

Economic Freedom of the World

2005 Annual Report

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with

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James Gwartney
Robert Lawson

About the Authors

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About the Contributor

Erik Gartzke is Associate Professor of Political Science at Columbia University, and a member of the Saltzman Institute of War and Peace Studies. His research explores the determinants of international conflict and peace. Topics addressed in published academic papers include globalization, economic interdependence, the democratic peace, alliance and deterrence theory, enduring rivalry, and international institutions. He is currently working on a book titled *Perpetuating Peace*, which lays out the potential, and possible pitfalls, of a capitalist peace. Professor Gartzke received a PhD in Political Science at the University of Iowa in 1997. He taught for three years at the Pennsylvania State University before moving to Columbia University. Professor Gartzke is also a former infantry officer and combat engineer (USAR).

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: zprec@interalb.net; website: www.acer.org.al.

Alternate Solutions Institute, Pakistan

Alternate Solutions Institute, founded in 2003, is the first free-market think tank in Pakistan. Its mission is (1) to seek solutions to challenges pertaining to the economy, law, education, and health in accordance with the principles of classical liberalism and (2) to promote the implementation of these solutions. The Institute aims to promote the concept of a limited, responsible government in Pakistan under the rule of law protecting life, liberty, and property of all of its citizens without any discrimination. The Institute conducts research and holds seminars, workshops, and conferences to educate interested students, teachers, and journalists about the principles of classical liberalism. ♦ E-mail: info@asinstitute.org; website: asinstitute.org.

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: 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: www.cato.org.

Causa Liberal, Portugal

Causa Liberal is an independent, non-partisan, non-profit organization of Portuguese individuals who share the principles of the classical liberal tradition and wish to further its application in modern-day Portugal. Its mission is to defend the principles of the free society and its building blocks: individual rights, the rule of law, free markets, and private property. Its primary goals are to establish and consolidate a network of individuals with an interest in the study, discussion, and promotion of the classical liberal tradition, and to advance free-market ideas and policies in Portugal. ♦ E-mail: causaliberal@yahoo.com; website: www.causaliberal.net.

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: www.cedice.org.ve.

The Center for Economic and Political Research, Azerbaijan

The Center for Economic and Political Research, Azerbaijan, is a non-profit, non-governmental, research institute founded in 1994. Its mission is to facilitate the country's democratization and economic liberalization and to increase the role of civil society. The main objectives of the Center's activities are analyzing the economic situation and progress of market reforms, political processes, foreign political relations, and regional economic and political tendencies. The Center also conducts sociological surveys and holds conferences, round-tables, and seminars on different aspects of economic and political reforms in the country. ♦ E-mail: sb@azerin.com.

Center for Entrepreneurship and Economic Development (CEED), Montenegro

The Center for Entrepreneurship and Economic Development is the first non-governmental, non-partisan free-market centre established in Montenegro. Its mission is to educate entrepreneurs about private ownership, democratic society, free markets, and the rule of law through a number of programs, initiatives, publications, and events. The Center was established to meet the demand for business knowledge by pioneering entrepreneurs who needed training to operate in a new environment after the break-up of the former Yugoslavia. ♦ E-mail: cfepg@cg.yu; website: www.visit-ceed.org.

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: www.cfe.org.

Center for Politiske Studier, Denmark

The Center for Politiske Studier (Center for Political Studies, CEPOS) was founded in 2004 as an independent, non-profit think-tank based in Copenhagen. It seeks to promote a free and prosperous society by conducting research that will foster the policies, institutions, and culture that will best support a market economy, rule of law, and a civil society consisting of free and responsible individuals. It does so by producing academic studies and policy analyses aimed partly at general political debate and partly at the political process in areas such as welfare, taxation, regulation, education, entrepreneurship, health care, the environment, and the organization of the public sector. ♦ E-mail: info@cepos.dk; website: www.cepos.dk.

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: www.ccsindia.org.

Centre for the New Europe, Belgium

The Centre 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 Centre develops policy alternatives, encourages economic growth and deregulation, seeks new market-based solutions for social and environmental concerns, and promotes individual freedom, choice and responsibility. ♦ E-mail: info@cne.org; website: www.cne.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 savings and 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: 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: 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: eghersi@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; website: www.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: www.adam-smith.pl.

Economic Policy Institute “Bishkek Consensus” (EPI), Kyrgyzstan

The Economic Policy Institute “Bishkek Consensus” (EPI), Kyrgyzstan, was created in December of 2003 as a non-profit, non-partisan, independent institute with developed partnerships and cooperative relationships with government, business, international community, civil society, and Media. EPI's mission is to promote economic, social, and governance reforms in Kyrgyzstan, involving institutions of civil society to elaborate and execute the reforms, developing local potential and using best international experience. Its strategic position is to be an independent and highly objective source of information and research on public-policy issues, as well as an unbiased forum for collaboration of diverse interest groups in the reform of public policy. ♦ E-mail: office@epi.kg; website: www.epi.kg.

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: 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 Institute enjoys registered charitable status in both Canada and the United States, and is funded entirely by the tax-deductible contributions of its supporters, sales of its publications, and revenue from events. ♦ E-mail: info@fraserinstitute.ca; website: www.fraserinstitute.ca.

Free Market Center, Serbia

Free Market Center (FMC) is a non-profit, non-governmental organization founded in 2001. It is the only free-market think-tank in Serbia. The Center promotes the understanding and acceptance of ideas like individual liberty, the free-market economy, limited government, and peaceful cooperation. To that end, the FMC strives to achieve greater involvement in redirecting the attention not only of leading thinkers but also of members of the public, entrepreneurs, policy-makers, and students to the role of free markets and the proper role of government. Through publications, discussion forums, and conferences, the Center seeks to disseminate classical liberal ideas. ♦ E-mail: fmc@yubc.net; website: www.fmc.org.yu.

The Free Market Foundation of Southern Africa, South Africa

The Free Market Foundation is an independent policy research and education organization founded in 1975 to promote the principles of limited government, economic freedom and individual liberty in Southern Africa. Funding is received from members (corporate, organizational and individual), sponsorships, and the sale of publications. ♦ E-mail: fmf@mweb.co.za; website: www.freemarketfoundation.com.

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: feyd01@tricom.net; website: www.lafundacion.org.

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, Panamá

Fundación Libertad, Panamá is a non-profit foundation engaged in the promotion and development of liberty, individual choice, and voluntary cooperation and in the reduction of the size of government. Fundación Libertad was founded in 2001 by members of professional and business organizations to promote free enterprise and democracy and to address issues affecting the freedom of the common citizen including the increasing discretionary power of the state and the proliferation of legislation fostering discrimination and establishing privileges, all of which are contrary to the spirit of democratic capitalism. Fundación Libertad has drawn initial support from sister organizations such as Centro de Divulgación del Conocimiento Económico (CEDICE) in Caracas, Venezuela, and the Centro de Investigación y Estudios Nacionales (CIEN) in Guatemala. ♦ Email: Roberto Brenes: diablo@pty.com; Carlos E. González: cg@pananet.com; website: www.fundacionlibertad.org.pa.

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: 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: asiu@econ.hku.hk; website: www.hku.hk/hkcer/.

Institut de Recherche pour la Liberté Économique et la Prospérité (IRLEP), Haiti

L'Institut de Recherche pour la Liberté Économique et la Prospérité (IRLEP), Haiti, was founded in 2004. It is a non-partisan, non-profit, research and educational organization devoted to improving the quality of life in Haiti through economic growth and development. Through publications and conferences, IRLEP promotes the principles and concepts of individual rights, limited government, competition, free trade, and physical and intellectual property rights. IRLEP does not accept funding and subsidies from public institutions and political parties. ♦ E-mail: irlephaiti@yahoo.com.

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: rjl@iasps.org; website: 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: www.ime-bg.org.

Institute of Business, Trinidad and Tobago

The Institute of Business (The University of West Indies) was created in 1989 as a channel partner for developing managerial talent for the business community in Trinidad and Tobago. Its mission is to empower people and organizations in developing nations to optimize their performance capabilities and international competitiveness through development and deployment of consulting; education, research, and training resources. One of the Institute's core services are business and academic research in areas of real concern to business managers, enabling them to improve their ability to manage successfully in the face of increasingly complex markets. ♦ E-mail: rbalobin@uwi-iob.org; website: www.uwi-iob.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: pbooth@iea.org.uk; website: 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; website: www.iea.org.uk.

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@hi.is; website: www.ioes.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: 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.au; website: 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: info@ippanigeria.org; website: 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 socioeconomic 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: 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: 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: www.lyd.com.

Instituto Libertad y Progreso (ILP), Colombia

Instituto Libertad y Progreso (ILP) is a research and educational institution based in Bogota and focused on institutional topics, both in Colombia and internationally. ILP is focused on constitutional reform, constitutional law, economic institutions, and political thought. ♦ E-mail: andresmejia@cable.net.co; website: www.ilyp.net, www.libertadyprogreso.net.

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 to increase awareness of the moral foundations of liberty and to promote liberty as an individual right necessary to achieve the highest levels of economic and human development; and to foster changes in social organization and public policies by influencing the thinking of policy makers, community leaders, and citizens.

INLAP produces timely analyses of proposed laws, decrees, and regulations, and its recommendations provide guidance for elected officials who seek to achieve greater individual liberty and creativity and a more productive economy. It also conducts detailed studies of well-meant public policies that may ultimately have unintended adverse effects. The Institute's studies and recommendations are published in books, journals, and newspapers, appear as position papers and bulletins, and are also available via our website. ♦ E-mail: 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: LibInst@fnst.org; website: 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: 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: 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 debureaucratization 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: LFMI@FreeMa.Org; website: 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. ♦ E-mail: drmanzur@citechco.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: 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: www.nzbr.org.nz.

Open Republic Institute, Ireland

The Open Republic Institute (ORI) is Ireland's only platform for public-policy discussion that is specifically interested in individual rights within the context of open society and open market ideas. The ORI works within a non-political framework to provide public-policy analysis and new policy ideas to government, public representatives, civil servants, academics, students, and citizens. ♦ E-mail: pmacdonnell@openrepublic.org; website: www.openrepublic.org.

Open Society Forum, Mongolia

The Open Society Forum is an independent, non-governmental, organization founded in 2004. The Forum's goals are to provide quality policy research and analysis and broad public access to information resources pertaining to governance, economic, and social policies. Specifically, the Forum focuses on economic freedom, land

reform, rule of law, freedom of media, campaign financing, nomadic pastoralism, privatization, shadow economy, and education policy. The Forum conducts research and holds conferences to encourage public participation in policy formulation on above mentioned public policies. ♦ E-mail: osf@soros.org.mn; djargal@yahoo.com; soyoloo@soros.org.mn; website: www.forum.mn.

The Pathfinder Foundation, Sri Lanka

The Pathfinder Foundation has replaced the Center for Policy Research. Through informed and well-researched information, it seeks to challenge old ideas and the conventional wisdom, stimulate debate, change public attitudes, and seek new and innovative solutions to the economic and social problems of Sri Lanka. ♦ E-mail: amm@pathfinder.mmbgroup.com.

Research Center for Entrepreneurship and Development Policies, Vietnam

The Center, founded in 2004, is a non-government research and educational organization devoted to entrepreneurial development of private sector in Vietnam. Its mission is to study the development of policies that create the most favorable institutional and policy environment for entrepreneurial development of the private sector in Vietnam. Through publications, discussion forums, and conferences, the Center seeks to disseminate and encourage appropriate policies and entrepreneurial development. ♦ E-mail: manhcuongiss@yahoo.com; website: www.rcedp.org.

Romania Think Tank, Romania

Romania Think Tank is an independent research institute founded in 2003. The Think Tank is funded entirely by its founding members. Its objective is to promote the development of free market, low taxation, reduction of bureaucracy, free trade, and the stimulation of foreign investment. To this end, the Romania Think Tank publishes numerous articles in the Romanian and international media, and studies and analyzes issues relevant to the development of a free-market economy in Romania. ♦ E-mail: mark@thinktankromania.com; website: www.rtt.ro.

Scientific Research Mises Center, Belarus

Scientific Research Mises Center was founded in 2001. Its mission is to advance ideas and ideals of free-market democratic society based on individual choice and personal responsibility and to create an open community of people who share those ideas. The centre promotes the original ideas of limited government, individual liberty, and private property through publications and discussion forums and conferences. The goal of the Center is to demonstrate the power of private institutions, both for-profit and non-profit, to create a good society and to foster the understanding that free choice of a fully informed individual is the foundation for a just, prosperous, and open society. ♦ E-mail: liberty@belsonet.net; website: www.liberty-belarus.org.

Society for Disseminating Economic Knowledge: "New Economic School—Georgia," Georgia

The Society was founded in 2001. The goal of the Society is to disseminate and promote free-market ideas and to create a resource center promoting free-market economics for students, young scientists, teachers, and other interested parties. Through publications, conferences, seminars, lectures, panel workshops, summer and winter schools, scientific Olympiads, and competitions, the Society seeks to disseminate classical liberal ideas. ♦ E-mail: nesgeorgia@yahoo.com; website: www.economics.ge.

Szazadveg Policy Research Center, Hungary

The Szazadveg Policy Research Center is a non-profit organization performing political and economic research, and advisory and training activities. This think-tank is independent of the government or any political parties and has been operating as a foundation since its establishment in 1990. Szazadveg publishes the results of its research to the public at large and also provides professional services to economic institutions, political and civil organizations, political parties, and the government. ♦ E-mail: 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 and publishes papers and reports. Their mission is “From analysis to action.” TIGRA® is a network of experts who provide effective market solutions to policy-makers. Special emphasis is put on knowledge management, monitoring the scope and quality of regulations (“cutting red tape”), and setting benchmarks. ♦ E-mail: bendl@erwin.tc; website: www.tigra.at.

Timbro, Sweden

Timbro is a Swedish think-tank that encourages public opinion to favour 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: www.timbro.se.

The Ukrainian Center for Independent Political Research, Ukraine

The Ukrainian Center for Independent Political Research (UCIPR) was established in early 1991 as a non-profit, non-partisan, and non-governmental research institution that would increase awareness of democracy among the Ukrainian people and analyze domestic and international politics and security. The UCIPR is politically independent; it does not accept any funding from either the state or any political party. The UCIPR publishes books and research papers on Ukraine’s domestic and foreign policy, the economy in transition, security, relations with 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; website: www.ucipr.kiev.ua.

The Zambia Institute for Public Policy Analysis (ZIPPA), Zambia

The mission of the Zambia Institute for Public Policy Analysis (ZIPPA) is to promote wider appreciation of the key role of free markets and competition in economic development. Zambia, though peaceful and stable, is currently mired in a combination of protracted poverty, the HIV/AIDS pandemic, political animosities following a disputed election, and scepticism about economic liberalization. In this depressing environment, ZIPPA wants to play a constructive role by promoting realistic economic policies and by suggesting solutions that have been successfully applied in other countries to similar economic problems. ♦ E-mail: mwanalum@zamnet.zm.

D’Letzeburger Land, LuxembourgE-mail: info@mmp.lu**The Institute for Development of Economics and Finance, Indonesia**E-mail: Indef@indo.net.id**Bureau d’Analyse d’Ingenierie et de Logiciels (BAILO), Ivory Coast**E-mail: bailo@globeaccess.net

Other Measures Related to Economic Freedom

Economic Freedom of North America

Economic Freedom of North America, an intellectual offshoot of the *Economic Freedom of the World*, measures economic freedom in the Canadian provinces and US states. The index attempts to gauge the extent of restrictions on economic freedom imposed by governments in North America. The study employs two indexes: the first is the subnational index, which measures the impact of provincial/state and local governments, whereas the second index measures the restrictions of all levels of government—federal, provincial/state and local. All 10 provinces and 50 states are included in both indexes. The third annual report was published in the summer of 2005.

For more information see Amela Karabegović & Fred McMahon with Glenn Mitchell, *Economic Freedom of North America: 2005 Annual Report* (Vancouver, BC: The Fraser Institute, 2005). Available at <www.freetheworld.com> and <www.fraserinstitute.ca>.

NERI Index of Marketization of China's Provinces

The *NERI Index of Marketization of Chinese Provinces* uses the methodology of *Economic Freedom of the World* to rank Chinese provinces according to their level of market development. The *Index of Marketization* provides valuable information on institutions and other variables of central importance to economic freedom but its primary purpose is to measure the development of competitive markets in China's provinces. In other words, the index measures how far provinces have moved along the path to a market economy. The index has five areas:

- 1 Relation between government and the market
- 2 The non-state sector
- 3 Manufactured goods market
- 4 The factor market
- 5 Intermediary institutions and legal environment.

For more information, see Gang Fan and Xiaolu Wang, *NERI Index of Marketization of China's Provinces 2004 Report* (Beijing: National Economic Research Institute and China Reform Foundation, 2005).

Economic Freedom of the Arab World

Economic Freedom of the Arab World is modeled on the EFW index and measures economic freedom in the same five areas: Size of Government: Expenditures, Taxes, and Enterprises; Legal Structure and Security of Property Rights; Access to Sound Money; Freedom to Trade Internationally; and Regulation of Credit, Labor, and Business. The underlying data for some of the EFW components were unavailable for some of the Arab countries; therefore, in some cases, similar variables were used instead of these components. The index measures the restrictions on economic freedom imposed by governments in 16 of the 22 Arab League Countries.

The first preliminary edition of the Arab index was published by World Economic Forum in the *Arab World Competitiveness Report 2005*. The second edition of the index will be published in November of 2005 by The Fraser Institute. For more information, see Salem Al Ismaili, Amela Karabegović, and Fred McMahon, "Economic Freedom of the Arab World," in Augusto Lopez-Claros and Klaus Schwab, *Arab World Competitiveness Report 2005* (Geneva: World Economic Forum, 2005): 129–41.

Economic Freedom of the World 2005 Annual Report

Executive Summary

Economic Freedom of the World

The index published in *Economic Freedom of the World* measures the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property. Thirty-eight components and sub-components are used to construct a summary index and to measure the degree of economic freedom in five areas: (1) size of government; (2) legal structure and protection of property rights; (3) access to sound money; (4) international exchange; and (5) regulation.

Economic freedom has grown considerably in recent decades

- ◆ The chain-linked summary index (exhibit 1.4) permits comparison over time. The average economic freedom score rose from 5.17 (out of 10) in 1985 to 6.4 in the most recent year for which data are available. Of the 109 nations with scores in 1985 and in the most recent index, 96 recorded improvement in their economic freedom score, seven saw a decline, and six registered changes of under 0.1 points.
- ◆ Among those nations that have made substantial gains in economic freedom since 1985 are Bolivia, Brazil, El Salvador, Ghana, Iceland, Jamaica, Nicaragua, Peru, Poland, Tanzania, Uganda, and Zambia, though some of these began at very low levels or have experienced ups and downs over the period. Among those nations that have registered significant losses in economic freedom since 1985 are Myanmar, Venezuela, and Zimbabwe.
- ◆ In this year's index (exhibit 1.2), Hong Kong retains the highest rating for economic freedom, 8.7 of 10, closely followed by Singapore at 8.5. New Zealand, Switzerland, and the United States tied for third with ratings of 8.2. The United Kingdom, Canada, and Ireland ranked 6th, 7th, and 8th, respectively. Australia, Estonia, Luxembourg, and the United Arab Emirates tied for 9th. The rankings of other large economies are Germany, 19; Japan, 30; France, 38; Italy, 54; Mexico, 59; India, 66; China, 86; Brazil, 88; and Russia, 115.
- ◆ Most of the lowest-ranking nations are African, Latin American, or former communist states. Botswana's ranking of 30 is the best among continental sub-Saharan African nations. Chile and Costa Rica, tied at 20, have the best record in Latin America. The bottom nations were Burundi, Guinea-Bissau, the Democratic Republic of Congo, Venezuela, Zimbabwe, and Myanmar. However, a number of other nations for which data are not available, such as North Korea and Cuba, may have even less economic freedom.

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

- ◆ Nations in the top quintile in economic freedom have an average per-capita GDP of US\$25,062, compared to US\$2,409 for those nations in the bottom quintile. (Exhibit 1.5)
- ◆ The top quintile has an average per-capita economic growth rate of 2.5%, compared to 0.6% for the bottom quintile. (Exhibit 1.6)
- ◆ Unemployment in the top quintile averages 5.2%, compared to 13.0% in the bottom quintile. (Exhibit 1.8)

- ◆ Life expectancy is 77.7 years in the top quintile compared to 52.5 years in the bottom quintile. (Exhibit 1.9)
- ◆ In nations of the top quintile, the average income of the poorest 10% of the population is US\$6,451, compared to \$1,185 for those in the bottom quintile. (Exhibit 1.11)
- ◆ In nations of the top quintile, only 0.1% of children are in the labor force, compared to 22.6% in the least economically free nations. (Exhibit 1.15)
- ◆ Nations in the top quintile of economic freedom, have an average score of 1.7 for political rights on a scale of 1 to 7, where 1 marks the highest level of freedom and 7, the lowest level. The bottom quintile has an average score of 5.0. (Exhibit 1.21)

Economic Freedom and Peace

In chapter 2, Erik Gartzke, a political scientist from Columbia University, shows that economic freedom reduces violent conflict. As well, he compares the impact of economic freedom on peace to that of democracy on peace. Researchers have long known democracies go to war about as often as other nations but tend not to go to war with each other. However, stable democracies typically have strong levels of economic freedom, leading to the question of whether it is democracy or economic freedom that affects the probability of violent conflict.

Economic freedom creates a substantial peace dividend

- ◆ When measures of both economic freedom and democracy are included in a statistical study, economic freedom is about 50 times more effective than democracy in diminishing violent conflict.
- ◆ The impact of economic freedom on whether states fight or have a military dispute is highly significant (at the 1% level) while democracy is not a statistically significant predictor of conflict.
- ◆ Nations with a low score for economic freedom (below 2 out of 10) are 14 times more prone to conflict than states with a high score (over 8) (figure 2.1).
- ◆ The overall pattern of results does not shift when additional variables, such as membership in the European Union, nuclear capability, and regional factors, are added (tables 2.2, 2.3, 2.4).

Economic freedom and competitive markets promote peaceful co-existence by altering incentives

- ◆ Wealth and power are created by markets and the efficient production that arises from them, not by conquest of land or raw materials.
- ◆ Changes in the nature of production in modern capitalist states make conquest unprofitable.
- ◆ Wealth created by market economies through efficient production, unlike wealth derived from land or resources, is difficult for nations to “steal” by violent action since efficient production requires property rights and free decisions by market participants that are difficult or impossible to coordinate to the victor’s advantage.
- ◆ Markets provide political leaders with more accurate signals and make it more costly for them to use threats to mislead potential opponents. This improves the effectiveness of bargaining, expands the area of mutual gain, and thereby reduces the likelihood of military conflict.

Chapter 1: Economic Freedom of the World, 2003

It has now been almost ten years since the first *Economic Freedom of the World* (EFW) report was published. Compared to the initial index, the current version is more comprehensive, ratings are available for more countries, and the chain-link version of the index provides for more accurate comparisons across time periods. The index has been widely used by researchers to address a diverse set of topics ranging from economic growth to the environment and peace. Approximately 200 scholarly articles have used the data. In addition, it has provided the central data base for several doctoral dissertations. Even after a decade, our objective remains the same: the measurement of differences in the consistency of institutions and policies with economic freedom across countries and time periods.

The roots of the EFW index go back to a series of conferences hosted by Michael Walker of The Fraser Institute and Nobel Laureate Milton Friedman from 1986 to 1994. These conferences focused on the development of a clear definition of economic freedom and the design of a tool for its measurement. Approximately 60 of the world's leading scholars, including Nobel Prize winners Gary Becker and Douglass North, also participated in the series.¹ Eventually the conferences led to the development of the EFW index. This year's index is available for 127 countries.

The Concept of Economic Freedom

A consensus about the nature of economic freedom evolved from those early conferences. Participants agreed that the key ingredients—the four cornerstones—of economic freedom were

- ◆ personal choice rather than collective choice,
- ◆ voluntary exchange coordinated by markets rather than allocation via the political process,
- ◆ freedom to enter and compete in markets, and
- ◆ protection of persons and their property from aggression by others.

These four cornerstones require governments to do some things but refrain from doing others. A country's legal and monetary arrangements provide the infrastructure for voluntary exchange and the operation of markets. Governments promote economic freedom when they establish a legal structure that provides for the even-handed enforcement of contracts and the protection of individuals and their property from aggressors seeking to use violence, coercion, and fraud to seize things that do not belong to them. Governments also enhance economic freedom when they facilitate access to sound money. But, 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.

While the concept of economic freedom provides the compass for the design of the EFW index, the index can be viewed in other ways. It can, for instance, be seen as a quality measure of a country's institutional and policy environment. For many years, Douglass C. North, Peter Bauer, Hernando de Soto, and Gerald Scully have highlighted the importance of institutions and related policy variables. This literature stresses the importance of rule of law, security of property rights, enforcement of contracts, monetary and price stability, free trade, open markets, and avoidance of excessive taxes and regulations. The components of the EFW index reflect these same factors.

Some may perceive of the index as an indicator of each country's position on a spectrum with the minimal state at one end and the dominant state at the other. When the functions of the minimal state—protection of people and their property from the actions of aggressors, enforcement of contracts, and provision of the limited set of public goods like roads, flood control projects, and

money of stable value—are performed well, but the government does little else, a country's rating on the EFW summary index will be high. Correspondingly, as government expenditures increase and regulations expand, a country's rating will decline.

The Economic Freedom of the World Index

From 1997 to 2002, additional components were added and other modifications were undertaken to improve the comprehensiveness and accuracy of the Economic Freedom of the World (EFW) index. Most notable among these changes was the inclusion of survey data from the *International Country Risk Guide* and *Global Competitiveness Report* in order to incorporate legal structure and regulatory elements more fully into the index.² While we would prefer to have components that can be measured objectively, nonetheless we believe that incorporation of these data help us to better gauge cross-country differences in important elements of economic freedom that are highly difficult to measure with strictly objective data. The data from the *Global Competitiveness Report* are now available for approximately 100 of the 127 countries now covered by *Economic Freedom of the World*. In those cases where countries in the EFW index are omitted from the *Global Competitiveness Report*, the ratings of the countries omitted from the report are based on a smaller number of components. We are confident that the 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.³

Exhibit 1.1 (page 9) indicates the structure of the *Economic Freedom of the World* index. The index measures the degree of economic freedom present in five major areas:

- 1 Size of Government: Expenditures, Taxes, and Enterprises
- 2 Legal Structure and Security of Property Rights
- 3 Access to Sound Money
- 4 Freedom to Trade Internationally
- 5 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

uses 38 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 Appendix 1: Explanatory Notes and Data Sources (page 173).

As previously noted, the new survey data (18 sub-components) are not available for all of the countries covered by the EFW index. Thus, the ratings of the other countries are based on only a subset of the 38 different sub-components of this index. 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 Trade Internationally (Area 4). In Legal Structure and Security of Property Rights, only two of the five components are available for the countries not covered by the *Global Competitiveness Report*.⁵ 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 127 countries, comparisons between the nations that have the survey data and the nations that do not should be made with a degree of caution.⁶

Following is a brief explanation of the components incorporated into each of the five areas and their relationship to economic freedom. See Exhibit 1.1 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 govern-

ments 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.

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

Taken together, the four components 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 primary sources: the *International Country Risk Guide* and the *Global Competitiveness Report*.⁷

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. When governments create money to finance their expenditures they are, in effect, expropriating the property and violating the economic freedom of their citizens.

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

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

Area 4: Freedom to Trade Internationally

In our modern world of high technology and low costs for communication and transportation, freedom of exchange across national boundaries is a key ingredient of economic freedom. 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 trade internationally 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: tariffs, quotas, hidden administrative restraints, and controls on the exchange rate and capital. The regulatory items of component 4B (regulatory trade barriers) and component 4Ei (capital market controls) are based on survey data from the *Global Competitiveness Report*. The other components in this area can be quantified objectively. In 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 the movement of 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 upon 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. 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 sub-components of 5C 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.

Exhibit 1.1: 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 total investment
- D Top marginal tax rate (and income threshold at which it applies)
 - i Top marginal income tax rate (and income threshold at which it applies)
 - ii Top marginal income and payroll tax rates (and income threshold at which they apply)

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
- B Impartial courts—a trusted legal framework exists for private businesses to challenge the legality of government actions or regulation
- C Protection of intellectual property
- D Military interference in rule of law and the political process
- E Integrity of the legal system

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 Trade Internationally

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

Exhibit 1.1 continued: The Areas and Components of the EFW Index

- C Actual size of trade sector compared to expected size
- D Difference between official exchange rate and black-market rate
- E International capital market controls
 - i Access of citizens to foreign capital markets and foreign access to domestic capital markets
 - 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
 - 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
- 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
 - ii Hiring and firing practices—hiring and firing practices of companies are determined by private contract
 - iii Share of labor force whose wages are set by centralized collective bargaining
 - iv Unemployment benefits—the unemployment benefits system preserves the incentive to work
 - 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
 - iii Time with government bureaucracy—senior management spends a substantial amount of time dealing with government bureaucracy
 - iv Starting a new business—starting a new business is generally easy
 - 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

Summary Economic Freedom Ratings, 2003

Exhibit 1.2 presents summary economic freedom ratings, sorted from highest to lowest. These ratings are for the year 2003, the most recent year for which comprehensive data are available. Hong Kong and Singapore, once again, occupy the top two positions. The other nations in the top 10 (allowing for ties) are New Zealand, Switzerland, United States, United Kingdom, Canada, Ireland, Australia, and Luxembourg. New to the top 10 are Estonia and the United Arab Emirates.⁸ At the other end of the spectrum, the lowest-rated countries are the Central African Republic, Republic of Congo, Algeria, Burundi, Guinea-Bissau, the Democratic Republic of Congo, Venezuela, Zimbabwe, and, in last place, Myanmar.

This year four new countries have been added to the index: Georgia, Macedonia, Mozambique and Vietnam. All four are examples of countries attempting to make the transition from socialist central planning to a more market-oriented economy. Georgia has been the

most successful among the four in making this transition, with a rating of 6.4 and a rank of 66th. Macedonia earned a rating of 5.6 and a rank of 98th. Mozambique and Vietnam both scored a 5.5 with a rank of 103rd. The criteria for adding new countries are fairly strict and the decision is dictated by the availability of the requisite data. In particular, countries that are not covered by the *Global Competitiveness Report* are not likely to be included in the EFW index. Nevertheless, the expectation is that a number of additional countries will be added in the years to come.

The EFW index is calculated back to 1970 as data availability allows; see the Country Data Tables (Chapter 3, page 45) or our website <<http://www.freetheworld.com>> for information from past years. Since some data for earlier years may have been updated or corrected, readers are always encouraged to use the data from the most recent annual report to assure the best-quality data.

Economic Freedom in Montenegro

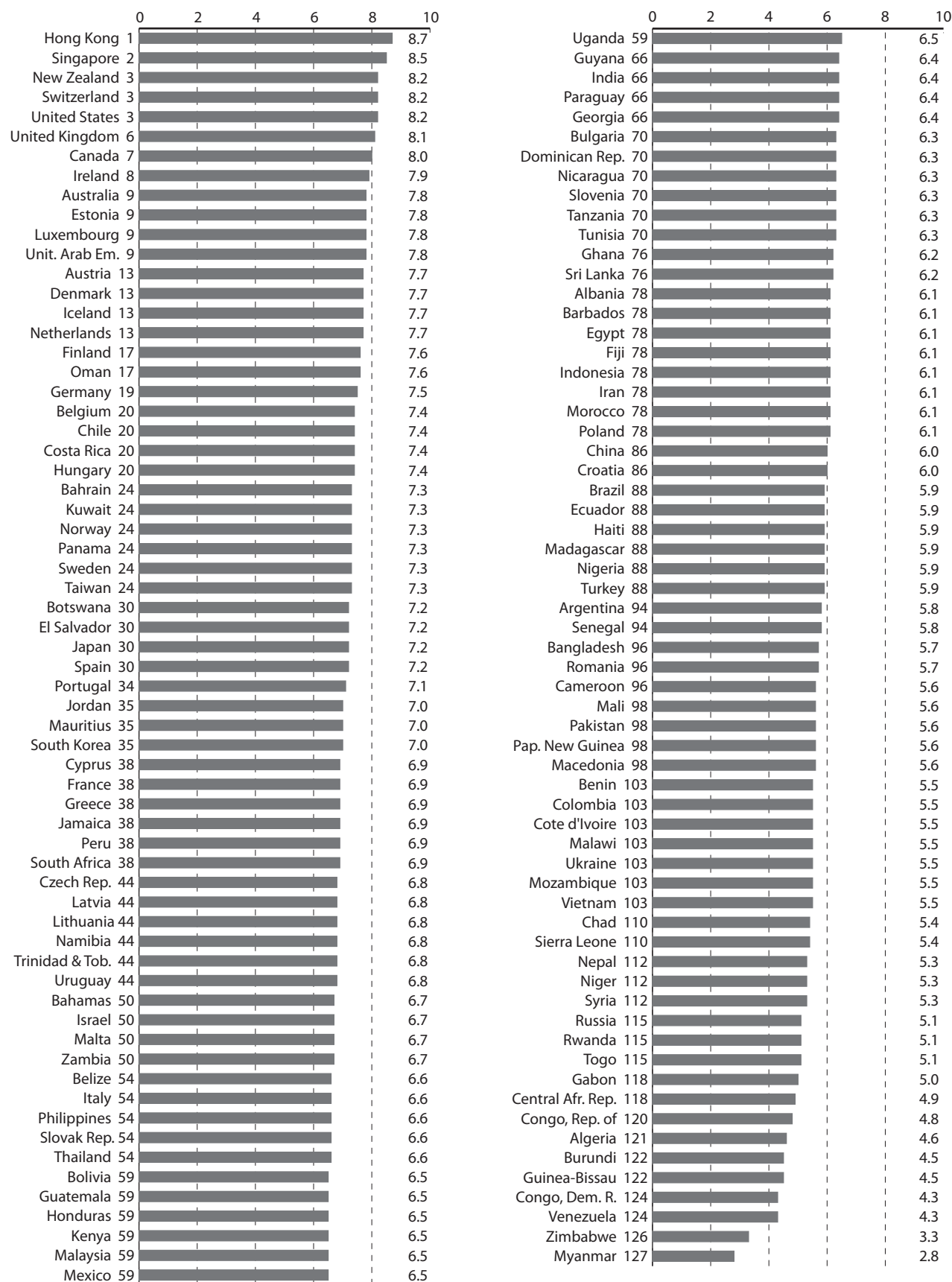
Because the EFW index relies primarily on published data from international sources, it is not possible to rate all countries because the data are not available. Montenegro is a case in point. As a part of a loose federation with Serbia, Montenegro is not represented as a distinct unit in the standard sources.

The Center for Entrepreneurship and Economic Development (CEED), a non-partisan research center in Montenegro, has collected data and conducted the requisite surveys in order to produce an economic freedom rating using the same methodology as the EFW index. Because the sources are different, care should be taken in comparing Montenegro's rating with those of the nations included in the EFW index.

The CEED computed an overall summary rating for Montenegro of 6.0, which would place the region in a tie with Croatia for 86th in the EFW index. The area ratings were as follows:

1. Size of Government	5.82
2. Legal Structure	3.38
3. Sound Money	9.23
4. International Trade	6.64
5. Regulation	4.82

For more information, contact the Center for Entrepreneurship and Economic Development via e-mail to cfepg@cg.yu or visit its website at www.visit-ceed.org.

Exhibit 1.2: Summary Economic Freedom Ratings, 2003

Area Economic Freedom Ratings (and Rankings), 2003

Exhibit 1.3 presents the ratings (and, in parentheses, the rankings) for each of the five areas of the index and for components 5A, 5B, and 5C. A number of interesting patterns emerge from an analysis of these data. 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 Trade Internationally (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.

On the other hand, a number of developing nations show the opposite pattern. Bolivia makes an interesting case study. It shows that reasonably sized government is not enough to reap the benefits of economic freedom. The institutions of economic freedom, such as the rule of law and property rights, as well as sound money, trade openness, and sensible regulation are required. Bolivia was ranked 26th in Size of Government: Expenditures, Taxes, and Enterprises (Area 1) and 36th for Access to Sound Money. However, Bolivia scored poorly in all the other categories, especially Legal Structure and Security of Property Rights, where it placed 104th. In Freedom to Trade Internationally, Bolivia ranked 55th, while in Reg-

ulation, Bolivia ranked 80th. Despite high rankings in a couple of areas, Bolivia's overall ranking is only 59th.

Weakness in the rule of law and property rights is particularly pronounced in sub-Saharan Africa, among Islamic nations, and for several nations that were part of the former Soviet bloc, though some of these nations have made strides toward improvement. For example, Estonia ranks 29th in rule of law and property rights. Many Latin American and Southeast Asian nations also score poorly for rule of law and property rights. The nations that rank poorly in this category also tend to score poorly in the trade and regulation categories, even though several of these nations have reasonably sized governments and sound money.

The economies most open to foreign trade were Hong Kong and Singapore, followed by a number of European nations such as Luxembourg, Ireland, Belgium and Germany. Some nations that were part of the Soviet bloc also rank fairly high in openness to trade, Estonia in 8th, Slovak Republic in 10th, and Hungary in 13th. Chile is also highly open to foreign trade ranking 9th in this area. The least regulated countries—those at the top in Regulation of Credit, Labor, and Business (Area 5)—were Hong Kong, Iceland, the United Arab Emirates, New Zealand, and the United States.

Exhibit 1.3: Area Economic Freedom Ratings (and Rankings), 2003

	AREAS					COMPONENTS OF AREA 5		
	1 Size of Government: Expenditures, Taxes and Enterprises	2 Legal Structure & Security of Property Rights	3 Access to Sound Money	4 Freedom to Trade Internationally	5 Regulation of Credit, Labor, & Business	5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations
Albania	5.8 (69)	4.8 (74)	9.3 (41)	5.0 (119)	5.5 (91)	6.6 (96)		
Algeria	3.6 (121)	2.7 (113)	6.8 (101)	5.6 (109)	4.2 (123)	4.7 (123)	3.6 (91)	4.2 (83)
Argentina	7.8 (12)	3.3 (100)	6.0 (114)	6.8 (73)	5.0 (111)	6.8 (89)	4.7 (66)	3.4 (100)
Australia	6.2 (54)	8.9 (10)	9.3 (40)	7.5 (39)	7.4 (8)	9.1 (12)	6.1 (32)	6.8 (7)
Austria	5.2 (88)	8.8 (12)	9.6 (11)	8.5 (12)	6.4 (36)	8.4 (33)	4.0 (83)	6.7 (10)
Bahamas	7.5 (17)	7.6 (22)	6.8 (100)	4.5 (124)	7.0 (18)	9.5 (6)		
Bahrain	6.6 (40)	6.0 (50)	8.8 (56)	7.8 (30)	7.2 (12)	8.9 (23)	7.1 (9)	5.5 (35)
Bangladesh	8.1 (9)	2.7 (112)	6.9 (93)	5.5 (112)	5.4 (96)	5.7 (113)	6.8 (18)	3.7 (96)
Barbados	3.8 (119)	8.3 (16)	6.9 (92)	4.8 (122)	6.7 (24)	8.1 (41)		
Belgium	4.4 (108)	7.9 (19)	9.6 (10)	8.8 (5)	6.1 (49)	8.4 (32)	4.7 (63)	5.2 (42)
Belize	6.3 (49)	6.5 (42)	8.1 (65)	5.5 (115)	6.9 (19)	8.6 (29)		
Benin	6.5 (45)	4.1 (90)	6.8 (102)	4.9 (121)	5.1 (106)	7.8 (58)		

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and *Rankings*), 2003

	AREAS					COMPONENTS OF AREA 5		
	1 Size of Government: Expenditures, Taxes and Enterprises	2 Legal Structure & Security of Property Rights	3 Access to Sound Money	4 Freedom to Trade Internationally	5 Regulation of Credit, Labor, & Business	5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations
Bolivia	7.2 (26)	3.1 (104)	9.3 (36)	7.3 (55)	5.7 (80)	7.9 (50)	4.6 (69)	4.5 (71)
Botswana	5.0 (92)	6.8 (34)	9.2 (45)	7.5 (40)	7.3 (10)	9.8 (1)	6.9 (14)	5.1 (45)
Brazil	6.3 (50)	4.9 (73)	7.0 (89)	6.7 (79)	4.8 (116)	5.5 (115)	4.5 (74)	4.5 (73)
Bulgaria	4.4 (105)	4.7 (75)	8.8 (55)	7.3 (51)	6.0 (67)	8.1 (43)	5.1 (56)	4.7 (61)
Burundi	6.0 (59)	1.6 (124)	6.0 (117)	3.2 (126)	5.9 (69)	6.5 (98)		
Cameroon	5.4 (78)	4.2 (86)	6.9 (94)	5.5 (114)	5.9 (68)	7.2 (74)	6.8 (16)	3.8 (90)
Canada	6.6 (39)	8.7 (14)	9.5 (29)	8.0 (26)	7.3 (9)	9.0 (19)	6.5 (25)	6.5 (15)
Central Afr. Rep.	4.2 (114)	3.5 (98)	7.1 (85)	5.4 (117)	4.5 (122)	7.0 (82)		
Chad	6.8 (36)	2.8 (110)	6.3 (111)	6.1 (98)	5.0 (108)	5.7 (112)	5.1 (53)	4.2 (84)
Chile	6.3 (48)	6.5 (44)	9.4 (35)	8.6 (9)	6.5 (31)	8.3 (37)	4.7 (67)	6.5 (18)
China	4.1 (116)	5.3 (64)	8.3 (63)	7.5 (38)	4.6 (121)	4.7 (124)	4.4 (76)	4.6 (68)
Colombia	4.7 (97)	3.2 (103)	7.5 (77)	6.5 (87)	5.4 (94)	7.1 (79)	4.0 (84)	5.0 (49)
Congo, Dem. Rep.	5.6 (71)	1.1 (126)	3.4 (125)	6.1 (97)	5.2 (102)	5.2 (120)		
Congo, Rep. of	4.1 (117)	1.9 (122)	6.0 (115)	6.7 (74)	5.2 (103)	5.6 (114)		
Costa Rica	7.3 (23)	6.6 (36)	8.7 (58)	8.0 (25)	6.1 (48)	6.6 (95)	6.2 (29)	5.5 (34)
Côte d'Ivoire	6.1 (56)	2.9 (109)	6.9 (91)	6.0 (100)	5.4 (95)	7.3 (70)		
Croatia	4.2 (113)	5.0 (71)	7.8 (73)	6.7 (77)	6.3 (40)	9.0 (18)	5.3 (48)	4.6 (65)
Cyprus	6.9 (32)	7.0 (31)	8.3 (64)	6.3 (93)	6.0 (58)	9.4 (7)	3.0 (99)	5.7 (30)
Czech Rep.	4.5 (102)	6.5 (40)	9.0 (50)	8.2 (21)	6.0 (59)	8.0 (47)	4.9 (59)	5.2 (43)
Denmark	4.2 (115)	9.5 (1)	9.7 (5)	8.1 (23)	6.8 (21)	9.4 (8)	4.6 (71)	6.5 (14)
Dominican Rep.	8.2 (6)	3.9 (93)	6.3 (110)	7.0 (61)	6.1 (52)	7.5 (64)	6.4 (27)	4.4 (76)
Ecuador	9.0 (1)	2.7 (113)	5.9 (118)	6.7 (78)	5.0 (109)	6.7 (91)	3.8 (87)	4.4 (75)
Egypt	6.8 (34)	4.7 (76)	9.3 (39)	5.1 (118)	4.7 (118)	5.3 (117)	4.7 (64)	4.1 (87)
El Salvador	8.7 (3)	4.3 (84)	9.6 (16)	7.4 (46)	6.0 (60)	7.3 (71)	5.2 (51)	5.6 (31)
Estonia	6.5 (42)	7.0 (29)	9.7 (6)	8.6 (8)	7.0 (15)	9.0 (16)	5.2 (50)	6.8 (8)
Fiji	5.8 (65)	5.4 (61)	6.9 (95)	6.1 (95)	6.0 (62)	6.7 (92)		
Finland	4.5 (103)	9.3 (2)	9.7 (7)	8.1 (24)	6.7 (25)	9.1 (15)	3.7 (90)	7.4 (5)
France	3.1 (125)	7.6 (23)	9.6 (17)	8.0 (27)	6.3 (39)	8.2 (40)	5.0 (58)	5.9 (26)
Gabon	4.2 (112)	3.9 (92)	5.0 (122)	5.8 (106)	6.0 (63)	7.3 (72)		
Georgia	8.7 (4)	2.6 (116)	8.6 (60)	7.3 (53)	4.9 (113)	6.0 (108)	5.0 (57)	3.8 (92)
Germany	4.4 (109)	8.9 (8)	9.6 (20)	8.7 (6)	5.7 (78)	7.9 (52)	2.8 (101)	6.4 (20)
Ghana	5.6 (70)	5.0 (71)	6.8 (98)	7.4 (44)	6.2 (41)	7.0 (85)	6.9 (13)	4.8 (56)
Greece	6.0 (58)	6.0 (49)	9.6 (15)	7.4 (47)	5.3 (101)	7.8 (56)	3.6 (94)	4.5 (74)
Guatemala	8.5 (5)	3.0 (107)	9.2 (43)	6.6 (81)	5.4 (92)	7.6 (60)	3.9 (86)	4.7 (59)
Guinea-Bissau	3.6 (123)	1.9 (123)	5.9 (119)	5.5 (113)	5.5 (89)	6.8 (87)		
Guyana	3.6 (120)	5.6 (59)	7.8 (74)	8.5 (11)	6.6 (27)	7.9 (53)		
Haiti	7.2 (27)	2.1 (121)	6.7 (103)	6.7 (80)	6.8 (20)	9.0 (17)	8.1 (4)	3.5 (99)
Honduras	7.4 (19)	3.1 (106)	9.1 (47)	7.2 (58)	5.8 (72)	8.2 (39)	5.3 (49)	4.0 (88)

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and Rankings), 2003

	AREAS					COMPONENTS OF AREA 5				
	1	2	3	4	5	5A	5B	5C		
	Size of Government: Expenditures, Taxes and Enterprises	Legal Structure & Security of Property Rights	Access to Sound Money	Freedom to Trade Internationally	Regulation of Credit, Labor, & Business	Credit Market Regulations	Labor Market Regulations	Business Regulations		
Hong Kong	8.9 (2)	7.4 (26)	9.2 (44)	9.7 (1)	8.2 (1)	8.9 (21)	7.7 (5)	7.9 (2)		
Hungary	5.8 (67)	6.6 (39)	9.5 (31)	8.4 (13)	6.6 (29)	8.1 (42)	5.5 (44)	6.1 (23)		
Iceland	5.4 (79)	9.2 (5)	9.3 (38)	6.7 (76)	7.9 (2)	8.9 (25)	7.0 (12)	7.9 (1)		
India	7.1 (28)	6.0 (52)	7.1 (88)	6.4 (89)	5.5 (87)	5.8 (110)	5.7 (39)	4.9 (53)		
Indonesia	6.7 (37)	4.5 (79)	7.1 (86)	7.3 (56)	4.8 (114)	5.3 (116)	4.7 (65)	4.6 (69)		
Iran	6.5 (44)	5.9 (53)	8.1 (66)	5.6 (111)	4.7 (119)	6.5 (97)				
Ireland	5.9 (64)	8.3 (15)	9.6 (14)	8.8 (4)	6.7 (26)	8.3 (36)	5.4 (47)	6.3 (21)		
Israel	3.6 (122)	6.8 (35)	9.5 (30)	8.3 (19)	5.6 (82)	7.2 (76)	3.7 (88)	6.0 (25)		
Italy	4.7 (98)	5.6 (57)	9.6 (25)	7.7 (34)	5.3 (97)	7.5 (63)	3.6 (95)	5.0 (52)		
Jamaica	7.7 (14)	5.1 (69)	9.0 (49)	6.9 (66)	6.0 (66)	6.7 (93)	6.5 (26)	4.8 (57)		
Japan	5.6 (72)	7.8 (21)	9.6 (24)	6.8 (72)	6.4 (34)	7.2 (77)	6.3 (28)	5.8 (28)		
Jordan	4.8 (95)	6.6 (37)	9.6 (13)	7.6 (36)	6.2 (42)	6.5 (99)	6.5 (23)	5.7 (29)		
Kenya	7.0 (31)	4.2 (85)	8.8 (57)	6.6 (84)	6.0 (65)	5.9 (109)	7.2 (8)	4.7 (60)		
Kuwait	6.2 (55)	7.3 (27)	9.3 (37)	6.9 (67)	7.0 (16)	8.9 (22)				
Latvia	5.9 (62)	5.6 (56)	8.9 (54)	7.6 (35)	6.2 (45)	8.4 (34)	4.9 (60)	5.3 (38)		
Lithuania	5.6 (74)	5.4 (63)	9.2 (42)	7.8 (33)	5.8 (74)	8.1 (46)	4.3 (78)	5.1 (46)		
Luxembourg	4.2 (111)	8.9 (11)	9.7 (4)	8.9 (3)	7.2 (11)	9.1 (13)	6.1 (33)	6.5 (17)		
Macedonia	5.1 (90)	2.6 (115)	7.8 (71)	6.3 (92)	6.0 (64)	7.9 (49)	5.7 (41)	4.2 (82)		
Madagascar	6.8 (35)	3.2 (101)	7.8 (72)	6.3 (91)	5.5 (90)	7.7 (59)	4.4 (75)	4.2 (81)		
Malawi	3.9 (118)	5.6 (57)	6.0 (116)	6.5 (88)	5.7 (79)	4.9 (122)	7.5 (6)	4.7 (62)		
Malaysia	5.3 (81)	6.6 (37)	7.0 (90)	7.6 (37)	6.1 (46)	6.0 (107)	6.8 (15)	5.6 (33)		
Mali	5.1 (91)	4.5 (82)	6.7 (104)	6.5 (86)	5.1 (104)	7.6 (61)	3.2 (97)	4.6 (67)		
Malta	5.8 (68)	7.0 (29)	7.2 (79)	6.7 (75)	6.8 (22)	8.7 (27)	6.6 (20)	5.1 (47)		
Mauritius	7.6 (16)	6.1 (48)	9.5 (27)	6.4 (90)	5.5 (86)	7.3 (69)	5.1 (55)	4.2 (80)		
Mexico	8.0 (10)	3.9 (93)	7.6 (75)	7.5 (41)	5.3 (99)	7.3 (68)	4.6 (72)	4.0 (89)		
Morocco	5.2 (84)	6.2 (47)	7.1 (87)	5.9 (102)	6.1 (55)	7.3 (73)	5.7 (40)	5.2 (41)		
Mozambique	5.9 (61)	3.2 (102)	8.4 (62)	6.2 (94)	3.7 (127)	4.6 (125)	2.8 (100)	3.5 (97)		
Myanmar	3.5 (124)	2.2 (120)	2.6 (126)	1.9 (127)	4.0 (125)	2.3 (127)				
Namibia	5.1 (89)	8.1 (18)	6.5 (107)	6.6 (83)	7.4 (6)	9.6 (3)	6.8 (17)	5.8 (27)		
Nepal	5.2 (85)	2.5 (117)	6.8 (96)	5.7 (108)	6.0 (57)	6.8 (88)				
Netherlands	4.6 (100)	9.1 (7)	9.6 (21)	8.7 (7)	6.8 (23)	9.1 (14)	5.1 (52)	6.0 (24)		
New Zealand	6.8 (33)	8.9 (8)	9.5 (28)	8.2 (20)	7.6 (4)	9.7 (2)	5.7 (38)	7.5 (4)		
Nicaragua	6.1 (57)	2.9 (108)	9.0 (48)	7.4 (45)	6.1 (56)	7.2 (75)	6.5 (24)	4.5 (72)		
Niger	5.2 (82)	3.7 (97)	6.8 (97)	5.6 (110)	5.0 (110)	7.0 (84)				
Nigeria	6.3 (47)	3.4 (99)	6.6 (106)	6.9 (68)	6.4 (32)	7.8 (55)	7.0 (11)	4.4 (77)		
Norway	4.5 (104)	9.2 (4)	9.0 (51)	7.4 (43)	6.4 (33)	9.0 (20)	3.7 (89)	6.6 (11)		
Oman	5.8 (66)	7.5 (24)	9.6 (12)	7.9 (28)	7.0 (17)	9.5 (4)				
Pakistan	7.3 (24)	2.3 (119)	6.8 (99)	5.8 (105)	5.8 (73)	7.1 (80)	6.6 (21)	3.8 (93)		

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and *Rankings*), 2003

	AREAS					COMPONENTS OF AREA 5		
	1 Size of Government: Expenditures, Taxes and Enterprises	2 Legal Structure & Security of Property Rights	3 Access to Sound Money	4 Freedom to Trade Internationally	5 Regulation of Credit, Labor, & Business	5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations
Panama	8.2 (7)	4.5 (78)	9.8 (2)	7.4 (48)	6.4 (35)	8.7 (28)	5.9 (36)	4.6 (66)
Pap. New Guinea	6.5 (43)	3.7 (96)	6.1 (113)	5.9 (101)	5.8 (75)	6.1 (105)		
Paraguay	8.1 (8)	2.4 (118)	8.7 (59)	7.8 (31)	4.8 (117)	6.2 (102)	3.6 (93)	4.5 (70)
Peru	7.5 (18)	4.0 (91)	9.7 (3)	7.4 (50)	5.8 (76)	8.5 (30)	4.1 (80)	4.7 (63)
Philippines	7.0 (30)	3.8 (95)	9.6 (23)	7.3 (54)	5.6 (83)	7.5 (62)	5.5 (45)	3.8 (91)
Poland	5.5 (76)	5.2 (67)	8.1 (67)	6.5 (85)	5.3 (100)	8.1 (45)	4.3 (79)	3.5 (98)
Portugal	4.9 (94)	7.4 (25)	9.5 (26)	7.9 (29)	6.0 (61)	8.4 (35)	4.4 (77)	5.3 (36)
Romania	4.6 (99)	5.2 (68)	6.5 (108)	6.9 (70)	5.4 (93)	7.4 (65)	4.6 (70)	4.2 (85)
Russia	5.4 (80)	4.7 (77)	3.8 (124)	6.9 (65)	4.8 (115)	6.2 (104)	4.6 (68)	3.7 (95)
Rwanda	5.6 (73)	1.0 (127)	7.1 (84)	5.4 (116)	6.1 (47)	7.1 (81)		
Senegal	6.2 (52)	4.3 (83)	7.2 (80)	6.1 (99)	5.0 (107)	8.4 (31)	2.4 (102)	4.3 (79)
Sierra Leone	5.5 (77)	4.1 (88)	6.4 (109)	5.7 (107)	5.5 (88)	5.2 (119)		
Singapore	8.0 (11)	8.2 (17)	9.7 (8)	9.5 (2)	7.0 (14)	7.9 (54)	5.7 (42)	7.6 (3)
Slovak Rep	4.4 (110)	6.0 (51)	7.5 (76)	8.5 (10)	6.4 (37)	7.9 (51)	5.9 (35)	5.3 (37)
Slovenia	3.0 (126)	6.5 (43)	8.9 (53)	7.3 (52)	5.6 (84)	8.0 (48)	3.6 (92)	5.2 (44)
South Africa	5.6 (75)	7.1 (28)	8.0 (69)	7.4 (49)	6.6 (28)	8.8 (26)	5.6 (43)	5.6 (32)
South Korea	6.6 (41)	6.4 (46)	9.5 (32)	7.1 (59)	5.3 (98)	7.4 (66)	4.1 (81)	4.3 (78)
Spain	5.2 (86)	6.5 (41)	9.6 (18)	8.3 (18)	6.2 (44)	8.3 (38)	5.1 (54)	5.2 (39)
Sri Lanka	7.4 (20)	4.1 (89)	6.6 (105)	6.9 (64)	5.7 (77)	6.8 (90)	5.5 (46)	4.9 (54)
Sweden	3.0 (127)	9.3 (3)	9.6 (9)	8.3 (17)	6.5 (30)	9.2 (10)	3.2 (96)	7.0 (6)
Switzerland	7.3 (25)	8.7 (13)	9.6 (22)	8.1 (22)	7.1 (13)	8.9 (24)	6.0 (34)	6.6 (13)
Syria	4.9 (93)	5.1 (70)	7.9 (70)	4.9 (120)	3.7 (126)	4.2 (126)		
Taiwan	6.2 (53)	6.5 (44)	9.6 (19)	8.4 (14)	5.9 (71)	6.3 (100)	4.9 (61)	6.5 (19)
Tanzania	5.2 (83)	5.3 (65)	9.2 (46)	5.9 (103)	6.1 (50)	6.1 (106)	7.3 (7)	5.0 (50)
Thailand	6.7 (38)	5.7 (55)	7.1 (83)	7.5 (42)	6.1 (54)	7.0 (83)	6.2 (30)	5.0 (51)
Togo	4.4 (107)	3.1 (105)	7.2 (82)	5.9 (104)	4.9 (112)	6.9 (86)		
Trinidad & Tob.	6.2 (51)	5.4 (62)	9.4 (34)	6.6 (82)	6.4 (38)	7.4 (67)	6.5 (22)	5.2 (40)
Tunisia	5.2 (87)	6.8 (32)	7.3 (78)	6.1 (96)	6.1 (51)	8.1 (44)	4.0 (85)	6.2 (22)
Turkey	7.0 (29)	5.3 (66)	4.9 (123)	7.0 (62)	5.1 (105)	6.2 (103)	4.5 (73)	4.7 (64)
Uganda	6.0 (60)	4.5 (79)	9.0 (52)	6.9 (71)	6.1 (53)	5.0 (121)	8.4 (2)	4.9 (55)
Ukraine	4.8 (96)	4.5 (79)	5.6 (121)	7.0 (60)	5.5 (85)	7.2 (78)	6.1 (31)	3.4 (101)
Unit. Arab Em.	7.6 (15)	6.8 (32)	8.6 (61)	8.3 (15)	7.7 (3)	7.8 (57)	8.4 (1)	6.8 (9)
United Kingdom	6.5 (46)	9.2 (6)	9.4 (33)	8.3 (16)	7.4 (7)	9.2 (11)	6.6 (19)	6.5 (16)
United States	7.8 (13)	7.9 (20)	9.8 (1)	7.8 (32)	7.6 (5)	9.3 (9)	7.0 (10)	6.6 (12)
Uruguay	7.4 (21)	5.7 (54)	8.0 (68)	6.9 (63)	5.7 (81)	6.2 (101)	5.8 (37)	5.1 (48)
Venezuela	5.9 (63)	1.4 (125)	5.7 (120)	4.6 (123)	4.1 (124)	6.6 (94)	3.1 (98)	2.6 (102)
Vietnam	4.4 (106)	4.2 (87)	6.3 (112)	6.9 (69)	5.9 (70)	9.5 (5)	4.1 (82)	4.1 (86)
Zambia	7.4 (22)	5.5 (60)	7.2 (81)	7.2 (57)	6.2 (43)	5.7 (111)	8.2 (3)	4.8 (58)
Zimbabwe	4.6 (101)	2.8 (111)	1.3 (127)	3.4 (125)	4.6 (120)	5.3 (118)	4.8 (62)	3.8 (93)

The Chain-Linked Summary Index

One of the most valuable aspects of this economic freedom index is that, for many countries, it can be calculated back to 1970. We compute a chain-linked summary index for 53 countries in 1970, 70 in 1975, 102 in 1980, 109 in 1985, 113 in 1990, and 123 for 1995 and 2000 to 2003.⁹ These longitudinal data are useful 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 chain-link summary economic freedom index that is based on the 2000 rating as a base year. Changes to the index going backward (and forward) in time are then based only on changes in components that were present in adjacent years. For instance, the 1995 chain-linked 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 no adjustment was made to the 1995 summary rating. However, if the 1995 components were lower than those for 2000 for the over-lapping components between the two years, then the 1995 summary rating was adjusted downward proportionally to reflect this fact. Correspondingly, in cases where the rating for the common components was higher in 1995 than for 2000, the 1995 summary rating was adjusted upward proportionally. The chain-linked ratings were constructed by repeating this procedure backward in time to 1970 and forward through 2003. The chain-linked methodology means that a country's rating will change across time periods only when there is a change in ratings for components present during both of the over-lapping years. This is precisely what one would want when making comparisons across time periods.

Exhibit 1.4 presents this "chain-linked" economic freedom index for years from 1970 to 2003. Researchers using the data for long-term studies should use these chain-linked data.

Exhibit 1.4: The Chain-Linked Summary Index

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003
Albania					3.3	4.1	5.5	5.8	5.8	6.0
Algeria			3.8	3.8	3.4	3.5	4.2	4.7	4.6	4.6
Argentina	4.4	2.8	3.9	3.5	4.4	6.7	7.2	6.5	6.0	5.8
Australia	6.6	5.8	6.4	6.8	7.3	7.8	8.0	7.9	7.9	7.8
Austria	6.0	5.7	6.2	6.2	6.9	7.0	7.4	7.6	7.5	7.7
Bahamas		6.1	5.8	5.8	6.2	6.3	6.5	6.5	6.4	6.5
Bahrain			7.0	6.5	6.8	6.9	7.3	7.1	7.2	7.1
Bangladesh		2.8	3.1	3.3	4.2	5.0	5.5	5.7	5.9	5.7
Barbados		5.0	5.1	5.4	5.8	5.8	5.6	5.5	5.8	5.8
Belgium	7.3	6.6	6.8	6.9	7.2	7.2	7.4	7.4	7.3	7.4
Belize			5.0	4.8	5.7	6.3	6.2	6.2	6.6	6.6
Benin			4.9	4.6	4.9	4.5	5.7	5.8	5.5	5.6
Bolivia			4.4	3.5	5.2	6.4	6.7	6.5	6.5	6.5
Botswana			4.9	5.1	5.4	6.0	7.0	7.2	7.3	7.2
Brazil	4.8	3.9	3.7	3.2	3.9	4.1	5.3	5.9	6.1	5.9
Bulgaria				4.7	3.7	4.5	5.3	5.7	6.0	6.3
Burundi		3.9	4.0	4.5	4.7	4.3	5.1	5.3	5.1	4.8
Cameroon			5.4	5.6	5.7	5.2	5.4	5.9	5.7	5.6

Exhibit 1.4 (continued): The Chain-Linked Summary Index

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003
Canada	7.4	6.6	7.0	7.0	7.7	7.8	8.1	8.1	7.9	8.0
Central Afr. Rep.				4.5	5.0	4.7	4.9	5.1	5.0	5.1
Chad				4.8	4.6	4.5	5.3	5.8	5.7	5.4
Chile	3.6	3.6	5.3	5.8	6.7	7.5	7.5	7.3	7.3	7.4
China			3.8	4.8	4.2	4.9	5.4	5.9	5.9	6.0
Colombia	5.4	5.0	4.8	5.2	5.0	5.6	5.5	5.5	5.4	5.5
Congo, Dem. Rep.	4.9	4.3	3.1	4.0	3.8	4.2	3.7	3.6	4.9	4.4
Congo, Rep. of			5.0	5.0	5.5	5.5	4.9	4.7	4.4	5.0
Costa Rica		5.6	5.0	4.7	6.5	6.7	7.3	7.2	7.1	7.4
Côte d'Ivoire			5.0	5.6	5.4	5.4	5.7	5.8	5.8	5.6
Croatia						3.8	5.5	6.2	5.9	6.0
Cyprus		5.3	5.2	5.2	5.9	6.1	6.1	6.3	6.8	6.6
Czech Rep.						5.9	6.8	6.8	6.7	6.8
Denmark	6.6	5.8	6.0	6.2	7.0	7.4	7.6	7.6	7.6	7.7
Dominican Rep.			4.8	4.6	4.4	6.2	6.7	6.5	6.6	6.3
Ecuador	3.4	4.5	4.8	4.0	4.8	5.7	5.2	5.5	5.9	5.9
Egypt		3.9	4.6	5.0	4.8	5.9	6.7	6.5	6.2	6.1
El Salvador			4.3	4.0	4.5	6.8	7.2	7.3	7.2	7.2
Estonia						5.3	6.9	7.4	7.7	7.8
Fiji		5.1	5.4	5.6	5.8	6.0	6.0	6.0	6.1	6.1
Finland	6.6	5.8	6.4	6.5	7.0	7.5	7.6	7.7	7.7	7.6
France	6.2	5.4	5.7	5.7	6.8	6.8	7.0	6.7	6.8	6.9
Gabon			4.0	4.7	5.0	5.0	5.3	5.3	5.1	5.1
Germany	7.3	6.8	7.1	7.1	7.4	7.5	7.6	7.3	7.4	7.5
Ghana		3.0	2.3	2.5	4.3	5.1	5.6	5.6	6.3	6.2
Greece	6.1	5.6	5.6	5.1	5.7	6.2	6.8	6.8	6.9	6.9
Guatemala	5.8	6.4	5.9	4.7	5.5	6.7	6.4	6.4	6.4	6.5
Guinea-Bissau					2.7	3.5	4.1	5.2	4.8	4.6
Guyana						4.7	6.5	6.8	6.5	6.3
Haiti			5.6	5.8	5.5	5.4	6.3	5.9	6.0	5.9
Honduras			5.5	5.3	5.2	6.0	6.3	6.3	6.4	6.5
Hong Kong	8.3	8.3	8.6	8.3	8.6	9.1	8.8	8.7	8.7	8.7
Hungary			4.2	4.9	4.8	6.2	6.6	7.1	7.3	7.4
Iceland	6.1	4.2	4.9	5.1	6.6	7.3	7.7	7.7	7.6	7.7
India	4.9	4.1	4.9	4.6	4.8	5.5	6.1	6.2	6.4	6.4
Indonesia	4.8	5.3	5.2	6.2	6.6	6.6	5.9	5.5	5.7	6.1
Iran	5.8	5.7	3.4	3.7	4.1	4.0	5.1	6.2	6.0	6.0
Ireland	6.5	5.8	6.2	6.2	7.0	8.2	8.1	7.9	7.8	7.9
Israel	4.9	4.2	3.7	4.3	4.4	6.0	6.7	6.5	6.8	6.7
Italy	5.8	5.1	5.2	5.4	6.4	6.5	7.1	7.0	7.0	6.6
Jamaica			3.9	4.3	5.3	6.3	6.9	6.9	6.9	6.9
Japan	6.2	5.9	6.4	6.5	7.1	6.9	7.3	7.0	7.0	7.2

Exhibit 1.4 (continued): The Chain-Linked Summary Index

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003
Jordan		5.2	5.0	5.5	5.6	6.2	7.2	6.8	7.0	7.0
Kenya	4.7	4.5	4.7	5.0	5.3	5.7	6.5	6.6	6.6	6.5
Kuwait			5.8	7.9	5.1	6.6	7.0	7.3	7.0	7.2
Latvia						4.6	6.5	6.7	7.0	6.8
Lithuania						4.7	6.2	6.3	6.8	6.8
Luxembourg	6.9	6.9	6.8	7.2	7.4	7.5	7.7	7.7	7.6	7.8
Madagascar			3.8	4.1	3.9	4.0	5.2	6.2	5.8	5.9
Malawi		4.8	4.3	4.4	4.7	4.4	4.6	5.4	5.4	5.5
Malaysia	6.0	5.9	6.4	6.5	7.1	7.2	6.7	6.4	6.5	6.5
Mali		4.9	5.0	4.7	4.8	4.9	5.7	5.8	5.6	5.6
Malta			5.0	4.8	5.2	6.4	6.4	6.6	6.6	6.7
Mauritius		4.6	4.7	5.9	6.1	7.3	7.3	7.3	7.2	7.0
Mexico	6.0	5.3	5.1	4.3	5.7	6.2	6.2	6.3	6.5	6.5
Morocco	5.5	4.9	4.3	4.9	4.8	5.8	5.9	5.9	5.9	6.1
Myanmar			4.5	4.1	2.8	3.5	3.4	3.5	3.0	3.1
Namibia					5.3	6.6	6.5	6.4	6.3	6.8
Nepal			5.3	4.8	5.1	5.2	5.6	5.9	5.7	5.4
Netherlands	7.0	6.4	6.8	7.0	7.4	7.8	8.0	7.8	7.7	7.7
New Zealand	6.0	5.4	6.1	5.9	7.3	8.5	8.2	8.2	8.2	8.2
Nicaragua			3.8	1.7	2.4	5.4	6.4	6.3	6.3	6.3
Niger			4.9	5.3	4.7	4.6	5.5	5.6	5.4	5.4
Nigeria	3.4	3.6	3.5	3.7	3.5	3.8	5.4	5.5	5.7	5.9
Norway	6.0	5.5	5.8	6.3	7.0	7.5	7.2	7.1	7.0	7.3
Oman				6.1	6.1	6.8	7.3	7.2	7.1	7.4
Pakistan	4.3	3.7	4.5	5.1	5.0	5.7	5.5	5.6	5.8	5.6
Panama		6.4	5.2	5.7	6.3	7.2	7.2	7.2	7.2	7.3
Pap. New Guinea				6.0	6.4	6.4	5.9	5.9	5.7	5.7
Paraguay			5.5	4.9	5.5	6.6	6.4	6.4	6.3	6.4
Peru	4.6	3.8	3.9	2.9	3.6	6.2	6.8	6.9	6.8	6.9
Philippines	5.2	4.8	4.9	4.8	5.4	7.2	7.1	6.7	6.6	6.6
Poland				3.4	3.3	4.8	5.8	6.2	6.4	6.1
Portugal	6.0	3.7	5.5	5.3	6.0	7.2	7.3	7.2	7.2	7.1
Romania				4.5	4.0	3.6	4.6	5.0	5.5	5.7
Russia						3.7	4.5	4.9	5.1	5.1
Rwanda					4.6	3.6	4.6	5.4	5.5	5.3
Senegal			4.6	4.9	5.2	4.6	5.8	5.8	5.9	5.8
Sierra Leone		5.6	5.4	3.5	3.8	4.5	5.2	5.2	5.6	5.6
Singapore	7.4	7.3	7.5	7.9	8.5	8.8	8.6	8.5	8.6	8.5
Slovak Rep						5.1	5.9	6.3	6.5	6.6
Slovenia						4.7	5.9	6.0	6.2	6.3
South Africa	5.9	5.5	5.4	5.0	5.2	6.3	6.7	6.7	6.8	6.9
South Korea	5.4	5.4	5.7	5.7	6.3	6.8	7.0	7.0	7.0	7.0

Exhibit 1.4 (continued): The Chain-Linked Summary Index

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003
Spain	6.1	5.5	5.7	5.8	6.2	7.0	7.3	7.0	7.1	7.2
Sri Lanka			4.9	5.0	4.9	6.1	6.1	6.1	6.0	6.2
Sweden	5.3	5.2	5.6	6.2	6.6	7.1	7.4	7.2	7.3	7.3
Switzerland	7.4	7.1	7.6	7.7	7.8	7.9	8.2	8.1	8.2	8.2
Syria	4.6	4.9	4.0	3.6	3.5	4.3	5.0	5.7	5.0	5.4
Taiwan	6.6	5.8	6.7	6.9	7.1	7.3	7.2	7.1	7.3	7.3
Tanzania	4.4	3.7	3.9	3.4	3.7	4.8	5.8	6.7	6.2	6.3
Thailand	5.7	5.6	5.9	5.9	6.8	7.2	6.6	6.7	6.7	6.6
Togo			4.2	5.4	5.1	4.8	5.0	5.3	5.2	5.2
Trinidad & Tob.		4.3	4.5	4.4	5.5	6.7	7.0	7.0	6.9	6.8
Tunisia	4.5	4.6	4.9	4.7	5.3	5.9	6.1	6.2	6.2	6.3
Turkey	3.6	3.8	3.5	4.7	4.8	5.8	5.8	5.3	5.5	5.9
Uganda			3.0	2.5	2.7	5.1	6.6	6.5	6.5	6.5
Ukraine						3.7	4.5	5.0	5.4	5.5
Unit. Arab Em.			5.8	6.7	7.3	7.3	7.6	7.4	7.4	7.3
United Kingdom	5.9	5.8	6.1	7.0	7.7	8.2	8.4	8.2	8.2	8.1
United States	7.0	7.1	7.4	7.5	8.1	8.3	8.5	8.3	8.2	8.2
Uruguay			5.3	5.4	5.8	5.8	6.5	6.6	6.9	6.8
Venezuela	7.4	6.3	6.8	6.3	5.7	4.3	5.8	5.6	4.5	4.3
Zambia		3.9	4.4	3.4	2.8	4.4	6.4	6.9	6.8	6.7
Zimbabwe			4.7	4.6	5.0	6.1	4.8	3.4	3.3	3.3

Concluding Thoughts

Finally this chapter presents some graphics illustrating simple relationships between economic freedom by quintile and various other indicators of human and political progress (exhibits 1.5 to 1.23). While the graphs use the 2003 EFW index, it should be noted that many of the relationships shown are long term and the current EFW index may not be the best indicator to use for this purpose. Also many of the relationships illustrated in these graphics reflect the impact of economic freedom as it works through increasing economic growth. In other cases, the observed relationships may reflect the fact that some of the vari-

ables that influence economic freedom may also influence political factors like corruption and protection of civil liberties. Thus, we are not necessarily arguing that there is a direct causal relation between economic freedom and the variables considered below. In other words, these graphics are no substitute for real scholarly investigation that controls for other factors. Nonetheless, we believe that the graphics provide some information on the nature and characteristics of market-oriented economies compared to controlled economies. At the very least, these figures suggest potential fruitful areas for future research.

Exhibit 1.5: Economic Freedom and Income per Capita

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

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

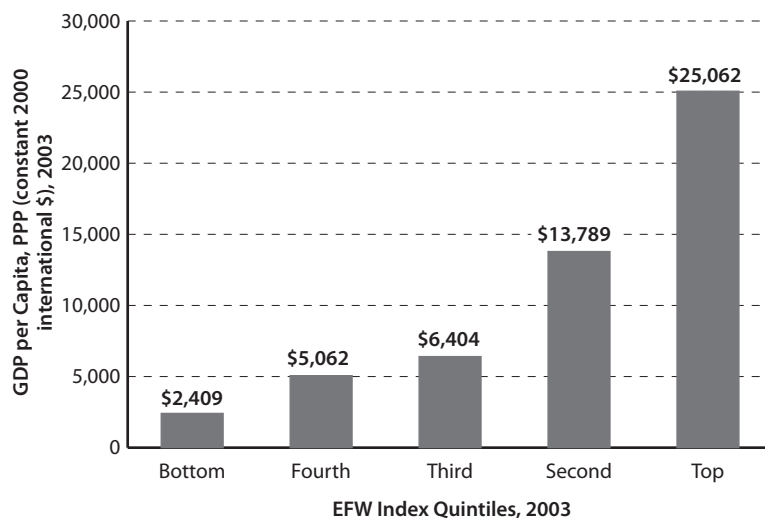


Exhibit 1.6: Economic Freedom and Economic Growth

Countries with more economic freedom have higher growth rates.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

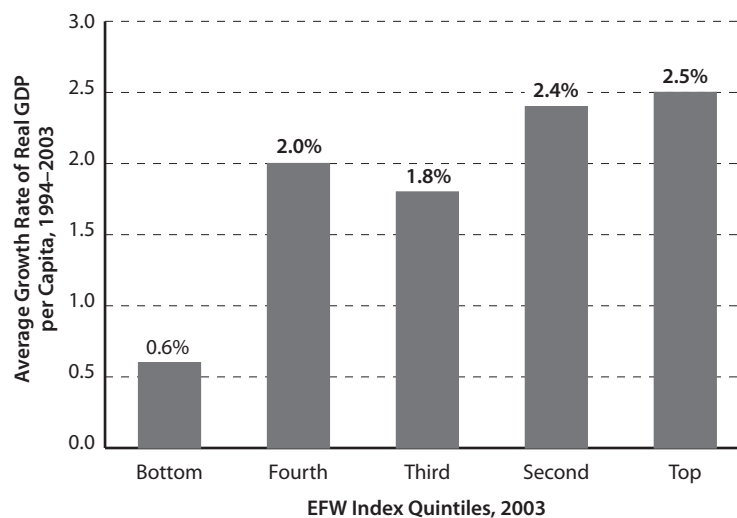
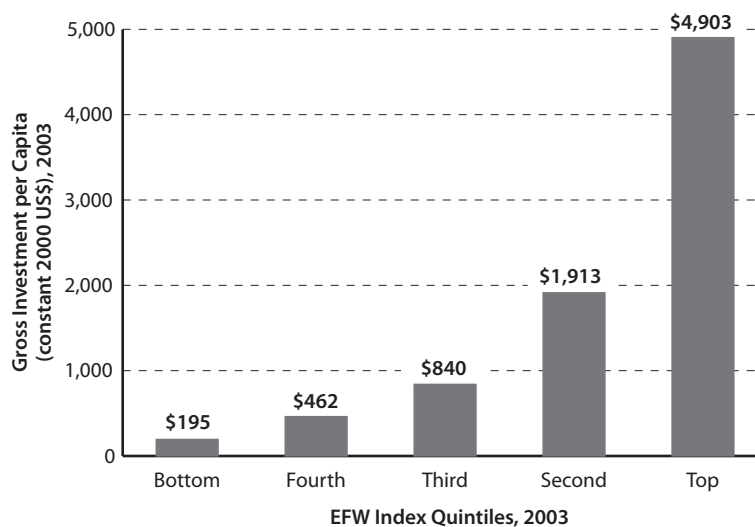


Exhibit 1.7: Economic Freedom and Investment

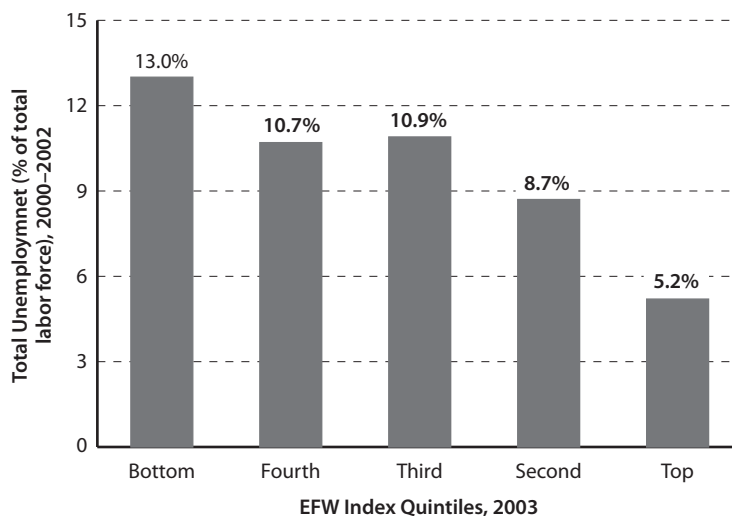
Countries with more economic freedom have higher levels of investment per capita.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.8: Economic Freedom and Unemployment**

Countries with more economic freedom have lower levels of unemployment.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.9: Economic Freedom and Life Expectancy**

Life expectancy is over 25 years longer in countries with the most economic freedom than it is in those with the least.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

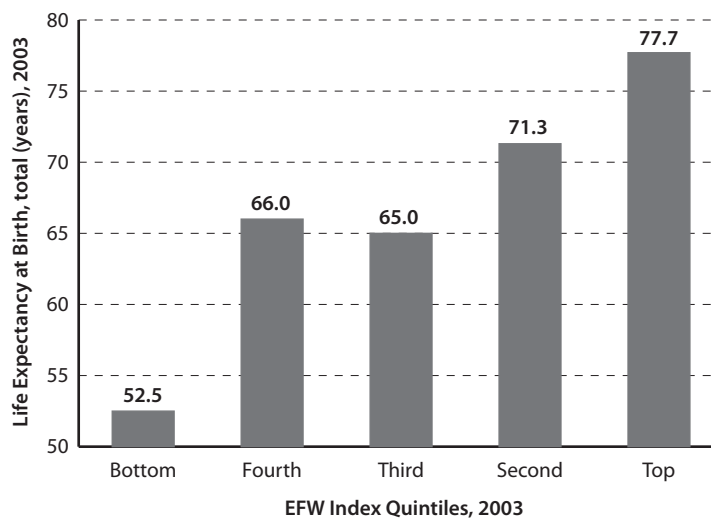
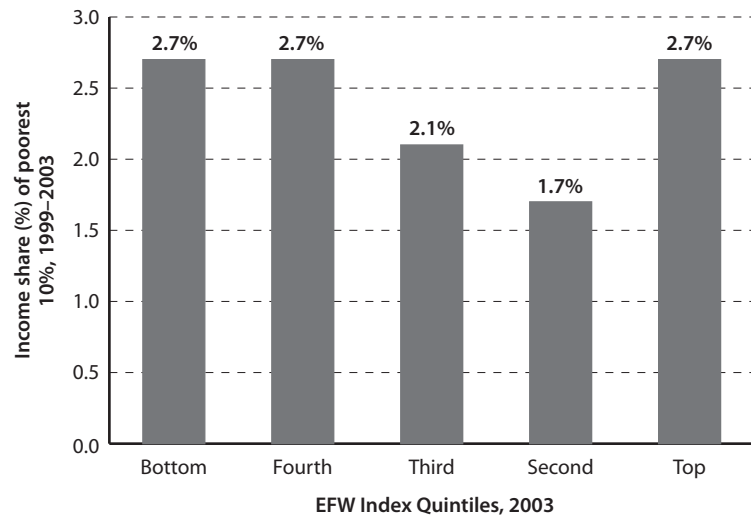


Exhibit 1.10: Economic Freedom and the Income Share of the Poorest 10%

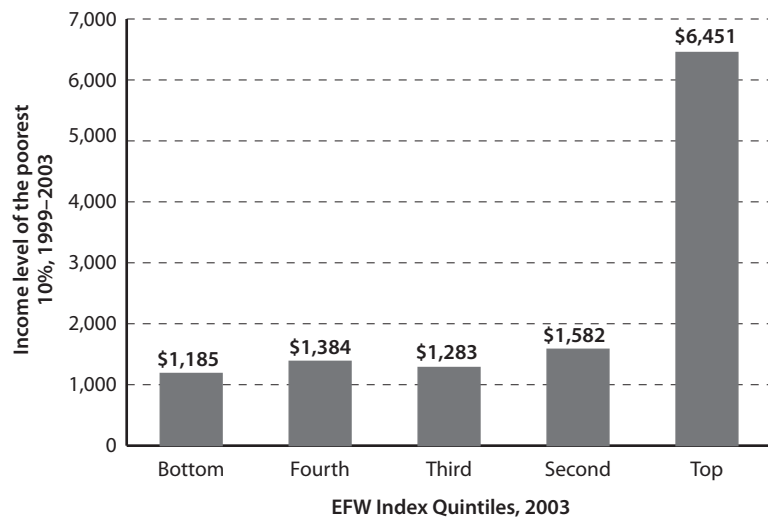
The share of income earned by the poorest 10% of the population is unrelated to the degree of economic freedom in a nation.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.11: Economic Freedom and the Income Level of the Poorest 10%**

The amount, as opposed to the share, of income going to the poorest 10% of the population is much greater in nations with the most economic freedom than it is in those with the least.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.12: Economic Freedom and Adult Literacy**

Adult literacy increases with economic freedom.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

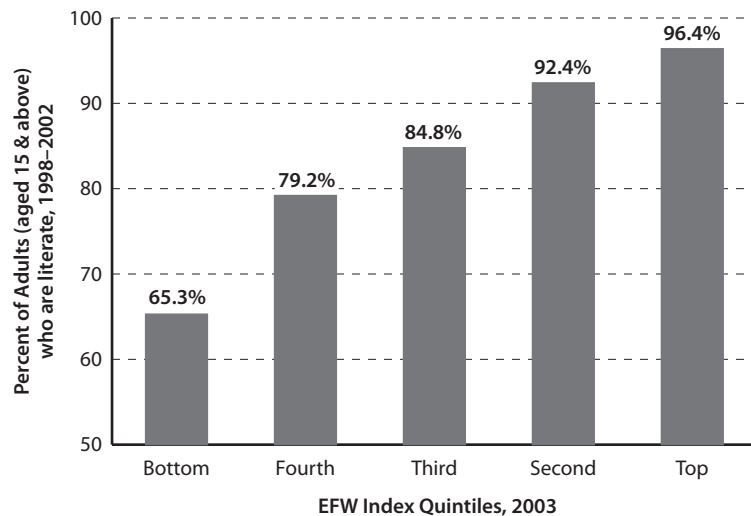
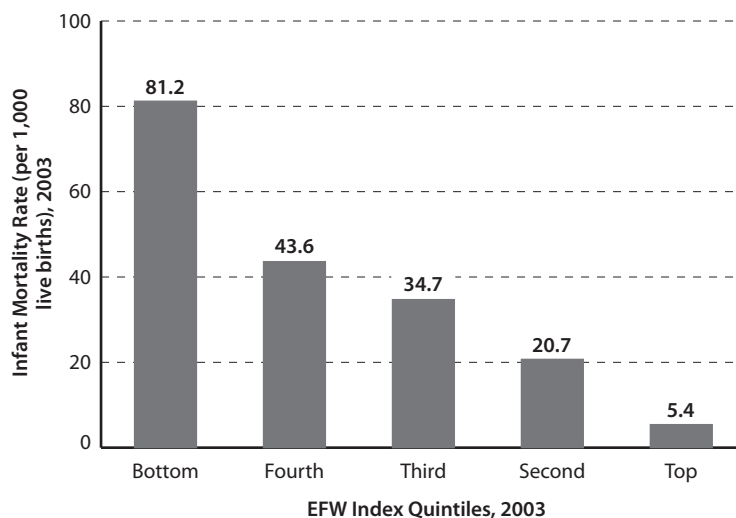


Exhibit 1.13: Economic Freedom and Infant Mortality

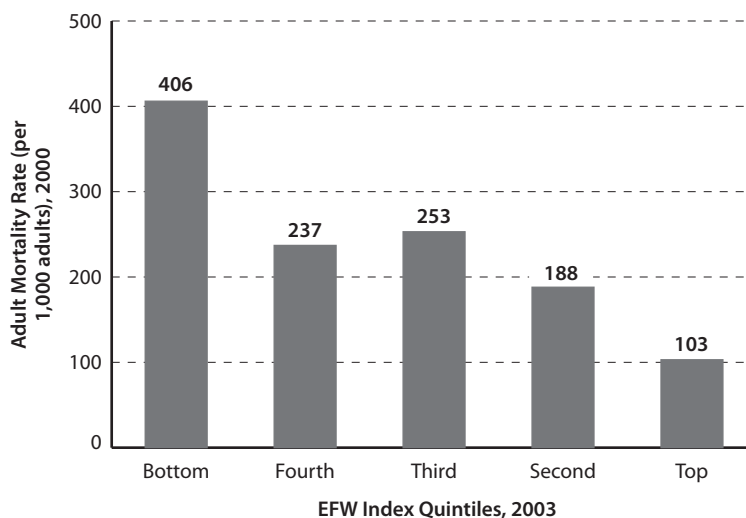
Infant mortality is much lower in countries with high levels of economic freedom.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.14: Economic Freedom and Adult Mortality**

Adult mortality is much lower in countries with high levels of economic freedom.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.15: Economic Freedom and the Percentage of Children in the Labor Force**

The incidence of child labor declines as economic freedom increases.

Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

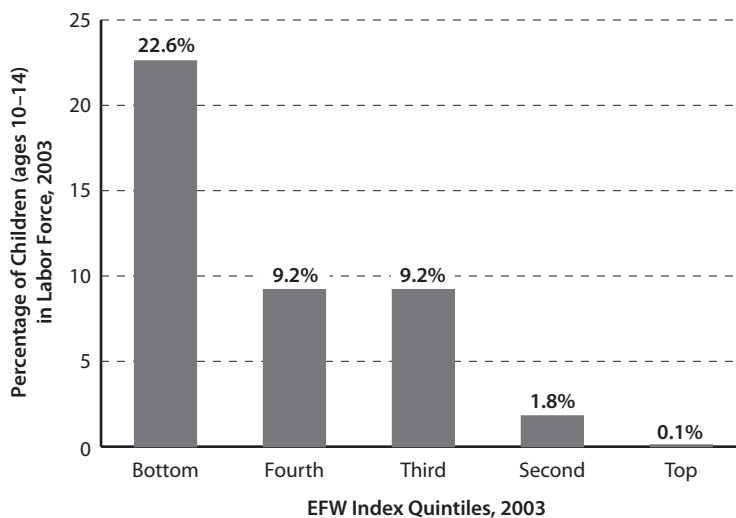
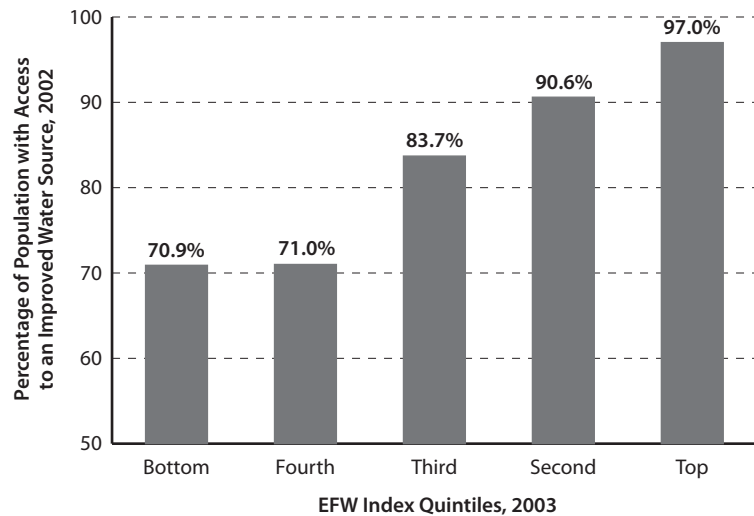


Exhibit 1.16: Economic Freedom and Access to Improved Water Sources

Access to improved water increases with economic freedom.

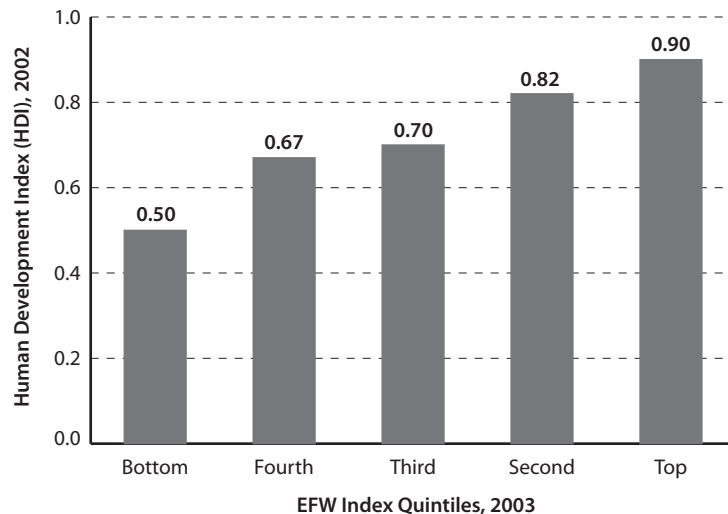
Sources: The Fraser Institute; The World Bank, World Development Indicators CD-ROM, 2005.

**Exhibit 1.17: Economic Freedom and "Human Development"**

More economic freedom is related to greater "human development" as measured by the United Nations.

Note: The United Nations' Human Development Index (HDI) is measured on a scale from zero to one: zero = least developed; one = most developed.

Sources: The Fraser Institute; United Nations Development Programme, *Human Development Indicators 2004* (http://hdr.undp.org/statistics/data/index_indicators.cfm, as of July 5, 2005).

**Exhibit 1.18: Economic Freedom and "Human Poverty"**

More economic freedom is related to less "human poverty" as measured by the United Nations.

Note: United Nations' Human Poverty Index (HPI-1) is a composite index measuring deprivations in the three basic dimensions captured in the HDI: a long and healthy life, knowledge, and a decent standard of living. The HPI value indicates the percentage of population deprived of these basic necessities.

Sources: The Fraser Institute; United Nations Development Programme, *Human Development Indicators 2004* (http://hdr.undp.org/statistics/data/index_indicators.cfm, as of July 5, 2005).

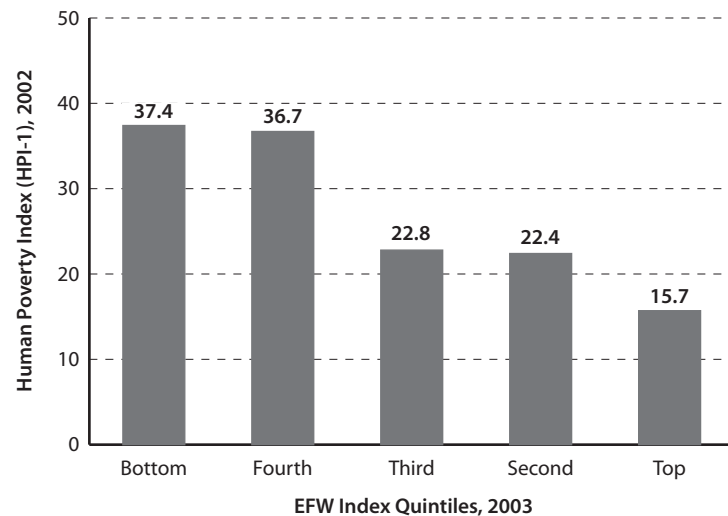
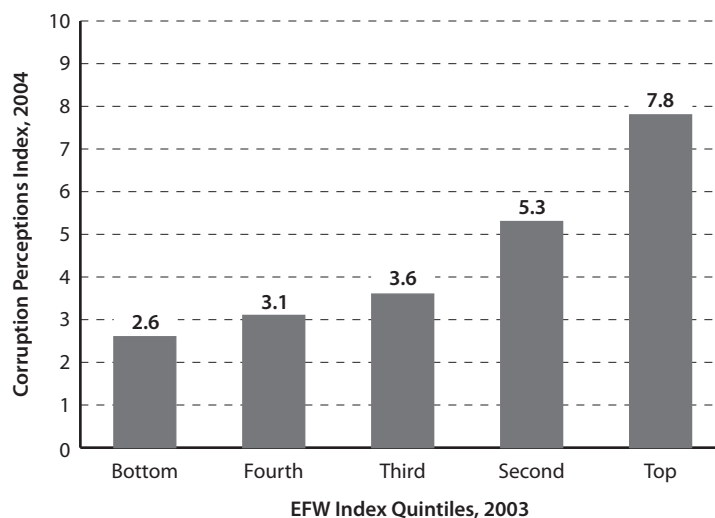


Exhibit 1.19: Economic Freedom and Corruption

With fewer regulations, taxes, and tariffs, economic freedom reduces the opportunities for corruption on the part of public officials.

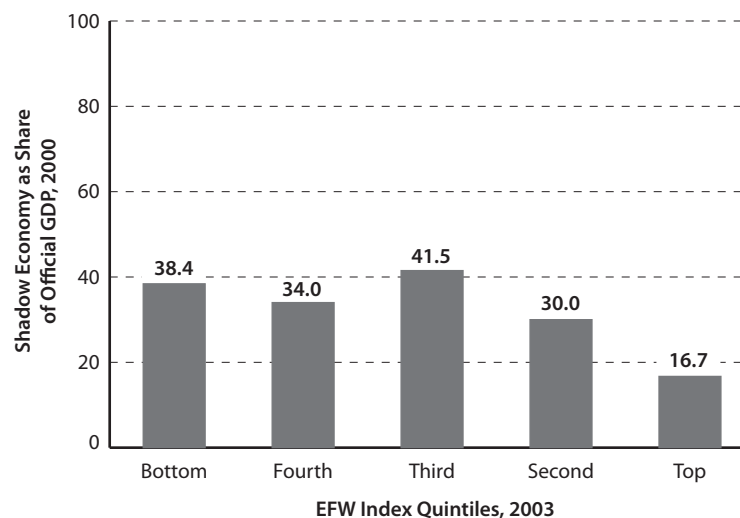
Note: Corruption is measured on a scale from zero to 10: 10 = little or no corruption; zero = highly corrupt.

Sources: The Fraser Institute; Transparency International, *Corruption Perceptions Index 2004* (<http://www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004>, as of July 5, 2005).

**Exhibit 1.20: Economic Freedom and the Shadow Economy**

The estimated size of the shadow (or underground) economy is lower in countries with more economic freedom.

Sources: The Fraser Institute; Friedrich Schneider and Robert Klinglmaier (2004). *Shadow Economies around the World: What Do We Know?* CESifo Working Paper 1167. Munich: Center for Economic Studies & Ifo Institute for Economic Research.

**Exhibit 1.21: Economic Freedom and Political Rights and Civil Liberties**

Political rights (e.g., free and fair elections) and civil liberties (e.g., freedom of speech) go hand in hand with economic freedom.

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

Sources: The Fraser Institute; Freedom House, *Freedom in the World Country Ratings, 1972 through 2003* (<http://www.freedomhouse.org/ratings/index.htm>, as of July 5, 2005).

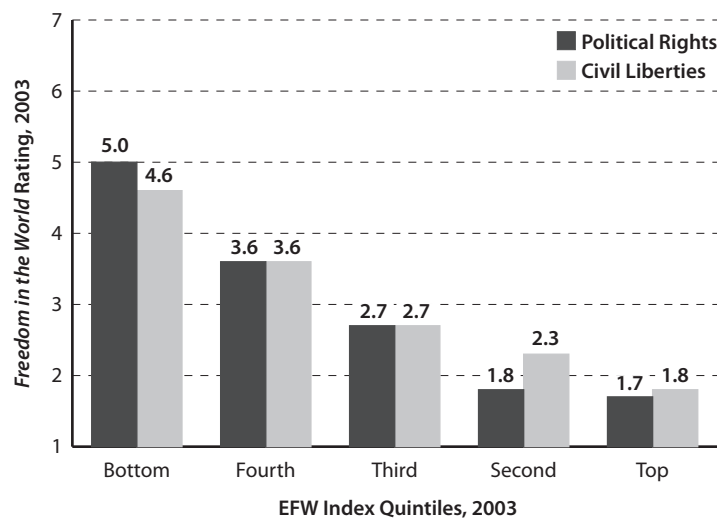
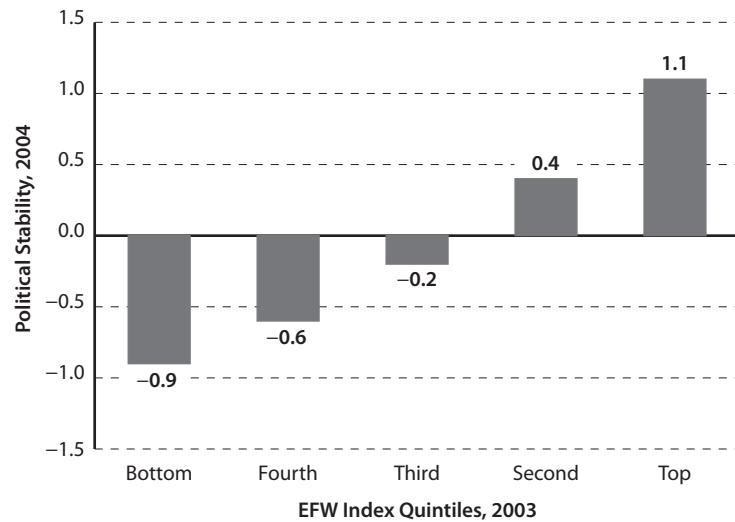


Exhibit 1.22: Economic Freedom and Political Stability

Political stability increases with economic freedom.

Note: The ratings for political stability range from about -2.5 to 2.5, with higher values corresponding to higher political stability.

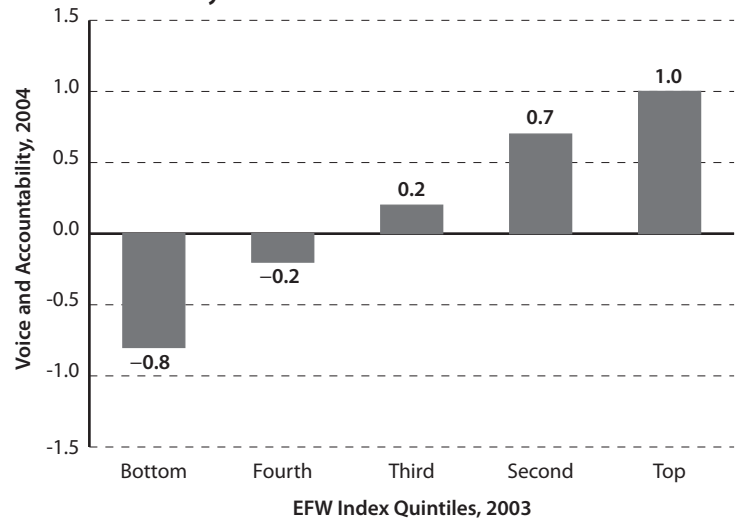
Sources: The Fraser Institute; The World Bank Group, *Governance & Anti-Corruption* (<http://info.worldbank.org/governance/kkz2004/tables.asp>, as of July 5, 2005).

**Exhibit 1.23: Economic Freedom and Voice and Accountability**

Voice and accountability increases with economic freedom.

Note: Voice and Accountability measures the extent to which citizens of a country are able to participate in the selection of governments and ranges from about -2.5 to 2.5, with higher values corresponding to higher voice and accountability.

Sources: The Fraser Institute; The World Bank Group, *Governance & Anti-Corruption* (<http://info.worldbank.org/governance/kkz2004/tables.asp>, as of July 5, 2005).



Notes

- 1 For additional information on these conferences, 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 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 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.
- 3 Researchers can find all the data at <http://www.freetheworld.com>. See Appendix 1: Explanatory Notes and Data Sources for a list of sources used in constructing the index.
- 4 Over the years, we have struggled with how to assign weights to various components and areas to construct a summary index. We have experimented with several weighting methods ranging from the subjective views of “experts” to principal component analysis. In most cases, the choice of weighting method exerts little impact on the rating and ranking of countries. As a result, we have concluded that it is best to keep the procedure simple and transparent. Therefore, we now use a simple average to combine the components into area ratings and the area ratings into summary ratings. By use of this procedure, we do not mean to imply that all components and areas of economic freedom are equally important. For some purposes, clearly some of the components are more important than others. Readers who want to weight the components and areas to suit themselves are invited to do so.
- 5 For the period from 1970 to 1995, we report the same legal structure and property rights rating as in the 2001 report.
- 6 In Areas 2, 4, and 5, we ran a regression among the 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 countries without survey data and, thereby, make them more comparable with the ratings of the countries for which the survey data were available. The same adjustments were performed in all years. This procedure was updated for the *2005 Annual Report*.
- 7 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.
- 8 The United Arab Emirates saw a significant jump in its rating between 2002 and 2003, increasing from 7.4 (17th) to 7.8 (9th). The primary reason for this change was that the country was included in the *Global Competitiveness Report* for the first time. As a result, its rating for 2003 is based on more data than was available for the 2002 index. The case of the UAE illustrates why it is better to use the chain-link summary index to make comparisons over time. In the chain-link summary index, the Emirates rating actually fell slightly from 7.4 to 7.3 between 2002 and 2003.
- 9 Although we have a summary index computed for 127 countries in 2003, the chain-link summary index is computed only for the 123 countries receiving ratings in the year 2000.

Chapter 2: Economic Freedom and Peace

by Erik Gartzke

Introduction

With war in the Middle East and the prospect of terrorist attacks at sites ranging from major airports to the local shopping mall, it may be appropriate to remind ourselves that much of the world is experiencing an extended period of peace. Indeed, developed countries have not fought each other since the Second World War. This peace is unusual because powerful nations are historically the most conflict prone. Since before the time of Thucydides, states have used wealth to acquire more territory and to dominate the affairs of their neighbors. Understanding the reasons that the powerful countries of today are less prone to dispute than their predecessors is critical to maintaining the peace and to extending its benefits more broadly. Policies predicated on inaccurate associations between democracy and peace, for example, seem destined to create as many problems as they solve.

Classical liberal theory provides two streams of explanation for peace, one focusing on the forms and practices of government, the other on free markets and private property. The former, seen most particularly in the writings of Immanuel Kant, has received extensive attention from students of international politics in the last decade. Kant was wrong when he claimed that republics are less warlike than other forms of government. Instead, researchers have found that democracies are less likely to fight each other, while being no less ready to use force generally. This “democratic peace” has been further proscribed by the discovery that developing democracies are just as war-prone as developing dictatorships. Available explanations involving the pacific effects of democratic norms, institutions, or transparent rule must struggle to explain why prosperity is a requirement for peace.

Liberal political economy offers no such contradiction. Scholars like Montesquieu, Adam Smith, Richard Cobden, Norman Angell, and Richard Rosecrance have long speculated that free markets have the potential to free states from the looming prospect of recurrent war-

fare. Capitalism encourages cooperation among states by creating conditions that make war unappealing or unnecessary. Free markets create another venue to competition among countries, often containing minor conflicts below the level of military force. The transformation of commerce made possible by economic freedom also leads to a transformation in international affairs. Conquest becomes expensive and unprofitable. Wealth in modern economies is much harder to “steal” through force than was the case among agricultural and early industrial societies. This “capitalist peace” has been slow to reach fruition but the tools and evidence are now in place to establish a firmer connection between economic freedom and reductions in conflict. I use the Index of Economic Freedom developed by Gwartney and Lawson and multivariate statistical analysis to show that free markets appear to encourage peace. I also evaluate several other factors often thought to influence whether states fight. Economic freedom is one of the rare factors that generally discourages conflict among nations.

Democracy is desirable for many reasons but policies that encourage, or even seek to impose, representative government are unlikely to contribute directly to international peace. As the results reported here make clear, free markets, and not democracy, have a general impact on the propensity of states to resort to military violence. At best, democracy may reduce conflict only among advanced industrialized economies. Developing countries do not benefit from a democratic peace. Especially in regions dominated by autocratic governments, the introduction of democracy can have little immediate impact on international cooperation. Similarly, substantial research shows that democratic government is stable only when combined with relatively high levels of economic development. In isolation, policies designed to make poor countries democratic can guarantee neither political stability nor international peace. Since prosperity is necessary for stable democracy and sufficient to produce peace, the best foreign policy is one that enhances and extends capitalism.

Background

Students of international political economy have long argued that global markets promote global amity. Cobden called commerce “the grand panacea, which, like a beneficent medical discovery, will serve to inoculate with the healthy and saving taste for civilization all the nations of the world” (1903: 36). Kant wrote that “the spirit of commerce, which is incompatible with war, sooner or later gains the upper hand in every state” (1957: 32). Mill claimed that “It is commerce which is rapidly rendering war obsolete, by strengthening and multiplying the personal interests which are in natural opposition to it.” (1902: 390). The problem, of course, is that Mill was wrong. Numerous wars and smaller conflicts stand between the present and the pristine optimism of nineteenth century liberal political economists. What did they miss? What did they understand correctly? What evidence is there that their basic vision contains insights of lasting validity?

Ideas ebb and flow with contemporary events. The assertion that capitalism can make states less warlike is easily maintained when markets are abundant and when warfare is scarce. Statesmen and intellectuals of the late nineteenth century embraced the link between free markets and international peace, only to see Europe torn apart in 1914. It is equally easy to view the world as wholly Hobbesian when economic and political crises loom. Realist scholars like Kenneth Waltz and John Mearsheimer maintained during the Cold War that global economic ties did not matter much to the conduct of affairs of state, despite evidence that the free and industrious nations of the earth were less war prone. A durable understanding of international relations—to say nothing of the quest for world peace—demands that theories do more than simply mimic policy trends or summarize intellectual fashion. The world is a noisy place. Extrapolation from current events is often bound to lead us astray. Indeed, it is far more likely that the relationship between economic freedom and peace is not absolute but is instead a tendency, complicated by the probabilistic nature of social phenomenon and confronted by multiple paths to war. With the application of statistical analysis to world politics, we can go beyond the recurrent clash of theories substantiated only by a fusillade of anecdotes.

Here, I offer evidence that free economies contribute to a decline in interstate conflict. First, however, I need to bring the classical liberal political-economic view of war up to date. The tradition of capitalist peace is rich but poorly grounded in key insights about why states

fight. A better understanding of how free markets free states from the need to make war may help to solidify and possibly even expand the peace among the advanced capitalist countries.

Economic Freedom and the World Wars

Norman Angell (1933), an ardent advocate of the liberal school and recipient of the Nobel Peace Prize for work as an author and politician, conceived of peace as deriving from economic progress. He identifies two processes thought to diminish the appeal of conquest among developed states. First, development leads to changes in production that make raiding and conquest unprofitable.

During the last quarter of the tenth century, Anlaf the Viking came thrice into Essex—and on each occasion he made a pretty good thing of it: his ships, to the number of 90, moved out of the estuaries deeply laden with corn, and hides, with fine cloth from the monasteries ... Obedient to the injunction to remember that the underlying forces of history and the motives of men remain unchanged, I have tried to imagine the British, now that they have the upper hand, returning the complement ten centuries later: our navy loading up a goodly part of our mercantile marine with the agricultural and industrial wealth of the Scandinavian peninsula. (Angell, 1933: 103)

It certainly does seem silly to think of the British Navy as marauding Vikings. Something had changed by the twentieth century and yet, within a decade of publication of the second edition of *The Great Illusion*, Britain garrisoned Iceland¹ and almost invaded Norway (Kersaudy, 1990),² Germany occupied Denmark and Norway (Ziemke, 1990), and Finland was embroiled in a war with the Soviet Union (Engle et al., 1992). Sweden alone retained its neutrality and sovereignty.

It takes considerably less effort to imagine Hitler, Mussolini, and Tojo in the role of Vikings. The Axis powers shared an ideology that was explicitly nostalgic and intrinsically anachronistic, harkening back to an era when enhancing state power meant territorial aggrandizement (Weinberg, 1994; Cassels, 2003).³ Still, while World War II may be seen as a “worst case,” it is possible to argue that development discouraged conflict in certain instances. From the beginning, the primary targets of Axis territorial aims were the poor countries on

the economic periphery of Europe. War with Western Europe was contemplated for strategic reasons, to cow France and the United Kingdom, not to capture resources (Weinberg, 1994). Why did Hitler—everyone’s model of ruthlessness—go after the relatively poorer regions of Eastern Europe when most of the wealth in Europe was in the West? With the exception of Finland, none of the Scandinavian countries was attacked with the objective of territorial aggrandizement. Germany’s invasion of Norway was primarily intended to preempt a planned British occupation (Ziemke, 1990). None of the major combatants was motivated by a desire to plunder Norway or to acquire additional territory or resources through force. The planned Anglo-French invasion was intended to protect northern shipping routes and deny Germany access to raw materials, objectives that made sense only in the context of the larger war. Indeed, Norwegian neutrality was seen to complement German objectives.⁴ Hitler never attacked Sweden, the richest prize and Germany’s main source for iron ore, half of which was shipped via Norway (Fox, 1959; Hägglöf, 1960).⁵ Even after the Allies could not intervene, Germany preferred to purchase, rather than take through force, the bulk of the wealth of the Scandinavian peninsula.⁶

This does not mean that Sweden was unaffected by the war. Nazi officials used the considerable imbalance in power to pressure the Swedish government on a variety of issues, particularly the passage of supplies and personnel through neutral territory. Sweden remained independent because it provided more to the Axis through trade than through occupation and because it wisely decided to bend diplomatically where Norway broke (Carlgren, 1977).⁷ Still, Germany chose not to invade Sweden when it could easily have done so. Hitler’s restraint can hardly be attributed to moral inhibitions or limitations on his exercise of sovereign power. Instead, it appears that a shrewd calculation was made that it was cheaper to trade rather than take needed Swedish resources.

The second process Angell points to involves economic liberalization. The increasing integration of global markets makes it easier to acquire goods and services through trade and harder to avoid unsettling investors through warfare. Angell imagines a German occupying army in London.

Whatever advantage German credit might gain from holding Britain’s gold, it would certainly be more than offset by the fact that it was the ruthless action of the German Government that had produced the general catastrophe. A country that

could sack bank reserves would be a good one for foreign investors to avoid: the essential of credit is confidence, and those who repudiate it pay dearly for their action. The German Generalissimo in London might be no more civilized than Anlaf himself, but he would soon find the difference between himself and Anlaf. Anlaf did not have to worry about a bank rate and such-like complications; but the German General, while trying to sack the Bank of England, might find his own balance in the Bank of Germany had vanished, and the value of even the best of his investments reduced. (Angell, 1933: 106–07)

Angell again appears mistaken, unless one looks more closely. It is often remembered that World War I began in the Balkans but generally forgotten that the Balkans constituted the most economically backward corner of Europe. While war was conspicuously absent in the series of crises among economically interdependent western powers leading up to 1914, crises in the Balkans seemed invariably to lead to warfare (Strachan, 2001). Conflict in the Balkans is thus easy to explain in terms of the absence of economic freedom. The local contest initiated by Austria-Hungary against Serbia spread through a robust system of alliance ties (Kissinger, 1994).⁸ The problem for Europe in 1914 was precisely that liberalization and integration were uneven, while political allegiances ensured that economic interdependence in the West no longer mattered. The most advanced nations had essentially Balkanized their foreign policies to increase the bargaining leverage of the Eastern European powers. To the degree that alliance ties were honored, mobilization decisions were effectively in the hands of the very states not subject to the economic inhibitions that Angell so eloquently describes.

The inability of economic interdependence to stem the contagion of war does not imply ineffectiveness in averting an initial spark. Failure to anticipate world war overshadowed the essential veracity of Angell’s claims. Events subsequent to the war seem to be consistent with Angell’s vision of liberal peace. Modern economies do not appear as amenable to military conquest (Brooks, 1999).⁹ Angell’s error is thus that he provides an overly narrow conception of the motives for interstate conflict. States compete, not just over resources, but over policies and strategic geography. Where one sits on the map matters, especially if one is between protagonists in a crisis (Fazal, 2002). Similarly, what a country demands, independent of the value of its territory or resources, is likely to influence the incentives

of others to take it to task, or even to war (Moravcsik, 1997). Thus, the capitalist peace offered by Angell and the other classical liberals is not wrong but incomplete. The explanation as it has evolved over time contains key insights that, once revised, should prove empirically valid.

The Capitalist Peace: An Evolving Explanation

In *Spirit of the Laws*, Montesquieu says that “[t]he richest trader had only invisible wealth which could be sent everywhere without leaving any trace ... [so that] rulers have been compelled to govern with greater wisdom than they themselves would have thought” (1989 [1748]: 389). Economic freedom means you can take it with you. When conditions get bad domestically, capital can leave the country, creating an economic, and thus political, drain on the society. Obviously, governments do not want money to leave. To the degree that sovereigns are unable to stop the flight of capital, however, they must create conditions that favor the voluntary retention of money within their borders.

The intellectual liberal tradition of economic peace beginning with Montesquieu, Mill, Adam Smith, and others, and progressing through Richard Cobden, Norman Angell, and Richard Rosecrance suggests a variety of ways in which capitalism can encourage peace. Perhaps the most general explanation is that economic interdependence creates something of mutual value to countries, which then leaves states loath to fight for fear of destroying economic benefits that they prize. While this is not implausible, the explanation depends on the supposition that items of mutual value do not themselves spark or facilitate conflict. Thomas Schelling tells a story of two mountain climbers tied together by a rope that in effect creates one common destiny. Schelling shows how something of mutual value can be used strategically to manipulate a counterpart; states that share economic linkages can in fact use the economic linkages to play a game of chicken: the more valuable the linkages, the more effective and telling is the game (Schelling, 1966: 99–100). If a state is reluctant to endanger the benefits of prosperous economic ties, it does not follow that peace will ensue. Other countries must be tempted to view a reluctance to fight as a vulnerability. To ensure peace, all possible participants must be unwilling to play the game of chicken or, indeed, to use military force.

Students of international relations traditionally looked to motive and opportunity (capability) to explain war. However, as murder-mystery novels and the game

of *Clue*[®] make clear, these conditions are seldom sufficient. Individuals, groups, and countries often disagree, but usually entities with different interests find that they can negotiate bargains that avoid more costly or flamboyant behavior. What then accounts for diplomatic success or failure? One of the basic problems in international relations is knowing when an opponent is, or is not, telling the truth. Leaders will often claim to be willing to use force when in fact they are bluffing. Wars result from several causes but an important contributor is uncertainty about what settlement of the stakes in a disagreement would be minimally acceptable to an opponent. If one accepts that war is a particularly costly method of adjudicating ownership over resources or policy prerogatives, then the surplus created by diplomatic solutions should make bargaining preferable to fighting.¹⁰ Just like poker players guarding their cards, the political leadership of nations finds that they sometimes have to dissemble to win. Given uncertainty and incentives to bluff, however, diplomacy can fail and conflict can ensue. Warfare in turn reveals information about the “cards” held by the respective combatants (information about states’ relative capability and resolve). Indeed, for a war to end, the parties involved in the contest must learn enough to settle on mutually acceptable bargains.

Economic freedom is important to peace for at least two reasons. First, free markets act as a sounding board for political activity. Actions that frighten markets discourage investment, drive down economic conditions domestically, and thus are likely to be avoided by local leaders. The use of force abroad is often associated with a decline in domestic investment and with outflows of capital (Bueno de Mesquita, 1990). To the degree that leaders are willing to make foreign-policy statements that scare capital markets, and to the extent that free monetary policies are in place that make it difficult for the government to interfere with capital flows, the international community may be able to infer a leader’s true resolve. Knowing what an opponent is willing to do makes it possible to bargain more effectively, so that resorting to violence to obtain what one side needs is less often necessary. Autonomous global markets create a venue through which leaders can establish credibility without needing to escalate to military force (Gartzke et al., 2001; Gartzke & Li, 2003).

Second, economies based on intellectual and financial capital are less dependent upon, and less interested in, occupying foreign territory. As the United States has shown in Iraq, winning a war with a twenty-first century army is the easy part of conquest. Militaries designed to achieve quick and easy victories on the modern battlefield are in-

creasingly poorly suited to the labor-intensive role of policing a populous society, especially when the population is ambivalent about foreign occupation. Historically, wealth was a function of arable acres. Big countries with lots of land were rich countries. Within these societies, wealth was achieved by sidling up to the sovereign; being a friend of the king meant land, which meant power. Indeed, maintaining one's economic position was equivalent to being involved in politics. Modern societies do not work this way. Wealth is not primarily derived from agriculture. Instead, money is made or maintained through innovative ideas and entrepreneurial spirit. Commodity prices and labor costs in developed economies have consistently trended in opposite directions. Armies of occupation are expensive and the proceeds of resource theft made possible by conquest are increasingly marginal. This argument suggests that economic freedom should discourage conquest, but that it may have little or no beneficial effects on other kinds of conflict, including fights over international policies and the conduct of domestic regimes. I show elsewhere that economic development is associated with a reduction in warfare over territory but that development actually increases non-territorial disputes (Gartzke, 2004, forthcoming).

One of the most interesting and actively studied topics in international relations in recent years is the democratic peace. Democracies tend not to fight each other, though they are no less likely to fight in general (Oneal and Russett, 1997, 1999; Russett, 1993; Russett and Oneal, 2001). In other words, liberal political systems, in and of themselves, have no impact on whether states fight. It is easy to show, however, that the capitalist peace has a much more general effect. Table 2.1 lists a logit regression¹¹ statistical model of interstate conflict behavior. Regression analysis is a useful way of identifying tendencies. Few things involving human beings are deterministic; a contributing factor will seldom always lead to outcome *X* or outcome *Y*. Instead, researchers look for variables that have some effect in some cases. The problem with looking at individual instances of conflict is that one might attribute too much importance to one factor or another. The regression analysis tells us how much a variety of possible causal variables contribute to the onset of conflict behavior.

Table 2.1 identifies determinants of Militarized Interstate Disputes (MIDs), defined as a serious threat or use of force, up to and including war involving 1,000 battlefield deaths. MIDs are a standard indicator of conflict behavior used by researchers in international relations (Gochman and Maoz, 1984; Jones et al., 1996).¹² Annual observations for each country (e.g., Canada 1983, Canada 1984, etc.) are coded "1" if there is a dispute in that

year involving the country and "0" otherwise. Regression analysis creates a coefficient for each variable, which indicates the magnitude of the effect of that variable on the probability of there being a MID in a given year, taking into account the impact of other variables. The regression estimator also provides an indication of how confident one should be in this estimated coefficient. Social phenomenon are usually seen as probabilistic: even when all key contributing factors are identical, outcomes may differ from case to case. Perhaps the apparent relationship between a given independent variable and disputes is only apparent. The regression model addresses this concern by creating a range or distribution of possible relationships between cause and effect. The standard error provides an indication of the "spread" of this distribution of possible coefficients. If the standard error is large relative to the coefficient (roughly, greater than half the size of the coefficient), then it is possible that the "real" coefficient generating the data equals zero and that no relationship exists between the variable and whether states fight. A measure of "statistical significance" reflects the odds that we might incorrectly accept a coefficient as indicating a relationship between cause and effect. The convention is to use significance thresholds of 1%, 5%, or 10%. In order to accept a relationship, we require that out of 100 tries with similar data, between 90 and 99 of the coefficient estimates produced should be much different from zero.¹³

Table 2.1: Effect of Economic Freedom on Militarized Interstate Disputes (MIDs)

Variable	Coefficient	(Standard Error)
Economic Freedom	-0.567**	(0.179)
Capabilities	2.777	(8.491)
Population	2.08×10^{-6} *	(8.18×10^{-7})
Major Power?	0.853	(1.133)
Democracy Score	-0.011	(0.065)
Defense Pact?	-0.628	(0.482)
GDP per Capita	8.01×10^{-6}	(8.04×10^{-5})
Trade Openness	1.57×10^{-7}	(1.50×10^{-6})
_spline1	6.08×10^{-4} **	(2.32×10^{-4})
_spline2	-4.53×10^{-4} *	(1.76×10^{-4})
_spline3	1.19×10^{-4} *	(4.87×10^{-5})
Intercept	-0.381	(1.210)
N	2519	
Log-likelihood	-161.719	
$\chi^2_{(11)}$	160.564	
Significance levels:	†: 10% *: 5% **: 1%	

This approach acknowledges that the world is noisy (“stochastic”) while minimizing the danger of accepting theories that are actually false.

The key causal or “independent” variable in the analysis is *Economic Freedom*. This is the index developed by Gwartney, Lawson and others to measure the liberalization of a country’s economy. As can be seen from Table 2.1, *Economic Freedom* significantly decreases the probability that a country will experience a dispute.¹⁴ There are several other variables included in the analysis to ensure that the findings for *Economic Freedom* are not spurious. All of these variables are quite conventional in quantitative studies of international conflict. *Capabilities* attempts to capture the concept of “power” by reporting the average percentage of total world capabilities a nation possesses in six categories reflecting military, economic, and demographic variables. Large, powerful countries tend to be more disputatious than small ones. *Population* reports total adult population for a country. *Democracy Score* is a standard indicator of the “democraticness” of a country. *Major Power?* and *Defense Pact?* are dichotomous (dummy) variables coded “1” if the country in question is a major power or if the country has a strong military alliance with another state that might come to its aid in time of war. *GDP per Capita* measures the average national income of the country. This is important to include, since we seek to know whether it is prosperity *per se* or more narrowly economic freedom that causes peace. Similarly, *Trade Openness* could be another candidate for discouraging conflict. Finally, I include a set of variables that address a technical problem posed when conflict behavior is related through time. The method of estimation assumes that disputes are unrelated. Obviously, conflict in a given year can spill over and contribute to subsequent disputes. Adding spline variables ensures that the findings are not a product of reverse causation.¹⁵

Beyond the spline variables, only *Economic Freedom* and, secondarily, *Population* are statistically significant. Economic structure and to some degree demographic size influence conflict but we cannot have confidence that the other variables have any effect on whether states fight.

While one can look at the coefficients and standard errors in Table 2.1 and quickly decide whether the claimed relationship is worth accepting (or not rejecting), it is less easy to determine how much a given variable matters to whether states fight. Logit regression allows researchers to study situations where the outcome of interest is dichotomous (i.e., “war”, “no war”). However, for technical reasons, the regression estimator must treat

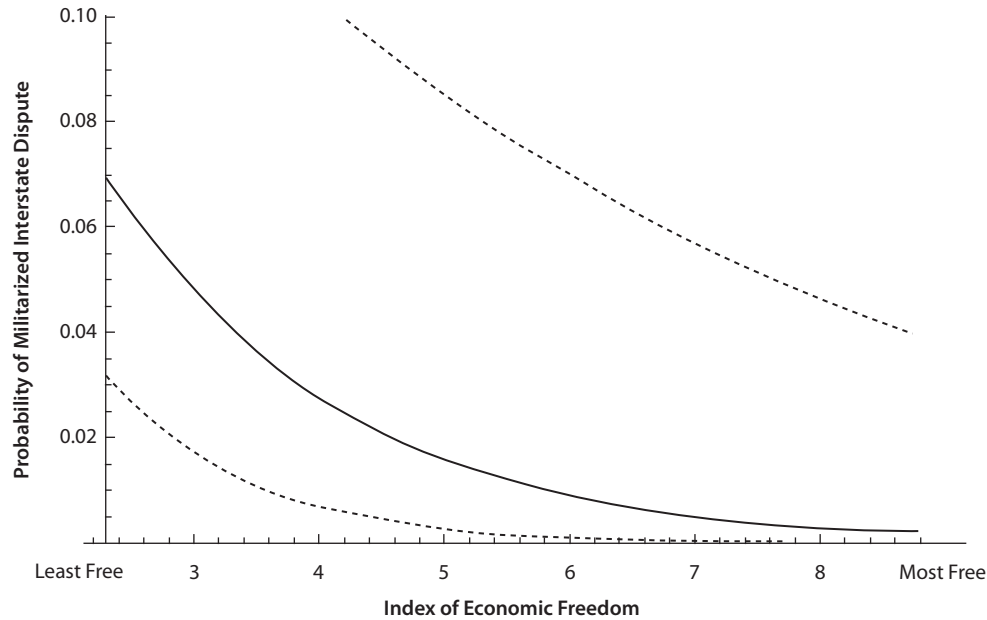
the outcome as if it were continuous (i.e., more or less of something, as if estimating the intensity or probability of a conflict). Instead of predicting a dispute or no dispute, then, the logit estimator predicts the probability of a dispute. In order to ensure certain nice properties for these predicted probabilities, logit uses a ratio involving natural logs.¹⁶ Much like converting decimal values to binary code to allow them to be evaluated by a computer, the log transformation facilitates estimation and significance testing at some expense to intuition. The resulting coefficients are best interpreted by plotting the predicted probabilities calculated by the logit regression.

The substantive effects of *Economic Freedom* and the *Democracy Score* on international disputes can be seen in Figures 2.1 and 2.2, respectively. In both figures, the horizontal axis lists the ordinal scales for the respective explanatory variable (either the Index of Economic Freedom or the Polity Democracy Index), while the vertical axis reports the probability of a MID in a given year for states with a given level of either of the two explanatory variables. The solid line sloping down and to the right in Figure 2.1 is the relationship between *Economic Freedom* and militarized disputes, as estimated by the regression in Table 2.1. In Figure 2.2, the effect of the *Democracy Score* variable on conflict also appears as a solid line, which slopes slightly down and to the right. In Figure 2.1, the two light dashed lines that appear to run in parallel above and below the line for *Economic Freedom* represent confidence intervals. Ninety-five percent of all the solid lines estimated from regressions on similar data would be contained within the interval bounded by the two dashed lines. In other words, the relationship depicted in the figure between *Economic Freedom* and an absence of militarized violence is very likely to be at least approximately correct.

As can be seen from the figure, the impact of free markets and limited government is substantial. The least free states have about a 7% chance of experiencing a dispute, while the freest states experience disputes in only about half of 1% of the years examined. Making economies freer translates into making countries more peaceful. At the extremes, the least free states are about 14 times as conflict prone as the most free.

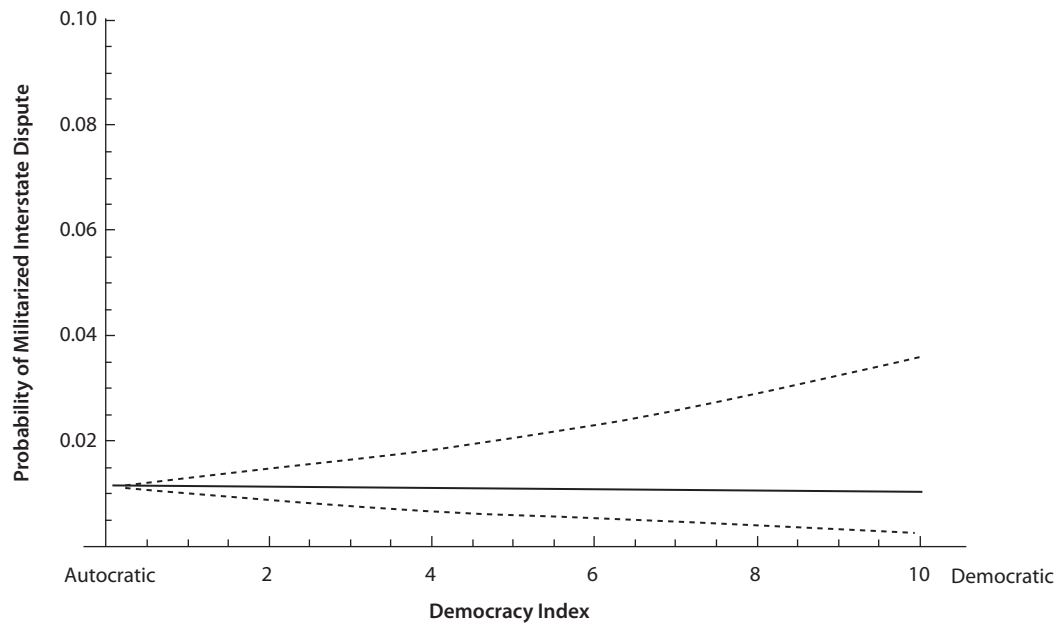
The same cannot be said for the relationship between democracy and conflict. The horizontal position of the line in Figure 2.2 suggests that the *Democracy Score* variable has almost no effect on militarized conflict.¹⁷ The least democratic states (values near zero) and the most democratic states (values near 10) are about as likely to experience a dispute. In fact, a comparison of extreme values of *Economic Freedom* and *Democracy Score*

Figure 2.1: Effect of Economic Freedom on Militarized Interstate Disputes (MIDs)



Source: Table 2.1.

Figure 2.2: Effect of Democracy on Militarized Interstate Disputes (MIDs)



shows that the former has roughly 54 times the impact on dispute behavior as the latter. Nor should one take the fact that the *Democracy Score* line is very near zero as a sign that war is unlikely for democracies. Inference depends on covariation. Regardless of whether the method is physical (experimental), theoretical, or statistical, one “wiggles” the causal factor and looks for corresponding movement in the outcome variable. Here, there is no

movement in the outcome; democracy does not affect the probability of MIDs. In fact, we cannot rule out the possibility that high values of the *Democracy Score* variable increase conflict. The topmost line in Figure 2.2, the light dashed line for the upper confidence interval, slopes upward, indicating that at least some of the estimated relationships on similar data will report that democracy makes disputes more likely.

Additional factors considered

Two substantive factors have been used to explain peace in the modern era that are not included in the analysis in Table 2.1. First, some countries belong to collective security arrangements or regional trade agreements that might limit their tendency to fight with one another. The European Union (EU) is perhaps the best example of a community of nations that is thought to have successfully replaced warfare with peaceful interaction. The reasoning varies but many have claimed that the institutions and culture of the EU enhance deliberation and discourage violence among members. Second, researchers such as Kenneth Waltz and John Mearsheimer emphasize that nuclear weapons can act as a deterrent. States may be loath to fight with countries possessing nuclear weapons. To test these possible confounding factors, I add two variables that measure membership in the European Union and possession of nuclear weapons in Table 2.2. *EU Member?* is a dummy variable equal to “1” if the state is a member of the European Union in a given year. Similarly, *Nuclear Weapons?* identifies those states that possessed, or were widely believed to possess, nuclear weapons in a given year. Neither variable significantly alters the probability that a state will be involved in a militarized dispute. Further, Economic Freedom remains a statistically significant predictor of dispute behavior.

It is important to ensure that the findings reported here are not a product of error or wishful thinking. An examination of possible alternative explanations could not be deemed very thorough if we ignored demographic variables. Possible demographic factors abound. I have looked at many but offer only a few examples in Table 2.3. *Total Land Area* reports the number of hectares of land enclosed by a country’s borders. Geographically large countries, independent of population, might behave differently from small countries, which are also often more dependent on trade. It might also be that countries that are very densely populated are more dispute prone. *Population Density* records the number of adults per hectare, possibly reflecting “lateral pressure” (Choucri and North, 1975, 1989). *N° of Contiguous States* indicates whether a state has many neighbors and therefore many possible disputants. Finally, *Arable Land/Population* distinguishes states with large nominal territories from those with abundant agricultural land. As before, there is no change in the results for the *Economic Freedom* variable and none of the new variables is statistically significant.

A final test for robustness involves breaking the sample of countries up by region. Recent research in international relations has re-emphasized the salience of

regional heterogeneity. The conflict behavior of states in Africa is driven in part by variables different from those driving conflict behavior in Europe or North America. To address the possibility that the findings for *Economic Freedom* might simply reflect regional differences, I include a set of regional dummy variables. These variables, labeled for the appropriate region¹⁸ are added in Table 2.4. Several of the regional dummies are statistically significant, indicating that the causes of conflict differ in different parts of the globe. However, *Economic Freedom* is undisturbed by the presence of regional heterogeneity. These findings suggest an extremely robust relationship between free markets and peace. Indeed, Economic Freedom is the only variable that proves consistently both statistically and substantively significant in these analyses.

The Future of Capitalist Peace

The results reported above make it possible to speculate about the evolution of international relations. Some implications are promising and some are not. Countries with free and prosperous economies have a good chance of maintaining and even deepening the peace that has characterized the latter half of the twentieth century. The shift

Table 2.2: Adding Membership in EU and Possession of Nuclear Weapons

Variable	Coefficient	(Standard Error)
Economic Freedom	−0.531**	(0.176)
Capabilities	−2.917	(9.151)
Population	$1.68 \times 10^{-6\dagger}$	(9.74×10^{-7})
Major Power?	0.452	(1.130)
Democracy Score	−0.030	(0.065)
Defense Pact?	−0.472	(0.560)
GDP per Capita	2.95×10^{-6}	(8.14×10^{-5})
Trade Openness	4.43×10^{-7}	(1.46×10^{-6})
EU Member?	−0.865	(0.865)
Nuclear Weapons?	1.321	(1.014)
_spline1	$6.16 \times 10^{-4***}$	(2.35×10^{-4})
_spline2	$−4.62 \times 10^{-4***}$	(1.77×10^{-4})
_spline3	$1.23 \times 10^{-4**}$	(4.8×10^{-5})
Intercept	−0.562	(1.341)
N	2519	
Log-likelihood	−159.49	
$\chi^2_{(13)}$	275.447	
Significance levels:	†: 10% *: 5% **: 1%	

Table 2.3: Examining Additional Demographic Factors

Variable	Coefficient	(Standard Error)
Economic Freedom	-0.779**	(0.221)
Capabilities	4.461	(13.281)
Population	2.27×10^{-6} *	(1.14×10^{-6})
Major Power?	1.148	(0.969)
Democracy Score	-0.008	(0.059)
Defense Pact?	-0.536	(0.462)
GDP per Capita	1.12×10^{-5}	(6.63×10^{-5})
Trade Openness	-5.03×10^{-8}	(1.50×10^{-6})
Total Land Area	8.74×10^{-8}	(1.69×10^{-7})
Population Density	2.87×10^{-4}	(2.42×10^{-4})
Nº of Contiguous States	-0.157	(0.097)
Arable Land/Population	-0.123	(0.111)
_spline1	6.14×10^{-4} **	(2.14×10^{-4})
_spline2	-4.66×10^{-4} **	(1.70×10^{-4})
_spline3	1.26×10^{-4} *	(5.04×10^{-5})
Intercept	1.257	(1.578)
N	2519	
Log-likelihood	-157.831	
$\chi^2_{(15)}$	188.22	
Significance levels: †: 10% *: 5% **: 1%		

Table 2.4: A Look at Regional Effects

Variable	Coefficient	(Standard Error)
Economic Freedom	-0.681**	(0.194)
Capabilities	-4.667	(9.184)
Population	1.11×10^{-6}	(9.00×10^{-7})
Major Power?	1.773	(1.191)
Democracy Score	0.038	(0.054)
Defense Pact?	-0.168	(0.531)
GDP per Capita	4.02×10^{-5}	(5.19×10^{-5})
Trade Openness	-1.21×10^{-6}	(2.33×10^{-6})
North America?	14.730**	(0.640)
South America?	13.808	(0.000)
Europe?	13.789**	(0.832)
Africa?	14.189**	(0.959)
N. Africa & Mid. East?	14.836**	(0.656)
Asia?	15.971**	(0.815)
_spline1	6.28×10^{-4} **	(2.04×10^{-4})
_spline2	-4.63×10^{-4} **	(1.56×10^{-4})
_spline3	1.19×10^{-4} **	(4.41×10^{-5})
Intercept	-15.026**	(1.189)
N	2519	
Log-likelihood	-154.297	
Significance levels: †: 10% *: 5% **: 1%		

toward post-industrial production has already occurred in these countries, bringing with it a reduction in the utility for war. Free-market capitalism also seems entrenched. However, maintaining the existing commercial and financial systems across relatively open borders is an ongoing concern. Protectionism can return, as it has in the past. The United States in particular needs to continue its leadership role in promoting global capitalism.

Changes in the nature of production that discourage prosperous countries from wars of conquest may be reversed or degraded by subsequent technological, social, military, or environmental change. At present, developed countries field effective fighting forces but find the labor-intensive activity of policing and administering conquered territory difficult and unprofitable. Developing countries can more effectively benefit from conquest but these countries are often unable to maintain or deploy military forces capable of winning wars. Saddam Hussein wanted Kuwait but could not keep it. The United States and its coalition allies could take Kuwait but did not want it, at least not as real estate. If resource theft again becomes expedient, as was generally the case in the past, then we will again see wealthy nations conquer and take. Yet, even with rising oil prices, it pays to remember that crude oil remains much cheaper by volume than the bottled water guzzled by thirsty armies of occupation. The Pentagon estimated recently that the life-cycle cost of a soldier exceeds US\$4 million. On the horizon, robots will replace human beings in some military roles. However, this “brave new world” is a long way off and, in any event, lowering the cost of occupation is only half the profit equation. Information economies will remain poor targets for territorial aggrandizement and expansion of the global information economy promotes peace.

The situation is less rosy for developing countries. While the major economic powers may have lost interest in conquest, there remains occasional enthusiasm for using force to redirect the policies or politics of developing countries. Wars will continue as long as states differ in their views about the conduct of international affairs. “Rogue nations” will remain obstreperous. The rise of China presents the possibility of a clash over ideologies and influence in Asia. The evidence here suggests that emphasizing economic liberalization has been the appropriate course. Political freedom should, and must, come to China but it does not appear that democratization, by itself, will make China more peaceful. Indeed, rising nationalist sentiment in newly democratizing countries has been linked to an increased propensity toward military adventurism (Mansfield and Snyder, 2002a, 2002b).

Warfare among developing nations will remain unaffected by the capitalist peace as long as the economies of many developing countries remain fettered by governmental control. Similarly, economic development is required to shift emphasis from land, labor, and other traditional inputs to production and toward intellectual and financial capital, inputs that are less easily acquired through force. A problem will arise as increasing wealth and domestic political stability provides developing countries with the resources to project power beyond their nominal borders. Much of Africa and South America is partitioned according to the whims of long-dead European diplomats and existing borders do not reflect historic or current ethnic, linguistic, or cultural boundaries. Economic development may literally provide the ammunition for rising conflict in the developing world.

To avoid development creating a tinderbox of the southern hemisphere, it is necessary that increasing prosperity coincide with a relative decline in the value for territory and with growing dependence on global capital. The advantage of late-industrializing countries is that they may skip the most dangerous stages of industrialization. Early industrialization creates the need for natural resources and the where-with-all to acquire them through force. Labor costs are low, allowing the staffing of occupying armies. More important, valuable assets and resources remain “lootable” through conquest. Knowledge industries call for heavy investments of capital and human ingenuity but little that can be ransacked by an invader. The “outsourcing” of services, telemarketing, and software industries, while vexing to many in the developed world, helps to create economies in the developing world that are less inclined toward war. The IndoPakistani conflict has regularly erupted in warfare but leaders in both countries have recently come to accept that their more open economies suffer greatly from active hostilities. The growing dependence on international capital and the declining value of disputed territory relative to technological innovation means that the impetus to make peace has increased and the value of war has declined. On Cyprus, three decades of tense peace are gradually being replaced by the recognition that access to the knowledge economies of Europe is much more critical to prosperity than possession of orchards and pastures.

Democracy has many obvious virtues and current policy initiatives by the United States and other countries to promote—or even impose—democracy can potentially be justified solely on the basis of domestic benefits to affected populations. However, if the explicit intent of a policy of democratization is to foster international peace,

then there is need for considerable caution. It appears more effective to promote peace through the spread of free markets first and, then, to use free markets to bolster the move to democracy. The results here suggest that efforts to promote peace in the Middle East and in other regions dominated by autocratic governments through democratization are of particularly questionable worth. Whether Iraq, for example, can achieve stable democracy remains to be seen; but even success in such ventures appears unlikely to yield a meaningful reduction in interstate conflict unless it is paired with substantial and successful economic reform. Given finite resources, the attentions of developed nations are best directed upon reinforcing and propagating the free-market principles and practices that lead to peace over much of the northern hemisphere. The United States in particular has used its status as hegemon to champion capitalism and to encourage economic development. This effort should not be allowed to falter now that terrorism and the end of the Cold War have shifted US focus from containment of the Soviet Union to a more pro-active international policy. Democracy should be encouraged but the evidence suggests that democracy alone will not yield peace, while popular rule appears unstable in the absence of some degree of prosperity. In short, to achieve the goals of peace and freedom, the developed countries of the world cannot afford not to sponsor the extension of capitalist institutions and practices.

Conclusion

World peace will not be achieved by economic freedom alone. It would be foolish to parrot the position of liberal optimists of the eighteenth and nineteenth centuries and believe that freedom in any sphere, however desirable in its own right, holds all the keys to global amity. Nor can contemporary students of global affairs ignore the fact that warfare ravaged the freest and most liberal societies of the previous century. As has been long recognized, freedom allows the expression of the worst in humanity as well as the best. Still, the apparent tendency of economic freedom to promote peace should not be discounted, especially now that the presence of this relationship is more than mere speculation. Policies designed to spread free-market capitalism have not “placed countless mines under the edifice of world peace” (Liebknecht, 1969: 13) as many critics now and in the past have claimed. To the contrary, the globalization of capitalism and the spread of free markets has done just the opposite, creating conditions where force is less often an expedient.

At first glance, capitalist peace seems paradoxical. Firms compete in a manner often compared to warfare. Books like Sun Tzu's *Art of War* and Clausewitz's *On War* are devoured by students in business schools, eager to obtain a competitive edge. The western tradition of intellectual and activist peace movements has tended to see self-interest is one of the roots of evil in the world. Only through altruism can the earth be made a better place. Unfortunately, altruism is often in short supply. Utopian visions are unworkable precisely because they hinge upon the transformation of individual and social human nature. Modern scholars, particularly those identified with the neoliberal school, have emphasized national and supra-national institutions as possible remedies for interstate conflict. The logic underlying this view is not dissimilar from the logic of those who advocate bigger government to solve domestic social problems. While we cannot alter innate tendencies for human beings (or countries) to do wrong, we can alter incentives or constrain behavior. International institutions can be shown to contribute

to peace, though the effect is not large, with all but the most substantial organizations having little or no impact (Boehmer et al., forthcoming).

Adam Smith had the great insight two centuries ago that self-interest, unfettered by bureaucratic guidance or constraints, served the common good better than state control. Market forces act as an "invisible hand," freeing the productive potential of human populations. Today, there is increasing evidence that an invisible hand also acts on the foreign policies of nations. Global markets offer an alternative to the revelatory mechanism of warfare, while prosperity makes some forms of aggression unprofitable. The search for world peace has long been consumed with the need for selflessness, though altruism appears to have achieved little pacific impact in practice. Instead, it is a by-product of self interest that has been found to yield yet another virtuous social effect. The flowering of economic freedom, what some have derisively labeled "greed," has begun to dampen the fires of war that to many seemed perennial and inherent, a product of civilization itself.

Appendix: Sources of Data

Many of the variables used in the study are generated using the *EUGene*© software package (Bennett and Stam, 2000). Additional variables are from other sources detailed below. A *Stata*™ "do" file that replicates all aspects of data construction and empirical analysis is available from the author (e-mail: eg589@columbia.edu).

1. Dependent Variable

I use the Militarized Interstate Disputes (MIDs) to measure conflict behavior among states. The *EUGene* version of the MIDs data cover the period from 1816 to 2000 and contain the variable *mzfatald*, which codes six categories of conflict intensity (0 = no battle deaths, 1 = 1 to 25 deaths, 2 = 26 to 100 deaths, 3 = 101 to 250 deaths, 4 = 251 to 500 deaths, 5 = 501 to 999 deaths, 6 = at least 1,000 battle deaths). See Gochman and Maoz, 1984 and Jones, Bremer, and Singer, 1996 for additional details.

2. Independent Variables

Economic Freedom

James Gwartney, Robert Lawson and others develop an index "designed to identify the consistency of institutional arrangements and policies with economic freedom in seven major areas" (2000: 3). The areas include "(I) size of government, (II) economic structure and use of markets, (III) monetary policy and price stability, (IV) freedom to use alternative currencies, (V) legal structure and security of private ownership, (VI) freedom to trade with foreigners, and (VII) freedom of exchange in capital markets" (Gwartney and Lawson 2000: 3). The seven areas of economic freedom are further composed of 23 different statistical indicators. Data are available at 5-year intervals from 1970 to 1995 for some 123 countries. The economic freedom data are available at: <http://www.freetheworld.com/download.html>. I prepared versions of these data that replace missing values with values from previous years and also interpolated missing values.

Capabilities

Capabilities determine the ability of states to project power and conduct warfare. The Correlates of War project (COW) Composite Indicators of National Capabilities (CINC) score provides an index of a state's potential for using force. CINC scores are computed as the weighted average of a state's share of total system population, urban population, energy consumption, iron and steel production, military manpower, and military expenditures.

Population

Countries with many people arguably experience a given number of battle deaths differently than do small countries with relatively few citizens. Populations may also be large or small relative to available territory (Choucri and North, 1975, 1989). I add *Population Density* to some regressions. This variable measures the total national population divided by total square miles of territory. Similarly, *Arable Land/Pop.* measures the number of hectares of productive agricultural or pasture land, weighted by population. These data come from the *CIA World Factbook* but are only available for a few years. I replace missing values with values from other years, since these data do not change much over time.

Major Power?

Powerful states tend to be more active internationally, resulting in more frequent conflict behavior. Since major powers may also be relatively prosperous, hypotheses involving liberalization might be confounded by behavior stemming from a state's status as a major power. The dichotomous variable, *Major Power?* is coded "1" if a state is a major power in a given year.

Democracy Score

I measure democracy using the standard Polity IV data (Jaggers and Gurr, 1995). Polity data provide two 11-point indexes of regime type based on formal constraints on the executive (*AUTO*) and institutional support for democracy (*DEMO*) (Gurr et al., 1989). I combine Polity democracy (*DEMO*) and autocracy (*AUTO*) scales as follows,

$$[(\text{DEMO}_i - \text{AUTO}_i) + 10] / 2, \text{ (where } i \in [A, B]).$$

These data, and my approach to constructing the indicator, are heavily used in studies of international conflict. See Oneal and Russett, 1999.

Defense Pact?

Alliances are formed with the intention of influencing interstate conflict by deterring aggression or encouraging intervention. *Defense Pact?* is a dummy coded for the presence or absence of a defense pact, as specified by the COW Alliance dataset (Singer and Small, 1966; Small and Singer, 1990).¹⁸ Note that most countries have no defense pact in a given year.

GDP per Capita

GDP per capita is the preferred measure of economic development. I obtain data on GDP and population from Gleditsch (2002), who in turn obtains data from Summers and Heston, 1991.

Trade Openness

Interdependence constitutes the second of three components emphasized in recent research on liberal peace. *Trade Openness* equals total domestic annual imports plus exports of goods and services, divided by the country's gross national product. Gleditsch (2002) offers data with fewer missing values than other sources, including observations for developing and socialist countries.

Nuclear Weapons?

Nuclear weapons are a special, possibly transformative, military technology that might inhibit large-scale warfare involving some nations (Bueno de Mesquita and Riker, 1982; Mearsheimer, 1984, 1993). Alternately, so-called "domino" conflicts in the shadow of nuclear cold war might lead to higher casualty counts (Sagan and

Waltz, 2003). It has also been argued that the effect of democracy on conflict can be explained by nuclear deterrence (Rosato, 2003). I use Jo and Gartzke (2002) to identify nuclear states and dyads in which either state possesses nuclear weapons.

EU Member?

I code members in the most visible and arguably persuasive security community annually from its inception using membership data that appears online at the EU's website.

Temporal Dependence (Spline Variables)

Finally, I control for temporal dependence using the technique of Beck, Katz, and Tucker (1998). I construct a different set of four spline variables for each of the dependent variables constructed for the study. The splines are interpolated from the dummy matrix of lags between conflict dyad years using a *Stata* batch file created by Tucker (1999).

Notes

- 1 United States Marines replaced British and Canadian troops on Iceland in July 1941 (Fairchild, 1990).
- 2 The joint Anglo-French expedition involved securing northern Norway and Sweden, putatively to aid Finland in its fight against the USSR. In fact, the goal was to interdict Swedish iron ore bound for Germany. When the two Scandinavian countries flatly refused Allied assistance, the British and French cabinets authorized a landing in force. The Russo-Finnish war ended before operations could begin (Kersaudy, 1990: 13–36). The Allies returned to an invasion of the Scandinavian peninsula in March, 1940. The preparatory mining of Norwegian coastal waters by British warships and operation *Westerübung*, the German invasion of Norway and Denmark, began virtually simultaneously (Kersaudy, 1990: 51–63). Joint democratic conflict was averted only by political vacillation.
- 3 There is an obvious overlap between Fascist ideology and material expediency. Alan Cassels quotes Hitler: “If we speak of soil in Europe today, we can primarily have in mind only Russia and her vassal border states” (2003: 233). Weinberg contrasts *Lebensraum* with the prevailing *westward* migration of the German population (1994: 44). Hitler wanted open steppes and farmers while his population wanted factory jobs and a walk-up flat in the Ruhr Valley.
- 4 “During the autumn of 1939 Hitler repeatedly expressed the view that Germany had no reason to intervene in the affairs of northern Europe or on the Norwegian coast and that the maintenance of the status quo was the best alternative” (Häikiö, 1983: 62).
- 5 A number of European states declared themselves neutral at the beginning of the Second World War. Of these, only five managed to avoid occupation or direct involvement in the conflict (Ireland, Portugal, Spain, Sweden, and Switzerland). Of these, three (Ireland, Portugal, and Spain) were effectively on the periphery of military operations. The remaining two were surrounded by Axis forces, and were also industrialized.
- 6 Invading Sweden would have allowed German forces to avoid exposure to the British Royal Navy. Sweden was not well defended in 1940, and the terrain in the South would sustain blitzkrieg tactics. Häggblöf (1960) notes that the iron mines and hydroelectric power plants in the north could quickly be destroyed. Häggblöf also argues that Sweden's security during this period lay in Hitler's preoccupation elsewhere, though he then establishes precisely the opposite: “When one would have expected [Hitler] to be wholly concentrated on the situation on the Russian front, he spent hours pondering about the possibility of an Allied landing on the Norwegian coast” (1960: 163).
- 7 Liberman (1996) stresses that ruthless occupiers can turn a profit but he fails to recognize or demonstrate that conquest must *exceed* profits from trade (not just be profitable) to be preferred.
- 8 “Since it was virtually certain that at some point some nation would mobilize for some cause, it was only a matter of time before a general war broke out, for it required only one mobilization by a major power” (Kissinger, 1994: 203).

- 9 Early statistical tests cast doubt on an association between development and conflict (Richardson, 1960; East and Gregg, 1967; Maoz and Russett, 1992). However, these studies ignore the contrasting effects of motive and opportunity (Boehmer and Sobek, 2005; Gartzke, 2004). Rich states project power abroad but seldom fight their neighbors.
- 10 There are exceptions to this logic but they cloud the present discussion without significant additional benefit.
- 11 Logit is used when the variable that one is trying to explain is dichotomous; that is, the variable can take on only two values, as in “dispute” or “not dispute”.
- 12 Previous unpublished studies that examine the effect of the Index of Economic Freedom on Conflict include Gartzke (2000b) and Barbieri (2004). Barbieri (2004) offers a monadic statistical model and is more critical of liberal peace arguments. Gartzke (2000b) examines the interaction of states through the use of dyads as the unit-of-analysis.
- 13 Technically, statistical analysis never leads to the acceptance of hypotheses, only to the rejection of alternatives.
- 14 Temporal coverage is limited by available data. For additional details, please see the appendix.
- 15 I also adjust the estimated standard errors for clustering in the units (in this case, states).
- 16 The logit estimator equals the sum of values on the independent variables, each weighted by its coefficient, divided by one plus the same value. This creates a sigmoidal (“s” shaped) function asymptotic at zero and one and monotonic in the values of the independent variables.
- 17 It is widely, but not universally, accepted in international relations that democracies are no less warlike in general; see Rousseau et al. (1996). The fact that the space occupied by the confidence interval increases from left to right in Figure 2.2 indicates heteroskedasticity. There is a relationship between the value of the explanatory variable (democracy) and uncertainty about the estimate. Something more complex is occurring that has not been fully captured by the Democracy Score variable in the model. Indeed, the democratic peace is a claim about a special “dyadic” interaction, implying that the line should slope downward only among democracies. See Russett (1993), Russett and Oneal (2001). Elsewhere, I challenge the democratic peace, arguing that common interests and/or economic variables associated with capitalism explain the lack of warfare among liberal states. See Gartzke, 1997, 2000a, 2005.
- 18 I omit one dummy variable (the Pacific Island countries) to avoid creating a dummy variable trap. A dummy variable trap occurs when the matrix of dummy variables can take on more values than exist empirically. If I included Pacific Island countries as a dichotomous regional variable, then a value of zero for all of the regional variables would represent a fictional “none of the above,” rather than some actual region of the world. Since comparisons are relational, the coefficients for all of the regional dummy variables would then be inaccurate.
- 18 A dummy variable that coded the presence or absence of any form of alliance produced equivalent results.

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Chapter 3: Country Data Tables

This chapter presents detailed data on the component variables used in constructing the EFW index for the 127 countries included in this study. For each country, we present the overall EFW index rating and the ranking of that country for the years 1980, 1985, 1990, 1995, 2000, 2001, 2002, and 2003. 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.

In the first column, titles in bold-face indicate the five areas of economic freedom that are combined to generate an overall score. The cells to their right give the 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 there are data available. In parentheses beside some scores are the actual data used to derive that particular component rating. The top row under the years shows the country's summary rating for each year and, in parentheses, its overall rank. The summary score is rounded to one decimal place for the country ranking.

A more complete description of each component, including the methodology used to calculate the ratings, can be found in the Appendix 1: Explanatory Notes and Data Sources (page 173).

Values are calculated back to 1970 but data for 1970 and 1975 are omitted from the tables due to limited space. The full data-set is available on-line at:

<http://www.freetheworld.com/>.

Analytic software tool

Global Economic Software has developed a software research tool that aids the analysis of relationships between economic freedom and factors such as economic growth, poverty reduction, longevity, literacy, and health, among others. This tool incorporates all data from the *Economic Freedom of the World* and provides for collaborative exchange of data-sets created by other researchers. These extended data-sets are excellent for producing correlative graphs, such as Economic Freedom versus Foreign Trade. More information is available at <http://www.globaleconomicsoftware.com>.

Algeria

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	3.9 (95)	4.0 (95)	3.5 (108)	3.8 (118)	4.3 (120)	4.5 (120)	4.4 (121)	4.6 (121)
1. Size of Government	2.3	2.3	2.6	4.4	3.9	4.2	4.1	3.6
A. Government Consumption	4.6 (24.2)	4.5 (24.7)	5.2 (22.3)	5.3 (22.0)	4.5 (24.6)	4.5 (24.6)	4.2 (25.7)	4.0 (26.4)
B. Transfers and Subsidies				7.8 (8.4)	7.2 (10.6)	8.0 (7.8)	8.0 (7.8)	6.8 (12.3)
C. Government Enterprises and Investment	0.0 (34.6)	0.0 (55.8)	0.0 (57.6)	0.0	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income and Payroll Tax Rate								
2. Legal Structure and Security of Property Rights	3.8	3.5	3.5	3.7	2.9	2.9	2.7	2.7
A. Judicial Independence							3.0	3.2
B. Impartial Courts				3.6	3.8	3.8	3.7	3.8
C. Protection of Intellectual Property							3.5	3.2
D. Military Interference				0.0	0.0	0.0	0.0	0.0
E. Integrity of Legal System				7.0	3.3	3.3	3.3	3.3
3. Access to Sound Money	4.9	6.2	4.5	4.1	5.8	5.7	5.9	6.8
A. Growth of Money Supply	6.9 (15.5)	7.3 (13.4)	9.3 (3.4)	8.1 (9.4)	7.9 (10.3)	7.8 (11.0)	8.1 (9.3)	8.1 (9.3)
B. Inflation Variability	7.7 (5.8)	8.3 (4.2)	5.5 (11.2)	4.1 (14.8)	5.2 (12.0)	5.8 (10.5)	5.6 (10.9)	9.4 (1.5)
C. Recent Annual Inflation	4.9 (25.7)	9.1 (4.6)	3.1 (34.4)	4.3 (28.5)	9.9 (0.3)	9.2 (4.2)	9.7 (1.4)	9.5 (2.6)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	4.7	3.9	3.7	4.0	5.8	5.5	5.6	5.6
A. Taxes on International Trade	7.7	5.7	5.1	3.7	4.9	5.1	5.2	5.2
(i) Taxes as Percentage of Exports and Imports				3.6 (9.6)	6.4 (5.5)	5.6 (6.7)	4.9 (7.6)	4.9 (7.6)
(ii) Mean Tariff Rate	7.7 (11.7)	5.7 (21.7)	5.1 (24.6)	5.4 (22.9)	5.1 (24.6)	5.5 (22.4)	6.2 (18.8)	6.3 (18.4)
(iii) Variability of Tariff Rates				2.2 (19.6)	3.4 (16.5)	4.3 (14.3)	4.3 (14.3)	4.3 (14.3)
B. Regulatory Trade Barriers							5.6	5.8
(i) Hidden Import Barriers							4.5	4.7
(ii) Costs of Importing							6.8	7.0
C. Size of Trade Sector	7.4	5.6	5.1	5.9	6.3	5.7	5.9	6.0
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	7.8	7.0	8.1	8.1
E. Restrictions on Capital Markets	0.0	0.0	0.0	2.0	1.7	1.7	3.3	3.1
(i) Access to Foreign Capital							5.8	5.4
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	2.0	1.7	1.7	0.8	0.8
5. Regulation of Credit, Labor and Business			3.1	2.9	3.2	4.2	3.8	4.2
A. Regulation of Credit Markets	0.0	0.0	0.9	0.5	0.6	4.0	4.7	4.7
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks							6.0	6.0
(iii) Extension of Credit to Private Sector			1.7	1.4	1.8	2.0	2.7	2.7
(iv) Avoidance of Negative Real Interest Rates				0.0	0.0	10.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets							3.4	3.6
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing							4.0	4.3
(iii) Collective Bargaining							5.2	5.5
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	5.0	5.0	1.0	1.0	1.0	1.0	1.0	1.0
C. Regulation of Business							3.4	4.2
(i) Price Controls			2.0	2.0	4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							1.5	2.7
(iii) Time Spent with Government Bureaucracy							2.8	5.5
(iv) Ease of Starting a New Business							3.8	3.7
(v) Irregular Payments to Government Officials							4.7	5.3

Argentina

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.3 (86)		3.9 (99)		4.8 (84)		6.7 (39)		7.2 (28)		6.5 (55)		6.0 (80)		5.8 (94)	
1. Size of Government	6.1		5.2		6.7		7.7		7.8		7.9		7.7		7.8	
A. Government Consumption	6.9	(16.5)	7.9	(13.0)	8.5	(11.0)	8.1	(12.6)	6.9	(16.6)	6.8	(17.0)	6.9	(16.5)	7.3	(15.3)
B. Transfers and Subsidies	7.5	(9.7)	6.9	(11.7)	8.2	(7.2)	7.3	(10.3)	7.2	(10.7)	7.0	(11.5)	7.0	(11.5)	7.0	(11.5)
C. Government Enterprises and Investment	4.0	(39.5)	4.0	(38.3)	6.0	(30.0)	8.0	(8.5)	10.0	(8.5)	10.0	(5.9)	10.0	(5.9)	10.0	(5.9)
D. Top Marginal Tax Rate	6.0		2.0		4.0		7.5		7.0		8.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	6.0	(45)	2.0	(62)	7.0	(35)	9.0	(30)	8.0	(35)	8.0	(35)	7.0	(35)	7.0	(35)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(57)	6.0	(40)	6.0	(36-43)	8.0	(35)	7.0	(35)	7.0	(35)
2. Legal Structure and Security of Property Rights	4.2		4.6		6.0		5.5		5.4		3.6		3.2		3.3	
A. Judicial Independence							3.9		3.2		1.0		1.3		1.8	
B. Impartial Courts							4.2		5.2		1.4		1.7		2.0	
C. Protection of Intellectual Property							4.6		3.7		2.5		3.2		2.5	
D. Military Interference							7.7		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							7.0		8.3		6.7		3.3		3.3	
3. Access to Sound Money	2.5		2.5		2.5		6.6		9.7		9.5		7.0		6.0	
A. Growth of Money Supply	0.0	(150.0)	0.0	(295.2)	0.0	(515.6)	7.1	(14.7)	9.5	(-2.5)	8.5	(-7.6)	8.9	(5.7)	7.1	(14.3)
B. Inflation Variability	0.0	(119.8)	0.0	(208.3)	0.0	(1198.8)	0.0	(52.4)	9.5	(1.2)	9.5	(1.2)	4.4	(14.1)	4.5	(13.6)
C. Recent Annual Inflation	0.0	(92.0)	0.0	(620.8)	0.0	(2064.2)	9.2	(3.9)	9.8	(-0.9)	9.8	(-1.1)	4.8	(25.9)	7.3	(13.4)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		5.0	
4. Freedom to Exchange with Foreigners	4.4		2.9		4.3		7.0		6.4		6.1		6.8		6.8	
A. Taxes on International Trade	4.1		3.1		3.2		7.5		7.5		7.7		7.0		7.0	
(i) Taxes as Percentage of Exports and Imports	3.7	(9.5)	1.5	(12.7)	3.4	(9.9)	7.5	(3.7)	7.9	(3.1)	8.2	(2.7)	6.8	(4.7)	6.8	(4.7)
(ii) Mean Tariff Rate	4.4	(27.8)	4.6	(27.0)	5.9	(20.5)	7.9	(10.5)	7.5	(12.6)	7.7	(11.6)	7.1	(14.6)	7.1	(14.6)
(iii) Variability of Tariff Rates					0.3	(24.3)	7.0	(7.6)	7.0	(7.5)	7.1	(7.2)	7.1	(7.2)	7.1	(7.2)
B. Regulatory Trade Barriers							7.2		6.4		5.9		6.0		5.6	
(i) Hidden Import Barriers							7.2		6.2		5.1		5.0		4.5	
(ii) Costs of Importing									6.7		6.8		7.0		6.7	
C. Size of Trade Sector	0.0		1.1		0.0		0.7		1.4		1.0		5.1		4.9	
D. Official versus Black Market Exchange Rate	9.8		2.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		9.5		6.6		5.8		5.9		6.3	
(i) Access to Foreign Capital							9.1		9.3		9.3		8.8		8.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		10.0		3.8		2.3		3.1		3.8	
5. Regulation of Credit, Labor and Business	4.5		4.5		4.3		6.6		6.7		5.4		5.2		5.0	
A. Regulation of Credit Markets	4.4		4.2		3.7		7.9		7.7		7.4		6.9		6.8	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							8.6		7.3		7.3		8.0		8.0	
(iii) Extension of Credit to Private Sector	8.3		7.6		6.1		7.6		6.9		6.4		3.3		3.0	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		0.0		10.0		10.0		9.0		9.0		9.0	
(v) Controls on Interest Rates							8.4		9.1		9.1		9.1		9.1	
B. Regulation of Labor Markets	3.7		3.7		3.5		5.9		6.1		5.6		4.9		4.7	
(i) Impact of Minimum Wage							6.0		4.4		4.4		4.4		4.4	
(ii) Flexibility in Hiring and Firing					3.0		3.0		5.3		2.4		1.5		2.5	
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		4.8		5.1		5.7		4.7	
(iv) Incentives from Unemployment Benefits	5.0		4.9		4.7		5.6		6.0		6.0		2.8		1.8	
(v) Military Conscription	1.0		1.0		1.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							6.0		6.4		3.3		3.8		3.4	
(i) Price Controls							8.0		8.0		3.0		3.0		1.0	
(ii) Administrative Obstacles for New Businesses									6.8		1.2		1.7		2.2	
(iii) Time Spent with Government Bureaucracy							6.7		7.5		5.0		6.5		5.5	
(iv) Ease of Starting a New Business							6.2		4.8		2.7		3.8		3.0	
(v) Irregular Payments to Government Officials							3.2		5.1		4.7		4.1		5.4	

Australia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	6.9 (11)	7.2 (6)	7.3 (9)	7.8 (8)	8.0 (9)	7.9 (8)	7.9 (7)	7.8 (9)
1. Size of Government	5.1	4.9	5.4	5.7	6.2	6.1	6.2	6.2
A. Government Consumption	4.9 (23.2)	4.8 (23.8)	5.2 (22.3)	5.5 (21.4)	4.7 (24.1)	4.8 (23.7)	5.0 (23.0)	4.9 (23.2)
B. Transfers and Subsidies	7.4 (10.1)	6.9 (11.9)	7.2 (10.7)	6.3 (14.2)	7.1 (11.2)	6.7 (12.5)	6.7 (12.5)	6.8 (12.4)
C. Government Enterprises and Investment	6.0 (28.4)	6.0 (30.2)	6.0 (25.2)	7.0 (21.5)	10.0 (9.6)	10.0 (9.6)	10.0 (9.6)	10.0 (9.6)
D. Top Marginal Tax Rate	2.0	2.0	3.0	4.0	3.0	3.0	3.0	3.0
(i) Top Marginal Income Tax Rate	2.0 (62)	2.0 (60)	3.0 (49)	4.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)
(ii) Top Marginal Income and Payroll Tax Rate			3.0 (49)	4.0 (48)	3.0 (49)	3.0 (49)	3.0 (49)	3.0 (49)
2. Legal Structure and Security of Property Rights	7.3	7.9	7.9	9.0	9.5	9.3	9.1	8.9
A. Judicial Independence				9.1	9.5	9.3	9.0	8.5
B. Impartial Courts				9.0	9.7	8.5	8.2	7.7
C. Protection of Intellectual Property				7.3	8.3	8.4	8.5	8.3
D. Military Interference				9.5	10.0	10.0	10.0	10.0
E. Integrity of Legal System				10.0	10.0	10.0	10.0	10.0
3. Access to Sound Money	8.9	9.3	9.0	9.4	9.4	9.3	9.2	9.3
A. Growth of Money Supply	8.3 (8.6)	9.4 (3.2)	7.6 (12.0)	8.4 (7.8)	9.2 (4.0)	8.9 (5.5)	8.1 (9.4)	8.1 (9.7)
B. Inflation Variability	9.4 (1.5)	9.1 (2.2)	9.2 (2.0)	9.7 (0.6)	9.4 (1.6)	9.4 (1.6)	9.4 (1.6)	9.6 (0.9)
C. Recent Annual Inflation	8.0 (9.8)	8.8 (6.1)	9.3 (3.3)	9.4 (2.9)	9.1 (4.5)	9.1 (4.4)	9.4 (3.0)	9.4 (2.8)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.6	7.2	7.5	7.5	7.8	7.7	7.6	7.5
A. Taxes on International Trade	7.4	7.6	6.5	7.7	8.5	8.4	8.3	8.3
(i) Taxes as Percentage of Exports and Imports	7.6 (3.6)	7.9 (3.2)	7.9 (3.1)	8.8 (1.8)	9.1 (1.3)	9.0 (1.5)	8.8 (1.8)	8.8 (1.8)
(ii) Mean Tariff Rate	7.1 (14.5)	7.3 (13.3)	7.2 (14.2)	8.4 (8.2)	8.8 (5.8)	8.9 (5.4)	8.8 (5.9)	8.8 (5.9)
(iii) Variability of Tariff Rates			4.3 (14.3)	6.0 (10.1)	7.4 (6.5)	7.4 (6.5)	7.4 (6.5)	7.4 (6.5)
B. Regulatory Trade Barriers				6.4	8.8	8.7	9.0	8.7
(i) Hidden Import Barriers				6.4	8.1	8.0	8.2	8.0
(ii) Costs of Importing					9.5	9.4	9.8	9.3
C. Size of Trade Sector	5.6	5.4	4.9	5.3	5.7	5.3	5.1	4.7
D. Official versus Black Market Exchange Rate	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	5.0	8.0	8.3	6.1	6.1	5.6	6.0
(i) Access to Foreign Capital				8.5	9.1	9.1	8.8	9.6
(ii) Restrictions on Foreign Capital Transactions	2.0	5.0	8.0	8.0	3.1	3.1	2.3	2.3
5. Regulation of Credit, Labor and Business	6.5	6.6	6.6	7.3	7.2	7.2	7.4	7.4
A. Regulation of Credit Markets	8.4	8.7	9.7	9.0	8.8	8.7	9.0	9.1
(i) Private Ownership of Banks	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks				7.9	6.5	6.5	8.0	8.0
(iii) Extension of Credit to Private Sector	7.1	8.0	9.0	9.2	9.2	9.6	9.8	9.5
(iv) Avoidance of Negative Real Interest Rates	10.0	10.0	10.0	10.0	10.0	9.0	9.0	10.0
(v) Controls on Interest Rates				8.1	8.2	8.2	8.2	8.2
B. Regulation of Labor Markets			6.6	5.4	5.6	5.9	6.2	6.1
(i) Impact of Minimum Wage				3.6	4.5	4.5	4.5	4.5
(ii) Flexibility in Hiring and Firing			4.5	4.5	3.1	4.2	4.7	3.8
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.5	6.0	6.2	6.5
(iv) Incentives from Unemployment Benefits				3.9	4.7	4.7	5.8	5.6
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business				7.5	7.3	6.9	7.0	6.8
(i) Price Controls			6.0	7.0	7.0	8.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses					6.7	3.6	3.8	4.0
(iii) Time Spent with Government Bureaucracy				7.2	6.2	6.5	6.5	6.5
(iv) Ease of Starting a New Business				6.8	7.4	7.5	7.7	6.7
(v) Irregular Payments to Government Officials				9.2	9.0	8.9	9.0	9.0

Austria

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.4 (18)		6.4 (21)		6.8 (17)		7.0 (28)		7.5 (16)		7.6 (14)		7.5 (16)		7.7 (13)	
1. Size of Government	3.1		3.0		3.1		2.8		3.4		4.8		4.8		5.2	
A. Government Consumption	4.5	(24.8)	4.3	(25.2)	4.4	(25.0)	4.0	(26.4)	4.2	(25.9)	4.4	(25.0)	4.4	(24.9)	4.5	(24.7)
B. Transfers and Subsidies	4.1	(22.1)	3.8	(23.1)	4.0	(22.4)	3.3	(25.2)	3.6	(23.9)	2.9	(26.4)	2.7	(26.4)	2.7	(27.4)
C. Government Enterprises and Investment	2.0	(44.5)	2.0	(42.0)	2.0		2.0		4.0		10.0	(7.7)	10.0	(7.7)	10.0	(7.7)
D. Top Marginal Tax Rate	2.0		2.0		2.0		2.0		2.0		2.0		2.0		3.5	
(i) Top Marginal Income Tax Rate	2.0	(62)	2.0	(62)	4.0	(50)	4.0	(50)	4.0	(50)	4.0	(50)	4.0	(50)	4.0	(50)
(ii) Top Marginal Income and Payroll Tax Rate					0.0	(62)	0.0	(66)	0.0	(66)	0.0	(66)	0.0	(67)	3.0	(54)
2. Legal Structure and Security of Property Rights	8.0		7.9		8.3		8.8		9.3		8.9		8.6		8.8	
A. Judicial Independence							8.8		9.0		8.3		7.5		7.8	
B. Impartial Courts							7.7		9.0		7.9		8.0		8.3	
C. Protection of Intellectual Property							7.7		8.7		8.4		7.3		7.8	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	8.4		8.4		9.6		9.5		9.6		9.6		9.7		9.6	
A. Growth of Money Supply	9.8	(1.0)	9.5	(2.3)	9.2	(4.0)	8.9	(5.4)	9.2	(4.1)	9.1	(4.6)	9.1	(4.5)	9.0	(4.8)
B. Inflation Variability	9.6	(0.9)	9.5	(1.2)	9.7	(0.6)	9.7	(0.8)	9.9	(0.3)	9.8	(0.5)	9.8	(0.5)	9.8	(0.5)
C. Recent Annual Inflation	9.0	(5.0)	9.4	(3.1)	9.3	(3.5)	9.6	(2.1)	9.5	(2.4)	9.5	(2.7)	9.8	(1.0)	9.7	(1.4)
D. Freedom to Own Foreign Currency	5.0		5.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.9		7.0		7.3		8.1		8.6		8.5		8.4		8.5	
A. Taxes on International Trade	8.6		8.8		7.9		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.5	(0.7)	9.6	(0.6)	9.5	(0.7)	9.9	(0.2)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	7.7	(11.6)	8.0	(10.0)	8.3	(8.7)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					6.0	(10.1)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.1		9.2		8.8		8.7		8.8	
(i) Hidden Import Barriers							8.1		8.8		8.3		8.0		8.2	
(ii) Costs of Importing									9.5		9.2		9.4		9.5	
C. Size of Trade Sector	5.8		5.8		5.4		5.0		6.4		6.5		6.3		6.2	
D. Official versus Black Market Exchange Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		5.0		8.5		8.1		8.1		8.1		8.1	
(i) Access to Foreign Capital							9.0		9.3		9.3		9.2		9.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		5.0		8.0		6.9		6.9		6.9		6.9	
5. Regulation of Credit, Labor and Business	5.4		5.5		5.5		5.9		6.5		6.2		6.2		6.4	
A. Regulation of Credit Markets	7.0		7.6		7.5		6.9		8.4		8.4		8.4		8.4	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							6.5		5.7		5.7		5.7		5.7	
(iii) Extension of Credit to Private Sector	7.9		7.8		7.4		7.3		8.1		8.3		8.3		8.3	
(iv) Avoidance of Negative Real Interest Rates	8.0		10.0		10.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							7.8		8.1		8.1		8.1		8.1	
B. Regulation of Labor Markets	4.6		4.6		4.6		4.3		3.9		4.2		3.8		4.0	
(i) Impact of Minimum Wage							4.6		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					4.8		4.8		3.1		3.9		4.0		4.2	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		3.5		4.5		2.8		3.3	
(iv) Incentives from Unemployment Benefits	4.4		4.4		4.2		4.5		5.2		5.2		4.4		5.1	
(v) Military Conscription	5.0		5.0		5.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business							6.4		7.3		5.9		6.4		6.7	
(i) Price Controls					5.0		8.0		8.0		7.0		7.0		8.0	
(ii) Administrative Obstacles for New Businesses									7.5		3.3		4.5		5.5	
(iii) Time Spent with Government Bureaucracy							6.5		7.4		6.0		6.3		6.0	
(iv) Ease of Starting a New Business							3.7		5.4		4.9		5.8		5.5	
(v) Irregular Payments to Government Officials							7.5		8.3		8.1		8.5		8.7	

Bahamas

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	6.4 (18)	6.3 (22)	6.2 (34)	6.3 (48)	6.5 (56)	6.5 (55)	6.5 (57)	6.7 (50)
1. Size of Government	7.7	7.2	7.3	7.9	7.5	7.5	7.5	7.5
A. Government Consumption	6.8 (16.9)	6.9 (16.5)	7.2 (15.6)	6.2 (18.9)	5.2 (22.4)	5.2 (22.4)	5.2 (22.4)	5.2 (22.4)
B. Transfers and Subsidies	10.0 (0.5)	10.0 (0.1)	9.9 (1.0)	9.6 (2.1)	8.9 (4.6)	9.0 (4.3)	9.0 (4.3)	9.0 (4.3)
C. Government Enterprises and Investment	4.0	2.0	2.0	6.0	6.0	6.0	6.0	6.0
D. Top Marginal Tax Rate	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(i) Top Marginal Income Tax Rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
(ii) Top Marginal Income and Payroll Tax Rate					10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights		5.7	5.7	5.2	6.3	6.3	6.3	7.6
A. Judicial Independence				5.0	5.0	5.0	5.0	
B. Impartial Courts				6.6	7.1	7.1	7.1	7.8
C. Protection of Intellectual Property				3.0	3.0	3.0	3.0	
D. Military Interference				7.3	10.0	10.0	10.0	10.0
E. Integrity of Legal System				4.1	6.7	6.7	6.7	6.7
3. Access to Sound Money	6.1	6.4	6.8	7.0	6.8	6.8	6.8	6.8
A. Growth of Money Supply	7.9 (10.3)	9.6 (2.2)	8.7 (6.6)	9.3 (3.3)	8.0 (10.2)	8.0 (10.2)	8.0 (10.2)	8.0 (10.2)
B. Inflation Variability	8.6 (3.5)	7.9 (5.3)	9.3 (1.7)	9.3 (1.6)	9.7 (0.9)	9.8 (0.5)	9.8 (0.4)	9.7 (0.7)
C. Recent Annual Inflation	8.0 (10.0)	8.3 (8.5)	9.4 (3.2)	9.4 (2.8)	9.7 (1.6)	9.6 (2.0)	9.6 (2.2)	9.4 (3.0)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	4.8	4.9	4.3	4.7	5.0	5.0	4.8	4.5
A. Taxes on International Trade	4.3	3.7	3.6	3.1	2.8	2.8	2.8	2.8
(i) Taxes as Percentage of Exports and Imports	4.6 (8.1)	3.8 (9.3)	3.6 (9.6)	3.1 (10.3)	2.7 (11.0)	2.7 (11.0)	2.7 (11.0)	2.7 (11.0)
(ii) Mean Tariff Rate	4.0 (29.8)	3.5 (32.3)			3.0 (35.0)	3.0 (35.0)	3.0 (35.0)	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	5.4	4.8	2.5	2.4	2.4	2.4	2.4	2.4
D. Official versus Black Market Exchange Rate	6.0	7.8	7.4	9.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	1.5	1.5	0.8	0.8
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	1.5	1.5	0.8	0.8
5. Regulation of Credit, Labor and Business	7.0	7.3	6.7	6.7	6.8	6.8	6.7	7.0
A. Regulation of Credit Markets	8.6	9.4	9.3	9.4	9.5	9.5	9.4	9.5
(i) Private Ownership of Banks	10.0	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	7.9	8.1	7.9	8.2	8.5	8.6	8.3	8.4
(iv) Avoidance of Negative Real Interest Rates	8.0	10.0	10.0	10.0	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	10.0	10.0
C. Regulation of Business								
(i) Price Controls			4.0	4.0	4.0	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

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.4 (5)		6.9 (14)		6.8 (17)		6.9 (34)		7.2 (28)		7.2 (23)		7.1 (29)		7.3 (24)	
1. Size of Government	6.8		6.0		5.9		6.2		6.8		6.8		6.6		6.6	
A. Government Consumption	3.2	(29.0)	0.0	(43.5)	0.0	(43.8)	1.4	(35.2)	3.8	(27.2)	3.5	(28.0)	2.9	(30.2)	2.9	(30.2)
B. Transfers and Subsidies	9.8	(1.2)	10.0	(0.0)	9.6	(1.8)	9.3	(3.1)	9.4	(2.6)	9.6	(1.8)	9.5	(2.4)	9.5	(2.4)
C. Government Enterprises and Investment	4.0	(29.8)	4.0	(31.7)	4.0		4.0		4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(i) Top Marginal Income Tax Rate	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)
(ii) Top Marginal Income and Payroll 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		5.9		5.9		5.9		5.9		6.0	
A. Judicial Independence															5.7	
B. Impartial Courts							6.7		6.3		6.3		6.3		5.3	
C. Protection of Intellectual Property															5.7	
D. Military Interference							6.1		5.0		5.0		5.0		5.0	
E. Integrity of Legal System							7.0		8.3		8.3		8.3		8.3	
3. Access to Sound Money	8.1		8.6		8.8		9.4		9.1		8.9		8.8		8.8	
A. Growth of Money Supply	6.4	(18.1)	8.5	(7.7)	9.5	(2.7)	9.2	(-3.8)	9.7	(1.5)	8.8	(6.0)	8.5	(7.3)	8.5	(7.3)
B. Inflation Variability	6.8	(8.0)	6.3	(9.2)	6.9	(7.7)	8.7	(3.3)	6.9	(7.7)	6.9	(7.8)	6.8	(7.9)	6.8	(7.9)
C. Recent Annual Inflation	9.2	(3.9)	9.6	(-1.8)	8.6	(6.8)	9.8	(1.0)	9.9	(-0.7)	10.0	(0.2)	9.8	(1.2)	9.8	(1.2)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.6		7.2		7.3		6.8		7.7		7.6		7.7		7.8	
A. Taxes on International Trade	9.4		9.2		9.3		9.1		9.1		9.1		9.2		9.2	
(i) Taxes as Percentage of Exports and Imports	9.4	(0.9)	9.5	(0.7)	9.3	(1.1)	9.1	(1.4)	9.1	(1.3)	9.1	(1.4)	9.2	(1.2)	9.2	(1.2)
(ii) Mean Tariff Rate			8.8													
(iii) Variability of Tariff Rates																
B. Regulatory Trade Barriers															8.6	
(i) Hidden Import Barriers															7.7	
(ii) Costs of Importing															9.5	
C. Size of Trade Sector	8.6		6.6		6.8		4.7		4.3		4.0		4.2		3.9	
D. Official versus Black Market Exchange Rate	10.0		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		6.9		6.9		6.9		7.5	
(i) Access to Foreign Capital															8.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		6.9		6.9		6.9		6.9	
5. Regulation of Credit, Labor and Business	7.1		7.0		6.4		6.4		6.7		6.6		6.6		7.2	
A. Regulation of Credit Markets	8.7		8.4		8.5		8.2		9.3		9.0		8.8		8.9	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks													7.0		7.0	
(iii) Extension of Credit to Private Sector	9.4		8.7		7.5		8.7		8.0		8.1		8.4		8.6	
(iv) Avoidance of Negative Real Interest Rates					10.0		8.0		10.0		9.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets															7.1	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing															3.2	
(iii) Collective Bargaining															8.0	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business															5.5	
(i) Price Controls					4.0		4.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses															4.3	
(iii) Time Spent with Government Bureaucracy															5.0	
(iv) Ease of Starting a New Business															6.7	
(v) Irregular Payments to Government Officials															7.6	

Bangladesh

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	3.7 (98)		4.0 (95)		4.7 (90)		5.5 (79)		5.7 (93)		5.8 (88)		5.9 (84)		5.7 (96)	
1. Size of Government	4.3		4.3		7.0		7.7		7.7		8.1		8.1		8.1	
A. Government Consumption	9.9 (6.4)		10.0 (5.4)		10.0 (4.8)		10.0 (5.3)		10.0 (5.6)		10.0 (5.5)		10.0 (5.4)		10.0 (6.1)	
B. Transfers and Subsidies											9.3 (3.2)		9.3 (3.2)		9.4 (2.6)	
C. Government Enterprises and Investment	2.0 (44.4)		2.0 (46.6)		2.0 (47.1)		4.0 (34.0)		4.0 (32.0)		4.0 (30.0)		4.0 (30.0)		4.0 (30.0)	
D. Top Marginal Tax Rate	1.0		1.0		9.0		9.0		9.0		9.0		9.0		9.0	
(i) Top Marginal Income Tax Rate	1.0 (60)		1.0 (60)		9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)	
(ii) Top Marginal Income and Payroll Tax Rate					9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)	
2. Legal Structure and Security of Property Rights	2.5		2.5		2.4		5.0		3.5		3.0		3.2		2.7	
A. Judicial Independence											3.7		3.2		2.7	
B. Impartial Courts							3.9		4.2		2.6		2.8		2.5	
C. Protection of Intellectual Property									2.0		1.9		1.8		1.8	
D. Military Interference							5.3		3.3		3.3		5.0		5.0	
E. Integrity of Legal System							7.0		3.3		3.3		3.3		1.7	
3. Access to Sound Money	4.5		6.0		6.9		6.4		6.9		7.0		6.9		6.9	
A. Growth of Money Supply	6.4 (18.0)		7.4 (13.1)		9.5 (2.7)		8.0 (10.0)		9.1 (4.6)		9.0 (5.2)		9.0 (4.8)		9.3 (3.6)	
B. Inflation Variability	4.2 (14.4)		8.8 (3.1)		9.2 (2.1)		9.0 (2.4)		9.5 (1.4)		9.3 (1.6)		9.3 (1.6)		9.4 (1.4)	
C. Recent Annual Inflation	7.3 (13.4)		7.8 (11.1)		9.0 (4.9)		8.7 (6.7)		9.2 (3.9)		9.8 (1.1)		9.3 (3.4)		8.9 (5.7)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	2.2		2.1		1.8		3.2		5.1		5.5		5.7		5.5	
A. Taxes on International Trade	0.5		0.0		0.6		1.4		5.2		4.8		4.6		4.8	
(i) Taxes as Percentage of Exports and Imports	1.1 (13.4)		0.0 (17.9)		1.9 (12.1)		4.3 (8.6)		5.3 (7.0)		4.1 (8.9)		3.5 (9.8)		4.1 (8.8)	
(ii) Mean Tariff Rate	0.0 (99.9)		0.0 (86.0)		0.0 (102.2)		0.0 (81.2)		5.7 (21.6)		5.7 (21.6)		5.7 (21.6)		5.7 (21.6)	
(iii) Variability of Tariff Rates					0.0 (50.4)		0.0 (26.1)		4.6 (13.6)		4.6 (13.6)		4.6 (13.6)		4.6 (13.6)	
B. Regulatory Trade Barriers									4.7		5.9		6.0		5.8	
(i) Hidden Import Barriers									4.7		4.5		4.8		4.7	
(ii) Costs of Importing											7.2		7.3		7.0	
C. Size of Trade Sector	2.4		2.4		0.0		1.8		2.7		3.5		3.7		2.7	
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		4.4		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		2.9		3.3		4.4		4.4	
(i) Access to Foreign Capital									5.9		5.9		8.0		8.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	5.0		5.3		5.2		5.0		5.5		5.3		5.4		5.4	
A. Regulation of Credit Markets	3.4		4.2		5.8		5.1		5.9		5.9		5.8		5.7	
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		2.0		2.0		2.0		2.0	
(ii) Competition from Foreign Banks									5.9		5.9		5.9		5.9	
(iii) Extension of Credit to Private Sector	4.3		6.6		7.3		7.4		8.0		7.9		7.6		7.8	
(iv) Avoidance of Negative Real Interest Rates	6.0		6.0		10.0		8.0		10.0		10.0		10.0		9.0	
(v) Controls on Interest Rates									3.7		3.7		3.7		3.7	
B. Regulation of Labor Markets									6.6		6.6		6.8		6.8	
(i) Impact of Minimum Wage									4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing									5.0		5.0		5.3		5.0	
(iii) Collective Bargaining									6.6		6.8		7.3		7.5	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									4.0		3.5		3.7		3.7	
(i) Price Controls					0.0		0.0		0.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.6		1.7		1.7		2.2	
(iii) Time Spent with Government Bureaucracy									5.7		3.3		4.5		4.0	
(iv) Ease of Starting a New Business									4.6		3.8		3.8		3.8	
(v) Irregular Payments to Government Officials									1.9		2.5		2.3		2.3	

Barbados

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.7 (41)		6.0 (33)		5.9 (42)		6.0 (65)		5.6 (97)		5.7 (91)		5.8 (89)		6.1 (78)	
1. Size of Government	5.8		5.4		5.9		6.1		4.7		3.9		3.8		3.8	
A. Government Consumption	6.1 (19.3)		4.5 (24.6)		4.7 (24.1)		5.1 (22.7)		4.6 (24.3)		4.2 (25.6)		4.0 (26.4)		4.0 (26.4)	
B. Transfers and Subsidies	10.0 (0.2)		10.0 (0.0)		10.0 (0.5)		10.0 (0.0)									
C. Government Enterprises and Investment	6.0 (22.8)		6.0 (22.5)		6.0		6.0		6.0		4.0 (33.9)		4.0 (33.9)		4.0 (33.9)	
D. Top Marginal Tax Rate	1.0		1.0		3.0		3.5		3.5		3.5		3.5		3.5	
(i) Top Marginal Income Tax Rate	1.0 (60)		1.0 (60)		4.0 (50)		5.0 (40)		5.0 (40)		5.0 (40)		5.0 (40)		5.0 (40)	
(ii) Top Marginal Income and Payroll Tax Rate					2.0 (54)		2.0 (53)		2.0 (53)		2.0 (52)		2.0 (53)		2.0 (53)	
2. Legal Structure and Security of Property Rights			5.7		5.7		4.6		5.2		6.6		6.6		8.3	
A. Judicial Independence							5.0		5.0							
B. Impartial Courts							6.3		7.6		7.6		7.6		7.7	
C. Protection of Intellectual Property							3.0		3.0							
D. Military Interference															10.0	
E. Integrity of Legal System							4.1									
3. Access to Sound Money	5.0		6.7		6.5		7.2		6.6		6.7		7.0		6.9	
A. Growth of Money Supply	6.9 (15.3)		8.8 (5.8)		8.6 (7.1)		9.3 (-3.4)		7.9 (10.5)		8.0 (10.2)		8.7 (6.3)		8.3 (8.3)	
B. Inflation Variability	7.6 (6.0)		8.6 (3.5)		8.6 (3.4)		9.5 (1.3)		9.1 (2.3)		9.2 (2.1)		9.2 (1.9)		9.6 (0.9)	
C. Recent Annual Inflation	5.5 (22.6)		9.2 (4.1)		8.9 (5.5)		10.0 (0.3)		9.5 (2.4)		9.5 (2.6)		10.0 (0.2)		9.7 (1.6)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.7		5.4		4.8		5.3		5.1		5.0		5.1		4.8	
A. Taxes on International Trade	7.5		7.2		6.1		6.6		6.2		6.2		6.2		6.2	
(i) Taxes as Percentage of Exports and Imports	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)		6.2 (19.0)		6.2 (19.0)		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	4.8		3.9		1.7		2.4		1.2		0.6		1.1		1.1	
D. Official versus Black Market Exchange Rate	7.8		7.8		8.0		9.4		9.8		9.8		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business	6.4		6.9		6.6		6.6		6.4		6.6		6.6		6.7	
A. Regulation of Credit Markets	7.2		8.4		8.2		8.2		7.7		8.3		8.2		8.1	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	7.6		7.1		6.7		6.6		7.1		6.9		6.7		6.4	
(iv) Avoidance of Negative Real Interest Rates	6.0		10.0		10.0		10.0		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	10.0		10.0		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		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																

Belgium

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.1 (8)		7.1 (8)		7.3 (9)		7.2 (23)		7.5 (16)		7.4 (17)		7.3 (19)		7.4 (20)	
1. Size of Government	3.6		3.6		4.2		4.0		3.5		4.6		4.5		4.4	
A. Government Consumption	5.4	(21.6)	5.8	(20.3)	6.4	(18.1)	6.2	(18.9)	3.5	(28.3)	3.5	(28.2)	3.5	(28.0)	3.1	(29.3)
B. Transfers and Subsidies	3.1	(26.0)	2.6	(27.6)	3.3	(25.0)	3.0	(26.3)	3.4	(24.9)	3.8	(23.2)	3.4	(24.6)	3.4	(24.6)
C. Government Enterprises and Investment	6.0	(26.8)	6.0	(25.3)	6.0	(27.0)	6.0		6.0		10.0	(8.6)	10.0	(8.6)	10.0	(8.6)
D. Top Marginal Tax Rate	0.0		0.0		1.0		1.0		1.0		1.0		1.0		1.0	
(i) Top Marginal Income Tax Rate	0.0	(76)	0.0	(76)	2.0	(55-61)	1.0	(58-64)	2.0	(58-63)	2.0	(53-57)	2.0	(50-54)	2.0	(50-55)
(ii) Top Marginal Income and Payroll Tax Rate					0.0	(70)	1.0	(58-64)	0.0	(71)	0.0	(69-72)	0.0	(64-68)	0.0	(62-66)
2. Legal Structure and Security of Property Rights	7.8		7.9		8.3		7.5		8.3		7.8		7.7		7.9	
A. Judicial Independence							5.8		7.3		6.2		6.7		7.5	
B. Impartial Courts							6.4		8.2		6.6		6.2		6.2	
C. Protection of Intellectual Property							6.9		7.6		7.8		7.2		7.5	
D. Military Interference							8.5		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		8.3		8.3		8.3		8.3	
3. Access to Sound Money	9.5		9.6		9.6		9.7		9.6		9.6		9.7		9.6	
A. Growth of Money Supply	9.6	(1.9)	9.7	(1.6)	9.4	(2.9)	9.6	(1.9)	9.1	(4.5)	9.2	(4.0)	9.1	(4.4)	9.1	(4.7)
B. Inflation Variability	9.4	(1.6)	9.8	(0.6)	9.6	(1.0)	9.6	(0.9)	9.9	(0.2)	9.8	(0.4)	9.8	(0.4)	9.8	(0.4)
C. Recent Annual Inflation	9.2	(4.2)	8.8	(6.1)	9.4	(3.1)	9.7	(1.7)	9.5	(2.5)	9.5	(2.5)	9.7	(1.6)	9.7	(1.6)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.8		9.0		8.7		8.5		9.0		8.9		8.8		8.8	
A. Taxes on International Trade	9.0		9.2		8.5		8.7		9.2		9.0		9.1		9.1	
(i) Taxes as Percentage of Exports and Imports	9.8	(0.3)	9.8	(0.3)	9.7	(0.4)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.4	(3.1)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.3		8.9		8.9		8.9		8.7	
(i) Hidden Import Barriers							8.3		8.2		8.2		8.2		7.8	
(ii) Costs of Importing									9.5		9.6		9.6		9.5	
C. Size of Trade Sector	6.6		7.6		7.0		6.4		7.8		7.5		7.3		7.1	
D. Official versus Black Market Exchange Rate	10.0		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		9.3		9.2		9.2		8.8		9.1	
(i) Access to Foreign Capital							8.6		9.9		9.9		9.2		9.8	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	5.5		5.4		5.5		6.1		7.0		5.9		6.1		6.1	
A. Regulation of Credit Markets	8.6		8.1		8.4		8.0		8.3		8.4		8.4		8.4	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							7.9		8.0		8.0		8.0		8.0	
(iii) Extension of Credit to Private Sector	5.8		4.3		5.2		5.0		5.2		5.6		5.9		5.8	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							7.0		8.3		8.3		8.3		8.3	
B. Regulation of Labor Markets	3.5		3.5		3.6		4.9		5.0		4.9		4.5		4.7	
(i) Impact of Minimum Wage							3.9		5.1		5.1		5.1		5.1	
(ii) Flexibility in Hiring and Firing					3.8		3.8		3.1		3.0		1.5		2.3	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.2		3.8		3.3		3.7	
(iv) Incentives from Unemployment Benefits	3.0		3.0		3.3		2.6		2.7		2.7		2.5		2.6	
(v) Military Conscription	3.0		3.0		3.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							5.3		7.6		4.5		5.3		5.2	
(i) Price Controls					2.0		5.0		6.0		5.0		5.0		5.0	
(ii) Administrative Obstacles for New Businesses									8.2		2.1		1.8		2.2	
(iii) Time Spent with Government Bureaucracy							6.5		8.9		3.5		6.8		6.3	
(iv) Ease of Starting a New Business							4.6		6.4		4.2		5.2		4.5	
(v) Irregular Payments to Government Officials							5.1		8.3		7.5		7.6		8.0	

Belize

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.9 (26)		5.7 (44)		5.8 (46)		6.3 (48)		6.2 (72)		6.2 (71)		6.6 (54)		6.6 (54)	
1. Size of Government	5.2		5.0		4.9		6.3		5.8		6.0		6.3		6.3	
A. Government Consumption	6.1	(19.3)	5.0	(23.1)	5.6	(20.9)	6.6	(17.7)	6.3	(18.4)	6.3	(18.5)	7.2	(15.5)	7.1	(15.7)
B. Transfers and Subsidies	9.4	(2.6)	9.2	(3.6)	9.8	(1.2)	9.8	(1.2)	9.7	(1.6)	9.7	(1.6)	9.7	(1.6)	9.7	(1.6)
C. Government Enterprises and Investment	0.0	(51.0)	2.0	(49.9)	0.0	(55.5)	4.0	(38.3)	2.0	(47.7)	2.0	(47.4)	2.0	(47.4)	2.0	(47.4)
D. Top Marginal Tax Rate	4.0		4.0		4.0		5.0		5.0		5.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	4.0		4.0 (50)		4.0 (45)		5.0 (45)		5.0		5.0		5.0		5.0	
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights							5.3		6.2		6.2		6.2		6.5	
A. Judicial Independence																
B. Impartial Courts							5.7		6.9		6.9		6.9		6.0	
C. Protection of Intellectual Property																
D. Military Interference									7.2		7.2		7.2		8.0	
E. Integrity of Legal System																
3. Access to Sound Money	6.2		6.6		6.8		7.2		6.7		6.4		8.0		8.1	
A. Growth of Money Supply	8.8	(6.2)	9.3	(3.3)	8.5	(7.6)	9.8	(-0.8)	8.5	(7.7)	7.2	(14.2)	8.4	(8.2)	8.4	(8.2)
B. Inflation Variability	8.5	(3.8)	7.5	(6.3)	8.8	(3.0)	9.6	(1.0)	8.3	(4.3)	8.5	(3.8)	9.1	(2.3)	9.4	(1.5)
C. Recent Annual Inflation	7.7	(11.4)	9.6	(-1.9)	9.9	(0.3)	9.2	(3.9)	9.9	(0.6)	9.8	(1.2)	9.6	(2.2)	9.5	(2.6)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	5.2		4.4		5.1		5.7		5.7		5.6		5.7		5.5	
A. Taxes on International Trade	4.2		4.7		2.8		2.7		5.6		5.6		5.6		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)	5.6	(6.6)	5.6	(6.6)	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	5.1		4.2		4.7		3.2		4.7		4.4		3.8		3.9	
D. Official versus Black Market Exchange Rate	3.2		0.0		5.0		9.4		9.2		9.2		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		5.0		0.8		0.8		0.8		0.8	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		0.8		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	6.9		6.8		6.3		7.0		6.8		6.9		6.6		6.9	
A. Regulation of Credit Markets	8.1		7.8		9.4		9.6		8.9		9.3		8.3		8.6	
(i) Private Ownership of Banks					10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks													5.0		5.0	
(iii) Extension of Credit to Private Sector	8.2		7.7		8.2		8.7		8.8		8.9		9.3		9.4	
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		10.0		10.0		8.0		9.0		9.0		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		10.0		10.0	
C. Regulation of Business																
(i) Price Controls					0.0		6.0		6.0		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																

Benin

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.2 (60)	4.8 (79)	5.1 (70)	4.6 (103)	5.6 (97)	5.7 (91)	5.6 (98)	5.5 (103)
1. Size of Government	4.7	3.6	4.2	4.0	6.5	6.5	6.5	6.5
A. Government Consumption	9.3 (8.2)	7.2 (15.5)	8.3 (11.7)	8.1 (12.5)	8.9 (9.6)	9.0 (9.4)	8.9 (9.6)	8.9 (9.6)
B. Transfers and Subsidies								
C. Government Enterprises and Investment	0.0 (53.7)	0.0 (53.5)	0.0 (55.2)	0.0 (60.1)	4.0 (33.9)	4.0 (39.2)	4.0 (39.2)	4.0 (39.2)
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income and Payroll Tax Rate								
2. Legal Structure and Security of Property Rights	4.7	4.2	4.4	4.5	4.3	4.3	4.3	4.1
A. Judicial Independence								
B. Impartial Courts				4.8	4.6	4.6	4.6	4.7
C. Protection of Intellectual Property								
D. Military Interference				3.8	4.7	4.7	4.7	4.7
E. Integrity of Legal System				5.2	4.0	4.0	4.0	4.0
3. Access to Sound Money	6.3	6.1	6.7	5.3	6.6	6.6	6.8	6.8
A. Growth of Money Supply	8.4 (8.0)	8.0 (10.0)	9.9 (0.7)	9.1 (4.4)	8.0 (9.8)	7.7 (11.4)	8.0 (10.2)	8.0 (10.2)
B. Inflation Variability	8.7 (3.2)	7.2 (6.9)	8.3 (4.2)	5.0 (12.5)	9.3 (1.9)	9.5 (1.4)	9.6 (1.1)	9.3 (1.6)
C. Recent Annual Inflation	8.0 (10.2)	9.0 (-4.9)	8.8 (6.1)	6.9 (15.4)	9.2 (4.2)	9.2 (4.0)	9.5 (2.5)	9.7 (1.5)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	5.0	5.0			5.4	5.3	5.2	4.9
A. Taxes on International Trade	2.9	2.5			7.6	7.2	7.2	7.2
(i) Taxes as Percentage of Exports and Imports	2.9 (10.6)							
(ii) Mean Tariff Rate		2.5 (37.4)			7.6 (12.0)	7.1 (14.5)	7.1 (14.5)	7.1 (14.5)
(iii) Variability of Tariff Rates						7.3 (6.7)	7.3 (6.7)	7.3 (6.7)
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	4.2	4.6	1.6	3.3	1.3	1.3	0.6	0.6
D. Official versus Black Market Exchange Rate	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	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	4.6	5.1	5.6	5.1	5.1
A. Regulation of Credit Markets	5.3	5.9	6.3	6.2	7.6	9.3	7.7	7.8
(i) Private Ownership of Banks	0.0	0.0	2.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	9.9	9.8	8.8	6.6	8.8	8.9	9.2	9.3
(iv) Avoidance of Negative Real Interest Rates	6.0	8.0	8.0	2.0	4.0	8.9	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		1.0	1.0	1.0	1.0	1.0	1.0	1.0
C. Regulation of Business								
(i) Price Controls				2.0	2.0	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								

Bolivia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.4 (82)		3.6 (103)		5.5 (52)		6.8 (37)		6.7 (46)		6.5 (55)		6.5 (57)		6.5 (59)	
1. Size of Government	5.4		6.9		6.8		7.1		7.5		7.5		7.3		7.2	
A. Government Consumption	6.7	(17.1)	8.1	(12.5)	7.9	(13.3)	7.3	(15.2)	7.1	(15.8)	7.5	(14.6)	6.7	(17.1)	6.4	(18.4)
B. Transfers and Subsidies	9.7	(1.6)	9.6	(1.8)	9.4	(2.8)	9.5	(2.5)	8.8	(5.0)	8.6	(5.8)	8.6	(5.8)	8.5	(6.0)
C. Government Enterprises and Investment	2.0	(50.1)	2.0	(42.5)	0.0	(60.7)	2.0	(51.1)	4.0	(33.5)	4.0	(35.8)	4.0	(35.8)	4.0	(35.8)
D. Top Marginal Tax Rate	3.0		8.0		10.0		9.5		10.0		10.0		10.0		10.0	
(i) Top Marginal Income Tax Rate	3.0	(48)	8.0	(30)	10.0	(10)	10.0	(13)	10.0	(13)	10.0	(13)	10.0	(13)	10.0	(13)
(ii) Top Marginal Income and Payroll Tax Rate					10.0	(16)	9.0	(22)			10.0	(13)	10.0	(13)	10.0	(13)
2. Legal Structure and Security of Property Rights	2.3		1.7		3.2		5.4		3.4		3.0		2.8		3.1	
A. Judicial Independence									2.2		1.4		1.2		2.0	
B. Impartial Courts							4.9		3.3		2.1		1.8		2.0	
C. Protection of Intellectual Property									1.7		1.3		1.2		1.7	
D. Military Interference							5.9		5.0		5.0		5.0		5.0	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	5.1		0.0		4.8		8.1		9.3		9.5		9.7		9.3	
A. Growth of Money Supply	6.2	(19.1)	0.0	(566.0)	2.4	(38.0)	6.3	(18.6)	9.5	(2.3)	9.5	(2.3)	9.8	(0.9)	8.8	(6.1)
B. Inflation Variability	3.8	(15.5)	0.0	(4769.2)	0.0	(85.9)	8.4	(4.0)	8.6	(3.4)	9.0	(2.6)	9.0	(2.5)	9.3	(1.8)
C. Recent Annual Inflation	0.5	(47.3)	0.0	(12336.7)	6.7	(16.3)	7.7	(11.4)	9.1	(4.6)	9.7	(1.6)	9.8	(0.9)	9.3	(3.3)
D. Freedom to Own Foreign Currency	10.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	5.3		5.8		6.5		7.4		7.3		7.1		7.2		7.3	
A. Taxes on International Trade	4.8		5.7		7.6		8.7		8.6		8.7		8.8		8.8	
(i) Taxes as Percentage of Exports and Imports	4.8	(7.8)	5.3	(7.0)	8.5	(2.3)	8.6	(2.1)	8.4	(2.4)	8.6	(2.1)	8.8	(1.8)	9.0	(1.5)
(ii) Mean Tariff Rate			6.0	(19.8)	6.7	(16.7)	8.1	(9.7)	8.1	(9.5)	8.1	(9.4)	8.1	(9.4)	8.1	(9.4)
(iii) Variability of Tariff Rates							9.6	(1.1)	9.4	(1.6)	9.4	(1.6)	9.4	(1.6)	9.4	(1.6)
B. Regulatory Trade Barriers									5.5		4.9		5.6		5.8	
(i) Hidden Import Barriers									4.8		3.6		4.7		4.7	
(ii) Costs of Importing									6.2		6.1		6.6		7.0	
C. Size of Trade Sector	6.0		5.1		5.4		5.4		4.6		4.3		4.9		4.9	
D. Official versus Black Market Exchange Rate	5.6		8.2		9.4		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		5.0		7.8		7.8		6.9		6.9	
(i) Access to Foreign Capital									8.6		8.6		6.8		6.8	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		6.9		6.9		6.9		6.9	
5. Regulation of Credit, Labor and Business	3.8				6.2		6.2		6.0		5.5		5.6		5.7	
A. Regulation of Credit Markets	2.5		0.0		9.3		8.5		7.8		8.0		7.9		7.9	
(i) Private Ownership of Banks					10.0		8.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks									5.1		5.1		5.1		5.1	
(iii) Extension of Credit to Private Sector	5.0				10.0		9.6		9.6		9.4		9.3		9.3	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		8.0		8.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates									6.3		6.3		6.3		6.3	
B. Regulation of Labor Markets									4.7		4.3		4.6		4.6	
(i) Impact of Minimum Wage									3.1		3.1		3.1		3.1	
(ii) Flexibility in Hiring and Firing									4.9		3.8		3.5		3.8	
(iii) Collective Bargaining									7.1		6.2		7.8		7.7	
(iv) Incentives from Unemployment Benefits									5.5		5.5		5.5		5.5	
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business									5.5		4.1		4.3		4.5	
(i) Price Controls					6.0		8.0		9.0		8.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses									5.5		1.7		2.2		2.2	
(iii) Time Spent with Government Bureaucracy									3.9		4.3		4.3		5.0	
(iv) Ease of Starting a New Business									3.9		2.8		3.3		2.7	
(v) Irregular Payments to Government Officials									5.1		3.7		4.0		4.7	

Botswana

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.6 (48)		5.8 (40)		5.8 (46)		6.4 (45)		7.2 (28)		7.3 (19)		7.4 (17)		7.2 (30)	
1. Size of Government	3.6		3.3		3.7		4.8		5.3		5.3		5.3		5.0	
A. Government Consumption	3.7	(27.5)	1.0	(36.7)	1.6	(34.4)	0.0	(45.9)	0.0	(49.0)	0.0	(51.5)	0.0	(53.1)	0.0	(54.1)
B. Transfers and Subsidies	8.8	(4.9)	8.1	(7.3)	8.3	(6.6)	8.2	(7.2)	8.0	(7.7)	8.0	(7.7)	8.0	(7.7)	7.2	(10.9)
C. Government Enterprises and Investment	2.0	(44.9)	2.0	(53.2)	2.0		4.0		4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate	0.0		2.0		3.0		7.0		9.0		9.0		9.0		9.0	
(i) Top Marginal Income Tax Rate	0.0	(75)	2.0	(60)	3.0	(50)	7.0	(35)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income and Payroll Tax Rate					3.0	(50)	7.0	(35)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
2. Legal Structure and Security of Property Rights			6.3		6.3		6.4		6.8		7.0		7.3		6.8	
A. Judicial Independence											7.7		8.2		7.0	
B. Impartial Courts							6.4		6.8		6.8		7.7		6.3	
C. Protection of Intellectual Property											4.9		3.8		4.2	
D. Military Interference							8.3		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							7.0		6.7		5.8		6.7		6.7	
3. Access to Sound Money	5.3		5.3		5.6		7.9		9.1		9.2		9.3		9.2	
A. Growth of Money Supply	8.6	(6.8)	9.2	(4.1)	6.9	(15.3)	10.0	(-0.1)	9.9	(0.7)	9.3	(3.3)	9.2	(-3.8)	9.0	(-5.2)
B. Inflation Variability	6.4	(8.9)	6.5	(8.9)	6.6	(8.6)	8.3	(4.3)	8.3	(4.2)	8.8	(2.9)	9.4	(1.4)	9.5	(1.2)
C. Recent Annual Inflation	6.2	(19.1)	5.5	(22.7)	8.8	(6.0)	8.1	(9.3)	8.3	(8.6)	8.7	(6.6)	8.4	(8.1)	8.2	(9.2)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.2		7.2		7.4		6.8		7.8		7.7		7.8		7.5	
A. Taxes on International Trade	4.8		7.0		6.3		4.2		6.8		6.9		6.9		6.9	
(i) Taxes as Percentage of Exports and Imports	1.5	(12.8)	5.3	(7.1)	5.6	(6.6)	5.2	(7.1)	6.0	(6.1)	6.0	(6.1)	6.0	(6.1)	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)	8.7	(6.4)	8.7	(6.4)	8.7	(6.4)
(iii) Variability of Tariff Rates					5.5	(11.3)	1.2	(21.9)	6.0	(10.0)	6.0	(10.0)	6.0	(10.0)	6.0	(10.0)
B. Regulatory Trade Barriers											7.8		8.0		7.1	
(i) Hidden Import Barriers											7.1		7.3		6.2	
(ii) Costs of Importing											8.5		8.8		8.0	
C. Size of Trade Sector	10.0		10.0		8.8		7.1		7.2		6.5		6.3		5.8	
D. Official versus Black Market Exchange Rate	8.0		5.6		8.6		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		5.0		6.9		6.9		8.0		7.6	
(i) Access to Foreign Capital													9.0		8.2	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		6.9		6.9		6.9		6.9	
5. Regulation of Credit, Labor and Business	6.3		6.9		5.9		6.1		7.0		7.3		7.2		7.3	
A. Regulation of Credit Markets	6.5		8.1		5.9		6.6		9.7		9.7		9.8		9.8	
(i) Private Ownership of Banks					5.0		5.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	8.9		8.1		8.8		8.8		9.0		9.1		9.3		9.5	
(iv) Avoidance of Negative Real Interest Rates	4.0		8.0		4.0		6.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets											6.8		6.6		6.9	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing											3.7		3.3		4.2	
(iii) Collective Bargaining											6.7		6.5		6.5	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business											5.3		5.2		5.1	
(i) Price Controls					6.0		6.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											4.0		3.5		4.3	
(iii) Time Spent with Government Bureaucracy											4.0		4.3		4.0	
(iv) Ease of Starting a New Business											5.8		5.2		4.7	
(v) Irregular Payments to Government Officials											6.9		7.3		6.7	

Brazil

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.4 (82)		3.6 (103)		4.2 (100)		4.4 (109)		5.9 (80)		5.9 (84)		6.1 (77)		5.9 (88)	
1. Size of Government	5.3		5.1		5.8		5.6		5.9		6.3		6.5		6.3	
A. Government Consumption	8.3	(11.6)	7.9	(13.0)	4.5	(24.5)	4.5	(24.7)	4.4	(24.9)	4.4	(24.9)	4.5	(24.5)	4.1	(26.0)
B. Transfers and Subsidies	6.8	(12.4)	7.4	(10.0)	7.2	(10.7)	6.5	(13.3)	6.0	(15.3)	6.0	(15.3)	6.0	(15.3)	6.0	(15.3)
C. Government Enterprises and Investment	2.0	(49.2)	4.0	(36.0)	6.0	(24.9)	6.0	(17.8)	8.0	(17.1)	10.0	(13.8)	10.0	(13.8)	10.0	(13.8)
D. Top Marginal Tax Rate	4.0		1.0		5.5		5.5		5.0		5.0		5.5		5.0	
(i) Top Marginal Income Tax Rate	4.0	(55)	1.0	(60)	9.0	(25)	8.0	(35)	8.0	(28)	8.0	(28)	8.0	(28)	8.0	(28)
(ii) Top Marginal Income and Payroll Tax Rate					2.0	(53)	3.0	(60)	2.0	(55)	2.0	(55)	3.0	(50)	2.0	(55)
2. Legal Structure and Security of Property Rights	5.9		5.7		6.2		5.8		5.4		4.9		4.9		4.9	
A. Judicial Independence							5.6		5.5		5.3		4.8		5.2	
B. Impartial Courts							6.7		6.2		4.6		4.8		4.7	
C. Protection of Intellectual Property							4.1		5.1		4.8		4.7		4.5	
D. Military Interference							5.5		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							7.0		3.3		3.3		3.3		3.3	
3. Access to Sound Money	1.3		0.0		0.0		0.0		6.1		6.6		7.6		7.0	
A. Growth of Money Supply	1.6	(41.8)	0.0	(137.8)	0.0	(648.7)	0.0	(479.0)	8.1	(9.6)	8.5	(7.6)	7.6	(11.9)	7.6	(11.9)
B. Inflation Variability	3.4	(16.6)	0.0	(53.1)	0.0	(878.9)	0.0	(851.5)	7.9	(5.2)	9.3	(1.7)	9.3	(1.8)	8.5	(3.8)
C. Recent Annual Inflation	0.0	(87.5)	0.0	(231.7)	0.0	(2509.5)	0.0	(77.6)	8.6	(7.0)	8.6	(6.9)	8.3	(8.4)	7.1	(14.7)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	4.5		3.0		4.6		5.7		6.1		6.5		6.7		6.7	
A. Taxes on International Trade	3.3		2.6		4.8		7.7		7.2		7.3		7.1		7.1	
(i) Taxes as Percentage of Exports and Imports	3.3	(10.0)	7.9	(3.2)	7.5	(3.7)	8.1	(2.8)	7.2	(4.2)	7.2	(4.2)	7.2	(4.2)	7.2	(4.2)
(ii) Mean Tariff Rate			0.0	(55.6)	4.0	(30.0)	7.6	(12.0)	7.1	(14.4)	7.4	(12.9)	7.0	(14.9)	7.0	(14.9)
(iii) Variability of Tariff Rates			0.0	(26.2)	3.0	(17.5)	7.2	(6.9)	7.2	(7.0)	7.1	(7.2)	7.1	(7.2)	7.1	(7.2)
B. Regulatory Trade Barriers							5.3		5.3		6.0		5.7		5.5	
(i) Hidden Import Barriers							5.3		4.0		5.7		5.7		4.7	
(ii) Costs of Importing									6.7		6.3		5.8		6.3	
C. Size of Trade Sector	4.6		3.9		1.8		2.3		4.0		4.9		5.1		5.2	
D. Official versus Black Market Exchange Rate	6.4		0.2		8.0		9.4		10.0		10.0		9.2		9.2	
E. Restrictions on Capital Markets	0.0		0.0		0.0		3.6		4.2		4.2		6.6		6.3	
(i) Access to Foreign Capital							7.3		7.6		7.6		8.6		8.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.8		0.8		4.6		4.6	
5. Regulation of Credit, Labor and Business	4.9		4.3		4.7		5.1		5.9		5.3		4.9		4.8	
A. Regulation of Credit Markets	5.3		3.4		3.9		4.7		6.4		5.7		5.5		5.5	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							6.5		7.1		7.1		6.0		6.0	
(iii) Extension of Credit to Private Sector	6.8		5.3		6.8		8.2		5.9		5.7		5.9		5.8	
(iv) Avoidance of Negative Real Interest Rates	4.0		0.0		0.0		0.0		8.0		5.0		5.0		5.0	
(v) Controls on Interest Rates							3.8		5.8		5.8		5.8		5.8	
B. Regulation of Labor Markets					4.8		5.3		4.6		4.7		4.5		4.4	
(i) Impact of Minimum Wage							6.7		3.5		3.5		3.5		3.5	
(ii) Flexibility in Hiring and Firing					6.2		6.2		5.3		5.5		5.0		4.3	
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		5.5		5.3		5.3		5.2	
(iv) Incentives from Unemployment Benefits							5.5		6.0		6.0		5.9		6.3	
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business							5.2		6.7		5.4		4.7		4.5	
(i) Price Controls					0.0		6.0		7.0		7.0		5.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.7		2.8		3.0		2.0	
(iii) Time Spent with Government Bureaucracy							5.6		7.4		6.3		5.8		4.8	
(iv) Ease of Starting a New Business							6.0		5.7		4.6		4.3		3.0	
(v) Irregular Payments to Government Officials							3.3		5.7		6.2		5.6		6.5	

Bulgaria

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►		5.6 (46)	4.3 (97)	4.6 (103)	5.1 (106)	5.7 (91)	6.0 (80)	6.3 (70)
1. Size of Government	4.5	4.5	2.5	4.0	4.0	4.6	4.6	4.4
A. Government Consumption	9.0 (9.3)	8.1 (12.4)	4.9 (23.3)	6.5 (17.8)	5.2 (22.2)	5.8 (20.2)	5.7 (20.6)	5.4 (21.6)
B. Transfers and Subsidies		5.4 (17.5)	2.7 (27.2)	6.6 (13.0)	5.8 (15.9)	5.5 (16.8)	5.5 (16.8)	5.3 (17.6)
C. Government Enterprises and Investment	0.0	0.0	0.0 (96.4)	0.0 (55.6)	2.0 (44.8)	2.0 (49.8)	2.0 (49.8)	2.0 (49.8)
D. Top Marginal Tax Rate				3.0	3.0	5.0	5.0	5.0
(i) Top Marginal Income Tax Rate				3.0 (50)	5.0 (38)	8.0 (29)	8.0 (29)	8.0 (29)
(ii) Top Marginal Income and Payroll Tax Rate					1.0 (56)	2.0 (53)	2.0 (52)	2.0 (55)
2. Legal Structure and Security of Property Rights		7.2	7.2	5.9	5.4	4.8	4.7	4.7
A. Judicial Independence					4.2	3.2	2.8	2.8
B. Impartial Courts				5.3	4.5	2.9	2.7	2.7
C. Protection of Intellectual Property					3.4	3.1	2.8	3.0
D. Military Interference				7.5	8.3	8.3	8.3	8.3
E. Integrity of Legal System				7.0	6.7	6.7	6.7	6.7
3. Access to Sound Money		6.5	4.4	2.0	3.2	6.3	8.2	8.8
A. Growth of Money Supply			7.4 (13.1)	3.0 (35.1)	0.0 (76.7)	6.7 (16.3)	7.2 (14.1)	7.2 (14.1)
B. Inflation Variability		9.4 (1.4)	5.6 (10.9)	0.0 (66.4)	0.0 (409.7)	0.0 (419.7)	6.6 (8.4)	8.6 (3.4)
C. Recent Annual Inflation		10.0 (0.2)	4.8 (26.2)	0.0 (62.9)	7.9 (10.3)	8.5 (7.4)	8.8 (5.8)	9.6 (2.2)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners		4.2	4.3	6.9	7.3	7.1	6.8	7.3
A. Taxes on International Trade		6.4	8.4	6.4	7.8	7.4	7.5	7.4
(i) Taxes as Percentage of Exports and Imports		6.4 (5.4)	9.1 (1.3)	7.9 (3.2)	9.5 (0.7)	9.6 (0.6)	9.7 (0.5)	9.6 (0.6)
(ii) Mean Tariff Rate			7.7 (11.4)	6.6 (17.2)	7.3 (13.7)	7.2 (13.8)	7.2 (13.8)	7.2 (13.8)
(iii) Variability of Tariff Rates				4.7 (13.3)	6.8 (8.1)	5.5 (11.3)	5.5 (11.3)	5.5 (11.3)
B. Regulatory Trade Barriers					6.4	6.4	6.4	6.4
(i) Hidden Import Barriers					4.4	4.4	4.3	4.3
(ii) Costs of Importing					8.5	8.4	8.4	8.5
C. Size of Trade Sector	5.2	6.3	4.8	5.9	7.1	7.2	6.6	6.8
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	9.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.0	5.0	4.7	3.7	6.0
(i) Access to Foreign Capital					7.0	7.0	5.8	6.6
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	3.1	2.3	1.5	5.4
5. Regulation of Credit, Labor and Business			3.0	4.3	5.4	5.4	5.8	6.0
A. Regulation of Credit Markets	0.0	0.0	1.7	4.3	5.9	6.9	7.9	8.1
(i) Private Ownership of Banks	0.0	0.0	0.0	2.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks					5.2	5.2	9.0	9.0
(iii) Extension of Credit to Private Sector			1.0	3.0	7.1	7.3	7.3	8.2
(iv) Avoidance of Negative Real Interest Rates			4.0	8.0	4.0	9.0	10.0	10.0
(v) Controls on Interest Rates					5.3	5.3	5.3	5.3
B. Regulation of Labor Markets					4.9	4.9	5.1	5.0
(i) Impact of Minimum Wage					2.6	2.6	2.6	2.6
(ii) Flexibility in Hiring and Firing					4.3	4.6	5.3	5.0
(iii) Collective Bargaining					7.9	7.6	7.8	7.8
(iv) Incentives from Unemployment Benefits					6.8	6.8	6.8	6.8
(v) Military Conscription	0.0	0.0	0.0	1.0	3.0	3.0	3.0	3.0
C. Regulation of Business					5.4	4.5	4.3	4.7
(i) Price Controls			0.0	4.0	6.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses					6.1	2.8	2.5	2.8
(iii) Time Spent with Government Bureaucracy					6.0	4.0	4.0	4.8
(iv) Ease of Starting a New Business					2.5	2.2	2.2	2.5
(v) Irregular Payments to Government Officials					6.6	7.4	6.8	7.5

Burundi

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.2 (88)		4.7 (83)		4.7 (90)		4.7 (100)		5.1 (106)		5.3 (106)		5.2 (112)		4.5 (122)	
1. Size of Government	4.5		4.7		4.4		5.8		6.5		6.1		6.3		6.0	
A. Government Consumption	9.1 (9.2)		9.4 (8.2)		8.7 (10.3)		8.1 (12.5)		8.0 (12.9)		6.9 (16.6)		7.6 (14.2)		6.6 (17.7)	
B. Transfers and Subsidies							9.3 (3.2)		9.4 (2.6)		9.4 (2.6)		9.4 (2.6)		9.4 (2.6)	
C. Government Enterprises and Investment	0.0 (67.7)		0.0 (82.4)		0.0 (82.5)		0.0		2.0		2.0		2.0		2.0	
D. Top Marginal Tax Rate																
(i) Top Marginal Income Tax Rate																
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	4.7		4.2		4.4		4.5		3.3		3.3		3.3		1.6	
A. Judicial Independence																
B. Impartial Courts							4.0		3.7		3.7		3.7		2.9	
C. Protection of Intellectual Property																
D. Military Interference									2.2		2.2		2.2		0.9	
E. Integrity of Legal System							5.2									
3. Access to Sound Money	4.9		6.1		6.5		5.8		6.1		6.8		6.9		6.0	
A. Growth of Money Supply	5.3 (23.3)		8.5 (7.3)		9.9 (0.8)		8.3 (8.6)		7.7 (11.7)		7.5 (12.6)		6.7 (16.6)		6.7 (16.6)	
B. Inflation Variability	7.6 (6.0)		7.1 (7.4)		7.2 (6.9)		8.1 (4.9)		6.6 (8.5)		6.7 (8.3)		7.3 (6.8)		5.4 (11.5)	
C. Recent Annual Inflation	6.7 (16.4)		9.0 (5.1)		8.8 (6.0)		7.0 (15.2)		5.1 (24.3)		8.2 (9.2)		8.8 (-5.8)		6.8 (16.0)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	2.1		3.0		3.9		2.6		4.3		4.3		3.7		3.2	
A. Taxes on International Trade	0.0		1.2		1.3		2.1		1.1		1.1		3.6		3.6	
(i) Taxes as Percentage of Exports and Imports	0.0 (18.1)		0.0 (17.0)		0.0 (22.9)		1.6 (12.6)		1.1 (13.3)		1.1 (13.3)		1.1 (13.3)		1.1 (13.3)	
(ii) Mean Tariff Rate			2.4 (37.9)		2.6 (37.0)		2.6 (36.9)						6.1 (19.6)		6.1 (19.6)	
(iii) Variability of Tariff Rates																
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	1.0		0.4		0.9		1.4		0.0		0.0		0.0		0.0	
D. Official versus Black Market Exchange Rate	1.0		5.0		8.8		1.2		10.0		10.0		4.5		4.5	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		2.3		2.3		2.3		2.3	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		2.3		2.3		2.3		2.3	
5. Regulation of Credit, Labor and Business	4.8		5.2		4.5		4.9		5.5		5.8		5.8		5.9	
A. Regulation of Credit Markets	2.9		4.0		3.3		3.9		5.2		6.4		6.4		6.5	
(i) Private Ownership of Banks	2.0		2.0		0.0		0.0		0.0		0.0		0.0		0.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	4.8		3.9		5.8		7.8		9.7		9.3		9.3		9.4	
(iv) Avoidance of Negative Real Interest Rates	2.0		6.0		4.0		4.0		6.0		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		10.0		10.0	
C. Regulation of Business																
(i) Price Controls					0.0		2.0		4.0		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																

Cameroon

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.8 (35)		5.8 (40)		5.7 (50)		5.2 (88)		5.5 (101)		5.7 (91)		5.6 (98)		5.6 (98)
1. Size of Government	7.4		5.5		5.2		5.6		5.5		5.3		5.4		5.4
A. Government Consumption	8.2 (12.2)		8.2 (12.3)		7.0 (16.1)		8.6 (10.7)		8.5 (11.0)		7.6 (14.1)		8.1 (12.4)		8.1 (12.4)
B. Transfers and Subsidies	9.9 (0.8)		10.0 (0.6)		9.4 (2.7)		9.7 (1.6)		9.7 (1.7)		9.6 (2.1)		9.6 (2.1)		9.6 (2.1)
C. Government Enterprises and Investment	4.0 (27.7)		2.0 (41.7)		4.0 (32.0)		4.0		4.0		4.0		4.0		4.0
D. Top Marginal Tax Rate			2.0		0.5		0.0		0.0		0.0		0.0		0.0
(i) Top Marginal Income Tax Rate			2.0 (60)		1.0 (60)		0.0 (66)		0.0 (65)		0.0 (65)		0.0 (65)		0.0 (65)
(ii) Top Marginal Income and Payroll Tax Rate					0.0 (63)		0.0 (69)		0.0 (68)		0.0 (68)		0.0 (68)		0.0 (68)
2. Legal Structure and Security of Property Rights	5.8		5.8		5.8		4.8		4.4		4.4		4.2		4.2
A. Judicial Independence													3.3		3.3
B. Impartial Courts							3.8		3.8		3.8		3.5		3.8
C. Protection of Intellectual Property													4.0		4.0
D. Military Interference							4.4		6.7		6.7		6.7		6.7
E. Integrity of Legal System							7.0		3.3		3.3		3.3		3.3
3. Access to Sound Money	5.4		6.4		7.1		5.8		6.6		6.8		6.9		6.9
A. Growth of Money Supply	6.8 (15.8)		8.5 (7.7)		9.2 (-4.1)		9.4 (-3.0)		7.4 (13.2)		8.3 (8.3)		8.5 (7.5)		8.5 (7.5)
B. Inflation Variability	7.6 (5.9)		9.3 (1.7)		9.4 (1.6)		7.3 (6.6)		9.3 (1.9)		9.6 (0.9)		9.6 (0.9)		9.6 (0.9)
C. Recent Annual Inflation	7.2 (14.3)		7.8 (11.2)		9.7 (1.6)		6.6 (17.0)		9.6 (-2.1)		9.1 (4.5)		9.4 (2.8)		9.4 (2.8)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	5.3		6.1		5.4		5.2		5.8		6.0		5.8		5.5
A. Taxes on International Trade	2.7		5.9		6.4		3.7		5.1		5.5		5.4		5.4
(i) Taxes as Percentage of Exports and Imports	2.7 (11.0)		5.9 (6.1)		6.4 (5.4)		4.9 (7.7)		3.8 (9.2)		3.8 (9.2)		3.8 (9.2)		3.8 (9.2)
(ii) Mean Tariff Rate							6.3 (18.7)		6.3 (18.4)		6.4 (18.0)		6.3 (18.3)		6.3 (18.3)
(iii) Variability of Tariff Rates							0.0 (29.6)				6.2 (9.6)		6.2 (9.6)		6.2 (9.6)
B. Regulatory Trade Barriers													4.0		3.2
(i) Hidden Import Barriers													3.3		3.3
(ii) Costs of Importing													4.8		3.0
C. Size of Trade Sector	6.0		6.3		3.1		4.1		5.1		5.3		4.7		4.3
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.8		0.8		4.6		4.6
(i) Access to Foreign Capital													8.4		8.4
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.8		0.8		0.8		0.8
5. Regulation of Credit, Labor and Business	5.2		5.2		5.1		4.7		5.0		6.0		5.9		5.9
A. Regulation of Credit Markets	3.0		3.0		5.2		4.0		4.9		7.0		7.1		7.2
(i) Private Ownership of Banks	0.0		0.0		0.0		2.0		2.0		5.0		5.0		5.0
(ii) Competition from Foreign Banks															
(iii) Extension of Credit to Private Sector					7.7		6.1		6.8		7.0		7.4		7.6
(iv) Avoidance of Negative Real Interest Rates	6.0		6.0		8.0		4.0		6.0		9.0		9.0		9.0
(v) Controls on Interest Rates															
B. Regulation of Labor Markets													6.8		6.8
(i) Impact of Minimum Wage															
(ii) Flexibility in Hiring and Firing													4.3		4.3
(iii) Collective Bargaining													6.0		6.0
(iv) Incentives from Unemployment Benefits															
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
C. Regulation of Business													3.8		3.8
(i) Price Controls					0.0		0.0		0.0		4.0		4.0		4.0
(ii) Administrative Obstacles for New Businesses													2.2		2.2
(iii) Time Spent with Government Bureaucracy													3.8		3.8
(iv) Ease of Starting a New Business													5.7		5.7
(v) Irregular Payments to Government Officials													3.5		3.5

Canada

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.2 (7)		7.2 (6)		7.5 (5)		7.8 (8)		8.1 (7)		8.1 (6)		7.9 (7)		8.0 (7)	
1. Size of Government	4.9		4.7		5.3		5.3		6.0		6.5		6.6		6.6	
A. Government Consumption	3.3	(28.8)	3.3	(28.8)	3.3	(28.6)	3.7	(27.5)	4.5	(24.6)	4.5	(24.8)	4.4	(25.0)	4.4	(25.1)
B. Transfers and Subsidies	6.2	(14.5)	5.7	(16.3)	5.9	(15.6)	5.5	(16.9)	6.3	(13.9)	6.4	(13.6)	7.2	(10.9)	7.2	(10.8)
C. Government Enterprises and Investment	8.0	(12.6)	8.0	(14.8)	8.0	(13.7)	8.0	(14.8)	10.0	(10.6)	10.0	(10.6)	10.0	(10.6)	10.0	(10.6)
D. Top Marginal Tax Rate	2.0		2.0		4.0		4.0		3.0		5.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	2.0	(60-68)	2.0	(50-63)	4.0	(44-54)	4.0	(44-54)	3.0	(44-51)	5.0	(39-49)	5.0	(39-49)	5.0	(39-49)
(ii) Top Marginal Income and Payroll Tax Rate					4.0	(44-54)	4.0	(44-54)	3.0	(44-51)	5.0	(39-49)	5.0	(39-49)	5.0	(39-49)
2. Legal Structure and Security of Property Rights	7.2		7.9		8.3		8.9		9.3		9.0		8.3		8.7	
A. Judicial Independence							9.5		9.2		8.8		7.5		8.2	
B. Impartial Courts							8.9		9.2		8.0		6.5		7.3	
C. Protection of Intellectual Property							7.3		8.0		8.0		7.3		7.8	
D. Military Interference							9.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	9.2		9.0		9.6		9.6		9.5		9.5		9.5		9.5	
A. Growth of Money Supply	9.7	(1.7)	7.6	(11.9)	9.2	(3.9)	9.1	(4.4)	9.1	(4.6)	9.0	(5.2)	9.0	(5.1)	9.1	(4.4)
B. Inflation Variability	9.3	(1.7)	8.7	(3.2)	9.6	(0.9)	9.7	(0.7)	9.4	(1.6)	9.4	(1.6)	9.4	(1.6)	9.4	(1.4)
C. Recent Annual Inflation	7.8	(11.0)	9.5	(2.4)	9.4	(3.1)	9.5	(2.7)	9.5	(2.7)	9.5	(2.5)	9.6	(2.2)	9.4	(2.8)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.8		7.7		7.5		7.3		8.3		8.2		8.0		8.0	
A. Taxes on International Trade	8.1		8.4		7.9		5.9		8.8		8.7		8.7		8.8	
(i) Taxes as Percentage of Exports and Imports	8.4	(2.4)	8.9	(1.7)	9.2	(1.2)	9.5	(0.7)	9.8	(0.3)	9.8	(0.3)	9.8	(0.4)	9.8	(0.3)
(ii) Mean Tariff Rate	7.8	(11.2)	7.9	(10.5)	8.1	(9.4)	8.0	(10.1)	9.2	(3.9)	9.1	(4.5)	9.0	(5.1)	9.2	(3.9)
(iii) Variability of Tariff Rates					6.5	(8.8)	0.3	(24.2)	7.3	(6.7)	7.3	(6.7)	7.3	(6.7)	7.3	(6.7)
B. Regulatory Trade Barriers							7.2		8.5		8.2		8.2		8.2	
(i) Hidden Import Barriers							7.2		7.5		7.4		7.3		7.2	
(ii) Costs of Importing									9.5		9.0		9.0		9.2	
C. Size of Trade Sector	4.6		4.2		3.5		5.0		5.6		5.2		4.9		4.3	
D. Official versus Black Market Exchange Rate	10.0		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		8.4		8.6		8.6		8.3		8.8	
(i) Access to Foreign Capital							8.8		8.8		8.8		8.2		9.2	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		8.0		8.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	6.8		6.7		6.7		7.7		7.6		7.3		7.3		7.3	
A. Regulation of Credit Markets	9.7		9.7		9.7		8.3		8.4		8.4		9.0		9.0	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							5.5		5.1		5.1		8.0		8.0	
(iii) Extension of Credit to Private Sector	9.2		9.2		9.2		8.3		8.8		8.7		8.7		8.7	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							7.8		8.2		8.2		8.2		8.2	
B. Regulation of Labor Markets	7.3		7.2		7.1		7.1		6.4		6.5		6.5		6.5	
(i) Impact of Minimum Wage							6.1		4.3		4.3		4.3		4.3	
(ii) Flexibility in Hiring and Firing					6.5		6.5		5.1		5.6		5.5		5.3	
(iii) Collective Bargaining	7.2		7.2		7.2		7.2		7.8		7.9		7.7		7.2	
(iv) Incentives from Unemployment Benefits	4.8		4.5		4.5		5.8		4.8		4.8		5.1		5.6	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							7.7		8.0		6.9		6.4		6.5	
(i) Price Controls					9.0		7.0		9.0		8.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses									7.2		4.2		3.3		4.0	
(iii) Time Spent with Government Bureaucracy							7.1		7.2		6.0		5.8		5.3	
(iv) Ease of Starting a New Business							7.8		7.6		7.5		7.3		6.8	
(v) Irregular Payments to Government Officials							8.8		9.1		8.6		7.7		8.5	

Central African Republic

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	4.7 (74)	4.3 (91)	4.9 (80)	4.7 (100)	4.9 (112)	5.0 (115)	4.8 (116)	4.9 (119)
1. Size of Government	3.8	3.6	3.7	3.8	4.3	4.2	4.2	4.2
A. Government Consumption	7.7 (13.9)	7.2 (15.7)	7.4 (14.8)	7.7 (14.0)	8.6 (10.9)	8.4 (11.4)	8.4 (11.6)	8.4 (11.6)
B. Transfers and Subsidies								
C. Government Enterprises and Investment	0.0 (65.7)	0.0 (67.0)	0.0 (51.8)	0.0 (54.8)	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income and Payroll Tax Rate								
2. Legal Structure and Security of Property Rights	4.7	4.2	4.4	4.9	4.3	4.3	3.2	3.5
A. Judicial Independence								
B. Impartial Courts							0.0	3.0
C. Protection of Intellectual Property								
D. Military Interference					4.7	4.7	4.7	4.7
E. Integrity of Legal System				5.2	4.0	4.0	4.0	4.0
3. Access to Sound Money	4.9	4.3	7.1	5.0	7.1	7.0	7.2	7.1
A. Growth of Money Supply	5.6 (22.1)	8.5 (7.3)	10.0 (-0.2)	6.8 (15.8)	9.1 (-4.4)	9.2 (-4.1)	9.8 (-0.8)	9.8 (-0.8)
B. Inflation Variability	7.5 (6.2)	5.6 (10.9)	8.9 (2.9)	6.0 (9.9)	9.8 (0.6)	9.6 (0.9)	9.5 (1.2)	9.1 (2.2)
C. Recent Annual Inflation	6.3 (18.3)	3.2 (34.2)	9.5 (2.3)	7.3 (13.4)	9.4 (3.2)	9.2 (3.8)	9.3 (3.4)	9.4 (3.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	5.5	5.4	4.8	5.6	4.8	4.8	4.7	5.4
A. Taxes on International Trade	2.9	3.6	3.0	6.2	5.6	5.5	5.5	5.5
(i) Taxes as Percentage of Exports and Imports	2.9 (10.6)		2.3 (11.5)		4.3 (8.6)	4.3 (8.6)	4.3 (8.6)	4.3 (8.6)
(ii) Mean Tariff Rate		3.6 (32.0)	3.6 (32.0)	6.3 (18.6)	6.3 (18.6)	6.3 (18.4)	6.2 (18.9)	6.2 (18.9)
(iii) Variability of Tariff Rates				6.2 (9.6)	6.2 (9.5)	6.0 (9.9)	6.0 (9.9)	6.0 (9.9)
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	6.9	5.2	3.6	4.0	0.0	0.0	0.0	4.3
D. Official versus Black Market Exchange Rate	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	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	3.9	3.9	4.5	4.6	4.5
A. Regulation of Credit Markets	0.0	4.0	6.3	4.9	4.7	6.8	7.1	7.0
(i) Private Ownership of Banks	0.0	0.0	2.0	2.0	2.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector			6.9	6.6	6.2	6.4	7.2	7.1
(iv) Avoidance of Negative Real Interest Rates		8.0	10.0	6.0	6.0	9.0	9.0	9.0
(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	0.0
C. Regulation of Business								
(i) Price Controls			0.0	0.0	0.0	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

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.5 (89)		5.3 (62)		5.3 (62)		5.3 (84)		5.4 (102)		5.6 (98)		5.4 (106)		5.4 (110)	
1. Size of Government	2.1		4.3		6.2		6.3		6.5		6.7		6.8		6.8	
A. Government Consumption	4.1	(26.0)	8.6	(10.8)	8.7	(10.5)	9.1	(9.1)	8.9	(9.7)	9.4	(8.0)	9.5	(7.6)	9.5	(7.6)
B. Transfers and Subsidies					9.9	(0.9)	9.9	(0.8)								
C. Government Enterprises and Investment	0.0		0.0	(95.7)	0.0	(94.0)	0.0	(54.5)	4.0	(37.5)	4.0	(37.5)	4.0	(37.5)	4.0	(37.5)
D. Top Marginal Tax Rate																
(i) Top Marginal Income Tax Rate																
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	4.7		4.2		4.4		4.4		4.2		4.2		2.7		2.8	
A. Judicial Independence													1.3		1.7	
B. Impartial Courts							4.1		4.0		4.0		2.2		2.2	
C. Protection of Intellectual Property													1.5		1.7	
D. Military Interference							4.4		4.7		4.7		4.7		4.7	
E. Integrity of Legal System							5.2		4.0		4.0		4.0		4.0	
3. Access to Sound Money	6.3		5.3		5.8		5.2		6.6		6.2		6.4		6.3	
A. Growth of Money Supply	7.3	(13.5)	5.8	(20.9)	9.3	(-3.7)	9.6	(2.2)	9.7	(-1.7)	9.3	(3.3)	8.5	(7.7)	8.5	(7.7)
B. Inflation Variability	9.8	(0.6)	6.0	(10.0)	6.2	(9.5)	2.8	(17.9)	7.7	(5.8)	8.1	(4.7)	8.1	(4.7)	7.1	(7.3)
C. Recent Annual Inflation	8.3	(8.7)	9.3	(3.8)	7.7	(11.4)	8.2	(8.9)	9.2	(3.8)	7.5	(12.4)	9.0	(5.2)	9.6	(-1.9)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners					5.8		6.4		5.8		6.2		6.0		6.1	
A. Taxes on International Trade					7.4		8.5		6.2		6.4		6.4		6.4	
(i) Taxes as Percentage of Exports and Imports					7.4	(3.9)	8.5	(2.2)								
(ii) Mean Tariff Rate									6.8	(15.8)	6.6	(17.0)	6.6	(17.1)	6.6	(17.1)
(iii) Variability of Tariff Rates									5.6	(10.9)	6.2	(9.4)	6.2	(9.4)	6.2	(9.4)
B. Regulatory Trade Barriers													3.9		4.2	
(i) Hidden Import Barriers													1.8		2.5	
(ii) Costs of Importing													5.9		5.8	
C. Size of Trade Sector	5.4		4.8		4.2		5.6		4.6		6.3		7.1		6.8	
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		2.8		3.2	
(i) Access to Foreign Capital													5.6		6.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		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		3.9		3.9		4.6		5.2		5.0	
A. Regulation of Credit Markets	2.0		5.0		4.8		3.5		3.3		5.7		5.8		5.7	
(i) Private Ownership of Banks	2.0		2.0		0.0		0.0		0.0		2.0		2.0		2.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector					6.3		6.4		6.0		6.0		6.4		6.2	
(iv) Avoidance of Negative Real Interest Rates			8.0		8.0		4.0		4.0		9.0		9.0		9.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													5.9		5.1	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													6.3		4.8	
(iii) Collective Bargaining													8.3		7.5	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		0.0		0.0		0.0		0.0		0.0		3.0		3.0	
C. Regulation of Business													3.8		4.2	
(i) Price Controls					4.0		4.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													3.2		3.3	
(iii) Time Spent with Government Bureaucracy													6.0		6.3	
(iv) Ease of Starting a New Business													3.5		4.7	
(v) Irregular Payments to Government Officials													2.3		2.8	

Chile

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.3 (55)		5.9 (35)		6.6 (26)		7.5 (13)		7.5 (16)		7.3 (19)		7.3 (19)		7.4 (20)
1. Size of Government	5.0		5.7		6.5		7.3		7.1		6.1		6.1		6.3
A. Government Consumption	7.4 (15.0)		6.9 (16.7)		7.8 (13.6)		7.8 (13.6)		7.0 (16.1)		6.9 (16.5)		6.9 (16.7)		6.8 (16.8)
B. Transfers and Subsidies	6.6 (12.9)		6.0 (15.3)		7.3 (10.5)		7.4 (10.0)		6.5 (13.4)		6.5 (13.3)		6.5 (13.3)		7.3 (10.4)
C. Government Enterprises and Investment	4.0 (32.2)		8.0 (16.1)		7.0 (20.5)		8.0 (16.6)		10.0 (12.3)		6.0 (28.2)		6.0 (28.2)		6.0 (28.2)
D. Top Marginal Tax Rate	2.0		2.0		4.0		6.0		5.0		5.0		5.0		5.0
(i) Top Marginal Income Tax Rate	2.0 (58)		2.0 (56)		4.0 (50)		6.0 (45)		5.0 (45)		5.0 (43)		5.0 (40)		5.0 (40)
(ii) Top Marginal Income and Payroll Tax Rate					4.0 (50)		6.0 (45)		5.0 (45)		5.0 (43)		5.0 (40)		5.0 (40)
2. Legal Structure and Security of Property Rights	6.4		5.0		6.2		6.8		6.5		6.2		6.4		6.5
A. Judicial Independence							6.6		5.8		5.4		6.0		6.3
B. Impartial Courts							7.1		6.5		5.4		5.7		6.2
C. Protection of Intellectual Property							5.6		5.3		5.0		5.2		4.8
D. Military Interference							7.5		6.7		6.7		6.7		6.7
E. Integrity of Legal System							7.0		8.3		8.3		8.3		8.3
3. Access to Sound Money	2.3		7.0		7.2		8.7		9.3		9.4		9.2		9.4
A. Growth of Money Supply	0.0 (99.5)		7.9 (10.7)		4.8 (25.9)		8.1 (9.7)		9.6 (2.1)		10.0 (0.2)		8.9 (5.6)		9.6 (2.0)
B. Inflation Variability	0.0 (80.6)		6.2 (9.6)		8.3 (4.2)		8.4 (4.0)		8.4 (4.0)		8.4 (4.1)		8.3 (4.2)		8.4 (4.1)
C. Recent Annual Inflation	4.2 (28.8)		3.9 (30.7)		5.8 (21.2)		8.1 (9.3)		9.2 (3.8)		9.3 (3.6)		9.5 (2.5)		9.4 (2.8)
D. Freedom to Own Foreign Currency	5.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	6.8		5.8		7.2		7.6		7.5		8.3		8.4		8.6
A. Taxes on International Trade	8.7		6.7		8.2		8.5		8.9		9.1		9.1		9.4
(i) Taxes as Percentage of Exports and Imports	8.1 (2.8)		6.2 (5.7)		7.5 (3.7)		7.7 (3.5)		8.5 (2.3)		8.8 (1.8)		8.8 (1.8)		9.4 (0.9)
(ii) Mean Tariff Rate	8.0 (10.0)		4.0 (30.0)		7.0 (15.0)		7.8 (11.0)		8.2 (9.0)		8.4 (8.0)		8.6 (7.0)		8.8 (6.0)
(iii) Variability of Tariff Rates	10.0 (0.0)		10.0 (0.0)		10.0 (0.0)		10.0 (0.0)		10.0 (0.0)		10.0 (0.0)		10.0 (0.0)		10.0 (0.0)
B. Regulatory Trade Barriers							7.1		8.4		8.8		8.9		9.1
(i) Hidden Import Barriers							7.1		8.3		8.7		8.5		8.5
(ii) Costs of Importing									8.5		8.9		9.3		9.7
C. Size of Trade Sector	6.4		6.5		7.5		6.3		5.9		6.7		6.7		6.7
D. Official versus Black Market Exchange Rate	8.8		5.6		10.0		9.6		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	2.0		2.0		2.0		6.5		4.3		7.0		7.5		7.7
(i) Access to Foreign Capital							8.0		8.6		8.6		9.6		10.0
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		0.0		5.4		5.4		5.4
5. Regulation of Credit, Labor and Business	5.7		5.7		5.8		7.1		7.0		6.4		6.3		6.5
A. Regulation of Credit Markets	7.5		8.2		8.4		8.6		8.3		8.3		8.3		8.3
(i) Private Ownership of Banks	5.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0
(ii) Competition from Foreign Banks							8.2		6.0		6.0		6.0		6.0
(iii) Extension of Credit to Private Sector	9.6		8.6		9.3		9.9		9.8		9.8		9.8		9.9
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		8.0		10.0		10.0		10.0		10.0		10.0
(v) Controls on Interest Rates							7.0		7.8		7.8		7.8		7.8
B. Regulation of Labor Markets					4.9		5.3		4.9		4.2		4.2		4.7
(i) Impact of Minimum Wage							5.7		3.4		3.4		3.4		3.4
(ii) Flexibility in Hiring and Firing					6.9		6.9		5.6		3.2		2.8		4.5
(iii) Collective Bargaining			7.9		7.9		7.9		8.9		8.0		8.2		8.5
(iv) Incentives from Unemployment Benefits							5.9		6.5		6.5		6.5		6.9
(v) Military Conscription	3.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
C. Regulation of Business							7.3		7.8		6.6		6.3		6.5
(i) Price Controls							10.0		9.0		10.0		9.0		8.0
(ii) Administrative Obstacles for New Businesses									7.9		3.7		3.5		4.5
(iii) Time Spent with Government Bureaucracy							6.2		7.9		6.3		6.5		6.8
(iv) Ease of Starting a New Business							6.5		5.7		4.9		5.0		4.8
(v) Irregular Payments to Government Officials							6.6		8.5		8.1		7.6		8.2

China

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.0 (93)		5.0 (72)		4.8 (84)		5.2 (88)		5.8 (86)		5.9 (84)		5.9 (84)		6.0 (86)	
1. Size of Government	2.6		3.9		3.6		4.0		3.8		3.8		4.1		4.1	
A. Government Consumption	5.3	(22.1)	5.7	(20.5)	5.9	(19.8)	6.1	(19.4)	5.5	(21.2)	5.3	(22.1)	6.4	(18.2)	6.4	(18.2)
B. Transfers and Subsidies																
C. Government Enterprises and Investment	0.0	(81.9)	0.0	(66.1)	0.0	(66.2)	0.0	(54.4)	0.0	(54.1)	0.0	(53.4)	0.0	(53.4)	0.0	(53.4)
D. Top Marginal Tax Rate			6.0		5.0		6.0		6.0		6.0		6.0		6.0	
(i) Top Marginal Income Tax Rate			6.0	(45)	5.0	(45)	6.0	(45)	6.0	(45)	6.0	(45)	6.0	(45)	6.0	(45)
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights			6.8		5.8		5.5		4.9		5.1		5.2		5.3	
A. Judicial Independence							3.8		3.3		5.6		4.0		4.5	
B. Impartial Courts							4.9		4.2		5.7		4.8		4.5	
C. Protection of Intellectual Property							4.2		3.2		4.4		4.0		4.3	
D. Military Interference							7.6		7.3		3.3		5.0		5.0	
E. Integrity of Legal System							7.0		6.7		6.7		8.3		8.3	
3. Access to Sound Money	6.2		6.0		6.5		5.8		8.1		8.4		8.3		8.3	
A. Growth of Money Supply	6.0	(20.0)	7.3	(13.3)	8.1	(9.3)	7.6	(11.8)	8.9	(5.5)	9.3	(3.7)	8.9	(5.5)	8.9	(5.5)
B. Inflation Variability	9.5	(1.3)	8.6	(3.4)	8.9	(2.8)	8.1	(4.8)	8.7	(3.4)	9.4	(1.6)	9.4	(1.4)	9.6	(1.0)
C. Recent Annual Inflation	9.2	(3.8)	8.0	(10.1)	8.9	(5.7)	7.4	(13.2)	9.9	(0.3)	9.9	(0.3)	9.8	(-0.8)	9.8	(1.2)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	4.2		5.5		4.9		6.4		7.2		7.5		7.5		7.5	
A. Taxes on International Trade	3.2		2.7		3.2		3.9		7.2		7.3		7.3		7.3	
(i) Taxes as Percentage of Exports and Imports	6.2	(5.7)	3.3	(10.0)	7.5	(3.7)	9.2	(1.2)	9.0	(1.5)	8.8	(1.8)	8.8	(1.8)	8.8	(1.8)
(ii) Mean Tariff Rate	0.1	(49.5)	2.1	(39.5)	1.9	(40.3)	2.5	(37.5)	6.7	(16.3)	7.0	(15.1)	7.0	(15.1)	7.0	(15.1)
(iii) Variability of Tariff Rates					0.0	(32.1)	0.0	(28.0)	5.7	(10.7)	6.0	(10.0)	6.0	(10.0)	6.0	(10.0)
B. Regulatory Trade Barriers							4.6		6.0		7.5		6.2		6.4	
(i) Hidden Import Barriers							4.6		4.4		6.5		5.0		4.8	
(ii) Costs of Importing									7.7		8.4		7.4		8.0	
C. Size of Trade Sector	4.4		6.6		8.1		10.0		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	5.0		7.8		0.0		8.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		2.0		5.0		4.9		2.7		2.7		3.9		4.0	
(i) Access to Foreign Capital							4.8		4.7		4.7		7.0		7.2	
(ii) Restrictions on Foreign Capital Transactions	0.0		2.0		5.0		5.0		0.8		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	3.0		3.0		3.3		4.3		5.0		4.7		4.4		4.6	
A. Regulation of Credit Markets	0.0		0.0		0.0		4.0		4.7		4.7		4.7		4.7	
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(ii) Competition from Foreign Banks							4.6		2.3		2.3		2.3		2.3	
(iii) Extension of Credit to Private Sector							9.8		9.4		9.2		9.2		9.3	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		0.0		4.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							1.7		1.8		1.8		1.8		1.8	
B. Regulation of Labor Markets					3.2		4.5		4.7		4.6		4.5		4.4	
(i) Impact of Minimum Wage							5.8		4.4		4.4		4.4		4.4	
(ii) Flexibility in Hiring and Firing					4.3		4.3		5.1		5.1		5.3		5.2	
(iii) Collective Bargaining	4.5		4.5		5.2		6.2		7.7		7.1		7.3		7.0	
(iv) Incentives from Unemployment Benefits							6.4		6.2		6.2		5.3		5.4	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business							4.4		5.6		4.8		4.2		4.6	
(i) Price Controls							4.0		3.0		3.0		3.0		2.0	
(ii) Administrative Obstacles for New Businesses									7.6		3.9		3.8		4.7	
(iii) Time Spent with Government Bureaucracy							4.8		5.4		5.0		2.8		4.5	
(iv) Ease of Starting a New Business							6.1		6.5		5.4		5.3		5.8	
(v) Irregular Payments to Government Officials							2.9		5.5		6.7		6.1		6.0	

Colombia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.7 (74)		5.1 (66)		5.0 (75)		5.4 (80)		5.4 (102)		5.5 (101)		5.4 (106)		5.5 (103)	
1. Size of Government	5.4		5.9		6.7		6.8		5.1		4.8		4.7		4.7	
A. Government Consumption	8.1	(12.6)	7.8	(13.4)	7.8	(13.6)	6.3	(18.5)	4.4	(25.2)	4.9	(23.3)	4.7	(24.0)	4.7	(24.0)
B. Transfers and Subsidies	9.3	(2.9)	8.9	(4.4)	9.1	(3.7)	9.0	(4.1)	8.7	(5.2)	8.7	(5.2)	8.7	(5.2)	8.7	(5.2)
C. Government Enterprises and Investment	2.0	(41.5)	2.0	(53.9)	2.0	(43.9)	4.0	(34.1)	2.0	(40.2)	0.0	(51.9)	0.0	(51.9)	0.0	(51.9)
D. Top Marginal Tax Rate	2.0		5.0		8.0		8.0		5.5		5.5		5.5		5.5	
(i) Top Marginal Income Tax Rate	2.0	(56)	5.0	(49)	8.0	(30)	8.0	(30)	7.0	(35)	7.0	(35)	7.0	(35)	7.0	(35)
(ii) Top Marginal Income and Payroll Tax Rate					8.0	(30)	8.0	(30)	4.0	(43)	4.0	(43)	4.0	(44)	4.0	(44)
2. Legal Structure and Security of Property Rights	4.0		3.4		3.4		2.8		3.5		3.4		3.3		3.2	
A. Judicial Independence								3.7		3.5		3.9		3.5		3.3
B. Impartial Courts								3.5		5.8		4.0		4.2		3.8
C. Protection of Intellectual Property								4.1		3.3		4.3		4.0		3.8
D. Military Interference								2.9		3.3		3.3		3.3		3.3
E. Integrity of Legal System								0.0		1.7		1.7		1.7		1.7
3. Access to Sound Money	4.5		6.5		4.5		5.3		6.3		7.6		7.4		7.5	
A. Growth of Money Supply	5.3	(23.7)	6.6	(17.0)	4.4	(27.8)	6.1	(19.6)	8.3	(8.6)	8.5	(7.3)	7.4	(13.0)	7.6	(11.8)
B. Inflation Variability	8.3	(4.2)	9.3	(1.7)	9.1	(2.3)	9.2	(2.1)	8.9	(2.8)	8.5	(3.8)	8.5	(3.9)	8.8	(3.1)
C. Recent Annual Inflation	4.5	(27.6)	5.0	(24.9)	4.3	(28.6)	6.0	(19.8)	8.1	(9.5)	8.3	(8.7)	8.7	(6.3)	8.6	(7.1)
D. Freedom to Own Foreign Currency	0.0		5.0		0.0		0.0		0.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	4.7		4.7		4.9		6.3		6.5		6.4		6.1		6.5	
A. Taxes on International Trade	4.1		4.1		5.5		7.8		7.8		7.7		7.7		7.8	
(i) Taxes as Percentage of Exports and Imports	4.8	(7.8)	5.0	(7.5)	6.0	(6.0)	8.0	(2.9)	8.4	(2.5)	8.2	(2.7)	8.2	(2.7)	8.5	(2.3)
(ii) Mean Tariff Rate	3.3	(33.5)	3.3	(33.6)	3.9	(30.4)	7.3	(13.3)	7.7	(11.7)	7.4	(12.8)	7.4	(12.8)	7.4	(12.8)
(iii) Variability of Tariff Rates					6.7	(8.3)	8.0	(4.9)	7.5	(6.2)	7.5	(6.2)	7.5	(6.2)	7.5	(6.2)
B. Regulatory Trade Barriers							5.2		6.1		6.1		6.4		6.4	
(i) Hidden Import Barriers							5.2		4.9		5.0		5.3		5.3	
(ii) Costs of Importing									7.3		7.2		7.4		7.5	
C. Size of Trade Sector	4.4		2.9		4.4		4.1		4.4		4.2		4.4		4.8	
D. Official versus Black Market Exchange Rate	6.8		8.2		6.6		8.6		10.0		10.0		8.6		8.6	
E. Restrictions on Capital Markets	0.0		0.0		0.0		6.0		3.9		3.9		3.5		4.8	
(i) Access to Foreign Capital							7.0		7.9		7.9		7.0		8.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		5.0		0.0		0.0		0.0		1.5	
5. Regulation of Credit, Labor and Business	5.2		5.2		5.5		5.5		5.5		5.2		5.2		5.4	
A. Regulation of Credit Markets	8.0		8.0		8.2		7.6		6.9		7.0		7.2		7.1	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks							7.7		5.6		5.6		5.6		5.6	
(iii) Extension of Credit to Private Sector					8.6		8.1		8.1		7.6		7.3		7.2	
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		8.0		8.0		8.0		9.0		10.0		10.0	
(v) Controls on Interest Rates							6.0		5.0		5.0		5.0		5.0	
B. Regulation of Labor Markets							4.8		3.9		3.7		3.7		4.0	
(i) Impact of Minimum Wage							6.8		2.8		2.8		2.8		2.8	
(ii) Flexibility in Hiring and Firing					5.5		5.5		4.2		2.9		2.8		4.3	
(iii) Collective Bargaining									5.9		6.3		6.3		7.0	
(iv) Incentives from Unemployment Benefits							5.7		5.5		5.5		5.4		5.9	
(v) Military Conscription	0.0		0.0		0.0		1.0		1.0		1.0		1.0		0.0	
C. Regulation of Business							4.1		5.8		4.7		4.7		5.0	
(i) Price Controls							5.0		6.0		6.0		5.0		5.0	
(ii) Administrative Obstacles for New Businesses									6.4		2.1		2.7		3.0	
(iii) Time Spent with Government Bureaucracy							6.2		6.8		6.0		6.3		6.8	
(iv) Ease of Starting a New Business							2.6		3.8		3.4		3.5		3.7	
(v) Irregular Payments to Government Officials							2.4		5.9		6.2		6.0		6.8	

70 Chapter 3: Country Data Tables

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	3.5 (103)		3.8 (100)		3.6 (106)		3.8 (118)		3.4 (123)		3.7 (121)		4.5 (118)		4.3 (124)	
1. Size of Government	5.0		3.4		5.2		5.6		4.9		4.9		5.4		5.6	
A. Government Consumption	9.0 (9.3)		9.1 (9.0)		8.0 (12.7)		10.0 (5.7)		9.0 (9.3)		10.0 (4.3)		10.0 (3.7)		10.0 (3.7)	
B. Transfers and Subsidies	10.0 (0.6)				9.9 (0.8)		10.0 (0.5)		10.0 (0.0)		9.3 (3.1)		9.3 (3.1)		10.0 (0.3)	
C. Government Enterprises and Investment	0.0 (60.2)		0.0 (45.5)		2.0 (31.1)		2.0		0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate	1.0		1.0		1.0		0.5		0.5		0.5		2.5		2.5	
(i) Top Marginal Income Tax Rate	1.0 (60)		1.0 (60)		1.0 (60)		1.0 (60)		1.0 (60)		1.0 (60)		3.0 (50)		3.0 (50)	
(ii) Top Marginal Income and Payroll Tax Rate					1.0 (60)		0.0 (63)		0.0 (63)		0.0 (63)		2.0 (54)		2.0 (54)	
2. Legal Structure and Security of Property Rights	2.4		2.5		2.4		2.2		2.4		2.4		2.4		1.1	
A. Judicial Independence																
B. Impartial Courts							3.0		3.6		3.6		3.6		2.5	
C. Protection of Intellectual Property																
D. Military Interference							1.5		0.0		0.0		0.0		0.0	
E. Integrity of Legal System							0.0		1.7		1.7		1.7		1.7	
3. Access to Sound Money	0.4		1.2		0.0		0.0		1.3		2.5		3.4		3.4	
A. Growth of Money Supply	1.6 (42.2)		0.0 (52.5)		0.0 (99.5)		0.0 (1631.8)		0.0 (2290.0)		0.0 (2290.0)		0.0 (2290.0)		0.0 (2290.0)	
B. Inflation Variability	0.0 (25.5)		0.0 (25.3)		0.0 (30.2)		0.0 (9932.5)		0.0 (271.3)		0.0 (230.9)		0.0 (241.0)		0.0 (241.0)	
C. Recent Annual Inflation	0.0 (51.4)		4.8 (25.8)		0.0 (109.0)		0.0 (466.4)		0.0 (550.0)		0.0 (357.3)		3.6 (32.0)		3.6 (32.0)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	3.9		6.3		5.8		6.8		4.5		4.0		5.9		6.1	
A. Taxes on International Trade	4.2		5.0		4.9		7.8		5.7		3.3		3.3		5.3	
(i) Taxes as Percentage of Exports and Imports	3.1 (10.3)		4.4 (8.4)		3.9 (9.1)		7.8 (3.3)		5.7 (6.4)		3.3 (10.1)		3.3 (10.1)		3.3 (10.1)	
(ii) Mean Tariff Rate	5.3 (23.6)		5.5 (22.4)		5.9 (20.7)								7.4		(13.2)	
(iii) Variability of Tariff Rates																
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	5.0		7.6		7.9		6.7		4.7		4.1		4.8		4.8	
D. Official versus Black Market Exchange Rate	0.0		8.8		6.0		9.2		1.4		1.4		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		2.3		3.1		3.1		3.1	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		2.3		3.1		3.1		3.1	
5. Regulation of Credit, Labor and Business	5.6		5.7		4.6		4.6		4.0		4.6		5.6		5.2	
A. Regulation of Credit Markets	4.3		4.7		2.9		3.1		0.0		2.9		6.3		5.2	
(i) Private Ownership of Banks	0.0		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	8.7		9.5		8.6		9.3				8.7		8.9		5.5	
(iv) Avoidance of Negative Real Interest Rates					0.0		0.0		0.0		0.0		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		10.0		10.0	
C. Regulation of Business																
(i) Price Controls					2.0		2.0		2.0		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																

Congo, Republic of

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.8 (72)		4.6 (85)		4.7 (90)		4.9 (93)		4.4 (118)		4.6 (119)		4.5 (118)		4.8 (120)	
1. Size of Government	1.9		2.4		3.5		4.7		3.5		3.9		3.9		4.1	
A. Government Consumption	3.7 (27.3)		4.7 (23.9)		6.4 (18.2)		6.5 (17.9)		1.6 (34.6)		3.1 (29.3)		4.0 (26.5)		4.6 (24.4)	
B. Transfers and Subsidies							9.3 (3.1)		9.5 (2.3)		9.6 (2.2)		8.6 (5.6)		8.6 (5.6)	
C. Government Enterprises and Investment	0.0 (44.2)		0.0 (59.4)		0.0		0.0		0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate					4.0		3.0		3.0		3.0		3.0		3.0	
(i) Top Marginal Income Tax Rate					4.0 (50)		3.0 (50)		3.0 (50)		3.0 (50)		3.0 (50)		3.0 (50)	
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	4.7		3.1		3.0		3.2		2.4		2.4		2.4		1.9	
A. Judicial Independence																
B. Impartial Courts							1.8		1.9		1.9		1.9		3.5	
C. Protection of Intellectual Property																
D. Military Interference							0.0		0.0		0.0		0.0		0.0	
E. Integrity of Legal System							7.0		3.3		3.3		3.3		3.3	
3. Access to Sound Money	5.3		6.1		5.8		5.7		4.3		4.7		4.2		6.0	
A. Growth of Money Supply	8.3 (8.6)		8.3 (8.4)		9.3 (-3.6)		9.4 (3.0)		7.2 (13.8)		8.8 (6.1)		7.7 (11.7)		7.7 (11.7)	
B. Inflation Variability	7.0 (7.4)		6.4 (9.0)		4.2 (14.5)		4.0 (14.9)		0.2 (24.5)		0.0 (28.0)		0.0 (28.3)		8.3 (4.3)	
C. Recent Annual Inflation	6.0 (20.1)		9.5 (2.5)		9.8 (-0.8)		9.3 (3.4)		9.8 (-0.9)		10.0 (0.1)		9.1 (4.6)		8.0 (9.8)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	7.0		6.1		5.8		6.8		6.8		6.9		6.8		6.7	
A. Taxes on International Trade	7.5		3.6		4.5		6.7		7.4		7.1		7.1		7.1	
(i) Taxes as Percentage of Exports and Imports	7.5 (3.8)				4.5 (8.2)		7.6 (3.6)		9.2 (1.1)		8.9 (1.7)		9.0 (1.6)		9.0 (1.6)	
(ii) Mean Tariff Rate			3.6 (32.0)				6.3 (18.6)		6.5 (17.6)		6.3 (18.6)		6.1 (19.6)		6.1 (19.6)	
(iii) Variability of Tariff Rates							6.2 (9.5)		6.6 (8.6)		6.2 (9.6)		6.2 (9.6)		6.2 (9.6)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	10.0		8.9		7.2		9.1		8.5		9.1		8.7		8.8	
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	0.0		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		4.3		4.8		5.2		5.1		5.2	
A. Regulation of Credit Markets	3.0		4.0		5.5		2.9		4.5		5.7		5.3		5.6	
(i) Private Ownership of Banks	0.0		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		8.2		6.8		7.8	
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		10.0		2.0		6.0		9.0		9.0		9.0	
(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		10.0	
C. Regulation of Business																
(i) Price Controls					0.0		0.0		0.0		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

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.9 (26)		5.4 (55)		6.8 (17)		6.9 (34)		7.3 (23)		7.2 (23)		7.1 (29)		7.4 (20)	
1. Size of Government	5.7		5.2		7.0		6.3		7.1		7.3		7.0		7.3	
A. Government Consumption	5.4	(21.8)	5.7	(20.8)	5.0	(22.9)	5.0	(22.9)	6.9	(16.4)	6.7	(17.2)	6.5	(17.9)	6.5	(17.9)
B. Transfers and Subsidies	8.5	(6.0)	8.2	(7.2)	8.8	(5.0)	8.2	(7.0)	8.6	(5.7)	8.4	(6.4)	8.4	(6.4)	8.8	(4.9)
C. Government Enterprises and Investment	4.0	(36.2)	4.0	(34.1)	6.0	(21.0)	4.0	(27.1)	6.0	(23.2)	7.0	(23.2)	7.0	(23.2)	7.0	(23.2)
D. Top Marginal Tax Rate	5.0		3.0		8.0		8.0		7.0		7.0		6.0		7.0	
(i) Top Marginal Income Tax Rate	5.0	(50)	3.0	(50)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)	8.0	(30)	9.0	(18-30)
(ii) Top Marginal Income and Payroll Tax Rate					7.0	(33)	7.0	(33)	5.0	(39)	5.0	(39)	4.0	(41)	5.0	(27-45)
2. Legal Structure and Security of Property Rights	5.2		5.3		5.5		5.8		6.9		6.5		6.1		6.6	
A. Judicial Independence									6.3		5.9		4.7		6.5	
B. Impartial Courts							6.5		6.8		5.5		4.8		5.3	
C. Protection of Intellectual Property									4.5		4.5		4.5		4.7	
D. Military Interference							8.7		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							4.1		6.7		6.7		6.7		6.7	
3. Access to Sound Money	7.8		4.9		8.1		7.9		7.9		8.5		8.6		8.7	
A. Growth of Money Supply	6.9	(15.6)	3.6	(32.1)	7.4	(13.0)	8.1	(9.3)	5.2	(24.2)	7.8	(11.2)	7.7	(11.4)	8.2	(8.8)
B. Inflation Variability	8.2	(4.5)	0.2	(24.4)	8.7	(3.3)	7.6	(6.0)	8.5	(3.8)	8.4	(4.1)	8.6	(3.6)	8.6	(3.4)
C. Recent Annual Inflation	6.2	(18.8)	5.9	(20.5)	6.3	(18.6)	5.7	(21.3)	7.8	(11.0)	7.8	(11.2)	8.2	(9.2)	8.1	(9.5)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	3.6		4.9		6.7		7.6		8.0		7.9		7.8		8.0	
A. Taxes on International Trade	3.2		1.8		5.6		7.3		8.4		8.3		8.3		8.3	
(i) Taxes as Percentage of Exports and Imports	6.5	(5.3)	5.4	(6.9)	5.3	(7.0)	6.9	(4.6)	9.3	(1.1)	9.2	(1.2)	9.3	(1.1)	9.3	(1.1)
(ii) Mean Tariff Rate	0.0	(55.0)	0.0	(53.0)	6.7	(16.4)	8.0	(10.2)	8.9	(5.4)	8.7	(6.6)	8.7	(6.6)	8.7	(6.6)
(iii) Variability of Tariff Rates			0.0	(61.8)	4.8	(12.9)	6.9	(7.7)	7.0	(7.5)	7.0	(7.5)	7.0	(7.5)	7.0	(7.5)
B. Regulatory Trade Barriers									6.6		6.5		6.5		6.8	
(i) Hidden Import Barriers									5.2		5.0		5.2		5.8	
(ii) Costs of Importing									8.0		8.0		7.8		7.8	
C. Size of Trade Sector	4.5		4.2		4.9		4.8		5.6		5.1		5.0		5.5	
D. Official versus Black Market Exchange Rate	0.0		5.2		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		5.0		5.0		8.0		9.6		9.6		9.4		9.6	
(i) Access to Foreign Capital									9.3		9.3		8.8		9.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		5.0		5.0		8.0		10.0		10.0		10.0		10.0	
5. Regulation of Credit, Labor and Business	6.9		6.8		6.7		6.8		6.6		5.9		6.0		6.1	
A. Regulation of Credit Markets	8.2		8.1		8.5		8.9		7.5		6.7		6.6		6.6	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks									6.2		6.2		6.2		6.2	
(iii) Extension of Credit to Private Sector	6.4		8.3		7.5		8.8		8.6		8.6		8.3		8.3	
(iv) Avoidance of Negative Real Interest Rates			6.0		8.0		8.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates									4.6		4.6		4.6		4.6	
B. Regulation of Labor Markets									6.0		6.1		5.7		6.2	
(i) Impact of Minimum Wage									3.5		3.5		3.5		3.5	
(ii) Flexibility in Hiring and Firing									5.0		5.5		3.2		5.3	
(iii) Collective Bargaining									5.0		5.1		5.5		5.8	
(iv) Incentives from Unemployment Benefits									6.5		6.5		6.5		6.5	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									6.3		5.0		5.7		5.5	
(i) Price Controls					6.0		6.0		8.0		8.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses									6.8		1.9		3.5		3.3	
(iii) Time Spent with Government Bureaucracy									6.2		5.3		6.3		5.8	
(iv) Ease of Starting a New Business									4.7		4.0		4.8		4.2	
(v) Irregular Payments to Government Officials									5.9		5.6		5.9		6.5	

Côte d'Ivoire

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.4 (51)		5.5 (51)		5.2 (68)		5.4 (80)		5.7 (93)		6.0 (80)		5.7 (93)		5.5 (103)
1. Size of Government	4.9		3.7		4.1		6.0		6.5		7.5		6.1		6.1
A. Government Consumption	5.5 (21.2)		6.1 (19.4)		6.2 (18.9)		7.4 (15.0)		7.6 (14.1)		7.1 (15.9)		6.0 (19.7)		6.0 (19.7)
B. Transfers and Subsidies	9.0 (4.2)						9.4 (2.6)		9.5 (2.4)		9.5 (2.4)		9.5 (2.4)		9.5 (2.4)
C. Government Enterprises and Investment	0.0 (52.4)		0.0 (66.7)		2.0 (42.1)		4.0 (32.8)		6.0 (28.0)		6.0 (26.7)		6.0 (26.7)		6.0 (26.7)
D. Top Marginal Tax Rate	5.0		5.0		4.0		3.0		3.0		3.0		3.0		3.0
(i) Top Marginal Income Tax Rate	5.0 (45)		5.0 (45)		4.0 (45)		3.0 (49)		3.0 (49)				3.0 (49)		3.0 (49)
(ii) Top Marginal Income and Payroll Tax Rate															
2. Legal Structure and Security of Property Rights			5.7		4.8		5.4		3.9		3.7		3.9		2.9
A. Judicial Independence															
B. Impartial Courts							5.0		4.6		4.6		4.6		3.0
C. Protection of Intellectual Property															
D. Military Interference							5.9		1.7		1.7		1.7		1.7
E. Integrity of Legal System							7.0		5.0		4.2		5.0		5.0
3. Access to Sound Money	4.6		6.6		6.9		4.9		6.7		7.0		6.8		6.9
A. Growth of Money Supply	7.2 (14.3)		9.0 (5.0)		9.2 (-3.9)		7.6 (12.0)		9.8 (1.1)		9.7 (1.7)		9.0 (5.2)		9.0 (5.2)
B. Inflation Variability	6.2 (9.6)		7.6 (6.1)		9.3 (1.6)		3.6 (16.1)		7.5 (6.2)		9.1 (2.2)		9.0 (2.5)		9.5 (1.3)
C. Recent Annual Inflation	5.2 (24.1)		9.9 (0.3)		9.1 (-4.5)		8.3 (8.5)		9.5 (2.5)		9.1 (4.3)		9.4 (3.1)		9.3 (3.4)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	5.7		5.9		5.2		5.8		6.0		6.1		6.2		6.0
A. Taxes on International Trade	3.0		3.7		3.1		4.3		5.7		5.9		5.9		5.9
(i) Taxes as Percentage of Exports and Imports	1.5 (12.8)		2.1 (11.8)		2.7 (10.9)		0.0 (17.3)		3.8 (9.3)		3.1 (10.4)		3.1 (10.4)		3.1 (10.4)
(ii) Mean Tariff Rate	4.5 (27.5)		5.3 (23.3)		3.4 (33.0)		3.4 (33.0)		7.6 (12.0)		7.5 (12.6)		7.4 (12.8)		7.4 (12.8)
(iii) Variability of Tariff Rates							9.4 (1.5)		5.7 (10.7)		7.2 (6.9)		7.2 (6.9)		7.2 (6.9)
B. Regulatory Trade Barriers															
(i) Hidden Import Barriers															
(ii) Costs of Importing															
C. Size of Trade Sector	7.9		7.8		5.5		6.9		6.3		6.1		6.6		6.7
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
(i) Access to Foreign Capital															
(ii) Restrictions on Foreign Capital Transactions	0.0		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		5.1		5.4		5.6		5.4		5.4
A. Regulation of Credit Markets	6.6		7.1		6.4		6.4		7.3		8.0		7.3		7.3
(i) Private Ownership of Banks	2.0		2.0		2.0		8.0		8.0		8.0		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		8.0		8.0		7.8
(iv) Avoidance of Negative Real Interest Rates	8.0		10.0		8.0		4.0		6.0		8.0		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		5.0		5.0		5.0		5.0		1.0		1.0		1.0
C. Regulation of Business															
(i) Price Controls					0.0		2.0		2.0		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															

Croatia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				4.4 (109)	5.8 (86)	6.0 (80)	5.9 (84)	6.0 (86)
1. Size of Government				2.6	2.8	4.1	4.1	4.2
A. Government Consumption				1.9 (33.4)	2.5 (31.7)	3.2 (29.3)	4.0 (26.5)	4.1 (26.0)
B. Transfers and Subsidies				5.9 (15.5)	4.7 (20.1)	4.4 (20.9)	4.4 (20.9)	4.6 (20.4)
C. Government Enterprises and Investment				0.0	2.0	7.0 (21.6)	7.0 (21.6)	7.0 (21.6)
D. Top Marginal Tax Rate					2.0	2.0	1.0	1.0
(i) Top Marginal Income Tax Rate					4.0 (35-53)	4.0 (35-53)	2.0 (45-63)	2.0 (45-63)
(ii) Top Marginal Income and Payroll Tax Rate					0.0 (56-68)	0.0 (56-68)	0.0 (62-75)	0.0 (53-71)
2. Legal Structure and Security of Property Rights				5.9	6.6	5.2	5.1	5.0
A. Judicial Independence						3.1	2.8	2.3
B. Impartial Courts				5.8	6.1	2.8	3.0	3.0
C. Protection of Intellectual Property						3.3	3.0	3.2
D. Military Interference				7.4	8.3	8.3	8.3	8.3
E. Integrity of Legal System					8.3	8.3	8.3	8.3
3. Access to Sound Money		2.5		3.4	7.8	7.8	7.7	7.8
A. Growth of Money Supply				0.0 (62.4)	8.3 (8.6)	8.2 (8.8)	7.3 (13.7)	6.9 (15.7)
B. Inflation Variability				0.0 (573.3)	9.2 (2.1)	9.1 (2.2)	9.0 (2.4)	9.4 (1.5)
C. Recent Annual Inflation		0.0 (500.0)		8.4 (8.0)	8.9 (5.3)	9.0 (4.8)	9.7 (1.7)	10.0 (0.1)
D. Freedom to Own Foreign Currency		5.0		5.0	5.0	5.0	5.0	5.0
4. Freedom to Exchange with Foreigners				6.0	6.3	6.5	6.5	6.7
A. Taxes on International Trade				7.0	8.5	7.7	7.7	7.7
(i) Taxes as Percentage of Exports and Imports				7.0 (4.6)	8.3 (2.6)	8.3 (2.5)	8.3 (2.5)	8.3 (2.5)
(ii) Mean Tariff Rate					8.7 (6.7)	7.6 (12.0)	7.6 (12.0)	7.6 (12.0)
(iii) Variability of Tariff Rates						7.0 (7.4)	7.0 (7.4)	7.0 (7.4)
B. Regulatory Trade Barriers						7.2	6.6	7.0
(i) Hidden Import Barriers						5.9	5.2	5.5
(ii) Costs of Importing						8.6	8.0	8.5
C. Size of Trade Sector				4.5	4.6	4.7	4.7	4.8
D. Official versus Black Market Exchange Rate		0.0		8.4	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets		0.0		2.0	0.0	0.8	3.4	4.0
(i) Access to Foreign Capital							6.0	6.4
(ii) Restrictions on Foreign Capital Transactions		0.0		2.0	0.0	0.8	0.8	1.5
5. Regulation of Credit, Labor and Business				4.0	5.5	6.1	6.2	6.3
A. Regulation of Credit Markets		0.0		3.4	7.7	9.1	8.9	9.0
(i) Private Ownership of Banks		0.0		0.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector				6.1	7.2	7.4	7.7	8.0
(iv) Avoidance of Negative Real Interest Rates				4.0	6.0	10.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets						4.9	5.0	5.3
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing						3.4	3.8	4.2
(iii) Collective Bargaining						6.5	6.2	6.7
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription				3.0	3.0	5.0	5.0	5.0
C. Regulation of Business						4.3	4.6	4.6
(i) Price Controls		0.0		2.0	4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses						1.9	2.0	2.0
(iii) Time Spent with Government Bureaucracy							7.0	7.3
(iv) Ease of Starting a New Business						5.5	4.7	4.5
(v) Irregular Payments to Government Officials						5.7	5.4	5.4

Cyprus

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.7 (41)	5.6 (46)	5.9 (42)	6.2 (56)	6.2 (72)	6.2 (71)	6.7 (50)	6.9 (38)
1. Size of Government	6.0	5.8	5.4	6.2	6.2	5.7	6.9	6.9
A. Government Consumption	6.8 (17.0)	6.5 (18.1)	5.2 (22.4)	5.5 (21.2)	6.0 (19.5)	4.0 (26.3)	5.2 (22.3)	4.8 (23.8)
B. Transfers and Subsidies	8.3 (6.6)	7.9 (8.1)	7.9 (8.3)	7.3 (10.3)	6.9 (11.9)	6.9 (11.9)	6.9 (11.9)	6.9 (11.9)
C. Government Enterprises and Investment	8.0 (18.1)	8.0 (17.4)	8.0	8.0	8.0	8.0	8.0	8.0
D. Top Marginal Tax Rate	1.0	1.0	0.5	4.0	4.0	4.0	7.5	8.0
(i) Top Marginal Income Tax Rate	1.0 (60)	1.0 (60)	1.0 (60)	5.0 (40)	5.0 (40)	5.0 (40)	8.0 (30)	8.0 (30)
(ii) Top Marginal Income and Payroll Tax Rate			0.0 (62)	3.0 (48)	3.0 (48)	3.0 (49)	7.0 (34)	8.0 (30)
2. Legal Structure and Security of Property Rights		4.0	6.7	6.3	6.9	6.9	6.9	7.0
A. Judicial Independence								7.0
B. Impartial Courts				7.2	7.3	7.3	7.3	6.3
C. Protection of Intellectual Property								4.8
D. Military Interference				7.3	8.3	8.3	8.3	8.3
E. Integrity of Legal System				7.0	8.3	8.3	8.3	8.3
3. Access to Sound Money	5.7	6.7	7.0	7.3	6.9	7.1	8.3	8.3
A. Growth of Money Supply	6.4 (18.0)	9.1 (4.6)	9.5 (2.3)	9.9 (0.4)	8.6 (6.8)	8.9 (5.4)	9.1 (4.7)	9.4 (3.2)
B. Inflation Variability	9.1 (2.4)	8.9 (2.8)	9.7 (0.7)	9.6 (0.9)	9.7 (0.8)	9.7 (0.7)	9.7 (0.7)	9.5 (1.3)
C. Recent Annual Inflation	7.3 (13.5)	8.9 (5.7)	8.9 (5.3)	9.5 (2.6)	9.2 (4.1)	9.6 (2.0)	9.4 (2.8)	9.2 (4.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0
4. Freedom to Exchange with Foreigners	5.9	5.9	5.4	5.6	5.8	6.0	5.9	6.3
A. Taxes on International Trade	7.0	6.8	5.5	7.7	7.9	7.9	7.9	7.9
(i) Taxes as Percentage of Exports and Imports	7.3 (4.0)	7.1 (4.4)	7.2 (4.2)	8.3 (2.6)	9.2 (1.3)	9.2 (1.3)	9.2 (1.3)	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)	6.7 (16.4)	6.7 (16.4)	6.7 (16.4)
(iii) Variability of Tariff Rates			2.5 (18.7)					
B. Regulatory Trade Barriers								8.1
(i) Hidden Import Barriers								7.2
(ii) Costs of Importing								9.0
C. Size of Trade Sector	5.0	4.6	4.2	3.2	2.8	3.7	3.1	2.4
D. Official versus Black Market Exchange Rate	9.2	9.8	9.0	9.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9
(i) Access to Foreign Capital								5.8
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	5.2	5.6	5.1	5.4	5.4	5.5	5.7	6.0
A. Regulation of Credit Markets	7.1	8.3	8.8	8.9	8.9	8.8	9.5	9.4
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	9.3	8.9	8.5	8.7	8.7	8.4	8.5	8.2
(iv) Avoidance of Negative Real Interest Rates	4.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								3.0
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								4.0
(iii) Collective Bargaining								5.0
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business								5.7
(i) Price Controls			0.0	2.0	2.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses								4.7
(iii) Time Spent with Government Bureaucracy								6.5
(iv) Ease of Starting a New Business								6.5
(v) Irregular Payments to Government Officials								7.0

Czech Republic

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				5.8 (68)	6.7 (46)	6.8 (42)	6.7 (50)	6.8 (44)
1. Size of Government				3.1	4.3	4.2	4.2	4.5
A. Government Consumption				3.0 (29.7)	3.0 (29.7)	2.9 (30.1)	2.6 (31.0)	2.3 (32.1)
B. Transfers and Subsidies			0.0 (37.2)	2.4 (28.4)	2.4 (28.6)	2.0 (29.9)	2.0 (29.9)	3.7 (23.6)
C. Government Enterprises and Investment				4.0	8.0	8.0 (18.0)	8.0 (18.0)	8.0 (18.0)
D. Top Marginal Tax Rate				3.0	4.0	4.0	4.0	4.0
(i) Top Marginal Income Tax Rate				5.0 (43)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)
(ii) Top Marginal Income and Payroll Tax Rate				1.0 (64)	1.0 (56)	1.0 (56)	1.0 (56)	1.0 (58)
2. Legal Structure and Security of Property Rights		6.8	7.2	6.5	6.9	6.6	6.4	6.5
A. Judicial Independence				6.2	6.0	4.9	5.3	5.8
B. Impartial Courts				3.6	4.5	3.8	3.8	3.7
C. Protection of Intellectual Property				4.5	5.6	5.7	4.3	4.8
D. Military Interference				8.5	10.0	10.0	10.0	10.0
E. Integrity of Legal System				10.0	8.3	8.3	8.3	8.3
3. Access to Sound Money				6.0	8.1	9.1	8.9	9.0
A. Growth of Money Supply				6.0 (20.0)	9.9 (0.7)	9.0 (5.1)	7.3 (13.5)	7.1 (14.6)
B. Inflation Variability				4.9 (12.8)	8.4 (4.1)	8.5 (3.9)	8.5 (3.7)	8.8 (3.0)
C. Recent Annual Inflation				7.9 (10.4)	9.2 (3.9)	9.1 (4.7)	9.6 (1.8)	10.0 (0.1)
D. Freedom to Own Foreign Currency				5.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners				7.8	8.5	8.4	8.4	8.2
A. Taxes on International Trade				8.4	8.2	8.3	8.4	8.3
(i) Taxes as Percentage of Exports and Imports				9.2 (1.1)	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate				8.7 (6.7)	8.7 (6.5)	8.7 (6.5)	9.0 (5.0)	9.0 (5.1)
(iii) Variability of Tariff Rates				7.4 (6.4)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)
B. Regulatory Trade Barriers				7.4	7.9	7.7	7.8	7.3
(i) Hidden Import Barriers				7.4	7.3	6.4	6.7	6.0
(ii) Costs of Importing					8.5	9.0	8.9	8.7
C. Size of Trade Sector			6.2	7.6	9.1	9.1	8.3	7.8
D. Official versus Black Market Exchange Rate				10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.7	7.0	7.0	7.5	7.4
(i) Access to Foreign Capital				6.4	7.9	7.9	8.8	8.6
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	6.2	6.2	6.2	6.2
5. Regulation of Credit, Labor and Business			3.2	5.4	5.7	5.7	6.0	6.0
A. Regulation of Credit Markets	0.0	0.0	0.0	5.7	5.8	6.8	8.1	8.0
(i) Private Ownership of Banks	0.0	0.0	0.0	5.0	2.0	5.0	8.0	8.0
(ii) Competition from Foreign Banks				5.1	4.9	4.9	10.0	10.0
(iii) Extension of Credit to Private Sector				6.5	8.0	7.7	6.1	5.9
(iv) Avoidance of Negative Real Interest Rates				6.0	8.0	10.0	10.0	10.0
(v) Controls on Interest Rates				6.1	6.3	6.3	6.3	6.3
B. Regulation of Labor Markets				5.0	5.2	5.4	4.7	4.9
(i) Impact of Minimum Wage				6.6	5.1	5.1	5.1	5.1
(ii) Flexibility in Hiring and Firing			5.6	5.6	5.3	6.3	5.0	6.2
(iii) Collective Bargaining				5.2	7.7	7.4	7.5	7.2
(iv) Incentives from Unemployment Benefits				4.8	5.0	5.0	3.1	3.0
(v) Military Conscription	0.0	0.0	0.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business				5.4	6.1	5.1	5.1	5.2
(i) Price Controls			0.0	6.0	4.0	7.0	7.0	7.0
(ii) Administrative Obstacles for New Businesses					7.8	2.7	2.8	2.8
(iii) Time Spent with Government Bureaucracy				5.9	8.1	6.0	5.8	6.3
(iv) Ease of Starting a New Business				6.0	5.5	4.5	4.2	3.8
(v) Irregular Payments to Government Officials				3.9	4.9	5.1	5.8	6.0

Denmark

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.9 (26)		6.1 (28)		6.7 (20)		7.5 (13)		7.7 (12)		7.6 (14)		7.6 (14)		7.7 (13)
1. Size of Government	3.1		3.1		2.9		3.1		3.6		3.9		3.9		4.2
A. Government Consumption	1.8 (34.0)		2.0 (33.2)		1.7 (34.3)		1.9 (33.6)		1.7 (34.1)		1.4 (35.2)		1.2 (35.8)		1.2 (36.1)
B. Transfers and Subsidies	4.5 (20.8)		4.6 (20.4)		4.0 (22.6)		2.9 (26.5)		4.3 (21.6)		3.7 (23.7)		3.7 (23.7)		4.0 (22.7)
C. Government Enterprises and Investment	6.0 (25.0)		6.0 (26.0)		6.0 (20.3)		7.0 (24.9)		7.0		10.0 (8.3)		10.0 (8.3)		10.0 (8.3)
D. Top Marginal Tax Rate	0.0		0.0		0.0		0.5		1.5		0.5		0.5		1.5
(i) Top Marginal Income Tax Rate	0.0 (66)		0.0 (73)		0.0 (68)		1.0 (64)		2.0 (59)		1.0 (59)		1.0 (59)		2.0 (59)
(ii) Top Marginal Income and Payroll Tax Rate					0.0 (69)		0.0 (67)		1.0 (63)		0.0 (63)		0.0 (63)		1.0 (63)
2. Legal Structure and Security of Property Rights	7.2		7.9		8.3		9.1		9.5		9.2		9.3		9.5
A. Judicial Independence							8.8		9.4		9.3		9.0		9.3
B. Impartial Courts							9.5		9.5		8.6		8.7		9.2
C. Protection of Intellectual Property							7.4		8.8		8.3		8.7		8.8
D. Military Interference							9.7		10.0		10.0		10.0		10.0
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0
3. Access to Sound Money	6.7		6.4		9.4		9.8		9.7		9.7		9.7		9.7
A. Growth of Money Supply	8.6 (7.0)		7.5 (12.5)		8.5 (7.4)		9.7 (1.3)		9.7 (1.3)		9.7 (1.6)		9.8 (1.2)		9.6 (2.2)
B. Inflation Variability	9.7 (0.8)		9.0 (2.4)		9.7 (0.7)		9.8 (0.6)		9.6 (1.0)		9.6 (1.0)		9.5 (1.2)		9.6 (1.0)
C. Recent Annual Inflation	8.4 (8.2)		9.1 (4.3)		9.3 (3.4)		9.6 (2.1)		9.4 (2.9)		9.5 (2.4)		9.5 (2.4)		9.6 (2.1)
D. Freedom to Own Foreign Currency	0.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	7.1		7.3		6.9		7.9		8.3		8.2		8.2		8.1
A. Taxes on International Trade	9.0		9.1		8.5		8.7		9.2		9.0		9.1		9.2
(i) Taxes as Percentage of Exports and Imports	9.7 (0.5)		9.7 (0.4)		9.8 (0.3)		9.8 (0.3)		9.8 (0.3)		9.8 (0.3)		9.9 (0.2)		9.9 (0.2)
(ii) Mean Tariff Rate	8.2 (8.8)		8.5 (7.5)		8.5 (7.4)		8.7 (6.7)		9.5 (2.4)		9.2 (3.9)		9.4 (3.1)		9.7 (1.4)
(iii) Variability of Tariff Rates					7.1 (7.2)		7.6 (5.9)		8.2 (4.4)		8.0 (4.9)		8.0 (4.9)		8.0 (4.9)
B. Regulatory Trade Barriers							9.1		9.4		9.2		9.2		9.0
(i) Hidden Import Barriers							9.1		9.0		8.5		8.8		8.3
(ii) Costs of Importing									9.8		9.8		9.6		9.7
C. Size of Trade Sector	3.8		4.0		3.1		2.8		3.8		3.9		3.8		3.4
D. Official versus Black Market Exchange Rate	9.6		10.0		10.0		10.0		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	5.0		5.0		5.0		8.8		9.0		9.0		8.8		9.1
(i) Access to Foreign Capital							9.5		9.5		9.5		9.2		9.8
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		8.0		8.5		8.5		8.5		8.5
5. Regulation of Credit, Labor and Business	5.7		5.6		6.0		7.5		7.2		6.9		6.8		6.8
A. Regulation of Credit Markets	9.4		9.1		9.3		9.1		9.4		9.4		9.4		9.4
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
(ii) Competition from Foreign Banks							8.8		8.2		8.2		8.2		8.2
(iii) Extension of Credit to Private Sector	8.2		7.2		8.0		8.2		9.2		9.2		9.2		9.2
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
(v) Controls on Interest Rates							8.7		9.5		9.5		9.5		9.5
B. Regulation of Labor Markets	3.5		3.5		4.7		4.8		4.6		4.7		4.6		4.6
(i) Impact of Minimum Wage							3.7		4.8		4.8		4.8		4.8
(ii) Flexibility in Hiring and Firing					8.1		8.1		6.5		7.0		7.2		6.7
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		4.9		4.8		5.3		4.7
(iv) Incentives from Unemployment Benefits	2.2		2.3		2.4		4.2		4.0		4.0		3.0		3.8
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0		3.0
C. Regulation of Business							8.5		7.6		6.6		6.4		6.5
(i) Price Controls					7.0		9.0		7.0		7.0		6.0		7.0
(ii) Administrative Obstacles for New Businesses									7.1		3.5		4.3		3.3
(iii) Time Spent with Government Bureaucracy							8.9		8.2		7.3		6.0		6.5
(iv) Ease of Starting a New Business							6.3		6.5		5.8		6.2		6.2
(v) Irregular Payments to Government Officials							10.0		9.3		9.4		9.5		9.7

Dominican Republic

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.9 (26)		5.5 (51)		4.6 (94)		6.2 (56)		6.5 (56)		6.6 (51)		6.6 (54)		6.3 (70)	
1. Size of Government	5.7		6.2		6.4		8.6		8.6		8.5		8.2		8.2	
A. Government Consumption	9.1	(9.0)	9.4	(8.2)	10.0	(6.0)	9.9	(6.4)	9.0	(9.6)	8.6	(10.9)	8.4	(11.3)	8.3	(11.7)
B. Transfers and Subsidies	9.7	(1.6)	9.5	(2.5)	9.7	(1.5)	9.7	(1.7)	9.3	(3.2)	9.5	(2.4)	9.5	(2.3)	9.5	(2.3)
C. Government Enterprises and Investment	4.0	(31.7)	6.0	(29.3)	6.0	(26.9)	6.0	(29.8)	7.0	(22.2)	7.0	(24.8)	7.0	(24.8)	7.0	(24.8)
D. Top Marginal Tax Rate	0.0		0.0		0.0		9.0		9.0		9.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	0.0	(73)	0.0	(73)	0.0	(73)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income and Payroll Tax Rate					0.0	(73)	9.0	(25)	9.0	(25)	9.0	(25)	7.0	(32)	7.0	(32)
2. Legal Structure and Security of Property Rights	5.8		5.4		5.3		5.2		4.5		3.8		4.2		3.9	
A. Judicial Independence											3.8		4.3		4.0	
B. Impartial Courts							6.2		5.6		3.3		4.0		3.2	
C. Protection of Intellectual Property									2.9		3.8		4.3		4.0	
D. Military Interference							6.6		5.0		5.0		5.0		5.0	
E. Integrity of Legal System							4.1		5.0		3.3		3.3		3.3	
3. Access to Sound Money	7.4		3.8		1.5		4.5		6.8		8.0		8.2		6.3	
A. Growth of Money Supply	9.3	(3.7)	7.3	(13.5)	2.7	(36.6)	8.4	(7.8)	9.4	(3.1)	9.4	(3.1)	9.4	(2.9)	9.4	(2.9)
B. Inflation Variability	8.1	(4.6)	3.0	(17.5)	3.5	(16.3)	2.0	(20.0)	9.4	(1.5)	9.4	(1.6)	9.4	(1.5)	6.3	(9.2)
C. Recent Annual Inflation	7.3	(13.7)	0.0	(50.5)	0.0	(51.1)	7.5	(12.6)	8.5	(7.7)	8.2	(8.9)	9.0	(5.2)	4.5	(27.5)
D. Freedom to Own Foreign Currency	5.0		5.0		0.0		0.0		0.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	4.0		5.6		4.2		5.8		5.9		6.4		6.7		7.0	
A. Taxes on International Trade	3.5		5.7		5.1		5.0		5.8		6.8		6.8		6.8	
(i) Taxes as Percentage of Exports and Imports	3.5	(9.8)	5.7	(6.5)	5.8	(6.3)	4.0	(9.0)	5.2	(7.2)	5.8	(6.3)	5.6	(6.5)	5.6	(6.5)
(ii) Mean Tariff Rate					4.4	(28.0)	6.0	(20.0)	6.1	(19.5)	8.0	(10.1)	8.0	(10.1)	8.0	(10.1)
(iii) Variability of Tariff Rates									6.0	(10.0)	6.8	(8.1)	6.8	(8.1)	6.8	(8.1)
B. Regulatory Trade Barriers									3.3		5.8		6.7		5.1	
(i) Hidden Import Barriers									3.3		4.2		5.3		3.7	
(ii) Costs of Importing											7.5		8.0		6.5	
C. Size of Trade Sector	3.5		5.0		5.6		4.4		4.1		3.1		3.5		6.7	
D. Official versus Black Market Exchange Rate	2.6		7.2		0.0		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		6.5		6.5		6.5		6.6	
(i) Access to Foreign Capital									8.4		8.4		9.2		9.4	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		4.6		4.6		3.8		3.8	
5. Regulation of Credit, Labor and Business	6.8		6.6		5.7		6.8		6.5		6.1		5.9		6.1	
A. Regulation of Credit Markets	7.8		7.3		6.0		9.0		7.8		7.5		7.5		7.5	
(i) Private Ownership of Banks	8.0		8.0		10.0		10.0		10.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks									5.8		5.8		5.8		5.8	
(iii) Extension of Credit to Private Sector	7.6		6.7		8.0		8.9		9.2		8.8		8.8		8.8	
(iv) Avoidance of Negative Real Interest Rates					0.0		8.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates									5.8		5.8		5.8		5.8	
B. Regulation of Labor Markets									5.9		6.2		5.5		6.4	
(i) Impact of Minimum Wage									2.9		2.9		2.9		2.9	
(ii) Flexibility in Hiring and Firing									5.2		4.6		3.2		5.8	
(iii) Collective Bargaining									5.6		7.1		5.8		6.7	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									6.0		4.7		4.6		4.4	
(i) Price Controls					4.0		6.0		6.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									7.4		3.4		3.2		3.0	
(iii) Time Spent with Government Bureaucracy									5.2		5.8		5.8		5.3	
(iv) Ease of Starting a New Business									5.5		4.8		5.3		4.3	
(v) Irregular Payments to Government Officials									5.7		5.5		4.7		5.5	

Ecuador

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.9 (26)	4.9 (75)	5.5 (52)	6.3 (48)	5.6 (97)	5.5 (101)	5.9 (84)	5.9 (88)
1. Size of Government	5.5	5.1	8.2	8.2	8.4	9.0	8.9	9.0
A. Government Consumption	6.0 (19.6)	7.3 (15.1)	8.5 (11.2)	7.2 (15.7)	7.9 (13.3)	8.1 (12.4)	7.9 (13.2)	8.2 (12.3)
B. Transfers and Subsidies	8.8 (4.9)	9.0 (4.0)	9.5 (2.3)	9.7 (1.5)	9.9 (1.0)	9.9 (1.0)	9.9 (1.0)	9.9 (1.0)
C. Government Enterprises and Investment	2.0 (40.2)	2.0 (41.3)	7.0 (21.7)	8.0 (18.3)	8.0 (18.1)	10.0 (3.1)	10.0 (3.1)	10.0 (3.1)
D. Top Marginal Tax Rate	5.0	2.0	8.0	8.0	8.0	8.0	8.0	8.0
(i) Top Marginal Income Tax Rate	5.0 (50)	2.0 (58)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income and Payroll Tax Rate			7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)
2. Legal Structure and Security of Property Rights	5.9	5.3	5.2	4.4	3.3	2.5	2.9	2.7
A. Judicial Independence					2.7	1.0	1.5	1.3
B. Impartial Courts				4.3	2.5	1.3	2.0	1.7
C. Protection of Intellectual Property					3.0	1.9	2.8	2.2
D. Military Interference				5.1	3.3	3.3	3.3	3.3
E. Integrity of Legal System				4.1	5.0	5.0	5.0	5.0
3. Access to Sound Money	7.9	6.4	3.8	6.5	4.9	4.9	6.2	5.9
A. Growth of Money Supply	7.3 (13.7)	6.0 (19.9)	1.9 (40.5)	4.8 (26.2)	4.3 (28.7)	4.1 (29.6)	4.7 (26.4)	2.9 (35.7)
B. Inflation Variability	8.4 (4.1)	5.9 (10.4)	3.3 (16.8)	5.8 (10.5)	5.3 (11.6)	2.9 (17.8)	2.5 (18.7)	2.5 (18.8)
C. Recent Annual Inflation	6.1 (19.5)	3.8 (30.9)	0.0 (54.0)	5.4 (23.2)	0.0 (96.1)	2.5 (37.7)	7.5 (12.5)	8.4 (7.9)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	5.6	3.9	5.8	6.7	7.2	7.0	6.7	6.7
A. Taxes on International Trade	5.2	4.2	3.3	7.7	7.1	7.1	7.2	7.2
(i) Taxes as Percentage of Exports and Imports	5.2 (7.2)	5.9 (6.2)	7.3 (4.0)	7.7 (3.5)	6.5 (5.2)	6.5 (5.2)	6.5 (5.2)	6.5 (5.2)
(ii) Mean Tariff Rate		2.5 (37.7)	2.6 (37.1)	7.5 (12.3)	7.4 (12.9)	7.4 (12.9)	7.5 (12.5)	7.5 (12.5)
(iii) Variability of Tariff Rates			0.0 (27.0)	7.8 (5.6)	7.5 (6.3)	7.5 (6.3)	7.5 (6.3)	7.5 (6.3)
B. Regulatory Trade Barriers					4.7	4.8	5.5	5.4
(i) Hidden Import Barriers					3.1	3.4	4.0	3.7
(ii) Costs of Importing					6.3	6.3	7.0	7.2
C. Size of Trade Sector	5.2	4.6	5.6	5.1	6.2	5.5	4.5	4.2
D. Official versus Black Market Exchange Rate	7.4	0.4	10.0	7.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.0	7.7	7.7	6.1	6.5
(i) Access to Foreign Capital					9.2	9.2	6.0	5.4
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	5.0	6.2	6.2	6.2	7.7
5. Regulation of Credit, Labor and Business	4.5	3.9	4.5	5.5	4.2	4.1	4.8	5.0
A. Regulation of Credit Markets	5.4	3.7	5.8	7.8	4.4	4.7	6.5	6.7
(i) Private Ownership of Banks	5.0	5.0	8.0	8.0	2.0	2.0	8.0	8.0
(ii) Competition from Foreign Banks					3.8	3.8	3.8	3.8
(iii) Extension of Credit to Private Sector	7.3	6.2	9.4	9.3	7.9	9.2	9.1	9.4
(iv) Avoidance of Negative Real Interest Rates	4.0	0.0	0.0	6.0	6.0	6.0	9.0	10.0
(v) Controls on Interest Rates					2.5	2.5	2.5	2.5
B. Regulation of Labor Markets					3.6	3.7	3.6	3.8
(i) Impact of Minimum Wage					3.5	3.5	3.5	3.5
(ii) Flexibility in Hiring and Firing					3.4	2.9	2.2	2.7
(iii) Collective Bargaining					4.3	5.3	5.8	6.2
(iv) Incentives from Unemployment Benefits					3.7	3.7	3.7	3.7
(v) Military Conscription	0.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business					4.7	3.9	4.4	4.4
(i) Price Controls			0.0	4.0	4.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses					5.3	1.3	2.0	2.3
(iii) Time Spent with Government Bureaucracy					5.3	5.5	6.0	6.0
(iv) Ease of Starting a New Business					4.0	2.9	3.5	2.8
(v) Irregular Payments to Government Officials					4.9	3.9	4.4	5.0

Egypt

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.7 (74)		5.3 (62)		4.9 (80)		5.8 (68)		6.7 (46)		6.5 (55)		6.2 (73)		6.1 (78)	
1. Size of Government	3.4		4.0		4.9		5.2		6.5		7.1		6.9		6.8	
A. Government Consumption	6.3	(18.5)	5.8	(20.2)	7.8	(13.6)	8.1	(12.4)	8.3	(11.8)	8.4	(11.5)	7.7	(13.7)	7.4	(14.9)
B. Transfers and Subsidies	5.4	(17.2)	6.3	(13.9)	7.7	(8.9)	7.8	(8.5)	8.9	(4.6)	8.9	(4.6)	8.9	(4.6)	8.9	(4.6)
C. Government Enterprises and Investment	2.0	(39.7)	2.0	(30.7)	2.0	(37.8)	2.0	(34.0)	2.0	(32.5)	4.0	(34.8)	4.0	(34.8)	4.0	(34.8)
D. Top Marginal Tax Rate	0.0		2.0		2.0		3.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	0.0	(80)	2.0	(65)	2.0	(65)	3.0	(50)	7.0	(34)	7.0	(34)	7.0	(34)	7.0	(34)
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	2.8		5.4		3.5		4.9		5.9		4.6		4.9		4.7	
A. Judicial Independence																
B. Impartial Courts																
C. Protection of Intellectual Property																
D. Military Interference																
E. Integrity of Legal System																
3. Access to Sound Money	7.5		8.8		8.1		7.6		9.5		9.6		9.6		9.3	
A. Growth of Money Supply	5.4	(22.9)	8.3	(8.5)	8.6	(6.8)	9.1	(4.4)	9.5	(2.7)	9.5	(2.5)	9.8	(1.2)	8.9	(5.6)
B. Inflation Variability	8.1	(4.7)	8.6	(3.4)	7.4	(6.6)	8.2	(4.5)	9.1	(2.2)	9.2	(1.9)	9.3	(1.6)	9.3	(1.8)
C. Recent Annual Inflation	6.4	(18.0)	8.2	(9.0)	6.3	(18.4)	8.1	(9.4)	9.5	(2.7)	9.5	(2.3)	9.5	(2.7)	9.1	(4.5)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		5.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	5.4		3.3		3.5		5.9		6.1		6.2		5.0		5.1	
A. Taxes on International Trade	0.9		1.7		3.1		3.1		3.7		3.9		4.1		4.1	
(i) Taxes as Percentage of Exports and Imports	1.3	(13.1)	1.9	(12.1)	6.1	(5.9)	4.8	(7.8)	5.3	(7.0)	5.7	(6.4)	6.0	(6.0)	6.0	(6.0)
(ii) Mean Tariff Rate	0.5	(47.4)	1.4	(42.8)	3.3	(33.5)	4.3	(28.3)	5.9	(20.5)	5.9	(20.5)	6.2	(19.1)	6.2	(19.1)
(iii) Variability of Tariff Rates					0.0	(425.8)	0.0	(28.9)	0.0	(39.5)	0.0	(39.5)	0.0	(39.5)	0.0	(39.5)
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	9.8		6.5		6.3		5.7		4.1		4.2		3.9		4.7	
D. Official versus Black Market Exchange Rate	8.2		0.0		0.0		9.4		10.0		10.0		5.2		5.2	
E. Restrictions on Capital Markets	0.0		0.0		0.0		7.1		7.3		7.3		6.4		6.2	
(i) Access to Foreign Capital							9.2		9.2		9.2		7.4		7.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		5.0		5.4		5.4		5.4		5.4	
5. Regulation of Credit, Labor and Business	4.5		4.8		4.8		5.3		5.2		5.0		4.6		4.7	
A. Regulation of Credit Markets	3.9		5.2		5.1		6.4		6.6		5.9		5.3		5.3	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		2.0		2.0		2.0	
(ii) Competition from Foreign Banks							6.7		5.8		5.8		3.0		3.0	
(iii) Extension of Credit to Private Sector	2.8		4.6		4.3		4.7		6.8		6.8		6.4		6.3	
(iv) Avoidance of Negative Real Interest Rates	4.0		6.0		6.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							5.5		5.1		5.1		5.1		5.1	
B. Regulation of Labor Markets					4.0		5.6		4.0		4.0		4.2		4.7	
(i) Impact of Minimum Wage							8.3		4.2		4.2		4.2		4.2	
(ii) Flexibility in Hiring and Firing					4.0		4.0		3.1		3.1		4.5		5.5	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.5		7.5		7.0		8.7	
(iv) Incentives from Unemployment Benefits							7.6		5.3		5.3		5.3		5.3	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business							4.1		5.2		5.2		4.2		4.1	
(i) Price Controls					2.0		2.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									7.5		7.5		3.0		2.3	
(iii) Time Spent with Government Bureaucracy							4.7		2.8		2.8		3.8		4.0	
(iv) Ease of Starting a New Business							6.0		5.8		5.8		4.5		4.3	
(v) Irregular Payments to Government Officials							3.7		5.8		5.8		5.6		6.0	

El Salvador

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	4.4 (82)	4.6 (85)	4.8 (84)	7.0 (28)	7.3 (23)	7.2 (23)	7.2 (25)	7.2 (30)
1. Size of Government	6.3	6.4	7.1	8.6	8.4	8.7	8.7	8.7
A. Government Consumption	7.0 (16.3)	7.1 (16.0)	8.8 (10.0)	9.1 (9.0)	8.7 (10.4)	8.8 (10.2)	8.9 (9.7)	8.7 (10.4)
B. Transfers and Subsidies	9.4 (2.7)	9.6 (2.0)	9.8 (1.4)	9.2 (3.3)	10.0 (0.3)	10.0 (0.4)	10.0 (0.4)	10.0 (0.3)
C. Government Enterprises and Investment	6.0 (20.2)	6.0 (28.4)	8.0 (20.0)	8.0 (19.0)	7.0 (23.4)	8.0 (19.9)	8.0 (19.9)	8.0 (19.9)
D. Top Marginal Tax Rate	3.0	3.0	2.0	8.0	8.0	8.0	8.0	8.0
(i) Top Marginal Income Tax Rate	3.0 (60)	3.0 (48)	2.0 (60)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top Marginal Income and Payroll Tax Rate								
2. Legal Structure and Security of Property Rights	2.5	2.0	2.0	5.4	4.5	4.4	4.3	4.3
A. Judicial Independence					4.3	3.3	3.2	3.5
B. Impartial Courts				4.4	4.2	3.9	4.0	3.5
C. Protection of Intellectual Property					4.1	4.7	4.5	4.5
D. Military Interference				6.3	5.0	5.0	5.0	5.0
E. Integrity of Legal System				7.0	5.0	5.0	5.0	5.0
3. Access to Sound Money	5.3	5.5	5.0	8.9	9.4	9.6	9.6	9.6
A. Growth of Money Supply	7.0 (14.9)	7.8 (10.9)	7.5 (12.7)	8.2 (9.0)	9.0 (-4.8)	9.6 (-2.0)	9.2 (-4.1)	9.3 (-3.4)
B. Inflation Variability	7.4 (6.5)	8.2 (4.4)	7.0 (7.5)	9.4 (1.5)	9.1 (2.3)	9.4 (1.4)	9.4 (1.4)	9.5 (1.1)
C. Recent Annual Inflation	6.6 (17.0)	6.0 (20.2)	5.5 (22.5)	7.9 (10.4)	9.5 (2.3)	9.2 (3.8)	9.6 (1.9)	9.6 (2.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	3.6	3.7	4.8	6.7	7.6	7.5	7.4	7.4
A. Taxes on International Trade	3.1	5.3	6.5	7.5	8.0	8.0	8.0	8.0
(i) Taxes as Percentage of Exports and Imports	5.9 (6.2)	5.3 (7.1)	7.3 (4.1)	7.6 (3.6)	9.0 (1.5)	8.9 (1.6)	8.9 (1.6)	8.8 (1.7)
(ii) Mean Tariff Rate	0.4 (48.0)		5.8 (21.1)	8.0 (10.2)	8.5 (7.4)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)
(iii) Variability of Tariff Rates				7.0 (7.6)	6.6 (8.6)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)
B. Regulatory Trade Barriers					7.1	7.3	7.4	7.6
(i) Hidden Import Barriers					5.7	6.1	6.2	6.3
(ii) Costs of Importing					8.5	8.4	8.6	8.8
C. Size of Trade Sector	4.8	2.8	2.0	3.0	3.8	3.9	3.5	3.6
D. Official versus Black Market Exchange Rate	0.0	0.0	5.2	9.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.0	8.9	8.2	8.0	8.0
(i) Access to Foreign Capital					8.6	8.6	8.4	8.4
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	5.0	9.2	7.7	7.7	7.7
5. Regulation of Credit, Labor and Business		5.4	5.2	5.7	6.4	6.1	6.1	6.0
A. Regulation of Credit Markets	9.8	8.7	8.6	9.7	7.8	7.2	7.3	7.3
(i) Private Ownership of Banks						5.0	5.0	5.0
(ii) Competition from Foreign Banks					4.6	4.6	4.6	4.6
(iii) Extension of Credit to Private Sector	9.8	9.3	9.3	9.5	9.4	9.1	9.4	9.4
(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					7.4	7.4	7.4	7.4
B. Regulation of Labor Markets					4.8	5.2	4.7	5.2
(i) Impact of Minimum Wage					3.1	3.1	3.1	3.1
(ii) Flexibility in Hiring and Firing					4.9	6.4	4.0	5.8
(iii) Collective Bargaining					7.7	7.9	8.0	8.3
(iv) Incentives from Unemployment Benefits					5.5	5.5	5.5	5.5
(v) Military Conscription	3.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0
C. Regulation of Business					6.4	6.0	6.2	5.6
(i) Price Controls			4.0	6.0	8.0	8.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses					7.3	4.0	3.5	4.0
(iii) Time Spent with Government Bureaucracy					5.4	7.0	7.0	5.3
(iv) Ease of Starting a New Business					5.8	5.2	5.5	4.2
(v) Irregular Payments to Government Officials					5.6	5.9	6.9	6.8

Estonia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				5.6 (75)	7.1 (34)	7.6 (14)	7.7 (10)	7.8 (9)
1. Size of Government				4.4	5.4	6.5	6.6	6.5
A. Government Consumption			5.7 (20.5)	3.2 (29.1)	3.7 (27.3)	3.9 (26.6)	4.2 (25.6)	4.4 (25.1)
B. Transfers and Subsidies				6.4 (13.6)	6.0 (15.3)	6.2 (14.5)	6.2 (14.5)	6.2 (14.5)
C. Government Enterprises and Investment				2.0	6.0	10.0 (14.3)	10.0 (14.3)	10.0 (14.3)
D. Top Marginal Tax Rate				6.0	6.0	6.0	6.0	5.5
(i) Top Marginal Income Tax Rate				8.0 (26)	8.0 (26)	8.0 (26)	8.0 (26)	8.0 (26)
(ii) Top Marginal Income and Payroll Tax Rate				4.0 (44)	4.0 (44)	4.0 (45)	4.0 (45)	3.0 (47)
2. Legal Structure and Security of Property Rights				6.5	6.0	6.5	6.9	7.0
A. Judicial Independence						6.1	7.2	7.5
B. Impartial Courts				6.5	6.9	5.9	6.2	6.5
C. Protection of Intellectual Property					5.0	5.7	6.0	6.2
D. Military Interference				8.4	8.3	8.3	8.3	8.3
E. Integrity of Legal System					6.7	6.7	6.7	6.7
3. Access to Sound Money	8.8	4.5		2.3	8.6	9.2	9.3	9.7
A. Growth of Money Supply				0.0 (67.4)	8.3 (8.4)	9.1 (4.5)	8.7 (6.4)	9.6 (2.1)
B. Inflation Variability	8.7 (3.4)	5.2 (12.1)		0.0 (323.0)	7.1 (7.3)	8.8 (2.9)	9.1 (2.3)	9.4 (1.6)
C. Recent Annual Inflation	8.9 (-5.6)	3.3 (33.7)		4.2 (29.0)	9.2 (4.0)	8.9 (5.7)	9.3 (3.6)	9.7 (1.3)
D. Freedom to Own Foreign Currency		5.0		5.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners				8.6	8.9	8.9	8.7	8.6
A. Taxes on International Trade		9.8		9.8	10.0	10.0	10.0	9.9
(i) Taxes as Percentage of Exports and Imports		9.8 (0.3)		9.9 (0.1)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(ii) Mean Tariff Rate				10.0 (0.1)		10.0 (0.0)	10.0 (0.0)	9.8 (0.9)
(iii) Variability of Tariff Rates				9.5 (1.2)				
B. Regulatory Trade Barriers					8.3	8.8	8.7	8.5
(i) Hidden Import Barriers					8.3	8.0	7.8	7.8
(ii) Costs of Importing						9.6	9.6	9.2
C. Size of Trade Sector				6.9	8.2	7.8	7.4	6.4
D. Official versus Black Market Exchange Rate		0.0		10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets		0.0		8.0	7.8	7.8	7.6	8.1
(i) Access to Foreign Capital					9.5	9.5	9.0	9.2
(ii) Restrictions on Foreign Capital Transactions		0.0		8.0	6.2	6.2	6.2	6.9
5. Regulation of Credit, Labor and Business		2.5		6.2	6.6	6.8	7.0	7.0
A. Regulation of Credit Markets		0.0		4.3	7.8	9.0	9.0	9.0
(i) Private Ownership of Banks		0.0		5.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					6.6	6.6	6.6	6.6
(iii) Extension of Credit to Private Sector				7.9	9.6	9.6	9.5	9.6
(iv) Avoidance of Negative Real Interest Rates				0.0	6.0	10.0	10.0	10.0
(v) Controls on Interest Rates					8.9	8.9	8.9	8.9
B. Regulation of Labor Markets					4.7	5.1	5.1	5.2
(i) Impact of Minimum Wage					2.9	2.9	2.9	2.9
(ii) Flexibility in Hiring and Firing					4.6	5.8	5.3	6.2
(iii) Collective Bargaining					8.5	8.6	8.7	8.2
(iv) Incentives from Unemployment Benefits							5.5	5.8
(v) Military Conscription		0.0		3.0	3.0	3.0	3.0	3.0
C. Regulation of Business				8.1	7.1	6.4	6.8	6.8
(i) Price Controls		0.0		6.0	6.0	7.0	8.0	7.0
(ii) Administrative Obstacles for New Businesses					7.6	5.1	5.3	5.5
(iii) Time Spent with Government Bureaucracy				8.5	7.2	4.8	5.5	6.0
(iv) Ease of Starting a New Business				8.5	8.0	7.6	8.0	7.5
(v) Irregular Payments to Government Officials				9.6	6.9	7.3	7.4	7.9

Fiji

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.7 (41)		5.9 (35)		5.9 (42)		6.1 (60)		6.1 (75)		6.0 (80)		6.1 (77)		6.1 (78)
1. Size of Government	4.8		4.7		5.2		5.9		6.1		5.8		5.8		5.8
A. Government Consumption	5.6 (21.1)		5.0 (23.1)		5.9 (19.9)		5.5 (21.4)		5.9 (20.0)		5.0 (23.0)		5.0 (23.0)		5.0 (23.0)
B. Transfers and Subsidies	9.5 (2.5)		8.9 (4.5)		9.9 (1.0)		9.2 (3.5)		9.3 (2.9)		9.3 (2.9)		9.3 (2.9)		9.3 (2.9)
C. Government Enterprises and Investment	2.0 (45.0)		2.0 (37.0)		2.0 (62.0)		2.0		2.0		2.0		2.0		2.0
D. Top Marginal Tax Rate	2.0		3.0		3.0		7.0		7.0		7.0		7.0		7.0
(i) Top Marginal Income Tax Rate	2.0 (53)		3.0 (50)		3.0 (50)		7.0 (35)		7.0 (34)		7.0 (32)		7.0 (32)		7.0 (31)
(ii) Top Marginal Income and Payroll Tax Rate					3.0 (50)		7.0 (35)		7.0 (34)		7.0 (32)		7.0 (32)		7.0 (31)
2. Legal Structure and Security of Property Rights							5.1		5.5		5.5		5.5		5.4
A. Judicial Independence															
B. Impartial Courts							4.7		4.6		4.6		4.6		5.2
C. Protection of Intellectual Property															
D. Military Interference							6.3		7.3		7.3		7.3		6.6
E. Integrity of Legal System															
3. Access to Sound Money	6.0		6.5		6.3		6.9		7.0		6.7		6.9		6.9
A. Growth of Money Supply	9.8 (-1.3)		9.1 (4.5)		7.5 (12.3)		9.0 (4.9)		9.4 (2.9)		9.1 (4.6)		9.0 (5.2)		9.0 (5.2)
B. Inflation Variability	7.7 (5.7)		8.4 (3.9)		9.2 (2.1)		9.1 (2.4)		8.9 (2.8)		8.7 (3.3)		8.7 (3.3)		9.3 (1.7)
C. Recent Annual Inflation	6.5 (17.3)		8.5 (7.5)		8.6 (7.1)		9.7 (1.6)		9.8 (1.1)		9.1 (4.3)		9.8 (0.8)		9.2 (4.2)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	6.4		6.3		6.4		6.5		6.2		6.2		6.3		6.1
A. Taxes on International Trade	6.1		4.7		5.7		6.6		7.3		6.8		6.8		6.8
(i) Taxes as Percentage of Exports and Imports	6.1 (5.8)		4.7 (7.9)		5.7 (6.4)		6.6 (5.1)		7.0 (4.5)		7.0 (4.5)		7.0 (4.5)		7.0 (4.5)
(ii) Mean Tariff Rate									7.5 (12.4)		7.5 (12.4)		7.5 (12.4)		7.5 (12.4)
(iii) Variability of Tariff Rates											5.9 (10.3)		5.9 (10.3)		5.9 (10.3)
B. Regulatory Trade Barriers															
(i) Hidden Import Barriers															
(ii) Costs of Importing															
C. Size of Trade Sector	6.3		5.2		7.0		5.8		6.0		6.4		6.4		6.4
D. Official versus Black Market Exchange Rate	6.4		8.4		9.2		9.8		9.4		9.4		10.0		10.0
E. Restrictions on Capital Markets	5.0		5.0		2.0		2.0		0.0		0.0		0.0		0.0
(i) Access to Foreign Capital															
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		2.0		2.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	5.7		6.0		5.7		5.9		5.9		5.8		5.9		6.0
A. Regulation of Credit Markets	5.1		5.9		5.4		6.2		6.1		6.4		6.7		6.7
(i) Private Ownership of Banks	2.0		2.0		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		7.7		8.3		8.5		8.3		8.1		8.1		8.0
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		6.0		8.0		8.0		9.0		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		10.0		10.0
C. Regulation of Business															
(i) Price Controls					6.0		6.0		6.0		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															

Finland

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.4 (18)		6.5 (19)		6.7 (20)		7.6 (12)		7.7 (12)		7.7 (11)		7.7 (10)		7.6 (17)	
1. Size of Government	4.7		4.4		4.2		3.7		4.1		4.5		4.6		4.5	
A. Government Consumption	4.4	(24.9)	3.8	(27.0)	3.3	(28.7)	3.3	(28.7)	3.1	(29.5)	3.0	(29.7)	2.9	(30.0)	3.0	(29.7)
B. Transfers and Subsidies	6.2	(14.3)	5.8	(15.8)	5.8	(16.0)	3.9	(22.8)	5.2	(18.2)	4.9	(19.1)	4.9	(19.1)	4.3	(21.4)
C. Government Enterprises and Investment	7.0	(23.3)	7.0	(24.2)	6.0	(29.3)	6.0	(42.2)	6.0		8.0	(15.5)	8.0	(15.5)	8.0	(15.5)
D. Top Marginal Tax Rate	1.0		1.0		1.5		1.5		2.0		2.0		2.5		2.5	
(i) Top Marginal Income Tax Rate	1.0	(65-71)	1.0	(64-70)	2.0	(57-63)	2.0	(54-59)	3.0	(51-57)	3.0	(51-57)	3.0	(51-56)	3.0	(50-56)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(61-69)	1.0	(60-66)	1.0	(54-61)	1.0	(54-61)	2.0	(55-60)	2.0	(54-60)
2. Legal Structure and Security of Property Rights	6.8		7.9		8.3		9.3		9.5		9.3		9.3		9.3	
A. Judicial Independence							9.8		9.7		8.9		9.3		9.3	
B. Impartial Courts							9.4		8.9		8.7		8.8		8.7	
C. Protection of Intellectual Property							7.2		8.9		8.6		8.5		8.5	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	7.8		7.8		9.3		9.6		9.5		9.6		9.6		9.7	
A. Growth of Money Supply	8.9	(5.5)	7.9	(10.3)	8.6	(6.8)	9.0	(5.1)	9.5	(2.6)	9.5	(2.3)	9.4	(3.0)	9.3	(3.3)
B. Inflation Variability	9.3	(1.8)	9.3	(1.9)	9.6	(0.9)	9.7	(0.7)	9.3	(1.7)	9.5	(1.3)	9.5	(1.4)	9.5	(1.3)
C. Recent Annual Inflation	8.1	(9.8)	8.9	(5.3)	8.8	(5.8)	9.5	(2.4)	9.3	(3.4)	9.5	(2.6)	9.7	(1.7)	9.8	(0.9)
D. Freedom to Own Foreign Currency	5.0		5.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.8		6.7		6.1		8.2		8.4		8.2		8.1		8.1	
A. Taxes on International Trade	8.7		9.2		8.0		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.5	(0.8)	9.7	(0.4)	9.6	(0.6)	9.9	(0.2)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	7.9	(10.4)	8.6	(7.0)	8.5	(7.7)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					6.0	(10.1)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							9.3		9.8		9.4		9.5		9.3	
(i) Hidden Import Barriers							9.3		9.7		9.1		9.3		9.0	
(ii) Costs of Importing									9.8		9.6		9.6		9.7	
C. Size of Trade Sector	5.2		4.2		2.4		4.3		4.8		4.4		4.1		3.8	
D. Official versus Black Market Exchange Rate	9.8		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		8.7		8.1		8.1		8.1		8.1	
(i) Access to Foreign Capital							9.4		10.0		10.0		10.0		10.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		8.0		6.2		6.2		6.2		6.2	
5. Regulation of Credit, Labor and Business	5.7		5.8		5.8		7.1		7.1		6.9		6.8		6.7	
A. Regulation of Credit Markets	8.6		9.3		9.3		8.9		9.2		9.1		9.2		9.1	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							8.9		8.1		8.1		8.1		8.1	
(iii) Extension of Credit to Private Sector	9.9		9.9		10.0		9.0		9.0		8.6		8.9		8.2	
(iv) Avoidance of Negative Real Interest Rates	8.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.8		8.9		8.9		8.9		8.9	
B. Regulation of Labor Markets	4.1		3.8		3.7		3.5		3.3		3.6		3.8		3.7	
(i) Impact of Minimum Wage							4.1		4.7		4.7		4.7		4.7	
(ii) Flexibility in Hiring and Firing					3.9		3.9		3.2		4.4		5.2		4.7	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		2.9		2.9		2.2		2.7	
(iv) Incentives from Unemployment Benefits	4.9		3.9		3.5		2.0		2.8		2.8		3.8		3.4	
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business							8.9		8.8		7.9		7.5		7.4	
(i) Price Controls					6.0		9.0		9.0		9.0		9.0		8.0	
(ii) Administrative Obstacles for New Businesses									8.0		5.7		6.2		5.8	
(iii) Time Spent with Government Bureaucracy							8.5		8.5		7.3		5.3		6.3	
(iv) Ease of Starting a New Business							8.5		8.8		8.0		7.7		7.7	
(v) Irregular Payments to Government Officials							9.6		9.6		9.7		9.3		9.4	

France

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.8 (35)	5.9 (35)	6.7 (20)	6.8 (37)	7.0 (37)	6.7 (47)	6.8 (44)	6.9 (38)
1. Size of Government	3.7	3.1	3.5	3.2	2.3	2.8	2.8	3.1
A. Government Consumption	4.8 (23.5)	4.7 (24.1)	4.8 (23.5)	2.9 (30.3)	1.9 (33.7)	2.9 (30.0)	2.8 (30.3)	2.7 (30.7)
B. Transfers and Subsidies	3.0 (26.1)	2.8 (26.8)	3.3 (25.2)	2.5 (27.9)	2.3 (28.8)	3.4 (24.7)	3.4 (24.7)	3.0 (26.1)
C. Government Enterprises and Investment	4.0 (27.4)	4.0 (33.2)	4.0 (35.0)	4.0 (30.0)	4.0	4.0	4.0	4.0
D. Top Marginal Tax Rate	3.0	1.0	2.0	3.5	1.0	1.0	1.0	2.5
(i) Top Marginal Income Tax Rate	3.0 (60)	1.0 (65)	3.0 (53)	4.0 (51)	2.0 (54)	2.0 (53)	2.0 (54)	4.0 (48)
(ii) Top Marginal Income and Payroll Tax Rate			1.0 (61)	3.0 (60)	0.0 (62-65)	0.0 (61-64)	0.0 (61-64)	1.0 (62-65)
2. Legal Structure and Security of Property Rights	6.8	7.2	7.7	7.5	8.1	7.1	7.4	7.6
A. Judicial Independence				6.6	6.3	5.5	5.7	6.5
B. Impartial Courts				5.6	8.0	5.8	6.5	6.8
C. Protection of Intellectual Property				7.3	9.4	7.6	8.0	7.8
D. Military Interference				8.0	8.3	8.3	8.3	8.3
E. Integrity of Legal System				10.0	8.3	8.3	8.3	8.3
3. Access to Sound Money	6.3	6.6	9.6	9.8	9.6	9.6	9.6	9.6
A. Growth of Money Supply	8.0 (10.2)	8.4 (8.1)	9.4 (2.8)	9.9 (0.6)	8.8 (5.8)	9.1 (4.7)	9.1 (4.4)	9.1 (4.7)
B. Inflation Variability	9.7 (0.8)	9.1 (2.3)	9.6 (0.9)	9.7 (0.7)	9.9 (0.4)	9.9 (0.4)	9.8 (0.5)	9.8 (0.5)
C. Recent Annual Inflation	7.7 (11.4)	8.8 (5.8)	9.4 (3.1)	9.7 (1.6)	9.7 (1.7)	9.7 (1.6)	9.6 (1.9)	9.6 (2.1)
D. Freedom to Own Foreign Currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.6	6.7	7.1	7.4	8.2	7.9	8.1	8.0
A. Taxes on International Trade	9.0	9.1	8.5	8.7	9.2	9.0	9.1	9.2
(i) Taxes as Percentage of Exports and Imports	9.7 (0.5)	9.7 (0.4)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)
(ii) Mean Tariff Rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)
(iii) Variability of Tariff Rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)
B. Regulatory Trade Barriers				7.7	8.8	8.1	8.4	8.0
(i) Hidden Import Barriers				7.7	8.4	6.9	7.7	7.0
(ii) Costs of Importing					9.2	9.4	9.1	9.0
C. Size of Trade Sector	4.7	4.8	4.1	3.8	4.9	4.7	4.4	4.1
D. Official versus Black Market Exchange Rate	9.4	9.2	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	5.0	6.8	8.0	7.6	8.8	8.6
(i) Access to Foreign Capital				8.6	9.1	9.1	9.2	8.8
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	5.0	5.0	6.9	6.2	8.5	8.5
5. Regulation of Credit, Labor and Business	5.7	5.7	5.7	6.0	6.8	6.2	6.2	6.3
A. Regulation of Credit Markets	8.9	8.8	9.0	8.4	8.2	8.2	8.1	8.1
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks				6.8	6.7	6.7	6.7	6.7
(iii) Extension of Credit to Private Sector	8.7	8.5	9.0	8.4	8.2	7.9	7.9	7.9
(iv) Avoidance of Negative Real Interest Rates	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates				6.8	6.2	6.2	6.2	6.2
B. Regulation of Labor Markets	3.9	3.8	3.8	3.4	5.0	5.0	5.1	5.0
(i) Impact of Minimum Wage				2.6	4.5	4.5	4.5	4.5
(ii) Flexibility in Hiring and Firing			4.2	4.2	1.7	2.0	2.0	2.0
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	5.5	5.5	6.0	5.3
(iv) Incentives from Unemployment Benefits	4.3	4.0	3.7	2.6	3.2	3.2	3.0	3.0
(v) Military Conscription	3.0	3.0	3.0	3.0	10.0	10.0	10.0	10.0
C. Regulation of Business				6.1	7.3	5.3	5.4	5.9
(i) Price Controls			6.0	8.0	8.0	7.0	7.0	7.0
(ii) Administrative Obstacles for New Businesses					7.7	2.3	1.8	2.0
(iii) Time Spent with Government Bureaucracy				6.3	8.1	6.3	6.5	7.8
(iv) Ease of Starting a New Business				3.4	5.2	3.5	3.7	4.5
(v) Irregular Payments to Government Officials				6.8	7.7	7.4	7.8	8.2

86 Chapter 3: Country Data Tables

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.2 (88)		5.4 (55)		5.3 (62)		5.3 (84)		5.0 (111)		5.2 (109)		5.1 (114)		5.0 (118)	
1. Size of Government	1.9		4.6		5.1		4.8		3.7		4.5		4.2		4.2	
A. Government Consumption	1.9 (33.6)		0.4 (38.7)		5.5 (21.2)		4.3 (25.3)		4.1 (26.2)		7.6 (14.0)		7.6 (14.0)		7.6 (14.0)	
B. Transfers and Subsidies			9.4 (2.7)		9.8 (1.2)		9.8 (1.2)									
C. Government Enterprises and Investment	2.0 (42.6)		4.0 (35.3)		4.0		4.0		4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate					1.0		1.0		3.0		2.0		1.0		1.0	
(i) Top Marginal Income Tax Rate					1.0 (60)		1.0 (60)		3.0 (50)		3.0 (56)		1.0 (56)		1.0 (56)	
(ii) Top Marginal Income and Payroll Tax Rate											1.0 (65)		1.0 (56)		1.0 (56)	
2. Legal Structure and Security of Property Rights	3.9		4.5		5.0		5.1		4.3		4.3		4.3		3.9	
A. Judicial Independence																
B. Impartial Courts							4.6		4.8		4.8		4.8		4.7	
C. Protection of Intellectual Property																
D. Military Interference							4.8		3.3		3.3		3.3		3.3	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	4.4		6.1		5.4		5.4		5.8		5.2		5.0		5.0	
A. Growth of Money Supply	9.6 (2.2)		7.4 (13.0)		9.7 (-1.5)		10.0 (0.1)		9.7 (1.3)		10.0 (-0.2)		8.3 (8.6)		8.3 (8.6)	
B. Inflation Variability	5.4 (11.4)		7.4 (6.5)		5.2 (12.1)		1.9 (20.3)		3.5 (16.1)		3.0 (17.4)		3.0 (17.5)		3.0 (17.5)	
C. Recent Annual Inflation	2.6 (36.8)		9.7 (-1.3)		6.9 (15.4)		9.9 (-0.5)		9.9 (0.5)		7.7 (-11.7)		8.8 (5.9)		8.8 (5.9)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.6		6.2		5.8		5.9		5.6		6.0		6.0		5.8	
A. Taxes on International Trade	3.2		4.9		6.8		5.8		6.0		6.2		6.0		6.0	
(i) Taxes as Percentage of Exports and Imports	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 (20.4)		6.2 (18.8)		6.0 (20.2)		6.0 (20.2)	
(iii) Variability of Tariff Rates									6.1 (9.8)		6.1 (9.7)		6.1 (9.7)		6.1 (9.7)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	6.9		8.2		4.9		5.5		4.0		5.8		5.6		5.8	
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	0.0		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		5.1		5.5		5.9		5.9		6.0	
A. Regulation of Credit Markets	3.0		4.0		5.4		4.7		6.2		7.3		7.3		7.3	
(i) Private Ownership of Banks	0.0		0.0		2.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector					6.3		5.2		7.6		7.8		7.9		7.8	
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		8.0		4.0		6.0		9.0		9.0		9.0	
(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		10.0	
C. Regulation of Business																
(i) Price Controls					0.0		2.0		2.0		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																

Georgia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►								6.4 (66)
1. Size of Government								8.7
A. Government Consumption								8.9 (9.6)
B. Transfers and Subsidies								8.7 (5.2)
C. Government Enterprises and Investment								8.0
D. Top Marginal Tax Rate								9.0
(i) Top Marginal Income Tax Rate								10.0 (12)
(ii) Top Marginal Income and Payroll Tax Rate								8.0 (27)
2. Legal Structure and Security of Property Rights								2.6
A. Judicial Independence								2.3
B. Impartial Courts								2.8
C. Protection of Intellectual Property								2.2
D. Military Interference								3.0
E. Integrity of Legal System								
3. Access to Sound Money								8.6
A. Growth of Money Supply								8.1 (9.5)
B. Inflation Variability								7.4 (6.5)
C. Recent Annual Inflation								9.0 (4.8)
D. Freedom to Own Foreign Currency								10.0
4. Freedom to Exchange with Foreigners								7.3
A. Taxes on International Trade								8.8
(i) Taxes as Percentage of Exports and Imports								9.2 (1.2)
(ii) Mean Tariff Rate								8.6 (7.1)
(iii) Variability of Tariff Rates								8.7 (3.2)
B. Regulatory Trade Barriers								5.5
(i) Hidden Import Barriers								4.0
(ii) Costs of Importing								7.0
C. Size of Trade Sector								4.3
D. Official versus Black Market Exchange Rate								10.0
E. Restrictions on Capital Markets								7.9
(i) Access to Foreign Capital								7.4
(ii) Restrictions on Foreign Capital Transactions								8.3
5. Regulation of Credit, Labor and Business								4.9
A. Regulation of Credit Markets								6.0
(i) Private Ownership of Banks								
(ii) Competition from Foreign Banks								3.0
(iii) Extension of Credit to Private Sector								8.9
(iv) Avoidance of Negative Real Interest Rates								6.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								5.0
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								5.3
(iii) Collective Bargaining								8.7
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription								1.0
C. Regulation of Business								3.8
(i) Price Controls								
(ii) Administrative Obstacles for New Businesses								2.7
(iii) Time Spent with Government Bureaucracy								5.0
(iv) Ease of Starting a New Business								3.7
(v) Irregular Payments to Government Officials								3.7

Germany

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.0 (9)		7.0 (11)		7.2 (14)		7.5 (13)		7.6 (15)		7.3 (19)		7.3 (19)		7.5 (19)	
1. Size of Government	4.6		4.3		4.9		4.4		4.5		4.2		4.2		4.4	
A. Government Consumption	4.0	(26.3)	4.1	(26.1)	4.4	(25.2)	4.2	(25.8)	4.6	(24.5)	4.6	(24.4)	4.6	(24.5)	4.5	(24.8)
B. Transfers and Subsidies	5.3	(17.6)	5.0	(19.0)	5.3	(17.9)	4.3	(21.6)	4.5	(20.8)	2.3	(28.8)	2.3	(28.8)	2.0	(29.8)
C. Government Enterprises and Investment	7.0	(25.7)	7.0	(24.4)	6.0	(24.0)	6.0	(25.5)	6.0		6.0		6.0		6.0	
D. Top Marginal Tax Rate	2.0		1.0		4.0		3.0		3.0		4.0		4.0		5.0	
(i) Top Marginal Income Tax Rate	2.0	(65)	1.0	(65)	4.0	(53)	3.0	(57)	3.0	(56)	4.0	(51)	4.0	(51)	5.0	(47)
(ii) Top Marginal Income and Payroll Tax Rate					4.0	(53)	3.0	(57)	3.0	(56)	4.0	(51)	4.0	(51)	5.0	(47)
2. Legal Structure and Security of Property Rights	7.7		7.5		8.3		9.1		9.1		8.7		8.7		8.9	
A. Judicial Independence							9.3		9.4		8.7		8.5		9.0	
B. Impartial Courts							8.6		9.2		8.4		8.3		8.7	
C. Protection of Intellectual Property							8.0		8.8		8.2		8.5		8.7	
D. Military Interference							9.8		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		8.3		8.3		8.3		8.3	
3. Access to Sound Money	9.4		9.6		9.3		9.6		9.5		9.5		9.6		9.6	
A. Growth of Money Supply	9.2	(4.1)	9.5	(2.6)	8.1	(9.7)	9.1	(4.4)	8.8	(6.1)	9.0	(5.2)	9.0	(5.0)	8.9	(5.4)
B. Inflation Variability	9.6	(0.9)	9.5	(1.2)	9.5	(1.2)	9.5	(1.2)	9.8	(0.6)	9.7	(0.7)	9.7	(0.8)	9.7	(0.8)
C. Recent Annual Inflation	8.9	(5.5)	9.6	(2.2)	9.5	(2.7)	9.6	(2.1)	9.6	(1.9)	9.5	(2.5)	9.7	(1.3)	9.8	(1.1)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.0		8.4		8.2		8.2		8.7		8.6		8.6		8.7	
A. Taxes on International Trade	9.0		9.1		8.4		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.3		8.9		8.6		8.8		8.8	
(i) Hidden Import Barriers							8.3		8.5		7.9		8.2		8.0	
(ii) Costs of Importing									9.3		9.4		9.4		9.5	
C. Size of Trade Sector	4.7		4.6		4.3		4.7		6.1		6.1		5.9		5.9	
D. Official versus Black Market Exchange Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	8.0		10.0		10.0		9.6		9.5		9.5		9.4		9.5	
(i) Access to Foreign Capital							9.2		9.7		9.7		9.6		9.8	
(ii) Restrictions on Foreign Capital Transactions	8.0		10.0		10.0		10.0		9.2		9.2		9.2		9.2	
5. Regulation of Credit, Labor and Business	5.2		5.2		5.3		6.1		6.1		5.4		5.6		5.7	
A. Regulation of Credit Markets	7.6		7.6		7.6		7.8		7.8		7.7		7.9		7.9	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							7.8		7.2		7.2		8.0		8.0	
(iii) Extension of Credit to Private Sector	7.8		7.7		7.9		7.6		8.0		7.9		7.9		7.9	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.4		8.6		8.6		8.6		8.6	
B. Regulation of Labor Markets	3.3		3.3		3.5		3.6		2.9		2.8		2.5		2.8	
(i) Impact of Minimum Wage							3.4		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					3.9		3.9		1.8		1.4		1.3		2.0	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		2.3		2.5		1.8		2.3	
(iv) Incentives from Unemployment Benefits	4.4		4.5		4.5		3.0		2.5		2.5		1.7		2.2	
(v) Military Conscription	1.0		1.0		1.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business							7.0		7.8		5.6		6.3		6.4	
(i) Price Controls					9.0		9.0		8.0		6.0		7.0		7.0	
(ii) Administrative Obstacles for New Businesses									8.2		2.2		3.7		4.7	
(iii) Time Spent with Government Bureaucracy							6.5		8.5		6.5		6.5		6.3	
(iv) Ease of Starting a New Business							5.0		6.4		5.1		5.5		5.2	
(v) Irregular Payments to Government Officials							7.7		8.0		8.2		8.8		8.8	

Ghana

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	2.9 (105)		3.2 (107)		5.0 (75)		5.6 (75)		5.9 (80)		5.7 (91)		6.2 (73)		6.2 (76)	
1. Size of Government	4.7		4.9		5.3		6.6		6.1		5.6		5.6		5.6	
A. Government Consumption	8.3 (11.7)		8.8 (10.1)		8.9 (9.9)		7.7 (13.8)		8.3 (11.9)		6.9 (16.5)		6.9 (16.5)		6.9 (16.5)	
B. Transfers and Subsidies	9.5 (2.4)		9.8 (1.3)		9.4 (2.6)		9.2 (3.3)									
C. Government Enterprises and Investment	0.0 (35.4)		0.0		2.0 (25.0)		4.0		4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate	1.0		1.0		1.0		5.5		6.0		6.0		6.0		6.0	
(i) Top Marginal Income Tax Rate	1.0 (60)		1.0 (60)		2.0 (55)		7.0 (35)		8.0 (30)		8.0 (30)		8.0 (30)		8.0 (30)	
(ii) Top Marginal Income and Payroll Tax Rate					0.0 (62)		4.0 (45)		4.0 (41)		4.0 (41)		4.0 (41)		4.0 (41)	
2. Legal Structure and Security of Property Rights	2.8		2.7		5.8		5.6		4.4		4.2		4.5		5.0	
A. Judicial Independence													5.2		6.2	
B. Impartial Courts							5.5		5.4		5.4		5.0		5.8	
C. Protection of Intellectual Property													3.8		4.8	
D. Military Interference							6.0		5.0		4.2		5.0		5.0	
E. Integrity of Legal System							7.0		3.3		3.3		3.3		3.3	
3. Access to Sound Money	1.1		1.8		4.1		4.1		5.8		5.6		7.4		6.8	
A. Growth of Money Supply	1.4 (42.9)		1.2 (44.2)		2.4 (37.9)		4.5 (27.4)		7.5 (12.7)		7.4 (12.9)		5.9 (20.3)		5.9 (20.3)	
B. Inflation Variability	3.2 (17.1)		0.0 (38.3)		8.0 (5.0)		5.6 (10.9)		5.9 (10.4)		6.6 (8.4)		6.7 (8.2)		6.6 (8.6)	
C. Recent Annual Inflation	0.0 (51.1)		5.9 (20.7)		5.9 (20.7)		1.4 (43.2)		5.0 (25.2)		3.4 (32.9)		7.0 (14.8)		4.7 (26.7)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		5.0		5.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	1.7		2.1		5.0		5.8		7.2		7.4		7.2		7.4	
A. Taxes on International Trade	0.0		2.0		4.4		6.1		6.5		6.5		6.5		6.5	
(i) Taxes as Percentage of Exports and Imports	0.0 (17.3)		0.0 (21.7)		2.3 (11.6)		4.6 (8.1)		6.9 (4.6)		6.9 (4.6)		6.9 (4.6)		6.9 (4.6)	
(ii) Mean Tariff Rate			4.0 (30.0)		6.5 (17.5)		7.0 (15.0)		7.0 (15.2)		7.0 (15.2)		7.0 (15.2)		7.0 (15.2)	
(iii) Variability of Tariff Rates							6.7 (8.3)		5.7 (10.7)		5.7 (10.7)		5.7 (10.7)		5.7 (10.7)	
B. Regulatory Trade Barriers													5.8		6.9	
(i) Hidden Import Barriers													4.7		5.7	
(ii) Costs of Importing													7.0		8.2	
C. Size of Trade Sector	0.0		0.0		3.8		5.2		10.0		10.0		8.2		7.7	
D. Official versus Black Market Exchange Rate	0.0		0.0		8.6		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		1.5		2.3		5.6		6.1	
(i) Access to Foreign Capital													8.8		9.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		1.5		2.3		2.3		2.3	
5. Regulation of Credit, Labor and Business	4.4		4.7		4.7		5.7		5.9		5.5		6.2		6.2	
A. Regulation of Credit Markets	1.8		2.5		3.9		6.0		6.0		4.6		7.0		7.0	
(i) Private Ownership of Banks	2.0		2.0		2.0		5.0		5.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks													7.0		7.0	
(iii) Extension of Credit to Private Sector	3.3		5.4		7.8		9.0		4.9		4.3		5.0		4.9	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		2.0		4.0		8.0		4.3		8.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													6.9		6.9	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													5.5		4.7	
(iii) Collective Bargaining													5.2		6.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													4.7		4.8	
(i) Price Controls					0.0		4.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses													3.5		4.0	
(iii) Time Spent with Government Bureaucracy													5.3		4.8	
(iv) Ease of Starting a New Business													4.0		4.0	
(v) Irregular Payments to Government Officials													4.8		5.4	

Greece

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.7 (41)		5.2 (65)		5.8 (46)		6.2 (56)		6.9 (41)		6.8 (42)		6.9 (40)		6.9 (38)	
1. Size of Government	5.3		3.7		4.8		5.7		6.4		5.9		6.1		6.0	
A. Government Consumption	7.4	(14.7)	6.6	(17.5)	6.7	(17.3)	6.9	(16.4)	6.6	(17.7)	6.3	(18.6)	6.2	(19.0)	6.1	(19.3)
B. Transfers and Subsidies	8.6	(5.7)	5.3	(17.7)	4.6	(20.5)	5.0	(19.0)	9.0	(4.3)	5.2	(18.0)	5.2	(18.0)	5.1	(18.6)
C. Government Enterprises and Investment	2.0	(32.0)	2.0	(41.0)	4.0	(37.5)	6.0	(35.8)	6.0		8.0	(16.1)	8.0	(16.1)	8.0	(16.1)
D. Top Marginal Tax Rate	3.0		1.0		4.0		5.0		4.0		4.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	3.0	(60)	1.0	(63)	4.0	(50)	5.0	(45)	5.0	(43)	5.0	(40)	5.0	(40)	5.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate					4.0	(50)	5.0	(45)	3.0	(50)	3.0	(50)	5.0	(40)	5.0	(40)
2. Legal Structure and Security of Property Rights	5.6		5.6		6.8		6.7		5.7		5.6		6.0		6.0	
A. Judicial Independence							5.5		6.3		5.9		6.2		6.0	
B. Impartial Courts							5.7		5.7		5.0		5.2		5.3	
C. Protection of Intellectual Property							5.4		4.8		4.7		5.2		5.5	
D. Military Interference							6.9		6.7		7.5		8.3		8.3	
E. Integrity of Legal System							10.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	6.9		6.8		6.7		7.3		9.3		9.5		9.6		9.6	
A. Growth of Money Supply	7.2	(14.1)	6.7	(16.4)	6.3	(18.4)	7.7	(11.7)	8.7	(6.5)	9.1	(4.3)	9.3	(3.6)	9.3	(3.4)
B. Inflation Variability	9.1	(2.4)	9.0	(2.5)	9.1	(2.4)	8.5	(3.8)	9.2	(2.0)	9.4	(1.6)	9.7	(0.9)	9.8	(0.4)
C. Recent Annual Inflation	6.5	(17.7)	6.5	(17.7)	6.5	(17.7)	8.2	(8.9)	9.4	(3.2)	9.3	(3.4)	9.3	(3.6)	9.3	(3.5)
D. Freedom to Own Foreign Currency	5.0		5.0		5.0		5.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.2		5.4		6.1		6.6		7.9		7.7		7.4		7.4	
A. Taxes on International Trade	8.1		9.0		8.4		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	7.9	(3.2)	9.5	(0.7)	9.6	(0.6)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							6.3		8.7		8.1		8.2		8.3	
(i) Hidden Import Barriers							6.3		8.0		6.7		7.0		7.5	
(ii) Costs of Importing									9.5		9.6		9.4		9.2	
C. Size of Trade Sector	4.1		3.0		2.5		1.4		3.3		2.9		1.8		1.6	
D. Official versus Black Market Exchange Rate	8.6		5.0		9.4		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		6.5		8.3		8.3		7.9		7.9	
(i) Access to Foreign Capital							8.0		8.9		8.9		8.2		8.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		7.7		7.7		7.7		7.7	
5. Regulation of Credit, Labor and Business	4.4		4.4		4.8		4.9		5.4		5.3		5.4		5.3	
A. Regulation of Credit Markets	4.2		4.1		5.6		5.9		7.1		7.2		7.7		7.8	
(i) Private Ownership of Banks	2.0		2.0		5.0		5.0		5.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks							6.4		7.0		7.0		6.0		6.0	
(iii) Extension of Credit to Private Sector	4.7		4.4		3.9		4.9		6.0		6.5		6.8		7.4	
(iv) Avoidance of Negative Real Interest Rates	6.0		6.0		8.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							5.2		7.7		7.7		7.7		7.7	
B. Regulation of Labor Markets	3.6		3.6		3.7		4.0		3.4		3.8		3.5		3.6	
(i) Impact of Minimum Wage							5.2		4.1		4.1		4.1		4.1	
(ii) Flexibility in Hiring and Firing					4.8		4.8		2.3		3.3		2.7		3.0	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.2		4.3		4.2		4.2	
(iv) Incentives from Unemployment Benefits	6.3		6.3		5.5		5.5		6.3		6.3		5.6		5.6	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		1.0		1.0		1.0	
C. Regulation of Business							4.7		5.6		4.8		4.9		4.5	
(i) Price Controls					0.0		6.0		5.0		6.0		6.0		4.0	
(ii) Administrative Obstacles for New Businesses									7.0		2.7		2.3		2.8	
(iii) Time Spent with Government Bureaucracy							4.8		6.4		5.8		6.3		5.5	
(iv) Ease of Starting a New Business							4.2		4.1		4.0		4.0		3.7	
(v) Irregular Payments to Government Officials							3.7		5.7		5.8		5.9		6.3	

Guatemala

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	6.5 (16)	5.4 (55)	5.8 (46)	6.9 (34)	6.4 (63)	6.4 (62)	6.4 (62)	6.5 (59)
1. Size of Government	8.7	8.1	8.3	9.1	9.1	8.5	8.6	8.5
A. Government Consumption	9.1 (9.2)	9.5 (7.8)	9.6 (7.3)	10.0 (6.0)	9.7 (7.1)	9.3 (8.4)	9.5 (7.7)	9.5 (7.6)
B. Transfers and Subsidies	9.8 (1.2)	9.8 (1.3)	9.6 (1.8)	10.0 (0.5)	9.7 (1.5)	9.7 (1.4)	9.7 (1.4)	9.4 (2.5)
C. Government Enterprises and Investment	8.0 (37.4)	8.0 (32.1)	8.0 (21.0)	8.0 (17.3)	10.0 (13.4)	8.0 (16.4)	8.0 (16.4)	8.0 (16.4)
D. Top Marginal Tax Rate	8.0	5.0	6.0	8.5	7.0	7.0	7.0	7.0
(i) Top Marginal Income Tax Rate	8.0 (40)	5.0 (48)	7.0 (34)	9.0 (25)	7.0 (31)	7.0 (31)	7.0 (31)	7.0 (31)
(ii) Top Marginal Income and Payroll Tax Rate			5.0 (37)	8.0 (28)	7.0 (34)	7.0 (34)	7.0 (34)	7.0 (34)
2. Legal Structure and Security of Property Rights	2.5	2.0	2.4	4.7	3.4	2.6	2.6	3.0
A. Judicial Independence						1.7	2.0	3.0
B. Impartial Courts				3.6	3.8	1.9	2.0	2.2
C. Protection of Intellectual Property					2.2	3.0	2.5	3.2
D. Military Interference				4.3	3.3	3.3	3.3	3.3
E. Integrity of Legal System				7.0	3.3	3.3	3.3	3.3
3. Access to Sound Money	8.6	8.0	6.6	8.1	7.6	9.0	9.0	9.2
A. Growth of Money Supply	7.9 (10.7)	8.0 (10.1)	6.3 (18.3)	7.7 (11.5)	7.5 (12.6)	8.3 (8.4)	8.5 (7.6)	8.3 (8.6)
B. Inflation Variability	8.6 (3.6)	7.9 (5.3)	3.9 (15.2)	6.4 (9.1)	9.2 (1.9)	9.3 (1.8)	9.3 (1.8)	9.6 (1.1)
C. Recent Annual Inflation	8.0 (10.0)	6.2 (18.8)	6.2 (18.8)	8.3 (8.7)	8.8 (6.0)	8.5 (7.6)	8.4 (8.0)	8.9 (5.5)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	5.7	3.2	6.1	7.2	6.5	6.6	6.6	6.6
A. Taxes on International Trade	3.4	2.5	4.3	7.4	7.9	7.9	7.8	7.8
(i) Taxes as Percentage of Exports and Imports	6.8 (4.8)	5.0 (7.5)	7.6 (3.6)	7.1 (4.4)	8.3 (2.5)	8.2 (2.6)	8.1 (2.8)	8.2 (2.8)
(ii) Mean Tariff Rate	0.0 (50.0)	0.0 (50.0)	5.4 (23.0)	8.0 (10.2)	8.6 (7.2)	8.4 (7.8)	8.4 (7.8)	8.4 (7.8)
(iii) Variability of Tariff Rates			0.0 (26.7)	7.0 (7.4)	6.9 (7.8)	6.9 (7.7)	6.9 (7.7)	6.9 (7.7)
B. Regulatory Trade Barriers					4.1	6.0	6.2	6.0
(i) Hidden Import Barriers					4.1	4.0	4.3	4.0
(ii) Costs of Importing						8.1	8.0	8.0
C. Size of Trade Sector	3.9	0.0	3.0	2.4	2.9	2.4	1.9	1.8
D. Official versus Black Market Exchange Rate	8.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	8.0	7.5	6.7	6.9	7.5
(i) Access to Foreign Capital					7.2	7.2	6.2	7.4
(ii) Restrictions on Foreign Capital Transactions	5.0	5.0	5.0	8.0	7.7	6.2	7.7	7.7
5. Regulation of Credit, Labor and Business	6.9	5.7	5.6	5.6	5.5	5.1	5.2	5.4
A. Regulation of Credit Markets	8.5	8.5	8.5	8.4	6.6	7.2	7.6	7.6
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0
(ii) Competition from Foreign Banks					5.6	5.6	5.6	5.6
(iii) Extension of Credit to Private Sector	9.6	9.4	9.5	9.2	8.9	8.7	8.8	8.8
(iv) Avoidance of Negative Real Interest Rates	8.0	8.0	8.0	8.0	6.0	9.0	9.0	9.0
(v) Controls on Interest Rates					4.6	4.6	4.6	4.6
B. Regulation of Labor Markets					4.0	4.0	3.3	3.9
(i) Impact of Minimum Wage					4.6	4.6	4.6	4.6
(ii) Flexibility in Hiring and Firing					5.3	4.6	3.5	5.2
(iii) Collective Bargaining					6.2	6.5	5.2	5.8
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business					5.7	4.1	4.8	4.7
(i) Price Controls			6.0	6.0	8.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses					6.1	1.8	2.2	2.5
(iii) Time Spent with Government Bureaucracy					4.5	4.8	7.3	5.8
(iv) Ease of Starting a New Business					5.1	3.8	4.5	4.3
(v) Irregular Payments to Government Officials					4.9	4.0	4.0	5.1

Guinea-Bissau

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►		3.2 (107)	3.0 (112)	3.5 (122)	4.4 (118)	4.8 (118)	4.8 (116)	4.5 (122)
1. Size of Government		4.7	4.3	5.0	4.6	4.0	3.6	3.6
A. Government Consumption		7.5 (14.6)	8.6 (10.6)	9.9 (6.3)	9.3 (8.6)	8.1 (12.5)	7.1 (15.9)	7.1 (15.9)
B. Transfers and Subsidies								
C. Government Enterprises and Investment	2.0	2.0	0.0 (71.9)	0.0 (68.0)	0.0	0.0 (68.0)	0.0 (68.0)	0.0 (68.0)
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income and Payroll Tax Rate								
2. Legal Structure and Security of Property Rights		2.0	2.9	2.5	3.0	3.0	2.6	1.9
A. Judicial Independence								
B. Impartial Courts				2.7	2.9	2.9	2.9	3.3
C. Protection of Intellectual Property								
D. Military Interference				3.1	3.3	3.3	1.7	1.7
E. Integrity of Legal System				0.0	1.7	1.7	1.7	1.7
3. Access to Sound Money	5.4	2.0	0.9	1.8	3.3	5.2	5.9	5.9
A. Growth of Money Supply			0.0 (65.1)	2.7 (36.6)	1.6 (41.8)	7.4 (12.8)	5.7 (21.5)	5.7 (21.5)
B. Inflation Variability	8.6 (3.5)	2.3 (19.2)	0.0 (28.6)	3.6 (16.1)	3.1 (17.2)	4.1 (14.8)	8.0 (4.9)	8.0 (4.9)
C. Recent Annual Inflation	7.7 (11.6)	3.5 (32.3)	3.5 (32.3)	1.1 (44.7)	8.3 (8.6)	9.3 (3.3)	9.8 (0.9)	9.8 (0.9)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners		4.1			6.0	6.3	6.4	5.5
A. Taxes on International Trade		4.8			7.6	7.2	7.2	7.2
(i) Taxes as Percentage of Exports and Imports		4.8 (7.7)						
(ii) Mean Tariff Rate					7.6 (12.0)	7.2 (14.1)	7.3 (13.6)	7.3 (13.6)
(iii) Variability of Tariff Rates						7.2 (7.1)	7.2 (7.1)	7.2 (7.1)
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	2.1	3.2	0.0	0.0	4.1	5.3	5.6	2.6
D. Official versus Black Market Exchange Rate		4.2	8.2	9.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	5.0	5.0	0.0	0.8	0.8	0.8
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	5.0	5.0	0.0	0.8	0.8	0.8
5. Regulation of Credit, Labor and Business			3.8	4.7	5.1	5.6	5.6	5.5
A. Regulation of Credit Markets			3.9	4.5	6.0	7.3	7.3	6.8
(i) Private Ownership of Banks						2.0	2.0	2.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector			7.7	8.9	10.0	10.0	10.0	8.5
(iv) Avoidance of Negative Real Interest Rates			0.0	0.0	2.0	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		3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business								
(i) Price Controls			0.0	6.0	6.0	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								

Guyana

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	3.7 (98)	3.6 (103)		4.8 (98)	6.8 (43)	6.6 (51)	6.4 (62)	6.4 (66)
1. Size of Government	1.4	2.5	3.4	3.7	4.5	3.9	3.6	3.6
A. Government Consumption	2.8 (30.4)	5.0 (23.1)	7.1 (15.8)	5.6 (20.8)	5.5 (21.2)	5.6 (20.9)	5.4 (21.8)	5.4 (21.8)
B. Transfers and Subsidies								
C. Government Enterprises and Investment	0.0	0.0	0.0	0.0	2.0	0.0 (56.4)	0.0 (56.4)	0.0 (56.4)
D. Top Marginal Tax Rate			3.0	5.5	6.0	6.0	5.5	5.5
(i) Top Marginal Income Tax Rate			3.0 (50)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)
(ii) Top Marginal Income and Payroll Tax Rate			3.0 (50)	4.0 (41)	5.0 (39)	5.0 (39)	4.0 (42)	4.0 (41)
2. Legal Structure and Security of Property Rights	2.2	2.1	3.4	4.8	6.5	6.5	5.7	5.6
A. Judicial Independence								
B. Impartial Courts				5.3	5.8	5.8	5.8	4.7
C. Protection of Intellectual Property								
D. Military Interference				5.8	10.0	10.0	10.0	10.0
E. Integrity of Legal System				4.1	6.7	6.7	3.3	3.3
3. Access to Sound Money	5.8	5.2	2.0	4.9	7.9	8.0	7.8	7.8
A. Growth of Money Supply	8.4 (7.9)	5.8 (20.8)	0.9 (45.5)	7.0 (15.1)	9.3 (3.7)	9.5 (2.6)	8.9 (5.5)	8.9 (5.5)
B. Inflation Variability	7.1 (7.3)	7.7 (5.9)	0.0 (53.1)	0.0 (48.3)	8.5 (3.8)	8.1 (4.7)	8.2 (4.4)	8.2 (4.4)
C. Recent Annual Inflation	7.6 (11.8)	7.1 (14.5)	6.9 (15.5)	7.8 (11.2)	8.8 (6.1)	9.5 (2.6)	8.9 (5.3)	8.9 (5.3)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Exchange with Foreigners	5.4	4.5			8.1	8.2	8.4	8.5
A. Taxes on International Trade	8.8	7.0			6.6	6.7	6.7	6.7
(i) Taxes as Percentage of Exports and Imports	8.8 (1.8)	7.4 (3.9)						
(ii) Mean Tariff Rate		6.6 (17.0)			6.6 (17.0)	7.6 (12.2)	7.6 (12.2)	7.6 (12.2)
(iii) Variability of Tariff Rates						5.8 (10.4)	5.8 (10.4)	5.8 (10.4)
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	10.0	7.1	8.6	10.0	10.0	10.0	10.0	10.0
D. Official versus Black Market Exchange Rate	0.0	0.0	8.2	9.2	9.0	9.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	5.0	5.0	6.9	6.9	6.9	6.9
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	5.0	5.0	6.9	6.9	6.9	6.9
5. Regulation of Credit, Labor and Business				5.8	6.7	6.2	6.5	6.6
A. Regulation of Credit Markets	3.0	2.4	4.6	4.9	7.7	7.1	8.0	7.9
(i) Private Ownership of Banks						5.0	8.0	8.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	3.0	2.4	4.6	5.8	7.4	7.3	7.1	6.7
(iv) Avoidance of Negative Real Interest Rates				4.0	8.0	9.0	9.0	9.0
(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								

Haiti

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.3 (55)		5.6 (46)		5.3 (62)		5.8 (68)		6.4 (63)		6.0 (80)		6.0 (80)		5.9 (88)	
1. Size of Government	7.3		7.5		8.2		7.9		7.8		7.2		7.2		7.2	
A. Government Consumption	8.5	(11.0)	8.3	(11.9)	9.5	(7.6)	9.8	(6.8)	9.6	(7.4)	9.6	(7.4)	9.6	(7.4)	9.6	(7.4)
B. Transfers and Subsidies			8.1	(7.3)							9.9	(0.8)	9.9	(0.8)	9.9	(0.8)
C. Government Enterprises and Investment	6.0	(19.0)	6.0	(32.7)	6.0	(42.0)	6.0		6.0		2.0	(48.2)	2.0	(48.2)	2.0	(48.2)
D. Top Marginal Tax Rate					9.0											
(i) Top Marginal Income Tax Rate					9.0	(30)										
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	2.2		2.9		2.0		3.9		3.9		2.0		1.9		2.1	
A. Judicial Independence											0.5		0.2		0.2	
B. Impartial Courts							2.9		3.0		0.9		1.3		2.6	
C. Protection of Intellectual Property											0.9		1.2		1.2	
D. Military Interference							1.8		5.0		4.2		3.3		3.3	
E. Integrity of Legal System							7.0		3.3		3.3		3.3		3.3	
3. Access to Sound Money	7.4		8.7		8.3		6.3		8.4		8.5		8.4		6.7	
A. Growth of Money Supply	7.1	(14.3)	8.3	(8.6)	8.4	(8.1)	5.3	(23.7)	7.9	(10.7)	8.1	(9.7)	7.0	(14.9)	7.4	(12.8)
B. Inflation Variability	6.7	(8.3)	8.7	(3.1)	7.0	(7.5)	6.3	(9.2)	8.3	(4.2)	8.6	(3.5)	8.5	(3.6)	7.1	(7.4)
C. Recent Annual Inflation	5.7	(21.4)	7.9	(10.4)	7.9	(10.4)	3.8	(31.0)	7.3	(13.7)	7.2	(14.2)	8.0	(9.9)	2.1	(39.3)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	4.4		3.3		2.8				5.8		5.5		5.5		6.7	
A. Taxes on International Trade	3.9		6.2		5.5				8.0		8.0		8.0		8.0	
(i) Taxes as Percentage of Exports and Imports	3.4	(9.9)	4.7	(8.0)	5.5	(6.7)										
(ii) Mean Tariff Rate	4.5	(27.7)	7.7	(11.6)					8.0	(10.0)	8.0	(10.0)	8.0	(10.0)	8.0	(10.0)
(iii) Variability of Tariff Rates																
B. Regulatory Trade Barriers											5.4		5.7		5.1	
(i) Hidden Import Barriers											4.2		5.0		5.0	
(ii) Costs of Importing											6.6		6.4		5.2	
C. Size of Trade Sector	3.6		2.1		0.0		0.1		1.0		0.9		1.3		3.2	
D. Official versus Black Market Exchange Rate	6.0		0.0		0.0		0.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		2.0		2.0		0.0		2.8		7.0	
(i) Access to Foreign Capital													5.6		5.6	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		2.0		2.0		0.0		0.0		8.3	
5. Regulation of Credit, Labor and Business					5.2		5.0		6.0		7.0		6.8		6.8	
A. Regulation of Credit Markets	10.0		9.7		5.0		5.0		7.9		9.5		9.0		9.0	
(i) Private Ownership of Banks																
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	10.0		9.7		9.9		10.0		9.9		9.9		10.0		10.0	
(iv) Avoidance of Negative Real Interest Rates					0.0		0.0		6.0		9.0		8.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets											8.2		8.1		8.1	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing											5.7		6.2		6.2	
(iii) Collective Bargaining											8.9		8.0		8.0	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business											3.4		3.5		3.5	
(i) Price Controls					2.0		0.0		2.0		2.0		2.0		2.0	
(ii) Administrative Obstacles for New Businesses											2.4		2.8		2.8	
(iii) Time Spent with Government Bureaucracy											7.3		6.8		6.8	
(iv) Ease of Starting a New Business											2.6		3.0		3.0	
(v) Irregular Payments to Government Officials											2.8		2.8		2.8	

Honduras

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.9 (26)	6.2 (25)	5.9 (42)	6.6 (41)	6.4 (63)	6.2 (71)	6.4 (62)	6.5 (59)
1. Size of Government	7.1	7.0	6.9	7.5	7.5	7.4	7.4	7.4
A. Government Consumption	7.3 (15.3)	7.4 (14.8)	7.0 (16.2)	8.0 (12.8)	7.4 (14.8)	7.1 (16.0)	7.1 (15.7)	7.3 (15.0)
B. Transfers and Subsidies		9.5 (2.3)	9.5 (2.2)	9.0 (4.0)				
C. Government Enterprises and Investment	6.0 (37.4)	6.0 (62.6)	6.0 (32.0)	6.0 (37.2)	6.0	6.0	6.0	6.0
D. Top Marginal Tax Rate	8.0	5.0	5.0	7.0	9.0	9.0	9.0	9.0
(i) Top Marginal Income Tax Rate	8.0 (40)	5.0 (46)	5.0 (46)	7.0 (40)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income and Payroll Tax Rate			5.0 (46)	7.0 (40)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
2. Legal Structure and Security of Property Rights	2.8	3.1	3.5	5.1	3.7	2.6	2.9	3.1
A. Judicial Independence						1.7	1.5	2.0
B. Impartial Courts				4.0	3.7	2.0	2.0	2.5
C. Protection of Intellectual Property					2.3	2.5	2.5	2.7
D. Military Interference				5.4	5.0	5.0	5.0	5.0
E. Integrity of Legal System				7.0	3.3	1.7	3.3	3.3
3. Access to Sound Money	8.4	9.5	8.3	7.2	8.2	8.7	9.1	9.1
A. Growth of Money Supply	7.5 (12.7)	9.7 (1.5)	6.9 (15.4)	7.1 (14.6)	7.7 (11.7)	8.8 (5.8)	8.7 (6.5)	8.7 (6.6)
B. Inflation Variability	8.8 (3.0)	9.4 (1.5)	7.3 (6.6)	6.9 (7.8)	7.3 (6.7)	7.8 (5.5)	9.1 (2.3)	9.2 (2.0)
C. Recent Annual Inflation	7.3 (13.3)	9.0 (5.3)	9.0 (5.3)	4.7 (26.3)	7.8 (11.1)	8.1 (9.7)	8.5 (7.7)	8.5 (7.7)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	4.9		5.9	7.4	6.8	7.1	7.1	7.2
A. Taxes on International Trade	3.7		6.0	7.7	7.8	7.9	7.9	7.9
(i) Taxes as Percentage of Exports and Imports	5.5 (6.7)				8.1 (2.9)	8.1 (2.9)	8.1 (2.9)	8.1 (2.9)
(ii) Mean Tariff Rate	1.8 (41.0)		6.0 (20.0)	8.0 (10.1)	8.4 (7.9)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)
(iii) Variability of Tariff Rates				7.4 (6.5)	7.0 (7.5)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)
B. Regulatory Trade Barriers					3.4	5.4	6.4	6.8
(i) Hidden Import Barriers					3.4	3.7	4.5	5.3
(ii) Costs of Importing						7.0	8.4	8.2
C. Size of Trade Sector	6.4	3.9	5.5	6.3	6.5	6.1	5.8	5.8
D. Official versus Black Market Exchange Rate	6.0	0.0	10.0	9.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.0	6.6	6.2	5.4	5.5
(i) Access to Foreign Capital					8.5	8.5	7.0	7.2
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	4.6	3.8	3.8	3.8
5. Regulation of Credit, Labor and Business	6.2	5.1	4.9	5.8	5.6	5.5	5.7	5.8
A. Regulation of Credit Markets	6.1	7.7	7.8	6.3	6.8	7.6	8.2	8.2
(i) Private Ownership of Banks						10.0	10.0	10.0
(ii) Competition from Foreign Banks					4.7	4.7	8.0	8.0
(iii) Extension of Credit to Private Sector	8.2	7.4	7.5	8.6	9.9	9.8	9.7	9.7
(iv) Avoidance of Negative Real Interest Rates	4.0	8.0	8.0	4.0	8.0	9.0	9.0	9.0
(v) Controls on Interest Rates					4.5	4.5	4.5	4.5
B. Regulation of Labor Markets					5.7	5.2	4.9	5.3
(i) Impact of Minimum Wage					2.7	2.7	2.7	2.7
(ii) Flexibility in Hiring and Firing					4.5	3.3	2.2	3.3
(iii) Collective Bargaining					5.7	4.6	4.7	5.0
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business					4.4	3.8	4.1	4.0
(i) Price Controls			4.0	4.0	4.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses					5.8	1.5	2.3	2.7
(iii) Time Spent with Government Bureaucracy					4.9	5.5	6.3	4.8
(iv) Ease of Starting a New Business					2.9	2.0	2.7	2.7
(v) Irregular Payments to Government Officials					4.4	3.9	3.3	4.1

Hong Kong

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	8.6 (1)		8.4 (1)		8.2 (1)		9.1 (1)		8.7 (1)		8.7 (1)		8.7 (1)		8.7 (1)	
1. Size of Government	9.7		9.4		9.3		9.5		9.2		9.1		8.9		8.9	
A. Government Consumption	9.0	(9.3)	8.7	(10.6)	8.4	(11.6)	8.0	(12.7)	7.6	(14.2)	7.4	(14.7)	7.2	(15.6)	7.2	(15.6)
B. Transfers and Subsidies	10.0	(0.6)	9.9	(0.9)	9.9	(0.9)	9.8	(1.1)					8.6	(5.6)	8.6	(5.7)
C. Government Enterprises and Investment	10.0	(16.5)	10.0	(17.9)	10.0	(13.2)	10.0	(14.0)	10.0		10.0		10.0		10.0	
D. Top Marginal Tax Rate	10.0		9.0		9.0		10.0		10.0		10.0		10.0		10.0	
(i) Top Marginal Income Tax Rate	10.0	(15)	9.0	(25)	9.0	(25)	10.0	(20)	10.0	(17)	10.0	(17)	10.0	(17)	10.0	(19)
(ii) Top Marginal Income and Payroll Tax Rate					9.0	(25)	10.0	(20)	10.0	(17)	10.0	(17)	10.0	(17)	10.0	(19)
2. Legal Structure and Security of Property Rights	8.1		6.3		5.9		8.2		7.2		7.0		7.3		7.4	
A. Judicial Independence							8.1		7.7		8.0		7.7		8.0	
B. Impartial Courts							7.9		8.9		8.5		8.3		8.5	
C. Protection of Intellectual Property							6.1		6.3		6.9		7.2		7.3	
D. Military Interference							8.8		5.0		5.0		5.0		5.0	
E. Integrity of Legal System							10.0		8.3		6.7		8.3		8.3	
3. Access to Sound Money	8.5		9.3		9.0		9.4		9.1		9.4		9.3		9.2	
A. Growth of Money Supply	9.0	(4.8)	9.5	(2.6)	8.4	(8.2)	9.3	(3.4)	9.5	(-2.7)	9.7	(1.4)	8.9	(5.6)	8.1	(9.3)
B. Inflation Variability	8.0	(5.0)	9.0	(2.6)	8.9	(2.9)	9.0	(2.6)	7.6	(5.9)	8.0	(5.0)	8.8	(3.0)	9.0	(2.4)
C. Recent Annual Inflation	7.0	(15.0)	8.9	(5.7)	8.9	(5.7)	9.5	(2.6)	9.3	(-3.7)	9.7	(-1.6)	9.4	(-3.0)	9.5	(-2.6)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	9.6		9.6		9.6		9.7		9.8		9.8		9.7		9.7	
A. Taxes on International Trade	9.8		9.8		9.9		9.9		9.9		9.9		10.0		10.0	
(i) Taxes as Percentage of Exports and Imports	9.7	(0.5)	9.6	(0.6)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	10.0	(0.0)	10.0	(0.0)
(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)	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)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)
B. Regulatory Trade Barriers							8.8		9.4		9.2		9.3		9.4	
(i) Hidden Import Barriers							8.8		8.9		8.9		8.7		9.0	
(ii) Costs of Importing									9.8		9.6		9.9		9.8	
C. Size of Trade Sector	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	10.0		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		9.7		9.6		9.6		9.2		9.2	
(i) Access to Foreign Capital							9.4		9.9		9.9		10.0		10.0	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		9.2		9.2		8.5		8.5	
5. Regulation of Credit, Labor and Business	7.2		7.2		7.2		8.7		8.4		8.0		8.1		8.2	
A. Regulation of Credit Markets	10.0		10.0		9.9		9.1		8.8		8.8		8.9		8.9	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							8.6		7.3		7.3		8.0		8.0	
(iii) Extension of Credit to Private Sector					9.8		9.7		9.1		9.0		8.9		8.9	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							7.3		7.8		7.8		7.8		7.8	
B. Regulation of Labor Markets					8.9		8.1		7.7		7.8		7.7		7.7	
(i) Impact of Minimum Wage							7.4		4.3		4.3		4.3		4.3	
(ii) Flexibility in Hiring and Firing					8.8		8.8		7.6		7.8		7.8		8.2	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		9.0		9.5		9.2		9.5	
(iv) Incentives from Unemployment Benefits							6.5		7.7		7.7		7.2		6.3	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							8.7		8.5		7.4		7.6		7.9	
(i) Price Controls					10.0		9.0		9.0		7.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses									8.5		6.8		6.7		6.8	
(iii) Time Spent with Government Bureaucracy							9.5		7.3		6.0		6.0		6.8	
(iv) Ease of Starting a New Business							9.1		9.0		8.9		8.7		8.8	
(v) Irregular Payments to Government Officials							7.3		8.8		8.5		8.6		9.0	

Hungary

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.6 (78)		4.9 (75)		5.1 (70)		6.3 (48)		6.7 (46)		7.1 (30)		7.3 (19)		7.4 (20)	
1. Size of Government	3.8		2.9		2.9		4.7		4.8		5.2		5.8		5.8	
A. Government Consumption	7.5 (14.4)		7.7 (13.9)		7.4 (14.7)		7.6 (14.2)		7.9 (13.3)		7.4 (14.7)		7.6 (14.1)		7.7 (13.7)	
B. Transfers and Subsidies			1.1 (33.3)		2.3 (28.7)		3.3 (25.0)		4.7 (20.0)		5.0 (18.7)		5.0 (18.7)		4.9 (19.2)	
C. Government Enterprises and Investment	0.0 (92.6)		0.0 (83.5)		0.0 (68.5)		4.0		4.0		6.0		8.0		8.0	
D. Top Marginal Tax Rate					2.0		4.0		2.5		2.5		2.5		2.5	
(i) Top Marginal Income Tax Rate					3.0 (50)		4.0 (44)		5.0 (40)		5.0 (40)		5.0 (40)		5.0 (38)	
(ii) Top Marginal Income and Payroll Tax Rate					1.0 (60)		4.0 (44)		0.0 (62)		0.0 (63)		0.0 (63)		0.0 (64)	
2. Legal Structure and Security of Property Rights			6.8		7.2		7.6		7.0		6.7		6.7		6.6	
A. Judicial Independence							6.7		6.5		5.7		6.5		6.0	
B. Impartial Courts							6.8		6.3		5.3		5.2		4.8	
C. Protection of Intellectual Property							4.9		5.5		6.0		5.3		5.3	
D. Military Interference							9.6		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		6.7		6.7		6.7		6.7	
3. Access to Sound Money	6.5		6.8		5.6		6.2		7.1		8.6		9.1		9.5	
A. Growth of Money Supply	8.3 (8.7)		8.7 (6.7)		6.9 (15.5)		7.7 (11.7)		7.6 (11.9)		8.0 (9.9)		8.0 (9.8)		9.3 (3.5)	
B. Inflation Variability	8.9 (2.8)		9.8 (0.5)		6.9 (7.8)		7.6 (5.9)		7.8 (5.5)		8.3 (4.1)		9.3 (1.7)		9.5 (1.1)	
C. Recent Annual Inflation	8.8 (6.0)		8.8 (5.9)		8.8 (5.9)		4.7 (26.7)		8.0 (9.8)		8.2 (9.1)		8.9 (5.3)		9.1 (4.6)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		5.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	4.3		4.5		4.9		7.1		7.8		8.5		8.4		8.4	
A. Taxes on International Trade	6.7		7.5		6.1		6.7		7.3		7.4		7.3		7.3	
(i) Taxes as Percentage of Exports and Imports	6.7 (5.0)		7.5 (3.7)		6.6 (5.1)		6.1 (5.9)		9.4 (0.8)		9.6 (0.6)		9.6 (0.6)		9.6 (0.6)	
(ii) Mean Tariff Rate							7.8 (11.0)		8.4 (8.2)		8.4 (8.2)		8.2 (8.9)		8.2 (8.9)	
(iii) Variability of Tariff Rates					5.6 (11.0)		6.1 (9.7)		4.1 (14.7)		4.1 (14.7)		4.1 (14.7)		4.1 (14.7)	
B. Regulatory Trade Barriers							7.1		8.5		8.3		8.1		7.6	
(i) Hidden Import Barriers							7.1		8.2		7.6		7.0		6.3	
(ii) Costs of Importing									8.8		8.9		9.3		8.8	
C. Size of Trade Sector	6.8		6.6		4.4		5.4		8.5		8.1		7.5		8.2	
D. Official versus Black Market Exchange Rate	0.0		0.0		5.6		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		6.4		4.5		8.8		8.9		9.0	
(i) Access to Foreign Capital							7.8		8.3		8.3		9.4		9.6	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		5.0		0.8		9.2		8.5		8.5	
5. Regulation of Credit, Labor and Business	3.8		3.4		4.6		6.0		7.0		6.6		6.4		6.6	
A. Regulation of Credit Markets	3.6		2.7		4.4		6.8		8.1		8.1		7.9		8.1	
(i) Private Ownership of Banks	0.0		0.0		2.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks							7.3		6.9		6.9		6.9		6.9	
(iii) Extension of Credit to Private Sector	4.7		5.3		5.2		6.1		7.8		7.7		7.5		7.7	
(iv) Avoidance of Negative Real Interest Rates	6.0				6.0		6.0		10.0		10.0		9.0		10.0	
(v) Controls on Interest Rates							6.4		8.0		8.0		8.0		8.0	
B. Regulation of Labor Markets							5.4		5.6		5.8		5.4		5.5	
(i) Impact of Minimum Wage							6.7		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					7.1		7.1		5.5		6.0		4.7		4.7	
(iii) Collective Bargaining							5.2		7.0		7.4		7.0		7.5	
(iv) Incentives from Unemployment Benefits							5.2		5.8		5.8		5.8		5.9	
(v) Military Conscription	0.0		0.0		1.0		3.0		5.0		5.0		5.0		5.0	
C. Regulation of Business							6.0		7.3		5.8		5.9		6.1	
(i) Price Controls							8.0		8.0		5.0		5.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.4		3.8		2.8		2.8	
(iii) Time Spent with Government Bureaucracy							6.1		6.2		6.5		7.8		8.3	
(iv) Ease of Starting a New Business							6.4		7.4		6.8		7.0		6.7	
(v) Irregular Payments to Government Officials							3.3		7.3		6.7		7.0		6.9	

Iceland

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.1 (64)		5.3 (62)		6.6 (26)		7.4 (17)		7.7 (12)		7.7 (11)		7.6 (14)		7.7 (13)	
1. Size of Government	5.1		5.3		6.0		5.7		5.9		5.9		5.4		5.4	
A. Government Consumption	5.2	(22.2)	5.4	(21.5)	4.7	(23.9)	4.2	(25.6)	3.4	(28.3)	3.1	(29.5)	2.4	(31.7)	2.3	(32.2)
B. Transfers and Subsidies	7.2	(10.6)	6.9	(11.7)	7.4	(10.1)	7.7	(9.1)	7.7	(8.9)	8.3	(6.6)	7.8	(8.4)	7.8	(8.4)
C. Government Enterprises and Investment	8.0	(15.3)	8.0	(16.1)	7.0	(22.2)	7.0	(24.8)	7.0		7.0		7.0		7.0	
D. Top Marginal Tax Rate	0.0		1.0		5.0		4.0		5.5		5.0		4.5		4.5	
(i) Top Marginal Income Tax Rate	0.0	(63)	1.0	(56)	5.0	(40)	4.0	(47)	6.0	(45)	5.0	(46)	5.0	(46)	5.0	(44)
(ii) Top Marginal Income and Payroll Tax Rate									5.0	(48)	5.0	(49)	4.0	(49)	4.0	(47)
2. Legal Structure and Security of Property Rights	6.8		7.9		8.3		8.3		9.0		8.9		9.0		9.2	
A. Judicial Independence							7.8		8.5		8.7		8.8		8.7	
B. Impartial Courts							8.3		9.0		8.0		8.2		9.0	
C. Protection of Intellectual Property							5.8		7.6		7.6		7.8		8.3	
D. Military Interference							9.6		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	2.4		2.0		6.8		9.4		9.2		9.2		9.3		9.3	
A. Growth of Money Supply	2.6	(37.1)	1.6	(41.8)	4.6	(26.9)	9.2	(4.1)	8.2	(9.2)	9.0	(4.8)	9.1	(4.7)	9.1	(4.7)
B. Inflation Variability	6.9	(7.7)	2.8	(18.0)	8.8	(3.0)	9.2	(2.1)	9.6	(1.0)	9.0	(2.6)	9.0	(2.4)	8.6	(3.5)
C. Recent Annual Inflation	0.0	(52.5)	3.7	(31.3)	3.7	(31.3)	9.5	(2.8)	9.0	(5.2)	8.7	(6.4)	9.0	(5.2)	9.6	(2.1)
D. Freedom to Own Foreign Currency	0.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	5.6		5.6		5.9		6.5		6.9		6.9		6.7		6.7	
A. Taxes on International Trade	6.9		7.8		7.9		8.7		8.0		8.5		8.5		8.5	
(i) Taxes as Percentage of Exports and Imports	5.7	(6.5)	6.9	(4.6)	7.3	(4.0)	9.6	(0.6)	9.6	(0.5)	9.7	(0.5)	9.7	(0.4)	9.7	(0.4)
(ii) Mean Tariff Rate	8.1	(9.6)	8.7	(6.7)	9.2	(3.8)	9.3	(3.7)	9.6	(1.9)	9.0	(5.2)	9.0	(5.2)	9.0	(5.2)
(iii) Variability of Tariff Rates					7.0	(7.5)	7.1	(7.3)	4.8	(13.0)	6.8	(8.1)	6.8	(8.1)	6.8	(8.1)
B. Regulatory Trade Barriers							6.6		8.7		7.9		8.6		8.9	
(i) Hidden Import Barriers							6.6		8.3		7.5		8.2		9.0	
(ii) Costs of Importing									9.2		8.3		9.1		8.8	
C. Size of Trade Sector	2.6		3.1		1.2		0.9		1.5		1.9		1.4		0.9	
D. Official versus Black Market Exchange Rate	8.2		6.8		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		6.3		6.2		6.2		4.9		5.3	
(i) Access to Foreign Capital							7.6		8.6		8.6		6.0		6.8	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		3.8		3.8		3.8		3.8	
5. Regulation of Credit, Labor and Business	5.5		5.5		5.8		7.0		7.6		7.5		7.8		7.9	
A. Regulation of Credit Markets	5.2		5.2		6.3		6.9		7.7		7.9		8.9		8.9	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		5.0		5.0		10.0		10.0	
(ii) Competition from Foreign Banks							5.8		8.1		8.1		8.0		8.0	
(iii) Extension of Credit to Private Sector	9.6		9.7		8.8		9.4		9.9		9.8		9.9		9.9	
(iv) Avoidance of Negative Real Interest Rates	4.0		4.0		8.0		10.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates							7.1		7.5		7.5		7.5		7.5	
B. Regulation of Labor Markets					6.8		6.4		6.7		6.9		6.8		7.0	
(i) Impact of Minimum Wage							6.2		4.8		4.8		4.8		4.8	
(ii) Flexibility in Hiring and Firing					5.9		5.9		6.0		7.0		6.7		8.0	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		5.5		5.7		5.5		5.2	
(iv) Incentives from Unemployment Benefits							5.3		7.0		7.0		7.2		7.0	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							7.8		8.3		7.8		7.7		7.9	
(i) Price Controls							6.0		8.0		8.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses									7.0		5.6		5.3		6.3	
(iii) Time Spent with Government Bureaucracy							8.1		8.4		7.3		7.0		7.3	
(iv) Ease of Starting a New Business							7.7		8.3		8.7		8.5		8.3	
(v) Irregular Payments to Government Officials							9.5		10.0		9.3		9.5		9.7	

India

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.2 (60)		4.9 (75)		4.9 (80)		5.6 (75)		6.2 (72)		6.2 (71)		6.4 (62)		6.4 (66)
1. Size of Government	4.5		4.0		4.4		5.8		6.8		7.4		7.1		7.1
A. Government Consumption	8.3 (11.7)		7.6 (14.1)		7.2 (15.7)		7.3 (15.2)		6.7 (17.1)		6.9 (16.5)		7.0 (16.3)		7.0 (16.3)
B. Transfers and Subsidies	8.7 (5.4)		8.4 (6.5)		8.4 (6.5)		8.7 (5.2)		8.6 (5.5)		8.6 (5.7)		8.6 (5.7)		8.6 (5.7)
C. Government Enterprises and Investment	0.0 (46.7)		0.0 (49.5)		0.0 (42.3)		2.0 (31.4)		4.0 (30.4)		6.0 (29.9)		6.0 (29.9)		6.0 (29.9)
D. Top Marginal Tax Rate	1.0		0.0		2.0		5.0		8.0		8.0		7.0		7.0
(i) Top Marginal Income Tax Rate	1.0 (60)		0.0 (62)		2.0 (53)		5.0 (40)		8.0 (30)		8.0 (30)		7.0 (32)		7.0 (33)
(ii) Top Marginal Income and Payroll Tax Rate					2.0 (53)		5.0 (40)		8.0 (30)		8.0 (30)		7.0 (32)		7.0 (33)
2. Legal Structure and Security of Property Rights	5.8		4.9		4.4		5.9		6.0		5.7		6.0		6.0
A. Judicial Independence							7.3		7.0		6.9		7.0		6.7
B. Impartial Courts							7.6		8.0		5.9		5.7		5.8
C. Protection of Intellectual Property							4.1		3.3		4.0		4.2		4.0
D. Military Interference							6.2		5.0		5.0		6.7		6.7
E. Integrity of Legal System							4.1		6.7		6.7		6.7		6.7
3. Access to Sound Money	6.1		6.5		6.5		6.5		6.9		6.9		6.9		7.0
A. Growth of Money Supply	8.4 (7.9)		7.8 (10.8)		8.0 (9.8)		8.6 (7.2)		9.0 (4.9)		9.1 (4.4)		9.1 (4.5)		9.1 (4.3)
B. Inflation Variability	8.1 (4.8)		9.6 (1.1)		9.4 (1.5)		9.1 (2.3)		9.4 (1.6)		9.3 (1.7)		9.4 (1.6)		9.8 (0.4)
C. Recent Annual Inflation	7.7 (11.5)		8.5 (7.5)		8.5 (7.5)		8.4 (8.2)		9.2 (4.0)		9.3 (3.7)		9.1 (4.4)		9.2 (3.8)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	4.2		3.6		3.9		4.7		5.6		5.7		6.3		6.4
A. Taxes on International Trade	0.0		0.0		0.0		0.9		4.3		4.3		5.0		5.0
(i) Taxes as Percentage of Exports and Imports	0.0 (15.5)		0.0 (24.2)		0.0 (21.1)		2.2 (11.8)		4.4 (8.4)		4.2 (8.7)		6.0 (6.0)		6.0 (6.0)
(ii) Mean Tariff Rate	0.0 (74.3)		0.0 (98.8)		0.0 (79.2)		0.0 (55.2)		3.5 (32.5)		3.8 (31.0)		3.8 (31.0)		3.8 (31.0)
(iii) Variability of Tariff Rates					0.0 (45.2)		0.6 (23.6)		5.0 (12.4)		5.0 (12.4)		5.0 (12.4)		5.0 (12.4)
B. Regulatory Trade Barriers							6.4		5.7		6.2		6.4		7.0
(i) Hidden Import Barriers							6.4		5.4		5.5		5.5		6.2
(ii) Costs of Importing									6.0		7.0		7.4		7.8
C. Size of Trade Sector	3.8		2.6		3.5		5.3		6.0		5.7		5.9		5.8
D. Official versus Black Market Exchange Rate	9.0		7.2		8.0		8.4		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		2.3		2.0		2.0		4.3		4.3
(i) Access to Foreign Capital							4.7		4.0		4.0		8.6		8.6
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	5.7		5.7		5.3		5.2		5.8		5.2		5.4		5.5
A. Regulation of Credit Markets	5.2		5.3		5.1		5.3		5.5		5.9		5.9		5.8
(i) Private Ownership of Banks	0.0		0.0		0.0		2.0		2.0		2.0		2.0		2.0
(ii) Competition from Foreign Banks							5.3		6.4		6.4		6.4		6.4
(iii) Extension of Credit to Private Sector	7.7		7.8		7.4		6.8		6.3		6.2		6.1		5.8
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		8.0		8.0		8.0		10.0		10.0		10.0
(v) Controls on Interest Rates							4.3		5.0		5.0		5.0		5.0
B. Regulation of Labor Markets					6.3		6.1		6.1		6.1		6.1		5.7
(i) Impact of Minimum Wage							6.2		4.3		4.3		4.3		4.3
(ii) Flexibility in Hiring and Firing					2.6		2.6		1.7		1.8		2.0		2.2
(iii) Collective Bargaining	6.2		6.2		6.2		6.2		7.7		7.7		7.7		6.8
(iv) Incentives from Unemployment Benefits							5.6		6.5		6.5		6.5		5.3
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
C. Regulation of Business							4.4		5.9		3.7		4.3		4.9
(i) Price Controls					3.0		4.0		4.0		3.0		4.0		5.0
(ii) Administrative Obstacles for New Businesses									7.4		2.0		2.5		3.7
(iii) Time Spent with Government Bureaucracy							6.1		7.4		4.3		5.5		5.8
(iv) Ease of Starting a New Business							5.0		5.9		4.9		5.0		5.0
(v) Irregular Payments to Government Officials							2.4		4.6		4.3		4.6		5.3

Indonesia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.1 (64)		6.1 (28)		6.4 (31)		6.4 (45)		5.9 (80)		5.5 (101)		5.7 (93)		6.1 (78)	
1. Size of Government	5.3		6.4		7.1		8.0		7.6		6.8		6.7		6.7	
A. Government Consumption	6.8	(16.7)	7.0	(16.4)	7.9	(13.0)	8.4	(11.3)	9.0	(9.5)	8.8	(10.0)	8.7	(10.6)	8.3	(11.7)
B. Transfers and Subsidies	9.2	(3.3)	9.5	(2.5)	9.6	(2.0)	9.9	(0.9)	8.3	(6.7)	8.3	(6.7)	8.3	(6.7)	8.3	(6.7)
C. Government Enterprises and Investment	2.0	(49.5)	2.0	(43.0)	4.0	(32.5)	7.0	(20.7)	7.0	(23.0)	4.0	(39.0)	4.0	(39.0)	4.0	(39.0)
D. Top Marginal Tax Rate	3.0		7.0		7.0		6.5		6.0		6.0		6.0		6.0	
(i) Top Marginal Income Tax Rate	3.0	(50)	7.0	(35)	7.0	(35)	8.0	(30)	7.0	(35)	7.0	(35)	7.0	(35)	7.0	(35)
(ii) Top Marginal Income and Payroll Tax Rate					7.0	(35)	5.0	(40)	5.0	(40)	5.0	(40)	5.0	(40)	5.0	(40)
2. Legal Structure and Security of Property Rights	3.4		4.5		4.7		3.5		3.4		2.9		4.1		4.5	
A. Judicial Independence							2.3		3.0		2.5		3.7		4.5	
B. Impartial Courts							4.2		4.0		2.2		4.3		4.8	
C. Protection of Intellectual Property							4.2		3.1		2.3		4.2		4.8	
D. Military Interference							2.9		3.3		4.2		5.0		5.0	
E. Integrity of Legal System							4.1		3.3		3.3		3.3		3.3	
3. Access to Sound Money	6.3		9.0		8.6		9.1		6.2		6.0		6.2		7.1	
A. Growth of Money Supply	5.2	(24.1)	8.3	(8.3)	7.5	(12.3)	9.0	(5.2)	5.6	(22.2)	6.5	(17.6)	7.2	(14.0)	7.2	(14.0)
B. Inflation Variability	6.1	(9.8)	8.6	(3.5)	7.9	(5.4)	9.4	(1.5)	0.0	(28.5)	0.0	(28.0)	0.0	(28.7)	7.4	(6.4)
C. Recent Annual Inflation	3.8	(31.0)	9.1	(4.3)	9.1	(4.3)	8.0	(9.9)	9.3	(3.7)	7.7	(11.5)	7.6	(11.9)	8.7	(6.6)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		5.0	
4. Freedom to Exchange with Foreigners	6.7		6.3		6.4		6.3		7.7		7.8		7.2		7.3	
A. Taxes on International Trade	6.1		7.7		5.9		6.4		7.9		8.0		8.0		8.0	
(i) Taxes as Percentage of Exports and Imports	8.1	(2.9)	8.9	(1.6)	8.4	(2.4)	9.1	(1.3)	9.6	(0.5)	9.5	(0.8)	9.5	(0.8)	9.5	(0.8)
(ii) Mean Tariff Rate	4.2	(29.0)	6.4	(18.1)	5.9	(20.3)	6.6	(17.0)	8.3	(8.4)	8.8	(6.0)	8.8	(6.0)	8.7	(6.4)
(iii) Variability of Tariff Rates					3.3	(16.7)	3.6	(16.1)	5.7	(10.8)	5.7	(10.8)	5.7	(10.8)	5.7	(10.8)
B. Regulatory Trade Barriers							3.3		5.9		6.1		6.0		6.7	
(i) Hidden Import Barriers							3.3		3.8		4.2		4.2		5.2	
(ii) Costs of Importing									8.0		8.1		7.8		8.2	
C. Size of Trade Sector	9.8		7.3		7.7		7.8		10.0		9.9		8.5		7.5	
D. Official versus Black Market Exchange Rate	9.6		8.6		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		3.8		4.8		4.8		3.7		4.2	
(i) Access to Foreign Capital							7.5		8.1		8.1		5.8		6.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		1.5		1.5		1.5		1.5	
5. Regulation of Credit, Labor and Business	4.0		4.2		5.3		5.2		4.6		4.2		4.2		4.8	
A. Regulation of Credit Markets	3.2		4.5		7.1		7.1		5.2		5.1		5.2		5.3	
(i) Private Ownership of Banks	0.0		2.0		2.0		5.0		5.0		2.0		2.0		2.0	
(ii) Competition from Foreign Banks							5.9		4.6		4.6		4.6		4.6	
(iii) Extension of Credit to Private Sector	7.5		7.6		9.2		9.4		3.8		4.1		4.7		5.4	
(iv) Avoidance of Negative Real Interest Rates	2.0		4.0		10.0		10.0		8.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							5.2		4.6		4.6		4.6		4.6	
B. Regulation of Labor Markets							4.2		4.0		4.8		4.2		4.7	
(i) Impact of Minimum Wage							5.1		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					5.6		5.6		3.2		3.1		4.5		5.0	
(iii) Collective Bargaining									6.2		5.2		4.5		5.2	
(iv) Incentives from Unemployment Benefits							6.2		5.8		5.8		2.5		3.6	
(v) Military Conscription	3.0		0.0		0.0		0.0		0.0		5.0		5.0		5.0	
C. Regulation of Business							4.4		4.8		2.7		3.3		4.6	
(i) Price Controls					7.0		3.0		2.0		2.0		0.0		2.0	
(ii) Administrative Obstacles for New Businesses									7.0		1.4		4.3		4.7	
(iii) Time Spent with Government Bureaucracy							6.3		5.3		1.5		3.5		4.8	
(iv) Ease of Starting a New Business							5.2		5.6		5.9		4.3		5.8	
(v) Irregular Payments to Government Officials							2.9		3.9		2.8		4.4		5.5	

Iran

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	4.0 (93)		4.1 (93)		4.6 (94)		4.5 (107)		5.6 (97)		6.1 (78)		6.1 (77)		6.1 (78)
1. Size of Government	4.6		4.3		4.6		5.4		4.4		6.5		6.7		6.5
A. Government Consumption	3.4 (28.3)		6.0 (19.6)		7.3 (15.2)		6.1 (19.2)		4.7 (24.1)		4.6 (24.2)		5.3 (22.1)		5.4 (21.6)
B. Transfers and Subsidies	8.2 (7.0)		9.3 (3.0)		8.9 (4.4)		9.3 (3.1)		9.5 (2.3)		9.5 (2.3)		9.5 (2.3)		8.5 (5.9)
C. Government Enterprises and Investment	2.0 (47.6)		2.0 (40.0)		2.0 (42.2)		2.0 (44.1)		2.0		4.0 (31.1)		4.0 (31.1)		4.0 (31.1)
D. Top Marginal Tax Rate			0.0		0.0		4.0		1.5		8.0		8.0		8.0
(i) Top Marginal Income Tax Rate			0.0 (90)		0.0 (75)		4.0 (54)		2.0 (54)		8.0 (35)		8.0 (35)		8.0 (35)
(ii) Top Marginal Income and Payroll Tax Rate					0.0 (75)		4.0 (54)		1.0 (57)		8.0 (35)		8.0 (35)		8.0 (35)
2. Legal Structure and Security of Property Rights	1.8		2.3		2.2		5.6		5.9		5.9		5.9		5.9
A. Judicial Independence															
B. Impartial Courts							4.9		4.9		4.9		4.9		4.1
C. Protection of Intellectual Property															
D. Military Interference							6.7		8.3		8.3		8.3		8.3
E. Integrity of Legal System							7.0		6.7		6.7		6.7		6.7
3. Access to Sound Money	6.9		8.1		8.7		3.9		7.8		7.8		7.6		8.1
A. Growth of Money Supply	4.6 (26.8)		5.9 (20.3)		6.9 (15.3)		6.1 (19.6)		7.1 (14.3)		7.0 (15.0)		6.8 (15.8)		6.8 (15.8)
B. Inflation Variability	7.7 (5.9)		7.4 (6.5)		8.7 (3.2)		7.3 (6.7)		7.0 (7.4)		6.3 (9.2)		6.5 (8.7)		8.7 (3.2)
C. Recent Annual Inflation	5.3 (23.4)		9.1 (4.7)		9.1 (4.7)		2.1 (39.5)		7.1 (14.5)		7.7 (11.3)		7.1 (14.3)		6.7 (16.5)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		0.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	3.0		2.3		4.0		4.0		6.0		6.4		6.1		5.6
A. Taxes on International Trade	2.9		3.2		6.1		7.3		8.4		8.4		8.3		7.9
(i) Taxes as Percentage of Exports and Imports	0.0 (17.0)		0.5 (14.2)		6.4 (5.4)		8.7 (1.9)		8.0 (3.1)		8.0 (3.1)		7.6 (3.6)		6.3 (5.5)
(ii) Mean Tariff Rate	5.9 (20.7)		5.9 (20.7)		5.9 (20.7)		5.9 (20.7)		9.0 (4.9)		9.0 (4.9)		9.0 (4.9)		9.0 (4.9)
(iii) Variability of Tariff Rates									8.3 (4.2)		8.3 (4.2)		8.3 (4.2)		8.3 (4.2)
B. Regulatory Trade Barriers															
(i) Hidden Import Barriers															
(ii) Costs of Importing															
C. Size of Trade Sector	4.0		0.0		5.7		4.6		4.3		5.6		6.7		5.4
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		0.0		8.9		9.6		7.4		7.4
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
(i) Access to Foreign Capital															
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	3.9		3.4		3.5		3.6		3.9		3.9		3.9		4.7
A. Regulation of Credit Markets	2.7		2.4		2.9		3.2		4.8		4.8		4.8		6.5
(i) Private Ownership of Banks	0.0		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	8.0		7.2		8.7		9.5		9.5		9.7		9.7		9.5
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		0.0		0.0								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	3.0		0.0		0.0		0.0		0.0		0.0		0.0		1.0
C. Regulation of Business															
(i) Price Controls					2.0		2.0		2.0		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

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.2 (21)		6.3 (22)		6.7 (20)		8.2 (5)		8.1 (7)		7.9 (8)		7.8 (9)		7.9 (8)	
1. Size of Government	4.7		4.3		5.6		5.8		6.1		6.1		6.0		5.9	
A. Government Consumption	5.3	(22.0)	5.2	(22.5)	5.8	(20.3)	5.4	(21.5)	5.3	(21.9)	5.8	(20.4)	5.2	(22.4)	4.9	(23.4)
B. Transfers and Subsidies	5.4	(17.5)	4.9	(19.3)	5.4	(17.3)	5.1	(18.5)	4.2	(21.8)	4.2	(21.8)	4.2	(21.8)	4.2	(21.8)
C. Government Enterprises and Investment	7.0	(24.6)	7.0	(24.7)	10.0	(11.1)	10.0	(14.3)	10.0		10.0	(11.3)	10.0	(11.3)	10.0	(11.3)
D. Top Marginal Tax Rate	1.0		0.0		1.0		2.5		5.0		4.5		4.5		4.5	
(i) Top Marginal Income Tax Rate	1.0	(60)	0.0	(65)	1.0	(56)	3.0	(48)	5.0	(42)	5.0	(42)	5.0	(42)	5.0	(42)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(57)	2.0	(51)	5.0	(42)	4.0	(50)	4.0	(49)	4.0	(50)
2. Legal Structure and Security of Property Rights	7.1		6.7		7.7		9.1		9.0		8.4		7.9		8.3	
A. Judicial Independence							9.3		8.7		8.4		7.0		7.8	
B. Impartial Courts							8.9		9.2		7.2		6.3		6.7	
C. Protection of Intellectual Property							7.3		7.0		6.5		6.2		7.0	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	5.8		6.6		6.8		9.6		9.4		9.6		9.6		9.6	
A. Growth of Money Supply	7.4	(12.9)	9.5	(2.8)	9.1	(4.3)	9.0	(4.9)	9.4	(-3.0)	9.6	(2.1)	9.8	(-1.2)	9.8	(-0.9)
B. Inflation Variability	8.6	(3.5)	8.1	(4.8)	9.0	(2.6)	9.5	(1.3)	9.5	(1.3)	9.7	(0.8)	9.7	(0.8)	9.4	(1.6)
C. Recent Annual Inflation	7.1	(14.7)	9.0	(5.2)	9.0	(5.2)	9.9	(0.4)	8.9	(5.6)	9.0	(4.9)	9.1	(4.7)	9.3	(3.5)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.5		7.5		7.4		8.6		9.1		9.0		9.0		8.8	
A. Taxes on International Trade	8.0		8.3		7.9		8.4		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	7.7	(3.5)	8.0	(3.0)	8.0	(3.0)	8.8	(1.8)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.9		8.9		8.8		8.5		8.4	
(i) Hidden Import Barriers							8.9		8.2		8.3		7.7		7.5	
(ii) Costs of Importing									9.7		9.2		9.4		9.3	
C. Size of Trade Sector	6.5		6.5		5.9		7.3		8.8		8.7		8.2		7.3	
D. Official versus Black Market Exchange Rate	10.0		9.4		9.8		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		8.5		8.6		8.6		9.2		9.2	
(i) Access to Foreign Capital							8.9		8.8		8.8		10.0		10.0	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		8.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	6.0		6.3		6.3		7.8		7.0		6.6		6.7		6.7	
A. Regulation of Credit Markets	7.3		8.5		8.8		8.4		7.8		8.0		8.2		8.3	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks							8.1		7.0		7.0		8.0		8.0	
(iii) Extension of Credit to Private Sector	8.0		7.4		8.3		8.6		8.2		8.1		8.1		7.7	
(iv) Avoidance of Negative Real Interest Rates	6.0		10.0		10.0		10.0		8.0		9.0		9.0		10.0	
(v) Controls on Interest Rates							7.5		8.0		8.0		8.0		8.0	
B. Regulation of Labor Markets	6.6		6.6		6.5		6.7		5.3		5.5		5.7		5.4	
(i) Impact of Minimum Wage							7.0		4.7		4.7		4.7		4.7	
(ii) Flexibility in Hiring and Firing					5.5		5.5		3.8		4.2		4.5		3.8	
(iii) Collective Bargaining	5.2		5.2		6.2		6.2		2.9		3.3		3.5		3.2	
(iv) Incentives from Unemployment Benefits	4.5		4.6		4.4		4.7		5.3		5.3		6.0		5.3	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							8.3		7.8		6.3		6.0		6.3	
(i) Price Controls					7.0		9.0		9.0		7.0		6.0		5.0	
(ii) Administrative Obstacles for New Businesses									7.2		4.5		4.0		4.8	
(iii) Time Spent with Government Bureaucracy							7.6		7.9		5.3		6.5		7.3	
(iv) Ease of Starting a New Business							7.6		6.9		6.4		6.2		6.0	
(v) Irregular Payments to Government Officials							8.9		8.2		8.3		7.6		8.4	

Israel

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	3.6 (102)		4.1 (93)		4.3 (97)		5.7 (72)		6.5 (56)		6.5 (55)		6.8 (44)		6.7 (50)
1. Size of Government	1.9		2.6		3.3		2.8		2.7		2.6		3.3		3.6
A. Government Consumption	0.0 (43.2)		0.4 (38.5)		2.1 (32.9)		2.2 (32.4)		2.2 (32.6)		1.9 (33.6)		1.6 (34.7)		1.8 (33.9)
B. Transfers and Subsidies	4.5 (20.8)		4.8 (19.7)		5.6 (16.7)		5.1 (18.6)		3.9 (22.8)		4.0 (22.7)		6.6 (13.2)		6.6 (13.2)
C. Government Enterprises and Investment	2.0		2.0		2.0		2.0		2.0		2.0		2.0		2.0
D. Top Marginal Tax Rate	1.0		3.0		3.5		2.0		2.5		2.5		3.0		4.0
(i) Top Marginal Income Tax Rate	1.0 (66)		3.0 (60)		5.0 (48)		4.0 (50)		4.0 (50)		4.0 (51)		4.0 (50)		4.0 (49)
(ii) Top Marginal Income and Payroll Tax Rate					2.0 (64)		0.0 (66)		1.0 (62)		1.0 (57)		2.0 (58)		4.0 (49)
2. Legal Structure and Security of Property Rights	4.1		6.8		4.4		7.0		8.0		7.4		7.6		6.8
A. Judicial Independence							8.7		9.2		8.1		9.2		7.5
B. Impartial Courts							7.0		9.4		8.5		8.0		6.3
C. Protection of Intellectual Property							7.2		6.5		6.9		7.5		6.7
D. Military Interference							5.1		6.7		5.0		5.0		5.0
E. Integrity of Legal System							7.0		8.3		8.3		8.3		8.3
3. Access to Sound Money	1.7		1.3		3.0		7.4		8.1		9.3		9.2		9.5
A. Growth of Money Supply	2.0 (40.0)		0.0 (169.3)		1.5 (42.6)		7.8 (11.0)		9.1 (4.6)		8.5 (7.3)		8.9 (5.7)		9.1 (4.7)
B. Inflation Variability	0.0 (37.4)		0.0 (103.7)		5.3 (11.7)		8.6 (3.5)		8.6 (3.6)		8.7 (3.2)		9.1 (2.4)		9.0 (2.5)
C. Recent Annual Inflation	0.0 (134.7)		0.0 (260.0)		0.0 (260.0)		8.3 (8.4)		9.8 (1.1)		9.8 (1.1)		8.9 (5.6)		9.9 (0.7)
D. Freedom to Own Foreign Currency	5.0		5.0		5.0		5.0		5.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	6.7		6.6		6.7		6.3		7.9		7.7		8.2		8.3
A. Taxes on International Trade	6.6		8.1		9.4		8.0		9.7		9.7		9.7		9.7
(i) Taxes as Percentage of Exports and Imports	6.6 (5.1)		8.1 (2.9)		9.4 (0.9)		9.8 (0.2)		9.8 (0.3)		9.8 (0.3)		9.8 (0.3)		9.8 (0.3)
(ii) Mean Tariff Rate							8.3 (8.3)		9.6 (2.0)		9.6 (2.0)		9.6 (2.0)		9.6 (2.0)
(iii) Variability of Tariff Rates							5.7 (10.8)								
B. Regulatory Trade Barriers							5.4		8.1		7.9		8.2		8.3
(i) Hidden Import Barriers							5.4		6.9		7.5		7.7		7.7
(ii) Costs of Importing									9.3		8.4		8.8		9.0
C. Size of Trade Sector	6.8		6.4		4.7		4.2		4.7		4.1		4.3		4.1
D. Official versus Black Market Exchange Rate	9.8		8.6		9.2		10.0		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	2.0		2.0		2.0		4.2		7.0		7.0		8.8		9.1
(i) Access to Foreign Capital							6.4		9.4		9.4		9.2		9.8
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		4.6		4.6		8.5		8.5
5. Regulation of Credit, Labor and Business	3.5		3.3		4.3		5.0		5.9		5.4		5.5		5.6
A. Regulation of Credit Markets	1.7		1.1		3.8		4.9		6.1		6.5		7.2		7.2
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		0.0		2.0		5.0		5.0
(ii) Competition from Foreign Banks							4.2		5.4		5.4		6.0		6.0
(iii) Extension of Credit to Private Sector	5.2		3.4		5.4		8.1		9.0		9.1		9.1		9.0
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		6.0		8.0		10.0		10.0		10.0		10.0
(v) Controls on Interest Rates							4.0		5.9		5.9		5.9		5.9
B. Regulation of Labor Markets					3.3		3.8		4.3		4.3		3.6		3.7
(i) Impact of Minimum Wage							4.8		4.2		4.2		4.2		4.2
(ii) Flexibility in Hiring and Firing					4.9		4.9		5.4		5.7		4.8		4.7
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		6.2		6.2		5.7		5.7
(iv) Incentives from Unemployment Benefits							4.4		5.5		5.5		3.1		4.2
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
C. Regulation of Business							6.2		7.4		5.5		5.9		6.0
(i) Price Controls							5.0		5.0		6.0		5.0		6.0
(ii) Administrative Obstacles for New Businesses									8.2		3.2		3.3		3.3
(iii) Time Spent with Government Bureaucracy							6.3		7.7		3.5		5.8		6.0
(iv) Ease of Starting a New Business							5.8		7.7		7.0		6.8		6.3
(v) Irregular Payments to Government Officials							7.7		8.4		7.9		8.5		8.4

Italy

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.4 (51)		5.7 (44)		6.5 (29)		6.5 (43)		7.1 (34)		7.0 (34)		7.0 (33)		6.6 (54)	
1. Size of Government	3.6		3.0		3.3		3.7		4.6		4.6		4.7		4.7	
A. Government Consumption	6.0	(19.7)	5.5	(21.4)	5.2	(22.3)	5.7	(20.7)	4.8	(23.5)	4.7	(24.0)	4.8	(23.7)	4.6	(24.4)
B. Transfers and Subsidies	4.4	(20.9)	2.4	(28.5)	3.1	(25.8)	2.3	(28.7)	4.4	(20.9)	4.6	(20.2)	4.6	(20.2)	4.6	(20.2)
C. Government Enterprises and Investment	4.0	(25.9)	4.0	(33.2)	4.0	(30.3)	6.0	(28.3)	6.0		6.0		6.0		6.0	
D. Top Marginal Tax Rate	0.0		0.0		1.0		1.0		3.0		3.0		3.5		3.5	
(i) Top Marginal Income Tax Rate	0.0	(72)	0.0	(81)	1.0	(66)	1.0	(67)	3.0	(51)	4.0	(46-50)	4.0	(47)	4.0	(47)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(66)	1.0	(67)	3.0	(52)	2.0	(55-58)	3.0	(52)	3.0	(52)
2. Legal Structure and Security of Property Rights	5.7		6.8		7.7		6.5		7.7		7.4		7.4		5.6	
A. Judicial Independence							5.1		4.8		5.9		5.7		4.3	
B. Impartial Courts							5.4		5.7		4.6		5.3		3.7	
C. Protection of Intellectual Property							5.4		7.8		6.3		6.0		4.8	
D. Military Interference							9.4		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							7.0		10.0		10.0		10.0		5.0	
3. Access to Sound Money	5.3		6.2		9.2		9.6		9.5		9.6		9.6		9.6	
A. Growth of Money Supply	6.5	(17.7)	8.1	(9.7)	8.8	(6.3)	9.9	(0.6)	8.9	(5.3)	9.0	(5.2)	9.1	(4.7)	9.0	(5.1)
B. Inflation Variability	9.0	(2.4)	8.5	(3.7)	9.7	(0.7)	9.4	(1.4)	9.4	(1.4)	9.8	(0.4)	9.8	(0.5)	9.8	(0.5)
C. Recent Annual Inflation	5.8	(20.9)	8.2	(9.0)	8.2	(9.0)	9.0	(5.1)	9.5	(2.5)	9.4	(2.8)	9.5	(2.5)	9.5	(2.7)
D. Freedom to Own Foreign Currency	0.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.5		7.4		7.1		7.7		8.2		8.2		7.9		7.7	
A. Taxes on International Trade	9.0		9.2		8.5		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							7.0		8.5		8.2		7.8		7.7	
(i) Hidden Import Barriers							7.0		7.7		7.0		6.7		6.2	
(ii) Costs of Importing									9.3		9.5		9.0		9.2	
C. Size of Trade Sector	5.3		4.9		3.8		4.8		5.0		4.9		4.6		4.2	
D. Official versus Black Market Exchange Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		8.0		8.4		8.7		7.9		7.4	
(i) Access to Foreign Capital							8.0		9.0		9.0		7.4		6.4	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		8.0		7.7		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	4.8		4.9		5.3		4.8		5.5		5.1		5.3		5.3	
A. Regulation of Credit Markets	5.0		5.6		6.9		6.6		6.7		6.8		7.5		7.5	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks							4.8		5.7		5.7		6.0		6.0	
(iii) Extension of Credit to Private Sector	6.1		5.7		5.8		6.5		7.7		8.3		8.4		8.3	
(iv) Avoidance of Negative Real Interest Rates	4.0		6.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							6.5		5.2		5.2		5.2		5.2	
B. Regulation of Labor Markets	4.1		4.1		4.2		3.5		3.5		3.6		3.6		3.6	
(i) Impact of Minimum Wage							3.4		4.0		4.0		4.0		4.0	
(ii) Flexibility in Hiring and Firing					2.6		2.6		2.1		2.3		3.0		2.2	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		3.7		3.8		3.0		4.2	
(iv) Incentives from Unemployment Benefits	6.9		6.9		6.7		4.0		4.8		4.8		4.8		4.4	
(v) Military Conscription	1.0		1.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business							4.4		6.3		5.0		4.9		5.0	
(i) Price Controls					5.0		6.0		6.0		5.0		5.0		5.0	
(ii) Administrative Obstacles for New Businesses									6.9		2.0		2.3		1.7	
(iii) Time Spent with Government Bureaucracy							4.7		6.1		6.8		6.8		7.3	
(iv) Ease of Starting a New Business							4.1		5.1		4.4		4.2		3.8	
(v) Irregular Payments to Government Officials							2.9		7.4		6.8		6.0		7.2	

Jamaica

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	4.3 (86)	4.9 (75)	5.5 (52)	6.5 (43)	7.0 (37)	7.0 (34)	6.9 (40)	6.9 (38)
1. Size of Government	2.2	5.4	7.0	7.4	7.5	7.6	7.7	7.7
A. Government Consumption	4.7 (24.1)	6.6 (17.4)	6.4 (18.4)	6.4 (18.3)	6.1 (19.3)	6.3 (18.5)	6.3 (18.5)	6.7 (17.1)
B. Transfers and Subsidies		10.0 (0.5)	9.6 (2.0)	9.1 (3.9)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.6)
C. Government Enterprises and Investment	2.0 (46.5)	4.0 (13.4)	6.0 (21.3)	6.0	6.0	6.0	6.0	6.0
D. Top Marginal Tax Rate	0.0	1.0	6.0	8.0	8.0	8.0	8.5	8.0
(i) Top Marginal Income Tax Rate	0.0 (80)	1.0 (58)	7.0 (33)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income and Payroll Tax Rate			5.0 (37)	7.0 (31)	7.0 (31)	7.0 (31)	8.0 (29)	7.0 (33)
2. Legal Structure and Security of Property Rights	3.3	3.5	4.2	5.1	5.2	5.6	5.0	5.1
A. Judicial Independence						5.7	5.3	5.2
B. Impartial Courts				4.3	4.9	5.0	4.5	4.5
C. Protection of Intellectual Property					4.1	3.9	3.5	4.2
D. Military Interference				5.4	10.0	10.0	10.0	10.0
E. Integrity of Legal System				7.0	3.3	3.3	1.7	1.7
3. Access to Sound Money	5.1	4.0	4.6	6.1	8.7	9.0	9.0	9.0
A. Growth of Money Supply	6.4 (18.1)	6.4 (17.8)	6.2 (19.0)	4.7 (26.7)	8.6 (6.9)	8.2 (9.0)	8.1 (9.7)	8.1 (9.7)
B. Inflation Variability	7.9 (5.3)	5.6 (11.0)	8.2 (4.5)	5.3 (11.7)	7.9 (5.3)	9.1 (2.2)	9.2 (1.9)	9.2 (1.9)
C. Recent Annual Inflation	6.3 (18.3)	3.9 (30.7)	3.9 (30.7)	4.4 (27.9)	8.4 (8.2)	8.6 (7.0)	8.6 (7.1)	8.6 (7.1)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	4.9	6.2	5.3	7.5	7.2	7.3	7.2	6.9
A. Taxes on International Trade	8.1	7.7	6.6	6.9	7.3	7.4	7.3	7.2
(i) Taxes as Percentage of Exports and Imports	9.4 (0.9)	8.9 (1.7)		8.5 (2.2)	8.5 (2.2)	8.4 (2.4)	8.2 (2.7)	8.0 (3.0)
(ii) Mean Tariff Rate	6.7 (16.5)	6.6 (17.0)	6.6 (17.0)	7.2 (14.0)	7.9 (10.6)	8.2 (9.1)	8.2 (9.1)	8.1 (9.5)
(iii) Variability of Tariff Rates				5.0 (12.5)	5.5 (11.3)	5.6 (11.0)	5.6 (11.0)	5.6 (11.0)
B. Regulatory Trade Barriers					5.7	6.2	6.3	5.7
(i) Hidden Import Barriers					5.7	4.8	5.2	4.7
(ii) Costs of Importing						7.7	7.5	6.7
C. Size of Trade Sector	6.1	6.9	5.3	5.7	4.8	4.5	4.6	4.5
D. Official versus Black Market Exchange Rate	0.0	6.2	4.6	8.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	8.0	8.2	8.2	7.7	7.1
(i) Access to Foreign Capital					8.7	8.7	9.2	8.8
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	8.0	7.7	7.7	6.2	5.4
5. Regulation of Credit, Labor and Business	5.8	5.6	6.5	6.2	6.4	5.6	5.8	6.0
A. Regulation of Credit Markets	5.1	5.0	8.7	7.8	6.7	6.4	6.6	6.7
(i) Private Ownership of Banks		5.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					5.7	5.7	5.7	5.7
(iii) Extension of Credit to Private Sector	6.1	6.0	8.2	7.3	7.3	3.0	3.7	4.2
(iv) Avoidance of Negative Real Interest Rates	4.0	4.0	8.0	6.0	6.0	9.0	9.0	9.0
(v) Controls on Interest Rates					4.4	4.4	4.4	4.4
B. Regulation of Labor Markets					6.5	6.2	6.5	6.5
(i) Impact of Minimum Wage					4.0	4.0	4.0	4.0
(ii) Flexibility in Hiring and Firing					4.8	3.7	4.8	4.7
(iii) Collective Bargaining					7.1	7.1	7.3	7.2
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business					5.9	4.3	4.3	4.8
(i) Price Controls			4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses					6.8	2.1	1.8	2.7
(iii) Time Spent with Government Bureaucracy					6.9	5.5	6.5	6.5
(iv) Ease of Starting a New Business					5.7	3.6	4.2	4.7
(v) Irregular Payments to Government Officials					6.3	6.1	5.0	6.0

Japan

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.0 (9)		7.1 (8)		7.4 (7)		7.0 (28)		7.3 (23)		7.0 (34)		7.0 (33)		7.2 (30)	
1. Size of Government	5.8		6.0		6.1		5.0		5.3		5.6		5.6		5.6	
A. Government Consumption	7.6	(14.3)	7.7	(14.0)	7.8	(13.5)	5.5	(21.3)	5.0	(22.9)	4.8	(23.7)	4.8	(23.7)	4.8	(23.5)
B. Transfers and Subsidies	7.6	(9.2)	7.2	(10.9)	7.0	(11.5)	6.8	(12.2)								
C. Government Enterprises and Investment	8.0	(19.6)	8.0	(17.9)	8.0	(20.4)	6.0	(28.5)	6.0		7.0	(21.5)	7.0	(21.5)	7.0	(21.5)
D. Top Marginal Tax Rate	0.0		1.0		1.5		1.5		5.0		5.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	0.0	(75)	1.0	(70)	2.0	(65)	2.0	(65)	5.0	(50)	5.0	(50)	5.0	(50)	5.0	(50)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(69)	1.0	(69)	5.0	(50)	5.0	(50)	5.0	(50)	5.0	(50)
2. Legal Structure and Security of Property Rights	7.9		7.2		7.7		8.1		8.2		7.2		7.1		7.8	
A. Judicial Independence							8.3		8.0		6.5		6.2		7.3	
B. Impartial Courts							6.1		7.0		5.3		4.8		6.3	
C. Protection of Intellectual Property							6.8		7.6		5.7		6.2		7.2	
D. Military Interference							9.4		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		8.3		8.3		8.3		8.3	
3. Access to Sound Money	8.2		8.5		9.7		9.7		9.6		9.6		9.4		9.6	
A. Growth of Money Supply	9.5	(2.4)	9.8	(1.2)	9.6	(2.1)	9.5	(2.7)	9.1	(4.6)	8.9	(5.7)	8.2	(9.2)	8.5	(7.6)
B. Inflation Variability	9.3	(1.8)	9.7	(0.9)	9.7	(0.8)	9.5	(1.2)	9.6	(1.0)	9.6	(1.0)	9.7	(0.7)	9.8	(0.4)
C. Recent Annual Inflation	8.9	(5.4)	9.6	(2.1)	9.6	(2.1)	9.9	(-0.6)	9.9	(-0.7)	9.9	(-0.7)	9.8	(-0.9)	10.0	(-0.3)
D. Freedom to Own Foreign Currency	5.0		5.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.7		7.1		7.0		5.9		6.8		6.8		6.5		6.8	
A. Taxes on International Trade	8.8		9.1		8.2		8.1		8.4		8.3		8.5		8.5	
(i) Taxes as Percentage of Exports and Imports	9.4	(0.9)	9.5	(0.8)	9.4	(0.9)	8.9	(1.6)	9.0	(1.5)	9.0	(1.5)	9.0	(1.5)	9.0	(1.5)
(ii) Mean Tariff Rate	8.1	(9.5)	8.7	(6.7)	8.6	(6.9)	8.7	(6.3)	9.1	(4.5)	9.0	(5.1)	9.4	(2.9)	9.4	(2.9)
(iii) Variability of Tariff Rates					6.7	(8.3)	6.6	(8.4)	7.2	(7.0)	7.0	(7.5)	7.0	(7.5)	7.0	(7.5)
B. Regulatory Trade Barriers							3.7		7.4		7.1		6.9		7.6	
(i) Hidden Import Barriers							3.7		5.4		5.0		4.5		5.7	
(ii) Costs of Importing									9.3		9.2		9.3		9.5	
C. Size of Trade Sector	4.5		3.3		0.8		0.0		0.0		0.0		0.0		0.0	
D. Official versus Black Market Exchange Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		5.0		8.0		7.7		8.4		8.4		7.1		8.0	
(i) Access to Foreign Capital							7.4		9.1		9.1		6.6		7.6	
(ii) Restrictions on Foreign Capital Transactions	2.0		5.0		8.0		8.0		7.7		7.7		7.7		8.5	
5. Regulation of Credit, Labor and Business	6.5		6.5		6.3		6.5		6.6		6.1		6.2		6.4	
A. Regulation of Credit Markets	7.8		7.9		8.0		6.9		6.2		6.5		7.3		7.2	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							4.9		4.2		4.2		8.0		8.0	
(iii) Extension of Credit to Private Sector	8.4		8.6		8.9		8.9		8.1		8.0		7.9		7.3	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		8.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							5.6		5.6		5.6		5.6		5.6	
B. Regulation of Labor Markets	8.0		8.1		7.2		7.5		6.5		6.4		6.0		6.3	
(i) Impact of Minimum Wage							7.6		4.0		4.0		4.0		4.0	
(ii) Flexibility in Hiring and Firing					4.8		4.8		4.2		3.0		2.5		3.7	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.4		8.1		8.0		8.5	
(iv) Incentives from Unemployment Benefits	6.2		6.2		6.1		7.0		6.8		6.8		5.4		5.4	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							5.0		7.2		5.4		5.5		5.8	
(i) Price Controls					6.0		5.0		6.0		5.0		6.0		5.0	
(ii) Administrative Obstacles for New Businesses									6.5		2.2		3.0		3.0	
(iii) Time Spent with Government Bureaucracy							5.9		9.1		7.5		7.3		6.5	
(iv) Ease of Starting a New Business							4.7		5.9		4.7		3.5		5.5	
(v) Irregular Payments to Government Officials							4.6		8.5		7.6		7.5		8.8	

Jordan

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.3 (55)	5.8 (40)	5.4 (58)	6.1 (60)	7.0 (37)	6.8 (42)	7.0 (33)	7.0 (35)
1. Size of Government	4.1	4.6	4.6	4.4	5.0	5.0	4.9	4.8
A. Government Consumption	3.9 (26.8)	5.0 (22.9)	4.4 (25.1)	3.7 (27.4)	4.8 (23.8)	4.8 (23.6)	5.0 (22.9)	5.0 (22.9)
B. Transfers and Subsidies	8.4 (6.3)	8.7 (5.1)	9.1 (3.7)	9.4 (2.7)	9.6 (2.1)	9.5 (2.3)	9.5 (2.3)	9.1 (3.7)
C. Government Enterprises and Investment	0.0 (53.1)	0.0 (52.7)	0.0	0.0	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate			5.0		5.5	5.5	5.0	5.0
(i) Top Marginal Income Tax Rate			5.0 (45)		8.0 (30)	8.0 (30)	7.0 (35)	7.0 (35)
(ii) Top Marginal Income and Payroll Tax Rate					3.0 (46)	3.0 (46)	3.0 (46)	3.0 (46)
2. Legal Structure and Security of Property Rights	2.3	3.5	4.0	6.0	7.2	6.1	6.9	6.6
A. Judicial Independence				6.5	8.2	5.4	7.0	6.0
B. Impartial Courts				5.9	6.8	4.8	6.2	5.7
C. Protection of Intellectual Property				4.3	6.1	5.1	6.5	6.3
D. Military Interference				6.2	8.3	8.3	8.3	8.3
E. Integrity of Legal System				7.0	6.7	6.7	6.7	6.7
3. Access to Sound Money	6.8	7.8	6.2	7.2	9.7	9.6	9.5	9.6
A. Growth of Money Supply	5.9 (20.7)	9.5 (-2.5)	8.2 (9.0)	9.8 (-1.1)	9.8 (0.8)	9.7 (1.7)	9.3 (3.6)	9.3 (3.6)
B. Inflation Variability	6.6 (8.4)	7.1 (7.3)	6.7 (8.1)	9.5 (1.2)	9.0 (2.5)	9.0 (2.5)	9.0 (2.6)	9.7 (0.8)
C. Recent Annual Inflation	9.8 (1.1)	9.7 (-1.5)	9.7 (-1.5)	9.3 (3.4)	9.9 (0.7)	9.6 (1.8)	9.6 (1.8)	9.5 (2.3)
D. Freedom to Own Foreign Currency	5.0	5.0	0.0	0.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.7	6.7	6.4	6.8	7.1	7.3	7.6	7.6
A. Taxes on International Trade	5.3	6.6	4.6	6.2	4.3	6.0	6.0	6.1
(i) Taxes as Percentage of Exports and Imports	5.3 (7.1)	5.9 (6.1)	6.7 (5.0)	6.2 (5.7)	7.0 (4.6)	7.5 (3.8)	7.5 (3.7)	7.5 (3.7)
(ii) Mean Tariff Rate		7.2 (13.8)			5.2 (24.0)	6.8 (16.2)	6.8 (16.2)	7.1 (14.5)
(iii) Variability of Tariff Rates			2.6 (18.5)		0.9 (22.8)	3.8 (15.6)	3.8 (15.6)	3.8 (15.6)
B. Regulatory Trade Barriers				5.1	6.3	5.9	7.5	7.3
(i) Hidden Import Barriers				5.1	5.4	5.3	7.0	6.7
(ii) Costs of Importing					7.3	6.4	8.0	7.8
C. Size of Trade Sector	8.2	7.2	9.3	7.4	6.4	6.5	6.4	6.5
D. Official versus Black Market Exchange Rate	10.0	9.4	7.8	9.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.4	8.2	8.2	8.0	8.1
(i) Access to Foreign Capital				8.9	8.7	8.7	8.4	8.6
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	7.7	7.7	7.7	7.7
5. Regulation of Credit, Labor and Business	6.5	6.4	5.9	6.1	6.2	5.8	6.1	6.2
A. Regulation of Credit Markets	7.0	6.7	5.7	6.2	6.8	6.8	6.4	6.5
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Competition from Foreign Banks				6.1	5.9	5.9	4.0	4.0
(iii) Extension of Credit to Private Sector	9.0	8.4	8.2	9.3	8.4	8.4	8.2	8.5
(iv) Avoidance of Negative Real Interest Rates			4.0	6.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates				4.7	4.8	4.8	4.8	4.8
B. Regulation of Labor Markets			8.1	7.3	6.5	6.4	6.2	6.5
(i) Impact of Minimum Wage				6.6	3.7	3.7	3.7	3.7
(ii) Flexibility in Hiring and Firing			6.3	6.3	4.5	4.5	4.5	5.0
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.8	7.4	7.5	7.8
(iv) Incentives from Unemployment Benefits				5.9	6.5	6.5	5.4	6.0
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business				4.6	5.4	4.3	5.7	5.7
(i) Price Controls			2.0	2.0	2.0	4.0	4.0	5.0
(ii) Administrative Obstacles for New Businesses					7.6	3.0	4.8	4.7
(iii) Time Spent with Government Bureaucracy				5.4	4.6	3.5	4.8	5.5
(iv) Ease of Starting a New Business				6.6	6.3	5.1	7.2	6.0
(v) Irregular Payments to Government Officials				4.5	6.4	5.9	7.5	7.5

Kenya

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.2 (60)		5.5 (51)		5.4 (58)		5.8 (68)		6.5 (56)		6.6 (51)		6.3 (69)		6.5 (59)	
1. Size of Government	3.8		3.9		4.3		5.2		6.6		6.7		6.7		7.0	
A. Government Consumption	4.6	(24.2)	4.9	(23.3)	5.0	(23.1)	6.6	(17.6)	6.1	(19.1)	6.5	(17.8)	5.6	(20.8)	6.0	(19.5)
B. Transfers and Subsidies	9.5	(2.3)	8.9	(4.7)	9.4	(2.8)	9.2	(3.4)	9.2	(3.4)	9.2	(3.4)	9.2	(3.4)	9.9	(0.9)
C. Government Enterprises and Investment	0.0	(55.1)	2.0	(49.5)	0.0	(58.3)	2.0	(43.3)	4.0	(41.2)	4.0	(32.9)	4.0	(32.9)	4.0	(32.9)
D. Top Marginal Tax Rate	1.0		0.0		3.0		3.0		7.0		7.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	1.0	(65)	0.0	(65)	3.0	(50)	3.0	(50)	7.0	(32)	7.0	(32)	8.0	(30)	8.0	(30)
(ii) Top Marginal Income and Payroll Tax Rate					3.0	(50)	3.0	(50)	7.0	(32)	7.0	(32)	8.0	(30)	8.0	(30)
2. Legal Structure and Security of Property Rights	4.2		5.3		5.3		3.8		4.0		4.0		3.2		4.2	
A. Judicial Independence													2.3		3.7	
B. Impartial Courts							3.4		3.4		3.4		2.7		4.0	
C. Protection of Intellectual Property													2.8		3.5	
D. Military Interference							3.4		5.0		5.0		5.0		6.7	
E. Integrity of Legal System							4.1		3.3		3.3		3.3		3.3	
3. Access to Sound Money	6.0		6.7		6.3		6.8		8.8		9.1		9.3		8.8	
A. Growth of Money Supply	8.5	(7.3)	9.1	(4.5)	7.5	(12.3)	7.2	(14.1)	8.6	(7.0)	9.0	(5.0)	8.4	(7.9)	8.4	(7.9)
B. Inflation Variability	7.5	(6.2)	9.5	(1.3)	9.4	(1.4)	7.3	(6.7)	8.5	(3.6)	8.5	(3.7)	9.2	(2.0)	8.7	(3.3)
C. Recent Annual Inflation	8.1	(9.6)	8.4	(8.2)	8.4	(8.2)	7.7	(11.3)	8.0	(10.0)	8.9	(5.7)	9.6	(2.0)	8.0	(9.8)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	5.7		5.5		5.2		7.6		7.0		7.0		6.6		6.6	
A. Taxes on International Trade	3.9		3.6		2.8		4.7		5.3		5.2		5.2		5.2	
(i) Taxes as Percentage of Exports and Imports	5.9	(6.1)	5.1	(7.4)	5.8	(6.3)	6.3	(5.6)	5.0	(7.5)	5.0	(7.5)	5.0	(7.5)	5.0	(7.5)
(ii) Mean Tariff Rate	1.9	(40.3)	2.2	(39.2)	1.3	(43.7)	3.2	(34.0)	6.1	(19.3)	6.0	(20.0)	6.0	(20.0)	6.0	(20.0)
(iii) Variability of Tariff Rates					1.4	(21.6)	4.7	(13.3)	4.9	(12.7)	4.6	(13.6)	4.6	(13.6)	4.6	(13.6)
B. Regulatory Trade Barriers													5.3		5.5	
(i) Hidden Import Barriers													4.3		4.0	
(ii) Costs of Importing													6.3		7.0	
C. Size of Trade Sector	8.2		6.0		6.3		7.5		6.3		6.1		5.6		5.3	
D. Official versus Black Market Exchange Rate	8.0		9.6		8.8		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		8.0		5.4		5.4		6.9		6.9	
(i) Access to Foreign Capital													8.4		8.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		8.0		5.4		5.4		5.4		5.4	
5. Regulation of Credit, Labor and Business	6.1		6.3		5.9		5.5		6.2		6.2		5.9		6.0	
A. Regulation of Credit Markets	6.2		6.7		7.3		5.4		6.9		7.1		6.0		5.9	
(i) Private Ownership of Banks	2.0		2.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks													3.0		3.0	
(iii) Extension of Credit to Private Sector	8.5		8.1		7.0		7.3		7.7		7.3		7.2		6.6	
(iv) Avoidance of Negative Real Interest Rates	8.0		10.0		10.0		4.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													7.4		7.2	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													5.8		5.7	
(iii) Collective Bargaining													6.3		6.0	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													4.2		4.7	
(i) Price Controls					2.0		4.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses													2.7		2.8	
(iii) Time Spent with Government Bureaucracy													5.0		5.0	
(iv) Ease of Starting a New Business													3.8		4.5	
(v) Irregular Payments to Government Officials													3.5		5.4	

Kuwait

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	3.7 (98)	5.6 (46)	4.7 (90)	6.2 (56)	6.7 (46)	7.0 (34)	7.0 (33)	7.3 (24)
1. Size of Government	3.0	1.2	3.2	3.8	6.1	6.1	6.3	6.2
A. Government Consumption	3.9 (26.6)	2.4 (31.9)	0.0 (40.6)	0.0 (44.4)	1.4 (35.2)	1.3 (35.5)	2.3 (32.2)	1.7 (34.3)
B. Transfers and Subsidies			7.5 (9.8)	7.5 (9.7)	7.1 (11.2)	7.1 (11.2)	7.1 (11.2)	7.0 (11.5)
C. Government Enterprises and Investment	2.0 (43.5)	0.0 (61.3)	2.0 (46.0)	4.0 (21.8)	6.0 (20.5)	6.0 (16.3)	6.0 (16.3)	6.0 (16.3)
D. Top Marginal Tax Rate					10.0	10.0	10.0	10.0
(i) Top Marginal Income Tax Rate					10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
(ii) Top Marginal Income and Payroll Tax Rate					10.0 (0)	10.0 (0)	10.0 (14)	10.0 (0)
2. Legal Structure and Security of Property Rights	1.8	5.8	2.7	6.5	6.9	6.9	6.9	7.3
A. Judicial Independence								
B. Impartial Courts				7.2	7.5	7.5	7.5	6.7
C. Protection of Intellectual Property								
D. Military Interference				8.1	8.3	8.3	8.3	8.3
E. Integrity of Legal System				7.0	8.3	8.3	8.3	8.3
3. Access to Sound Money	4.9	8.6	7.1	8.9	8.2	8.2	7.8	9.3
A. Growth of Money Supply	5.9 (20.5)	8.2 (9.0)	8.6 (7.0)	9.3 (-3.6)	9.9 (-0.5)	9.8 (1.1)	7.8 (11.1)	7.8 (11.1)
B. Inflation Variability	2.1 (19.8)	7.0 (7.4)	4.6 (13.6)	7.5 (6.2)	3.1 (17.3)	3.4 (16.4)	3.6 (16.1)	9.7 (0.8)
C. Recent Annual Inflation	1.5 (42.6)	9.0 (4.9)	8.0 (9.8)	8.7 (6.3)	9.6 (1.8)	9.7 (1.7)	9.7 (1.4)	9.8 (1.0)
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	7.0	6.8	7.2	7.2	7.1	6.9
A. Taxes on International Trade		9.2	9.2	9.4	9.3	9.3	9.3	9.3
(i) Taxes as Percentage of Exports and Imports			9.2 (1.2)	9.4 (0.9)	9.3 (1.1)	9.3 (1.1)	9.3 (1.1)	9.3 (1.1)
(ii) Mean Tariff Rate		9.2 (4.0)					9.3 (3.5)	9.3 (3.5)
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	6.5	5.3	5.4	4.4	4.1	4.1	3.7	2.7
D. Official versus Black Market Exchange Rate	10.0	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	4.6	4.6	4.6	4.6
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	4.6	4.6	4.6	4.6
5. Regulation of Credit, Labor and Business	5.1	5.5	3.5	4.9	5.1	6.5	6.7	7.0
A. Regulation of Credit Markets	7.4	7.7	3.0	6.0	6.8	8.0	8.8	8.9
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	8.0	10.0	10.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	9.8	8.0	1.1	3.0	5.5	6.0	6.3	6.8
(iv) Avoidance of Negative Real Interest Rates		10.0		10.0	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	1.0	1.0	0.0	0.0	0.0	10.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls				6.0	6.0	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								

Latvia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				5.1 (91)	6.6 (53)	6.8 (42)	7.0 (33)	6.8 (44)
1. Size of Government				4.1	5.2	5.7	5.8	5.9
A. Government Consumption			7.6 (14.0)	4.1 (26.2)	4.9 (23.2)	4.6 (24.3)	4.8 (23.6)	4.5 (24.8)
B. Transfers and Subsidies				5.2 (18.2)	5.8 (15.9)	6.2 (14.3)	6.2 (14.3)	7.2 (10.9)
C. Government Enterprises and Investment				0.0	4.0	6.0	6.0	6.0
D. Top Marginal Tax Rate				7.0	6.0	6.0	6.0	6.0
(i) Top Marginal Income Tax Rate				7.0 (35)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income and Payroll Tax Rate					3.0 (48)	3.0 (48)	3.0 (48)	3.0 (48)
2. Legal Structure and Security of Property Rights				6.0	5.9	5.7	6.4	5.6
A. Judicial Independence						4.1	5.3	4.0
B. Impartial Courts				5.8	6.2	4.1	5.0	3.8
C. Protection of Intellectual Property					3.8	3.7	5.0	3.5
D. Military Interference				7.5	8.3	8.3	8.3	8.3
E. Integrity of Legal System					8.3	8.3	8.3	8.3
3. Access to Sound Money			6.4	3.0	8.6	9.3	9.2	8.9
A. Growth of Money Supply				0.1 (49.5)	6.8 (16.0)	8.5 (7.4)	8.4 (8.1)	7.9 (10.5)
B. Inflation Variability	8.9 (2.7)	7.4 (6.4)	0.0 (365.3)	8.0 (4.9)	9.1 (2.3)	9.0 (2.5)	8.3 (4.3)	
C. Recent Annual Inflation		6.9 (15.7)	6.8 (16.0)	9.5 (2.7)	9.5 (2.5)	9.6 (2.0)	9.4 (2.9)	
D. Freedom to Own Foreign Currency		5.0	5.0	10.0	10.0	10.0	10.0	
4. Freedom to Exchange with Foreigners				8.0	7.2	7.6	7.6	7.6
A. Taxes on International Trade				9.5	8.3	8.7	8.7	8.7
(i) Taxes as Percentage of Exports and Imports				9.5 (0.8)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate					8.9 (5.6)	9.3 (3.4)	9.3 (3.4)	9.3 (3.4)
(iii) Variability of Tariff Rates					6.3 (9.2)	7.0 (7.4)	7.0 (7.4)	7.0 (7.4)
B. Regulatory Trade Barriers					5.3	7.0	7.0	7.1
(i) Hidden Import Barriers					5.3	5.6	6.2	5.8
(ii) Costs of Importing						8.5	7.8	8.3
C. Size of Trade Sector		5.2	4.9	4.8	4.7	4.7	4.7	4.7
D. Official versus Black Market Exchange Rate		0.0	9.6	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets		0.0	8.0	7.6	7.5	7.7	7.7	7.7
(i) Access to Foreign Capital				8.3	8.3	8.4	8.4	8.4
(ii) Restrictions on Foreign Capital Transactions		0.0	8.0	6.9	6.7	6.9	6.9	6.9
5. Regulation of Credit, Labor and Business				4.3	6.1	5.9	6.2	6.2
A. Regulation of Credit Markets				3.7	7.9	8.3	8.4	8.4
(i) Private Ownership of Banks					10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					5.1	5.1	5.1	5.1
(iii) Extension of Credit to Private Sector				5.4	8.0	8.1	8.4	8.5
(iv) Avoidance of Negative Real Interest Rates				2.0	8.0	10.0	10.0	10.0
(v) Controls on Interest Rates					8.3	8.3	8.3	8.3
B. Regulation of Labor Markets					4.5	4.7	4.9	4.9
(i) Impact of Minimum Wage					3.3	3.3	3.3	3.3
(ii) Flexibility in Hiring and Firing					3.9	5.1	5.7	5.2
(iii) Collective Bargaining					7.9	7.3	7.7	8.0
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		0.0	1.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business					5.8	4.7	5.4	5.3
(i) Price Controls		0.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses				7.2	3.3	4.5	4.5	3.3
(iii) Time Spent with Government Bureaucracy				4.7	4.0	4.5	4.5	5.8
(iv) Ease of Starting a New Business				5.0	4.6	6.0	6.0	5.3
(v) Irregular Payments to Government Officials				5.8	5.4	6.0	6.0	6.0

Lithuania

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				4.9 (93)	6.3 (68)	6.4 (62)	6.8 (44)	6.8 (44)
1. Size of Government				4.2	5.6	5.7	5.5	5.6
A. Government Consumption		4.3 (25.2)	5.1 (22.6)	4.4 (24.9)	4.7 (23.9)	4.5 (24.7)	5.3 (22.1)	
B. Transfers and Subsidies			7.3 (10.4)	6.9 (11.8)	7.2 (11.0)	7.2 (11.0)	6.6 (13.2)	
C. Government Enterprises and Investment			0.0	6.0	6.0	6.0	6.0	
D. Top Marginal Tax Rate			4.5	5.0	5.0	4.5	4.5	
(i) Top Marginal Income Tax Rate			7.0 (35)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	
(ii) Top Marginal Income and Payroll Tax Rate			2.0 (51)	3.0 (50)	3.0 (50)	2.0 (51)	2.0 (51)	
2. Legal Structure and Security of Property Rights				5.9	5.8	5.1	5.3	5.4
A. Judicial Independence						3.5	3.8	3.8
B. Impartial Courts			5.9	6.1	3.1	3.8	4.0	
C. Protection of Intellectual Property				3.2	3.7	4.0	4.0	
D. Military Interference			7.2	8.3	8.3	8.3	8.3	
E. Integrity of Legal System				8.3	6.7	6.7	6.7	
3. Access to Sound Money		7.5	1.8	7.1	7.9	9.4	9.2	
A. Growth of Money Supply			0.0 (53.0)	7.5 (12.6)	8.8 (6.0)	8.8 (6.2)	7.9 (10.7)	
B. Inflation Variability			0.0 (329.2)	6.2 (9.5)	8.0 (5.1)	8.9 (2.7)	9.3 (1.7)	
C. Recent Annual Inflation		10.0 (-0.2)	2.4 (38.1)	9.8 (1.0)	9.8 (1.2)	9.9 (0.3)	9.8 (-1.2)	
D. Freedom to Own Foreign Currency		5.0	5.0	5.0	5.0	10.0	10.0	
4. Freedom to Exchange with Foreigners			8.2	7.3	7.8	7.9	7.8	
A. Taxes on International Trade			8.4	8.5	8.8	8.8	8.8	
(i) Taxes as Percentage of Exports and Imports			9.6 (0.7)	9.8 (0.3)	9.8 (0.3)	9.8 (0.2)	9.8 (0.2)	
(ii) Mean Tariff Rate			9.1 (4.5)	8.9 (5.4)	9.8 (1.1)	9.9 (0.7)	9.7 (1.3)	
(iii) Variability of Tariff Rates			6.4 (9.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	
B. Regulatory Trade Barriers				5.2	7.2	7.5	7.4	
(i) Hidden Import Barriers				5.2	5.3	5.8	6.0	
(ii) Costs of Importing					9.0	9.3	8.8	
C. Size of Trade Sector		6.3	6.3	5.0	5.3	5.6	5.5	
D. Official versus Black Market Exchange Rate		0.0	10.0	10.0	10.0	10.0	10.0	
E. Restrictions on Capital Markets		0.0	8.0	7.8	7.8	7.4	7.2	
(i) Access to Foreign Capital				8.1	8.1	7.8	8.2	
(ii) Restrictions on Foreign Capital Transactions		0.0	8.0	7.5	7.5	6.9	6.2	
5. Regulation of Credit, Labor and Business		2.5	4.5	5.6	5.5	5.8	5.8	
A. Regulation of Credit Markets		0.0	4.4	6.4	6.8	7.9	8.1	
(i) Private Ownership of Banks		0.0	5.0	5.0	5.0	8.0	8.0	
(ii) Competition from Foreign Banks				5.2	5.2	7.0	7.0	
(iii) Extension of Credit to Private Sector			8.3	6.6	6.7	7.0	8.0	
(iv) Avoidance of Negative Real Interest Rates			0.0	8.0	10.0	10.0	10.0	
(v) Controls on Interest Rates				7.3	7.3	7.3	7.3	
B. Regulation of Labor Markets				4.2	4.5	4.5	4.3	
(i) Impact of Minimum Wage				3.0	3.0	3.0	3.0	
(ii) Flexibility in Hiring and Firing				2.8	3.6	3.7	3.5	
(iii) Collective Bargaining				8.2	8.2	8.2	7.7	
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		0.0	3.0	3.0	3.0	3.0	3.0	
C. Regulation of Business				6.2	5.3	5.1	5.1	
(i) Price Controls		0.0	4.0	4.0	6.0	6.0	6.0	
(ii) Administrative Obstacles for New Businesses				7.3	3.0	3.0	3.3	
(iii) Time Spent with Government Bureaucracy				7.5	5.5	5.8	5.0	
(iv) Ease of Starting a New Business				4.2	3.8	4.2	4.2	
(v) Irregular Payments to Government Officials				8.3	8.0	6.7	6.8	

Luxembourg

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.8 (2)		8.2 (2)		7.5 (5)		7.7 (11)		7.8 (11)		7.7 (11)		7.7 (10)		7.8 (9)	
1. Size of Government	6.8		7.4		4.7		4.4		4.5		4.6		4.3		4.2	
A. Government Consumption	6.5	(17.8)	6.8	(16.9)	6.5	(17.8)	3.8	(26.9)	3.1	(29.3)	3.1	(29.6)	2.3	(32.3)	2.8	(30.6)
B. Transfers and Subsidies					2.9	(26.6)	3.3	(25.2)	3.4	(24.8)	4.5	(20.8)	4.5	(20.8)	3.6	(24.0)
C. Government Enterprises and Investment	7.0	(22.0)	8.0	(18.2)	8.0	(19.2)	8.0		8.0	(23.7)	7.0	(23.7)	7.0	(23.7)	7.0	(23.7)
D. Top Marginal Tax Rate					1.5		2.5		3.5		4.0		3.5		3.5	
(i) Top Marginal Income Tax Rate					1.0	(56)	3.0	(50)	4.0	(49)	4.0	(41)	4.0	(41)	4.0	(41)
(ii) Top Marginal Income and Payroll Tax Rate					2.0	(58)	2.0	(60)	3.0	(54)	4.0	(41)	3.0	(47)	3.0	(47)
2. Legal Structure and Security of Property Rights	7.8		8.3		8.3		9.1		8.6		8.6		8.4		8.9	
A. Judicial Independence							9.5		7.3		7.3		7.5		8.3	
B. Impartial Courts							8.6		8.2		8.2		7.5		8.3	
C. Protection of Intellectual Property							7.4		7.6		7.6		7.0		7.7	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	8.9		9.5		9.3		9.7		9.7		9.6		9.6		9.7	
A. Growth of Money Supply	8.6	(7.0)	9.8	(0.8)	8.4	(7.8)	9.8	(0.9)	9.8	(1.0)	9.6	(1.9)	9.5	(2.6)	9.5	(2.6)
B. Inflation Variability	8.6	(3.6)	8.9	(2.7)	9.5	(1.2)	9.2	(1.9)	9.7	(0.6)	9.5	(1.2)	9.4	(1.5)	9.7	(0.8)
C. Recent Annual Inflation	8.4	(7.9)	9.4	(3.0)	9.3	(3.4)	9.9	(0.7)	9.4	(3.1)	9.5	(2.7)	9.6	(2.1)	9.6	(2.1)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.6		8.8		8.5		8.4		9.0		9.0		8.9		8.9	
A. Taxes on International Trade	9.1		9.2		8.5		8.7		9.2		9.1		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.9	(0.1)	9.9	(0.1)	9.9	(0.1)	9.9	(0.1)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.5	(2.7)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.7		9.1		9.1		9.0		9.2	
(i) Hidden Import Barriers							8.7		8.2		8.2		8.2		8.5	
(ii) Costs of Importing									10.0		10.0		9.9		9.8	
C. Size of Trade Sector	5.8		6.6		5.9		5.4		7.4		7.2		6.8		6.4	
D. Official versus Black Market Exchange Rate	10.0		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		9.4		9.6		9.6		9.6		9.6	
(i) Access to Foreign Capital							8.9		9.9		9.9		10.0		10.0	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		9.2		9.2		9.2		9.2	
5. Regulation of Credit, Labor and Business	6.9		6.9		6.6		6.8		6.9		6.8		7.4		7.2	
A. Regulation of Credit Markets	10.0		10.0		10.0		8.4		8.9		9.0		9.2		9.1	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							8.6						10.0		10.0	
(iii) Extension of Credit to Private Sector							6.3		6.8		6.9		6.8		6.4	
(iv) Avoidance of Negative Real Interest Rates	10.0		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						6.3		6.0	
(i) Impact of Minimum Wage							3.6									
(ii) Flexibility in Hiring and Firing					4.3		4.3						4.2		4.8	
(iii) Collective Bargaining	5.2		5.2		5.2		5.2						5.7		5.8	
(iv) Incentives from Unemployment Benefits							4.2						5.3		3.5	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							6.5						6.6		6.5	
(i) Price Controls					2.0		5.0		7.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses													4.3		4.3	
(iii) Time Spent with Government Bureaucracy							7.2						6.8		6.5	
(iv) Ease of Starting a New Business							7.0						7.3		7.0	
(v) Irregular Payments to Government Officials							6.9						8.5		8.5	

Macedonia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►								5.6 (98)
1. Size of Government								5.1
A. Government Consumption								6.4 (18.4)
B. Transfers and Subsidies								
C. Government Enterprises and Investment								4.0
D. Top Marginal Tax Rate								5.0
(i) Top Marginal Income Tax Rate								7.0 (35)
(ii) Top Marginal Income and Payroll Tax Rate								3.0 (50)
2. Legal Structure and Security of Property Rights								2.6
A. Judicial Independence								2.2
B. Impartial Courts								2.3
C. Protection of Intellectual Property								2.5
D. Military Interference								3.5
E. Integrity of Legal System								
3. Access to Sound Money								7.8
A. Growth of Money Supply								7.5 (12.4)
B. Inflation Variability								9.0 (2.4)
C. Recent Annual Inflation								9.8 (1.1)
D. Freedom to Own Foreign Currency								5.0
4. Freedom to Exchange with Foreigners								6.3
A. Taxes on International Trade								6.7
(i) Taxes as Percentage of Exports and Imports								
(ii) Mean Tariff Rate								8.0 (10.2)
(iii) Variability of Tariff Rates								5.4 (11.6)
B. Regulatory Trade Barriers								5.9
(i) Hidden Import Barriers								4.3
(ii) Costs of Importing								7.5
C. Size of Trade Sector								4.2
D. Official versus Black Market Exchange Rate								10.0
E. Restrictions on Capital Markets								4.8
(i) Access to Foreign Capital								5.8
(ii) Restrictions on Foreign Capital Transactions								3.8
5. Regulation of Credit, Labor and Business								6.0
A. Regulation of Credit Markets								7.9
(i) Private Ownership of Banks								8.0
(ii) Competition from Foreign Banks								7.0
(iii) Extension of Credit to Private Sector								8.7
(iv) Avoidance of Negative Real Interest Rates								8.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								5.7
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								4.5
(iii) Collective Bargaining								7.7
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription								5.0
C. Regulation of Business								4.2
(i) Price Controls								
(ii) Administrative Obstacles for New Businesses								2.8
(iii) Time Spent with Government Bureaucracy								7.0
(iv) Ease of Starting a New Business								2.3
(v) Irregular Payments to Government Officials								4.8

Madagascar

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.4 (82)		4.6 (85)		4.6 (94)		4.7 (100)		5.8 (86)		6.2 (71)		5.6 (98)		5.9 (88)	
1. Size of Government	4.1		4.4		6.3		6.5		6.5		7.0		7.0		6.8	
A. Government Consumption	8.3	(11.9)	8.9	(9.9)	9.3	(8.5)	9.7	(6.9)	9.8	(6.8)	9.0	(9.4)	9.0	(9.2)	8.5	(11.2)
B. Transfers and Subsidies					9.8	(1.4)	9.8	(1.1)	9.9	(1.0)	9.9	(1.0)	9.9	(1.0)	9.9	(1.0)
C. Government Enterprises and Investment	0.0	(65.4)	0.0	(79.9)	0.0	(53.5)	0.0	(54.8)	0.0	(58.7)	2.0	(49.0)	2.0	(49.0)	2.0	(49.0)
D. Top Marginal Tax Rate																
(i) Top Marginal Income Tax Rate																
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights			4.3		3.1		4.8		4.6		4.6		3.0		3.2	
A. Judicial Independence													2.3		2.8	
B. Impartial Courts							4.1		4.4		4.4		3.0		3.2	
C. Protection of Intellectual Property													3.0		3.5	
D. Military Interference							4.2		5.0		5.0		1.7		1.7	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	5.7		5.7		5.5		2.8		7.2		7.7		7.0		7.8	
A. Growth of Money Supply	6.8	(15.9)	8.1	(9.7)	6.3	(18.7)	6.3	(18.7)	7.9	(10.7)	7.7	(11.6)	7.5	(12.5)	8.3	(8.3)
B. Inflation Variability	8.9	(2.8)	6.9	(7.8)	8.1	(4.8)	4.0	(14.9)	8.2	(4.4)	9.6	(1.1)	8.7	(3.2)	8.2	(4.5)
C. Recent Annual Inflation	7.0	(15.0)	7.9	(10.4)	7.7	(11.5)	1.0	(45.2)	7.6	(12.0)	8.6	(6.9)	6.8	(15.9)	9.8	(-1.2)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	3.5		4.1		4.6		5.7		6.2		6.6		5.8		6.3	
A. Taxes on International Trade	4.0		0.8		1.7		5.1		3.2		6.1		6.1		6.1	
(i) Taxes as Percentage of Exports and Imports	4.3	(8.5)			0.7	(14.0)	4.3	(8.5)	3.2	(10.2)	3.2	(10.2)	3.2	(10.2)	3.2	(10.2)
(ii) Mean Tariff Rate	3.7	(31.5)	0.8	(46.0)	2.8	(36.0)	4.0	(30.0)			8.9	(5.4)	8.9	(5.4)	8.9	(5.4)
(iii) Variability of Tariff Rates							6.9	(7.7)								
B. Regulatory Trade Barriers													4.4		5.4	
(i) Hidden Import Barriers													3.8		4.2	
(ii) Costs of Importing													4.9		6.7	
C. Size of Trade Sector	5.1		3.1		4.6		5.5		6.4		5.6		3.4		4.8	
D. Official versus Black Market Exchange Rate	0.0		8.2		8.6		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		3.0		3.0		5.2		5.4	
(i) Access to Foreign Capital													7.4		7.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		3.0		3.0		3.0		3.0	
5. Regulation of Credit, Labor and Business	4.2		4.3		3.5		3.7		4.4		5.1		5.1		5.5	
A. Regulation of Credit Markets	4.6		4.9		3.1		3.7		6.0		6.9		7.7		7.7	
(i) Private Ownership of Banks	0.0		0.0		0.0		2.0		2.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	9.3		9.7		9.3		9.0		7.9		6.8		6.2		6.2	
(iv) Avoidance of Negative Real Interest Rates					0.0		0.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													4.2		4.4	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													4.5		5.0	
(iii) Collective Bargaining													7.0		7.3	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	1.0		1.0		1.0		1.0		1.0		1.0		1.0		1.0	
C. Regulation of Business													3.5		4.2	
(i) Price Controls					0.0		0.0		0.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													1.3		2.5	
(iii) Time Spent with Government Bureaucracy													4.5		5.8	
(iv) Ease of Starting a New Business													4.0		5.2	
(v) Irregular Payments to Government Officials													3.5		3.8	

Malawi

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.9 (71)		5.1 (66)		5.1 (70)		4.4 (109)		4.7 (116)		5.2 (109)		5.6 (98)		5.5 (103)	
1. Size of Government	4.7		4.6		4.8		4.3		3.9		3.9		3.9		3.9	
A. Government Consumption	5.4 (21.6)		5.8 (20.3)		6.7 (17.4)		5.9 (19.8)		6.8 (16.8)		6.6 (17.5)		6.6 (17.5)		6.6 (17.5)	
B. Transfers and Subsidies	9.6 (2.0)		9.5 (2.3)		9.5 (2.4)											
C. Government Enterprises and Investment	0.0 (69.3)		0.0 (62.0)		0.0 (48.2)		0.0 (65.2)		0.0 (79.0)		0.0 (70.8)		0.0 (70.8)		0.0 (70.8)	
D. Top Marginal Tax Rate	4.0		3.0		3.0		7.0		5.0		5.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	4.0 (45)		3.0 (50)		3.0 (50)		7.0 (35)		5.0 (38)		5.0 (38)		5.0 (38)		5.0 (38)	
(ii) Top Marginal Income and Payroll Tax Rate					3.0 (50)		7.0 (35)		5.0 (38)		5.0 (38)		5.0 (38)		5.0 (38)	
2. Legal Structure and Security of Property Rights	3.6		4.0		4.5		5.4		5.5		5.3		5.6		5.6	
A. Judicial Independence							6.7		6.2				6.0		6.3	
B. Impartial Courts							4.8		4.9		4.9		6.7		5.7	
C. Protection of Intellectual Property							4.8		3.2				3.8		4.2	
D. Military Interference							6.4		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							4.1		6.7		5.8		5.0		5.0	
3. Access to Sound Money	6.1		6.4		5.2		1.2		2.8		5.1		6.2		6.0	
A. Growth of Money Supply	9.9 (-0.5)		8.4 (8.0)		5.7 (21.4)		4.9 (25.7)		5.1 (24.7)		5.5 (22.4)		6.4 (18.1)		6.4 (18.1)	
B. Inflation Variability	7.6 (5.9)		8.9 (2.7)		7.3 (6.6)		0.0 (28.5)		2.2 (19.4)		5.1 (12.2)		6.4 (9.0)		4.5 (13.8)	
C. Recent Annual Inflation	6.8 (15.8)		8.2 (8.9)		7.8 (10.9)		0.0 (90.4)		4.1 (29.6)		4.6 (27.2)		7.1 (14.7)		8.1 (9.6)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	4.6		5.0		5.9		6.3		5.9		6.1		6.5		6.5	
A. Taxes on International Trade	5.6		5.4		6.6		4.6		5.0		5.9		5.9		5.9	
(i) Taxes as Percentage of Exports and Imports	5.6 (6.6)		4.1 (8.8)		6.2 (5.7)		6.2 (5.7)		4.6 (8.1)		4.6 (8.1)		4.6 (8.1)		4.6 (8.1)	
(ii) Mean Tariff Rate			6.7 (16.7)		7.0 (15.2)		3.8 (30.8)		6.1 (19.6)		7.3 (13.3)		7.3 (13.3)		7.3 (13.3)	
(iii) Variability of Tariff Rates							3.8 (15.5)		4.2 (14.5)		5.8 (10.5)		5.8 (10.5)		5.8 (10.5)	
B. Regulatory Trade Barriers													6.1		6.1	
(i) Hidden Import Barriers													6.3		5.3	
(ii) Costs of Importing													5.9		6.8	
C. Size of Trade Sector	6.7		5.4		5.4		6.8		5.5		5.4		5.6		5.6	
D. Official versus Black Market Exchange Rate	0.4		4.0		7.2		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		0.8		0.8		5.1		4.7	
(i) Access to Foreign Capital													9.2		8.6	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		0.8		0.8		0.9		0.8	
5. Regulation of Credit, Labor and Business	5.5		5.7		5.1		5.0		5.1		5.7		5.9		5.7	
A. Regulation of Credit Markets	4.6		5.3		5.3		3.8		4.0		5.5		5.1		4.9	
(i) Private Ownership of Banks	2.0		2.0		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		6.0		8.0		5.5		5.9		6.4		5.2		4.7	
(iv) Avoidance of Negative Real Interest Rates	4.0		8.0		6.0		4.0		4.0		8.0		8.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													7.6		7.5	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													5.3		4.8	
(iii) Collective Bargaining													7.3		7.7	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													5.2		4.7	
(i) Price Controls					0.0		4.0		4.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses													4.0		4.2	
(iii) Time Spent with Government Bureaucracy													4.0		3.3	
(iv) Ease of Starting a New Business													5.3		4.8	
(v) Irregular Payments to Government Officials													6.5		5.3	

Malaysia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.9 (11)		7.0 (11)		7.3 (9)		7.4 (17)		6.8 (43)		6.4 (62)		6.5 (57)		6.5 (59)	
1. Size of Government	4.8		5.6		6.3		6.4		6.7		5.6		5.4		5.3	
A. Government Consumption	4.5	(24.6)	5.1	(22.7)	5.6	(21.0)	5.6	(20.9)	5.9	(20.1)	5.2	(22.2)	4.7	(23.9)	4.7	(24.2)
B. Transfers and Subsidies	8.8	(4.8)	9.2	(3.6)	9.5	(2.4)	9.0	(4.0)	9.0	(4.1)	9.0	(4.1)	9.0	(4.1)	8.4	(6.4)
C. Government Enterprises and Investment	4.0	(37.3)	2.0	(46.8)	4.0	(35.5)	4.0	(29.2)	4.0	(34.6)	0.0	(50.8)	0.0	(50.8)	0.0	(50.8)
D. Top Marginal Tax Rate	2.0		6.0		6.0		7.0		8.0		8.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	2.0	(60)	6.0	(45)	6.0	(45)	7.0	(32)	8.0	(29)	8.0	(28)	8.0	(28)	8.0	(28)
(ii) Top Marginal Income and Payroll Tax Rate					6.0	(45)	7.0	(32)	8.0	(29)	8.0	(28)	8.0	(28)	8.0	(28)
2. Legal Structure and Security of Property Rights	6.6		6.3		6.5		6.6		5.6		6.1		6.6		6.6	
A. Judicial Independence							6.2		4.5		5.4		5.8		6.7	
B. Impartial Courts							6.1		6.0		6.4		7.2		6.7	
C. Protection of Intellectual Property							6.1		4.2		5.6		6.5		6.3	
D. Military Interference							7.8		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	8.9		8.4		9.0		9.1		8.1		6.7		6.7		7.0	
A. Growth of Money Supply	8.1	(9.7)	9.8	(0.9)	8.7	(6.5)	8.0	(9.9)	9.1	(-4.4)	9.0	(-5.0)	9.0	(4.8)	9.6	(2.2)
B. Inflation Variability	8.8	(3.1)	8.9	(2.6)	7.9	(5.2)	9.4	(1.5)	8.8	(3.1)	8.3	(4.3)	8.3	(4.3)	8.7	(3.3)
C. Recent Annual Inflation	8.6	(6.9)	9.7	(-1.5)	9.4	(3.0)	9.0	(5.0)	9.7	(1.5)	9.7	(1.4)	9.6	(1.8)	9.8	(1.1)
D. Freedom to Own Foreign Currency	10.0		5.0		10.0		10.0		5.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	7.9		8.0		8.0		8.0		7.5		7.4		7.6		7.6	
A. Taxes on International Trade	6.4		6.7		6.8		6.9		5.7		6.0		6.0		6.0	
(i) Taxes as Percentage of Exports and Imports	4.9	(7.7)	6.2	(5.7)	7.9	(3.2)	8.9	(1.6)	9.0	(1.6)	9.6	(0.6)	9.6	(0.6)	9.6	(0.6)
(ii) Mean Tariff Rate	7.9	(10.6)	7.3	(13.6)	7.4	(13.0)	7.4	(12.8)	8.2	(9.2)	8.5	(7.5)	8.5	(7.5)	8.5	(7.3)
(iii) Variability of Tariff Rates					5.0	(12.5)	4.4	(14.0)	0.0	(33.3)	0.0	(33.3)	0.0	(33.3)	0.0	(33.3)
B. Regulatory Trade Barriers							6.7		7.9		7.5		7.8		7.3	
(i) Hidden Import Barriers							6.7		6.7		6.3		6.7		5.8	
(ii) Costs of Importing									9.2		8.6		9.0		8.7	
C. Size of Trade Sector	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		6.2		3.7		3.7		4.2		4.6	
(i) Access to Foreign Capital							7.3		6.6		6.6		7.6		8.4	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		0.8		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	6.2		6.6		6.5		6.7		6.3		6.1		6.1		6.1	
A. Regulation of Credit Markets	6.3		7.7		7.8		6.3		6.0		6.0		5.8		6.0	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							3.2		2.1		2.1		2.1		2.1	
(iii) Extension of Credit to Private Sector	7.9		8.0		8.4		8.7		9.3		9.4		9.4		9.3	
(iv) Avoidance of Negative Real Interest Rates	6.0		10.0		10.0		10.0		10.0		10.0		9.0		10.0	
(v) Controls on Interest Rates							4.8		3.7		3.7		3.7		3.7	
B. Regulation of Labor Markets					8.2		7.6		6.6		6.6		6.6		6.8	
(i) Impact of Minimum Wage							6.7		4.5		4.5		4.5		4.5	
(ii) Flexibility in Hiring and Firing					6.7		6.7		4.0		4.0		3.8		5.8	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.5		7.4		7.7		7.0	
(iv) Incentives from Unemployment Benefits							6.5		7.0		7.0		7.2		6.8	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							6.1		6.2		5.6		5.9		5.6	
(i) Price Controls					5.0		4.0		3.0		4.0		5.0		4.0	
(ii) Administrative Obstacles for New Businesses									7.1		4.1		4.3		5.3	
(iii) Time Spent with Government Bureaucracy							8.1		8.4		5.8		5.8		5.0	
(iv) Ease of Starting a New Business							7.2		6.3		7.3		7.5		6.7	
(v) Irregular Payments to Government Officials							5.4		6.1		6.7		6.7		7.0	

Mali

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.9 (26)		5.5 (51)		5.5 (52)		5.3 (84)		6.0 (78)		5.7 (91)		5.5 (102)		5.6 (98)
1. Size of Government	7.8		7.1		7.1		5.2		5.7		5.1		5.1		5.1
A. Government Consumption	10.0 (4.9)		7.9 (13.1)		7.3 (15.1)		6.5 (18.0)		7.5 (14.6)		6.3 (18.7)		6.1 (19.2)		6.1 (19.2)
B. Transfers and Subsidies	9.5 (2.3)		9.5 (2.3)		10.0 (0.6)										
C. Government Enterprises and Investment	4.0 (21.4)		4.0 (22.4)		4.0		4.0		4.0		4.0		4.0		4.0
D. Top Marginal Tax Rate															
(i) Top Marginal Income Tax Rate															
(ii) Top Marginal Income and Payroll Tax Rate															
2. Legal Structure and Security of Property Rights	4.2		3.1		3.0		5.3		5.0		5.0		4.3		4.5
A. Judicial Independence													4.0		3.3
B. Impartial Courts							4.7		4.4		4.4		3.7		3.5
C. Protection of Intellectual Property													2.3		3.8
D. Military Interference							5.5		6.7		6.7		6.7		6.7
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0
3. Access to Sound Money	5.9		6.4		7.0		5.1		8.4		6.6		6.1		6.7
A. Growth of Money Supply	8.1 (9.3)		7.7 (11.4)		9.0 (-5.0)		7.9 (10.6)		10.0 (0.0)		9.0 (4.8)		8.2 (8.8)		8.2 (8.8)
B. Inflation Variability	8.8 (2.9)		8.3 (4.3)		9.4 (1.6)		5.2 (12.0)		8.8 (2.9)		8.3 (4.3)		7.1 (7.4)		8.6 (3.4)
C. Recent Annual Inflation	6.7 (16.3)		9.7 (1.3)		9.5 (2.7)		7.5 (12.5)		9.9 (-0.7)		9.0 (5.2)		9.0 (5.0)		9.7 (-1.4)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	5.6		6.0		5.8		6.0		6.4		6.6		6.7		6.5
A. Taxes on International Trade	5.2		4.8		6.0		6.2		7.6		7.3		7.3		7.3
(i) Taxes as Percentage of Exports and Imports	7.5 (3.8)		6.7 (5.0)		6.9 (4.6)		6.8 (4.8)								
(ii) Mean Tariff Rate	3.0 (35.0)		3.0 (35.0)		5.0 (25.0)		6.7 (16.3)		7.6 (12.0)		7.4 (12.9)		7.4 (12.9)		7.4 (12.9)
(iii) Variability of Tariff Rates							5.0 (12.6)				7.2 (6.9)		7.2 (6.9)		7.2 (6.9)
B. Regulatory Trade Barriers													5.0		5.8
(i) Hidden Import Barriers													3.3		4.8
(ii) Costs of Importing													6.8		6.8
C. Size of Trade Sector	5.5		7.1		5.7		6.1		6.4		7.4		7.2		5.6
D. Official versus Black Market Exchange Rate	9.0		9.8		9.2		9.8		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		4.1		3.9
(i) Access to Foreign Capital													8.2		7.8
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	5.7		4.7		4.4		4.6		4.6		5.1		5.1		5.1
A. Regulation of Credit Markets	5.3		5.9		6.5		5.6		5.8		6.8		7.5		7.6
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		2.0		2.0		5.0		5.0
(ii) Competition from Foreign Banks															
(iii) Extension of Credit to Private Sector	9.9		9.7		9.6		8.7		9.4		9.3		9.5		9.7
(iv) Avoidance of Negative Real Interest Rates	4.0		6.0		8.0		6.0		6.0		9.3		8.0		8.0
(v) Controls on Interest Rates															
B. Regulation of Labor Markets													3.3		3.2
(i) Impact of Minimum Wage															
(ii) Flexibility in Hiring and Firing													4.7		4.3
(iii) Collective Bargaining													5.2		5.2
(iv) Incentives from Unemployment Benefits															
(v) Military Conscription	10.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
C. Regulation of Business													4.5		4.6
(i) Price Controls					0.0		4.0		4.0		6.0		6.0		6.0
(ii) Administrative Obstacles for New Businesses													2.8		3.5
(iii) Time Spent with Government Bureaucracy													5.8		5.3
(iv) Ease of Starting a New Business													4.8		4.3
(v) Irregular Payments to Government Officials													3.0		4.0

Malta

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.5 (49)		5.3 (62)		5.4 (58)		6.6 (41)		6.5 (56)		6.5 (55)		6.8 (44)		6.7 (50)	
1. Size of Government	4.2		4.4		4.3		6.0		6.0		5.9		5.9		5.8	
A. Government Consumption	5.9	(20.0)	5.8	(20.2)	5.3	(21.9)	4.4	(25.1)	5.1	(22.7)	4.7	(24.0)	4.7	(24.0)	4.2	(25.8)
B. Transfers and Subsidies	6.8	(12.2)	5.9	(15.7)	5.9	(15.6)	6.5	(13.4)	5.9	(15.5)	5.9	(15.5)	5.9	(15.5)	5.9	(15.5)
C. Government Enterprises and Investment	4.0	(28.6)	6.0	(20.0)	6.0	(28.8)	6.0		6.0		6.0		6.0		6.0	
D. Top Marginal Tax Rate	0.0		0.0		0.0		7.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	0.0	(65)	0.0	(65)	0.0	(65)	7.0	(35)	7.0	(35)	7.0	(35)	7.0	(35)	7.0	(35)
(ii) Top Marginal Income and Payroll Tax Rate					0.0	(65)	7.0	(35)	7.0	(35)	7.0	(35)	7.0	(35)	7.0	(35)
2. Legal Structure and Security of Property Rights			3.5		4.5		7.6		7.2		7.2		7.0		7.0	
A. Judicial Independence													7.2		7.2	
B. Impartial Courts							7.1		6.8		6.8		5.8		5.2	
C. Protection of Intellectual Property													3.8		4.5	
D. Military Interference							9.8		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		8.3		8.3		8.3		8.3	
3. Access to Sound Money	6.3		7.1		7.3		7.1		7.3		7.1		7.2		7.2	
A. Growth of Money Supply	8.9	(5.5)	9.6	(-2.1)	10.0	(-0.2)	9.8	(-1.2)	9.9	(-0.3)	9.7	(1.6)	9.6	(1.9)	9.6	(1.9)
B. Inflation Variability	8.8	(3.0)	8.8	(3.1)	9.7	(0.6)	9.6	(0.9)	9.7	(0.7)	9.5	(1.2)	9.4	(1.5)	9.4	(1.5)
C. Recent Annual Inflation	7.5	(12.4)	9.9	(0.6)	9.4	(3.2)	8.9	(5.6)	9.5	(2.4)	9.4	(2.9)	9.6	(2.2)	9.9	(0.5)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	6.0		6.0		6.3		6.8		6.4		6.0		7.0		6.7	
A. Taxes on International Trade	6.7		7.0		6.7		9.5		8.5		8.5		8.5		8.5	
(i) Taxes as Percentage of Exports and Imports	6.7	(4.9)	7.0	(4.5)	6.7	(4.9)	9.5	(0.8)	9.6	(0.6)	9.6	(0.6)	9.6	(0.6)	9.6	(0.6)
(ii) Mean Tariff Rate									8.2		8.2		8.2		8.2	
(iii) Variability of Tariff Rates									7.7		7.7		7.7		7.7	
B. Regulatory Trade Barriers													7.9		7.5	
(i) Hidden Import Barriers													6.8		6.2	
(ii) Costs of Importing													8.9		8.8	
C. Size of Trade Sector	5.6		4.4		4.8		5.0		5.2		4.1		3.9		3.3	
D. Official versus Black Market Exchange Rate	7.6		8.6		9.6		9.2		9.4		9.4		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		0.8		0.0		4.8		4.3	
(i) Access to Foreign Capital													8.8		7.8	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		0.8		0.0		0.8		0.8	
5. Regulation of Credit, Labor and Business	5.7		5.6		4.9		5.6		5.7		6.2		7.0		6.8	
A. Regulation of Credit Markets	5.1		5.1		4.8		6.2		6.6		7.6		8.7		8.7	
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		2.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks													9.0		9.0	
(iii) Extension of Credit to Private Sector	9.4		9.2		8.4		8.6		7.9		7.8		7.9		7.9	
(iv) Avoidance of Negative Real Interest Rates	6.0		6.0		6.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													6.7		6.6	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													3.3		3.5	
(iii) Collective Bargaining													6.7		6.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		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		4.0		5.6		5.1	
(ii) Administrative Obstacles for New Businesses													4.0		4.0	
(iii) Time Spent with Government Bureaucracy													3.2		2.7	
(iv) Ease of Starting a New Business													6.5		6.0	
(v) Irregular Payments to Government Officials													6.3		5.2	
													7.9		7.5	

Mauritius

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.3 (55)		6.5 (19)		6.2 (34)		7.4 (17)		7.3 (23)		7.3 (19)		7.2 (25)		7.0 (35)	
1. Size of Government	5.6		6.8		6.8		6.9		6.9		7.6		7.6		7.6	
A. Government Consumption	7.1	(15.7)	7.4	(14.7)	7.2	(15.4)	7.1	(15.7)	7.0	(16.2)	6.7	(17.1)	6.8	(17.0)	6.7	(17.2)
B. Transfers and Subsidies	8.4	(6.5)	8.7	(5.2)	9.0	(4.2)	8.9	(4.4)	8.5	(6.1)	8.5	(5.9)	8.5	(5.9)	8.6	(5.6)
C. Government Enterprises and Investment	4.0	(36.0)	4.0	(32.4)	4.0	(36.8)	4.0	(33.0)	4.0	(30.5)	7.0	(24.4)	7.0	(24.4)	7.0	(24.4)
D. Top Marginal Tax Rate	3.0		7.0		7.0		7.5		8.0		8.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	3.0	(50)	7.0	(35)	7.0	(35)	8.0	(30)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income and Payroll Tax Rate					7.0	(35)	7.0	(32)	7.0	(33)	7.0	(34)	7.0	(34)	7.0	(33)
2. Legal Structure and Security of Property Rights			6.3		6.3		6.9		6.9		6.7		6.5		6.1	
A. Judicial Independence									6.2		6.5		5.7		4.8	
B. Impartial Courts							7.8		7.0		5.9		5.8		4.8	
C. Protection of Intellectual Property									4.8		4.2		4.5		4.2	
D. Military Interference							9.4		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							7.0		6.7		6.7		6.7		6.7	
3. Access to Sound Money	4.8		6.9		6.0		9.5		9.6		9.5		9.5		9.5	
A. Growth of Money Supply	8.9	(5.7)	9.7	(-1.4)	6.7	(16.3)	9.5	(2.3)	9.6	(-1.8)	9.9	(-0.3)	9.7	(1.4)	9.4	(3.1)
B. Inflation Variability	5.8	(10.5)	9.5	(1.1)	9.4	(1.6)	9.5	(1.4)	9.7	(0.8)	9.3	(1.7)	9.5	(1.3)	9.4	(1.4)
C. Recent Annual Inflation	4.7	(26.6)	8.4	(8.2)	8.0	(10.1)	9.1	(4.7)	9.2	(4.2)	8.9	(5.4)	8.7	(6.7)	9.2	(3.9)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	4.2		5.7		5.6		7.2		6.8		7.0		6.6		6.4	
A. Taxes on International Trade	3.3		3.3		3.1		4.4		3.6		5.1		4.2		4.1	
(i) Taxes as Percentage of Exports and Imports	3.6	(9.6)	3.6	(9.6)	4.9	(7.6)	6.1	(5.9)	6.9	(4.6)	7.6	(3.7)	7.7	(3.4)	7.5	(3.7)
(ii) Mean Tariff Rate	3.0	(34.9)	3.0	(34.9)	4.5	(27.6)	2.8	(36.2)	3.8	(31.0)	7.8	(11.1)	4.9	(25.4)	4.9	(25.4)
(iii) Variability of Tariff Rates					0.0	(91.5)			0.0	(27.8)	0.0	(27.8)	0.0	(27.8)	0.0	(27.8)
B. Regulatory Trade Barriers									7.4		7.0		6.9		6.3	
(i) Hidden Import Barriers									7.9		6.6		6.2		5.3	
(ii) Costs of Importing									7.0		7.4		7.6		7.2	
C. Size of Trade Sector	5.5		5.2		6.2		5.2		5.3		5.1		5.2		4.6	
D. Official versus Black Market Exchange Rate	2.0		9.8		8.4		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		8.0		7.8		7.8		6.7		7.1	
(i) Access to Foreign Capital									8.7		8.7		6.4		7.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		8.0		6.9		6.9		6.9		6.9	
5. Regulation of Credit, Labor and Business	6.6		6.9		6.3		6.6		6.1		5.7		5.6		5.5	
A. Regulation of Credit Markets	7.3		8.5		8.1		9.0		7.3		7.4		7.3		7.3	
(i) Private Ownership of Banks	8.0		8.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks									4.3		4.3		4.3		4.3	
(iii) Extension of Credit to Private Sector	6.6		7.4		6.4		6.9		8.3		8.1		7.5		7.4	
(iv) Avoidance of Negative Real Interest Rates			10.0		8.0		10.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates									5.7		5.7		5.7		5.7	
B. Regulation of Labor Markets									4.9		5.0		5.1		5.1	
(i) Impact of Minimum Wage									3.1		3.1		3.1		3.1	
(ii) Flexibility in Hiring and Firing									2.0		2.3		2.7		3.0	
(iii) Collective Bargaining									3.6		3.6		3.7		3.5	
(iv) Incentives from Unemployment Benefits									5.8		5.8		5.8		5.8	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									6.2		4.7		4.6		4.2	
(i) Price Controls					4.0		4.0		6.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									5.9		1.9		2.0		2.5	
(iii) Time Spent with Government Bureaucracy									7.5		5.8		5.3		5.0	
(iv) Ease of Starting a New Business									5.4		5.8		5.8		4.5	
(v) Irregular Payments to Government Officials									6.0		6.3		5.8		5.2	

Mexico

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.5 (49)		4.7 (83)		6.0 (40)		6.4 (45)		6.3 (68)		6.3 (67)		6.5 (57)		6.5 (59)	
1. Size of Government	5.7		5.7		7.2		7.2		7.1		7.9		8.1		8.0	
A. Government Consumption	7.8	(13.4)	8.1	(12.5)	8.6	(10.8)	7.8	(13.5)	7.7	(14.0)	7.6	(14.2)	7.5	(14.4)	7.3	(15.3)
B. Transfers and Subsidies	8.9	(4.4)	8.7	(5.4)	9.3	(3.2)	8.1	(7.5)	7.7	(8.8)	7.9	(8.1)	7.9	(8.1)	7.9	(8.1)
C. Government Enterprises and Investment	2.0	(43.5)	2.0	(38.0)	4.0	(23.2)	6.0	(19.6)	8.0		10.0	(10.5)	10.0	(10.5)	10.0	(10.5)
D. Top Marginal Tax Rate	4.0		4.0		7.0		7.0		5.0		6.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	4.0	(55)	4.0	(55)	7.0	(40)	7.0	(35)	7.0	(40)	7.0	(40)	7.0	(35)	7.0	(33)
(ii) Top Marginal Income and Payroll Tax Rate									3.0	(47)	5.0	(40)	7.0	(35)	7.0	(33)
2. Legal Structure and Security of Property Rights	6.3		5.4		6.8		5.3		4.2		3.6		4.2		3.9	
A. Judicial Independence									3.3		3.0		3.8		4.0	
B. Impartial Courts							5.1		5.2		3.4		4.0		3.3	
C. Protection of Intellectual Property							5.2		4.4		3.4		4.7		3.8	
D. Military Interference							5.4		5.0		5.0		5.0		5.0	
E. Integrity of Legal System							7.0		3.3		3.3		3.3		3.3	
3. Access to Sound Money	7.4		3.3		3.6		5.5		6.9		7.4		7.4		7.6	
A. Growth of Money Supply	5.1	(24.7)	1.1	(44.3)	0.0	(67.4)	9.0	(5.2)	7.2	(13.9)	7.6	(11.9)	7.5	(12.4)	8.0	(10.0)
B. Inflation Variability	9.1	(2.3)	1.9	(20.3)	0.0	(43.9)	5.6	(11.0)	7.1	(7.3)	8.1	(4.7)	7.9	(5.2)	8.2	(4.6)
C. Recent Annual Inflation	5.4	(22.8)	0.0	(54.0)	4.4	(28.1)	2.4	(37.9)	8.1	(9.5)	8.7	(6.4)	9.0	(5.0)	9.1	(4.6)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		5.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	3.1		5.0		7.3		7.8		7.6		7.3		7.5		7.5	
A. Taxes on International Trade	1.9		6.1		7.9		8.2		7.5		7.5		7.5		7.5	
(i) Taxes as Percentage of Exports and Imports	0.0	(17.6)	8.3	(2.6)	8.7	(2.0)	9.3	(1.1)	9.3	(1.0)	9.3	(1.0)	9.3	(1.0)	9.3	(1.0)
(ii) Mean Tariff Rate	3.8	(30.9)	4.0	(30.0)	7.8	(11.1)	7.5	(12.6)	6.8	(16.2)	6.8	(16.2)	6.8	(16.2)	6.8	(16.2)
(iii) Variability of Tariff Rates					7.2	(7.0)	7.8	(5.4)	6.3	(9.2)	6.3	(9.3)	6.3	(9.3)	6.3	(9.3)
B. Regulatory Trade Barriers							6.3		7.3		6.7		7.2		7.3	
(i) Hidden Import Barriers							6.3		6.4		5.4		6.0		6.0	
(ii) Costs of Importing									8.2		8.0		8.4		8.5	
C. Size of Trade Sector	3.4		3.6		5.5		7.9		8.2		7.3		7.0		7.2	
D. Official versus Black Market Exchange Rate	0.0		5.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		5.0		6.4		5.1		5.1		5.7		5.4	
(i) Access to Foreign Capital							7.8		8.7		8.7		9.0		8.4	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		5.0		5.0		1.5		1.5		2.3		2.3	
5. Regulation of Credit, Labor and Business	5.2		4.0		5.1		6.1		5.6		5.3		5.2		5.3	
A. Regulation of Credit Markets	5.6		2.4		4.7		7.5		6.1		7.0		7.2		7.3	
(i) Private Ownership of Banks	8.0		0.0		0.0		8.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							7.3		5.9		5.9		5.9		5.9	
(iii) Extension of Credit to Private Sector	4.9		3.1		6.0		8.3		4.1		3.7		3.8		4.0	
(iv) Avoidance of Negative Real Interest Rates	4.0		4.0		8.0		8.0		4.0		9.0		10.0		10.0	
(v) Controls on Interest Rates							5.7		6.5		6.5		6.5		6.5	
B. Regulation of Labor Markets					5.7		6.3		4.8		4.7		4.4		4.6	
(i) Impact of Minimum Wage							7.9		2.7		2.7		2.7		2.7	
(ii) Flexibility in Hiring and Firing					5.0		5.0		4.1		3.1		3.0		4.2	
(iii) Collective Bargaining					7.2		7.2		5.7		6.0		6.5		6.3	
(iv) Incentives from Unemployment Benefits							6.2		6.5		6.5		4.6		4.6	
(v) Military Conscription	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
C. Regulation of Business							4.6		5.9		4.2		4.2		4.0	
(i) Price Controls					0.0		5.0		7.0		6.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									6.7		2.1		2.2		2.3	
(iii) Time Spent with Government Bureaucracy							6.1		6.3		4.3		5.0		4.5	
(iv) Ease of Starting a New Business							4.2		3.7		3.0		3.5		3.2	
(v) Irregular Payments to Government Officials							3.4		5.7		5.7		6.1		6.0	

Morocco

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.6 (78)		5.1 (66)		5.0 (75)		5.9 (67)		6.0 (78)		5.9 (84)		5.9 (84)		6.1 (78)	
1. Size of Government	4.6		4.2		4.9		5.0		5.8		5.3		5.3		5.2	
A. Government Consumption	5.5 (21.3)		6.1 (19.4)		6.1 (19.2)		6.0 (19.6)		5.1 (22.7)		5.2 (22.3)		4.9 (23.2)		4.6 (24.3)	
B. Transfers and Subsidies	9.0 (4.1)		8.9 (4.6)		9.5 (2.3)		9.1 (3.9)		8.2 (7.3)		8.2 (7.3)		8.2 (7.3)		8.2 (7.3)	
C. Government Enterprises and Investment	2.0 (46.8)		2.0 (47.5)		4.0 (31.7)		2.0 (41.7)		6.0 (29.3)		4.0 (35.4)		4.0 (35.4)		4.0 (35.4)	
D. Top Marginal Tax Rate	2.0		0.0		0.0		3.0		4.0		4.0		4.0		4.0	
(i) Top Marginal Income Tax Rate	2.0 (64)		0.0 (87)		0.0 (87)		3.0 (46)		4.0 (44)		4.0 (44)		4.0 (44)		4.0 (44)	
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	2.2		4.0		4.0		6.7		6.7		5.9		5.9		6.2	
A. Judicial Independence											3.8		3.5		5.3	
B. Impartial Courts							6.8		6.4		4.9		4.7		5.5	
C. Protection of Intellectual Property											4.0		4.8		5.0	
D. Military Interference							6.5		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		8.3	
3. Access to Sound Money	6.1		6.7		6.3		6.7		7.0		7.1		7.0		7.1	
A. Growth of Money Supply	8.2 (9.0)		9.0 (4.9)		7.2 (13.8)		9.3 (3.7)		8.6 (7.0)		8.8 (5.8)		8.9 (5.6)		8.9 (5.7)	
B. Inflation Variability	8.2 (4.5)		9.6 (0.9)		9.1 (2.4)		9.1 (2.2)		9.7 (0.7)		9.6 (0.9)		9.6 (0.9)		9.6 (1.0)	
C. Recent Annual Inflation	8.1 (9.5)		8.3 (8.4)		8.9 (5.7)		8.4 (8.0)		9.6 (1.9)		9.9 (0.6)		9.4 (2.8)		9.8 (1.2)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.2		6.1		5.6		6.2		5.5		5.8		5.7		5.9	
A. Taxes on International Trade	1.4		5.5		4.8		5.2		3.2		3.5		3.8		4.4	
(ii) Taxes as Percentage of Exports and Imports	2.9 (10.7)		5.7 (6.4)		4.3 (8.6)		5.5 (6.8)		5.1 (7.4)		5.1 (7.4)		5.1 (7.4)		5.1 (7.4)	
(ii) Mean Tariff Rate	0.0 (54.0)		5.3 (23.5)		5.3 (23.5)		5.4 (22.8)		3.3 (33.6)		3.5 (32.6)		4.5 (27.7)		6.2 (18.9)	
(iii) Variability of Tariff Rates							4.7 (13.2)		1.2 (22.0)		1.8 (20.5)		1.8 (20.5)		1.8 (20.5)	
B. Regulatory Trade Barriers											5.8		5.6		6.4	
(i) Hidden Import Barriers											5.2		4.5		5.5	
(ii) Costs of Importing											6.4		6.8		7.3	
C. Size of Trade Sector	4.8		6.0		5.6		5.6		6.0		5.7		5.9		5.8	
D. Official versus Black Market Exchange Rate	9.8		8.6		7.4		9.8		10.0		10.0		7.9		7.9	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		0.0		0.8		5.3		5.1	
(i) Access to Foreign Capital													9.0		8.6	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		0.0		0.8		1.5		1.5	
5. Regulation of Credit, Labor and Business	4.5		4.7		4.4		4.9		5.1		5.3		5.6		6.1	
A. Regulation of Credit Markets	5.7		5.6		6.1		6.4		7.0		7.2		7.2		7.3	
(i) Private Ownership of Banks	5.0		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		7.7		7.7		7.8	
(iv) Avoidance of Negative Real Interest Rates			6.0		8.0		8.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets											4.3		5.1		5.7	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing											4.5		3.2		5.0	
(iii) Collective Bargaining											7.4		7.2		7.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	1.0		1.0		1.0		1.0		1.0		1.0		5.0		5.0	
C. Regulation of Business													4.4		5.2	
(i) Price Controls					0.0		4.0		4.0				4.0		4.0	
(ii) Administrative Obstacles for New Businesses											3.4		3.3		3.3	
(iii) Time Spent with Government Bureaucracy											5.5		5.5		7.3	
(iv) Ease of Starting a New Business											4.3		4.5		5.0	
(v) Irregular Payments to Government Officials											4.6		4.4		6.3	

Mozambique

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►								5.5 (103)
1. Size of Government								5.9
A. Government Consumption								7.8 (13.6)
B. Transfers and Subsidies								
C. Government Enterprises and Investment								4.0
D. Top Marginal Tax Rate								6.0
(i) Top Marginal Income Tax Rate								7.0 (32)
(ii) Top Marginal Income and Payroll Tax Rate								5.0 (38)
2. Legal Structure and Security of Property Rights								3.2
A. Judicial Independence								2.5
B. Impartial Courts								2.8
C. Protection of Intellectual Property								2.5
D. Military Interference								3.3
E. Integrity of Legal System								5.0
3. Access to Sound Money								8.4
A. Growth of Money Supply								8.3 (8.6)
B. Inflation Variability								7.9 (5.3)
C. Recent Annual Inflation								7.3 (13.4)
D. Freedom to Own Foreign Currency								10.0
4. Freedom to Exchange with Foreigners								6.2
A. Taxes on International Trade								6.5
(i) Taxes as Percentage of Exports and Imports								
(ii) Mean Tariff Rate								7.4 (12.9)
(iii) Variability of Tariff Rates								5.5 (11.3)
B. Regulatory Trade Barriers								4.8
(i) Hidden Import Barriers								3.2
(ii) Costs of Importing								6.5
C. Size of Trade Sector								5.9
D. Official versus Black Market Exchange Rate								10.0
E. Restrictions on Capital Markets								3.9
(i) Access to Foreign Capital								7.8
(ii) Restrictions on Foreign Capital Transactions								0.0
5. Regulation of Credit, Labor and Business								3.7
A. Regulation of Credit Markets								4.6
(i) Private Ownership of Banks								
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector								1.2
(iv) Avoidance of Negative Real Interest Rates								8.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								2.8
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								3.7
(iii) Collective Bargaining								4.8
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription								0.0
C. Regulation of Business								3.5
(i) Price Controls								
(ii) Administrative Obstacles for New Businesses								2.2
(iii) Time Spent with Government Bureaucracy								5.5
(iv) Ease of Starting a New Business								2.3
(v) Irregular Payments to Government Officials								4.1

Myanmar

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	4.5 (81)	4.2 (92)	3.2 (110)	3.8 (118)	3.6 (122)	3.6 (122)	3.1 (123)	2.8 (127)
1. Size of Government					3.5	3.5	3.5	3.5
A. Government Consumption								
B. Transfers and Subsidies								
C. Government Enterprises and Investment	0.0	0.0	0.0 (45.0)	2.0	2.0	2.0	2.0	2.0
D. Top Marginal Tax Rate					5.0	5.0	5.0	5.0
(i) Top Marginal Income Tax Rate					5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income and Payroll Tax Rate					5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure and Security of Property Rights	5.3	4.0	3.5	4.7	3.2	3.2	3.2	2.2
A. Judicial Independence								
B. Impartial Courts				4.1	3.8	3.8	3.8	2.7
C. Protection of Intellectual Property								
D. Military Interference				3.7	0.0	0.0	0.0	0.0
E. Integrity of Legal System				7.0	5.0	5.0	5.0	5.0
3. Access to Sound Money	6.8	7.2	3.9	4.8	5.4	4.2	1.7	2.6
A. Growth of Money Supply	8.9 (5.6)	9.5 (2.3)	6.0 (20.2)	5.6 (21.8)	6.9 (15.4)	6.2 (18.9)	6.2 (18.9)	6.2 (18.9)
B. Inflation Variability	8.6 (3.5)	9.6 (1.0)	3.2 (17.1)	7.6 (6.0)	4.6 (13.4)	4.6 (13.4)	0.4 (24.1)	1.4 (21.5)
C. Recent Annual Inflation	9.8 (1.2)	9.7 (1.6)	6.3 (18.5)	6.1 (19.4)	10.0 (-0.1)	5.8 (21.1)	0.0 (57.1)	2.7 (36.6)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	2.1	1.7	1.7	1.7	1.7	2.6	2.6	1.9
A. Taxes on International Trade	0.5	0.0	0.0	0.0	0.0	4.5	4.5	4.5
(i) Taxes as Percentage of Exports and Imports	0.5 (14.2)	0.0 (17.6)	0.0 (19.4)	0.0 (24.7)	0.0 (19.8)	0.0 (18.1)	0.0 (15.2)	0.0 (15.2)
(ii) Mean Tariff Rate						9.1 (4.7)	9.1 (4.7)	9.0 (4.8)
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Official versus Black Market Exchange Rate	0.0	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	0.0
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	3.9	3.8	3.6	3.8	4.0	4.5	4.3	4.0
A. Regulation of Credit Markets	0.5	0.2	0.5	1.1	1.7	3.4	2.8	2.3
(i) Private Ownership of Banks	0.0	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	1.4	0.6	1.5	3.2	3.2	3.3	3.5	2.0
(iv) Avoidance of Negative Real Interest Rates	0.0	0.0	0.0	0.0	2.0	7.0	5.0	5.0
(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	10.0
C. Regulation of Business								
(i) Price Controls			0.0	0.0	0.0	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

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►					5.1 (70)		6.3 (48)		6.3 (68)		6.5 (55)		6.4 (62)		6.8 (44)	
1. Size of Government	1.7		0.7		4.9		4.8		4.0		4.5		4.5		5.1	
A. Government Consumption	3.4	(28.4)	1.3	(35.6)	1.5	(34.9)	1.1	(36.3)	2.2	(32.4)	2.3	(32.3)	2.3	(32.3)	2.3	(32.3)
B. Transfers and Subsidies					9.3	(3.2)	9.2	(3.4)	8.6	(5.5)	8.6	(5.5)	8.6	(5.5)	9.2	(3.3)
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)	2.0	(44.6)	2.0	(44.6)	2.0	(44.6)
D. Top Marginal Tax Rate									5.0		5.0		5.0		7.0	
(i) Top Marginal Income Tax Rate									5.0	(36)	5.0	(36)	5.0	(36)	7.0	(35)
(ii) Top Marginal Income and Payroll Tax Rate									5.0	(36)	5.0	(36)	5.0	(36)	7.0	(35)
2. Legal Structure and Security of Property Rights					2.3		7.8		8.1		7.9		7.5		8.1	
A. Judicial Independence							7.2		7.2		7.0		6.3		7.2	
B. Impartial Courts							7.2		7.7		6.9		6.2		7.5	
C. Protection of Intellectual Property							6.5		5.8		5.6		4.8		5.8	
D. Military Interference							8.2		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money			4.0		5.4		6.0		6.1		6.1		6.3		6.5	
A. Growth of Money Supply							7.2	(14.0)	7.6	(12.2)	7.2	(13.9)	8.1	(9.3)	8.1	(9.3)
B. Inflation Variability			7.0	(7.6)	8.0	(5.0)	8.3	(4.2)	8.7	(3.3)	9.2	(1.9)	9.3	(1.7)	9.4	(1.5)
C. Recent Annual Inflation			5.0	(24.8)	8.3	(8.3)	8.6	(7.2)	8.2	(9.0)	8.1	(9.5)	7.7	(11.3)	8.6	(7.2)
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					6.7		6.4		6.4		6.7		6.6		6.6	
A. Taxes on International Trade	8.1		8.8		6.1		3.9		6.4		6.0		6.0		6.0	
(i) Taxes as Percentage of Exports and Imports					5.1	(7.3)	4.3	(8.6)	4.6	(8.1)	3.2	(10.3)	3.2	(10.3)	3.2	(10.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.8	(6.0)	7.8	(11.0)	6.1	(19.7)	8.6	(7.2)	8.7	(6.5)	8.7	(6.5)	8.7	(6.5)
(iii) Variability of Tariff Rates					5.5	(11.3)	1.2	(21.9)	6.0	(10.0)	6.0	(10.0)	6.0	(10.0)	6.0	(10.0)
B. Regulatory Trade Barriers											7.2		6.6		7.1	
(i) Hidden Import Barriers											6.4		5.5		6.5	
(ii) Costs of Importing											8.1		7.6		7.7	
C. Size of Trade Sector	10.0		9.4		7.9		8.1		7.6		8.4		6.7		6.0	
D. Official versus Black Market Exchange Rate			5.0		9.4		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets					2.0		2.0		0.0		0.0		3.7		4.0	
(i) Access to Foreign Capital													7.4		8.0	
(ii) Restrictions on Foreign Capital Transactions					2.0		2.0		0.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business					5.9		6.4		6.8		7.3		7.1		7.4	
A. Regulation of Credit Markets					7.7		8.6		9.6		9.7		9.7		9.6	
(i) Private Ownership of Banks									10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector					9.4		9.2		8.8		9.1		9.0		8.9	
(iv) Avoidance of Negative Real Interest Rates					6.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets											6.7		6.5		6.8	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing											3.4		3.2		4.0	
(iii) Collective Bargaining											6.7		6.3		6.3	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription					10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business											5.5		5.2		5.8	
(i) Price Controls					2.0		4.0		4.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											4.1		3.3		5.2	
(iii) Time Spent with Government Bureaucracy											5.3		5.0		5.3	
(iv) Ease of Starting a New Business											6.3		6.0		6.2	
(v) Irregular Payments to Government Officials											5.9		5.7		6.5	

Nepal

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.8 (35)		5.4 (55)		5.3 (62)		5.3 (84)		5.8 (86)		5.8 (88)		5.7 (93)		5.3 (112)	
1. Size of Government	6.8		5.3		5.5		5.3		5.3		5.2		5.1		5.2	
A. Government Consumption	9.5 (7.5)		8.6 (10.8)		9.0 (9.4)		8.7 (10.6)		8.6 (10.8)		8.3 (11.7)		8.2 (12.2)		8.4 (11.6)	
B. Transfers and Subsidies																
C. Government Enterprises and Investment	4.0 (37.3)		2.0 (45.8)		2.0 (43.2)		2.0		2.0		2.0		2.0		2.0	
D. Top Marginal Tax Rate																
(i) Top Marginal Income Tax Rate																
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights							4.4		4.8		4.8		4.8		2.5	
A. Judicial Independence																
B. Impartial Courts							4.6		4.4		4.4		4.4		4.1	
C. Protection of Intellectual Property																
D. Military Interference									5.6		5.6		5.6		1.7	
E. Integrity of Legal System																
3. Access to Sound Money	5.9		6.2		6.1		6.3		7.0		7.0		7.0		6.8	
A. Growth of Money Supply	7.1 (14.4)		7.8 (10.8)		6.9 (15.7)		8.1 (9.3)		9.2 (-4.0)		9.4 (-2.9)		9.4 (-2.9)		9.4 (-2.9)	
B. Inflation Variability	7.9 (5.4)		9.1 (2.2)		9.5 (1.3)		8.2 (4.6)		9.2 (2.1)		9.1 (2.3)		9.1 (2.3)		9.1 (2.3)	
C. Recent Annual Inflation	8.5 (7.6)		7.7 (11.4)		7.9 (10.7)		8.7 (6.3)		9.7 (1.5)		9.5 (2.7)		9.4 (3.0)		8.9 (5.7)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.2		4.8		4.4		5.1		6.2		6.2		6.0		5.7	
A. Taxes on International Trade	4.9		5.2		4.8		5.6		6.1		6.0		6.0		5.9	
(ii) Taxes as Percentage of Exports and Imports	4.3 (8.6)		4.9 (7.7)		4.1 (8.8)		6.4 (5.4)		6.6 (5.1)		6.2 (5.7)		5.9 (6.2)		5.6 (6.7)	
(ii) Mean Tariff Rate	5.6 (22.1)		5.5 (22.6)		5.5 (22.6)		6.8 (16.1)		7.1 (14.7)		7.1 (14.7)		7.4 (13.1)		7.4 (13.1)	
(iii) Variability of Tariff Rates							3.6 (15.9)		4.6 (13.4)		4.6 (13.4)		4.6 (13.4)		4.6 (13.4)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	3.0		2.8		2.2		5.5		5.0		4.8		3.9		3.6	
D. Official versus Black Market Exchange Rate	10.0		7.8		6.8		6.2		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		1.8		1.8		1.8		1.8	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		1.8		1.8		1.8		1.8	
5. Regulation of Credit, Labor and Business	5.2		5.2		5.4		5.3		5.6		5.9		5.9		6.0	
A. Regulation of Credit Markets	4.0		3.8		5.6		5.5		6.3		6.7		6.8		6.8	
(i) Private Ownership of Banks	0.0		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	6.0		5.5		6.7		8.5		8.8		8.2		8.5		8.5	
(iv) Avoidance of Negative Real Interest Rates	6.0		6.0		10.0		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		10.0		10.0	
C. Regulation of Business																
(i) Price Controls					2.0		2.0		2.0		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																

Netherlands

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.9 (11)		7.1 (8)		7.3 (9)		7.8 (8)		8.0 (9)		7.8 (10)		7.7 (10)		7.7 (13)	
1. Size of Government	3.8		3.8		4.9		4.8		4.5		4.6		4.6		4.6	
A. Government Consumption	5.2	(22.2)	5.6	(21.0)	5.9	(19.9)	6.1	(19.3)	2.5	(31.4)	2.4	(31.9)	2.1	(33.0)	1.8	(34.0)
B. Transfers and Subsidies	2.1	(29.4)	1.5	(31.6)	2.3	(28.7)	2.0	(29.7)	2.8	(27.0)	4.2	(21.9)	4.2	(21.9)	3.7	(23.5)
C. Government Enterprises and Investment	8.0	(14.8)	8.0	(14.7)	10.0	(12.7)	10.0	(13.8)	10.0		10.0		10.0		10.0	
D. Top Marginal Tax Rate	0.0		0.0		1.5		1.0		2.5		2.0		2.0		3.0	
(i) Top Marginal Income Tax Rate	0.0	(72)	0.0	(72)	3.0	(60)	2.0	(60)	3.0	(52)	2.0	(52)	2.0	(52)	3.0	(52)
(ii) Top Marginal Income and Payroll Tax Rate					0.0	(63)	0.0	(63)	2.0	(54)	2.0	(52)	2.0	(52)	3.0	(52)
2. Legal Structure and Security of Property Rights	7.5		8.3		8.3		9.1		9.6		9.1		9.1		9.1	
A. Judicial Independence							9.4		9.5		9.0		8.8		8.8	
B. Impartial Courts							8.7		9.5		8.2		8.3		8.3	
C. Protection of Intellectual Property							7.5		9.1		8.4		8.2		8.3	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	9.4		9.5		9.6		9.7		9.6		9.5		9.5		9.6	
A. Growth of Money Supply	9.2	(3.9)	9.0	(4.8)	9.2	(4.2)	9.3	(3.7)	9.3	(3.7)	9.3	(3.5)	9.3	(3.5)	9.2	(4.0)
B. Inflation Variability	9.3	(1.6)	9.3	(1.8)	9.6	(1.0)	9.9	(0.4)	9.6	(1.0)	9.4	(1.4)	9.5	(1.3)	9.6	(1.1)
C. Recent Annual Inflation	8.9	(5.5)	9.6	(1.8)	9.5	(2.3)	9.7	(1.6)	9.5	(2.5)	9.1	(4.5)	9.3	(3.5)	9.6	(2.1)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.3		8.5		8.1		8.6		9.0		8.8		8.6		8.6	
A. Taxes on International Trade	9.0		9.1		8.4		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.7	(0.4)	9.7	(0.4)	9.7	(0.5)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.9		9.5		8.8		8.8		8.8	
(i) Hidden Import Barriers							8.9		9.3		8.5		8.2		8.5	
(ii) Costs of Importing									9.8		9.2		9.5		9.2	
C. Size of Trade Sector	6.5		7.1		5.9		5.9		6.8		6.4		6.1		5.9	
D. Official versus Black Market Exchange Rate	10.0		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		9.6		9.5		9.5		9.1		9.3	
(i) Access to Foreign Capital							9.1		9.9		9.9		9.0		9.4	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		8.0		10.0		9.2		9.2		9.2		9.2	
5. Regulation of Credit, Labor and Business	5.6		5.3		5.5		6.9		7.6		6.8		6.7		6.8	
A. Regulation of Credit Markets	9.4		8.6		9.3		9.0		9.2		9.1		9.1		9.1	
(i) Private Ownership of Banks	10.0		8.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							8.2		8.2		8.2		8.0		8.0	
(iii) Extension of Credit to Private Sector	8.3		7.8		7.8		8.2		9.1		8.6		8.5		8.5	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.6		8.9		8.9		8.9		8.9	
B. Regulation of Labor Markets	3.0		2.6		2.8		4.1		5.2		5.2		5.0		5.1	
(i) Impact of Minimum Wage							4.5		4.5		4.5		4.5		4.5	
(ii) Flexibility in Hiring and Firing					3.4		3.4		2.6		3.0		2.7		3.2	
(iii) Collective Bargaining	5.2		4.5		4.5		4.5		4.4		4.0		4.2		4.0	
(iv) Incentives from Unemployment Benefits	2.7		2.4		2.5		5.1		4.5		4.5		3.5		4.1	
(v) Military Conscription	1.0		1.0		1.0		3.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							7.6		8.3		6.0		6.1		6.0	
(i) Price Controls					7.0		7.0		8.0		7.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.7		2.9		2.8		3.3	
(iii) Time Spent with Government Bureaucracy							7.4		9.1		5.5		6.3		6.0	
(iv) Ease of Starting a New Business							7.5		7.6		6.1		6.7		6.2	
(v) Irregular Payments to Government Officials							8.5		8.9		8.5		8.6		8.7	

New Zealand

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.2 (21)		6.1 (28)		7.1 (15)		8.6 (3)		8.4 (4)		8.2 (4)		8.2 (3)		8.2 (3)	
1. Size of Government	3.8		3.5		5.5		7.5		6.7		6.7		6.7		6.8	
A. Government Consumption	5.1	(22.6)	5.6	(20.9)	5.5	(21.2)	6.2	(18.9)	4.8	(23.6)	4.9	(23.3)	4.8	(23.6)	5.0	(23.0)
B. Transfers and Subsidies	4.2	(21.9)	4.5	(20.6)	2.6	(27.5)	6.6	(12.8)	6.9	(11.9)	7.1	(11.2)	7.1	(11.2)	7.3	(10.4)
C. Government Enterprises and Investment	4.0	(30.8)	4.0	(31.4)	7.0	(25.3)	10.0	(12.0)	10.0		10.0	(13.3)	10.0	(13.3)	10.0	(13.3)
D. Top Marginal Tax Rate	2.0		0.0		7.0		7.0		5.0		5.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	2.0	(62)	0.0	(66)	7.0	(33)	7.0	(33)	5.0	(39)	5.0	(39)	5.0	(39)	5.0	(39)
(ii) Top Marginal Income and Payroll Tax Rate					7.0	(33)	7.0	(33)	5.0	(40)	5.0	(40)	5.0	(39)	5.0	(39)
2. Legal Structure and Security of Property Rights	8.0		7.9		8.3		9.2		9.1		8.9		9.0		8.9	
A. Judicial Independence							9.5		9.2		9.1		8.8		8.3	
B. Impartial Courts							9.1		9.2		8.3		8.3		8.2	
C. Protection of Intellectual Property							7.3		7.2		7.2		7.7		8.2	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	6.3		6.0		7.3		9.7		9.6		9.4		9.4		9.5	
A. Growth of Money Supply	8.9	(5.6)	8.3	(8.5)	1.8	(40.9)	9.6	(2.1)	9.2	(4.1)	8.9	(5.3)	8.9	(5.6)	9.2	(4.0)
B. Inflation Variability	9.2	(2.0)	8.7	(3.3)	7.8	(5.4)	9.9	(0.3)	9.5	(1.1)	9.3	(1.7)	9.2	(2.1)	9.2	(2.1)
C. Recent Annual Inflation	6.9	(15.4)	7.2	(14.2)	9.5	(2.7)	9.5	(2.3)	9.5	(2.6)	9.5	(2.6)	9.5	(2.7)	9.7	(1.8)
D. Freedom to Own Foreign Currency	0.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.4		7.2		7.9		8.1		8.5		8.4		8.4		8.2	
A. Taxes on International Trade	7.9		7.7		6.6		7.7		9.0		8.8		8.8		8.7	
(i) Taxes as Percentage of Exports and Imports	8.3	(2.5)	8.7	(2.0)	8.9	(1.7)	9.1	(1.4)	9.5	(0.8)	8.9	(1.7)	8.9	(1.6)	8.8	(1.9)
(ii) Mean Tariff Rate	7.4	(13.0)	6.8	(16.0)	7.1	(14.5)	8.3	(8.5)	9.3	(3.4)	9.3	(3.4)	9.1	(4.3)	9.1	(4.3)
(iii) Variability of Tariff Rates					3.7	(15.7)	5.8	(10.4)	8.2	(4.4)	8.2	(4.4)	8.2	(4.4)	8.2	(4.4)
B. Regulatory Trade Barriers							8.5		9.4		9.1		9.2		9.2	
(i) Hidden Import Barriers							8.5		9.1		8.5		8.8		8.7	
(ii) Costs of Importing									9.7		9.6		9.6		9.7	
C. Size of Trade Sector	6.1		5.9		4.7		4.6		5.5		5.1		4.8		4.1	
D. Official versus Black Market Exchange Rate	10.0		9.2		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		10.0		9.6		8.9		8.9		9.1		9.1	
(i) Access to Foreign Capital							9.2		9.3		9.3		9.8		9.8	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		10.0		10.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	5.7		5.8		6.6		8.8		7.9		7.6		7.6		7.6	
A. Regulation of Credit Markets	6.2		6.6		9.6		9.4		9.3		9.3		9.7		9.7	
(i) Private Ownership of Banks	5.0		5.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							9.1		7.9		7.9		10.0		10.0	
(iii) Extension of Credit to Private Sector	7.5		6.9		8.8		9.6		9.5		9.6		9.5		9.5	
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.2		9.1		9.1		9.1		9.1	
B. Regulation of Labor Markets	6.6		6.5		6.8		7.5		5.9		6.1		5.9		5.7	
(i) Impact of Minimum Wage							6.5		3.6		3.6		3.6		3.6	
(ii) Flexibility in Hiring and Firing					7.6		7.6		3.1		4.0		4.0		3.5	
(iii) Collective Bargaining	5.2		5.2		5.2		7.9		8.1		8.0		8.0		8.0	
(iv) Incentives from Unemployment Benefits	4.6		4.3		4.3		5.3		4.8		4.8		3.8		3.6	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							9.4		8.5		7.4		7.3		7.5	
(i) Price Controls					9.0		10.0		10.0		10.0		10.0		10.0	
(ii) Administrative Obstacles for New Businesses									7.5		3.6		2.8		3.3	
(iii) Time Spent with Government Bureaucracy							9.3		7.8		6.8		6.8		6.5	
(iv) Ease of Starting a New Business							8.5		7.9		7.5		7.3		8.0	
(v) Irregular Payments to Government Officials							9.9		9.2		9.3		9.4		9.5	

Nicaragua

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.1 (91)		2.3 (111)		3.2 (110)		5.7 (72)		6.5 (56)		6.3 (67)		6.3 (69)		6.3 (70)	
1. Size of Government	5.0		3.4		3.4		5.6		6.3		5.8		5.9		6.1	
A. Government Consumption	6.1	(19.3)	0.0	(42.6)	0.0	(42.6)	8.0	(12.7)	6.7	(17.1)	6.5	(18.0)	7.2	(15.4)	6.8	(16.8)
B. Transfers and Subsidies	9.0	(4.1)	8.4	(6.2)	8.3	(6.8)	8.5	(6.0)	8.5	(5.9)	8.5	(5.9)	8.5	(5.9)	9.5	(2.2)
C. Government Enterprises and Investment	0.0	(71.9)	0.0		2.0	(45.3)	0.0	(55.9)	4.0	(32.1)	2.0	(48.3)	2.0	(48.3)	2.0	(48.3)
D. Top Marginal Tax Rate	5.0		5.0				6.0		6.0		6.0		6.0		6.0	
(i) Top Marginal Income Tax Rate	5.0	(50)	5.0	(50)			8.0	(30)	8.0	(30)	8.0	(30)	8.0	(30)	8.0	(30)
(ii) Top Marginal Income and Payroll Tax Rate							4.0	(41)	4.0	(44)	4.0	(44)	4.0	(44)	4.0	(44)
2. Legal Structure and Security of Property Rights	2.6		2.6		4.0		4.5		4.1		3.2		3.1		2.9	
A. Judicial Independence											1.5		1.0		0.7	
B. Impartial Courts							4.3		4.2		2.2		1.8		1.5	
C. Protection of Intellectual Property									2.1		2.3		2.8		2.3	
D. Military Interference							5.4		3.3		3.3		3.3		3.3	
E. Integrity of Legal System							4.1		6.7		6.7		6.7		6.7	
3. Access to Sound Money	5.5		0.0		0.0		5.2		8.7		8.7		9.0		9.0	
A. Growth of Money Supply	4.7	(26.7)	0.0	(69.6)	0.0	(2072.1)	7.8	(11.2)	7.6	(12.1)	7.3	(13.3)	8.2	(9.0)	8.1	(9.3)
B. Inflation Variability	4.6	(13.6)	0.0	(60.1)	0.0	(4792.5)	0.0	(1852.1)	9.4	(1.4)	9.1	(2.2)	8.7	(3.3)	8.9	(2.8)
C. Recent Annual Inflation	2.7	(36.6)	0.0	(168.1)	0.0	(5012.7)	8.0	(9.8)	7.7	(11.5)	8.5	(7.4)	9.2	(4.0)	9.0	(5.2)
D. Freedom to Own Foreign Currency	10.0		0.0		0.0		5.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	3.1		2.3		5.5		7.1		7.1		7.4		7.3		7.4	
A. Taxes on International Trade	2.1		2.5		6.1		7.9		8.8		8.5		8.6		8.6	
(i) Taxes as Percentage of Exports and Imports	4.2	(8.7)	5.1	(7.4)	7.1	(4.3)	6.1	(5.9)	8.8	(1.8)	8.7	(1.9)	9.0	(1.6)	9.1	(1.3)
(ii) Mean Tariff Rate	0.0	(54.0)	0.0	(54.0)	5.0	(24.8)	7.9	(10.7)	9.4	(3.2)	9.2	(3.8)	9.1	(4.4)	9.1	(4.4)
(iii) Variability of Tariff Rates							9.7	(25.7)	8.1	(4.7)	7.6	(5.9)	7.6	(5.9)	7.6	(5.9)
B. Regulatory Trade Barriers									3.8		5.7		5.9		5.9	
(i) Hidden Import Barriers									3.8		3.2		4.0		4.7	
(ii) Costs of Importing											8.2		7.9		7.2	
C. Size of Trade Sector	5.3		0.8		5.0		6.1		4.8		4.6		4.5		4.7	
D. Official versus Black Market Exchange Rate	0.0		0.0		8.0		8.4		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		5.0		8.0		8.0		7.7		7.9	
(i) Access to Foreign Capital									8.3		8.3		7.8		8.2	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		5.0		7.7		7.7		7.7		7.7	
5. Regulation of Credit, Labor and Business			3.2		2.9		6.2		6.1		6.2		6.0		6.0	
A. Regulation of Credit Markets	0.0		2.2		1.8		8.0		7.0		7.4		7.2		7.2	
(i) Private Ownership of Banks											8.0		8.0		8.0	
(ii) Competition from Foreign Banks									5.5		5.5		5.5		5.5	
(iii) Extension of Credit to Private Sector			4.4		3.5		10.0		9.0		8.9		8.2		8.0	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		0.0		6.0		8.0		9.0		9.0		9.0	
(v) Controls on Interest Rates									5.5		5.5		5.5		5.5	
B. Regulation of Labor Markets									6.6		6.4		6.4		6.5	
(i) Impact of Minimum Wage									3.6		3.6		3.6		3.6	
(ii) Flexibility in Hiring and Firing									6.1		5.9		3.8		5.0	
(iii) Collective Bargaining									6.7		6.0		8.2		7.3	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	5.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									4.8		4.9		4.2		4.5	
(i) Price Controls					0.0		4.0		4.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									6.0		2.4		2.2		2.5	
(iii) Time Spent with Government Bureaucracy									5.2		7.0		5.0		5.3	
(iv) Ease of Starting a New Business									4.1		4.0		3.3		3.3	
(v) Irregular Payments to Government Officials									4.4		5.3		4.6		5.3	

Niger

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.4 (51)		5.4 (55)		5.1 (70)		4.9 (93)		5.8 (86)		5.6 (98)		5.4 (106)		5.3 (112)
1. Size of Government	7.2		6.3		3.8		5.8		5.9		5.5		5.5		5.2
A. Government Consumption	8.2 (12.1)		8.6 (10.9)		7.6 (14.1)		7.6 (14.1)		7.8 (13.4)		6.9 (16.5)		6.9 (16.4)		6.4 (18.2)
B. Transfers and Subsidies	9.5 (2.5)														
C. Government Enterprises and Investment	4.0 (33.5)		4.0 (29.4)		0.0 (76.5)		4.0		4.0		4.0		4.0		4.0
D. Top Marginal Tax Rate															
(i) Top Marginal Income Tax Rate															
(ii) Top Marginal Income and Payroll Tax Rate															
2. Legal Structure and Security of Property Rights	4.7		4.8		5.3		3.0		4.4		4.4		4.0		3.7
A. Judicial Independence															
B. Impartial Courts							3.5		3.5		3.5		3.5		3.9
C. Protection of Intellectual Property															
D. Military Interference							4.3		6.7		6.7		5.0		5.0
E. Integrity of Legal System							0.0		3.3		3.3		3.3		3.3
3. Access to Sound Money	4.7		6.4		7.1		5.7		8.3		7.0		6.9		6.8
A. Growth of Money Supply	5.0 (25.0)		9.3 (3.3)		9.9 (-0.6)		9.3 (3.6)		9.0 (-4.8)		9.1 (4.3)		8.6 (6.8)		8.6 (6.8)
B. Inflation Variability	7.9 (5.4)		7.4 (6.6)		8.9 (2.9)		4.6 (13.4)		9.5 (1.1)		9.6 (1.0)		9.6 (1.0)		8.9 (2.9)
C. Recent Annual Inflation	5.8 (20.8)		8.8 (-5.9)		9.7 (-1.6)		8.9 (5.4)		9.4 (2.9)		9.2 (4.0)		9.5 (2.6)		9.7 (-1.6)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		0.0		0.0		0.0
4. Freedom to Exchange with Foreigners	5.9		5.6		4.9		5.0		6.0		5.9		5.8		5.6
A. Taxes on International Trade	4.4		3.7		3.5		2.8		7.6		7.2		7.2		7.2
(i) Taxes as Percentage of Exports and Imports	4.4 (8.4)		3.7 (9.5)		3.5 (9.8)		2.8 (10.8)								
(ii) Mean Tariff Rate									7.6 (12.0)		7.1 (14.6)		7.1 (14.5)		7.1 (14.5)
(iii) Variability of Tariff Rates											7.3 (6.7)		7.3 (6.7)		7.3 (6.7)
B. Regulatory Trade Barriers															
(i) Hidden Import Barriers															
(ii) Costs of Importing															
C. Size of Trade Sector	7.5		6.1		3.7		4.2		4.2		3.9		3.7		3.7
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
(i) Access to Foreign Capital															
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	4.6		4.2		4.3		4.8		4.6		5.1		5.0		5.0
A. Regulation of Credit Markets	4.3		5.1		6.1		6.2		5.7		7.4		6.9		7.0
(i) Private Ownership of Banks	2.0		2.0		2.0		5.0		5.0		5.0		8.0		8.0
(ii) Competition from Foreign Banks															
(iii) Extension of Credit to Private Sector	8.9		8.2		8.4		7.7		8.0		8.6		8.8		9.1
(iv) Avoidance of Negative Real Interest Rates	2.0				8.0		6.0		4.0		8.6		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		0.0		0.0		0.0		0.0		0.0		0.0
C. Regulation of Business															
(i) Price Controls					0.0		4.0		4.0		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															

Nigeria

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	3.9 (95)		4.5 (89)		3.9 (103)		4.0 (116)		5.3 (105)		5.5 (101)		5.7 (93)		5.9 (88)	
1. Size of Government	2.2		5.0		2.5		4.9		5.5		6.2		6.3		6.3	
A. Government Consumption	6.6	(17.6)	7.2	(15.5)	5.5	(21.4)	7.8	(13.6)	7.6	(14.3)	9.6	(7.5)	10.0	(5.6)	10.0	(5.4)
B. Transfers and Subsidies			9.8	(1.3)												
C. Government Enterprises and Investment	0.0	(50.9)	0.0	(49.8)	0.0	(88.1)	0.0		0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate	0.0		3.0		2.0		7.0		9.0		9.0		9.0		9.0	
(i) Top Marginal Income Tax Rate	0.0	(70)	3.0	(55)	2.0	(55)	7.0	(35)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income and Payroll Tax Rate									9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
2. Legal Structure and Security of Property Rights	3.1		2.5		2.9		4.5		3.7		3.1		3.4		3.4	
A. Judicial Independence											3.4		4.2		3.7	
B. Impartial Courts							3.6		3.6		3.3		3.5		3.5	
C. Protection of Intellectual Property									2.5		2.3		2.7		3.3	
D. Military Interference							3.5		3.3		3.3		3.3		3.3	
E. Integrity of Legal System							7.0		5.0		3.3		3.3		3.3	
3. Access to Sound Money	5.5		6.3		4.1		1.3		5.3		5.8		5.9		6.6	
A. Growth of Money Supply	4.9	(25.5)	8.6	(7.1)	6.0	(20.1)	4.0	(30.0)	5.9	(20.4)	5.6	(22.1)	5.7	(21.7)	5.7	(21.7)
B. Inflation Variability	9.4	(1.4)	7.4	(6.5)	1.9	(20.2)	1.1	(22.4)	3.1	(17.3)	5.3	(11.7)	5.5	(11.2)	8.4	(4.0)
C. Recent Annual Inflation	7.5	(12.4)	9.3	(3.7)	8.6	(7.2)	0.0	(55.8)	7.1	(14.5)	7.4	(13.0)	7.4	(12.9)	7.2	(14.0)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	3.9		3.4		5.4		4.6		5.9		6.6		6.9		6.9	
A. Taxes on International Trade	3.9		4.6		3.5		4.7		3.8		4.9		4.2		4.2	
(i) Taxes as Percentage of Exports and Imports	4.3	(8.5)	6.6	(5.1)	7.3	(4.0)										
(ii) Mean Tariff Rate	3.5	(32.6)	2.6	(37.0)	3.1	(34.3)	5.6	(21.8)			6.0	(20.0)	4.7	(26.7)	4.7	(26.7)
(iii) Variability of Tariff Rates					0.0	(30.8)	3.7	(15.7)	3.8	(15.6)	3.8	(15.6)	3.8	(15.6)	3.8	(15.6)
B. Regulatory Trade Barriers									3.2		5.3		4.5		4.9	
(i) Hidden Import Barriers									3.2		3.4		3.2		4.2	
(ii) Costs of Importing											7.1		5.9		5.7	
C. Size of Trade Sector	7.6		4.1		10.0		10.0		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	0.0		0.0		5.4		0.0		5.7		5.7		8.6		8.6	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		7.0		7.0		7.3		6.8	
(i) Access to Foreign Capital									8.7		8.7		9.2		8.2	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		5.4		5.4		5.4		5.4	
5. Regulation of Credit, Labor and Business	4.8		5.2		4.6		4.9		6.1		6.0		6.1		6.4	
A. Regulation of Credit Markets	2.0		3.0		3.6		4.6		5.9		7.3		7.5		7.8	
(i) Private Ownership of Banks	2.0		2.0		2.0		5.0		5.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks									7.6		7.6		7.6		7.6	
(iii) Extension of Credit to Private Sector					8.7		8.7		6.6		8.0		6.6		7.5	
(iv) Avoidance of Negative Real Interest Rates	2.0		4.0		0.0		0.0		4.0		10.0		9.0		10.0	
(v) Controls on Interest Rates									6.2		6.2		6.2		6.2	
B. Regulation of Labor Markets									7.2		7.1		7.0		7.0	
(i) Impact of Minimum Wage									4.8		4.8		4.8		4.8	
(ii) Flexibility in Hiring and Firing									7.2		6.8		6.8		6.5	
(iii) Collective Bargaining									6.9		6.9		6.5		6.8	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									5.2		3.5		3.7		4.4	
(i) Price Controls					0.0		0.0		4.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.8		1.5		2.2		3.5	
(iii) Time Spent with Government Bureaucracy									6.0		3.0		3.5		5.0	
(iv) Ease of Starting a New Business									5.1		4.2		3.8		3.8	
(v) Irregular Payments to Government Officials									3.0		2.9		3.2		3.7	

Norway

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.7 (41)		6.1 (28)		6.7 (20)		7.5 (13)		7.2 (28)		7.1 (30)		7.0 (33)		7.3 (24)
1. Size of Government	2.9		3.2		2.9		3.7		3.7		4.7		4.6		4.5
A. Government Consumption	3.4 (28.6)		3.7 (27.5)		3.1 (29.6)		3.0 (29.8)		2.8 (30.6)		2.5 (31.6)		2.2 (32.7)		2.0 (33.1)
B. Transfers and Subsidies	4.1 (22.1)		4.3 (21.4)		2.7 (27.3)		4.2 (21.8)		4.5 (20.7)		4.8 (19.7)		4.8 (19.7)		4.3 (21.4)
C. Government Enterprises and Investment	4.0 (35.9)		4.0 (34.2)		4.0 (37.4)		4.0 (43.1)		4.0		8.0 (16.2)		8.0 (16.2)		8.0 (16.2)
D. Top Marginal Tax Rate	0.0		1.0		2.0		3.5		3.5		3.5		3.5		3.5
(i) Top Marginal Income Tax Rate	0.0 (75)		1.0 (64)		3.0 (51)		5.0 (42)		5.0 (48)		5.0 (48)		5.0 (48)		5.0 (48)
(ii) Top Marginal Income and Payroll Tax Rate					1.0 (64)		2.0 (56)		2.0 (64)		2.0 (65)		2.0 (65)		2.0 (65)
2. Legal Structure and Security of Property Rights	7.0		8.1		8.3		9.2		8.8		8.3		8.3		9.2
A. Judicial Independence							9.5		8.4		7.9		7.7		9.0
B. Impartial Courts							8.9		8.7		7.2		7.2		8.8
C. Protection of Intellectual Property							7.6		7.2		6.6		6.7		8.3
D. Military Interference							10.0		10.0		10.0		10.0		10.0
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0
3. Access to Sound Money	6.5		6.3		8.7		9.5		9.0		8.9		9.0		9.0
A. Growth of Money Supply	9.7 (1.5)		7.5 (12.7)		6.6 (16.8)		9.1 (4.7)		9.1 (4.5)		8.7 (6.7)		9.0 (4.8)		9.0 (5.1)
B. Inflation Variability	8.9 (2.6)		8.9 (2.8)		8.9 (2.7)		9.4 (1.4)		7.5 (6.4)		7.4 (6.4)		7.1 (7.1)		7.3 (6.6)
C. Recent Annual Inflation	7.4 (13.1)		9.0 (5.2)		9.2 (3.9)		9.4 (3.1)		9.4 (3.1)		9.4 (3.0)		9.7 (1.3)		9.5 (2.5)
D. Freedom to Own Foreign Currency	0.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	6.9		7.6		7.9		8.0		7.6		7.5		7.0		7.4
A. Taxes on International Trade	9.3		9.3		8.6		8.1		7.5		7.9		8.0		8.1
(i) Taxes as Percentage of Exports and Imports	9.8 (0.3)		9.8 (0.3)		9.8 (0.3)		9.7 (0.4)		9.8 (0.3)		9.9 (0.2)		9.9 (0.2)		9.9 (0.2)
(ii) Mean Tariff Rate	8.8 (6.2)		8.9 (5.7)		8.9 (5.7)		8.8 (5.9)		9.4 (2.9)		9.3 (3.3)		9.8 (0.8)		9.9 (0.5)
(iii) Variability of Tariff Rates					7.2 (6.9)		5.7 (10.7)		3.4 (16.6)		4.4 (14.0)		4.4 (14.0)		4.4 (14.0)
B. Regulatory Trade Barriers							9.2		8.3		7.9		7.1		8.6
(i) Hidden Import Barriers							9.2		7.8		7.2		6.2		8.0
(ii) Costs of Importing									8.8		8.7		8.1		9.2
C. Size of Trade Sector	5.8		5.3		4.7		4.1		4.3		4.0		3.5		3.4
D. Official versus Black Market Exchange Rate	9.4		10.0		10.0		10.0		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	2.0		5.0		8.0		8.6		7.8		7.8		6.5		7.2
(i) Access to Foreign Capital							9.3		8.8		8.8		7.6		8.2
(ii) Restrictions on Foreign Capital Transactions	2.0		5.0		8.0		8.0		6.9		6.9		5.4		6.2
5. Regulation of Credit, Labor and Business	5.2		5.5		5.5		6.9		6.7		6.3		6.3		6.4
A. Regulation of Credit Markets	7.2		8.8		8.5		8.6		8.5		8.6		9.0		9.0
(i) Private Ownership of Banks	10.0		10.0		8.0		8.0		10.0		10.0		10.0		10.0
(ii) Competition from Foreign Banks							8.3		6.2		6.2		8.0		8.0
(iii) Extension of Credit to Private Sector	5.6		6.4		7.5		8.1		9.4		9.7		9.8		9.8
(iv) Avoidance of Negative Real Interest Rates	6.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
(v) Controls on Interest Rates							8.6		7.1		7.1		7.1		7.1
B. Regulation of Labor Markets	3.5		3.2		3.6		4.3		3.8		4.0		3.6		3.7
(i) Impact of Minimum Wage							4.5		5.0		5.0		5.0		5.0
(ii) Flexibility in Hiring and Firing					4.9		4.9		2.1		3.0		2.2		2.7
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		4.0		4.1		3.5		4.0
(iv) Incentives from Unemployment Benefits	4.4		3.5		3.5		4.2		4.8		4.8		4.3		3.8
(v) Military Conscription	1.0		1.0		1.0		3.0		3.0		3.0		3.0		3.0
C. Regulation of Business							7.8		7.7		6.2		6.3		6.6
(i) Price Controls					6.0		7.0		8.0		6.0		7.0		6.0
(ii) Administrative Obstacles for New Businesses									6.1		2.8		3.3		4.2
(iii) Time Spent with Government Bureaucracy							8.1		8.7		7.3		7.0		7.5
(iv) Ease of Starting a New Business							7.2		6.8		6.4		6.0		6.3
(v) Irregular Payments to Government Officials							9.0		8.7		8.7		8.3		9.1

Oman

[illegible]

Pakistan

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	4.6 (78)	5.1 (66)	5.0 (75)	5.6 (75)	5.4 (102)	5.5 (101)	5.7 (93)	5.6 (98)
1. Size of Government	5.0	4.7	4.6	5.3	6.7	7.3	7.2	7.3
A. Government Consumption	8.6 (10.8)	8.0 (12.9)	6.6 (17.5)	7.7 (13.8)	7.9 (13.1)	8.2 (12.1)	7.9 (13.2)	8.5 (11.0)
B. Transfers and Subsidies	9.5 (2.2)	9.9 (0.7)	8.9 (4.4)	9.7 (1.8)	9.8 (1.1)	9.9 (0.9)	9.9 (0.9)	9.7 (1.4)
C. Government Enterprises and Investment	0.0 (65.3)	0.0 (53.9)	0.0 (49.4)	0.0 (46.8)	2.0 (33.8)	4.0 (35.3)	4.0 (35.3)	4.0 (35.3)
D. Top Marginal Tax Rate	2.0	1.0	3.0	4.0	7.0	7.0	7.0	7.0
(i) Top Marginal Income Tax Rate	2.0 (55)	1.0 (60)	3.0 (50)	4.0 (45)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top Marginal Income and Payroll Tax Rate			3.0 (50)	4.0 (45)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
2. Legal Structure and Security of Property Rights	2.5	3.5	2.7	4.9	4.6	3.4	2.7	2.3
A. Judicial Independence							3.0	2.3
B. Impartial Courts				4.2	4.3	4.3	2.8	2.2
C. Protection of Intellectual Property							2.5	2.0
D. Military Interference				4.6	5.3	0.0	0.0	0.0
E. Integrity of Legal System				7.0	5.0	5.0	5.0	5.0
3. Access to Sound Money	6.1	6.7	7.7	7.6	6.5	6.8	6.8	6.8
A. Growth of Money Supply	6.7 (16.4)	8.7 (6.6)	8.1 (9.4)	9.0 (5.2)	8.5 (7.3)	9.3 (3.7)	8.8 (5.9)	8.3 (8.6)
B. Inflation Variability	9.3 (1.7)	9.1 (2.3)	9.0 (2.4)	9.2 (2.0)	8.4 (3.9)	8.4 (3.9)	9.2 (2.0)	9.4 (1.4)
C. Recent Annual Inflation	8.2 (9.1)	9.1 (4.5)	8.7 (6.5)	7.2 (13.8)	9.1 (4.4)	9.4 (3.1)	9.3 (3.3)	9.4 (2.9)
D. Freedom to Own Foreign Currency	0.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners	4.1	4.9	4.5	5.1	4.2	4.7	5.9	5.8
A. Taxes on International Trade	0.0	0.1	0.0	1.3	2.8	4.9	5.5	5.3
(i) Taxes as Percentage of Exports and Imports	0.0 (15.3)	0.2 (14.7)	0.0 (15.2)	2.6 (11.1)	6.3 (5.6)	6.6 (5.1)	7.5 (3.7)	7.1 (4.3)
(ii) Mean Tariff Rate	0.0 (77.6)	0.0 (78.0)	0.0 (58.8)	0.0 (61.1)	0.7 (46.6)	5.9 (20.6)	6.6 (16.9)	6.6 (16.9)
(iii) Variability of Tariff Rates			0.0 (34.0)	1.2 (21.9)	1.5 (21.2)	2.3 (19.2)	2.3 (19.2)	2.3 (19.2)
B. Regulatory Trade Barriers							6.9	6.3
(i) Hidden Import Barriers							6.0	4.7
(ii) Costs of Importing							7.9	8.0
C. Size of Trade Sector	5.7	4.8	5.3	4.5	3.9	4.4	4.0	4.7
D. Official versus Black Market Exchange Rate	4.6	9.2	7.2	9.4	5.0	5.0	8.3	8.3
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	0.8	0.8	4.6	4.5
(i) Access to Foreign Capital							8.4	8.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	0.8	0.8	0.8	0.8
5. Regulation of Credit, Labor and Business	5.4	5.7	5.4	5.1	5.2	5.6	6.0	5.8
A. Regulation of Credit Markets	4.3	5.3	4.4	4.1	4.4	5.6	7.1	7.1
(i) Private Ownership of Banks	0.0	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	6.9	7.9	7.2	6.4	7.1	7.4	6.2	6.4
(iv) Avoidance of Negative Real Interest Rates	6.0	8.0	6.0	6.0	6.0	7.4	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets							7.1	6.6
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing							4.2	4.7
(iii) Collective Bargaining							7.2	5.0
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							3.9	3.8
(i) Price Controls				4.0	4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							2.2	2.0
(iii) Time Spent with Government Bureaucracy							4.3	6.0
(iv) Ease of Starting a New Business							4.0	4.0
(v) Irregular Payments to Government Officials							4.9	2.8

Panama

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.0 (25)		6.6 (18)		6.6 (26)		7.4 (17)		7.2 (28)		7.2 (23)		7.2 (25)		7.3 (24)	
1. Size of Government	4.8		5.0		5.6		7.4		7.3		8.1		8.1		8.2	
A. Government Consumption	3.5	(28.2)	4.2	(25.8)	4.7	(24.2)	5.1	(22.5)	5.3	(22.1)	6.3	(18.4)	6.3	(18.7)	6.1	(19.2)
B. Transfers and Subsidies	8.8	(4.9)	8.8	(4.8)	8.1	(7.4)	8.3	(6.7)	8.3	(6.6)	8.6	(5.8)	8.6	(5.8)	8.6	(5.8)
C. Government Enterprises and Investment	4.0	(39.9)	4.0	(31.4)	7.0	(22.1)	8.0	(16.1)	8.0	(17.1)	10.0	(11.9)	10.0	(11.9)	10.0	(11.9)
D. Top Marginal Tax Rate	3.0		3.0		2.5		8.0		7.5		7.5		7.5		8.0	
(i) Top Marginal Income Tax Rate	3.0	(56)	3.0	(56)	3.0	(56)	9.0	(30)	8.0	(31)	8.0	(31)	8.0	(31)	9.0	(30)
(ii) Top Marginal Income and Payroll Tax Rate					2.0	(64)	7.0	(38)	7.0	(38)	7.0	(38)	7.0	(38)	7.0	(36)
2. Legal Structure and Security of Property Rights	3.2		3.5		3.7		5.6		5.2		4.7		4.6		4.5	
A. Judicial Independence											2.5		2.0		1.8	
B. Impartial Courts							4.9		5.4		3.2		2.7		2.7	
C. Protection of Intellectual Property									4.1		4.3		4.8		4.8	
D. Military Interference							6.7		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	6.7		9.7		9.8		9.5		9.6		9.7		9.8		9.8	
A. Growth of Money Supply	8.0	(10.0)	9.9	(0.6)	10.0	(-0.3)	8.8	(5.9)	9.3	(3.4)	9.5	(2.7)	9.8	(1.0)	9.5	(2.5)
B. Inflation Variability	5.6	(11.0)	9.0	(2.4)	9.5	(1.2)	9.3	(1.9)	9.4	(1.4)	9.5	(1.3)	9.5	(1.3)	9.8	(0.5)
C. Recent Annual Inflation	3.3	(33.7)	9.8	(0.8)	9.9	(0.6)	9.9	(0.5)	9.7	(1.5)	9.9	(0.3)	9.8	(1.0)	9.7	(1.4)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.2		7.6		7.2		8.0		7.1		7.6		7.3		7.4	
A. Taxes on International Trade	7.9		7.3		5.4		7.3		7.5		8.1		8.1		8.1	
(i) Taxes as Percentage of Exports and Imports	7.9	(3.1)	7.3	(4.1)	8.8	(1.8)	9.1	(1.4)	7.3	(4.0)	8.9	(1.6)	8.9	(1.6)	8.9	(1.6)
(ii) Mean Tariff Rate					2.0	(40.0)	5.6	(22.0)	8.1	(9.5)	8.4	(8.1)	8.4	(8.1)	8.4	(8.1)
(iii) Variability of Tariff Rates									7.0	(7.4)	7.1	(7.2)	7.1	(7.2)	7.1	(7.2)
B. Regulatory Trade Barriers									5.0		6.9		6.6		6.8	
(i) Hidden Import Barriers									5.0		5.4		5.2		5.2	
(ii) Costs of Importing											8.5		8.0		8.5	
C. Size of Trade Sector	7.1		4.7		4.7		4.6		4.1		3.7		2.4		2.4	
D. Official versus Black Market Exchange Rate	10.0		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		9.1		9.1		9.2		9.5	
(i) Access to Foreign Capital									8.2		8.2		8.4		9.0	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		8.0		10.0		10.0		10.0		10.0		10.0	
5. Regulation of Credit, Labor and Business	7.0		6.9		6.4		6.7		6.5		6.2		6.3		6.4	
A. Regulation of Credit Markets	8.5		8.3		9.1		9.3		8.4		8.4		8.7		8.7	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks									7.1		7.1		9.0		9.0	
(iii) Extension of Credit to Private Sector	8.9		8.7		9.3		9.9		9.9		9.9		9.8		9.7	
(iv) Avoidance of Negative Real Interest Rates					10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates									6.9		6.9		6.9		6.9	
B. Regulation of Labor Markets									5.9		5.6		5.4		5.9	
(i) Impact of Minimum Wage									3.8		3.8		3.8		3.8	
(ii) Flexibility in Hiring and Firing									4.2		2.5		2.2		3.0	
(iii) Collective Bargaining									5.9		6.0		5.8		6.8	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									5.1		4.5		4.6		4.6	
(i) Price Controls					2.0		4.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									6.9		2.5		2.3		2.5	
(iii) Time Spent with Government Bureaucracy									3.9		6.0		7.3		6.0	
(iv) Ease of Starting a New Business									5.5		4.9		4.8		4.5	
(v) Irregular Payments to Government Officials									5.3		5.3		4.7		6.1	

Papua New Guinea

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►		6.3 (22)	6.3 (32)	6.1 (60)	5.9 (80)	5.9 (84)	5.8 (89)	5.6 (98)
1. Size of Government		5.9	5.8	7.3	6.4	6.6	6.7	6.5
A. Government Consumption	3.5 (28.1)	4.1 (25.9)	3.1 (29.6)	6.0 (19.6)	5.5 (21.2)	6.5 (17.7)	7.0 (16.3)	7.0 (16.3)
B. Transfers and Subsidies		9.5 (2.5)	9.1 (3.8)		9.9 (0.8)	9.9 (0.8)	9.9 (0.8)	9.1 (3.7)
C. Government Enterprises and Investment		4.0 (34.0)	7.0 (20.3)	8.0 (18.7)	7.0 (23.1)	7.0 (22.9)	7.0 (22.9)	7.0 (22.9)
D. Top Marginal Tax Rate			4.0	8.0	3.0	3.0	3.0	3.0
(i) Top Marginal Income Tax Rate			4.0 (45)	8.0 (28)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)
(ii) Top Marginal Income and Payroll Tax Rate			4.0 (45)	8.0 (28)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)
2. Legal Structure and Security of Property Rights		5.7	6.3	5.3	4.4	4.4	4.0	3.7
A. Judicial Independence								
B. Impartial Courts				5.0	5.1	5.1	5.1	4.1
C. Protection of Intellectual Property								
D. Military Interference				5.3	5.0	5.0	3.3	5.0
E. Integrity of Legal System				7.0	3.3	3.3	3.3	3.3
3. Access to Sound Money	6.2	6.6	6.6	5.6	6.3	6.4	6.1	6.1
A. Growth of Money Supply	9.3 (3.5)	9.5 (2.7)	8.8 (5.8)	8.7 (6.6)	9.7 (1.4)	9.0 (4.9)	8.5 (7.6)	8.5 (7.6)
B. Inflation Variability	6.9 (7.6)	7.2 (6.9)	8.4 (4.0)	7.5 (6.2)	8.5 (3.9)	8.4 (3.9)	8.4 (3.9)	8.9 (2.7)
C. Recent Annual Inflation	8.6 (7.1)	9.7 (1.6)	9.2 (4.1)	6.1 (19.7)	6.9 (15.6)	8.1 (9.3)	7.6 (11.8)	7.1 (14.7)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Exchange with Foreigners		6.7	6.3	6.4	6.2	6.1	6.1	5.9
A. Taxes on International Trade	7.8	7.3	6.9	6.5	4.5	4.9	5.7	5.7
(i) Taxes as Percentage of Exports and Imports	7.8 (3.3)	6.1 (5.9)	5.3 (7.1)	6.0 (6.0)	5.1 (7.3)	6.4 (5.4)	5.9 (6.1)	5.9 (6.1)
(ii) Mean Tariff Rate		8.6 (7.0)	8.6 (7.0)		5.8 (21.1)	5.8 (21.1)	8.7 (6.3)	8.7 (6.3)
(iii) Variability of Tariff Rates				7.0 (7.5)	2.6 (18.5)	2.6 (18.5)	2.6 (18.5)	2.6 (18.5)
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	9.8	8.9	7.9	8.7	6.7	7.3	6.6	6.6
D. Official versus Black Market Exchange Rate		9.2	8.6	8.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	6.3	6.5	6.5	6.2	6.4	6.0	5.9	5.8
A. Regulation of Credit Markets	6.4	6.9	6.9	6.4	7.0	6.9	6.6	6.1
(i) Private Ownership of Banks	5.0	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	7.7	8.8	8.9	6.3	5.9	5.7	5.7	5.3
(iv) Avoidance of Negative Real Interest Rates				8.0	10.0	10.0	9.0	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	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								

Paraguay

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.6 (14)		5.9 (35)		6.1 (39)		7.0 (28)		6.4 (63)		6.4 (62)		6.3 (69)		6.4 (66)	
1. Size of Government	9.1		7.8		8.8		8.7		8.0		8.1		8.1		8.1	
A. Government Consumption	9.6	(7.4)	9.5	(7.9)	9.6	(7.4)	8.5	(11.2)	8.7	(10.4)	9.1	(9.2)	9.3	(8.2)	9.5	(7.6)
B. Transfers and Subsidies	9.6	(2.0)	9.6	(2.1)	9.6	(1.8)	9.3	(3.0)	9.3	(3.2)	9.2	(3.4)	9.2	(3.4)	9.0	(4.0)
C. Government Enterprises and Investment	8.0	(17.8)	4.0	(31.4)	8.0	(13.3)	7.0	(23.2)	4.0	(34.9)	4.0	(35.7)	4.0	(35.7)	4.0	(35.7)
D. Top Marginal Tax Rate			8.0		8.0		10.0		10.0		10.0		10.0		10.0	
(i) Top Marginal Income Tax Rate			8.0	(30)	8.0	(30)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)
(ii) Top Marginal Income and Payroll Tax Rate											10.0	(0)	10.0	(0)	10.0	(0)
2. Legal Structure and Security of Property Rights	3.7		4.0		4.5		4.3		3.8		2.8		2.1		2.4	
A. Judicial Independence											1.7		0.7		1.7	
B. Impartial Courts							4.3		4.1		1.9		1.3		1.8	
C. Protection of Intellectual Property									2.3		2.2		1.8		2.0	
D. Military Interference							4.8		3.3		3.3		3.3		3.3	
E. Integrity of Legal System							4.1		5.0		5.0		3.3		3.3	
3. Access to Sound Money	7.7		7.5		6.2		8.2		8.7		8.9		8.7		8.7	
A. Growth of Money Supply	6.1	(19.6)	8.3	(8.7)	3.6	(32.1)	7.1	(14.6)	8.7	(6.7)	8.8	(6.0)	8.9	(5.7)	8.9	(5.7)
B. Inflation Variability	7.9	(5.2)	6.8	(7.9)	8.6	(3.6)	8.3	(4.3)	8.0	(4.9)	8.1	(4.7)	8.1	(4.9)	8.8	(3.0)
C. Recent Annual Inflation	6.7	(16.7)	5.0	(25.2)	2.7	(36.3)	7.4	(13.0)	8.2	(9.0)	8.5	(7.3)	7.9	(10.5)	7.2	(14.2)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	5.9		4.5		6.3		8.3		6.4		7.2		7.6		7.8	
A. Taxes on International Trade	3.0		4.3		6.5		8.0		7.6		7.6		7.8		7.8	
(i) Taxes as Percentage of Exports and Imports	6.0	(6.0)	8.5	(2.2)	7.8	(3.3)	8.6	(2.1)	7.8	(3.4)	8.0	(3.0)	8.6	(2.1)	8.6	(2.2)
(ii) Mean Tariff Rate	0.0	(71.0)	0.0	(71.7)	6.8	(16.0)	8.1	(9.3)	7.8	(10.9)	7.2	(13.9)	7.2	(13.9)	7.2	(13.9)
(iii) Variability of Tariff Rates					4.9	(12.7)	7.2	(6.9)	7.3	(6.7)	7.5	(6.2)	7.5	(6.2)	7.5	(6.2)
B. Regulatory Trade Barriers									2.4		6.0		5.9		6.3	
(i) Hidden Import Barriers									2.4		4.7		4.3		5.0	
(ii) Costs of Importing											7.3		7.4		7.5	
C. Size of Trade Sector	4.8		5.0		7.2		8.0		5.0		5.5		6.4		6.9	
D. Official versus Black Market Exchange Rate	8.6		0.0		4.8		7.4		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		10.0		7.1		7.1		7.7		8.1	
(i) Access to Foreign Capital									5.7		5.7		7.0		7.0	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		10.0		8.5		8.5		8.5		9.2	
5. Regulation of Credit, Labor and Business					4.5		5.5		4.9		4.9		4.8		4.8	
A. Regulation of Credit Markets					6.0		8.9		6.7		6.8		6.5		6.2	
(i) Private Ownership of Banks									8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks									4.1		4.1		4.1		4.1	
(iii) Extension of Credit to Private Sector					9.9		9.8		9.5		9.6		9.3		8.9	
(iv) Avoidance of Negative Real Interest Rates					2.0		8.0		8.0		8.0		7.0		6.0	
(v) Controls on Interest Rates									4.1		4.1		4.1		4.1	
B. Regulation of Labor Markets									3.3		3.4		3.2		3.6	
(i) Impact of Minimum Wage									4.7		4.7		4.7		4.7	
(ii) Flexibility in Hiring and Firing									4.7		2.2		2.3		3.2	
(iii) Collective Bargaining									4.0		5.6		4.7		5.5	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	1.0		0.0		0.0		0.0		0.0		1.0		1.0		1.0	
C. Regulation of Business									4.6		4.6		4.8		4.5	
(i) Price Controls					4.0		6.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									4.9		2.9		3.2		3.0	
(iii) Time Spent with Government Bureaucracy									5.0		6.0		7.0		5.5	
(iv) Ease of Starting a New Business									4.0		4.2		3.8		3.7	
(v) Irregular Payments to Government Officials									3.1		3.7		3.9		4.5	

Peru

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	3.8 (97)	2.9 (109)	4.0 (101)	6.3 (48)	6.9 (41)	6.9 (40)	6.8 (44)	6.9 (38)
1. Size of Government	5.7	5.4	7.4	8.2	8.1	7.6	7.4	7.5
A. Government Consumption	7.3 (15.3)	8.0 (12.7)	8.7 (10.5)	8.8 (10.2)	7.7 (13.7)	7.8 (13.4)	7.9 (13.2)	8.1 (12.5)
B. Transfers and Subsidies	9.6 (1.9)	9.6 (1.8)	9.3 (3.0)	9.1 (3.9)	9.0 (4.0)	9.2 (3.6)	9.2 (3.6)	9.3 (3.2)
C. Government Enterprises and Investment	4.0 (28.1)	4.0 (33.9)	8.0 (16.9)	8.0 (17.0)	8.0 (15.9)	7.0 (20.8)	7.0 (20.8)	7.0 (20.8)
D. Top Marginal Tax Rate	2.0	0.0	3.5	7.0	7.5	6.5	5.5	5.5
(i) Top Marginal Income Tax Rate	2.0 (65)	0.0 (65)	4.0 (45)	8.0 (30)	10.0 (20)	8.0 (27)	8.0 (30)	8.0 (30)
(ii) Top Marginal Income and Payroll Tax Rate			3.0 (48)	6.0 (39)	5.0 (41)	5.0 (46)	3.0 (49)	3.0 (50)
2. Legal Structure and Security of Property Rights	3.8	2.2	2.9	4.8	3.9	4.2	4.0	4.0
A. Judicial Independence				2.8	1.5	2.2	1.5	2.0
B. Impartial Courts				4.3	3.2	3.0	2.3	2.3
C. Protection of Intellectual Property				4.8	3.3	2.6	2.7	2.3
D. Military Interference				4.9	6.7	8.3	8.3	8.3
E. Integrity of Legal System				7.0	5.0	5.0	5.0	5.0
3. Access to Sound Money	1.3	0.0	1.3	5.1	8.8	9.5	9.7	9.7
A. Growth of Money Supply	2.2 (39.1)	0.0 (98.5)	0.0 (690.3)	2.9 (35.3)	7.0 (14.9)	9.3 (3.3)	9.8 (-1.0)	9.8 (-1.0)
B. Inflation Variability	3.1 (17.3)	0.0 (37.9)	0.0 (2341.4)	0.0 (127.5)	8.9 (2.8)	9.0 (2.5)	9.1 (2.3)	9.4 (1.4)
C. Recent Annual Inflation	0.0 (65.9)	0.0 (167.8)	0.0 (6134.8)	7.6 (12.2)	9.2 (3.8)	9.6 (2.0)	10.0 (0.2)	9.5 (2.3)
D. Freedom to Own Foreign Currency	0.0	0.0	5.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	4.8	3.5	4.7	6.9	7.3	7.3	7.3	7.4
A. Taxes on International Trade	1.5	1.9	3.4	7.0	7.7	7.8	7.9	8.0
(i) Taxes as Percentage of Exports and Imports	2.9 (10.6)	4.5 (8.3)	7.4 (3.9)	6.3 (5.5)	7.0 (4.5)	7.1 (4.3)	7.6 (3.7)	7.8 (3.4)
(ii) Mean Tariff Rate	0.0 (57.0)	0.0 (64.0)	2.8 (36.0)	6.5 (17.6)	7.3 (13.4)	7.3 (13.4)	7.3 (13.4)	7.3 (13.4)
(iii) Variability of Tariff Rates		1.2 (22.0)	0.0 (25.0)	8.2 (4.4)	8.8 (2.9)	8.8 (2.9)	8.8 (2.9)	8.8 (2.9)
B. Regulatory Trade Barriers				6.0	6.7	6.7	6.9	7.1
(i) Hidden Import Barriers				6.0	6.8	6.1	6.2	6.0
(ii) Costs of Importing					6.7	7.4	7.6	8.2
C. Size of Trade Sector	5.8	5.2	3.2	3.0	3.4	3.1	3.2	3.4
D. Official versus Black Market Exchange Rate	6.4	0.0	6.8	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	8.6	8.9	8.9	8.3	8.3
(i) Access to Foreign Capital				9.2	9.3	9.3	8.2	8.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	8.0	8.5	8.5	8.5	8.5
5. Regulation of Credit, Labor and Business	3.5	3.4	3.8	6.5	6.6	5.7	5.8	5.8
A. Regulation of Credit Markets	2.9	2.7	2.1	8.0	8.5	8.5	8.5	8.5
(i) Private Ownership of Banks					10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks				8.1	6.6	6.6	6.6	6.6
(iii) Extension of Credit to Private Sector	5.9	5.4	4.2	9.4	9.5	8.6	8.6	8.6
(iv) Avoidance of Negative Real Interest Rates	0.0	0.0	0.0	6.0	8.0	9.0	9.0	9.0
(v) Controls on Interest Rates				8.4	8.3	8.3	8.3	8.3
B. Regulation of Labor Markets				5.4	4.7	4.2	4.0	4.1
(i) Impact of Minimum Wage				6.5	3.1	3.1	3.1	3.1
(ii) Flexibility in Hiring and Firing			6.8	6.8	7.2	4.9	3.2	4.0
(iii) Collective Bargaining				7.9	7.9	7.7	8.3	8.0
(iv) Incentives from Unemployment Benefits				5.7	5.5	5.5	5.5	5.5
(v) Military Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business				6.1	6.5	4.5	4.8	4.7
(i) Price Controls			2.0	6.0	8.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses					6.8	2.1	1.8	2.2
(iii) Time Spent with Government Bureaucracy				7.0	7.5	5.8	6.5	5.8
(iv) Ease of Starting a New Business				6.4	3.6	2.9	3.8	3.2
(v) Irregular Payments to Government Officials				5.0	6.8	5.5	5.8	6.2

Philippines

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.3 (55)		5.1 (66)		5.5 (52)		7.1 (26)		7.1 (34)		6.7 (47)		6.6 (54)		6.6 (54)	
1. Size of Government	6.2		7.0		8.3		8.2		7.6		6.9		6.9		7.0	
A. Government Consumption	8.1	(12.4)	9.0	(9.4)	8.1	(12.4)	7.8	(13.3)	7.3	(15.3)	7.4	(14.8)	7.3	(15.1)	7.8	(13.6)
B. Transfers and Subsidies	9.8	(1.1)	10.0	(0.2)	9.9	(0.9)	9.9	(0.7)	9.2	(3.4)	9.2	(3.5)	9.2	(3.5)	9.2	(3.5)
C. Government Enterprises and Investment	6.0	(27.4)	8.0	(19.5)	8.0	(18.2)	8.0	(19.7)	7.0	(24.0)	4.0	(30.8)	4.0	(30.8)	4.0	(30.8)
D. Top Marginal Tax Rate	1.0		1.0		7.0		7.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	1.0	(70)	1.0	(60)	7.0	(35)	7.0	(35)	7.0	(32)	7.0	(32)	7.0	(32)	7.0	(32)
(ii) Top Marginal Income and Payroll Tax Rate					7.0	(35)	7.0	(35)	7.0	(32)	7.0	(32)	7.0	(32)	7.0	(32)
2. Legal Structure and Security of Property Rights	3.1		2.5		2.4		4.8		4.6		3.9		3.7		3.8	
A. Judicial Independence							3.7		4.5		3.9		3.2		3.3	
B. Impartial Courts							5.3		5.5		3.0		2.5		2.8	
C. Protection of Intellectual Property							4.0		3.2		2.8		3.0		2.8	
D. Military Interference							7.0		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							4.1		3.3		3.3		3.3		3.3	
3. Access to Sound Money	5.9		4.6		4.0		8.8		9.2		9.3		9.3		9.6	
A. Growth of Money Supply	7.8	(11.0)	8.4	(7.9)	0.0	(118.7)	8.1	(9.5)	8.4	(8.0)	9.0	(4.8)	8.5	(7.4)	9.6	(2.1)
B. Inflation Variability	8.8	(2.9)	3.5	(16.4)	8.7	(3.3)	8.6	(3.5)	9.3	(1.7)	9.3	(1.7)	9.2	(2.1)	9.3	(1.8)
C. Recent Annual Inflation	7.2	(14.3)	6.5	(17.6)	7.4	(13.0)	8.5	(7.6)	9.1	(4.3)	8.8	(6.1)	9.4	(3.0)	9.4	(3.0)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.0		5.9		6.2		7.3		7.7		7.5		7.4		7.3	
A. Taxes on International Trade	3.9		5.2		5.7		6.1		7.8		7.9		8.2		8.2	
(i) Taxes as Percentage of Exports and Imports	5.5	(6.8)	5.9	(6.2)	5.6	(6.6)	5.7	(6.4)	8.2	(2.7)	8.1	(2.8)	8.4	(2.4)	8.4	(2.5)
(ii) Mean Tariff Rate	2.4	(38.0)	4.5	(27.6)	5.1	(24.3)	4.5	(27.6)	8.5	(7.6)	8.6	(7.0)	9.0	(4.8)	9.1	(4.5)
(iii) Variability of Tariff Rates					6.3	(9.2)	8.0	(4.9)	6.8	(7.9)	7.1	(7.3)	7.1	(7.3)	7.1	(7.3)
B. Regulatory Trade Barriers							5.7		5.9		5.8		6.3		5.7	
(i) Hidden Import Barriers							5.7		4.0		4.0		4.2		3.7	
(ii) Costs of Importing									7.8		7.7		8.5		7.7	
C. Size of Trade Sector	6.7		5.4		6.6		8.0		10.0		9.0		8.9		9.0	
D. Official versus Black Market Exchange Rate	9.4		8.6		8.6		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		6.6		4.6		4.6		3.7		3.6	
(i) Access to Foreign Capital							8.2		8.4		8.4		6.6		6.4	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		0.8		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	5.3		5.8		6.3		6.5		6.4		5.7		5.8		5.6	
A. Regulation of Credit Markets	6.6		5.5		7.7		8.1		7.7		7.6		7.6		7.5	
(i) Private Ownership of Banks	5.0		5.0		8.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks							7.5		5.7		5.7		5.7		5.7	
(iii) Extension of Credit to Private Sector	6.8		7.5		7.1		7.6		7.5		7.0		6.8		6.5	
(iv) Avoidance of Negative Real Interest Rates	8.0		4.0		8.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							7.4		7.5		7.5		7.5		7.5	
B. Regulation of Labor Markets					7.6		6.8		6.1		5.7		5.6		5.5	
(i) Impact of Minimum Wage							5.1		4.4		4.4		4.4		4.4	
(ii) Flexibility in Hiring and Firing					5.7		5.7		3.3		2.8		3.2		2.8	
(iii) Collective Bargaining					7.2		7.2		6.9		5.7		5.2		5.2	
(iv) Incentives from Unemployment Benefits							6.1		5.7		5.7		5.5		5.1	
(v) Military Conscription	3.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							4.5		5.6		3.7		4.2		3.8	
(i) Price Controls							4.0		4.0		4.0		4.0		3.0	
(ii) Administrative Obstacles for New Businesses									7.2		1.6		1.7		2.0	
(iii) Time Spent with Government Bureaucracy							5.5		6.7		5.0		6.8		5.5	
(iv) Ease of Starting a New Business							6.1		5.6		4.6		5.2		5.0	
(v) Irregular Payments to Government Officials							2.3		4.3		3.1		3.6		3.5	

Poland

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►		3.8 (100)	3.9 (103)	5.2 (88)	6.4 (63)	6.2 (71)	6.4 (62)	6.1 (78)
1. Size of Government	4.1	3.5	2.0	2.6	5.0	5.5	5.5	5.5
A. Government Consumption	8.2 (12.1)	8.0 (13.0)	3.3 (28.7)	5.0 (23.0)	6.1 (19.2)	6.2 (19.0)	5.5 (21.4)	5.5 (21.2)
B. Transfers and Subsidies		2.7 (27.4)	2.7 (27.4)	3.5 (24.4)	4.5 (20.7)	4.3 (21.4)	5.0 (18.7)	5.0 (18.7)
C. Government Enterprises and Investment	0.0	0.0	0.0 (58.8)	0.0 (55.8)	6.0	8.0	8.0	8.0
D. Top Marginal Tax Rate				2.0	3.5	3.5	3.5	3.5
(i) Top Marginal Income Tax Rate				4.0 (45)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income and Payroll Tax Rate				0.0 (63)	2.0 (53)	2.0 (52)	2.0 (52)	2.0 (52)
2. Legal Structure and Security of Property Rights		4.8	6.2	6.8	6.5	5.8	5.9	5.2
A. Judicial Independence				6.5	5.3	4.5	4.8	3.5
B. Impartial Courts				5.6	5.8	3.8	3.8	3.0
C. Protection of Intellectual Property				3.6	4.6	3.9	4.2	3.0
D. Military Interference				8.5	10.0	10.0	10.0	10.0
E. Integrity of Legal System				10.0	6.7	6.7	6.7	6.7
3. Access to Sound Money	7.4	4.4	2.5	6.0	7.5	7.8	8.0	8.1
A. Growth of Money Supply		5.9 (20.5)	0.0 (110.4)	3.8 (30.9)	9.0 (5.1)	9.1 (4.6)	8.9 (5.5)	8.9 (5.5)
B. Inflation Variability	9.2 (2.0)	0.0 (37.4)	0.0 (167.6)	5.9 (10.2)	8.0 (5.0)	8.4 (4.0)	8.4 (3.9)	8.5 (3.9)
C. Recent Annual Inflation	8.0 (9.8)	6.8 (15.8)	0.0 (435.7)	4.4 (28.2)	8.0 (10.1)	8.9 (5.5)	9.6 (1.9)	9.9 (0.7)
D. Freedom to Own Foreign Currency	5.0	5.0	10.0	10.0	5.0	5.0	5.0	5.0
4. Freedom to Exchange with Foreigners		3.3	5.5	6.3	6.9	6.7	7.0	6.5
A. Taxes on International Trade		5.8	6.7	6.4	7.8	7.8	7.9	8.3
(i) Taxes as Percentage of Exports and Imports		4.3 (8.6)	6.0 (6.0)	5.9 (6.1)	9.2 (1.2)	9.4 (0.9)	9.5 (0.8)	9.5 (0.8)
(ii) Mean Tariff Rate		7.3 (13.6)	7.7 (11.7)	6.3 (18.4)	8.0 (10.0)	8.0 (10.0)	8.0 (10.0)	9.3 (3.4)
(iii) Variability of Tariff Rates			6.4 (8.9)	6.9 (7.8)	6.1 (9.8)	6.1 (9.8)	6.1 (9.8)	6.1 (9.8)
B. Regulatory Trade Barriers				5.7	7.4	6.6	6.9	6.3
(i) Hidden Import Barriers				5.7	6.2	5.1	5.5	5.0
(ii) Costs of Importing					8.7	8.1	8.3	7.7
C. Size of Trade Sector	6.1	2.6	4.5	4.1	5.4	5.1	5.1	3.3
D. Official versus Black Market Exchange Rate	0.0	0.0	8.2	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.2	3.8	3.8	5.4	4.8
(i) Access to Foreign Capital				5.4	6.8	6.8	8.4	7.2
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	0.8	0.8	2.3	2.3
5. Regulation of Credit, Labor and Business	3.1	3.1	3.5	4.5	5.9	5.4	5.5	5.3
A. Regulation of Credit Markets	0.2	0.4	0.4	4.0	7.1	7.7	8.1	8.1
(i) Private Ownership of Banks	0.0	0.0	0.0	2.0	5.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks				4.2	6.7	6.7	9.0	9.0
(iii) Extension of Credit to Private Sector	0.5	0.8	1.3	3.8	7.8	7.6	7.4	7.1
(iv) Avoidance of Negative Real Interest Rates			0.0	6.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates				3.9	6.2	6.2	6.2	6.2
B. Regulation of Labor Markets			3.6	4.4	4.2	4.3	4.1	4.3
(i) Impact of Minimum Wage				5.4	3.4	3.4	3.4	3.4
(ii) Flexibility in Hiring and Firing			5.7	5.7	2.7	3.7	4.0	4.5
(iii) Collective Bargaining	4.5	4.5	5.2	5.2	7.0	6.4	7.0	7.5
(iv) Incentives from Unemployment Benefits				5.0	4.8	4.8	3.2	3.0
(v) Military Conscription	0.0	0.0	0.0	1.0	3.0	3.0	3.0	3.0
C. Regulation of Business				5.0	6.2	4.1	4.1	3.5
(i) Price Controls				7.0	4.0	3.0	2.0	1.0
(ii) Administrative Obstacles for New Businesses					7.4	2.4	3.0	2.0
(iii) Time Spent with Government Bureaucracy				5.1	7.1	6.0	5.5	5.5
(iv) Ease of Starting a New Business				4.4	7.0	4.4	4.7	3.8
(v) Irregular Payments to Government Officials				3.3	5.6	4.7	5.5	5.2

Portugal

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.7 (41)		5.4 (55)		6.0 (40)		7.2 (23)		7.3 (23)		7.2 (23)		7.2 (25)		7.1 (34)	
1. Size of Government	3.6		3.9		4.7		5.2		5.1		5.1		5.0		4.9	
A. Government Consumption	6.8	(16.8)	6.6	(17.6)	6.0	(19.8)	5.5	(21.4)	4.2	(25.8)	4.4	(25.2)	4.1	(26.0)	4.2	(25.6)
B. Transfers and Subsidies	5.7	(16.3)	4.8	(19.5)	5.9	(15.5)	6.5	(13.4)	6.1	(14.8)	5.9	(15.6)	5.8	(16.0)	5.2	(18.3)
C. Government Enterprises and Investment	2.0	(42.2)	4.0	(30.5)	4.0	(29.9)	6.0	(23.2)	6.0		6.0		6.0		6.0	
D. Top Marginal Tax Rate	0.0		0.0		3.0		3.0		4.0		4.0		4.0		4.0	
(i) Top Marginal Income Tax Rate	0.0	(84)	0.0	(69)	5.0	(40)	5.0	(40)	6.0	(40)	6.0	(40)	6.0	(40)	6.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(57)	1.0	(57)	2.0	(57)	2.0	(57)	2.0	(57)	2.0	(58)
2. Legal Structure and Security of Property Rights	8.0		6.1		7.7		8.0		7.6		7.6		7.6		7.4	
A. Judicial Independence							8.2		7.0		8.3		7.8		7.7	
B. Impartial Courts							7.0		6.3		5.4		5.5		5.2	
C. Protection of Intellectual Property							5.1		6.5		6.1		6.2		6.0	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		8.3		8.3		8.3		8.3	
3. Access to Sound Money	5.5		5.5		5.7		9.2		9.5		9.5		9.6		9.5	
A. Growth of Money Supply	7.6	(11.9)	7.6	(12.2)	6.8	(16.0)	8.8	(6.0)	8.8	(6.1)	9.0	(4.9)	9.3	(3.4)	9.2	(3.9)
B. Inflation Variability	8.7	(3.3)	8.9	(2.6)	8.5	(3.7)	9.0	(2.6)	9.9	(0.4)	9.7	(0.7)	9.7	(0.8)	9.6	(1.1)
C. Recent Annual Inflation	5.8	(20.9)	5.7	(21.7)	7.4	(12.8)	9.0	(5.2)	9.4	(2.9)	9.1	(4.4)	9.3	(3.5)	9.3	(3.3)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.7		6.9		7.2		7.9		8.1		8.1		7.8		7.9	
A. Taxes on International Trade	8.6		9.2		8.3		8.7		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	8.6	(2.1)	9.2	(1.2)	9.1	(1.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate					8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.2		8.6		9.1		8.7		8.8	
(i) Hidden Import Barriers							8.2		7.7		8.9		8.0		8.2	
(ii) Costs of Importing									9.5		9.3		9.4		9.5	
C. Size of Trade Sector	5.0		5.3		5.3		4.5		4.9		4.6		4.1		4.0	
D. Official versus Black Market Exchange Rate	9.6		9.6		9.4		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		5.0		8.3		8.0		7.6		7.2		7.5	
(i) Access to Foreign Capital							8.6		9.1		9.1		8.2		8.8	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		5.0		8.0		6.9		6.2		6.2		6.2	
5. Regulation of Credit, Labor and Business	4.5		4.9		4.7		5.7		6.4		5.9		6.0		6.0	
A. Regulation of Credit Markets	4.4		6.2		5.8		7.0		8.0		8.0		8.4		8.4	
(i) Private Ownership of Banks	0.0		0.0		2.0		2.0		5.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks							7.9		7.3		7.3		6.0		6.0	
(iii) Extension of Credit to Private Sector	9.3		8.5		7.3		7.3		9.5		9.5		9.5		9.5	
(iv) Avoidance of Negative Real Interest Rates	4.0		10.0		8.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.0		8.3		8.3		8.3		8.3	
B. Regulation of Labor Markets	3.8		3.5		3.1		4.6		4.5		4.6		4.3		4.3	
(i) Impact of Minimum Wage							6.4		4.0		4.0		4.0		4.0	
(ii) Flexibility in Hiring and Firing					3.4		3.4		2.8		2.3		2.8		3.0	
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		4.9		6.0		5.7		6.0	
(iv) Incentives from Unemployment Benefits	6.2		5.2		4.0		5.2		5.5		5.5		3.9		3.7	
(v) Military Conscription	0.0		0.0		0.0		3.0		5.0		5.0		5.0		5.0	
C. Regulation of Business							5.4		6.7		5.2		5.2		5.3	
(i) Price Controls					5.0		6.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.6		2.9		3.0		3.2	
(iii) Time Spent with Government Bureaucracy							5.5		7.2		4.8		5.8		5.0	
(iv) Ease of Starting a New Business							4.3		5.7		5.1		3.8		4.3	
(v) Irregular Payments to Government Officials							5.8		7.0		7.4		7.6		8.2	

Romania

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ▶			4.8 (79)		4.8 (84)		3.8 (118)		4.9 (112)		5.1 (113)		5.5 (102)		5.7 (96)	
1. Size of Government	5.2		5.9		4.0		3.4		4.0		4.6		4.5		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)	6.7	(17.3)	6.2	(18.9)	6.7	(17.2)
B. Transfers and Subsidies	6.3	(14.1)	8.0	(7.9)	5.1	(18.6)	6.2	(14.6)	6.1	(14.8)	6.4	(13.7)	6.4	(13.7)	6.3	(13.9)
C. Government Enterprises and Investment	0.0		0.0		0.0		0.0	(60.7)	0.0	(56.7)	2.0	(48.6)	2.0	(48.6)	2.0	(48.6)
D. Top Marginal Tax Rate							0.5		2.5		3.5		3.5		3.5	
(i) Top Marginal Income Tax Rate							1.0	(60)	5.0	(40)	5.0	(40)	5.0	(40)	5.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate							0.0	(72)	0.0	(68)	2.0	(55)	2.0	(54)	2.0	(55)
2. Legal Structure and Security of Property Rights			4.0		6.3		5.6		5.6		4.6		4.5		5.2	
A. Judicial Independence											2.9		2.3		3.3	
B. Impartial Courts							5.4		5.5		2.6		2.3		3.7	
C. Protection of Intellectual Property									4.1		2.7		3.0		3.8	
D. Military Interference							6.4		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							7.0		6.7		6.7		6.7		6.7	
3. Access to Sound Money	6.6		6.9		7.1		0.7		2.7		4.2		6.3		6.5	
A. Growth of Money Supply	7.8	(11.2)	9.8	(1.2)	8.3	(8.7)	0.0	(58.1)	10.0	(-0.1)	8.6	(-6.8)	9.3	(-3.4)	9.0	(-4.8)
B. Inflation Variability	8.8	(3.1)	8.1	(4.7)	7.9	(5.3)	0.0	(68.3)	0.0	(44.5)	0.0	(45.7)	5.2	(12.1)	5.0	(12.4)
C. Recent Annual Inflation	9.9	(0.6)	9.9	(0.4)	7.3	(13.7)	2.9	(35.3)	0.9	(45.7)	3.1	(34.5)	5.5	(22.5)	6.9	(15.3)
D. Freedom to Own Foreign Currency	0.0		0.0		5.0		0.0		0.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners					4.2		6.0		6.5		6.6		6.8		6.9	
A. Taxes on International Trade					9.7		7.2		6.8		6.9		6.9		6.9	
(i) Taxes as Percentage of Exports and Imports					9.7	(0.4)	8.2	(2.7)	8.9	(1.6)	9.3	(1.1)	9.3	(1.1)	9.3	(1.1)
(ii) Mean Tariff Rate							6.2	(18.8)	7.0	(15.2)	7.7	(11.4)	7.7	(11.4)	7.7	(11.4)
(iii) Variability of Tariff Rates									4.4	(14.1)	3.6	(15.9)	3.6	(15.9)	3.6	(15.9)
B. Regulatory Trade Barriers									5.5		5.4		5.5		5.8	
(i) Hidden Import Barriers									5.5		3.8		3.8		4.2	
(ii) Costs of Importing											7.0		7.1		7.3	
C. Size of Trade Sector	7.3		3.4		3.2		4.9		5.5		5.7		5.7		5.2	
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		9.4		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		4.5		4.9		5.9		6.6	
(i) Access to Foreign Capital									7.5		7.5		7.2		7.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		1.5		2.3		4.6		6.2	
5. Regulation of Credit, Labor and Business	2.6		2.5		2.5		3.4		5.5		5.3		5.2		5.4	
A. Regulation of Credit Markets	0.0		0.0		0.0		0.7		4.6		6.7		7.2		7.4	
(i) Private Ownership of Banks	0.0		0.0		0.0		2.0		0.0		2.0		5.0		5.0	
(ii) Competition from Foreign Banks									8.1		8.1		7.0		7.0	
(iii) Extension of Credit to Private Sector	0.0		0.0		0.0		0.0		6.0		6.5		7.0		8.3	
(iv) Avoidance of Negative Real Interest Rates					0.0		0.0		0.0		8.0		8.0		8.0	
(v) Controls on Interest Rates									8.8		8.8		8.8		8.8	
B. Regulation of Labor Markets									6.3		5.0		5.0		4.6	
(i) Impact of Minimum Wage									4.7		4.7		4.7		4.7	
(ii) Flexibility in Hiring and Firing									8.8		5.1		4.5		3.5	
(iii) Collective Bargaining									8.7		7.4		8.0		7.8	
(iv) Incentives from Unemployment Benefits													4.8		4.1	
(v) Military Conscription	1.0		0.0		0.0		1.0		3.0		3.0		3.0		3.0	
C. Regulation of Business									5.8		4.3		3.4		4.2	
(i) Price Controls					0.0		6.0		6.0		6.0		2.0		1.0	
(ii) Administrative Obstacles for New Businesses									6.6		1.1		1.7		3.7	
(iii) Time Spent with Government Bureaucracy									7.5		8.0		7.0		7.5	
(iv) Ease of Starting a New Business									3.6		2.6		3.0		4.0	
(v) Irregular Payments to Government Officials									5.2		3.8		3.5		4.8	

Russia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►							4.0 (116)		4.9 (112)		4.9 (117)		5.1 (114)		5.1 (115)	
1. Size of Government	1.2		1.2		1.2		4.8		5.3		5.5		5.6		5.4	
A. Government Consumption	3.0	(29.7)	2.6	(31.0)	3.0	(29.8)	3.7	(27.3)	5.0	(23.0)	5.3	(21.9)	4.5	(24.8)	4.2	(25.7)
B. Transfers and Subsidies	2.0	(30.0)	2.0	(30.0)	2.0	(30.0)	7.9	(8.2)	6.6	(13.1)	6.3	(14.2)	6.3	(14.2)	5.9	(15.4)
C. Government Enterprises and Investment	0.0		0.0		0.0	(90.0)	2.0	(45.0)	4.0		4.0	(35.0)	4.0	(35.0)	4.0	(35.0)
D. Top Marginal Tax Rate	0.0		0.0		0.0		5.5		5.5		6.5		7.5		7.5	
(i) Top Marginal Income Tax Rate	0.0	(100)	0.0	(100)	0.0	(80)	8.0	(30)	8.0	(30)	10.0	(13)	10.0	(13)	10.0	(13)
(ii) Top Marginal Income and Payroll Tax Rate							3.0	(51)	3.0	(50)	3.0	(49)	5.0	(39)	5.0	(39)
2. Legal Structure and Security of Property Rights							3.4		4.4		3.8		4.4		4.7	
A. Judicial Independence							3.5		3.5		2.6		2.5		2.5	
B. Impartial Courts							4.2		5.2		2.6		2.5		3.0	
C. Protection of Intellectual Property							1.6		1.9		2.4		2.2		2.8	
D. Military Interference							4.5		6.7		6.7		8.3		8.3	
E. Integrity of Legal System									5.0		5.0		6.7		6.7	
3. Access to Sound Money	5.7		6.5		6.0		1.3		3.6		3.8		4.1		3.8	
A. Growth of Money Supply	7.9	(10.6)	8.1	(9.6)	8.1	(9.7)	0.0	(401.4)	2.2	(39.1)	3.3	(33.5)	3.1	(34.5)	3.1	(34.5)
B. Inflation Variability	9.3	(1.8)	9.4	(1.4)	8.9	(2.7)	0.0	(522.9)	1.6	(21.1)	1.3	(21.8)	1.3	(21.7)	0.0	(30.5)
C. Recent Annual Inflation			8.5	(7.3)	6.8	(15.9)	0.0	(170.7)	5.8	(20.8)	5.7	(21.5)	6.8	(15.8)	7.3	(13.7)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners							6.5		6.9		6.8		7.0		6.9	
A. Taxes on International Trade							6.6		7.0		7.2		7.5		7.3	
(i) Taxes as Percentage of Exports and Imports							7.1	(4.4)	6.9	(4.6)	6.0	(6.1)	6.6	(5.1)	6.1	(5.8)
(ii) Mean Tariff Rate							7.7	(11.5)	7.5	(12.6)	7.8	(11.1)	7.9	(10.4)	7.9	(10.4)
(iii) Variability of Tariff Rates							5.0	(12.4)	6.6	(8.5)	7.8	(5.4)	7.8	(5.4)	7.8	(5.4)
B. Regulatory Trade Barriers							4.3		5.1		5.1		5.7		5.6	
(i) Hidden Import Barriers							4.3		3.8		4.0		4.3		3.7	
(ii) Costs of Importing									6.3		6.2		7.0		7.5	
C. Size of Trade Sector					6.0		8.0		9.8		8.6		8.1		7.2	
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		3.5		2.9		3.2		3.9		4.5	
(i) Access to Foreign Capital							5.1		5.7		5.7		5.4		6.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		2.0		0.0		0.8		2.3		3.1	
5. Regulation of Credit, Labor and Business	2.5		2.5		3.0		4.1		4.4		4.3		4.5		4.8	
A. Regulation of Credit Markets	0.0		0.0		0.2		4.7		3.7		5.1		6.0		6.2	
(i) Private Ownership of Banks	0.0		0.0		0.0		2.0		2.0		2.0		5.0		5.0	
(ii) Competition from Foreign Banks							3.9		4.3		4.3		6.0		6.0	
(iii) Extension of Credit to Private Sector					0.5		5.0		5.9		6.8		7.0		7.6	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		0.0		8.0		2.0		8.0		8.0		8.0	
(v) Controls on Interest Rates							4.4		4.2		4.2		4.2		4.2	
B. Regulation of Labor Markets					1.8		4.0		4.5		4.5		4.3		4.6	
(i) Impact of Minimum Wage							6.0		2.6		2.6		2.6		2.6	
(ii) Flexibility in Hiring and Firing					1.0		1.0		6.1		6.2		6.2		7.3	
(iii) Collective Bargaining					4.5		7.2		8.3		8.1		8.0		8.0	
(iv) Incentives from Unemployment Benefits							5.7		5.5		5.5		4.9		5.3	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business							3.7		5.1		3.4		3.1		3.7	
(i) Price Controls					0.0		5.0		5.0		2.0		2.0		3.0	
(ii) Administrative Obstacles for New Businesses									6.2		2.6		1.5		2.5	
(iii) Time Spent with Government Bureaucracy							4.8		5.0		3.8		4.0		4.8	
(iv) Ease of Starting a New Business							3.5		4.0		3.6		3.3		3.7	
(v) Irregular Payments to Government Officials							1.4		5.4		5.0		4.5		4.7	

Rwanda

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.4 (51)				5.3 (62)		4.3 (113)		5.1 (106)		5.2 (109)		5.4 (106)		5.1 (115)
1. Size of Government	7.3		6.1		7.3		7.7		5.5		5.5		5.6		5.6
A. Government Consumption	7.9 (13.0)		8.2 (12.3)		8.6 (10.8)		9.4 (8.0)		9.0 (9.5)		9.0 (9.5)		9.2 (8.8)		9.2 (8.7)
B. Transfers and Subsidies	9.9 (0.8)				9.2 (3.5)		9.5 (2.2)								
C. Government Enterprises and Investment	4.0 (39.4)		4.0 (42.4)		4.0		4.0		2.0		2.0		2.0		2.0
D. Top Marginal Tax Rate															
(i) Top Marginal Income Tax Rate															
(ii) Top Marginal Income and Payroll Tax Rate															
2. Legal Structure and Security of Property Rights							2.4		2.0		2.0		2.0		1.0
A. Judicial Independence															
B. Impartial Courts							3.4		3.5		3.5		3.5		4.0
C. Protection of Intellectual Property															
D. Military Interference									0.0		0.0		0.0		0.0
E. Integrity of Legal System							0.0		0.0		0.0		0.0		0.0
3. Access to Sound Money	6.1		6.6		6.1		3.5		7.6		7.4		7.9		7.1
A. Growth of Money Supply	7.1 (14.5)		9.5 (-2.4)		9.9 (0.8)		5.6 (21.9)		9.1 (-4.7)		8.2 (-8.9)		8.3 (-8.7)		6.9 (-15.3)
B. Inflation Variability	8.0 (5.0)		8.0 (5.1)		7.3 (6.7)		3.3 (16.8)		7.0 (7.6)		7.1 (7.2)		9.0 (2.6)		7.9 (5.4)
C. Recent Annual Inflation	9.4 (3.1)		9.1 (4.6)		7.3 (13.5)		0.0 (54.2)		9.2 (3.9)		9.3 (3.3)		9.5 (2.5)		8.6 (6.9)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		5.0		5.0		5.0		5.0
4. Freedom to Exchange with Foreigners	2.5				2.6		3.8				5.4		5.6		5.4
A. Taxes on International Trade	1.1				0.5		1.1				7.5		7.5		7.6
(i) Taxes as Percentage of Exports and Imports	1.1 (13.3)				0.5 (14.2)		0.3 (14.6)								
(ii) Mean Tariff Rate							3.0 (34.8)				8.0 (10.0)		8.0 (10.0)		8.3 (8.7)
(iii) Variability of Tariff Rates							0.0 (33.1)				7.0 (7.6)		7.0 (7.6)		7.0 (7.6)
B. Regulatory Trade Barriers															
(i) Hidden Import Barriers															
(ii) Costs of Importing															
C. Size of Trade Sector	3.1		0.3		0.0		0.0		0.0		0.0		0.0		0.0
D. Official versus Black Market Exchange Rate	0.0		0.2		4.4		9.4		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		1.5		1.5		2.3		2.3
(i) Access to Foreign Capital															
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		1.5		1.5		2.3		2.3
5. Regulation of Credit, Labor and Business	5.6		5.7		5.1		4.3		5.2		5.9		6.0		6.1
A. Regulation of Credit Markets	5.0		5.3		5.5		2.8		5.6		6.7		7.1		7.1
(i) Private Ownership of Banks	0.0		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	9.0		7.8		6.5		8.5		8.9		9.0		8.2		8.3
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		10.0		0.0		8.0		9.0		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		10.0		10.0
C. Regulation of Business															
(i) Price Controls					0.0		0.0		0.0		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															

Senegal

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.2 (60)		5.0 (72)		5.2 (68)		4.6 (103)		5.9 (80)		5.8 (88)		5.8 (89)		5.8 (94)	
1. Size of Government	6.4		4.0		5.7		4.6		6.7		6.5		6.5		6.2	
A. Government Consumption	6.1	(19.3)	7.0	(16.3)	7.0	(16.1)	7.7	(13.9)	7.9	(13.0)	7.1	(15.9)	7.1	(15.9)	7.1	(15.9)
B. Transfers and Subsidies	9.0	(4.2)							9.8	(1.3)	10.0	(0.4)	10.0	(0.4)	8.7	(5.2)
C. Government Enterprises and Investment	4.0	(36.7)	4.0	(36.2)	6.0	(30.1)	6.0		6.0		6.0		6.0		6.0	
D. Top Marginal Tax Rate			1.0		4.0		0.0		3.0		3.0		3.0		3.0	
(i) Top Marginal Income Tax Rate			1.0	(65)	4.0	(48)	0.0	(64)	3.0	(50)	3.0	(50)	3.0	(50)	3.0	(50)
(ii) Top Marginal Income and Payroll Tax Rate					4.0	(48)	0.0	(64)	3.0	(50)	3.0	(50)	3.0	(50)	3.0	(50)
2. Legal Structure and Security of Property Rights	3.4		4.0		4.0		3.4		4.4		4.4		4.1		4.3	
A. Judicial Independence													3.5		3.5	
B. Impartial Courts							5.4		5.3		5.3		4.0		5.2	
C. Protection of Intellectual Property													4.5		4.5	
D. Military Interference							4.0		3.3		3.3		3.3		3.3	
E. Integrity of Legal System							0.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	6.1		6.6		7.1		5.8		7.3		7.0		7.1		7.2	
A. Growth of Money Supply	7.8	(11.2)	9.0	(5.0)	9.6	(-2.0)	8.7	(6.3)	9.5	(2.7)	8.9	(5.4)	9.4	(3.1)	9.4	(3.1)
B. Inflation Variability	8.9	(2.6)	9.4	(1.6)	9.0	(2.5)	5.7	(10.9)	9.8	(0.6)	9.7	(0.9)	9.6	(0.9)	9.5	(1.3)
C. Recent Annual Inflation	7.7	(11.5)	8.1	(9.3)	9.8	(1.2)	8.8	(5.9)	9.9	(0.7)	9.4	(3.1)	9.6	(2.2)	10.0	(0.0)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.3		5.5		4.9		5.2		6.4		5.9		6.2		6.1	
A. Taxes on International Trade	2.4		3.3		2.6		2.2		6.0		6.1		6.1		6.1	
(i) Taxes as Percentage of Exports and Imports	2.4	(11.4)	4.5	(8.3)	2.1	(11.8)	1.3	(13.0)	4.4	(8.3)	3.8	(9.3)	3.8	(9.3)	3.8	(9.3)
(ii) Mean Tariff Rate			2.2	(39.0)	3.0	(35.0)	3.2	(34.2)	7.6	(12.0)	7.2	(14.0)	7.2	(13.9)	7.2	(13.9)
(iii) Variability of Tariff Rates											7.3	(6.8)	7.3	(6.8)	7.3	(6.8)
B. Regulatory Trade Barriers													5.6		5.1	
(i) Hidden Import Barriers													4.3		4.3	
(ii) Costs of Importing													6.9		5.8	
C. Size of Trade Sector	6.4		6.1		4.5		5.8		5.3		5.0		5.3		5.0	
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		2.3		0.0		4.2		4.2	
(i) Access to Foreign Capital													8.4		8.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		2.3		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business	4.9		4.7		4.4		4.1		4.6		5.1		5.0		5.0	
A. Regulation of Credit Markets	6.5		5.9		6.5		4.8		5.6		7.4		8.4		8.4	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		2.0		5.0		8.0		8.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	9.4		9.6		9.6		8.5		8.7		8.7		9.2		9.3	
(iv) Avoidance of Negative Real Interest Rates	8.0		6.0		8.0		4.0		6.0		8.7		8.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													2.4		2.4	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													2.8		2.8	
(iii) Collective Bargaining													4.3		4.3	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business													4.3		4.3	
(i) Price Controls					0.0		2.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													2.0		2.0	
(iii) Time Spent with Government Bureaucracy													5.8		5.8	
(iv) Ease of Starting a New Business													5.3		5.3	
(v) Irregular Payments to Government Officials													4.4		4.4	

Sierra Leone

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.0 (68)	3.7 (102)	3.9 (103)	4.3 (113)	5.1 (106)	5.1 (113)	5.5 (102)	5.4 (110)
1. Size of Government	5.6	6.4	6.0	5.6	5.9	5.7	5.5	5.5
A. Government Consumption	9.3 (8.4)	9.1 (8.9)	8.3 (11.8)	7.7 (13.8)	7.8 (13.5)	7.3 (15.3)	6.6 (17.5)	6.7 (17.1)
B. Transfers and Subsidies		10.0 (0.6)	9.7 (1.6)	9.0 (4.3)	9.8 (1.2)	9.8 (1.2)	9.8 (1.2)	9.8 (1.2)
C. Government Enterprises and Investment	2.0 (61.6)	0.0 (81.4)	0.0	0.0	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income and Payroll Tax Rate								
2. Legal Structure and Security of Property Rights		5.3	5.3	2.6	3.5	3.5	4.7	4.1
A. Judicial Independence								
B. Impartial Courts				4.0	4.9	4.9	4.9	3.6
C. Protection of Intellectual Property								
D. Military Interference				2.3	0.0	0.0	5.0	5.0
E. Integrity of Legal System				0.0	5.0	5.0	5.0	5.0
3. Access to Sound Money	5.8	0.4	0.0	3.8	6.5	6.5	6.1	6.4
A. Growth of Money Supply	6.4 (18.1)	1.6 (41.8)	0.0 (73.0)	6.9 (15.4)	4.4 (28.2)	5.4 (23.1)	4.5 (27.3)	5.6 (22.2)
B. Inflation Variability	8.9 (2.8)	0.0 (26.1)	0.0 (29.2)	0.0 (26.1)	6.7 (8.3)	6.0 (10.0)	5.4 (11.4)	6.4 (8.9)
C. Recent Annual Inflation	8.0 (9.9)	0.0 (85.1)	0.0 (89.2)	3.3 (33.5)	9.8 (-0.8)	9.6 (2.1)	9.3 (-3.3)	8.5 (7.6)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Exchange with Foreigners	3.2	2.3	3.6	4.7	4.7	4.6	5.7	5.7
A. Taxes on International Trade	3.0	3.5	7.4	4.5	3.3	3.3	3.3	3.3
(i) Taxes as Percentage of Exports and Imports	1.1 (13.3)	2.1 (11.9)	7.4 (4.0)	4.1 (8.8)	3.3 (10.0)	3.3 (10.0)	3.3 (10.0)	3.3 (10.0)
(ii) Mean Tariff Rate	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	4.8	0.0	2.3	1.0	2.2	2.7	3.1	4.3
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	9.6	5.0	5.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	4.6	3.8	3.8	3.8
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	4.6	3.8	3.8	3.8
5. Regulation of Credit, Labor and Business	5.5	4.3	4.6	5.1	4.8	5.2	5.3	5.5
A. Regulation of Credit Markets	4.7	1.5	2.9	3.3	2.5	4.4	4.8	5.2
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	6.0	2.4	6.8	5.8	3.4	3.1	3.4	4.6
(iv) Avoidance of Negative Real Interest Rates	6.0	0.0	0.0	2.0	2.0	8.0	9.0	9.0
(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	10.0
C. Regulation of Business								
(i) Price Controls			2.0	6.0	6.0	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								

Singapore

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.4 (5)		7.7 (4)		8.1 (2)		8.8 (2)		8.5 (3)		8.5 (2)		8.6 (2)		8.5 (2)	
1. Size of Government	7.0		7.1		8.2		8.4		8.0		7.8		8.1		8.0	
A. Government Consumption	7.1	(15.9)	4.7	(24.0)	6.5	(18.1)	6.9	(16.5)	5.6	(20.8)	5.3	(22.0)	5.4	(21.6)	5.4	(21.7)
B. Transfers and Subsidies	9.8	(1.1)	9.6	(1.8)	9.4	(2.6)	9.6	(1.8)	9.2	(3.3)	8.8	(4.9)	8.8	(4.9)	8.6	(5.6)
C. Government Enterprises and Investment	7.0	(24.2)	6.0	(34.7)	8.0	(18.6)	8.0		8.0		8.0		8.0		8.0	
D. Top Marginal Tax Rate	4.0		8.0		9.0		9.0		9.0		9.0		10.0		10.0	
(i) Top Marginal Income Tax Rate	4.0	(55)	8.0	(40)	9.0	(33)	9.0	(30)	9.0	(28)	9.0	(26)	10.0	(22)	10.0	(22)
(ii) Top Marginal Income and Payroll Tax Rate					9.0	(33)	9.0	(30)	9.0	(28)	9.0	(26)	10.0	(22)	10.0	(22)
2. Legal Structure and Security of Property Rights	8.1		7.2		7.2		8.3		8.5		8.5		8.6		8.2	
A. Judicial Independence							7.2		7.3		6.8		7.0		7.2	
B. Impartial Courts							7.1		7.7		7.9		8.0		7.8	
C. Protection of Intellectual Property							7.3		7.6		7.8		8.2		7.8	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		8.3	
3. Access to Sound Money	6.4		8.4		9.3		9.7		9.5		9.6		9.6		9.7	
A. Growth of Money Supply	9.4	(3.3)	9.9	(0.3)	9.1	(4.4)	9.9	(0.5)	9.4	(-2.9)	9.9	(-0.6)	9.9	(0.4)	9.9	(0.3)
B. Inflation Variability	8.6	(3.6)	8.9	(2.8)	8.9	(2.7)	9.4	(1.5)	8.7	(3.2)	8.7	(3.2)	8.8	(3.1)	8.8	(3.1)
C. Recent Annual Inflation	7.7	(11.5)	9.8	(-1.1)	9.0	(4.9)	9.5	(2.7)	9.7	(1.4)	9.8	(1.0)	9.9	(-0.4)	9.9	(0.5)
D. Freedom to Own Foreign Currency	0.0		5.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	9.2		9.6		9.6		9.6		9.3		9.4		9.5		9.5	
A. Taxes on International Trade	9.8		9.9		9.7		9.6		9.9		10.0		10.0		10.0	
(i) Taxes as Percentage of Exports and Imports	9.7	(0.4)	9.8	(0.3)	9.9	(0.1)	9.9	(0.1)	9.9	(0.1)	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)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)
(iii) Variability of Tariff Rates					9.3	(1.8)	8.9	(2.7)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)
B. Regulatory Trade Barriers							8.9		9.4		9.2		9.3		9.3	
(i) Hidden Import Barriers							8.9		8.8		8.7		8.7		8.8	
(ii) Costs of Importing									10.0		9.8		9.9		9.8	
C. Size of Trade Sector	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	8.0		10.0		10.0		9.3		7.2		7.6		8.1		8.1	
(i) Access to Foreign Capital							8.7		9.1		9.1		10.0		10.0	
(ii) Restrictions on Foreign Capital Transactions	8.0		10.0		10.0		10.0		5.4		6.2		6.2		6.2	
5. Regulation of Credit, Labor and Business	6.2		6.2		6.3		7.9		7.3		7.0		7.0		7.0	
A. Regulation of Credit Markets	9.6		9.7		9.6		8.3		7.9		7.9		7.9		7.9	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							6.1		4.6		4.6		4.6		4.6	
(iii) Extension of Credit to Private Sector	8.9		9.0		8.8		8.8		8.3		8.2		8.0		8.0	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							6.7		6.8		6.8		6.8		6.8	
B. Regulation of Labor Markets					5.5		6.2		5.5		5.6		5.7		5.7	
(i) Impact of Minimum Wage							7.1		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					8.5		8.5		7.2		7.6		7.7		7.7	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		8.4		8.1		8.0		8.0	
(iv) Incentives from Unemployment Benefits							7.3		7.5		7.5		8.5		8.1	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business							9.4		8.4		7.7		7.5		7.6	
(i) Price Controls					8.0		9.0		9.0		8.0		7.0		7.0	
(ii) Administrative Obstacles for New Businesses									7.7		6.6		6.8		7.2	
(iii) Time Spent with Government Bureaucracy							9.7		8.1		6.5		6.5		6.8	
(iv) Ease of Starting a New Business							9.1		8.0		8.1		7.7		7.8	
(v) Irregular Payments to Government Officials							9.7		9.1		9.1		9.3		9.1	

Slovak Republic

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				5.4 (80)	6.3 (68)	6.3 (67)	6.5 (57)	6.6 (54)
1. Size of Government				2.4	3.5	4.0	4.2	4.4
A. Government Consumption		3.3 (28.9)	3.2 (29.2)	4.0 (26.3)	4.1 (26.1)	4.1 (26.2)	4.1 (26.1)	4.1 (26.1)
B. Transfers and Subsidies				3.9 (23.0)	4.3 (21.5)	4.3 (21.5)	4.9 (19.3)	4.9 (19.3)
C. Government Enterprises and Investment			0.0 (75.1)	2.0	4.0	6.0	6.0	6.0
D. Top Marginal Tax Rate			4.0	4.0	3.5	2.5	2.5	2.5
(i) Top Marginal Income Tax Rate			4.0 (42)	4.0 (42)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)
(ii) Top Marginal Income and Payroll Tax Rate			4.0 (42)	4.0 (44)	2.0 (55)	0.0 (64)	0.0 (64)	0.0 (64)
2. Legal Structure and Security of Property Rights				6.5	6.3	5.6	5.7	6.0
A. Judicial Independence			5.1	5.0	3.7	3.7	4.3	4.3
B. Impartial Courts			5.4	5.2	3.4	3.5	4.2	4.2
C. Protection of Intellectual Property			4.0	4.7	4.4	4.5	4.7	4.7
D. Military Interference			8.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of Legal System			10.0	6.7	6.7	6.7	6.7	6.7
3. Access to Sound Money		8.8	6.7	8.0	8.2	8.2	7.5	7.5
A. Growth of Money Supply			7.3 (13.4)	9.8 (-0.9)	9.4 (3.0)	8.7 (6.5)	7.2 (14.1)	7.2 (14.1)
B. Inflation Variability		9.0 (2.5)	6.4 (9.0)	9.6 (1.0)	9.7 (0.7)	9.6 (1.0)	9.6 (1.1)	9.6 (1.1)
C. Recent Annual Inflation		8.6 (6.9)	8.1 (9.7)	7.6 (12.0)	8.5 (7.3)	9.3 (3.3)	8.3 (8.6)	8.3 (8.6)
D. Freedom to Own Foreign Currency			5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Exchange with Foreigners			6.8	8.0	8.4	8.4	8.5	8.5
A. Taxes on International Trade			8.8	9.1	9.3	7.7	7.7	7.7
(i) Taxes as Percentage of Exports and Imports				9.3 (1.0)	9.8 (0.3)	9.8 (0.2)	9.8 (0.2)	9.8 (0.2)
(ii) Mean Tariff Rate			8.8 (6.1)	8.8 (6.0)	8.8 (6.0)	5.6 (22.2)	5.6 (22.2)	5.6 (22.2)
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers			4.8	7.2	7.6	8.1	7.7	7.7
(i) Hidden Import Barriers			4.8	6.7	6.3	7.2	6.2	6.2
(ii) Costs of Importing				7.7	8.9	9.1	9.2	9.2
C. Size of Trade Sector			6.6	8.2	8.6	8.3	8.5	8.5
D. Official versus Black Market Exchange Rate			10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets			3.6	5.5	6.2	7.8	8.8	8.8
(i) Access to Foreign Capital			5.3	7.8	7.8	9.4	10.0	10.0
(ii) Restrictions on Foreign Capital Transactions			2.0	3.1	4.6	6.2	7.7	7.7
5. Regulation of Credit, Labor and Business			4.8	5.8	5.5	5.8	6.4	6.4
A. Regulation of Credit Markets			5.7	7.4	7.4	7.9	7.9	7.9
(i) Private Ownership of Banks			5.0	5.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks			6.1	5.3	5.3	5.3	5.3	5.3
(iii) Extension of Credit to Private Sector			5.3	8.1	5.6	6.0	5.9	5.9
(iv) Avoidance of Negative Real Interest Rates			6.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates			6.1	8.3	8.3	8.3	8.3	8.3
B. Regulation of Labor Markets			4.4	4.9	4.7	4.4	5.9	5.9
(i) Impact of Minimum Wage			6.1	4.2	4.2	4.2	4.2	4.2
(ii) Flexibility in Hiring and Firing		4.9	4.9	3.0	4.3	4.2	5.7	5.7
(iii) Collective Bargaining			5.2	7.7	7.1	7.7	7.8	7.8
(iv) Incentives from Unemployment Benefits			4.7	4.8	4.8	3.2	6.9	6.9
(v) Military Conscription			1.0	5.0	3.0	3.0	5.0	5.0
C. Regulation of Business			4.2	5.2	4.5	5.2	5.3	5.3
(i) Price Controls			4.0	4.0	4.0	6.0	5.0	5.0
(ii) Administrative Obstacles for New Businesses				8.0	1.9	2.0	2.8	2.8
(iii) Time Spent with Government Bureaucracy			4.7	4.5	7.0	7.0	6.8	6.8
(iv) Ease of Starting a New Business			4.3	3.0	4.7	5.2	6.0	6.0
(v) Irregular Payments to Government Officials			3.7	6.5	5.1	5.6	6.0	6.0

Slovenia

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►				4.9 (93)	5.9 (80)	6.1 (78)	6.2 (73)	6.3 (70)
1. Size of Government				1.8	2.9	2.5	3.1	3.0
A. Government Consumption			4.1 (25.9)	4.2 (25.8)	3.7 (27.5)	3.4 (28.5)	3.7 (27.3)	3.8 (27.2)
B. Transfers and Subsidies				1.1 (33.2)	4.0 (22.4)	4.7 (20.0)	4.7 (20.0)	4.7 (20.0)
C. Government Enterprises and Investment				0.0 (75.1)	2.0	0.0	2.0	2.0
D. Top Marginal Tax Rate					2.0	2.0	2.0	1.5
(i) Top Marginal Income Tax Rate					4.0 (50)	4.0 (50)	4.0 (50)	3.0 (50)
(ii) Top Marginal Income and Payroll Tax Rate					0.0 (70)	0.0 (66)	0.0 (70)	0.0 (70)
2. Legal Structure and Security of Property Rights				7.4	6.4	7.0	6.7	6.5
A. Judicial Independence						6.7	5.5	4.8
B. Impartial Courts				7.0	7.1	5.4	5.3	5.2
C. Protection of Intellectual Property					5.4	6.3	6.0	5.8
D. Military Interference				9.2	8.3	8.3	8.3	8.3
E. Integrity of Legal System				10.0	8.3	8.3	8.3	8.3
3. Access to Sound Money				3.1	7.4	8.8	8.7	8.9
A. Growth of Money Supply				0.0 (57.5)	7.6 (11.9)	7.7 (11.4)	7.0 (15.1)	7.5 (12.7)
B. Inflation Variability				0.0 (79.6)	9.2 (2.1)	9.3 (1.6)	9.4 (1.6)	9.3 (1.8)
C. Recent Annual Inflation				7.5 (12.6)	7.8 (10.8)	8.1 (9.4)	8.5 (7.5)	8.9 (5.6)
D. Freedom to Own Foreign Currency			5.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners				7.1	7.1	7.3	7.2	7.3
A. Taxes on International Trade				7.5	8.1	8.2	8.2	8.7
(i) Taxes as Percentage of Exports and Imports				7.5 (3.7)	9.5 (0.8)	9.6 (0.5)	9.7 (0.5)	9.6 (0.5)
(ii) Mean Tariff Rate					7.6 (11.8)	7.7 (11.6)	7.7 (11.6)	9.1 (4.3)
(iii) Variability of Tariff Rates					7.0 (7.4)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)
B. Regulatory Trade Barriers					7.4	8.3	8.1	8.2
(i) Hidden Import Barriers					7.4	7.3	7.2	7.0
(ii) Costs of Importing						9.3	9.0	9.3
C. Size of Trade Sector				4.7	4.8	4.5	4.3	4.5
D. Official versus Black Market Exchange Rate			0.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.0	5.3	5.3	5.3	5.2
(i) Access to Foreign Capital					6.8	6.8	6.0	5.8
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	3.8	3.8	4.6	4.6
5. Regulation of Credit, Labor and Business				5.3	5.7	5.1	5.4	5.6
A. Regulation of Credit Markets				6.5	6.5	6.7	8.0	8.0
(i) Private Ownership of Banks				5.0	5.0	5.0	8.0	8.0
(ii) Competition from Foreign Banks					4.8	4.8	8.0	8.0
(iii) Extension of Credit to Private Sector				6.5	7.7	7.8	7.8	8.0
(iv) Avoidance of Negative Real Interest Rates				8.0	9.0	10.0	10.0	10.0
(v) Controls on Interest Rates					6.1	6.1	6.1	6.1
B. Regulation of Labor Markets					3.6	3.8	3.6	3.6
(i) Impact of Minimum Wage					4.0	4.0	4.0	4.0
(ii) Flexibility in Hiring and Firing					2.3	2.7	2.7	2.7
(iii) Collective Bargaining					5.1	5.3	5.2	5.3
(iv) Incentives from Unemployment Benefits							3.1	2.9
(v) Military Conscription				3.0	3.0	3.0	3.0	3.0
C. Regulation of Business					7.0	4.9	4.7	5.2
(i) Price Controls				6.0	8.0	2.0	2.0	4.0
(ii) Administrative Obstacles for New Businesses					7.0	3.0	3.0	3.0
(iii) Time Spent with Government Bureaucracy					7.8	6.3	5.8	5.5
(iv) Ease of Starting a New Business					5.7	6.0	5.3	5.5
(v) Irregular Payments to Government Officials					6.6	7.4	7.4	7.8

South Africa

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.8 (35)		5.4 (55)		5.3 (62)		6.3 (48)		6.8 (43)		6.7 (47)		6.8 (44)		6.9 (38)	
1. Size of Government	4.7		4.9		5.6		5.8		5.4		5.5		5.6		5.6	
A. Government Consumption	5.6 (20.9)		4.6 (24.4)		4.5 (24.8)		4.5 (24.7)		5.2 (22.4)		5.2 (22.4)		4.8 (23.7)		4.9 (23.3)	
B. Transfers and Subsidies	9.3 (3.2)		8.8 (4.8)		8.8 (4.8)		8.7 (5.3)		8.6 (5.5)		8.9 (4.5)		8.9 (4.5)		8.8 (4.9)	
C. Government Enterprises and Investment	2.0 (50.9)		2.0 (42.2)		4.0 (34.2)		6.0 (26.2)		4.0 (32.7)		4.0 (31.0)		4.0 (31.0)		4.0 (31.0)	
D. Top Marginal Tax Rate	2.0		4.0		5.0		4.0		4.0		4.0		4.5		4.5	
(i) Top Marginal Income Tax Rate	2.0 (60)		4.0 (50)		5.0 (45)		4.0 (43)		4.0 (45)		4.0 (42)		5.0 (40)		5.0 (40)	
(ii) Top Marginal Income and Payroll Tax Rate					5.0 (45)		4.0 (43)		4.0 (45)		4.0 (42)		4.0 (41)		4.0 (41)	
2. Legal Structure and Security of Property Rights	6.2		4.5		2.9		6.1		6.5		6.6		6.5		7.1	
A. Judicial Independence							7.2		7.2		7.6		7.7		8.0	
B. Impartial Courts							7.9		8.0		7.3		7.0		7.3	
C. Protection of Intellectual Property							6.5		5.8		6.7		6.2		6.7	
D. Military Interference							4.9		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							4.1		3.3		3.3		3.3		5.0	
3. Access to Sound Money	5.3		5.3		5.8		6.4		7.9		7.9		7.8		8.0	
A. Growth of Money Supply	7.8 (11.0)		6.3 (18.6)		6.5 (17.3)		8.2 (8.9)		7.9 (10.7)		8.0 (10.2)		8.4 (7.9)		8.4 (7.9)	
B. Inflation Variability	8.1 (4.7)		8.5 (3.7)		9.5 (1.3)		9.3 (1.8)		9.7 (0.8)		9.7 (0.7)		9.7 (0.8)		9.6 (1.0)	
C. Recent Annual Inflation	5.2 (24.1)		6.4 (18.1)		7.0 (15.1)		8.2 (8.8)		9.0 (5.2)		9.0 (4.8)		8.2 (9.2)		8.8 (5.9)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	7.4		6.4		6.5		6.3		7.2		7.2		7.6		7.4	
A. Taxes on International Trade	8.7		8.9		7.3		5.5		7.7		7.5		7.5		7.6	
(ii) Taxes as Percentage of Exports and Imports	9.2 (1.2)		9.1 (1.4)		8.5 (2.2)		9.3 (1.0)		9.0 (1.5)		9.1 (1.4)		9.2 (1.2)		9.3 (1.1)	
(ii) Mean Tariff Rate	8.1 (9.4)		8.8 (6.0)		7.8 (11.0)		6.1 (19.7)		8.3 (8.5)		8.1 (9.4)		8.1 (9.4)		8.1 (9.4)	
(iii) Variability of Tariff Rates					5.5 (11.3)		1.2 (21.9)		5.9 (10.2)		5.3 (11.7)		5.3 (11.7)		5.3 (11.7)	
B. Regulatory Trade Barriers							6.4		7.6		7.7		7.7		7.7	
(i) Hidden Import Barriers							6.4		6.6		6.9		6.8		6.7	
(ii) Costs of Importing									8.5		8.6		8.5		8.7	
C. Size of Trade Sector	9.5		7.7		5.9		5.8		6.7		6.4		7.7		6.5	
D. Official versus Black Market Exchange Rate	8.8		5.0		9.4		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		4.0		4.1		4.1		4.9		5.1	
(i) Access to Foreign Capital							6.0		7.5		7.5		9.0		9.4	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		0.8		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	5.3		5.9		5.7		6.8		6.9		6.5		6.5		6.6	
A. Regulation of Credit Markets	7.5		9.1		9.1		8.5		8.5		8.5		8.8		8.8	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							7.9		6.8		6.8		8.0		8.0	
(iii) Extension of Credit to Private Sector	8.4		9.2		9.2		9.3		9.2		9.3		9.2		9.2	
(iv) Avoidance of Negative Real Interest Rates	4.0		8.0		8.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							5.3		6.5		6.5		6.5		6.5	
B. Regulation of Labor Markets					3.9		6.1		5.5		5.4		5.5		5.6	
(i) Impact of Minimum Wage							2.9		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					5.6		5.6		2.1		2.2		2.2		2.5	
(iii) Collective Bargaining					6.2		6.2		4.5		4.2		4.7		4.7	
(iv) Incentives from Unemployment Benefits							5.9		6.2		6.2		5.9		6.0	
(v) Military Conscription	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							5.9		6.6		5.4		5.2		5.6	
(i) Price Controls							6.0		7.0		6.0		5.0		6.0	
(ii) Administrative Obstacles for New Businesses									6.9		3.3		3.2		3.5	
(iii) Time Spent with Government Bureaucracy							6.4		6.5		5.3		5.8		5.5	
(iv) Ease of Starting a New Business							6.4		5.9		5.8		5.7		5.5	
(v) Irregular Payments to Government Officials							4.6		6.8		6.9		6.3		7.5	

South Korea

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.8 (35)		5.8 (40)		6.2 (34)		6.3 (48)		6.6 (53)		7.0 (34)		7.0 (33)		7.0 (35)	
1. Size of Government	6.0		6.5		6.2		6.4		6.5		6.6		6.7		6.6	
A. Government Consumption	7.3	(15.2)	7.4	(14.7)	7.1	(15.9)	7.0	(16.2)	6.4	(18.3)	6.2	(19.0)	6.2	(18.8)	5.9	(19.8)
B. Transfers and Subsidies	9.6	(2.0)	9.5	(2.2)	9.3	(2.9)	7.7	(9.0)	7.7	(9.0)	7.7	(9.0)	7.7	(9.0)	7.3	(10.4)
C. Government Enterprises and Investment	7.0	(22.6)	7.0	(25.4)	7.0	(19.2)	6.0	(25.5)	7.0	(20.5)	7.0	(21.3)	7.0	(21.3)	7.0	(21.3)
D. Top Marginal Tax Rate	0.0		2.0		1.5		5.0		5.0		5.5		6.0		6.0	
(i) Top Marginal Income Tax Rate	0.0	(89)	2.0	(65)	2.0	(64)	5.0	(48)	5.0	(44)	6.0	(40)	6.0	(40)	6.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(66)	5.0	(48)	5.0	(44)	5.0	(43)	6.0	(40)	6.0	(40)
2. Legal Structure and Security of Property Rights	6.5		4.2		5.4		5.6		6.0		6.4		6.2		6.4	
A. Judicial Independence							4.9		4.7		5.5		5.2		5.3	
B. Impartial Courts							5.3		5.2		5.5		5.2		4.5	
C. Protection of Intellectual Property							4.3		5.0		5.8		5.8		5.3	
D. Military Interference							6.7		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							7.0		6.7		6.7		6.7		8.3	
3. Access to Sound Money	5.0		6.4		6.5		8.0		8.2		9.3		9.2		9.5	
A. Growth of Money Supply	6.2	(18.8)	8.6	(7.1)	8.6	(7.0)	9.0	(5.0)	9.7	(-1.7)	9.2	(3.9)	8.6	(7.1)	9.3	(3.5)
B. Inflation Variability	8.8	(3.0)	8.0	(4.9)	9.2	(1.9)	9.3	(1.9)	8.7	(3.2)	8.8	(2.9)	8.9	(2.8)	9.2	(1.9)
C. Recent Annual Inflation	5.0	(24.9)	9.1	(4.6)	8.0	(9.9)	8.9	(5.6)	9.6	(2.2)	9.2	(4.1)	9.5	(2.7)	9.3	(3.6)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		5.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.2		6.3		7.2		6.8		7.1		7.4		7.3		7.1	
A. Taxes on International Trade	6.6		6.5		7.5		7.9		8.3		8.3		8.3		8.3	
(i) Taxes as Percentage of Exports and Imports	7.3	(4.1)	7.6	(3.6)	7.7	(3.4)	8.7	(2.0)	9.1	(1.3)	9.1	(1.3)	9.1	(1.3)	9.1	(1.3)
(ii) Mean Tariff Rate	5.9	(20.4)	5.4	(23.0)	7.3	(13.3)	7.7	(11.5)	8.3	(8.7)	8.3	(8.7)	8.1	(9.5)	8.1	(9.5)
(iii) Variability of Tariff Rates					7.3	(6.7)	7.4	(6.6)	7.6	(5.9)	7.6	(5.9)	7.6	(5.9)	7.6	(5.9)
B. Regulatory Trade Barriers							6.0		6.8		7.5		7.4		7.2	
(i) Hidden Import Barriers							6.0		5.2		6.3		6.2		5.7	
(ii) Costs of Importing									8.5		8.8		8.6		8.7	
C. Size of Trade Sector	8.4		6.8		5.7		5.3		6.9		6.6		6.1		5.7	
D. Official versus Black Market Exchange Rate	7.8		7.8		9.8		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		2.0		5.0		4.8		3.6		4.3		4.6		4.6	
(i) Access to Foreign Capital							4.7		7.2		7.2		7.6		7.6	
(ii) Restrictions on Foreign Capital Transactions	0.0		2.0		5.0		5.0		0.0		1.5		1.5		1.5	
5. Regulation of Credit, Labor and Business	5.1		5.7		5.4		4.8		5.3		5.2		5.3		5.3	
A. Regulation of Credit Markets	6.1		8.1		8.2		6.8		6.4		6.4		7.4		7.4	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							4.9		3.2		3.2		8.0		8.0	
(iii) Extension of Credit to Private Sector	9.4		9.3		9.5		9.7		9.5		9.6		9.6		9.6	
(iv) Avoidance of Negative Real Interest Rates	4.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							4.6		4.5		4.5		4.5		4.5	
B. Regulation of Labor Markets					3.6		4.4		4.2		4.3		3.9		4.1	
(i) Impact of Minimum Wage							5.8		4.1		4.1		4.1		4.1	
(ii) Flexibility in Hiring and Firing					3.5		3.5		4.7		4.4		4.0		3.8	
(iii) Collective Bargaining	7.2		7.2		7.2		7.2		6.2		6.8		6.3		7.3	
(iv) Incentives from Unemployment Benefits							5.5		6.0		6.0		4.9		5.3	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business							3.1		5.2		5.0		4.6		4.3	
(i) Price Controls					0.0		0.0		1.0		3.0		1.0		1.0	
(ii) Administrative Obstacles for New Businesses									6.5		3.4		3.7		2.8	
(iii) Time Spent with Government Bureaucracy							5.4		7.7		6.3		6.3		6.5	
(iv) Ease of Starting a New Business							3.7		5.4		5.8		5.3		5.2	
(v) Irregular Payments to Government Officials							3.3		5.4		6.4		6.8		6.2	

Spain

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.8 (35)		5.9 (35)		6.2 (34)		7.0 (28)		7.4 (19)		7.0 (34)		7.1 (29)		7.2 (30)
1. Size of Government	4.7		4.2		4.7		4.2		4.6		5.0		4.9		5.2
A. Government Consumption	6.9 (16.5)		6.3 (18.7)		5.9 (20.0)		5.5 (21.2)		5.2 (22.2)		5.1 (22.7)		4.9 (23.3)		4.8 (23.6)
B. Transfers and Subsidies	6.8 (12.3)		5.5 (16.9)		5.8 (16.0)		5.1 (18.5)		5.2 (18.0)		5.8 (16.1)		5.9 (15.6)		5.9 (15.6)
C. Government Enterprises and Investment	4.0 (27.1)		4.0 (30.2)		4.0 (33.5)		4.0		4.0		4.0		4.0		4.0
D. Top Marginal Tax Rate	1.0		1.0		3.0		2.0		4.0		5.0		5.0		6.0
(i) Top Marginal Income Tax Rate	1.0 (66)		1.0 (66)		3.0 (56)		2.0 (56)		4.0 (48)		5.0 (38-48)		5.0 (35-45)		6.0 (35-45)
(ii) Top Marginal Income and Payroll Tax Rate					3.0 (56)		2.0 (56)		4.0 (48)		5.0 (38-48)		5.0 (35-45)		6.0 (35-45)
2. Legal Structure and Security of Property Rights	6.3		6.4		7.2		7.5		7.5		6.3		6.5		6.5
A. Judicial Independence							6.8		7.5		5.1		4.7		5.2
B. Impartial Courts							6.6		8.0		5.3		5.0		5.0
C. Protection of Intellectual Property							6.1		7.2		5.9		6.2		5.8
D. Military Interference							7.9		8.3		8.3		8.3		8.3
E. Integrity of Legal System							10.0		6.7		6.7		8.3		8.3
3. Access to Sound Money	5.9		6.5		6.1		9.6		9.4		9.5		9.6		9.6
A. Growth of Money Supply	7.6 (12.2)		8.3 (8.3)		6.8 (16.0)		9.9 (-0.4)		8.7 (6.7)		9.0 (5.0)		9.3 (3.5)		9.3 (3.6)
B. Inflation Variability	8.6 (3.5)		9.2 (2.1)		9.2 (2.0)		9.5 (1.3)		9.8 (0.6)		9.7 (0.7)		9.7 (0.8)		9.8 (0.6)
C. Recent Annual Inflation	7.3 (13.4)		8.5 (7.7)		8.5 (7.3)		9.0 (4.8)		9.3 (3.4)		9.3 (3.6)		9.4 (3.1)		9.4 (3.0)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	6.9		7.1		7.4		7.8		8.3		8.0		8.0		8.3
A. Taxes on International Trade	8.2		8.3		8.2		8.7		9.2		9.0		9.1		9.2
(i) Taxes as Percentage of Exports and Imports	8.2 (2.7)		8.0 (3.0)		9.0 (1.5)		9.9 (0.2)		9.8 (0.3)		9.8 (0.3)		9.9 (0.2)		9.9 (0.2)
(ii) Mean Tariff Rate	8.2 (8.8)		8.5 (7.5)		8.5 (7.4)		8.7 (6.7)		9.5 (2.4)		9.2 (3.9)		9.4 (3.1)		9.7 (1.4)
(iii) Variability of Tariff Rates					7.1 (7.2)		7.6 (5.9)		8.2 (4.4)		8.0 (4.9)		8.0 (4.9)		8.0 (4.9)
B. Regulatory Trade Barriers							7.6		8.7		8.7		8.4		8.3
(i) Hidden Import Barriers							7.6		7.6		7.9		7.3		7.3
(ii) Costs of Importing									9.8		9.6		9.4		9.2
C. Size of Trade Sector	3.2		4.5		3.2		4.3		5.7		5.5		5.1		5.0
D. Official versus Black Market Exchange Rate	10.0		9.6		9.6		10.0		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	5.0		5.0		8.0		8.3		8.0		6.9		7.6		8.8
(i) Access to Foreign Capital							8.6		9.1		9.1		9.0		9.2
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		8.0		8.0		6.9		4.6		6.2		8.5
5. Regulation of Credit, Labor and Business	5.2		5.4		5.5		5.9		6.9		6.5		6.4		6.2
A. Regulation of Credit Markets	7.4		8.3		8.3		7.9		8.5		8.5		8.3		8.3
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		10.0		10.0		10.0		10.0
(ii) Competition from Foreign Banks							7.7		6.1		6.1		6.0		6.0
(iii) Extension of Credit to Private Sector	8.1		6.8		6.8		6.7		8.3		8.3		8.3		8.3
(iv) Avoidance of Negative Real Interest Rates	6.0		10.0		10.0		10.0		10.0		10.0		9.0		9.0
(v) Controls on Interest Rates							7.3		8.1		8.1		8.1		8.1
B. Regulation of Labor Markets	3.6		3.4		3.7		4.1		5.3		5.0		5.1		5.1
(i) Impact of Minimum Wage							5.8		3.1		3.1		3.1		3.1
(ii) Flexibility in Hiring and Firing					2.6		2.6		3.7		2.5		2.2		2.8
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		4.9		4.6		5.7		5.3
(iv) Incentives from Unemployment Benefits	4.5		4.1		4.0		3.8		5.0		5.0		4.6		4.3
(v) Military Conscription	1.0		1.0		3.0		3.0		10.0		10.0		10.0		10.0
C. Regulation of Business							5.7		6.9		5.8		5.8		5.2
(i) Price Controls					7.0		6.0		6.0		6.0		6.0		5.0
(ii) Administrative Obstacles for New Businesses									7.4		3.8		2.8		3.3
(iii) Time Spent with Government Bureaucracy							6.4		7.9		7.0		7.3		6.3
(iv) Ease of Starting a New Business							5.3		5.7		4.6		5.2		4.2
(v) Irregular Payments to Government Officials							5.1		7.6		7.7		7.8		7.5

Sri Lanka

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.0 (68)		5.1 (66)		5.0 (75)		6.1 (60)		6.1 (75)		6.2 (71)		6.0 (80)		6.2 (76)	
1. Size of Government	4.7		4.8		7.0		6.8		7.0		7.0		7.4		7.4	
A. Government Consumption	8.9	(9.6)	8.4	(11.4)	8.4	(11.4)	7.8	(13.5)	8.0	(12.7)	8.2	(12.1)	8.6	(10.8)	9.0	(9.4)
B. Transfers and Subsidies	7.8	(8.4)	8.7	(5.1)	8.5	(6.0)	8.5	(5.9)	9.0	(4.1)	8.9	(4.6)	8.9	(4.6)	8.8	(5.0)
C. Government Enterprises and Investment	2.0	(53.5)	2.0	(54.3)	4.0	(39.2)	4.0		4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate	0.0		0.0				7.0		7.0		7.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	0.0	(61)	0.0	(61)			7.0	(35)	7.0	(35)	7.0	(35)	8.0	(30)	8.0	(30)
(ii) Top Marginal Income and Payroll Tax Rate							7.0	(35)	7.0	(35)	7.0	(35)	8.0	(30)	8.0	(30)
2. Legal Structure and Security of Property Rights	4.0		3.4		2.3		4.5		4.2		5.2		3.8		4.1	
A. Judicial Independence											6.6		3.7		4.2	
B. Impartial Courts							4.9		5.0		6.1		3.7		4.2	
C. Protection of Intellectual Property									3.5		5.0		3.5		3.8	
D. Military Interference							2.0		3.3		3.3		3.3		3.3	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	5.1		6.2		5.4		6.7		6.7		6.3		6.5		6.6	
A. Growth of Money Supply	5.9	(20.6)	8.0	(9.8)	7.6	(12.1)	8.8	(6.1)	9.2	(3.9)	9.4	(3.2)	9.2	(3.8)	9.1	(4.4)
B. Inflation Variability	8.6	(3.6)	7.0	(7.5)	8.0	(5.0)	9.8	(0.5)	9.0	(2.5)	8.7	(3.3)	8.7	(3.3)	8.6	(3.5)
C. Recent Annual Inflation	6.0	(20.0)	9.9	(0.6)	5.9	(20.3)	8.1	(9.3)	8.8	(6.2)	7.2	(14.2)	8.1	(9.6)	8.7	(6.3)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.5		4.8		4.5		6.3		6.5		6.4		6.7		6.9	
A. Taxes on International Trade	2.0		3.6		2.9		4.8		7.6		7.7		7.6		7.6	
(i) Taxes as Percentage of Exports and Imports	2.2	(11.7)	2.9	(10.6)	4.1	(8.8)	7.0	(4.5)	8.6	(2.1)	8.4	(2.3)	8.3	(2.5)	8.3	(2.5)
(ii) Mean Tariff Rate	1.7	(41.3)	4.2	(29.0)	4.6	(26.9)	4.8	(26.1)	8.0	(9.9)	8.3	(8.4)	8.3	(8.4)	8.3	(8.4)
(iii) Variability of Tariff Rates					0.0	(25.5)	2.8	(18.1)	6.3	(9.3)	6.3	(9.3)	6.3	(9.3)	6.3	(9.3)
B. Regulatory Trade Barriers									4.8		5.3		5.9		7.0	
(i) Hidden Import Barriers									4.8		5.0		5.0		6.5	
(ii) Costs of Importing											5.6		6.9		7.5	
C. Size of Trade Sector	9.0		6.2		5.9		6.7		7.0		6.2		5.9		5.8	
D. Official versus Black Market Exchange Rate	8.2		6.0		5.2		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		2.0		3.0		3.0		4.1		4.2	
(i) Access to Foreign Capital									6.0		6.0		8.2		8.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		2.0		0.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business	5.7		6.4		5.9		6.2		6.0		5.9		5.7		5.7	
A. Regulation of Credit Markets	5.1		7.0		6.6		7.8		6.1		6.4		6.7		6.8	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks									6.1		6.1		6.1		6.1	
(iii) Extension of Credit to Private Sector	6.4		7.9		6.7		8.4		8.3		6.8		7.3		7.6	
(iv) Avoidance of Negative Real Interest Rates	4.0		8.0		8.0		10.0		6.0		9.0		10.0		10.0	
(v) Controls on Interest Rates									5.3		5.3		5.3		5.3	
B. Regulation of Labor Markets									5.9		6.2		5.9		5.5	
(i) Impact of Minimum Wage									4.1		4.1		4.1		4.1	
(ii) Flexibility in Hiring and Firing									2.9		4.6		3.2		2.0	
(iii) Collective Bargaining									6.5		6.1		6.3		5.8	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									6.0		5.2		4.4		4.9	
(i) Price Controls					4.0		4.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									7.3		6.1		3.2		3.5	
(iii) Time Spent with Government Bureaucracy									7.2		4.0		4.8		5.5	
(iv) Ease of Starting a New Business									6.5		6.1		5.5		6.2	
(v) Irregular Payments to Government Officials									5.3		5.7		4.4		5.3	

Sweden

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.7 (41)	6.2 (25)	6.5 (29)	7.2 (23)	7.4 (19)	7.2 (23)	7.3 (19)	7.3 (24)
1. Size of Government	2.1	2.6	2.4	2.6	3.0	3.0	3.1	3.0
A. Government Consumption	1.1 (36.3)	1.4 (35.3)	1.5 (34.9)	2.1 (33.0)	1.7 (34.3)	1.5 (34.8)	1.0 (36.5)	1.0 (36.6)
B. Transfers and Subsidies	3.4 (24.7)	3.1 (26.0)	2.0 (29.9)	0.8 (34.1)	3.4 (24.9)	4.0 (22.6)	4.0 (22.7)	4.0 (22.7)
C. Government Enterprises and Investment	4.0 (41.2)	6.0 (28.0)	6.0 (22.8)	6.0 (28.3)	6.0	6.0	6.0	6.0
D. Top Marginal Tax Rate	0.0	0.0	0.0	1.5	1.0	0.5	1.5	1.0
(i) Top Marginal Income Tax Rate	0.0 (87)	0.0 (80)	0.0 (61-68)	3.0 (46-53)	2.0 (51-58)	1.0 (52-59)	3.0 (52-59)	2.0 (54-62)
(ii) Top Marginal Income and Payroll Tax Rate			0.0 (79-86)	0.0 (66-73)	0.0 (68-75)	0.0 (64-69)	0.0 (64-69)	0.0 (68)
2. Legal Structure and Security of Property Rights	6.6	7.4	8.3	8.9	9.0	8.6	8.9	9.3
A. Judicial Independence				8.8	8.7	7.6	8.3	8.5
B. Impartial Courts				8.9	8.4	7.9	7.8	9.0
C. Protection of Intellectual Property				6.6	8.1	8.3	8.3	8.8
D. Military Interference				10.0	10.0	9.2	10.0	10.0
E. Integrity of Legal System				10.0	10.0	10.0	10.0	10.0
3. Access to Sound Money	7.6	8.0	7.8	9.5	9.8	9.7	9.6	9.6
A. Growth of Money Supply	8.3 (8.7)	8.9 (5.5)	8.7 (6.6)	9.8 (1.0)	9.7 (1.5)	9.6 (2.2)	9.2 (3.9)	9.2 (3.9)
B. Inflation Variability	9.4 (1.5)	9.5 (1.3)	9.4 (1.4)	9.1 (2.2)	9.8 (0.4)	9.8 (0.6)	9.8 (0.5)	9.7 (0.7)
C. Recent Annual Inflation	7.7 (11.7)	8.7 (6.6)	8.2 (8.8)	9.3 (3.7)	9.8 (1.0)	9.5 (2.4)	9.6 (2.2)	9.6 (1.9)
D. Freedom to Own Foreign Currency	5.0	5.0	5.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	6.7	7.6	8.3	8.5	8.3	8.2	8.3	8.3
A. Taxes on International Trade	9.0	9.5	9.0	8.7	9.2	9.0	9.1	9.2
(i) Taxes as Percentage of Exports and Imports	9.5 (0.7)	9.8 (0.3)	9.7 (0.4)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)
(ii) Mean Tariff Rate	8.5 (7.5)	9.2 (4.1)	9.1 (4.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)
(iii) Variability of Tariff Rates			8.1 (4.8)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)
B. Regulatory Trade Barriers				9.1	9.2	8.9	9.2	9.3
(i) Hidden Import Barriers				9.1	8.8	8.3	8.8	8.8
(ii) Costs of Importing					9.5	9.5	9.6	9.8
C. Size of Trade Sector	5.2	5.5	4.4	5.4	6.1	5.9	5.4	5.3
D. Official versus Black Market Exchange Rate	9.0	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	5.0	10.0	9.3	7.2	7.2	7.7	7.5
(i) Access to Foreign Capital				8.6	9.0	9.0	10.0	9.6
(ii) Restrictions on Foreign Capital Transactions	2.0	5.0	10.0	10.0	5.4	5.4	5.4	5.4
5. Regulation of Credit, Labor and Business	5.4	5.5	5.6	6.4	6.8	6.3	6.5	6.5
A. Regulation of Credit Markets	7.6	8.1	8.4	8.6	8.8	8.8	9.2	9.2
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks				8.3	6.5	6.5	8.0	8.0
(iii) Extension of Credit to Private Sector	6.8	6.2	7.2	8.6	9.1	9.2	9.3	9.4
(iv) Avoidance of Negative Real Interest Rates	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates				8.3	8.6	8.6	8.6	8.6
B. Regulation of Labor Markets	4.1	4.0	4.0	3.0	3.4	3.4	3.3	3.2
(i) Impact of Minimum Wage				1.8	4.4	4.4	4.4	4.4
(ii) Flexibility in Hiring and Firing			3.9	3.9	2.2	1.9	2.5	2.7
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	3.8	4.2	4.3	3.5
(iv) Incentives from Unemployment Benefits	4.8	4.5	4.4	1.9	3.5	3.5	2.4	2.6
(v) Military Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Regulation of Business				7.7	8.3	6.5	7.1	7.0
(i) Price Controls			6.0	8.0	9.0	9.0	8.0	7.0
(ii) Administrative Obstacles for New Businesses					7.3	3.1	4.7	5.0
(iii) Time Spent with Government Bureaucracy				8.3	8.3	5.8	6.8	6.5
(iv) Ease of Starting a New Business				5.1	7.9	5.8	6.8	7.3
(v) Irregular Payments to Government Officials				9.3	9.1	9.0	9.0	9.3

Switzerland

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.7 (3)		7.8 (3)		7.8 (4)		8.0 (7)		8.4 (4)		8.1 (6)		8.2 (3)		8.2 (3)	
1. Size of Government	7.1		7.0		6.8		6.8		7.2		7.2		7.3		7.3	
A. Government Consumption	6.9	(16.7)	6.5	(17.8)	6.0	(19.6)	6.1	(19.2)	7.2	(15.6)	7.0	(16.1)	6.9	(16.4)	6.9	(16.5)
B. Transfers and Subsidies	6.5	(13.4)	6.5	(13.2)	5.8	(16.0)	5.0	(18.9)	5.7	(16.2)	5.8	(15.7)	6.1	(14.8)	6.1	(14.8)
C. Government Enterprises and Investment	8.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0	
D. Top Marginal Tax Rate	7.0		7.0		7.5		8.0		8.0		8.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	7.0	(31-44)	7.0	(33-46)	8.0	(33-43)	8.0	(35-39)	9.0	(31-40)	9.0	(31-40)	9.0	(31-40)	9.0	(26-44)
(ii) Top Marginal Income and Payroll Tax Rate					7.0	(36-46)	8.0	(38-42)	7.0	(39-48)	7.0	(39-48)	7.0	(39-48)	7.0	(39-50)
2. Legal Structure and Security of Property Rights	8.1		8.3		8.3		9.1		9.3		8.6		8.6		8.7	
A. Judicial Independence							9.4		8.7		7.9		8.2		8.5	
B. Impartial Courts							7.9		8.5		8.4		8.3		8.5	
C. Protection of Intellectual Property							8.4		9.2		8.4		8.2		8.3	
D. Military Interference							10.0		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		8.3		8.3		8.3	
3. Access to Sound Money	9.5		9.7		9.7		9.6		9.7		9.7		9.7		9.6	
A. Growth of Money Supply	9.0	(5.1)	9.8	(1.0)	9.9	(0.6)	9.4	(2.8)	9.3	(3.6)	9.3	(3.3)	9.2	(3.9)	8.7	(6.7)
B. Inflation Variability	9.5	(1.1)	9.3	(1.8)	9.8	(0.6)	9.3	(1.7)	9.8	(0.5)	9.7	(0.8)	9.7	(0.7)	9.8	(0.5)
C. Recent Annual Inflation	9.5	(2.7)	9.5	(2.4)	9.1	(4.3)	9.8	(1.1)	9.7	(1.6)	9.8	(1.0)	9.9	(0.6)	9.9	(0.6)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.4		8.4		8.3		7.4		8.6		8.4		8.3		8.1	
A. Taxes on International Trade	8.7		8.9		9.3		7.7		9.9		9.7		9.7		9.7	
(i) Taxes as Percentage of Exports and Imports	8.4	(2.4)	8.7	(2.0)	8.7	(1.9)	8.5	(2.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	9.1	(4.6)	9.1	(4.4)	9.1	(4.4)	9.3	(3.6)	10.0	(0.0)	9.4	(3.2)	9.4	(3.2)	9.4	(3.2)
(iii) Variability of Tariff Rates					10.0	(0.0)	5.4	(11.6)	10.0	(0.1)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)
B. Regulatory Trade Barriers							6.4		8.9		8.3		8.7		8.2	
(i) Hidden Import Barriers							6.4		8.2		7.2		7.8		7.2	
(ii) Costs of Importing									9.7		9.3		9.5		9.2	
C. Size of Trade Sector	4.9		4.8		4.3		3.5		4.9		4.7		4.3		4.0	
D. Official versus Black Market Exchange Rate	10.0		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		9.6		9.1		9.1		8.6		8.8	
(i) Access to Foreign Capital							9.2		9.7		9.7		8.8		9.2	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	5.4		5.7		5.9		7.1		7.3		6.8		7.3		7.1	
A. Regulation of Credit Markets	6.7		8.1		8.2		8.1		8.7		8.7		8.9		8.9	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks							7.8		7.0		7.0		8.0		8.0	
(iii) Extension of Credit to Private Sector	9.1		9.2		9.5		9.2		9.2		9.2		9.2		9.2	
(iv) Avoidance of Negative Real Interest Rates	6.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.7		9.1		9.1		9.1		9.1	
B. Regulation of Labor Markets	5.0		4.8		5.5		5.8		5.3		5.3		5.9		6.0	
(i) Impact of Minimum Wage							7.1		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					7.7		7.7		5.6		5.8		7.5		7.8	
(iii) Collective Bargaining	6.2		6.2		6.2		6.2		7.8		7.7		7.8		7.8	
(iv) Incentives from Unemployment Benefits	5.8		5.1		5.0		5.0		5.5		5.5		6.5		6.5	
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business							7.4		7.8		6.5		7.2		6.6	
(i) Price Controls					7.0		6.0		7.0		6.0		7.0		5.0	
(ii) Administrative Obstacles for New Businesses									7.3		4.3		5.3		5.0	
(iii) Time Spent with Government Bureaucracy							8.3		9.1		7.3		7.3		6.8	
(iv) Ease of Starting a New Business							6.6		7.7		6.2		7.5		7.2	
(v) Irregular Payments to Government Officials							8.6		8.2		8.5		8.9		9.0	

Syria

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	4.1 (91)		3.4 (106)		3.6 (106)		4.4 (109)		4.9 (112)		5.3 (106)		5.4 (106)		5.3 (112)
1. Size of Government	3.8		1.9		3.4		3.6		3.7		3.6		4.9		4.9
A. Government Consumption	4.2 (25.8)		3.9 (26.8)		6.8 (17.0)		7.1 (15.7)		7.5 (14.5)		7.3 (15.2)		6.7 (17.4)		6.7 (17.4)
B. Transfers and Subsidies	7.4 (10.2)														
C. Government Enterprises and Investment	0.0 (70.2)		0.0 (66.3)		0.0 (55.6)		0.0		0.0		0.0		0.0		0.0
D. Top Marginal Tax Rate													8.0		8.0
(i) Top Marginal Income Tax Rate													8.0 (28)		8.0 (28)
(ii) Top Marginal Income and Payroll Tax Rate															
2. Legal Structure and Security of Property Rights	1.8		3.1		3.0		4.9		5.1		5.1		5.1		5.1
A. Judicial Independence															
B. Impartial Courts							5.0		4.6		4.6		4.6		4.9
C. Protection of Intellectual Property															
D. Military Interference							6.5		3.3		3.3		3.3		3.3
E. Integrity of Legal System							4.1		8.3		8.3		8.3		8.3
3. Access to Sound Money	8.0		6.0		5.5		6.6		6.6		7.9		7.9		7.9
A. Growth of Money Supply	6.8 (15.8)		6.9 (15.5)		7.1 (14.5)		8.8 (5.8)		9.2 (4.2)		8.7 (6.7)		8.2 (8.8)		8.2 (8.8)
B. Inflation Variability	8.6 (3.6)		7.9 (5.2)		8.7 (3.1)		8.6 (3.5)		7.5 (6.3)		8.5 (3.8)		8.5 (3.8)		8.5 (3.8)
C. Recent Annual Inflation	6.5 (17.5)		9.2 (4.1)		6.1 (19.3)		8.9 (5.4)		9.9 (-0.5)		9.4 (3.0)		9.8 (1.0)		9.8 (1.0)
D. Freedom to Own Foreign Currency	10.0		0.0		0.0		0.0		0.0		5.0		5.0		5.0
4. Freedom to Exchange with Foreigners	4.0		3.2		3.5		4.1		6.2		6.2		5.1		4.9
A. Taxes on International Trade	3.9		5.4		4.7		7.1		7.6		7.6		7.3		7.3
(i) Taxes as Percentage of Exports and Imports	5.3 (7.1)		6.3 (5.6)		8.1 (2.9)		7.1 (4.3)		7.6 (3.7)		7.6 (3.7)		7.6 (3.7)		7.6 (3.7)
(ii) Mean Tariff Rate	2.5 (37.3)		4.6 (27.0)		5.9 (20.4)		7.0 (14.8)						7.1 (14.7)		7.1 (14.7)
(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	4.8		2.1		4.4		5.3		5.0		5.0		4.7		5.3
D. Official versus Black Market Exchange Rate	3.0		0.0		0.0		0.0		10.0		10.0		5.3		5.3
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
(i) Access to Foreign Capital															
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Regulation of Credit, Labor and Business	2.7		2.8		2.7		2.8		2.7		3.9		3.9		3.7
A. Regulation of Credit Markets	0.8		0.9		0.8		0.9		0.8		4.0		4.1		4.2
(i) Private Ownership of Banks	0.0		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	1.6		2.6		2.3		2.8		2.4		2.1		2.3		2.5
(iv) Avoidance of Negative Real Interest Rates			0.0		0.0		0.0		0.0		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		0.0		0.0		0.0
C. Regulation of Business															
(i) Price Controls					0.0		0.0		0.0		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															

Taiwan

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.5 (16)		6.7 (17)		6.9 (16)		7.3 (22)		7.2 (28)		7.1 (30)		7.3 (19)		7.3 (24)	
1. Size of Government	5.0		4.9		5.4		6.1		6.2		6.2		6.2		6.2	
A. Government Consumption	4.8	(23.6)	4.7	(24.0)	4.7	(23.9)	6.0	(19.5)	6.7	(17.3)	6.8	(17.0)	6.9	(16.7)	6.7	(17.2)
B. Transfers and Subsidies	10.0	(0.4)	10.0	(0.7)	9.9	(1.0)	9.4	(2.8)	9.2	(3.4)	9.0	(4.1)	9.1	(3.9)	9.1	(3.9)
C. Government Enterprises and Investment	2.0	(44.3)	2.0	(43.0)	2.0	(44.3)	2.0	(47.2)	2.0		2.0		2.0		2.0	
D. Top Marginal Tax Rate	3.0		3.0		5.0		7.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	3.0	(60)	3.0	(60)	5.0	(50)	7.0	(40)	7.0	(40)	7.0	(40)	7.0	(40)	7.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate					5.0	(50)	7.0	(40)	7.0	(40)	7.0	(40)	7.0	(40)	7.0	(40)
2. Legal Structure and Security of Property Rights	7.8		7.2		7.2		6.7		6.1		5.9		6.4		6.5	
A. Judicial Independence							5.5		5.3		5.0		6.2		6.3	
B. Impartial Courts							6.5		5.7		5.1		6.0		6.2	
C. Protection of Intellectual Property							5.9		6.1		6.0		6.7		6.5	
D. Military Interference							8.8		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							7.0		6.7		6.7		6.7		6.7	
3. Access to Sound Money	7.9		9.4		9.0		9.7		9.5		9.6		9.6		9.6	
A. Growth of Money Supply	7.5	(12.5)	10.0	(-0.2)	7.4	(12.8)	9.6	(-2.0)	9.2	(-4.0)	9.2	(-4.0)	9.2	(-4.0)	9.2	(-4.0)
B. Inflation Variability	7.8	(5.6)	7.5	(6.2)	9.3	(1.7)	9.8	(0.5)	9.1	(2.3)	9.2	(1.9)	9.3	(1.8)	9.6	(1.0)
C. Recent Annual Inflation	6.2	(19.0)	10.0	(-0.2)	9.2	(4.1)	9.4	(3.0)	9.7	(1.3)	10.0	(0.0)	10.0	(-0.2)	9.6	(-1.9)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	7.5		7.2		7.7		7.6		8.1		8.0		8.3		8.4	
A. Taxes on International Trade	7.6		8.1		8.3		8.6		8.0		8.2		8.3		8.3	
(i) Taxes as Percentage of Exports and Imports	7.6	(3.6)	8.1	(2.8)	8.6	(2.1)	8.9	(1.7)	9.0	(1.5)	9.3	(1.0)	9.4	(0.9)	9.5	(0.8)
(ii) Mean Tariff Rate					8.1	(9.7)	8.4	(8.0)	8.2	(8.8)	8.5	(7.6)	8.6	(6.9)	8.6	(6.9)
(iii) Variability of Tariff Rates									6.7	(8.2)	6.8	(8.0)	6.8	(8.0)	6.8	(8.0)
B. Regulatory Trade Barriers							7.3		8.2		8.0		8.5		8.2	
(i) Hidden Import Barriers							7.3		7.1		6.8		7.5		7.0	
(ii) Costs of Importing									9.3		9.2		9.5		9.3	
C. Size of Trade Sector	10.0		8.2		7.0		6.6		6.9		6.2		6.4		6.7	
D. Official versus Black Market Exchange Rate	9.8		9.4		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		5.0		5.7		7.6		7.6		8.2		8.6	
(i) Access to Foreign Capital							6.4		7.6		7.6		8.2		8.6	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		5.0		5.0									
5. Regulation of Credit, Labor and Business	4.5		5.0		5.4		6.1		6.1		5.8		5.8		5.9	
A. Regulation of Credit Markets	5.3		6.7		6.9		7.0		6.3		6.3		6.3		6.3	
(i) Private Ownership of Banks	0.0		2.0		2.0		2.0		2.0		2.0		2.0		2.0	
(ii) Competition from Foreign Banks							7.3		5.6		5.6		5.6		5.6	
(iii) Extension of Credit to Private Sector	7.8		8.2		8.6		8.5		8.1		8.0		8.0		7.9	
(iv) Avoidance of Negative Real Interest Rates	8.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							6.9		5.8		5.8		5.8		5.8	
B. Regulation of Labor Markets					4.7		5.2		4.5		4.9		4.8		4.8	
(i) Impact of Minimum Wage							6.5		3.8		3.8		3.8		3.8	
(ii) Flexibility in Hiring and Firing					6.3		6.3		4.6		6.1		6.8		6.2	
(iii) Collective Bargaining					7.9		7.9		8.0		8.5		8.2		8.5	
(iv) Incentives from Unemployment Benefits							5.4		6.2		6.2		5.1		5.8	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business							6.2		7.3		6.1		6.3		6.5	
(i) Price Controls					6.0		6.0		6.0		6.0		5.0		6.0	
(ii) Administrative Obstacles for New Businesses									7.6		4.1		5.2		5.7	
(iii) Time Spent with Government Bureaucracy							6.9		7.4		5.8		6.0		5.5	
(iv) Ease of Starting a New Business							7.5		7.6		7.1		7.3		7.0	
(v) Irregular Payments to Government Officials							4.5		8.1		7.6		8.0		8.1	

Tanzania

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	4.8 (72)		4.0 (95)		4.0 (101)		4.9 (93)		5.8 (86)		6.3 (67)		6.2 (73)		6.3 (70)
1. Size of Government	5.8		3.8		2.9		4.3		4.9		4.9		4.9		5.2
A. Government Consumption	7.5 (14.5)		6.4 (18.1)		6.7 (17.1)		7.0 (16.1)		9.6 (7.2)		9.7 (6.9)		9.6 (7.4)		9.6 (7.4)
B. Transfers and Subsidies	10.0 (0.0)		8.7 (5.2)												
C. Government Enterprises and Investment	0.0 (53.8)		0.0 (53.5)		0.0		0.0		0.0		0.0		0.0		0.0
D. Top Marginal Tax Rate			0.0		2.0		6.0		5.0		5.0		5.0		6.0
(i) Top Marginal Income Tax Rate			0.0 (95)		3.0 (50)		8.0 (30)		7.0 (31)		7.0 (31)		7.0 (31)		8.0 (30)
(ii) Top Marginal Income and Payroll Tax Rate					1.0 (57)		4.0 (45)		3.0 (46)		3.0 (46)		3.0 (46)		4.0 (45)
2. Legal Structure and Security of Property Rights	6.1		5.8		5.2		5.4		6.1		6.1		5.9		5.3
A. Judicial Independence													6.0		4.5
B. Impartial Courts							5.8		5.8		5.8		5.0		3.7
C. Protection of Intellectual Property													3.3		3.3
D. Military Interference							7.8		6.7		6.7		6.7		6.7
E. Integrity of Legal System							4.1		8.3		8.3		8.3		8.3
3. Access to Sound Money	4.1		4.9		4.6		5.0		8.8		8.9		9.1		9.2
A. Growth of Money Supply	5.9 (20.3)		7.9 (10.4)		4.0 (30.0)		4.5 (27.6)		8.7 (6.4)		8.8 (5.9)		8.4 (8.2)		8.4 (8.2)
B. Inflation Variability	6.5 (8.7)		8.4 (3.9)		8.7 (3.3)		6.4 (9.1)		7.8 (5.4)		7.7 (5.7)		8.4 (4.0)		9.0 (2.6)
C. Recent Annual Inflation	4.0 (30.2)		3.3 (33.3)		5.6 (21.8)		4.2 (28.9)		8.8 (5.9)		9.0 (5.1)		9.8 (1.0)		9.3 (3.5)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	3.7		2.9		3.7		6.0		5.6		5.6		5.7		5.9
A. Taxes on International Trade	4.9		4.7		4.5		5.3		5.0		5.0		5.0		5.2
(i) Taxes as Percentage of Exports and Imports	4.9 (7.7)		5.8 (6.3)		5.0 (7.5)		4.6 (8.1)		2.1 (11.9)		2.1 (11.9)		2.1 (11.9)		2.1 (11.9)
(ii) Mean Tariff Rate			3.6 (32.0)		4.1 (29.7)		6.1 (19.5)		6.2 (19.1)		6.2 (19.1)		6.2 (19.1)		7.0 (15.2)
(iii) Variability of Tariff Rates							5.1 (12.3)		6.6 (8.4)		6.6 (8.4)		6.6 (8.4)		6.6 (8.4)
B. Regulatory Trade Barriers													5.3		5.7
(i) Hidden Import Barriers													4.3		3.8
(ii) Costs of Importing													6.3		7.5
C. Size of Trade Sector	5.2		1.5		5.9		6.7		3.8		4.1		4.1		4.7
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		9.8		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.8		0.8		4.2		4.0
(i) Access to Foreign Capital													8.4		8.0
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.8		0.8		0.0		0.0
5. Regulation of Credit, Labor and Business	4.4		2.6		3.6		3.8		3.7		5.8		5.7		6.1
A. Regulation of Credit Markets	1.6		0.3		3.7		2.9		2.8		5.6		5.7		6.1
(i) Private Ownership of Banks	0.0		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	0.9		0.9		7.2		4.7		4.5		5.8		6.1		7.2
(iv) Avoidance of Negative Real Interest Rates	4.0		0.0		4.0		4.0		4.0		9.0		9.0		9.0
(v) Controls on Interest Rates															
B. Regulation of Labor Markets													6.8		7.3
(i) Impact of Minimum Wage															
(ii) Flexibility in Hiring and Firing													4.0		5.3
(iii) Collective Bargaining													6.3		6.5
(iv) Incentives from Unemployment Benefits															
(v) Military Conscription	10.0		0.0		0.0		0.0		0.0		10.0		10.0		10.0
C. Regulation of Business													4.5		5.0
(i) Price Controls					0.0		4.0		4.0		6.0		6.0		6.0
(ii) Administrative Obstacles for New Businesses													3.3		4.3
(iii) Time Spent with Government Bureaucracy													4.3		6.0
(iv) Ease of Starting a New Business													4.0		4.7
(v) Irregular Payments to Government Officials													5.0		4.0

Thailand

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.1 (24)		6.1 (28)		6.7 (20)		7.1 (26)		6.7 (46)		6.7 (47)		6.7 (50)		6.6 (54)	
1. Size of Government	6.0		5.6		7.1		7.8		6.8		6.8		6.6		6.7	
A. Government Consumption	7.1	(15.8)	6.5	(17.9)	7.6	(14.3)	7.2	(15.6)	6.8	(17.0)	6.8	(17.0)	6.9	(16.6)	7.1	(15.8)
B. Transfers and Subsidies	9.9	(0.7)	9.8	(1.2)	9.9	(1.0)	9.8	(1.1)	9.6	(2.0)	9.3	(2.9)	9.3	(2.9)	9.5	(2.3)
C. Government Enterprises and Investment	4.0	(30.9)	4.0	(31.4)	7.0	(15.1)	7.0	(20.3)	4.0	(33.8)	4.0	(30.6)	4.0	(30.6)	4.0	(30.6)
D. Top Marginal Tax Rate	3.0		2.0		4.0		7.0		7.0		7.0		6.0		6.0	
(i) Top Marginal Income Tax Rate	3.0	(60)	2.0	(65)	4.0	(55)	7.0	(37)	7.0	(37)	7.0	(37)	6.0	(37)	6.0	(37)
(ii) Top Marginal Income and Payroll Tax Rate					4.0	(55)	7.0	(37)	7.0	(37)	7.0	(37)	6.0	(37)	6.0	(37)
2. Legal Structure and Security of Property Rights	6.5		5.8		6.4		5.4		6.0		6.2		6.5		5.7	
A. Judicial Independence							5.8		5.8		6.0		6.3		5.8	
B. Impartial Courts							3.8		4.7		4.9		5.8		5.8	
C. Protection of Intellectual Property							3.6		4.4		4.9		5.3		5.0	
D. Military Interference							7.0		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							7.0		8.3		8.3		8.3		5.0	
3. Access to Sound Money	6.1		7.0		7.8		9.5		6.6		6.7		6.7		7.1	
A. Growth of Money Supply	8.3	(8.7)	9.4	(-3.0)	8.0	(10.0)	9.4	(2.9)	8.7	(6.5)	8.9	(5.3)	8.9	(5.3)	9.9	(0.4)
B. Inflation Variability	8.9	(2.9)	9.0	(2.5)	9.3	(1.7)	9.6	(1.0)	8.1	(4.9)	8.1	(4.8)	8.1	(4.8)	9.0	(2.6)
C. Recent Annual Inflation	7.5	(12.7)	9.6	(2.2)	8.8	(5.8)	8.8	(6.0)	9.7	(1.5)	9.7	(1.7)	9.9	(0.6)	9.6	(1.8)
D. Freedom to Own Foreign Currency	0.0		0.0		5.0		10.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	6.3		6.2		6.6		6.9		7.6		7.7		7.6		7.5	
A. Taxes on International Trade	4.5		4.7		3.2		4.6		6.6		6.8		6.8		6.8	
(i) Taxes as Percentage of Exports and Imports	5.4	(6.9)	5.7	(6.5)	6.4	(5.4)	7.7	(3.5)	9.1	(1.4)	9.0	(1.4)	9.0	(1.5)	9.0	(1.5)
(ii) Mean Tariff Rate	3.5	(32.3)	3.8	(31.2)	1.8	(40.8)	2.8	(36.0)	6.6	(17.0)	7.1	(14.7)	7.1	(14.7)	7.2	(14.0)
(iii) Variability of Tariff Rates					1.4	(21.5)	3.2	(16.9)	4.3	(14.3)	4.3	(14.3)	4.3	(14.3)	4.3	(14.3)
B. Regulatory Trade Barriers							5.1		7.2		7.3		7.0		6.7	
(i) Hidden Import Barriers							5.1		5.7		5.8		5.7		5.0	
(ii) Costs of Importing									8.7		8.8		8.3		8.3	
C. Size of Trade Sector	7.9		6.7		9.5		10.0		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	9.0		9.4		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		4.6		4.3		4.3		4.4		3.8	
(i) Access to Foreign Capital							7.3		7.0		7.0		7.2		6.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		1.5		1.5		1.5		1.5	
5. Regulation of Credit, Labor and Business	5.3		5.9		5.8		6.0		6.2		6.1		5.9		6.1	
A. Regulation of Credit Markets	6.7		8.7		8.3		7.3		7.0		7.0		7.0		7.0	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							5.6		3.8		3.8		3.8		3.8	
(iii) Extension of Credit to Private Sector	8.0		8.0		8.8		9.2		9.2		9.1		9.0		9.2	
(iv) Avoidance of Negative Real Interest Rates	4.0		10.0		8.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							3.6		7.3		7.3		7.3		7.3	
B. Regulation of Labor Markets					5.0		5.4		6.3		6.6		6.2		6.2	
(i) Impact of Minimum Wage							5.8		3.9		3.9		3.9		3.9	
(ii) Flexibility in Hiring and Firing					7.0		7.0		4.6		5.4		5.5		5.5	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		6.5		6.9		5.8		5.7	
(iv) Incentives from Unemployment Benefits							6.3		6.5		6.5		5.7		5.8	
(v) Military Conscription	0.0		0.0		0.0		0.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							5.4		5.3		4.7		4.6		5.0	
(i) Price Controls					4.0		5.0		3.0		4.0		2.0		4.0	
(ii) Administrative Obstacles for New Businesses									6.9		3.4		3.7		4.5	
(iii) Time Spent with Government Bureaucracy							6.8		4.0		3.0		4.8		4.0	
(iv) Ease of Starting a New Business							6.5		7.3		6.8		6.3		6.2	
(v) Irregular Payments to Government Officials							3.1		5.3		6.1		6.4		6.3	

Togo

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.2 (88)		5.6 (46)		4.9 (80)		4.6 (103)		5.1 (106)		5.2 (109)		5.2 (112)		5.1 (115)	
1. Size of Government	1.6		6.4		3.4		3.9		4.4		4.4		4.4		4.4	
A. Government Consumption	3.2 (29.1)		7.6 (14.2)		6.9 (16.6)		7.7 (13.8)		8.9 (9.8)		8.8 (10.0)		8.8 (10.1)		8.8 (10.1)	
B. Transfers and Subsidies			9.5 (2.4)													
C. Government Enterprises and Investment	0.0 (52.5)		2.0 (40.0)		0.0 (54.8)		0.0 (51.7)		0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate																
(i) Top Marginal Income Tax Rate																
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	3.3		4.2		4.5		4.7		3.7		3.7		3.7		3.1	
A. Judicial Independence																
B. Impartial Courts							4.1		4.1		4.1		4.1		3.8	
C. Protection of Intellectual Property																
D. Military Interference							3.9		1.7		1.7		1.7		1.7	
E. Integrity of Legal System							7.0		5.0		5.0		5.0		5.0	
3. Access to Sound Money	5.0		6.5		7.0		5.0		6.5		6.6		7.0		7.2	
A. Growth of Money Supply	6.7 (16.5)		8.8 (6.2)		9.4 (-2.9)		8.1 (9.7)		8.7 (6.7)		9.3 (3.7)		9.7 (-1.6)		9.7 (-1.6)	
B. Inflation Variability	5.6 (11.1)		8.0 (4.9)		9.4 (1.6)		4.5 (13.7)		7.8 (5.4)		7.9 (5.3)		9.1 (2.3)		9.2 (2.1)	
C. Recent Annual Inflation	7.9 (10.5)		9.3 (3.4)		9.4 (3.0)		7.6 (12.2)		9.6 (1.9)		9.2 (3.9)		9.4 (3.1)		9.8 (-1.0)	
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.5		5.9		5.3				6.2		6.1		6.1		5.9	
A. Taxes on International Trade	1.7		4.3		3.9				7.6		7.2		7.2		7.2	
(i) Taxes as Percentage of Exports and Imports	1.7 (12.4)		4.3 (8.6)		3.9 (9.2)											
(ii) Mean Tariff Rate									7.6 (12.0)		7.1 (14.5)		7.1 (14.5)		7.1 (14.5)	
(iii) Variability of Tariff Rates											7.3 (6.7)		7.3 (6.7)		7.3 (6.7)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	7.9		7.4		5.2		4.3		5.0		4.9		4.9		4.8	
D. Official versus Black Market Exchange Rate	9.6		9.8		9.2		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	0.0		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		4.6		4.4		5.0		4.9		4.9	
A. Regulation of Credit Markets	6.4		6.6		6.6		6.4		5.8		7.0		6.8		6.9	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		2.0		2.0		5.0		5.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	9.3		9.8		9.8		9.1		9.3		9.5		9.5		9.6	
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		8.0		8.0		6.0		9.5		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		0.0		0.0	
C. Regulation of Business																
(i) Price Controls					0.0		2.0		2.0		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																

Trinidad & Tobago

	1980		1985		1990		1995		2000		2001		2002		2003
Summary Ratings (Rank) ►	5.1 (64)		5.0 (72)		5.7 (50)		6.7 (39)		7.0 (37)		7.1 (30)		6.9 (40)		6.8 (44)
1. Size of Government	5.4		3.8		6.3		6.0		5.9		6.6		6.5		6.2
A. Government Consumption	5.6 (20.8)		3.1 (29.5)		6.8 (16.8)		6.7 (17.1)		5.6 (20.8)		6.7 (17.2)		5.6 (20.9)		4.7 (24.0)
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 (47.6)		2.0 (40.6)		4.0 (34.6)		4.0		4.0		6.0 (25.1)		6.0 (25.1)		6.0 (25.1)
D. Top Marginal Tax Rate			4.0		7.0		5.0		7.0		7.0		8.0		8.0
(i) Top Marginal Income Tax Rate			4.0 (50)		7.0 (35)		5.0 (38)		7.0 (35)		7.0 (35)		8.0 (30)		8.0 (30)
(ii) Top Marginal Income and Payroll Tax Rate					7.0 (35)		5.0 (38)		7.0 (35)		7.0 (35)		8.0 (30)		8.0 (30)
2. Legal Structure and Security of Property Rights	5.4		4.8		6.2		5.4		5.9		6.5		5.8		5.4
A. Judicial Independence											7.1		7.0		6.3
B. Impartial Courts							6.5		6.3		5.9		5.0		5.3
C. Protection of Intellectual Property									5.3		4.6		3.8		3.7
D. Military Interference							7.1		8.3		8.3		8.3		8.3
E. Integrity of Legal System							4.1		6.7		6.7		5.0		3.3
3. Access to Sound Money	4.0		5.9		6.0		8.6		9.1		9.1		9.1		9.4
A. Growth of Money Supply	5.7 (21.4)		8.8 (5.8)		9.5 (2.7)		8.8 (6.2)		8.8 (5.9)		9.0 (4.9)		8.7 (6.4)		8.7 (6.4)
B. Inflation Variability	5.9 (10.3)		6.7 (8.3)		7.8 (5.5)		6.4 (9.0)		8.4 (4.0)		8.4 (4.0)		8.3 (4.2)		9.7 (0.8)
C. Recent Annual Inflation	4.5 (27.5)		8.0 (10.1)		6.9 (15.5)		9.3 (3.8)		9.3 (3.6)		8.9 (5.5)		9.2 (4.2)		9.2 (3.8)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		10.0		10.0		10.0		10.0		10.0
4. Freedom to Exchange with Foreigners	4.2		3.7		3.8		7.3		6.7		6.9		6.7		6.6
A. Taxes on International Trade	7.9		6.4		6.1		7.0		5.4		5.6		5.7		5.6
(i) Taxes as Percentage of Exports and Imports	7.9 (3.2)		6.2 (5.7)		8.2 (2.7)		8.9 (1.7)		3.2 (10.2)		3.2 (10.2)		3.2 (10.2)		3.2 (10.2)
(ii) Mean Tariff Rate			6.6 (17.0)		6.3 (18.6)		7.2 (14.1)		6.3 (18.4)		7.8 (11.2)		8.1 (9.6)		8.0 (10.1)
(iii) Variability of Tariff Rates					3.9 (15.3)		4.9 (12.7)		6.7 (8.3)		5.8 (10.6)		5.8 (10.6)		5.8 (10.6)
B. Regulatory Trade Barriers									6.2		7.4		7.1		6.8
(i) Hidden Import Barriers									6.2		6.6		6.0		5.8
(ii) Costs of Importing											8.2		8.1		7.8
C. Size of Trade Sector	4.7		1.8		2.8		3.9		4.4		3.9		3.2		3.2
D. Official versus Black Market Exchange Rate	0.2		2.2		2.0		9.4		10.0		10.0		10.0		10.0
E. Restrictions on Capital Markets	0.0		0.0		0.0		8.0		7.5		7.5		7.4		7.5
(i) Access to Foreign Capital									8.1		8.1		7.8		8.0
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		8.0		6.9		6.9		6.9		6.9
5. Regulation of Credit, Labor and Business	6.5		6.8		6.1		6.3		7.2		6.3		6.4		6.4
A. Regulation of Credit Markets	6.9		8.0		7.2		7.3		7.5		7.2		7.4		7.4
(i) Private Ownership of Banks	5.0		8.0		8.0		8.0		8.0		8.0		8.0		8.0
(ii) Competition from Foreign Banks									4.0		4.0		4.0		4.0
(iii) Extension of Credit to Private Sector	8.8		8.1		7.7		7.8		8.6		8.1		8.0		8.1
(iv) Avoidance of Negative Real Interest Rates			8.0		6.0		6.0		10.0		9.0		10.0		10.0
(v) Controls on Interest Rates									6.8		6.8		6.8		6.8
B. Regulation of Labor Markets									7.2		6.7		6.7		6.5
(i) Impact of Minimum Wage									5.3		5.3		5.3		5.3
(ii) Flexibility in Hiring and Firing									5.8		4.7		4.7		4.5
(iii) Collective Bargaining									7.5		6.9		6.7		6.3
(iv) Incentives from Unemployment Benefits															
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0
C. Regulation of Business									6.9		5.1		5.2		5.2
(i) Price Controls					4.0		6.0		6.0		6.0		6.0		6.0
(ii) Administrative Obstacles for New Businesses									7.5		2.9		3.2		3.5
(iii) Time Spent with Government Bureaucracy									7.7		4.8		5.8		5.8
(iv) Ease of Starting a New Business									6.6		5.9		5.7		5.0
(v) Irregular Payments to Government Officials									6.6		6.1		5.5		5.8

Tunisia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.0 (68)		4.8 (79)		5.4 (58)		6.0 (65)		6.1 (75)		6.4 (62)		6.3 (69)		6.3 (70)	
1. Size of Government	4.2		4.4		5.1		5.2		5.3		5.3		5.3		5.2	
A. Government Consumption	6.2	(19.0)	5.2	(22.5)	5.7	(20.5)	5.6	(21.1)	5.7	(20.5)	5.7	(20.6)	5.7	(20.8)	5.8	(20.4)
B. Transfers and Subsidies	8.6	(5.6)	8.3	(6.8)	7.7	(9.0)	8.1	(7.3)	8.1	(7.5)	8.1	(7.5)	8.1	(7.5)	7.4	(10.0)
C. Government Enterprises and Investment	0.0	(53.1)	2.0	(48.6)	2.0	(49.5)	2.0	(49.3)	2.0	(48.8)	2.0	(47.8)	2.0	(47.8)	2.0	(47.8)
D. Top Marginal Tax Rate	2.0		2.0										5.5		5.5	
(i) Top Marginal Income Tax Rate	2.0	(62)	2.0	(62)									7.0	(35)	7.0	(35)
(ii) Top Marginal Income and Payroll Tax Rate													4.0	(51)	4.0	(51)
2. Legal Structure and Security of Property Rights	4.9		3.5		3.5		5.7		6.4		6.9		6.9		6.8	
A. Judicial Independence											6.6		6.3		6.3	
B. Impartial Courts							6.7		7.0		6.7		6.8		6.5	
C. Protection of Intellectual Property											6.4		6.2		6.3	
D. Military Interference							8.1		6.7		6.7		6.7		6.7	
E. Integrity of Legal System							4.1		8.3		8.3		8.3		8.3	
3. Access to Sound Money	6.1		6.3		7.0		7.0		7.0		7.1		7.2		7.3	
A. Growth of Money Supply	8.5	(7.5)	7.7	(11.5)	9.6	(1.8)	9.5	(2.6)	9.0	(4.8)	9.1	(4.5)	9.5	(2.7)	9.9	(0.4)
B. Inflation Variability	8.6	(3.4)	8.3	(4.4)	9.2	(2.0)	9.6	(0.9)	9.7	(0.8)	9.7	(0.7)	9.8	(0.6)	9.7	(0.6)
C. Recent Annual Inflation	7.4	(12.8)	9.3	(3.6)	9.1	(4.5)	9.0	(5.2)	9.4	(2.9)	9.6	(1.9)	9.5	(2.7)	9.5	(2.7)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
4. Freedom to Exchange with Foreigners	5.1		4.8		6.0		6.2		6.1		6.5		6.2		6.1	
A. Taxes on International Trade	4.4		3.2		4.7		4.6		5.5		5.5		5.7		5.7	
(i) Taxes as Percentage of Exports and Imports	4.0	(9.0)	1.1	(13.3)	3.7	(9.5)	4.0	(9.0)	7.6	(3.6)	7.6	(3.6)	8.3	(2.6)	8.2	(2.7)
(ii) Mean Tariff Rate	4.7	(26.4)	5.2	(24.0)	4.5	(27.5)	4.5	(27.5)	3.9	(30.6)	3.9	(30.6)	4.0	(30.2)	4.0	(30.2)
(iii) Variability of Tariff Rates					6.0	(10.1)	5.3	(11.7)	5.0	(12.6)	5.0	(12.6)	5.0	(12.6)	5.0	(12.6)
B. Regulatory Trade Barriers											7.5		7.1		6.8	
(i) Hidden Import Barriers											6.5		6.0		5.7	
(ii) Costs of Importing											8.5		8.1		7.8	
C. Size of Trade Sector	6.6		5.1		6.6		6.3		5.9		6.4		5.9		5.6	
D. Official versus Black Market Exchange Rate	6.4		7.6		8.4		9.8		10.0		10.0		7.8		7.8	
E. Restrictions on Capital Markets	0.0		0.0		2.0		2.0		0.8		0.8		4.7		4.8	
(i) Access to Foreign Capital													8.6		8.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		2.0		2.0		0.8		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business	4.7		5.0		5.4		5.7		5.6		6.1		6.0		6.1	
A. Regulation of Credit Markets	4.9		5.6		7.3		7.6		7.4		8.1		8.1		8.1	
(i) Private Ownership of Banks	2.0		2.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	8.7		8.7		8.9		9.7		9.1		9.2		9.2		9.2	
(iv) Avoidance of Negative Real Interest Rates	4.0		6.0		8.0		8.0		8.0		10.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets											3.8		3.9		4.0	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing											5.2		5.0		4.8	
(iii) Collective Bargaining											3.2		3.7		4.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business											6.4		6.1		6.2	
(i) Price Controls					4.0		6.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											5.3		4.7		4.5	
(iii) Time Spent with Government Bureaucracy											6.8		5.8		6.5	
(iv) Ease of Starting a New Business											7.1		7.3		7.2	
(v) Irregular Payments to Government Officials											7.0		6.8		7.0	

Turkey

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	3.7 (98)		4.8 (79)		4.8 (84)		5.7 (72)		5.8 (86)		5.3 (106)		5.5 (102)		5.9 (88)	
1. Size of Government	4.4		4.9		5.8		6.9		7.1		6.7		7.0		7.0	
A. Government Consumption	7.1	(15.9)	8.4	(11.4)	7.7	(13.8)	7.9	(13.3)	6.9	(16.4)	6.9	(16.5)	6.6	(17.5)	6.8	(17.0)
B. Transfers and Subsidies	8.5	(6.0)	7.3	(10.4)	9.1	(3.9)	7.9	(8.4)	9.4	(2.8)	9.4	(2.8)	9.4	(2.8)	9.4	(2.8)
C. Government Enterprises and Investment	2.0	(40.0)	2.0	(45.5)	4.0	(31.8)	8.0	(17.5)	7.0	(23.7)	6.0	(28.7)	6.0	(28.7)	6.0	(28.7)
D. Top Marginal Tax Rate	0.0		2.0		2.5		4.0		5.0		4.5		6.0		6.0	
(i) Top Marginal Income Tax Rate	0.0	(75)	2.0	(63)	4.0	(50)	4.0	(55)	6.0	(45)	5.0	(45)	6.0	(40)	6.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(57)	4.0	(55)	4.0	(46)	4.0	(47)	6.0	(40)	6.0	(40)
2. Legal Structure and Security of Property Rights	5.6		5.8		4.5		4.8		5.4		4.1		4.5		5.3	
A. Judicial Independence							5.5		5.3		3.3		4.5		4.5	
B. Impartial Courts							6.6		6.5		2.8		3.5		3.8	
C. Protection of Intellectual Property							4.3		3.4		2.8		3.0		3.0	
D. Military Interference							3.8		5.0		5.0		5.0		6.7	
E. Integrity of Legal System							4.1		6.7		6.7		6.7		8.3	
3. Access to Sound Money	0.5		2.3		3.3		3.2		3.6		3.6		4.1		4.9	
A. Growth of Money Supply	1.9	(40.6)	3.7	(31.7)	0.2	(49.0)	0.0	(50.4)	0.0	(81.9)	0.0	(78.5)	0.0	(73.4)	0.0	(64.1)
B. Inflation Variability	0.0	(27.8)	5.7	(10.7)	3.1	(17.2)	2.8	(17.9)	4.3	(14.3)	4.5	(13.8)	5.2	(12.0)	4.5	(13.8)
C. Recent Annual Inflation	0.0	(85.0)	0.0	(52.2)	0.0	(58.2)	0.0	(87.0)	0.0	(54.9)	0.0	(54.4)	1.0	(45.0)	4.9	(25.3)
D. Freedom to Own Foreign Currency	0.0		0.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	3.7		5.6		5.0		7.2		7.2		7.2		6.9		7.0	
A. Taxes on International Trade	3.5		6.3		4.5		8.3		7.4		7.5		7.5		7.8	
(i) Taxes as Percentage of Exports and Imports	5.8	(6.3)	8.0	(3.0)	8.1	(2.8)	9.0	(1.5)	9.6	(0.7)	9.7	(0.4)	9.7	(0.4)	9.7	(0.4)
(ii) Mean Tariff Rate	1.2	(44.0)	4.7	(26.6)	5.5	(22.7)	8.2	(9.0)	8.6	(7.1)	8.6	(7.1)	8.6	(7.1)	9.5	(2.6)
(iii) Variability of Tariff Rates					0.0	(35.7)	7.7	(5.7)	4.1	(14.7)	4.1	(14.7)	4.1	(14.7)	4.1	(14.7)
B. Regulatory Trade Barriers							7.6		7.0		5.9		6.4		6.9	
(i) Hidden Import Barriers							7.6		5.6		4.8		5.3		5.3	
(ii) Costs of Importing									8.3		7.1		7.4		8.5	
C. Size of Trade Sector	0.0		4.0		2.8		4.8		5.8		6.6		5.9		5.9	
D. Official versus Black Market Exchange Rate	6.8		9.4		9.6		9.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		5.5		5.8		5.8		5.0		4.6	
(i) Access to Foreign Capital							9.0		9.3		9.3		7.6		6.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		2.0		2.3		2.3		2.3		2.3	
5. Regulation of Credit, Labor and Business	4.4		5.2		5.1		6.1		5.7		4.9		5.0		5.1	
A. Regulation of Credit Markets	4.0		6.7		5.4		7.6		6.7		6.0		6.1		6.2	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks							7.8		5.1		5.1		6.0		6.0	
(iii) Extension of Credit to Private Sector	4.0		4.0		6.2		7.3		4.3		3.6		3.4		3.7	
(iv) Avoidance of Negative Real Interest Rates	0.0		8.0		2.0		8.0		8.0		8.0		8.0		8.0	
(v) Controls on Interest Rates							6.8		8.2		8.2		8.2		8.2	
B. Regulation of Labor Markets					5.2		5.4		4.5		4.4		4.4		4.5	
(i) Impact of Minimum Wage							6.4		3.4		3.4		3.4		3.4	
(ii) Flexibility in Hiring and Firing					7.2		7.2		5.3		4.8		4.8		5.5	
(iii) Collective Bargaining	7.2		7.2		7.2		7.2		6.6		6.5		7.0		6.8	
(iv) Incentives from Unemployment Benefits							4.9		6.2		6.2		5.9		5.6	
(v) Military Conscription	0.0		0.0		1.0		1.0		1.0		1.0		1.0		1.0	
C. Regulation of Business							5.5		5.9		4.3		4.6		4.7	
(i) Price Controls					8.0		5.0		6.0		5.0		6.0		5.0	
(ii) Administrative Obstacles for New Businesses									7.4		1.7		2.5		2.5	
(iii) Time Spent with Government Bureaucracy							6.2		5.2		6.5		5.3		5.3	
(iv) Ease of Starting a New Business							7.6		5.2		4.8		4.3		5.2	
(v) Irregular Payments to Government Officials							3.2		5.5		3.7		4.7		5.3	

Uganda

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	3.2 (104)	2.9 (109)	2.9 (113)	5.1 (91)	6.5 (56)	6.6 (51)	6.4 (62)	6.5 (59)
1. Size of Government		3.1	4.5	6.5	6.3	6.2	6.0	6.0
A. Government Consumption		7.2 (15.5)	9.6 (7.5)	8.7 (10.5)	7.5 (14.5)	7.2 (15.4)	6.9 (16.7)	7.5 (14.6)
B. Transfers and Subsidies				9.2 (3.4)	9.2 (3.4)	9.2 (3.4)	9.2 (3.4)	8.4 (6.4)
C. Government Enterprises and Investment	2.0	2.0 (26.4)	2.0 (47.6)	2.0	2.0	2.0	2.0	2.0
D. Top Marginal Tax Rate		0.0	2.0	6.0	6.5	6.5	6.0	6.0
(i) Top Marginal Income Tax Rate		0.0 (70)	3.0 (50)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top Marginal Income and Payroll Tax Rate			1.0 (59)	4.0 (41)	5.0 (40)	5.0 (40)	4.0 (41)	4.0 (41)
2. Legal Structure and Security of Property Rights	2.8	2.9	2.4	4.3	4.6	4.6	4.3	4.5
A. Judicial Independence							4.5	5.0
B. Impartial Courts				5.5	4.4	4.4	4.3	4.7
C. Protection of Intellectual Property							2.8	2.8
D. Military Interference				3.7	3.3	3.3	3.3	3.3
E. Integrity of Legal System				4.1	6.7	6.7	6.7	6.7
3. Access to Sound Money	1.0	0.0	0.3	4.6	9.3	9.3	9.2	9.0
A. Growth of Money Supply	3.1 (34.4)	0.0 (76.2)	0.0 (410.0)	6.0 (20.2)	8.7 (6.3)	8.8 (6.0)	8.7 (6.5)	8.7 (6.5)
B. Inflation Variability	0.0 (33.8)	0.0 (40.8)	0.0 (52.4)	4.4 (14.1)	9.0 (2.5)	8.8 (2.9)	8.0 (5.0)	8.7 (3.3)
C. Recent Annual Inflation		0.0 (120.4)	1.1 (44.4)	8.2 (9.2)	9.4 (2.8)	9.6 (2.0)	9.9 (-0.3)	8.4 (7.8)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	4.3	3.8	3.0	5.1	6.7	7.0	6.8	6.9
A. Taxes on International Trade	7.9	3.1	3.4	5.4	4.2	5.4	6.6	6.6
(i) Taxes as Percentage of Exports and Imports	7.9 (3.1)	2.3 (11.6)	2.8 (10.8)	3.2 (10.2)	0.0 (15.7)	0.1 (14.9)	3.8 (9.4)	3.8 (9.4)
(ii) Mean Tariff Rate		4.0 (30.0)	4.0 (30.1)	6.6 (17.1)	8.3 (8.3)	8.4 (8.2)	8.4 (8.0)	8.4 (8.0)
(iii) Variability of Tariff Rates				6.4 (9.1)		7.7 (5.7)	7.7 (5.7)	7.7 (5.7)
B. Regulatory Trade Barriers							5.3	5.5
(i) Hidden Import Barriers							4.3	4.7
(ii) Costs of Importing							6.3	6.3
C. Size of Trade Sector	5.5	2.4	1.3	2.5	2.7	3.1	3.3	3.2
D. Official versus Black Market Exchange Rate	0.0	5.0	2.0	9.4	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	8.5	8.5	8.7	9.0
(i) Access to Foreign Capital							9.0	9.6
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	8.5	8.5	8.5	8.5
5. Regulation of Credit, Labor and Business	4.7	4.7	4.5	5.2	5.6	5.6	5.8	6.1
A. Regulation of Credit Markets	2.6	2.6	3.2	4.3	5.0	5.0	4.9	5.0
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	5.8	5.7	7.7	6.9	5.1	4.1	3.6	4.1
(iv) Avoidance of Negative Real Interest Rates	0.0	0.0	0.0	4.0	8.0	9.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets							8.3	8.4
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing							6.7	6.8
(iii) Collective Bargaining							8.2	8.3
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							4.3	4.9
(i) Price Controls			0.0	4.0	6.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							3.2	4.2
(iii) Time Spent with Government Bureaucracy							3.3	4.3
(iv) Ease of Starting a New Business							5.7	5.7
(v) Irregular Payments to Government Officials							3.6	4.2

Ukraine

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►							3.4 (123)		4.7 (116)		5.0 (115)		5.4 (106)		5.5 (103)	
1. Size of Government							1.8		3.4		3.1		3.8		4.8	
A. Government Consumption	4.6	(24.2)	4.4	(25.0)	5.2	(22.4)	3.6	(27.8)	3.6	(27.8)	3.3	(28.9)	5.6	(21.1)	5.6	(21.1)
B. Transfers and Subsidies									5.6	(16.6)	6.3	(14.2)	6.1	(14.9)	6.1	(14.9)
C. Government Enterprises and Investment							0.0		0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate									4.5		3.0		3.5		7.5	
(i) Top Marginal Income Tax Rate									5.0	(40)	5.0	(40)	5.0	(40)	10.0	(13)
(ii) Top Marginal Income and Payroll Tax Rate									4.0	(44)	1.0	(58)	2.0	(55)	5.0	(38)
2. Legal Structure and Security of Property Rights							4.3		4.8		4.2		4.4		4.5	
A. Judicial Independence							6.1		3.2		2.0		2.3		2.0	
B. Impartial Courts							4.3		3.5		2.1		2.5		2.7	
C. Protection of Intellectual Property							1.2		2.4		1.9		2.3		2.8	
D. Military Interference							5.7		8.3		8.3		8.3		8.3	
E. Integrity of Legal System									6.7		6.7		6.7		6.7	
3. Access to Sound Money					5.9		1.7		3.5		5.8		6.0		5.6	
A. Growth of Money Supply									3.2	(34.1)	3.5	(32.3)	3.0	(34.8)	3.0	(34.8)
B. Inflation Variability							0.0	(1158.3)	1.5	(21.4)	6.9	(7.7)	6.0	(10.1)	5.4	(11.5)
C. Recent Annual Inflation			6.7	(16.3)			0.0	(415.5)	4.4	(28.2)	7.6	(12.0)	9.8	(0.8)	9.0	(5.2)
D. Freedom to Own Foreign Currency			5.0				5.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners							6.3		7.0		6.8		7.3		7.0	
A. Taxes on International Trade									7.6		7.6		7.7		7.7	
(i) Taxes as Percentage of Exports and Imports									9.4	(1.0)	9.3	(1.1)	9.2	(1.2)	9.2	(1.2)
(ii) Mean Tariff Rate									7.9	(10.5)	7.9	(10.5)	8.4	(7.9)	8.4	(7.9)
(iii) Variability of Tariff Rates									5.6	(11.0)	5.6	(11.0)	5.6	(11.0)	5.6	(11.0)
B. Regulatory Trade Barriers							2.5		5.5		4.8		5.7		5.6	
(i) Hidden Import Barriers							2.5		4.0		3.2		3.8		3.5	
(ii) Costs of Importing									7.0		6.3		7.5		7.7	
C. Size of Trade Sector					5.9		9.7		10.0		10.0		9.8		9.0	
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		9.4		7.8		7.8		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		3.4		4.3		4.0		3.4		2.9	
(i) Access to Foreign Capital							4.9		7.1		7.1		6.0		5.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		2.0		1.5		0.8		0.8		0.8	
5. Regulation of Credit, Labor and Business					3.5		3.2		4.6		4.9		5.5		5.5	
A. Regulation of Credit Markets							0.0		4.6		5.5		6.9		7.2	
(i) Private Ownership of Banks							0.0		0.0		2.0		5.0		5.0	
(ii) Competition from Foreign Banks							3.2		3.9		3.9		8.0		8.0	
(iii) Extension of Credit to Private Sector							1.7		8.4		8.6		8.6		8.9	
(iv) Avoidance of Negative Real Interest Rates							0.0		6.0		8.0		8.0		9.0	
(v) Controls on Interest Rates							4.0		4.9		4.9		4.9		4.9	
B. Regulation of Labor Markets							5.1		4.3		5.9		5.9		6.1	
(i) Impact of Minimum Wage							6.6		1.9		1.9		1.9		1.9	
(ii) Flexibility in Hiring and Firing					5.8		5.8		6.3		5.6		6.0		6.7	
(iii) Collective Bargaining							7.9		8.1		6.6		6.5		6.7	
(iv) Incentives from Unemployment Benefits							5.4		5.3		5.3		5.3		5.3	
(v) Military Conscription							0.0		0.0		10.0		10.0		10.0	
C. Regulation of Business							2.6		4.7		3.2		3.5		3.4	
(i) Price Controls					0.0		4.0		6.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses									6.3		1.6		2.3		1.7	
(iii) Time Spent with Government Bureaucracy							2.2		4.8		3.3		4.8		3.5	
(iv) Ease of Starting a New Business							3.7		2.9		3.0		2.3		3.0	
(v) Irregular Payments to Government Officials							0.6		3.8		4.3		4.1		4.6	

United Arab Emirate

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	5.9 (26)	6.8 (16)	7.4 (7)	7.4 (17)	7.4 (19)	7.4 (17)	7.4 (17)	7.8 (9)
1. Size of Government	5.2	5.0	7.6	7.9	7.6	7.6	7.6	7.6
A. Government Consumption	0.4 (38.7)	0.0 (41.8)	2.9 (30.1)	3.9 (26.8)	4.7 (24.0)	4.7 (24.0)	4.7 (24.0)	4.7 (24.0)
B. Transfers and Subsidies			9.8 (1.2)	9.9 (1.0)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)
C. Government Enterprises and Investment					6.0	6.0	6.0	6.0
D. Top Marginal Tax Rate	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(i) Top Marginal Income Tax Rate	10.0 (0)	10.0 (0)	10.0	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
(ii) Top Marginal Income and Payroll Tax Rate					10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights	2.1	5.8	5.8	5.8	6.6	6.6	6.6	6.8
A. Judicial Independence								6.7
B. Impartial Courts				6.9	7.5	7.5	7.5	6.2
C. Protection of Intellectual Property								6.3
D. Military Interference				8.5	8.3	8.3	8.3	8.3
E. Integrity of Legal System				4.1	6.7	6.7	6.7	6.7
3. Access to Sound Money	7.9	9.3	9.6	9.4	8.1	8.5	8.6	8.6
A. Growth of Money Supply	5.5 (22.7)	9.8 (-0.9)	9.7 (1.5)	8.9 (5.5)	8.9 (5.7)	8.8 (5.9)	8.5 (7.5)	8.5 (7.5)
B. Inflation Variability	8.1 (4.8)	8.1 (4.8)	9.3 (1.7)		6.5 (8.8)	6.0 (9.9)	6.1 (9.9)	6.1 (9.9)
C. Recent Annual Inflation	8.2 (9.1)	9.1 (4.5)	9.2 (4.1)		7.2 (13.8)	9.0 (-4.8)	9.9 (0.7)	9.9 (0.7)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Exchange with Foreigners	9.1	7.7	7.9		8.2	8.2	8.2	8.3
A. Taxes on International Trade	10.0	9.6	10.0		9.6	9.6	9.6	9.6
(i) Taxes as Percentage of Exports and Imports	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)		10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(ii) Mean Tariff Rate		9.2 (4.0)			9.2 (4.0)	9.2 (4.0)	9.2 (4.0)	9.2 (4.0)
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								9.1
(i) Hidden Import Barriers								8.3
(ii) Costs of Importing								9.8
C. Size of Trade Sector	7.5	5.8	6.5	7.4	6.9	6.9	6.9	6.9
D. Official versus Black Market Exchange Rate	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	10.0	5.0	5.0	5.0	6.2	6.2	6.2	6.0
(i) Access to Foreign Capital								5.8
(ii) Restrictions on Foreign Capital Transactions	10.0	5.0	5.0	5.0	6.2	6.2	6.2	6.2
5. Regulation of Credit, Labor and Business	5.3	6.2	6.4	6.3	6.5	6.2	6.2	7.7
A. Regulation of Credit Markets	6.9	6.2	6.5	6.4	6.9	7.0	6.8	7.8
(i) Private Ownership of Banks	5.0	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	8.7	7.3	8.0	7.7	8.7	8.9	8.7	8.3
(iv) Avoidance of Negative Real Interest Rates								10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								8.4
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								6.5
(iii) Collective Bargaining								8.8
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	3.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								6.8
(i) Price Controls			8.0	8.0	8.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses								6.3
(iii) Time Spent with Government Bureaucracy								5.3
(iv) Ease of Starting a New Business								7.5
(v) Irregular Payments to Government Officials								8.7

United Kingdom

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	6.2 (21)		7.0 (11)		7.3 (9)		8.1 (6)		8.2 (6)		8.2 (4)		8.1 (6)		8.1 (6)	
1. Size of Government	3.4		4.4		5.6		5.4		6.0		6.4		6.6		6.5	
A. Government Consumption	3.9	(26.6)	4.2	(25.9)	4.5	(24.6)	4.4	(25.2)	5.2	(22.2)	5.1	(22.5)	4.9	(23.3)	4.7	(24.2)
B. Transfers and Subsidies	5.8	(15.8)	5.3	(17.9)	6.1	(14.9)	5.3	(17.7)	5.6	(16.5)	6.3	(14.1)	6.3	(14.1)	6.2	(14.6)
C. Government Enterprises and Investment	4.0	(29.1)	6.0	(23.5)	8.0	(15.3)	8.0	(16.4)	8.0		10.0	(6.4)	10.0	(6.4)	10.0	(6.4)
D. Top Marginal Tax Rate	0.0		2.0		4.0		4.0		5.0		4.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	0.0	(83)	2.0	(60)	5.0	(40)	5.0	(40)	6.0	(40)	5.0	(40)	6.0	(40)	6.0	(40)
(ii) Top Marginal Income and Payroll Tax Rate					3.0	(46)	3.0	(46)	4.0	(46)	3.0	(46)	4.0	(47)	4.0	(48)
2. Legal Structure and Security of Property Rights	7.0		6.7		7.7		8.8		9.3		9.2		9.0		9.2	
A. Judicial Independence							9.5		9.0		8.7		8.3		8.5	
B. Impartial Courts							8.9		9.0		8.5		8.3		8.8	
C. Protection of Intellectual Property							7.1		8.4		9.0		8.5		8.5	
D. Military Interference							8.8		10.0		10.0		10.0		10.0	
E. Integrity of Legal System							10.0		10.0		10.0		10.0		10.0	
3. Access to Sound Money	5.8		8.9		8.1		9.6		9.3		9.5		9.5		9.4	
A. Growth of Money Supply	8.0	(9.9)	7.8	(10.9)	4.3	(28.7)	9.6	(2.1)	8.1	(9.3)	8.7	(6.4)	8.6	(7.2)	8.5	(7.3)
B. Inflation Variability	9.0	(2.4)	9.0	(2.5)	9.4	(1.4)	9.3	(1.7)	9.8	(0.6)	9.8	(0.5)	9.8	(0.6)	9.8	(0.6)
C. Recent Annual Inflation	6.2	(18.8)	8.8	(5.9)	8.7	(6.4)	9.5	(2.4)	9.4	(2.9)	9.6	(1.8)	9.7	(1.6)	9.4	(2.9)
D. Freedom to Own Foreign Currency	0.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.5		8.5		8.2		8.2		8.5		8.3		8.3		8.3	
A. Taxes on International Trade	8.9		9.1		8.4		8.6		9.2		9.0		9.1		9.2	
(i) Taxes as Percentage of Exports and Imports	9.5	(0.7)	9.6	(0.6)	9.6	(0.6)	9.6	(0.6)	9.8	(0.3)	9.8	(0.3)	9.9	(0.2)	9.9	(0.2)
(ii) Mean Tariff Rate	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.4	(3.1)	9.7	(1.4)
(iii) Variability of Tariff Rates					7.1	(7.2)	7.6	(5.9)	8.2	(4.4)	8.0	(4.9)	8.0	(4.9)	8.0	(4.9)
B. Regulatory Trade Barriers							8.0		9.3		8.9		8.9		9.0	
(i) Hidden Import Barriers							8.0		9.0		8.2		8.3		8.5	
(ii) Costs of Importing									9.7		9.6		9.5		9.5	
C. Size of Trade Sector	5.3		5.5		4.5		4.9		4.7		4.5		4.3		4.0	
D. Official versus Black Market Exchange Rate	10.0		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		9.4		9.1		9.1		9.2		9.2	
(i) Access to Foreign Capital							8.9		9.8		9.8		10.0		10.0	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	6.0		6.6		6.8		8.3		8.1		7.7		7.4		7.4	
A. Regulation of Credit Markets	7.3		9.7		9.9		9.3		9.2		9.2		9.2		9.2	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							9.3		7.4		7.4		7.4		7.4	
(iii) Extension of Credit to Private Sector	8.0		9.1		9.8		9.7		9.9		9.9		9.8		9.9	
(iv) Avoidance of Negative Real Interest Rates	4.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							7.5		8.5		8.5		8.5		8.5	
B. Regulation of Labor Markets	6.7		6.8		7.2		7.2		6.9		7.1		6.7		6.6	
(i) Impact of Minimum Wage							6.7		4.6		4.6		4.6		4.6	
(ii) Flexibility in Hiring and Firing					7.4		7.4		4.9		6.1		5.5		5.8	
(iii) Collective Bargaining	5.2		5.2		6.2		6.2		8.6		8.2		7.8		8.2	
(iv) Incentives from Unemployment Benefits	4.8		5.2		5.4		5.9		6.5		6.5		5.4		4.3	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							8.4		8.1		6.8		6.2		6.5	
(i) Price Controls					9.0		9.0		8.0		6.0		6.0		5.0	
(ii) Administrative Obstacles for New Businesses									7.9		4.4		3.3		4.2	
(iii) Time Spent with Government Bureaucracy							7.8		8.0		7.0		6.0		6.5	
(iv) Ease of Starting a New Business							8.1		7.7		7.5		7.2		7.7	
(v) Irregular Payments to Government Officials							8.7		9.0		9.0		8.7		9.0	

United States

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	7.5 (4)		7.7 (4)		7.9 (3)		8.3 (4)		8.6 (2)		8.3 (3)		8.2 (3)		8.2 (3)	
1. Size of Government	5.2		6.0		6.7		6.9		7.6		7.6		7.6		7.8	
A. Government Consumption	5.5	(21.2)	5.5	(21.5)	5.7	(20.8)	6.2	(19.0)	6.6	(17.6)	6.6	(17.5)	6.5	(17.9)	6.4	(18.1)
B. Transfers and Subsidies	7.2	(10.9)	6.7	(12.5)	6.7	(12.7)	6.3	(14.0)	6.7	(12.6)	6.8	(12.3)	6.7	(12.5)	6.7	(12.5)
C. Government Enterprises and Investment	8.0	(17.2)	8.0	(17.3)	8.0	(20.0)	8.0	(14.6)	10.0		10.0	(14.2)	10.0	(14.2)	10.0	(14.2)
D. Top Marginal Tax Rate	0.0		4.0		6.5		7.0		7.0		7.0		7.0		8.0	
(i) Top Marginal Income Tax Rate	0.0	(70-75)	4.0	(50-59)	7.0	(33-42)	7.0	(40-46)	7.0	(40-46)	7.0	(39-46)	7.0	(39-43)	8.0	(35-42)
(ii) Top Marginal Income and Payroll Tax Rate					6.0	(36-45)	7.0	(42-49)	7.0	(42-49)	7.0	(41-48)	7.0	(41-45)	8.0	(37-44)
2. Legal Structure and Security of Property Rights	8.3		8.3		8.3		8.8		9.2		8.7		8.2		7.9	
A. Judicial Independence							8.3		8.0		7.9		7.8		7.0	
B. Impartial Courts							8.5		9.0		8.0		7.7		7.2	
C. Protection of Intellectual Property							7.8		9.1		9.1		8.7		8.7	
D. Military Interference							9.2		10.0		8.3		8.3		8.3	
E. Integrity of Legal System							10.0		10.0		10.0		8.3		8.3	
3. Access to Sound Money	9.2		9.3		9.6		9.8		9.8		9.7		9.8		9.8	
A. Growth of Money Supply	9.0	(5.1)	8.9	(5.5)	9.4	(2.9)	9.7	(1.5)	9.9	(-0.3)	9.7	(1.5)	9.7	(1.4)	10.0	(-0.1)
B. Inflation Variability	9.5	(1.2)	9.0	(2.4)	9.7	(0.7)	9.7	(0.6)	9.8	(0.4)	9.8	(0.5)	9.8	(0.6)	9.8	(0.5)
C. Recent Annual Inflation	8.1	(9.5)	9.3	(3.5)	9.1	(4.3)	9.6	(2.0)	9.3	(3.4)	9.4	(2.8)	9.7	(1.6)	9.5	(2.3)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	8.1		7.8		7.8		7.9		8.1		7.9		7.8		7.8	
A. Taxes on International Trade	8.9		8.8		8.2		8.4		8.1		8.1		8.1		8.1	
(ii) Taxes as Percentage of Exports and Imports	9.3	(1.1)	8.9	(1.7)	9.0	(1.5)	9.2	(1.2)	9.4	(0.8)	9.4	(0.9)	9.5	(0.8)	9.4	(0.8)
(ii) Mean Tariff Rate	8.5	(7.3)	8.7	(6.6)	8.8	(6.2)	8.8	(5.9)	9.2	(4.0)	9.2	(4.0)	9.2	(4.1)	9.2	(4.1)
(iii) Variability of Tariff Rates					6.9	(7.7)	7.2	(7.0)	5.7	(10.7)	5.6	(11.1)	5.6	(11.1)	5.6	(11.1)
B. Regulatory Trade Barriers							7.8		8.8		8.5		8.2		8.2	
(i) Hidden Import Barriers							7.8		8.1		7.7		6.8		7.2	
(ii) Costs of Importing									9.5		9.4		9.6		9.2	
C. Size of Trade Sector	5.4		4.0		4.6		4.9		5.2		4.7		4.5		4.4	
D. Official versus Black Market Exchange Rate	10.0		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		8.4		8.2		8.2		8.4		8.3	
(i) Access to Foreign Capital							8.8		9.5		9.5		9.8		9.6	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		8.0		8.0		6.9		6.9		6.9		6.9	
5. Regulation of Credit, Labor and Business	6.8		6.8		6.8		8.2		8.2		7.8		7.7		7.6	
A. Regulation of Credit Markets	9.5		9.5		9.6		9.0		9.1		9.2		9.2		9.2	
(i) Private Ownership of Banks	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks							8.3		7.6		7.6		8.0		8.0	
(iii) Extension of Credit to Private Sector	8.5		8.4		8.9		8.8		9.4		9.5		9.4		9.6	
(iv) Avoidance of Negative Real Interest Rates	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates							8.1		8.7		8.7		8.7		8.7	
B. Regulation of Labor Markets	7.7		7.7		7.7		7.5		7.2		7.3		7.3		7.0	
(i) Impact of Minimum Wage							5.9		3.8		3.8		3.8		3.8	
(ii) Flexibility in Hiring and Firing					7.1		7.1		6.7		7.0		7.3		7.2	
(iii) Collective Bargaining	7.6		7.6		7.6		7.6		8.4		8.7		8.3		8.0	
(iv) Incentives from Unemployment Benefits	5.6		5.6		6.0		6.7		7.0		7.0		6.9		6.2	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							8.2		8.3		6.9		6.7		6.6	
(i) Price Controls					9.0		9.0		8.0		8.0		7.0		7.0	
(ii) Administrative Obstacles for New Businesses									7.9		4.0		4.0		3.7	
(iii) Time Spent with Government Bureaucracy							7.5		8.2		6.5		6.8		6.5	
(iv) Ease of Starting a New Business							8.4		8.4		8.1		8.0		7.5	
(v) Irregular Payments to Government Officials							7.9		8.8		8.1		8.0		8.3	

Uruguay

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.9 (26)		6.0 (33)		6.2 (34)		6.1 (60)		6.6 (53)		6.8 (42)		6.9 (40)		6.8 (44)	
1. Size of Government	7.3		7.0		7.4		7.2		6.0		6.9		7.5		7.4	
A. Government Consumption	7.6	(14.1)	6.6	(17.4)	6.8	(16.8)	7.5	(14.5)	7.4	(14.8)	7.3	(15.3)	7.4	(15.0)	7.7	(13.8)
B. Transfers and Subsidies	7.7	(9.1)	7.4	(10.0)	6.9	(12.0)	5.4	(17.3)	5.2	(18.1)	5.8	(16.1)	5.8	(16.1)	4.9	(19.3)
C. Government Enterprises and Investment	4.0	(31.7)	4.0	(36.2)	6.0	(28.5)	6.0	(28.8)	4.0	(39.5)	7.0	(23.0)	7.0	(23.0)	7.0	(23.0)
D. Top Marginal Tax Rate	10.0		10.0		10.0		10.0		7.5		7.5		10.0		10.0	
(i) Top Marginal Income Tax Rate	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)	10.0	(0)
(ii) Top Marginal Income and Payroll Tax Rate									5.0	(36)	5.0	(36)	10.0	(0)	10.0	(0)
2. Legal Structure and Security of Property Rights	5.6		5.4		6.3		6.0		5.7		5.8		5.8		5.7	
A. Judicial Independence											7.1		6.3		6.7	
B. Impartial Courts							6.0		6.7		5.2		4.8		4.3	
C. Protection of Intellectual Property									5.5		4.1		4.5		4.3	
D. Military Interference							7.2		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							7.0		5.0		4.2		5.0		5.0	
3. Access to Sound Money	3.8		3.6		3.8		3.9		8.4		8.9		8.7		8.0	
A. Growth of Money Supply	0.0	(58.2)	2.6	(36.9)	0.0	(74.7)	3.0	(35.0)	8.5	(7.6)	9.1	(4.4)	9.9	(-0.3)	8.9	(5.5)
B. Inflation Variability	5.3	(11.8)	1.9	(20.4)	5.0	(12.4)	1.1	(22.3)	6.0	(9.9)	7.4	(6.4)	7.6	(5.9)	7.1	(7.4)
C. Recent Annual Inflation	0.0	(54.8)	0.0	(74.0)	0.0	(100.4)	1.6	(42.0)	9.0	(4.8)	9.1	(4.4)	7.2	(14.0)	6.1	(19.4)
D. Freedom to Own Foreign Currency	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	6.9		7.4		7.3		7.4		6.8		6.8		6.7		6.9	
A. Taxes on International Trade	4.1		5.0		5.9		7.8		7.7		7.6		7.6		7.6	
(i) Taxes as Percentage of Exports and Imports	4.1	(8.9)	6.1	(5.8)	6.3	(5.6)	8.2	(2.7)	8.7	(2.0)	8.7	(1.9)	8.7	(1.9)	8.7	(1.9)
(ii) Mean Tariff Rate			3.8	(31.0)	3.9	(30.5)	8.1	(9.3)	7.8	(11.1)	7.3	(13.3)	7.3	(13.3)	7.3	(13.3)
(iii) Variability of Tariff Rates					7.6	(5.9)	7.2	(7.1)	6.7	(8.3)	6.8	(8.0)	6.8	(8.0)	6.8	(8.0)
B. Regulatory Trade Barriers									6.3		6.8		6.9		6.4	
(i) Hidden Import Barriers									6.3		5.9		6.5		5.5	
(ii) Costs of Importing											7.7		7.4		7.3	
C. Size of Trade Sector	2.3		3.9		2.5		1.1		1.3		0.6		1.1		2.4	
D. Official versus Black Market Exchange Rate	10.0		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		8.7		8.7		7.9		8.2	
(i) Access to Foreign Capital									9.0		9.0		7.4		8.0	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		8.5		8.5		8.5		8.5	
5. Regulation of Credit, Labor and Business	6.0		6.4		6.0		6.1		6.2		5.6		5.7		5.7	
A. Regulation of Credit Markets	5.5		7.0		7.0		6.6		6.5		6.3		6.3		6.2	
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks									6.3		6.3		7.0		7.0	
(iii) Extension of Credit to Private Sector			7.9		7.9		8.7		9.2		9.0		8.2		8.0	
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		8.0		6.0		6.0		5.0		5.0		5.0	
(v) Controls on Interest Rates									6.2		6.2		6.2		6.2	
B. Regulation of Labor Markets									5.9		5.5		5.8		5.8	
(i) Impact of Minimum Wage									2.6		2.6		2.6		2.6	
(ii) Flexibility in Hiring and Firing									4.1		2.7		2.7		3.2	
(iii) Collective Bargaining									6.9		6.9		7.8		7.3	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									6.1		5.0		5.0		5.1	
(i) Price Controls					4.0		6.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses									6.8		1.8		2.3		3.2	
(iii) Time Spent with Government Bureaucracy									6.5		5.8		5.5		5.3	
(iv) Ease of Starting a New Business									5.0		3.5		3.5		3.3	
(v) Irregular Payments to Government Officials									6.1		7.6		7.5		7.5	

Venezuela

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►	6.6 (14)	6.2 (25)	5.5 (52)	4.2 (115)	5.7 (93)	5.6 (98)	4.5 (118)	4.3 (124)
1. Size of Government	6.3	6.9	6.0	6.1	6.6	6.5	6.3	5.9
A. Government Consumption	6.6 (17.7)	7.5 (14.4)	8.3 (11.9)	9.0 (9.3)	8.8 (10.0)	8.4 (11.4)	8.5 (11.0)	8.5 (11.0)
B. Transfers and Subsidies	9.6 (2.0)	8.9 (4.5)	8.6 (5.8)	8.5 (6.0)	7.7 (8.8)	7.7 (8.8)	7.7 (8.8)	6.6 (13.0)
C. Government Enterprises and Investment	2.0 (45.6)	4.0 (35.8)	0.0 (65.2)	0.0 (58.3)	2.0 (46.2)	2.0 (42.4)	2.0 (42.4)	2.0 (42.4)
D. Top Marginal Tax Rate	7.0	7.0	7.0	7.0	8.0	8.0	7.0	6.5
(i) Top Marginal Income Tax Rate	7.0 (45)	7.0 (45)	7.0 (45)	7.0 (34)	8.0 (35)	8.0 (34)	7.0 (34)	7.0 (34)
(ii) Top Marginal Income and Payroll Tax Rate			7.0 (45)	7.0 (34)	8.0 (35)	8.0 (35)	7.0 (35)	6.0 (36)
2. Legal Structure and Security of Property Rights	6.2	5.3	5.7	3.8	3.7	1.9	1.6	1.4
A. Judicial Independence				2.9	1.7	0.5	0.3	0.8
B. Impartial Courts				2.9	3.7	0.9	0.5	0.7
C. Protection of Intellectual Property				3.7	3.4	2.2	2.2	2.3
D. Military Interference				5.6	3.3	2.5	1.7	1.7
E. Integrity of Legal System				4.1	6.7	3.3	3.3	1.7
3. Access to Sound Money	7.3	8.3	4.4	1.9	5.6	7.6	5.8	5.7
A. Growth of Money Supply	7.3 (13.6)	7.3 (13.3)	6.1 (19.7)	3.9 (30.3)	5.5 (22.6)	7.4 (12.8)	6.7 (16.6)	6.7 (16.6)
B. Inflation Variability	7.0 (7.4)	7.9 (5.2)	0.0 (30.2)	3.8 (15.6)	0.0 (39.4)	5.4 (11.6)	6.1 (9.7)	7.1 (7.2)
C. Recent Annual Inflation	4.8 (26.0)	7.9 (10.4)	1.7 (41.7)	0.0 (51.9)	6.8 (16.2)	7.5 (12.5)	5.5 (22.4)	3.8 (31.1)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	0.0	10.0	10.0	5.0	5.0
4. Freedom to Exchange with Foreigners	8.1	5.3	6.8	5.2	7.2	7.0	4.5	4.6
A. Taxes on International Trade	8.0	3.7	4.2	7.8	7.6	7.5	7.7	7.7
(i) Taxes as Percentage of Exports and Imports	8.0 (3.0)	3.9 (9.1)	8.5 (2.2)	7.9 (3.1)	7.9 (3.1)	7.5 (3.7)	8.2 (2.7)	8.2 (2.7)
(ii) Mean Tariff Rate		3.4 (32.9)	3.9 (30.6)	7.3 (13.4)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)
(iii) Variability of Tariff Rates			0.2 (24.4)	8.1 (4.8)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)
B. Regulatory Trade Barriers				4.6	5.7	6.0	5.0	4.6
(i) Hidden Import Barriers				4.6	4.9	4.6	3.0	2.5
(ii) Costs of Importing					6.5	7.4	7.0	6.7
C. Size of Trade Sector	6.3	4.8	6.7	5.2	4.5	3.8	4.5	4.4
D. Official versus Black Market Exchange Rate	10.0	5.0	10.0	1.6	10.0	10.0	0.0	0.0
E. Restrictions on Capital Markets	8.0	5.0	5.0	6.9	8.1	7.8	5.1	6.1
(i) Access to Foreign Capital				8.7	9.4	9.4	7.2	6.8
(ii) Restrictions on Foreign Capital Transactions	8.0	5.0	5.0	5.0	6.9	6.2	3.1	5.4
5. Regulation of Credit, Labor and Business	5.0	5.4	4.6	4.0	5.2	5.1	4.4	4.1
A. Regulation of Credit Markets	6.1	6.9	4.6	4.7	6.0	7.6	7.5	6.6
(i) Private Ownership of Banks	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks				7.6	6.2	6.2	6.2	6.2
(iii) Extension of Credit to Private Sector	9.3	8.8	5.7	2.7	7.7	7.8	7.1	6.9
(iv) Avoidance of Negative Real Interest Rates	4.0	4.0	0.0	0.0	2.0	10.0	10.0	6.0
(v) Controls on Interest Rates				5.4	6.0	6.0	6.0	6.0
B. Regulation of Labor Markets			3.9	4.3	4.0	3.8	2.8	3.1
(i) Impact of Minimum Wage				4.9	4.1	4.1	4.1	4.1
(ii) Flexibility in Hiring and Firing			4.4	4.4	4.6	3.2	1.0	2.2
(iii) Collective Bargaining	7.2	7.2	7.2	7.2	5.8	6.0	4.8	5.3
(iv) Incentives from Unemployment Benefits				5.0	5.7	5.7	4.3	3.8
(v) Military Conscription	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business				3.0	5.5	4.0	2.9	2.6
(i) Price Controls				0.0	5.0	6.0	0.0	0.0
(ii) Administrative Obstacles for New Businesses					6.4	1.2	1.0	1.3
(iii) Time Spent with Government Bureaucracy				5.3	6.2	5.3	6.5	4.0
(iv) Ease of Starting a New Business				4.6	4.7	3.0	2.8	2.7
(v) Irregular Payments to Government Officials				2.1	5.0	4.5	4.3	4.8

Vietnam

	1980	1985	1990	1995	2000	2001	2002	2003
Summary Ratings (Rank) ►								5.5 (103)
1. Size of Government								4.4
A. Government Consumption								9.2 (8.7)
B. Transfers and Subsidies								
C. Government Enterprises and Investment								4.0
D. Top Marginal Tax Rate								0.0
(i) Top Marginal Income Tax Rate								0.0 (63)
(ii) Top Marginal Income and Payroll Tax Rate								0.0 (70)
2. Legal Structure and Security of Property Rights								4.2
A. Judicial Independence								4.5
B. Impartial Courts								4.0
C. Protection of Intellectual Property								2.3
D. Military Interference								3.3
E. Integrity of Legal System								6.7
3. Access to Sound Money								6.3
A. Growth of Money Supply								6.8 (15.9)
B. Inflation Variability								8.9 (2.7)
C. Recent Annual Inflation								9.4 (3.1)
D. Freedom to Own Foreign Currency								0.0
4. Freedom to Exchange with Foreigners								6.9
A. Taxes on International Trade								5.8
(i) Taxes as Percentage of Exports and Imports								7.8 (3.3)
(ii) Mean Tariff Rate								7.0 (15.0)
(iii) Variability of Tariff Rates								2.6 (18.5)
B. Regulatory Trade Barriers								5.8
(i) Hidden Import Barriers								3.5
(ii) Costs of Importing								8.2
C. Size of Trade Sector								10.0
D. Official versus Black Market Exchange Rate								10.0
E. Restrictions on Capital Markets								2.8
(i) Access to Foreign Capital								5.6
(ii) Restrictions on Foreign Capital Transactions								0.0
5. Regulation of Credit, Labor and Business								5.9
A. Regulation of Credit Markets								9.5
(i) Private Ownership of Banks								
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector								9.0
(iv) Avoidance of Negative Real Interest Rates								10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								4.1
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring and Firing								5.0
(iii) Collective Bargaining								7.2
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription								0.0
C. Regulation of Business								4.1
(i) Price Controls								
(ii) Administrative Obstacles for New Businesses								3.0
(iii) Time Spent with Government Bureaucracy								4.5
(iv) Ease of Starting a New Business								5.3
(v) Irregular Payments to Government Officials								3.8

Zambia

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	5.1 (64)		4.0 (95)		3.3 (109)		4.8 (98)		6.7 (46)		6.9 (40)		6.7 (50)		6.7 (50)	
1. Size of Government	2.6		3.1		3.5		5.9		7.1		7.4		7.4		7.4	
A. Government Consumption	2.5	(31.6)	3.6	(27.8)	5.0	(23.1)	7.3	(15.2)	8.4	(11.5)	7.5	(14.4)	7.5	(14.4)	7.5	(14.4)
B. Transfers and Subsidies	7.8	(8.7)	9.0	(4.2)	8.9	(4.5)	9.4	(2.6)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)
C. Government Enterprises and Investment	0.0	(77.1)	0.0	(90.7)	0.0	(44.0)	0.0		2.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate	0.0		0.0		0.0		7.0		8.0		8.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	0.0	(70)	0.0	(80)	0.0	(75)	7.0	(35)	8.0	(30)	8.0	(30)	8.0	(30)	8.0	(30)
(ii) Top Marginal Income and Payroll Tax Rate																
2. Legal Structure and Security of Property Rights	6.1		4.0		3.7		5.9		5.9		5.9		5.4		5.5	
A. Judicial Independence							6.7		6.2		6.2		4.7		4.5	
B. Impartial Courts							4.8		4.9		4.9		4.3		4.5	
C. Protection of Intellectual Property							4.8		3.2		3.2		3.0		3.3	
D. Military Interference							6.3		8.3		8.3		8.3		8.3	
E. Integrity of Legal System							7.0		6.7		6.7		6.7		6.7	
3. Access to Sound Money	6.1		3.3		0.1		0.7		7.2		7.4		7.2		7.2	
A. Growth of Money Supply	8.4	(8.1)	6.3	(18.4)	0.0	(58.6)	0.0	(58.5)	5.5	(22.7)	5.5	(22.7)	4.9	(25.4)	4.9	(25.4)
B. Inflation Variability	8.2	(4.6)	5.0	(12.6)	0.4	(23.9)	0.0	(49.2)	8.4	(4.1)	8.4	(4.1)	8.3	(4.4)	8.3	(4.4)
C. Recent Annual Inflation	7.6	(11.8)	1.8	(41.1)	0.0	(106.4)	2.6	(36.9)	4.8	(26.0)	5.7	(21.4)	5.6	(22.2)	5.6	(22.2)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		10.0		10.0		10.0		10.0	
4. Freedom to Exchange with Foreigners	5.7		5.1		4.8		6.7		7.8		8.0		7.7		7.2	
A. Taxes on International Trade	8.4		4.4		5.8		6.0		6.2		6.2		6.3		6.3	
(i) Taxes as Percentage of Exports and Imports	8.4	(2.4)	5.7	(6.4)	6.8	(4.8)	7.5	(3.8)	5.1	(7.3)	5.1	(7.3)	5.1	(7.3)	5.1	(7.3)
(ii) Mean Tariff Rate			3.0	(34.8)	4.9	(25.6)	4.9	(25.6)	7.1	(14.7)	7.1	(14.7)	7.2	(13.9)	7.2	(14.2)
(iii) Variability of Tariff Rates							5.8	(10.6)	6.5	(8.8)	6.5	(8.8)	6.5	(8.8)	6.5	(8.8)
B. Regulatory Trade Barriers													6.1		5.8	
(i) Hidden Import Barriers													5.5		5.0	
(ii) Costs of Importing													6.8		6.7	
C. Size of Trade Sector	10.0		8.7		8.1		8.1		5.3		6.4		7.0		4.7	
D. Official versus Black Market Exchange Rate	0.0		2.4		0.0		9.4		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		9.2		9.2		9.1		9.3	
(i) Access to Foreign Capital													9.0		9.4	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		9.2		9.2		9.2		9.2	
5. Regulation of Credit, Labor and Business	5.3		4.4		4.2		4.7		5.6		5.7		5.9		6.2	
A. Regulation of Credit Markets	4.0		1.7		2.4		3.3		6.2		5.9		6.0		5.7	
(i) Private Ownership of Banks	2.0		2.0		2.0		5.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	6.1		3.1		5.2		5.0		5.6		4.7		5.0		4.2	
(iv) Avoidance of Negative Real Interest Rates	4.0		0.0		0.0		0.0		8.0		8.0		8.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													7.4		8.2	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring and Firing													5.2		6.3	
(iii) Collective Bargaining													7.2		8.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business													4.3		4.8	
(i) Price Controls					0.0		2.0		2.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses													3.2		3.8	
(iii) Time Spent with Government Bureaucracy													3.8		5.5	
(iv) Ease of Starting a New Business													5.8		5.3	
(v) Irregular Payments to Government Officials													4.7		5.1	

Zimbabwe

	1980		1985		1990		1995		2000		2001		2002		2003	
Summary Ratings (Rank) ►	4.7 (74)		4.6 (85)		4.8 (84)		5.4 (80)		4.3 (120)		3.4 (123)		3.3 (122)		3.3 (126)	
1. Size of Government	4.9		3.5		4.1		5.0		4.5		4.6		4.6		4.6	
A. Government Consumption	5.6	(21.1)	4.5	(24.6)	4.8	(23.6)	5.4	(21.6)	6.3	(18.5)	5.6	(21.1)	5.6	(21.1)	5.6	(21.1)
B. Transfers and Subsidies	7.0	(11.4)	7.4	(10.0)	8.4	(6.2)	8.6	(5.7)	7.7	(8.8)	7.7	(8.8)	7.7	(8.8)	7.7	(8.8)
C. Government Enterprises and Investment	2.0	(32.5)	2.0	(53.6)	2.0		2.0		2.0		2.0		2.0		2.0	
D. Top Marginal Tax Rate	5.0		0.0		1.0		4.0		2.0		3.0		3.0		3.0	
(i) Top Marginal Income Tax Rate	5.0	(45)	0.0	(63)	1.0	(60)	4.0	(45)	2.0	(53)	3.0	(46)	3.0	(46)	3.0	(46)
(ii) Top Marginal Income and Payroll Tax Rate					1.0	(60)	4.0	(45)	2.0	(53)	3.0	(46)	3.0	(46)	3.0	(46)
2. Legal Structure and Security of Property Rights	3.0		3.1		4.0		5.5		5.0		2.6		2.8		2.8	
A. Judicial Independence							6.7		6.2		1.4		1.2		1.5	
B. Impartial Courts							7.3		7.3		2.4		2.5		2.3	
C. Protection of Intellectual Property							4.8		3.2		3.4		3.5		3.5	
D. Military Interference							4.9		5.0		5.0		5.0		5.0	
E. Integrity of Legal System							4.1		3.3		0.8		1.7		1.7	
3. Access to Sound Money	6.3		6.2		5.6		4.9		2.8		1.8		1.3		1.3	
A. Growth of Money Supply	7.8	(11.2)	8.6	(7.2)	7.0	(14.9)	4.5	(27.3)	3.9	(30.4)	1.4	(42.9)	0.0	(68.0)	0.0	(68.0)
B. Inflation Variability	8.7	(3.1)	7.7	(5.8)	8.4	(4.1)	7.3	(6.8)	2.2	(19.4)	1.0	(22.6)	0.0	(28.4)	0.0	(28.4)
C. Recent Annual Inflation	8.7	(6.6)	8.7	(6.5)	7.1	(14.8)	7.9	(10.7)	0.0	(55.9)	0.0	(76.7)	0.0	(140.1)	0.0	(140.1)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		5.0		5.0	
4. Freedom to Exchange with Foreigners	5.0		4.7		5.6		6.4		3.7		3.3		3.3		3.4	
A. Taxes on International Trade	8.4		6.5		5.7		6.8		4.6		4.5		4.8		4.8	
(i) Taxes as Percentage of Exports and Imports	8.9	(1.7)	4.7	(8.0)	3.9	(9.2)	5.4	(6.9)	5.1	(7.3)	5.1	(7.3)	5.1	(7.3)	5.1	(7.3)
(ii) Mean Tariff Rate	8.0	(10.0)	8.3	(8.7)	8.0	(10.1)	8.2	(9.2)	5.7	(21.4)	5.9	(20.4)	6.7	(16.7)	6.7	(16.7)
(iii) Variability of Tariff Rates					5.3	(11.8)			2.8	(17.9)	2.6	(18.6)	2.6	(18.6)	2.6	(18.6)
B. Regulatory Trade Barriers							3.7		5.9		5.3		5.0		5.1	
(i) Hidden Import Barriers							3.7		5.2		5.0		3.7		4.2	
(ii) Costs of Importing									6.5		5.6		6.3		6.0	
C. Size of Trade Sector	6.1		5.2		5.1		8.3		5.6		4.0		4.4		4.4	
D. Official versus Black Market Exchange Rate	0.0		1.6		7.0		9.8		0.0		0.0		0.0		0.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		3.5		2.5		2.5		2.4		2.7	
(i) Access to Foreign Capital							5.1		5.0		5.0		4.8		5.4	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		0.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor and Business	4.3		5.5		4.8		5.3		5.4		4.5		4.6		4.6	
A. Regulation of Credit Markets	4.5		4.7		5.6		5.8		6.0		5.2		5.5		5.3	
(i) Private Ownership of Banks	2.0		2.0		2.0		5.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks							4.8		6.8		6.8		6.8		6.8	
(iii) Extension of Credit to Private Sector	5.4		4.0		6.7		6.9		6.3		6.0		6.7		8.5	
(iv) Avoidance of Negative Real Interest Rates	6.0		8.0		8.0		8.0		6.0		2.0		3.0		0.0	
(v) Controls on Interest Rates							4.5		3.0		3.0		3.0		3.0	
B. Regulation of Labor Markets					3.6		6.0		4.9		4.8		4.9		4.8	
(i) Impact of Minimum Wage							5.9		3.5		3.5		3.5		3.5	
(ii) Flexibility in Hiring and Firing					3.4		3.4		1.6		1.3		1.3		1.7	
(iii) Collective Bargaining					4.5		4.5		2.5		2.2		3.0		2.0	
(iv) Incentives from Unemployment Benefits							6.4		6.8		6.8		6.8		6.8	
(v) Military Conscription	1.0		10.0		3.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business							4.0		5.2		3.7		3.5		3.8	
(i) Price Controls					2.0		4.0		4.0		2.0		2.0		2.0	
(ii) Administrative Obstacles for New Businesses									5.1		1.7		1.8		2.5	
(iii) Time Spent with Government Bureaucracy							4.3		7.1		5.8		4.8		4.5	
(iv) Ease of Starting a New Business							3.7		5.7		4.4		4.7		3.8	
(v) Irregular Payments to Government Officials							3.9		4.1		4.7		4.3		6.0	

Appendix 1: Explanatory Notes and Data Sources

Area 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).

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

C Government enterprises and investment as a percentage of total investment

Data on the number, composition, and share of output supplied by State-Operated Enterprises (SOEs) and government investment as a share of total investment were used to construct the zero-to-10 ratings. Countries with more government enterprises and government investment received lower ratings. When 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 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 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 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 total investment. ♦ 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)

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

ii Top marginal income and payroll tax rates (and income thresholds at which they apply)

Countries with higher marginal tax rates that take effect at lower income thresholds received lower ratings based on the matrix below. The income threshold data were converted from local currency to 1982/1984 US dollars (using beginning-of-year exchange rates and the US Consumer Price Index). These figures include sub-national rates if applicable. ♦ Source: Price Waterhouse, *Individual Taxes: A Worldwide Summary* (various issues).

Top Marginal Tax Rate	Income Threshold at Which the Top Marginal Rate Applies (1982–1984 US\$)			
	< \$25,000	\$25,000 – \$50,000	\$50,000 – \$150,000	> \$150,000
< 20%	10	10	10	10
21% – 25%	9	9	10	10
26% – 30%	8	8	9	9
31% – 35%	7	7	8	9
36% – 40%	5	6	7	8
41% – 45%	4	5	6	7
46% – 50%	3	4	5	5
51% – 55%	2	3	4	4
56% – 60%	1	2	3	3
61% – 65%	0	1	2	2
66% – 70%	0	0	1	1
> 70%	0	0	0	0

Area 2: Legal Structure and Security of Property Rights

[Special Note: The ratings for Area 2 from 1970 to 1995 are the same as the Area V ratings from *Economic Freedom of the World: 2001 Annual Report*. Please see that report for methodological details.]

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

Source: World Economic Forum, *Global Competitiveness Report* (various issues).

B Impartial courts—a trusted legal framework exists for private businesses to challenge the legality of government actions or regulations

Sources: World Economic Forum, *Global Competitiveness Report* (various issues). We have used the “Rule of Law” ratings from the World Bank’s Governance Indicators Project to fill in gaps in the data since 1995. <<http://www.worldbank.org/wbi/governance/govdata/>>.

C Protection of intellectual property

Source: World Economic Forum, *Global Competitiveness Report* (various issues).

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*. ♦ Sources: PRS Group, *International Country Risk Guide* (various issues). We have used the “Political Stability and Absence of Violence” ratings from the World Bank’s Governance Indicators Project to fill in gaps in the data since 1995. <<http://www.worldbank.org/wbi/governance/govdata/>>.

E Integrity of the legal system

This component is based on Political Risk Component I (Law and Order) from the *International Country Risk Guide*. ♦ Source: PRS Group, *International Country Risk Guide* (various issues).

Area 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 ten years. The values for $V_{\min}$ and $V_{\max}$ were set at zero and 50%, respectively. Therefore, if the adjusted growth rate of the money supply during the last five years was zero, indicating that money growth was equal to the long-term growth of real output, the formula generates a rating of 10. Ratings decline as the adjusted money-supply growth increases toward 50%. When the adjusted annual money growth is equal to (or greater than) 50%, a rating of zero results. ♦ Sources: World Bank, *World Development Indicators* (various issues) and International Monetary Fund, *International Financial Statistics* (various issues).

B Standard inflation variability during the last five years

Generally, the GDP deflator was used as the measure of inflation for this component. When these data were unavailable, the Consumer Price Index was used. The following formula was used to determine the zero-to-10 scale rating for each country: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the country’s standard deviation of the annual rate of inflation during the last five years. The values for $V_{\min}$ and $V_{\max}$ were set at zero and 25%, respectively. This procedure will allocate the highest ratings to the countries with least variation in the annual rate of inflation. A perfect 10 results when there is no variation in the rate of inflation over the five-year period. Ratings will decline toward zero as the standard deviation of the inflation rate approaches 25% annually. ♦ Sources: World Bank, *World Development Indicators* (various issues) and 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 zero-to-10 country ratings were derived by the following formula: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the rate of inflation during the most recent year. The values for $V_{\min}$ and $V_{\max}$ were set at zero and 50%, respectively—the lower the rate of inflation, the higher the rating. Countries that achieve perfect price stability earn a rating of 10. As the inflation rate moves toward a 50% annual rate, the rating for this component moves toward zero. A zero rating is assigned to all countries with an inflation rate of 50% or more. ♦ Sources: World Bank, *World Development Indicators* (various issues) and 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).

Area 4: Freedom to Trade Internationally

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 zero and 15%, respectively. This formula leads to lower ratings as the average tax rate on international trade increases. Countries with no specific taxes on international trade earn a perfect 10. As the revenues from these taxes rise toward 15% of international trade, ratings decline toward zero. (Note that except for two or three extreme observations, the revenues from taxes on international trade as a share of the trade sector are within the zero to 15% range.) ♦ Sources: International Monetary Fund, *Government Finance Statistics Yearbook* (various issues) and International Monetary Fund, *International Financial Statistics* (various issues).

ii Mean tariff rate

The formula used to calculate the zero-to-10 rating for each country was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the country's mean tariff rate. The values for $V_{\min}$ and $V_{\max}$ were set at 0% and 50%, respectively. This formula will allocate a rating of 10 to countries that do not impose tariffs. As the mean tariff rate increases, countries are assigned lower ratings. The rating will decline toward zero as the mean tariff rate approaches 50%. (Note that except for two or three extreme observations, all countries have mean tariff rates within this range from 0% to 50%.) ♦ 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 zero-to-10 ratings for this component was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the standard deviation of the country's tariff rates. The values for $V_{\min}$ and $V_{\max}$ were set at 0% and 25%, respectively. This formula will allocate a rating of 10 to countries that impose a uniform tariff. As the standard deviation of tariff rates increases toward 25%, ratings decline toward zero. (Note that except for a few very extreme observations, the standard deviations of the tariff rates for the countries in our study fall within this 0% to 25% range.) ♦ Sources: World 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, *Global Competitiveness Report* (various issues).

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

◆ Source: World Economic Forum, *Global Competitiveness Report* (various issues).

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 the population and geographic size of the country and its location relative to the concentration of world GDP. 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 zero-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 minus 50%, respectively. (Note that minus 50% is symmetrical with positive 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. A short paper explaining the methodology is available on our website: <<http://www.freetheworld.com/2004/TradeSectorMethodology.pdf>>. ◆ 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 zero-to-10 ratings for this component were calculated using the following formula: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ 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: *MRI Bankers' Guide to Foreign Currency* (various issues). 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

Beginning with the *2004 Annual Report*, this sub-component is based on the question: "Foreign ownership of companies in your country is (1) rare, limited to minority stakes, and often prohibited in key sectors or (2) prevalent and encouraged," from the World Economic Forum, *Global Competitiveness Report* (various issues). For earlier years, this sub-component was based on two questions about "Access of citizens to foreign capital markets and foreign access to domestic capital markets" from the World Economic Forum, *Global Competitiveness Report* (various issues).

- 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 zero-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).

Area 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

Beginning with the *2004 Annual Report*, data on the denial rate of foreign bank license applications and on foreign bank assets were used to update some countries' data. If a country approved all or most foreign bank applications and if foreign banks had a large share of the banking sector assets, then the country received a higher rating according to table below. ♦ Sources: World Economic Forum (2001), *Global Competitiveness Report 2001–2002* (Oxford: Oxford University Press). *World Bank Survey of Bank Regulation and Supervision*, <http://www.worldbank.org/research/interest/2003_bank_survey/2003_bank_regulation_database.htm>.

Foreign Bank License Denial Rate (Denials/Applications)				
		0%	0%–49%	50%–100%
Foreign bank assets as a share of total banking sector assets	80%–100%	10	8	5
	40%–79%	9	7	4
	0%–39%	8	6	3

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 10.0%. 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%). ♦ Source: International Monetary Fund, *International Financial Statistics* (various issues).

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 determined by the market 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* (various issues).

- v Interest rate controls—interest rates on bank deposits and/or loans are freely determined by the market
Sources: World Economic Forum, *Global Competitiveness Report* (various issues).

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 only 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, *Global Competitiveness Report* (various issues)..
- ii Hiring and firing practices—hiring and firing practices of companies are determined by private contract
Source: World Economic Forum, *Global Competitiveness Report* (various issues).
- iii Share of labor force whose wages are set by centralized collective bargaining
Source: World Economic Forum, *Global Competitiveness Report* (various issues).
- iv Unemployment benefits—the unemployment benefits system preserves the incentive to work
Source: International Institute for Management Development (IMD), *World Competitiveness Yearbook* (various issues).
- 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 categorize 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 house-holds, 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: International Institute for Management Development (IMD), *World Competitiveness Yearbook* (various issues). Price Waterhouse, *Doing Business In ...* publication series; World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994); Economist Intelligence Unit, *EIU Country Reports and Country Commerce, 2001*; and US State Department, *Country Commercial Guides and 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, *Global Competitiveness Report* (various issues).
- iii Time with government bureaucracy—senior management spends a substantial amount of time dealing with government bureaucracy
Source: World Economic Forum, *Global Competitiveness Report* (various issues).
- iv Starting a new business—starting a new business is generally easy
Source: World Economic Forum, *Global Competitiveness Report* (various issues).
- 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, *Global Competitiveness Report* (various issues).

Appendix 2: Selected Publications Using Ratings from *Economic Freedom of the World*

The following are some of the articles that have used the economic freedom ratings from *Economic Freedom of the World*. In some cases, a brief abstract of the article is provided. Those interested in doing further research using the Economic Freedom index are invited to retrieve the dataset from the website of the Economic Freedom Network, <<http://www.freetheworld.com>>. The most up-to-date information on articles using the index of *Economic Freedom of the World* can be found at <<http://www.freetheworld.com/papers.html>>.

Ali, Abdiweli M. (1997). "Economic Freedom, Democracy and Growth." *Journal of Private Enterprise* 13 (Fall): 1–20.

"This paper takes advantage of newly constructed measures of economic freedom to show the importance of economic freedom on growth. I find that economic freedom is a more robust determinant of growth than political freedom and civil liberty." ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as one variable in a comparison of a number of institutional variables.

Ali, Abdiweli M. (2003). "Institutional Differences as Sources of Growth Differences." *Atlantic Economic Journal* 31, 4 (December): 348–62.

"Until very recently most of the studies investigating the determinants of growth fail to incorporate the importance of institutions into their empirical analysis. This paper highlights the importance of institutions on growth and development, and evaluates the empirical results on the effect of institutions on growth and investment. It provides ample evidence that the institutional environment in which an economic activity takes place is an important determinant of economic growth. This paper uses alternative measures of institutional quality to capture the role of institutions in explaining growth differences across countries. When these institutional variables are incorporated into the core regression equations as additional explanatory variables in two different sample periods; both samples yield similar results. The empirical results reveal that countries with high levels of economic growth are characterized by high levels of economic freedom and judicial efficiency; low levels of corruption, effective bureaucracy and protected private property." ♦ Summary ratings from *Economic Freedom of the World: 1975–1995* provide a key institutional variable.

Ali, Abdiweli M., and W. Mark Crain (2002). "Institutional Distortions, Economic Freedom, and Growth." *Cato Journal* 21, 3 (Winter): 415–26.

This paper examines the robustness of economic freedom as a predictor of growth and investment compared to political rights and civil liberties. It also examines the relation between economic freedom and input-price distortions and institutional quality. ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as one of a number of institutional variables.

Ayal, Eliezer B., and Karras Georgios (1998). "Components of Economic Freedom and Growth: An Empirical Study." *Journal of Developing Areas* 32 (Spring): 327–38.

The paper uses regression analysis to examine the effect of the components of economic freedom on growth, output and investment and finds that "economic freedom enhances growth both via increasing total factor productivity and via enhancing capital accumulation." It also identifies components that have the highest statistical effects on these variables, with the aim of informing policy makers. ♦ Uses component ratings from *Economic Freedom of the World: 1975–1995* as main data source for institutional variables.

Bengoa, Marta, and Blanca Sanchez-Robles (2003). "Foreign Direct Investment, Economic Freedom and Growth: New Evidence from Latin America." *European Journal of Political Economy* 19, 3: 529–45.

"This paper explores the interplay between economic freedom, foreign direct investment (FDI) and economic growth using panel data analysis for a sample of 18 Latin American countries for 1970–1999. We find that economic freedom in the host country is a positive determinant of FDI inflows. Our results also suggest that foreign direct investment is positively correlated with economic growth in the host countries. The host country requires, however, adequate human capital, economic stability and liberalized markets to benefit from long-term capital flows." ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

Berggren, Niclas (1999). "Economic Freedom and Equality: Friends or Foes?" *Public Choice* 100, 3/4 (September): 203–23.

This paper describes a theoretical model of the relationship between economic freedom and income distribution, and investigates empirical results. The results indicate that "sustained and gradual increases in economic freedom influence equality measures positively ... [but] the absolute level of economic freedom appears to be negatively related to equality in some cases." ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

Berggren, Niclas, and Henrik Jordahl (forthcoming). "Does Free Trade Really Reduce Growth? Further Testing Using the Economic Freedom Index." *Public Choice*.

"While studies of the relationship between economic freedom and economic growth have shown it to be positive, significant and robust, it has rightly been argued that different areas of economic freedom may have quite different effects on growth. Along that line, Carlsson and Lundström (2002) present the surprising result that "International exchange: Freedom to trade with foreigners" is detrimental for growth. We find that "Taxes on international trade" seems to drive this result. However, using newer data and a more extensive sensitivity analysis, we find that it is not robust. Least Trimmed Squares-based estimation in fact renders the coefficient positive." ♦ Uses Economic Freedom of the World index as the main data source for institutional variables.

Boockmann, Bernhard, and Axel Dreher (2003). "The Contribution of the IMF and the World Bank to Economic Freedom." *European Journal of Political Economy* 19, 3: 633–49.

"We analyse the effect of IMF and World Bank policies on the composite index of economic freedom by Gwartney et al. (2000) as well as its sub-indexes, using a panel of 85 countries observed between 1970 and 1997. With respect to the Bank, we find that the number of projects has a positive impact on overall economic freedom, while the effect of the amount of World Bank credits appears to be negative. These effects are stronger during the 1990s than in earlier periods. There is no clear relationship between credits and programmes of the IMF and economic freedom as measured by the index." ♦ Uses summary ratings from *Economic Freedom of the World: 2002 Annual Report* as the main data source for institutional variables.

Carlsson, F., and S. Lundstrom (2002). "Economic Freedom and Growth: Decomposing the Effects." *Public Choice* 112, 3–4 (September): 335–44.

"Most studies of the relation between economic freedom and growth of GDP have found a positive relation. In this paper we investigate what specific types of economic freedom measures that are important for growth. The results show that economic freedom does matter for growth. This does not mean that increasing economic freedom, defined in general terms, is good for economic growth since some of the categories in the index are insignificant and some of the significant variables have negative effects." ♦ Uses summary ratings and the components from *Economic Freedom of the World: 2002 Annual Report* as the main data source for institutional variables.

Chafuen, Alejandro (1998). "Estado y Corrupción." In Alejandro Chafuen and Eugenio Guzmán, *Corrupción y Gobierno* (Santiago, Chile: Fundación Libertad y Desarrollo): 45–98.

Finds that corruption is negatively related to economic freedom. ♦ *Economic Freedom of the World: 1975–1995* and *Transparency International* are the main data-source for institutional variables.

Cole, Julio H. (2003). "The Contribution of Economic Freedom to World Economic Growth, 1980–99." *Cato Journal* 23, 2 (Fall): 189–98.

"The purpose of this study is not to compare different theories of economic growth, but to evaluate the impact of economic freedom on economic growth under alternative theoretical frameworks. The particular measure of economic freedom employed –the EFW index–was found to be quite robust and with respect to major changes in the model specifications. We conclude that economic freedom is significant factor in economic growth, regardless of the basic theoretical framework." ♦ Summary ratings from *Economic Freedom of the World: 2002 Annual Report* provides a key institutional variable.

Dawson, John W. (1998). "Institutions, Investment, and Growth: New Cross-Country and Panel Data Evidence." *Economic Inquiry* 36 (October): 603–19.

"This paper outlines the alternative channels through which institutions affect growth, and studies the empirical relationship between institutions, investment, and growth. The empirical results indicate that (i) free-market institutions have a positive effect on growth; (ii) economic freedom affects growth through both a direct effect on total factor productivity and an indirect effect on investment; (iii) political and civil liberties may stimulate investment; (iv) an important interaction exists between freedom and human capital investment; (v) Milton Friedman's conjectures on the relation between political and economic freedom are correct; (vi) promoting economic freedom is an effective policy toward facilitating growth and other types of freedom." ♦ Uses *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

De Haan, Jakob, and Clemens L.J. Sierman (1998). "Further Evidence on the Relationship between Economic Freedom and Economic Growth." *Public Choice* 95: 363–80.

Primarily investigates the robustness of the index of economic freedom devised by Gerald Scully and D.J. Slottje and determines that the robustness of results depends heavily on how freedom is measured. Finds that some specifications are robust predictors of the growth rate of real per-capita GDP (1980–1992) but few are robust for investment share of GDP. ♦ Empirical analysis on *Economic Freedom of the World: 1975–1995* is limited to correlation with the Scully and Slotjie's index. Suggests further empirical work be done on *Economic Freedom of the World*.

De Haan, Jakob, and Jan-Egbert Sturm (2000). "On the Relationship between Economic Freedom and Economic Growth." *European Journal of Political Economy* 16: 215–41.

"It is often maintained that economic freedom underlies high levels of economic growth. This paper compares various indicators for economic freedom. We conclude that, although these measures differ somewhat in their coverage, they show similar rankings for the countries covered. Some elements in these measures are, however, questionable. Our main conclusion is that greater economic freedom fosters economic growth. The level of economic freedom is, however, not related to growth." ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

De Haan, Jakob, and Jan-Egbert Sturm (2003). "Does More Democracy Lead to Greater Economic Freedom? New Evidence for Developing Countries." *European Journal of Political Economy* 19, 3 (September): 547–63.

"This paper examines the relationship between economic and political freedom, focusing on developing countries. We conclude that increases in economic freedom between 1975 and 1990 are to some extent caused by the level of political freedom. This result shows up for all measures of political freedom that we employ." ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

Easton, Steven T., and Michael A. Walker (1997). "Income, Growth, and Economic Freedom." *American Economic Review* 87, 2 (May): 328–32.

Finds that economic freedom is an important explanatory variable for steady-state levels of income. The addition of a variable for economic freedom is also shown to increase the explanatory power of a neo-classical growth model. ♦ *Economic Freedom of the World: 1975–1995* is the main data source for institutional variables.

Farr, W. Ken, Richard A. Lord, and J. Larry Wolfenbarger (1998). "Economic Freedom, Political Freedom and Economic Well-Being: A Causality Analysis." *Cato Journal* 18, 2 (Fall): 247–62.

The paper uses Granger causality analysis to demonstrate that economic freedom "causes" economic well-being and economic well-being "causes" economic freedom. Additionally, the authors argue that economic well-being causes political freedom but that there is no causation flowing from political freedom to economic well-being. The paper also finds no evidence of a causal relationship in either direction between economic freedom and political freedom. Indirectly economic freedom causes political freedom through its effect on economic well-being. ♦ *Economic Freedom of the World: 1975–1995* and the Freedom House index of political rights and civil liberties are the main data sources for institutional variables.

Graeff, P., and G. Mehlkop (2003). "The Impact of Economic Freedom on Corruption: Different Patterns for Rich and Poor Countries." *European Journal of Political Economy* 19, 3 (September): 605–20.

"This paper investigates the impact of various components of economic freedom on corruption. Some aspects of economic freedom appear to deter corruption while others do not. We identify a stable pattern of aspects of economic freedom influencing corruption that differs depending on whether countries are rich or poor. This implies that there is a strong relation between economic freedom and corruption. This relation depends on a country's level of development. Contrary to expectations, we find that some types of regulation reduce corruption." ♦ Uses ratings from *Economic Freedom of the World: 2000 Annual Report* as the main data source for institutional variables.

Green, Sam, Andrew Melnyk, and Dennis Powers (2002). "Is Economic Freedom Necessary for Technology Diffusion?" *Applied Economics Letters* 9, 14 (November): 907–10.

"Benhabib and Spiegel (1996) argue that human capital increases technological diffusion and, as a result, has a positive effect on economic growth. When human capital is accounted for in this way they find that other institutional variables do not affect growth. Their findings are re-examined by considering the effects of economic freedom on technology spillovers, hence on growth, and it is found that the greater the economic freedom in a country, the greater the amount of technological diffusion. More generally, this research suggests that institutional variables which are captured by economic freedom do indeed have an impact on growth, but only through technological diffusion. However, after accounting for the effects of economic freedom on technological diffusion, there is only weak evidence that human capital has a positive effect on technological diffusion." ♦ Summary ratings from *Economic Freedom of the World: 1997 Annual Report* provides a key institutional variable.

Grubel, Herbert G. (1998). "Economic Freedom and Human Welfare: Some Empirical Findings." *Cato Journal* 18, 2 (Fall): 287–304.

The paper compares economic freedom to income, growth, unemployment in the OECD, the UN Human Development Index, life expectancy, literacy, poverty, and income distribution. It finds that "economic freedom does not have a cost in terms of income levels, income growth, unemployment rates, and human development." ♦ *Economic Freedom of the World: 1997 Annual Report* is the main data source for institutional variables.

Gwartney, James, Randall Holcombe, and Robert Lawson (1998). "The Scope of Government and the Wealth of Nations." *Cato Journal* 18, 2 (Fall): 163–90.

The paper examines the effect of the size of government in OECD countries upon economic growth. This paper draws on the authors' Joint Economic Committee Study, *The Size and Functions of Government and Economic Growth*. ♦ Makes reference to the general conclusions regarding economic freedom and income and growth as published in *Economic Freedom of the World: 1975–1995* and *Economic Freedom of the World: 1997 Annual Report*.

Gwartney, James, Robert Lawson, and Randall Holcombe (1999). "Economic Freedom and the Environment for Economic Growth." *Journal of Institutional and Theoretical Economics* 155, 4: 1–21.

This study examines the relationship between economic freedom and economic growth. The authors find that economic freedom is a "significant determinant of economic growth, even when human and physical capital,

and demographics are taken into account.” The authors also test for causality. They find that increases in economic freedom lead to higher economic growth but not that higher economic growth leads to higher economic freedom. ♦ Uses summary ratings from *Economic Freedom of the World: 1997 Annual Report* as one of a number of institutional variables.

Hanke, Steve H., and Stephen J.K. Walters (1997). “Economic Freedom, Prosperity, and Equality: A Survey.” *Cato Journal* 17, 2 (Fall): 117–46.

The article compares several institutional indexes for content and explanatory power: Gerald Scully’s studies, The Fraser Institute’s *Economic Freedom of the World*, Freedom House’s *Economic Freedom Indicators*, The Heritage Foundation’s *Indices of Economic Freedom*, The International Institute for Management Development’s *World Competitiveness Yearbook* 1996, The World Forum’s *Global Competitiveness Report* 1996. Compares liberty and prosperity, equality and foreign policy implications. They find that economic freedom is positively correlated with GNP per capita. ♦ *Economic Freedom of the World: 1975–1995* is used as one variable in a comparison of a number of institutional variables.

Islam, Sadequil (1996). “Economic Freedom, per Capita Income and Economic Growth.” *Applied Economics Letters* 3: 595–97.

Examines the effect of economic freedom on income and growth in high-, middle-, and low-income country sets and finds that economic freedom is significant for a sample of all countries but only in some subsets. ♦ Uses the precursor to *Economic Freedom of the World*, “Measuring Economic Freedom,” by James Gwartney, Walter Block and Robert Lawson, a chapter in Stephen Easton and Michael Walker (eds.), *Rating Global Economic Freedom* (Vancouver: The Fraser Institute, 1992). “Measuring Economic Freedom” is the main data source for institutional variables.

Johnson, James P., and Tomasz Lenartowicz (1998). “Culture, Freedom and Economic Growth: Do Cultural Values Explain Economic Growth?” *Journal of World Business* 33, 4: 332–56.

The paper discusses which cultural values are associated with economic freedom, drawing on two international quantitative cultural indexes. ♦ Uses the summary ratings from *Economic Freedom of the World: 1975–1995* as one of a number of institutional variables.

Ludovic, Comeau (2003). “The Political Economy of Growth in Latin America and East Asia: Some Empirical Evidence.” *Contemporary Economic Policy* 21, 4 (October): 476–89.

“This article examines the historical records of poor economic performance of Latin America compared to East Asia’s relative success in the 1970s and 1980s. This study shows that the respective sociopolitical and institutional environment of the two regions was also an important factor contributing to their economic outcomes. Using data for selected countries in both regions, the results confirm the hypothesis of a negative direct (efficiency) effect of sociopolitical instability on growth, with an additional indirect (accumulation) effect through investment, irrespective of a country’s location. Policies adopted by governments, particularly to control inflation and foreign indebtedness and to enhance economic freedom and human capital accumulation, appear crucial for stability. Such policies influenced economic performance through both the direct and the indirect channels.” ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

Mahoney, P.G. (2001). “The Common Law and Economic Growth: Hayek Might Be Right.” *Journal of Legal Studies* 30 (June): 503–25.

“Recent finance scholarship finds that countries with legal systems based on the common law have more developed financial markets than civil-law countries. The present paper argues that finance is not the sole, or principal, channel through which legal origin affects growth. Instead, following Hayek, I focus on the common law’s association with limited government. I present evidence that common-law countries experienced faster economic growth than civil-law countries during the period 1960–92 and then present instrumental variables results

that suggest that the common law produces faster growth through greater security of property and contract rights.” ♦ Uses some components of economic freedom from *Economic Freedom of the World: 1975–1995*.

Mbaku, John Mukum (1998). “Constitutional Engineering and the Transition to Democracy in Post-Cold War Africa.” *The Independent Review* 2, 4 (Spring): 501–17.

Discusses the constitutional guarantees necessary to secure economic freedom and why such guarantees are important. Focuses on Africa. ♦ Makes reference to the general conclusions of *Economic Freedom of the World: 1975–1995* regarding economic freedom and income and growth.

Mbaku, John Mukum, ed. (1999). *Preparing Africa for the Twenty-First Century: Strategies for Peaceful Coexistence and Sustainable Development*. Aldershot, UK and Brookfield, VT: Ashgate.

Chapter 6, “A Balance Sheet of Structural Adjustment in Africa: Towards a Sustainable Development Agenda” (John Mukum Mbaku) and chapter 12, “Making the State Relevant to African Societies” (John Mukum Mbaku) emphasize the constitutional guarantee of economic freedoms as the single most important way both to generate the wealth that Africans need to meet the challenges of the new century and to deal more effectively with the continent’s colossal debt. ♦ Makes reference to the general conclusions of *Economic Freedom of the World: 1975–1995* regarding economic freedom and income and growth.

Nelson, Michael A., and Ram D. Singh, (1998). “Democracy, Economic Freedom, Fiscal Policy and Growth in LDCs: A Fresh Look.” *Economic Development and Cultural Change* 46, 4 (July): 677–96.

The study examines the effect of democracy on economic growth after controlling for a number of variables for the size of government and institutions. The study finds that it is not the redistributive policies of democratic governments that hinder development in developing countries but the lack of economic freedom. ♦ Uses the precursor to *Economic Freedom of the World*, “Measuring Economic Freedom,” by James Gwartney, Walter Block, and Robert Lawson, in Stephen Easton and Michael Walker (eds.), *Rating Global Economic Freedom* (Vancouver: The Fraser Institute, 1992). The summary ratings of “Measuring Economic Freedom” are used as one variable in a comparison of a number of variables for institutions and the size of government.

Norton, Seth W. (1998). “Poverty, Property Rights, and Human Well-Being: A Cross-National Study.” *Cato Journal* 18, 2 (Fall): 233–45.

The paper compares property rights to indicators of development and determines that the “well-being of the world’s poorest inhabitants [is] sensitive to the cross-national specification of property rights.” The paper shows that well-specified property rights enhance the well-being of the world’s most impoverished. ♦ *Economic Freedom of the World: 1997 Annual Report* and the Heritage Foundation’s *Indices of Economic Freedom* are the main data source for institutional variables.

Norton, Seth W. (1998). “Property Rights, the Environment, and Economic Well-Being.” In Peter J. Hill and Roger E. Meiners (eds.), *Who Owns the Environment* (Rowman & Littlefield): 37–54.

Investigates whether countries with better property rights have better performance on environmental measures. ♦ Uses the summary ratings of *Economic Freedom of the World: 1975–1995* as one of four measures used as proxies for property rights.

Norton, Seth W. (2003). “Economic Institutions and Human Well-Being: A Cross-National Analysis.” *Eastern Economic Journal* 29, 1 (Winter): 23–40.

“Economic institutions are widely thought to be important in enhancing human well-being. Other scholars emphasize geography in determining economic deprivation and development. This paper examines both types of factors and finds that property rights and economic freedom substantially reduce poverty and enhance economic development.” ♦ Summary ratings from *Economic Freedom of the World: 2001 Annual Report* provides a key institutional variable.

Paldam, Martin (2003). "Economic Freedom and the Success of the Asian Tigers. An Essay on Controversy." *European Journal of Political Economy* 19, 3 (September): 453–77.

"The term 'tigers' refers to a group of four to five East Asian countries that joined the rich Western countries after less than 50 years of "miraculous" growth. Controversies surround the attempt to explain how the successes were achieved. This paper surveys the discussion and uses the index published in *Economic Freedom of the World* to address the main controversy, which is the role of the state in the rapid growth that took place. After a discussion of likely biases, the data are considered. Three of the five countries have a level of regulation much like other rich countries while two have been as close to *laissez faire* as any country in the world. All are much more "market-friendly" than the LDCs that they left behind. The extent of *laissez faire* can, however, be only one aspect of the miracle."

Park, Walter G., and Juan Carlos Ginarte (1997). "Intellectual Property Rights and Economic Growth." *Contemporary Economic Policy* 15 (July): 51–61.

The authors have compiled an index of intellectual property rights, and examine its effects on growth and the factors of production (investment, schooling, and R&D). "The paper finds that IPRs affect economic growth indirectly by stimulating the accumulation of factor inputs like R&D and physical capital." ♦ Uses summary ratings of *Economic Freedom of the World: 1975–1995* as a control variable for market institutions in the analysis.

Scully, G.W. (2002). "Economic Freedom, Government Policy and the Trade-Off between Equity and Economic Growth." *Public Choice* 113, 1–2 (October): 77–96.

"This study investigates the role that economic freedom plays in economic growth and in the distribution of market income, the role of government policy in advancing economic progress and in promoting income equality, and the effect that the rate of economic progress has on the distribution of market income. Structural and reduced form models are estimated that reveal that economic freedom promotes both economic growth and equity, and that there is a positive but relatively small trade-off between growth and income inequality." ♦ Uses summary ratings and the components from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

Spindler, Z. A., and X. de Vanssay (2002). "Constitutions and Economic Freedom: An International Comparison." *South African Journal of Economics* 70, 6 (September): 1135–47.

"The effects of *de jure* constitution enumerations and the number of *de facto* veto players in a polity on economic freedom are empirically explored with the result that only a few constitutional characteristics, such as a bicameral legislature, religious freedom and the *de facto* veto players, seem to matter." ♦ Uses EFW index from *Economic Freedom of the World: 2000 Annual Report* as the dependent variable. This is a cross-section analysis covering 97 countries.

Sturm, J.E., and J. De Haan (2001). "How Robust Is the Relationship between Economic Freedom and Economic Growth?" *Applied Economics* 33, 7 (June): 839–44.

"Using various indicators for economic freedom, it is shown that increases in economic freedom are robustly related to economic growth. This conclusion holds even if the impact of outlying observations is taken into account. The level of economic freedom is not related to growth." ♦ Uses summary ratings from *Economic Freedom of the World: 1975–1995* as the main data source for institutional variables.

Vamvakidis, Athanasios (1998). "Explaining Investment in the WAEMU [West African Economic and Monetary Union]." Working paper WP/98/99. International Monetary Fund.

Relates differences in investment as a share of GDP within the West African Economic and Monetary Union to differences in economic freedom using fixed and random-effects models across time. ♦ *Economic Freedom of the World: 1975–1995* is the main data source for institutional variables.

Vásquez, Ian (1998). "Official Assistance, Economic Freedom, and Policy Change: Is Foreign Aid Like Champagne?" *Cato Journal* 18, 2 (Fall): 275–86.

Argues that foreign aid is propping up countries that are not economically free. Mr Vásquez also tests the notion that aid agencies target pro-growth policies. He finds that for the countries where economic freedom declines or does not improve, foreign aid actually increases (19 of 20 cases). As well, in over one half of these countries GDP per capita declines. ♦ Makes reference to the general conclusions of *Economic Freedom of the World: 1997 Annual Report* regarding economic freedom and income and growth.

Vega-Gordillo, Manuel, and José L. Álvarez-Arce (2003). "Economic Growth and Freedom: A Causality Study." *Cato Journal* 23, 2 (Fall): 199–215.

"The dynamic relationships estimated strongly suggest that economic freedom fosters economic growth. The impact of political freedoms on economic growth is much less clear. However, based on the evidence, it is plausible to say that political freedoms do not have to be postponed. Furthermore, the dynamic relationships estimated with the Kiviet method indicate that intensified democracy may result in faster growth and greater economic freedom. They also indicate that economic prosperity makes democratization easier. Our findings, therefore, are closer to Friedman's belief than to Lipset's: freedom is a key component in any attempt to improve economic and social well-being." ♦ Uses ratings from *Economic Freedom of the World: 2001 Annual Report* as the main data source for institutional variables.

Voigt, Stefan (1998). "Making Constitutions Work: Conditions for Maintaining the Rule of Law." *Cato Journal* 18, 2 (Fall): 191–208.

Makes reference to the general conclusions of *Economic Freedom of the World: 1975–1995* regarding economic freedom and income and growth and discusses conditions under which the rule of law can be maintained.

Weede, Erich, and Sebastian Kampf (2002). "The Impact of Intelligence and Institutional Improvements on Economic Growth." *Kyklos* 55, 3: 361–80.

"Standard indicators of human capital endowment—like literacy, school enrollment ratios or years of schooling—suffer from a number of defects. They are crude. Mostly, they refer to input rather than output measures of human capital formation. Occasionally, they produce implausible effects. They are not robustly significant determinants of growth. Here, they are replaced by average intelligence. This variable consistently outperforms the other human capital indicators in spite of suffering from severe defects of its own. The immediate impact of institutional improvements, i.e., more government tolerance of private enterprise or economic freedom, on growth is in the same order of magnitude as intelligence effects are." ♦ Summary ratings from *Economic Freedom of the World: 2000 Annual Report* provides a key institutional variable.

Wu, Wenbo, and Otto A. Davis (1999). "The Two Freedoms in a Growth Model." *Journal of Private Enterprise* 14, 2: 115–43.

The paper develops a theoretical model describing the impact that economic and political freedoms might have upon economic growth, then estimates the relative impact of the two on growth in the world as a whole and for subsets of developing and developed nations. ♦ Summary ratings from *Economic Freedom of the World: 1975–1995* provide a key institutional variable.

Wu, Wenbo, and Otto A. Davis (1999). "Two Freedoms, Economic Growth and Development: An Empirical Study." *Public Choice* 100: 39–64.

"The main results are: given economic freedom, the rate of economic growth is independent of political freedom and the level of income; given the level of income, political freedom is independent of economic freedom and the growth rate. The analysis suggests the fundamental effects of economic freedom in fostering economic growth and a high level of income as the condition of a high degree of political freedom." The article also uses principle component analysis to weight the results published in *Economic Freedom of the World*. ♦ *Economic Freedom of the World: 1975–1995* and Freedom House's *Economic Freedom Indicators* on political rights and civil liberties are the main data sources for institutional variables.