Rights

- A Judicial independence: The judiciary is independent and not subject to interference by the government or parties in disputes (GCR)
- B Impartial courts: A trusted legal framework exists for private businesses to challenge the legality of government actions or regulation (GCR)
- C Protection of intellectual property (GCR)
- D Military interference in rule of law and the political process (ICRG)
- E Integrity of the legal system (ICRG)

3 Access to Sound Money

- A Average annual growth of the money supply in the last five years minus average annual growth of real GDP in the last ten years
- B Standard inflation variability in the last five years
- C Recent inflation rate
- D Freedom to own foreign currency bank accounts domestically and abroad

4 Freedom to Exchange with Foreigners

- A Taxes on international trade
 - i Revenue from taxes on international trade as a percentage of exports plus imports
 - ii Mean tariff rate
 - iii Standard deviation of tariff rates
- B Regulatory trade barriers.
 - i Hidden import barriers: No barriers other than published tariffs and quotas (GCR)
 - ii Costs of importing: The combined effect of import tariffs, licence fees, bank fees, and the time required for administrative red-tape raises costs of importing equipment by (10 = 10% or less; 0 = more than 50%) (GCR)
- C Actual size of trade sector compared to expected size.
- D Difference between official exchange rate and black market rate

Exhibit 1 continued: The Areas and Components of the EFW Index

E International capital market controls

- i Access of citizens to foreign capital markets and foreign access to domestic capital markets (GCR)
- ii Restrictions on the freedom of citizens to engage in capital market exchange with foreigners
—index of capital controls among 13 IMF categories.

5 Regulation of Credit, Labor, and Business

A Credit Market Regulations

- i Ownership of banks: Percentage of deposits held in privately owned banks
- ii Competition: Domestic banks face competition from foreign banks (GCR)
- iii Extension of credit: Percentage of credit extended to private sector
- iv Avoidance of interest rate controls and regulations that lead to negative real interest rates
- v Interest rate controls: Interest rate controls on bank deposits and/or loans are freely determined by the market (GCR)

B Labor Market Regulations

- i Impact of minimum wage: The minimum wage, set by law, has little impact on wages because it is too low or not obeyed (GCR)
- ii Hiring and firing practices: Hiring and firing practices of companies are determined by private contract (GCR)
- iii Share of labor force whose wages are set by centralized collective bargaining (GCR)
- iv Unemployment Benefits: The unemployment benefits system preserves the incentive to work (GCR)
- v Use of conscripts to obtain military personnel

C Business Regulations

- i Price controls: Extent to which businesses are free to set their own prices
- ii Administrative conditions and new businesses: Administrative procedures are an important obstacle to starting a new business (GCR)
- iii Time with government bureaucracy: Senior management spends a substantial amount of time dealing with government bureaucracy (GCR)
- iv Starting a new business: Starting a new business is generally easy (GCR)
- v Irregular payments: Irregular, additional payments connected with import and export permits, business licenses, exchange controls, tax assessments, police protection, or loan applications are very rare (GCR)

Note: GCR = *Global Competitiveness Report*; ICRG = *International Country Risk Guide*

order to get a high rating in this area, a country must have low tariffs, a trade sector larger than expected, efficient administration of customs, a freely convertible currency, and few controls on capital.

Area 5: Regulation of Credit, Labor, and Business

When regulations restrict entry into markets and interfere with the freedom to engage in voluntary exchange, they reduce economic freedom. The final area of the index focuses on this topic. Because of the difficulties involved in developing objective measures of regulatory restraints, a substantial number (10 of 15) of the sub-components in this area are based on survey data.

Regulatory restraints that limit the freedom of exchange in credit, labor, and product markets are included in the index. The first component (5A) reflects conditions in the domestic credit market. The first two sub-components provide evidence on the extent to which the banking industry is dominated by private firms and whether foreign banks are permitted to compete in the market. The final three 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 used a private banking system to allocate credit to private parties and refrained from controlling interest rates received higher ratings for this component of the regulatory area.

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, extensions of union contracts to nonparticipating parties, unemployment benefits that undermine the incentive to accept employment, and conscription.⁷ The labor market component (5B) is designed to measure the extent to which these restraints upon economic freedom are present across countries. 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 dismissal, avoid excessive unemployment benefits that undermine work incentives, and refrain from the use of conscription.

Like the regulation of the credit markets and labor markets, the regulation of business activities (Component 5C) inhibits economic freedom. The components that rank the regulation of business are designed to identify the extent to which regulatory

restraints and bureaucratic procedures limit competition and the operation of markets. 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—from using their power to extract financial payments and reward some businesses at the expense of others.

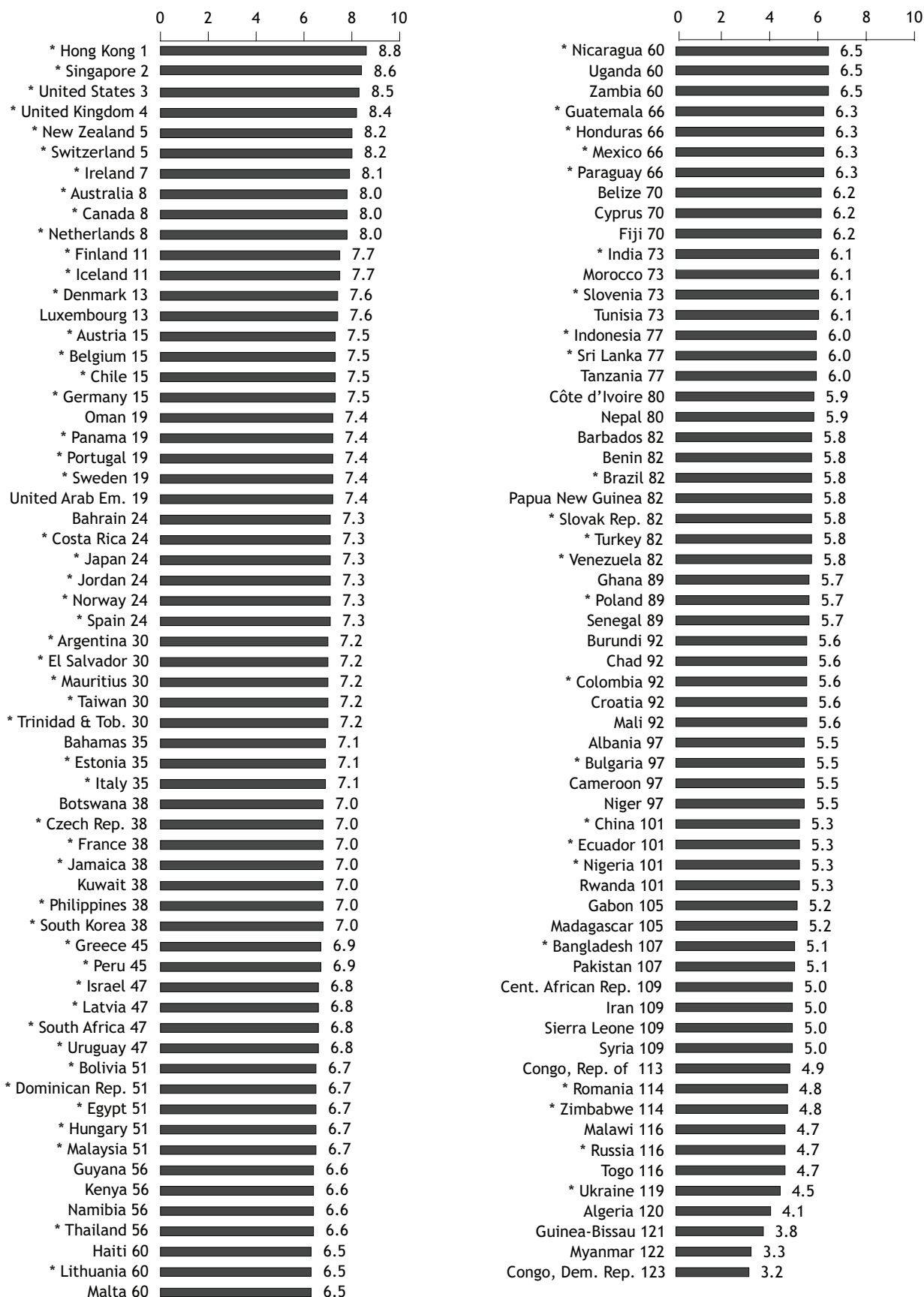
Summary Economic Freedom Ratings, 2000

Exhibit 2 presents summary economic freedom ratings, sorted from highest to lowest. These ratings are for the year 2000. The EFW index is calculated back to 1970 as data availability allows; see the Country Data Tables (pages 59–183) for information from past years.

As previously discussed, the new survey data (18 sub-components) are available for only 74 of the 123 countries covered by the EFW Index. Thus, the ratings of the other 49 countries are based on only 19 of the 37 different sub-components of this index. In Exhibit 2, an asterisk is used to denote the 74 countries with the more complete data. Two of the areas, Size of Government: Expenditures, Taxes, and Enterprises (Area 1) and Access to Sound Money (Area 3), are unaffected by the omitted variables. The omissions, however, could be important in Legal Structure and Security of Property Rights (Area 2) and Regulation of Credit, Labor, and Business (Area 5) and, to a lesser extent, in Freedom to Exchange with Foreigners (Area 4). In Legal Structure and Security of Property Rights, only two of the five components are available for the 49 countries not covered by the *Global Competitiveness Report*.⁸ Only five of the 15 sub-components in Regulation of Credit, Labor, and Business are available for these countries. While we have made statistical adjustments that enhance the overall comparability among the 123 countries, comparisons between the 74 nations that have the survey data and the 49 nations that do not should be made with a degree of caution.⁹

Despite the important changes made to the index structure this year, Hong Kong and Singapore continue to rank one and two in the index presented here.¹⁰ The United States, the United Kingdom, New Zealand, and Switzerland occupy the next

Exhibit 2: Summary Economic Freedom Ratings, 2000



Note that asterisks against the names of countries denote the 74 countries for which new survey data (18 sub-components) are available. The ratings of the remaining 49 countries are based on only 19 of the 37 different sub-components of the EFW index.

four positions. The top 10 is rounded out by Ireland, Canada, Netherlands and Australia. At the bottom of the list are the Democratic Republic of Congo, Myanmar, Guinea-Bissau, Algeria, and Ukraine.

Area Economic Freedom Ratings (and Rankings), 2000

Exhibit 3 presents the ratings (and rankings in parentheses) for each of the five Areas of the index plus the ratings for 5A, 5B, and 5C. A number of interesting patterns emerge from an analysis of these data. The high-income industrial economies generally rank quite high for Legal Structure and Security of Property Rights (Area 2), Access to Sound Money (Area 3), and Freedom to Exchange with Foreigners (Area 4). Their ratings were lower, however, for Size of Government: Expenditures, Taxes, and Enterprises (Area 1) and Regulation of Credit, Labor, and Business (Area 5). This was particularly true for Western European countries.

Germany makes an interesting case study. It was ranked 102nd in Size of Government: Expenditures, Taxes, and Enterprises (Area 1) and 56th in Regulation of Credit, Labor, and Business (Area 5)—both out of 123. Component 5B, Labor Market Regulations, was an area of particular weakness: Germany ranked 74th out of 74. Despite low rankings in these areas, Germany performed well in others. For instance, in both Legal Structure and Security of Property Rights (Area 2) and Access to Sound Money (Area 3), Germany ranked 10th, and was 7th overall in Freedom to Exchange with Foreigners (Area 4). Similar patterns are found for most of the high-income industrial countries.

The United States does not follow this pattern but scores relatively high for Size of Government: Expenditures, Taxes, and Enterprises (15th) and for Regulation of Credit, Labor, and Business (2nd). The United States ranked an impressive 3rd for Labor Market Regulations (Component 5B) as well.

As expected, African and Latin American countries were commonly found at the bottom of the ratings for Legal Structure and Security of Property Rights (Area 2). Several of these countries, however, have relatively small governments: Paraguay, for instance, ranks 16th for Size of Government: Expenditures, Taxes, and Enterprises (Area 1).

The economies most open to foreign trade were Hong Kong and Singapore, followed by sev-

eral European nations, Ireland, Belgium, and The Netherlands. Interestingly, the United States, Canada and Mexico—the countries that are parties to the North American Free Trade Agreement (NAFTA)—come in 23rd, 24th, and 25th, respectively, for Freedom to Exchange with Foreigners (Area 4). A number of predominantly Islamic countries, such as Myanmar, Iran, Pakistan, and Bangladesh, score near the bottom for this Area.

The least regulated countries—those at the top in Regulation of Credit, Labor, and Business (Area 5)—were Hong Kong, the United States, the United Kingdom, New Zealand and Canada. The most highly regulated nations were Syria, Algeria, Tanzania, and Chad.

A Chain-Weighted Summary Index

One of the most valuable aspects of this index of economic freedom is that, for many countries, it can be calculated back to 1970. We rate 54 countries in 1970; 72 in 1975; 105 in 1980, 111 in 1985, 113 in 1990, and 123 in 1995 and 2000. Using this longitudinal data, researchers are better able to examine the impact of economic freedom over time.

One problem that arises, however, is that the underlying data are more complete in recent years than in earlier years. As a result, changes in the index ratings over time may reflect the fact that some components are missing in some years but not in others. This is similar to comparing GDP or a price index over time when we know that the underlying goods and services used to calculate these statistics are constantly changing. The problem of missing components threatens the comparability of the index ratings over time.

In order to correct for this problem, we have constructed a summary economic freedom index that is based on the 2000 rating as a base year. Changes to the index going backward in time are then based only on changes in components that were present in adjacent years. For instance, the 1995 rating is based on the 2000 rating but is adjusted based on the changes in the underlying data between 1995 and 2000 for those components that were present in both years. If the common components in 1995 were the same as in 2000, then the 1995 rating would be the same as the 2000 rating; if the 1995 components were lower than the common 2000 components, then the 2000

Exhibit 3: Area Economic Freedom Ratings (and Rankings), 2000

	Areas					Components of Area 5		
	1 Size of Government: Expenditures, Taxes, and Enterprises	2 Legal Structure and Security of Property Rights	3 Access to Sound Money	4 Freedom to Exchange with Foreigners	5 Regulation of Credit, Labor, and Business	5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations
Albania	6.2 (53)	4.7 (76)	6.3 (98)	5.2 (107)	5.0 (103)	3.6 (115)		
Algeria	4.0 (106)	2.3 (112)	5.8 (106)	5.4 (103)	3.1 (122)	0.4 (122)		
Argentina	8.0 (8)	5.4 (68)	9.5 (14)	6.4 (75)	6.6 (30)	7.3 (52)	6.1 (16)	6.4 (33)
Australia	6.2 (54)	9.5 (3)	9.3 (33)	7.7 (29)	7.3 (9)	8.9 (11)	5.6 (27)	7.3 (23)
Austria	3.9 (107)	9.3 (5)	9.5 (15)	8.3 (11)	6.4 (45)	8.0 (33)	3.9 (65)	7.3 (21)
Bahamas	7.7 (12)	7.1 (34)	6.8 (77)		6.8 (24)	9.5 (1)		
Bahrain	6.8 (33)	5.9 (61)	9.6 (8)	7.5 (37)	6.5 (35)	8.7 (18)		
Bangladesh	5.2 (88)	2.9 (111)	6.9 (73)	4.9 (110)	5.7 (69)	6.5 (73)	6.6 (9)	4.0 (74)
Barbados	5.2 (87)		6.5 (95)	5.3 (105)	6.4 (43)	7.7 (42)		
Belgium	3.7 (114)	8.3 (19)	9.6 (12)	8.9 (4)	7.0 (19)	8.3 (23)	5.0 (35)	7.6 (17)
Belize	6.0 (62)		6.8 (75)	5.3 (104)	6.8 (23)	8.9 (13)		
Benin	6.5 (47)		6.5 (88)	5.3 (106)	5.1 (101)	7.6 (45)		
Bolivia	7.5 (19)	3.4 (103)	9.3 (35)	7.3 (46)	6.1 (53)	8.2 (27)	4.7 (46)	5.5 (56)
Botswana	5.3 (86)	7.1 (34)	8.6 (47)	7.7 (31)	6.5 (36)	8.0 (34)		
Brazil	6.7 (36)	5.4 (71)	5.1 (111)	5.6 (99)	6.1 (58)	6.9 (68)	4.6 (48)	6.7 (29)
Bulgaria	4.9 (89)	5.4 (69)	4.8 (112)	7.1 (56)	5.5 (82)	6.1 (84)	4.9 (38)	5.4 (58)
Burundi	6.5 (48)		6.0 (103)	4.5 (112)	5.5 (83)	5.2 (104)		
Cameroon	5.5 (75)	4.7 (76)	6.4 (97)	5.8 (97)	5.0 (104)	4.9 (106)		
Canada	6.0 (63)	9.3 (8)	9.3 (31)	7.9 (24)	7.6 (5)	8.5 (19)	6.4 (13)	8.0 (10)
Central Afr. Rep.	4.3 (103)		6.8 (80)	5.1 (108)	3.9 (119)	4.7 (109)		
Chad	6.5 (49)		6.3 (99)	5.8 (96)	3.9 (120)	3.3 (117)		
Chile	7.1 (22)	6.5 (51)	9.3 (29)	7.4 (40)	7.0 (13)	8.4 (20)	4.9 (41)	7.8 (14)
China	3.8 (110)	4.1 (92)	6.5 (91)	6.7 (69)	5.2 (92)	5.4 (102)	4.7 (47)	5.6 (54)
Colombia	5.4 (81)	3.5 (102)	7.1 (67)	6.3 (78)	5.7 (67)	7.4 (50)	3.9 (64)	5.8 (50)
Congo, Dem. R.	4.4 (100)	1.7 (114)	2.5 (120)		4.0 (116)	0.0 (123)		
Congo, Rep. of	3.5 (116)	2.3 (112)	6.8 (74)	7.0 (59)	4.8 (105)	4.5 (111)		
Costa Rica	7.1 (24)	6.9 (40)	7.6 (57)	8.1 (18)	6.8 (21)	8.2 (26)	6.0 (18)	6.3 (35)
Côte d'Ivoire	7.7 (11)	3.5 (98)	6.8 (76)	6.2 (82)	5.4 (87)	7.3 (54)		
Croatia	3.3 (119)	7.1 (30)	6.2 (102)	6.1 (86)	5.5 (79)	7.7 (40)		
Cyprus	5.9 (69)	7.1 (30)	6.8 (79)	5.8 (98)	5.4 (89)	8.9 (14)		
Czech Rep.	5.3 (83)	6.9 (39)	9.2 (36)	7.8 (26)	5.7 (68)	5.7 (95)	5.2 (33)	6.1 (41)
Denmark	3.7 (112)	9.5 (2)	9.6 (11)	8.1 (20)	7.2 (11)	9.3 (6)	4.6 (49)	7.6 (16)
Dominican Rep.	8.6 (5)	4.3 (84)	7.5 (60)	6.5 (73)	6.7 (26)	8.2 (24)	5.9 (20)	6.0 (44)
Ecuador	8.7 (4)	3.3 (105)	3.3 (116)	7.0 (60)	4.4 (113)	4.9 (107)	3.6 (68)	4.7 (71)
Egypt	6.5 (45)	5.9 (63)	9.4 (28)	6.3 (80)	5.4 (88)	6.9 (65)	4.0 (62)	5.2 (65)
El Salvador	8.4 (6)	4.5 (82)	9.4 (26)	7.4 (42)	6.4 (42)	8.0 (32)	4.8 (42)	6.4 (34)
Estonia	5.9 (66)	6.7 (43)	7.7 (56)	8.7 (6)	6.5 (37)	7.6 (46)	4.7 (45)	7.1 (25)
Fiji	5.9 (67)		6.6 (87)	6.2 (85)	5.9 (60)	6.1 (83)		
Finland	4.3 (101)	9.5 (4)	9.3 (32)	8.3 (13)	7.0 (17)	8.8 (15)	3.3 (73)	8.8 (1)
France	2.5 (123)	8.1 (21)	9.5 (22)	8.1 (16)	7.0 (15)	8.7 (17)	5.0 (36)	7.3 (19)
Gabon	3.7 (115)	4.1 (86)	6.9 (71)	5.9 (93)	5.6 (78)	6.2 (81)		

Exhibit 3 (continued): Area Economic Freedom Ratings (and Rankings), 2000

	Areas					Components of Area 5		
	1 Size of Government: Expenditures, Taxes, and Enterprises	2 Legal Structure and Security of Property Rights	3 Access to Sound Money	4 Freedom to Exchange with Foreigners	5 Regulation of Credit, Labor, and Business	5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations
Germany	4.3 (102)	9.1 (10)	9.6 (10)	8.6 (7)	6.1 (56)	7.5 (47)	2.9 (74)	7.8 (13)
Ghana	6.8 (34)	4.1 (86)	5.2 (110)	6.5 (74)	5.9 (62)	6.0 (91)		
Greece	6.6 (41)	5.7 (66)	9.1 (40)	7.5 (38)	5.3 (91)	7.0 (60)	3.4 (70)	5.6 (53)
Guatemala	9.1 (2)	3.0 (106)	7.5 (59)	6.4 (77)	5.6 (71)	7.1 (57)	4.0 (61)	5.7 (52)
Guinea-Bissau	4.6 (94)	2.9 (107)	2.6 (119)		5.1 (98)	6.0 (87)		
Guyana	4.8 (90)	7.1 (34)	7.8 (55)		6.7 (25)	7.7 (41)		
Haiti	8.0 (9)	4.1 (86)	8.1 (53)		6.0 (59)	7.9 (36)		
Honduras	7.5 (18)	3.5 (100)	7.9 (54)	6.9 (64)	5.9 (63)	7.5 (48)	5.7 (25)	4.4 (73)
Hong Kong	9.2 (1)	7.2 (28)	9.4 (27)	9.8 (1)	8.4 (1)	9.1 (8)	7.7 (1)	8.5 (2)
Hungary	5.4 (80)	7.0 (38)	6.7 (83)	7.2 (51)	7.0 (18)	8.0 (31)	5.6 (26)	7.3 (22)
Iceland	6.0 (61)	9.0 (12)	9.0 (41)	6.8 (68)	7.6 (7)	7.8 (39)	6.7 (6)	8.3 (5)
India	6.9 (30)	6.0 (58)	6.5 (89)	5.1 (109)	5.8 (64)	5.7 (97)	5.8 (24)	5.9 (48)
Indonesia	7.8 (10)	3.4 (104)	6.5 (94)	7.6 (36)	4.7 (107)	5.3 (103)	4.0 (63)	4.8 (68)
Iran	4.6 (98)	6.5 (45)	7.2 (62)	2.8 (115)	3.9 (118)	4.8 (108)		
Ireland	6.1 (56)	9.0 (14)	9.5 (20)	8.9 (3)	7.1 (12)	8.1 (28)	5.3 (30)	7.8 (12)
Israel	3.1 (122)	8.0 (22)	9.2 (38)	7.8 (28)	5.9 (61)	6.1 (82)	4.3 (56)	7.4 (18)
Italy	4.6 (97)	7.7 (24)	9.4 (24)	8.1 (19)	5.6 (70)	7.1 (58)	3.5 (69)	6.3 (36)
Jamaica	7.5 (17)	5.8 (64)	8.2 (51)	7.0 (61)	6.5 (34)	7.2 (55)	6.5 (12)	5.9 (45)
Japan	5.3 (82)	8.2 (20)	9.5 (16)	6.8 (66)	6.7 (28)	6.3 (78)	6.5 (11)	7.2 (24)
Jordan	5.6 (73)	7.2 (29)	9.6 (13)	7.7 (32)	6.4 (44)	7.3 (53)	6.5 (10)	5.4 (59)
Kenya	6.6 (42)	4.1 (86)	8.9 (45)	7.1 (53)	6.2 (52)	6.9 (66)		
Kuwait	6.1 (57)	7.1 (30)	9.5 (21)	7.2 (50)	5.1 (97)	6.8 (69)		
Latvia	5.9 (65)	6.8 (41)	8.2 (50)	7.3 (44)	5.8 (65)	7.0 (59)	4.5 (50)	5.8 (51)
Lithuania	6.1 (58)	6.6 (44)	6.7 (82)	7.4 (41)	5.6 (76)	6.2 (80)	4.2 (57)	6.2 (37)
Luxembourg	4.6 (93)	8.3 (17)	9.7 (4)	8.5 (8)	6.9 (20)	8.9 (12)		
Madagascar	6.5 (44)	4.7 (76)	4.5 (113)	6.0 (91)	4.4 (115)	6.0 (89)		
Malawi	4.2 (104)	5.9 (62)	2.1 (121)	6.0 (89)	5.1 (100)	4.0 (114)		
Malaysia	6.7 (35)	5.6 (67)	7.2 (64)	7.5 (39)	6.5 (39)	6.6 (72)	6.6 (7)	6.2 (39)
Mali	5.7 (72)	5.3 (72)	6.6 (86)	5.9 (94)	4.6 (108)	5.8 (92)		
Malta	5.9 (68)	7.7 (23)	7.2 (63)	6.2 (84)	5.5 (81)	6.0 (90)		
Mauritius	7.1 (23)	6.0 (57)	9.6 (9)	7.0 (57)	6.2 (49)	7.6 (44)	4.9 (39)	6.2 (40)
Mexico	7.6 (14)	4.2 (85)	6.2 (101)	7.8 (25)	5.4 (85)	5.5 (100)	4.8 (43)	5.9 (46)
Morocco	5.9 (64)	7.1 (34)	6.7 (81)	5.5 (101)	5.1 (99)	7.0 (61)		
Myanmar	3.5 (117)	2.9 (107)	4.5 (114)	1.7 (116)	4.0 (116)	1.0 (120)		
Namibia	3.9 (109)	8.3 (17)	7.1 (66)	6.9 (63)	6.6 (32)	9.4 (2)		
Nepal	5.3 (84)		6.7 (84)	5.9 (92)	5.5 (80)	6.0 (85)		
Netherlands	4.6 (96)	9.6 (1)	9.4 (23)	8.8 (5)	7.6 (6)	9.3 (4)	5.2 (34)	8.3 (7)
New Zealand	6.7 (38)	9.1 (11)	9.0 (42)	8.3 (12)	7.9 (4)	9.3 (3)	5.9 (21)	8.5 (3)
Nicaragua	6.8 (32)	4.0 (93)	8.1 (52)	7.3 (43)	6.3 (48)	7.5 (49)	6.6 (8)	4.8 (69)
Niger	5.9 (70)	4.7 (76)	6.7 (85)	5.4 (102)	4.6 (109)	5.7 (96)		
Nigeria	5.5 (77)	3.6 (97)	5.5 (108)	5.8 (95)	6.1 (57)	5.8 (93)	7.2 (2)	5.2 (61)

Exhibit 3 (continued): Area Economic Freedom Ratings (and Rankings), 2000

	Areas					Components of Area 5		
	1 Size of Government: Expenditures, Taxes, and Enterprises	2 Legal Structure and Security of Property Rights	3 Access to Sound Money	4 Freedom to Exchange with Foreigners	5 Regulation of Credit, Labor, and Business	5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations
Norway	4.1 (105)	8.8 (15)	9.5 (19)	7.6 (34)	6.6 (29)	8.4 (21)	3.8 (66)	7.7 (15)
Oman	6.1 (59)	7.1 (30)	9.2 (37)	7.7 (30)	6.6 (33)	9.0 (10)		
Pakistan	6.7 (37)	2.9 (107)	6.4 (96)	4.3 (113)	5.2 (93)	4.4 (112)		
Panama	7.4 (20)	5.8 (65)	9.7 (3)	7.2 (49)	6.6 (31)	8.7 (16)	5.9 (19)	5.1 (66)
Pap. New Guinea	6.5 (46)	4.1 (86)	5.4 (109)	6.8 (65)	6.4 (47)	7.0 (63)		
Paraguay	7.6 (16)	3.5 (101)	9.0 (44)	6.6 (70)	5.0 (102)	7.2 (56)	3.3 (72)	4.6 (72)
Peru	8.7 (3)	3.9 (95)	8.5 (48)	7.1 (52)	6.4 (41)	8.0 (30)	4.7 (44)	6.5 (32)
Philippines	7.1 (27)	4.6 (81)	9.0 (43)	7.6 (35)	6.5 (38)	7.8 (38)	6.1 (17)	5.6 (55)
Poland	3.9 (108)	6.5 (52)	6.2 (100)	6.4 (76)	5.6 (74)	6.3 (77)	4.2 (59)	6.2 (38)
Portugal	5.6 (74)	7.6 (25)	9.3 (34)	8.0 (21)	6.4 (46)	7.9 (35)	4.5 (54)	6.7 (30)
Romania	4.7 (92)	6.4 (53)	1.6 (122)	6.3 (81)	5.4 (86)	4.1 (113)	6.3 (15)	5.8 (49)
Russia	6.4 (50)	4.4 (83)	1.5 (123)	6.9 (62)	4.4 (114)	3.6 (116)	4.5 (52)	5.1 (67)
Rwanda	5.5 (78)		5.8 (105)	4.6 (111)	5.2 (95)	5.6 (98)		
Senegal	6.7 (39)	4.1 (86)	7.0 (69)	6.0 (88)	4.6 (110)	5.6 (99)		
Sierra Leone	6.2 (55)	2.9 (107)	7.0 (70)	4.1 (114)	4.8 (106)	2.5 (119)		
Singapore	8.1 (7)	8.5 (16)	9.7 (1)	9.3 (2)	7.4 (8)	8.2 (25)	5.5 (28)	8.4 (4)
Slovak Rep	3.5 (118)	6.3 (54)	6.5 (93)	7.8 (27)	5.2 (94)	5.5 (101)	4.9 (37)	5.2 (62)
Slovenia	3.2 (121)	7.3 (27)	7.1 (65)	7.1 (54)	5.7 (66)	6.6 (70)	3.6 (67)	7.0 (26)
South Africa	5.4 (79)	6.5 (50)	7.5 (61)	7.3 (45)	7.0 (14)	9.0 (9)	5.5 (29)	6.6 (31)
South Korea	7.1 (25)	6.0 (60)	9.5 (18)	7.0 (58)	5.4 (84)	6.9 (64)	4.2 (58)	5.2 (63)
Spain	4.6 (95)	7.5 (26)	9.3 (30)	8.3 (15)	6.8 (22)	8.1 (29)	5.3 (31)	6.9 (27)
Sri Lanka	7.0 (28)	3.9 (94)	6.8 (78)	6.0 (90)	6.1 (55)	6.3 (76)	5.9 (23)	6.0 (43)
Sweden	3.3 (120)	9.0 (13)	9.7 (2)	8.3 (14)	6.7 (27)	8.4 (22)	3.4 (71)	8.3 (6)
Switzerland	7.2 (21)	9.3 (7)	9.4 (25)	8.3 (10)	7.0 (16)	7.8 (37)	5.3 (32)	7.8 (11)
Syria	3.7 (113)	5.3 (72)	7.1 (68)	6.2 (83)	2.7 (123)	0.8 (121)		
Taiwan	6.0 (60)	6.1 (56)	9.7 (6)	8.0 (22)	6.1 (54)	6.4 (74)	4.5 (51)	7.3 (20)
Tanzania	5.5 (76)	6.5 (45)	8.4 (49)	5.6 (100)	3.7 (121)	2.8 (118)		
Thailand	6.8 (31)	6.0 (59)	6.5 (90)	7.7 (33)	6.2 (51)	7.0 (62)	6.3 (14)	5.3 (60)
Togo	4.4 (99)	3.5 (98)	6.5 (92)		4.4 (112)	5.8 (94)		
Trinidad & Tob.	5.9 (71)	6.8 (42)	9.5 (17)	6.6 (72)	7.2 (10)	7.6 (43)	7.2 (4)	6.9 (28)
Tunisia	5.3 (85)	6.5 (45)	6.9 (72)	6.1 (87)	5.6 (72)	7.4 (51)		
Turkey	6.9 (29)	5.4 (70)	3.6 (115)	7.3 (48)	5.6 (75)	6.3 (75)	4.5 (53)	5.9 (47)
Uganda	6.2 (51)	4.7 (76)	9.2 (39)	6.8 (67)	5.6 (73)	5.0 (105)		
Ukraine	3.8 (111)	4.8 (75)	2.6 (118)	6.6 (71)	4.5 (111)	4.6 (110)	4.3 (55)	4.7 (70)
Unit. Arab Em.	7.6 (13)	6.5 (45)	8.9 (46)		6.5 (40)	6.9 (67)		
United Kingdom	6.2 (52)	9.3 (6)	9.7 (5)	8.5 (9)	8.1 (3)	9.3 (5)	6.9 (5)	8.1 (9)
United States	7.6 (15)	9.2 (9)	9.7 (7)	8.0 (23)	8.2 (2)	9.3 (7)	7.2 (3)	8.3 (8)
Uruguay	6.7 (40)	6.3 (55)	7.6 (58)	7.3 (47)	6.2 (50)	6.6 (71)	5.9 (22)	6.1 (42)
Venezuela	7.1 (26)	3.7 (96)	5.7 (107)	7.1 (55)	5.2 (96)	6.0 (88)	4.0 (60)	5.5 (57)
Zambia	6.6 (43)	6.5 (45)	5.9 (104)	8.1 (17)	5.6 (77)	6.2 (79)		
Zimbabwe	4.7 (91)	5.0 (74)	2.8 (117)	6.3 (79)	5.4 (90)	6.0 (86)	5 (40)	5.2 (64)

rating would be adjusted downward proportionately for 1995 to reflect this. This procedure was repeated backward in time to 1970.

Exhibit 4 presents this “chain-weighted” economic freedom index for years from 1970 to 2000. For researchers doing longitudinal studies of economic freedom, we believe this set of data to be of the highest quality.

Correlations between Economic Freedom and Other Indicators

The EFW index is very useful as a correlate with other *desiderata* such as income per person, economic growth, income distribution and so on. The following set of bar charts (Exhibits 5–9) illustrates some of these basic relationships.

The EFW index is highly correlated with income per capita and economic growth; life expectancy is over 20 years longer in the top economic-freedom quintile compared with the bottom quintile. That economic freedom contributes to a faster growing, more efficient economy that translates into better, longer lives is hardly a controversial finding.¹¹

Many critics of economic freedom focus on the supposed inability of the free-market to create a “just” distribution of income or in caring for the poor. Exhibits 7 and 9 present the evidence on the validity of these arguments. First, the distribution of income is no more unequal in countries with market-oriented economies than in those that are economically repressive. The bottom tenth of the income distribution re-

ceives essentially the same share—between 2.06% and 2.90%—of total income in all the quintiles. Moreover, it bears repeating that economically free societies are more productive and that this added productivity translates into higher incomes for everyone. The final bar chart shows the average level of income of the poorest tenth in society. Clearly freer markets lead to a more productive economy, which increases incomes for all economic classes.

Concluding Thoughts

The degree of economic freedom present is influenced by numerous factors. No single statistic will be able to capture all of these factors or to represent their interrelations fully. We believe that the index presented here captures most of the important elements and provides a reasonably good measure of differences among countries in economic freedom. However, something as complex as economic freedom is difficult to measure with precision. Thus, *small differences* between countries should not be taken very seriously.

As this work goes forward, it should open doors for fruitful research in several areas. Certainly, it should be of value to those seeking to pinpoint the strengths and weaknesses of institutions and policies. It should also be useful to those seeking to enhance our knowledge of economic development and the process of economic growth. Researchers analyzing the interrelations among economic freedom, civil liberties, and democratic decision-making should also find these data of value.

Exhibit 4: A Chain-Weighted Summary Index

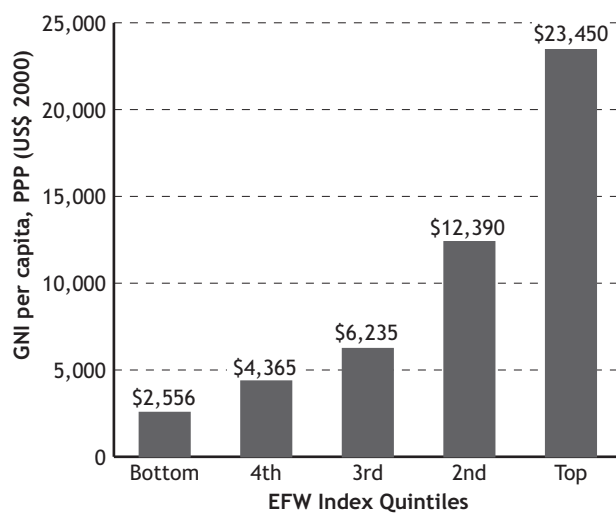
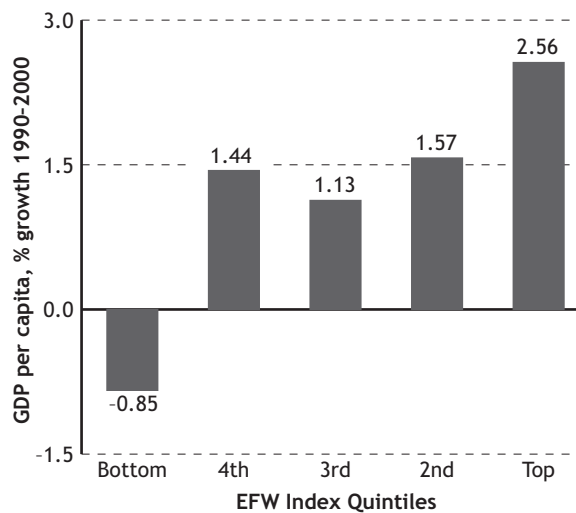
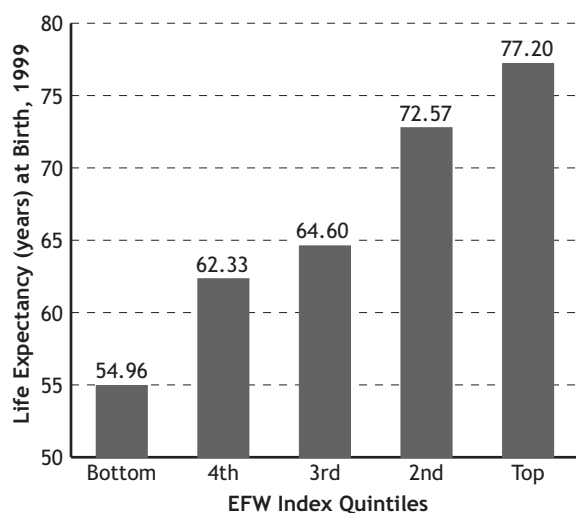
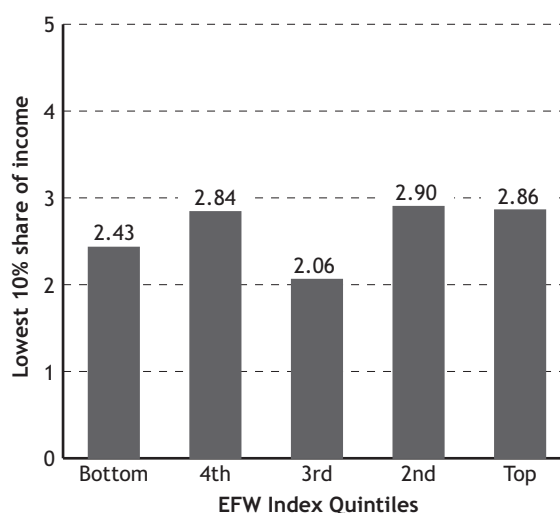
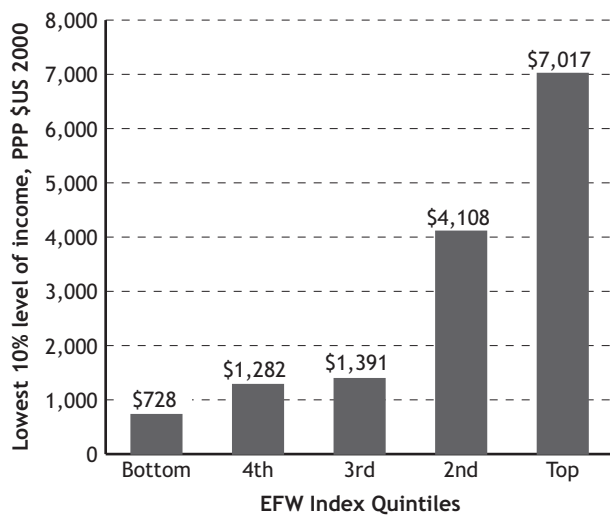
	1970	1975	1980	1985	1990	1995	2000
Albania				3.87	3.51	4.90	5.54
Algeria	4.29	3.74	3.75	3.89	3.63	4.37	4.00
Argentina	4.78	2.84	4.09	3.69	4.74	6.37	7.20
Australia	7.32	6.24	6.95	7.21	7.22	7.76	8.00
Austria	7.09	6.67	6.68	6.54	6.94	7.03	7.51
Bahamas		6.49	6.14	6.24	6.22	6.22	6.97
Bahrain		6.57	6.82	6.68	6.66	7.05	7.42
Bangladesh		2.68	3.09	3.56	3.76	5.00	5.11
Barbados		5.76	5.76	6.16	6.12	6.05	5.84
Belgium	8.01	7.06	7.22	7.16	7.25	7.16	7.48
Belize			5.55	5.50	5.82	6.69	6.23
Benin			4.61	4.43	4.72	4.77	5.84
Bolivia			3.49	2.86	4.79	6.45	6.71
Botswana			5.50	5.57	5.66	6.23	7.28
Brazil	5.63	4.59	4.25	3.48	4.19	4.53	5.78
Bulgaria				5.24	3.97	4.43	5.51
Burundi		4.25	4.12	4.68	4.90	4.53	5.61
Cameroon			5.43	5.69	5.66	5.48	5.53
Canada	8.02	7.00	7.39	7.39	7.53	7.78	8.02
Central Afr. Rep.			4.10	3.87	4.50	4.60	5.02
Chad			4.57	4.83	4.91	5.09	5.60
Chile	3.36	3.54	5.21	5.73	6.51	7.30	7.49
China	4.28	4.94	4.41	4.99	4.59	5.06	5.28
Colombia	4.26	4.13	3.97	4.41	4.33	5.32	5.61
Congo, Dem. R.	4.29	3.86	3.01	4.04	3.84	3.72	3.29
Congo, Rep. of			4.59	4.47	4.71	5.54	4.77
Costa Rica		5.94	5.19	4.92	6.35	6.14	7.31
Côte d'Ivoire			5.01	5.58	5.29	5.80	5.90
Croatia						4.35	5.87
Cyprus		4.93	4.79	5.11	5.57	6.15	6.43
Czech Rep.					3.33	5.76	6.99
Denmark	7.22	6.23	6.35	6.42	6.89	7.44	7.63
Dominican Rep.			4.99	4.65	4.13	5.36	6.71
Ecuador	3.72	4.94	5.35	4.41	4.98	5.91	5.33
Egypt	2.35	3.43	4.13	4.78	4.49	5.76	6.68
El Salvador			3.66	3.81	4.22	7.08	7.21
Estonia					4.10	5.00	7.09
Fiji		5.47	5.70	5.93	5.99	6.31	6.15
Finland	7.17	6.11	6.76	6.87	6.87	7.31	7.67
France	6.68	5.71	6.00	5.95	6.82	6.82	7.05
Gabon			3.75	4.46	4.83	5.10	5.24
Germany	8.00	7.23	7.45	7.41	7.36	7.28	7.54
Ghana		3.08	2.40	2.79	4.86	5.66	5.70
Greece	6.10	5.60	5.44	5.06	5.68	6.22	6.85
Guatemala	4.79	5.22	5.39	4.51	5.17	6.87	6.31
Guinea-Bissau				2.76	3.31	3.28	3.83

Exhibit 4 (continued): A Chain-Weighted Summary Index

	1970	1975	1980	1985	1990	1995	2000
Guyana			3.19	3.20	4.03	4.89	7.25
Haiti			4.45	4.85	4.76	5.30	6.37
Honduras			4.95	4.55	5.10	6.10	6.34
Hong Kong	8.69	8.58	8.70	8.33	8.12	9.03	8.80
Hungary			4.65	4.88	4.92	6.19	6.66
Iceland	6.64	4.59	5.27	5.45	6.65	7.27	7.70
India	3.93	3.95	4.90	4.61	4.66	5.59	6.06
Indonesia	4.16	4.53	4.46	5.44	5.78	6.53	5.98
Iran	4.67	4.60	3.06	3.49	4.20	4.51	5.21
Ireland	6.97	6.06	6.37	6.36	6.81	8.15	8.13
Israel	4.78	4.08	3.42	4.06	4.20	5.86	6.81
Italy	6.07	5.20	5.35	5.65	6.45	6.31	7.08
Jamaica			3.83	4.38	5.15	6.29	7.01
Japan	6.87	6.33	6.78	6.74	7.02	6.88	7.31
Jordan	3.56	4.25	4.62	5.28	5.07	6.22	7.29
Kenya	4.98	4.75	4.88	5.36	5.36	5.76	6.59
Kuwait		4.49	4.37	5.80	4.54	6.40	7.26
Latvia						4.43	6.82
Lithuania					3.10	4.59	6.48
Luxembourg	8.62	8.35	8.00	8.30	8.01	8.25	7.95
Madagascar			3.97	4.25	4.18	4.82	5.28
Malawi		4.52	4.27	4.60	4.77	3.96	4.81
Malaysia	6.31	6.15	6.78	6.80	7.05	7.30	6.69
Mali		4.58	4.90	4.62	4.79	5.45	5.74
Malta			4.68	4.92	5.24	6.92	6.78
Mauritius		4.69	4.76	5.97	5.69	6.92	7.20
Mexico	5.96	5.31	5.23	4.40	5.69	6.23	6.25
Morocco	5.00	4.52	3.96	4.66	4.70	6.36	6.33
Myanmar	3.58	2.87	3.93	3.60	2.79	4.08	3.22
Namibia					4.72	6.49	6.90
Nepal			5.52	5.15	5.24	5.36	5.86
Netherlands	7.82	6.91	7.30	7.39	7.35	7.81	8.01
New Zealand	6.83	5.90	6.60	6.31	7.24	8.59	8.20
Nicaragua			3.36	1.70	2.81	4.83	6.52
Niger			4.84	5.29	4.95	4.25	5.52
Nigeria	3.05	3.24	3.21	3.55	3.48	3.68	5.31
Norway	6.43	5.77	6.04	6.47	6.91	7.47	7.33
Oman			5.67	6.63	6.14	6.86	7.60
Pakistan	3.74	3.33	4.25	4.93	4.87	5.95	5.03
Panama		5.59	5.05	5.66	5.87	7.05	7.37
Pap. New Guinea			5.73	6.05	6.16	6.22	5.85
Paraguay			5.17	4.71	5.25	6.16	6.33
Peru	3.41	3.03	3.17	2.43	3.50	6.16	6.94
Philippines	4.67	4.35	4.45	4.43	4.90	6.88	6.96
Poland			5.10	3.79	3.91	5.28	5.72
Portugal	6.08	3.79	5.83	5.48	6.13	7.20	7.38

Exhibit 4 (continued): A Chain-Weighted Summary Index

	1970	1975	1980	1985	1990	1995	2000
Romania	4.64	4.64	4.43	4.43	4.59	3.92	4.85
Russia		2.59	2.56	2.56	2.45	3.76	4.73
Rwanda		3.46	4.60	4.68	4.93	4.37	5.27
Senegal			4.39	4.79	5.23	4.08	5.69
Sierra Leone		6.70	6.58	4.15	4.08	3.58	4.91
Singapore	7.92	7.55	7.76	7.96	8.24	8.70	8.61
Slovak Rep						5.35	5.84
Slovenia						5.09	6.10
South Africa	6.11	5.52	5.32	4.93	4.97	6.35	6.76
South Korea	5.11	5.04	5.33	5.35	5.85	6.38	7.01
Spain	6.39	5.64	5.83	5.92	6.15	6.98	7.30
Sri Lanka			4.55	4.77	4.52	6.22	5.96
Sweden	5.94	5.50	5.95	6.51	6.68	7.12	7.40
Switzerland	8.22	7.82	8.05	8.05	7.80	7.94	8.24
Syria	3.26	3.42	3.09	3.00	3.34	4.09	5.11
Taiwan	7.07	5.94	6.73	6.87	6.89	7.10	7.18
Tanzania	4.91	4.20	3.99	3.50	3.92	4.72	6.16
Thailand	5.78	5.57	5.86	5.88	6.49	7.06	6.64
Togo			3.56	4.81	4.62	5.09	4.84
Trinidad & Tob.		4.75	4.72	4.62	5.40	6.13	7.19
Tunisia	4.20	4.30	4.73	4.56	5.07	5.59	6.27
Turkey	3.49	3.70	3.45	4.53	4.51	5.73	5.75
Uganda		2.40	2.55	2.40	2.69	4.74	6.56
Ukraine					3.75	3.43	4.47
Unit. Arab Em.			5.29	6.46	7.22	6.54	7.70
United Kingdom	6.57	6.13	6.30	7.12	7.38	8.14	8.35
United States	7.81	7.75	7.84	7.85	7.92	8.29	8.54
Uruguay			5.58	5.64	5.93	5.79	6.80
Venezuela	6.72	5.72	6.34	5.92	5.25	4.06	5.76
Zambia		4.42	4.58	3.49	2.96	4.73	6.74
Zimbabwe			3.94	4.01	4.39	5.43	4.83

Exhibit 5: Economic Freedom and Per-Capita Income**Exhibit 8: Economic Freedom and Economic Growth****Exhibit 6: Economic Freedom and Life Expectancy****Exhibit 9: Economic Freedom and the Income Share of the Poorest 10%****Exhibit 7: Economic Freedom and the Income Level of the Poorest 10%**

Notes

- 1 See Michael A. Walker, ed. *Freedom, Democracy, and Economic Welfare* (Vancouver: The Fraser Institute, 1988); Walter Block, ed., *Economic Freedom: Toward a Theory of Measurement*, (Vancouver: The Fraser Institute, 1991); and Stephen T. Easton and Michael A. Walker, eds., *Rating Global Economic Freedom*, (Vancouver: The Fraser Institute, 1992).
- 2 Researchers can find all the data at www.freetheworld.com. See the Appendix: Explanatory Notes and Data Sources (p. 23) for a list of sources used in constructing the index.
- 3 The focus of these reports differs substantially from the emphasis of the *Economic Freedom of the World*. The *International Country Risk Guide* is directed toward investors seeking information about financial and political risks that might affect their investments in different countries. The primary focus of the *World Competitiveness Report* is on the use of technology, quality of the physical infrastructure, skill of the labor force and other factors influencing the attractiveness of a country for business activity. However, the two reports also provide information on legal structure, security of property rights, and the regulatory environment. This is the information that is of value for our purposes.
- 4 Over the years, we have struggled with how to assign weights to various components and areas to construct a summary index. After experimenting with three different weighting schemes in the first edition, in the last several editions, we finally settled on using principle component analysis to assign weights statistically. Although principle component analysis has the advantage of being value-neutral, it does create problems of its own. In particular, when two components are closely correlated, as often happens, then principle component analysis tends to assign low weights to one or both of these components. In essence, the principle component analysis wants to drop out the interrelated components. But, we often want to include these components even if they are correlated with other components in order to offset measurement error in the data and to increase the number of countries we can rate. We have, therefore, decided to return to using a simple average to combine the components into area ratings and the area ratings into summary ratings. Although this edition of the index uses averages, we do not mean to imply that all components and areas of economic freedom are equally important in whatever sense. Readers who want to reweigh the components and areas to suit themselves are invited to do so.
- 5 Economists often speak of the protective and productive functions of government. The protective function involves protecting citizens and their property against aggressors. It includes the provision of national defense, police protection, and a system of justice. The productive function involves the provision of a limited set of public goods like sound money, flood control, and environmental quality that are difficult to provide through markets. Countries with high incomes currently spend only about 10% to 15% of GDP on these activities. For evidence on this point, see James Gwartney, Robert Lawson, and Randall Holcombe, "The Size and Scope of Government and Economic Growth," *Cato Journal* 18, 2 (Fall, 1998): 163-90.
- 6 The *International Country Risk Guide* data are computed from an in-house panel of experts whereas the *Global Competitiveness Report* data are based on a survey of business decision-makers. For our purposes here, however, we will refer to both sources as being survey-based.

- 7 For information on how centralized wage setting, restrictive dismissal regulations, and lucrative unemployment benefits have reduced employment and increased unemployment among OECD countries, see Edward Bierhanzl and James Gwartney, "Regulation, Unions, and Labor Markets," *Regulation* (Summer, 1998): 40–53, and Horst Siebert, "Labor Market Rigidities: At the Root of Unemployment in Europe," *Journal of Economic Perspectives* 11, 3 (1997): 37–54.
- 8 For 1970 to 1995, we report the same legal structure and property rights rating as in the 2001 report.
- 9 In Areas 2, 4, and 5, we ran a regression among the 74 countries for which we had complete data. The dependent variable was the area rating *with the survey data* and the independent variable was the area rating *excluding the survey data*. The regression relationship indicates how the omission of the survey data affects the area rating. The regression estimates were used to adjust the area ratings for the 49 countries without survey data and, thereby, make them more comparable with the ratings of the 74 countries for which the survey data were available. The same adjustments were performed in all years.
- 10 Some commentators have suggested that Hong Kong and Singapore should not be so highly ranked. In a recent article in *The Economist* ("In a few hands" [November 2, 2000]), Hong Kong was alleged to be a haven for private monopolists who restrict entry and retard competition. However, as both economic theory and the experience of cartels indicate, monopoly power based on wealth, private business dealings, and collusive arrangements is difficult to maintain without the help of government. While the presence of strong and successful businesses can make entry into a market difficult, barriers of this type differ substantially from those based on legal restraints. When the legal roadblocks are absent, dynamic competition has a way of eroding monopoly power based on private practices.

Singapore is often attacked for its poor record in political and civil rights. But, the study of economic freedom focuses on actions that impede production and exchange and institutional arrangements that provide for the smooth operation of markets. Both the objective and survey components indicate that Singapore does quite well in these areas—at least by way of comparison with other nations.
- 11 For research of this type, see John W. Dawson, "Institutions, Investment, and Growth: New Cross-Countries and Panel Data Evidence," *Economic Inquiry* 36 (October 1998): 603–19; Stephen T. Easton and Michael Walker, "Income, Growth, and Economic Freedom," *American Economic Review* 87, 2 (May, 1997): 328–32; and James Gwartney, Randall Holcombe, and Robert Lawson, "Economic Freedom and the Environment for Economic Growth," *Journal of Institutional and Theoretical Economics* (December 1999): 643–63.

Appendix: Explanatory Notes and Data Sources

1 Size of Government: Expenditures, Taxes, and Enterprises

A 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. Countries with a larger proportion of government expenditures received lower ratings. If the ratio of a country's government consumption to total consumption is close to the minimum value of this ratio during the 1990 base year, the country's rating will be close to 10. In contrast, if this ratio is close to the highest value during the base year, the rating will be close to zero.

Sources: World Bank, *World Development Indicators* (various issues) and International Monetary Fund, *International Financial Statistics* (various issues). The figures for 1997 were primarily from the latter publication.

B 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} represent the maximum and minimum values of this component during the 1990 base year. 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 base year, the rating of the country will approach zero.

Sources: World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); International Monetary Fund, *Government Finance Statistics Yearbook* (various years); and Inter-American Development Bank, *Economic and Social Progress in Latin America*, 1994.

C Government enterprises and investment as a percentage of GDP

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 0-to-10 ratings. Countries with more government enterprise and government investment received lower ratings. When there were few SOEs and government investment was generally less than 15% of total investment, countries were given a rating of 10. When there were few SOEs other than those involved in industries where economies of scale reduce the effectiveness of competition (e.g., power generation) and government investment was between 15% and 20% of the total, countries received a rating of 8. When there were, again, few SOEs other than those involved in energy and other such industries and government investment was between about 20% and 25% of the total, countries were rated at 7. When SOEs were present in the energy, transportation, and communication sectors of the economy and government investment was between about 25% and 30% of the total, countries were assigned a rating of 6. When a substantial number of SOEs operated in many sectors, including manufacturing, and government investment was generally between 30% and 40% of the total, countries received a rating of 4. When numerous SOEs operated in many sectors, including retail sales, and government investment was between about 40% and 50% of the total, countries were rated at 2. A rating of zero was assigned when the economy was dominated by SOEs and government investment exceeded 50% of the total.

Sources: World Bank, *World Development Indicators* (various issues); World Bank Policy Research Report, *Bureaucrats in Business* (1995); Rexford A. Ahene and Bernard S. Katz, eds., *Privatization and Investment in Sub-Saharan Africa* (1992); Manuel Sanchez and Rossana Corona, eds., *Privatization in Latin America* (1993); Iliya Harik and Denis J. Sullivan, eds., *Privatization and Liberalization in the Middle East* (1992); OECD, *Economic Surveys* (various issues); and L. Bouten and M. Sumlinski, *Trends in Private Investment in Developing Countries: Statistics for 1970–1995*.

D Top marginal tax rate (and income threshold at which it applies)

Data on the top marginal tax rates and the income thresholds at which they take effect were used to construct a rating grid. Countries with higher marginal tax rates that take effect at lower income thresholds received lower ratings. 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).

Source: Price Waterhouse, *Individual Taxes: A Worldwide Summary* (various issues).

Top Marginal Tax Rate	Income Threshold Level (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

2 Legal Structure and Security of Property Rights

Special Note: Because of the changed structure of the index, the Area 2 components are simply not available for earlier years and we have used the corresponding area ratings from the 2001 *Annual Report* for this area for the period from 1970 to 1990. Please see that report for methodological details.

A Judicial independence: the judiciary is independent and not subject to interference by the government or parties in disputes

This component is based on survey responses to this question obtained from the *Global Competitiveness Report 2000*. This particular question was dropped from the 2001/2002 report because of technical difficulties but should reappear in the next report.

Source: World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford Univ. Press).

B Impartial courts: A trusted legal framework exists for private businesses to challenge the legality of government actions or regulation

This component is based on survey responses to this question obtained from the *Global Competitiveness Report 2000*. This particular question was dropped from the 2001/2002 report because of technical difficulties but should reappear in the next report.

Source: World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford Univ. Press).

C Protection of intellectual property

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

D Military interference in rule of law and the political process

This component is based on the Political Risk Component G (Military in Politics) from the *International Country Risk Guide*.

Source: PRS Group, *International Country Risk Guide* (various issues).

E Integrity of the legal system

This component is based on the Political Risk Component I (Law and Order) from the *International Country Risk Guide*.

Source: PRS Group, *International Country Risk Guide* (various issues).

3 Access to Sound Money

A 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 10 years. The values for V_{\min} and V_{\max} were set at 0% 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 differs from zero. 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), with updates from International Monetary Fund, *International Financial Statistics* (various issues).

B Standard inflation variability in 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 0-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 0% 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 infla-

tion 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), with updates from International Monetary Fund, *International Financial Statistics* (various issues).

C Recent inflation rate

Generally, the CPI was used as the measure of inflation for this component. The 0-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 0% 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.

Source: World Bank, *World Development Indicators* (various issues), with updates from International Monetary Fund, *International Financial Statistics* (various issues).

D Freedom to own foreign currency bank accounts domestically and abroad

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) and Currency Data and Intelligence, Inc., *World Currency Yearbook* (various issues).

4 Freedom to Exchange with Foreigners

A Taxes on international trade

i Revenue from taxes on international trade as a percentage of exports plus imports

The formula used to calculate the ratings for this 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 0% 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 0% to 15% range.)

Sources: International Monetary Fund, *Government Finance Statistics Yearbook* (various issues) and International Monetary Fund, *International Financial Statistics* (various issues).

ii Mean tariff rate

The formula used to calculate the 0-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 Bank, *World Development Indicators* (various issues); OECD, *Indicators of Tariff and Non-tariff Trade Barriers* (1996); World Bank, *World Development Report 2000*; J. Michael Finger, Merlinda D. Ingco, and Ulrich Reincke, *Statistics on Tariff Concessions Given and Received* (1996); Judith M. Dean, Seema Desai, and James Riedel, *Trade Policy Reform in Developing Countries since 1985: A Review of the Evidence* (1994); GATT, *The Tokyo Round of Multilateral Trade Negotiations, Vol. II: Supplementary Report* (1979); UNCTAD, *Revitalizing Development, Growth and International Trade: Assessment and Policy Options* (1987); R. Erzan and K. Kuwahara, *The Profile of Protection in Developing Countries*, *UNCTAD Review* 1, 1 (1989): 29–49; and Inter-American Development Bank (data supplied to the authors).

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 0-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 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 Bank, *World Development Indicators* (various issues); OECD, *Indicators of Tariff and Non-tariff Trade Barriers* (1996); World Bank, *1997 World Development Indicators CD-Rom*; Jang-Wha Lee and Phillip Swagel, *Trade Barriers and Trade Flows across Countries and Industries*, NBER Working Paper Series No. 4799 (1994); and Inter-American Development Bank (data supplied to the authors).

B Regulatory Trade Barriers

i Hidden import barriers: No barriers other than published tariffs and quotas.

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

ii Costs of importing: the combined effect of import tariffs, licence fees, bank fees, and the time required for administrative red-tape raises costs of importing equipment by (10 = 10% or less; 0 = more than 50%).

This component is based on survey responses to this question obtained from the *Global Competitiveness Report 2000*. This particular question was dropped from the 2001/2002 report because of technical difficulties but should reappear in the next report.

Source: World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford Univ. Press).

C Actual size of trade sector compared to expected size

Regression analysis was used to derive an expected size of the trade sector based on various structural and geographic characteristics. A basic description of the methodology can be found in Chapter 3. The actual size of the trade sector was then compared with the expected size for the country. If the actual size of the trade sector is greater than expected, this figure will be positive. If it is less than expected, the number will be negative. The percent change of the negative numbers was adjusted to make it symmetrical with the percent change of the positive numbers. The following formula was used to place the figures on a 0-to-10 scale: $(V_i - V_{\min}) / (V_{\max} - V_{\min})$ multiplied by 10. V_i is the country's actual value for the component. V_{\max} and V_{\min} were set at 100% and -50%, respectively. (Note that -50% is symmetrical with +100%.) This procedure allocates higher ratings to countries with large trade sectors compared to what would be expected, given

their population, geographic size, and location. On the other hand, countries with small trade sectors relative to the expected size receive lower ratings.

Sources: World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); and Central Intelligence Agency, *1997 World Factbook*.

D Difference between official exchange rate and black market rate

The formula used to calculate the 0-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; *i.e.*, 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: World Bank, *World Development Indicators* (various issues); Currency Data and Intelligence, Inc., *World Currency Yearbook* (various issues of the yearbook and the monthly report supplement) and International Monetary Fund, *International Financial Statistics* (various issues).

E International capital market controls

i Access of citizens to foreign capital markets and foreign access to domestic capital markets.

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

ii Restrictions on the freedom of citizens to engage in capital market exchange with foreigners—index of capital controls among 13 IMF categories.

The IMF reports on 13 different types of capital controls. This component is based on the number of capital controls levied. The 0-to-10 rating is constructed by taking 13 minus the number of capital controls divided by 13 and multiplied by 10.

Source: International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues).

5 Regulation of Credit, Labor, and Business

A Credit Market Regulations

i Ownership of banks: percentage of deposits held in privately owned 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: Euromoney Publications, *The Telrate Bank Register* (various editions); World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994); Price Waterhouse, *Doing Business in ...* publication series; H.T. Patrick and Y.C. Park, eds., *The Financial Development of Japan, Korea, and Taiwan: Growth, Repression, and*

Liberalization (1994); D.C. Cole and B.F. Slade, *Building a Modern Financial System: The Indonesian Experience* (1996); and information supplied by member institutes of the Economic Freedom Network.

ii **Competition: Domestic banks face competition from foreign banks (GCR)**

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

iii **Extension of credit: Percentage of credit extended to private sector**

For this component, higher values are indicative of greater economic freedom. Thus, the formula used to derive the country ratings for this 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. V_{\max} is the maximum value and V_{\min} the minimum value for the figure during the 1990 base year. Respectively, these figures were 99.9% and 0%. The formula allocates higher ratings as the share of credit extended to the private sector increases. A country's rating will be close to 10 when the private sector's share of domestic credit is near the base-year maximum (99.9%). A rating near zero results when the private sector's share of credit is close to the base-year minimum (10.0%).

Sources: International Monetary Fund, *International Financial Statistics* (various issues) and *Statistical Yearbook of the Republic of China* (1996).

iv **Avoidance of interest rate controls and regulations that lead to 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: International Monetary Fund, *International Financial Statistics Yearbook* (various issues, as well as the monthly supplements).

v **Interest rate controls: Interest rate controls on bank deposits and/or loans are freely determined by the market**

This particular component was not presented in the GCR publication due to space constraints but the data were provided to us directly from the World Economic Forum.

B Labor Market Regulations

i **Impact of minimum wage: The minimum wage, set by law, has little impact on wages because it is too low or not obeyed**

This component is based on two survey responses obtained from the *Global Competitiveness Report 2001-2002*. The first question, which was not presented in the GCR publication due to space constraints asked about the

overall “impact of the minimum wage;” the second question, which was included in the published report, asked about the strength of enforcement of the minimum wage law. Countries received higher ratings if the survey respondents indicated the minimum wage had a small impact and/or was not strongly enforced. Countries received lower ratings if the impact was deemed to be great and/or if the law was strongly enforced.

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

ii **Hiring and firing practices:** Hiring and firing practices of companies are determined by private contract

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

iii **Share of labor force whose wages are set by centralized collective bargaining**

This particular component was not presented in the GCR publication due to space constraints but the data were provided to us directly from the World Economic Forum.

iv **Unemployment Benefits:** The unemployment benefits system preserves the incentive to work

This component is based on survey responses to this question obtained from the *Global Competitiveness Report 2000*. This particular question was dropped from the 2001-2002 report because of technical difficulties but should reappear in the next report.

Source: World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford Univ. Press).

v **Use of conscripts to obtain military personnel**

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.

Source: International Institute for Strategic Studies, *The Military Balance* (various issues).

C Business Regulations

i **Price controls:** Extent to which businesses are free to set their own prices

The more widespread the use of price controls, the lower the rating. The survey data of the International Institute for Management Development (IMD), *World Competitiveness Report*, various editions, were used to rate the 46 countries (mostly developed economies) covered by this report. For other countries, the Price Waterhouse series, *Doing Business in ...* and other sources were used to categorise countries. Countries were given a rating of 10 if no price controls or marketing boards were present. When price controls were limited to industries where economies of scale may reduce the effectiveness of competition (e.g., power generation), a country was given a rating of 8. When price controls were applied in only a few other industries, such as agriculture, a country was given a rating of 6. When price controls were levied on energy, agriculture, and many other staple products that are widely purchased by households, a rating of 4 was given. When price controls applied to a significant number of products in both agriculture and manufacturing, the rating was 2. A rating of zero was given when there was widespread use of price controls throughout various sectors of the economy.

Sources IMD, *World Competitiveness Report* (various issues); Price Waterhouse, *Doing Business in ...* publication series; World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994); and US State Department, *Country Reports on Economic Policy and Trade Practices* (various years).

- ii Administrative conditions and new businesses: Administrative procedures are an important obstacle to starting a new business

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

- iii Time with government bureaucracy: Senior management spends a substantial amount of time dealing with government bureaucracy

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

- iv Starting a new business: Starting a new business is generally easy

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

- v Irregular payments: Irregular, additional payments connected with import and export permits, business licenses, exchange controls, tax assessments, police protection, or loan applications are very rare

Source: World Economic Forum (2001), *Global Competitiveness Report 2001-2002* (Oxford: Oxford Univ. Press).

Chapter 2: Index of Patent Rights

by Walter G. Park and Smita Wagh

In Chapter 4: Intellectual Property and Patent Regimes of *Economic Freedom of the World: Annual Report 2001*, we presented and discussed an index of patent rights for various countries for the periods, 1960 to 1975, 1975 to 1990, and 1995. In this chapter, we add to the index values for the year 2000; these are based on new releases of legislative texts by various countries. Since the chapter in the earlier edition discussed patent regimes and defined concepts at some length, this chapter will be brief. First, it will review briefly how the index is constructed; second, it will present the new index values; third, it will compare the patent rights index to other indexes (such as the *Economic Freedom of the World* (EFW) index and the intellectual property ratings of the *Global Competitiveness Report*); finally, it will conclude with a discussion of the relationship between patent rights and economic freedom. A question of interest has been whether patent protection is negatively or positively associated with economic freedom. The purpose of the ensuing discussion is not to provide a definitive answer but to help frame the debate as, thus far, the issue has not been systematically and rigorously addressed.

How the Index is constructed

Table 1 reproduces the outline of the index and scoring method. The index is based on five categories: (1) coverage (the subject matter that can be patented); (2) duration (the length of protection); (3) enforcement (the mechanisms for enforcing patent rights); (4) membership in international patent treaties; and (5) restrictions or limitations on the use of patent rights. For each of these categories, a country is given a score (ranging from 0 to 1) indicating the extent to which a country is strong in that aspect. For example, a score of 1 for duration indicates that a country provides protection for the full length of time that was established as an international standard (e.g., 20 years from the date of patent application). A score of 1 for the restrictions category indicates that a country does not

impose limitations on the patent right, such as compulsory licensing. In certain countries, a technology deemed important to national welfare or national security may be made widely available by requiring (or compelling) the proprietary owner of the technology to license the technology to third parties. The overall score for patent rights is the unweighted sum of the scores of the five individual categories. The maximum potential score is, therefore, 5. This should not be interpreted as maximum (potential) strength but rather as scoring perfectly on the *minimum* international standards set by international patent treaties.

New Values for Year 2000

Table 2 provides the values of the patent index for year 2000 as well as a breakdown of the values by category. Most countries score high on category (2), duration, as many countries have recently become signatories to international treaties on intellectual property rights. Consequently, there is less variation in duration; future indexes should explore the “scope” (or breadth) of protection rather than the length. There is also relatively less variation in category (4), membership. This suggests the need (in future indexes) to incorporate new (and important) patent treaties that have recently entered into force or are about to do so (e.g., the *Patent Law Treaty* of the World Intellectual Property Organization).

Most of the variation in patent rights comes from categories (1) coverage, (3) enforcement, and (5) restrictions. Many countries, both developed and developing, have not found it easy to eliminate compulsory licensing, perhaps because this is a policy instrument that enables a government to exercise leverage over the direction of (local) technological development. There are clauses in international treaties that allow governments to use compulsory licensing in the event of national emergencies (e.g., health issues). Overall, the United States has the strongest patent regime, followed by Austria and Germany.

Table 1: Index of Patent Rights—Categories and Scoring Method

The Index consists of the following five categories and assigns the following values for each criteria:

(1) Coverage (COV)	Available	Not Available
Patentability of pharmaceuticals	1/7	0
Patentability of chemicals	1/7	0
Patentability of food	1/7	0
Patentability of plant and animal varieties	1/7	0
Patentability of surgical products	1/7	0
Patentability of microorganisms	1/7	0
Patentability of utility models	1/7	0
(2) Duration of Protection (DUR)	Full	Partial or No Protection
—where <i>full</i> duration is 20 years from the date of application (or 17 years from the date of grant, for grant-based patent systems) and <i>f</i> equals the duration of protection as a <i>fraction</i> of the full duration.	1	$0 < f < 1$
(3) Enforcement (ENF)	Available	Not Available
Preliminary Injunctions	1/3	0
Contributory Infringement	1/3	0
Burden-of-Proof Reversal	1/3	0
(4) Membership in International Treaties (MEM)	Available	Not Available
Paris Convention and Revisions	1/3	0
Patent Cooperation Treaty	1/3	0
Protection of New Varieties (UPOV)	1/3	0
(5) Restrictions on Patent Rights (RIG)	Does Not Exist	Exists
“Working” Requirements	1/3	0
Compulsory Licensing	1/3	0
Revocation of Patents	1/3	0

Notes: Each category (except for duration) consists of a number of legal criteria relevant to that category. Each category (including duration) is scored out of 1. Thus the Index of Patent Rights overall varies from 0 to 5. All criteria (or patent law features) within a category are weighted equally so that the value of each criteria is simply equal to its “share” in the category.

Mozambique has the weakest patent regime. Korea is among the strongest patent regimes—after decades of providing weak levels of protection—but it is unclear whether its economic growth and development can be attributed in any way to changing attitudes and policies with respect to patent rights or whether an interest in patent protection developed only after its economic development produced a wealth of intangible assets for its nationals.

Table 3 compares the index of patent rights for the year 2000 to that for the year 1995. It also compares them to the rating of intellectual property rights in the *Global Competitiveness Report* (which is based on surveys of firms situated in different economies) and to the EFW index for 1999.¹ Column A reproduces the patent index values for 2000, shown in the last column of Table 2; column B shows the values for 1995; column C shows the percentage change in the patent index value from 1995 to 2000. Overall, the patent rights index for 2000 is highly correlated with that for 1995. There have been relatively few recent changes in patent regimes across countries. However, large percentage changes in the patent rights index have occurred, primarily for less-developed economies or economies that have historically had weak patent regimes (e.g., Indonesia, China, India, Nicaragua, and Turkey). This “convergence” in patent regimes is the result of international treaties (such as the *Agreement on Trade Related Intellectual Property Rights (TRIPS)* of the World Trade Organization), which aimed to strengthen laws in regions (largely developing countries) where patent rights were weak. Thus, Table 3 shows those economies “catching up” to the minimum (patent law) standards that make up effective and adequate protection. Table 3 indicates, however, that there still are several countries whose patent regimes are relatively weak (below scores of 2.5). International treaties have provided extensions for poorer economies that need to adopt new patent laws slowly and it may take some time before full convergence to the “minimum” international standards takes place.²

The Index of Patent Rights and the *Global Competitiveness Report*

Column D of Table 3 reproduces ratings from the *Global Competitiveness Report* (GCR).³ The main difference between the GCR ratings and the patent rights index discussed in this chapter is that the former is based on surveys of opinions or experiences of firms or individuals, whereas the latter is based on patent

laws. Another key difference is that the GCR ratings cover intellectual property as a whole. Subjects are asked to rate the intellectual property regime of each country, which can cover quite a broad spectrum of issues—from patent rights to trademarks to copyrights to geographic indications (which certify that a product was made in a certain place, such as Champagne). The index we provide here focuses strictly on patent rights. In earlier work, Park (2001) finds quite a bit of diversity among intellectual property rights: some countries strongly protect patent rights while weakly protecting copyrights and trademarks, and vice versa. The theoretical literature is also divided on the relative merits of stronger patent rights and other kinds of intellectual property rights; that is, a case might be made for stronger patent rights in terms of stimulating innovation and technological spill-overs whereas a case might be made for moderate copyrights to stimulate follow-on creativity (e.g., building upon past work).

Despite these differences between the GCR ratings and the patent rights index, Table 3 reports a remarkably high simple correlation between the GCR ratings and the patent rights index for 1995 and 2000. The correlations are about 0.8. This suggests a relatively strong match between statutory levels of patent protection (i.e., laws on the books) and perceived levels of protection for intellectual property among practitioners. A common criticism of the patent rights index is that it does not capture actual experiences. Measuring actual experiences (or actual practice) using surveys or questionnaires can also be subject to bias and other criticisms. Nonetheless, comparisons between measures of experience and the patent rights index tend to show some degree of consistency.⁴

The Index of Patent Rights and the EFW Index

Column E reproduces the EFW index for 1999. The correlation between the EFW index and the patent rights index (or the GCR ratings) is positive. Economic freedom and patent rights tend largely to “move together” (though, of course, in some situations economic freedom is relatively high where patent protection levels are low and vice versa). Needless to say, correlations suggest very little about *causality*. For instance, they do not indicate whether stronger patent protection leads to (or reduces) economic freedom or whether economic liberalization helps to strengthen or weaken patent laws. These are important issues to address in light

of the fact that the benefits of protecting intellectual property often come at some cost, such as deviations from marginal cost pricing.

Patent Rights and Economic Freedom

What are our prior beliefs? Is patent protection a hindrance to economic freedom or does it help enhance economic freedom? If patent rights do reduce economic freedom, does this render patent protection undesirable? Does it imply a trade-off between economic freedom and technological progress? These are difficult issues to address informatively given the lack of formal research on these issues (although a first try at some causality tests are reported in Chapter 4 of the *Economic Freedom of the World: Annual Report 2001*).

It would be useful to clear up a few matters. First, questions of whether patent rights are desirable are ill-posed for two reasons; the desirability of patent rights is not an “either-or” issue. It is well recognized that patent protection brings *both* social benefits and costs. Thus, the issue more properly is the appropriate *degree* of patent protection (or the optimal level of patent protection). The social benefits or costs of patent protection are often cast in terms of “utility”—the effects on productivity growth, innovation, technological diffusion and so forth—or of “morality”—the rights of the individual inventor versus that of the community and so forth. Secondly, however desirable a system of patent rights may be, there exist reasonable disagreements about the manner in which patent rights should be allocated or about the efficiency of patent systems in practice. Thus, it is useful to distinguish between the *principles* of patent rights and the *practice*. Proponents of patent rights may also be proponents of reform who seek changes or alternatives to current practice.⁵

A second set of matters to clear up concerns misconceptions about the nature of the monopoly power that patent rights create.⁶ First, the patent right is the right to *exclude* others from exploiting the protected invention. This right is transient. It has a maximum life span and the right must be periodically renewed if it is not to expire. Second, some stylized facts: the vast

majority of patents granted turn out to be economically worthless (*i.e.*, not commercially viable). Thus, a vast majority of patents granted do no real good or harm on industries other than waste the resources of the patent office (for examining patent applications). Of those patents that are valuable, not all of them last the full statutory duration. The majority of those patent rights last fewer than seven or eight years. By that time, the value of a patent may have diminished because either the invention’s purpose or usefulness has a finite life or a new and better technology has displaced it. Thirdly, with the exception of certain chemical or pharmaceutical patents, the right to exclude extends not to an entire industry or final product but to particular parts or components of products. The more appropriate model for the market structure is *monopolistic competition* rather than monopoly. That is, within an industry, there are many competing “varieties” (represented by various inventions). These inventions compete because they are close substitutes. They may be functionally similar (*e.g.*, represent different ways of operating a machine or cleaning stains, and so forth). There is free entry and exit in the sense that other inventors are free to try to develop a new alternative variety (as long as it does not infringe upon existing patent rights). Moreover, new inventions also compete with old inventions. Consumers need not purchase Windows XP™ if the price does not justify the increase in quality over Windows 98™. Thus, while patent rights create (temporary) deviations from marginal cost pricing (in order to allow the inventor to recoup the fixed costs for research and development of the new variety), the view that they create pure monopolies is a mischaracterization.

Thus, productive debates on the relationship between economic freedom and patent rights should take into account the various institutional aspects of the patent system and be wary of certain misconceptions. It would be useful if future work could also go beyond the raw correlations and study the underlying *structural* relationship between economic freedom and patent systems.

Notes

- 1 See Gwartney and Lawson 2001, Exhibit 1-2, p. 9.
- 2 It should be noted that patent rights may become stronger than, or exceed, those “minimum” standards as countries recognize certain new technological areas as patentable subject matter (e.g., genetic innovations, internet innovations, financial innovations, databases, and business methods). Currently these new technological areas are a subject of much controversy: for example, should they become proprietary and do they constitute “inventions” per se?
- 3 See World Economic Forum 2000, variable 3-11.
- 4 See Park 2002.
- 5 See, for example, AIPLA 1999 for discussions of how (and whether) patent systems should be reformed.
- 6 For more details, see Park 2000.

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Table 2: Index of Patent Rights, Year 2000

	Coverage (COV)	Duration (DUR)	Enforcement (ENF)	Membership in International Treaties (MEM)	Protection from Restrictions on Patent Rights (RIG)	Total
Argentina	1.00	1.00	0.67	0.67	0.00	3.33
Australia	0.86	1.00	1.00	1.00	0.33	4.19
Austria	0.71	1.00	1.00	1.00	1.00	4.71
Bangladesh	0.86	0.80	0.00	0.33	0.67	2.66
Belgium	0.71	1.00	1.00	1.00	0.33	4.05
Botswana	0.57	1.00	0.00	0.33	0.33	2.24
Brazil	0.71	1.00	0.67	0.67	0.00	3.05
Bulgaria	0.57	1.00	0.33	1.00	0.33	3.24
Canada	0.57	1.00	0.67	1.00	0.67	3.90
Chad	0.71	1.00	0.33	0.67	0.33	3.05
Chile	0.86	0.88	0.33	0.33	1.00	3.41
China	0.14	1.00	0.33	0.67	0.33	2.48
Colombia	0.57	1.00	0.67	0.67	0.33	3.24
Czech Rep.	0.86	1.00	0.00	1.00	0.67	3.52
Denmark	0.86	1.00	0.67	1.00	0.67	4.19
Ecuador	0.71	1.00	0.67	0.67	0.67	3.71
Egypt	0.71	0.75	0.67	0.33	0.00	2.46
Ethiopia	0.00	0.00	0.00	0.00	1.00	1.00
France	0.71	1.00	1.00	1.00	0.33	4.05
Germany	0.86	1.00	1.00	1.00	0.67	4.52
Greece	0.86	1.00	0.67	0.67	0.00	3.19
Grenada	0.71	0.70	0.00	0.67	0.33	2.41
Guatemala	0.29	0.75	0.33	0.33	0.00	1.70
Guyana	0.43	0.80	0.00	0.33	0.33	1.90
Hong Kong	0.57	1.00	0.33	0.67	0.33	2.90
Hungary	0.71	1.00	0.67	1.00	0.33	3.71
India	0.14	0.70	0.33	0.67	0.33	2.18
Indonesia	0.57	0.70	0.33	0.67	0.00	2.27
Ireland	1.00	1.00	0.33	1.00	0.67	4.00
Israel	0.71	1.00	0.67	1.00	0.67	4.05
Italy	1.00	1.00	1.00	1.00	0.33	4.33
Japan	0.86	1.00	1.00	1.00	0.33	4.19
Jordan	0.86	0.80	0.33	0.33	0.67	2.99
Kenya	0.71	1.00	0.67	0.67	0.00	3.05

Table 2 continued: Index of Patent Rights, Year 2000

	Coverage (COV)	Duration (DUR)	Enforcement (ENF)	Membership in International Treaties (MEM)	Protection from Restrictions on Patent Rights (RIG)	Total
Korea	0.86	1.00	1.00	0.67	0.67	4.19
Madagascar	0.86	0.75	0.33	0.67	0.33	2.94
Mexico	0.86	1.00	0.33	0.67	0.00	2.86
Mozambique	0.00	0.00	0.00	0.00	0.00	0.00
Netherlands	0.71	1.00	1.00	1.00	0.67	4.38
New Zealand	1.00	1.00	0.67	1.00	0.33	4.00
Nicaragua	0.00	0.59	0.00	0.33	0.67	1.50
Norway	0.57	1.00	0.67	1.00	0.67	3.90
Pakistan	0.86	0.80	0.00	0.00	0.33	1.99
Peru	0.71	1.00	0.33	0.33	0.33	2.71
Poland	0.57	1.00	0.33	1.00	0.33	3.24
Romania	0.71	1.00	0.00	0.67	0.33	2.71
Russia	0.86	1.00	0.33	1.00	0.33	3.52
S. Africa	0.71	1.00	0.67	1.00	0.67	4.05
Senegal	0.57	1.00	0.33	0.67	0.33	2.90
Singapore	0.71	1.00	0.67	0.67	1.00	4.05
Somalia	0.86	0.75	0.00	0.00	0.67	2.27
Spain	0.71	1.00	1.00	1.00	0.33	4.05
Sri Lanka	0.71	0.88	0.33	0.67	1.00	3.60
Sweden	0.71	1.00	1.00	1.00	0.67	4.38
Switzerland	0.71	1.00	0.67	1.00	0.67	4.05
Thailand	0.57	1.00	0.67	0.00	0.00	2.24
Togo	0.57	1.00	0.33	0.67	0.33	2.90
Tunisia	0.57	1.00	0.00	0.33	0.33	2.24
Turkey	0.86	1.00	0.00	0.67	0.33	2.86
United Kingdom	0.86	1.00	0.67	1.00	0.67	4.19
United States	1.00	1.00	1.00	1.00	1.00	5.00
Venezuela	0.57	1.00	1.00	0.33	0.00	2.90
Zimbabwe	0.57	1.00	0.33	0.67	0.67	3.24

Table 3: Summary Ratings for Patent Rights 2000 and Other Indexes

	Index of Patent Rights, 2000	Index of Patent Rights, 1995	% Change, 1995-2000	Intellectual Property, <i>Global Competitiveness Report 2000</i>	Index for 1999, <i>Economic Freedom of the World: 2001 Annual Report</i>
Argentina	3.33	3.19	4.5	3.72	8.3
Australia	4.19	3.86	8.6	8.27	8.5
Austria	4.71	4.57	3.1	8.65	8
Bangladesh	2.66	2.32	14.3	2.02	4.8
Belgium	4.05	3.90	3.7	7.57	7.9
Botswana	2.24	1.90	17.5		6.9
Brazil	3.05	3.05	0.0	5.08	5.1
Bulgaria	3.24	2.57	26.0	3.35	5.9
Canada	3.90	3.57	9.3	7.98	8.2
Chad	3.05	2.71	12.3		4.7
Chile	3.41	3.07	10.8	5.27	8
China	2.48	1.55	59.8	3.22	5.8
Colombia	3.24	2.57	25.9	3.28	5.8
Czech Rep.	3.52	3.19	10.5	5.58	6.6
Denmark	4.19	4.05	3.4	8.82	8
Ecuador	3.71	2.71	36.8	2.98	6.4
Egypt	2.46	1.99	24.0	5.17	6.8
Ethiopia	1.00	0.00			
France	4.05	4.05	0.0	9.40	7.5
Germany	4.52	3.86	17.3	8.84	8
Greece	3.19	2.65	20.2	4.83	7.3
Grenada	2.41	1.70	41.6		
Guatemala	1.70	1.08	57.1	2.18	6.7
Guyana	1.90	1.42	33.6		6.4
Hong Kong	2.90	2.57	13.0	6.30	9.4
Hungary	3.71	3.37	10.2	5.53	7.1
India	2.18	1.51	44.5	3.27	5.3
Indonesia	2.27	1.24	83.5	3.13	6.2
Ireland	4.00	3.32	20.3	7.00	8.5
Israel	4.05	3.57	13.3	6.53	6.7
Italy	4.33	4.19	3.4	7.80	7.8
Japan	4.19	3.94	6.3	7.55	7.9
Jordan	2.99	2.19	36.5	6.05	6.8
Kenya	3.05	2.90	4.9		6.3
Korea	4.20	4.20	0.0	5.00	7.1
Madagascar	2.94	2.27	29.3		4.4
Mexico	2.86	2.86	0.0	4.38	6.5
Mozambique	0.00	0.00	0.0		
Netherlands	4.38	4.38	0.0	9.09	8.4
New Zealand	4.00	3.86	3.7	7.15	8.9
Nicaragua	1.59	0.92	72.3	2.08	7.5
Norway	3.90	3.90	0.0	7.20	7.8
Pakistan	1.99	1.99	0.0		5
Peru	2.71	2.71	0.0	3.33	7.6

Table 3 continued: Summary Ratings for Patent Rights 2000 and Other Indexes

	Index of Patent Rights, 2000	Index of Patent Rights, 1995	% Change, 1995-2000	Intellectual Property, <i>Global Competitiveness Report 2000</i>	Index for 1999, <i>Economic Freedom of the World: 2001 Annual Report</i>
Poland	3.24	2.90	11.7	4.63	5.7
Romania	2.71	2.71	0.2	4.10	3.8
Russia	3.52	3.04	15.9	1.88	3.9
S. Africa	4.05	3.57	13.2	5.82	7
Senegal	2.90	2.57	13.0		4.8
Singapore	4.05	3.90	3.7	7.62	9.3
Somalia	2.27	1.80	26.5		
Spain	4.05	4.05	0.0	7.15	7.6
Sri Lanka	3.60	3.12	15.3	3.50	5.8
Sweden	4.38	4.24	3.4	8.08	7.9
Switzerland	4.05	3.91	3.6	9.17	8.5
Thailand	2.24	2.24	0.0	4.42	6.8
Togo	2.90	2.57	13.0		4.5
Tunisia	2.24	1.90	17.5		6
Turkey	2.86	1.80	58.9	3.43	6.2
United Kingdom	4.19	3.57	17.3	8.44	8.8
United States	5.00	4.86	2.9	9.10	8.7
Venezuela	2.90	2.90	0.0	3.40	6.1
Zimbabwe	3.24	2.90	11.5	3.23	5.4
Mean	3.22	2.86	17.61	5.63	6.84
Std Dev	0.95	1.06	21.33	2.27	1.39
Min	0.00	0.00	0.00	1.88	3.80
Max	5.00	4.86	100.00	9.40	9.40

Correlation Matrix:

	Index of Patent Rights, 2000	Index of Patent Rights, 1995	<i>Global Competitiveness Report</i>	<i>Economic Freedom of the World: 2001 Annual Report</i>
Index of Patent Rights, 2000	1			
Index of Patent Rights, 1995	0.962	1		
<i>Global Competitiveness Report</i>	0.803	0.808	1	
<i>Economic Freedom of the World: 2001 Annual Report</i>	0.522	0.571	0.729	1

Chapter 3: International Tax Competition

by Chris Edwards and Veronique de Rugy

Overview

Globalization is knitting separate national economies into a single world economy. This is occurring as a result of rising flows of trade and investment, greater labor mobility, and rapid transfers of technology. Deregulation of financial markets, reductions in trade and investment barriers, and reduced communications and transportation costs have spurred those trends.

High tax rates are more difficult to sustain in this new economic environment. As economic integration increases, individuals and businesses gain greater freedom to take advantage of foreign economic opportunities. That increases the sensitivity of decisions about investment and location to taxation. As a result, high tax rates cause large economic losses when borders are opened up, giving countries strong incentives to reduce rates. International "tax competition" is increasing as capital and labor mobility rises.

Most major countries have pursued tax reforms in recent years to ensure that their economies remain attractive for investment. The average top personal income tax rate in the industrial countries of the Organisation for Economic Cooperation and Development (OECD) has fallen 20 percentage points since 1980.¹ The average top corporate income tax rate has fallen 6 percentage points in just the past six years.²

Pressure to reduce tax rates stems from the direct loss of capital and skilled labor from countries that do not reform their tax systems and from the example of countries that are prospering under low-tax regimes. For example, Ireland's recent economic success has been much heralded. This small country of 3.8 million people has attracted more foreign direct investment than either Japan or Italy in recent years.³ The main draw for foreign investors has been a 10% corporate tax rate on manufacturing and financial services.⁴ As a result, Ireland has boomed and now has one of the highest standards of living in the world.⁵

Nonetheless, stories of such successful tax cuts concern some economists who view tax competition as distortionary. One concern is that, if differing tax rates cause capital and labor to migrate across borders, resources may not end up in the most productive uses. So Ireland is receiving "too much" investment because of its low tax rates, according to this view. But, this loses sight of a larger issue: high tax rates stunt economic growth. Thus, to the extent that tax competition creates pressure to reduce tax rates globally, all countries gain from increased growth and higher incomes.

Political concerns are behind much of the opposition to international tax competition. A high-profile 1998 report from the OECD argued that coordinated global action was needed to limit "harmful tax competition." One concern is that tax competition may reduce governments' ability to redistribute income. With greater international economic freedom, businesses and individuals that are heavily taxed will naturally look to better locations for working and investing. The OECD calls such tax avoidance "free riding" that "may hamper the application of progressive tax rates and the achievement of redistributive goals."⁶ Redistribution, however, involves taxing some people at high rates and others at low rates, so it would seem that the latter group, who pay less than a proportionate share of their income in taxes, are the "free riders." Tax competition may indeed hamper income redistribution but this is a beneficial outcome because redistribution has advanced to an excessive degree in most countries.⁷

In addition to efforts by the OECD and others to reduce tax competition through coordinated global action, governments are taking numerous anti-competition measures on their own. For example, many countries have imposed complex layers of restrictive tax rules on the foreign operations of corporations. Anti-avoidance or "anti-deferral" rules are generally designed to prevent companies from enjoying low tax rates on certain types of foreign subsidiary earnings.

Such defensive responses to globalization are a threat to economic freedom because they counteract the tax-reducing pressures of tax competition. But, restricting tax competition through unilateral action or through an international cartel does nothing to spur economic growth or encourage reform of inefficient tax systems. Tax competition should be defended and encouraged as an important incentive for countries to adopt more efficient low-rate consumption-based tax systems.⁸

Growing Capital and Labor Mobility

Capital Mobility

World economies have become more tightly integrated in recent decades. Rapid growth in cross-border investment—spurred by technological advances and government deregulation—has been a key dimension of integration. Since the 1970s, most countries have reduced or eliminated controls on foreign currency exchange, the purchase of foreign securities, and the ability of foreigners to buy domestic securities and companies.⁹ Hundreds of bilateral investment treaties have been signed to lower investment barriers. Financial markets have been deregulated in dozens of countries, making them more attractive to foreign investors.

Throughout the world, direct investment flows soared from \$204 billion in 1990 to \$1.3 trillion by 2000 (Figure 1) and portfolio investment flows increased from \$219 billion in 1990 to \$1.4 trillion by 2000 (Figure 2). In recent years, direct and portfolio investment, on net, has flowed out of Europe and Japan and into the United States and fast-growing developing countries.¹⁰

To attract foreign investment, countries must first get the economic fundamentals right, as documented in *Economic Freedom of the World*. They need to establish a stable currency, have trustworthy legal rules, and have liquid and transparent financial markets. Dozens of formerly socialist countries have begun to get the fundamentals right in the past decade and most industrial countries have made substantial market reforms. As a consequence, tax policy has risen in importance as a factor influencing global investment flows. That is, as other factors become more equalized among countries, investors become more sensitive to differing tax rates.

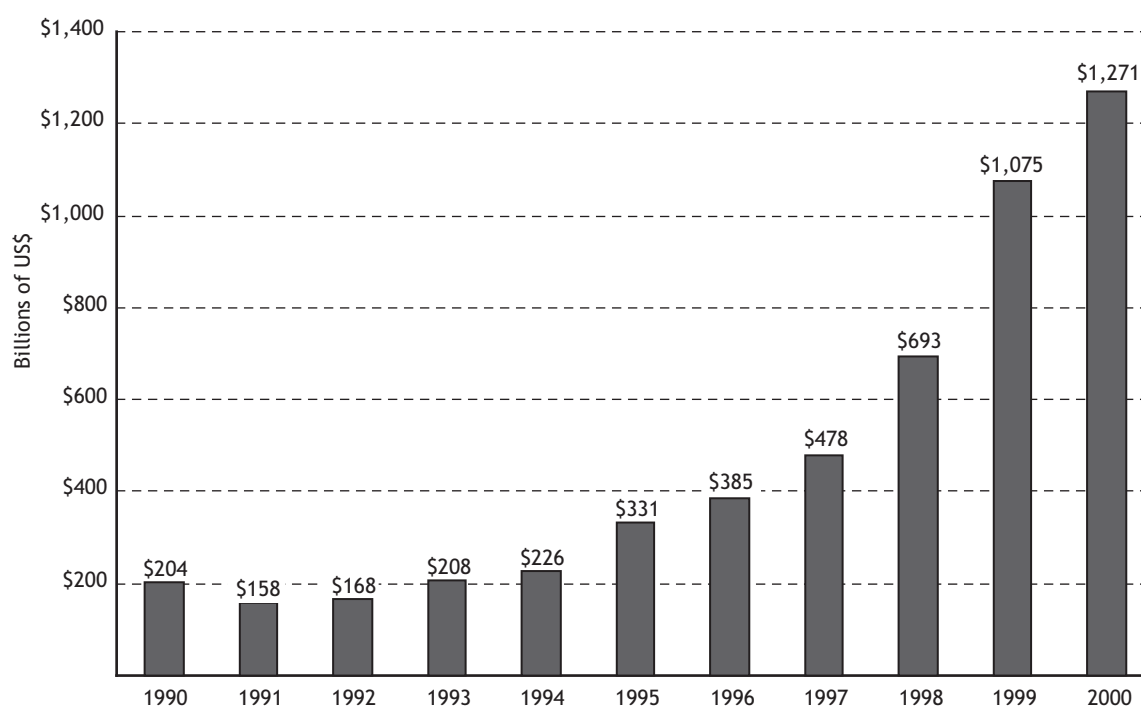
Decisions about the location of businesses have become more sensitive to tax factors. Traditionally, an

important reason to invest abroad was to gain access to fixed resources, such as oil deposits. Today, more industries are foot-loose and can be located just about anywhere. Finance and services, for example, are the two fastest growing areas of American direct investment abroad.¹¹ Also, an increasing share of product value is in the form of intangibles such as knowledge, trademarks, and patents. The profits from intangibles may be easily moved to low-tax countries. Corporations have greater ability to move profits to low-tax locations than previously.

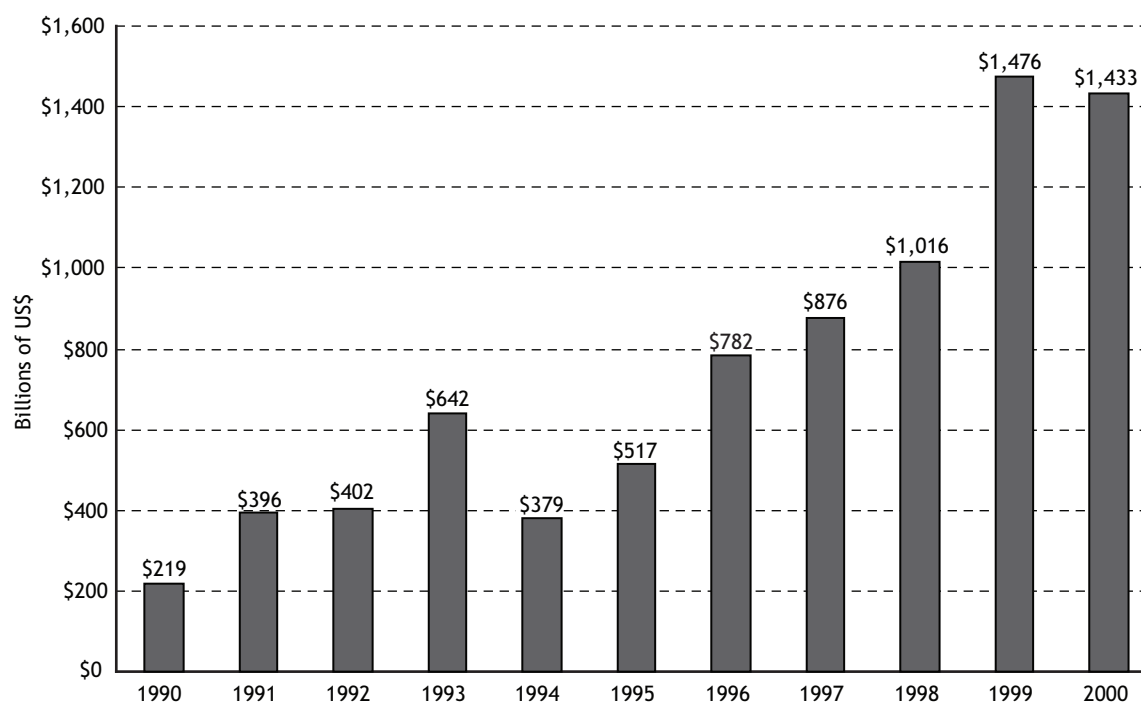
Empirical research confirms that foreign direct investment (FDI) is becoming more sensitive to taxes. In a new compilation of studies on the issue, James Hines of the University of Michigan Business School concludes that “recent evidence indicates that taxation significantly influences the location of foreign direct investment, corporate borrowing, transfer pricing, dividend and royalty payments, and research and development performance.”¹² One study found that American multinationals became more sensitive to taxes on FDI between 1984 and 1992.¹³ For 1992, the results of the study suggest that countries with 10% higher tax rates received 30% less American FDI (controlling for other factors).

Similarly, a recent study published by the International Monetary Fund (IMF) found “strong evidence” that FDI is affected by tax factors.¹⁴ The study found that, of the countries examined, those with lower taxes had larger inflows of FDI than those with higher taxes. Another analysis found that four European countries with favorable tax regimes—Ireland, the Netherlands, Luxembourg, and Switzerland—accounted for 9% of European GDP but attracted 38% of American FDI in Europe between 1996 and 2000.¹⁵

Portfolio investment flows have also become increasingly responsive. The IMF notes that “amid widespread capital account liberalization and increased reliance on securities markets, these investable funds became increasingly responsive to changing opportunities and risks in a widening set of regions and countries.”¹⁶ Some countries have eliminated taxation altogether on certain inflows of financial investment because of the increased sensitivity to taxation. For example, American bank deposit and portfolio interest paid to foreigners is exempt from American taxation.¹⁷ Those rules have helped attract more than \$1.1 trillion in foreign deposits to American banks and made Miami a banking center for Latin America.¹⁸

Figure 1: Foreign Direct Investment Flows throughout the World

Source: United Nations, World Investment Report, 1996 and 2001. Figures are FDI inflows.

Figure 2: Foreign Portfolio Investment Flows throughout the World

Note: these are private flows of financial securities (stocks and bonds). Figures are average of inflows and outflows
 Source: International Monetary Fund, Balance of Payments Statistics, 2001.

The effect of tax competition on portfolio investment flows is being played out intensely in the European Union (EU). Countries with high taxes, such as Germany and Sweden, have had substantial unreported outflows of savings to EU countries with lower taxes.¹⁹ A 10% German withholding tax on domestic interest payments was introduced in 1989 and “caused a massive movement of funds to Luxembourg.”²⁰ The tax was abolished. The adoption of the euro has intensified tax competition because it eliminates currency risk and narrows interest-rate differentials for savers across Europe.

Labor Mobility

International tax competition is generated by mobile labor as well as mobile capital. This is particularly the case for highly skilled labor in industries such as technology and finance. Family reunification remains the key cause of international migration but there has been an increase in migration for employment and financial reasons.²¹ One of those reasons is personal taxation, which varies substantially from country to country; this is a motivation particularly for those with high incomes because most countries have income taxes with progressive rate structures.

Numerous factors have increased the importance of taxes in international migration. First, the Internet has increased information about foreign opportunities and it has allowed firms to broaden international job searches. Second, falling travel and communication costs have made it easier for workers to take employment abroad and maintain close contact with relatives. Third, emigration restrictions in many formerly repressive countries have been eliminated. Fourth, technology has increased the ability to perform work in a foreign country while residing elsewhere. Fifth, regional trading pacts have allowed increased worker mobility.²² And sixth, a number of countries have raised immigration limits for highly skilled workers.

Citizens dissatisfied with government benefits received compared to taxes paid can vote with their feet and move to more favorable economic climates. Countries sharing a common language and culture, such as Canada and the United States, may feel the strongest tax competition pressure. The Canadian “brain drain” to its lower-tax neighbor has been an important concern of Canadian policy makers.²³ John Roth, the former head of Canada’s top high-tech firm, Nortel, routinely warned the Canadian government

that tax rates needed to be cut because his best employees were moving to the United States.²⁴ The North American Free Trade Agreement (NAFTA) intensified labor mobility with a new work visa for skilled professionals called “TN.” For each American who has moved to Canada under this category, six Canadians have moved to the United States.²⁵

With the removal of restrictions on internal migration within the European Union in 1992, Europeans have also become more sensitive to tax differences between countries. While there are still large linguistic and cultural barriers to migration within Europe, there has been an influx of young, skilled workers to cities, such as London, with lower taxes and more opportunities, particularly in fields such as technology and finance. London’s workforce is about 23% foreign and many are from countries with higher taxes on the Continent.²⁶

Ireland is another interesting case study of taxes and migration. For years, many young Irish sought a better life in the United States and elsewhere. But corporate tax cuts, followed by individual tax cuts, reversed the Irish migration pattern. Ireland now has record net immigration of more than 20,000 annually, caused by a marked increase in immigration and a fall in emigration during the past decade.²⁷

International tax competition with respect to labor is highly visible among highly paid celebrities. For example, many top French soccer and tennis players, artists, and models have moved to Switzerland, Britain, the United States, and elsewhere.²⁸ Tax avoidance by wealthy celebrities has long been a popular game in Europe. Luciano Pavarotti moved to Monaco and was chased down by the Italian government.²⁹ Tennis star, Boris Becker, who claimed residence in Monaco and later Switzerland, has been in trouble with the German tax authorities.³⁰ The message policy makers should receive from such developments is that by maximizing economic freedom with low tax rates, countries can retain those who are wealthy and highly skilled and attract the best immigrants from abroad.

Global Reduction in Tax Rates

The great majority of industrial nations have reduced their personal and corporate income tax rates since the 1980s. The average top individual income tax rate for national governments in the OECD fell from 55% in 1986 to 41% by 2000.³¹ Figures in *Economic Freedom*

of the World, which include both national and subnational taxes, show that the average top individual tax rate in the OECD fell from 67% in 1980 to 47% by 2000 (Table 1).³² Some Nordic countries have adopted dual income tax systems in response to rising tax competition. These systems feature a low flat rate on capital income (interest, dividends, and capital gains) while retaining progressive rates on labor income. Denmark, Finland, Norway, and Sweden implemented such reforms a decade ago and the Netherlands and Austria have recently enacted similar reforms.³³ The OECD notes that such “moves toward a lower and flat tax on capital income has often reflected the need to remain

competitive on the international capital markets.”³⁴ The average top corporate tax rate for national governments in the OECD fell from 41% in 1986 to 32% by 2000.³⁵ A survey by KPMG, which takes into account both national and subnational taxes, found that the average corporate rate fell from 37.6% in 1996 to 31.4% by 2002 (Table 2).³⁶

Note that the statutory rate is just one factor determining the attractiveness of a business tax climate. The *effective* marginal tax rate must take into account depreciation deductions, investment credits, and other provisions. Effective corporate tax rates have fallen in the OECD in recent years, although not by as much

Table 1: Top Personal Income tax Rates (%), 1980-2000
(Includes national and state or provincial taxes)

	1980	1985	1990	1995	2000	Change 1980-2000
Australia	62	60	49	47	47	-15
Austria	62	62	50	50	50	-12
Belgium	76	76	55	58	58	-18
Canada	60	50	44	44	44	-16
Denmark	66	73	68	64	59	-7
Finland	65	64	63	55	52	-13
France	60	65	53	51	54	-6
Germany	65	65	65	66	59	-6
Greece	60	63	50	45	43	-17
Iceland	63	56	40	47	45	-18
Ireland	60	65	58	48	42	-18
Italy	72	81	66	67	51	-21
Japan	75	70	65	65	50	-25
Korea	89	65	60	48	44	-45
Luxembourg	57	57	56	50	49	-8
Mexico	55	55	40	35	40	-15
Netherlands	72	72	72	60	52	-20
New Zealand	62	66	33	33	39	-23
Norway	75	64	54	42	48	-27
Portugal	84	69	40	40	40	-44
Spain	66	66	56	56	48	-18
Sweden	87	80	72	58	51	-36
Switzerland	31	33	33	35	31	0
Turkey	75	63	50	55	45	-30
United Kingdom	83	60	40	40	40	-43
United States	70	50	33	42	42	-28
Average for 26 OECD countries	67	63	53	50	47	-20

Note: figures include the lowest state or provincial tax rate, as applicable.

Source: James Gwartney and Robert Lawson, *Economic Freedom of the World: 2001 Annual Report*.

Background note: these are all Gwartney/Lawson rates, except 1980 Luxembourg which is OECD.

as statutory rates.³⁷ For many corporate decisions, statutory rates are nonetheless the relevant tax factor to consider. As one study noted, “reported income of corporations can be highly elastic with respect to the statutory tax rate since income can be easily shifted from one tax jurisdiction to another without moving real assets.”³⁸

Capital gains taxes have been cut in numerous countries. For example, Canada cut its capital gains inclusion from 75% to 50% in 2000, thus reducing the effective gains rate to half of the ordinary marginal

tax rate.³⁹ Capital gains cuts have found favor in many countries because of the desire to emulate the United States’ high-tech success, which was fueled by capital-gains sensitive “angel” financing, venture capital, and public stock offerings.⁴⁰ Note that a number of countries, including the Netherlands, New Zealand, Hong Kong, and Taiwan, do not tax capital gains as a general rule.⁴¹

Corporate capital-gains taxes have also been cut. Germany’s recent tax reforms abolished its 50% capital-gains tax on sales of stakes in other compa-

Table 2: Top Corporate Income tax Rates (%), 1996-2002

(Includes national and state or provincial taxes)

	1996	1997	1998	1999	2000	2001	2002	Change 1996-2002
Australia	36.0	36.0	36.0	36.0	36.0	34.0	30.0	-6
Austria	34.0	34.0	34.0	34.0	34.0	34.0	34.0	0
Belgium	40.2	40.2	40.2	40.2	40.2	40.2	40.2	0
Canada	44.6	44.6	44.6	44.6	44.6	42.1	38.6	-6
Czech Republic	39.0	39.0	35.0	35.0	31.0	31.0	31.0	-8
Denmark	34.0	34.0	34.0	32.0	32.0	30.0	30.0	-4
Finland	28.0	28.0	28.0	28.0	29.0	29.0	29.0	1
France	36.7	36.7	41.7	40.0	36.7	35.3	34.3	-2
Germany	57.4	57.4	56.7	52.3	51.6	38.4	38.4	-19
Greece	40.0	40.0	40.0	40.0	40.0	37.5	35.0	-5
Hungary	33.3	18.0	18.0	18.0	18.0	18.0	18.0	-15
Iceland	33.0	33.0	30.0	30.0	30.0	30.0	18.0	-15
Ireland	38.0	36.0	32.0	28.0	24.0	20.0	16.0	-22
Italy	53.2	53.2	41.3	41.3	41.3	40.3	40.3	-13
Japan	51.6	51.6	51.6	48.0	42.0	42.0	42.0	-10
Korea	33.0	30.8	30.8	30.8	30.8	30.8	29.7	-3
Luxembourg	40.3	39.3	37.5	37.5	37.5	37.5	30.4	-10
Mexico	34.0	34.0	34.0	35.0	35.0	35.0	35.0	1
Netherlands	35.0	35.0	35.0	35.0	35.0	35.0	34.5	-1
New Zealand	33.0	33.0	33.0	33.0	33.0	33.0	33.0	0
Norway	28.0	28.0	28.0	28.0	28.0	28.0	28.0	0
Poland	40.0	38.0	36.0	34.0	30.0	28.0	28.0	-12
Portugal	39.6	39.6	37.4	37.4	35.2	35.2	33.0	-7
Slovak Republic	n/a	n/a	n/a	n/a	n/a	29.0	25.0	n/a
Spain	35.0	35.0	35.0	35.0	35.0	35.0	35.0	0
Sweden	28.0	28.0	28.0	28.0	28.0	28.0	28.0	0
Switzerland	28.5	28.5	27.8	25.1	25.1	24.7	24.5	-4
Turkey	44.0	44.0	44.0	33.0	33.0	33.0	33.0	-11
United Kingdom	33.0	31.0	31.0	31.0	30.0	30.0	30.0	-3
United States	40.0	40.0	40.0	40.0	40.0	40.0	40.0	0
Average for 30 OECD countries	37.6	36.8	35.9	34.8	34.0	32.8	31.4	-6

Source: KPMG.

nies because of competitiveness concerns. In fact, the German reforms prompted the EU to express concern that this may constitute “unfair tax competition” because it will attract foreign holding companies to Germany.⁴² Holding companies and corporate headquarters have long been attracted to the Netherlands because it does not tax corporate capital gains, has a “territorial” tax system for businesses, and other advantages.⁴³

Another policy response to tax competition has been the reduction and elimination of special taxes on wealth, which have been undermined by capital mobility. In the 1990s, Norway and Sweden reduced their wealth taxes and Denmark, the Netherlands, Austria, and Germany abolished them.⁴⁴ One survey of 19 countries found that the average wealth tax has fallen 40% since the mid-1980s.⁴⁵

Tax competition has also driven down withholding taxes. These are taxes placed on payments to foreigners of interest, dividends, and other investment returns. Withholding taxes create an investment disincentive by placing an “exit fee” on repatriated income. A survey of 19 major economies found that the withholding tax on bank interest has been more than cut in half in the past decade.⁴⁶

The strongest pressures towards tax competition occur between countries that have deep trade, investment, and cultural ties. For example, after the United States cut tax rates in 1986, Canadian policy makers were very concerned that American companies would shift profits from their more highly taxed Canadian subsidiaries to their American operations.⁴⁷ They could do this relatively easily by increasing debt financing in their Canadian subsidiaries to shift taxable income out of Canada. As a consequence, Canada moved quickly to cut its corporate tax rate to avoid losing its tax base.

In summary, tax competition has caused substantial cuts in individual and corporate statutory income tax rates. Other reforms have included reductions in wealth taxes, withholding taxes, and capital gains taxes. While those tax reductions have been very beneficial, tax competition has not yet reduced overall tax levels in most countries. In fact, total taxes as a percentage of GDP rose from 32.1% in 1980 to 37.3% by 1999, on average, in the OECD.⁴⁸

Why has tax competition not yet reduced overall levels of taxation in most countries? Partly because governments have taken defensive measures to protect their tax bases. Defensive measures have included en-

actment of complex tax rules on foreign business income and efforts to limit tax competition through international political pressure on nations with low taxes.

The Effects of International Tax Competition

Tiebout's Theory

The economics literature on tax competition traces its lineage to a study in 1956 by Charles Tiebout that examined the provision of public goods by local governments.⁴⁹ According to Tiebout's analysis, competition between local governments for mobile households enhances society's overall welfare. To avoid losing residents, governments must tailor public spending and tax levels to suit local preferences. Individuals sort across jurisdictions according to their demand for public goods relative to local tax levels. If some households desire well-financed public schools, they may choose to pay higher property taxes. If not, they may move to a jurisdiction with lower taxes and more efficient, or more limited, government services.

The competition among governments is akin to market competition for products. Market competition encourages efficient production and satisfaction of consumers' demands. Tax competition provides politicians with incentives to improve government efficiency and satisfy voters' demands. The result of tax competition should be that the level of taxes reflects typical preferences within each jurisdiction. Tiebout's theory focused on local governments but with growing flows of labor and capital internationally, national governments are becoming more like local governments as they compete for taxpayers across national borders.

Finding Inefficiencies in Tiebout's Theory

Since Tiebout's study, numerous stylized models have been built in order to assess the effects of tax competition.⁵⁰ Given certain assumptions, tax competition has been found to enhance welfare. Using other assumptions, some have concluded that tax competition reduces welfare, distorts investments, and leads to a “race to the bottom.” For example, a fact sheet from the European Parliament says that harmonization of business taxes within Europe “may be required to prevent distortions of competition, particularly of investment decisions. Where tax systems are non-neutral ... resources will be misallocated.”⁵¹ Similar concerns have

led the OECD to pursue a global program of curtailing “harmful tax competition.” In its 1998 report, *Harmful Tax Competition: An Emerging Global Issue*, the OECD concluded that “harmful” tax policies create “potential distortions in the patterns of trade and investment and reduce global welfare.”⁵² Criticisms of tax competition often rely on economics language such as “distortion,” “welfare,” and “non-neutral,” but are based on questionable assumptions and seem to have more to do with politics than economic theory.

Do Low Taxes Harm Global Welfare?

What is the harm in “harmful” tax competition? The OECD’s 1998 report identifies six negative effects of regimes with low taxes.⁵³ Of the six, it appears that at least four are probably more true of regimes with high taxes: “distorting financial and, indirectly, real investment flows”; “undermining the integrity and fairness of tax structures”; “discouraging compliance by all taxpayers”; and “increasing the administrative costs and compliance burdens on tax authorities and taxpayers.” The fifth harm cited is hollow bureaucrat-speak: “re-shaping the desired level and mix of taxes and public spending.” The sixth harm—“causing undesired shifts of part of the tax burden to less mobile tax bases, such as labour, property and consumption”—gets it backwards. This last effect is a desired and expected shift in a globalized economy.

The OECD argues that “harmful tax competition” causes harm by eroding some nations’ tax bases. And yet, the OECD says it supports the reductions in income tax rates that have occurred in response to globalization, noting that “the more open and competitive environment of the last decades has ... encouraged countries to make their tax systems more attractive to investors. In addition to lowering overall tax rates, a competitive environment can promote greater efficiency in government expenditure programs.”⁵⁴ Such beneficial tax reforms, however, would also seem to “erode” tax bases in countries with unreformed tax systems. That is a key inconsistency in the OECD’s position.

Tax Competition is Not a Zero-Sum Game

The perspective adopted by critics of tax competition is that of “global welfare.” Suppose that the United States cut taxes to boost investment but did not take into account the effect on Germany. That would be deemed an inefficiency or “fiscal externality” of tax competition. If countries do right by their own citi-

zens with tax cuts, they are found to harm other nations. That conclusion clearly flies in the face of national sovereignty. It does not make sense for countries to refrain from domestic tax reforms because of concern for other jurisdictions that may have uncompetitive high-rate tax regimes.

This concern for “global welfare” and the allegation of harmful “fiscal externalities” assumes the false view that tax policy is zero-sum economics. In reality, the large economic gains possible from tax-rate cuts mean that tax competition is not a zero-sum game for particular countries or the world as a whole. As a country adopts a more efficient tax system to maximize growth, other countries follow suit, with the result that global investment and output rise. The round of income tax reductions following American tax reforms in 1986 are a good example. All countries end up better off as each country pursues its own interest.

The supposed “global welfare” cost of tax competition is based on how tax differences alter the allocation of an assumed fixed amount of investment across countries. But, far more serious welfare costs occur within countries that have high income tax rates, particularly on capital and skilled workers. High marginal income tax rates create large “dead-weight losses.” Those losses, or inefficiency costs, rise more than proportionally as marginal tax rates increase, so even modest rate reductions lead to large economic gains.⁵⁵ Tax competition creates downward pressure on inefficient capital taxes and thus boosts investment and economic growth worldwide.

Public Interest versus Public Choice

Most policy makers would probably agree that reductions in tax rates enhance economic growth. But, there is a concern that tax competition ends up driving tax rates “too low.” But how low is too low? As University of Chicago professor, Julie Roin, notes, “advocates of tax harmonization appear to regard any departure from the level and distribution of the tax burden set in the non-competitive world as unduly low.”⁵⁶ That is in large part because of the assumptions built into their models. The status-quo government is taken to be the optimal size as reached by efficient political decision-making.

In a recent study, the European Parliament exhibited the status-quo mind set by criticizing tax competition on the basis that “each country has an incentive to lower corporate taxes below the level

that would be consistent with its natural position.”⁵⁷ But, what in the world is the “natural” position? The “public-interest” theory of government is implicitly assumed by critics of tax competition: government is assumed to be a benevolent maximizer of the citizen’s welfare. Tax competition is seen as throwing a wrench into the optimal fiscal balance achieved when governments have monopoly control over capital and labor.

By contrast, the “public-choice” view regards public officials as engaged in self-interested behavior that may or may not maximize a society’s welfare. Rather than steering policy toward the general public good, policy makers try to obtain greater power by maximizing budgets, salaries, and perquisites. This results in excessive and misallocated spending. Therefore, tax competition can enhance welfare by constraining governments from growing inefficiently large. Governments that do not face competition operate like private monopolists with few incentives to reduce waste and increase quality.

The idea that tax competition will lead to a “race to the bottom” ignores the real-world benefits of the competitive process, which forces tough choices to be made and bad ideas to be discarded; and encourages organizations to innovate and to produce better products at lower costs. Gary Becker, winner of the Nobel Prize in Economics, observed that “competition among nations tends to produce a race to the top rather than to the bottom by limiting the ability of powerful and voracious groups and politicians in each nation to impose their will at the expense of the interests of the vast majority of their populations.”⁵⁸

Neutrality and Diversity

Concerns about international tax competition also stem from the concept of tax “neutrality.” Economists generally support tax systems that do not distort economic decisions by, for example, favoring one industry over another. While no tax is completely neutral, governments should collect revenue in a manner that minimizes such distortions. But the good idea of tax neutrality within national borders is not easily translated to cross-border economic issues. For example, some tax economists support “capital export neutrality,” while others support “capital import neutrality.”⁵⁹ Those two views of neutrality lead to greatly different policy prescriptions.

The broader issue is that taxation is just one of many government policies that may be said to cause “non-neutralities.” Competition among government

systems occurs on many dimensions, including taxation, spending, regulation, court efficiency, and other items captured in *Economic Freedom of the World*. All those policy differences may generate flows of investment and labor across borders. It is not clear why tax policies require international harmonization when huge non-neutralities exist in many other government attributes.

Rather than tax harmonization, diversity in tax systems seems superior. That way knowledge may be gained about policy successes and failures abroad, allowing better tax policies to be implemented domestically. Attempts to place global restrictions on tax systems through international regulations would put a straitjacket on the beneficial evolution of independent national fiscal systems.

Restrictions on Tax Competition: A Threat to Economic Freedom

Layering Tax Rules on Foreign Business Investment

Countries have responded to international tax competition in a variety of ways. As noted, most major countries have cut tax rates on individual and corporate income. But, many countries have also enacted complex tax rules on multinational corporations to prevent firms from enjoying low tax rates offered by other countries. Such defensive tax rules stifle international tax competition and are merely band-aids that delay needed reforms in inefficient corporate tax systems.

Corporations face a complex set of tax incentives and disincentives on international investments and may respond to differing tax climates in many ways, including moving the location of facilities, altering the debt to equity structure of subsidiaries, changing subsidiary dividend policies, or using “transfer pricing” to shift profits from countries with high taxes to those with low taxes.

The complex tax rules affecting those corporate decisions can be only briefly touched on here. About half of the countries of the OECD, including the United States, tax corporations on their worldwide income.⁶⁰ For example, a resident of the United States who owns stock in a British corporation or an American corporation that has a production facility in Germany report the income from those foreign activities on a US tax return. Other countries of the OECD have “territorial” business-tax systems under which

income from foreign sources is generally not taxed.⁶¹ But, even countries that use a worldwide tax approach have traditionally limited their claims to taxing income from foreign sources.

One important limit is that business profits earned abroad in majority-owned subsidiaries are generally not taxed by home governments until repatriated. But, governments are enacting rules to limit the ability of firms to “defer” tax on subsidiary earnings. For example, the United States’ “subpart F” anti-deferral rules aim to tax, when earned, a subsidiary’s passive investment income, such as dividends and interest.⁶² For example, if an American manufacturing subsidiary in Ireland earned profits that it then invested in British equities, those investment earnings would be immediately taxed in the United States. “Subpart F” rules also aim to immediately tax foreign income from “base-company” sales and services, that is, sales into third countries from certain American foreign subsidiaries. For example, profits from export sales to Germany from an American-owned Swiss subsidiary may be immediately taxable in the United States. In all there are six, often-overlapping, anti-deferral regimes that create a complex web of rules for those investing abroad.⁶³

Other countries have followed the lead of the United States. For example, after Britain abolished exchange controls in 1979, the tax base became more vulnerable. Britain responded with cuts in corporate and individual tax rates but it also enacted anti-deferral legislation in 1984.⁶⁴ Similarly, as Germany has opened its borders it has both cut tax rates and added new tax rules on foreign income. Germany had a particularly high rate of corporate tax to defend and German companies have been aggressive in reducing their taxable income.⁶⁵ The German government responded by cutting the corporate tax rate from about 60% in the early 1990s to 38% by 2002.⁶⁶ The title of a 1994 tax cut law indicates the pressure from tax competition Germany felt: “Law to Secure the Competitiveness of Germany as a Location for Enterprises in a Common Market.”⁶⁷ The government also introduced anti-deferral rules in an attempt to stem the outflow of capital to countries with lower taxes.

The OECD has been urging countries to adopt anti-deferral rules.⁶⁸ The growth in such rules has blunted international tax competition by denying companies the benefits of investing in countries with low taxes. Further, this defensive response to globalization comes at a high cost in tax complexity and

inefficiency: one study found that, for the 500 largest American companies, 46% of the costs of complying with federal tax law stemmed from rules on foreign income.⁶⁹

Some countries have not followed the path of aggressively expanding taxation of foreign income. The Netherlands, as noted, has a very attractive environment for corporate location. The government of the Netherlands officially touts its lack of anti-deferral (or “CFC”) rules as an important advantage:

The Netherlands is one of the few countries in Europe that does not (yet) bear the burden of Controlled Foreign Company (CFC) rules. CFC rules aim to prohibit the use of low tax environments and other tax planning ideas. By their nature, these rules contain many elements of overkill and prohibit establishment of a tax efficient group structure. It is therefore very important to choose a holding location that does not have CFC rules.⁷⁰

Placing complex tax rules on foreign investment can backfire because corporations have the option of reincorporating abroad. The US Treasury recently announced that there has been a “marked increase” in the number and size of American companies that are reincorporating abroad because the United States has an unattractive system for taxing multinationals.⁷¹ This was highlighted by the 1998 Daimler-Chrysler merger, which established the merged firm’s headquarters in Germany, in part for tax reasons.⁷² While cross-border mergers used to be rare, in the past decade the number has exploded and value has soared, opening the door to tax competition through foreign reincorporations.⁷³ Ultimately, governments need to implement low-rate, consumption-based tax systems that provide fewer incentives for companies to avoid and evade taxes in the increasingly globalized economy.

Curbing Tax Competition through an International Tax Cartel

The release of the OECD’s 1998 report on “harmful tax competition” has created continuing controversy regarding the report’s wide sweep and aggressive stance. The OECD followed up with reports in 2000 and 2001, which identified “harmful” tax practices by OECD member countries and listed 41 jurisdictions considered to be tax havens.

The Bush administration in the United States has slowed down the ambitious plans of the OECD to move toward constructing an international cartel to curb tax competition. US Treasury Secretary Paul O'Neill expressed his reservations about the OECD's project in congressional testimony last year: "I felt that it was not in the interest of the United States to stifle tax competition that forces governments—like businesses—to create efficiencies."⁷⁴ In the US House of Representatives, majority leader Dick Armey has argued that the United States should not support "a global network of tax police," and that it is unfair for large wealthy countries to bully small, often poorer nations, to change successful economic policies.⁷⁵

Much of the focus has been on indirect efforts to curb tax competition. In particular, the OECD is pressuring offshore financial centers, or tax havens, to agree to exchanges of information about taxpayers. Offshore financial centers combine low-tax climates with high levels of financial privacy, so these demands strike at the core of the economic success of these jurisdictions. There are also demands for more transparency in tax systems to eliminate special deals and negotiated special rates of taxation.

However, attracting financial services can be a successful development strategy for countries that have few natural resources on which to build a growing economy. In addition, targeted nations have argued that threatened sanctions are breaches of international law and violations of their sovereignty.⁷⁶ They resent the unfairness of the whole process, including the fact that most major countries of the OECD also have "harmful" tax rules that, in many cases, have not been fixed. Nonetheless, some targeted jurisdictions have made deals, changing some of their laws to be spared from attacks by the OECD wolves.⁷⁷

The United Nations has also come out in favor of restricting international tax competition. A high-level UN panel last year suggested creating an International Tax Organization (ITO) that would develop norms for tax policy, engage in surveillance of tax systems, and push countries to "desist from harmful tax competition."⁷⁸ Such a body would likely have a strong bias toward tax increases. The UN report suggests creation of a "global source of funds" from a "high yielding tax source."⁷⁹ It also suggests study of a "Tobin tax" on foreign-exchange transactions to finance "global public goods." And, it says that an ITO "could take a lead role in restraining the tax competition designed to attract multinationals."⁸⁰

Some think that an ITO might be like the World Trade Organization, which handles trade disputes. But, while economists nearly universally agree on the benchmark of free trade, there is no such agreement in the tax world. Proponents of broad-based income taxes and proponents of consumption-based taxes would come to vastly different conclusions about what an ITO should enforce.

In fact, there is an underlying bias among tax competition critics in favor of high-rate broad-based income tax systems. The OECD says that "countries should remain free to design their own tax systems as long as they abide by internationally accepted standards in doing so."⁸¹ Those in favor of replacing income tax systems with consumption-based tax systems should be very vigilant that the OECD or other international bodies do not create international "standards" that lock in high-rate income taxes and preclude pro-growth, consumption-based tax reforms.

Responding to Tax Competition with Consumption-Based Tax Reforms

In recent years, there has been great interest in replacing individual and corporate income taxes with consumption-based tax systems. Proposals have included retail sales tax systems and a consumption-based "flat tax," based on the design of Robert Hall and Alvin Rabushka of the Hoover Institution. Consumption-based tax reform would be not only good domestic tax policy but also a positive way for countries to respond to rising international tax competition.

Consumption-based tax reforms would increase investment and economic growth and would greatly simplify tax systems. Consumption-based taxes would be "territorial" and would not tax foreign economic activity, allowing the elimination of most international tax rules. A territorial tax would also allow businesses to compete in foreign markets without tax burdens imposed by governments in the home country.

To replace the revenue currently raised by corporate and individual income taxes, a consumption-based tax would require a rate much lower than the top marginal income tax rates found in most countries today.⁸² This factor alone would greatly reduce the need for the complex defensive tax measures, such as anti-deferral rules, that governments are taking. Lower marginal tax rates and a simpler consumption tax base would reduce wasteful tax evasion and avoidance behavior by individuals and corporations.

Countries that adopt consumption-based systems would be very attractive locations for business investment. If some major countries pursued such reforms, other countries would have a strong incentive to enact similar reforms.⁸³ As tax rates on capital income fell around the world, economic distortions

caused by taxes would be reduced. Unless international tax competition is stifled, greater economic freedom through lower marginal tax rates will lead to more efficient tax systems, greater capital investment, and rising incomes around the world.

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Chapter 4: Country Data Tables

This chapter presents detailed data on the component variables used in constructing the EFW index for the countries included in this study. For each country, we present the overall EFW index rating and the ranking of that country for the years 1970, 1975, 1980, 1985, 1990, 1995, and 2000. Like all the scores in the index, these are values out of 10; 10 is the highest possible score and zero (0) is the lowest.

Under the column, Components of Economic Freedom, the titles in bold-face indicate the five areas of economic freedom that are combined to generate an overall score. Each of the rows in bold-face gives the scores (out of 10) for that particular area for each year.

Underneath each area title are the titles of the components that are combined to generate that particular area's score. In these rows are the scores (out of 10) for each year for which we have data. In parentheses beside some scores are the actual data used to derive that particular component rating.

A more complete description of each component, including the methodology used to calculate the ratings, can be found in the Chapter 1, Appendix: Explanatory Notes and Data Sources (p. 23).

The full data-set is available on-line at the website: <http://www.freetheworld.com/>.

Albania

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►					4.3 (96)	4.7 (101)	5.5 (97)
1. Size of Government: Expenditures, Taxes and Enterprises			3.9	3.9	2.8	5.2	6.2
A. Government Consumption			7.7 (13.8)	7.8 (13.4)	4.9 (23.4)	7.8 (13.6)	8.8 (10.1)
B. Transfers and Subsidies					3.5 (24.3)	7.8 (8.4)	7.8 (8.6)
C. Government Enterprises and Investment		0.0	0.0	0.0	0.0	0.0	2.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights				5.3	5.2	6.2	4.7
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							6.7
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money				6.5	6.5	3.3	6.3
A. Growth of Money Supply						0.0 (78.9)	5.5 (22.3)
B. Inflation Variability				9.6 (0.9)	9.6 (1.0)	0.0 (86.9)	4.8 (12.9)
C. Recent Annual Inflation				9.9 (0.4)	10.0 (0.0)	8.0 (9.8)	10.0 (0.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	5.0
4. Freedom to Exchange with Foreigners						5.2	5.2
A. Taxes on International Trade						5.7	6.2
(i) Taxes as Percentage of Exports and Imports						5.7 (6.5)	5.1 (7.3)
(ii) Mean Tariff Rate							6.8 (15.9)
(iii) Variability of Tariff Rates							6.7 (8.3)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector			0.0	0.0	0.0	0.0	0.0
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	2.0	1.5
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	2.0	1.5
5. Regulation of Credit, Labor and Business					2.5	3.9	5.0
A. Regulation of Credit Markets					0.0	2.9	3.6
(i) Private Ownership of Banks					0.0	2.0	2.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector						0.7	0.9
(iv) Avoidance of Negative Real Interest Rates					0.0	6.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	3.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Algeria

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			3.9 (94)	4.0 (95)	3.5 (108)	4.2 (110)	4.1 (120)
1. Size of Government: Expenditures, Taxes and Enterprises	3.8	2.9	2.3	2.3	2.6	4.4	4.0
A. Government Consumption	5.5 (21.2)	5.8 (20.3)	4.6 (24.2)	4.5 (24.7)	5.2 (22.3)	5.3 (22.0)	4.8 (23.6)
B. Transfers and Subsidies						7.8 (8.4)	7.2 (10.6)
C. Government Enterprises and Investment	2.0 (23.8)	0.0 (25.4)	0.0 (34.6)	0.0 (55.8)	0.0 (57.6)	0.0	0.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights	3.8	3.3	3.8	3.5	3.5	6.2	2.3
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							0.0
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money	6.4	4.6	4.9	6.2	4.5	3.9	5.8
A. Growth of Money Supply	7.2 (14.0)	6.7 (16.4)	6.9 (15.5)	7.3 (13.4)	9.3 (3.4)	7.2 (13.9)	7.7 (11.6)
B. Inflation Variability	9.4 (1.6)	2.6 (18.5)	7.7 (5.8)	8.3 (4.2)	5.5 (11.2)	4.1 (14.8)	6.1 (9.8)
C. Recent Annual Inflation	8.9 (5.4)	8.9 (5.5)	4.9 (25.7)	9.1 (4.6)	3.1 (34.4)	4.3 (28.5)	9.5 (2.6)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners			4.6	3.8	3.8	4.1	5.4
A. Taxes on International Trade			7.7	5.7	5.1	3.7	4.3
(i) Taxes as Percentage of Exports and Imports						3.6 (9.6)	4.5 (8.2)
(ii) Mean Tariff Rate			7.7 (11.7)	5.7 (21.7)	5.1 (24.6)	5.4 (22.9)	5.0 (25.0)
(iii) Variability of Tariff Rates						2.2 (19.6)	3.4 (16.4)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	7.1	9.3	7.1	5.3	5.7	6.3	5.1
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	0.0	7.8
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	2.0	1.7
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	2.0	1.7
5. Regulation of Credit, Labor and Business					3.1	2.7	3.1
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	0.9	0.5	0.4
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector					1.7	1.4	1.1
(iv) Avoidance of Negative Real Interest Rates						0.0	0.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	3.0	10.0	5.0	5.0	1.0	1.0	1.0
C. Regulation of Business							
(i) Price Controls					2.0	2.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Argentina

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.6 (36)	3.1 (72)	4.2 (85)	3.7 (101)	4.7 (83)	6.4 (43)	7.2 (30)
1. Size of Government: Expenditures, Taxes and Enterprises	6.0	5.6	6.1	5.2	7.4	8.1	8.0
A. Government Consumption	7.9 (13.0)	6.5 (17.8)	6.9 (16.5)	7.9 (13.0)	8.5 (11.0)	8.1 (12.6)	6.9 (16.6)
B. Transfers and Subsidies		8.0 (7.9)	7.5 (9.7)	6.9 (11.7)	8.2 (7.2)	7.3 (10.3)	7.2 (10.7)
C. Government Enterprises and Investment	4.0 (33.6)	4.0 (33.6)	4.0 (39.5)	4.0 (38.3)	6.0 (30.0)	8.0 (8.5)	10.0 (8.5)
D. Top Marginal Tax Rate		4.0 (51)	6.0 (45)	2.0 (62)	7.0 (35)	9.0 (30)	8.0 (35)
2. Legal Structure and Security of Property Rights	3.8	1.6	4.2	4.6	6.0	4.9	5.4
A. Judicial Independence						3.9	3.2
B. Impartial Courts						4.2	5.2
C. Protection of Intellectual Property						4.6	3.7
D. Military Interference							6.7
E. Integrity of Legal System						7.0	8.3
3. Access to Sound Money	7.5	2.5	2.5	2.5	2.5	5.4	9.5
A. Growth of Money Supply	5.0 (24.8)	0.0 (78.3)	0.0 (150.0)	0.0 (295.2)	0.0 (515.6)	2.5 (37.5)	9.9 (-0.6)
B. Inflation Variability	6.2 (9.5)	0.0 (61.9)	0.0 (119.8)	0.0 (208.3)	0.0 (1198.8)	0.0 (52.4)	9.1 (2.3)
C. Recent Annual Inflation	8.8 (5.8)	0.0 (198.2)	0.0 (92.0)	0.0 (620.8)	0.0 (2064.2)	9.2 (3.9)	9.2 (4.0)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners		0.7	3.5	1.6	3.3	6.8	6.4
A. Taxes on International Trade		0.7	4.1	3.1	3.2	7.5	6.9
(i) Taxes as Percentage of Exports and Imports		1.4 (12.9)	3.7 (9.5)	1.5 (12.7)	3.4 (9.9)	7.5 (3.7)	7.4 (3.9)
(ii) Mean Tariff Rate		0.0 (55.9)	4.4 (27.8)	4.6 (27.0)	5.9 (20.5)	7.9 (10.5)	7.8 (11.0)
(iii) Variability of Tariff Rates					0.3 (24.3)	7.0 (7.6)	5.6 (11.0)
B. Regulatory Trade Barriers						7.2	6.4
(i) Hidden Import Barriers						7.2	6.2
(ii) Costs of Importing							6.7
C. Size of Trade Sector	0.0	0.0	0.0	1.2	0.0	0.0	2.1
D. Difference between Official and Black Market Exchange Rates	10.0	0.0	9.8	2.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	0.0	0.0	0.0	9.5	6.6
(i) Access to Foreign Capital						9.1	9.3
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	0.0	0.0	0.0	10.0	3.8
5. Regulation of Credit, Labor and Business	5.0	4.9	4.5	4.5	4.3	6.6	6.6
A. Regulation of Credit Markets	7.0	6.6	4.4	4.2	3.7	7.8	7.3
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks						8.6	7.3
(iii) Extension of Credit to Private Sector	9.0	8.1	8.3	7.6	6.1	7.6	6.9
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	0.0	10.0	10.0
(v) Controls on Interest Rates						8.4	9.1
B. Regulation of Labor Markets	3.6	3.7	3.7	3.7	3.5	5.9	6.1
(i) Impact of Minimum Wage						6.0	4.4
(ii) Flexibility in Hiring and Firing					3.0	3.0	5.3
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	4.8
(iv) Incentives from Unemployment Benefits	5.7	5.0	5.0	4.9	4.7	5.6	6.0
(v) Military Conscription	0.0	1.0	1.0	1.0	1.0	10.0	10.0
C. Regulation of Business						6.0	6.4
(i) Price Controls						8.0	8.0
(ii) Administrative Obstacles for New Businesses							6.8
(iii) Time Spent with Government Bureaucracy						6.7	7.5
(iv) Ease of Starting a New Business						6.2	4.8
(v) Irregular Payments to Government Officials						3.2	5.1

Australia

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		7.1 (9)	6.1 (16)	6.8 (13)	7.1 (9)	7.2 (10)	7.8 (8)	8.0 (8)
1. Size of Government: Expenditures, Taxes and Enterprises	6.1	5.2	5.1	4.9	5.4	5.7	6.2	
A. Government Consumption	6.2 (19.0)	5.0 (22.9)	4.9 (23.2)	4.8 (23.8)	5.2 (22.3)	5.5 (21.4)	4.7 (24.1)	
B. Transfers and Subsidies		7.8 (8.5)	7.4 (10.1)	6.9 (11.9)	7.2 (10.7)	6.3 (14.2)	7.1 (11.2)	
C. Government Enterprises and Investment	6.0 (30.0)	6.0 (37.1)	6.0 (28.4)	6.0 (30.2)	6.0 (25.2)	7.0 (21.5)	10.0 (9.6)	
D. Top Marginal Tax Rate		2.0 (64)	2.0 (62)	2.0 (60)	3.0 (49)	4.0 (47)	3.0 (47)	
2. Legal Structure and Security of Property Rights	8.0	5.1	7.3	7.9	7.9	8.8	9.5	
A. Judicial Independence						9.1	9.5	
B. Impartial Courts						9.0	9.7	
C. Protection of Intellectual Property						7.3	8.3	
D. Military Interference							10.0	
E. Integrity of Legal System						10.0	10.0	
3. Access to Sound Money	9.6	8.4	8.9	9.3	9.0	9.3	9.3	
A. Growth of Money Supply	9.7 (1.6)	8.4 (7.8)	8.3 (8.6)	9.4 (3.2)	7.6 (12.0)	8.1 (9.3)	8.7 (6.6)	
B. Inflation Variability	9.6 (1.0)	8.3 (4.2)	9.4 (1.5)	9.1 (2.2)	9.2 (2.0)	9.7 (0.6)	9.4 (1.5)	
C. Recent Annual Inflation	8.9 (5.5)	7.0 (14.9)	8.0 (9.8)	8.8 (6.1)	9.3 (3.3)	9.4 (2.9)	9.1 (4.5)	
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
4. Freedom to Exchange with Foreigners	6.3	5.8	6.0	7.0	7.4	7.6	7.7	
A. Taxes on International Trade	7.5	6.8	7.4	7.6	6.5	7.7	8.5	
(i) Taxes as Percentage of Exports and Imports	7.5 (3.7)	7.1 (4.4)	7.6 (3.6)	7.9 (3.2)	7.9 (3.1)	8.8 (1.8)	9.0 (1.5)	
(ii) Mean Tariff Rate		6.6 (17.0)	7.1 (14.5)	7.3 (13.3)	7.2 (14.2)	8.4 (8.2)	8.9 (5.7)	
(iii) Variability of Tariff Rates					4.3 (14.3)	6.0 (10.1)	7.7 (5.7)	
B. Regulatory Trade Barriers						6.4	8.8	
(i) Hidden Import Barriers						6.4	8.1	
(ii) Costs of Importing							9.5	
C. Size of Trade Sector	5.6	4.7	4.9	5.4	5.0	5.4	5.3	
D. Difference between Official and Black Market Exchange Rates	10.0	9.8	9.8	10.0	10.0	10.0	10.0	
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.0	8.0	8.3	6.1	
(i) Access to Foreign Capital						8.5	9.1	
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	5.0	8.0	8.0	3.1	
5. Regulation of Credit, Labor and Business	5.4	5.8	6.5	6.6	6.4	7.4	7.3	
A. Regulation of Credit Markets	7.9	6.1	8.4	8.7	9.7	9.3	8.9	
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	10.0	10.0	10.0	
(ii) Competition from Foreign Banks						7.9	6.5	
(iii) Extension of Credit to Private Sector	5.8	6.4	7.1	8.0	9.0	9.2	9.2	
(iv) Avoidance of Negative Real Interest Rates	10.0	4.0	10.0	10.0	10.0	10.0	10.0	
(v) Controls on Interest Rates						8.1	8.2	
B. Regulation of Labor Markets					6.6	5.4	5.6	
(i) Impact of Minimum Wage						3.6	4.5	
(ii) Flexibility in Hiring and Firing					4.5	4.5	3.1	
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	5.5	
(iv) Incentives from Unemployment Benefits						3.9	4.7	
(v) Military Conscription	0.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business						7.5	7.3	
(i) Price Controls					6.0	7.0	7.0	
(ii) Administrative Obstacles for New Businesses							6.7	
(iii) Time Spent with Government Bureaucracy						7.2	6.2	
(iv) Ease of Starting a New Business						6.8	7.4	
(v) Irregular Payments to Government Officials						9.2	9.0	

Austria

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.2 (24)	5.8 (22)	6.2 (20)	6.3 (21)	6.8 (17)	7.0 (29)	7.5 (15)
1. Size of Government: Expenditures, Taxes and Enterprises	4.5	3.9	3.1	3.0	3.6	3.3	3.9
A. Government Consumption	5.5 (21.5)	4.8 (23.8)	4.5 (24.8)	4.3 (25.2)	4.4 (25.0)	4.0 (26.4)	4.2 (25.9)
B. Transfers and Subsidies	6.1 (14.9)	4.9 (19.4)	4.1 (22.1)	3.8 (23.1)	4.0 (22.4)	3.3 (25.2)	3.6 (23.9)
C. Government Enterprises and Investment	2.0	2.0 (45.0)	2.0 (44.5)	2.0 (42.0)	2.0	2.0	4.0
D. Top Marginal Tax Rate		4.0 (54)	2.0 (62)	2.0 (62)	4.0 (50)	4.0 (50)	4.0 (50)
2. Legal Structure and Security of Property Rights			8.0	7.9	8.3	8.6	9.3
A. Judicial Independence						8.8	9.0
B. Impartial Courts						7.7	9.0
C. Protection of Intellectual Property						7.7	8.7
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	8.4	7.9	8.4	8.4	9.6	9.5	9.5
A. Growth of Money Supply	9.6 (1.8)	8.5 (7.7)	9.8 (1.0)	9.5 (2.3)	9.2 (4.0)	8.6 (6.8)	9.0 (5.0)
B. Inflation Variability	9.7 (0.7)	9.5 (1.2)	9.6 (0.9)	9.5 (1.2)	9.7 (0.6)	9.7 (0.8)	9.6 (1.0)
C. Recent Annual Inflation	9.1 (4.7)	8.7 (6.5)	9.0 (5.0)	9.4 (3.1)	9.3 (3.5)	9.6 (2.1)	9.5 (2.4)
D. Freedom to Own Foreign Currency	5.0	5.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.7	6.0	6.3	6.5	7.0	8.0	8.3
A. Taxes on International Trade	8.3	7.9	8.6	8.8	7.9	8.7	9.1
(i) Taxes as Percentage of Exports and Imports	8.3 (2.6)	8.9 (1.7)	9.5 (0.7)	9.6 (0.6)	9.5 (0.7)	9.9 (0.2)	9.9 (0.2)
(ii) Mean Tariff Rate		6.9 (15.4)	7.7 (11.6)	8.0 (10.0)	8.3 (8.7)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					6.0 (10.1)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						8.1	9.2
(i) Hidden Import Barriers						8.1	8.8
(ii) Costs of Importing							9.5
C. Size of Trade Sector	6.5	4.3	4.6	5.4	5.1	4.6	5.4
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.0	8.5	8.1
(i) Access to Foreign Capital						9.0	9.3
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	5.0	8.0	6.9
5. Regulation of Credit, Labor and Business	5.1	5.3	5.4	5.5	5.4	5.8	6.4
A. Regulation of Credit Markets	7.2	6.4	7.0	7.6	7.5	6.7	8.0
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	8.0
(ii) Competition from Foreign Banks						6.5	5.7
(iii) Extension of Credit to Private Sector	8.5	8.1	7.9	7.8	7.4	7.3	8.2
(iv) Avoidance of Negative Real Interest Rates	8.0	6.0	8.0	10.0	10.0	8.0	10.0
(v) Controls on Interest Rates						7.8	8.1
B. Regulation of Labor Markets	3.2	4.8	4.6	4.6	4.6	4.3	3.9
(i) Impact of Minimum Wage						4.6	4.6
(ii) Flexibility in Hiring and Firing					4.8	4.8	3.1
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	3.5
(iv) Incentives from Unemployment Benefits	5.0	5.0	4.4	4.4	4.2	4.5	5.2
(v) Military Conscription	0.0	5.0	5.0	5.0	5.0	3.0	3.0
C. Regulation of Business						6.4	7.3
(i) Price Controls					5.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses							7.5
(iii) Time Spent with Government Bureaucracy						6.5	7.4
(iv) Ease of Starting a New Business						3.7	5.4
(v) Irregular Payments to Government Officials						7.5	8.3

Bahamas

		1970	1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►			6.7 (9)		6.4 (17)		6.3 (21)		6.2 (34)		6.2 (56)		7.1 (35)	
1. Size of Government: Expenditures, Taxes and Enterprises		7.9	8.1		7.7		7.2		7.3		8.0		7.7	
A. Government Consumption			6.6	(17.6)	6.8	(16.9)	6.9	(16.5)	7.2	(15.6)	6.2	(18.9)		
B. Transfers and Subsidies		9.8 (1.4)	10.0	(0.5)	10.0	(0.5)	10.0	(0.1)	9.9	(1.0)	9.9	(1.0)	7.1	
C. Government Enterprises and Investment		6.0	6.0	(24.2)	4.0		2.0		2.0		6.0		6.0	
D. Top Marginal Tax Rate			10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0 (0)	
2. Legal Structure and Security of Property Rights							5.7		5.7		4.1		7.1	
A. Judicial Independence														
B. Impartial Courts														
C. Protection of Intellectual Property														
D. Military Interference													10.0	
E. Integrity of Legal System											4.1		6.7	
3. Access to Sound Money		9.0	6.5		6.1		6.4		6.8		7.0		6.8	
A. Growth of Money Supply			9.6	(-1.9)	7.9	(10.3)	9.6	(2.2)	8.7	(6.6)	9.1	(4.6)	7.8 (11.0)	
B. Inflation Variability		9.3 (1.8)	8.7	(3.3)	8.6	(3.5)	7.9	(5.3)	9.3	(1.7)	9.3	(1.6)	9.7 (0.8)	
C. Recent Annual Inflation		8.8 (6.2)	7.9	(10.7)	8.0	(10.0)	8.3	(8.5)	9.4	(3.2)	9.4	(2.8)	9.7 (1.6)	
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners			5.1		4.6		4.8		4.5		4.8			
A. Taxes on International Trade		4.7	4.1		4.3		3.7		3.6		3.1		2.8	
(i) Taxes as Percentage of Exports and Imports		4.7 (7.9)	4.1	(8.8)	4.6	(8.1)	3.8	(9.3)	3.6	(9.6)	3.1	(10.3)	2.7 (11.0)	
(ii) Mean Tariff Rate					4.0	(29.8)	3.5	(32.3)					3.0 (35.0)	
(iii) Variability of Tariff Rates														
B. Regulatory Trade Barriers														
(i) Hidden Import Barriers														
(ii) Costs of Importing														
C. Size of Trade Sector			5.8		4.5		4.5		3.5		3.1			
D. Difference between Official and Black Market Exchange Rates		7.2	7.2		6.0		7.8		7.4		9.6		9.2	
E. Restrictions on Capital Markets		0.0	0.0		0.0		0.0		0.0		0.0		1.5	
(i) Access to Foreign Capital														
(ii) Restrictions on Capital Transactions with Foreigners		0.0	0.0		0.0		0.0		0.0		0.0		1.5	
5. Regulation of Credit, Labor and Business			7.0		7.0		7.3		6.7		7.2		6.8	
A. Regulation of Credit Markets		9.7	8.7		8.6		9.4		9.3		9.4		9.5	
(i) Private Ownership of Banks		10.0	10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks														
(iii) Extension of Credit to Private Sector		9.5	8.0		7.9		8.1		7.9		8.2		8.5	
(iv) Avoidance of Negative Real Interest Rates			8.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates														
B. Regulation of Labor Markets														
(i) Impact of Minimum Wage														
(ii) Flexibility in Hiring and Firing														
(iii) Collective Bargaining														
(iv) Incentives from Unemployment Benefits														
(v) Military Conscription			10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business														
(i) Price Controls									4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses														
(iii) Time Spent with Government Bureaucracy														
(iv) Ease of Starting a New Business														
(v) Irregular Payments to Government Officials														

Bahrain

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			7.3 (6)	6.9 (15)	6.8 (17)	7.1 (25)	7.3 (24)
1. Size of Government: Expenditures, Taxes and Enterprises		6.0	6.8	6.0	5.9	6.2	6.8
A. Government Consumption			3.2 (29.0)	0.0 (43.5)	0.0 (43.8)	1.4 (35.2)	3.8 (27.2)
B. Transfers and Subsidies			9.8 (1.2)	10.0 (0.0)	9.6 (1.8)	9.3 (3.1)	9.4 (2.6)
C. Government Enterprises and Investment	0.0	2.0 (76.4)	4.0 (29.8)	4.0 (31.7)	4.0	4.0	4.0
D. Top Marginal Tax Rate		10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights				5.7	5.7	6.2	5.9
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							5.0
E. Integrity of Legal System						7.0	8.3
3. Access to Sound Money	9.0	7.8	8.1	8.6	8.8	9.5	9.6
A. Growth of Money Supply	7.9 (10.5)	7.1 (14.4)	6.4 (18.1)	8.5 (7.7)	9.5 (2.7)	9.6 (-2.1)	9.3 (3.3)
B. Inflation Variability	9.4 (1.4)	7.1 (7.2)	6.8 (8.0)	6.3 (9.2)	6.9 (7.7)	8.7 (3.3)	9.6 (1.1)
C. Recent Annual Inflation	9.7 (1.6)	6.8 (16.1)	9.2 (3.9)	9.6 (-1.8)	8.6 (6.8)	9.8 (1.0)	9.7 (1.6)
D. Freedom to Own Foreign Currency		10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners			7.3	7.1	7.3	6.9	7.5
A. Taxes on International Trade			9.4	9.2	9.3	9.1	8.5
(i) Taxes as Percentage of Exports and Imports			9.4 (0.9)	9.5 (0.7)	9.3 (1.1)	9.1 (1.4)	8.5 (2.3)
(ii) Mean Tariff Rate				8.8 (6.0)			
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector		7.6	6.9	6.2	6.8	5.5	4.0
D. Difference between Official and Black Market Exchange Rates		10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.0	6.9
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	6.9
5. Regulation of Credit, Labor and Business		7.2	7.1	7.0	6.4	6.6	6.5
A. Regulation of Credit Markets	10.0	9.0	8.7	8.4	8.5	8.2	8.7
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	10.0	9.9	9.4	8.7	7.5	8.7	8.0
(iv) Avoidance of Negative Real Interest Rates					10.0	8.0	10.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Bangladesh

	1970	1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►		3.8 (66)		3.7 (96)		4.1 (93)		4.3 (96)		5.3 (86)		5.1 (107)	
1. Size of Government: Expenditures, Taxes and Enterprises		6.0		4.3		4.3		4.8		5.7		5.2	
A. Government Consumption		10.0 (3.3)		9.9 (6.4)		10.0 (5.4)		7.5 (14.4)		7.4 (15.0)		6.4 (18.4)	
B. Transfers and Subsidies													
C. Government Enterprises and Investment	2.0	2.0 (50.4)		2.0 (44.4)		2.0 (46.6)		2.0 (47.1)		4.0 (34.0)		4.0 (32.0)	
D. Top Marginal Tax Rate				1.0 (60)		1.0 (60)							
2. Legal Structure and Security of Property Rights				2.5		2.5		2.4		6.2		2.9	
A. Judicial Independence													
B. Impartial Courts												2.0	
C. Protection of Intellectual Property												3.3	
D. Military Interference												3.3	
E. Integrity of Legal System										7.0			
3. Access to Sound Money	8.5	2.0		4.5		6.0		6.9		6.4		6.9	
A. Growth of Money Supply		7.8 (10.9)		6.4 (18.0)		7.4 (13.1)		9.5 (2.7)		7.7 (11.3)		8.9 (5.3)	
B. Inflation Variability	7.0 (7.5)	0.0 (29.1)		4.2 (14.4)		8.8 (3.1)		9.2 (2.1)		9.0 (2.4)		9.1 (2.2)	
C. Recent Annual Inflation	9.9 (0.5)	0.0 (74.5)		7.3 (13.4)		7.8 (11.1)		9.0 (4.9)		8.7 (6.7)		9.5 (2.3)	
D. Freedom to Own Foreign Currency		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners		2.6		2.1		2.2		2.3		3.3		4.9	
A. Taxes on International Trade		4.7		0.5		0.0		0.6		0.0		3.7	
(i) Taxes as Percentage of Exports and Imports		4.7 (7.9)		1.1 (13.4)		0.0 (17.9)		1.9 (12.1)				3.7 (9.5)	
(ii) Mean Tariff Rate				0.0 (99.9)		0.0 (86.0)		0.0 (102.2)		0.0 (81.2)		5.6 (22.0)	
(iii) Variability of Tariff Rates								0.0 (50.4)		0.0 (26.1)		1.9 (20.3)	
B. Regulatory Trade Barriers												4.7	
(i) Hidden Import Barriers												4.7	
(ii) Costs of Importing													
C. Size of Trade Sector	1.9	0.0		1.7		2.8		2.7		3.9		3.1	
D. Difference between Official and Black Market Exchange Rates		0.0		0.0		0.0		0.0		4.4		10.0	
E. Restrictions on Capital Markets	0.0	0.0		0.0		0.0		0.0		0.0		2.9	
(i) Access to Foreign Capital												5.9	
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0		0.0		0.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business		4.6		5.0		5.3		5.2		5.1		5.7	
A. Regulation of Credit Markets	0.0	1.4		3.4		4.2		5.8		5.1		6.5	
(i) Private Ownership of Banks	0.0	0.0		0.0		0.0		0.0		0.0		2.0	
(ii) Competition from Foreign Banks												5.9	
(iii) Extension of Credit to Private Sector		2.8		4.3		6.6		7.3		7.4		8.0	
(iv) Avoidance of Negative Real Interest Rates				6.0		6.0		10.0		8.0		10.0	
(v) Controls on Interest Rates												3.7	
B. Regulation of Labor Markets												6.6	
(i) Impact of Minimum Wage												4.6	
(ii) Flexibility in Hiring and Firing												5.0	
(iii) Collective Bargaining												6.6	
(iv) Incentives from Unemployment Benefits													
(v) Military Conscription		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business												4.0	
(i) Price Controls								0.0		0.0		0.0	
(ii) Administrative Obstacles for New Businesses												7.6	
(iii) Time Spent with Government Bureaucracy												5.7	
(iv) Ease of Starting a New Business												4.6	
(v) Irregular Payments to Government Officials												1.9	

Barbados

			1970	1975	1980	1985	1990	1995	2000						
Summary Ratings (Rank) ►			5.8 (22)		5.7 (37)	6.0 (29)	5.9 (41)	5.9 (65)	5.8 (82)						
1. Size of Government: Expenditures, Taxes and Enterprises	8.1		5.8		5.8	5.4	6.2	6.5	5.2						
A. Government Consumption	7.0	(16.2)	6.4	(18.3)	6.1	(19.3)	4.5	(24.1)	4.6	(24.3)					
B. Transfers and Subsidies	9.3	(2.9)	10.0	(0.2)	10.0	(0.2)	10.0	(0.5)	10.0	(0.0)					
C. Government Enterprises and Investment	8.0	(19.2)	6.0	(26.8)	6.0	(22.8)	6.0	(22.5)	6.0						
D. Top Marginal Tax Rate			1.0	(65)	1.0	(60)	1.0	(60)	4.0	(50)	5.0	(40)	5.0	(40)	
2. Legal Structure and Security of Property Rights						5.7	5.7	4.1							
A. Judicial Independence															
B. Impartial Courts															
C. Protection of Intellectual Property															
D. Military Interference															
E. Integrity of Legal System								4.1							
3. Access to Sound Money	8.8		5.5		5.0	6.7	6.5	7.1	6.5						
A. Growth of Money Supply			8.1	(9.5)	6.9	(15.3)	8.8	(5.8)	8.6	(7.1)	8.9	(-5.4)	7.7	(11.7)	
B. Inflation Variability	9.1	(2.3)	6.3	(9.2)	7.6	(6.0)	8.6	(3.5)	8.6	(3.4)	9.5	(1.3)	8.6	(3.4)	
C. Recent Annual Inflation	8.5	(7.3)	7.7	(11.7)	5.5	(22.6)	9.2	(4.1)	8.9	(5.5)	10.0	(0.3)	9.5	(2.4)	
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0		
4. Freedom to Exchange with Foreigners			4.8		5.4	5.3	4.7	5.1	5.3						
A. Taxes on International Trade			6.6		7.1	7.2	6.1	6.6	6.2						
(i) Taxes as Percentage of Exports and Imports			6.6	(5.1)	7.1	(4.4)	7.5	(3.7)	7.7	(3.4)	7.6	(3.6)	7.8	(3.3)	
(ii) Mean Tariff Rate								6.6	(17.0)			7.2	(14.1)	6.2	(19.0)
(iii) Variability of Tariff Rates									4.5	(13.7)		4.8	(13.1)		
B. Regulatory Trade Barriers															
(i) Hidden Import Barriers															
(ii) Costs of Importing															
C. Size of Trade Sector			3.9		2.7	3.6	3.3	1.1	1.3	2.2					
D. Difference between Official and Black Market Exchange Rates					6.0	7.8	7.8	8.0	9.4	9.8					
E. Restrictions on Capital Markets			0.0		0.0	0.0	0.0	0.0	0.0	0.0					
(i) Access to Foreign Capital															
(ii) Restrictions on Capital Transactions with Foreigners			0.0		0.0	0.0	0.0	0.0	0.0	0.0					
5. Regulation of Credit, Labor and Business			6.9		6.4	6.9	6.6	6.6	6.4						
A. Regulation of Credit Markets			9.5		8.0	7.2	8.4	8.2	8.2	7.7					
(i) Private Ownership of Banks					8.0	8.0	8.0	8.0	8.0	8.0					
(ii) Competition from Foreign Banks															
(iii) Extension of Credit to Private Sector			9.5		8.1	7.6	7.1	6.7	6.6	7.1					
(iv) Avoidance of Negative Real Interest Rates						6.0	10.0	10.0	10.0	8.0					
(v) Controls on Interest Rates															
B. Regulation of Labor Markets															
(i) Impact of Minimum Wage															
(ii) Flexibility in Hiring and Firing															
(iii) Collective Bargaining															
(iv) Incentives from Unemployment Benefits															
(v) Military Conscription					10.0	10.0	10.0	10.0	10.0	10.0					
C. Regulation of Business															
(i) Price Controls							6.0	6.0	6.0						
(ii) Administrative Obstacles for New Businesses															
(iii) Time Spent with Government Bureaucracy															
(iv) Ease of Starting a New Business															
(v) Irregular Payments to Government Officials															

70 Chapter 4: Country Data Tables

Belgium		1970		1975		1980		1985		1990		1995		2000	
		Summary Ratings (Rank) ►		7.7 (3)		6.8 (8)		7.1 (7)		7.2 (6)		7.3 (7)		7.2 (23)	
1. Size of Government: Expenditures, Taxes and Enterprises		5.6		4.0		3.6		3.6		4.4		4.0		3.7	
A. Government Consumption		6.4 (18.3)		5.6 (20.9)		5.4 (21.6)		5.8 (20.3)		6.4 (18.1)		6.2 (18.9)		3.5 (28.3)	
B. Transfers and Subsidies		4.5 (20.8)		2.4 (28.5)		3.1 (26.0)		2.6 (27.6)		3.3 (25.0)		3.0 (26.3)		3.4 (24.9)	
C. Government Enterprises and Investment		6.0		6.0 (25.0)		6.0 (26.8)		6.0 (25.3)		6.0 (27.0)		6.0		6.0	
D. Top Marginal Tax Rate				2.0 (64)		0.0 (76)		0.0 (76)		2.0 (55-61)		1.0 (58-64)		2.0 (58-63)	
2. Legal Structure and Security of Property Rights		8.3		7.4		7.8		7.9		8.3		7.3		8.3	
A. Judicial Independence												5.8		7.3	
B. Impartial Courts												6.4		8.2	
C. Protection of Intellectual Property												6.9		7.6	
D. Military Interference														10.0	
E. Integrity of Legal System												10.0		8.3	
3. Access to Sound Money		9.6		8.7		9.5		9.6		9.6		9.7		9.6	
A. Growth of Money Supply		9.7 (-1.3)		8.6 (6.9)		9.6 (1.9)		9.7 (1.6)		9.4 (2.9)		9.4 (3.0)		9.1 (4.7)	
B. Inflation Variability		9.7 (0.7)		8.8 (3.0)		9.4 (1.6)		9.8 (0.6)		9.6 (1.0)		9.6 (0.9)		9.8 (0.6)	
C. Recent Annual Inflation		9.1 (4.6)		7.5 (12.3)		9.2 (4.2)		8.8 (6.1)		9.4 (3.1)		9.7 (1.7)		9.5 (2.5)	
D. Freedom to Own Foreign Currency		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners		9.7		8.8		8.9		9.4		9.1		8.7		8.9	
A. Taxes on International Trade		9.7		9.1		9.0		9.2		8.5		8.7		9.0	
(i) Taxes as Percentage of Exports and Imports		9.7 (0.4)		10.0 (0.0)		9.8 (0.3)		9.8 (0.3)		9.7 (0.4)		9.7 (0.4)		9.7 (0.4)	
(ii) Mean Tariff Rate				8.1 (9.4)		8.2 (8.8)		8.5 (7.5)		8.5 (7.4)		8.7 (6.7)		9.3 (3.5)	
(iii) Variability of Tariff Rates										7.1 (7.2)		7.6 (5.9)		8.0 (5.0)	
B. Regulatory Trade Barriers												8.3		8.9	
(i) Hidden Import Barriers												8.3		8.2	
(ii) Costs of Importing														9.5	
C. Size of Trade Sector		9.0		6.3		6.7		8.6		7.9		7.0		7.4	
D. Difference between Official and Black Market Exchange Rates		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets		10.0		10.0		10.0		10.0		10.0		9.3		9.2	
(i) Access to Foreign Capital												8.6		9.9	
(ii) Restrictions on Capital Transactions with Foreigners		10.0		10.0		10.0		10.0		10.0		10.0		8.5	
5. Regulation of Credit, Labor and Business		5.3		5.2		5.5		5.4		5.1		6.1		7.0	
A. Regulation of Credit Markets		8.5		7.2		8.6		8.1		8.4		8.2		8.3	
(i) Private Ownership of Banks		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks												7.9		8.0	
(iii) Extension of Credit to Private Sector		5.4		5.7		5.8		4.3		5.2		5.0		5.2	
(iv) Avoidance of Negative Real Interest Rates		10.0		6.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates												7.0		8.3	
B. Regulation of Labor Markets		2.9		3.4		3.5		3.5		3.6		4.9		5.0	
(i) Impact of Minimum Wage												3.9		5.1	
(ii) Flexibility in Hiring and Firing										3.8		3.8		3.1	
(iii) Collective Bargaining		4.5		4.5		4.5		4.5		4.5		4.5		4.2	
(iv) Incentives from Unemployment Benefits		3.3		2.8		3.0		3.0		3.3		2.6		2.7	
(v) Military Conscription		1.0		3.0		3.0		3.0		3.0		10.0		10.0	
C. Regulation of Business												5.3		7.6	
(i) Price Controls										2.0		5.0		6.0	
(ii) Administrative Obstacles for New Businesses														8.2	
(iii) Time Spent with Government Bureaucracy												6.5		8.9	
(iv) Ease of Starting a New Business												4.6		6.4	
(v) Irregular Payments to Government Officials												5.1		8.3	

Belize

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			5.8 (30)	5.7 (41)	5.8 (47)	6.6 (39)	6.2 (70)
1. Size of Government: Expenditures, Taxes and Enterprises		6.5	5.2	5.0	4.9	6.3	6.0
A. Government Consumption		6.9 (16.4)	6.1 (19.3)	5.0 (23.1)	5.6 (20.9)	6.6 (17.7)	6.3 (18.4)
B. Transfers and Subsidies			9.4 (2.6)	9.2 (3.6)	9.8 (1.2)	9.8 (1.2)	9.7 (1.6)
C. Government Enterprises and Investment		6.0 (34.4)	0.0 (51.0)	2.0 (49.9)	0.0 (55.5)	4.0 (38.3)	2.0 (47.7)
D. Top Marginal Tax Rate				4.0 (50)	4.0 (45)	5.0 (45)	
2. Legal Structure and Security of Property Rights							
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							
E. Integrity of Legal System							
3. Access to Sound Money	8.7	6.6	6.2	6.6	6.8	7.2	6.8
A. Growth of Money Supply			8.8 (6.2)	9.3 (3.3)	8.5 (7.6)	9.8 (1.0)	8.3 (8.7)
B. Inflation Variability	9.0 (2.6)	6.7 (8.3)	8.5 (3.8)	7.5 (6.3)	8.8 (3.0)	9.6 (1.0)	9.1 (2.2)
C. Recent Annual Inflation	8.5 (7.4)	6.6 (16.9)	7.7 (11.4)	9.6 (-1.9)	9.9 (0.3)	9.2 (3.9)	9.9 (0.6)
D. Freedom to Own Foreign Currency			0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners			5.0	4.4	5.1	5.6	5.3
A. Taxes on International Trade			4.2	4.7	2.8	2.7	5.6
(i) Taxes as Percentage of Exports and Imports			4.2 (8.7)	2.7 (10.9)	2.8 (10.8)	2.7 (10.9)	5.6 (6.6)
(ii) Mean Tariff Rate				6.6 (17.0)			
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector		6.5	4.3	4.1	4.6	2.9	2.8
D. Difference between Official and Black Market Exchange Rates		3.6	3.2	0.0	5.0	9.4	9.2
E. Restrictions on Capital Markets			5.0	5.0	5.0	5.0	0.8
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners			5.0	5.0	5.0	5.0	0.8
5. Regulation of Credit, Labor and Business			6.9	6.8	6.3	7.3	6.8
A. Regulation of Credit Markets		9.1	8.1	7.8	9.4	9.6	8.9
(i) Private Ownership of Banks					10.0	10.0	10.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector		9.1	8.2	7.7	8.2	8.7	8.8
(iv) Avoidance of Negative Real Interest Rates			8.0	8.0	10.0	10.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription			10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Benin

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				5.2 (57)	4.8 (77)	5.1 (70)	4.9 (95)	5.8 (82)
1. Size of Government: Expenditures, Taxes and Enterprises		5.4		4.7	3.6	4.2	4.0	6.5
A. Government Consumption	8.7 (10.3)	9.0 (9.4)	9.3 (8.2)	7.2 (15.5)	8.3 (11.7)	8.1 (12.5)	8.9 (9.6)	
B. Transfers and Subsidies								
C. Government Enterprises and Investment	2.0 (50.0)	2.0 (45.9)	0.0 (53.7)	0.0 (53.5)	0.0 (55.2)	0.0 (60.1)	4.0 (33.9)	
D. Top Marginal Tax Rate								
2. Legal Structure and Security of Property Rights				4.7	4.2	4.4	4.9	
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								
D. Military Interference								
E. Integrity of Legal System							5.2	
3. Access to Sound Money		6.7	5.2	6.3	6.1	6.7	5.2	6.5
A. Growth of Money Supply	8.6 (6.8)	5.8 (20.8)	8.4 (8.0)	8.0 (10.0)	9.9 (0.7)	8.7 (6.3)	9.3 (3.7)	
B. Inflation Variability	9.3 (1.8)	7.8 (5.4)	8.7 (3.2)	7.2 (6.9)	8.3 (4.2)	5.0 (12.5)	7.8 (5.6)	
C. Recent Annual Inflation	9.0 (5.1)	7.2 (14.3)	8.0 (10.2)	9.0 (-4.9)	8.8 (6.1)	6.9 (15.4)	9.2 (4.2)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4. Freedom to Exchange with Foreigners			5.3	5.1	5.3			5.3
A. Taxes on International Trade		3.9	2.9	2.5				
(i) Taxes as Percentage of Exports and Imports		3.9 (9.2)	2.9 (10.6)					
(ii) Mean Tariff Rate					2.5 (37.4)			
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	3.8	4.8	4.8	6.1	3.7	4.3	3.5	
D. Difference between Official and Black Market Exchange Rates	9.6	9.6	9.6	9.8	9.2	9.8	10.0	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(i) Access to Foreign Capital								
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
5. Regulation of Credit, Labor and Business				5.1	4.8	5.0	5.6	5.1
A. Regulation of Credit Markets	4.9	5.0	5.3	5.9	6.3	6.2	7.6	
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	2.0	10.0	10.0	
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	9.8	10.0	9.9	9.8	8.8	6.6	8.8	
(iv) Avoidance of Negative Real Interest Rates			6.0	8.0	8.0	2.0	4.0	
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription					1.0	1.0	1.0	1.0
C. Regulation of Business								
(i) Price Controls							2.0	2.0
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Bolivia

	1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►					4.3 (82)		3.5 (103)		5.5 (53)		7.0 (29)		6.7 (51)	
1. Size of Government: Expenditures, Taxes and Enterprises			5.9		7.0		5.4		6.9		7.2		7.5	
A. Government Consumption					7.3 (15.1)		6.7 (17.1)		8.1 (12.5)		7.9 (13.3)		7.3 (15.2)	
B. Transfers and Subsidies			9.9 (1.0)		9.8 (1.3)		9.7 (1.6)		9.6 (1.8)		9.4 (2.8)		9.5 (2.5)	
C. Government Enterprises and Investment			2.0 (44.0)		4.0 (28.9)		2.0 (50.1)		2.0 (42.5)		0.0 (60.7)		2.0 (51.1)	
D. Top Marginal Tax Rate							3.0 (48)		8.0 (30)		10.0 (10)		10.0 (13)	
2. Legal Structure and Security of Property Rights							2.3		1.7		3.2		6.2	
A. Judicial Independence													3.4	
B. Impartial Courts													2.2	
C. Protection of Intellectual Property													3.3	
D. Military Interference													1.7	
E. Integrity of Legal System											7.0		5.0	
3. Access to Sound Money			9.4		6.3		5.1		0.0		4.8		9.3	
A. Growth of Money Supply			8.9 (5.6)		5.8 (20.9)		6.2 (19.1)		0.0 (566.0)		2.4 (38.0)		4.3 (28.3)	
B. Inflation Variability			9.4 (1.5)		1.0 (22.5)		3.8 (15.5)		0.0 (4769.2)		0.0 (85.9)		8.4 (4.0)	
C. Recent Annual Inflation			9.2 (3.8)		8.4 (7.8)		0.5 (47.3)		0.0 (12336.7)		6.7 (16.3)		7.7 (11.4)	
D. Freedom to Own Foreign Currency			10.0		10.0		10.0		0.0		10.0		10.0	
4. Freedom to Exchange with Foreigners			4.2		6.0		4.8		5.3		6.4		7.3	
A. Taxes on International Trade			2.6		4.1		4.8		5.7		7.6		8.7	
(i) Taxes as Percentage of Exports and Imports			2.6 (11.1)		4.1 (8.9)		4.8 (7.8)		5.3 (7.0)		8.5 (2.3)		8.6 (2.1)	
(ii) Mean Tariff Rate									6.0 (19.8)		6.7 (16.7)		8.1 (9.7)	
(iii) Variability of Tariff Rates													9.6 (1.1)	
B. Regulatory Trade Barriers													5.5	
(i) Hidden Import Barriers													4.8	
(ii) Costs of Importing													6.2	
C. Size of Trade Sector			6.1		6.5		3.4		2.4		4.9		4.7	
D. Difference between Official and Black Market Exchange Rates			2.2		9.0		5.6		8.2		9.4		9.8	
E. Restrictions on Capital Markets			2.0		2.0		2.0		2.0		2.0		5.0	
(i) Access to Foreign Capital													8.6	
(ii) Restrictions on Capital Transactions with Foreigners			2.0		2.0		2.0		2.0		2.0		5.0	
5. Regulation of Credit, Labor and Business							3.8				6.2		6.8	
A. Regulation of Credit Markets			3.3		6.5		2.5		0.0		9.3		8.5	
(i) Private Ownership of Banks											10.0		8.0	
(ii) Competition from Foreign Banks													10.0	
(iii) Extension of Credit to Private Sector			3.3		6.5		5.0				10.0		9.6	
(iv) Avoidance of Negative Real Interest Rates							0.0		0.0		8.0		8.0	
(v) Controls on Interest Rates													6.3	
B. Regulation of Labor Markets													4.7	
(i) Impact of Minimum Wage													3.1	
(ii) Flexibility in Hiring and Firing													4.9	
(iii) Collective Bargaining													7.1	
(iv) Incentives from Unemployment Benefits													5.5	
(v) Military Conscription			3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business													5.5	
(i) Price Controls									6.0		8.0		9.0	
(ii) Administrative Obstacles for New Businesses													5.5	
(iii) Time Spent with Government Bureaucracy													3.9	
(iv) Ease of Starting a New Business													3.9	
(v) Irregular Payments to Government Officials													5.1	

74 Chapter 4: Country Data Tables

Botswana		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				5.5 (47)	5.7 (41)	5.7 (48)	6.2 (56)	7.0 (38)
1. Size of Government: Expenditures, Taxes and Enterprises		5.8	3.8	3.6	3.3	3.7	4.8	5.3
A. Government Consumption	5.6 (21.0)	4.5 (24.8)	3.7 (27.5)	1.0 (36.7)	1.6 (34.4)	0.0 (45.9)	0.0 (49.0)	
B. Transfers and Subsidies	9.7 (1.5)	8.6 (5.5)	8.8 (4.9)	8.1 (7.3)	8.3 (6.6)	8.2 (7.2)	8.0 (7.7)	
C. Government Enterprises and Investment	2.0 (34.6)	2.0 (46.3)	2.0 (44.9)	2.0 (53.2)	2.0	4.0	4.0	
D. Top Marginal Tax Rate		0.0 (75)	0.0 (75)	2.0 (60)	3.0 (50)	7.0 (35)	9.0 (25)	
2. Legal Structure and Security of Property Rights					6.3	6.3	6.2	7.1
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								
D. Military Interference								10.0
E. Integrity of Legal System							7.0	6.7
3. Access to Sound Money		9.6	4.4	5.3	5.3	5.6	7.9	8.6
A. Growth of Money Supply				8.6 (6.8)	9.2 (4.1)	6.9 (15.3)	10.0 (0.0)	7.4 (13.1)
B. Inflation Variability	9.5 (1.3)	6.9 (7.7)	6.4 (8.9)	6.5 (8.9)	6.6 (8.6)	8.3 (4.3)	8.6 (3.4)	
C. Recent Annual Inflation	9.8 (1.1)	6.3 (18.8)	6.2 (19.1)	5.5 (22.7)	8.8 (6.0)	8.1 (9.3)	8.3 (8.7)	
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	5.0	10.0	
4. Freedom to Exchange with Foreigners				6.6	6.7	7.2	6.5	7.7
A. Taxes on International Trade		3.1	4.8	7.0	6.3	4.2	6.8	
(i) Taxes as Percentage of Exports and Imports		3.1 (10.4)	1.5 (12.8)	5.3 (7.1)	5.6 (6.6)	5.2 (7.1)	6.0 (6.1)	
(ii) Mean Tariff Rate			8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.6 (7.2)	
(iii) Variability of Tariff Rates					5.5 (11.3)	1.2 (21.9)	6.0 (10.0)	
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	5.9	7.2	7.0	7.7	8.1	5.6	6.7	
D. Difference between Official and Black Market Exchange Rates		1.2	8.0	5.6	8.6	9.6	10.0	
E. Restrictions on Capital Markets			5.0	5.0	5.0	5.0	6.9	
(i) Access to Foreign Capital								
(ii) Restrictions on Capital Transactions with Foreigners			5.0	5.0	5.0	5.0	6.9	
5. Regulation of Credit, Labor and Business				6.3	6.9	5.9	5.8	6.5
A. Regulation of Credit Markets		9.1	6.5	8.1	5.9	6.6	8.0	
(i) Private Ownership of Banks					5.0	5.0	5.0	
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector		9.1	8.9	8.1	8.8	8.8	9.0	
(iv) Avoidance of Negative Real Interest Rates			4.0	8.0	4.0	6.0	10.0	
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business								
(i) Price Controls					6.0	6.0	6.0	
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Brazil

	1970		1975		1980		1985		1990		1995		2000
Summary Ratings (Rank) ►	5.4 (38)		4.5 (56)		4.1 (90)		3.4 (105)		4.1 (100)		4.5 (108)		5.8 (82)
1. Size of Government: Expenditures, Taxes and Enterprises	6.1		5.4		5.3		5.1		6.7		6.3		6.7
A. Government Consumption	7.6 (14.2)		7.7 (13.8)		8.3 (11.6)		7.9 (13.0)		4.5 (24.5)		4.5 (24.7)		4.9 (23.4)
B. Transfers and Subsidies	5.9 (15.5)		4.7 (19.9)		6.8 (12.4)		7.4 (10.0)		7.2 (10.7)		6.5 (13.3)		6.0 (15.3)
C. Government Enterprises and Investment	4.0 (38.3)		4.0 (35.8)		2.0 (49.2)		4.0 (36.0)		6.0 (24.9)		6.0 (17.8)		8.0 (17.1)
D. Top Marginal Tax Rate	7.0 (45)		5.0 (50)		4.0 (55)		1.0 (60)		9.0 (25)		8.0 (35)		8.0 (28)
2. Legal Structure and Security of Property Rights	6.2		5.4		5.9		5.7		6.2		5.8		5.4
A. Judicial Independence											5.6		5.5
B. Impartial Courts											6.7		6.2
C. Protection of Intellectual Property											4.1		5.1
D. Military Interference													6.7
E. Integrity of Legal System											7.0		3.3
3. Access to Sound Money	5.9		3.6		1.3		0.0		0.0		0.0		5.1
A. Growth of Money Supply	5.1 (24.3)		3.9 (30.6)		1.6 (41.8)		0.0 (137.8)		0.0 (648.7)		0.0 (708.0)		6.9 (15.6)
B. Inflation Variability	6.9 (7.7)		7.3 (6.7)		3.4 (16.6)		0.0 (53.1)		0.0 (878.9)		0.0 (851.5)		0.0 (32.2)
C. Recent Annual Inflation	6.6 (17.1)		3.2 (34.0)		0.0 (87.5)		0.0 (231.7)		0.0 (2509.5)		0.0 (77.6)		8.6 (7.0)
D. Freedom to Own Foreign Currency	5.0		0.0		0.0		0.0		0.0		0.0		5.0
4. Freedom to Exchange with Foreigners	3.8		2.7		3.4		1.8		3.4		5.4		5.6
A. Taxes on International Trade	5.6		6.2		3.3		2.6		4.8		7.7		6.2
(i) Taxes as Percentage of Exports and Imports	5.6 (6.6)		6.2 (5.7)		3.3 (10.0)		7.9 (3.2)		7.5 (3.7)		8.1 (2.8)		4.5 (8.3)
(ii) Mean Tariff Rate							0.0 (55.6)		4.0 (30.0)		7.6 (12.0)		7.3 (13.6)
(iii) Variability of Tariff Rates							0.0 (26.2)		3.0 (17.5)		7.2 (6.9)		6.9 (7.8)
B. Regulatory Trade Barriers											5.3		5.3
(i) Hidden Import Barriers											5.3		4.0
(ii) Costs of Importing													6.7
C. Size of Trade Sector	2.4		4.2		4.0		4.2		0.7		1.1		2.5
D. Difference between Official and Black Market Exchange Rates	7.2		0.2		6.4		0.2		8.0		9.4		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		3.6		4.2
(i) Access to Foreign Capital											7.3		7.6
(ii) Restrictions on Capital Transactions with Foreigners	0.0		0.0		0.0		0.0		0.0		0.0		0.8
5. Regulation of Credit, Labor and Business	5.2		5.2		4.9		4.3		4.4		5.1		6.1
A. Regulation of Credit Markets	6.4		6.5		5.3		3.4		3.9		4.9		6.9
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0
(ii) Competition from Foreign Banks											6.5		7.1
(iii) Extension of Credit to Private Sector	8.3		8.4		6.8		5.3		6.8		8.2		7.3
(iv) Avoidance of Negative Real Interest Rates	6.0		6.0		4.0		0.0		0.0		0.0		8.0
(v) Controls on Interest Rates											3.8		5.8
B. Regulation of Labor Markets									4.8		5.3		4.6
(i) Impact of Minimum Wage											6.7		3.5
(ii) Flexibility in Hiring and Firing									6.2		6.2		5.3
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		5.2		5.2		5.5
(iv) Incentives from Unemployment Benefits											5.5		6.0
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0
C. Regulation of Business											5.2		6.7
(i) Price Controls									0.0		6.0		7.0
(ii) Administrative Obstacles for New Businesses													7.7
(iii) Time Spent with Government Bureaucracy											5.6		7.4
(iv) Ease of Starting a New Business											6.0		5.7
(v) Irregular Payments to Government Officials											3.3		5.7

Bulgaria

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				5.6 (45)	4.3 (96)	4.6 (104)	5.5 (97)
1. Size of Government: Expenditures, Taxes and Enterprises			4.5	4.5	2.5	4.0	4.9
A. Government Consumption			9.0 (9.3)	8.1 (12.4)	4.9 (23.3)	6.5 (17.8)	6.6 (17.5)
B. Transfers and Subsidies				5.4 (17.5)	2.7 (27.2)	6.6 (13.0)	5.8 (15.9)
C. Government Enterprises and Investment	0.0	0.0	0.0	0.0	0.0 (96.4)	0.0 (55.6)	2.0 (44.8)
D. Top Marginal Tax Rate						3.0 (50)	5.0 (38)
2. Legal Structure and Security of Property Rights				7.2	7.2	6.2	5.4
A. Judicial Independence							4.2
B. Impartial Courts							4.5
C. Protection of Intellectual Property							3.4
D. Military Interference							8.3
E. Integrity of Legal System						7.0	6.7
3. Access to Sound Money				6.5	4.4	1.3	4.8
A. Growth of Money Supply					7.4 (13.1)	0.0 (67.0)	1.2 (-44.2)
B. Inflation Variability				9.4 (1.4)	5.6 (10.9)	0.0 (66.4)	0.0 (172.1)
C. Recent Annual Inflation				10.0 (0.2)	4.8 (26.2)	0.0 (62.9)	7.9 (10.4)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	10.0
4. Freedom to Exchange with Foreigners				4.2	4.3	7.0	7.1
A. Taxes on International Trade				6.4	8.4	6.4	7.9
(i) Taxes as Percentage of Exports and Imports				6.4 (5.4)	9.1 (1.3)	7.9 (3.2)	9.2 (1.2)
(ii) Mean Tariff Rate					7.7 (11.4)	6.6 (17.2)	7.8 (11.0)
(iii) Variability of Tariff Rates						4.7 (13.3)	6.8 (8.1)
B. Regulatory Trade Barriers							6.4
(i) Hidden Import Barriers							4.4
(ii) Costs of Importing							8.5
C. Size of Trade Sector			4.7	6.5	5.0	6.6	5.9
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	9.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	5.0	5.0
(i) Access to Foreign Capital							7.0
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	5.0	3.1
5. Regulation of Credit, Labor and Business					3.0	4.7	5.5
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	1.7	4.3	6.1
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	2.0	8.0
(ii) Competition from Foreign Banks							5.2
(iii) Extension of Credit to Private Sector					1.0	3.0	7.1
(iv) Avoidance of Negative Real Interest Rates					4.0	8.0	4.0
(v) Controls on Interest Rates							5.3
B. Regulation of Labor Markets							4.9
(i) Impact of Minimum Wage							2.6
(ii) Flexibility in Hiring and Firing							4.3
(iii) Collective Bargaining							7.9
(iv) Incentives from Unemployment Benefits							6.8
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	1.0	3.0
C. Regulation of Business							5.4
(i) Price Controls					0.0	4.0	6.0
(ii) Administrative Obstacles for New Businesses							6.1
(iii) Time Spent with Government Bureaucracy							6.0
(iv) Ease of Starting a New Business							2.5
(v) Irregular Payments to Government Officials							6.6

Burundi

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.3 (58)	4.2 (85)	4.6 (83)	4.7 (83)	4.6 (104)	5.6 (92)
1. Size of Government: Expenditures, Taxes and Enterprises	4.4	4.2	4.5	4.7	4.4	5.8	6.5
A. Government Consumption	8.8 (10.1)	8.5 (11.2)	9.1 (9.2)	9.4 (8.2)	8.7 (10.3)	8.1 (12.5)	8.0 (12.9)
B. Transfers and Subsidies						9.3 (3.2)	9.4 (2.6)
C. Government Enterprises and Investment	0.0 (72.5)	0.0 (55.3)	0.0 (67.7)	0.0 (82.4)	0.0 (82.5)	0.0	2.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights			4.7	4.2	4.4	4.9	
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							
E. Integrity of Legal System						5.2	
3. Access to Sound Money	8.9	5.4	4.9	6.1	6.5	5.7	6.0
A. Growth of Money Supply	9.2 (4.1)	8.8 (6.1)	5.3 (23.3)	8.5 (7.3)	9.9 (0.8)	7.6 (12.0)	7.5 (12.7)
B. Inflation Variability	8.4 (3.9)	7.2 (7.1)	7.6 (6.0)	7.1 (7.4)	7.2 (6.9)	8.1 (4.9)	6.6 (8.6)
C. Recent Annual Inflation	9.0 (5.2)	5.8 (21.1)	6.7 (16.4)	9.0 (5.1)	8.8 (6.0)	7.0 (15.2)	5.1 (24.3)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	0.0	5.0
4. Freedom to Exchange with Foreigners		2.2	1.9	2.9	3.7	2.3	4.5
A. Taxes on International Trade		1.9	0.0	1.2	1.3	2.1	1.9
(i) Taxes as Percentage of Exports and Imports		1.9 (12.2)	0.0 (18.1)	0.0 (17.0)	0.0 (22.9)	1.6 (12.6)	1.1 (13.3)
(ii) Mean Tariff Rate				2.4 (37.9)	2.6 (37.0)	2.6 (36.9)	2.6 (36.9)
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Difference between Official and Black Market Exchange Rates	5.4	0.8	1.0	5.0	8.8	1.2	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	2.3
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	2.3
5. Regulation of Credit, Labor and Business		5.2	4.8	5.2	4.5	4.5	5.5
A. Regulation of Credit Markets	3.2	3.1	2.9	4.0	3.3	3.9	5.2
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	4.3	4.3	4.8	3.9	5.8	7.8	9.7
(iv) Avoidance of Negative Real Interest Rates			2.0	6.0	4.0	4.0	6.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	2.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Cameroon

		1970			1975			1980			1985			1990			1995			2000
Summary Ratings (Rank) ►							5.8 (30)				5.8 (38)				5.7 (48)		5.4 (80)		5.5 (97)	
1. Size of Government: Expenditures, Taxes and Enterprises			4.7		6.6		7.4		5.5		5.4		5.6		5.5					
A. Government Consumption			7.5	(14.5)	7.9	(13.1)	8.2	(12.2)	8.2	(12.3)	7.0	(16.1)	8.6	(10.7)	8.5	(11.0)				
B. Transfers and Subsidies					9.8	(1.4)	9.9	(0.8)	10.0	(0.6)	9.4	(2.7)	9.7	(1.6)	9.7	(1.7)				
C. Government Enterprises and Investment			2.0	(47.6)	2.0	(54.7)	4.0	(27.7)	2.0	(41.7)	4.0	(32.0)	4.0		4.0					
D. Top Marginal Tax Rate									2.0	(60)	1.0	(60)	0.0	(66)	0.0	(69)				
2. Legal Structure and Security of Property Rights							5.8		5.8		5.8		6.2		4.7					
A. Judicial Independence																				
B. Impartial Courts																				
C. Protection of Intellectual Property																				
D. Military Interference																			6.7	
E. Integrity of Legal System													7.0		3.3					
3. Access to Sound Money			5.7		6.4		5.4		6.4		7.1		5.8		6.4					
A. Growth of Money Supply			7.7	(11.6)	7.9	(10.4)	6.8	(15.8)	8.5	(7.7)	9.2	(-4.1)	9.4	(-3.2)	8.4	(8.0)				
B. Inflation Variability			6.8	(8.0)	9.0	(2.4)	7.6	(5.9)	9.3	(1.7)	9.4	(1.6)	7.3	(6.6)	7.3	(6.9)				
C. Recent Annual Inflation			8.4	(7.9)	8.8	(6.0)	7.2	(14.3)	7.8	(11.2)	9.7	(1.6)	6.6	(17.0)	9.8	(1.2)				
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0		0.0					
4. Freedom to Exchange with Foreigners					4.8		5.1		6.2		5.5		5.2		5.8					
A. Taxes on International Trade					1.1		2.7		5.9		6.4		3.7		5.1					
(i) Taxes as Percentage of Exports and Imports					1.1	(13.4)	2.7	(11.0)	5.9	(6.1)	6.4	(5.4)	4.9	(7.7)	3.9	(9.2)				
(ii) Mean Tariff Rate													6.3	(18.7)	6.3	(18.4)				
(iii) Variability of Tariff Rates													0.0	(29.6)						
B. Regulatory Trade Barriers																				
(i) Hidden Import Barriers																				
(ii) Costs of Importing																				
C. Size of Trade Sector			5.5		5.2		5.2		6.9		3.5		4.1		4.8					
D. Difference between Official and Black Market Exchange Rates			9.6		9.6		9.6		9.8		9.2		9.8		10.0					
E. Restrictions on Capital Markets			0.0		0.0		0.0		0.0		0.0		0.0		0.8					
(i) Access to Foreign Capital																				
(ii) Restrictions on Capital Transactions with Foreigners			0.0		0.0		0.0		0.0		0.0		0.0		0.8					
5. Regulation of Credit, Labor and Business							5.2		5.2		5.1		4.5		5.0					
A. Regulation of Credit Markets			0.0		0.0		3.0		3.0		5.2		4.0		4.9					
(i) Private Ownership of Banks			0.0		0.0		0.0		0.0		0.0		2.0		2.0					
(ii) Competition from Foreign Banks																				
(iii) Extension of Credit to Private Sector											7.7		6.1		6.8					
(iv) Avoidance of Negative Real Interest Rates							6.0		6.0		8.0		4.0		6.0					
(v) Controls on Interest Rates																				
B. Regulation of Labor Markets																				
(i) Impact of Minimum Wage																				
(ii) Flexibility in Hiring and Firing																				
(iii) Collective Bargaining																				
(iv) Incentives from Unemployment Benefits																				
(v) Military Conscription					10.0		10.0		10.0		10.0		10.0		10.0					
C. Regulation of Business																				
(i) Price Controls											0.0		0.0		0.0					
(ii) Administrative Obstacles for New Businesses																				
(iii) Time Spent with Government Bureaucracy																				
(iv) Ease of Starting a New Business																				
(v) Irregular Payments to Government Officials																				

Canada

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	7.3 (5)	6.7 (9)	7.1 (7)	7.2 (6)	7.5 (5)	7.8 (8)	8.0 (8)
1. Size of Government: Expenditures, Taxes and Enterprises	3.9	5.2	4.9	4.7	5.3	5.3	6.0
A. Government Consumption	3.8 (27.2)	3.3 (28.9)	3.3 (28.8)	3.3 (28.8)	3.3 (28.6)	3.7 (27.5)	4.5 (24.6)
B. Transfers and Subsidies		7.7 (9.1)	6.2 (14.5)	5.7 (16.3)	5.9 (15.6)	5.5 (16.9)	6.3 (13.9)
C. Government Enterprises and Investment	8.0 (18.5)	8.0 (15.8)	8.0 (12.6)	8.0 (14.8)	8.0 (13.7)	8.0 (14.8)	10.0 (10.6)
D. Top Marginal Tax Rate	0.0 (82-91)	2.0 (59-67)	2.0 (60-68)	2.0 (50-63)	4.0 (44-54)	4.0 (44-54)	3.0 (44-51)
2. Legal Structure and Security of Property Rights	8.3	5.8	7.2	7.9	8.3	8.9	9.3
A. Judicial Independence						9.5	9.2
B. Impartial Courts						8.9	9.2
C. Protection of Intellectual Property						7.3	8.0
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	9.3	8.8	9.2	9.0	9.6	9.5	9.3
A. Growth of Money Supply	8.4 (7.8)	8.7 (6.5)	9.7 (1.7)	7.6 (11.9)	9.2 (3.9)	9.0 (5.1)	8.4 (7.8)
B. Inflation Variability	9.8 (0.5)	8.5 (3.9)	9.3 (1.7)	8.7 (3.2)	9.6 (0.9)	9.7 (0.7)	9.4 (1.6)
C. Recent Annual Inflation	9.0 (4.8)	8.0 (10.2)	7.8 (11.0)	9.5 (2.4)	9.4 (3.1)	9.5 (2.7)	9.5 (2.7)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	8.5	7.4	7.6	7.7	7.5	7.4	7.9
A. Taxes on International Trade	8.4	7.5	8.1	8.4	7.9	5.9	6.7
(i) Taxes as Percentage of Exports and Imports	8.4 (2.4)	7.5 (3.7)	8.4 (2.4)	8.9 (1.7)	9.2 (1.2)	9.5 (0.7)	9.8 (0.3)
(ii) Mean Tariff Rate		7.4 (13.0)	7.8 (11.2)	7.9 (10.5)	8.1 (9.4)	8.0 (10.1)	9.1 (4.4)
(iii) Variability of Tariff Rates					6.5 (8.8)	0.3 (24.2)	1.1 (22.3)
B. Regulatory Trade Barriers						7.2	8.5
(i) Hidden Import Barriers						7.2	7.5
(ii) Costs of Importing							9.5
C. Size of Trade Sector	7.7	3.9	4.2	4.5	3.9	5.3	5.8
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	8.0	8.0	8.0	8.0	8.0	8.4	8.6
(i) Access to Foreign Capital						8.8	8.8
(ii) Restrictions on Capital Transactions with Foreigners	8.0	8.0	8.0	8.0	8.0	8.0	8.5
5. Regulation of Credit, Labor and Business	6.6	6.3	6.8	6.7	6.7	7.7	7.6
A. Regulation of Credit Markets	9.1	8.1	9.7	9.7	9.7	8.4	8.5
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						5.5	5.1
(iii) Extension of Credit to Private Sector	7.2	8.4	9.2	9.2	9.2	8.3	8.8
(iv) Avoidance of Negative Real Interest Rates	10.0	6.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						7.8	8.2
B. Regulation of Labor Markets	7.4	7.2	7.3	7.2	7.1	7.1	6.4
(i) Impact of Minimum Wage						6.1	4.3
(ii) Flexibility in Hiring and Firing					6.5	6.5	5.1
(iii) Collective Bargaining	7.2	7.2	7.2	7.2	7.2	7.2	7.8
(iv) Incentives from Unemployment Benefits	5.1	4.4	4.8	4.5	4.5	5.8	4.8
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						7.7	8.0
(i) Price Controls					9.0	7.0	9.0
(ii) Administrative Obstacles for New Businesses							7.2
(iii) Time Spent with Government Bureaucracy						7.1	7.2
(iv) Ease of Starting a New Business						7.8	7.6
(v) Irregular Payments to Government Officials						8.8	9.1

80 Chapter 4: Country Data Tables

Central African Republic		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				4.6 (74)	4.2 (91)	4.9 (77)	4.8 (97)	5.0 (109)
1. Size of Government: Expenditures, Taxes and Enterprises	2.7	4.5	3.8	3.6	3.7	3.8	4.3	
A. Government Consumption	5.3 (21.9)	7.0 (16.3)	7.7 (13.9)	7.2 (15.7)	7.4 (14.8)	7.7 (14.0)	8.5 (11.1)	
B. Transfers and Subsidies								
C. Government Enterprises and Investment	0.0 (68.3)	2.0 (39.0)	0.0 (65.7)	0.0 (67.0)	0.0 (51.8)	0.0 (54.8)	0.0	
D. Top Marginal Tax Rate								
2. Legal Structure and Security of Property Rights			4.7	4.2	4.4	4.9		
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								
D. Military Interference								
E. Integrity of Legal System						5.2		
3. Access to Sound Money	6.3	5.6	4.9	4.3	7.1	5.1	6.8	
A. Growth of Money Supply	8.9 (5.6)	8.6 (7.0)	5.6 (22.1)	8.5 (7.3)	10.0 (-0.2)	7.0 (15.0)	9.6 (-2.0)	
B. Inflation Variability	7.3 (6.8)	7.6 (6.1)	7.5 (6.2)	5.6 (10.9)	8.9 (2.9)	6.0 (9.9)	7.7 (5.7)	
C. Recent Annual Inflation	9.1 (4.5)	6.1 (19.3)	6.3 (18.3)	3.2 (34.2)	9.5 (2.3)	7.3 (13.4)	9.7 (-1.5)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4. Freedom to Exchange with Foreigners			5.2	5.3	4.7	5.5	5.1	
A. Taxes on International Trade			2.9	3.6	3.0	6.2	5.6	
(i) Taxes as Percentage of Exports and Imports			2.9 (10.6)		2.3 (11.5)		4.3 (8.6)	
(ii) Mean Tariff Rate				3.6 (32.0)	3.6 (32.0)	6.3 (18.6)	6.3 (18.6)	
(iii) Variability of Tariff Rates						6.2 (9.6)	6.2 (9.5)	
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	7.5	5.5	5.3	4.7	3.0	3.2	1.9	
D. Difference between Official and Black Market Exchange Rates	9.6	9.6	9.6	9.8	9.2	9.8	10.0	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(i) Access to Foreign Capital								
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
5. Regulation of Credit, Labor and Business				3.8	4.4	4.9	3.9	
A. Regulation of Credit Markets	0.0	0.0	0.0	4.0	6.3	4.9	4.7	
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	2.0	2.0	2.0	
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector					6.9	6.6	6.2	
(iv) Avoidance of Negative Real Interest Rates					10.0	6.0	6.0	
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription			0.0	0.0	0.0	0.0	0.0	
C. Regulation of Business								
(i) Price Controls					0.0	0.0	0.0	
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Chad

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				4.5 (86)	5.4 (54)	5.5 (79)	5.6 (92)
1. Size of Government: Expenditures, Taxes and Enterprises	2.4	2.7	2.1	4.3	6.2	6.3	6.5
A. Government Consumption	4.8 (23.7)	5.4 (21.6)	4.1 (26.0)	8.6 (10.8)	8.7 (10.5)	9.1 (9.1)	8.9 (9.7)
B. Transfers and Subsidies					9.9 (0.9)	9.9 (0.8)	
C. Government Enterprises and Investment	0.0	0.0	0.0	0.0 (95.7)	0.0 (94.0)	0.0 (54.5)	4.0 (37.5)
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights			4.7	4.2	4.4	4.9	
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							
E. Integrity of Legal System						5.2	
3. Access to Sound Money	6.9	6.3	6.3	5.3	5.8	5.2	6.3
A. Growth of Money Supply	9.1 (4.5)	7.7 (11.5)	7.3 (13.5)	5.8 (20.9)	9.3 (-3.7)	9.7 (1.6)	8.7 (6.7)
B. Inflation Variability	9.4 (1.5)	9.2 (1.9)	9.8 (0.6)	6.0 (10.0)	6.2 (9.5)	2.8 (17.9)	7.1 (7.2)
C. Recent Annual Inflation	9.2 (3.9)	8.4 (8.2)	8.3 (8.7)	9.3 (3.8)	7.7 (11.4)	8.2 (8.9)	9.2 (3.8)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners		5.5			6.1	6.6	5.8
A. Taxes on International Trade		3.9			7.4	8.5	6.2
(i) Taxes as Percentage of Exports and Imports		3.9 (9.2)			7.4 (3.9)	8.5 (2.2)	
(ii) Mean Tariff Rate							6.8 (15.8)
(iii) Variability of Tariff Rates							5.6 (10.9)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	6.7	6.0	6.1	6.2	5.9	6.7	4.5
D. Difference between Official and Black Market Exchange Rates	9.6	9.6	9.6	9.8	9.2	9.8	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business				4.2	4.3	4.2	3.9
A. Regulation of Credit Markets		2.0	2.0	5.0	4.8	3.5	3.3
(i) Private Ownership of Banks		2.0	2.0	2.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector					6.3	6.4	6.0
(iv) Avoidance of Negative Real Interest Rates				8.0	8.0	4.0	4.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	0.0	0.0	0.0	0.0
C. Regulation of Business							
(i) Price Controls					4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Chile

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	3.4 (54)	3.5 (71)	5.1 (61)	5.7 (41)	6.5 (26)	7.3 (18)	7.5 (15)
1. Size of Government: Expenditures, Taxes and Enterprises	5.0	4.0	5.0	5.7	6.5	7.3	7.1
A. Government Consumption	7.2 (15.5)	6.6 (17.7)	7.4 (15.0)	6.9 (16.7)	7.8 (13.6)	7.8 (13.6)	7.0 (16.1)
B. Transfers and Subsidies	5.9 (15.4)	7.3 (10.5)	6.6 (12.9)	6.0 (15.3)	7.3 (10.5)	7.4 (10.0)	6.5 (13.4)
C. Government Enterprises and Investment	2.0 (42.1)	0.0 (77.0)	4.0 (32.2)	8.0 (16.1)	7.0 (20.5)	8.0 (16.6)	10.0 (12.3)
D. Top Marginal Tax Rate		2.0 (60)	2.0 (58)	2.0 (56)	4.0 (50)	6.0 (45)	5.0 (45)
2. Legal Structure and Security of Property Rights	1.1	3.9	6.4	5.0	6.2	6.6	6.5
A. Judicial Independence						6.6	5.8
B. Impartial Courts						7.1	6.5
C. Protection of Intellectual Property						5.6	5.3
D. Military Interference							6.7
E. Integrity of Legal System						7.0	8.3
3. Access to Sound Money	5.1	0.0	2.3	7.0	7.2	8.0	9.3
A. Growth of Money Supply	1.0 (44.9)	0.0 (210.7)	0.0 (99.5)	7.9 (10.7)	4.8 (25.9)	5.4 (22.9)	9.1 (4.5)
B. Inflation Variability	7.5 (6.2)	0.0 (233.7)	0.0 (80.6)	6.2 (9.6)	8.3 (4.2)	8.4 (4.0)	9.0 (2.4)
C. Recent Annual Inflation	1.9 (40.7)	0.0 (334.7)	4.2 (28.8)	3.9 (30.7)	5.8 (21.2)	8.1 (9.3)	9.2 (3.8)
D. Freedom to Own Foreign Currency	10.0	0.0	5.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	2.4	5.2	6.3	5.2	6.9	7.5	7.4
A. Taxes on International Trade	4.6	3.1	8.7	6.7	8.2	8.5	8.7
(i) Taxes as Percentage of Exports and Imports	9.2 (1.2)	6.3 (5.6)	8.1 (2.8)	6.2 (5.7)	7.5 (3.7)	7.7 (3.5)	8.2 (2.8)
(ii) Mean Tariff Rate	0.0 (105.0)	0.0 (55.0)	8.0 (10.0)	4.0 (30.0)	7.0 (15.0)	7.8 (11.0)	8.0 (10.0)
(iii) Variability of Tariff Rates			10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	9.8 (0.5)
B. Regulatory Trade Barriers						7.1	8.4
(i) Hidden Import Barriers						7.1	8.3
(ii) Costs of Importing							8.5
C. Size of Trade Sector	2.8	6.6	5.5	6.4	7.5	5.7	5.8
D. Difference between Official and Black Market Exchange Rates	0.2	9.0	8.8	5.6	10.0	9.6	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	6.5	4.3
(i) Access to Foreign Capital						8.0	8.6
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	5.0	0.0
5. Regulation of Credit, Labor and Business		4.6	5.7	5.7	5.8	7.2	7.0
A. Regulation of Credit Markets		4.8	7.5	8.2	8.4	9.0	8.4
(i) Private Ownership of Banks		2.0	5.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						8.2	6.0
(iii) Extension of Credit to Private Sector		7.5	9.6	8.6	9.3	9.9	9.8
(iv) Avoidance of Negative Real Interest Rates			8.0	8.0	8.0	10.0	10.0
(v) Controls on Interest Rates						7.0	7.8
B. Regulation of Labor Markets					4.9	5.3	4.9
(i) Impact of Minimum Wage						5.7	3.4
(ii) Flexibility in Hiring and Firing					6.9	6.9	5.6
(iii) Collective Bargaining				7.9	7.9	7.9	8.9
(iv) Incentives from Unemployment Benefits						5.9	6.5
(v) Military Conscription	3.0	3.0	3.0	0.0	0.0	0.0	0.0
C. Regulation of Business						7.3	7.8
(i) Price Controls						10.0	9.0
(ii) Administrative Obstacles for New Businesses							7.9
(iii) Time Spent with Government Bureaucracy						6.2	7.9
(iv) Ease of Starting a New Business						6.5	5.7
(v) Irregular Payments to Government Officials						6.6	8.5

China

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			3.7 (96)	4.9 (74)	4.6 (92)	5.1 (93)	5.3 (101)
1. Size of Government: Expenditures, Taxes and Enterprises	4.3	4.3	2.6	3.9	3.6	4.0	3.8
A. Government Consumption	8.6 (10.7)	8.6 (10.9)	5.3 (22.1)	5.7 (20.5)	5.9 (19.8)	6.1 (19.4)	5.5 (21.2)
B. Transfers and Subsidies							
C. Government Enterprises and Investment	0.0	0.0	0.0 (81.9)	0.0 (66.1)	0.0 (66.2)	0.0 (54.4)	0.0 (54.1)
D. Top Marginal Tax Rate				6.0 (45)	5.0 (45)	6.0 (45)	6.0 (45)
2. Legal Structure and Security of Property Rights				6.8	5.8	5.0	4.1
A. Judicial Independence						3.8	3.3
B. Impartial Courts						4.9	4.2
C. Protection of Intellectual Property						4.2	3.2
D. Military Interference							3.3
E. Integrity of Legal System						7.0	6.7
3. Access to Sound Money	5.8	6.6	6.2	6.0	6.5	5.4	6.5
A. Growth of Money Supply			6.0 (20.0)	7.3 (13.3)	8.1 (9.3)	6.1 (19.7)	8.6 (7.2)
B. Inflation Variability	8.4 (4.0)	9.7 (0.8)	9.5 (1.3)	8.6 (3.4)	8.9 (2.8)	8.1 (4.8)	7.6 (6.1)
C. Recent Annual Inflation	9.1 (-4.7)	10.0 (-0.1)	9.2 (3.8)	8.0 (10.1)	8.9 (5.7)	7.4 (13.2)	9.9 (0.3)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners			2.8	4.9	3.9	6.4	6.7
A. Taxes on International Trade			3.2	2.7	3.2	3.9	7.2
(i) Taxes as Percentage of Exports and Imports			6.2 (5.7)	3.3 (10.0)	7.5 (3.7)	9.2 (1.2)	9.3 (1.0)
(ii) Mean Tariff Rate			0.1 (49.5)	2.1 (39.5)	1.9 (40.3)	2.5 (37.5)	6.6 (16.8)
(iii) Variability of Tariff Rates					0.0 (32.1)	0.0 (28.0)	5.6 (11.1)
B. Regulatory Trade Barriers						4.6	6.0
(i) Hidden Import Barriers						4.6	4.4
(ii) Costs of Importing							7.7
C. Size of Trade Sector	0.0	2.0	2.9	7.0	7.4	10.0	9.8
D. Difference between Official and Black Market Exchange Rates	2.0	5.2	5.0	7.8	0.0	8.6	7.8
E. Restrictions on Capital Markets	0.0	0.0	0.0	2.0	5.0	4.9	2.7
(i) Access to Foreign Capital						4.8	4.7
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	2.0	5.0	5.0	0.8
5. Regulation of Credit, Labor and Business	3.2	3.2	3.0	3.0	3.4	4.5	5.2
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	0.0	4.6	5.4
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks						4.6	2.3
(iii) Extension of Credit to Private Sector						9.8	9.4
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	0.0	4.0	10.0
(v) Controls on Interest Rates						1.7	1.8
B. Regulation of Labor Markets					3.2	4.5	4.7
(i) Impact of Minimum Wage						5.8	4.4
(ii) Flexibility in Hiring and Firing					4.3	4.3	5.1
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	5.2	6.2	7.7
(iv) Incentives from Unemployment Benefits						6.4	6.2
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business						4.4	5.6
(i) Price Controls						4.0	3.0
(ii) Administrative Obstacles for New Businesses							7.6
(iii) Time Spent with Government Bureaucracy						4.8	5.4
(iv) Ease of Starting a New Business						6.1	6.5
(v) Irregular Payments to Government Officials						2.9	5.5

84 Chapter 4: Country Data Tables

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.8 (43)	4.7 (52)	4.5 (76)	5.0 (69)	4.9 (77)	5.3 (86)	5.6 (92)
1. Size of Government: Expenditures, Taxes and Enterprises	6.2	7.0	5.4	5.9	6.7	6.8	5.4	
A. Government Consumption	8.4 (11.3)	8.5 (11.0)	8.1 (12.6)	7.8 (13.4)	7.8 (13.6)	6.3 (18.5)	3.8 (27.1)	
B. Transfers and Subsidies		9.3 (3.0)	9.3 (2.9)	8.9 (4.4)	9.1 (3.7)	9.0 (4.1)	8.7 (5.2)	
C. Government Enterprises and Investment	4.0 (31.7)	4.0 (32.8)	2.0 (41.5)	2.0 (53.9)	2.0 (43.9)	4.0 (34.1)	2.0 (40.2)	
D. Top Marginal Tax Rate		6.0 (41)	2.0 (56)	5.0 (49)	8.0 (30)	8.0 (30)	7.0 (35)	
2. Legal Structure and Security of Property Rights	2.8	3.3	4.0	3.4	3.4	2.8	3.5	
A. Judicial Independence						3.7	3.5	
B. Impartial Courts						3.5	5.8	
C. Protection of Intellectual Property						4.1	3.3	
D. Military Interference							3.3	
E. Integrity of Legal System						0.0	1.7	
3. Access to Sound Money	6.1	5.0	4.5	6.5	4.5	5.0	7.1	
A. Growth of Money Supply	7.4 (13.1)	6.9 (15.6)	5.3 (23.7)	6.6 (17.0)	4.4 (27.8)	4.8 (26.1)	7.4 (13.1)	
B. Inflation Variability	9.0 (2.6)	7.7 (5.6)	8.3 (4.2)	9.3 (1.7)	9.1 (2.3)	9.2 (2.1)	7.9 (5.2)	
C. Recent Annual Inflation	8.0 (9.9)	5.4 (22.9)	4.5 (27.6)	5.0 (24.9)	4.3 (28.6)	6.0 (19.8)	8.2 (9.2)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	5.0	0.0	0.0	5.0	
4. Freedom to Exchange with Foreigners	4.1	3.3	3.7	3.8	4.2	6.3	6.3	
A. Taxes on International Trade	4.6	5.1	4.1	4.1	5.5	7.8	7.8	
(i) Taxes as Percentage of Exports and Imports	4.6 (8.1)	5.1 (7.4)	4.8 (7.8)	5.0 (7.5)	6.0 (6.0)	8.0 (2.9)	8.4 (2.4)	
(ii) Mean Tariff Rate			3.3 (33.5)	3.3 (33.6)	3.9 (30.4)	7.3 (13.3)	7.6 (11.8)	
(iii) Variability of Tariff Rates					6.7 (8.3)	8.0 (4.9)	7.5 (6.2)	
B. Regulatory Trade Barriers						5.2	6.1	
(i) Hidden Import Barriers						5.2	4.9	
(ii) Costs of Importing							7.3	
C. Size of Trade Sector	4.1	4.1	3.8	3.0	4.6	4.2	3.7	
D. Difference between Official and Black Market Exchange Rates	7.8	4.2	6.8	8.2	6.6	8.6	10.0	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	6.0	3.9	
(i) Access to Foreign Capital						7.0	7.9	
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	5.0	0.0	
5. Regulation of Credit, Labor and Business			5.2	5.2	5.5	5.6	5.7	
A. Regulation of Credit Markets		8.0	8.0	8.0	8.2	7.9	7.4	
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	8.0	
(ii) Competition from Foreign Banks						7.7	5.6	
(iii) Extension of Credit to Private Sector					8.6	8.1	8.1	
(iv) Avoidance of Negative Real Interest Rates			8.0	8.0	8.0	8.0	8.0	
(v) Controls on Interest Rates						6.0	5.0	
B. Regulation of Labor Markets						4.8	3.9	
(i) Impact of Minimum Wage						6.8	2.8	
(ii) Flexibility in Hiring and Firing					5.5	5.5	4.2	
(iii) Collective Bargaining							5.9	
(iv) Incentives from Unemployment Benefits						5.7	5.5	
(v) Military Conscription	3.0	0.0	0.0	0.0	0.0	1.0	1.0	
C. Regulation of Business						4.1	5.8	
(i) Price Controls						5.0	6.0	
(ii) Administrative Obstacles for New Businesses							6.4	
(iii) Time Spent with Government Bureaucracy						6.2	6.8	
(iv) Ease of Starting a New Business						2.6	3.8	
(v) Irregular Payments to Government Officials						2.4	5.9	

Congo, Democratic Republic of

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.9 (42)	4.7 (52)	3.4 (102)	3.8 (100)	3.6 (106)	3.6 (121)	3.2 (123)
1. Size of Government: Expenditures, Taxes and Enterprises	3.6	4.9	5.0	3.4	5.2	5.8	4.4
A. Government Consumption	7.2 (15.5)	7.8 (13.4)	9.0 (9.3)	9.1 (9.0)	8.0 (12.7)	10.0 (5.7)	9.0 (9.3)
B. Transfers and Subsidies		9.9 (1.0)	10.0 (0.6)		9.9 (0.8)	10.0 (0.5)	7.6
C. Government Enterprises and Investment	0.0 (56.8)	0.0 (58.8)	0.0 (60.2)	0.0 (45.5)	2.0 (31.1)	2.0	0.0
D. Top Marginal Tax Rate		2.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)
2. Legal Structure and Security of Property Rights			2.4	2.5	2.4	1.1	1.7
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							0.0
E. Integrity of Legal System						0.0	1.7
3. Access to Sound Money	6.3	5.7	0.4	1.2	0.0	0.0	2.5
A. Growth of Money Supply	5.7 (21.7)	6.7 (16.6)	1.6 (42.2)	0.0 (52.5)	0.0 (99.5)	0.0 (2294.3)	0.0 (2290.0)
B. Inflation Variability	0.0 (26.2)	8.4 (3.9)	0.0 (25.5)	0.0 (25.3)	0.0 (30.2)	0.0 (9932.5)	0.0 (202.5)
C. Recent Annual Inflation	9.3 (-3.3)	7.5 (12.5)	0.0 (51.4)	4.8 (25.8)	0.0 (109.0)	0.0 (466.4)	0.0 (176.0)
D. Freedom to Own Foreign Currency	10.0	0.0	0.0	0.0	0.0	0.0	10.0
4. Freedom to Exchange with Foreigners	4.3	2.8	3.8	6.4	5.9	7.0	
A. Taxes on International Trade	0.0	0.0	4.2	5.0	4.9	7.8	7.9
(i) Taxes as Percentage of Exports and Imports	0.0 (19.7)	0.0 (19.0)	3.1 (10.3)	4.4 (8.4)	3.9 (9.1)	7.8 (3.3)	7.9 (3.2)
(ii) Mean Tariff Rate			5.3 (23.6)	5.5 (22.4)	5.9 (20.7)		
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	5.2	3.5	4.5	8.1	8.6	7.9	
D. Difference between Official and Black Market Exchange Rates	6.2	0.0	0.0	8.8	6.0	9.2	1.4
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.0	2.3
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	2.3
5. Regulation of Credit, Labor and Business	5.3	5.5	5.6	5.7	4.6	4.0	4.0
A. Regulation of Credit Markets	3.4	3.9	4.3	4.7	2.9	3.1	0.0
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	6.9	7.8	8.7	9.5	8.6	9.3	
(iv) Avoidance of Negative Real Interest Rates					0.0	0.0	0.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					2.0	2.0	2.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

86 Chapter 4: Country Data Tables

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				4.8 (71)	4.6 (83)	4.7 (83)	5.4 (80)	4.9 (113)
1. Size of Government: Expenditures, Taxes and Enterprises		6.8	2.9	1.9	2.4	3.5	4.7	3.5
A. Government Consumption	6.7 (17.2)	5.8 (20.3)	3.7 (27.3)	4.7 (23.9)	6.4 (18.2)	6.5 (17.9)	1.6 (34.6)	
B. Transfers and Subsidies	9.7 (1.4)					9.3 (3.1)	9.5 (2.3)	
C. Government Enterprises and Investment	4.0 (24.8)	0.0 (44.6)	0.0 (44.2)	0.0 (59.4)	0.0	0.0	0.0	
D. Top Marginal Tax Rate					4.0 (50)	3.0 (50)	3.0 (50)	
2. Legal Structure and Security of Property Rights				4.7	3.1	3.0	6.2	2.3
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								
D. Military Interference								0.0
E. Integrity of Legal System							7.0	3.3
3. Access to Sound Money		6.5	6.6	5.3	6.1	5.8	5.7	6.8
A. Growth of Money Supply	8.3 (8.7)	8.1 (9.3)	8.3 (8.6)	8.3 (8.4)	9.3 (-3.6)	9.6 (2.1)	8.7 (6.6)	
B. Inflation Variability	8.6 (3.6)	9.9 (0.3)	7.0 (7.4)	6.4 (9.0)	4.2 (14.5)	4.0 (14.9)	8.8 (2.9)	
C. Recent Annual Inflation	9.3 (3.7)	8.3 (8.3)	6.0 (20.1)	9.5 (2.5)	9.8 (-0.8)	9.3 (3.4)	9.8 (-0.9)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4. Freedom to Exchange with Foreigners		6.0	6.5	6.8	6.1	5.9	6.7	7.0
A. Taxes on International Trade	4.9	6.4	7.5	3.6	4.5	6.7	7.3	
(i) Taxes as Percentage of Exports and Imports	4.9 (7.7)	6.4 (5.4)	7.5 (3.8)		4.5 (8.2)	7.6 (3.6)	8.8 (1.8)	
(ii) Mean Tariff Rate				3.6 (32.0)		6.3 (18.6)	6.5 (17.6)	
(iii) Variability of Tariff Rates						6.2 (9.5)	6.6 (8.6)	
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	7.1	8.1	8.8	9.0	7.5	8.9	9.5	
D. Difference between Official and Black Market Exchange Rates	9.6	9.6	9.6	9.8	9.2	9.8	10.0	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(i) Access to Foreign Capital								
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
5. Regulation of Credit, Labor and Business				5.2	5.5	5.1	3.9	4.8
A. Regulation of Credit Markets	0.0	0.0	3.0	4.0	5.5	2.9	4.5	
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector					6.4	6.6	7.5	
(iv) Avoidance of Negative Real Interest Rates			6.0	8.0	10.0	2.0	6.0	
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business								
(i) Price Controls					0.0	0.0	0.0	
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Costa Rica

			1970	1975	1980	1985	1990	1995	2000					
Summary Ratings (Rank) ►			6.7 (9)		5.8 (30)	5.4 (55)	6.8 (17)	6.6 (39)	7.3 (24)					
1. Size of Government: Expenditures, Taxes and Enterprises			7.8	6.7	5.7	5.2	7.2	6.6	7.1					
A. Government Consumption	7.5	(14.6)	6.6	(17.5)	5.4	(21.8)	5.0	(22.9)	5.0	(22.9)				
B. Transfers and Subsidies	9.8	(1.2)	9.0	(4.1)	8.5	(6.0)	8.8	(7.0)	8.4	(6.2)				
C. Government Enterprises and Investment	6.0	(28.2)	6.0	(29.7)	4.0	(36.2)	4.0	(21.0)	6.0	(23.2)				
D. Top Marginal Tax Rate			5.0	(50)	5.0	(50)	3.0	(25)	9.0	(25)				
2. Legal Structure and Security of Property Rights					5.2	5.3	5.5	4.1	6.9					
A. Judicial Independence									6.3					
B. Impartial Courts									6.8					
C. Protection of Intellectual Property									4.5					
D. Military Interference									10.0					
E. Integrity of Legal System								4.1	6.7					
3. Access to Sound Money			9.2	7.1	7.8	4.9	8.1	7.7	7.6					
A. Growth of Money Supply	9.0	(4.9)	6.8	(16.0)	6.9	(15.6)	3.6	(32.1)	7.4	(13.0)	7.3	(13.4)	4.5	(27.7)
B. Inflation Variability	9.1	(2.2)	6.5	(8.8)	8.2	(4.5)	0.2	(24.4)	8.7	(3.3)	7.6	(6.0)	8.2	(4.6)
C. Recent Annual Inflation	8.5	(7.3)	5.1	(24.5)	6.2	(18.8)	5.9	(20.5)	6.3	(18.6)	5.7	(21.3)	7.8	(11.0)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners			6.9	5.9	3.4	4.9	6.7	7.7	8.1					
A. Taxes on International Trade	7.3		6.1		3.2	1.8	5.6	7.3	8.5					
(i) Taxes as Percentage of Exports and Imports	7.3	(4.1)	6.1	(5.9)	6.5	(5.3)	5.4	(6.9)	5.3	(7.0)	6.9	(4.6)	9.2	(1.2)
(ii) Mean Tariff Rate					0.0	(55.0)	0.0	(53.0)	6.7	(16.4)	8.0	(10.2)	9.3	(3.3)
(iii) Variability of Tariff Rates							0.0	(61.8)	4.8	(12.9)	6.9	(7.7)	6.9	(7.8)
B. Regulatory Trade Barriers									6.6					
(i) Hidden Import Barriers									5.2					
(ii) Costs of Importing									8.0					
C. Size of Trade Sector	4.2		4.7		3.6		4.1		4.9		5.0		5.9	
D. Difference between Official and Black Market Exchange Rates	10.0		8.4		0.0		5.2		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		2.0		2.0		5.0		5.0		8.0		9.6	
(i) Access to Foreign Capital													9.3	
(ii) Restrictions on Capital Transactions with Foreigners	5.0		2.0		2.0		5.0		5.0		8.0		10.0	
5. Regulation of Credit, Labor and Business				7.3	6.9	6.8	6.7	7.0	6.8					
A. Regulation of Credit Markets	9.7		9.3		8.2		8.1		8.5		8.9		8.2	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks													6.2	
(iii) Extension of Credit to Private Sector	9.4		8.6		6.4		8.3		7.5		8.8		8.6	
(iv) Avoidance of Negative Real Interest Rates							6.0		8.0		8.0		8.0	
(v) Controls on Interest Rates													4.6	
B. Regulation of Labor Markets													6.0	
(i) Impact of Minimum Wage													3.5	
(ii) Flexibility in Hiring and Firing													5.0	
(iii) Collective Bargaining													5.0	
(iv) Incentives from Unemployment Benefits													6.5	
(v) Military Conscription			10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													6.3	
(i) Price Controls									6.0		6.0		8.0	
(ii) Administrative Obstacles for New Businesses													6.8	
(iii) Time Spent with Government Bureaucracy													6.2	
(iv) Ease of Starting a New Business													4.7	
(v) Irregular Payments to Government Officials													5.9	

Côte d'Ivoire

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				5.3 (51)	5.6 (45)	5.2 (67)	5.7 (73)	5.9 (80)
1. Size of Government: Expenditures, Taxes and Enterprises		4.1	3.7	4.9	3.7	4.1	6.0	7.7
A. Government Consumption	6.1 (19.2)	5.3 (22.0)	5.5 (21.2)	6.1 (19.4)	6.2 (18.9)	7.4 (15.0)	7.6 (14.1)	
B. Transfers and Subsidies			9.0 (4.2)			9.4 (2.6)	9.6 (2.1)	
C. Government Enterprises and Investment	2.0 (39.6)	2.0 (39.7)	0.0 (52.4)	0.0 (66.7)	2.0 (42.1)	4.0 (32.8)	6.0 (28.0)	
D. Top Marginal Tax Rate			5.0 (45)	5.0 (45)	4.0 (45)	3.0 (49)		
2. Legal Structure and Security of Property Rights					5.7	4.8	6.2	3.5
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								
D. Military Interference								1.7
E. Integrity of Legal System							7.0	5.0
3. Access to Sound Money		6.9	5.9	4.6	6.6	6.9	4.9	6.8
A. Growth of Money Supply	8.8 (5.9)	8.3 (8.5)	7.2 (14.3)	9.0 (5.0)	9.2 (-3.9)	7.8 (10.9)	8.9 (5.6)	
B. Inflation Variability	9.2 (2.0)	6.0 (9.9)	6.2 (9.6)	7.6 (6.1)	9.3 (1.6)	3.6 (16.1)	8.8 (2.9)	
C. Recent Annual Inflation	9.4 (3.0)	9.1 (4.3)	5.2 (24.1)	9.9 (0.3)	9.1 (-4.5)	8.3 (8.5)	9.5 (2.5)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4. Freedom to Exchange with Foreigners				5.6	6.0	5.3	5.8	6.2
A. Taxes on International Trade			3.0	3.7	3.1	4.3	5.7	
(i) Taxes as Percentage of Exports and Imports			1.5 (12.8)	2.1 (11.8)	2.7 (10.9)	0.0 (17.3)	2.3 (11.6)	
(ii) Mean Tariff Rate			4.5 (27.5)	5.3 (23.3)	3.4 (33.0)	3.4 (33.0)	9.0 (4.8)	
(iii) Variability of Tariff Rates						9.4 (1.5)	5.7 (10.7)	
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	6.5	7.4	7.0	8.0	5.8	6.9	7.4	
D. Difference between Official and Black Market Exchange Rates	9.6	9.6	9.6	9.8	9.2	9.8	10.0	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(i) Access to Foreign Capital								
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
5. Regulation of Credit, Labor and Business				6.2	5.8	4.9	5.7	5.4
A. Regulation of Credit Markets		2.0	6.6	7.1	6.4	6.4	7.3	
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	8.0	8.0	
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector			9.7	9.3	9.2	7.3	7.8	
(iv) Avoidance of Negative Real Interest Rates			8.0	10.0	8.0	4.0	6.0	
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	0.0	10.0	10.0	5.0	5.0	5.0	5.0	
C. Regulation of Business								
(i) Price Controls					0.0	2.0	2.0	
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Croatia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						4.1 (112)	5.6 (92)
1. Size of Government: Expenditures, Taxes and Enterprises						2.6	3.3
A. Government Consumption						1.9 (33.4)	2.5 (31.7)
B. Transfers and Subsidies						5.9 (15.5)	4.7 (20.1)
C. Government Enterprises and Investment						0.0	2.0
D. Top Marginal Tax Rate							4.0 (35-53)
2. Legal Structure and Security of Property Rights							7.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							8.3
E. Integrity of Legal System							8.3
3. Access to Sound Money				2.5	3.4	6.2	
A. Growth of Money Supply					0.0 (62.4)	1.4 (42.8)	
B. Inflation Variability					0.0 (573.3)	9.3 (1.7)	
C. Recent Annual Inflation				0.0 (500.0)	8.4 (8.0)	8.9 (5.4)	
D. Freedom to Own Foreign Currency				5.0	5.0	5.0	
4. Freedom to Exchange with Foreigners					6.1	6.1	
A. Taxes on International Trade					7.0	7.7	
(i) Taxes as Percentage of Exports and Imports					7.0 (4.6)	7.7 (3.5)	
(ii) Mean Tariff Rate							
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector					4.8	4.5	
D. Difference between Official and Black Market Exchange Rates				0.0	8.4	10.0	
E. Restrictions on Capital Markets				0.0	2.0	0.0	
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners				0.0	2.0	0.0	
5. Regulation of Credit, Labor and Business					4.2	5.5	
A. Regulation of Credit Markets				0.0	3.4	7.7	
(i) Private Ownership of Banks				0.0	0.0	10.0	
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector					6.1	7.2	
(iv) Avoidance of Negative Real Interest Rates					4.0	6.0	
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription					3.0	3.0	
C. Regulation of Business							
(i) Price Controls				0.0	2.0	4.0	
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Cyprus

	1970		1975		1980		1985		1990		1995		2000			
Summary Ratings (Rank) ►			6.0 (19)		5.6 (41)		5.6 (45)		5.9 (41)		6.4 (43)		6.2 (70)			
1. Size of Government: Expenditures, Taxes and Enterprises			8.5		6.2		6.0		5.8		5.3		6.2		5.9	
A. Government Consumption					6.6 (17.7)		6.8 (17.0)		6.5 (18.1)		5.2 (22.4)		5.5 (21.2)		4.8 (23.8)	
B. Transfers and Subsidies			9.1 (3.9)		7.3 (10.3)		8.3 (6.6)		7.9 (8.1)		7.9 (8.3)		7.3 (10.3)		6.9 (11.9)	
C. Government Enterprises and Investment			8.0 (11.1)		8.0 (12.3)		8.0 (18.1)		8.0 (17.4)		8.0		8.0		8.0	
D. Top Marginal Tax Rate					3.0 (54)		1.0 (60)		1.0 (60)		0.0 (62)		4.0 (42)		4.0 (42)	
2. Legal Structure and Security of Property Rights									4.0		6.7		6.2		7.1	
A. Judicial Independence																
B. Impartial Courts																
C. Protection of Intellectual Property																
D. Military Interference															8.3	
E. Integrity of Legal System													7.0		8.3	
3. Access to Sound Money			4.8		5.2		5.7		6.7		7.0		7.2		6.8	
A. Growth of Money Supply							6.4 (18.0)		9.1 (4.6)		9.5 (2.3)		9.8 (1.1)		8.4 (8.2)	
B. Inflation Variability					8.6 (3.6)		9.1 (2.4)		8.9 (2.8)		9.7 (0.7)		9.6 (0.9)		9.6 (1.0)	
C. Recent Annual Inflation			9.5 (2.4)		7.2 (14.2)		7.3 (13.5)		8.9 (5.7)		8.9 (5.3)		9.5 (2.6)		9.2 (4.1)	
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners			5.6		5.7		5.7		5.8		5.4		5.5		5.8	
A. Taxes on International Trade			6.2		7.7		7.0		6.8		5.5		7.7		7.9	
(i) Taxes as Percentage of Exports and Imports			6.2 (5.7)		7.7 (3.5)		7.3 (4.0)		7.1 (4.4)		7.2 (4.2)		8.3 (2.6)		9.2 (1.3)	
(ii) Mean Tariff Rate							6.6 (17.1)		6.5 (17.6)		6.7 (16.5)		7.2 (14.0)		6.7 (16.4)	
(iii) Variability of Tariff Rates											2.5 (18.7)					
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector			3.8		3.8		4.0		4.4		4.2		2.8		2.7	
D. Difference between Official and Black Market Exchange Rates			9.8		8.8		9.2		9.8		9.0		9.0		10.0	
E. Restrictions on Capital Markets			0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(i) Access to Foreign Capital																
(ii) Restrictions on Capital Transactions with Foreigners			0.0		0.0		0.0		0.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business					6.7		5.2		5.6		5.1		7.0		5.4	
A. Regulation of Credit Markets			8.5		8.4		7.1		8.3		8.8		8.9		8.9	
(i) Private Ownership of Banks					8.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector			9.1		9.2		9.3		8.9		8.5		8.7		8.7	
(iv) Avoidance of Negative Real Interest Rates			8.0		8.0		4.0		8.0		10.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets																
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing																
(iii) Collective Bargaining																
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription							0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business																
(i) Price Controls											0.0		2.0		2.0	
(ii) Administrative Obstacles for New Businesses																
(iii) Time Spent with Government Bureaucracy																
(iv) Ease of Starting a New Business																
(v) Irregular Payments to Government Officials																

Czech Republic

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						5.8 (69)	7.0 (38)
1. Size of Government: Expenditures, Taxes and Enterprises						3.6	5.3
A. Government Consumption						3.0	4.0
B. Transfers and Subsidies					0.0 (37.2)	(29.7)	(26.5)
C. Government Enterprises and Investment						(28.4)	(28.6)
D. Top Marginal Tax Rate						4.0	8.0
						5.0	7.0
						(43)	(32)
2. Legal Structure and Security of Property Rights				6.8	7.2	6.1	6.9
A. Judicial Independence						6.2	6.0
B. Impartial Courts						3.6	4.5
C. Protection of Intellectual Property						4.5	5.6
D. Military Interference							10.0
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money						6.0	9.2
A. Growth of Money Supply						6.0	9.3
B. Inflation Variability						(20.0)	(3.5)
C. Recent Annual Inflation						4.9	8.5
D. Freedom to Own Foreign Currency						(12.8)	(3.8)
						7.9	9.2
						(10.4)	(3.9)
						5.0	10.0
4. Freedom to Exchange with Foreigners						7.8	7.8
A. Taxes on International Trade						8.4	6.7
(i) Taxes as Percentage of Exports and Imports						9.2	9.7
(ii) Mean Tariff Rate						(1.1)	(0.5)
(iii) Variability of Tariff Rates						8.7	8.6
						(6.7)	(6.8)
B. Regulatory Trade Barriers						7.4	1.9
(i) Hidden Import Barriers						(6.4)	(20.2)
(ii) Costs of Importing						7.4	7.9
C. Size of Trade Sector						7.4	7.3
D. Difference between Official and Black Market Exchange Rates						7.4	8.5
E. Restrictions on Capital Markets						10.0	7.4
(i) Access to Foreign Capital						10.0	10.0
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	5.7	7.0
						6.4	7.9
	0.0	0.0	0.0	0.0	0.0	5.0	6.2
5. Regulation of Credit, Labor and Business					3.2	5.4	5.7
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	0.0	5.6	5.7
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	5.0	2.0
(ii) Competition from Foreign Banks						5.1	4.9
(iii) Extension of Credit to Private Sector						6.5	8.0
(iv) Avoidance of Negative Real Interest Rates						6.0	8.0
(v) Controls on Interest Rates						6.1	6.3
B. Regulation of Labor Markets						5.0	5.2
(i) Impact of Minimum Wage						6.6	5.1
(ii) Flexibility in Hiring and Firing					5.6	5.6	5.3
(iii) Collective Bargaining						5.2	7.7
(iv) Incentives from Unemployment Benefits						4.8	5.0
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	3.0	3.0
C. Regulation of Business						5.4	6.1
(i) Price Controls					0.0	6.0	4.0
(ii) Administrative Obstacles for New Businesses							7.8
(iii) Time Spent with Government Bureaucracy						5.9	8.1
(iv) Ease of Starting a New Business						6.0	5.5
(v) Irregular Payments to Government Officials						3.9	4.9

Denmark

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.5 (18)	5.7 (26)	5.9 (26)	6.0 (29)	6.6 (23)	7.4 (15)	7.6 (13)
1. Size of Government: Expenditures, Taxes and Enterprises	4.9	3.6	3.1	3.1	2.9	3.2	3.7
A. Government Consumption	3.7 (27.3)	2.2 (32.4)	1.8 (34.0)	2.0 (33.2)	1.7 (34.3)	1.9 (33.6)	1.7 (34.1)
B. Transfers and Subsidies		5.3 (17.8)	4.5 (20.8)	4.6 (20.4)	4.0 (22.6)	2.9 (26.5)	4.3 (21.6)
C. Government Enterprises and Investment	6.0	6.0 (27.3)	6.0 (25.0)	6.0 (26.0)	6.0 (20.3)	7.0 (24.9)	7.0
D. Top Marginal Tax Rate		1.0 (63)	0.0 (66)	0.0 (73)	0.0 (68)	1.0 (64)	2.0 (59)
2. Legal Structure and Security of Property Rights	8.2	6.2	7.2	7.9	8.3	8.9	9.5
A. Judicial Independence						8.8	9.4
B. Impartial Courts						9.5	9.5
C. Protection of Intellectual Property						7.4	8.8
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.7	6.2	6.7	6.4	9.4	9.7	9.6
A. Growth of Money Supply	8.9 (5.6)	8.0 (9.8)	8.6 (7.0)	7.5 (12.5)	8.5 (7.4)	9.6 (1.9)	9.1 (4.3)
B. Inflation Variability	9.7 (0.7)	9.2 (2.0)	9.7 (0.8)	9.0 (2.4)	9.7 (0.7)	9.8 (0.6)	9.8 (0.4)
C. Recent Annual Inflation	8.3 (8.3)	7.5 (12.4)	8.4 (8.2)	9.1 (4.3)	9.3 (3.4)	9.6 (2.1)	9.4 (2.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	7.1	6.8	6.7	7.1	6.7	7.8	8.1
A. Taxes on International Trade	8.7	8.8	9.0	9.1	8.5	8.7	9.0
(i) Taxes as Percentage of Exports and Imports	8.7 (1.9)	9.4 (0.9)	9.7 (0.5)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate		8.2 (9.0)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						9.1	9.4
(i) Hidden Import Barriers						9.1	9.0
(ii) Costs of Importing							9.8
C. Size of Trade Sector	4.8	3.4	3.2	4.2	3.3	2.4	3.0
D. Difference between Official and Black Market Exchange Rates	10.0	9.8	9.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	5.0	5.0	8.8	9.0
(i) Access to Foreign Capital						9.5	9.5
(ii) Restrictions on Capital Transactions with Foreigners	5.0	5.0	5.0	5.0	5.0	8.0	8.5
5. Regulation of Credit, Labor and Business	5.5	5.8	5.7	5.6	5.9	7.5	7.2
A. Regulation of Credit Markets	9.0	9.1	9.4	9.1	9.3	9.2	9.3
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						8.8	8.2
(iii) Extension of Credit to Private Sector		9.3	8.2	7.2	8.0	8.2	9.0
(iv) Avoidance of Negative Real Interest Rates	8.0	8.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.7	9.5
B. Regulation of Labor Markets	4.1	4.0	3.5	3.5	4.7	4.8	4.6
(i) Impact of Minimum Wage						3.7	4.8
(ii) Flexibility in Hiring and Firing					8.1	8.1	6.5
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	4.9
(iv) Incentives from Unemployment Benefits	4.1	3.7	2.2	2.3	2.4	4.2	4.0
(v) Military Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business						8.5	7.6
(i) Price Controls					7.0	9.0	7.0
(ii) Administrative Obstacles for New Businesses							7.1
(iii) Time Spent with Government Bureaucracy						8.9	8.2
(iv) Ease of Starting a New Business						6.3	6.5
(v) Irregular Payments to Government Officials						10.0	9.3

Dominican Republic

		1970			1975			1980			1985			1990			1995			2000
Summary Ratings (Rank) ►								5.9 (26)			5.5 (52)			4.6 (92)			5.9 (65)			6.7 (51)
1. Size of Government: Expenditures, Taxes and Enterprises			7.8		5.7		5.7		6.2		6.4		8.6		8.6		9.0		(9.6)	
A. Government Consumption			7.9	(13.1)	9.4	(7.9)	9.1	(9.0)	9.4	(8.2)	10.0	(6.0)	9.9	(6.4)	9.3	(3.2)				
B. Transfers and Subsidies			9.6	(2.0)	9.5	(2.5)	9.7	(1.6)	9.5	(2.5)	9.7	(1.5)	9.7	(1.7)	7.0	(22.2)				
C. Government Enterprises and Investment			6.0	(26.7)	4.0	(32.7)	4.0	(31.7)	6.0	(29.3)	6.0	(26.9)	6.0	(29.8)	9.0	(25)				
D. Top Marginal Tax Rate					0.0	(73)	0.0	(73)	0.0	(73)	0.0	(73)	9.0	(25)	9.0	(25)				
2. Legal Structure and Security of Property Rights							5.8		5.4		5.3		4.1		4.3					
A. Judicial Independence																				
B. Impartial Courts																				
C. Protection of Intellectual Property															2.9					
D. Military Interference															5.0					
E. Integrity of Legal System													4.1		5.0					
3. Access to Sound Money			7.2		5.6		7.4		3.8		1.5		4.2		7.5					
A. Growth of Money Supply			10.0	(-0.1)	8.3	(8.6)	9.3	(3.7)	7.3	(13.5)	2.7	(36.6)	7.5	(12.7)	7.7	(11.3)				
B. Inflation Variability			9.1	(2.2)	7.4	(6.6)	8.1	(4.6)	3.0	(17.5)	3.5	(16.3)	2.0	(20.0)	8.8	(3.0)				
C. Recent Annual Inflation			9.6	(2.1)	6.6	(17.0)	7.3	(13.7)	0.0	(50.5)	0.0	(51.1)	7.5	(12.6)	8.5	(7.7)				
D. Freedom to Own Foreign Currency			0.0		0.0		5.0		5.0		0.0		0.0		5.0					
4. Freedom to Exchange with Foreigners			3.7		3.8		3.8		5.5		4.2		5.8		6.5					
A. Taxes on International Trade			0.0		0.0		3.5		5.7		5.1		5.0		5.8					
(i) Taxes as Percentage of Exports and Imports			0.0	(16.5)	0.0	(16.1)	3.5	(9.8)	5.7	(6.5)	5.8	(6.3)	4.0	(9.0)	4.1	(8.9)				
(ii) Mean Tariff Rate											4.4	(28.0)	6.0	(20.0)	7.1	(14.5)				
(iii) Variability of Tariff Rates															6.3	(9.2)				
B. Regulatory Trade Barriers															3.3					
(i) Hidden Import Barriers															3.3					
(ii) Costs of Importing																				
C. Size of Trade Sector			2.6		4.5		2.6		4.3		5.7		4.0		6.8					
D. Difference between Official and Black Market Exchange Rates			5.6		4.4		2.6		7.2		0.0		9.6		10.0					
E. Restrictions on Capital Markets			2.0		2.0		2.0		2.0		2.0		2.0		6.5					
(i) Access to Foreign Capital															8.4					
(ii) Restrictions on Capital Transactions with Foreigners			2.0		2.0		2.0		2.0		2.0		2.0		4.6					
5. Regulation of Credit, Labor and Business							6.8		6.6		5.7		7.0		6.7					
A. Regulation of Credit Markets			6.7		7.6		7.8		7.3		6.0		9.0		8.2					
(i) Private Ownership of Banks							8.0		8.0		10.0		10.0		10.0					
(ii) Competition from Foreign Banks															5.8					
(iii) Extension of Credit to Private Sector			6.7		7.6		7.6		6.7		8.0		8.9		9.2					
(iv) Avoidance of Negative Real Interest Rates											0.0		8.0		8.0					
(v) Controls on Interest Rates															5.8					
B. Regulation of Labor Markets															5.9					
(i) Impact of Minimum Wage															2.9					
(ii) Flexibility in Hiring and Firing															5.2					
(iii) Collective Bargaining															5.6					
(iv) Incentives from Unemployment Benefits																				
(v) Military Conscription			3.0		3.0		10.0		10.0		10.0		10.0		10.0					
C. Regulation of Business															6.0					
(i) Price Controls											4.0		6.0		6.0					
(ii) Administrative Obstacles for New Businesses															7.4					
(iii) Time Spent with Government Bureaucracy															5.2					
(iv) Ease of Starting a New Business															5.5					
(v) Irregular Payments to Government Officials															5.7					

Ecuador

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.4 (52)	5.5 (32)	5.8 (30)	4.9 (74)	5.4 (54)	6.3 (50)	5.3 (101)
1. Size of Government: Expenditures, Taxes and Enterprises	5.0	5.1	5.5	5.1	7.5	8.5	8.7
A. Government Consumption	8.0 (12.8)	6.4 (18.2)	6.0 (19.6)	7.3 (15.1)	8.5 (11.2)	7.2 (15.7)	7.9 (13.3)
B. Transfers and Subsidies			8.8 (4.9)	9.0 (4.0)	9.5 (2.3)	9.7 (1.5)	9.9 (1.0)
C. Government Enterprises and Investment	2.0 (40.1)	4.0 (37.5)	2.0 (40.2)	2.0 (41.3)	7.0 (21.7)	8.0 (18.3)	8.0 (18.1)
D. Top Marginal Tax Rate		5.0 (50)	5.0 (50)	2.0 (58)	5.0 (40)	9.0 (25)	9.0 (25)
2. Legal Structure and Security of Property Rights	2.8	3.9	5.9	5.3	5.2	4.1	3.3
A. Judicial Independence							2.7
B. Impartial Courts							2.5
C. Protection of Intellectual Property							3.0
D. Military Interference							3.3
E. Integrity of Legal System						4.1	5.0
3. Access to Sound Money	6.2	7.3	7.9	6.4	3.8	6.1	3.3
A. Growth of Money Supply	7.4 (13.3)	6.7 (16.5)	7.3 (13.7)	6.0 (19.9)	1.9 (40.5)	3.1 (34.4)	3.1 (34.3)
B. Inflation Variability	9.3 (1.8)	4.5 (13.7)	8.4 (4.1)	5.9 (10.4)	3.3 (16.8)	5.8 (10.5)	0.0 (29.9)
C. Recent Annual Inflation	8.2 (9.1)	8.0 (10.0)	6.1 (19.5)	3.8 (30.9)	0.0 (54.0)	5.4 (23.2)	0.0 (96.1)
D. Freedom to Own Foreign Currency	0.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	3.7	5.8	5.5	3.9	5.8	6.7	7.0
A. Taxes on International Trade	0.4	4.1	5.2	4.2	3.3	7.7	7.1
(i) Taxes as Percentage of Exports and Imports	0.4 (14.4)	4.1 (8.9)	5.2 (7.2)	5.9 (6.2)	7.3 (4.0)	7.7 (3.5)	6.5 (5.2)
(ii) Mean Tariff Rate				2.5 (37.7)	2.6 (37.1)	7.5 (12.3)	7.4 (12.9)
(iii) Variability of Tariff Rates					0.0 (27.0)	7.8 (5.6)	7.5 (6.3)
B. Regulatory Trade Barriers							4.7
(i) Hidden Import Barriers							3.1
(ii) Costs of Importing							6.3
C. Size of Trade Sector	2.4	6.0	4.6	4.7	5.7	5.0	5.3
D. Difference between Official and Black Market Exchange Rates	5.6	9.0	7.4	0.4	10.0	7.6	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	5.0	7.7
(i) Access to Foreign Capital							9.2
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	5.0	6.2
5. Regulation of Credit, Labor and Business			4.5	3.9	4.5	6.4	4.4
A. Regulation of Credit Markets	5.3	5.7	5.4	3.7	5.8	7.8	4.9
(i) Private Ownership of Banks			5.0	5.0	8.0	8.0	2.0
(ii) Competition from Foreign Banks							3.8
(iii) Extension of Credit to Private Sector	5.3	5.7	7.3	6.2	9.4	9.3	7.9
(iv) Avoidance of Negative Real Interest Rates			4.0	0.0	0.0	6.0	6.0
(v) Controls on Interest Rates							2.5
B. Regulation of Labor Markets							3.6
(i) Impact of Minimum Wage							3.5
(ii) Flexibility in Hiring and Firing							3.4
(iii) Collective Bargaining							4.3
(iv) Incentives from Unemployment Benefits							3.7
(v) Military Conscription	0.0	0.0	0.0	0.0	3.0	3.0	3.0
C. Regulation of Business							4.7
(i) Price Controls					0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							5.3
(iii) Time Spent with Government Bureaucracy							5.3
(iv) Ease of Starting a New Business							4.0
(v) Irregular Payments to Government Officials							4.9

Egypt

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.1 (62)	4.5 (76)	5.0 (69)	4.7 (83)	5.8 (69)	6.7 (51)
1. Size of Government: Expenditures, Taxes and Enterprises	2.9	2.9	3.4	4.0	4.9	5.2	6.5
A. Government Consumption	3.7 (27.4)	3.4 (28.4)	6.3 (18.5)	5.8 (20.2)	7.8 (13.6)	8.1 (12.4)	8.3 (11.9)
B. Transfers and Subsidies		3.3 (25.0)	5.4 (17.2)	6.3 (13.9)	7.7 (8.9)	7.8 (8.5)	8.9 (4.6)
C. Government Enterprises and Investment	2.0 (47.0)	2.0 (43.8)	2.0 (39.7)	2.0 (30.7)	2.0 (37.8)	2.0 (34.0)	2.0 (32.5)
D. Top Marginal Tax Rate			0.0 (80)	2.0 (65)	2.0 (65)	3.0 (50)	7.0 (34)
2. Legal Structure and Security of Property Rights	1.1	3.3	2.8	5.4	3.5	4.6	5.9
A. Judicial Independence						5.9	6.8
B. Impartial Courts						3.3	5.7
C. Protection of Intellectual Property						4.9	5.2
D. Military Interference							5.0
E. Integrity of Legal System						4.1	6.7
3. Access to Sound Money	7.2	5.8	7.5	8.8	8.1	7.5	9.4
A. Growth of Money Supply	9.6 (-1.8)	6.9 (15.5)	5.4 (22.9)	8.3 (8.5)	8.6 (6.8)	8.8 (5.9)	9.1 (4.6)
B. Inflation Variability	9.5 (1.3)	8.3 (4.2)	8.1 (4.7)	8.6 (3.4)	7.4 (6.6)	8.2 (4.5)	8.9 (2.7)
C. Recent Annual Inflation	9.6 (2.2)	7.9 (10.4)	6.4 (18.0)	8.2 (9.0)	6.3 (18.4)	8.1 (9.4)	9.5 (2.7)
D. Freedom to Own Foreign Currency	0.0	0.0	10.0	10.0	10.0	5.0	10.0
4. Freedom to Exchange with Foreigners		4.6	4.5	2.2	2.5	6.1	6.3
A. Taxes on International Trade		0.0	0.9	1.7	3.1	3.1	3.7
(i) Taxes as Percentage of Exports and Imports		0.0 (16.7)	1.3 (13.1)	1.9 (12.1)	6.1 (5.9)	4.8 (7.8)	5.1 (7.3)
(ii) Mean Tariff Rate			0.5 (47.4)	1.4 (42.8)	3.3 (33.5)	4.3 (28.3)	5.9 (20.5)
(iii) Variability of Tariff Rates					0.0 (425.8)	0.0 (28.9)	0.0 (39.5)
B. Regulatory Trade Barriers						4.5	5.6
(i) Hidden Import Barriers						4.5	4.5
(ii) Costs of Importing							6.7
C. Size of Trade Sector	5.0	8.4	9.0	7.0	6.8	6.2	4.7
D. Difference between Official and Black Market Exchange Rates	0.0	9.8	8.2	0.0	0.0	9.4	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	7.1	7.3
(i) Access to Foreign Capital						9.2	9.2
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	5.0	5.4
5. Regulation of Credit, Labor and Business			4.5	4.8	4.6	5.4	5.4
A. Regulation of Credit Markets		5.0	3.9	5.2	5.1	6.6	6.9
(i) Private Ownership of Banks		5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks						6.7	5.8
(iii) Extension of Credit to Private Sector			2.8	4.6	4.3	4.7	6.8
(iv) Avoidance of Negative Real Interest Rates			4.0	6.0	6.0	10.0	10.0
(v) Controls on Interest Rates						5.5	5.1
B. Regulation of Labor Markets					4.0	5.6	4.0
(i) Impact of Minimum Wage						8.3	4.2
(ii) Flexibility in Hiring and Firing					4.0	4.0	3.1
(iii) Collective Bargaining			7.9	7.9	7.9	7.9	7.5
(iv) Incentives from Unemployment Benefits						7.6	5.3
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business						4.1	5.2
(i) Price Controls					2.0	2.0	4.0
(ii) Administrative Obstacles for New Businesses							7.5
(iii) Time Spent with Government Bureaucracy						4.7	2.8
(iv) Ease of Starting a New Business						6.0	5.8
(v) Irregular Payments to Government Officials						3.7	5.8

El Salvador

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				4.4 (81)	4.6 (83)	4.8 (81)	7.5 (13)	7.2 (30)
1. Size of Government: Expenditures, Taxes and Enterprises		8.1	7.3	6.3	6.4	7.1	8.6	8.4
A. Government Consumption	8.1 (12.4)	7.8 (13.5)	7.0 (16.3)	7.1 (16.0)	8.8 (10.0)	9.1 (9.0)	8.7 (10.4)	
B. Transfers and Subsidies		9.5 (2.5)	9.4 (2.7)	9.6 (2.0)	9.8 (1.4)	9.2 (3.3)	10.0 (0.1)	
C. Government Enterprises and Investment	8.0 (11.2)	8.0 (10.8)	6.0 (20.2)	6.0 (28.4)	8.0 (20.0)	8.0 (19.0)	7.0 (23.4)	
D. Top Marginal Tax Rate		4.0 (55)	3.0 (60)	3.0 (48)	2.0 (60)	8.0 (30)	8.0 (30)	
2. Legal Structure and Security of Property Rights				2.5	2.0	2.0	6.2	4.5
A. Judicial Independence								4.3
B. Impartial Courts								4.2
C. Protection of Intellectual Property								4.1
D. Military Interference								5.0
E. Integrity of Legal System							7.0	5.0
3. Access to Sound Money		7.0	5.9	5.3	5.5	5.0	8.7	9.4
A. Growth of Money Supply	9.8 (-0.9)	7.5 (12.5)	7.0 (14.9)	7.8 (10.9)	7.5 (12.7)	7.4 (12.8)	9.5 (-2.7)	
B. Inflation Variability	9.2 (2.1)	8.3 (4.4)	7.4 (6.5)	8.2 (4.4)	7.0 (7.5)	9.4 (1.5)	8.5 (3.8)	
C. Recent Annual Inflation	9.0 (4.8)	8.0 (9.9)	6.6 (17.0)	6.0 (20.2)	5.5 (22.5)	7.9 (10.4)	9.5 (2.3)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	10.0	10.0	
4. Freedom to Exchange with Foreigners		4.7	5.4	3.5	3.7	4.8	6.6	7.4
A. Taxes on International Trade	3.7	5.7	3.1	5.3	6.5	7.5	8.0	
(i) Taxes as Percentage of Exports and Imports	3.7 (9.4)	5.7 (6.4)	5.9 (6.2)	5.3 (7.1)	7.3 (4.1)	7.6 (3.6)	8.7 (2.0)	
(ii) Mean Tariff Rate			0.4 (48.0)		5.8 (21.1)	8.0 (10.2)	8.7 (6.7)	
(iii) Variability of Tariff Rates						7.0 (7.6)	6.7 (8.2)	
B. Regulatory Trade Barriers							7.1	
(i) Hidden Import Barriers							5.7	
(ii) Costs of Importing							8.5	
C. Size of Trade Sector	2.9	5.0	4.1	2.9	2.1	2.7	2.7	
D. Difference between Official and Black Market Exchange Rates	6.4	6.0	0.0	0.0	5.2	9.8	10.0	
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	5.0	8.9	
(i) Access to Foreign Capital							8.6	
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	5.0	9.2	
5. Regulation of Credit, Labor and Business					5.4	5.2	7.4	6.4
A. Regulation of Credit Markets	9.9	9.8	9.8	8.7	8.6	9.7	8.0	
(i) Private Ownership of Banks								
(ii) Competition from Foreign Banks							4.6	
(iii) Extension of Credit to Private Sector	9.9	9.8	9.8	9.3	9.3	9.5	9.4	
(iv) Avoidance of Negative Real Interest Rates				8.0	8.0	10.0	10.0	
(v) Controls on Interest Rates							7.4	
B. Regulation of Labor Markets							4.8	
(i) Impact of Minimum Wage							3.1	
(ii) Flexibility in Hiring and Firing							4.9	
(iii) Collective Bargaining							7.7	
(iv) Incentives from Unemployment Benefits							5.5	
(v) Military Conscription	3.0		3.0	0.0	0.0	0.0	3.0	
C. Regulation of Business							6.4	
(i) Price Controls					4.0	6.0	8.0	
(ii) Administrative Obstacles for New Businesses							7.3	
(iii) Time Spent with Government Bureaucracy							5.4	
(iv) Ease of Starting a New Business							5.8	
(v) Irregular Payments to Government Officials							5.6	

Estonia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						5.4 (80)	7.1 (35)
1. Size of Government: Expenditures, Taxes and Enterprises						4.9	5.9
A. Government Consumption					5.7 (20.5)	3.2 (29.1)	3.7 (27.3)
B. Transfers and Subsidies						6.4 (13.6)	6.0 (15.3)
C. Government Enterprises and Investment						2.0	6.0
D. Top Marginal Tax Rate						8.0 (26)	8.0 (26)
2. Legal Structure and Security of Property Rights							6.7
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							5.0
D. Military Interference							8.3
E. Integrity of Legal System							6.7
3. Access to Sound Money			8.8	4.5		2.3	7.7
A. Growth of Money Supply						0.0 (74.6)	5.7 (21.4)
B. Inflation Variability			8.7 (3.4)	5.2 (12.1)		0.0 (323.0)	5.8 (10.5)
C. Recent Annual Inflation			8.9 (-5.6)	3.3 (33.7)		4.2 (29.0)	9.2 (4.0)
D. Freedom to Own Foreign Currency				5.0		5.0	10.0
4. Freedom to Exchange with Foreigners						8.6	8.7
A. Taxes on International Trade					9.8	9.8	10.0
(i) Taxes as Percentage of Exports and Imports					9.8 (0.3)	9.9 (0.1)	10.0 (0.0)
(ii) Mean Tariff Rate						10.0 (0.1)	10.0 (0.1)
(iii) Variability of Tariff Rates						9.5 (1.2)	
B. Regulatory Trade Barriers							8.3
(i) Hidden Import Barriers							8.3
(ii) Costs of Importing							
C. Size of Trade Sector						7.0	7.4
D. Difference between Official and Black Market Exchange Rates					0.0	10.0	10.0
E. Restrictions on Capital Markets					0.0	8.0	7.8
(i) Access to Foreign Capital							9.5
(ii) Restrictions on Capital Transactions with Foreigners					0.0	8.0	6.2
5. Regulation of Credit, Labor and Business					2.5	5.6	6.5
A. Regulation of Credit Markets					0.0	4.3	7.6
(i) Private Ownership of Banks					0.0	5.0	8.0
(ii) Competition from Foreign Banks							6.6
(iii) Extension of Credit to Private Sector						7.9	9.6
(iv) Avoidance of Negative Real Interest Rates						0.0	6.0
(v) Controls on Interest Rates							8.9
B. Regulation of Labor Markets							4.7
(i) Impact of Minimum Wage							2.9
(ii) Flexibility in Hiring and Firing							4.6
(iii) Collective Bargaining							8.5
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription					0.0	3.0	3.0
C. Regulation of Business						8.1	7.1
(i) Price Controls					0.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							7.6
(iii) Time Spent with Government Bureaucracy						8.5	7.2
(iv) Ease of Starting a New Business						8.5	8.0
(v) Irregular Payments to Government Officials						9.6	6.9

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		5.4 (38)	5.6 (41)	5.9 (34)	5.9 (41)	6.2 (56)	6.2 (70)
1. Size of Government: Expenditures, Taxes and Enterprises	5.3	6.0	4.8	4.7	5.2	5.9	5.9
A. Government Consumption	6.6 (17.7)	7.4 (15.0)	5.6 (21.1)	5.0 (23.1)	5.9 (19.9)	5.5 (21.4)	5.3 (21.8)
B. Transfers and Subsidies		9.6 (1.9)	9.5 (2.5)	8.9 (4.5)	9.9 (1.0)	9.2 (3.5)	9.3 (2.9)
C. Government Enterprises and Investment	4.0 (29.8)	4.0 (30.0)	2.0 (45.0)	2.0 (37.0)	2.0 (62.0)	2.0	2.0
D. Top Marginal Tax Rate		3.0 (53)	2.0 (53)	3.0 (50)	3.0 (50)	7.0 (35)	7.0 (34)
2. Legal Structure and Security of Property Rights							
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							
E. Integrity of Legal System							
3. Access to Sound Money	8.6	4.8	6.0	6.5	6.3	6.9	6.6
A. Growth of Money Supply	8.7 (6.4)	7.5 (11.2)	9.8 (-1.3)	9.1 (4.5)	7.5 (12.3)	9.0 (4.9)	7.4 (12.8)
B. Inflation Variability	8.5 (3.8)	6.4 (9.0)	7.7 (5.7)	8.4 (3.9)	9.2 (2.1)	9.1 (2.4)	9.2 (1.9)
C. Recent Annual Inflation	8.6 (6.8)	5.1 (24.3)	6.5 (17.3)	8.5 (7.5)	8.6 (7.1)	9.7 (1.6)	9.8 (1.1)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	5.6	6.1	6.2	6.2	6.4	6.4	6.2
A. Taxes on International Trade	4.3	5.6	6.1	4.7	5.7	6.6	7.3
(i) Taxes as Percentage of Exports and Imports	4.3 (8.6)	5.6 (6.6)	6.1 (5.8)	4.7 (7.9)	5.7 (6.4)	6.6 (5.1)	7.0 (4.5)
(ii) Mean Tariff Rate							7.5 (12.4)
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	5.9	4.9	5.1	4.9	6.7	5.3	5.9
D. Difference between Official and Black Market Exchange Rates	4.8	6.6	6.4	8.4	9.2	9.8	9.4
E. Restrictions on Capital Markets	5.0	5.0	5.0	5.0	2.0	2.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	5.0	5.0	5.0	5.0	2.0	2.0	0.0
5. Regulation of Credit, Labor and Business		4.9	5.7	6.0	5.7	5.6	5.9
A. Regulation of Credit Markets	7.3	3.0	5.1	5.9	5.4	6.2	6.1
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	2.0	2.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	7.3	7.1	7.3	7.7	8.3	8.5	8.3
(iv) Avoidance of Negative Real Interest Rates		0.0	6.0	8.0	6.0	8.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Finland

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.7 (13)	5.6 (29)	6.3 (19)	6.4 (20)	6.5 (26)	7.3 (18)	7.7 (11)
1. Size of Government: Expenditures, Taxes and Enterprises	6.4	5.0	4.7	4.4	3.8	3.8	4.3
A. Government Consumption	5.8 (20.3)	4.9 (23.4)	4.4 (24.9)	3.8 (27.0)	3.3 (28.7)	3.3 (28.7)	3.1 (29.5)
B. Transfers and Subsidies		6.3 (14.1)	6.2 (14.3)	5.8 (15.8)	5.8 (16.0)	3.9 (22.8)	5.2 (18.2)
C. Government Enterprises and Investment	7.0 (22.4)	7.0 (18.9)	7.0 (23.3)	7.0 (24.2)	6.0 (29.3)	6.0 (42.2)	6.0
D. Top Marginal Tax Rate		2.0 (61-68)	1.0 (65-71)	1.0 (64-70)	0.0 (63-69)	2.0 (55-61)	3.0 (52-59)
2. Legal Structure and Security of Property Rights	7.1	5.0	6.8	7.9	8.3	9.1	9.5
A. Judicial Independence						9.8	9.7
B. Impartial Courts						9.4	8.9
C. Protection of Intellectual Property						7.2	8.9
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	8.0	6.6	7.8	7.8	9.3	8.3	9.3
A. Growth of Money Supply	8.8 (5.8)	6.2 (18.8)	8.9 (5.5)	7.9 (10.3)	8.6 (6.8)	3.9 (30.3)	8.3 (8.5)
B. Inflation Variability	8.8 (3.1)	7.9 (5.3)	9.3 (1.8)	9.3 (1.9)	9.6 (0.9)	9.7 (0.7)	9.6 (0.9)
C. Recent Annual Inflation	9.2 (3.9)	7.3 (13.3)	8.1 (9.8)	8.9 (5.3)	8.8 (5.8)	9.5 (2.4)	9.3 (3.4)
D. Freedom to Own Foreign Currency	5.0	5.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.5	6.0	6.3	6.4	5.7	8.2	8.3
A. Taxes on International Trade	9.0	8.1	8.7	9.2	8.0	8.7	9.0
(i) Taxes as Percentage of Exports and Imports	9.0 (1.5)	8.9 (1.6)	9.5 (0.8)	9.7 (0.4)	9.6 (0.6)	9.9 (0.2)	9.7 (0.5)
(ii) Mean Tariff Rate		7.4 (13.2)	7.9 (10.4)	8.6 (7.0)	8.5 (7.7)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					6.0 (10.1)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						9.3	9.8
(i) Hidden Import Barriers						9.3	9.7
(ii) Costs of Importing							9.8
C. Size of Trade Sector	5.1	4.2	4.8	4.4	2.8	4.5	4.6
D. Difference between Official and Black Market Exchange Rates	10.0	9.8	9.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	8.7	8.1
(i) Access to Foreign Capital						9.4	10.0
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	8.0	6.2
5. Regulation of Credit, Labor and Business	5.4	5.5	5.7	5.8	5.5	7.1	7.0
A. Regulation of Credit Markets	9.6	9.0	8.6	9.3	9.3	9.0	8.8
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						8.9	8.1
(iii) Extension of Credit to Private Sector	9.6	9.9	9.9	9.9	10.0	9.0	9.0
(iv) Avoidance of Negative Real Interest Rates			8.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.8	8.9
B. Regulation of Labor Markets	4.6	4.1	4.1	3.8	3.7	3.5	3.3
(i) Impact of Minimum Wage						4.1	4.7
(ii) Flexibility in Hiring and Firing					3.9	3.9	3.2
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	2.9
(iv) Incentives from Unemployment Benefits	6.2	4.9	4.9	3.9	3.5	2.0	2.8
(v) Military Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business						8.9	8.8
(i) Price Controls					6.0	9.0	9.0
(ii) Administrative Obstacles for New Businesses							8.0
(iii) Time Spent with Government Bureaucracy						8.5	8.5
(iv) Ease of Starting a New Business						8.5	8.8
(v) Irregular Payments to Government Officials						9.6	9.6

France

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.3 (23)	5.5 (32)	5.8 (30)	5.8 (38)	6.7 (20)	6.8 (36)	7.0 (38)
1. Size of Government: Expenditures, Taxes and Enterprises	5.0	4.5	3.7	3.1	3.8	3.3	2.5
A. Government Consumption	5.8 (20.2)	5.3 (22.0)	4.8 (23.5)	4.7 (24.1)	4.8 (23.5)	2.9 (30.3)	1.9 (33.7)
B. Transfers and Subsidies	5.1 (18.5)	3.6 (24.0)	3.0 (26.1)	2.8 (26.8)	3.3 (25.2)	2.5 (27.9)	2.3 (28.8)
C. Government Enterprises and Investment	4.0	4.0	4.0 (27.4)	4.0 (33.2)	4.0 (35.0)	4.0 (30.0)	4.0
D. Top Marginal Tax Rate		5.0 (48)	3.0 (60)	1.0 (65)	3.0 (53)	4.0 (51)	2.0 (54)
2. Legal Structure and Security of Property Rights	7.4	4.9	6.8	7.2	7.7	7.4	8.1
A. Judicial Independence						6.6	6.3
B. Impartial Courts						5.6	8.0
C. Protection of Intellectual Property						7.3	9.4
D. Military Interference							8.3
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money	7.1	6.2	6.3	6.6	9.6	9.8	9.5
A. Growth of Money Supply	10.0 (0.2)	8.3 (8.4)	8.0 (10.2)	8.4 (8.1)	9.4 (2.8)	9.9 (-0.7)	8.4 (8.0)
B. Inflation Variability	9.4 (1.4)	8.9 (2.6)	9.7 (0.8)	9.1 (2.3)	9.6 (0.9)	9.7 (0.7)	9.8 (0.5)
C. Recent Annual Inflation	8.9 (5.6)	7.4 (13.0)	7.7 (11.4)	8.8 (5.8)	9.4 (3.1)	9.7 (1.6)	9.7 (1.7)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.5	6.3	6.2	6.4	7.1	7.5	8.1
A. Taxes on International Trade	9.7	8.9	9.0	9.1	8.5	8.7	9.0
(i) Taxes as Percentage of Exports and Imports	9.7 (0.4)	9.9 (0.1)	9.7 (0.5)	9.7 (0.4)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate		7.8 (11.0)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						7.7	8.8
(i) Hidden Import Barriers						7.7	8.4
(ii) Costs of Importing							9.2
C. Size of Trade Sector	4.8	4.2	4.6	5.3	4.8	4.2	4.8
D. Difference between Official and Black Market Exchange Rates	9.6	10.0	9.4	9.2	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.0	6.8	8.0
(i) Access to Foreign Capital						8.6	9.1
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	5.0	5.0	6.9
5. Regulation of Credit, Labor and Business	5.5	5.8	5.7	5.7	5.5	6.1	7.0
A. Regulation of Credit Markets	8.5	9.2	8.9	8.8	9.0	8.8	8.7
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						6.8	6.7
(iii) Extension of Credit to Private Sector	9.4	9.5	8.7	8.5	9.0	8.4	8.2
(iv) Avoidance of Negative Real Interest Rates	6.0	8.0	8.0	8.0	8.0	10.0	10.0
(v) Controls on Interest Rates						6.8	6.2
B. Regulation of Labor Markets	3.4	4.0	3.9	3.8	3.8	3.4	5.0
(i) Impact of Minimum Wage						2.6	4.5
(ii) Flexibility in Hiring and Firing					4.2	4.2	1.7
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	5.5
(iv) Incentives from Unemployment Benefits	4.8	4.7	4.3	4.0	3.7	2.6	3.2
(v) Military Conscription	1.0	3.0	3.0	3.0	3.0	3.0	10.0
C. Regulation of Business						6.1	7.3
(i) Price Controls					6.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses							7.7
(iii) Time Spent with Government Bureaucracy						6.3	8.1
(iv) Ease of Starting a New Business						3.4	5.2
(v) Irregular Payments to Government Officials						6.8	7.7

Gabon

		1970	1975		1980		1985		1990		1995		2000			
Summary Ratings (Rank) ►					4.2 (85)		5.3 (59)		5.3 (62)		5.4 (80)		5.2 (105)			
1. Size of Government: Expenditures, Taxes and Enterprises			1.7		4.3		1.9		4.6		5.1		4.8	3.7		
A. Government Consumption			1.5	(34.9)	1.7	(34.2)	1.9	(33.6)	0.4	(38.7)	5.5	(21.2)	4.3	(25.3)	4.1	(26.2)
B. Transfers and Subsidies					9.3	(3.1)			9.4	(2.7)	9.8	(1.2)	9.8	(1.2)		
C. Government Enterprises and Investment			2.0	(48.4)	2.0	(42.6)	2.0	(42.6)	4.0	(35.3)	4.0		4.0		4.0	
D. Top Marginal Tax Rate										1.0	(60)	1.0	(60)	3.0	(50)	
2. Legal Structure and Security of Property Rights					3.9		4.5		5.0		6.2		4.1			
A. Judicial Independence																
B. Impartial Courts																
C. Protection of Intellectual Property																
D. Military Interference													3.3			
E. Integrity of Legal System											7.0		5.0			
3. Access to Sound Money			7.2		3.6		4.4		6.1		5.4		5.4	6.9		
A. Growth of Money Supply			9.7	(1.4)	5.1	(24.5)	9.6	(2.2)	7.4	(13.0)	9.7	(-1.5)	9.6	(1.8)	9.2	(3.9)
B. Inflation Variability			9.0	(2.5)	0.0	(26.3)	5.4	(11.4)	7.4	(6.5)	5.2	(12.1)	1.9	(20.3)	9.2	(1.9)
C. Recent Annual Inflation			9.9	(-0.4)	9.1	(4.4)	2.6	(36.8)	9.7	(-1.3)	6.9	(15.4)	9.9	(-0.5)	9.2	(4.0)
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0	0.0		
4. Freedom to Exchange with Foreigners			5.4		5.8		5.4		5.9		5.8		5.8	5.9		
A. Taxes on International Trade			3.8		4.5		3.2		4.9		6.8		5.8	6.0		
(i) Taxes as Percentage of Exports and Imports			3.8	(9.3)	4.5	(8.2)	5.1	(7.3)	5.7	(6.4)	6.8	(4.8)	5.8	(6.3)		
(ii) Mean Tariff Rate							1.3	(43.3)	4.1	(29.6)				5.9	(20.6)	
(iii) Variability of Tariff Rates														6.1	(9.8)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector			5.6		6.5		5.9		6.6		4.9		5.4	5.4		
D. Difference between Official and Black Market Exchange Rates			9.6		9.6		9.6		9.8		9.2		9.8	10.0		
E. Restrictions on Capital Markets			0.0		0.0		0.0		0.0		0.0		0.0	0.0		
(i) Access to Foreign Capital																
(ii) Restrictions on Capital Transactions with Foreigners			0.0		0.0		0.0		0.0		0.0		0.0	0.0		
5. Regulation of Credit, Labor and Business					5.2		5.5		5.1		4.9		5.5			
A. Regulation of Credit Markets			0.0		0.0		3.0		4.0		5.4		4.7	6.2		
(i) Private Ownership of Banks			0.0		0.0		0.0		0.0		2.0		5.0	5.0		
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector											6.3		5.2	7.6		
(iv) Avoidance of Negative Real Interest Rates							6.0		8.0		8.0		4.0	6.0		
(v) Controls on Interest Rates																
B. Regulation of Labor Markets																
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing																
(iii) Collective Bargaining																
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription					10.0		10.0		10.0		10.0		10.0	10.0		
C. Regulation of Business																
(i) Price Controls											0.0		2.0	2.0		
(ii) Administrative Obstacles for New Businesses																
(iii) Time Spent with Government Bureaucracy																
(iv) Ease of Starting a New Business																
(v) Irregular Payments to Government Officials																

Germany

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	7.3 (5)	6.7 (9)	7.0 (9)	7.1 (9)	7.2 (10)	7.3 (18)	7.5 (15)
1. Size of Government: Expenditures, Taxes and Enterprises	5.1	4.6	4.6	4.3	4.4	3.6	4.3
A. Government Consumption	5.2 (22.4)	4.0 (26.5)	4.0 (26.3)	4.1 (26.1)	4.4 (25.2)	4.2 (25.8)	4.6 (24.5)
B. Transfers and Subsidies	6.1 (14.8)	5.4 (17.4)	5.3 (17.6)	5.0 (19.0)	5.3 (17.9)	4.3 (21.6)	4.5 (20.8)
C. Government Enterprises and Investment	7.0	7.0	7.0 (25.7)	7.0 (24.4)	6.0 (24.0)	6.0 (25.5)	6.0
D. Top Marginal Tax Rate	2.0 (62)	2.0 (65)	2.0 (65)	1.0 (65)	2.0 (65)	0.0 (66)	2.0 (59-68)
2. Legal Structure and Security of Property Rights	8.3	6.6	7.7	7.5	8.3	9.0	9.1
A. Judicial Independence						9.3	9.4
B. Impartial Courts						8.6	9.2
C. Protection of Intellectual Property						8.0	8.8
D. Military Interference							10.0
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money	9.5	9.3	9.4	9.6	9.3	9.5	9.6
A. Growth of Money Supply	9.4 (2.9)	8.8 (6.2)	9.2 (4.1)	9.5 (2.6)	8.1 (9.7)	9.0 (5.0)	9.1 (4.4)
B. Inflation Variability	9.2 (2.1)	9.7 (0.7)	9.6 (0.9)	9.5 (1.2)	9.5 (1.2)	9.5 (1.2)	9.7 (0.7)
C. Recent Annual Inflation	9.3 (3.4)	8.8 (6.0)	8.9 (5.5)	9.6 (2.2)	9.5 (2.7)	9.6 (2.1)	9.6 (1.9)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	8.3	8.1	8.1	9.0	8.7	8.2	8.6
A. Taxes on International Trade	9.7	8.9	9.0	9.1	8.4	8.7	9.0
(i) Taxes as Percentage of Exports and Imports	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)
(ii) Mean Tariff Rate		8.1 (9.4)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						8.3	8.9
(i) Hidden Import Barriers						8.3	8.5
(ii) Costs of Importing							9.3
C. Size of Trade Sector	5.4	5.6	5.6	6.9	6.3	4.6	5.6
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	8.0	8.0	8.0	10.0	10.0	9.6	9.5
(i) Access to Foreign Capital						9.2	9.7
(ii) Restrictions on Capital Transactions with Foreigners	8.0	8.0	8.0	10.0	10.0	10.0	9.2
5. Regulation of Credit, Labor and Business	5.3	5.1	5.2	5.2	5.4	6.1	6.1
A. Regulation of Credit Markets	7.8	7.0	7.6	7.6	7.6	7.6	7.5
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks						7.8	7.2
(iii) Extension of Credit to Private Sector	8.4	8.0	7.8	7.7	7.9	7.6	8.0
(iv) Avoidance of Negative Real Interest Rates	10.0	8.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.4	8.6
B. Regulation of Labor Markets	3.3	3.3	3.3	3.3	3.5	3.6	2.9
(i) Impact of Minimum Wage						3.4	4.6
(ii) Flexibility in Hiring and Firing					3.9	3.9	1.8
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	2.3
(iv) Incentives from Unemployment Benefits	4.4	4.4	4.4	4.5	4.5	3.0	2.5
(v) Military Conscription	1.0	1.0	1.0	1.0	1.0	3.0	3.0
C. Regulation of Business						7.0	7.8
(i) Price Controls					9.0	9.0	8.0
(ii) Administrative Obstacles for New Businesses							8.2
(iii) Time Spent with Government Bureaucracy						6.5	8.5
(iv) Ease of Starting a New Business						5.0	6.4
(v) Irregular Payments to Government Officials						7.7	8.0

Ghana

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		3.9 (65)	2.9 (105)	3.2 (107)	5.0 (74)	5.7 (73)	5.7 (89)
1. Size of Government: Expenditures, Taxes and Enterprises	4.2	4.2	4.7	4.9	5.6	7.0	6.8
A. Government Consumption	7.4 (14.7)	7.3 (15.1)	8.3 (11.7)	8.8 (10.1)	8.9 (9.9)	7.7 (13.8)	8.3 (11.9)
B. Transfers and Subsidies	9.5 (2.4)	9.3 (3.1)	9.5 (2.4)	9.8 (1.3)	9.4 (2.6)	9.2 (3.3)	
C. Government Enterprises and Investment	0.0 (45.8)	0.0 (34.1)	0.0 (35.4)	0.0	2.0 (25.0)	4.0	4.0
D. Top Marginal Tax Rate	0.0 (70)	0.0 (70)	1.0 (60)	1.0 (60)	2.0 (55)	7.0 (35)	8.0 (30)
2. Legal Structure and Security of Property Rights			2.8	2.7	5.8	6.2	4.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							5.0
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money	6.7	3.9	1.1	1.8	4.1	4.0	5.2
A. Growth of Money Supply	9.6 (2.0)	4.9 (25.7)	1.4 (42.9)	1.2 (44.2)	2.4 (37.9)	3.9 (30.4)	5.8 (20.9)
B. Inflation Variability	7.6 (6.0)	6.7 (8.3)	3.2 (17.1)	0.0 (38.3)	8.0 (5.0)	5.6 (10.9)	5.1 (12.3)
C. Recent Annual Inflation	9.4 (2.9)	4.1 (29.5)	0.0 (51.1)	5.9 (20.7)	5.9 (20.7)	1.4 (43.2)	5.0 (25.2)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	5.0
4. Freedom to Exchange with Foreigners	2.6	2.4	1.7	2.1	5.1	5.9	6.5
A. Taxes on International Trade	0.0	0.0	0.0	2.0	4.4	6.1	7.0
(i) Taxes as Percentage of Exports and Imports	0.0 (15.1)	0.0 (20.6)	0.0 (17.3)	0.0 (21.7)	2.3 (11.6)	4.6 (8.1)	
(ii) Mean Tariff Rate				4.0 (30.0)	6.5 (17.5)	7.0 (15.0)	7.0 (15.0)
(iii) Variability of Tariff Rates						6.7 (8.3)	
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	4.6	3.7	0.0	0.0	4.1	5.4	5.7
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	8.6	9.6	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	1.5
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	1.5
5. Regulation of Credit, Labor and Business		5.3	4.4	4.7	4.7	5.5	5.9
A. Regulation of Credit Markets	6.1	3.3	1.8	2.5	3.9	6.0	6.0
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	6.1	4.6	3.3	5.4	7.8	9.0	4.9
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	2.0	4.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	4.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Guatemala

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.7 (13)	7.3 (3)	6.5 (14)	5.4 (55)	5.9 (41)	7.4 (15)	6.3 (66)
1. Size of Government: Expenditures, Taxes and Enterprises	9.0	9.1	8.7	8.1	8.6	9.0	9.1
A. Government Consumption	9.1 (9.2)	9.4 (8.0)	9.1 (9.2)	9.5 (7.8)	9.6 (7.3)	10.0 (6.0)	9.7 (7.1)
B. Transfers and Subsidies	9.9 (0.7)	9.9 (0.8)	9.8 (1.2)	9.8 (1.3)	9.6 (1.8)	10.0 (0.5)	9.7 (1.5)
C. Government Enterprises and Investment	8.0 (19.2)	8.0 (20.9)	8.0 (37.4)	8.0 (32.1)	8.0 (21.0)	8.0 (17.3)	10.0 (13.4)
D. Top Marginal Tax Rate		9.0 (34)	8.0 (40)	5.0 (48)	7.0 (34)	8.0 (30)	7.0 (31)
2. Legal Structure and Security of Property Rights			2.5	2.0	2.4	6.2	3.0
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							2.2
D. Military Interference							3.3
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money	7.0	6.8	8.6	8.0	6.6	7.9	7.5
A. Growth of Money Supply	9.9 (-0.5)	8.1 (9.7)	7.9 (10.7)	8.0 (10.1)	6.3 (18.3)	6.9 (15.5)	6.9 (15.3)
B. Inflation Variability	9.2 (2.0)	6.9 (7.8)	8.6 (3.6)	7.9 (5.3)	3.9 (15.2)	6.4 (9.1)	9.4 (1.6)
C. Recent Annual Inflation	9.0 (5.0)	7.4 (13.1)	8.0 (10.0)	6.2 (18.8)	6.2 (18.8)	8.3 (8.7)	8.8 (6.0)
D. Freedom to Own Foreign Currency	0.0	5.0	10.0	10.0	10.0	10.0	5.0
4. Freedom to Exchange with Foreigners	5.3	6.2	5.6	3.2	6.1	7.2	6.4
A. Taxes on International Trade	5.9	6.3	3.4	2.5	4.3	7.4	7.5
(i) Taxes as Percentage of Exports and Imports	5.9 (6.1)	6.3 (5.6)	6.8 (4.8)	5.0 (7.5)	7.6 (3.6)	7.1 (4.4)	7.7 (3.4)
(ii) Mean Tariff Rate			0.0 (50.0)	0.0 (50.0)	5.4 (23.0)	8.0 (10.2)	8.4 (8.0)
(iii) Variability of Tariff Rates					0.0 (26.7)	7.0 (7.4)	6.5 (8.8)
B. Regulatory Trade Barriers							4.1
(i) Hidden Import Barriers							4.1
(ii) Costs of Importing							
C. Size of Trade Sector	2.3	3.7	3.2	0.0	3.0	2.6	2.7
D. Difference between Official and Black Market Exchange Rates	8.2	8.0	8.0	0.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	5.0	5.0	5.0	5.0	8.0	7.5
(i) Access to Foreign Capital							7.2
(ii) Restrictions on Capital Transactions with Foreigners	2.0	5.0	5.0	5.0	5.0	8.0	7.7
5. Regulation of Credit, Labor and Business	5.4	6.9	6.9	5.7	5.6	6.7	5.6
A. Regulation of Credit Markets	8.8	8.1	8.5	8.5	8.5	8.4	7.1
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks							5.6
(iii) Extension of Credit to Private Sector	9.5	8.2	9.6	9.4	9.5	9.2	8.9
(iv) Avoidance of Negative Real Interest Rates			8.0	8.0	8.0	8.0	6.0
(v) Controls on Interest Rates							4.6
B. Regulation of Labor Markets							4.0
(i) Impact of Minimum Wage							4.6
(ii) Flexibility in Hiring and Firing							5.3
(iii) Collective Bargaining							6.2
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	0.0	10.0	10.0	0.0	0.0	0.0	0.0
C. Regulation of Business							5.7
(i) Price Controls					6.0	6.0	8.0
(ii) Administrative Obstacles for New Businesses							6.1
(iii) Time Spent with Government Bureaucracy							4.5
(iv) Ease of Starting a New Business							5.1
(v) Irregular Payments to Government Officials							4.9

Guyana

		1970	1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►					3.7 (96)		3.5 (103)				4.0 (114)		6.6 (56)	
1. Size of Government: Expenditures, Taxes and Enterprises		2.7	1.6		1.4		2.5		3.6		2.8		4.8	
A. Government Consumption		5.3 (21.8)	3.2 (29.3)		2.8 (30.4)		5.0 (23.1)		7.1 (15.8)		5.6 (20.8)		5.5 (21.3)	
B. Transfers and Subsidies														
C. Government Enterprises and Investment		0.0	0.0		0.0		0.0		0.0		0.0		2.0	
D. Top Marginal Tax Rate													7.0 (33)	
2. Legal Structure and Security of Property Rights					2.2		2.1		3.4		4.1		7.1	
A. Judicial Independence														
B. Impartial Courts														
C. Protection of Intellectual Property														
D. Military Interference													10.0	
E. Integrity of Legal System											4.1		6.7	
3. Access to Sound Money		9.3	4.4		5.8		5.2		2.0		4.3		7.8	
A. Growth of Money Supply		9.4 (2.8)	5.5 (22.7)		8.4 (7.9)		5.8 (20.8)		0.9 (45.5)		4.5 (27.6)		8.5 (7.4)	
B. Inflation Variability		9.2 (2.0)	5.0 (12.4)		7.1 (7.3)		7.7 (5.9)		0.0 (53.1)		0.0 (48.3)		8.8 (3.0)	
C. Recent Annual Inflation		9.4 (3.0)	7.1 (14.7)		7.6 (11.8)		7.1 (14.5)		6.9 (15.5)		7.8 (11.2)		8.8 (6.1)	
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		5.0		5.0	
4. Freedom to Exchange with Foreigners		5.9			5.4		4.5							
A. Taxes on International Trade		5.8	0.0		8.8		7.0							
(i) Taxes as Percentage of Exports and Imports		5.8 (6.3)	0.0 (15.3)		8.8 (1.8)		7.4 (3.9)							
(ii) Mean Tariff Rate							6.6 (17.0)							
(iii) Variability of Tariff Rates														
B. Regulatory Trade Barriers														
(i) Hidden Import Barriers														
(ii) Costs of Importing														
C. Size of Trade Sector		7.4	10.0		10.0		7.0		8.6		8.9		10.0	
D. Difference between Official and Black Market Exchange Rates		8.2			0.0		0.0		8.2		9.2		9.0	
E. Restrictions on Capital Markets		0.0	0.0		0.0		0.0		5.0		5.0		6.9	
(i) Access to Foreign Capital														
(ii) Restrictions on Capital Transactions with Foreigners		0.0	0.0		0.0		0.0		5.0		5.0		6.9	
5. Regulation of Credit, Labor and Business											4.9		6.7	
A. Regulation of Credit Markets		6.8	3.6		3.0		2.4		4.6		4.9		7.7	
(i) Private Ownership of Banks														
(ii) Competition from Foreign Banks														
(iii) Extension of Credit to Private Sector		6.8	3.6		3.0		2.4		4.6		5.8		7.4	
(iv) Avoidance of Negative Real Interest Rates											4.0		8.0	
(v) Controls on Interest Rates														
B. Regulation of Labor Markets														
(i) Impact of Minimum Wage														
(ii) Flexibility in Hiring and Firing														
(iii) Collective Bargaining														
(iv) Incentives from Unemployment Benefits														
(v) Military Conscription									10.0		10.0		10.0	
C. Regulation of Business														
(i) Price Controls														
(ii) Administrative Obstacles for New Businesses														
(iii) Time Spent with Government Bureaucracy														
(iv) Ease of Starting a New Business														
(v) Irregular Payments to Government Officials														

Honduras

		1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►						5.8 (30)		6.2 (24)		5.9 (41)		6.7 (37)		6.3 (66)	
1. Size of Government: Expenditures, Taxes and Enterprises		7.9		8.2		7.1		7.0		6.9		7.5		7.5	
A. Government Consumption		7.8	(13.5)	7.7	(13.7)	7.3	(15.3)	7.4	(14.8)	7.0	(16.2)	8.0	(12.8)	7.4	(14.8)
B. Transfers and Subsidies		10.0	(0.6)	10.0	(0.5)			9.5	(2.3)	9.5	(2.2)	9.0	(4.0)		
C. Government Enterprises and Investment		6.0	(35.1)	6.0	(31.1)	6.0	(37.4)	6.0	(62.6)	6.0	(32.0)	6.0	(37.2)	6.0	
D. Top Marginal Tax Rate				9.0	(27)	8.0	(40)	5.0	(46)	5.0	(46)	7.0	(40)	9.0	(25)
2. Legal Structure and Security of Property Rights						2.8		3.1		3.5		6.2		3.5	
A. Judicial Independence															
B. Impartial Courts															
C. Protection of Intellectual Property														2.3	
D. Military Interference														5.0	
E. Integrity of Legal System												7.0		3.3	
3. Access to Sound Money		9.5		8.8		8.4		9.5		8.3		7.0		7.9	
A. Growth of Money Supply		9.2	(4.1)	8.7	(6.7)	7.5	(12.7)	9.7	(1.5)	6.9	(15.4)	6.6	(17.1)	6.5	(17.5)
B. Inflation Variability		9.6	(1.0)	7.8	(5.6)	8.8	(3.0)	9.4	(1.5)	7.3	(6.6)	6.9	(7.8)	7.4	(6.4)
C. Recent Annual Inflation		9.1	(4.5)	8.7	(6.4)	7.3	(13.3)	9.0	(5.3)	9.0	(5.3)	4.7	(26.3)	7.8	(11.1)
D. Freedom to Own Foreign Currency		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners		5.0		6.4		4.7				6.0		7.4		6.9	
A. Taxes on International Trade		5.7		6.5		3.7				6.0		7.7		7.8	
(i) Taxes as Percentage of Exports and Imports		5.7	(6.4)	6.5	(5.3)	5.5	(6.7)							8.1	(2.9)
(ii) Mean Tariff Rate						1.8	(41.0)			6.0	(20.0)	8.0	(10.1)	8.4	(8.1)
(iii) Variability of Tariff Rates												7.4	(6.5)	6.9	(7.8)
B. Regulatory Trade Barriers														3.4	
(i) Hidden Import Barriers														3.4	
(ii) Costs of Importing															
C. Size of Trade Sector		4.9		5.5		5.7		4.1		5.7		6.3		6.7	
D. Difference between Official and Black Market Exchange Rates		4.0		10.0		6.0		0.0		10.0		9.8		10.0	
E. Restrictions on Capital Markets		2.0		2.0		0.0		0.0		0.0		5.0		6.6	
(i) Access to Foreign Capital														8.5	
(ii) Restrictions on Capital Transactions with Foreigners		2.0		2.0		0.0		0.0		0.0		5.0		4.6	
5. Regulation of Credit, Labor and Business						6.2		5.1		4.9		5.6		5.9	
A. Regulation of Credit Markets		9.0		8.7		6.1		7.7		7.8		6.3		7.5	
(i) Private Ownership of Banks															
(ii) Competition from Foreign Banks														4.7	
(iii) Extension of Credit to Private Sector		9.0		8.7		8.2		7.4		7.5		8.6		9.9	
(iv) Avoidance of Negative Real Interest Rates						4.0		8.0		8.0		4.0		8.0	
(v) Controls on Interest Rates														4.5	
B. Regulation of Labor Markets														5.7	
(i) Impact of Minimum Wage														2.7	
(ii) Flexibility in Hiring and Firing														4.5	
(iii) Collective Bargaining														5.7	
(iv) Incentives from Unemployment Benefits															
(v) Military Conscription		10.0		10.0		10.0		0.0		0.0		10.0		10.0	
C. Regulation of Business														4.4	
(i) Price Controls										4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses														5.8	
(iii) Time Spent with Government Bureaucracy														4.9	
(iv) Ease of Starting a New Business														2.9	
(v) Irregular Payments to Government Officials														4.4	

Hong Kong

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	8.4 (1)	8.5 (1)	8.7 (1)	8.4 (1)	8.3 (1)	9.1 (1)	8.8 (1)
1. Size of Government: Expenditures, Taxes and Enterprises	9.6	9.7	9.7	9.4	9.3	9.5	9.2
A. Government Consumption	8.9 (9.9)	8.8 (9.9)	9.0 (9.3)	8.7 (10.6)	8.4 (11.6)	8.0 (12.7)	7.6 (14.2)
B. Transfers and Subsidies		9.8 (1.1)	10.0 (0.6)	9.9 (0.9)	9.9 (0.9)	9.8 (1.1)	
C. Government Enterprises and Investment	10.0 (9.1)	10.0 (16.4)	10.0 (16.5)	10.0 (17.9)	10.0 (13.2)	10.0 (14.0)	10.0
D. Top Marginal Tax Rate	10.0 (15)	10.0 (15)	10.0 (15)	9.0 (25)	9.0 (25)	10.0 (20)	10.0 (17)
2. Legal Structure and Security of Property Rights	7.7	6.6	8.1	6.3	5.9	8.0	7.2
A. Judicial Independence						8.1	7.7
B. Impartial Courts						7.9	8.9
C. Protection of Intellectual Property						6.1	6.3
D. Military Interference							5.0
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money	8.8	9.2	8.5	9.3	9.0	9.3	9.4
A. Growth of Money Supply		8.9 (5.5)	9.0 (4.8)	9.5 (2.6)	8.4 (8.2)	8.8 (6.1)	9.9 (-0.3)
B. Inflation Variability	8.3 (4.4)	8.7 (3.3)	8.0 (5.0)	9.0 (2.6)	8.9 (2.9)	9.0 (2.6)	8.3 (4.4)
C. Recent Annual Inflation	8.3 (8.6)	9.1 (4.6)	7.0 (15.0)	8.9 (5.7)	8.9 (5.7)	9.5 (2.6)	9.3 (-3.7)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	8.7	9.7	9.7	10.0	10.0	9.7	9.8
A. Taxes on International Trade	10.0	9.8	9.8	9.8	9.9	9.9	9.9
(i) Taxes as Percentage of Exports and Imports	10.0 (0.0)	9.5 (0.7)	9.7 (0.5)	9.6 (0.6)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate		10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(iii) Variability of Tariff Rates					10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
B. Regulatory Trade Barriers						8.8	9.4
(i) Hidden Import Barriers						8.8	8.9
(ii) Costs of Importing							9.8
C. Size of Trade Sector	9.8	8.9	8.8	10.0	10.0	10.0	10.0
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	10.0	10.0	10.0	10.0	9.7	9.6
(i) Access to Foreign Capital						9.4	9.9
(ii) Restrictions on Capital Transactions with Foreigners	5.0	10.0	10.0	10.0	10.0	10.0	9.2
5. Regulation of Credit, Labor and Business	7.2	7.2	7.2	7.2	7.3	8.8	8.4
A. Regulation of Credit Markets	10.0	10.0	10.0	10.0	9.9	9.6	9.1
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						8.6	7.3
(iii) Extension of Credit to Private Sector					9.8	9.7	9.1
(iv) Avoidance of Negative Real Interest Rates		10.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						7.3	7.8
B. Regulation of Labor Markets					8.9	8.1	7.7
(i) Impact of Minimum Wage						7.4	4.3
(ii) Flexibility in Hiring and Firing					8.8	8.8	7.6
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.9	7.9	9.0
(iv) Incentives from Unemployment Benefits						6.5	7.7
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						8.7	8.5
(i) Price Controls					10.0	9.0	9.0
(ii) Administrative Obstacles for New Businesses							8.5
(iii) Time Spent with Government Bureaucracy						9.5	7.3
(iv) Ease of Starting a New Business						9.1	9.0
(v) Irregular Payments to Government Officials						7.3	8.8

Hungary

	1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►					4.3 (82)		4.7 (81)		4.9 (77)		6.2 (56)		6.7 (51)	
1. Size of Government: Expenditures, Taxes and Enterprises	3.7		3.7		3.8		2.9		3.2		4.7		5.4	
A. Government Consumption	7.3	(15.1)	7.4	(15.0)	7.5	(14.4)	7.7	(13.9)	7.4	(14.7)	7.6	(14.2)	7.9	(13.3)
B. Transfers and Subsidies							1.1	(33.3)	2.3	(28.7)	3.3	(25.0)	4.7	(20.0)
C. Government Enterprises and Investment	0.0	(93.7)	0.0	(93.8)	0.0	(92.6)	0.0	(83.5)	0.0	(68.5)	4.0		4.0	
D. Top Marginal Tax Rate									3.0	(50)	4.0	(44)	5.0	(40)
2. Legal Structure and Security of Property Rights							6.8		7.2		7.1		7.0	
A. Judicial Independence											6.7		6.5	
B. Impartial Courts											6.8		6.3	
C. Protection of Intellectual Property											4.9		5.5	
D. Military Interference													10.0	
E. Integrity of Legal System											10.0		6.7	
3. Access to Sound Money	6.1		6.0		6.5		6.8		5.6		6.0		6.7	
A. Growth of Money Supply					8.3	(8.7)	8.7	(6.7)	6.9	(15.5)	6.9	(15.7)	6.6	(16.9)
B. Inflation Variability	9.3	(1.8)	9.0	(2.5)	8.9	(2.8)	9.8	(0.5)	6.9	(7.8)	7.6	(5.9)	7.2	(7.0)
C. Recent Annual Inflation	9.0	(4.9)	9.1	(4.4)	8.8	(6.0)	8.8	(5.9)	8.8	(5.9)	4.7	(26.7)	8.1	(9.7)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		5.0		5.0	
4. Freedom to Exchange with Foreigners					3.0		3.4		3.9		7.0		7.2	
A. Taxes on International Trade					6.7		7.5		6.1		6.7		6.5	
(i) Taxes as Percentage of Exports and Imports					6.7	(5.0)	7.5	(3.7)	6.6	(5.1)	6.1	(5.9)	9.2	(1.1)
(ii) Mean Tariff Rate											7.8	(11.0)	7.1	(14.3)
(iii) Variability of Tariff Rates									5.6	(11.0)	6.1	(9.7)	3.2	(17.0)
B. Regulatory Trade Barriers											7.1		8.5	
(i) Hidden Import Barriers											7.1		8.2	
(ii) Costs of Importing													8.8	
C. Size of Trade Sector	7.3		7.0		5.5		6.1		4.0		4.8		6.5	
D. Difference between Official and Black Market Exchange Rates	0.0		0.0		0.0		0.0		5.6		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		6.4		4.5	
(i) Access to Foreign Capital											7.8		8.3	
(ii) Restrictions on Capital Transactions with Foreigners	0.0		0.0		0.0		0.0		0.0		5.0		0.8	
5. Regulation of Credit, Labor and Business					3.8		3.4		4.6		6.1		7.0	
A. Regulation of Credit Markets	0.0		0.0		3.6		2.7		4.4		6.9		8.0	
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		2.0		8.0		8.0	
(ii) Competition from Foreign Banks											7.3		6.9	
(iii) Extension of Credit to Private Sector					4.7		5.3		5.2		6.1		7.2	
(iv) Avoidance of Negative Real Interest Rates					6.0				6.0		6.0		10.0	
(v) Controls on Interest Rates											6.4		8.0	
B. Regulation of Labor Markets											5.4		5.6	
(i) Impact of Minimum Wage											6.7		4.6	
(ii) Flexibility in Hiring and Firing									7.1		7.1		5.5	
(iii) Collective Bargaining											5.2		7.0	
(iv) Incentives from Unemployment Benefits											5.2		5.8	
(v) Military Conscription	0.0		0.0		0.0		0.0		1.0		3.0		5.0	
C. Regulation of Business											6.0		7.3	
(i) Price Controls											8.0		8.0	
(ii) Administrative Obstacles for New Businesses													7.4	
(iii) Time Spent with Government Bureaucracy											6.1		6.2	
(iv) Ease of Starting a New Business											6.4		7.4	
(v) Irregular Payments to Government Officials											3.3		7.3	

Iceland

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.1 (27)	4.5 (56)	4.9 (69)	5.1 (64)	6.4 (30)	7.3 (18)	7.7 (11)
1. Size of Government: Expenditures, Taxes and Enterprises	7.3	6.9	5.1	5.3	6.0	5.7	6.0
A. Government Consumption	6.7 (17.3)	5.3 (21.9)	5.2 (22.2)	5.4 (21.5)	4.7 (23.9)	4.2 (25.6)	3.4 (28.3)
B. Transfers and Subsidies		7.4 (9.9)	7.2 (10.6)	6.9 (11.7)	7.4 (10.1)	7.7 (9.1)	7.7 (8.9)
C. Government Enterprises and Investment	8.0 (20.2)	8.0 (17.6)	8.0 (15.3)	8.0 (16.1)	7.0 (22.2)	7.0 (24.8)	7.0
D. Top Marginal Tax Rate			0.0 (63)	1.0 (56)	5.0 (40)	4.0 (47)	6.0 (45)
2. Legal Structure and Security of Property Rights	7.1	5.0	6.8	7.9	8.3	8.0	9.0
A. Judicial Independence						7.8	8.5
B. Impartial Courts						8.3	9.0
C. Protection of Intellectual Property						5.8	7.6
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	5.7	3.0	2.4	2.0	6.8	9.3	9.0
A. Growth of Money Supply	8.5 (7.4)	5.0 (24.8)	2.6 (37.1)	1.6 (41.8)	4.6 (26.9)	8.5 (7.3)	7.8 (11.1)
B. Inflation Variability	7.6 (6.1)	5.5 (11.2)	6.9 (7.7)	2.8 (18.0)	8.8 (3.0)	9.2 (2.1)	9.4 (1.4)
C. Recent Annual Inflation	6.7 (16.4)	1.6 (41.9)	0.0 (52.5)	3.7 (31.3)	3.7 (31.3)	9.5 (2.8)	9.0 (5.2)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	4.4	2.3	4.6	4.9	5.2	6.4	6.8
A. Taxes on International Trade	3.3	4.6	6.9	7.8	7.9	8.7	8.0
(i) Taxes as Percentage of Exports and Imports	3.3 (10.0)	4.6 (8.1)	5.7 (6.5)	6.9 (4.6)	7.3 (4.0)	9.6 (0.6)	9.7 (0.5)
(ii) Mean Tariff Rate			8.1 (9.6)	8.7 (6.7)	9.2 (3.8)	9.3 (3.7)	9.6 (1.9)
(iii) Variability of Tariff Rates					7.0 (7.5)	7.1 (7.3)	4.8 (13.0)
B. Regulatory Trade Barriers						6.6	8.7
(i) Hidden Import Barriers						6.6	8.3
(ii) Costs of Importing							9.2
C. Size of Trade Sector	5.1	2.7	1.3	3.0	1.1	0.3	1.1
D. Difference between Official and Black Market Exchange Rates	9.0	0.0	8.2	6.8	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	2.0	2.0	2.0	2.0	6.3	6.2
(i) Access to Foreign Capital						7.6	8.6
(ii) Restrictions on Capital Transactions with Foreigners	0.0	2.0	2.0	2.0	2.0	5.0	3.8
5. Regulation of Credit, Labor and Business		5.3	5.5	5.5	5.8	7.0	7.6
A. Regulation of Credit Markets	9.2	4.5	5.2	5.2	6.3	6.8	7.8
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	2.0	5.0
(ii) Competition from Foreign Banks						5.8	8.1
(iii) Extension of Credit to Private Sector	9.2	9.5	9.6	9.7	8.8	9.4	9.9
(iv) Avoidance of Negative Real Interest Rates		2.0	4.0	4.0	8.0	10.0	8.0
(v) Controls on Interest Rates						7.1	7.5
B. Regulation of Labor Markets					6.8	6.4	6.7
(i) Impact of Minimum Wage						6.2	4.8
(ii) Flexibility in Hiring and Firing					5.9	5.9	6.0
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	5.5
(iv) Incentives from Unemployment Benefits						5.3	7.0
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						7.8	8.3
(i) Price Controls						6.0	8.0
(ii) Administrative Obstacles for New Businesses							7.0
(iii) Time Spent with Government Bureaucracy						8.1	8.4
(iv) Ease of Starting a New Business						7.7	8.3
(v) Irregular Payments to Government Officials						9.5	10.0

India

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.0 (41)	4.2 (61)	5.0 (66)	4.8 (77)	4.7 (83)	5.6 (77)	6.1 (73)
1. Size of Government: Expenditures, Taxes and Enterprises	3.6	4.4	4.5	4.0	4.4	5.8	6.9
A. Government Consumption	8.7 (10.5)	8.4 (11.4)	8.3 (11.7)	7.6 (14.1)	7.2 (15.7)	7.3 (15.2)	6.9 (16.6)
B. Transfers and Subsidies		9.1 (3.8)	8.7 (5.4)	8.4 (6.5)	8.4 (6.5)	8.7 (5.2)	8.6 (5.5)
C. Government Enterprises and Investment	2.0 (38.4)	0.0 (41.0)	0.0 (46.7)	0.0 (49.5)	0.0 (42.3)	2.0 (31.4)	4.0 (30.4)
D. Top Marginal Tax Rate	0.0 (85)	0.0 (77)	1.0 (60)	0.0 (62)	2.0 (53)	5.0 (40)	8.0 (30)
2. Legal Structure and Security of Property Rights	4.1	2.3	5.8	4.9	4.4	5.8	6.0
A. Judicial Independence						7.3	7.0
B. Impartial Courts						7.6	8.0
C. Protection of Intellectual Property						4.1	3.3
D. Military Interference							5.0
E. Integrity of Legal System						4.1	6.7
3. Access to Sound Money	6.7	6.3	6.1	6.5	6.5	6.3	6.5
A. Growth of Money Supply	8.9 (5.4)	8.2 (8.9)	8.4 (7.9)	7.8 (10.8)	8.0 (9.8)	7.7 (11.4)	8.5 (7.7)
B. Inflation Variability	8.2 (4.6)	7.1 (7.2)	8.1 (4.8)	9.6 (1.1)	9.4 (1.5)	9.1 (2.3)	8.5 (3.7)
C. Recent Annual Inflation	9.7 (1.7)	9.7 (-1.4)	7.7 (11.5)	8.5 (7.5)	8.5 (7.5)	8.4 (8.2)	9.2 (4.0)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners		2.7	3.2	2.7	3.1	4.8	5.1
A. Taxes on International Trade		0.1	0.0	0.0	0.0	0.9	2.4
(i) Taxes as Percentage of Exports and Imports		0.1 (14.8)	0.0 (15.5)	0.0 (24.2)	0.0 (21.1)	2.2 (11.8)	3.6 (9.6)
(ii) Mean Tariff Rate			0.0 (74.3)	0.0 (98.8)	0.0 (79.2)	0.0 (55.2)	3.6 (32.2)
(iii) Variability of Tariff Rates					0.0 (45.2)	0.6 (23.6)	0.0 (43.8)
B. Regulatory Trade Barriers						6.4	5.7
(i) Hidden Import Barriers						6.4	5.4
(ii) Costs of Importing							6.0
C. Size of Trade Sector	0.0	2.6	3.7	3.5	4.4	6.1	5.4
D. Difference between Official and Black Market Exchange Rates	0.0	8.2	9.0	7.2	8.0	8.4	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	2.3	2.0
(i) Access to Foreign Capital						4.7	4.0
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	5.7	5.2	5.7	5.7	5.1	5.3	5.8
A. Regulation of Credit Markets	5.3	4.0	5.2	5.3	5.1	5.5	5.7
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	2.0	2.0
(ii) Competition from Foreign Banks						5.3	6.4
(iii) Extension of Credit to Private Sector	7.9	8.0	7.7	7.8	7.4	6.8	6.3
(iv) Avoidance of Negative Real Interest Rates	8.0	4.0	8.0	8.0	8.0	8.0	8.0
(v) Controls on Interest Rates						4.3	5.0
B. Regulation of Labor Markets					6.3	6.1	5.8
(i) Impact of Minimum Wage						6.2	4.3
(ii) Flexibility in Hiring and Firing					2.6	2.6	1.7
(iii) Collective Bargaining			6.2	6.2	6.2	6.2	7.7
(iv) Incentives from Unemployment Benefits						5.6	5.3
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						4.4	5.9
(i) Price Controls					3.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							7.4
(iii) Time Spent with Government Bureaucracy						6.1	7.4
(iv) Ease of Starting a New Business						5.0	5.9
(v) Irregular Payments to Government Officials						2.4	4.6

Indonesia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.8 (43)	5.0 (48)	5.0 (66)	6.0 (29)	6.4 (30)	6.5 (41)	6.0 (77)
1. Size of Government: Expenditures, Taxes and Enterprises	7.5	6.5	5.3	6.4	7.1	8.3	7.8
A. Government Consumption	9.0 (9.3)	8.2 (12.2)	6.8 (16.7)	7.0 (16.4)	7.9 (13.0)	8.4 (11.3)	9.0 (9.5)
B. Transfers and Subsidies	9.4 (2.7)	9.7 (1.5)	9.2 (3.3)	9.5 (2.5)	9.6 (2.0)	9.9 (0.9)	8.3 (6.7)
C. Government Enterprises and Investment	4.0 (40.4)	4.0 (39.4)	2.0 (49.5)	2.0 (43.0)	4.0 (32.5)	7.0 (20.7)	7.0 (23.0)
D. Top Marginal Tax Rate		4.0 (48)	3.0 (50)	7.0 (35)	7.0 (35)	8.0 (30)	7.0 (35)
2. Legal Structure and Security of Property Rights	4.4	3.7	3.4	4.5	4.7	3.7	3.4
A. Judicial Independence						2.3	3.0
B. Impartial Courts						4.2	4.0
C. Protection of Intellectual Property						4.2	3.1
D. Military Interference							3.3
E. Integrity of Legal System						4.1	3.3
3. Access to Sound Money	4.3	6.2	6.3	9.0	8.6	9.0	6.5
A. Growth of Money Supply	0.0 (143.9)	3.6 (32.0)	5.2 (24.1)	8.3 (8.3)	7.5 (12.3)	8.6 (7.2)	5.4 (23.0)
B. Inflation Variability	0.0 (449.9)	3.6 (16.1)	6.1 (9.8)	8.6 (3.5)	7.9 (5.4)	9.4 (1.5)	1.1 (22.1)
C. Recent Annual Inflation	7.3 (13.6)	7.8 (11.2)	3.8 (31.0)	9.1 (4.3)	9.1 (4.3)	8.0 (9.9)	9.3 (3.7)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	4.4	5.4	6.2	6.0	6.0	6.2	7.6
A. Taxes on International Trade	5.4	4.8	6.1	7.7	5.9	6.4	7.2
(i) Taxes as Percentage of Exports and Imports	5.4 (6.9)	7.3 (4.0)	8.1 (2.9)	8.9 (1.6)	8.4 (2.4)	9.1 (1.3)	9.5 (0.7)
(ii) Mean Tariff Rate		2.3 (38.5)	4.2 (29.0)	6.4 (18.1)	5.9 (20.3)	6.6 (17.0)	7.8 (10.9)
(iii) Variability of Tariff Rates					3.3 (16.7)	3.6 (16.1)	4.4 (14.1)
B. Regulatory Trade Barriers						3.3	5.9
(i) Hidden Import Barriers						3.3	3.8
(ii) Costs of Importing							8.0
C. Size of Trade Sector	5.8	8.3	8.9	7.7	8.3	7.6	10.0
D. Difference between Official and Black Market Exchange Rates	6.6	8.6	9.6	8.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	3.8	4.8
(i) Access to Foreign Capital						7.5	8.1
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	1.5
5. Regulation of Credit, Labor and Business	3.3	3.3	4.0	4.2	5.3	5.4	4.7
A. Regulation of Credit Markets	1.0	1.0	3.2	4.5	7.1	7.6	5.3
(i) Private Ownership of Banks	0.0	0.0	0.0	2.0	2.0	5.0	5.0
(ii) Competition from Foreign Banks						5.9	4.6
(iii) Extension of Credit to Private Sector			7.5	7.6	9.2	9.4	3.8
(iv) Avoidance of Negative Real Interest Rates	2.0	2.0	2.0	4.0	10.0	10.0	8.0
(v) Controls on Interest Rates						5.2	4.6
B. Regulation of Labor Markets						4.2	4.0
(i) Impact of Minimum Wage						5.1	4.6
(ii) Flexibility in Hiring and Firing					5.6	5.6	3.2
(iii) Collective Bargaining							6.2
(iv) Incentives from Unemployment Benefits						6.2	5.8
(v) Military Conscription	3.0	3.0	3.0	0.0	0.0	0.0	0.0
C. Regulation of Business						4.4	4.8
(i) Price Controls					7.0	3.0	2.0
(ii) Administrative Obstacles for New Businesses							7.0
(iii) Time Spent with Government Bureaucracy						6.3	5.3
(iv) Ease of Starting a New Business						5.2	5.6
(v) Irregular Payments to Government Officials						2.9	3.9

Iran

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.5 (18)	6.1 (16)	4.0 (91)	4.1 (93)	4.6 (92)	4.6 (104)	5.0 (109)
1. Size of Government: Expenditures, Taxes and Enterprises	6.5	5.2	4.6	4.3	4.6	5.4	4.5
A. Government Consumption		1.2 (35.9)	3.4 (28.3)	6.0 (19.6)	7.3 (15.2)	6.1 (19.2)	4.7 (24.1)
B. Transfers and Subsidies	9.0 (4.3)	7.7 (8.9)	8.2 (7.0)	9.3 (3.0)	8.9 (4.4)	9.3 (3.1)	9.5 (2.3)
C. Government Enterprises and Investment	4.0	4.0	2.0 (47.6)	2.0 (40.0)	2.0 (42.2)	2.0 (44.1)	2.0
D. Top Marginal Tax Rate		8.0 (40)		0.0 (90)	0.0 (75)	4.0 (54)	2.0 (54)
2. Legal Structure and Security of Property Rights	4.7	4.4	1.8	2.3	2.2	6.2	6.5
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							8.3
E. Integrity of Legal System						7.0	6.7
3. Access to Sound Money	8.5	6.7	6.9	8.1	8.7	3.5	7.2
A. Growth of Money Supply	9.6 (1.8)	4.7 (26.6)	4.6 (26.8)	5.9 (20.3)	6.9 (15.3)	4.7 (26.4)	5.8 (21.2)
B. Inflation Variability	9.6 (1.1)	8.5 (3.8)	7.7 (5.9)	7.4 (6.5)	8.7 (3.2)	7.3 (6.7)	6.0 (9.9)
C. Recent Annual Inflation	9.7 (1.7)	8.8 (5.8)	5.3 (23.4)	9.1 (4.7)	9.1 (4.7)	2.1 (39.5)	7.1 (14.5)
D. Freedom to Own Foreign Currency	5.0	5.0	10.0	10.0	10.0	0.0	10.0
4. Freedom to Exchange with Foreigners	6.2	8.1	3.0	2.3	4.1	4.0	2.8
A. Taxes on International Trade	2.4	7.6	2.9	3.2	6.1	7.3	3.1
(i) Taxes as Percentage of Exports and Imports	2.4 (11.4)	7.6 (3.6)	0.0 (17.0)	0.5 (14.2)	6.4 (5.4)	8.7 (1.9)	0.4 (14.5)
(ii) Mean Tariff Rate			5.9 (20.7)	5.9 (20.7)	5.9 (20.7)	5.9 (20.7)	5.9 (20.7)
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	6.2	10.0	3.6	0.0	6.3	4.5	2.8
D. Difference between Official and Black Market Exchange Rates	9.0	9.6	0.0	0.0	0.0	0.0	0.0
E. Restrictions on Capital Markets	5.0	5.0	0.0	0.0	0.0	0.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	5.0	5.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business			3.9	3.4	3.5	4.1	3.9
A. Regulation of Credit Markets	9.7	8.3	2.7	2.4	2.9	3.2	4.8
(i) Private Ownership of Banks			0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	9.7	8.3	8.0	7.2	8.7	9.5	9.5
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	0.0	0.0	
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	0.0	0.0	3.0	0.0	0.0	0.0	0.0
C. Regulation of Business							
(i) Price Controls					2.0	2.0	2.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Ireland

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.7 (13)	5.8 (22)	6.1 (23)	6.2 (24)	6.7 (20)	8.2 (5)	8.1 (7)
1. Size of Government: Expenditures, Taxes and Enterprises	6.5	4.2	4.7	4.3	5.6	5.9	6.1
A. Government Consumption	6.9 (16.5)	5.5 (21.3)	5.3 (22.0)	5.2 (22.5)	5.8 (20.3)	5.4 (21.5)	5.3 (21.9)
B. Transfers and Subsidies	6.5 (13.2)	5.1 (18.3)	5.4 (17.5)	4.9 (19.3)	5.4 (17.3)	5.1 (18.5)	4.2 (21.8)
C. Government Enterprises and Investment	6.0 (27.3)	6.0 (30.0)	7.0 (24.6)	7.0 (24.7)	10.0 (11.1)	10.0 (14.3)	10.0
D. Top Marginal Tax Rate		0.0 (80)	1.0 (60)	0.0 (65)	1.0 (58)	3.0 (48)	5.0 (42)
2. Legal Structure and Security of Property Rights	8.3	6.4	7.1	6.7	7.7	8.9	9.0
A. Judicial Independence						9.3	8.7
B. Impartial Courts						8.9	9.2
C. Protection of Intellectual Property						7.3	7.0
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.6	5.6	5.8	6.6	6.8	9.6	9.5
A. Growth of Money Supply	9.5 (2.6)	8.4 (7.8)	7.4 (12.9)	9.5 (2.8)	9.1 (4.3)	9.1 (4.6)	9.9 (0.7)
B. Inflation Variability	8.9 (2.7)	8.1 (4.7)	8.6 (3.5)	8.1 (4.8)	9.0 (2.6)	9.5 (1.3)	9.2 (1.9)
C. Recent Annual Inflation	8.1 (9.7)	6.0 (20.1)	7.1 (14.7)	9.0 (5.2)	9.0 (5.2)	9.9 (0.4)	8.9 (5.6)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.6	7.0	7.2	7.4	7.3	8.5	8.9
A. Taxes on International Trade	5.4	7.5	8.0	8.3	7.9	8.4	9.0
(i) Taxes as Percentage of Exports and Imports	5.4 (6.9)	6.8 (4.8)	7.7 (3.5)	8.0 (3.0)	8.0 (3.0)	8.8 (1.8)	9.7 (0.5)
(ii) Mean Tariff Rate		8.1 (9.4)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						8.9	8.9
(i) Hidden Import Barriers						8.9	8.2
(ii) Costs of Importing							9.7
C. Size of Trade Sector	6.1	5.5	6.0	6.9	6.4	6.9	8.2
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	9.4	9.8	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	5.0	5.0	8.5	8.6
(i) Access to Foreign Capital						8.9	8.8
(ii) Restrictions on Capital Transactions with Foreigners	5.0	5.0	5.0	5.0	5.0	8.0	8.5
5. Regulation of Credit, Labor and Business	5.5	5.8	6.0	6.3	6.2	7.9	7.1
A. Regulation of Credit Markets	6.4	6.3	7.3	8.5	8.8	8.7	8.1
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						8.1	7.0
(iii) Extension of Credit to Private Sector	7.3	6.9	8.0	7.4	8.3	8.6	9.5
(iv) Avoidance of Negative Real Interest Rates	4.0	4.0	6.0	10.0	10.0	10.0	8.0
(v) Controls on Interest Rates						7.5	8.0
B. Regulation of Labor Markets		6.8	6.6	6.6	6.5	6.7	5.3
(i) Impact of Minimum Wage						7.0	4.7
(ii) Flexibility in Hiring and Firing					5.5	5.5	3.8
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	6.2	6.2	2.9
(iv) Incentives from Unemployment Benefits	5.5	5.2	4.5	4.6	4.4	4.7	5.3
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						8.3	7.8
(i) Price Controls					7.0	9.0	9.0
(ii) Administrative Obstacles for New Businesses							7.2
(iii) Time Spent with Government Bureaucracy						7.6	7.9
(iv) Ease of Starting a New Business						7.6	6.9
(v) Irregular Payments to Government Officials						8.9	8.2

Israel

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.8 (43)	4.1 (62)	3.4 (102)	4.0 (95)	4.2 (99)	5.9 (65)	6.8 (47)
1. Size of Government: Expenditures, Taxes and Enterprises	3.3	2.4	1.9	2.6	3.4	3.3	3.1
A. Government Consumption	0.8 (37.3)	0.0 (42.3)	0.0 (43.2)	0.4 (38.5)	2.1 (32.9)	2.2 (32.4)	2.2 (32.6)
B. Transfers and Subsidies	7.2 (10.8)	5.3 (17.7)	4.5 (20.8)	4.8 (19.7)	5.6 (16.7)	5.1 (18.6)	4.4 (21.1)
C. Government Enterprises and Investment	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top Marginal Tax Rate			1.0 (66)	3.0 (60)	4.0 (51)	4.0 (50)	4.0 (50)
2. Legal Structure and Security of Property Rights	6.5	6.2	4.1	6.8	4.4	7.5	8.0
A. Judicial Independence						8.7	9.2
B. Impartial Courts						7.0	9.4
C. Protection of Intellectual Property						7.2	6.5
D. Military Interference							6.7
E. Integrity of Legal System						7.0	8.3
3. Access to Sound Money	6.4	5.1	1.7	1.3	3.0	7.3	9.2
A. Growth of Money Supply	9.3 (3.4)	6.4 (18.0)	2.0 (40.0)	0.0 (169.3)	1.5 (42.6)	7.3 (13.5)	8.4 (8.0)
B. Inflation Variability	8.1 (4.9)	5.9 (10.2)	0.0 (37.4)	0.0 (103.7)	5.3 (11.7)	8.6 (3.5)	8.7 (3.1)
C. Recent Annual Inflation	8.1 (9.6)	3.0 (35.2)	0.0 (134.7)	0.0 (260.0)	0.0 (260.0)	8.3 (8.4)	9.8 (1.1)
D. Freedom to Own Foreign Currency	0.0	5.0	5.0	5.0	5.0	5.0	10.0
4. Freedom to Exchange with Foreigners	3.7	2.9	5.9	6.0	6.1	6.2	7.8
A. Taxes on International Trade	4.1	4.7	6.6	8.1	9.4	8.0	9.7
(i) Taxes as Percentage of Exports and Imports	4.1 (8.9)	4.7 (8.0)	6.6 (5.1)	8.1 (2.9)	9.4 (0.9)	9.8 (0.2)	9.8 (0.4)
(ii) Mean Tariff Rate						8.3 (8.3)	9.6 (2.0)
(iii) Variability of Tariff Rates						5.7 (10.8)	
B. Regulatory Trade Barriers						5.4	8.1
(i) Hidden Import Barriers						5.4	6.9
(ii) Costs of Importing							9.3
C. Size of Trade Sector	4.8	4.9	5.2	5.4	3.9	3.4	4.0
D. Difference between Official and Black Market Exchange Rates	4.0	0.0	9.8	8.6	9.2	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	4.2	7.0
(i) Access to Foreign Capital						6.4	9.4
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	4.6
5. Regulation of Credit, Labor and Business	3.9	3.9	3.5	3.3	4.3	5.0	5.9
A. Regulation of Credit Markets	3.0	2.9	1.7	1.1	3.8	5.1	6.1
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks						4.2	5.4
(iii) Extension of Credit to Private Sector	5.9	5.8	5.2	3.4	5.4	8.1	9.0
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	6.0	8.0	10.0
(v) Controls on Interest Rates						4.0	5.9
B. Regulation of Labor Markets					3.3	3.8	4.3
(i) Impact of Minimum Wage						4.8	4.2
(ii) Flexibility in Hiring and Firing					4.9	4.9	5.4
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	6.2
(iv) Incentives from Unemployment Benefits						4.4	5.5
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business						6.2	7.4
(i) Price Controls						5.0	5.0
(ii) Administrative Obstacles for New Businesses							8.2
(iii) Time Spent with Government Bureaucracy						6.3	7.7
(iv) Ease of Starting a New Business						5.8	7.7
(v) Irregular Payments to Government Officials						7.7	8.4

Italy

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.1 (27)	5.2 (44)	5.3 (51)	5.6 (45)	6.5 (26)	6.3 (50)	7.1 (35)
1. Size of Government: Expenditures, Taxes and Enterprises	5.4	5.2	3.6	3.0	3.3	3.7	4.6
A. Government Consumption	6.4 (18.3)	6.2 (18.8)	6.0 (19.7)	5.5 (21.4)	5.2 (22.3)	5.7 (20.7)	4.8 (23.5)
B. Transfers and Subsidies	5.9 (15.6)	5.4 (17.5)	4.4 (20.9)	2.4 (28.5)	3.1 (25.8)	2.3 (28.7)	4.4 (20.9)
C. Government Enterprises and Investment	4.0	4.0 (30.4)	4.0 (25.9)	4.0 (33.2)	4.0 (30.3)	6.0 (28.3)	6.0
D. Top Marginal Tax Rate		5.0 (48)	0.0 (72)	0.0 (81)	1.0 (66)	1.0 (67)	3.0 (51)
2. Legal Structure and Security of Property Rights	6.2	3.9	5.7	6.8	7.7	5.7	7.7
A. Judicial Independence						5.1	4.8
B. Impartial Courts						5.4	5.7
C. Protection of Intellectual Property						5.4	7.8
D. Military Interference							10.0
E. Integrity of Legal System						7.0	10.0
3. Access to Sound Money	6.3	5.5	5.3	6.2	9.2	9.5	9.4
A. Growth of Money Supply	7.4 (12.8)	7.5 (12.7)	6.5 (17.7)	8.1 (9.7)	8.8 (6.3)	9.5 (2.5)	8.7 (6.3)
B. Inflation Variability	9.3 (1.8)	7.8 (5.6)	9.0 (2.4)	8.5 (3.7)	9.7 (0.7)	9.4 (1.4)	9.5 (1.3)
C. Recent Annual Inflation	8.6 (6.9)	6.8 (16.1)	5.8 (20.9)	8.2 (9.0)	8.2 (9.0)	9.0 (5.1)	9.5 (2.5)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	7.3	6.7	7.2	7.4	6.9	7.7	8.1
A. Taxes on International Trade	9.9	8.8	9.0	9.2	8.5	8.7	9.1
(i) Taxes as Percentage of Exports and Imports	9.9 (0.2)	9.8 (0.3)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	10.0 (0.0)
(ii) Mean Tariff Rate		7.8 (11.0)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						7.0	8.5
(i) Hidden Import Barriers						7.0	7.7
(ii) Costs of Importing							9.3
C. Size of Trade Sector	4.8	4.9	5.0	5.3	4.2	5.0	4.5
D. Difference between Official and Black Market Exchange Rates	9.6	8.2	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	5.0	5.0	8.0	8.4
(i) Access to Foreign Capital						8.0	9.0
(ii) Restrictions on Capital Transactions with Foreigners	5.0	5.0	5.0	5.0	5.0	8.0	7.7
5. Regulation of Credit, Labor and Business	5.2	4.9	4.8	4.9	5.2	4.8	5.6
A. Regulation of Credit Markets	6.9	5.9	5.0	5.6	6.9	6.6	7.1
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks						4.8	5.7
(iii) Extension of Credit to Private Sector	7.8	6.6	6.1	5.7	5.8	6.5	7.7
(iv) Avoidance of Negative Real Interest Rates	8.0	6.0	4.0	6.0	10.0	10.0	10.0
(v) Controls on Interest Rates						6.5	5.2
B. Regulation of Labor Markets	3.7	3.8	4.1	4.1	4.2	3.5	3.5
(i) Impact of Minimum Wage						3.4	4.0
(ii) Flexibility in Hiring and Firing					2.6	2.6	2.1
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	3.7
(iv) Incentives from Unemployment Benefits	6.7	6.8	6.9	6.9	6.7	4.0	4.8
(v) Military Conscription	0.0	0.0	1.0	1.0	3.0	3.0	3.0
C. Regulation of Business						4.4	6.3
(i) Price Controls					5.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							6.9
(iii) Time Spent with Government Bureaucracy						4.7	6.1
(iv) Ease of Starting a New Business						4.1	5.1
(v) Irregular Payments to Government Officials						2.9	7.4

Jamaica

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			4.2 (85)	4.9 (74)	5.6 (52)	6.5 (41)	7.0 (38)
1. Size of Government: Expenditures, Taxes and Enterprises	3.7	4.4	2.2	5.4	7.2	7.4	7.5
A. Government Consumption	7.0 (16.1)	5.4 (21.7)	4.7 (24.1)	6.6 (17.4)	6.4 (18.4)	6.4 (18.3)	6.1 (19.3)
B. Transfers and Subsidies		8.2 (7.0)		10.0 (0.5)	9.6 (2.0)	9.1 (3.9)	10.0 (0.4)
C. Government Enterprises and Investment	4.0 (34.4)	2.0 (45.6)	2.0 (46.5)	4.0 (13.4)	6.0 (21.3)	6.0	6.0
D. Top Marginal Tax Rate	0.0 (75)	2.0 (60)	0.0 (80)	1.0 (58)	7.0 (33)	8.0 (27)	8.0 (27)
2. Legal Structure and Security of Property Rights			3.3	3.5	4.2	6.2	5.8
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							4.1
D. Military Interference							10.0
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money	8.7	4.3	5.1	4.0	4.6	5.1	8.2
A. Growth of Money Supply	8.0 (9.9)	6.6 (17.1)	6.4 (18.1)	6.4 (17.8)	6.2 (19.0)	0.8 (45.9)	8.0 (10.1)
B. Inflation Variability	9.2 (1.9)	4.9 (12.8)	7.9 (5.3)	5.6 (11.0)	8.2 (4.5)	5.3 (11.7)	6.4 (8.9)
C. Recent Annual Inflation	8.9 (5.6)	5.8 (20.8)	6.3 (18.3)	3.9 (30.7)	3.9 (30.7)	4.4 (27.9)	8.4 (8.2)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	10.0	10.0
4. Freedom to Exchange with Foreigners		5.6	4.7	6.2	5.4	7.6	7.0
A. Taxes on International Trade		7.3	8.1	7.7	6.6	6.9	5.6
(i) Taxes as Percentage of Exports and Imports		7.3 (4.0)	9.4 (0.9)	8.9 (1.7)		8.5 (2.2)	3.6 (9.6)
(ii) Mean Tariff Rate			6.7 (16.5)	6.6 (17.0)	6.6 (17.0)	7.2 (14.0)	6.4 (17.9)
(iii) Variability of Tariff Rates						5.0 (12.5)	6.6 (8.4)
B. Regulatory Trade Barriers							5.7
(i) Hidden Import Barriers							5.7
(ii) Costs of Importing							
C. Size of Trade Sector	4.0	4.7	5.3	6.8	5.7	6.5	5.3
D. Difference between Official and Black Market Exchange Rates	8.8	5.6	0.0	6.2	4.6	8.6	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	8.0	8.2
(i) Access to Foreign Capital							8.7
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	8.0	7.7
5. Regulation of Credit, Labor and Business			5.8	5.6	6.5	6.4	6.5
A. Regulation of Credit Markets	8.1	8.0	5.1	5.0	8.7	7.8	7.2
(i) Private Ownership of Banks				5.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks							5.7
(iii) Extension of Credit to Private Sector	8.1	8.0	6.1	6.0	8.2	7.3	7.3
(iv) Avoidance of Negative Real Interest Rates			4.0	4.0	8.0	6.0	6.0
(v) Controls on Interest Rates							4.4
B. Regulation of Labor Markets							6.5
(i) Impact of Minimum Wage							4.0
(ii) Flexibility in Hiring and Firing							4.8
(iii) Collective Bargaining							7.1
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							5.9
(i) Price Controls					4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							6.8
(iii) Time Spent with Government Bureaucracy							6.9
(iv) Ease of Starting a New Business							5.7
(v) Irregular Payments to Government Officials							6.3

Japan

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	7.2 (7)	6.4 (14)	6.9 (10)	7.0 (13)	7.3 (7)	7.0 (29)	7.3 (24)
1. Size of Government: Expenditures, Taxes and Enterprises	8.6	6.2	5.8	6.0	6.2	5.1	5.3
A. Government Consumption	8.1 (12.5)	7.4 (14.9)	7.6 (14.3)	7.7 (14.0)	7.8 (13.5)	5.5 (21.3)	5.0 (22.9)
B. Transfers and Subsidies	9.7 (1.6)	8.3 (6.7)	7.6 (9.2)	7.2 (10.9)	7.0 (11.5)	6.8 (12.2)	
C. Government Enterprises and Investment	8.0 (12.7)	8.0 (15.6)	8.0 (19.6)	8.0 (17.9)	8.0 (20.4)	6.0 (28.5)	6.0
D. Top Marginal Tax Rate		1.0 (68)	0.0 (75)	1.0 (70)	2.0 (65)	2.0 (65)	5.0 (50)
2. Legal Structure and Security of Property Rights	8.0	6.2	7.9	7.2	7.7	7.8	8.2
A. Judicial Independence						8.3	8.0
B. Impartial Courts						6.1	7.0
C. Protection of Intellectual Property						6.8	7.6
D. Military Interference							10.0
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money	6.8	7.3	8.2	8.5	9.7	9.6	9.5
A. Growth of Money Supply	8.9 (5.3)	7.9 (10.5)	9.5 (2.4)	9.8 (1.2)	9.6 (2.1)	9.1 (4.5)	8.4 (7.9)
B. Inflation Variability	9.7 (0.7)	7.6 (5.9)	9.3 (1.8)	9.7 (0.9)	9.7 (0.8)	9.5 (1.2)	9.8 (0.6)
C. Recent Annual Inflation	8.7 (6.5)	8.6 (7.2)	8.9 (5.4)	9.6 (2.1)	9.6 (2.1)	9.9 (-0.6)	9.9 (-0.6)
D. Freedom to Own Foreign Currency	0.0	5.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.0	6.1	6.1	6.9	6.9	5.9	6.8
A. Taxes on International Trade	8.1	8.5	8.8	9.1	8.2	8.1	8.4
(i) Taxes as Percentage of Exports and Imports	8.1 (2.8)	9.1 (1.3)	9.4 (0.9)	9.5 (0.8)	9.4 (0.9)	8.9 (1.6)	9.0 (1.5)
(ii) Mean Tariff Rate		7.8 (11.0)	8.1 (9.5)	8.7 (6.7)	8.6 (6.9)	8.7 (6.3)	9.0 (4.8)
(iii) Variability of Tariff Rates					6.7 (8.3)	6.6 (8.4)	7.1 (7.3)
B. Regulatory Trade Barriers						3.7	7.4
(i) Hidden Import Barriers						3.7	5.4
(ii) Costs of Importing							9.3
C. Size of Trade Sector	4.2	4.0	3.8	3.5	1.4	0.0	0.0
D. Difference between Official and Black Market Exchange Rates	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.0	8.0	7.7	8.4
(i) Access to Foreign Capital						7.4	9.1
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	5.0	8.0	8.0	7.7
5. Regulation of Credit, Labor and Business	6.3	6.2	6.5	6.5	6.2	6.6	6.7
A. Regulation of Credit Markets	7.2	7.1	7.8	7.9	8.0	7.2	6.3
(i) Private Ownership of Banks	8.0	8.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks						4.9	4.2
(iii) Extension of Credit to Private Sector	9.5	9.2	8.4	8.6	8.9	8.9	8.1
(iv) Avoidance of Negative Real Interest Rates	4.0	4.0	10.0	10.0	10.0	10.0	8.0
(v) Controls on Interest Rates						5.6	5.6
B. Regulation of Labor Markets	7.9	7.9	8.0	8.1	7.2	7.5	6.5
(i) Impact of Minimum Wage						7.6	4.0
(ii) Flexibility in Hiring and Firing					4.8	4.8	4.2
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.9	7.9	7.4
(iv) Incentives from Unemployment Benefits	5.8	5.8	6.2	6.2	6.1	7.0	6.8
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						5.0	7.2
(i) Price Controls					6.0	5.0	6.0
(ii) Administrative Obstacles for New Businesses							6.5
(iii) Time Spent with Government Bureaucracy						5.9	9.1
(iv) Ease of Starting a New Business						4.7	5.9
(v) Irregular Payments to Government Officials						4.6	8.5

Jordan

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.9 (50)	5.2 (57)	5.7 (41)	5.3 (62)	6.1 (63)	7.3 (24)
1. Size of Government: Expenditures, Taxes and Enterprises		1.5	4.1	4.6	4.6	4.4	5.6
A. Government Consumption		3.1 (29.6)	3.9 (26.8)	5.0 (22.9)	4.4 (25.1)	3.7 (27.4)	4.8 (23.8)
B. Transfers and Subsidies			8.4 (6.3)	8.7 (5.1)	9.1 (3.7)	9.4 (2.7)	9.6 (2.1)
C. Government Enterprises and Investment	0.0 (82.2)	0.0 (83.3)	0.0 (53.1)	0.0 (52.7)	0.0	0.0	0.0
D. Top Marginal Tax Rate					5.0 (45)		8.0 (30)
2. Legal Structure and Security of Property Rights			2.3	3.5	4.0	5.9	7.2
A. Judicial Independence						6.5	8.2
B. Impartial Courts						5.9	6.8
C. Protection of Intellectual Property						4.3	6.1
D. Military Interference							8.3
E. Integrity of Legal System						7.0	6.7
3. Access to Sound Money	4.4	5.7	6.8	7.8	6.2	7.2	9.6
A. Growth of Money Supply		7.0 (14.9)	5.9 (20.7)	9.5 (-2.5)	8.2 (9.0)	9.8 (1.0)	9.1 (-4.6)
B. Inflation Variability		8.0 (4.9)	6.6 (8.4)	7.1 (7.3)	6.7 (8.1)	9.5 (1.2)	9.3 (1.7)
C. Recent Annual Inflation	8.8 (5.9)	7.6 (12.2)	9.8 (1.1)	9.7 (-1.5)	9.7 (-1.5)	9.3 (3.4)	9.9 (0.7)
D. Freedom to Own Foreign Currency	0.0	0.0	5.0	5.0	0.0	0.0	10.0
4. Freedom to Exchange with Foreigners		6.1	6.2	6.4	6.1	6.8	7.7
A. Taxes on International Trade		5.5	5.3	6.6	4.6	6.2	6.8
(i) Taxes as Percentage of Exports and Imports		5.5 (6.8)	5.3 (7.1)	5.9 (6.1)	6.7 (5.0)	6.2 (5.7)	6.5 (5.2)
(ii) Mean Tariff Rate				7.2 (13.8)			7.1 (14.4)
(iii) Variability of Tariff Rates					2.6 (18.5)		
B. Regulatory Trade Barriers						5.1	6.3
(i) Hidden Import Barriers						5.1	5.4
(ii) Costs of Importing							7.3
C. Size of Trade Sector	2.0	7.3	7.4	7.5	9.9	7.5	7.2
D. Difference between Official and Black Market Exchange Rates	8.8	9.8	10.0	9.4	7.8	9.8	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	5.4	8.2
(i) Access to Foreign Capital						8.9	8.7
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	7.7
5. Regulation of Credit, Labor and Business	5.4	6.4	6.5	6.4	5.6	6.2	6.4
A. Regulation of Credit Markets	9.3	6.6	7.0	6.7	5.7	6.6	7.3
(i) Private Ownership of Banks		5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks						6.1	5.9
(iii) Extension of Credit to Private Sector	9.3	8.3	9.0	8.4	8.2	9.3	8.4
(iv) Avoidance of Negative Real Interest Rates					4.0	6.0	10.0
(v) Controls on Interest Rates						4.7	4.8
B. Regulation of Labor Markets					8.1	7.3	6.5
(i) Impact of Minimum Wage						6.6	3.7
(ii) Flexibility in Hiring and Firing					6.3	6.3	4.5
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.9	7.9	7.8
(iv) Incentives from Unemployment Benefits						5.9	6.5
(v) Military Conscription	0.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						4.6	5.4
(i) Price Controls					2.0	2.0	2.0
(ii) Administrative Obstacles for New Businesses							7.6
(iii) Time Spent with Government Bureaucracy						5.4	4.6
(iv) Ease of Starting a New Business						6.6	6.3
(v) Irregular Payments to Government Officials						4.5	6.4

Kenya

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.5 (37)	5.1 (46)	5.1 (61)	5.5 (52)	5.4 (54)	5.8 (69)	6.6 (56)
1. Size of Government: Expenditures, Taxes and Enterprises	4.8	4.2	3.8	3.9	4.3	5.2	6.6
A. Government Consumption	5.5 (21.3)	5.5 (21.2)	4.6 (24.2)	4.9 (23.3)	5.0 (23.1)	6.6 (17.6)	6.2 (18.9)
B. Transfers and Subsidies	9.7 (1.6)	9.4 (2.7)	9.5 (2.3)	8.9 (4.7)	9.4 (2.8)	9.2 (3.4)	9.2 (3.4)
C. Government Enterprises and Investment	4.0 (30.5)	2.0 (42.1)	0.0 (55.1)	2.0 (49.5)	0.0 (58.3)	2.0 (43.3)	4.0 (41.2)
D. Top Marginal Tax Rate	0.0 (70)	0.0 (70)	1.0 (65)	0.0 (65)	3.0 (50)	3.0 (50)	7.0 (32)
2. Legal Structure and Security of Property Rights	4.7	3.7	4.2	5.3	5.3	4.1	4.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							5.0
E. Integrity of Legal System						4.1	3.3
3. Access to Sound Money	5.9	5.7	6.0	6.7	6.3	6.7	8.9
A. Growth of Money Supply	9.1 (4.8)	8.9 (5.5)	8.5 (7.3)	9.1 (4.5)	7.5 (12.3)	6.7 (16.7)	8.3 (8.3)
B. Inflation Variability	7.7 (5.6)	6.4 (9.0)	7.5 (6.2)	9.5 (1.3)	9.4 (1.4)	7.3 (6.7)	8.4 (3.9)
C. Recent Annual Inflation	6.9 (15.3)	7.6 (11.8)	8.1 (9.6)	8.4 (8.2)	8.4 (8.2)	7.7 (11.3)	8.8 (5.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	10.0
4. Freedom to Exchange with Foreigners	5.1	6.2	5.5	5.6	5.3	7.7	7.1
A. Taxes on International Trade	6.3	6.3	3.9	3.6	2.8	4.7	6.0
(i) Taxes as Percentage of Exports and Imports	6.3 (5.6)	6.3 (5.5)	5.9 (6.1)	5.1 (7.4)	5.8 (6.3)	6.3 (5.6)	6.2 (5.8)
(ii) Mean Tariff Rate			1.9 (40.3)	2.2 (39.2)	1.3 (43.7)	3.2 (34.0)	5.9 (20.8)
(iii) Variability of Tariff Rates					1.4 (21.6)	4.7 (13.3)	
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	7.4	7.9	7.5	6.3	6.8	8.0	6.1
D. Difference between Official and Black Market Exchange Rates	3.8	8.4	8.0	9.6	8.8	9.6	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	8.0	5.4
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	8.0	5.4
5. Regulation of Credit, Labor and Business	6.8	5.5	6.1	6.3	5.9	5.2	6.2
A. Regulation of Credit Markets	8.0	4.6	6.2	6.7	7.3	5.4	6.9
(i) Private Ownership of Banks		2.0	2.0	2.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	7.9	7.8	8.5	8.1	7.0	7.3	7.7
(iv) Avoidance of Negative Real Interest Rates	8.0	4.0	8.0	10.0	10.0	4.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					2.0	4.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Kuwait

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			3.7 (96)	5.6 (45)	4.7 (83)	6.3 (50)	7.0 (38)
1. Size of Government: Expenditures, Taxes and Enterprises		1.9	3.0	1.2	3.2	3.8	6.1
A. Government Consumption	4.1 (26.0)	1.9 (33.7)	3.9 (26.6)	2.4 (31.9)	0.0 (40.6)	0.0 (44.4)	1.4 (35.2)
B. Transfers and Subsidies					7.5 (9.8)	7.5 (9.7)	7.1 (11.2)
C. Government Enterprises and Investment		2.0	2.0 (43.5)	0.0 (61.3)	2.0 (46.0)	4.0 (21.8)	6.0 (20.5)
D. Top Marginal Tax Rate							10.0 (0)
2. Legal Structure and Security of Property Rights			1.8	5.8	2.7	6.2	7.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							8.3
E. Integrity of Legal System						7.0	8.3
3. Access to Sound Money	9.9	6.4	4.9	8.6	7.1	9.1	9.5
A. Growth of Money Supply		5.5 (22.3)	5.9 (20.5)	8.2 (9.0)	8.6 (7.0)	10.0 (-0.2)	9.4 (-2.8)
B. Inflation Variability	9.7 (0.7)	0.0 (61.7)	2.1 (19.8)	7.0 (7.4)	4.6 (13.6)	7.5 (6.2)	9.0 (2.4)
C. Recent Annual Inflation	9.9 (0.6)	9.9 (-0.6)	1.5 (42.6)	9.0 (4.9)	8.0 (9.8)	8.7 (6.3)	9.4 (3.0)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0		10.0	10.0
4. Freedom to Exchange with Foreigners				6.9	7.0	6.8	7.2
A. Taxes on International Trade				9.2	9.2	9.4	9.3
(i) Taxes as Percentage of Exports and Imports					9.2 (1.2)	9.4 (0.9)	9.3 (1.1)
(ii) Mean Tariff Rate				9.2 (4.0)			
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	4.3	5.6	5.5	5.2	5.4	4.6	4.0
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.0	4.6
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	4.6
5. Regulation of Credit, Labor and Business		5.1	5.1	5.5	3.5	5.5	5.1
A. Regulation of Credit Markets	10.0	7.4	7.4	7.7	3.0	6.0	6.8
(i) Private Ownership of Banks		5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	10.0	9.9	9.8	8.0	1.1	3.0	5.5
(iv) Avoidance of Negative Real Interest Rates				10.0		10.0	10.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		1.0	1.0	1.0	0.0	0.0	0.0
C. Regulation of Business							
(i) Price Controls						6.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Latvia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						4.8 (97)	6.8 (47)
1. Size of Government: Expenditures, Taxes and Enterprises						4.1	5.9
A. Government Consumption					7.6 (14.0)	4.1 (26.2)	4.9 (23.2)
B. Transfers and Subsidies						5.2 (18.2)	5.8 (15.9)
C. Government Enterprises and Investment						0.0	4.0
D. Top Marginal Tax Rate						7.0 (35)	9.0 (25)
2. Legal Structure and Security of Property Rights							6.8
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							3.8
D. Military Interference							8.3
E. Integrity of Legal System							8.3
3. Access to Sound Money					6.4	3.0	8.2
A. Growth of Money Supply						0.1 (49.5)	5.7 (21.4)
B. Inflation Variability			8.9 (2.7)		7.4 (6.4)	0.0 (365.3)	7.8 (5.6)
C. Recent Annual Inflation					6.9 (15.7)	6.8 (16.0)	9.5 (2.7)
D. Freedom to Own Foreign Currency					5.0	5.0	10.0
4. Freedom to Exchange with Foreigners						8.0	7.3
A. Taxes on International Trade						9.5	8.3
(i) Taxes as Percentage of Exports and Imports						9.5 (0.8)	9.7 (0.4)
(ii) Mean Tariff Rate							8.9 (5.6)
(iii) Variability of Tariff Rates							6.3 (9.2)
B. Regulatory Trade Barriers							5.3
(i) Hidden Import Barriers							5.3
(ii) Costs of Importing							
C. Size of Trade Sector						4.8	5.4
D. Difference between Official and Black Market Exchange Rates					0.0	9.6	10.0
E. Restrictions on Capital Markets					0.0	8.0	7.6
(i) Access to Foreign Capital							8.3
(ii) Restrictions on Capital Transactions with Foreigners					0.0	8.0	6.9
5. Regulation of Credit, Labor and Business						4.3	5.8
A. Regulation of Credit Markets						3.7	7.0
(i) Private Ownership of Banks							
(ii) Competition from Foreign Banks							5.1
(iii) Extension of Credit to Private Sector						5.4	8.0
(iv) Avoidance of Negative Real Interest Rates						2.0	8.0
(v) Controls on Interest Rates							8.3
B. Regulation of Labor Markets							4.5
(i) Impact of Minimum Wage							3.3
(ii) Flexibility in Hiring and Firing							3.9
(iii) Collective Bargaining							7.9
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription					0.0	1.0	3.0
C. Regulation of Business							5.8
(i) Price Controls					0.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							7.2
(iii) Time Spent with Government Bureaucracy							4.7
(iv) Ease of Starting a New Business							5.0
(v) Irregular Payments to Government Officials							5.8

Lithuania

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						4.9 (95)	6.5 (60)
1. Size of Government: Expenditures, Taxes and Enterprises						4.9	6.1
A. Government Consumption					4.3 (25.2)	5.1 (22.6)	4.4 (24.9)
B. Transfers and Subsidies						7.3 (10.4)	6.9 (11.8)
C. Government Enterprises and Investment						0.0	6.0
D. Top Marginal Tax Rate						7.0 (35)	7.0 (33)
2. Legal Structure and Security of Property Rights							6.6
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							3.2
D. Military Interference							8.3
E. Integrity of Legal System							8.3
3. Access to Sound Money					7.5	1.8	6.7
A. Growth of Money Supply						0.0 (53.0)	8.4 (7.9)
B. Inflation Variability						0.0 (329.2)	3.8 (15.6)
C. Recent Annual Inflation					10.0 (-0.2)	2.4 (38.1)	9.7 (1.4)
D. Freedom to Own Foreign Currency					5.0	5.0	5.0
4. Freedom to Exchange with Foreigners						8.2	7.4
A. Taxes on International Trade						8.4	8.3
(i) Taxes as Percentage of Exports and Imports						9.6 (0.7)	9.7 (0.5)
(ii) Mean Tariff Rate						9.1 (4.5)	8.9 (5.4)
(iii) Variability of Tariff Rates						6.4 (9.0)	6.3 (9.3)
B. Regulatory Trade Barriers							5.2
(i) Hidden Import Barriers							5.2
(ii) Costs of Importing							
C. Size of Trade Sector						6.3	5.7
D. Difference between Official and Black Market Exchange Rates					0.0	10.0	10.0
E. Restrictions on Capital Markets					0.0	8.0	7.8
(i) Access to Foreign Capital							8.1
(ii) Restrictions on Capital Transactions with Foreigners					0.0	8.0	7.5
5. Regulation of Credit, Labor and Business					2.5	4.7	5.6
A. Regulation of Credit Markets					0.0	4.4	6.2
(i) Private Ownership of Banks					0.0	5.0	5.0
(ii) Competition from Foreign Banks							5.2
(iii) Extension of Credit to Private Sector						8.3	6.6
(iv) Avoidance of Negative Real Interest Rates						0.0	8.0
(v) Controls on Interest Rates							7.3
B. Regulation of Labor Markets							4.2
(i) Impact of Minimum Wage							3.0
(ii) Flexibility in Hiring and Firing							2.8
(iii) Collective Bargaining							8.2
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription					0.0	3.0	3.0
C. Regulation of Business							6.2
(i) Price Controls					0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							7.3
(iii) Time Spent with Government Bureaucracy							7.5
(iv) Ease of Starting a New Business							4.2
(v) Irregular Payments to Government Officials							8.3

126 Chapter 4: Country Data Tables

Luxembourg		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		7.9 (2)	7.9 (2)	7.7 (2)	8.2 (2)	7.3 (7)	7.6 (11)	7.6 (13)
1. Size of Government: Expenditures, Taxes and Enterprises	6.7	7.0	6.8	7.4	4.6	4.5	4.6	
A. Government Consumption	7.8 (13.6)	6.9 (16.4)	6.5 (17.8)	6.8 (16.9)	6.5 (17.8)	3.8 (26.9)	3.1 (29.3)	
B. Transfers and Subsidies	5.3 (17.8)				2.9 (26.6)	3.3 (25.2)	3.4 (24.8)	
C. Government Enterprises and Investment	7.0	7.0	7.0 (22.0)	8.0 (18.2)	8.0 (19.2)	8.0	8.0 (23.7)	
D. Top Marginal Tax Rate					1.0 (56)	3.0 (50)	4.0 (49)	
2. Legal Structure and Security of Property Rights	8.3	8.3	7.8	8.3	8.3	8.9	8.3	
A. Judicial Independence						9.5		
B. Impartial Courts						8.6		
C. Protection of Intellectual Property						7.4		
D. Military Interference							10.0	
E. Integrity of Legal System						10.0	10.0	
3. Access to Sound Money	8.3	9.0	8.9	9.5	9.3	9.5	9.7	
A. Growth of Money Supply			8.6 (7.0)	9.8 (0.8)	8.4 (7.8)	9.1 (4.6)	9.8 (0.8)	
B. Inflation Variability	8.0 (4.9)	7.2 (7.1)	8.6 (3.6)	8.9 (2.7)	9.5 (1.2)	9.2 (1.9)	9.6 (1.0)	
C. Recent Annual Inflation	7.0 (15.1)	9.8 (-0.9)	8.4 (7.9)	9.4 (3.0)	9.3 (3.4)	9.9 (0.7)	9.4 (3.1)	
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
4. Freedom to Exchange with Foreigners	9.2	8.4	8.2	8.6	8.3	8.1	8.5	
A. Taxes on International Trade	9.9	9.1	9.1	9.2	8.5	8.7	9.1	
(i) Taxes as Percentage of Exports and Imports	9.9 (0.2)	10.0 (0.0)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	
(ii) Mean Tariff Rate		8.1 (9.4)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)	
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)	
B. Regulatory Trade Barriers						8.7	10.0	
(i) Hidden Import Barriers						8.7		
(ii) Costs of Importing							10.0	
C. Size of Trade Sector	7.1	4.6	3.9	5.3	4.8	3.6	4.8	
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
E. Restrictions on Capital Markets	10.0	10.0	10.0	10.0	10.0	9.4	9.2	
(i) Access to Foreign Capital						8.9		
(ii) Restrictions on Capital Transactions with Foreigners	10.0	10.0	10.0	10.0	10.0	10.0	9.2	
5. Regulation of Credit, Labor and Business	6.9	6.9	6.9	6.9	6.0	6.9	6.9	
A. Regulation of Credit Markets	10.0	10.0	10.0	10.0	10.0	8.7	8.9	
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
(ii) Competition from Foreign Banks						8.6		
(iii) Extension of Credit to Private Sector						6.3	6.8	
(iv) Avoidance of Negative Real Interest Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
(v) Controls on Interest Rates						7.0		
B. Regulation of Labor Markets					6.5	5.4		
(i) Impact of Minimum Wage						3.6		
(ii) Flexibility in Hiring and Firing					4.3	4.3		
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2		
(iv) Incentives from Unemployment Benefits						4.2		
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business						6.5		
(i) Price Controls					2.0	5.0	7.0	
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy						7.2		
(iv) Ease of Starting a New Business						7.0		
(v) Irregular Payments to Government Officials						6.9		

Madagascar

	1970		1975		1980		1985		1990		1995		2000
Summary Ratings (Rank) ►	5.8 (32)				4.3 (82)		4.5 (86)		4.6 (92)		5.0 (94)		5.2 (105)
1. Size of Government: Expenditures, Taxes and Enterprises	5.5		4.2		4.1		4.4		6.3		6.5		6.5
A. Government Consumption	7.6 (14.2)		8.5 (11.2)		8.3 (11.9)		8.9 (9.9)		9.3 (8.5)		9.7 (6.9)		9.8 (6.8)
B. Transfers and Subsidies	9.0 (4.2)								9.8 (1.4)		9.8 (1.1)		9.9 (1.0)
C. Government Enterprises and Investment	0.0 (70.3)		0.0 (59.2)		0.0 (65.4)		0.0 (79.9)		0.0 (53.5)		0.0 (54.8)		0.0 (58.7)
D. Top Marginal Tax Rate													
2. Legal Structure and Security of Property Rights							4.3		3.1		6.2		4.7
A. Judicial Independence													
B. Impartial Courts													
C. Protection of Intellectual Property													
D. Military Interference													5.0
E. Integrity of Legal System											7.0		5.0
3. Access to Sound Money	8.8		6.2		5.7		5.7		5.5		2.5		4.5
A. Growth of Money Supply	8.9 (5.4)		8.8 (5.8)		6.8 (15.9)		8.1 (9.7)		6.3 (18.7)		5.0 (25.1)		7.0 (15.1)
B. Inflation Variability	9.0 (2.5)		7.0 (7.5)		8.9 (2.8)		6.9 (7.8)		8.1 (4.8)		4.0 (14.9)		3.4 (16.4)
C. Recent Annual Inflation	8.6 (6.9)		9.1 (4.7)		7.0 (15.0)		7.9 (10.4)		7.7 (11.5)		1.0 (45.2)		7.6 (12.0)
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	4.7		3.7		3.3		4.0		4.6		5.5		6.0
A. Taxes on International Trade	0.0		0.8		4.0		0.8		1.7		4.2		3.7
(i) Taxes as Percentage of Exports and Imports	0.0 (15.1)		0.8 (13.8)		4.3 (8.5)				0.7 (14.0)		4.3 (8.5)		3.4 (10.0)
(ii) Mean Tariff Rate					3.7 (31.5)		0.8 (46.0)		2.8 (36.0)		4.0 (30.0)		4.0 (30.0)
(iii) Variability of Tariff Rates													
B. Regulatory Trade Barriers													
(i) Hidden Import Barriers													
(ii) Costs of Importing													
C. Size of Trade Sector	5.4		4.1		4.4		2.7		4.7		5.4		4.9
D. Difference between Official and Black Market Exchange Rates	9.6		5.4		0.0		8.2		8.6		9.6		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		3.0
(i) Access to Foreign Capital													
(ii) Restrictions on Capital Transactions with Foreigners	0.0		0.0		0.0		0.0		0.0		0.0		3.0
5. Regulation of Credit, Labor and Business	4.1				4.2		4.3		3.5		4.3		4.4
A. Regulation of Credit Markets	4.7		4.4		4.6		4.9		3.1		3.7		6.0
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		0.0		2.0		2.0
(ii) Competition from Foreign Banks													
(iii) Extension of Credit to Private Sector	9.5		8.7		9.3		9.7		9.3		9.0		7.9
(iv) Avoidance of Negative Real Interest Rates									0.0		0.0		8.0
(v) Controls on Interest Rates													
B. Regulation of Labor Markets													
(i) Impact of Minimum Wage													
(ii) Flexibility in Hiring and Firing													
(iii) Collective Bargaining													
(iv) Incentives from Unemployment Benefits													
(v) Military Conscription	0.0				1.0		1.0		1.0		1.0		1.0
C. Regulation of Business													
(i) Price Controls									0.0		0.0		0.0
(ii) Administrative Obstacles for New Businesses													
(iii) Time Spent with Government Bureaucracy													
(iv) Ease of Starting a New Business													
(v) Irregular Payments to Government Officials													

128 Chapter 4: Country Data Tables

		1970	1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►			5.5 (32)		4.8 (71)		5.1 (64)		5.1 (70)		3.9 (115)		4.7 (116)	
1. Size of Government: Expenditures, Taxes and Enterprises			7.3	4.7	4.7	4.6	4.8	4.3	4.2					
A. Government Consumption	6.4	(18.3)	6.8	(17.0)	5.4	(21.6)	5.8	(20.3)	6.7	(17.4)	5.9	(19.8)	7.7	(13.9)
B. Transfers and Subsidies	9.6	(1.8)	9.9	(1.0)	9.6	(2.0)	9.5	(2.3)	9.5	(2.4)				
C. Government Enterprises and Investment	6.0	(17.2)	2.0	(44.5)	0.0	(69.3)	0.0	(62.0)	0.0	(48.2)	0.0	(65.2)	0.0	(79.0)
D. Top Marginal Tax Rate			0.0	(69)	4.0	(45)	3.0	(50)	3.0	(50)	7.0	(35)	5.0	(38)
2. Legal Structure and Security of Property Rights					3.6		4.0		4.5		4.1		5.9	
A. Judicial Independence														
B. Impartial Courts														
C. Protection of Intellectual Property														
D. Military Interference													6.7	
E. Integrity of Legal System											4.1		6.7	
3. Access to Sound Money			6.3	6.0	6.1	6.4	5.2	0.8	2.1					
A. Growth of Money Supply	8.6	(6.8)	7.7	(11.5)	9.9	(-0.5)	8.4	(8.0)	5.7	(21.4)	3.4	(33.2)	4.1	(29.5)
B. Inflation Variability	8.4	(4.0)	7.8	(5.5)	7.6	(5.9)	8.9	(2.7)	7.3	(6.6)	0.0	(28.5)	0.0	(29.5)
C. Recent Annual Inflation	8.2	(8.8)	8.4	(8.2)	6.8	(15.8)	8.2	(8.9)	7.8	(10.9)	0.0	(90.4)	4.1	(29.5)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners			5.8	5.8	4.3	4.9	5.8	6.1	6.0					
A. Taxes on International Trade	6.6		7.5		5.6		5.4		6.6		4.6		5.2	
(i) Taxes as Percentage of Exports and Imports	6.6	(5.1)	7.5	(3.8)	5.6	(6.6)	4.1	(8.8)	6.2	(5.7)	6.2	(5.7)	4.6	(8.1)
(ii) Mean Tariff Rate							6.7	(16.7)	7.0	(15.2)	3.8	(30.8)	6.9	(15.7)
(iii) Variability of Tariff Rates											3.8	(15.5)	4.2	(14.5)
B. Regulatory Trade Barriers														
(i) Hidden Import Barriers														
(ii) Costs of Importing														
C. Size of Trade Sector	5.6		6.8		5.2		4.8		5.0		5.7		5.8	
D. Difference between Official and Black Market Exchange Rates	6.8		4.4		0.4		4.0		7.2		9.8		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		2.0		2.0		0.8	
(i) Access to Foreign Capital														
(ii) Restrictions on Capital Transactions with Foreigners	2.0		2.0		2.0		2.0		2.0		2.0		0.8	
5. Regulation of Credit, Labor and Business				5.6	5.5	5.7	5.1	4.4	5.1					
A. Regulation of Credit Markets	8.6		4.4		4.6		5.3		5.3		3.8		4.0	
(i) Private Ownership of Banks			2.0		2.0		2.0		2.0		2.0		2.0	
(ii) Competition from Foreign Banks														
(iii) Extension of Credit to Private Sector	8.6		6.7		7.9		6.0		8.0		5.5		5.9	
(iv) Avoidance of Negative Real Interest Rates					4.0		8.0		6.0		4.0		4.0	
(v) Controls on Interest Rates														
B. Regulation of Labor Markets														
(i) Impact of Minimum Wage														
(ii) Flexibility in Hiring and Firing														
(iii) Collective Bargaining														
(iv) Incentives from Unemployment Benefits														
(v) Military Conscription			10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business														
(i) Price Controls									0.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses														
(iii) Time Spent with Government Bureaucracy														
(iv) Ease of Starting a New Business														
(v) Irregular Payments to Government Officials														

Malaysia

	1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►	6.5 (18)		6.3 (15)		6.9 (10)		7.0 (13)		7.2 (10)		7.3 (18)		6.7 (51)	
1. Size of Government: Expenditures, Taxes and Enterprises	5.9		5.3		4.8		5.6		6.3		6.4		6.7	
A. Government Consumption	5.5	(21.4)	4.7	(23.9)	4.5	(24.6)	5.1	(22.7)	5.6	(21.0)	5.6	(20.9)	5.9	(20.1)
B. Transfers and Subsidies	8.1	(7.3)	8.4	(6.4)	8.8	(4.8)	9.2	(3.6)	9.5	(2.4)	9.0	(4.0)	9.0	(4.1)
C. Government Enterprises and Investment	4.0	(32.3)	4.0	(37.6)	4.0	(37.3)	2.0	(46.8)	4.0	(35.5)	4.0	(29.2)	4.0	(34.6)
D. Top Marginal Tax Rate			4.0	(50)	2.0	(60)	6.0	(45)	6.0	(45)	7.0	(32)	8.0	(29)
2. Legal Structure and Security of Property Rights	5.8		4.6		6.6		6.3		6.5		6.3		5.6	
A. Judicial Independence											6.2		4.5	
B. Impartial Courts											6.1		6.0	
C. Protection of Intellectual Property											6.1		4.2	
D. Military Interference													8.3	
E. Integrity of Legal System											7.0		5.0	
3. Access to Sound Money	7.0		7.3		8.9		8.4		9.0		9.0		7.2	
A. Growth of Money Supply	9.3	(-3.7)	8.1	(9.4)	8.1	(9.7)	9.8	(0.9)	8.7	(6.5)	7.5	(12.4)	9.6	(-1.8)
B. Inflation Variability	8.8	(2.9)	6.7	(8.3)	8.8	(3.1)	8.9	(2.6)	7.9	(5.2)	9.4	(1.5)	9.3	(1.6)
C. Recent Annual Inflation	9.9	(-0.4)	9.4	(-3.1)	8.6	(6.9)	9.7	(-1.5)	9.4	(3.0)	9.0	(5.0)	9.7	(1.5)
D. Freedom to Own Foreign Currency	0.0		5.0		10.0		5.0		10.0		10.0		0.0	
4. Freedom to Exchange with Foreigners	7.1		7.9		7.8		7.9		7.9		8.0		7.5	
A. Taxes on International Trade	4.7		6.5		6.4		6.7		6.8		6.9		5.8	
(i) Taxes as Percentage of Exports and Imports	4.7	(8.0)	5.3	(7.0)	4.9	(7.7)	6.2	(5.7)	7.9	(3.2)	8.9	(1.6)	8.9	(1.6)
(ii) Mean Tariff Rate			7.6	(12.0)	7.9	(10.6)	7.3	(13.6)	7.4	(13.0)	7.4	(12.8)	8.6	(7.1)
(iii) Variability of Tariff Rates									5.0	(12.5)	4.4	(14.0)	0.0	(31.0)
B. Regulatory Trade Barriers											6.7		7.9	
(i) Hidden Import Barriers											6.7		6.7	
(ii) Costs of Importing													9.2	
C. Size of Trade Sector	9.1		10.0		10.0		10.0		10.0		10.0		10.0	
D. Difference between Official and Black Market Exchange Rates	9.8		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		5.0		5.0		6.2		3.7	
(i) Access to Foreign Capital											7.3		6.6	
(ii) Restrictions on Capital Transactions with Foreigners	5.0		5.0		5.0		5.0		5.0		5.0		0.8	
5. Regulation of Credit, Labor and Business	6.6		6.4		6.2		6.6		6.3		6.8		6.5	
A. Regulation of Credit Markets	7.4		6.6		6.3		7.7		7.8		6.7		6.6	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks											3.2		2.1	
(iii) Extension of Credit to Private Sector	9.9		8.2		7.9		8.0		8.4		8.7		9.3	
(iv) Avoidance of Negative Real Interest Rates					6.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates											4.8		3.7	
B. Regulation of Labor Markets									8.2		7.6		6.6	
(i) Impact of Minimum Wage											6.7		4.5	
(ii) Flexibility in Hiring and Firing									6.7		6.7		4.0	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.9		7.9		7.5	
(iv) Incentives from Unemployment Benefits											6.5		7.0	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business											6.1		6.2	
(i) Price Controls									5.0		4.0		3.0	
(ii) Administrative Obstacles for New Businesses													7.1	
(iii) Time Spent with Government Bureaucracy											8.1		8.4	
(iv) Ease of Starting a New Business											7.2		6.3	
(v) Irregular Payments to Government Officials											5.4		6.1	

Malta

	1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►					5.5 (47)		5.3 (59)		5.4 (54)		6.7 (37)		6.5 (60)	
1. Size of Government: Expenditures, Taxes and Enterprises	5.5		4.6		4.2		4.4		4.3		6.0		5.9	
A. Government Consumption	5.9	(19.9)	5.8	(20.4)	5.9	(20.0)	5.8	(20.2)	5.3	(21.9)	4.4	(25.1)	5.1	(22.7)
B. Transfers and Subsidies	6.5	(13.3)	6.1	(14.7)	6.8	(12.2)	5.9	(15.7)	5.9	(15.6)	6.5	(13.4)	5.6	(16.8)
C. Government Enterprises and Investment	4.0	(36.5)	2.0	(46.3)	4.0	(28.6)	6.0	(20.0)	6.0	(28.8)	6.0		6.0	
D. Top Marginal Tax Rate					0.0	(65)	0.0	(65)	0.0	(65)	7.0	(35)	7.0	(35)
2. Legal Structure and Security of Property Rights							3.5		4.5		8.3		7.7	
A. Judicial Independence														
B. Impartial Courts														
C. Protection of Intellectual Property														
D. Military Interference													10.0	
E. Integrity of Legal System											10.0		8.3	
3. Access to Sound Money	9.1		6.6		6.3		7.1		7.3		7.1		7.2	
A. Growth of Money Supply	8.9	(5.7)	8.6	(7.1)	8.9	(5.5)	9.6	(-2.1)	10.0	(-0.2)	9.9	(-0.4)	9.8	(-1.1)
B. Inflation Variability	8.9	(2.7)	9.1	(2.3)	8.8	(3.0)	8.8	(3.1)	9.7	(0.6)	9.6	(0.9)	9.4	(1.4)
C. Recent Annual Inflation	9.5	(2.7)	8.9	(5.4)	7.5	(12.4)	9.9	(0.6)	9.4	(3.2)	8.9	(5.6)	9.5	(2.4)
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.7		6.2		5.8		6.0		6.2		6.7		6.2	
A. Taxes on International Trade	4.9		6.9		6.7		7.0		6.7		9.5		8.5	
(i) Taxes as Percentage of Exports and Imports	4.9	(7.6)	6.9	(4.6)	6.7	(4.9)	7.0	(4.5)	6.7	(4.9)	9.5	(0.8)	9.5	(0.8)
(ii) Mean Tariff Rate													8.5	(7.6)
(iii) Variability of Tariff Rates													7.7	(5.8)
B. Regulatory Trade Barriers														
(i) Hidden Import Barriers														
(ii) Costs of Importing														
C. Size of Trade Sector	3.9		4.9		4.6		4.1		4.5		4.5		4.0	
D. Difference between Official and Black Market Exchange Rates	9.4		9.0		7.6		8.6		9.6		9.2		9.4	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		2.0		2.0		0.8	
(i) Access to Foreign Capital														
(ii) Restrictions on Capital Transactions with Foreigners	2.0		2.0		2.0		2.0		2.0		2.0		0.8	
5. Regulation of Credit, Labor and Business					5.7		5.6		4.9		5.6		5.5	
A. Regulation of Credit Markets	4.2		4.5		5.1		5.1		4.8		6.2		6.0	
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(ii) Competition from Foreign Banks														
(iii) Extension of Credit to Private Sector	8.5		8.9		9.4		9.2		8.4		8.6		7.9	
(iv) Avoidance of Negative Real Interest Rates					6.0		6.0		6.0		10.0		10.0	
(v) Controls on Interest Rates														
B. Regulation of Labor Markets														
(i) Impact of Minimum Wage														
(ii) Flexibility in Hiring and Firing														
(iii) Collective Bargaining														
(iv) Incentives from Unemployment Benefits														
(v) Military Conscription					10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business														
(i) Price Controls									0.0		2.0		2.0	
(ii) Administrative Obstacles for New Businesses														
(iii) Time Spent with Government Bureaucracy														
(iv) Ease of Starting a New Business														
(v) Irregular Payments to Government Officials														

Mauritius

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		5.4 (38)		5.3 (51)	6.5 (19)	6.2 (34)	7.4 (15)	7.2 (30)
1. Size of Government: Expenditures, Taxes and Enterprises	6.8	7.2	5.6	6.8	6.8	7.0	7.1	
A. Government Consumption	7.3 (15.2)	7.3 (15.2)	7.1 (15.7)	7.4 (14.7)	7.2 (15.4)	7.1 (15.7)	7.0 (16.2)	
B. Transfers and Subsidies	9.3 (3.2)	8.3 (6.6)	8.4 (6.5)	8.7 (5.2)	9.0 (4.2)	8.9 (4.4)	8.5 (6.1)	
C. Government Enterprises and Investment	4.0 (32.2)	6.0 (18.8)	4.0 (36.0)	4.0 (32.4)	4.0 (36.8)	4.0 (33.0)	4.0 (30.5)	
D. Top Marginal Tax Rate			3.0 (50)	7.0 (35)	7.0 (35)	8.0 (30)	9.0 (25)	
2. Legal Structure and Security of Property Rights				6.3	6.3	6.2	6.0	
A. Judicial Independence							6.2	
B. Impartial Courts							7.0	
C. Protection of Intellectual Property							4.8	
D. Military Interference								
E. Integrity of Legal System						7.0		
3. Access to Sound Money	9.6	3.7	4.8	6.9	6.0	9.4	9.6	
A. Growth of Money Supply	9.8 (1.1)	3.8 (30.9)	8.9 (5.7)	9.7 (-1.4)	6.7 (16.3)	9.0 (5.3)	9.8 (1.0)	
B. Inflation Variability	9.2 (2.0)	1.9 (20.2)	5.8 (10.5)	9.5 (1.1)	9.4 (1.6)	9.5 (1.4)	9.5 (1.2)	
C. Recent Annual Inflation	9.7 (1.6)	8.9 (5.3)	4.7 (26.6)	8.4 (8.2)	8.0 (10.1)	9.1 (4.7)	9.2 (4.2)	
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	10.0	10.0	
4. Freedom to Exchange with Foreigners	4.0	4.3	4.1	5.7	5.5	7.3	7.0	
A. Taxes on International Trade	5.6	5.3	3.3	3.3	3.1	5.7	4.8	
(i) Taxes as Percentage of Exports and Imports	5.6 (6.6)	5.3 (7.1)	3.6 (9.6)	3.6 (9.6)	4.9 (7.6)	6.1 (5.9)	7.2 (4.2)	
(ii) Mean Tariff Rate			3.0 (34.9)	3.0 (34.9)	4.5 (27.6)	5.3 (23.4)	6.2 (19.0)	
(iii) Variability of Tariff Rates					0.0 (91.5)		1.1 (22.2)	
B. Regulatory Trade Barriers							7.4	
(i) Hidden Import Barriers							7.9	
(ii) Costs of Importing							7.0	
C. Size of Trade Sector	4.4	5.4	4.8	5.0	5.9	4.7	5.0	
D. Difference between Official and Black Market Exchange Rates	0.0	0.6	2.0	9.8	8.4	10.0	10.0	
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	8.0	7.8	
(i) Access to Foreign Capital							8.7	
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	8.0	6.9	
5. Regulation of Credit, Labor and Business		6.5	6.6	6.9	6.3	7.0	6.2	
A. Regulation of Credit Markets	8.1	7.0	7.3	8.5	8.1	9.0	7.6	
(i) Private Ownership of Banks		8.0	8.0	8.0	10.0	10.0	10.0	
(ii) Competition from Foreign Banks							4.3	
(iii) Extension of Credit to Private Sector	8.1	5.9	6.6	7.4	6.4	6.9	8.3	
(iv) Avoidance of Negative Real Interest Rates				10.0	8.0	10.0	8.0	
(v) Controls on Interest Rates							5.7	
B. Regulation of Labor Markets							4.9	
(i) Impact of Minimum Wage							3.1	
(ii) Flexibility in Hiring and Firing							2.0	
(iii) Collective Bargaining							3.6	
(iv) Incentives from Unemployment Benefits							5.8	
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business							6.2	
(i) Price Controls					4.0	4.0	6.0	
(ii) Administrative Obstacles for New Businesses							5.9	
(iii) Time Spent with Government Bureaucracy							7.5	
(iv) Ease of Starting a New Business							5.4	
(v) Irregular Payments to Government Officials							6.0	

Mexico

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.4 (21)	5.5 (32)	5.3 (51)	4.5 (86)	5.9 (41)	6.2 (56)	6.3 (66)
1. Size of Government: Expenditures, Taxes and Enterprises	7.6	6.1	5.7	5.7	7.2	7.2	7.6
A. Government Consumption	9.4 (8.2)	8.3 (11.7)	7.8 (13.4)	8.1 (12.5)	8.6 (10.8)	7.8 (13.5)	7.7 (14.0)
B. Transfers and Subsidies	9.5 (2.2)	9.0 (4.1)	8.9 (4.4)	8.7 (5.4)	9.3 (3.2)	8.1 (7.5)	7.7 (8.8)
C. Government Enterprises and Investment	4.0 (33.3)	2.0 (40.2)	2.0 (43.5)	2.0 (38.0)	4.0 (23.2)	6.0 (19.6)	8.0
D. Top Marginal Tax Rate		5.0 (47)	4.0 (55)	4.0 (55)	7.0 (40)	7.0 (35)	7.0 (40)
2. Legal Structure and Security of Property Rights	4.7	4.1	6.3	5.4	6.8	5.3	4.2
A. Judicial Independence						3.9	3.3
B. Impartial Courts						5.1	5.2
C. Protection of Intellectual Property						5.2	4.4
D. Military Interference							5.0
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money	9.1	8.1	7.4	3.3	3.6	4.5	6.2
A. Growth of Money Supply	8.9 (5.5)	7.7 (11.5)	5.1 (24.7)	1.1 (44.3)	0.0 (67.4)	5.1 (24.4)	5.9 (20.7)
B. Inflation Variability	9.2 (2.0)	8.2 (4.5)	9.1 (2.3)	1.9 (20.3)	0.0 (43.9)	5.6 (11.0)	5.7 (10.7)
C. Recent Annual Inflation	8.2 (9.0)	6.4 (17.9)	5.4 (22.8)	0.0 (54.0)	4.4 (28.1)	2.4 (37.9)	8.1 (9.5)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	5.0	5.0
4. Freedom to Exchange with Foreigners	4.4	4.2	1.7	4.3	7.2	7.8	7.8
A. Taxes on International Trade	4.8	4.7	1.9	6.1	7.9	8.2	7.9
(i) Taxes as Percentage of Exports and Imports	4.8 (7.8)	4.7 (7.9)	0.0 (17.6)	8.3 (2.6)	8.7 (2.0)	9.3 (1.1)	9.4 (0.9)
(ii) Mean Tariff Rate			3.8 (30.9)	4.0 (30.0)	7.8 (11.1)	7.5 (12.6)	8.0 (10.1)
(iii) Variability of Tariff Rates					7.2 (7.0)	7.8 (5.4)	6.2 (9.4)
B. Regulatory Trade Barriers						6.3	7.3
(i) Hidden Import Barriers						6.3	6.4
(ii) Costs of Importing							8.2
C. Size of Trade Sector	0.7	0.0	2.9	4.0	5.9	8.2	9.0
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	0.0	5.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.0	6.4	5.1
(i) Access to Foreign Capital						7.8	8.7
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	5.0	5.0	1.5
5. Regulation of Credit, Labor and Business		5.1	5.2	4.0	4.7	6.3	5.4
A. Regulation of Credit Markets	4.7	5.3	5.6	2.4	4.7	7.9	5.5
(i) Private Ownership of Banks		8.0	8.0	0.0	0.0	8.0	8.0
(ii) Competition from Foreign Banks						7.3	5.9
(iii) Extension of Credit to Private Sector	4.7	2.7	4.9	3.1	6.0	8.3	4.1
(iv) Avoidance of Negative Real Interest Rates			4.0	4.0	8.0	8.0	4.0
(v) Controls on Interest Rates						5.7	6.5
B. Regulation of Labor Markets					5.7	6.3	4.8
(i) Impact of Minimum Wage						7.9	2.7
(ii) Flexibility in Hiring and Firing					5.0	5.0	4.1
(iii) Collective Bargaining					7.2	7.2	5.7
(iv) Incentives from Unemployment Benefits						6.2	6.5
(v) Military Conscription	5.0	5.0	5.0	5.0	5.0	5.0	5.0
C. Regulation of Business						4.6	5.9
(i) Price Controls					0.0	5.0	7.0
(ii) Administrative Obstacles for New Businesses							6.7
(iii) Time Spent with Government Bureaucracy						6.1	6.3
(iv) Ease of Starting a New Business						4.2	3.7
(v) Irregular Payments to Government Officials						3.4	5.7

134 Chapter 4: Country Data Tables

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.2 (40)	5.3 (41)	4.5 (76)	5.2 (63)	5.1 (70)	6.4 (43)	6.1 (73)
1. Size of Government: Expenditures, Taxes and Enterprises	4.8	5.7	4.6	4.2	4.9	5.0	5.9
A. Government Consumption	7.6 (14.1)	6.2 (19.0)	5.5 (21.3)	6.1 (19.4)	6.1 (19.2)	6.0 (19.6)	5.1 (22.7)
B. Transfers and Subsidies		8.5 (6.0)	9.0 (4.1)	8.9 (4.6)	9.5 (2.3)	9.1 (3.9)	8.7 (5.4)
C. Government Enterprises and Investment	2.0 (40.3)	0.0 (60.5)	2.0 (46.8)	2.0 (47.5)	4.0 (31.7)	2.0 (41.7)	6.0 (29.3)
D. Top Marginal Tax Rate		8.0 (39)	2.0 (64)	0.0 (87)	0.0 (87)	3.0 (46)	4.0 (44)
2. Legal Structure and Security of Property Rights	3.8	3.3	2.2	4.0	4.0	8.3	7.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							6.7
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.9	5.9	6.1	6.7	6.3	6.6	6.7
A. Growth of Money Supply	9.4 (3.1)	7.2 (13.9)	8.2 (9.0)	9.0 (4.9)	7.2 (13.8)	8.8 (5.8)	8.5 (7.7)
B. Inflation Variability	9.0 (2.4)	6.7 (8.4)	8.2 (4.5)	9.6 (0.9)	9.1 (2.4)	9.1 (2.2)	8.9 (2.8)
C. Recent Annual Inflation	9.3 (3.5)	9.7 (1.5)	8.1 (9.5)	8.3 (8.4)	8.9 (5.7)	8.4 (8.0)	9.6 (1.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	5.3	6.1	5.2	6.1	5.7	6.2	5.5
A. Taxes on International Trade	5.7	5.0	1.4	5.5	4.8	5.2	4.7
(i) Taxes as Percentage of Exports and Imports	5.7 (6.5)	5.0 (7.5)	2.9 (10.7)	5.7 (6.4)	4.3 (8.6)	5.5 (6.8)	
(ii) Mean Tariff Rate			0.0 (54.0)	5.3 (23.5)	5.3 (23.5)	5.4 (22.8)	4.8 (26.0)
(iii) Variability of Tariff Rates						4.7 (13.2)	4.6 (13.5)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	4.7	6.1	4.4	6.4	6.1	5.8	4.7
D. Difference between Official and Black Market Exchange Rates	7.8	9.4	9.8	8.6	7.4	9.8	10.0
E. Restrictions on Capital Markets	0.0	2.0	2.0	2.0	2.0	2.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	2.0	2.0	2.0	2.0	2.0	0.0
5. Regulation of Credit, Labor and Business			4.5	4.7	4.4	5.7	5.1
A. Regulation of Credit Markets	5.0	5.0	5.7	5.6	6.1	6.4	7.0
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector			6.4	5.7	5.3	6.2	8.0
(iv) Avoidance of Negative Real Interest Rates				6.0	8.0	8.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	1.0		1.0	1.0	1.0	1.0	1.0
C. Regulation of Business							
(i) Price Controls					0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Myanmar

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			4.5 (76)	4.2 (91)	3.2 (109)	3.7 (119)	3.3 (122)
1. Size of Government: Expenditures, Taxes and Enterprises							3.5
A. Government Consumption							
B. Transfers and Subsidies							
C. Government Enterprises and Investment	0.0	0.0	0.0	0.0	0.0 (45.0)	2.0	2.0
D. Top Marginal Tax Rate							5.0 (40)
2. Legal Structure and Security of Property Rights			5.3	4.0	3.5	6.2	2.9
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							0.0
E. Integrity of Legal System						7.0	5.0
3. Access to Sound Money	6.6	3.7	6.8	7.2	3.9	4.4	4.5
A. Growth of Money Supply	9.1 (-4.3)	6.4 (17.9)	8.9 (5.6)	9.5 (2.3)	6.0 (20.2)	3.8 (30.9)	5.3 (23.6)
B. Inflation Variability	7.6 (6.0)	1.5 (21.2)	8.6 (3.5)	9.6 (1.0)	3.2 (17.1)	7.6 (6.0)	2.6 (18.6)
C. Recent Annual Inflation	9.7 (-1.4)	6.7 (16.5)	9.8 (1.2)	9.7 (1.6)	6.3 (18.5)	6.1 (19.4)	10.0 (-0.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	2.1	1.7	1.9	1.7	1.7	1.7	1.7
A. Taxes on International Trade	2.4	0.0	0.5	0.0	0.0	0.0	0.0
(i) Taxes as Percentage of Exports and Imports	2.4 (11.4)	0.0 (19.3)	0.5 (14.2)	0.0 (17.6)	0.0 (19.4)	0.0 (24.7)	0.0 (23.7)
(ii) Mean Tariff Rate							
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	0.0	0.0	0.9	0.0	0.0	0.0	0.0
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	3.3	4.6	3.9	3.8	3.7	2.5	4.0
A. Regulation of Credit Markets	2.5	1.4	0.5	0.2	0.0	0.0	1.0
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	4.9	2.7	1.4	0.6			
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	0.0	0.0	2.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	0.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	0.0	0.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Namibia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►					4.7 (83)	6.4 (43)	6.6 (56)
1. Size of Government: Expenditures, Taxes and Enterprises			1.7	0.7	4.9	4.8	3.9
A. Government Consumption			3.4 (28.4)	1.3 (35.6)	1.5 (34.9)	1.1 (36.3)	2.0 (33.2)
B. Transfers and Subsidies					9.3 (3.2)	9.2 (3.4)	8.6 (5.5)
C. Government Enterprises and Investment			0.0 (57.9)	0.0 (64.5)	4.0 (38.3)	4.0 (35.1)	0.0 (51.4)
D. Top Marginal Tax Rate							5.0 (36)
2. Legal Structure and Security of Property Rights					2.3	8.3	8.3
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							10.0
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money				4.0	5.4	5.7	7.1
A. Growth of Money Supply						5.8 (20.9)	6.3 (18.4)
B. Inflation Variability				7.0 (7.6)	8.0 (5.0)	8.3 (4.2)	8.9 (2.8)
C. Recent Annual Inflation				5.0 (24.8)	8.3 (8.3)	8.6 (7.2)	8.3 (8.6)
D. Freedom to Own Foreign Currency				0.0	0.0	0.0	5.0
4. Freedom to Exchange with Foreigners						6.4	6.9
A. Taxes on International Trade			8.1	8.8	6.1	3.9	7.3
(i) Taxes as Percentage of Exports and Imports					5.1 (7.3)	4.3 (8.6)	
(ii) Mean Tariff Rate			8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.6 (7.2)
(iii) Variability of Tariff Rates					5.5 (11.3)	1.2 (21.9)	6.0 (10.0)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector						7.8	9.0
D. Difference between Official and Black Market Exchange Rates				5.0	9.4	10.0	10.0
E. Restrictions on Capital Markets					2.0	2.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners					2.0	2.0	0.0
5. Regulation of Credit, Labor and Business					5.9	6.8	6.6
A. Regulation of Credit Markets					7.7	8.6	9.4
(i) Private Ownership of Banks							
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector					9.4	9.2	8.8
(iv) Avoidance of Negative Real Interest Rates					6.0	8.0	10.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription					10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					2.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Nepal

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			5.7 (37)	5.3 (59)	5.3 (62)	5.4 (80)	5.9 (80)
1. Size of Government: Expenditures, Taxes and Enterprises		6.6	6.8	5.3	5.5	5.3	5.3
A. Government Consumption		9.3 (8.4)	9.5 (7.5)	8.6 (10.8)	9.0 (9.4)	8.7 (10.6)	8.6 (10.8)
B. Transfers and Subsidies							
C. Government Enterprises and Investment	2.0 (49.0)	4.0 (32.5)	4.0 (37.3)	2.0 (45.8)	2.0 (43.2)	2.0	2.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights							
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							
E. Integrity of Legal System							
3. Access to Sound Money	6.2	4.4	5.9	6.2	6.1	6.0	6.7
A. Growth of Money Supply	8.9 (5.3)	7.7 (11.6)	7.1 (14.4)	7.8 (10.8)	6.9 (15.7)	7.2 (13.9)	8.4 (7.8)
B. Inflation Variability	7.2 (7.0)	5.5 (11.3)	7.9 (5.4)	9.1 (2.2)	9.5 (1.3)	8.2 (4.6)	8.7 (3.3)
C. Recent Annual Inflation	8.6 (7.1)	4.5 (27.5)	8.5 (7.6)	7.7 (11.4)	7.9 (10.7)	8.7 (6.3)	9.7 (1.5)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	1.8	2.9	4.8	4.7	4.3	5.0	5.9
A. Taxes on International Trade	0.6	4.1	4.9	5.2	4.8	5.6	4.8
(i) Taxes as Percentage of Exports and Imports	0.6 (14.1)	4.1 (8.9)	4.3 (8.6)	4.9 (7.7)	4.1 (8.8)	6.4 (5.4)	6.5 (5.3)
(ii) Mean Tariff Rate			5.6 (22.1)	5.5 (22.6)	5.5 (22.6)	6.8 (16.1)	6.5 (17.7)
(iii) Variability of Tariff Rates						3.6 (15.9)	1.6 (21.0)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	0.0	0.0	1.1	2.1	1.6	5.0	4.8
D. Difference between Official and Black Market Exchange Rates	0.0	2.0	10.0	7.8	6.8	6.2	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	1.8
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	1.8
5. Regulation of Credit, Labor and Business			5.2	5.2	5.4	5.2	5.5
A. Regulation of Credit Markets	0.0	0.0	4.0	3.8	5.6	5.5	6.0
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector			6.0	5.5	6.7	8.5	8.1
(iv) Avoidance of Negative Real Interest Rates			6.0	6.0	10.0	8.0	10.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					2.0	2.0	2.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

New Zealand

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.4 (21)	5.5 (32)	6.2 (20)	6.0 (29)	7.1 (15)	8.6 (3)	8.2 (5)
1. Size of Government: Expenditures, Taxes and Enterprises	5.4	4.4	3.8	3.5	5.5	7.5	6.7
A. Government Consumption	6.7 (17.1)	6.0 (19.6)	5.1 (22.6)	5.6 (20.9)	5.5 (21.2)	6.2 (18.9)	4.8 (23.6)
B. Transfers and Subsidies		4.6 (20.2)	4.2 (21.9)	4.5 (20.6)	2.6 (27.5)	6.6 (12.8)	6.9 (11.9)
C. Government Enterprises and Investment	4.0 (33.9)	4.0 (37.5)	4.0 (30.8)	4.0 (31.4)	7.0 (25.3)	10.0 (12.0)	10.0
D. Top Marginal Tax Rate		3.0 (60)	2.0 (62)	0.0 (66)	7.0 (33)	7.0 (33)	5.0 (39)
2. Legal Structure and Security of Property Rights	8.0	5.1	8.0	7.9	8.3	9.0	9.1
A. Judicial Independence						9.5	9.2
B. Impartial Courts						9.1	9.2
C. Protection of Intellectual Property						7.3	7.2
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.2	5.8	6.3	6.0	7.3	9.6	9.0
A. Growth of Money Supply	9.7 (-1.8)	7.6 (12.2)	8.9 (5.6)	8.3 (8.5)	1.8 (40.9)	9.1 (4.7)	7.0 (-14.8)
B. Inflation Variability	7.8 (5.6)	8.5 (3.7)	9.2 (2.0)	8.7 (3.3)	7.8 (5.4)	9.9 (0.3)	9.4 (1.4)
C. Recent Annual Inflation	7.3 (13.3)	7.2 (14.1)	6.9 (15.4)	7.2 (14.2)	9.5 (2.7)	9.5 (2.3)	9.5 (2.6)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.5	6.6	7.0	6.9	7.8	8.0	8.3
A. Taxes on International Trade	8.2	7.3	7.9	7.7	6.6	7.7	8.9
(i) Taxes as Percentage of Exports and Imports	8.2 (2.7)	8.4 (2.4)	8.3 (2.5)	8.7 (2.0)	8.9 (1.7)	9.1 (1.4)	9.1 (1.4)
(ii) Mean Tariff Rate		6.2 (18.9)	7.4 (13.0)	6.8 (16.0)	7.1 (14.5)	8.3 (8.5)	9.4 (2.8)
(iii) Variability of Tariff Rates					3.7 (15.7)	5.8 (10.4)	8.2 (4.5)
B. Regulatory Trade Barriers						8.5	9.4
(i) Hidden Import Barriers						8.5	9.1
(ii) Costs of Importing							9.7
C. Size of Trade Sector	5.1	5.2	5.2	5.8	4.5	4.3	4.5
D. Difference between Official and Black Market Exchange Rates	7.8	9.0	10.0	9.2	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	5.0	10.0	9.6	8.9
(i) Access to Foreign Capital						9.2	9.3
(ii) Restrictions on Capital Transactions with Foreigners	5.0	5.0	5.0	5.0	10.0	10.0	8.5
5. Regulation of Credit, Labor and Business	5.7	5.7	5.7	5.8	6.6	8.9	7.9
A. Regulation of Credit Markets	6.5	6.2	6.2	6.6	9.6	9.7	9.3
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						9.1	7.9
(iii) Extension of Credit to Private Sector	8.0	7.4	7.5	6.9	8.8	9.6	9.5
(iv) Avoidance of Negative Real Interest Rates			6.0	8.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.2	9.1
B. Regulation of Labor Markets	6.5	6.5	6.6	6.5	6.8	7.5	5.9
(i) Impact of Minimum Wage						6.5	3.6
(ii) Flexibility in Hiring and Firing					7.6	7.6	3.1
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	7.9	8.1
(iv) Incentives from Unemployment Benefits	4.4	4.4	4.6	4.3	4.3	5.3	4.8
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						9.4	8.5
(i) Price Controls					9.0	10.0	10.0
(ii) Administrative Obstacles for New Businesses							7.5
(iii) Time Spent with Government Bureaucracy						9.3	7.8
(iv) Ease of Starting a New Business						8.5	7.9
(v) Irregular Payments to Government Officials						9.9	9.2

Niger

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		5.7 (26)	5.4 (49)	5.4 (55)	5.1 (70)	4.6 (104)	5.5 (97)
1. Size of Government: Expenditures, Taxes and Enterprises	6.6	6.3	7.2	6.3	3.8	5.8	5.9
A. Government Consumption	9.1 (8.9)	8.5 (11.1)	8.2 (12.1)	8.6 (10.9)	7.6 (14.1)	7.6 (14.1)	7.8 (13.4)
B. Transfers and Subsidies			9.5 (2.5)				
C. Government Enterprises and Investment	4.0 (36.8)	4.0	4.0 (33.5)	4.0 (29.4)	0.0 (76.5)	4.0	4.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights			4.7	4.8	5.3	1.1	4.7
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							6.7
E. Integrity of Legal System						0.0	3.3
3. Access to Sound Money	6.4	4.8	4.7	6.4	7.1	5.7	6.7
A. Growth of Money Supply	9.4 (2.8)	6.1 (19.5)	5.0 (25.0)	9.3 (3.3)	9.9 (-0.6)	9.3 (3.5)	8.5 (-7.4)
B. Inflation Variability	7.8 (5.6)	4.2 (14.6)	7.9 (5.4)	7.4 (6.6)	8.9 (2.9)	4.6 (13.4)	8.8 (3.0)
C. Recent Annual Inflation	8.6 (7.1)	8.7 (-6.4)	5.8 (20.8)	8.8 (-5.9)	9.7 (-1.6)	8.9 (5.4)	9.4 (2.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners		5.7	5.7	5.4	4.9	4.8	5.4
A. Taxes on International Trade		5.5	4.4	3.7	3.5	2.8	5.6
(i) Taxes as Percentage of Exports and Imports		5.5 (6.7)	4.4 (8.4)	3.7 (9.5)	3.5 (9.8)	2.8 (10.8)	
(ii) Mean Tariff Rate							5.6 (22.1)
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	2.9	5.3	6.1	5.4	3.6	3.3	3.4
D. Difference between Official and Black Market Exchange Rates	9.6	9.6	9.6	9.8	9.2	9.8	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business		6.0	4.6	4.2	4.3	5.6	4.6
A. Regulation of Credit Markets	9.6	5.5	4.3	5.1	6.1	6.2	5.7
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	9.6	9.0	8.9	8.2	8.4	7.7	8.0
(iv) Avoidance of Negative Real Interest Rates			2.0		8.0	6.0	4.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0		0.0	0.0	0.0	0.0
C. Regulation of Business							
(i) Price Controls					0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

142 Chapter 4: Country Data Tables

Nigeria		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.5 (51)	4.3 (58)	3.9 (94)	4.5 (86)	3.9 (102)	3.9 (115)	5.3 (101)
1. Size of Government: Expenditures, Taxes and Enterprises		9.0	5.1	2.2	5.0	2.5	4.9	5.5
A. Government Consumption	9.0 (9.3)	7.1 (15.9)	6.6 (17.6)	7.2 (15.5)	5.5 (21.4)	7.8 (13.6)	7.6 (14.3)	
B. Transfers and Subsidies	9.9 (0.8)	9.4 (2.8)		9.8 (1.3)				
C. Government Enterprises and Investment	8.0 (14.6)	4.0 (30.7)	0.0 (50.9)	0.0 (49.8)	0.0 (88.1)	0.0	0.0	
D. Top Marginal Tax Rate		0.0 (75)	0.0 (70)	3.0 (55)	2.0 (55)	7.0 (35)	9.0 (25)	
2. Legal Structure and Security of Property Rights		3.1	3.7	3.1	2.5	2.9	6.2	3.6
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								2.5
D. Military Interference								3.3
E. Integrity of Legal System						7.0		5.0
3. Access to Sound Money		2.5	3.4	5.5	6.3	4.1	0.8	5.5
A. Growth of Money Supply	8.0 (10.0)	4.8 (25.9)	4.9 (25.5)	8.6 (7.1)	6.0 (20.1)	2.2 (38.9)	7.0 (15.0)	
B. Inflation Variability	2.1 (19.8)	3.5 (16.3)	9.4 (1.4)	7.4 (6.5)	1.9 (20.2)	1.1 (22.4)	1.5 (21.2)	
C. Recent Annual Inflation	0.0 (51.3)	5.3 (23.5)	7.5 (12.4)	9.3 (3.7)	8.6 (7.2)	0.0 (55.8)	8.6 (6.9)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	5.0	
4. Freedom to Exchange with Foreigners		3.2	4.4	3.8	3.5	5.4	2.8	5.8
A. Taxes on International Trade	5.6	5.6	3.9	4.6	3.5	1.7	3.4	
(i) Taxes as Percentage of Exports and Imports	5.6 (6.6)	5.6 (6.6)	4.3 (8.5)	6.6 (5.1)	7.3 (4.0)	3.4 (32.8)	3.4 (32.8)	
(ii) Mean Tariff Rate			3.5 (32.6)	2.6 (37.0)	3.1 (34.3)	0.0 (25.0)		
(iii) Variability of Tariff Rates					0.0 (30.8)			
B. Regulatory Trade Barriers							3.2	
(i) Hidden Import Barriers							3.2	
(ii) Costs of Importing								
C. Size of Trade Sector	2.2	6.6	7.0	4.4	10.0	4.0	7.7	
D. Difference between Official and Black Market Exchange Rates	0.0	1.4	0.0	0.0	5.4	0.0	7.8	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	7.0	
(i) Access to Foreign Capital							8.7	
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	5.4	
5. Regulation of Credit, Labor and Business			4.8	4.8	5.2	4.6	4.8	6.1
A. Regulation of Credit Markets	2.0	2.0	2.0	3.0	3.6	4.6	5.8	
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	5.0	5.0	
(ii) Competition from Foreign Banks							7.6	
(iii) Extension of Credit to Private Sector					8.7	8.7	6.6	
(iv) Avoidance of Negative Real Interest Rates	2.0	2.0	2.0	4.0	0.0	0.0	4.0	
(v) Controls on Interest Rates							6.2	
B. Regulation of Labor Markets							7.2	
(i) Impact of Minimum Wage							4.8	
(ii) Flexibility in Hiring and Firing							7.2	
(iii) Collective Bargaining							6.9	
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0		10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business							5.2	
(i) Price Controls					0.0	0.0	4.0	
(ii) Administrative Obstacles for New Businesses							7.8	
(iii) Time Spent with Government Bureaucracy							6.0	
(iv) Ease of Starting a New Business							5.1	
(v) Irregular Payments to Government Officials							3.0	

Norway

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.0 (30)	5.3 (41)	5.6 (41)	6.1 (27)	6.7 (20)	7.5 (13)	7.3 (24)
1. Size of Government: Expenditures, Taxes and Enterprises	4.4	3.1	2.9	3.2	3.2	4.0	4.1
A. Government Consumption	4.7 (24.0)	3.8 (27.1)	3.4 (28.6)	3.7 (27.5)	3.1 (29.6)	3.0 (29.8)	2.8 (30.6)
B. Transfers and Subsidies	4.5 (20.6)	4.4 (21.0)	4.1 (22.1)	4.3 (21.4)	2.7 (27.3)	4.2 (21.8)	4.5 (20.7)
C. Government Enterprises and Investment	4.0 (31.7)	4.0 (30.5)	4.0 (35.9)	4.0 (34.2)	4.0 (37.4)	4.0 (43.1)	4.0
D. Top Marginal Tax Rate		0.0 (74)	0.0 (75)	1.0 (64)	3.0 (54)	5.0 (42)	5.0 (48)
2. Legal Structure and Security of Property Rights	7.7	5.4	7.0	8.1	8.3	9.0	8.8
A. Judicial Independence						9.5	8.4
B. Impartial Courts						8.9	8.7
C. Protection of Intellectual Property						7.6	7.2
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.2	6.3	6.5	6.3	8.7	9.4	9.5
A. Growth of Money Supply	8.8 (6.0)	8.0 (10.2)	9.7 (1.5)	7.5 (12.7)	6.6 (16.8)	8.8 (5.9)	8.8 (6.2)
B. Inflation Variability	8.6 (3.6)	9.2 (2.1)	8.9 (2.6)	8.9 (2.8)	8.9 (2.7)	9.4 (1.4)	9.8 (0.4)
C. Recent Annual Inflation	7.4 (12.8)	8.0 (10.0)	7.4 (13.1)	9.0 (5.2)	9.2 (3.9)	9.4 (3.1)	9.4 (3.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.5	6.6	6.5	7.5	7.9	8.0	7.6
A. Taxes on International Trade	8.9	9.0	9.3	9.3	8.6	8.1	7.5
(i) Taxes as Percentage of Exports and Imports	8.9 (1.6)	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.7 (0.4)	9.8 (0.3)
(ii) Mean Tariff Rate		8.3 (8.5)	8.8 (6.2)	8.9 (5.7)	8.9 (5.7)	8.8 (5.9)	9.4 (2.9)
(iii) Variability of Tariff Rates					7.2 (6.9)	5.7 (10.7)	3.4 (16.6)
B. Regulatory Trade Barriers						9.2	8.3
(i) Hidden Import Barriers						9.2	7.8
(ii) Costs of Importing							8.8
C. Size of Trade Sector	7.0	5.8	5.2	5.5	5.0	4.1	4.4
D. Difference between Official and Black Market Exchange Rates	10.0	9.8	9.4	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	2.0	2.0	5.0	8.0	8.6	7.8
(i) Access to Foreign Capital						9.3	8.8
(ii) Restrictions on Capital Transactions with Foreigners	0.0	2.0	2.0	5.0	8.0	8.0	6.9
5. Regulation of Credit, Labor and Business	5.4	5.3	5.2	5.5	5.4	6.9	6.6
A. Regulation of Credit Markets	8.4	8.1	7.2	8.8	8.5	8.6	8.4
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						8.3	6.2
(iii) Extension of Credit to Private Sector	6.7	6.2	5.6	6.4	7.5	8.1	9.4
(iv) Avoidance of Negative Real Interest Rates			6.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.6	7.1
B. Regulation of Labor Markets	4.2	4.1	3.5	3.2	3.6	4.3	3.8
(i) Impact of Minimum Wage						4.5	5.0
(ii) Flexibility in Hiring and Firing					4.9	4.9	2.1
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	4.0
(iv) Incentives from Unemployment Benefits	6.3	6.2	4.4	3.5	3.5	4.2	4.8
(v) Military Conscription	1.0	1.0	1.0	1.0	1.0	3.0	3.0
C. Regulation of Business						7.8	7.7
(i) Price Controls					6.0	7.0	8.0
(ii) Administrative Obstacles for New Businesses							6.1
(iii) Time Spent with Government Bureaucracy						8.1	8.7
(iv) Ease of Starting a New Business						7.2	6.8
(v) Irregular Payments to Government Officials						9.0	8.7

Oman

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				6.9 (15)	6.3 (32)	6.9 (35)	7.4 (19)
1. Size of Government: Expenditures, Taxes and Enterprises	3.1	5.4	5.4	5.3	5.3	5.7	6.1
A. Government Consumption	0.1 (39.8)	0.0 (66.6)	0.0 (47.4)	0.0 (45.5)	0.0 (58.8)	1.2 (36.0)	2.7 (30.9)
B. Transfers and Subsidies	9.3 (3.2)	9.7 (1.7)	9.6 (2.0)	9.3 (3.1)	9.3 (2.9)	9.8 (1.3)	9.6 (1.9)
C. Government Enterprises and Investment	0.0 (65.9)	2.0 (43.7)	2.0 (58.8)	2.0	2.0	2.0	2.0
D. Top Marginal Tax Rate		10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights				5.8	5.2	6.2	7.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							8.3
E. Integrity of Legal System						7.0	8.3
3. Access to Sound Money	8.2	6.0	5.0	9.2	7.5	9.0	9.2
A. Growth of Money Supply		4.6 (27.1)	7.8 (11.1)	8.8 (6.1)	8.9 (-5.4)	9.1 (-4.5)	8.6 (-6.9)
B. Inflation Variability	7.6 (6.1)	0.0 (75.6)	2.2 (19.4)	8.1 (4.8)	4.5 (13.7)	7.6 (6.1)	8.6 (3.5)
C. Recent Annual Inflation	8.8 (-6.2)	9.5 (2.4)	0.0 (51.1)	9.9 (-0.5)	6.7 (16.6)	9.3 (3.7)	9.8 (-1.1)
D. Freedom to Own Foreign Currency		10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners				7.1	7.0	6.6	7.7
A. Taxes on International Trade	9.5			9.2	9.3	8.1	9.0
(i) Taxes as Percentage of Exports and Imports	9.5 (0.8)			9.1 (1.4)	9.3 (1.0)	9.3 (1.1)	8.4 (2.4)
(ii) Mean Tariff Rate				9.4 (3.0)		8.9 (5.7)	9.0 (4.8)
(iii) Variability of Tariff Rates						6.3 (9.2)	9.6 (0.9)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	6.2	7.9	6.2	5.9	5.4	4.8	4.8
D. Difference between Official and Black Market Exchange Rates		10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.0	6.7
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	6.7
5. Regulation of Credit, Labor and Business			7.1	7.1	6.6	7.1	6.6
A. Regulation of Credit Markets		5.0	8.9	9.0	9.1	9.1	9.0
(i) Private Ownership of Banks		5.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector			9.8	9.1	9.3	9.4	8.9
(iv) Avoidance of Negative Real Interest Rates				10.0	10.0	10.0	10.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Pakistan

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.7 (47)	3.8 (66)	4.6 (74)	5.1 (64)	5.0 (74)	5.7 (73)	5.1 (107)
1. Size of Government: Expenditures, Taxes and Enterprises	6.2	4.7	5.0	4.7	4.6	5.3	6.7
A. Government Consumption	8.5 (11.1)	8.5 (11.2)	8.6 (10.8)	8.0 (12.9)	6.6 (17.5)	7.7 (13.8)	7.9 (13.1)
B. Transfers and Subsidies	10.0 (0.0)	9.3 (3.0)	9.5 (2.2)	9.9 (0.7)	8.9 (4.4)	9.7 (1.8)	9.8 (1.1)
C. Government Enterprises and Investment	0.0 (49.0)	0.0 (65.4)	0.0 (65.3)	0.0 (53.9)	0.0 (49.4)	0.0 (46.8)	2.0 (33.8)
D. Top Marginal Tax Rate		1.0 (61)	2.0 (55)	1.0 (60)	3.0 (50)	4.0 (45)	7.0 (35)
2. Legal Structure and Security of Property Rights	2.2	1.6	2.5	3.5	2.7	6.2	2.9
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							0.0
E. Integrity of Legal System						7.0	5.0
3. Access to Sound Money	6.9	5.1	6.1	6.7	7.7	7.4	6.4
A. Growth of Money Supply	9.6 (2.0)	8.5 (7.7)	6.7 (16.4)	8.7 (6.6)	8.1 (9.4)	8.3 (8.7)	8.4 (8.2)
B. Inflation Variability	9.0 (2.6)	6.6 (8.5)	9.3 (1.7)	9.1 (2.3)	9.0 (2.4)	9.2 (2.0)	8.2 (4.4)
C. Recent Annual Inflation	9.1 (4.3)	5.2 (24.0)	8.2 (9.1)	9.1 (4.5)	8.7 (6.5)	7.2 (13.8)	9.1 (4.4)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	5.0	5.0	0.0
4. Freedom to Exchange with Foreigners	2.8	4.4	4.0	5.0	4.5	5.1	4.3
A. Taxes on International Trade	0.3	0.0	0.0	0.1	0.0	1.3	2.7
(i) Taxes as Percentage of Exports and Imports	0.3 (14.5)	0.0 (15.3)	0.0 (15.3)	0.2 (14.7)	0.0 (15.2)	2.6 (11.1)	6.0 (6.0)
(ii) Mean Tariff Rate			0.0 (77.6)	0.0 (78.0)	0.0 (58.8)	0.0 (61.1)	0.7 (46.5)
(iii) Variability of Tariff Rates					0.0 (34.0)	1.2 (21.9)	1.5 (21.2)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	3.2	5.2	5.2	5.3	5.2	4.8	4.8
D. Difference between Official and Black Market Exchange Rates	0.0	6.6	4.6	9.2	7.2	9.4	5.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.0	0.8
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	0.8
5. Regulation of Credit, Labor and Business	5.7	3.4	5.4	5.7	5.4	4.6	5.2
A. Regulation of Credit Markets	5.2	2.3	4.3	5.3	4.4	4.1	4.4
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	7.7	7.0	6.9	7.9	7.2	6.4	7.1
(iv) Avoidance of Negative Real Interest Rates	8.0	0.0	6.0	8.0	6.0	6.0	6.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	10.0	0.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls						4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

146 Chapter 4: Country Data Tables

		1970	1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►			7.3 (3)		6.0 (24)		6.6 (18)		6.6 (23)		7.6 (11)		7.4 (19)	
1. Size of Government: Expenditures, Taxes and Enterprises			5.3		4.8		5.0		5.7		7.6		7.4	
A. Government Consumption			4.3 (25.4)		3.5 (28.2)		4.2 (25.8)		4.7 (24.2)		5.1 (22.5)		5.5 (21.4)	
B. Transfers and Subsidies			9.1 (3.8)		8.8 (4.9)		8.8 (4.8)		8.1 (7.4)		8.3 (6.7)		8.3 (6.6)	
C. Government Enterprises and Investment			6.0 (26.7)		4.0 (42.9)		4.0 (39.9)		4.0 (31.4)		7.0 (22.1)		8.0 (16.1)	
D. Top Marginal Tax Rate			4.0 (52)		3.0 (56)		3.0 (56)		3.0 (56)		9.0 (30)		8.0 (31)	
2. Legal Structure and Security of Property Rights					3.2		3.5		3.7		6.2		5.8	
A. Judicial Independence														
B. Impartial Courts														
C. Protection of Intellectual Property													4.1	
D. Military Interference													8.3	
E. Integrity of Legal System											7.0		5.0	
3. Access to Sound Money			9.6		8.9		6.7		9.7		9.8		9.2	
A. Growth of Money Supply			9.1 (4.7)		8.9 (5.4)		8.0 (10.0)		9.9 (0.6)		10.0 (-0.3)		7.8 (11.1)	
B. Inflation Variability			9.7 (0.7)		8.7 (3.2)		5.6 (11.0)		9.0 (2.4)		9.5 (1.2)		9.3 (1.9)	
C. Recent Annual Inflation			9.8 (1.1)		8.0 (10.3)		3.3 (33.7)		9.8 (0.8)		9.9 (0.6)		9.9 (0.5)	
D. Freedom to Own Foreign Currency			10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners			7.7		8.2		8.1		7.6		7.3		8.0	
A. Taxes on International Trade			6.9		7.9		7.9		7.3		5.4		7.3	
(i) Taxes as Percentage of Exports and Imports			6.9 (4.7)		7.9 (3.2)		7.9 (3.1)		7.3 (4.1)		8.8 (1.8)		9.1 (1.4)	
(ii) Mean Tariff Rate											2.0 (40.0)		5.6 (22.0)	
(iii) Variability of Tariff Rates													8.2 (9.2)	
B. Regulatory Trade Barriers													7.6 (5.9)	
(i) Hidden Import Barriers													5.0	
(ii) Costs of Importing													5.0	
C. Size of Trade Sector			5.5		7.0		6.2		4.7		4.7		4.4	
D. Difference between Official and Black Market Exchange Rates			10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets			8.0		8.0		8.0		8.0		8.0		10.0	
(i) Access to Foreign Capital													9.1	
(ii) Restrictions on Capital Transactions with Foreigners			8.0		8.0		8.0		8.0		8.0		8.2	
5. Regulation of Credit, Labor and Business					6.9		7.0		6.9		6.4		7.2	
A. Regulation of Credit Markets			9.7		8.2		8.5		8.3		9.1		9.3	
(i) Private Ownership of Banks					8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks													7.1	
(iii) Extension of Credit to Private Sector			9.7		8.4		8.9		8.7		9.3		9.9	
(iv) Avoidance of Negative Real Interest Rates											10.0		10.0	
(v) Controls on Interest Rates													6.9	
B. Regulation of Labor Markets													5.9	
(i) Impact of Minimum Wage													3.8	
(ii) Flexibility in Hiring and Firing													4.2	
(iii) Collective Bargaining													5.9	
(iv) Incentives from Unemployment Benefits														
(v) Military Conscription					10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													5.1	
(i) Price Controls									2.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													6.9	
(iii) Time Spent with Government Bureaucracy													3.9	
(iv) Ease of Starting a New Business													5.5	
(v) Irregular Payments to Government Officials													5.3	

Papua New Guinea

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				6.3 (21)	6.3 (32)	6.1 (63)	5.8 (82)
1. Size of Government: Expenditures, Taxes and Enterprises				5.9	5.8	7.0	6.5
A. Government Consumption	2.3 (32.1)	0.5 (38.5)	3.5 (28.1)	4.1 (25.9)	3.1 (29.6)	6.0 (19.6)	6.0 (19.5)
B. Transfers and Subsidies				9.5 (2.5)	9.1 (3.8)		9.9 (0.8)
C. Government Enterprises and Investment				4.0 (34.0)	7.0 (20.3)	8.0 (18.7)	7.0 (23.1)
D. Top Marginal Tax Rate					4.0 (45)		3.0 (47)
2. Legal Structure and Security of Property Rights				5.7	6.3	6.2	4.1
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							5.0
E. Integrity of Legal System						7.0	3.3
3. Access to Sound Money	9.2	5.7	6.2	6.6	6.6	5.4	5.4
A. Growth of Money Supply			9.3 (3.5)	9.5 (2.7)	8.8 (5.8)	7.8 (10.9)	7.4 (13.1)
B. Inflation Variability	9.4 (1.4)	7.5 (6.2)	6.9 (7.6)	7.2 (6.9)	8.4 (4.0)	7.5 (6.2)	7.4 (6.5)
C. Recent Annual Inflation	8.9 (5.7)	9.5 (2.3)	8.6 (7.1)	9.7 (1.6)	9.2 (4.1)	6.1 (19.7)	6.9 (15.6)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners				6.7	6.3	6.3	6.8
A. Taxes on International Trade		7.7	7.8	7.3	6.9	6.5	4.5
(i) Taxes as Percentage of Exports and Imports		7.7 (3.4)	7.8 (3.3)	6.1 (5.9)	5.3 (7.1)	6.0 (6.0)	5.4 (7.0)
(ii) Mean Tariff Rate				8.6 (7.0)	8.6 (7.0)		5.9 (20.7)
(iii) Variability of Tariff Rates						7.0 (7.5)	2.3 (19.2)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	6.3	8.4	8.4	8.8	7.9	8.1	10.0
D. Difference between Official and Black Market Exchange Rates				9.2	8.6	8.6	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	1.5
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	1.5
5. Regulation of Credit, Labor and Business			6.3	6.5	6.5	5.7	6.4
A. Regulation of Credit Markets		6.8	6.4	6.9	6.9	6.4	7.0
(i) Private Ownership of Banks		5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector		8.5	7.7	8.8	8.9	6.3	5.9
(iv) Avoidance of Negative Real Interest Rates						8.0	10.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription			10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls							
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

148 Chapter 4: Country Data Tables

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				6.5 (14)	5.9 (34)	6.0 (40)	7.0 (29)	6.3 (66)
1. Size of Government: Expenditures, Taxes and Enterprises		8.1		8.7		8.8		7.6
A. Government Consumption		8.7 (10.4)	9.5 (7.7)	9.6 (7.4)	9.5 (7.9)	9.6 (7.4)	8.5 (11.2)	8.7 (10.4)
B. Transfers and Subsidies		9.7 (1.6)	9.6 (2.0)	9.6 (2.0)	9.6 (2.1)	9.6 (1.8)	9.3 (3.0)	
C. Government Enterprises and Investment		6.0 (27.0)	7.0 (21.1)	8.0 (17.8)	4.0 (31.4)	8.0 (13.3)	7.0 (23.2)	4.0 (34.9)
D. Top Marginal Tax Rate					8.0 (30)	8.0 (30)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights				3.7	4.0	4.5	4.1	3.5
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								2.3
D. Military Interference								3.3
E. Integrity of Legal System							4.1	5.0
3. Access to Sound Money		9.5	8.2	7.7	7.5	6.2	7.8	9.0
A. Growth of Money Supply		9.2 (4.0)	7.2 (14.0)	6.1 (19.6)	8.3 (8.7)	3.6 (32.1)	5.6 (22.2)	8.6 (6.9)
B. Inflation Variability		9.1 (2.2)	7.0 (7.5)	7.9 (5.2)	6.8 (7.9)	8.6 (3.6)	8.3 (4.3)	9.0 (2.5)
C. Recent Annual Inflation		9.6 (1.9)	8.7 (6.6)	6.7 (16.7)	5.0 (25.2)	2.7 (36.3)	7.4 (13.0)	8.2 (9.0)
D. Freedom to Own Foreign Currency		10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners		5.0	5.3	5.6	4.4	6.2	7.4	6.6
A. Taxes on International Trade		3.3	4.1	3.0	4.3	6.5	8.0	7.4
(i) Taxes as Percentage of Exports and Imports		3.3 (10.1)	4.1 (8.8)	6.0 (6.0)	8.5 (2.2)	7.8 (3.3)	8.6 (2.1)	7.1 (4.4)
(ii) Mean Tariff Rate				0.0 (71.0)	0.0 (71.7)	6.8 (16.0)	8.1 (9.3)	8.2 (9.0)
(iii) Variability of Tariff Rates						4.9 (12.7)	7.2 (6.9)	7.0 (7.4)
B. Regulatory Trade Barriers								2.4
(i) Hidden Import Barriers								2.4
(ii) Costs of Importing								
C. Size of Trade Sector		2.1	1.6	3.2	4.4	6.4	3.5	5.9
D. Difference between Official and Black Market Exchange Rates		6.6	7.4	8.6	0.0	4.8	7.4	10.0
E. Restrictions on Capital Markets		5.0	5.0	5.0	5.0	5.0	10.0	7.1
(i) Access to Foreign Capital								5.7
(ii) Restrictions on Capital Transactions with Foreigners		5.0	5.0	5.0	5.0	5.0	10.0	8.5
5. Regulation of Credit, Labor and Business						4.5	6.9	5.0
A. Regulation of Credit Markets						6.0	8.9	7.2
(i) Private Ownership of Banks								
(ii) Competition from Foreign Banks								4.1
(iii) Extension of Credit to Private Sector						9.9	9.8	9.5
(iv) Avoidance of Negative Real Interest Rates						2.0	8.0	8.0
(v) Controls on Interest Rates								4.1
B. Regulation of Labor Markets								3.3
(i) Impact of Minimum Wage								4.7
(ii) Flexibility in Hiring and Firing								4.7
(iii) Collective Bargaining								4.0
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		0.0	0.0	1.0	0.0	0.0	0.0	0.0
C. Regulation of Business								4.6
(i) Price Controls						4.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses								4.9
(iii) Time Spent with Government Bureaucracy								5.0
(iv) Ease of Starting a New Business								4.0
(v) Irregular Payments to Government Officials								3.1

Peru

	1970		1975		1980		1985		1990		1995		2000
Summary Ratings (Rank) ►	4.7 (47)		3.7 (70)		3.6 (100)		2.7 (110)		3.8 (104)		6.2 (56)		6.9 (45)
1. Size of Government: Expenditures, Taxes and Enterprises	7.6		6.3		5.7		5.4		7.5		8.5		8.7
A. Government Consumption	7.4 (14.7)		7.6 (14.3)		7.3 (15.3)		8.0 (12.7)		8.7 (10.5)		8.8 (10.2)		7.7 (13.7)
B. Transfers and Subsidies	9.5 (2.3)		9.6 (1.9)		9.6 (1.9)		9.6 (1.8)		9.3 (3.0)		9.1 (3.9)		9.0 (4.0)
C. Government Enterprises and Investment	6.0 (24.3)		4.0 (36.8)		4.0 (28.1)		4.0 (33.9)		8.0 (16.9)		8.0 (17.0)		8.0 (15.9)
D. Top Marginal Tax Rate			4.0 (51)		2.0 (65)		0.0 (65)		4.0 (45)		8.0 (30)		10.0 (20)
2. Legal Structure and Security of Property Rights	1.4		1.1		3.8		2.2		2.9		4.7		3.9
A. Judicial Independence											2.8		1.5
B. Impartial Courts											4.3		3.2
C. Protection of Intellectual Property											4.8		3.3
D. Military Interference													6.7
E. Integrity of Legal System											7.0		5.0
3. Access to Sound Money	5.8		4.8		1.3		0.0		1.3		4.4		8.5
A. Growth of Money Supply	6.6 (16.9)		6.3 (18.6)		2.2 (39.1)		0.0 (98.5)		0.0 (690.3)		0.0 (58.2)		6.2 (19.0)
B. Inflation Variability	8.5 (3.7)		7.7 (5.9)		3.1 (17.3)		0.0 (37.9)		0.0 (2341.4)		0.0 (127.5)		8.6 (3.6)
C. Recent Annual Inflation	8.1 (9.3)		5.4 (23.2)		0.0 (65.9)		0.0 (167.8)		0.0 (6134.8)		7.6 (12.2)		9.2 (3.8)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		10.0		10.0
4. Freedom to Exchange with Foreigners	3.9		2.5		3.8		2.3		3.5		6.8		7.1
A. Taxes on International Trade	4.1		3.7		1.5		1.9		3.4		7.0		7.7
(i) Taxes as Percentage of Exports and Imports	4.1 (8.9)		3.7 (9.5)		2.9 (10.6)		4.5 (8.3)		7.4 (3.9)		6.3 (5.5)		6.7 (5.0)
(ii) Mean Tariff Rate					0.0 (57.0)		0.0 (64.0)		2.8 (36.0)		6.5 (17.6)		7.4 (13.0)
(iii) Variability of Tariff Rates							1.2 (22.0)		0.0 (25.0)		8.2 (4.4)		9.0 (2.6)
B. Regulatory Trade Barriers											6.0		6.7
(i) Hidden Import Barriers											6.0		6.8
(ii) Costs of Importing													6.7
C. Size of Trade Sector	4.3		4.4		5.1		5.3		1.7		2.3		2.5
D. Difference between Official and Black Market Exchange Rates	7.2		0.0		6.4		0.0		6.8		10.0		10.0
E. Restrictions on Capital Markets	0.0		2.0		2.0		2.0		2.0		8.6		8.9
(i) Access to Foreign Capital											9.2		9.3
(ii) Restrictions on Capital Transactions with Foreigners	0.0		2.0		2.0		2.0		2.0		8.0		8.5
5. Regulation of Credit, Labor and Business					3.5		3.4		3.8		6.4		6.4
A. Regulation of Credit Markets	5.6		4.0		2.9		2.7		2.1		7.8		8.0
(i) Private Ownership of Banks													8.0
(ii) Competition from Foreign Banks											8.1		6.6
(iii) Extension of Credit to Private Sector	5.6		4.0		5.9		5.4		4.2		9.4		9.5
(iv) Avoidance of Negative Real Interest Rates					0.0		0.0		0.0		6.0		8.0
(v) Controls on Interest Rates											8.4		8.3
B. Regulation of Labor Markets											5.4		4.7
(i) Impact of Minimum Wage											6.5		3.1
(ii) Flexibility in Hiring and Firing									6.8		6.8		7.2
(iii) Collective Bargaining											7.9		7.9
(iv) Incentives from Unemployment Benefits											5.7		5.5
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0
C. Regulation of Business											6.1		6.5
(i) Price Controls									2.0		6.0		8.0
(ii) Administrative Obstacles for New Businesses													6.8
(iii) Time Spent with Government Bureaucracy											7.0		7.5
(iv) Ease of Starting a New Business											6.4		3.6
(v) Irregular Payments to Government Officials											5.0		6.8

Philippines

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.7 (35)	5.1 (46)	5.2 (57)	5.0 (69)	5.4 (54)	7.0 (29)	7.0 (38)
1. Size of Government: Expenditures, Taxes and Enterprises	8.4	6.6	6.2	7.0	8.3	8.2	7.1
A. Government Consumption	8.2 (12.3)	7.5 (14.7)	8.1 (12.4)	9.0 (9.4)	8.1 (12.4)	7.8 (13.3)	7.3 (15.3)
B. Transfers and Subsidies	10.0 (0.4)	9.9 (0.8)	9.8 (1.1)	10.0 (0.2)	9.9 (0.9)	9.9 (0.7)	
C. Government Enterprises and Investment	7.0 (17.1)	6.0 (21.4)	6.0 (27.4)	8.0 (19.5)	8.0 (18.2)	8.0 (19.7)	7.0 (24.0)
D. Top Marginal Tax Rate		3.0 (56)	1.0 (70)	1.0 (60)	7.0 (35)	7.0 (35)	7.0 (32)
2. Legal Structure and Security of Property Rights	4.7	3.9	3.1	2.5	2.4	4.3	4.6
A. Judicial Independence						3.7	4.5
B. Impartial Courts						5.3	5.5
C. Protection of Intellectual Property						4.0	3.2
D. Military Interference							6.7
E. Integrity of Legal System						4.1	3.3
3. Access to Sound Money	6.7	5.4	5.9	4.6	4.0	8.6	9.0
A. Growth of Money Supply	8.9 (5.7)	7.2 (13.9)	7.8 (11.0)	8.4 (7.9)	0.0 (118.7)	7.5 (12.5)	7.6 (12.1)
B. Inflation Variability	9.6 (1.0)	6.4 (9.1)	8.8 (2.9)	3.5 (16.4)	8.7 (3.3)	8.6 (3.5)	9.2 (1.9)
C. Recent Annual Inflation	8.4 (7.9)	8.1 (9.3)	7.2 (14.3)	6.5 (17.6)	7.4 (13.0)	8.5 (7.6)	9.1 (4.4)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	10.0	10.0
4. Freedom to Exchange with Foreigners	3.0	4.2	5.3	5.4	5.8	7.3	7.6
A. Taxes on International Trade	4.7	1.1	3.9	5.2	5.7	6.1	7.5
(i) Taxes as Percentage of Exports and Imports	4.7 (7.9)	1.1 (13.4)	5.5 (6.8)	5.9 (6.2)	5.6 (6.6)	5.7 (6.4)	8.1 (2.9)
(ii) Mean Tariff Rate		1.2 (44.0)	2.4 (38.0)	4.5 (27.6)	5.1 (24.3)	4.5 (27.6)	8.0 (10.0)
(iii) Variability of Tariff Rates					6.3 (9.2)	8.0 (4.9)	6.5 (8.8)
B. Regulatory Trade Barriers						5.7	5.9
(i) Hidden Import Barriers						5.7	4.0
(ii) Costs of Importing							7.8
C. Size of Trade Sector	7.3	6.2	6.0	5.7	7.1	8.3	10.0
D. Difference between Official and Black Market Exchange Rates	0.0	7.4	9.4	8.6	8.6	10.0	10.0
E. Restrictions on Capital Markets	0.0	2.0	2.0	2.0	2.0	6.6	4.6
(i) Access to Foreign Capital						8.2	8.4
(ii) Restrictions on Capital Transactions with Foreigners	0.0	2.0	2.0	2.0	2.0	5.0	0.8
5. Regulation of Credit, Labor and Business		5.5	5.3	5.8	6.3	6.5	6.5
A. Regulation of Credit Markets	6.3	7.0	6.6	5.5	7.7	8.3	7.8
(i) Private Ownership of Banks		5.0	5.0	5.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						7.5	5.7
(iii) Extension of Credit to Private Sector	6.3	7.9	6.8	7.5	7.1	7.6	7.5
(iv) Avoidance of Negative Real Interest Rates		8.0	8.0	4.0	8.0	10.0	10.0
(v) Controls on Interest Rates						7.4	7.5
B. Regulation of Labor Markets					7.6	6.8	6.1
(i) Impact of Minimum Wage						5.1	4.4
(ii) Flexibility in Hiring and Firing					5.7	5.7	3.3
(iii) Collective Bargaining					7.2	7.2	6.9
(iv) Incentives from Unemployment Benefits						6.1	5.7
(v) Military Conscription	3.0	3.0	3.0	10.0	10.0	10.0	10.0
C. Regulation of Business						4.5	5.6
(i) Price Controls						4.0	4.0
(ii) Administrative Obstacles for New Businesses							7.2
(iii) Time Spent with Government Bureaucracy						5.5	6.7
(iv) Ease of Starting a New Business						6.1	5.6
(v) Irregular Payments to Government Officials						2.3	4.3

Poland

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				3.6 (102)	3.8 (104)	5.3 (86)	5.7 (89)
1. Size of Government: Expenditures, Taxes and Enterprises		3.6	4.1	3.5	2.0	3.1	3.9
A. Government Consumption		7.2 (15.6)	8.2 (12.1)	8.0 (13.0)	3.3 (28.7)	5.0 (23.0)	6.1 (19.2)
B. Transfers and Subsidies				2.7 (27.4)	2.7 (27.4)	3.5 (24.4)	4.5 (20.7)
C. Government Enterprises and Investment	0.0 (40.7)	0.0	0.0	0.0	0.0 (58.8)	0.0 (55.8)	0.0 (43.7)
D. Top Marginal Tax Rate						4.0 (45)	5.0 (40)
2. Legal Structure and Security of Property Rights				4.8	6.2	6.4	6.5
A. Judicial Independence						6.5	5.3
B. Impartial Courts						5.6	5.8
C. Protection of Intellectual Property						3.6	4.6
D. Military Interference							10.0
E. Integrity of Legal System						10.0	6.7
3. Access to Sound Money		7.8	7.4	4.4	2.5	6.0	6.2
A. Growth of Money Supply				5.9 (20.5)	0.0 (110.4)	3.8 (30.9)	5.1 (24.3)
B. Inflation Variability		9.0 (2.4)	9.2 (2.0)	0.0 (37.4)	0.0 (167.6)	5.9 (10.2)	6.7 (8.2)
C. Recent Annual Inflation		9.5 (2.4)	8.0 (9.8)	6.8 (15.8)	0.0 (435.7)	4.4 (28.2)	8.0 (10.1)
D. Freedom to Own Foreign Currency	5.0	5.0	5.0	5.0	10.0	10.0	5.0
4. Freedom to Exchange with Foreigners				2.2	5.0	6.4	6.4
A. Taxes on International Trade				5.8	6.7	6.4	5.2
(i) Taxes as Percentage of Exports and Imports				4.3 (8.6)	6.0 (6.0)	5.9 (6.1)	9.0 (1.5)
(ii) Mean Tariff Rate				7.3 (13.6)	7.7 (11.7)	6.3 (18.4)	6.5 (17.6)
(iii) Variability of Tariff Rates					6.4 (8.9)	6.9 (7.8)	0.0 (28.1)
B. Regulatory Trade Barriers						5.7	7.4
(i) Hidden Import Barriers						5.7	6.2
(ii) Costs of Importing							8.7
C. Size of Trade Sector			5.7	3.1	4.9	4.5	5.5
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	8.2	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	5.2	3.8
(i) Access to Foreign Capital						5.4	6.8
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	5.0	0.8
5. Regulation of Credit, Labor and Business			3.1	3.1	3.5	4.5	5.6
A. Regulation of Credit Markets	0.0	0.0	0.2	0.4	0.4	4.0	6.3
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	2.0	2.0
(ii) Competition from Foreign Banks						4.2	6.7
(iii) Extension of Credit to Private Sector			0.5	0.8	1.3	3.8	6.6
(iv) Avoidance of Negative Real Interest Rates					0.0	6.0	10.0
(v) Controls on Interest Rates						3.9	6.2
B. Regulation of Labor Markets					3.6	4.4	4.2
(i) Impact of Minimum Wage						5.4	3.4
(ii) Flexibility in Hiring and Firing					5.7	5.7	2.7
(iii) Collective Bargaining			4.5	4.5	5.2	5.2	7.0
(iv) Incentives from Unemployment Benefits						5.0	4.8
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	1.0	3.0
C. Regulation of Business						5.0	6.2
(i) Price Controls						7.0	4.0
(ii) Administrative Obstacles for New Businesses							7.4
(iii) Time Spent with Government Bureaucracy						5.1	7.1
(iv) Ease of Starting a New Business						4.4	7.0
(v) Irregular Payments to Government Officials						3.3	5.6

Portugal

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.8 (32)	3.8 (66)	5.6 (41)	5.4 (55)	6.1 (38)	7.2 (23)	7.4 (19)
1. Size of Government: Expenditures, Taxes and Enterprises	4.0	3.9	3.6	3.9	5.2	5.7	5.6
A. Government Consumption	7.0 (16.4)	7.3 (15.3)	6.8 (16.8)	6.6 (17.6)	6.0 (19.8)	5.5 (21.4)	4.2 (25.8)
B. Transfers and Subsidies		6.2 (14.6)	5.7 (16.3)	4.8 (19.5)	5.9 (15.5)	6.5 (13.4)	6.1 (14.8)
C. Government Enterprises and Investment	2.0 (41.8)	2.0 (39.7)	2.0 (42.2)	4.0 (30.5)	4.0 (29.9)	6.0 (23.2)	6.0
D. Top Marginal Tax Rate	3.0 (58)	0.0 (82)	0.0 (84)	0.0 (69)	5.0 (40)	5.0 (40)	6.0 (40)
2. Legal Structure and Security of Property Rights	7.1	1.4	8.0	6.1	7.7	7.6	7.6
A. Judicial Independence						8.2	7.0
B. Impartial Courts						7.0	6.3
C. Protection of Intellectual Property						5.1	6.5
D. Military Interference							10.0
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money	7.1	5.5	5.5	5.5	5.7	9.0	9.3
A. Growth of Money Supply	9.7 (1.5)	7.5 (12.4)	7.6 (11.9)	7.6 (12.2)	6.8 (16.0)	8.3 (8.7)	8.2 (9.0)
B. Inflation Variability	9.1 (2.1)	7.9 (5.2)	8.7 (3.3)	8.9 (2.6)	8.5 (3.7)	9.0 (2.6)	9.5 (1.1)
C. Recent Annual Inflation	9.6 (2.0)	6.8 (16.2)	5.8 (20.9)	5.7 (21.7)	7.4 (12.8)	9.0 (5.2)	9.4 (2.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.2	3.6	6.2	6.6	7.1	8.0	8.0
A. Taxes on International Trade	7.9	6.9	8.6	9.2	8.3	8.7	9.0
(i) Taxes as Percentage of Exports and Imports	7.9 (3.2)	6.9 (4.6)	8.6 (2.1)	9.2 (1.2)	9.1 (1.3)	9.8 (0.3)	9.7 (0.5)
(ii) Mean Tariff Rate					8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						8.2	8.6
(i) Hidden Import Barriers						8.2	7.7
(ii) Costs of Importing							9.5
C. Size of Trade Sector	4.9	3.7	4.6	5.7	5.7	5.0	4.5
D. Difference between Official and Black Market Exchange Rates	10.0	1.6	9.6	9.6	9.4	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.0	8.3	8.0
(i) Access to Foreign Capital						8.6	9.1
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	5.0	8.0	6.9
5. Regulation of Credit, Labor and Business	4.6	4.6	4.5	4.9	4.7	5.6	6.4
A. Regulation of Credit Markets	4.5	4.5	4.4	6.2	5.8	6.8	7.9
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	2.0	2.0	5.0
(ii) Competition from Foreign Banks						7.9	7.3
(iii) Extension of Credit to Private Sector	9.0	9.1	9.3	8.5	7.3	7.3	9.5
(iv) Avoidance of Negative Real Interest Rates			4.0	10.0	8.0	10.0	10.0
(v) Controls on Interest Rates						8.0	8.3
B. Regulation of Labor Markets	4.0	3.9	3.8	3.5	3.1	4.6	4.5
(i) Impact of Minimum Wage						6.4	4.0
(ii) Flexibility in Hiring and Firing					3.4	3.4	2.8
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	4.9
(iv) Incentives from Unemployment Benefits	7.0	6.5	6.2	5.2	4.0	5.2	5.5
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	3.0	5.0
C. Regulation of Business						5.4	6.7
(i) Price Controls					5.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							7.6
(iii) Time Spent with Government Bureaucracy						5.5	7.2
(iv) Ease of Starting a New Business						4.3	5.7
(v) Irregular Payments to Government Officials						5.8	7.0

Romania

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				4.8 (77)	4.8 (81)	3.8 (117)	4.8 (114)
1. Size of Government: Expenditures, Taxes and Enterprises			5.2	5.9	4.0	3.5	4.6
A. Government Consumption			9.4 (8.0)	9.9 (6.5)	6.8 (16.8)	6.8 (16.8)	7.5 (14.5)
B. Transfers and Subsidies			6.3 (14.1)	8.0 (7.9)	5.1 (18.6)	6.2 (14.6)	6.1 (14.8)
C. Government Enterprises and Investment	0.0	0.0	0.0	0.0	0.0	0.0 (60.7)	0.0 (56.7)
D. Top Marginal Tax Rate						1.0 (60)	5.0 (40)
2. Legal Structure and Security of Property Rights				4.0	6.3	6.2	6.4
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							4.1
D. Military Interference							8.3
E. Integrity of Legal System						7.0	6.7
3. Access to Sound Money	4.9		6.6	6.9	7.1	0.7	1.6
A. Growth of Money Supply			7.8 (11.2)	9.8 (1.2)	8.3 (8.7)	0.0 (97.9)	0.5 (47.6)
B. Inflation Variability	9.8 (0.4)		8.8 (3.1)	8.1 (4.7)	7.9 (5.3)	0.0 (68.3)	0.0 (45.6)
C. Recent Annual Inflation			9.9 (0.6)	9.9 (0.4)	7.3 (13.7)	2.9 (35.3)	0.9 (45.7)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	5.0	0.0	5.0
4. Freedom to Exchange with Foreigners					4.3	5.9	6.3
A. Taxes on International Trade					9.7	7.2	6.7
(i) Taxes as Percentage of Exports and Imports					9.7 (0.4)	8.2 (2.7)	8.5 (2.3)
(ii) Mean Tariff Rate						6.2 (18.8)	7.4 (13.1)
(iii) Variability of Tariff Rates							4.4 (14.1)
B. Regulatory Trade Barriers							5.5
(i) Hidden Import Barriers							5.5
(ii) Costs of Importing							
C. Size of Trade Sector			6.7	3.7	3.6	4.9	4.5
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	9.4	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	4.5
(i) Access to Foreign Capital							7.5
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	1.5
5. Regulation of Credit, Labor and Business	2.5	2.5	2.6	2.5	2.5	2.8	5.4
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	0.0	0.7	4.1
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	2.0	0.0
(ii) Competition from Foreign Banks							8.1
(iii) Extension of Credit to Private Sector	0.0	0.0	0.0	0.0	0.0	0.0	8.3
(iv) Avoidance of Negative Real Interest Rates					0.0	0.0	0.0
(v) Controls on Interest Rates							8.8
B. Regulation of Labor Markets							6.3
(i) Impact of Minimum Wage							4.7
(ii) Flexibility in Hiring and Firing							8.8
(iii) Collective Bargaining							8.7
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	0.0	0.0	1.0	0.0	0.0	1.0	3.0
C. Regulation of Business							5.8
(i) Price Controls					0.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							6.6
(iii) Time Spent with Government Bureaucracy							7.5
(iv) Ease of Starting a New Business							3.6
(v) Irregular Payments to Government Officials							5.2

Russia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						3.8 (117)	4.7 (116)
1. Size of Government: Expenditures, Taxes and Enterprises		1.1	1.2	1.2	1.2	3.9	6.4
A. Government Consumption		2.5 (31.5)	3.0 (29.7)	2.6 (31.0)	3.0 (29.8)	3.7 (27.3)	5.0 (23.0)
B. Transfers and Subsidies		2.0 (30.0)	2.0 (30.0)	2.0 (30.0)	2.0 (30.0)	7.9 (8.2)	6.6 (13.1)
C. Government Enterprises and Investment	0.0	0.0	0.0	0.0	0.0 (90.0)	2.0 (45.0)	4.0
D. Top Marginal Tax Rate		0.0 (100)	0.0 (100)	0.0 (100)	0.0 (80)	2.0 (54)	10.0 (18)
2. Legal Structure and Security of Property Rights						3.1	4.4
A. Judicial Independence						3.5	3.5
B. Impartial Courts						4.2	5.2
C. Protection of Intellectual Property						1.6	1.9
D. Military Interference							6.7
E. Integrity of Legal System							5.0
3. Access to Sound Money		6.0	5.7	6.5	6.0	1.3	1.5
A. Growth of Money Supply		8.3 (8.3)	7.9 (10.6)	8.1 (9.6)	8.1 (9.7)	0.0 (401.4)	0.0 (55.7)
B. Inflation Variability		9.6 (1.1)	9.3 (1.8)	9.4 (1.4)	8.9 (2.7)	0.0 (522.9)	0.0 (65.8)
C. Recent Annual Inflation				8.5 (7.3)	6.8 (15.9)	0.0 (170.7)	5.8 (20.8)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	0.0
4. Freedom to Exchange with Foreigners						6.4	6.9
A. Taxes on International Trade						6.6	7.5
(i) Taxes as Percentage of Exports and Imports						7.1 (4.4)	8.3 (2.6)
(ii) Mean Tariff Rate						7.7 (11.5)	7.5 (12.6)
(iii) Variability of Tariff Rates						5.0 (12.4)	6.6 (8.5)
B. Regulatory Trade Barriers						4.3	5.1
(i) Hidden Import Barriers						4.3	3.8
(ii) Costs of Importing							6.3
C. Size of Trade Sector						7.7	9.4
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	3.5	2.9
(i) Access to Foreign Capital						5.1	5.7
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	2.0	0.0
5. Regulation of Credit, Labor and Business		2.5	2.5	2.5	2.9	4.1	4.4
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	0.2	4.7	3.6
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	2.0	2.0
(ii) Competition from Foreign Banks						3.9	4.3
(iii) Extension of Credit to Private Sector					0.5	5.0	5.9
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	0.0	0.0	8.0	2.0
(v) Controls on Interest Rates						4.4	4.2
B. Regulation of Labor Markets					1.8	4.0	4.5
(i) Impact of Minimum Wage						6.0	2.6
(ii) Flexibility in Hiring and Firing					1.0	1.0	6.1
(iii) Collective Bargaining					4.5	7.2	8.3
(iv) Incentives from Unemployment Benefits						5.7	5.5
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business						3.7	5.1
(i) Price Controls					0.0	5.0	5.0
(ii) Administrative Obstacles for New Businesses							6.2
(iii) Time Spent with Government Bureaucracy						4.8	5.0
(iv) Ease of Starting a New Business						3.5	4.0
(v) Irregular Payments to Government Officials						1.4	5.4

Rwanda

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.1 (62)	5.3 (51)		5.3 (62)	4.7 (101)	5.3 (101)
1. Size of Government: Expenditures, Taxes and Enterprises	7.6	7.5	7.3	6.1	7.3	7.7	5.5
A. Government Consumption	9.1 (9.0)	6.6 (17.6)	7.9 (13.0)	8.2 (12.3)	8.6 (10.8)	9.4 (8.0)	9.0 (9.5)
B. Transfers and Subsidies		10.0 (0.6)	9.9 (0.8)		9.2 (3.5)	9.5 (2.2)	
C. Government Enterprises and Investment	6.0	6.0 (16.9)	4.0 (39.4)	4.0 (42.4)	4.0	4.0	2.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights							
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							
E. Integrity of Legal System							
3. Access to Sound Money	6.0	1.8	6.1	6.6	6.1	3.4	5.8
A. Growth of Money Supply	7.9 (10.5)	7.3 (13.4)	7.1 (14.5)	9.5 (-2.4)	9.9 (0.8)	5.4 (22.9)	8.3 (8.7)
B. Inflation Variability	2.0 (20.0)	0.0 (33.5)	8.0 (5.0)	8.0 (5.1)	7.3 (6.7)	3.3 (16.8)	1.0 (22.6)
C. Recent Annual Inflation	8.0 (9.9)	0.0 (88.0)	9.4 (3.1)	9.1 (4.6)	7.3 (13.5)	0.0 (54.2)	9.1 (4.3)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	5.0	5.0
4. Freedom to Exchange with Foreigners		1.9	2.1		2.6	3.8	4.6
A. Taxes on International Trade		0.0	1.1		0.5	1.1	3.0
(i) Taxes as Percentage of Exports and Imports		0.0 (16.5)	1.1 (13.3)		0.5 (14.2)	0.3 (14.6)	
(ii) Mean Tariff Rate						3.0 (34.8)	3.0 (34.8)
(iii) Variability of Tariff Rates						0.0 (33.1)	
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	0.0	0.0	1.0	0.0	0.0	0.0	0.0
D. Difference between Official and Black Market Exchange Rates	2.4	1.0	0.0	0.2	4.4	9.4	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	1.5
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	1.5
5. Regulation of Credit, Labor and Business		5.0	5.6	5.7	5.1	3.9	5.2
A. Regulation of Credit Markets	2.7	2.5	5.0	5.3	5.5	2.8	5.6
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	5.5	5.0	9.0	7.8	6.5	8.5	8.9
(iv) Avoidance of Negative Real Interest Rates			6.0	8.0	10.0	0.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	0.0	0.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Senegal

		1970			1975			1980			1985			1990			1995			2000
Summary Ratings (Rank) ►							5.2 (57)				5.0 (69)				5.2 (67)		4.3 (109)		5.7 (89)	
1. Size of Government: Expenditures, Taxes and Enterprises			6.7		6.9		6.4		4.0		5.7		4.6		6.7					
A. Government Consumption			7.4 (14.9)		7.2 (15.5)		6.1 (19.3)		7.0 (16.3)		7.0 (16.1)		7.7 (13.9)		7.9 (13.0)					
B. Transfers and Subsidies					9.4 (2.6)		9.0 (4.2)								9.8 (1.3)					
C. Government Enterprises and Investment			6.0 (22.3)		4.0 (33.9)		4.0 (36.7)		4.0 (36.2)		6.0 (30.1)		6.0		6.0					
D. Top Marginal Tax Rate									1.0 (65)		4.0 (48)		0.0 (64)		3.0 (50)					
2. Legal Structure and Security of Property Rights							3.4		4.0		4.0		1.1		4.1					
A. Judicial Independence																				
B. Impartial Courts																				
C. Protection of Intellectual Property																				
D. Military Interference															3.3					
E. Integrity of Legal System													0.0		5.0					
3. Access to Sound Money			7.1		5.7		6.1		6.6		7.1		5.8		7.0					
A. Growth of Money Supply			9.7 (1.7)		7.1 (14.8)		7.8 (11.2)		9.0 (5.0)		9.6 (-2.0)		8.6 (6.9)		9.1 (4.4)					
B. Inflation Variability			9.0 (2.6)		8.0 (5.1)		8.9 (2.6)		9.4 (1.6)		9.0 (2.5)		5.7 (10.9)		9.1 (2.2)					
C. Recent Annual Inflation			9.6 (2.0)		7.7 (11.6)		7.7 (11.5)		8.1 (9.3)		9.8 (1.2)		8.8 (5.9)		9.9 (0.7)					
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0		0.0					
4. Freedom to Exchange with Foreigners			5.0		5.8		5.2		5.5		5.0		5.1		6.0					
A. Taxes on International Trade			1.7		4.2		2.4		3.3		2.6		2.2		4.0					
(i) Taxes as Percentage of Exports and Imports			1.7 (12.4)		4.2 (8.7)		2.4 (11.4)		4.5 (8.3)		2.1 (11.8)		1.3 (13.0)		0.6 (14.1)					
(ii) Mean Tariff Rate									2.2 (39.0)		3.0 (35.0)		3.2 (34.2)		7.4 (12.8)					
(iii) Variability of Tariff Rates																				
B. Regulatory Trade Barriers																				
(i) Hidden Import Barriers																				
(ii) Costs of Importing																				
C. Size of Trade Sector			5.4		7.1		5.9		6.3		5.0		5.3		5.6					
D. Difference between Official and Black Market Exchange Rates			9.6		9.6		9.6		9.8		9.2		9.8		10.0					
E. Restrictions on Capital Markets			0.0		0.0		0.0		0.0		0.0		0.0		2.3					
(i) Access to Foreign Capital																				
(ii) Restrictions on Capital Transactions with Foreigners			0.0		0.0		0.0		0.0		0.0		0.0		2.3					
5. Regulation of Credit, Labor and Business							4.9		4.7		4.4		4.9		4.6					
A. Regulation of Credit Markets					2.0		6.5		5.9		6.5		4.8		5.6					
(i) Private Ownership of Banks					2.0		2.0		2.0		2.0		2.0		2.0					
(ii) Competition from Foreign Banks																				
(iii) Extension of Credit to Private Sector							9.4		9.6		9.6		8.5		8.7					
(iv) Avoidance of Negative Real Interest Rates							8.0		6.0		8.0		4.0		6.0					
(v) Controls on Interest Rates																				
B. Regulation of Labor Markets																				
(i) Impact of Minimum Wage																				
(ii) Flexibility in Hiring and Firing																				
(iii) Collective Bargaining																				
(iv) Incentives from Unemployment Benefits																				
(v) Military Conscription			0.0		0.0		0.0		0.0		0.0		0.0		0.0					
C. Regulation of Business																				
(i) Price Controls											0.0		2.0		4.0					
(ii) Administrative Obstacles for New Businesses																				
(iii) Time Spent with Government Bureaucracy																				
(iv) Ease of Starting a New Business																				
(v) Irregular Payments to Government Officials																				

Sierra Leone

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		5.4 (38)	5.1 (61)	4.0 (95)	3.9 (102)	3.7 (119)	5.0 (109)
1. Size of Government: Expenditures, Taxes and Enterprises		7.3	5.6	6.4	6.0	5.6	6.2
A. Government Consumption		8.3 (11.8)	9.3 (8.4)	9.1 (8.9)	8.3 (11.8)	7.7 (13.8)	8.7 (10.5)
B. Transfers and Subsidies		9.7 (1.6)		10.0 (0.6)	9.7 (1.6)	9.0 (4.3)	9.8 (1.2)
C. Government Enterprises and Investment	6.0 (14.0)	4.0 (33.3)	2.0 (61.6)	0.0 (81.4)	0.0	0.0	0.0
D. Top Marginal Tax Rate							
2. Legal Structure and Security of Property Rights				5.3	5.3	1.1	2.9
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							0.0
E. Integrity of Legal System						0.0	5.0
3. Access to Sound Money	9.3	5.6	5.8	0.4	0.0	3.1	7.0
A. Growth of Money Supply	9.7 (1.7)	7.5 (12.6)	6.4 (18.1)	1.6 (41.8)	0.0 (73.0)	4.0 (29.9)	4.5 (27.4)
B. Inflation Variability	8.8 (3.1)	7.2 (6.9)	8.9 (2.8)	0.0 (26.1)	0.0 (29.2)	0.0 (26.1)	3.7 (15.7)
C. Recent Annual Inflation	9.5 (-2.7)	7.8 (11.0)	8.0 (9.9)	0.0 (85.1)	0.0 (89.2)	3.3 (33.5)	9.8 (-0.8)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	5.0	10.0
4. Freedom to Exchange with Foreigners		3.2	3.3	3.8	3.7	4.5	4.1
A. Taxes on International Trade		3.1	3.0	3.5	7.4	4.5	2.4
(i) Taxes as Percentage of Exports and Imports		3.1 (10.4)	1.1 (13.3)	2.1 (11.9)	7.4 (4.0)	4.1 (8.8)	0.0 (16.9)
(ii) Mean Tariff Rate			4.8 (25.8)	4.8 (25.8)		4.8 (25.8)	4.8 (25.8)
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	4.7	4.7	5.0	7.2	2.9	0.0	0.0
D. Difference between Official and Black Market Exchange Rates	9.6	0.0	0.0	0.0	0.0	9.6	5.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	4.6
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	4.6
5. Regulation of Credit, Labor and Business		5.6	5.5	4.3	4.6	4.1	4.8
A. Regulation of Credit Markets	7.9	4.3	4.7	1.5	2.9	3.3	2.5
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	2.0	2.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	7.9	6.7	6.0	2.4	6.8	5.8	3.4
(iv) Avoidance of Negative Real Interest Rates			6.0	0.0	0.0	2.0	2.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					2.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Singapore

		1970	1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►		7.2 (7)	7.1 (7)		7.4 (5)		7.8 (3)		8.2 (2)		8.7 (2)		8.6 (2)	
1. Size of Government: Expenditures, Taxes and Enterprises		7.2	7.0		7.0		7.1		8.2		8.4		8.1	
A. Government Consumption		7.3 (15.0)	7.4 (14.9)	7.1 (15.9)	4.7 (24.0)	6.5 (18.1)	6.9 (16.5)	6.1 (19.4)						
B. Transfers and Subsidies		9.6 (1.8)	9.8 (1.4)	9.8 (1.1)	9.6 (1.8)	9.4 (2.6)	9.6 (1.8)	9.2 (3.3)						
C. Government Enterprises and Investment		8.0 (19.4)	7.0 (25.0)	7.0 (24.2)	6.0 (34.7)	8.0 (18.6)	8.0	8.0						
D. Top Marginal Tax Rate		4.0 (55)	4.0 (55)	4.0 (55)	8.0 (40)	9.0 (33)	9.0 (30)	9.0 (28)						
2. Legal Structure and Security of Property Rights		7.7	6.6		8.1		7.2		7.2		7.9		8.5	
A. Judicial Independence								7.2		7.2		7.3		
B. Impartial Courts										7.1		7.7		
C. Protection of Intellectual Property										7.3		7.6		
D. Military Interference												10.0		
E. Integrity of Legal System										10.0		10.0		
3. Access to Sound Money		7.2	6.6		6.4		8.4		9.3		9.6		9.7	
A. Growth of Money Supply		9.3 (3.3)	9.0 (5.2)	9.4 (3.3)	9.9 (0.3)	9.1 (4.4)	9.6 (2.2)	9.7 (-1.5)						
B. Inflation Variability		9.8 (0.5)	7.9 (5.2)	8.6 (3.6)	8.9 (2.8)	8.9 (2.7)	9.4 (1.5)	9.5 (1.2)						
C. Recent Annual Inflation		9.8 (0.9)	9.6 (2.2)	7.7 (11.5)	9.8 (-1.1)	9.0 (4.9)	9.5 (2.7)	9.7 (1.4)						
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	5.0	10.0	10.0	10.0						
4. Freedom to Exchange with Foreigners		8.5	9.4		9.5		10.0		9.9		9.6		9.3	
A. Taxes on International Trade		9.1	9.6	9.8	9.9	9.7	9.6	9.9						
(i) Taxes as Percentage of Exports and Imports		9.1 (1.3)	9.6 (0.6)	9.7 (0.4)	9.8 (0.3)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)						
(ii) Mean Tariff Rate				9.9 (0.3)	9.9 (0.3)	9.9 (0.4)	9.9 (0.4)	9.9 (0.4)						
(iii) Variability of Tariff Rates						9.3 (1.8)	8.9 (2.7)	10.0 (0.0)						
B. Regulatory Trade Barriers							8.9	9.4						
(i) Hidden Import Barriers							8.9	8.8						
(ii) Costs of Importing								10.0						
C. Size of Trade Sector		10.0	10.0	10.0	10.0	10.0	10.0	10.0						
D. Difference between Official and Black Market Exchange Rates		9.8	10.0	10.0	10.0	10.0	10.0	10.0						
E. Restrictions on Capital Markets		5.0	8.0	8.0	10.0	10.0	9.3	7.2						
(i) Access to Foreign Capital							8.7	9.1						
(ii) Restrictions on Capital Transactions with Foreigners		5.0	8.0	8.0	10.0	10.0	10.0	5.4						
5. Regulation of Credit, Labor and Business		5.1	5.8		6.2		6.2		6.3		8.1		7.4	
A. Regulation of Credit Markets		8.0	9.3	9.6	9.7	9.6	8.7	8.2						
(i) Private Ownership of Banks			10.0	10.0	10.0	10.0	10.0	10.0						
(ii) Competition from Foreign Banks							6.1	4.6						
(iii) Extension of Credit to Private Sector		8.0	8.7	8.9	9.0	8.8	8.8	8.3						
(iv) Avoidance of Negative Real Interest Rates				10.0	10.0	10.0	10.0	10.0						
(v) Controls on Interest Rates							6.7	6.8						
B. Regulation of Labor Markets						5.5	6.2	5.5						
(i) Impact of Minimum Wage							7.1	4.6						
(ii) Flexibility in Hiring and Firing						8.5	8.5	7.2						
(iii) Collective Bargaining		7.9	7.9	7.9	7.9	7.9	7.9	8.4						
(iv) Incentives from Unemployment Benefits							7.3	7.5						
(v) Military Conscription		0.0	0.0	0.0	0.0	0.0	0.0	0.0						
C. Regulation of Business							9.4	8.4						
(i) Price Controls						8.0	9.0	9.0						
(ii) Administrative Obstacles for New Businesses								7.7						
(iii) Time Spent with Government Bureaucracy							9.7	8.1						
(iv) Ease of Starting a New Business							9.1	8.0						
(v) Irregular Payments to Government Officials							9.7	9.1						

Slovak Republic

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						5.3 (86)	5.8 (82)
1. Size of Government: Expenditures, Taxes and Enterprises						2.4	3.5
A. Government Consumption					3.3 (28.9)	3.2 (29.2)	4.0 (26.3)
B. Transfers and Subsidies							3.9 (23.0)
C. Government Enterprises and Investment						0.0 (75.1)	2.0
D. Top Marginal Tax Rate						4.0 (42)	4.0 (42)
2. Legal Structure and Security of Property Rights						6.1	6.3
A. Judicial Independence						5.1	5.0
B. Impartial Courts						5.4	5.2
C. Protection of Intellectual Property						4.0	4.7
D. Military Interference							10.0
E. Integrity of Legal System						10.0	6.7
3. Access to Sound Money					8.8	6.7	6.5
A. Growth of Money Supply						7.3 (13.4)	9.2 (3.9)
B. Inflation Variability					9.0 (2.5)	6.4 (9.0)	9.0 (2.4)
C. Recent Annual Inflation					8.6 (6.9)	8.1 (9.7)	7.6 (12.0)
D. Freedom to Own Foreign Currency						5.0	0.0
4. Freedom to Exchange with Foreigners						6.7	7.8
A. Taxes on International Trade						8.8	8.9
(i) Taxes as Percentage of Exports and Imports							9.1 (1.4)
(ii) Mean Tariff Rate						8.8 (6.1)	8.8 (6.0)
(iii) Variability of Tariff Rates							
B. Regulatory Trade Barriers						4.8	7.2
(i) Hidden Import Barriers						4.8	6.7
(ii) Costs of Importing							7.7
C. Size of Trade Sector						6.5	7.2
D. Difference between Official and Black Market Exchange Rates						10.0	10.0
E. Restrictions on Capital Markets						3.6	5.5
(i) Access to Foreign Capital						5.3	7.8
(ii) Restrictions on Capital Transactions with Foreigners						2.0	3.1
5. Regulation of Credit, Labor and Business						4.7	5.2
A. Regulation of Credit Markets						5.5	5.5
(i) Private Ownership of Banks						5.0	2.0
(ii) Competition from Foreign Banks						6.1	5.3
(iii) Extension of Credit to Private Sector						5.0	4.6
(iv) Avoidance of Negative Real Interest Rates						6.0	10.0
(v) Controls on Interest Rates						6.1	8.3
B. Regulation of Labor Markets						4.4	4.9
(i) Impact of Minimum Wage						6.1	4.2
(ii) Flexibility in Hiring and Firing					4.9	4.9	3.0
(iii) Collective Bargaining						5.2	7.7
(iv) Incentives from Unemployment Benefits						4.7	4.8
(v) Military Conscription						1.0	5.0
C. Regulation of Business						4.2	5.2
(i) Price Controls						4.0	4.0
(ii) Administrative Obstacles for New Businesses							8.0
(iii) Time Spent with Government Bureaucracy						4.7	4.5
(iv) Ease of Starting a New Business						4.3	3.0
(v) Irregular Payments to Government Officials						3.7	6.5

Slovenia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						5.2 (91)	6.1 (73)
1. Size of Government: Expenditures, Taxes and Enterprises						1.8	3.2
A. Government Consumption					4.1 (25.9)	4.2 (25.8)	3.7 (27.5)
B. Transfers and Subsidies						1.1 (33.2)	4.0 (22.4)
C. Government Enterprises and Investment						0.0 (75.1)	2.0
D. Top Marginal Tax Rate							3.0 (46)
2. Legal Structure and Security of Property Rights						8.3	7.3
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							5.4
D. Military Interference							8.3
E. Integrity of Legal System						10.0	8.3
3. Access to Sound Money						3.1	7.1
A. Growth of Money Supply						0.0 (57.5)	6.6 (16.8)
B. Inflation Variability						0.0 (79.6)	9.1 (2.3)
C. Recent Annual Inflation						7.5 (12.6)	7.8 (10.8)
D. Freedom to Own Foreign Currency					5.0	5.0	5.0
4. Freedom to Exchange with Foreigners						7.0	7.1
A. Taxes on International Trade						7.5	8.1
(i) Taxes as Percentage of Exports and Imports						7.5 (3.7)	9.2 (1.1)
(ii) Mean Tariff Rate							7.9 (10.6)
(iii) Variability of Tariff Rates							7.0 (7.4)
B. Regulatory Trade Barriers							7.4
(i) Hidden Import Barriers							7.4
(ii) Costs of Importing							
C. Size of Trade Sector						4.4	4.7
D. Difference between Official and Black Market Exchange Rates					0.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	5.0	5.3
(i) Access to Foreign Capital							6.8
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	5.0	3.8
5. Regulation of Credit, Labor and Business						5.7	5.7
A. Regulation of Credit Markets						6.5	6.6
(i) Private Ownership of Banks						5.0	5.0
(ii) Competition from Foreign Banks							4.8
(iii) Extension of Credit to Private Sector						6.5	7.7
(iv) Avoidance of Negative Real Interest Rates						8.0	9.0
(v) Controls on Interest Rates							6.1
B. Regulation of Labor Markets							3.6
(i) Impact of Minimum Wage							4.0
(ii) Flexibility in Hiring and Firing							2.3
(iii) Collective Bargaining							5.1
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription						3.0	3.0
C. Regulation of Business							7.0
(i) Price Controls						6.0	8.0
(ii) Administrative Obstacles for New Businesses							7.0
(iii) Time Spent with Government Bureaucracy							7.8
(iv) Ease of Starting a New Business							5.7
(v) Irregular Payments to Government Officials							6.6

South Africa

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.6 (16)	5.9 (21)	5.6 (41)	5.3 (59)	5.2 (67)	6.3 (50)	6.8 (47)
1. Size of Government: Expenditures, Taxes and Enterprises	6.1	4.6	4.7	4.9	5.6	5.8	5.4
A. Government Consumption	6.9 (16.6)	6.0 (19.6)	5.6 (20.9)	4.6 (24.4)	4.5 (24.8)	4.5 (24.7)	5.2 (22.4)
B. Transfers and Subsidies	9.3 (3.0)	9.2 (3.4)	9.3 (3.2)	8.8 (4.8)	8.8 (4.8)	8.7 (5.3)	8.6 (5.5)
C. Government Enterprises and Investment	2.0 (43.3)	2.0 (48.2)	2.0 (50.9)	2.0 (42.2)	4.0 (34.2)	6.0 (26.2)	4.0 (32.7)
D. Top Marginal Tax Rate		1.0 (66)	2.0 (60)	4.0 (50)	5.0 (45)	4.0 (43)	4.0 (42)
2. Legal Structure and Security of Property Rights	7.4	5.6	6.2	4.5	2.9	6.4	6.5
A. Judicial Independence						7.2	7.2
B. Impartial Courts						7.9	8.0
C. Protection of Intellectual Property						6.5	5.8
D. Military Interference							8.3
E. Integrity of Legal System						4.1	3.3
3. Access to Sound Money	7.1	6.1	5.3	5.3	5.8	6.1	7.5
A. Growth of Money Supply	9.4 (2.9)	8.2 (8.9)	7.8 (11.0)	6.3 (18.6)	6.5 (17.3)	6.8 (16.0)	6.5 (17.4)
B. Inflation Variability	9.5 (1.2)	8.5 (3.8)	8.1 (4.7)	8.5 (3.7)	9.5 (1.3)	9.3 (1.8)	9.4 (1.6)
C. Recent Annual Inflation	9.4 (3.0)	7.8 (10.9)	5.2 (24.1)	6.4 (18.1)	7.0 (15.1)	8.2 (8.8)	8.9 (5.3)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	5.0
4. Freedom to Exchange with Foreigners	6.6	7.1	6.7	5.8	6.2	6.3	7.3
A. Taxes on International Trade	8.7	8.7	8.7	8.9	7.3	5.5	7.7
(i) Taxes as Percentage of Exports and Imports	8.7 (2.0)	8.7 (2.0)	9.2 (1.2)	9.1 (1.4)	8.5 (2.2)	9.3 (1.0)	9.0 (1.6)
(ii) Mean Tariff Rate			8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.3 (8.5)
(iii) Variability of Tariff Rates					5.5 (11.3)	1.2 (21.9)	5.9 (10.2)
B. Regulatory Trade Barriers						6.4	7.6
(i) Hidden Import Barriers						6.4	6.6
(ii) Costs of Importing							8.5
C. Size of Trade Sector	6.8	8.9	7.5	7.2	6.0	5.8	7.1
D. Difference between Official and Black Market Exchange Rates	9.0	8.8	8.8	5.0	9.4	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	4.0	4.1
(i) Access to Foreign Capital						6.0	7.5
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	0.8
5. Regulation of Credit, Labor and Business	6.1	6.1	5.3	5.9	5.7	7.1	7.0
A. Regulation of Credit Markets	9.2	9.2	7.5	9.1	9.1	9.3	9.0
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						7.9	6.8
(iii) Extension of Credit to Private Sector	8.5	8.5	8.4	9.2	9.2	9.3	9.2
(iv) Avoidance of Negative Real Interest Rates			4.0	8.0	8.0	10.0	10.0
(v) Controls on Interest Rates						5.3	6.5
B. Regulation of Labor Markets					3.9	6.1	5.5
(i) Impact of Minimum Wage						2.9	4.6
(ii) Flexibility in Hiring and Firing					5.6	5.6	2.1
(iii) Collective Bargaining					6.2	6.2	4.5
(iv) Incentives from Unemployment Benefits						5.9	6.2
(v) Military Conscription	3.0	3.0	0.0	0.0	0.0	10.0	10.0
C. Regulation of Business						5.9	6.6
(i) Price Controls						6.0	7.0
(ii) Administrative Obstacles for New Businesses							6.9
(iii) Time Spent with Government Bureaucracy						6.4	6.5
(iv) Ease of Starting a New Business						6.4	5.9
(v) Irregular Payments to Government Officials						4.6	6.8

Spain

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.2 (24)	5.5 (32)	5.7 (37)	5.9 (34)	6.2 (34)	7.0 (29)	7.3 (24)
1. Size of Government: Expenditures, Taxes and Enterprises	7.5	6.3	4.7	4.2	4.7	4.2	4.6
A. Government Consumption	8.0 (12.8)	7.7 (13.9)	6.9 (16.5)	6.3 (18.7)	5.9 (20.0)	5.5 (21.2)	5.2 (22.2)
B. Transfers and Subsidies	8.4 (6.4)	7.5 (9.5)	6.8 (12.3)	5.5 (16.9)	5.8 (16.0)	5.1 (18.5)	5.2 (18.0)
C. Government Enterprises and Investment	6.0	6.0 (17.3)	4.0 (27.1)	4.0 (30.2)	4.0 (33.5)	4.0	4.0
D. Top Marginal Tax Rate		4.0 (55)	1.0 (66)	1.0 (66)	3.0 (56)	2.0 (56)	4.0 (48)
2. Legal Structure and Security of Property Rights	7.1	5.1	6.3	6.4	7.2	7.4	7.5
A. Judicial Independence						6.8	7.5
B. Impartial Courts						6.6	8.0
C. Protection of Intellectual Property						6.1	7.2
D. Military Interference							8.3
E. Integrity of Legal System						10.0	6.7
3. Access to Sound Money	6.9	5.5	5.9	6.5	6.1	9.6	9.3
A. Growth of Money Supply	9.2 (4.2)	6.9 (15.7)	7.6 (12.2)	8.3 (8.3)	6.8 (16.0)	9.8 (1.2)	8.5 (7.6)
B. Inflation Variability	9.5 (1.4)	8.5 (3.7)	8.6 (3.5)	9.2 (2.1)	9.2 (2.0)	9.5 (1.3)	9.5 (1.2)
C. Recent Annual Inflation	8.8 (5.9)	6.6 (16.8)	7.3 (13.4)	8.5 (7.7)	8.5 (7.3)	9.0 (4.8)	9.3 (3.4)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	10.0	10.0
4. Freedom to Exchange with Foreigners	5.0	5.5	6.6	7.0	7.4	7.8	8.3
A. Taxes on International Trade	5.5	7.0	8.2	8.3	8.2	8.7	9.0
(i) Taxes as Percentage of Exports and Imports	5.5 (6.7)	5.9 (6.1)	8.2 (2.7)	8.0 (3.0)	9.0 (1.5)	9.9 (0.2)	9.7 (0.5)
(ii) Mean Tariff Rate		8.1 (9.4)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						7.6	8.7
(i) Hidden Import Barriers						7.6	7.6
(ii) Costs of Importing							9.8
C. Size of Trade Sector	3.6	3.2	3.0	5.0	3.9	4.5	5.6
D. Difference between Official and Black Market Exchange Rates	8.8	9.6	10.0	9.6	9.6	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	5.0	5.0	8.0	8.3	8.0
(i) Access to Foreign Capital						8.6	9.1
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	5.0	5.0	8.0	8.0	6.9
5. Regulation of Credit, Labor and Business	4.8	5.3	5.2	5.4	5.4	5.9	6.8
A. Regulation of Credit Markets	7.7	8.3	7.4	8.3	8.3	8.1	8.1
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						7.7	6.1
(iii) Extension of Credit to Private Sector	7.7	8.5	8.1	6.8	6.8	6.7	8.3
(iv) Avoidance of Negative Real Interest Rates			6.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						7.3	8.1
B. Regulation of Labor Markets	3.7	3.8	3.6	3.4	3.7	4.1	5.3
(i) Impact of Minimum Wage						5.8	3.1
(ii) Flexibility in Hiring and Firing					2.6	2.6	3.7
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.2	4.9
(iv) Incentives from Unemployment Benefits	5.8	5.1	4.5	4.1	4.0	3.8	5.0
(v) Military Conscription	0.0	1.0	1.0	1.0	3.0	3.0	10.0
C. Regulation of Business						5.7	6.9
(i) Price Controls					7.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							7.4
(iii) Time Spent with Government Bureaucracy						6.4	7.9
(iv) Ease of Starting a New Business						5.3	5.7
(v) Irregular Payments to Government Officials						5.1	7.6

Sri Lanka

Sri Lanka		1970	1975	1980		1985		1990		1995		2000		
Summary Ratings (Rank) ►					4.9 (69)		5.1 (64)		5.0 (74)		6.4 (43)		6.0 (77)	
1. Size of Government: Expenditures, Taxes and Enterprises			6.5	6.2	4.7		4.8		7.0		6.8		7.0	
A. Government Consumption	7.6	(14.1)	8.8	(10.2)	8.9 (9.6)		8.4 (11.4)		8.4 (11.4)		7.8 (13.5)		8.0 (12.7)	
B. Transfers and Subsidies	8.0	(7.8)	7.9	(8.1)	7.8 (8.4)		8.7 (5.1)		8.5 (6.0)		8.5 (5.9)		9.0 (4.1)	
C. Government Enterprises and Investment	4.0	(37.0)	2.0	(40.5)	2.0 (53.5)		2.0 (54.3)		4.0 (39.2)		4.0		4.0	
D. Top Marginal Tax Rate					0.0 (61)		0.0 (61)				7.0 (35)		7.0 (35)	
2. Legal Structure and Security of Property Rights					4.0		3.4		2.3		6.2		3.9	
A. Judicial Independence														
B. Impartial Courts														
C. Protection of Intellectual Property													3.5	
D. Military Interference													3.3	
E. Integrity of Legal System											7.0		5.0	
3. Access to Sound Money			6.8	6.2	5.1		6.2		5.4		6.5		6.8	
A. Growth of Money Supply	9.6	(-1.8)	9.0	(4.8)	5.9 (20.6)		8.0 (9.8)		7.6 (12.1)		8.1 (9.3)		9.2 (3.8)	
B. Inflation Variability	8.5	(3.8)	6.9	(7.8)	8.6 (3.6)		7.0 (7.5)		8.0 (5.0)		9.8 (0.5)		9.1 (2.1)	
C. Recent Annual Inflation	9.0	(5.2)	8.9	(5.4)	6.0 (20.0)		9.9 (0.6)		5.9 (20.3)		8.1 (9.3)		8.8 (6.2)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners			2.8	3.4	5.2		4.8		4.5		6.2		6.0	
A. Taxes on International Trade	0.3		2.6		2.0		3.6		2.9		4.8		6.0	
(i) Taxes as Percentage of Exports and Imports	0.3	(14.6)	2.6	(11.1)	2.2 (11.7)		2.9 (10.6)		4.1 (8.8)		7.0 (4.5)		7.9 (3.2)	
(ii) Mean Tariff Rate					1.7 (41.3)		4.2 (29.0)		4.6 (26.9)		4.8 (26.1)		6.0 (20.1)	
(iii) Variability of Tariff Rates									0.0 (25.5)		2.8 (18.1)		4.3 (14.3)	
B. Regulatory Trade Barriers													4.8	
(i) Hidden Import Barriers													4.8	
(ii) Costs of Importing														
C. Size of Trade Sector	5.2		6.2		7.7		6.1		6.1		6.5		6.2	
D. Difference between Official and Black Market Exchange Rates	0.0		0.0		8.2		6.0		5.2		9.6		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		2.0		3.0	
(i) Access to Foreign Capital													6.0	
(ii) Restrictions on Capital Transactions with Foreigners	0.0		0.0		0.0		0.0		0.0		2.0		0.0	
5. Regulation of Credit, Labor and Business					5.7		6.4		5.9		6.4		6.1	
A. Regulation of Credit Markets			5.0		5.1		7.0		6.6		7.8		6.3	
(i) Private Ownership of Banks			5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks													6.1	
(iii) Extension of Credit to Private Sector					6.4		7.9		6.7		8.4		8.3	
(iv) Avoidance of Negative Real Interest Rates					4.0		8.0		8.0		10.0		6.0	
(v) Controls on Interest Rates													5.3	
B. Regulation of Labor Markets													5.9	
(i) Impact of Minimum Wage													4.1	
(ii) Flexibility in Hiring and Firing													2.9	
(iii) Collective Bargaining													6.5	
(iv) Incentives from Unemployment Benefits														
(v) Military Conscription			10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													6.0	
(i) Price Controls									4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													7.3	
(iii) Time Spent with Government Bureaucracy													7.2	
(iv) Ease of Starting a New Business													6.5	
(v) Irregular Payments to Government Officials													5.3	

Sweden

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.4 (38)	5.2 (44)	5.6 (41)	6.2 (24)	6.5 (26)	7.1 (25)	7.4 (19)
1. Size of Government: Expenditures, Taxes and Enterprises	2.4	2.7	2.1	2.6	2.4	2.5	3.3
A. Government Consumption	3.2 (29.0)	2.4 (31.8)	1.1 (36.3)	1.4 (35.3)	1.5 (34.9)	2.1 (33.0)	1.7 (34.3)
B. Transfers and Subsidies		3.3 (25.0)	3.4 (24.7)	3.1 (26.0)	2.0 (29.9)	0.8 (34.1)	3.4 (24.9)
C. Government Enterprises and Investment	2.0 (46.2)	4.0 (38.1)	4.0 (41.2)	6.0 (28.0)	6.0 (22.8)	6.0 (28.3)	6.0
D. Top Marginal Tax Rate	2.0 (61)	1.0 (70)	0.0 (87)	0.0 (80)	0.0 (72)	1.0 (58)	2.0 (51-58)
2. Legal Structure and Security of Property Rights	6.5	4.4	6.6	7.4	8.3	8.6	9.0
A. Judicial Independence						8.8	8.7
B. Impartial Courts						8.9	8.4
C. Protection of Intellectual Property						6.6	8.1
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.1	7.4	7.6	8.0	7.8	9.5	9.7
A. Growth of Money Supply		8.6 (7.0)	8.3 (8.7)	8.9 (5.5)	8.7 (6.6)	9.8 (0.9)	9.7 (1.4)
B. Inflation Variability	9.4 (1.5)	8.8 (2.9)	9.4 (1.5)	9.5 (1.3)	9.4 (1.4)	9.1 (2.2)	9.4 (1.5)
C. Recent Annual Inflation	9.0 (5.2)	7.1 (14.5)	7.7 (11.7)	8.7 (6.6)	8.2 (8.8)	9.3 (3.7)	9.8 (1.0)
D. Freedom to Own Foreign Currency	0.0	5.0	5.0	5.0	5.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.4	6.4	6.2	7.5	8.4	8.5	8.3
A. Taxes on International Trade	9.2	8.9	9.0	9.5	9.0	8.7	9.1
(i) Taxes as Percentage of Exports and Imports	9.2 (1.3)	9.3 (1.0)	9.5 (0.7)	9.8 (0.3)	9.7 (0.4)	9.7 (0.4)	10.0 (0.0)
(ii) Mean Tariff Rate		8.4 (8.0)	8.5 (7.5)	9.2 (4.1)	9.1 (4.7)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					8.1 (4.8)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						9.1	9.2
(i) Hidden Import Barriers						9.1	8.8
(ii) Costs of Importing							9.5
C. Size of Trade Sector	5.4	5.0	4.8	5.8	4.8	5.5	6.0
D. Difference between Official and Black Market Exchange Rates	9.0	9.8	9.0	9.8	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.0	10.0	9.3	7.2
(i) Access to Foreign Capital						8.6	9.0
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	5.0	10.0	10.0	5.4
5. Regulation of Credit, Labor and Business	5.4	5.1	5.4	5.5	5.4	6.5	6.7
A. Regulation of Credit Markets	7.7	6.4	7.6	8.1	8.4	8.7	8.4
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						8.3	6.5
(iii) Extension of Credit to Private Sector	7.4	7.1	6.8	6.2	7.2	8.6	9.1
(iv) Avoidance of Negative Real Interest Rates	8.0	4.0	8.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.3	8.6
B. Regulation of Labor Markets	4.6	4.2	4.1	4.0	4.0	3.0	3.4
(i) Impact of Minimum Wage						1.8	4.4
(ii) Flexibility in Hiring and Firing					3.9	3.9	2.2
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	4.5	3.8
(iv) Incentives from Unemployment Benefits	6.4	5.2	4.8	4.5	4.4	1.9	3.5
(v) Military Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business						7.7	8.3
(i) Price Controls					6.0	8.0	9.0
(ii) Administrative Obstacles for New Businesses							7.3
(iii) Time Spent with Government Bureaucracy						8.3	8.3
(iv) Ease of Starting a New Business						5.1	7.9
(v) Irregular Payments to Government Officials						9.3	9.1

Switzerland

Switzerland

	1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►	7.5 (4)		7.3 (3)		7.7 (2)		7.8 (3)		7.7 (4)		7.9 (7)		8.2 (5)	
1. Size of Government: Expenditures, Taxes and Enterprises	7.7		7.3		7.1		7.0		6.9		6.8		7.2	
A. Government Consumption	7.3	(15.1)	6.8	(17.0)	6.9	(16.7)	6.5	(17.8)	6.0	(19.6)	6.1	(19.2)	6.1	(19.2)
B. Transfers and Subsidies					6.5	(13.4)	6.5	(13.2)	5.8	(16.0)	5.0	(18.9)	5.7	(16.2)
C. Government Enterprises and Investment	8.0		8.0		8.0		8.0		8.0		8.0		8.0	
D. Top Marginal Tax Rate			7.0	(38-42)	7.0	(31-44)	7.0	(33-46)	8.0	(33-43)	8.0	(35-39)	9.0	(31-40)
2. Legal Structure and Security of Property Rights	8.3		8.3		8.1		8.3		8.3		8.9		9.3	
A. Judicial Independence											9.4		8.7	
B. Impartial Courts											7.9		8.5	
C. Protection of Intellectual Property											8.4		9.2	
D. Military Interference													10.0	
E. Integrity of Legal System											10.0		10.0	
3. Access to Sound Money	9.6		9.4		9.5		9.7		9.7		9.7		9.4	
A. Growth of Money Supply	9.7	(1.4)	9.3	(3.4)	9.0	(5.1)	9.8	(1.0)	9.9	(0.6)	9.5	(2.3)	8.2	(8.9)
B. Inflation Variability	9.6	(0.9)	9.6	(1.1)	9.5	(1.1)	9.3	(1.8)	9.8	(0.6)	9.3	(1.7)	9.7	(0.7)
C. Recent Annual Inflation	9.1	(4.7)	8.6	(7.1)	9.5	(2.7)	9.5	(2.4)	9.1	(4.3)	9.8	(1.1)	9.7	(1.6)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.5		5.9		8.2		8.4		7.9		7.3		8.3	
A. Taxes on International Trade	7.4		8.3		8.7		8.9		7.6		7.7		9.9	
(i) Taxes as Percentage of Exports and Imports	7.4	(3.9)	7.7	(3.5)	8.4	(2.4)	8.7	(2.0)	8.7	(1.9)	8.5	(2.3)	9.8	(0.3)
(ii) Mean Tariff Rate			8.8	(5.8)	9.1	(4.6)	9.1	(4.4)	9.1	(4.4)	9.3	(3.6)	10.0	(0.0)
(iii) Variability of Tariff Rates									4.8	(13.0)	5.4	(11.6)	10.0	(0.0)
B. Regulatory Trade Barriers											6.4		8.9	
(i) Hidden Import Barriers											6.4		8.2	
(ii) Costs of Importing													9.7	
C. Size of Trade Sector	6.5		3.2		4.0		4.5		3.9		2.7		3.8	
D. Difference between Official and Black Market Exchange Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		10.0		10.0		10.0		9.6		9.1	
(i) Access to Foreign Capital											9.2		9.7	
(ii) Restrictions on Capital Transactions with Foreigners	2.0		2.0		10.0		10.0		10.0		10.0		8.5	
5. Regulation of Credit, Labor and Business	5.6		5.5		5.4		5.7		5.8		7.1		7.0	
A. Regulation of Credit Markets	8.8		6.6		6.7		8.1		8.2		8.0		7.8	
(i) Private Ownership of Banks			5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks											7.8		7.0	
(iii) Extension of Credit to Private Sector	8.8		8.9		9.1		9.2		9.5		9.2		9.2	
(iv) Avoidance of Negative Real Interest Rates			6.0		6.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates											8.7		9.1	
B. Regulation of Labor Markets	5.4		5.3		5.0		4.8		5.5		5.8		5.3	
(i) Impact of Minimum Wage											7.1		4.6	
(ii) Flexibility in Hiring and Firing									7.7		7.7		5.6	
(iii) Collective Bargaining	6.2		6.2		6.2		6.2		6.2		6.2		7.8	
(iv) Incentives from Unemployment Benefits	6.9		6.7		5.8		5.1		5.0		5.0		5.5	
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business											7.4		7.8	
(i) Price Controls									7.0		6.0		7.0	
(ii) Administrative Obstacles for New Businesses													7.3	
(iii) Time Spent with Government Bureaucracy											8.3		9.1	
(iv) Ease of Starting a New Business											6.6		7.7	
(v) Irregular Payments to Government Officials											8.6		8.2	

Syria

	1970		1975		1980		1985		1990		1995		2000
Summary Ratings (Rank) ►	4.8 (43)		5.0 (48)		4.0 (91)		3.4 (105)		3.6 (106)		4.2 (110)		5.0 (109)
1. Size of Government: Expenditures, Taxes and Enterprises	5.3		4.4		3.8		1.9		3.4		3.6		3.7
A. Government Consumption	6.1 (19.3)		4.7 (24.1)		4.2 (25.8)		3.9 (26.8)		6.8 (17.0)		7.1 (15.7)		7.5 (14.5)
B. Transfers and Subsidies	9.7 (1.7)		8.6 (5.5)		7.4 (10.2)								
C. Government Enterprises and Investment	0.0 (74.2)		0.0 (74.4)		0.0 (70.2)		0.0 (66.3)		0.0 (55.6)		0.0		0.0
D. Top Marginal Tax Rate													
2. Legal Structure and Security of Property Rights					1.8		3.1		3.0		4.1		5.3
A. Judicial Independence													
B. Impartial Courts													
C. Protection of Intellectual Property													
D. Military Interference													3.3
E. Integrity of Legal System											4.1		8.3
3. Access to Sound Money	6.6		7.5		8.0		6.0		5.5		6.4		7.1
A. Growth of Money Supply	8.3 (8.3)		6.8 (16.1)		6.8 (15.8)		6.9 (15.5)		7.1 (14.5)		8.1 (9.6)		9.6 (2.2)
B. Inflation Variability	8.6 (3.6)		5.1 (12.3)		8.6 (3.6)		7.9 (5.2)		8.7 (3.1)		8.6 (3.5)		8.8 (2.9)
C. Recent Annual Inflation	9.4 (3.0)		8.2 (8.8)		6.5 (17.5)		9.2 (4.1)		6.1 (19.3)		8.9 (5.4)		9.9 (-0.4)
D. Freedom to Own Foreign Currency	0.0		10.0		10.0		0.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	4.4		5.5		3.9		3.2		3.5		4.2		6.2
A. Taxes on International Trade	3.8		4.3		3.9		5.4		4.7		7.1		7.3
(i) Taxes as Percentage of Exports and Imports	3.8 (9.3)		4.3 (8.5)		5.3 (7.1)		6.3 (5.6)		8.1 (2.9)		7.1 (4.3)		7.5 (3.7)
(ii) Mean Tariff Rate					2.5 (37.3)		4.6 (27.0)		5.9 (20.4)		7.0 (14.8)		7.0 (14.8)
(iii) Variability of Tariff Rates									0.0 (27.7)				
B. Regulatory Trade Barriers													
(i) Hidden Import Barriers													
(ii) Costs of Importing													
C. Size of Trade Sector	3.4		4.9		4.2		2.4		4.7		5.6		5.5
D. Difference between Official and Black Market Exchange Rates	6.6		9.8		3.0		0.0		0.0		0.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0
(i) Access to Foreign Capital													
(ii) Restrictions on Capital Transactions with Foreigners	0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	3.1		2.7		2.7		2.8		2.7		2.9		2.7
A. Regulation of Credit Markets	1.9		0.7		0.8		0.9		0.8		0.9		0.8
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		0.0		0.0		0.0
(ii) Competition from Foreign Banks													
(iii) Extension of Credit to Private Sector	3.7		1.5		1.6		2.6		2.3		2.8		2.4
(iv) Avoidance of Negative Real Interest Rates							0.0		0.0		0.0		0.0
(v) Controls on Interest Rates													
B. Regulation of Labor Markets													
(i) Impact of Minimum Wage													
(ii) Flexibility in Hiring and Firing													
(iii) Collective Bargaining													
(iv) Incentives from Unemployment Benefits													
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0
C. Regulation of Business													
(i) Price Controls									0.0		0.0		0.0
(ii) Administrative Obstacles for New Businesses													
(iii) Time Spent with Government Bureaucracy													
(iv) Ease of Starting a New Business													
(v) Irregular Payments to Government Officials													

Taiwan

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	6.6 (16)	5.6 (29)	6.4 (17)	6.7 (17)	6.9 (16)	7.1 (25)	7.2 (30)
1. Size of Government: Expenditures, Taxes and Enterprises		5.0	4.8	4.7	5.1	5.8	6.0
A. Government Consumption		5.4 (21.7)	4.8 (23.6)	4.7 (24.0)	4.7 (23.9)	5.8 (20.3)	6.7 (17.3)
B. Transfers and Subsidies		9.5 (2.2)	9.4 (2.6)	9.2 (3.6)	8.9 (4.7)	8.5 (5.9)	8.5 (6.1)
C. Government Enterprises and Investment	2.0 (43.1)	2.0 (46.1)	2.0 (44.3)	2.0 (43.0)	2.0 (44.3)	2.0 (47.2)	2.0
D. Top Marginal Tax Rate		3.0 (60)	3.0 (60)	3.0 (60)	5.0 (50)	7.0 (40)	7.0 (40)
2. Legal Structure and Security of Property Rights	7.7	5.3	7.8	7.2	7.2	6.2	6.1
A. Judicial Independence						5.5	5.3
B. Impartial Courts						6.5	5.7
C. Protection of Intellectual Property						5.9	6.1
D. Military Interference							6.7
E. Integrity of Legal System						7.0	6.7
3. Access to Sound Money	9.3	7.1	7.9	9.4	9.0	9.7	9.7
A. Growth of Money Supply	8.6 (6.9)	6.2 (19.0)	7.5 (12.5)	10.0 (-0.2)	7.4 (12.8)	9.6 (-2.0)	9.2 (-4.0)
B. Inflation Variability	9.2 (2.0)	3.1 (17.2)	7.8 (5.6)	7.5 (6.2)	9.3 (1.7)	9.8 (0.5)	9.5 (1.2)
C. Recent Annual Inflation	9.3 (3.4)	9.0 (5.2)	6.2 (19.0)	10.0 (-0.2)	9.2 (4.1)	9.4 (3.0)	10.0 (0.2)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	5.7	6.4	7.0	7.0	7.6	7.6	8.0
A. Taxes on International Trade	5.7	6.8	7.6	8.1	8.3	8.6	7.9
(i) Taxes as Percentage of Exports and Imports	5.7 (6.4)	6.8 (4.8)	7.6 (3.6)	8.1 (2.8)	8.6 (2.1)	8.9 (1.7)	9.1 (1.3)
(ii) Mean Tariff Rate					8.1 (9.7)	8.4 (8.0)	8.2 (8.8)
(iii) Variability of Tariff Rates							6.2 (9.4)
B. Regulatory Trade Barriers						7.3	8.2
(i) Hidden Import Barriers						7.3	7.1
(ii) Costs of Importing							9.3
C. Size of Trade Sector	5.7	7.7	8.7	8.5	7.1	6.6	6.3
D. Difference between Official and Black Market Exchange Rates	9.4	9.0	9.8	9.4	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.0	5.7	7.6
(i) Access to Foreign Capital						6.4	7.6
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	5.0	5.0	
5. Regulation of Credit, Labor and Business	3.7	4.5	4.5	5.0	5.4	6.1	6.1
A. Regulation of Credit Markets	3.7	5.3	5.3	6.7	6.9	7.0	6.4
(i) Private Ownership of Banks	0.0	0.0	0.0	2.0	2.0	2.0	2.0
(ii) Competition from Foreign Banks						7.3	5.6
(iii) Extension of Credit to Private Sector	7.4	8.0	7.8	8.2	8.6	8.5	8.2
(iv) Avoidance of Negative Real Interest Rates		8.0	8.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						6.9	5.8
B. Regulation of Labor Markets					4.7	5.2	4.5
(i) Impact of Minimum Wage						6.5	3.8
(ii) Flexibility in Hiring and Firing					6.3	6.3	4.6
(iii) Collective Bargaining					7.9	7.9	8.0
(iv) Incentives from Unemployment Benefits						5.4	6.2
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business						6.2	7.3
(i) Price Controls					6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							7.6
(iii) Time Spent with Government Bureaucracy						6.9	7.4
(iv) Ease of Starting a New Business						7.5	7.6
(v) Irregular Payments to Government Officials						4.5	8.1

Tanzania

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.6 (50)	4.3 (58)	4.8 (71)	4.0 (95)	4.1 (100)	4.8 (97)	6.0 (77)
1. Size of Government: Expenditures, Taxes and Enterprises	4.0	4.1	5.8	3.8	3.2	5.0	5.5
A. Government Consumption		6.2 (18.9)	7.5 (14.5)	6.4 (18.1)	6.7 (17.1)	7.0 (16.1)	9.6 (7.2)
B. Transfers and Subsidies	10.0 (0.2)	10.0 (0.1)	10.0 (0.0)	8.7 (5.2)			
C. Government Enterprises and Investment	2.0 (47.3)	0.0 (49.0)	0.0 (53.8)	0.0 (53.5)	0.0	0.0	0.0
D. Top Marginal Tax Rate	0.0 (70)	0.0 (80)		0.0 (95)	3.0 (50)	8.0 (30)	7.0 (31)
2. Legal Structure and Security of Property Rights			6.1	5.8	5.2	4.1	6.5
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							6.7
E. Integrity of Legal System						4.1	8.3
3. Access to Sound Money	6.2	4.9	4.1	4.9	4.6	5.0	8.4
A. Growth of Money Supply		7.0 (15.1)	5.9 (20.3)	7.9 (10.4)	4.0 (30.0)	4.5 (27.6)	8.6 (6.9)
B. Inflation Variability	9.4 (1.6)	7.8 (5.6)	6.5 (8.7)	8.4 (3.9)	8.7 (3.3)	6.4 (9.1)	6.2 (9.4)
C. Recent Annual Inflation	9.3 (3.5)	4.8 (26.1)	4.0 (30.2)	3.3 (33.3)	5.6 (21.8)	4.2 (28.9)	8.8 (5.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	10.0
4. Freedom to Exchange with Foreigners	4.9	4.0	3.6	3.0	3.8	6.1	5.6
A. Taxes on International Trade	5.8	5.1	4.9	4.7	4.5	5.3	4.2
(i) Taxes as Percentage of Exports and Imports	5.8 (6.3)	5.1 (7.3)	4.9 (7.7)	5.8 (6.3)	5.0 (7.5)	4.6 (8.1)	2.1 (11.9)
(ii) Mean Tariff Rate				3.6 (32.0)	4.1 (29.7)	6.1 (19.5)	5.8 (21.0)
(iii) Variability of Tariff Rates						5.1 (12.3)	4.7 (13.3)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	6.7	6.5	4.7	1.9	6.1	7.2	5.0
D. Difference between Official and Black Market Exchange Rates	3.8	0.0	0.0	0.0	0.0	9.8	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.8
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	0.8
5. Regulation of Credit, Labor and Business	3.2	4.4	4.4	2.6	3.6	3.9	3.7
A. Regulation of Credit Markets	2.1	0.7	1.6	0.3	3.7	2.9	2.8
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	4.2	1.3	0.9	0.9	7.2	4.7	4.5
(iv) Avoidance of Negative Real Interest Rates			4.0	0.0	4.0	4.0	4.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	0.0	10.0	10.0	0.0	0.0	0.0	0.0
C. Regulation of Business							
(i) Price Controls					0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

170 Chapter 4: Country Data Tables

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		6.1 (27)	5.7 (26)	5.9 (26)	6.0 (29)	6.6 (23)	7.1 (25)	6.6 (56)
1. Size of Government: Expenditures, Taxes and Enterprises		7.2	6.7	6.0	5.6	7.1	7.8	6.8
A. Government Consumption	7.7 (13.9)	8.0 (12.9)	7.1 (15.8)	6.5 (17.9)	7.6 (14.3)	7.2 (15.6)	6.8 (17.0)	
B. Transfers and Subsidies	10.0 (0.5)	10.0 (0.6)	9.9 (0.7)	9.8 (1.2)	9.9 (1.0)	9.8 (1.1)	9.6 (2.0)	
C. Government Enterprises and Investment	4.0 (30.0)	6.0 (19.3)	4.0 (30.9)	4.0 (31.4)	7.0 (15.1)	7.0 (20.3)	4.0 (33.8)	
D. Top Marginal Tax Rate		3.0 (60)	3.0 (60)	2.0 (65)	4.0 (55)	7.0 (37)	7.0 (37)	
2. Legal Structure and Security of Property Rights		5.8	4.6	6.5	5.8	6.4	5.0	6.0
A. Judicial Independence							5.8	5.8
B. Impartial Courts							3.8	4.7
C. Protection of Intellectual Property							3.6	4.4
D. Military Interference								6.7
E. Integrity of Legal System							7.0	8.3
3. Access to Sound Money		6.8	6.2	6.1	7.0	7.8	9.3	6.5
A. Growth of Money Supply	10.0 (0.2)	9.0 (5.0)	8.3 (8.7)	9.4 (-3.0)	8.0 (10.0)	8.9 (5.3)	7.7 (11.4)	
B. Inflation Variability	8.2 (4.5)	6.7 (8.4)	8.9 (2.9)	9.0 (2.5)	9.3 (1.7)	9.6 (1.0)	8.7 (3.3)	
C. Recent Annual Inflation	9.0 (-5.0)	9.3 (3.5)	7.5 (12.7)	9.6 (2.2)	8.8 (5.8)	8.8 (6.0)	9.7 (1.5)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	5.0	10.0	0.0	
4. Freedom to Exchange with Foreigners		5.3	5.4	5.6	5.7	6.3	6.9	7.6
A. Taxes on International Trade	4.4	4.0	4.5	4.7	3.2	4.6	6.8	
(i) Taxes as Percentage of Exports and Imports	4.4 (8.4)	5.3 (7.0)	5.4 (6.9)	5.7 (6.5)	6.4 (5.4)	7.7 (3.5)	9.1 (1.4)	
(ii) Mean Tariff Rate		2.6 (37.0)	3.5 (32.3)	3.8 (31.2)	1.8 (40.8)	2.8 (36.0)	4.5 (27.6)	
(iii) Variability of Tariff Rates					1.4 (21.5)	3.2 (16.9)		
B. Regulatory Trade Barriers						5.1	7.2	
(i) Hidden Import Barriers						5.1	5.7	
(ii) Costs of Importing							8.7	
C. Size of Trade Sector	4.9	6.0	7.1	6.8	9.9	10.0	10.0	
D. Difference between Official and Black Market Exchange Rates	10.0	9.6	9.0	9.4	10.0	10.0	10.0	
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	4.6	4.3	
(i) Access to Foreign Capital						7.3	7.0	
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	1.5	
5. Regulation of Credit, Labor and Business		5.1	5.4	5.3	5.9	5.6	6.3	6.2
A. Regulation of Credit Markets	7.7	7.8	6.7	8.7	8.3	8.2	7.0	
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	5.0	
(ii) Competition from Foreign Banks						5.6	3.8	
(iii) Extension of Credit to Private Sector	7.7	7.5	8.0	8.0	8.8	9.2	9.2	
(iv) Avoidance of Negative Real Interest Rates			4.0	10.0	8.0	10.0	10.0	
(v) Controls on Interest Rates						3.6	7.3	
B. Regulation of Labor Markets					5.0	5.4	6.3	
(i) Impact of Minimum Wage						5.8	3.9	
(ii) Flexibility in Hiring and Firing					7.0	7.0	4.6	
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.9	7.9	6.5	
(iv) Incentives from Unemployment Benefits						6.3	6.5	
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	10.0	
C. Regulation of Business						5.4	5.3	
(i) Price Controls					4.0	5.0	3.0	
(ii) Administrative Obstacles for New Businesses							6.9	
(iii) Time Spent with Government Bureaucracy						6.8	4.0	
(iv) Ease of Starting a New Business						6.5	7.3	
(v) Irregular Payments to Government Officials						3.1	5.3	

Togo

		1970			1975			1980			1985			1990			1995			2000		
Summary Ratings (Rank) ►							4.2 (85)				5.6 (45)				4.9 (77)				5.2 (91)		4.7 (116)	
1. Size of Government: Expenditures, Taxes and Enterprises			2.8		2.0		1.6		6.4		3.4		3.9		4.4							
A. Government Consumption			5.5 (21.3)		4.0 (26.3)		3.2 (29.1)		7.6 (14.2)		6.9 (16.6)		7.7 (13.8)		8.9 (9.8)							
B. Transfers and Subsidies									9.5 (2.4)													
C. Government Enterprises and Investment			0.0 (54.2)		0.0 (50.2)		0.0 (52.5)		2.0 (40.0)		0.0 (54.8)		0.0 (51.7)		0.0							
D. Top Marginal Tax Rate																						
2. Legal Structure and Security of Property Rights							3.3		4.2		4.5		6.2		3.5							
A. Judicial Independence																						
B. Impartial Courts																						
C. Protection of Intellectual Property																						
D. Military Interference															1.7							
E. Integrity of Legal System													7.0		5.0							
3. Access to Sound Money			6.8		5.1		5.0		6.5		7.0		5.0		6.5							
A. Growth of Money Supply			8.8 (5.9)		7.8 (11.1)		6.7 (16.5)		8.8 (6.2)		9.4 (-2.9)		7.9 (10.6)		8.5 (7.5)							
B. Inflation Variability			8.9 (2.8)		3.3 (16.7)		5.6 (11.1)		8.0 (4.9)		9.4 (1.6)		4.5 (13.7)		7.8 (5.6)							
C. Recent Annual Inflation			9.7 (-1.6)		9.1 (-4.3)		7.9 (10.5)		9.3 (3.4)		9.4 (3.0)		7.6 (12.2)		9.6 (1.9)							
D. Freedom to Own Foreign Currency			0.0		0.0		0.0		0.0		0.0		0.0		0.0							
4. Freedom to Exchange with Foreigners					6.0		5.3		5.9		5.3											
A. Taxes on International Trade					5.2		1.7		4.3		3.9											
(i) Taxes as Percentage of Exports and Imports					5.2 (7.2)		1.7 (12.4)		4.3 (8.6)		3.9 (9.2)											
(ii) Mean Tariff Rate																						
(iii) Variability of Tariff Rates																						
B. Regulatory Trade Barriers																						
(i) Hidden Import Barriers																						
(ii) Costs of Importing																						
C. Size of Trade Sector			6.2		6.9		6.9		7.4		5.3		4.6		4.6							
D. Difference between Official and Black Market Exchange Rates			9.6		9.6		9.6		9.8		9.2		9.8		10.0							
E. Restrictions on Capital Markets			0.0		0.0		0.0		0.0		0.0		0.0		0.0							
(i) Access to Foreign Capital																						
(ii) Restrictions on Capital Transactions with Foreigners			0.0		0.0		0.0		0.0		0.0		0.0		0.0							
5. Regulation of Credit, Labor and Business							5.7		5.0		4.5		5.7		4.4							
A. Regulation of Credit Markets					2.0		6.4		6.6		6.6		6.4		5.8							
(i) Private Ownership of Banks					2.0		2.0		2.0		2.0		2.0		2.0							
(ii) Competition from Foreign Banks																						
(iii) Extension of Credit to Private Sector							9.3		9.8		9.8		9.1		9.3							
(iv) Avoidance of Negative Real Interest Rates							8.0		8.0		8.0		8.0		6.0							
(v) Controls on Interest Rates																						
B. Regulation of Labor Markets																						
(i) Impact of Minimum Wage																						
(ii) Flexibility in Hiring and Firing																						
(iii) Collective Bargaining																						
(iv) Incentives from Unemployment Benefits																						
(v) Military Conscription									0.0		0.0		0.0		0.0							
C. Regulation of Business																						
(i) Price Controls											0.0		2.0		2.0							
(ii) Administrative Obstacles for New Businesses																						
(iii) Time Spent with Government Bureaucracy																						
(iv) Ease of Starting a New Business																						
(v) Irregular Payments to Government Officials																						

172 Chapter 4: Country Data Tables

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			4.6 (55)	5.1 (61)	5.0 (69)	5.7 (48)	6.4 (43)	7.2 (30)
1. Size of Government: Expenditures, Taxes and Enterprises		4.3	3.6	5.4	3.8	6.3	6.0	5.9
A. Government Consumption	6.5 (17.9)	5.2 (22.4)	5.6 (20.8)	3.1 (29.5)	6.8 (16.8)	6.7 (17.1)	5.6 (20.8)	
B. Transfers and Subsidies			8.5 (6.0)	6.1 (14.9)	7.4 (10.0)	8.4 (6.2)	6.8	
C. Government Enterprises and Investment	2.0 (45.9)	2.0 (45.8)	2.0 (47.6)	2.0 (40.6)	4.0 (34.6)	4.0	4.0	
D. Top Marginal Tax Rate				4.0 (50)	7.0 (35)	5.0 (38)	7.0 (35)	
2. Legal Structure and Security of Property Rights				5.4	4.8	6.2	4.1	6.8
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								5.3
D. Military Interference								8.3
E. Integrity of Legal System							4.1	6.7
3. Access to Sound Money		9.1	3.9	4.0	5.9	6.0	8.5	9.5
A. Growth of Money Supply	10.0 (0.2)	6.7 (16.4)	5.7 (21.4)	8.8 (5.8)	9.5 (2.7)	8.2 (9.2)	9.1 (4.5)	
B. Inflation Variability	8.2 (4.5)	3.1 (17.3)	5.9 (10.3)	6.7 (8.3)	7.8 (5.5)	6.4 (9.0)	9.6 (0.9)	
C. Recent Annual Inflation	9.2 (4.0)	6.0 (20.1)	4.5 (27.5)	8.0 (10.1)	6.9 (15.5)	9.3 (3.8)	9.3 (3.6)	
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	10.0	10.0	
4. Freedom to Exchange with Foreigners			4.4	4.0	3.7	3.7	7.2	6.6
A. Taxes on International Trade		8.3	7.9	6.4	6.1	7.0	5.4	
(i) Taxes as Percentage of Exports and Imports		8.3 (2.6)	7.9 (3.2)	6.2 (5.7)	8.2 (2.7)	8.9 (1.7)	3.2 (10.2)	
(ii) Mean Tariff Rate				6.6 (17.0)	6.3 (18.6)	7.2 (14.1)	6.3 (18.4)	
(iii) Variability of Tariff Rates					3.9 (15.3)	4.9 (12.7)	6.7 (8.3)	
B. Regulatory Trade Barriers							6.2	
(i) Hidden Import Barriers							6.2	
(ii) Costs of Importing								
C. Size of Trade Sector	3.9	4.3	3.7	1.4	2.2	3.7	3.7	
D. Difference between Official and Black Market Exchange Rates	7.2	1.4	0.2	2.2	2.0	9.4	10.0	
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	8.0	7.5	
(i) Access to Foreign Capital							8.1	
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	8.0	6.9	
5. Regulation of Credit, Labor and Business			6.4	6.5	6.8	6.1	6.1	7.2
A. Regulation of Credit Markets	8.4	6.7	6.9	8.0	7.2	7.3	7.6	
(i) Private Ownership of Banks		5.0	5.0	8.0	8.0	8.0	8.0	
(ii) Competition from Foreign Banks							4.0	
(iii) Extension of Credit to Private Sector	8.4	8.4	8.8	8.1	7.7	7.8	8.6	
(iv) Avoidance of Negative Real Interest Rates				8.0	6.0	6.0	10.0	
(v) Controls on Interest Rates							6.8	
B. Regulation of Labor Markets							7.2	
(i) Impact of Minimum Wage							5.3	
(ii) Flexibility in Hiring and Firing							5.8	
(iii) Collective Bargaining							7.5	
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business							6.9	
(i) Price Controls					4.0	6.0	6.0	
(ii) Administrative Obstacles for New Businesses							7.5	
(iii) Time Spent with Government Bureaucracy							7.7	
(iv) Ease of Starting a New Business							6.6	
(v) Irregular Payments to Government Officials							6.6	

Tunisia

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	4.7 (47)	4.8 (51)	5.0 (66)	4.8 (77)	5.3 (62)	5.8 (69)	6.1 (73)
1. Size of Government: Expenditures, Taxes and Enterprises	4.9	5.2	4.2	4.4	5.1	5.2	5.3
A. Government Consumption	5.7 (20.7)	5.9 (19.8)	6.2 (19.0)	5.2 (22.5)	5.7 (20.5)	5.6 (21.1)	5.7 (20.5)
B. Transfers and Subsidies	9.0 (4.2)	9.6 (1.9)	8.6 (5.6)	8.3 (6.8)	7.7 (9.0)	8.1 (7.3)	8.1 (7.5)
C. Government Enterprises and Investment	0.0 (58.3)	0.0 (52.1)	0.0 (53.1)	2.0 (48.6)	2.0 (49.5)	2.0 (49.3)	2.0 (48.8)
D. Top Marginal Tax Rate			2.0 (62)	2.0 (62)			
2. Legal Structure and Security of Property Rights	3.8	3.3	4.9	3.5	3.5	4.1	6.5
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							6.7
E. Integrity of Legal System						4.1	8.3
3. Access to Sound Money	5.9	5.8	6.1	6.3	7.0	7.0	6.9
A. Growth of Money Supply		7.3 (13.3)	8.5 (7.5)	7.7 (11.5)	9.6 (1.8)	9.4 (2.9)	8.6 (7.1)
B. Inflation Variability	9.2 (2.1)	6.9 (7.8)	8.6 (3.4)	8.3 (4.4)	9.2 (2.0)	9.6 (0.9)	9.6 (1.1)
C. Recent Annual Inflation	8.7 (6.6)	9.0 (5.0)	7.4 (12.8)	9.3 (3.6)	9.1 (4.5)	9.0 (5.2)	9.4 (2.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	4.0	4.8	5.0	4.9	5.7	6.2	6.1
A. Taxes on International Trade	3.5	2.9	4.4	3.2	2.7	4.6	5.3
(i) Taxes as Percentage of Exports and Imports	3.5 (9.7)	2.9 (10.7)	4.0 (9.0)	1.1 (13.3)	3.7 (9.5)	4.0 (9.0)	7.3 (4.1)
(ii) Mean Tariff Rate			4.7 (26.4)	5.2 (24.0)	4.5 (27.5)	4.5 (27.5)	4.0 (30.1)
(iii) Variability of Tariff Rates					0.0 (37.4)	5.3 (11.7)	4.8 (13.1)
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	4.2	5.0	6.0	5.4	7.0	6.3	6.0
D. Difference between Official and Black Market Exchange Rates	4.0	7.8	6.4	7.6	8.4	9.8	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	2.0	2.0	0.8
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	2.0	2.0	0.8
5. Regulation of Credit, Labor and Business	4.8	4.9	4.7	5.0	5.4	6.3	5.6
A. Regulation of Credit Markets	5.4	5.7	4.9	5.6	7.3	7.6	7.4
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	8.9	9.3	8.7	8.7	8.9	9.7	9.1
(iv) Avoidance of Negative Real Interest Rates			4.0	6.0	8.0	8.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business							
(i) Price Controls					4.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Turkey

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	3.6 (53)	3.8 (66)	3.5 (101)	4.7 (81)	4.7 (83)	5.7 (73)	5.8 (82)
1. Size of Government: Expenditures, Taxes and Enterprises	6.1	4.7	4.4	4.9	6.2	6.6	6.9
A. Government Consumption	6.8 (16.9)	7.1 (15.7)	7.1 (15.9)	8.4 (11.4)	7.7 (13.8)	7.9 (13.3)	6.9 (16.4)
B. Transfers and Subsidies	9.5 (2.4)	8.5 (6.0)	8.5 (6.0)	7.3 (10.4)	9.1 (3.9)		7.9 (8.4)
C. Government Enterprises and Investment	2.0 (44.0)	2.0 (47.1)	2.0 (40.0)	2.0 (45.5)	4.0 (31.8)	8.0 (17.5)	7.0 (23.7)
D. Top Marginal Tax Rate		1.0 (68)	0.0 (75)	2.0 (63)	4.0 (50)	4.0 (55)	6.0 (45)
2. Legal Structure and Security of Property Rights	4.4	2.8	5.6	5.8	4.5	5.1	5.4
A. Judicial Independence						5.5	5.3
B. Impartial Courts						6.6	6.5
C. Protection of Intellectual Property						4.3	3.4
D. Military Interference							5.0
E. Integrity of Legal System						4.1	6.7
3. Access to Sound Money	4.1	4.8	0.5	2.3	3.3	3.2	3.6
A. Growth of Money Supply	0.0 (-64.6)	5.7 (21.6)	1.9 (40.6)	3.7 (31.7)	0.2 (49.0)	0.0 (61.9)	0.0 (73.1)
B. Inflation Variability	8.2 (4.5)	7.6 (6.0)	0.0 (27.8)	5.7 (10.7)	3.1 (17.2)	2.8 (17.9)	4.4 (14.0)
C. Recent Annual Inflation	8.2 (8.8)	5.9 (20.5)	0.0 (85.0)	0.0 (52.2)	0.0 (58.2)	0.0 (87.0)	0.0 (54.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	0.0	2.1	2.6	5.0	4.4	7.2	7.3
A. Taxes on International Trade	0.0	0.5	3.5	6.3	4.5	8.3	7.6
(i) Taxes as Percentage of Exports and Imports	0.0 (20.7)	0.5 (14.3)	5.8 (6.3)	8.0 (3.0)	8.1 (2.8)	9.0 (1.5)	9.5 (0.7)
(ii) Mean Tariff Rate			1.2 (44.0)	4.7 (26.6)	5.5 (22.7)	8.2 (9.0)	8.4 (8.2)
(iii) Variability of Tariff Rates					0.0 (35.7)	7.7 (5.7)	4.9 (12.8)
B. Regulatory Trade Barriers						7.6	7.0
(i) Hidden Import Barriers						7.6	5.6
(ii) Costs of Importing							8.3
C. Size of Trade Sector	0.0	0.0	0.0	4.3	3.4	4.9	5.9
D. Difference between Official and Black Market Exchange Rates	0.0	7.8	6.8	9.4	9.6	9.6	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	5.5	5.8
(i) Access to Foreign Capital						9.0	9.3
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	2.0	2.3
5. Regulation of Credit, Labor and Business		4.5	4.4	5.2	5.3	6.2	5.6
A. Regulation of Credit Markets	6.0	5.3	4.0	6.7	5.4	7.8	6.3
(i) Private Ownership of Banks		8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						7.8	5.1
(iii) Extension of Credit to Private Sector	6.0	5.9	4.0	4.0	6.2	7.3	4.3
(iv) Avoidance of Negative Real Interest Rates		2.0	0.0	8.0	2.0	8.0	8.0
(v) Controls on Interest Rates						6.8	8.2
B. Regulation of Labor Markets					5.2	5.4	4.5
(i) Impact of Minimum Wage						6.4	3.4
(ii) Flexibility in Hiring and Firing					7.2	7.2	5.3
(iii) Collective Bargaining			7.2	7.2	7.2	7.2	6.6
(iv) Incentives from Unemployment Benefits						4.9	6.2
(v) Military Conscription	0.0	0.0	0.0	0.0	1.0	1.0	1.0
C. Regulation of Business						5.5	5.9
(i) Price Controls					8.0	5.0	6.0
(ii) Administrative Obstacles for New Businesses							7.4
(iii) Time Spent with Government Bureaucracy						6.2	5.2
(iv) Ease of Starting a New Business						7.6	5.2
(v) Irregular Payments to Government Officials						3.2	5.5

Uganda

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►			3.2 (104)	2.9 (109)	3.0 (112)	4.8 (97)	6.5 (60)
1. Size of Government: Expenditures, Taxes and Enterprises				3.1	4.9	6.2	6.2
A. Government Consumption				7.2 (15.5)	9.6 (7.5)	8.7 (10.5)	8.7 (10.4)
B. Transfers and Subsidies							
C. Government Enterprises and Investment	4.0 (31.5)	2.0 (42.8)	2.0	2.0 (26.4)	2.0 (47.6)	2.0	2.0
D. Top Marginal Tax Rate				0.0 (70)	3.0 (50)	8.0 (30)	8.0 (30)
2. Legal Structure and Security of Property Rights			2.8	2.9	2.4	4.1	4.7
A. Judicial Independence							
B. Impartial Courts							
C. Protection of Intellectual Property							
D. Military Interference							3.3
E. Integrity of Legal System						4.1	6.7
3. Access to Sound Money	0.8	3.1	1.0	0.0	0.3	4.1	9.2
A. Growth of Money Supply		5.5 (22.5)	3.1 (34.4)	0.0 (76.2)	0.0 (410.0)	3.7 (31.5)	8.6 (6.8)
B. Inflation Variability		3.8 (15.5)	0.0 (33.8)	0.0 (40.8)	0.0 (52.4)	4.4 (14.1)	8.6 (3.6)
C. Recent Annual Inflation	1.7 (41.6)			0.0 (120.4)	1.1 (44.4)	8.2 (9.2)	9.4 (2.8)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	10.0
4. Freedom to Exchange with Foreigners	1.7	4.1	3.6	2.9	4.9	6.8	
A. Taxes on International Trade	0.0	7.9	3.1	3.4	5.4	6.6	
(i) Taxes as Percentage of Exports and Imports	0.0 (20.4)	7.9 (3.1)	2.3 (11.6)	2.8 (10.8)	3.2 (10.2)		
(ii) Mean Tariff Rate			4.0 (30.0)	4.0 (30.1)	6.6 (17.1)	6.6 (17.1)	
(iii) Variability of Tariff Rates					6.4 (9.1)		
B. Regulatory Trade Barriers							
(i) Hidden Import Barriers							
(ii) Costs of Importing							
C. Size of Trade Sector	5.5	0.0	4.3	1.6	0.6	1.6	0.9
D. Difference between Official and Black Market Exchange Rates	3.8	0.0	0.0	5.0	2.0	9.4	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	8.5
(i) Access to Foreign Capital							
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	0.0	8.5
5. Regulation of Credit, Labor and Business	5.4	4.7	4.7	4.5	4.6	5.6	
A. Regulation of Credit Markets	7.6	3.8	2.6	2.6	3.2	4.3	5.0
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	2.0	2.0
(ii) Competition from Foreign Banks							
(iii) Extension of Credit to Private Sector	7.6	5.7	5.8	5.7	7.7	6.9	5.1
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	0.0	4.0	8.0
(v) Controls on Interest Rates							
B. Regulation of Labor Markets							
(i) Impact of Minimum Wage							
(ii) Flexibility in Hiring and Firing							
(iii) Collective Bargaining							
(iv) Incentives from Unemployment Benefits							
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							
(i) Price Controls					0.0	4.0	6.0
(ii) Administrative Obstacles for New Businesses							
(iii) Time Spent with Government Bureaucracy							
(iv) Ease of Starting a New Business							
(v) Irregular Payments to Government Officials							

Ukraine

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►						3.3 (122)	4.5 (119)
1. Size of Government: Expenditures, Taxes and Enterprises						1.8	3.8
A. Government Consumption			4.6 (24.2)	4.4 (25.0)	5.2 (22.4)	3.6 (27.8)	4.7 (24.0)
B. Transfers and Subsidies							5.6 (16.6)
C. Government Enterprises and Investment						0.0	0.0
D. Top Marginal Tax Rate							5.0 (40)
2. Legal Structure and Security of Property Rights						3.9	4.8
A. Judicial Independence						6.1	3.2
B. Impartial Courts						4.3	3.5
C. Protection of Intellectual Property						1.2	2.4
D. Military Interference							8.3
E. Integrity of Legal System							6.7
3. Access to Sound Money					5.9	1.7	2.6
A. Growth of Money Supply							0.0 (59.1)
B. Inflation Variability						0.0 (1158.3)	0.0 (165.7)
C. Recent Annual Inflation					6.7 (16.3)	0.0 (415.5)	5.5 (22.7)
D. Freedom to Own Foreign Currency					5.0	5.0	5.0
4. Freedom to Exchange with Foreigners						6.3	6.6
A. Taxes on International Trade							6.8
(i) Taxes as Percentage of Exports and Imports							
(ii) Mean Tariff Rate							7.9 (10.5)
(iii) Variability of Tariff Rates							5.6 (10.9)
B. Regulatory Trade Barriers						2.5	5.5
(i) Hidden Import Barriers						2.5	4.0
(ii) Costs of Importing							7.0
C. Size of Trade Sector						9.9	8.4
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	0.0	0.0	9.4	7.8
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	3.4	4.3
(i) Access to Foreign Capital						4.9	7.1
(ii) Restrictions on Capital Transactions with Foreigners	0.0	0.0	0.0	0.0	0.0	2.0	1.5
5. Regulation of Credit, Labor and Business					3.5	3.0	4.5
A. Regulation of Credit Markets					0.0	1.2	4.6
(i) Private Ownership of Banks					0.0	0.0	0.0
(ii) Competition from Foreign Banks						3.2	3.9
(iii) Extension of Credit to Private Sector						1.7	8.4
(iv) Avoidance of Negative Real Interest Rates						0.0	6.0
(v) Controls on Interest Rates						4.0	4.9
B. Regulation of Labor Markets						5.1	4.3
(i) Impact of Minimum Wage						6.6	1.9
(ii) Flexibility in Hiring and Firing					5.8	5.8	6.3
(iii) Collective Bargaining						7.9	8.1
(iv) Incentives from Unemployment Benefits						5.4	5.3
(v) Military Conscription						0.0	0.0
C. Regulation of Business						2.6	4.7
(i) Price Controls					0.0	4.0	6.0
(ii) Administrative Obstacles for New Businesses							6.3
(iii) Time Spent with Government Bureaucracy						2.2	4.8
(iv) Ease of Starting a New Business						3.7	2.9
(v) Irregular Payments to Government Officials						0.6	3.8

United Arab Emirates

	1970	1975	1980	1985	1990	1995	2000				
Summary Ratings (Rank) ►			6.0 (24)	7.2 (6)	7.2 (10)	6.3 (50)	7.4 (19)				
1. Size of Government: Expenditures, Taxes and Enterprises											
A. Government Consumption	1.6	(34.4)	0.4	(38.7)	6.4	6.9	7.6				
B. Transfers and Subsidies				0.0	(41.8)	2.9	(30.1)	3.9	(26.8)	4.7	(24.0)
C. Government Enterprises and Investment						9.8	(1.2)	9.9	(1.0)	9.7	(1.6)
D. Top Marginal Tax Rate										6.0	
										10.0	(0)
2. Legal Structure and Security of Property Rights			2.1	5.8	5.8	4.1	6.5				
A. Judicial Independence											
B. Impartial Courts											
C. Protection of Intellectual Property											
D. Military Interference							8.3				
E. Integrity of Legal System						4.1	6.7				
3. Access to Sound Money	8.1	7.9	9.3	9.6	8.6	8.9					
A. Growth of Money Supply		5.5	(22.7)	9.8	(-0.9)	9.7	(1.5)	7.2	(13.8)	9.1	(4.3)
B. Inflation Variability		8.1	(4.8)	8.1	(4.8)	9.3	(1.7)			7.4	(6.4)
C. Recent Annual Inflation	6.2	(19.0)	8.2	(9.1)	9.1	(4.5)	9.2	(4.1)			
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0				
4. Freedom to Exchange with Foreigners	8.8	8.9	7.7	7.9							
A. Taxes on International Trade	10.0	10.0	9.6	10.0							
(i) Taxes as Percentage of Exports and Imports	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)					
(ii) Mean Tariff Rate			9.2	(4.0)							
(iii) Variability of Tariff Rates											
B. Regulatory Trade Barriers											
(i) Hidden Import Barriers											
(ii) Costs of Importing											
C. Size of Trade Sector	5.8	6.3	5.6	6.5	8.0						
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0				
E. Restrictions on Capital Markets	10.0	10.0	5.0	5.0	5.0	6.2					
(i) Access to Foreign Capital											
(ii) Restrictions on Capital Transactions with Foreigners	10.0	10.0	5.0	5.0	5.0	6.2					
5. Regulation of Credit, Labor and Business		5.3	6.2	6.4	5.7	6.5					
A. Regulation of Credit Markets	7.0	6.9	6.2	6.5	6.4	6.9					
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0					
(ii) Competition from Foreign Banks											
(iii) Extension of Credit to Private Sector	9.1	8.7	7.3	8.0	7.7	8.7					
(iv) Avoidance of Negative Real Interest Rates											
(v) Controls on Interest Rates											
B. Regulation of Labor Markets											
(i) Impact of Minimum Wage											
(ii) Flexibility in Hiring and Firing											
(iii) Collective Bargaining											
(iv) Incentives from Unemployment Benefits											
(v) Military Conscription		3.0	10.0	10.0	10.0	10.0					
C. Regulation of Business											
(i) Price Controls				8.0	8.0	8.0					
(ii) Administrative Obstacles for New Businesses											
(iii) Time Spent with Government Bureaucracy											
(iv) Ease of Starting a New Business											
(v) Irregular Payments to Government Officials											

United Kingdom

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	5.8 (32)	5.8 (22)	6.2 (20)	7.1 (9)	7.4 (6)	8.1 (6)	8.4 (4)
1. Size of Government: Expenditures, Taxes and Enterprises	3.6	3.0	3.4	4.4	5.9	5.7	6.2
A. Government Consumption	5.1 (22.6)	3.9 (26.6)	3.9 (26.6)	4.2 (25.9)	4.5 (24.6)	4.4 (25.2)	5.2 (22.2)
B. Transfers and Subsidies		6.0 (15.0)	5.8 (15.8)	5.3 (17.9)	6.1 (14.9)	5.3 (17.7)	5.6 (16.5)
C. Government Enterprises and Investment	2.0 (43.4)	2.0 (41.8)	4.0 (29.1)	6.0 (23.5)	8.0 (15.3)	8.0 (16.4)	8.0
D. Top Marginal Tax Rate		0.0 (83)	0.0 (83)	2.0 (60)	5.0 (40)	5.0 (40)	6.0 (40)
2. Legal Structure and Security of Property Rights	8.0	8.3	7.0	6.7	7.7	8.9	9.3
A. Judicial Independence						9.5	9.0
B. Impartial Courts						8.9	9.0
C. Protection of Intellectual Property						7.1	8.4
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	6.0	5.0	5.8	8.9	8.1	9.5	9.7
A. Growth of Money Supply		8.0 (9.8)	8.0 (9.9)	7.8 (10.9)	4.3 (28.7)	9.0 (4.9)	9.6 (2.2)
B. Inflation Variability	9.4 (1.5)	7.2 (7.0)	9.0 (2.4)	9.0 (2.5)	9.4 (1.4)	9.3 (1.7)	9.7 (0.7)
C. Recent Annual Inflation	8.5 (7.3)	4.7 (26.3)	6.2 (18.8)	8.8 (5.9)	8.7 (6.4)	9.5 (2.4)	9.4 (2.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	5.2	6.7	8.5	8.7	8.4	8.3	8.5
A. Taxes on International Trade	2.1	8.8	8.9	9.1	8.4	8.6	9.0
(i) Taxes as Percentage of Exports and Imports	2.1 (11.9)	9.5 (0.7)	9.5 (0.7)	9.6 (0.6)	9.6 (0.6)	9.6 (0.6)	9.7 (0.5)
(ii) Mean Tariff Rate		8.1 (9.4)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.3 (3.5)
(iii) Variability of Tariff Rates					7.1 (7.2)	7.6 (5.9)	8.0 (5.0)
B. Regulatory Trade Barriers						8.0	9.3
(i) Hidden Import Barriers						8.0	9.0
(ii) Costs of Importing							9.7
C. Size of Trade Sector	6.8	5.8	5.0	5.9	5.1	5.2	4.9
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	10.0	10.0	10.0	9.4	9.1
(i) Access to Foreign Capital						8.9	9.8
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	10.0	10.0	10.0	10.0	8.5
5. Regulation of Credit, Labor and Business	6.2	6.0	6.0	6.6	6.7	8.5	8.1
A. Regulation of Credit Markets	8.2	7.1	7.3	9.7	9.9	9.7	9.3
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						9.3	7.4
(iii) Extension of Credit to Private Sector	6.5	7.3	8.0	9.1	9.8	9.7	9.9
(iv) Avoidance of Negative Real Interest Rates	8.0	4.0	4.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						7.5	8.5
B. Regulation of Labor Markets	6.6	6.8	6.7	6.8	7.2	7.2	6.9
(i) Impact of Minimum Wage						6.7	4.6
(ii) Flexibility in Hiring and Firing					7.4	7.4	4.9
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	6.2	6.2	8.6
(iv) Incentives from Unemployment Benefits	4.8	5.1	4.8	5.2	5.4	5.9	6.5
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						8.4	8.1
(i) Price Controls					9.0	9.0	8.0
(ii) Administrative Obstacles for New Businesses							7.9
(iii) Time Spent with Government Bureaucracy						7.8	8.0
(iv) Ease of Starting a New Business						8.1	7.7
(v) Irregular Payments to Government Officials						8.7	9.0

United States

	1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►	7.0 (11)	7.3 (3)	7.5 (4)	7.7 (5)	7.9 (3)	8.3 (4)	8.5 (3)
1. Size of Government: Expenditures, Taxes and Enterprises	4.0	4.8	5.2	6.0	6.8	6.9	7.6
A. Government Consumption	5.1 (22.6)	5.2 (22.2)	5.5 (21.2)	5.5 (21.5)	5.7 (20.8)	6.2 (19.0)	6.6 (17.6)
B. Transfers and Subsidies		7.1 (11.1)	7.2 (10.9)	6.7 (12.5)	6.7 (12.7)	6.3 (14.0)	6.7 (12.6)
C. Government Enterprises and Investment	7.0 (23.8)	7.0 (21.7)	8.0 (17.2)	8.0 (17.3)	8.0 (20.0)	8.0 (14.6)	10.0
D. Top Marginal Tax Rate	0.0 (70-75)	0.0 (70-75)	0.0 (70-75)	4.0 (50-59)	7.0 (33-42)	7.0 (42-49)	7.0 (42-49)
2. Legal Structure and Security of Property Rights	8.3	7.9	8.3	8.3	8.3	8.6	9.2
A. Judicial Independence						8.3	8.0
B. Impartial Courts						8.5	9.0
C. Protection of Intellectual Property						7.8	9.1
D. Military Interference							10.0
E. Integrity of Legal System						10.0	10.0
3. Access to Sound Money	9.6	9.2	9.2	9.3	9.6	9.7	9.7
A. Growth of Money Supply	9.7 (1.5)	9.4 (3.1)	9.0 (5.1)	8.9 (5.5)	9.4 (2.9)	9.3 (3.3)	9.9 (-0.3)
B. Inflation Variability	9.6 (0.9)	9.3 (1.7)	9.5 (1.2)	9.0 (2.4)	9.7 (0.7)	9.7 (0.6)	9.4 (1.6)
C. Recent Annual Inflation	9.0 (5.1)	8.2 (9.2)	8.1 (9.5)	9.3 (3.5)	9.1 (4.3)	9.6 (2.0)	9.3 (3.4)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	7.0	7.7	8.0	7.8	7.8	7.9	8.0
A. Taxes on International Trade	8.4	8.5	8.9	8.8	8.2	8.4	8.0
(i) Taxes as Percentage of Exports and Imports	8.4 (2.4)	9.0 (1.5)	9.3 (1.1)	8.9 (1.7)	9.0 (1.5)	9.2 (1.2)	9.4 (0.9)
(ii) Mean Tariff Rate		7.9 (10.3)	8.5 (7.3)	8.7 (6.6)	8.8 (6.2)	8.8 (5.9)	9.1 (4.3)
(iii) Variability of Tariff Rates					6.9 (7.7)	7.2 (7.0)	5.4 (11.4)
B. Regulatory Trade Barriers						7.8	8.8
(i) Hidden Import Barriers						7.8	8.1
(ii) Costs of Importing							9.5
C. Size of Trade Sector	1.6	4.2	4.9	4.3	5.0	5.1	5.0
D. Difference between Official and Black Market Exchange Rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	8.0	8.0	8.0	8.0	8.0	8.4	8.2
(i) Access to Foreign Capital						8.8	9.5
(ii) Restrictions on Capital Transactions with Foreigners	8.0	8.0	8.0	8.0	8.0	8.0	6.9
5. Regulation of Credit, Labor and Business	5.9	6.7	6.8	6.8	6.8	8.3	8.2
A. Regulation of Credit Markets	9.3	8.8	9.5	9.5	9.6	9.3	9.3
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						8.3	7.6
(iii) Extension of Credit to Private Sector	8.0	8.3	8.5	8.4	8.9	8.8	9.4
(iv) Avoidance of Negative Real Interest Rates	10.0	8.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates						8.1	8.7
B. Regulation of Labor Markets	4.3	7.8	7.7	7.7	7.7	7.5	7.2
(i) Impact of Minimum Wage						5.9	3.8
(ii) Flexibility in Hiring and Firing					7.1	7.1	6.7
(iii) Collective Bargaining	7.6	7.6	7.6	7.6	7.6	7.6	8.4
(iv) Incentives from Unemployment Benefits	5.5	5.9	5.6	5.6	6.0	6.7	7.0
(v) Military Conscription	0.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business						8.2	8.3
(i) Price Controls					9.0	9.0	8.0
(ii) Administrative Obstacles for New Businesses							7.9
(iii) Time Spent with Government Bureaucracy						7.5	8.2
(iv) Ease of Starting a New Business						8.4	8.4
(v) Irregular Payments to Government Officials						7.9	8.8

Uruguay

		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►				5.9 (26)	5.9 (34)	6.2 (34)	5.9 (65)	6.8 (47)
1. Size of Government: Expenditures, Taxes and Enterprises		6.7	6.2	7.3	7.0	7.4	7.2	6.7
A. Government Consumption	6.8 (17.0)	6.9 (16.6)	7.6 (14.1)	6.6 (17.4)	6.8 (16.8)	7.5 (14.5)	7.4 (14.8)	
B. Transfers and Subsidies	7.4 (10.0)	6.9 (11.8)	7.7 (9.1)	7.4 (10.0)	6.9 (12.0)	5.4 (17.3)	5.2 (18.1)	
C. Government Enterprises and Investment	6.0 (25.9)	4.0 (34.9)	4.0 (31.7)	4.0 (36.2)	6.0 (28.5)	6.0 (28.8)	4.0 (39.5)	
D. Top Marginal Tax Rate		7.0 (41)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
2. Legal Structure and Security of Property Rights				5.6	5.4	6.3	6.2	6.3
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								5.5
D. Military Interference								8.3
E. Integrity of Legal System						7.0		5.0
3. Access to Sound Money		5.1	2.5	3.8	3.6	3.8	3.2	7.6
A. Growth of Money Supply	0.7 (46.5)	0.0 (60.5)	0.0 (58.2)	2.6 (36.9)	0.0 (74.7)	0.0 (54.3)	7.5 (12.7)	
B. Inflation Variability	0.0 (40.6)	0.0 (32.6)	5.3 (11.8)	1.9 (20.4)	5.0 (12.4)	1.1 (22.3)	3.9 (15.3)	
C. Recent Annual Inflation	9.9 (0.7)	0.0 (66.0)	0.0 (54.8)	0.0 (74.0)	0.0 (100.4)	1.6 (42.0)	9.0 (4.8)	
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
4. Freedom to Exchange with Foreigners		6.5	7.2	6.6	7.4	7.4	7.3	7.3
A. Taxes on International Trade	6.9	7.7	4.1	5.0	5.9	7.8	8.5	
(i) Taxes as Percentage of Exports and Imports	6.9 (4.7)	7.7 (3.4)	4.1 (8.9)	6.1 (5.8)	6.3 (5.6)	8.2 (2.7)	8.3 (2.6)	
(ii) Mean Tariff Rate				3.8 (31.0)	3.9 (30.5)	8.1 (9.3)	9.1 (4.6)	
(iii) Variability of Tariff Rates					7.6 (5.9)	7.2 (7.1)	8.3 (4.3)	
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers							6.3	
(ii) Costs of Importing								
C. Size of Trade Sector	0.1	2.2	0.9	3.7	3.1	0.6	1.9	
D. Difference between Official and Black Market Exchange Rates	9.4	10.0	10.0	10.0	10.0	10.0	10.0	
E. Restrictions on Capital Markets	8.0	8.0	10.0	10.0	10.0	10.0	8.7	
(i) Access to Foreign Capital							9.0	
(ii) Restrictions on Capital Transactions with Foreigners	8.0	8.0	10.0	10.0	10.0	10.0	8.5	
5. Regulation of Credit, Labor and Business				6.0	6.4	6.0	5.8	6.2
A. Regulation of Credit Markets		5.0	5.5	7.0	7.0	6.6	6.6	
(i) Private Ownership of Banks		5.0	5.0	5.0	5.0	5.0	5.0	
(ii) Competition from Foreign Banks							6.3	
(iii) Extension of Credit to Private Sector				7.9	7.9	8.7	9.2	
(iv) Avoidance of Negative Real Interest Rates			6.0	8.0	8.0	6.0	6.0	
(v) Controls on Interest Rates							6.2	
B. Regulation of Labor Markets							5.9	
(i) Impact of Minimum Wage							2.6	
(ii) Flexibility in Hiring and Firing							4.1	
(iii) Collective Bargaining							6.9	
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business							6.1	
(i) Price Controls					4.0	6.0	6.0	
(ii) Administrative Obstacles for New Businesses							6.8	
(iii) Time Spent with Government Bureaucracy							6.5	
(iv) Ease of Starting a New Business							5.0	
(v) Irregular Payments to Government Officials							6.1	

Venezuela

	1970		1975		1980		1985		1990		1995		2000
Summary Ratings (Rank) ►	7.0 (11)		6.1 (16)		6.5 (14)		6.1 (27)		5.4 (54)		4.1 (112)		5.8 (82)
1. Size of Government: Expenditures, Taxes and Enterprises	7.8		7.4		6.3		6.9		6.0		6.1		7.1
A. Government Consumption	6.6 (17.6)		6.2 (19.0)		6.6 (17.7)		7.5 (14.4)		8.3 (11.9)		9.0 (9.3)		8.8 (10.0)
B. Transfers and Subsidies	9.8 (1.1)		9.5 (2.3)		9.6 (2.0)		8.9 (4.5)		8.6 (5.8)		8.5 (6.0)		9.6 (1.8)
C. Government Enterprises and Investment	7.0 (21.1)		4.0 (33.6)		2.0 (45.6)		4.0 (35.8)		0.0 (65.2)		0.0 (58.3)		2.0 (46.2)
D. Top Marginal Tax Rate			10.0 (20)		7.0 (45)		7.0 (45)		7.0 (45)		7.0 (34)		8.0 (35)
2. Legal Structure and Security of Property Rights	4.4		2.8		6.2		5.3		5.7		3.4		3.7
A. Judicial Independence											2.9		1.7
B. Impartial Courts											2.9		3.7
C. Protection of Intellectual Property											3.7		3.4
D. Military Interference													3.3
E. Integrity of Legal System											4.1		6.7
3. Access to Sound Money	9.7		6.9		7.3		8.3		4.4		1.7		5.7
A. Growth of Money Supply	9.4 (3.0)		4.8 (26.0)		7.3 (13.6)		7.3 (13.3)		6.1 (19.7)		2.9 (35.8)		1.7 (41.3)
B. Inflation Variability	9.6 (1.1)		4.0 (15.1)		7.0 (7.4)		7.9 (5.2)		0.0 (30.2)		3.8 (15.6)		4.5 (13.9)
C. Recent Annual Inflation	9.7 (1.3)		9.0 (5.1)		4.8 (26.0)		7.9 (10.4)		1.7 (41.7)		0.0 (51.9)		6.8 (16.2)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		0.0		10.0
4. Freedom to Exchange with Foreigners	7.7		7.9		7.9		4.7		6.5		5.2		7.1
A. Taxes on International Trade	8.1		7.5		8.0		3.7		4.2		7.8		7.4
(i) Taxes as Percentage of Exports and Imports	8.1 (2.9)		7.5 (3.7)		8.0 (3.0)		3.9 (9.1)		8.5 (2.2)		7.9 (3.1)		7.0 (4.5)
(ii) Mean Tariff Rate							3.4 (32.9)		3.9 (30.6)		7.3 (13.4)		7.5 (12.6)
(iii) Variability of Tariff Rates									0.2 (24.4)		8.1 (4.8)		7.6 (5.9)
B. Regulatory Trade Barriers											4.6		5.7
(i) Hidden Import Barriers											4.6		4.9
(ii) Costs of Importing													6.5
C. Size of Trade Sector	4.6		6.2		5.6		4.9		6.9		5.1		4.1
D. Difference between Official and Black Market Exchange Rates	10.0		10.0		10.0		5.0		10.0		1.6		10.0
E. Restrictions on Capital Markets	8.0		8.0		8.0		5.0		5.0		6.9		8.1
(i) Access to Foreign Capital											8.7		9.4
(ii) Restrictions on Capital Transactions with Foreigners	8.0		8.0		8.0		5.0		5.0		5.0		6.9
5. Regulation of Credit, Labor and Business	5.3		5.2		5.0		5.4		4.6		4.0		5.2
A. Regulation of Credit Markets	9.7		7.4		6.1		6.9		4.6		4.6		6.0
(i) Private Ownership of Banks			5.0		5.0		8.0		8.0		8.0		8.0
(ii) Competition from Foreign Banks											7.6		6.2
(iii) Extension of Credit to Private Sector	9.7		9.8		9.3		8.8		5.7		2.7		7.7
(iv) Avoidance of Negative Real Interest Rates					4.0		4.0		0.0		0.0		2.0
(v) Controls on Interest Rates											5.4		6.0
B. Regulation of Labor Markets									3.9		4.3		4.0
(i) Impact of Minimum Wage											4.9		4.1
(ii) Flexibility in Hiring and Firing									4.4		4.4		4.6
(iii) Collective Bargaining	7.2		7.2		7.2		7.2		7.2		7.2		5.8
(iv) Incentives from Unemployment Benefits											5.0		5.7
(v) Military Conscription	0.0		0.0		0.0		1.0		0.0		0.0		0.0
C. Regulation of Business											3.0		5.5
(i) Price Controls											0.0		5.0
(ii) Administrative Obstacles for New Businesses													6.4
(iii) Time Spent with Government Bureaucracy											5.3		6.2
(iv) Ease of Starting a New Business											4.6		4.7
(v) Irregular Payments to Government Officials											2.1		5.0

Zambia

Ecuador		1970	1975	1980	1985	1990	1995	2000
Summary Ratings (Rank) ►		4.7 (52)	5.1 (61)	4.0 (95)	3.2 (109)	4.7 (101)	6.5 (60)	
1. Size of Government: Expenditures, Taxes and Enterprises		4.2	2.5	2.6	3.1	3.5	5.9	6.6
A. Government Consumption	3.4 (28.3)	1.8 (34.0)	2.5 (31.6)	3.6 (27.8)	5.0 (23.1)	7.3 (15.2)	8.4 (11.5)	
B. Transfers and Subsidies	9.1 (3.8)	8.2 (7.0)	7.8 (8.7)	9.0 (4.2)	8.9 (4.5)	9.4 (2.6)	10.0 (0.0)	
C. Government Enterprises and Investment	0.0 (85.9)	0.0 (94.0)	0.0 (77.1)	0.0 (90.7)	0.0 (44.0)	0.0	0.0	
D. Top Marginal Tax Rate		0.0 (70)	0.0 (70)	0.0 (80)	0.0 (75)	7.0 (35)	8.0 (30)	
2. Legal Structure and Security of Property Rights			6.1	4.0	3.7	6.2	6.5	
A. Judicial Independence								
B. Impartial Courts								
C. Protection of Intellectual Property								
D. Military Interference							8.3	
E. Integrity of Legal System						7.0	6.7	
3. Access to Sound Money		4.8	5.1	6.1	3.3	0.1	0.7	5.9
A. Growth of Money Supply	6.9 (15.7)	7.9 (10.3)	8.4 (8.1)	6.3 (18.4)	0.0 (58.6)	0.0 (77.1)	4.3 (28.6)	
B. Inflation Variability	4.5 (13.7)	5.1 (12.3)	8.2 (4.6)	5.0 (12.6)	0.4 (23.9)	0.0 (49.2)	4.3 (14.2)	
C. Recent Annual Inflation	7.7 (-11.4)	7.2 (-14.2)	7.6 (11.8)	1.8 (41.1)	0.0 (106.4)	2.6 (36.9)	5.0 (24.8)	
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	10.0	
4. Freedom to Exchange with Foreigners		5.7	5.4	5.0	4.7	6.8	8.1	
A. Taxes on International Trade		8.3	8.4	4.4	5.8	6.0	6.9	
(i) Taxes as Percentage of Exports and Imports		8.3 (2.6)	8.4 (2.4)	5.7 (6.4)	6.8 (4.8)	7.5 (3.8)	7.1 (4.3)	
(ii) Mean Tariff Rate				3.0 (34.8)	4.9 (25.6)	4.9 (25.6)	7.1 (14.6)	
(iii) Variability of Tariff Rates						5.8 (10.6)	6.5 (8.8)	
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	10.0	10.0	8.5	7.9	7.5	8.5	6.4	
D. Difference between Official and Black Market Exchange Rates	0.0	0.0	0.0	2.4	0.0	9.4	10.0	
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.0	9.2	
(i) Access to Foreign Capital								
(ii) Restrictions on Capital Transactions with Foreigners	2.0	2.0	2.0	2.0	2.0	2.0	9.2	
5. Regulation of Credit, Labor and Business		5.4	5.3	4.4	4.2	4.2	5.6	
A. Regulation of Credit Markets	7.3	4.4	4.0	1.7	2.4	3.3	6.2	
(i) Private Ownership of Banks		2.0	2.0	2.0	2.0	5.0	5.0	
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	7.3	7.1	6.1	3.1	5.2	5.0	5.6	
(iv) Avoidance of Negative Real Interest Rates		4.0	4.0	0.0	0.0	0.0	8.0	
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Regulation of Business								
(i) Price Controls					0.0	2.0	2.0	
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Zimbabwe

	1970		1975		1980		1985		1990		1995		2000	
Summary Ratings (Rank) ►					4.5 (76)		4.4 (90)		4.7 (83)		5.4 (80)		4.8 (114)	
1. Size of Government: Expenditures, Taxes and Enterprises	4.9		4.6		4.9		3.5		4.1		5.0		4.7	
A. Government Consumption	7.8	(13.5)	7.1	(15.8)	5.6	(21.1)	4.5	(24.6)	4.8	(23.6)	5.4	(21.6)	6.3	(18.5)
B. Transfers and Subsidies					7.0	(11.4)	7.4	(10.0)	8.4	(6.2)	8.6	(5.7)	8.3	(6.6)
C. Government Enterprises and Investment	2.0	(40.1)	2.0	(39.3)	2.0	(32.5)	2.0	(53.6)	2.0		2.0		2.0	
D. Top Marginal Tax Rate					5.0	(45)	0.0	(63)	1.0	(60)	4.0	(45)	2.0	(53)
2. Legal Structure and Security of Property Rights					3.0		3.1		4.0		5.7		5.0	
A. Judicial Independence											6.7		6.2	
B. Impartial Courts											7.3		7.3	
C. Protection of Intellectual Property											4.8		3.2	
D. Military Interference													5.0	
E. Integrity of Legal System											4.1		3.3	
3. Access to Sound Money	5.0		5.7		6.3		6.2		5.6		4.6		2.8	
A. Growth of Money Supply					7.8	(11.2)	8.6	(7.2)	7.0	(14.9)	3.4	(32.9)	3.2	(34.2)
B. Inflation Variability	7.5	(6.2)	8.9	(2.7)	8.7	(3.1)	7.7	(5.8)	8.4	(4.1)	7.3	(6.8)	3.2	(17.0)
C. Recent Annual Inflation	7.6	(-12.1)	8.1	(9.5)	8.7	(6.6)	8.7	(6.5)	7.1	(14.8)	7.9	(10.7)	0.0	(58.5)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		5.0	
4. Freedom to Exchange with Foreigners					3.9		4.0		5.3		6.4		6.3	
A. Taxes on International Trade			8.6		8.4		6.5		5.7		6.8		4.5	
(i) Taxes as Percentage of Exports and Imports			8.6	(2.1)	8.9	(1.7)	4.7	(8.0)	3.9	(9.2)	5.4	(6.9)	5.1	(7.3)
(ii) Mean Tariff Rate					8.0	(10.0)	8.3	(8.7)	8.0	(10.1)	8.2	(9.2)	5.6	(22.2)
(iii) Variability of Tariff Rates									5.3	(11.8)			2.8	(17.9)
B. Regulatory Trade Barriers											3.7		5.9	
(i) Hidden Import Barriers											3.7		5.2	
(ii) Costs of Importing													6.5	
C. Size of Trade Sector			6.4		5.3		5.8		6.4		8.3		8.6	
D. Difference between Official and Black Market Exchange Rates	7.2		0.0		0.0		1.6		7.0		9.8		10.0	
E. Restrictions on Capital Markets					2.0		2.0		2.0		3.5		2.5	
(i) Access to Foreign Capital											5.1		5.0	
(ii) Restrictions on Capital Transactions with Foreigners					2.0		2.0		2.0		2.0		0.0	
5. Regulation of Credit, Labor and Business					4.3		5.5		4.6		5.4		5.4	
A. Regulation of Credit Markets			2.0		4.5		4.7		5.6		6.2		6.0	
(i) Private Ownership of Banks			2.0		2.0		2.0		2.0		5.0		5.0	
(ii) Competition from Foreign Banks											4.8		6.8	
(iii) Extension of Credit to Private Sector					5.4		4.0		6.7		6.9		6.3	
(iv) Avoidance of Negative Real Interest Rates					6.0		8.0		8.0		8.0		6.0	
(v) Controls on Interest Rates											4.5		3.0	
B. Regulation of Labor Markets									3.6		6.0		4.9	
(i) Impact of Minimum Wage											5.9		3.5	
(ii) Flexibility in Hiring and Firing									3.4		3.4		1.6	
(iii) Collective Bargaining									4.5		4.5		2.5	
(iv) Incentives from Unemployment Benefits											6.4		6.8	
(v) Military Conscription	3.0		3.0		1.0		10.0		3.0		10.0		10.0	
C. Regulation of Business											4.0		5.2	
(i) Price Controls									2.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													5.1	
(iii) Time Spent with Government Bureaucracy											4.3		7.1	
(iv) Ease of Starting a New Business											3.7		5.7	
(v) Irregular Payments to Government Officials											3.9		4.1	