

**Economic Freedom of the World
2004 Annual Report**

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2004 Annual Report

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and

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About the Authors

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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.

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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: zpreci@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@asininstitute.org; website: asininstitute.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.

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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

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

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

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.

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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 ear-

lier 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

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

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).

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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.

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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.

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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.

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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.

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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.

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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 deteriora-

tion resulting from government intervention. The work of the Institute is assisted by an Editorial Advisory Board of internationally renowned economists. The Fraser Institute is a national, federally chartered, non-profit organization financed by the sale of its publications and the tax-deductible contributions of its members.

E-mail: info@fraserinstitute.ca; website: www.fraserinstitute.ca

Free Market Centre, Serbia

Free Market Center (FMC) is a non-profit, non-governmental organization founded in 2001. It is the only free-market think-tank in Yugoslavia. 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 DL, Colombia

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

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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@ibl.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 para la Libertad y el Análisis de Políticas, Costa Rica

The Institute for Liberty and Public Policy Analysis (INLAP) is a non-profit, non-partisan organization, created to defend and promote individual liberty through analysis of public policy and educational activities. Its specific objectives

are (1) to increase awareness of the moral foundations of liberty and to promote liberty as an individual right necessary to achieve the highest levels of economic and human development; and (2) to foster changes in social organization and public policies by influencing the thinking of policy makers, community leaders, and citizens.

INLAP produces timely analyses of proposed laws, decrees, and regulations, and its recommendations provide guidance for elected officials who seek to achieve greater individual liberty and creativity and a more productive economy. It also conducts detailed studies of well-meant public policies that may ultimately have unintended adverse effects. The Institute's studies and recommendations are published in books, journals, and newspapers, appear as position papers and bulletins, and are also available via our website.

E-mail: inlap@inlap.org; website: www.inlap.org

Liberales Institut, Germany

The Liberales Institut (Liberty Institute), based in Potsdam, is the think-tank of the Friedrich-Naumann-Foundation. It spreads free-market ideas through the publication of classical liberal literature, the analysis of current political trends, and the promotion of research. The Institute organizes conferences and workshops to stimulate an intellectual exchange among liberals around the world.

E-mail: 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

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

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.

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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.

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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.

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D’Letzeburger Land, Luxembourg

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The Institute for Development of Economics and Finance, Indonesia

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Bureau d’Analyse d’Ingenierie et de Logiciels (BAILO), Ivory Coast

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**Economic Freedom of the World
2004 Annual Report**

Executive Summary

- ◆ 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.
- ◆ Hong Kong retains the highest rating for economic freedom, 8.7 of 10, closely followed by Singapore at 8.6. New Zealand, Switzerland, United Kingdom, and United States tied for third with ratings of 8.2. The other top 10 nations are Australia, Canada, Ireland, and Luxembourg. The rankings of other large economies are Germany, 22; Japan and Italy, 36; France, 44; Mexico, 58; India, 68; Brazil, 74; China, 90; and Russia, 114.
- ◆ Most of the lowest-ranking nations are African, Latin American, or former communist states. Botswana's ranking of 18 is by far the best among continental sub-Saharan African nations. Chile, with the best record in Latin America, was tied with four other nations at 22. The bottom five nations were Venezuela, Central African Republic, the Democratic Republic of Congo, 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.
- ◆ The chain-link EFW index (exhibit 1.4) makes it possible to identify the countries that have moved substantially toward economic liberalization and to pinpoint the time period during which the changes occur. The following countries have registered substantial gains in economic freedom during the last couple of decades: Australia, Botswana, Chile, China, El Salvador, Ghana, Iceland, India, Ireland, Mauritius, New Zealand, Trinidad and Tobago, Uganda, and the United Kingdom. In addition a number of former centrally planned economies have registered large recent improvements. Estonia, Hungary, Czech Republic, Latvia, and Lithuania were all in the top 45 in 2002. In contrast, the ratings of Venezuela, Zimbabwe, Indonesia, Argentina, and Malaysia have declined significantly in recent years.
- ◆ Chapter 2 analyzes the impact of economic freedom on investment, growth, and income from 1980 to 2000. The major findings of this analysis were:
 - (1) economically free countries grow more rapidly (exhibit 2.1),
 - (2) countries with more economic freedom both attract more investment and generate a higher productivity from that investment than countries with less economic freedom (exhibits 2.2, 2.3, and 2.4),
 - (3) increases in economic freedom during the 1980s and 1990s enhanced growth during the period from 1980 to 2000 (exhibit 2.5).
 - (4) long-term differences in economic freedom explain approximately two-thirds of the variation in cross-country per-capita GDP (exhibit 2.6).
 - (5) a legal structure that provides for secure property rights, even-handed enforcement of contracts, and rule of law is essential if a country is going to grow and achieve a high level of income.

Chapter 1: Economic Freedom of the World, 2002

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

What Is Economic Freedom?

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

However, economic freedom also requires governments to refrain from many activities. They must refrain from actions that interfere with personal choice, voluntary exchange, and the freedom to enter and compete in labor and product markets. Economic freedom is reduced

when taxes, government expenditures, and regulations are substituted for personal choice, voluntary exchange, and market coordination. Restrictions that limit entry into occupations and business activities also retard economic freedom.

Measurement of Economic Freedom

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

Differences among countries in the quality of the legal system and regulatory policies have proven particularly difficult to measure. Nonetheless, they exert a major impact on economic freedom. The *Economic Freedom of the World: 2001 Annual Report* contained a special chapter that used survey data to measure several of these dimensions of economic freedom that are difficult to quantify. Beginning with the 2002 report, several components based on survey data have been incorporated into the main EFW index. While we would prefer to have objective variables, we believe that the information provided by the survey data enhances our measurement of cross-country differences in the consistency of legal structure and regulation with economic freedom and thereby improves the overall quality of the index.

The survey data are from two annual publications: the *Global Competitiveness Report* and the *International Country Risk Guide*.³ In some cases, countries in the EFW index are omitted from the *Global Competitiveness Report*. Thus, these data will not be available for all countries covered by *Economic Freedom of the World*.

Exhibit 1.1 indicates the structure of the index used in *Economic Freedom of the World: 2004 Annual Report*. The index measures the degree of economic freedom present in five major areas:

- ◆ Size of Government: Expenditures, Taxes, and Enterprises
- ◆ Legal Structure and Security of Property Rights
- ◆ Access to Sound Money
- ◆ Freedom to Trade Internationally
- ◆ Regulation of Credit, Labor, and Business.

Within the five major areas, 21 components are incorporated into the index but many of those components are themselves made up of several sub-components. Counting the various sub-components, the EFW index utilizes 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 the Appendix 1: Explanatory Notes and Data Sources (page 171).

As previously discussed, 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 123 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 governments tax some people in order to provide transfers to others, they reduce the freedom of individuals to keep what they earn. Thus, the greater the share of transfers and subsidies in an economy, the less economic freedom.⁷

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

The fourth component (1D) is based on (Di) the top marginal income-tax rate and (Dii) the top marginal income and payroll tax rate and the income threshold at which both apply. 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 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 ingre-

dients of a legal system consistent with economic freedom are rule of law, security of property rights, an independent judiciary, and an impartial court system.

Components indicating how well the protective function of government is performed were assembled from two sources: the *International Country Risk Guide* and the *Global Competitiveness Report*. The ratings from both are based on surveys.⁸ The correlation coefficient between the two sets of data for countries included in both sets was 0.748. This high correlation increases our confidence in the reliability of the country ratings in this area even when they are based solely on data from the *International Country Risk Guide*.

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

Area 3: Access to Sound Money

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

ible, 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, exchange rate and capital controls. 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 capital.

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

Area 5: Regulation of Credit, Labor, and Business

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

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

Many types of labor-market regulations infringe on the economic freedom of employees and employers. Among the more prominent are minimum wages, dis-

missal regulations, centralized wage setting, extensions of union contracts to nonparticipating parties, unemployment benefits that undermine the incentive to accept employment, and conscription.⁹ 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 regulation of business components are designed to identify the extent to which regulatory restraints and bureaucratic procedures limit competition and the operation of markets. In order to score high in this portion of the index, countries must allow markets to determine prices and refrain from regulatory activities that retard entry into business and increase the cost of producing products. They also must refrain from playing favorites—from using their power to extract financial payments and reward some businesses at the expense of others.

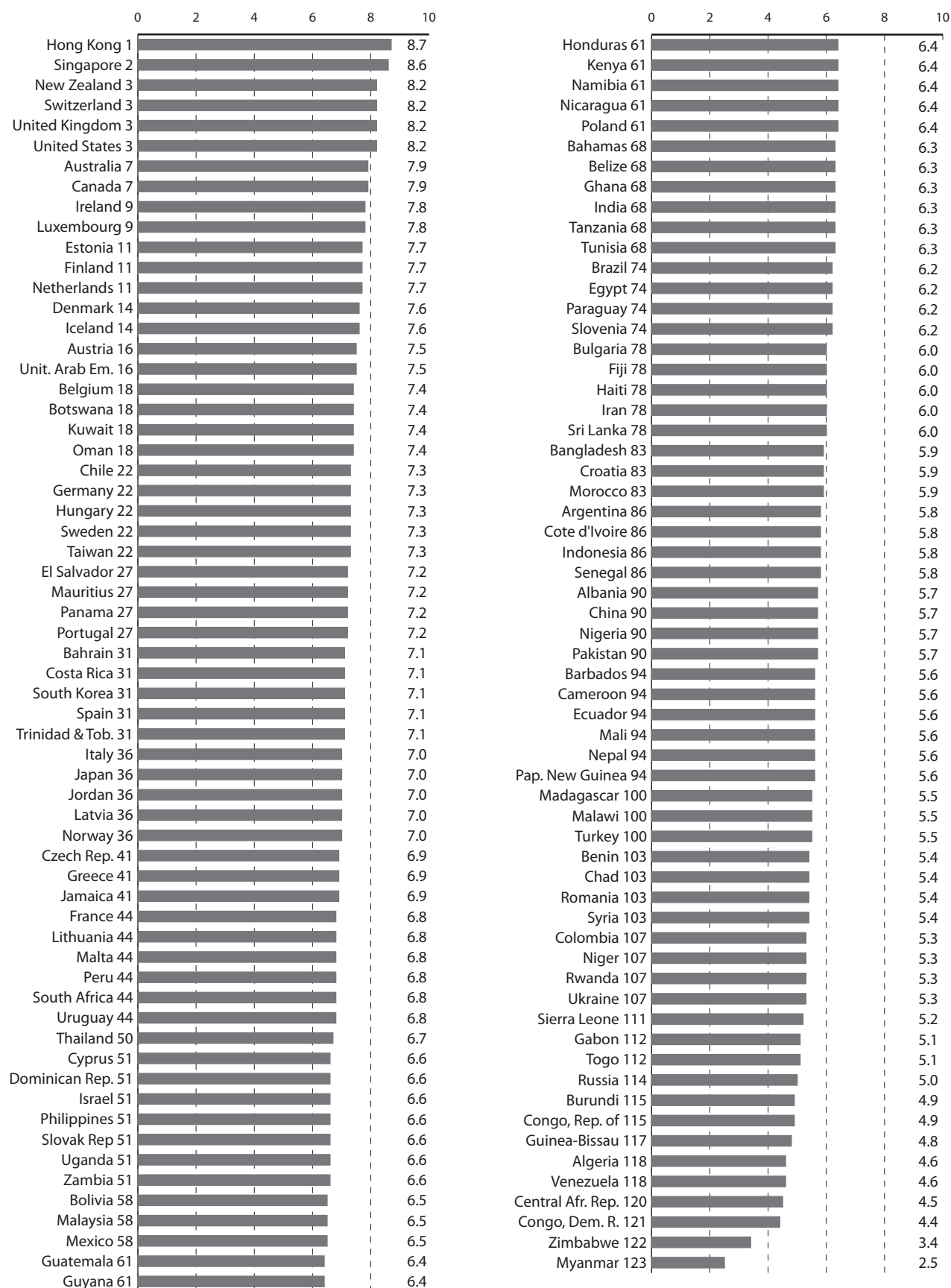
Summary Economic Freedom Ratings, 2002

Exhibit 1.2 presents summary economic freedom ratings, sorted from highest to lowest. These ratings are for the year 2002, the most recent year for which comprehensive data are available. Hong Kong and Singapore occupy the top two positions as usual. The other nations in the top 10 are New Zealand, Switzerland, United Kingdom, United States, Australia, Canada, Ireland, and Luxembourg. At the bottom of the list are the Republic of Congo, Guinea-Bissau, Algeria, Venezuela, Central Afri-

can Republic, the Democratic Republic of Congo, Zimbabwe, and, in last place, Myanmar.

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.

Exhibit 1.2: Summary Economic Freedom Ratings, 2002



Area Economic Freedom Ratings (and Rankings), 2002

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 22nd in Size of Government: Expenditures, Taxes, and Enterprises (Area 1) and 12th 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 111th. In Freedom to Trade Internationally, Bolivia ranked 58th, while in Regulation, Bolivia ranked 80th. Despite high rankings in a couple of areas, Bolivia's overall ranking is only 58th.

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 32nd in rule of law and property rights. However, 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, Singapore, and Ireland. Two former Soviet bloc nations also rank fairly high in openness to trade, Estonia in 6th place and Hungary in 14th. The least regulated countries—those at the top in Regulation of Credit, Labor, and Business (Area 5)—were Hong Kong, Iceland, and the United States.

Exhibit 1.3: Area Economic Freedom Ratings (and Rankings), 2002

	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	5.5 (75)	5.0 (70)	7.3 (79)	4.6 (114)	6.0 (53)	6.4 (98)		
Algeria	4.1 (110)	2.7 (114)	6.7 (102)	5.6 (97)	3.7 (123)	4.5 (121)	3.4 (88)	3.4 (92)
Argentina	7.7 (11)	3.2 (106)	7.0 (88)	6.1 (88)	5.1 (101)	6.7 (89)	4.9 (56)	3.8 (82)
Australia	6.2 (56)	9.1 (3)	9.4 (32)	7.6 (37)	7.4 (5)	8.9 (18)	6.2 (25)	7.0 (8)
Austria	4.8 (91)	8.6 (12)	9.7 (11)	8.4 (13)	6.2 (37)	8.5 (29)	3.8 (80)	6.4 (13)
Bahamas	7.5 (15)	6.3 (47)	6.9 (94)	4.0 (119)	6.7 (20)	9.4 (6)		
Bahrain	6.6 (41)	5.9 (57)	8.8 (55)	7.5 (44)	6.6 (23)	8.8 (23)		
Bangladesh	8.1 (7)	3.2 (105)	6.9 (90)	5.9 (92)	5.4 (89)	5.8 (108)	6.8 (12)	3.7 (86)
Barbados	3.9 (111)	6.6 (36)	6.8 (97)	4.1 (118)	6.6 (25)	8.2 (37)		
Belgium	4.6 (99)	7.7 (18)	9.7 (13)	8.8 (5)	6.1 (45)	8.4 (30)	4.5 (63)	5.3 (34)
Belize	6.0 (60)	6.2 (49)	7.8 (72)	5.1 (109)	6.6 (24)	8.3 (35)		
Benin	6.5 (48)	4.3 (85)	6.7 (99)	4.6 (115)	5.1 (103)	7.7 (53)		
Bolivia	7.3 (22)	2.8 (111)	9.7 (12)	7.1 (58)	5.6 (80)	7.9 (47)	4.6 (61)	4.3 (66)
Botswana	5.3 (83)	7.3 (25)	9.3 (38)	7.8 (33)	7.2 (10)	9.8 (1)	6.6 (19)	5.2 (36)
Brazil	6.5 (46)	4.9 (72)	7.7 (73)	6.8 (69)	5.0 (108)	5.6 (111)	4.5 (62)	4.7 (50)
Bulgaria	4.6 (100)	4.7 (75)	8.3 (62)	6.8 (68)	5.8 (72)	7.9 (48)	5.1 (44)	4.3 (71)
Burundi	6.3 (52)	3.3 (101)	7.1 (83)	2.0 (122)	5.8 (68)	6.4 (96)		
Cameroon	5.3 (82)	4.2 (88)	6.7 (100)	5.9 (90)	5.9 (60)	7.1 (77)	6.8 (13)	3.8 (83)
Canada	6.5 (49)	8.3 (15)	9.5 (29)	8.0 (25)	7.3 (9)	9.0 (16)	6.5 (21)	6.4 (12)
Central Afr. Rep.	3.9 (113)	3.2 (103)	6.8 (95)	3.9 (120)	4.6 (114)	7.1 (80)		
Chad	6.7 (40)	2.7 (113)	6.3 (110)	5.9 (91)	5.2 (100)	5.8 (109)	5.9 (32)	3.8 (84)
Chile	6.1 (58)	6.4 (46)	9.2 (45)	8.4 (11)	6.3 (33)	8.3 (34)	4.2 (73)	6.3 (15)
China	3.1 (121)	5.2 (66)	8.5 (60)	7.5 (43)	4.4 (117)	4.7 (120)	4.5 (64)	4.2 (76)
Colombia	4.7 (94)	3.3 (100)	7.4 (78)	6.1 (89)	5.2 (99)	7.2 (75)	3.7 (81)	4.7 (52)
Congo, Dem. Rep..	5.6 (69)	2.4 (118)	3.4 (121)	5.1 (110)	5.6 (82)	6.3 (99)		
Congo, Rep. of	4.1 (108)	2.4 (119)	6.6 (103)	6.4 (83)	5.1 (105)	5.3 (114)		
Costa Rica	7.0 (29)	6.1 (50)	8.6 (59)	7.8 (30)	6.0 (50)	6.6 (91)	5.7 (38)	5.7 (28)
Côte d'Ivoire	7.2 (25)	3.9 (95)	7.1 (82)	5.5 (101)	5.4 (91)	7.3 (65)		
Croatia	4.1 (109)	5.1 (67)	7.7 (75)	6.5 (81)	6.2 (41)	8.9 (20)	5.0 (50)	4.6 (56)
Cyprus	7.0 (27)	6.9 (31)	8.2 (65)	5.2 (108)	5.7 (75)	9.5 (5)		
Czech Rep.	4.9 (89)	6.4 (45)	8.9 (54)	8.3 (15)	6.0 (51)	8.1 (42)	4.7 (58)	5.1 (42)
Denmark	3.9 (112)	9.3 (2)	9.7 (9)	8.1 (22)	6.8 (17)	9.4 (7)	4.6 (60)	6.4 (14)
Dominican Rep.	8.2 (5)	4.2 (87)	8.2 (67)	6.4 (82)	5.9 (64)	7.5 (60)	5.5 (40)	4.6 (58)
Ecuador	9.0 (2)	2.9 (109)	4.4 (118)	6.8 (67)	4.8 (111)	6.5 (94)	3.6 (82)	4.4 (63)
Egypt	6.9 (33)	4.9 (71)	9.6 (16)	4.9 (112)	4.6 (115)	5.3 (113)	4.2 (72)	4.2 (77)
El Salvador	8.7 (3)	4.3 (82)	9.6 (25)	7.4 (49)	6.1 (46)	7.3 (70)	4.7 (59)	6.2 (20)
Estonia	6.6 (42)	6.9 (32)	9.3 (39)	8.7 (6)	7.0 (14)	9.0 (14)	5.1 (48)	6.8 (9)
Fiji	6.1 (59)	5.5 (63)	7.0 (85)	5.7 (95)	5.9 (58)	6.7 (90)		
Finland	4.6 (98)	9.3 (1)	9.6 (19)	8.1 (23)	6.8 (16)	9.2 (10)	3.8 (79)	7.5 (3)
France	2.8 (122)	7.4 (23)	9.6 (17)	8.1 (24)	6.2 (38)	8.2 (40)	5.1 (45)	5.4 (33)
Gabon	4.2 (106)	4.3 (86)	5.8 (116)	5.5 (102)	5.9 (61)	7.3 (67)		

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and Rankings), 2002

	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
Germany	4.2 (107)	8.7 (9)	9.6 (20)	8.6 (8)	5.6 (84)	7.9 (49)	2.5 (94)	6.3 (18)
Ghana	5.6 (68)	4.5 (79)	7.7 (74)	7.6 (35)	6.2 (40)	7.0 (81)	6.9 (10)	4.7 (51)
Greece	6.1 (57)	6.0 (52)	9.6 (24)	7.4 (48)	5.4 (92)	7.7 (55)	3.5 (87)	4.9 (45)
Guatemala	8.6 (4)	2.6 (117)	9.0 (50)	6.7 (76)	5.2 (97)	7.6 (56)	3.3 (90)	4.8 (47)
Guinea-Bissau	3.6 (115)	2.6 (116)	6.4 (107)	5.8 (93)	5.6 (81)	7.3 (66)		
Guyana	3.1 (119)	5.7 (60)	8.2 (68)	8.4 (10)	6.5 (27)	8.0 (44)		
Haiti	7.2 (24)	1.9 (122)	8.4 (61)	5.5 (100)	6.8 (15)	9.0 (15)	8.1 (2)	3.5 (90)
Honduras	7.4 (20)	2.9 (110)	9.1 (49)	7.2 (56)	5.7 (74)	8.2 (38)	4.9 (55)	4.1 (80)
Hong Kong	9.1 (1)	7.3 (24)	9.3 (40)	9.7 (1)	8.1 (1)	8.9 (19)	7.7 (3)	7.6 (2)
Hungary	5.7 (66)	6.7 (34)	9.1 (48)	8.3 (14)	6.4 (30)	7.9 (52)	5.4 (43)	5.9 (24)
Iceland	5.6 (72)	9.0 (7)	9.3 (41)	6.6 (77)	7.8 (2)	8.9 (21)	6.8 (11)	7.7 (1)
India	7.1 (26)	6.0 (51)	6.9 (91)	6.2 (86)	5.4 (88)	5.9 (106)	6.1 (28)	4.3 (68)
Indonesia	6.8 (37)	4.1 (90)	6.4 (108)	7.5 (45)	4.2 (120)	5.2 (115)	4.2 (71)	3.3 (93)
Iran	6.5 (44)	5.9 (54)	8.2 (66)	5.3 (105)	3.9 (121)	4.8 (118)		
Ireland	6.0 (61)	7.9 (17)	9.6 (18)	9.0 (3)	6.7 (22)	8.2 (39)	5.7 (37)	6.0 (23)
Israel	2.6 (123)	7.6 (19)	9.2 (44)	8.2 (20)	5.5 (85)	7.2 (74)	3.6 (86)	5.9 (25)
Italy	4.7 (93)	7.4 (22)	9.6 (22)	7.9 (27)	5.3 (94)	7.5 (58)	3.6 (85)	4.9 (46)
Jamaica	7.7 (12)	5.0 (69)	9.0 (53)	7.1 (57)	5.8 (70)	6.6 (93)	6.5 (20)	4.3 (69)
Japan	5.6 (70)	7.1 (26)	9.4 (31)	6.5 (80)	6.2 (35)	7.3 (69)	6.0 (29)	5.5 (31)
Jordan	4.8 (92)	6.9 (29)	9.7 (6)	7.6 (40)	6.1 (43)	6.4 (97)	6.2 (26)	5.7 (29)
Kenya	6.9 (31)	3.2 (104)	9.4 (36)	6.7 (73)	5.9 (62)	6.0 (104)	7.4 (6)	4.2 (75)
Kuwait	6.3 (51)	6.9 (28)	9.8 (4)	7.0 (64)	6.7 (19)	8.8 (24)		
Latvia	5.8 (65)	6.4 (44)	9.3 (42)	7.6 (38)	6.2 (36)	8.4 (33)	4.9 (54)	5.4 (32)
Lithuania	5.5 (74)	5.3 (65)	9.4 (34)	7.8 (28)	5.8 (69)	7.9 (51)	4.5 (65)	5.1 (42)
Luxembourg	4.7 (96)	8.4 (13)	9.8 (5)	8.9 (4)	7.4 (6)	9.2 (9)	6.3 (24)	6.6 (11)
Madagascar	7.0 (30)	3.0 (108)	7.0 (86)	5.2 (107)	5.1 (102)	7.7 (54)	4.2 (74)	3.5 (89)
Malawi	3.9 (114)	5.6 (62)	5.8 (115)	6.5 (79)	5.9 (57)	5.1 (116)	7.6 (4)	5.2 (40)
Malaysia	5.4 (79)	6.6 (37)	6.6 (104)	7.5 (41)	6.1 (42)	5.8 (107)	6.6 (18)	5.9 (26)
Mali	5.1 (86)	4.3 (82)	6.7 (101)	6.7 (71)	5.1 (104)	7.5 (59)	3.3 (91)	4.5 (62)
Malta	5.8 (63)	7.0 (27)	7.2 (81)	7.0 (60)	7.0 (13)	8.7 (27)	6.7 (16)	5.6 (30)
Mauritius	7.6 (14)	6.5 (39)	9.5 (26)	6.7 (72)	5.6 (79)	7.3 (68)	5.1 (49)	4.6 (59)
Mexico	8.1 (6)	4.2 (88)	7.4 (77)	7.4 (46)	5.3 (96)	7.2 (73)	4.4 (68)	4.2 (78)
Morocco	5.5 (77)	5.9 (53)	7.0 (89)	5.6 (98)	5.6 (83)	7.2 (72)	5.1 (46)	4.3 (65)
Myanmar	3.5 (116)	3.2 (102)	1.7 (122)	0.0 (123)	4.3 (119)	2.8 (123)		
Namibia	4.5 (103)	7.5 (21)	6.1 (113)	7.0 (62)	7.1 (11)	9.7 (3)	6.5 (22)	5.2 (37)
Nepal	5.1 (85)	4.8 (73)	7.0 (87)	5.4 (103)	5.9 (55)	6.8 (87)		
Netherlands	4.6 (101)	9.1 (4)	9.5 (27)	8.6 (9)	6.7 (21)	9.1 (13)	5.0 (52)	6.1 (22)
New Zealand	6.7 (39)	9.0 (6)	9.4 (35)	8.4 (12)	7.6 (4)	9.7 (2)	5.9 (33)	7.3 (5)
Nicaragua	5.9 (62)	3.1 (107)	9.0 (52)	7.8 (31)	6.0 (54)	7.2 (71)	6.4 (23)	4.2 (74)
Niger	5.5 (78)	4.0 (92)	6.9 (92)	5.3 (106)	5.0 (109)	6.9 (83)		
Nigeria	6.3 (53)	3.4 (99)	6.6 (105)	6.3 (84)	6.1 (44)	7.5 (61)	7.0 (9)	3.7 (85)

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and Rankings), 2002

	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
Norway	4.6 (97)	8.3 (14)	9.0 (51)	7.0 (63)	6.3 (32)	9.0 (17)	3.6 (83)	6.3 (16)
Oman	5.8 (64)	6.9 (30)	9.9 (2)	7.8 (32)	6.8 (18)	9.6 (4)		
Pakistan	7.2 (23)	2.7 (115)	6.9 (93)	5.7 (94)	6.0 (49)	7.1 (79)	7.1 (8)	3.9 (81)
Panama	7.8 (10)	4.6 (76)	9.9 (1)	7.4 (47)	6.3 (34)	8.7 (26)	5.4 (42)	4.6 (55)
Pap. New Guinea	6.5 (47)	4.0 (94)	6.4 (109)	5.4 (104)	5.9 (63)	6.6 (92)		
Paraguay	8.1 (8)	2.1 (120)	8.6 (58)	7.4 (50)	4.8 (112)	6.5 (95)	3.2 (92)	4.8 (49)
Peru	7.4 (18)	4.0 (93)	9.7 (10)	7.2 (54)	5.8 (73)	8.5 (28)	4.0 (76)	4.8 (48)
Philippines	6.9 (35)	3.7 (98)	9.4 (37)	7.3 (51)	5.8 (67)	7.6 (57)	5.6 (39)	4.2 (73)
Poland	5.6 (71)	5.9 (55)	7.9 (69)	7.0 (59)	5.5 (86)	8.1 (41)	4.1 (75)	4.1 (79)
Portugal	5.0 (87)	7.6 (20)	9.6 (23)	7.8 (34)	6.0 (52)	8.4 (32)	4.3 (70)	5.2 (35)
Romania	4.5 (102)	4.5 (77)	6.2 (111)	6.7 (75)	5.2 (98)	7.2 (76)	5.0 (51)	3.4 (91)
Russia	5.3 (81)	4.4 (81)	3.8 (120)	6.9 (65)	4.5 (116)	6.0 (103)	4.3 (69)	3.1 (94)
Rwanda	5.5 (76)	2.0 (121)	7.9 (70)	4.9 (111)	6.0 (48)	7.1 (78)		
Senegal	6.5 (45)	4.1 (91)	7.0 (84)	6.1 (87)	5.0 (107)	8.4 (31)	2.4 (95)	4.3 (70)
Sierra Leone	5.7 (67)	4.7 (74)	5.5 (117)	4.9 (113)	5.3 (93)	4.8 (119)		
Singapore	8.0 (9)	8.6 (10)	9.7 (14)	9.5 (2)	7.0 (12)	7.9 (50)	5.8 (36)	7.5 (4)
Slovak Rep	4.5 (104)	5.7 (61)	8.2 (64)	8.7 (7)	5.8 (65)	7.9 (46)	4.4 (66)	5.2 (41)
Slovenia	3.1 (120)	6.7 (35)	8.7 (56)	7.2 (55)	5.4 (90)	8.0 (45)	3.6 (84)	4.7 (52)
South Africa	5.6 (73)	6.5 (40)	7.8 (71)	7.5 (42)	6.5 (28)	8.8 (25)	5.5 (41)	5.2 (39)
South Korea	7.4 (19)	6.2 (48)	9.2 (43)	7.2 (53)	5.3 (95)	7.4 (63)	3.9 (78)	4.6 (57)
Spain	4.9 (88)	6.5 (42)	9.6 (21)	8.0 (26)	6.4 (31)	8.3 (36)	5.1 (47)	5.8 (27)
Sri Lanka	7.4 (21)	3.8 (96)	6.5 (106)	6.7 (74)	5.7 (78)	6.7 (88)	5.9 (31)	4.4 (64)
Sweden	3.1 (118)	8.9 (8)	9.6 (15)	8.2 (18)	6.5 (26)	9.1 (12)	3.3 (89)	7.1 (7)
Switzerland	6.9 (32)	8.6 (11)	9.7 (7)	8.3 (16)	7.3 (8)	8.9 (22)	5.9 (34)	7.2 (6)
Syria	5.1 (84)	5.1 (68)	8.3 (63)	4.5 (116)	3.9 (122)	4.1 (122)		
Taiwan	6.2 (54)	6.4 (43)	9.7 (8)	8.2 (19)	5.8 (71)	6.3 (101)	4.8 (57)	6.3 (17)
Tanzania	4.9 (90)	5.9 (56)	9.1 (46)	5.7 (96)	5.7 (77)	5.7 (110)	6.8 (14)	4.5 (61)
Thailand	6.6 (43)	6.5 (40)	6.7 (98)	7.6 (36)	5.9 (56)	7.0 (82)	6.2 (27)	4.6 (54)
Togo	4.4 (105)	3.7 (97)	6.8 (96)	5.5 (99)	4.9 (110)	6.8 (86)		
Trinidad & Tob.	6.9 (34)	5.8 (58)	9.4 (30)	6.7 (70)	6.4 (29)	7.4 (64)	6.7 (15)	5.2 (38)
Tunisia	5.3 (80)	6.9 (33)	7.2 (80)	6.2 (85)	6.0 (47)	8.1 (43)	3.9 (77)	6.1 (21)
Turkey	7.0 (28)	4.5 (77)	4.0 (119)	6.9 (66)	5.0 (106)	6.1 (102)	4.4 (67)	4.6 (60)
Uganda	6.2 (55)	4.3 (82)	9.4 (33)	7.0 (61)	5.8 (66)	4.9 (117)	8.3 (1)	4.3 (67)
Ukraine	3.3 (117)	4.4 (80)	6.0 (114)	7.3 (52)	5.5 (87)	6.9 (84)	5.9 (30)	3.5 (87)
Unit. Arab Em.	7.6 (13)	6.6 (38)	9.1 (47)	8.2 (21)	6.2 (39)	6.8 (85)		
United Kingdom	6.8 (36)	9.0 (5)	9.5 (28)	8.3 (17)	7.4 (7)	9.2 (11)	6.7 (17)	6.2 (19)
United States	7.4 (16)	8.2 (16)	9.8 (3)	7.8 (29)	7.7 (3)	9.2 (8)	7.3 (7)	6.7 (10)
Uruguay	7.4 (17)	5.8 (59)	8.7 (57)	6.6 (78)	5.7 (76)	6.3 (100)	5.8 (35)	5.0 (44)
Venezuela	6.8 (38)	1.6 (123)	6.1 (112)	4.3 (117)	4.4 (118)	7.5 (62)	2.8 (93)	2.9 (95)
Zambia	6.4 (50)	5.4 (64)	7.5 (76)	7.6 (39)	5.9 (59)	6.0 (105)	7.4 (5)	4.3 (72)
Zimbabwe	4.7 (95)	2.8 (112)	1.6 (123)	3.2 (121)	4.6 (113)	5.5 (112)	4.9 (53)	3.5 (87)

A 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 rate 53 countries in 1970; 70 in 1975; 102 in 1980, 109 in 1985, 113 in 1990, and 123 for 1995 and 2000 to 2002. Using this longitudinal data, researchers are better able to examine the impact of economic freedom over time.

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

In order to correct for this problem, we have constructed a summary economic freedom index that is based on the 2000 rating as a base year. Changes to the index going backward (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 overlapping components between the two years, then the 1995 summary rating was adjusted downward proportionately 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 2002. 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 overlapping 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 2002. Researchers doing longitudinal studies of economic freedom should use these chain-linked data.

Has Economic Freedom Been Increasing or Decreasing?

The chain-linked index sheds light on this question. There are 104 countries for which we had summary ratings from 1980 to 2002. This group includes all of the major economies except Russia, which had to be omitted because of discontinuity resulting from the breakup of the Soviet Union. Exhibit 1.5 presents the mean summary rating of these countries for selected years in the period from 1980 to 2002. As the graphic illustrates, the mean EFW rating rose from 5.1 in 1980 and 5.2 in 1985 to 5.6 in 1990, 6.1 in 1995 and 6.5 from 2000 to 2002. Thus, the summary rating has risen almost a point and a half since 1980.

Closer inspection of the components makes it clear why the summary ratings have increased substantially during the last two decades. Consider the following:

- ◆ Monetary policy was more stable. The mean rating in the Access to Sound Money area rose from 6.0 in 1980 to 8.0 in 2002. In 2002, only 15 of the 104 countries had double-digit inflation rates compared to 76 in 1980.
- ◆ The use of extremely high marginal tax rates fell sharply. In 2002, not a single country imposed a 60% marginal tax rate on personal income; in 1980, 49 did so.
- ◆ Exchange-rate controls were liberalized substantially. In 2002, there were only four countries with black-market exchange rate premiums of 25% or more compared to 36 countries with such a premium in 1980.
- ◆ Tariff rates were reduced. In 2002, the mean tariff rate was 10.4% compared to 26.1% in 1980.
- ◆ The size of the trade sector expanded. Between 1980 and 2002, on average, exports plus imports as a share of GDP increased by 25.2%.
- ◆ Controls on both capital markets and interest rates were relaxed. The average rating for the capital controls component was 5.3 in 2002 compared to 2.2 in 1980. For the interest-rate control component, the average rating was 9.1 in 2002, up from 5.4 in 1980.

Exhibit 1.4: A Chain-Linked Summary Index

	1970	1975	1980	1985	1990	1995	2000	2001	2002
Albania					3.3	4.1	5.7	5.8	5.8
Algeria			3.8	3.8	3.4	3.6	4.3	4.8	4.7
Argentina	4.4	2.8	3.9	3.5	4.4	6.7	7.2	6.5	5.8
Australia	6.6	5.8	6.4	6.8	7.3	7.8	8.0	7.9	7.9
Austria	6.0	5.7	6.2	6.2	6.9	7.0	7.5	7.6	7.5
Bahamas		6.1	5.8	5.8	6.2	6.3	6.5	6.5	6.5
Bahrain			7.0	6.5	6.8	6.9	7.2	7.1	7.2
Bangladesh		2.8	3.1	3.3	4.2	5.0	5.7	5.7	5.9
Barbados		5.0	5.1	5.4	5.8	5.8	5.6	5.5	5.8
Belgium	7.3	6.6	6.8	6.9	7.2	7.2	7.5	7.4	7.4
Belize			5.0	4.8	5.7	6.3	6.2	6.2	6.5
Benin			4.9	4.6	4.9	4.5	5.6	5.8	5.5
Bolivia			4.4	3.5	5.2	6.5	6.7	6.5	6.5
Botswana			5.0	5.1	5.4	6.0	7.2	7.1	7.4
Brazil	4.8	4.0	3.7	3.2	3.9	4.1	5.9	5.9	6.2
Bulgaria				4.7	3.7	4.5	5.1	5.7	6.0
Burundi		3.9	4.0	4.5	4.7	4.3	5.1	5.3	5.1
Cameroon			5.4	5.6	5.7	5.2	5.5	5.9	5.7
Canada	7.4	6.6	7.0	7.0	7.7	7.8	8.1	8.1	7.9
Central Afr. Rep.				4.5	5.0	4.7	4.9	5.0	4.9
Chad				4.8	4.6	4.5	5.4	5.8	5.6
Chile	3.6	3.6	5.3	5.8	6.8	7.5	7.5	7.3	7.3
China			3.8	4.8	4.2	4.9	5.8	5.9	5.7
Colombia	5.4	5.0	4.8	5.2	5.0	5.6	5.4	5.5	5.3
Congo, Dem. R.	4.7	4.2	3.0	3.9	3.7	4.1	3.5	3.6	4.9
Congo, Rep. of			5.1	5.0	5.6	5.5	4.4	4.7	5.0
Costa Rica		5.6	5.0	4.7	6.5	6.7	7.3	7.2	7.1
Côte d'Ivoire			5.1	5.7	5.5	5.5	5.7	5.8	5.9
Croatia						3.8	5.8	6.2	5.9
Cyprus		5.3	5.3	5.2	5.9	6.1	6.2	6.2	6.8
Czech Rep.						5.9	6.7	6.9	6.9
Denmark	6.6	5.9	6.0	6.2	7.0	7.4	7.7	7.6	7.6
Dominican Rep.			4.8	4.6	4.4	6.2	6.5	6.5	6.6
Ecuador	3.6	4.7	5.0	4.1	5.0	5.9	5.4	5.3	5.6
Egypt		3.9	4.6	5.0	4.8	5.9	6.7	6.5	6.2
El Salvador			4.3	4.1	4.5	6.8	7.3	7.3	7.2
Estonia						5.3	7.1	7.4	7.7
Fiji		5.1	5.4	5.6	5.8	6.0	6.1	6.0	6.2
Finland	6.6	5.8	6.4	6.5	7.0	7.5	7.7	7.7	7.7
France	6.2	5.4	5.7	5.7	6.8	6.8	7.0	6.7	6.8
Gabon			4.0	4.7	5.0	5.0	5.0	5.3	5.2
Germany	7.3	6.8	7.0	7.1	7.3	7.5	7.6	7.3	7.3

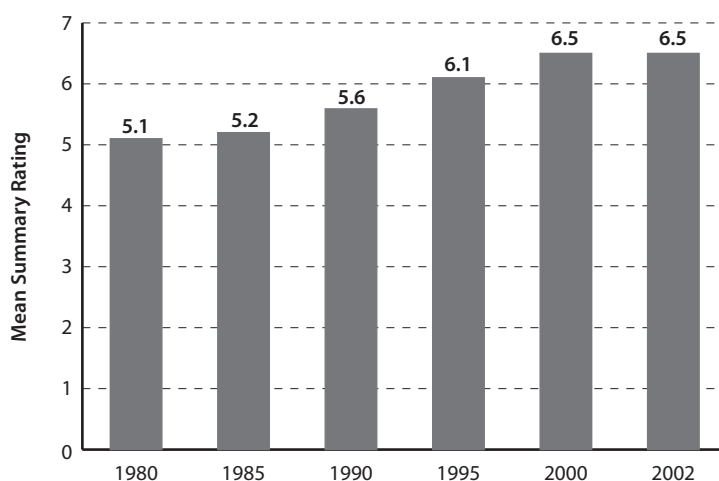
Exhibit 1.4 (continued): A Chain-Linked Summary Index

	1970	1975	1980	1985	1990	1995	2000	2001	2002
Ghana		3.0	2.3	2.5	4.3	5.0	5.9	5.6	6.4
Greece	6.1	5.6	5.6	5.1	5.7	6.2	6.9	6.8	6.9
Guatemala	5.8	6.4	5.9	4.7	5.6	6.7	6.4	6.4	6.4
Guinea-Bissau					2.7	3.5	4.4	5.2	4.9
Guyana						4.8	6.6	6.7	6.4
Haiti			5.6	5.8	5.5	5.4	6.4	5.9	6.0
Honduras			5.5	5.3	5.2	6.0	6.4	6.3	6.4
Hong Kong	8.3	8.3	8.6	8.3	8.6	9.1	8.7	8.7	8.7
Hungary			4.2	4.9	4.8	6.2	6.7	7.1	7.3
Iceland	6.1	4.2	4.9	5.1	6.6	7.3	7.7	7.7	7.6
India	4.9	4.1	4.9	4.6	4.8	5.5	6.2	6.2	6.3
Indonesia	4.8	5.3	5.2	6.2	6.6	6.7	5.9	5.5	5.8
Iran	5.8	5.7	3.5	3.7	4.1	4.0	5.6	6.2	6.1
Ireland	6.5	5.8	6.2	6.2	7.0	8.2	8.1	7.9	7.8
Israel	4.9	4.2	3.7	4.3	4.4	6.0	6.5	6.5	6.6
Italy	5.8	5.1	5.2	5.4	6.4	6.5	7.1	7.0	7.0
Jamaica			3.9	4.3	5.4	6.3	7.0	6.9	6.9
Japan	6.2	5.9	6.4	6.5	7.1	6.9	7.3	7.0	7.0
Jordan		5.2	5.0	5.5	5.6	6.2	7.0	6.7	7.0
Kenya	4.7	4.5	4.7	5.0	5.3	5.7	6.5	6.6	6.7
Kuwait			5.8	7.9	5.1	6.6	6.7	7.3	7.4
Latvia						4.6	6.6	6.7	7.0
Lithuania						4.7	6.3	6.3	6.8
Luxembourg	7.0	6.9	6.8	7.2	7.4	7.6	7.8	7.7	7.7
Madagascar			3.8	4.1	3.9	4.0	5.8	6.2	5.7
Malawi		4.8	4.3	4.4	4.7	4.4	4.7	5.4	5.4
Malaysia	6.0	5.9	6.4	6.5	7.1	7.2	6.8	6.4	6.5
Mali		4.9	5.0	4.7	4.8	4.9	6.0	5.8	5.7
Malta			5.0	4.8	5.2	6.4	6.5	6.5	6.6
Mauritius		4.6	4.7	5.9	6.1	7.3	7.3	7.3	7.2
Mexico	6.0	5.3	5.1	4.3	5.7	6.2	6.3	6.3	6.5
Morocco	5.5	4.9	4.3	4.9	4.8	5.8	6.0	6.0	5.9
Myanmar			4.5	4.1	2.8	3.5	3.6	3.5	2.8
Namibia					5.3	6.6	6.3	6.5	6.3
Nepal			5.2	4.8	5.1	5.2	5.8	5.9	5.8
Netherlands	7.0	6.4	6.8	7.0	7.4	7.8	8.0	7.8	7.7
New Zealand	6.0	5.4	6.1	5.9	7.3	8.5	8.4	8.2	8.2
Nicaragua			3.7	1.7	2.4	5.3	6.6	6.4	6.4
Niger			4.9	5.3	4.7	4.6	5.8	5.6	5.4
Nigeria	3.4	3.6	3.5	3.7	3.5	3.8	5.3	5.5	5.7
Norway	6.0	5.5	5.8	6.3	7.0	7.5	7.2	7.1	7.0
Oman				6.2	6.1	6.8	7.4	7.4	7.4

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

	1970	1975	1980	1985	1990	1995	2000	2001	2002
Pakistan	4.3	3.7	4.5	5.1	5.0	5.7	5.4	5.6	5.8
Panama		6.4	5.2	5.7	6.3	7.2	7.1	7.1	7.2
Pap. New Guinea				5.9	6.3	6.3	5.9	5.9	5.7
Paraguay			5.5	4.9	5.5	6.6	6.3	6.4	6.2
Peru	4.6	3.8	3.9	2.9	3.6	6.2	6.9	6.9	6.8
Philippines	5.2	4.8	4.9	4.8	5.4	7.2	7.1	6.6	6.6
Poland				3.4	3.3	4.8	6.3	6.2	6.4
Portugal	6.0	3.7	5.6	5.3	6.0	7.2	7.3	7.2	7.2
Romania				4.5	4.0	3.6	4.9	5.0	5.4
Russia						3.7	4.9	4.9	5.0
Rwanda					4.6	3.6	5.1	5.4	5.4
Senegal			4.6	4.9	5.3	4.6	5.8	5.8	5.8
Sierra Leone		5.6	5.3	3.5	3.8	4.4	5.1	5.2	5.4
Singapore	7.4	7.3	7.5	7.9	8.5	8.8	8.5	8.5	8.6
Slovak Rep						5.1	6.3	6.3	6.6
Slovenia						4.7	5.9	6.0	6.2
South Africa	5.9	5.5	5.4	5.0	5.2	6.3	6.8	6.7	6.8
South Korea	5.3	5.3	5.6	5.6	6.2	6.7	6.7	7.1	7.1
Spain	6.1	5.5	5.7	5.8	6.2	7.0	7.4	7.0	7.1
Sri Lanka			4.9	5.0	4.9	6.1	6.1	6.0	6.0
Sweden	5.5	5.2	5.6	6.2	6.6	7.1	7.4	7.2	7.3
Switzerland	7.4	7.2	7.7	7.8	7.9	7.9	8.3	8.1	8.2
Syria	4.7	4.9	4.0	3.6	3.5	4.3	4.9	5.7	5.2
Taiwan	6.6	5.9	6.7	6.9	7.1	7.3	7.2	7.1	7.3
Tanzania	4.4	3.8	3.9	3.4	3.7	4.8	5.8	6.7	6.2
Thailand	5.7	5.6	5.9	5.9	6.8	7.2	6.7	6.7	6.7
Togo			4.2	5.4	5.1	4.8	5.1	5.3	5.2
Trinidad & Tob.		4.3	4.6	4.4	5.5	6.7	7.0	7.0	7.1
Tunisia	4.5	4.6	4.9	4.7	5.3	6.0	6.1	6.2	6.2
Turkey	3.6	3.8	3.5	4.7	4.8	5.8	5.8	5.3	5.5
Uganda			2.9	2.5	2.6	4.9	6.7	6.7	6.6
Ukraine						3.7	4.7	5.0	5.3
Unit. Arab Em.			5.8	6.6	7.3	7.3	7.6	7.5	7.5
United Kingdom	5.9	5.8	6.1	7.0	7.7	8.2	8.3	8.3	8.2
United States	7.0	7.1	7.4	7.5	8.1	8.3	8.6	8.3	8.2
Uruguay			5.3	5.4	5.8	5.8	6.6	6.6	6.8
Venezuela	7.3	6.2	6.7	6.2	5.6	4.3	5.8	5.7	4.6
Zambia		4.0	4.4	3.5	2.8	4.4	6.6	6.7	6.6
Zimbabwe			4.7	4.6	4.9	6.0	4.3	3.4	3.4

Exhibit 1.5: Mean Summary Rating (Chain-Linked Method) in Selected Years, 1980 to 2002, for the 104 Countries for Which There Were Summary Ratings from 1980 to 2002



These components paint a clear picture. During the last two decades, many countries have followed a more stable monetary policy, cut marginal tax rates, reduced tariffs, and liberalized or eliminated controls on exchange rates, interest rates, and capital markets. As a result, the average EFW rating in 2002 is considerably higher than in 1980.

Changes in Country Ratings from 1980 to 2002

The chain-linked EFW index can also be used to track the economic freedom level of countries. Some countries have consistently registered high ratings throughout the last couple of decades. Hong Kong, Singapore, Switzerland, and the United States provide examples. The EFW rating of Germany has also been quite steady, between 7.0 and 7.6 from 1980 to 2002. Germany's rating in 2002 was 7.3, compared to 7.0 in 1980. However, because several other countries have made substantial improvements, Germany's ranking has been declining, receding to 22nd (tied with four other countries) in 2002. The experience of France has been similar. Since 1990, France's rating has been in the 6.7 to 7.0 range. Because other countries have been improving, France's ranking has receded. Its 6.8 rating in 2002 placed it 44th (tied with five other countries) among the 123 countries included in the index.

What countries have improved their rating the most? When did the changes take place? The chain-linked index provides answers to these questions. The following countries have registered substantial gains in economic freedom during the last couple of decades.

- ◆ Australia registered steady improvement from 1980 to 2000 as its rating rose from 6.4 in 1980 to 7.3 in 1990 and 8.0 in 2000 (and 7.9 in 2001 and 2002).
- ◆ Botswana increased its rating from 5.1 in 1985 to 6.0 in 1995 and 7.4 in 2002.
- ◆ Chile's rating improved from 3.6 in 1975 to 5.8 in 1985 and 7.5 in 1995. Chile's 2002 rating was 7.3, more than three points above its 1975 level.
- ◆ China's rating rose from 3.8 in 1980 to 4.2 in 1990 and 5.8 in 2000. China's 2001 rating was 5.7, almost 2 full points above its rating in 1980.
- ◆ El Salvador improved its rating substantially during the 1990s, moving from 4.5 in 1990 to 6.8 in 1995 and 7.3 in 2000 (and 7.2 in 2002).
- ◆ Ghana's rating has increased from 2.5 in 1985 to 5.1 in 1995 and 6.4 in 2002.
- ◆ Iceland increased its rating from 5.1 in 1985 to 7.3 in 1995 and 7.6 in 2002.
- ◆ India's rating has improved substantially since 1990. After stagnating between 4.1 and 4.9 from 1970 to 1990, India's rating rose to 5.5 in 1995, 6.2 in 2000, and 6.3 in 2002.
- ◆ Ireland's rating jumped between 1985 and 1995. It rose from 6.2 in 1985 to 7.0 in 1990 and 8.2 in 1995. During the last few years, Ireland's rating has receded slightly to 7.8 in 2002.
- ◆ Mauritius's rating has jumped from 4.7 in 1980 to 6.1 in 1990 and 7.3 in 2000 (and 7.2 in 2002).
- ◆ New Zealand's rating improved substantially between 1985 and 1995. It rose from 5.9 in 1985 to 7.3 in 1990 and 8.5 in 1995, before receding slightly to 8.2 in 2002.

- ◆ Trinidad and Tobago's rating rose from 4.4 in 1985 to 5.5 in 1990 and 6.7 in 1995. Its 2002 rating was 7.1, almost three points higher than in 1985.
- ◆ Uganda has improved its rating from 2.6 in 1990 to 4.9 in 1995, 6.7 in 2000 and 2001, and 6.6 in 2002. Thus, its rating jumped by 4 points during the 1990s.
- ◆ United Kingdom was a big gainer during the period from 1980 to 1995 as its rating rose from 6.1 in 1980 to 7.0 in 1985, 7.7 in 1990, 8.2 in 1995, and 8.3 in 2000 and 2001.

This is quite a geographically and economically diverse group. It contains the world's two most populous countries, India and China. It includes some of the world's poorest economies, as well as some that are relatively well-off. This diversity is an indication of the breadth of economic liberalization around the world.

In addition, several former centrally planned economies have made substantial moves toward economic liberalization since 1990. Among this group:

- ◆ Estonia's EFW rating has jumped from 5.3 in 1995 to 7.7 in 2002.
- ◆ Latvia's rating jumped from 4.6 in 1995 to 7.0 in 2002.
- ◆ Lithuania's rating has increased from 4.7 in 1995 to 6.8 in 2002.
- ◆ Hungary's rating rose from 4.8 in 1990 to 7.3 in 2002.
- ◆ The Czech Republic's rating increased from 5.9 in 1995 to 6.9 in 2002.
- ◆ Poland's rating rose from 3.3 in 1990 to 4.8 in 1995 and 6.4 in 2002.
- ◆ The Slovak Republic increased its rating from 5.1 in 1995 to 6.6 in 2002.

These countries now have relatively normal economies and they have established the foundation for further moves toward economic liberalization. While Bulgaria, Romania, Russia, and Ukraine lag behind the countries

listed above, they too are showing some signs of movement toward economic freedom.

Because of the general trend toward liberalization, the EFW rating of most countries has risen over the last two decades. Only a few countries have experienced outright declines in their EFW rating since 1980. The following countries stand out for having less economic freedom today than 20 years ago: the Republic of Congo, Zimbabwe, Myanmar, and Venezuela. Astoundingly, Venezuela's rating in the chain-linked index has declined by over two full points since 1980!

Since 1995, the general trend has been somewhat less positive. The EFW rating of ten countries declined by 0.5 or more between 1995 and 2002. The following countries fall in this category:

- ◆ Zimbabwe's rating plunged from 6.0 in 1995 to 3.4 in 2002.
- ◆ Indonesia's rating fell sharply from 6.7 in 1995 to 5.8 in 2002.
- ◆ Argentina's rating fell from 6.7 in 1995 to 5.8 in 2002.
- ◆ Malaysia's rating fell from 7.2 in 1995 (and 7.1 in 1990) to 6.9 in 2000 and 6.8 in 2002.
- ◆ Myanmar, the least free economy among those included in our analysis, fell even lower from 3.5 in 1995 to 2.8 in 2002.
- ◆ Papua New Guinea's rating fell from 6.3 in both 1990 and 1995 to 5.7 in 2002.
- ◆ The Philippines' rating fell from 7.2 in 1995 to 6.6 in 2002.
- ◆ Thailand's rating declined from 7.2 in 1995 to 6.7 in 2002.
- ◆ The already low rating of the Republic of Congo fell from 5.5 in 1995 to 5.0 in 2002.
- ◆ Norway's 7.5 rating in 1995 receded to 7.0 in 2002.

While some of these changes are relatively small, these countries can expect to see their rankings continue to decline if the recent trend is not reversed.

Concluding Thoughts

Chapter 2 will provide a detailed analysis of the impact of economic freedom on investment, growth, and income levels. However, before we turn to that topic, we would like to present some graphics illustrating simple relationships between economic freedom by quintile and various other indicators of human and political progress (exhibits 1.6–1.18). No doubt, many of the relationships illustrated in these graphics reflect the impact of economic freedom through growth and income. In other cases, the observed

relations may reflect the fact that some of the variables that influence economic freedom (rule of law, for example) may also influence political factors like corruption and protection of civil liberties. Thus, we are not arguing that there is a direct causal relation between economic freedom and the variables considered below. Nonetheless, we believe that the graphics provide additional information on the nature and characteristics of market economies. They also suggest potential fruitful areas for future research.

Exhibit 1.6: Economic Freedom and Per-Capita Income

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

Source: The World Bank, World Development Indicators 2004 (online).

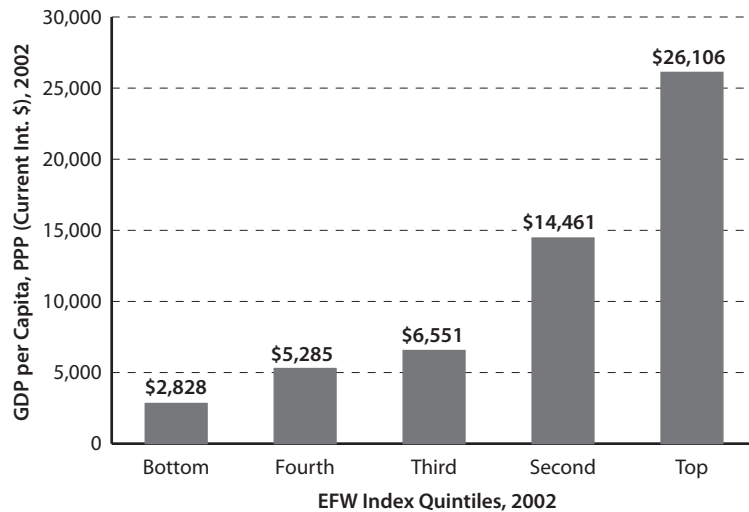


Exhibit 1.7: Economic Freedom and Economic Growth

Countries with more economic freedom have higher growth rates.

Source: The World Bank, World Development Indicators 2004 (online).

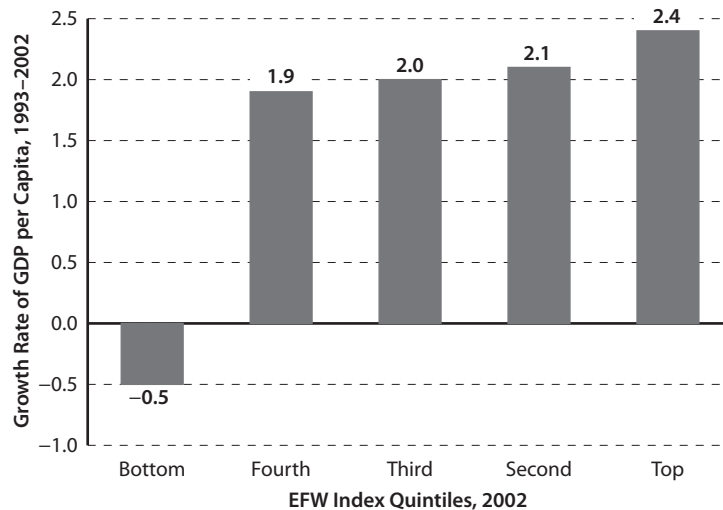
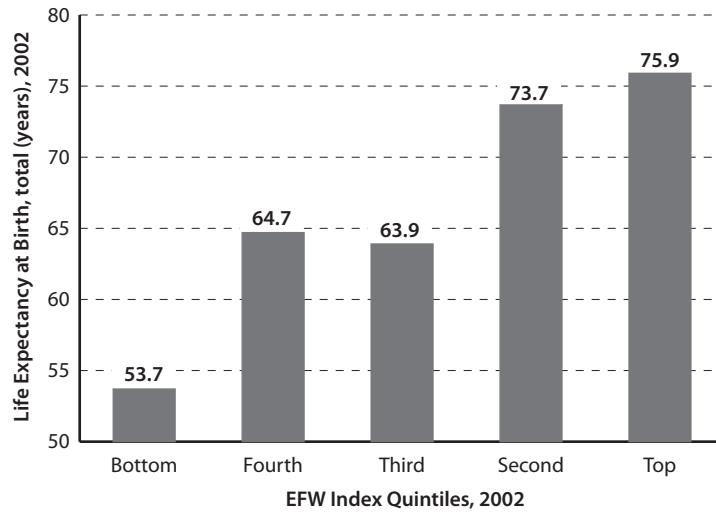


Exhibit 1.8: Economic Freedom and Life Expectancy

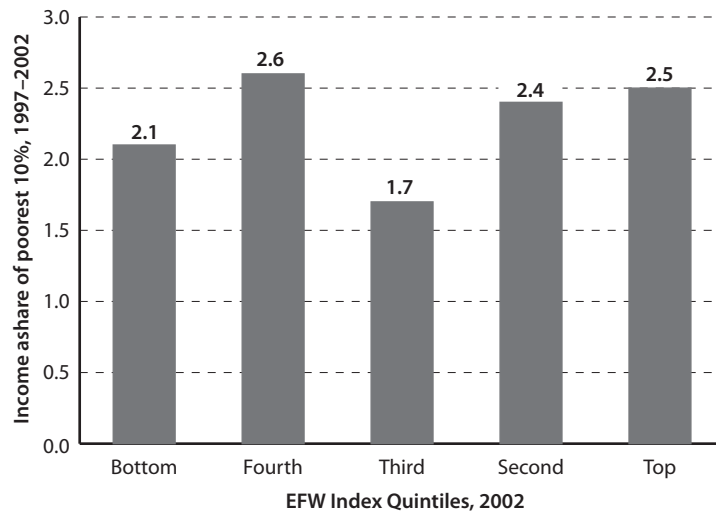
Life expectancy is over 20 years longer in countries with the most economic freedom than it is in those with the least.

Source: The World Bank, World Development Indicators 2004 (online).

**Exhibit 1.9: 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.

Source: The World Bank, World Development Indicators 2004 (online).

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

The amount of income earned by the poorest 10% of the population is much greater in nations with the most economic freedom than it is in those with the least.

Source: The World Bank, World Development Indicators 2004 (online).

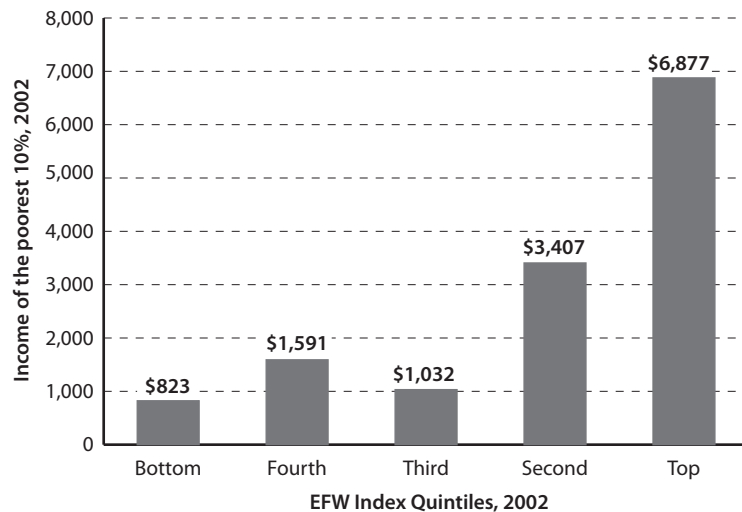


Exhibit 1.11: Economic Freedom and Adult Literacy

Adult literacy increases with economic freedom.

Source: The World Bank, World Development Indicators 2004 (online).

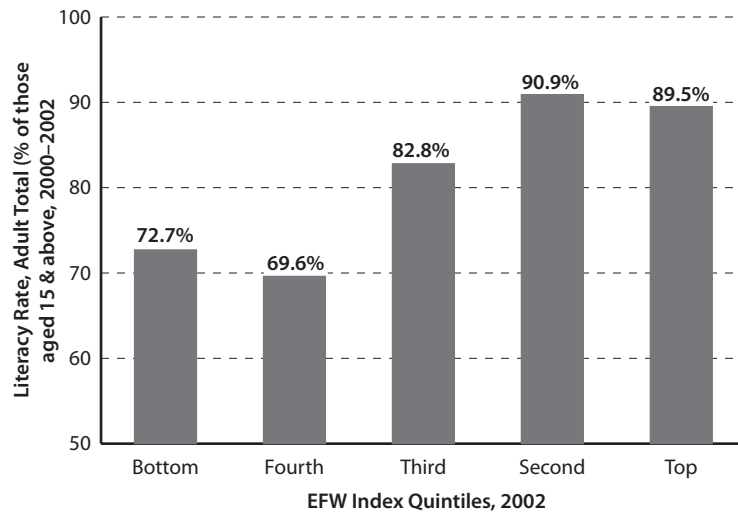


Exhibit 1.12: Economic Freedom and Infant Mortality

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

Source: The World Bank, World Development Indicators 2004 (online).

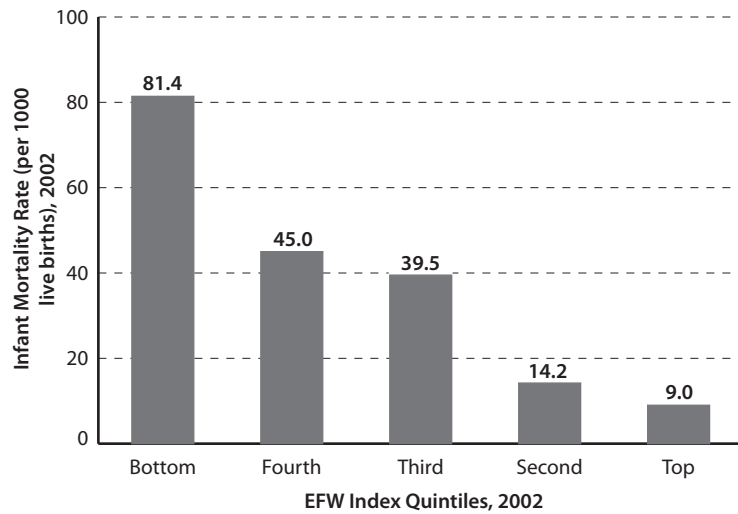


Exhibit 1.13: Economic Freedom and the Percentage of Children in the Labour Force

The incidence of child labour declines as economic freedom increases.

Source: The World Bank, World Development Indicators 2004 (online).

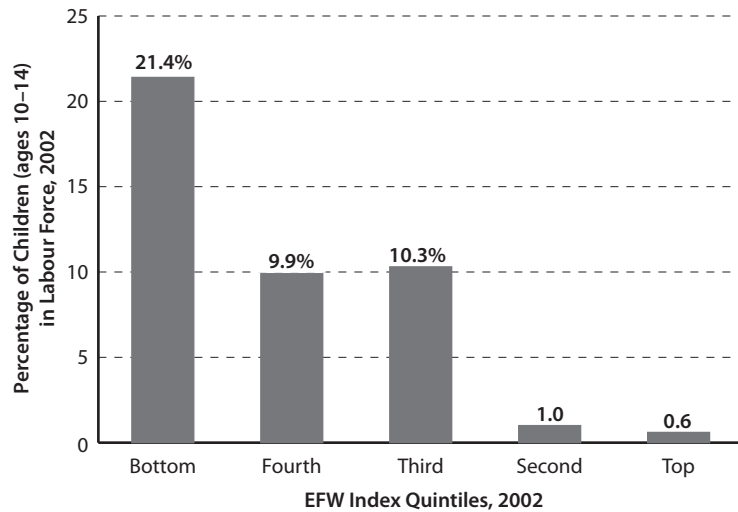
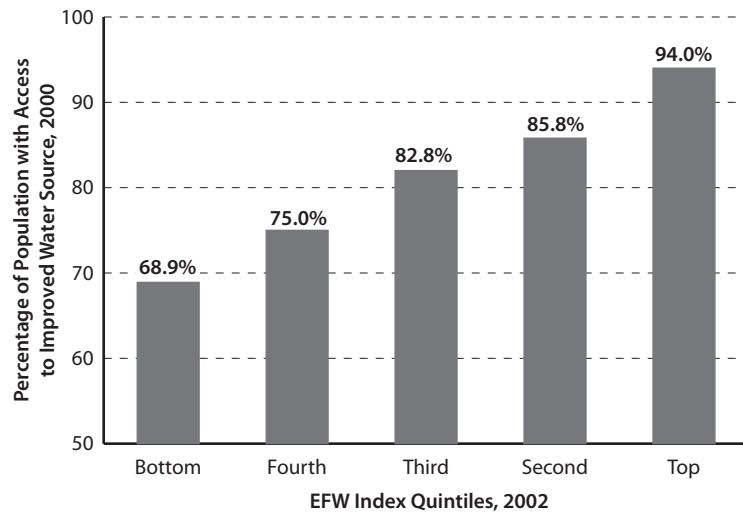


Exhibit 1.14: Economic Freedom and Access to Improved Water Sources

Access to improved (treated) water increases with economic freedom.

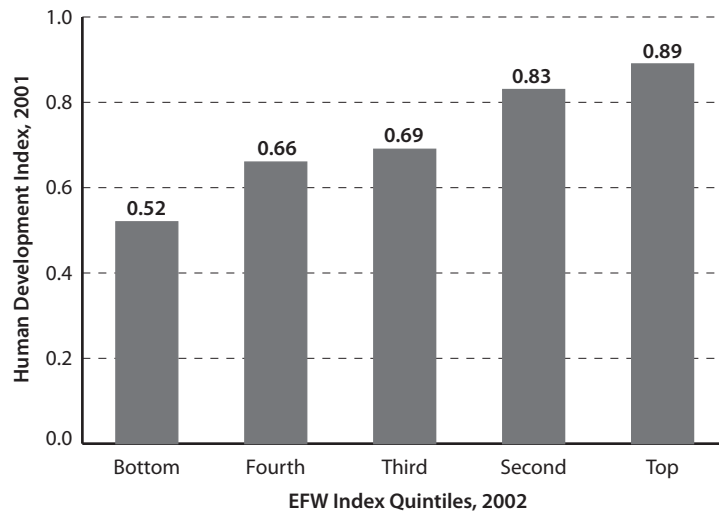
Source: The World Bank, World Development Indicators 2004 (online).

**Exhibit 1.15: 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 is measured on a scale from zero to one: zero = least developed; one = most developed.

Source: United Nations Development Programme, *Human Development Indicators 2003* (online).

**Exhibit 1.16: 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.

Source: Transparency International, *Corruption Perceptions Index 2003* (online).

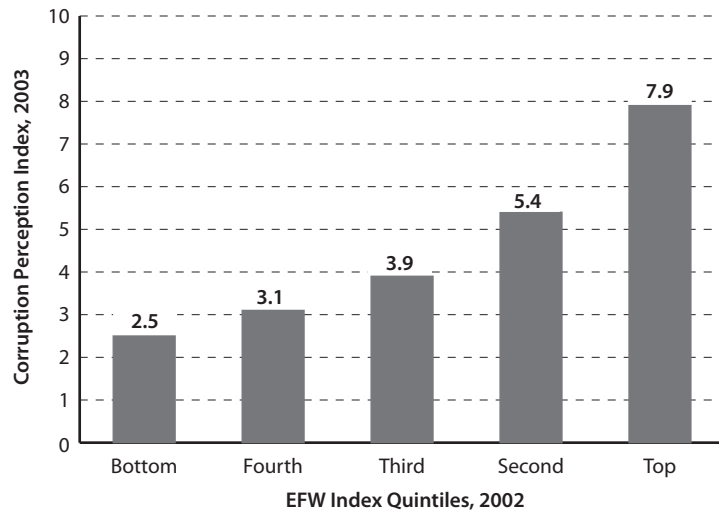


Exhibit 1.17: Economic Freedom and Political Rights and Civil Liberties

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 freedom; seven the lowest.

Source: Freedom House, *Freedom in the World Country Ratings, 1972–2003* (online).

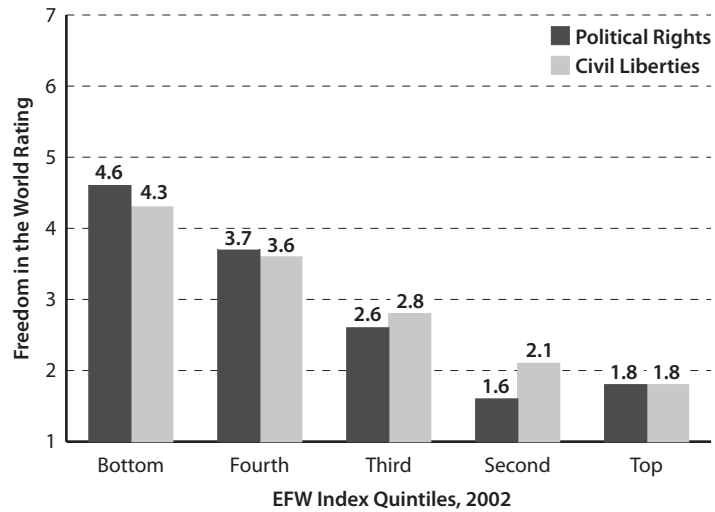
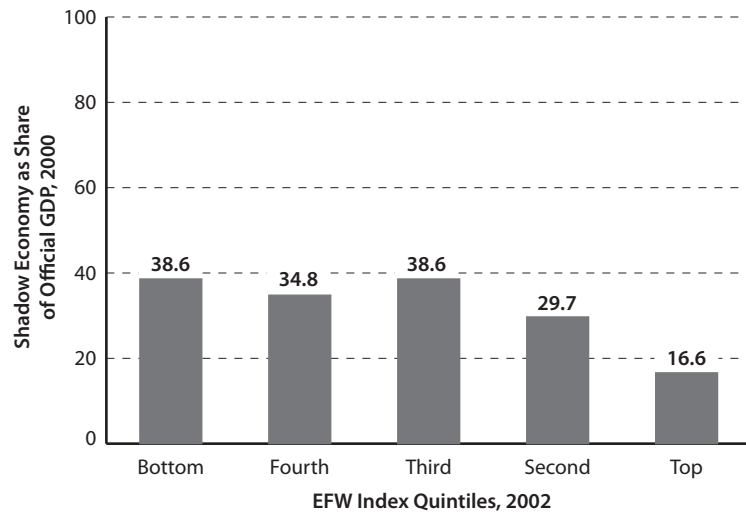


Exhibit 1.18: Economic Freedom and the Shadow Economy

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

Source: 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.



Notes

- 1 See Michael A. Walker, ed., *Freedom, Democracy, and Economic Welfare* (Vancouver: The Fraser Institute, 1988); Walter Block, ed., *Economic Freedom: Toward a Theory of Measurement* (Vancouver: The Fraser Institute, 1991); and Stephen T. Easton and Michael A. Walker, eds., *Rating Global Economic Freedom* (Vancouver: The Fraser Institute, 1992).
- 2 Researchers can find all the data at <<http://www.freetheworld.com>>. See Appendix 1: Explanatory Notes and Data Sources for a list of sources used in constructing the index.
- 3 The focus of these reports differs substantially from the emphasis of the *Economic Freedom of the World*. The *International Country Risk Guide* is directed toward investors seeking information about financial and political risks that might affect their investments in different countries. The primary focus of the *World Competitiveness Report* is the use of technology, quality of the physical infrastructure, skill of the labor force, and other factors influencing the attractiveness of a country for business activity. However, the two reports also provide information on legal structure, security of property rights, and the regulatory environment. This is the information that is of value for our purposes.
- 4 Over the years, we have struggled with how to assign weights to various components and areas to construct a summary index. We have experimented with several different 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 reweight the components and areas to suit themselves are invited to do so.
- 5 For 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.
- 7 Economists often speak of the protective and productive functions of government. The protective function involves protecting citizens and their property against aggressors. It includes the provision of national defense, police protection, and a system of justice. The productive function involves the provision of a limited set of public goods like sound money, flood control, and environmental quality that are difficult to provide through markets. Countries with high incomes currently spend only about 10% to 15% of GDP on these activities. For evidence on this point, see James Gwartney, Robert Lawson, and Randall Holcombe, “The Size and Scope of Government and Economic Growth,” *Cato Journal* 18, 2 (Fall, 1998): 163–90.
- 8 The *International Country Risk Guide* data are computed from an in-house panel of experts whereas the *Global Competitiveness Report* data are based on a survey of business decision-makers. For our purposes here, however, we will refer to both sources as being survey-based.
- 9 For information on how centralized wage setting, restrictive dismissal regulations, and lucrative unemployment benefits have reduced employment and increased unemployment among OECD countries, see Edward Bierhanzl and James Gwartney, “Regulation, Unions, and Labor Markets,” *Regulation* (Summer, 1998): 40–53, and Horst Siebert, “Labor Market Rigidities: At the Root of Unemployment in Europe,” *Journal of Economic Perspectives* 11, 3 (1997): 37–54.

Chapter 2: Economic Freedom, Investment, and Growth

Since the time of Adam Smith, the topic of cross-country differences in income levels and growth rates has generated both extensive and heated debate. Many economists have argued that free economies—those that rely primarily on market arrangements—will outperform those that rely more extensively on government intervention and political direction. Is this proposition really true? The Economic Freedom of the World (EFW) index provides a measure of the extent to which various countries rely on open markets to allocate goods and resources. Thus, we are now in a better position than ever before to assess the relationship between economic freedom and material progress. We are also in a better position to analyze the ingredients of the growth process. This chapter will focus on these two topics.

Three Alternative Theories of Growth

The scholarly literature highlights the importance of three alternative theories of growth. First, the neoclassical theory, based primarily on the work of Robert Solow (1956), argues that growth is a result of expansion in the supply of productive inputs and improvements in technology. According to this theory, investment in physical and human capital is the key to economic growth.

Second, there is the geographic and locational theory largely popularized by Jeffrey Sachs and others (Sachs, 2001; Gallup, Sachs, and Mellinger, 1998; Diamond, 1997). According to this theory, climatic conditions and access to major markets are the primary determinants of growth. A hot tropical climate will both erode the energy level of workers and increase the risk of disabling and life-threatening diseases such as malaria. These conditions will reduce the productivity of workers and make business activity and investment less attractive. In contrast, locations near major markets and with access to ocean shipping make an area more attractive for the conduct of business. Thus, a tropical location will adversely affect

growth, while locations near major markets and ocean coastlines will enhance it.

Third, the institutional approach stresses the importance of creating an institutional and policy environment conducive for the smooth operation of markets and realization of gains from trade and entrepreneurial activities. The work of Douglass C. North (1990), Peter Bauer (1957, 1972), and Friedrich Hayek (1945, 1960) provides the foundation for the institutional theory. The recent writings of Barro (1996), Barro and Sala-i-Martin (1995), Scully (1988, 1992), Landes (1998), Knack (1996, 2003), DeSoto (1989), and Hall and Jones (1999) have also made a significant contribution to the institutional perspective.

These three explanations for growth are not logically inconsistent with each other, so all might play a role. Clearly, those who argue that economic freedom is a key ingredient in the growth process fall into the institutionalists' camp.

Why Will Economic Freedom Enhance Growth?

There are many reasons to expect that free economies will grow more rapidly than those that are less free. Here, we would like to highlight the importance of three of them.

Competition

Open markets—free entry into occupations and businesses—are an integral part of economic freedom. If business firms do not cater to the views of potential consumers and supply them with quality products at a low cost, they soon will be replaced by rivals who can provide customers with more value for their money.

Entrepreneurship

Freer economies provide greater opportunity for entrepreneurial discovery. Our modern living standards reflect the discovery of better ways of doing things—the development of new technology or the introduction of

new products or less expensive production methods. In recent decades, heart transplants, laser surgeries, miracle drugs, microwave ovens, CD and now DVD players, cellular phones, and personal computers have all dramatically changed the way we live and work. Innovations like these do not just happen. They have to be discovered and undertaken by someone and this often involves the cooperative efforts of numerous parties. We do not know where the next ingenious idea will come from. More than any other form of economic organization, a free market makes it possible for a wide range of people to try out their innovative ideas and see if they can pass the market test. If they do, they will improve living standards. On the other hand, if they fail the market test, they will soon be brought to a halt. This process of experimentation and discovery is a powerful force for economic progress.

Investment

Investors have a choice and economic theory indicates that private investment will tend to flow toward economic environments that are more attractive for productive activities. Free economies will attract more investment, which in turn will promote economic growth. On the other hand, high taxes, excessive regulation, biased enforcement of contracts, lack of legal recourse, insecure property rights, and monetary instability will deter both investment and growth.

Long-term Economic Freedom and Growth: The Empirical Evidence

In the final analysis, however, the relationship between free markets and prosperity is an empirical one. This section will seek to isolate the independent effects of economic freedom and differentiate them from other factors that may exert an impact on growth.¹ In particular, we will attempt to differentiate the effects of economic freedom from factors that reflect the neoclassical and geographic-locational theories.

When analyzing the linkage between economic freedom and growth, it is important to focus on a lengthy period of time. Even if economic freedom enhances growth, it will take time for higher levels of income to be achieved. Further, when only short time periods are considered, the linkage between economic freedom and growth may be weakened by other factors such as business cycles and changes in the world price of important import or export items. Moreover, credibility will influence the response to a policy change. Before decision-

makers will be willing to make major behavioral changes, they must be convinced that the change in policy direction is permanent rather than temporary. Thus, we will look at these relationships over lengthy time periods.

The analysis presented here will focus on the period from 1980 to 2000. All of the 94 countries for which the EFW summary and area ratings are available at five year intervals throughout these two decades will be included in the analysis (Gwartney and Lawson, 2003).² The data for per-capita GDP and investment are from the World Bank (2003). The data on human capital are from Baier, Dwyer, and Tamura (2003). Both the years of schooling per worker and demographic factors likely to influence the experience of persons in the work force are incorporated into this measure of human capital.³

Jeffery Sachs (2001) and his colleagues have often used a set of three variables to measure the importance of geographic-locational factors: (1) tropical location—percentage of a country's land area located in the tropics; (2) coastal population—the percentage of a nation's population living within 100 kilometers of an ocean coastline; (3) distance from major markets—the minimum air distance of a country from Rotterdam, New York, or Tokyo. These three measures were used in our analysis. Distance from major markets was never statistically significant in the work that follows and, therefore, it does not appear in the results presented below.

Economic Freedom and Growth

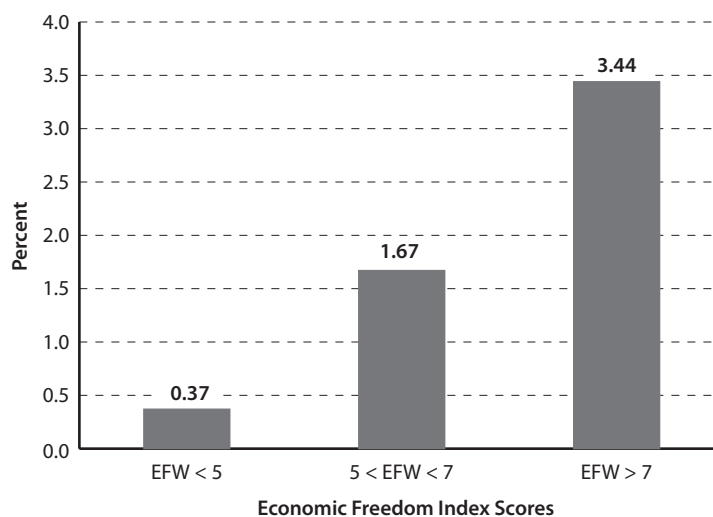
In the analysis that follows, comparisons will often be made among countries with average EFW ratings during the period from 1980 to 2000 of more than 7, between 5 and 7, and less than 5. In order to achieve an average rating of more than 7, a country would have had to register persistently high ratings throughout the two decades. In contrast, countries with an average EFW rating of less than 5 must have registered low ratings throughout most, if not all, of the period. Thus, the persistently free economies will dominate the top group (EFW rating greater than 7), while those that are persistently unfree will make up the bottom group (EFW rating less than 5). Of course, the middle group will fall between these two extremes.

From 1980 to 2000, the average annual growth rate of real GDP per capita of countries with an EFW rating of more than 7, was 2.81%, compared to 1.41% for the middle group and only 0.10% for the least free group. But these figures do not take into account other factors that might influence growth. Exhibit 2.1 shows the growth rate of GDP per capita from 1980 to 2000 for each of the three groups after adjustment for differences in initial

Exhibit 2.1: Economic Freedom and Growth of GDP per Capita, 1980–2000

Average annual growth rate of GDP per capita, 1980–2000, after adjusting for initial income, tropics and coastal location, and growth in human capital.

See Appendix Table 2.1 for details.



income level, tropical location, share of population near an ocean coastline, and human capital. Holding these factors constant, the persistently free group achieved an average annual growth rate of 3.44%, compared to 1.67% for the middle group and 0.37% for the least free group. (See Regression 1 in Appendix Table 2.1 for the analysis underlying these figures.)

Some might argue that the observed positive relationship between more economic freedom and a higher growth rate merely reflects the lumping together of less-developed countries (LDCs) with high-income, developed economies that tend to have higher economic freedom ratings. But this is not the case. In fact, when the high-income countries are omitted from the analysis, the differential growth rates between the persistently free (average EFW rating greater than 7) and the persistently unfree (average EFW rating less than 5) economies is even greater. The results for only LDCs are presented in Regression 2 of Appendix Table 2.1. After the effects of the other factors included in the model are taken into account, the persistently free LDCs grew at an annual rate of 5.21% during the two decades compared to 1.73% for the middle group and 0.55% for the least free group.

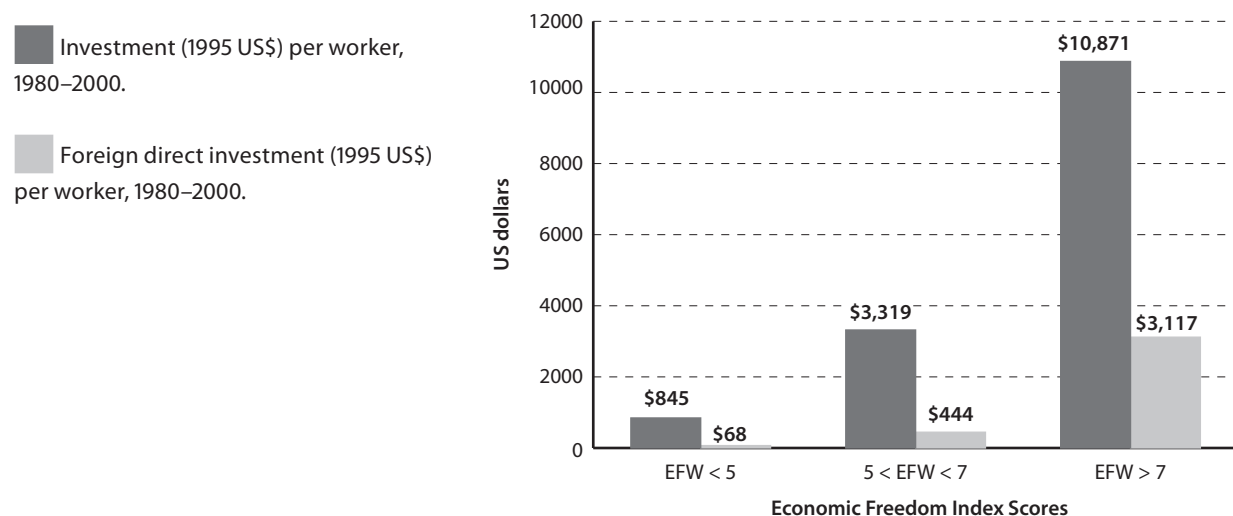
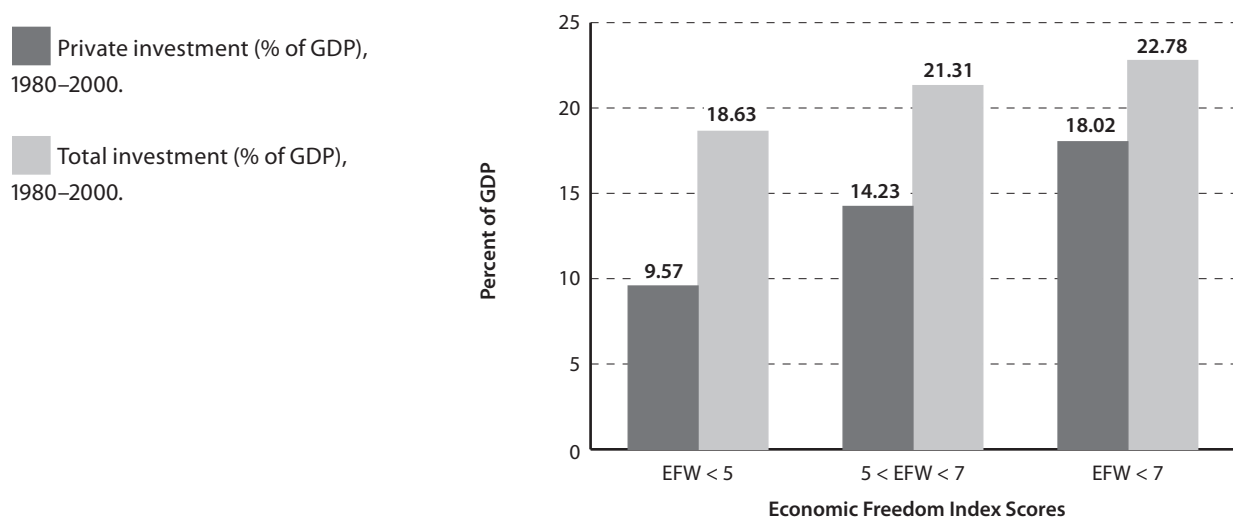
Economic Freedom and the Rate of Investment

Why have the persistently free economies grown more rapidly than their less free counterparts? Exhibits 2.2, 2.3, and 2.4 provide additional answers to this question. Investment is highly sensitive to the institutional environment. Countries that adopt institutions and follow policies more consistent with economic freedom have substantially higher investment rates than their less free counterparts. During the period from 1980 to 2000,

economies with EFW ratings of less than 5 attracted only \$845 of investment per worker compared to \$3,319 for those with EFW ratings between 5 and 7 and a whopping \$10,871 for those with EFW ratings of more than 7. Thus, the investment rate per worker of the persistently free economies was more than 12 times the figure for the least free group.

Even though this total investment gap is huge, there is reason to believe that it understates the impact of economic freedom on private investment per worker. The total investment figures include investments undertaken by government agencies and enterprises. Such government investment activities will make up a larger share of total investment in economies that are less free. Foreign direct investment is mostly undertaken by private investors and therefore is a better indicator of how institutional quality influences the choices of private decision-makers. As Exhibit 2.2 shows, the average annual rate of foreign direct investment per worker in the persistently free economies was \$3,117 compared to \$444 for the middle group and only \$68 for the least free group. Astonishingly, the foreign direct investment per worker of the persistently free economies was more than 45 times the figure for the persistently unfree group!

Exhibit 2.3 shows the impact of economic freedom on investment as a share of GDP. From 1980 to 2000, total investment averaged 22.78% of GDP in the persistently free economies but only 18.63% for the economies with low EFW ratings during the two decades. When only private investment is considered, the difference between the persistently free and the persistently unfree economies is even more striking. During the two decades, private investment averaged 18.02% of GDP in countries with EFW

Exhibit 2.2: Economic Freedom and Investment per Worker, 1980–2000**Exhibit 2.3: Economic Freedom and Total and Private Investment as a Share of GDP, 1980–2000**

ratings of more than 7, but only 14.23% for the middle group and 9.57% for the least free group.⁴ Thus, the rate of private investment in the economically free economies was almost twice that of the least economically free group. More detailed analysis indicates that the positive and significant relation between the EFW rating and investment as a share of GDP continues to hold even after the effects of other factors are taken into account.

This strong positive relationship between the EFW rating and investment sheds considerable light on both past research and the importance of institutions in the growth process. Following the lead of Solow, economists have often used a production-function approach to analyze growth. In production-function models, growth is the result of expansion in the availability of inputs (increases in the stock of physical and human capital) and

improvements in technology. If the impact of institutions and policies are considered at all, their estimated effects are almost always after the impact of physical capital has been taken into account. But our analysis indicates that the level of physical capital itself is positively influenced by the presence of institutions and policies more consistent with economic freedom. Because the production-function models have ignored the impact of institutions on investment, they have systematically underestimated the importance of institutional factors in promoting growth.

Economic Freedom and the Productivity of Investment

Economic freedom not only influences the rate of investment, it also influences its productivity. Exhibit 2.4 illustrates the impact of a percentage-point change in

private investment as a share of GDP on long-term economic growth for each of the three EFW-rating groups. Holding initial GDP per capita, tropical location, coastal population, change in human capital, and public investment constant, an increase of one percentage point in the ratio of private investment to GDP increased the growth of per-capita GDP during the period from 1980 to 2000 by 0.33 of a percentage point in countries with EFW ratings of more than 7. But in countries with EFW ratings between 5 and 7, an increase of one percentage point in the ratio of private investment to GDP enhanced growth by only 0.27 of a percentage point and in the least free group growth was enhanced by only 0.19 of a percentage point. Thus, the productivity of investment—the impact of a unit change in the ratio of private investment to GDP on growth in GDP—was more than 70% higher in the more free economies than for the group with the least economic freedom.

When only LDCs were considered, the figures were slightly different but the pattern was the same. For the group comprising only LDCs, a one percentage-point increase in the ratio of private investment to GDP enhanced the annual growth rate of real GDP by an estimated 0.35 of a percentage point in countries with EFW ratings of greater than 7. The comparable figures for the middle and the least free groups were 0.27 and 0.21, respectively. Thus, these estimates indicate that the impact of economic freedom on the productivity of investment was just as important for LDCs as for the combined group.

Interestingly, an increase of one percentage point in government investment as a share of GDP enhanced long-term growth by only 0.17 of a percentage point. This

estimate was identical for both the combined group and that comprising only LDCs. Thus, the estimated productivity of government investment was even less than that for private investment in countries with little economic freedom. (See Appendix Table 2.2 for the regressions used to derive these estimates.)

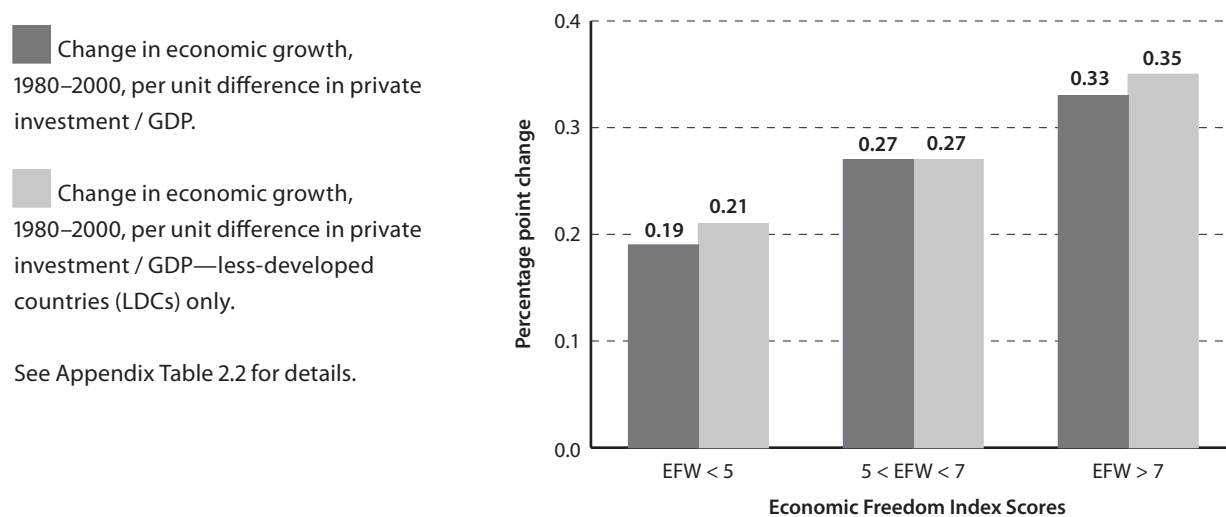
Changes in Economic Freedom and Growth

As Exhibit 2.1 illustrates, countries with persistently higher EFW ratings from 1980 to 2000 grew more rapidly. This indicates that differences in the level of economic freedom over lengthy periods of time exert a positive impact on long-term economic growth. What about changes in economic freedom? Did countries that moved toward greater economic freedom during the 1980s and 1990s achieve any payoff?

To address this question, we considered a regression model with the annual growth rate of GDP per capita as the dependent variable and initial (1980) EFW rating, and changes in EFW ratings during the 1980s and 1990s as independent variables. In order to control for other factors, initial GDP per capita, tropical location, coastal population, private investment as a share of GDP, government investment as a share of GDP, and change in human capital were also included in the regression model. (See Regression 1 of the Appendix Table 2.3.)

This straightforward model accounted for 58.5% of the variation in growth rates among countries from 1980 to 2000. With the exception of the share of population located near an ocean coastline, all of the control variables were significant and had the expected sign. The coefficient on the initial EFW rating was positive 1.00, in-

Exhibit 2.4: Economic Freedom and the Productivity of Investment, 1980–2000



dicating that a one-unit increase in the initial level of economic freedom was associated with one percentage-point higher annual growth during the two decades. The coefficient on the change in the EFW rating during the 1980s was 1.28. This indicates that a one-unit improvement in the EFW rating during the 1980s was associated with a 1.28 percentage-point increase in the annual growth rate over the two decades. A one-unit increase in the EFW rating during the 1990s enhanced growth by an estimated 0.58 of a percentage point. Even after controlling for the other factors included in the model, both the level and changes in the EFW rating had a large positive and statistically significant impact on long-term growth.

Even though they are substantial, these estimates clearly understate the total impact of economic freedom on long-term growth. Private investment as a share of GDP is included as a control variable in this model. Thus, the estimated impact of the EFW variables on growth will be after the effects of cross-country differences in private investment have been taken into account. In essence, they will reflect only the direct effects of EFW variables—those operating through the productivity of resource use. They will fail to reflect the fact that, as we have already shown, cross-country differences in EFW ratings will also influence the rate of private investment.⁵

How can we capture the total impact of economic freedom including its impact through investment? One way of doing so would be to estimate the impact of economic freedom on private investment and then use the residuals from this equation (rather than the actual investment figures) as an independent variable in a model like that of Regression 1. Regressions 2 and 3 of Appendix

Table 2.3 illustrate this approach. Regression 2 estimates the impact of the initial EFW level and changes in EFW ratings during the 1980s and 1990s on private investment as a share of GDP, holding tropical location and coastal population constant. This simple model accounts for more than half of the cross-country variation in the ratio between private investment and GDP during the period from 1980 to 2000. Confirming our earlier findings, economic freedom (both the initial level and changes during the 1980s and 1990s) has a strong positive impact on private investment as a share of GDP.

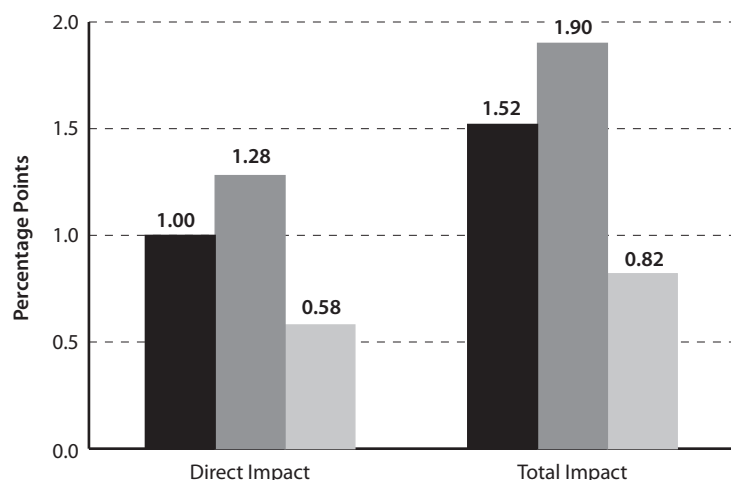
Regression 3 (Appendix Table 2.3) substitutes the residuals from Regression 2 for the Private Investment/GDP variable. The logic for doing this is that the residuals from Regression 2 represent the variation across countries in private investment that is not correlated with EFW ratings; so, by using these residuals, the variation in private investment that is associated with cross-country differences in the EFW rating will be captured in the EFW coefficients. Thus, the EFW coefficients in Regression 3 will reflect both the direct effect of institutions via improvements in the efficiency of resource use and their indirect effect via the attraction of a higher level of investment. The coefficients for the EFW variables in Regression 3 indicate that a one-unit increase in the initial EFW rating enhances growth by 1.52 percentage points while a unit increase in the EFW rating during the 1980s or during the 1990s was associated with 1.90 and 0.82 percentage-point increases in long-term growth, respectively.

Exhibit 2.5 summarizes both the direct and indirect effects of economic freedom on long-term growth. Both the initial level and changes in economic freedom exert a

Exhibit 2.5: Economic Freedom and Changes in Economic Freedom and Economic Growth, 1980–2000

- Estimated impact of a one-unit difference in the 1980 EFW rating on growth of GDP per capita, 1980–2000.
- Estimated impact of a one-unit difference in EFW rating in the 1980s on growth of GDP per capita, 1980–2000.
- Estimated impact of a one-unit difference in EFW rating in the 1990s on growth of GDP per capita, 1980–2000.

See Appendix Table 2.3 for details.



substantial impact on growth. The direct effect will reflect only the impact of economic freedom via its impact on the productivity of resource use. Our results indicate that an increase in a country's initial EFW rating enhanced growth from 1980 to 2000 by one percentage point and that an increase in the EFW rating during the 1980s enhanced growth by an additional 1.28 percentage points.

The total estimates will reflect the impact of economic freedom through both productivity increases and higher rates of investment. When the effects of economic freedom through investment are also included, a one-unit increase in the initial EFW rating enhances growth by an estimated 1.52 percentage points, while an increase in economic freedom during the 1980s pushes growth during the two decades upward by 1.90 percentage points. Note that the total estimates are nearly 50% greater than the direct estimates. Clearly, the omission of the investment effect results in a substantial understatement of the impact of economic freedom on long-term growth.

Direction of Causality: Does Rapid Growth Lead to More Economic Freedom?

Some have expressed concern that the observed correlation between the EFW variables and growth may, at least partially, reflect reverse causality. The proponents of this view suggest that rather than economic freedom causing growth, the relationship may reflect a tendency of rapidly growing economies to liberalize.

In order to investigate the validity of this view, we analyzed (a) the impact of changes in economic freedom on growth during the following decade and (b) the impact of growth on changes in economic freedom during the subsequent decade. As expected, we found that changes in economic freedom during the 1980s were associated with higher rates of economic growth during the 1990s. This was true both in a simple model and in a model with control variables for the initial EFW rating, change in the EFW rating during the 1990s, initial GDP per capita, tropical location, coastal population, investment, and changes in human capital. Thus, there was clearly a positive link between changes in economic freedom during the 1980s and growth of GDP per capita during the 1990s.

Within the framework of the same structural model, we then made the change in the EFW rating during the 1990s the dependent variable and inserted the growth rate of GDP per capita during the 1980s and 1990s as independent variables. Once again, there was a positive relationship between growth in GDP per capita and changes in economic freedom during the 1990s. However, to our surprise, there was a negative and significant rela-

tionship between changes in GDP per capita during the 1980s and changes in the EFW rating during the 1990s. This implies that countries with lower GDP growth rates during the 1980s had larger increases in economic freedom during the 1990s.⁶

These results are noteworthy for two reasons. First, they directly address the causality issue and show that, while increases in economic freedom lead to more growth in the future, higher growth rates do not enhance future improvements in EFW ratings. Put another way, the evidence indicates that increases in economic freedom enhance growth, but there is no evidence that stronger growth leads to higher EFW ratings. Second, they indicate that poor economic performance often creates a fruitful environment for constructive institutional change. A crisis situation is more likely to result in movements toward economic freedom than solid economic performance. These results are consistent with the findings of Pitlik and Wirth (2003).

Long-term Economic Freedom and Income

There is a strong positive relationship between economic freedom at a point in time—for example, in the year 2000—and GDP per capita. In order to illustrate this relationship, we have sometimes grouped countries by quintiles (arrayed from low to high) based on EFW ratings during a specific year and noted that as one moved to higher quintiles of EFW ratings, the average GDP per capita of countries increased. Others have also highlighted this relationship.

It is important not to deceive ourselves or mislead others with regard to why this relationship is present. It does not suggest that countries moving from the least free EFW quintile to the most free quintile will quickly achieve a GDP per capita much like the countries in the most free grouping. Instead, the relationship between current economic freedom ratings and GDP per capita reflects that institutional change typically takes place gradually. Most of the countries with high current EFW ratings have had persistently high ratings over a lengthy period of time and, as a result, they have grown rapidly and achieved high levels of income. Similarly, most of the countries with low current ratings have also had persistently low ratings for some time. The linkage between current economic freedom and GDP per capita reflects the fact that the current EFW rating is, to a degree, a proxy for the historic consistency of institutions with economic freedom. But it is the historic (or long-term) value of economic freedom rather than the current value that is most important as a determinant of GDP per capita.

Thus, if we want to isolate fully the impact of economic freedom on GDP per capita, we should investigate the relationship between long-term institutional quality and current GDP per capita. Using the average EFW rating during the period from 1980 to 2000 as the measure of long-term institutional quality, Exhibit 2.6 presents data on this relationship. A close relationship between long-term economic freedom and GDP per capita in 2000 is clearly visible. The R^2 of the simple regression with 2000 GDP per capita as the dependant variable and the square of the EFW rating as the independent variable indicates that economic freedom alone explains 64% of the cross-country variations in GDP per capita among the 94 countries of this study. (Note that the square of the EFW rating has more explanatory power than the linear value because increases in long-term economic freedom lead to more than proportional increases in GDP per capita.)

Appendix Table 2.4 presents additional regressions incorporating the variables, tropical location and coastal population, into the model. The coastal variable was insignificant and, therefore, was dropped from the final specification. As Regression 3 in Appendix Table 2.4 shows, the average EFW rating from 1980 to 2000 and tropical location account for 71.8% of the cross-country variation in GDP per capita. This is a remarkably high explanatory power for two variables, neither of which are inputs in the production process. These results certainly indicate that maintenance of institutions and policies consistent with economic freedom over a lengthy time period is an important determinant of GDP per capita.⁷

Can a Country Prosper without a Sound Legal Structure?

In many ways, a market economy is like a telephone or Internet system. In the case of these network goods, value to the individual users increases as more people have telephones or Internet hookups. Markets have this same characteristic—the more people integrated into the system, the greater the benefits to each participant. The market network generates almost unbelievable benefits as the result of gains from trade, specialization, expansion in the size of the market, and the application of mass production techniques.

Most of the consumption goods enjoyed by households in North America, western Europe, and other parts of the developed world result from what Douglass C. North calls “depersonalized exchange,” that is, trade between parties who do not know each other and will probably never meet. These exchanges are coordinated by what Friedrich Hayek refers to as the “extension of the market” from the local town or village to the region, nation, and, indeed, to the far corners of the world. Without these gains from the market network, high levels of income per capita and modern living standards would be impossible.

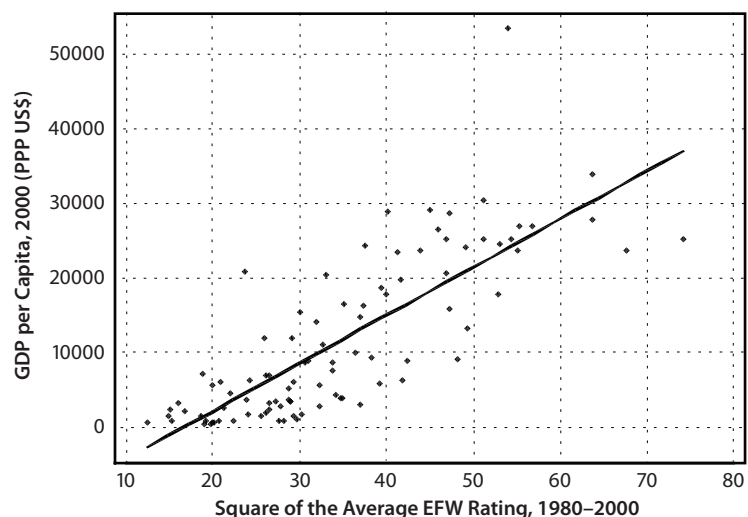
However, the enormous benefits of the market network cannot be achieved without a sound legal system. People who live in countries where property rights are insecure, contracts poorly enforced, and legal and regulatory verdicts auctioned off to the highest bidder

Exhibit 2.6: Economic Freedom, 1980–2000, and GDP per Capita, 2000

$$Y = -10771 + 645(X)$$

$$R^2 = 64.0$$

See appendix Table 2.4 for details.



will not be integrated into the worldwide market network. Without rule of law, the benefits from trade will be limited to those derived from personalized exchange, trade among family members and persons in the local neighborhood or village who know each other or, at least, know about each other. Here, trade is based on personal knowledge and contract enforcement is achieved through family ties and social pressures. However, the benefits derived from personalized exchange will be small compared to those available through a depersonalized market network based on enforceable contracts and rule of law.

The empirical evidence is consistent with this view. Area 2: Legal Structure and Security of Property Rights of the EFW index indicates the consistency of a nation's legal structure with the protection of property rights, unbiased enforcement of contracts, independence of the judiciary, and rule of law. Among the approximately 100 countries

for which data were available throughout the period from 1980 to 2000, 24 countries had an average rating for Area 2 of 7 or higher. Exhibit 2.7a shows that these 24 countries had an average GDP per capita in 2000 of \$25,716 and an average annual real growth rate of 2.5% over the two-decade period. The lowest per-capita income among these 24 countries was approximately \$12,000. Perhaps even more important, all 24 of the countries with sound legal systems achieved positive real growth of GDP per capita over the two decades.

At the other end of the spectrum, there were 21 countries with an average rating of less than 4 for Area 2 during the period from 1980 to 2000. Exhibit 2.7b indicates the income levels and growth rates of these countries. Their average GDP per capita in 2000 was \$3,094 and their growth rates averaged 0.33% over the two decades. Both of these figures were approximately one-eighth of the comparable levels for the countries with

Exhibit 2.7a: The Legal System and Income and Growth—Countries with Average Rating from 1980 to 2000 for “Area 2: Legal Structure and Security of Property Rights” Greater than 7.0

Countries with average legal rating > 7.0 from 1980 to 2000	Legal System Rating	GDP per Capita 2000 (PPP US\$)	Growth of GDP per Capita from 1980 to 2000 (%)
Switzerland	8.65	27,780	0.82
United States	8.61	33,960	2.12
Netherlands	8.58	26,910	1.98
New Zealand	8.51	17,840	1.29
Austria	8.49	26,420	1.99
Luxembourg	8.45	53,410	4.26
Denmark	8.41	28,680	1.74
Finland	8.36	24,160	2.27
Germany	8.36	25,100	1.70
Canada	8.32	26,840	1.69
Norway	8.31	29,200	2.42
Australia	8.29	24,550	1.96
Iceland	8.08	28,910	1.67
Sweden	8.05	23,650	1.66
Belgium	7.97	25,220	1.91
United Kingdom	7.91	23,580	2.29
Ireland	7.91	30,380	4.91
Singapore	7.89	23,700	4.92
Japan	7.84	25,280	2.34
Portugal	7.50	17,710	2.91
France	7.48	23,490	1.72
Hungary	7.16	11,960	1.31
Hong Kong	7.16	25,180	4.07
Taiwan	7.03	13,279	6.00
Average	8.05	25,716	2.50

Exhibit 2.7b: The Legal System and Income and Growth—Countries with Average Rating from 1980 to 2000 for “Area 2: Legal Structure and Security of Property Rights” Less than 4.0

Countries with average legal rating < 4.0 from 1980 to 2000	Legal System Rating	GDP per Capita 2000 (PPP US\$)	Growth of GDP per Capita from 1980 to 2000 (%)
Indonesia	3.90	2,970	3.69
Senegal	3.84	1,450	0.57
Sri Lanka	3.67	3,400	3.49
Pakistan	3.66	1,870	2.46
Honduras	3.62	2,830	-0.13
Syria	3.56	3,280	0.64
Iran	3.55	5,720	1.09
Nicaragua	3.54	2,450	-2.26
Peru	3.52	4,630	-0.24
Philippines	3.49	3,790	-0.02
Algeria	3.47	6,150	-0.20
Colombia	3.43	7,010	1.04
Uganda	3.42	1,450	2.23
Nigeria	3.34	860	-0.93
El Salvador	3.27	5,240	0.57
Congo, Rep. of	3.27	950	0.37
Bolivia	3.20	2,310	-0.28
Bangladesh	3.19	1,540	2.57
Guatemala	3.02	4,430	-0.08
Haiti	2.98	1,920	-2.39
Congo, Dem. R.	2.38	730	-5.31
Average	3.40	3,094	0.33

sound legal systems. Among the 21 countries with a low-quality legal system, Columbia had the highest GDP per capita in 2000, \$7,010. None of these 21 countries was able to achieve both a 2000 income per capita of more than \$3,400 and a growth rate from 1980 to 2000 of more than 1.1%. Thus, none of the countries with unsound legal systems were able to sustain a solid rate of growth once income levels rose above the \$3,400 range!

The gains derived from depersonalized exchange and expansion in the size of the market provide the underpinnings for our modern living standards and a sound legal system is essential for the realization of these gains. Without a legal system capable of enforcing contracts and protecting property rights, trade will occur mostly among parties who know each other and it will cover only a relatively small geographic or market area. The gains from depersonalized trade and expansion in the size of the market will continue to go unrealized. But, without the realization of these potential gains, it will be virtually impossible for countries to move up to even lower-middle income status. Tragically, they will continue to stagnate at relatively low levels of income.

Do Poor Countries Grow when They Have Economic Freedom?

Exhibit 2.8 presents income, growth, and investment figures for the ten countries with the highest EFW ratings during the period from 1980 to 2000 among the countries not classified as “high income industrial” economies in 1980. Even the wealthiest among these countries in 1980 had an income per capita that was less than half that of countries like the United States, Germany, and Switzerland. But these countries persistently had higher economic freedom ratings from 1980 to 2000 than other low- and middle-income economies.

Over the two decades, the annual growth of GDP per capita of these countries ranged from Spain’s 2.4% to Taiwan’s 6.0%. The average annual growth rate of these countries was 4.2%, compared to 1.0% for the other countries in our data set. The ten freest economies among those with low incomes in 1980 grew more than four times the average of the other countries. They also had higher investment rates. The ten relatively free economies

Exhibit 2.8: Growth and Investment in Countries with Low Levels of Income in 1980 and High Levels of Economic Freedom from 1980 to 2000

	Mean Summary Index, 1980–2000 (chain-linked method)	GDP per Capita, 1980 (real PPP US\$)	GDP per Capita, 2000 (real PPP US\$)	Average Annual Growth Rate of GDP per Capita, 1980–2000 (%)	Mean Investment as a Share of GDP, 1980–2000 (%)
Hong Kong	8.60	12,970	25,153	4.2	28.8
Singapore	8.26	11,060	23,356	5.0	38.6
Ireland	7.17	10,918	29,866	4.7	20.3
Taiwan	6.97	4,101	13,279	6.0	24.5
Malaysia	6.93	4,497	9,068	3.9	31.5
Chile	6.46	5,114	9,417	3.8	21.8
Spain	6.44	12,939	19,472	2.4	23.3
Thailand	6.40	2,759	6,402	4.7	32.3
Portugal	6.37	10,948	17,290	2.9	26.8
Mauritius	6.36	4,492	10,017	3.9	26.0

Source: World Bank, World Development Indicators 2003.

invested 27.3% of their GDP, compared to 21% for other economies. Thus, when low-income countries adopt and maintain policies and institutions consistent with economic freedom, they are able to attract more investment and achieve substantially higher growth rates than other economies.

Most historians place the growth of income per capita of the United States and the United Kingdom at approximately 1% throughout the 19th-century. More recently, the GDP per capita of the United States has grown at an annual rate of approximately 2% since World War II. Per-capita income growth rates of more than 2% annually over lengthy time periods were virtually unheard of prior to 1960. Thus, when viewed from an historical perspective, the growth rates of these low-income but relatively free economies are remarkable.

Conclusion

The findings presented here indicate that adoption and maintenance of institutions and policies consistent with economic freedom are vitally important for the achievement of prosperity. Countries with more economic freedom attract more investment and achieve greater productivity from their resources. As a result, they grow more rapidly and achieve higher income levels. In contrast, countries stagnate when their institutions stifle trade and erode the incentive to engage in productive activities. Provision of institutions supportive of economic freedom is the key to the growth process. Countries with low initial levels of income, in particular, are able to grow rapidly and move up the income ladder when their policies are supportive of economic freedom.

Appendix: Regression Analyses

Appendix Table 2.1: Economic Freedom and Growth of GDP per Capita, 1980–2000

Dependent Variable: Average Annual Growth Rate of GDP Per Capita, 1980-2000

	Regression 1 All Countries	Regression 2 Less-Developed Countries
	(t-ratio in parentheses)	
GDP Per Capita, 1980 (in 1000s US\$)	-0.21 (2.70)	-0.30 (2.21)
Average EFW Rating, 1980-2000 (1 if > 7)	3.44 (3.32)	5.21 (3.33)
Average EFW Rating, 1980-2000 (1 if > 5 and < 7)	1.67 (2.18)	1.73 (2.03)
Average EFW Rating, 1980-2000 (1 if < 5)	0.37 (0.47)	0.55 (0.63)
Tropical Location	-1.80 (3.81)	-2.08 (3.88)
Coastal Population	1.18 (2.12)	1.54 (2.08)
Growth of Human Capital, 1980-1999	0.66 (2.19)	0.69 (2.02)
Intercept	n. a.	n. a.
R ² (adjusted)	30.2	34.7
Number of Countries	85	66

Note: R² computed from regression in which the intercept was included and one of the EFW dummy variables was omitted.

Appendix Table 2.2: Economic Freedom and the Productivity of Investment, 1980–2000

Dependent Variable: Average Annual Growth Rate of GDP Per Capita, 1980–2000

	Regression 1 All Countries	Regression 2 Less-Developed Countries
	(t-ratio in parentheses)	
GDP Per Capita, 1980 (in 1000s US\$)	–0.20 (3.16)	–0.32 (2.85)
Tropical Location	–1.61 (4.15)	–1.70 (3.83)
Coastal Population	0.13 (0.27)	0.43 (0.65)
Private Investment/GDP, 1980–2000 (EFW >7)	0.33 (7.36)	0.35 (6.41)
Private Investment/GDP, 1980–2000 (5 < EFW < 7)	0.27 (6.13)	0.27 (5.57)
Private Investment/GDP, 1980–2000 (EFW < 5)	0.19 (3.21)	0.21 (3.13)
Public Investment/GDP	0.17 (3.09)	0.17 (2.85)
Growth of Human Capital, 1980–1999	0.43 (1.72)	0.51 (1.81)
Intercept	–2.47	–2.60
R ² (adjusted)	54.9	58.5
Number of Countries	85	66

Independent Variables

Appendix Table 2.3: Economic Freedom, Investment, and Growth, 1980–2000

	Regression 1 Dependent Variable: Average Annual Growth Rate of GDP per Capita, 1980–2000	Regression 2 Dependent Variable: Private Investment/GDP, 1980–2000 (t-ratio in parentheses)	Regression 3 Dependent Variable: Average Annual Growth Rate of GDP per Capita, 1980–2000
GDP Per Capita, 1980 (in 1000s US\$)	–0.29 (3.98)		–0.29 (3.98)
EFW Rating, 1980	1.00 (3.50)	2.59 (6.41)	1.52 (6.02)
Change in EFW Rating, 1980-1990	1.28 (3.68)	3.06 (4.64)	1.90 (5.95)
Change in EFW Rating, 1990-2000	0.58 (2.27)	1.15 (2.19)	0.82 (3.25)
Tropical Location	–1.50 (3.92)	0.33 (0.42)	–1.43 (3.74)
Coastal Population	–0.11 (0.23)	2.82 (2.78)	0.46 (1.03)
Private Investment/GDP, 1980-2000	0.20 (4.30)		0.20* (4.30)
Public Investment/GDP, 1980-2000	0.17 (3.22)		0.17 (3.22)
Growth of Human Capital, 1980-1999	0.43 (1.82)		0.43 (1.82)
Intercept	–7.48	–3.96	–8.28
R² (adjusted)	58.5	52.5	58.5
Number of Countries	85	94	85

Notes: *Residual values from Regression (2).

Appendix Table 2.4: Economic Freedom and Income, 1980–2000

Dependent Variable: GDP per Capita, 2000 (PPP US\$)

		Regression 1	Regression 2 (t-ratio in parentheses)	Regression 3
Independent Variables	Average EFW Rating, 1980–2000 (Squared)	645 (12.66)	554 (10.84)	554 (11.61)
	Tropical Location		–7,078 (5.37)	–7,078 (5.40)
	Coastal Population		30 (0.02)	
Intercept		–10,771	–4,072	–4,066
R ² (adjusted)		63.5	71.4	71.8
Number of Countries		94	94	94

Notes

- 1 Other researchers have used data from the EFW index to analyze the relationship between economic freedom and growth (see, for example, Dawson, 1998; Easton and Walker, 1997; De Haan and Sturm, 2000; Cole, 2003). For additional background and analysis of the relationship between EFW ratings and cross-country differences in income levels, growth rates, and other indicators of economic performance, see the review article of Berggren (2003).
- 2 Data from the EFW chain-linked summary index are used throughout because these data are more reliable when making comparisons across time periods.
- 3 These data were unavailable for nine of the countries in our data set and, therefore, several of the equations presented below will have 85 rather than 94 observations.
- 4 In cases where information for private investment was unavailable, the private share of total investment was estimated based on information on state-owned enterprises from Component 1C of the EFW index.
- 5 In contrast with the physical capital investment rate, EFW rate (and changes in EFW rate) and changes in human capital were unrelated. Thus, there is no evidence that economic freedom exerts an indirect impact on growth through investment in human capital.
- 6 Nicaragua, Argentina, Ghana, Uganda, Bolivia, Peru, and El Salvador provide examples of countries with an exceedingly poor economic record (i.e., falling GDP per capita) during the 1980s that experienced substantial increases, albeit from low levels, in economic freedom during the 1990s.
- 7 Some researchers have sought to isolate the importance of institutions on income levels through the use of instrumental variables as proxies for cross-country differences in institutional quality. The mortality rates of colonial settlers and percentage of the population speaking English and other European languages are among the proxies used for institutional quality. This research has found that these proxies are correlated with current levels of GDP per capita. For additional details, see Hall and Jones (1999) and Acemoglu, Johnson, and Robinson (2001). While these findings are interesting, we do not believe that this methodology is as fruitful as the more direct approach taken here.

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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 countries included in this study. For each country, we present the overall EFW index rating and the ranking of that country for the years 1975, 1980, 1985, 1990, 1995, 2000, 2001, and 2002. 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 ar-

ea's score. In these rows are the scores (out of 10) for each year for which we have data. In parentheses beside some scores are the actual data used to derive that particular component rating. 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 (p. 171).

Because of space limitations, the data for 1970 are omitted. 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* along with selected data from the World Bank Development Indicators and other sources. More information is available at <http://www.globaleconomicsoftware.com>.

Albania

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶				4.3 (97)	4.5 (107)	5.7 (94)	5.6 (98)	5.7 (90)
1. Size of Government		3.9	3.9	2.8	5.2	6.2	5.5	5.5
A. Government Consumption		7.7 (13.8)	7.8 (13.4)	4.9 (23.4)	7.8 (13.6)	8.8 (10.1)	8.6 (10.6)	8.6 (10.6)
B. Transfers & Subsidies				3.5 (24.3)	7.8 (8.4)	7.8 (8.6)	7.8 (8.6)	7.8 (8.6)
C. Government Enterprises & Investment	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights			5.3	5.2	4.6	4.6	4.6	5.0
A. Judicial Independence								
B. Impartial Courts					3.9	4.3	4.3	4.3
C. Protection of Intellectual Property								
D. Military Interference					3.6	6.7	6.7	8.3
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money			6.5	6.5	3.3	7.3	6.9	7.3
A. Growth of Money Supply					0.0 (78.9)	9.6 (2.2)	9.3 (3.5)	9.3 (3.5)
B. Inflation Variability			9.6 (0.9)	9.6 (1.0)	0.0 (86.9)	4.5 (13.8)	4.1 (14.7)	6.6 (8.5)
C. Recent Annual Inflation			9.9 (0.4)	10.0 (0.0)	8.0 (9.8)	10.0 (0.0)	9.4 (3.1)	8.4 (7.8)
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 Trade Internationally					5.2	5.3	5.5	4.6
A. Taxes on International Trade					5.7	6.1	6.7	6.7
(i) Taxes as Percentage of Exports & Imports					5.7 (6.5)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)
(ii) Mean Tariff Rate						6.6 (17.0)	7.6 (11.8)	7.6 (11.8)
(iii) Variability of Tariff Rates						6.6 (8.5)	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		0.3	0.0	0.0	0.0	0.8	0.9	0.9
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	2.0	1.5	1.5	0.8
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	2.0	1.5	1.5	0.8
5. Regulation of Credit, Labor & Business				2.5	4.1	5.0	5.7	6.0
A. Regulation of Credit Markets				0.0	2.9	3.6	5.2	6.4
(i) Private Ownership of Banks				0.0	2.0	2.0	5.0	5.0
(ii) Competition from Foreign Banks								9.0
(iii) Extension of Credit to Private Sector					0.7	0.9	1.7	1.6
(iv) Avoidance of Negative Real Interest Rates				0.0	6.0	8.0	9.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	0.0	0.0	0.0	0.0	3.0	10.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls				0.0	4.0	4.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Argentina

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	3.4 (72)	4.3 (86)	3.9 (99)	4.8 (84)	6.7 (39)	7.2 (28)	6.5 (53)	5.8 (86)
1. Size of Government	5.6	6.1	5.2	6.7	7.7	7.8	7.9	7.7
A. Government Consumption	6.5 (17.8)	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)
B. Transfers & Subsidies	8.0 (7.9)	7.5 (9.7)	6.9 (11.7)	8.2 (7.2)	7.3 (10.3)	7.2 (10.7)	7.0 (11.5)	7.0 (11.5)
C. Government Enterprises & Investment	4.0 (33.6)	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)
D. Top Marginal Tax Rate	4.0	6.0	2.0	4.0	7.5	7.0	8.0	7.0
(i) Top Marginal Income Tax Rate	4.0 (51)	6.0 (45)	2.0 (62)	7.0 (35)	9.0 (30)	8.0 (35)	8.0 (35)	7.0 (35)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (57)	6.0 (40)	6.0 (36-43)	8.0 (35)	7.0 (35)
2. Legal Structure & Security of Property Rights	1.6	4.2	4.6	6.0	5.5	5.4	3.6	3.2
A. Judicial Independence					3.9	3.2	1.0	1.3
B. Impartial Courts					4.2	5.2	1.4	1.7
C. Protection of Intellectual Property					4.6	3.7	2.5	3.2
D. Military Interference					7.7	6.7	6.7	6.7
E. Integrity of Legal System					7.0	8.3	6.7	3.3
3. Access to Sound Money	2.5	2.5	2.5	2.5	6.6	9.7	9.5	7.0
A. Growth of Money Supply	0.0 (78.3)	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)
B. Inflation Variability	0.0 (61.9)	0.0 (119.8)	0.0 (208.3)	0.0 (1198.8)	0.0 (52.4)	9.5 (1.2)	9.5 (1.2)	4.3 (14.2)
C. Recent Annual Inflation	0.0 (198.2)	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)
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 Trade Internationally	2.2	4.4	2.9	4.3	7.0	6.4	6.0	6.1
A. Taxes on International Trade	0.7	4.1	3.1	3.2	7.5	7.5	7.7	7.7
(i) Taxes as Percentage of Exports & Imports	1.4 (12.9)	3.7 (9.5)	1.5 (12.7)	3.4 (9.9)	7.5 (3.7)	7.9 (3.1)	8.2 (2.7)	8.2 (2.7)
(ii) Mean Tariff Rate	0.0 (55.9)	4.4 (27.8)	4.6 (27.0)	5.9 (20.5)	7.9 (10.5)	7.5 (12.6)	7.7 (11.6)	7.7 (11.6)
(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)
B. Regulatory Trade Barriers					7.2	6.4	5.9	6.0
(i) Hidden Import Barriers					7.2	6.2	5.1	5.0
(ii) Costs of Importing						6.7	6.8	7.0
C. Size of Trade Sector	0.0	0.0	1.1	0.0	0.7	1.3	0.8	0.8
D. Official versus Black Market Exchange Rate	0.0	9.8	2.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	0.0	0.0	0.0	9.5	6.6	5.8	5.9
(i) Access to Foreign Capital					9.1	9.3	9.3	8.8
(ii) Restrictions on Foreign Capital Transactions	2.0	0.0	0.0	0.0	10.0	3.8	2.3	3.1
5. Regulation of Credit, Labor & Business	5.1	4.5	4.5	4.3	6.6	6.7	5.4	5.1
A. Regulation of Credit Markets	6.6	4.4	4.2	3.7	7.9	7.7	7.4	6.7
(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
(iii) Extension of Credit to Private Sector	8.1	8.3	7.6	6.1	7.6	6.9	6.4	2.4
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	0.0	10.0	10.0	9.0	9.0
(v) Controls on Interest Rates					8.4	9.1	9.1	9.1
B. Regulation of Labor Markets	3.7	3.7	3.7	3.5	5.9	6.1	5.6	4.9
(i) Impact of Minimum Wage					6.0	4.4	4.4	4.4
(ii) Flexibility in Hiring & Firing				3.0	3.0	5.3	2.4	1.5
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	4.8	5.1	5.7
(iv) Incentives from Unemployment Benefits	5.0	5.0	4.9	4.7	5.6	6.0	6.0	2.8
(v) Military Conscription	1.0	1.0	1.0	1.0	10.0	10.0	10.0	10.0
C. Regulation of Business					6.0	6.4	3.3	3.8
(i) Price Controls					8.0	8.0	3.0	3.0
(ii) Administrative Obstacles for New Businesses						6.8	1.2	1.7
(iii) Time Spent with Government Bureaucracy					6.7	7.5	5.0	6.5
(iv) Ease of Starting a New Business					6.2	4.8	2.7	3.8
(v) Irregular Payments to Government Officials					3.2	5.1	4.7	4.1

Australia

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	6.2 (16)		6.9 (11)		7.2 (6)		7.3 (10)		7.8 (8)		8.0 (9)		7.9 (8)		7.9 (7)	
1. Size of Government	5.2		5.1		4.9		5.4		5.7		6.2		6.1		6.2	
A. Government Consumption	5.0	(22.9)	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)
B. Transfers & Subsidies	7.8	(8.5)	7.4	(10.1)	6.9	(11.9)	7.2	(10.7)	6.3	(14.2)	7.1	(11.2)	6.7	(12.5)	6.7	(12.5)
C. Government Enterprises & Investment	6.0	(37.1)	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)
D. Top Marginal Tax Rate	2.0		2.0		2.0		3.0		4.0		3.0		3.0		3.0	
(i) Top Marginal Income Tax Rate	2.0	(64)	2.0	(62)	2.0	(60)	3.0	(49)	4.0	(47)	3.0	(47)	3.0	(47)	3.0	(47)
(ii) Top Marginal Income & Payroll Tax Rate							3.0 (49)		4.0 (48)		3.0 (49)		3.0 (49)		3.0 (49)	
2. Legal Structure & Security of Property Rights	5.1		7.3		7.9		7.9		9.0		9.5		9.3		9.1	
A. Judicial Independence									9.1		9.5		9.3		9.0	
B. Impartial Courts									9.0		9.7		8.5		8.2	
C. Protection of Intellectual Property									7.3		8.3		8.4		8.5	
D. Military Interference									9.5		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	8.4		8.9		9.3		9.0		9.4		9.4		9.3		9.4	
A. Growth of Money Supply	8.4	(7.8)	8.3	(8.6)	9.4	(3.2)	7.6	(12.0)	8.4	(7.8)	9.2	(4.0)	8.9	(5.5)	8.9	(5.5)
B. Inflation Variability	8.3	(4.2)	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)
C. Recent Annual Inflation	7.0	(14.9)	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)
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 Trade Internationally	6.3		6.6		7.2		7.5		7.5		7.8		7.7		7.6	
A. Taxes on International Trade	6.8		7.4		7.6		6.5		7.7		8.4		8.4		8.4	
(i) Taxes as Percentage of Exports & Imports	7.1	(4.4)	7.6	(3.6)	7.9	(3.2)	7.9	(3.1)	8.8	(1.8)	9.0	(1.5)	9.0	(1.5)	9.0	(1.5)
(ii) Mean Tariff Rate	6.6	(17.0)	7.1	(14.5)	7.3	(13.3)	7.2	(14.2)	8.4	(8.2)	8.8	(5.8)	8.9	(5.4)	8.9	(5.4)
(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)	
B. Regulatory Trade Barriers									6.4		8.8		8.7		9.0	
(i) Hidden Import Barriers									6.4		8.1		8.0		8.2	
(ii) Costs of Importing											9.5		9.4		9.8	
C. Size of Trade Sector	4.7		5.6		5.4		4.9		5.3		5.6		5.2		5.0	
D. Official versus Black Market Exchange Rate	9.8		9.8		10.0		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		5.0		8.0		8.3		6.1		6.1		5.6	
(i) Access to Foreign Capital									8.5		9.1		9.1		8.8	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		5.0		8.0		8.0		3.1		3.1		2.3	
5. Regulation of Credit, Labor & Business	5.8		6.5		6.6		6.6		7.3		7.2		7.2		7.4	
A. Regulation of Credit Markets	6.1		8.4		8.7		9.7		9.0		8.8		8.7		8.9	
(i) Private Ownership of Banks	8.0		8.0		8.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks									7.9		6.5		6.5		8.0	
(iii) Extension of Credit to Private Sector	6.4		7.1		8.0		9.0		9.2		9.2		9.6		9.5	
(iv) Avoidance of Negative Real Interest Rates	4.0		10.0		10.0		10.0		10.0		10.0		9.0		9.0	
(v) Controls on Interest Rates									8.1		8.2		8.2		8.2	
B. Regulation of Labor Markets							6.6		5.4		5.6		5.9		6.2	
(i) Impact of Minimum Wage									3.6		4.5		4.5		4.5	
(ii) Flexibility in Hiring & Firing									4.5		3.1		4.2		4.7	
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		5.2		5.5		6.0		6.2	
(iv) Incentives from Unemployment Benefits									3.9		4.7		4.7		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									7.5		7.3		6.9		7.0	
(i) Price Controls							6.0		7.0		7.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses											6.7		3.6		3.8	
(iii) Time Spent with Government Bureaucracy									7.2		6.2		6.5		6.5	
(iv) Ease of Starting a New Business									6.8		7.4		7.5		7.7	
(v) Irregular Payments to Government Officials									9.2		9.0		8.9		9.0	

Austria

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.9 (21)	6.4 (18)	6.4 (21)	6.8 (17)	7.0 (28)	7.5 (17)	7.6 (14)	7.5 (16)
1. Size of Government	3.9	3.1	3.0	3.1	2.8	3.4	4.8	4.8
A. Government Consumption	4.8 (23.8)	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)
B. Transfers & Subsidies	4.9 (19.4)	4.1 (22.1)	3.8 (23.1)	4.0 (22.4)	3.3 (25.2)	3.6 (23.9)	2.9 (26.4)	2.9 (26.4)
C. Government Enterprises & Investment	2.0 (45.0)	2.0 (44.5)	2.0 (42.0)	2.0	2.0	4.0	10.0 (7.7)	10.0 (7.7)
D. Top Marginal Tax Rate	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(i) Top Marginal Income Tax Rate	4.0 (54)	2.0 (62)	2.0 (62)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)
(ii) Top Marginal Income & Payroll Tax Rate				0.0 (62)	0.0 (66)	0.0 (66)	0.0 (66)	0.0 (67)
2. Legal Structure & Security of Property Rights		8.0	7.9	8.3	8.8	9.3	8.9	8.6
A. Judicial Independence					8.8	9.0	8.3	7.5
B. Impartial Courts					7.7	9.0	7.9	8.0
C. Protection of Intellectual Property					7.7	8.7	8.4	7.3
D. Military Interference					10.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money	7.9	8.4	8.4	9.6	9.5	9.6	9.6	9.7
A. Growth of Money Supply	8.5 (7.7)	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)
B. Inflation Variability	9.5 (1.2)	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)
C. Recent Annual Inflation	8.7 (6.5)	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)
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 Trade Internationally	6.5	6.9	7.0	7.3	8.1	8.6	8.5	8.4
A. Taxes on International Trade	7.9	8.6	8.8	7.9	8.7	9.2	9.0	9.0
(i) Taxes as Percentage of Exports & Imports	8.9 (1.7)	9.5 (0.7)	9.6 (0.6)	9.5 (0.7)	9.9 (0.2)	9.9 (0.2)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate	6.9 (15.4)	7.7 (11.6)	8.0 (10.0)	8.3 (8.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.2 (3.9)
(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)
B. Regulatory Trade Barriers					8.1	9.2	8.8	8.7
(i) Hidden Import Barriers					8.1	8.8	8.3	8.0
(ii) Costs of Importing						9.5	9.2	9.4
C. Size of Trade Sector	4.3	5.8	5.8	5.4	5.0	6.3	6.4	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	2.0	5.0	8.5	8.1	8.1	8.1
(i) Access to Foreign Capital					9.0	9.3	9.3	9.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	5.0	8.0	6.9	6.9	6.9
5. Regulation of Credit, Labor & Business	5.3	5.4	5.5	5.5	5.9	6.5	6.2	6.2
A. Regulation of Credit Markets	6.4	7.0	7.6	7.5	6.9	8.4	8.5	8.5
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					6.5	5.7	5.7	5.7
(iii) Extension of Credit to Private Sector	8.1	7.9	7.8	7.4	7.3	8.2	8.5	8.6
(iv) Avoidance of Negative Real Interest Rates	6.0	8.0	10.0	10.0	8.0	10.0	10.0	10.0
(v) Controls on Interest Rates					7.8	8.1	8.1	8.1
B. Regulation of Labor Markets	4.8	4.6	4.6	4.6	4.3	3.9	4.2	3.8
(i) Impact of Minimum Wage					4.6	4.6	4.6	4.6
(ii) Flexibility in Hiring & Firing				4.8	4.8	3.1	3.9	4.0
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	3.5	4.5	2.8
(iv) Incentives from Unemployment Benefits	5.0	4.4	4.4	4.2	4.5	5.2	5.2	4.4
(v) Military Conscription	5.0	5.0	5.0	5.0	3.0	3.0	3.0	3.0
C. Regulation of Business					6.4	7.3	5.9	6.4
(i) Price Controls				5.0	8.0	8.0	7.0	7.0
(ii) Administrative Obstacles for New Businesses						7.5	3.3	4.5
(iii) Time Spent with Government Bureaucracy					6.5	7.4	6.0	6.3
(iv) Ease of Starting a New Business					3.7	5.4	4.9	5.8
(v) Irregular Payments to Government Officials					7.5	8.3	8.1	8.5

Bahrain

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		7.4 (5)	6.9 (14)	6.8 (17)	6.9 (34)	7.2 (28)	7.2 (24)	7.1 (31)
1. Size of Government	6.0	6.8	6.0	5.9	6.2	6.8	6.8	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)
B. Transfers & 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)	9.6 (1.8)
C. Government Enterprises & Investment	2.0 (76.4)	4.0 (29.8)	4.0 (31.7)	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 & Payroll Tax Rate				10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure & Security of Property Rights			5.7	5.7	5.9	5.9	5.9	5.9
A. Judicial Independence								
B. Impartial Courts					6.7	6.3	6.3	6.3
C. Protection of Intellectual Property								
D. Military Interference					6.1	5.0	5.0	5.0
E. Integrity of Legal System					7.0	8.3	8.3	8.3
3. Access to Sound Money	7.8	8.1	8.6	8.8	9.4	9.1	8.9	8.8
A. Growth of Money Supply	7.1 (14.4)	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)
B. Inflation Variability	7.1 (7.2)	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)
C. Recent Annual Inflation	6.8 (16.1)	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)
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 Trade Internationally		7.6	7.2	7.3	6.8	7.7	7.6	7.5
A. Taxes on International Trade		9.4	9.2	9.3	9.1	9.1	9.1	9.1
(i) Taxes as Percentage of Exports & 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)	9.1 (1.4)
(ii) Mean Tariff Rate			8.8 (6.0)					
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	7.6	8.6	6.6	6.8	4.7	4.2	3.9	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	2.0	6.9	6.9	6.9
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	6.9	6.9	6.9
5. Regulation of Credit, Labor & Business	7.2	7.1	7.0	6.4	6.4	6.7	6.6	6.6
A. Regulation of Credit Markets	9.0	8.7	8.4	8.5	8.2	9.3	9.0	8.8
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks								7.0
(iii) Extension of Credit to Private Sector	9.9	9.4	8.7	7.5	8.7	8.0	8.1	8.4
(iv) Avoidance of Negative Real Interest Rates				10.0	8.0	10.0	9.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Bangladesh

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	3.8 (69)		3.7 (98)		4.0 (95)		4.7 (90)		5.5 (79)		5.7 (94)		5.8 (87)		5.9 (83)	
1. Size of Government	6.0		4.3		4.3		7.0		7.7		7.7		8.1		8.1	
A. Government Consumption	10.0 (3.3)		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)	
B. Transfers & Subsidies													9.3 (3.2)		9.3 (3.2)	
C. Government Enterprises & Investment	2.0 (50.4)		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)	
D. Top Marginal Tax Rate			1.0		1.0		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)	
(ii) Top Marginal Income & Payroll Tax Rate							9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)		9.0 (25)	
2. Legal Structure & Security of Property Rights			2.5		2.5		2.4		5.0		3.5		3.0		3.2	
A. Judicial Independence													3.7		3.2	
B. Impartial Courts									3.9		4.2		2.6		2.8	
C. Protection of Intellectual Property											2.0		1.9		1.8	
D. Military Interference									5.3		3.3		3.3		5.0	
E. Integrity of Legal System									7.0		3.3		3.3		3.3	
3. Access to Sound Money	2.0		4.5		6.0		6.9		6.4		6.9		7.0		6.9	
A. Growth of Money Supply	7.8 (10.9)		6.4 (18.0)		7.4 (13.1)		9.5 (2.7)		8.0 (10.0)		9.1 (4.6)		9.0 (5.2)		9.1 (4.7)	
B. Inflation Variability	0.0 (29.1)		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 (1.7)	
C. Recent Annual Inflation	0.0 (74.5)		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)	
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 Trade Internationally	2.6		2.2		2.1		1.8		3.2		5.1		5.6		5.9	
A. Taxes on International Trade	4.7		0.5		0.0		0.6		1.4		5.2		5.2		5.2	
(i) Taxes as Percentage of Exports & Imports	4.7 (7.9)		1.1 (13.4)		0.0 (17.9)		1.9 (12.1)		4.3 (8.6)		5.3 (7.0)		5.3 (7.0)		5.3 (7.0)	
(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)	
(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)	
B. Regulatory Trade Barriers											4.7		5.9		6.0	
(i) Hidden Import Barriers											4.7		4.5		4.8	
(ii) Costs of Importing													7.2		7.3	
C. Size of Trade Sector	0.0		2.4		2.4		0.0		1.8		2.6		3.4		3.6	
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		0.0		4.4		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		2.9		3.3		4.4	
(i) Access to Foreign Capital											5.9		5.9		8.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		0.0		0.8		0.8	
5. Regulation of Credit, Labor & Business	4.6		5.0		5.3		5.2		5.0		5.5		5.3		5.4	
A. Regulation of Credit Markets	1.4		3.4		4.2		5.8		5.1		5.9		5.9		5.8	
(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											5.9		5.9		5.9	
(iii) Extension of Credit to Private Sector	2.8		4.3		6.6		7.3		7.4		8.0		7.9		7.6	
(iv) Avoidance of Negative Real Interest Rates			6.0		6.0		10.0		8.0		10.0		10.0		10.0	
(v) Controls on Interest Rates											3.7		3.7		3.7	
B. Regulation of Labor Markets											6.6		6.6		6.8	
(i) Impact of Minimum Wage											4.6		4.6		4.6	
(ii) Flexibility in Hiring & Firing											5.0		5.0		5.3	
(iii) Collective Bargaining											6.6		6.8		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											4.0		3.5		3.7	
(i) Price Controls							0.0		0.0		0.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.6		1.7		1.7	
(iii) Time Spent with Government Bureaucracy											5.7		3.3		4.5	
(iv) Ease of Starting a New Business											4.6		3.8		3.8	
(v) Irregular Payments to Government Officials											1.9		2.5		2.3	

Barbados

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.8 (24)	5.7 (41)	6.0 (33)	5.9 (42)	6.0 (65)	5.6 (97)	5.7 (91)	5.6 (94)
1. Size of Government	5.8	5.8	5.4	5.9	6.1	4.7	3.9	3.9
A. Government Consumption	6.4 (18.3)	6.1 (19.3)	4.5 (24.6)	4.7 (24.1)	5.1 (22.7)	4.6 (24.3)	4.2 (25.6)	4.2 (25.6)
B. Transfers & Subsidies	10.0 (0.2)	10.0 (0.2)	10.0 (0.0)	10.0 (0.5)	10.0 (0.0)			
C. Government Enterprises & Investment	6.0 (26.8)	6.0 (22.8)	6.0 (22.5)	6.0	6.0	6.0	4.0 (33.9)	4.0 (33.9)
D. Top Marginal Tax Rate	1.0	1.0	1.0	3.0	3.5	3.5	3.5	3.5
(i) Top Marginal Income Tax Rate	1.0 (65)	1.0 (60)	1.0 (60)	4.0 (50)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income & Payroll Tax Rate				2.0 (54)	2.0 (53)	2.0 (53)	2.0 (52)	2.0 (53)
2. Legal Structure & Security of Property Rights			5.7	5.7	4.6	5.2	6.6	6.6
A. Judicial Independence					5.0	5.0		
B. Impartial Courts					6.3	7.6	7.6	7.6
C. Protection of Intellectual Property					3.0	3.0		
D. Military Interference								
E. Integrity of Legal System					4.1			
3. Access to Sound Money	5.5	5.0	6.7	6.5	7.2	6.6	6.7	6.8
A. Growth of Money Supply	8.1 (9.5)	6.9 (15.3)	8.8 (5.8)	8.6 (7.1)	9.3 (-3.4)	7.9 (10.5)	8.0 (10.2)	8.0 (10.2)
B. Inflation Variability	6.3 (9.2)	6.0 (6.0)	8.6 (3.5)	8.6 (3.4)	9.5 (1.3)	9.1 (2.3)	9.2 (2.1)	9.3 (1.6)
C. Recent Annual Inflation	7.7 (11.7)	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)
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 Trade Internationally	4.8	5.7	5.4	4.8	5.3	5.0	4.9	4.1
A. Taxes on International Trade	7.1	7.5	7.2	6.1	6.6	6.2	6.2	6.2
(i) Taxes as Percentage of Exports & Imports	7.1 (4.4)	7.5 (3.7)	7.7 (3.4)	7.6 (3.6)	7.8 (3.3)			
(ii) Mean Tariff Rate			6.6 (17.0)		7.2 (14.1)	6.2 (19.0)	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	2.7	4.8	3.9	1.7	2.4	0.9	0.3	0.3
D. Official versus Black Market Exchange Rate	6.0	7.8	7.8	8.0	9.4	9.8	9.8	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 & Business	6.9	6.4	6.9	6.6	6.6	6.4	6.6	6.6
A. Regulation of Credit Markets	8.0	7.2	8.4	8.2	8.2	7.7	8.3	8.2
(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	8.1	7.6	7.1	6.7	6.6	7.1	6.9	6.7
(iv) Avoidance of Negative Real Interest Rates		6.0	10.0	10.0	10.0	8.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	6.8 (8)		7.1 (8)		7.1 (8)		7.3 (10)		7.2 (23)		7.5 (17)		7.4 (18)		7.4 (18)	
1. Size of Government	4.0		3.6		3.6		4.2		4.0		3.5		4.6		4.6	
A. Government Consumption	5.6	(20.9)	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)
B. Transfers & Subsidies	2.4	(28.5)	3.1	(26.0)	2.6	(27.6)	3.3	(25.0)	3.0	(26.3)	3.4	(24.9)	3.8	(23.2)	3.8	(23.2)
C. Government Enterprises & Investment	6.0	(25.0)	6.0	(26.8)	6.0	(25.3)	6.0	(27.0)	6.0		6.0		10.0	(8.6)	10.0	(8.6)
D. Top Marginal Tax Rate	2.0		0.0		0.0		1.0		1.0		1.0		1.0		1.0	
(i) Top Marginal Income Tax Rate	2.0	(64)	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)
(ii) Top Marginal Income & Payroll Tax Rate							0.0 (70)		1.0 (58-64)		0.0 (71)		0.0 (69-72)		0.0 (64-68)	
2. Legal Structure & Security of Property Rights	7.4		7.8		7.9		8.3		7.5		8.3		7.8		7.7	
A. Judicial Independence									5.8		7.3		6.2		6.7	
B. Impartial Courts									6.4		8.2		6.6		6.2	
C. Protection of Intellectual Property									6.9		7.6		7.8		7.2	
D. Military Interference									8.5		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		8.3		8.3		8.3	
3. Access to Sound Money	8.7		9.5		9.6		9.6		9.7		9.6		9.6		9.7	
A. Growth of Money Supply	8.6	(6.9)	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)
B. Inflation Variability	8.8	(3.0)	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)
C. Recent Annual Inflation	7.5	(12.3)	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)
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 Trade Internationally	8.7		8.8		9.0		8.7		8.5		9.0		8.9		8.8	
A. Taxes on International Trade	9.1		9.0		9.2		8.5		8.7		9.2		9.0		9.0	
(i) Taxes as Percentage of Exports & Imports	10.0	(0.0)	9.8	(0.3)	9.8	(0.3)	9.7	(0.4)	9.7	(0.4)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)
(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)	
B. Regulatory Trade Barriers									8.3		8.9		8.9		8.9	
(i) Hidden Import Barriers									8.3		8.2		8.2		8.2	
(ii) Costs of Importing											9.5		9.6		9.6	
C. Size of Trade Sector	6.3		6.6		7.6		7.0		6.4		7.7		7.4		7.2	
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	10.0		10.0		10.0		10.0		9.3		9.2		9.2		8.8	
(i) Access to Foreign Capital									8.6		9.9		9.9		9.2	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		10.0		8.5		8.5		8.5	
5. Regulation of Credit, Labor & Business	5.2		5.5		5.4		5.5		6.1		7.0		5.9		6.1	
A. Regulation of Credit Markets	7.2		8.6		8.1		8.4		8.0		8.3		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	
(iii) Extension of Credit to Private Sector	5.7		5.8		4.3		5.2		5.0		5.2		5.6		5.9	
(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									7.0		8.3		8.3		8.3	
B. Regulation of Labor Markets	3.4		3.5		3.5		3.6		4.9		5.0		4.9		4.5	
(i) Impact of Minimum Wage									3.9		5.1		5.1		5.1	
(ii) Flexibility in Hiring & Firing									3.8		3.1		3.0		1.5	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.5		4.2		3.8		3.3	
(iv) Incentives from Unemployment Benefits	2.8		3.0		3.0		3.3		2.6		2.7		2.7		2.5	
(v) Military Conscription	3.0		3.0		3.0		3.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									5.3		7.6		4.5		5.3	
(i) Price Controls							2.0		5.0		6.0		5.0		5.0	
(ii) Administrative Obstacles for New Businesses											8.2		2.1		1.8	
(iii) Time Spent with Government Bureaucracy									6.5		8.9		3.5		6.8	
(iv) Ease of Starting a New Business									4.6		6.4		4.2		5.2	
(v) Irregular Payments to Government Officials									5.1		8.3		7.5		7.6	

Belize

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		5.9 (26)	5.7 (44)	5.8 (46)	6.3 (49)	6.2 (72)	6.2 (71)	6.3 (68)
1. Size of Government	6.5	5.2	5.0	4.9	6.3	5.8	6.0	6.0
A. Government Consumption	6.9 (16.4)	6.1 (19.3)	5.0 (23.1)	5.6 (20.9)	6.6 (17.7)	6.3 (18.4)	6.3 (18.5)	6.3 (18.5)
B. Transfers & 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)
C. Government Enterprises & Investment	6.0 (34.4)	0.0 (51.0)	2.0 (49.9)	0.0 (55.5)	4.0 (38.3)	2.0 (47.7)	2.0 (47.4)	2.0 (47.4)
D. Top Marginal Tax Rate			4.0	4.0	5.0	5.0		
(i) Top Marginal Income Tax Rate			4.0 (50)	4.0 (45)	5.0 (45)	5.0		
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights					5.3	6.2	6.2	6.2
A. Judicial Independence								
B. Impartial Courts					5.7	6.9	6.9	6.9
C. Protection of Intellectual Property								
D. Military Interference						7.2	7.2	7.2
E. Integrity of Legal System								
3. Access to Sound Money	6.6	6.2	6.6	6.8	7.2	6.7	6.4	7.8
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)	7.2 (14.2)
B. Inflation Variability	6.7 (8.3)	8.5 (3.8)	7.5 (6.3)	8.8 (3.0)	9.6 (1.0)	8.3 (4.3)	8.5 (3.8)	9.4 (1.4)
C. Recent Annual Inflation	6.6 (16.9)	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)
D. Freedom to Own Foreign Currency		0.0	0.0	0.0	0.0	0.0	0.0	5.0
4. Freedom to Trade Internationally		5.2	4.4	5.1	5.7	5.7	5.6	5.1
A. Taxes on International Trade		4.2	4.7	2.8	2.7	5.6	5.6	5.6
(i) Taxes as Percentage of Exports & 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)
(ii) Mean Tariff Rate			6.6 (17.0)					
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	6.5	5.1	4.2	4.7	3.2	4.6	4.2	4.2
D. Official versus Black Market Exchange Rate	3.6	3.2	0.0	5.0	9.4	9.2	9.2	10.0
E. Restrictions on Capital Markets		5.0	5.0	5.0	5.0	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
5. Regulation of Credit, Labor & Business		6.9	6.8	6.3	7.0	6.8	6.9	6.6
A. Regulation of Credit Markets	9.1	8.1	7.8	9.4	9.6	8.9	9.3	8.3
(i) Private Ownership of Banks				10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks								5.0
(iii) Extension of Credit to Private Sector	9.1	8.2	7.7	8.2	8.7	8.8	8.9	9.3
(iv) Avoidance of Negative Real Interest Rates		8.0	8.0	10.0	10.0	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 & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls				0.0	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								

Bolivia

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.4 (82)	3.6 (103)	5.5 (52)	6.8 (37)	6.7 (45)	6.5 (53)	6.5 (58)
1. Size of Government	7.0	5.4	6.9	6.8	7.1	7.5	7.5	7.3
A. Government Consumption	7.3 (15.1)	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)
B. Transfers & Subsidies	9.8 (1.3)	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)
C. Government Enterprises & Investment	4.0 (28.9)	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)
D. Top Marginal Tax Rate		3.0	8.0	10.0	9.5	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)
(ii) Top Marginal Income & Payroll Tax Rate				10.0 (16)	9.0 (22)		10.0 (13)	10.0 (13)
2. Legal Structure & Security of Property Rights		2.3	1.7	3.2	5.4	3.4	3.0	2.8
A. Judicial Independence						2.2	1.4	1.2
B. Impartial Courts					4.9	3.3	2.1	1.8
C. Protection of Intellectual Property						1.7	1.3	1.2
D. Military Interference					5.9	5.0	5.0	5.0
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	6.3	5.1	0.0	4.8	8.1	9.3	9.5	9.7
A. Growth of Money Supply	5.8 (20.9)	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)
B. Inflation Variability	1.0 (22.5)	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)
C. Recent Annual Inflation	8.4 (7.8)	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)
D. Freedom to Own Foreign Currency	10.0	10.0	0.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.0	5.3	5.8	6.5	7.4	7.3	7.1	7.1
A. Taxes on International Trade	4.1	4.8	5.7	7.6	8.7	8.7	8.7	8.7
(i) Taxes as Percentage of Exports & Imports	4.1 (8.9)	4.8 (7.8)	5.3 (7.0)	8.5 (2.3)	8.6 (2.1)	8.5 (2.2)	8.6 (2.1)	8.6 (2.1)
(ii) Mean Tariff Rate			6.0 (19.8)	6.7 (16.7)	8.1 (9.7)	8.1 (9.5)	8.1 (9.5)	8.1 (9.5)
(iii) Variability of Tariff Rates					9.6 (1.1)	9.4 (1.6)	9.4 (1.6)	9.4 (1.6)
B. Regulatory Trade Barriers						5.5	4.9	5.6
(i) Hidden Import Barriers						4.8	3.6	4.7
(ii) Costs of Importing						6.2	6.1	6.6
C. Size of Trade Sector	6.5	6.0	5.1	5.4	5.4	4.5	4.2	4.2
D. Official versus Black Market Exchange Rate	9.0	5.6	8.2	9.4	9.8	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.0	7.8	7.8	6.9
(i) Access to Foreign Capital						8.6	8.6	6.8
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	5.0	6.9	6.9	6.9
5. Regulation of Credit, Labor & Business		3.8		6.2	6.2	6.0	5.5	5.6
A. Regulation of Credit Markets	6.5	2.5	0.0	9.3	8.5	7.8	8.0	7.9
(i) Private Ownership of Banks				10.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						5.1	5.1	5.1
(iii) Extension of Credit to Private Sector	6.5	5.0		10.0	9.6	9.6	9.4	9.3
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	8.0	8.0	8.0	9.0	9.0
(v) Controls on Interest Rates						6.3	6.3	6.3
B. Regulation of Labor Markets						4.7	4.3	4.6
(i) Impact of Minimum Wage						3.1	3.1	3.1
(ii) Flexibility in Hiring & Firing						4.9	3.8	3.5
(iii) Collective Bargaining						7.1	6.2	7.8
(iv) Incentives from Unemployment Benefits						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
(i) Price Controls				6.0	8.0	9.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses						5.5	1.7	2.2
(iii) Time Spent with Government Bureaucracy						3.9	4.3	4.3
(iv) Ease of Starting a New Business						3.9	2.8	3.3
(v) Irregular Payments to Government Officials						5.1	3.7	4.0

Botswana

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			5.6 (48)		5.8 (40)		5.8 (46)		6.4 (45)		7.2 (28)		7.3 (20)		7.4 (18)	
1. Size of Government	3.8		3.6		3.3		3.7		4.8		5.3		5.3		5.3	
A. Government Consumption	4.5	(24.8)	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)
B. Transfers & Subsidies	8.6	(5.5)	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)
C. Government Enterprises & Investment	2.0	(46.3)	2.0	(44.9)	2.0	(53.2)	2.0		4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate	0.0		0.0		2.0		3.0		7.0		9.0		9.0		9.0	
(i) Top Marginal Income Tax Rate	0.0	(75)	0.0	(75)	2.0	(60)	3.0	(50)	7.0	(35)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income & Payroll Tax Rate							3.0	(50)	7.0	(35)	9.0	(25)	9.0	(25)	9.0	(25)
2. Legal Structure & Security of Property Rights					6.3		6.3		6.4		6.8		7.0		7.3	
A. Judicial Independence													7.7		8.2	
B. Impartial Courts									6.4		6.8		6.8		7.7	
C. Protection of Intellectual Property													4.9		3.8	
D. Military Interference									8.3		10.0		10.0		10.0	
E. Integrity of Legal System									7.0		6.7		5.8		6.7	
3. Access to Sound Money	4.4		5.3		5.3		5.6		7.9		9.1		9.2		9.3	
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)	9.3	(3.3)
B. Inflation Variability	6.9	(7.7)	6.4	(8.9)	6.5	(8.9)	6.6	(8.6)	8.3	(4.3)	8.3	(4.2)	8.8	(2.9)	9.6	(0.9)
C. Recent Annual Inflation	6.3	(18.8)	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)
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 Trade Internationally			7.2		7.2		7.4		6.8		7.8		7.7		7.8	
A. Taxes on International Trade	3.1		4.8		7.0		6.3		4.2		6.8		6.8		6.8	
(i) Taxes as Percentage of Exports & Imports	3.1	(10.4)	1.5	(12.8)	5.3	(7.1)	5.6	(6.6)	5.2	(7.1)	6.0	(6.1)	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)	8.6	(7.2)	8.6	(7.2)
(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)
B. Regulatory Trade Barriers													7.8		8.0	
(i) Hidden Import Barriers													7.1		7.3	
(ii) Costs of Importing													8.5		8.8	
C. Size of Trade Sector	7.2		10.0		10.0		8.8		7.1		7.1		6.3		6.2	
D. Official versus Black Market Exchange Rate	1.2		8.0		5.6		8.6		9.6		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	
(i) Access to Foreign Capital															9.0	
(ii) Restrictions on Foreign Capital Transactions			5.0		5.0		5.0		5.0		6.9		6.9		6.9	
5. Regulation of Credit, Labor & Business			6.3		6.9		5.9		6.1		7.0		7.3		7.2	
A. Regulation of Credit Markets	9.1		6.5		8.1		5.9		6.6		9.7		9.7		9.8	
(i) Private Ownership of Banks							5.0		5.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	9.1		8.9		8.1		8.8		8.8		9.0		9.1		9.3	
(iv) Avoidance of Negative Real Interest Rates			4.0		8.0		4.0		6.0		10.0		10.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													6.8		6.6	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing													3.7		3.3	
(iii) Collective Bargaining													6.7		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	
(i) Price Controls							6.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses													4.0		3.5	
(iii) Time Spent with Government Bureaucracy													4.0		4.3	
(iv) Ease of Starting a New Business													5.8		5.2	
(v) Irregular Payments to Government Officials													6.9		7.3	

Brazil

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.7 (53)	4.4 (82)	3.6 (103)	4.2 (100)	4.4 (109)	5.9 (80)	5.9 (84)	6.2 (74)
1. Size of Government	5.4	5.3	5.1	5.8	5.6	5.9	6.3	6.5
A. Government Consumption	7.7 (13.8)	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)
B. Transfers & Subsidies	4.7 (19.9)	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)
C. Government Enterprises & Investment	4.0 (35.8)	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)
D. Top Marginal Tax Rate	5.0	4.0	1.0	5.5	5.5	5.0	5.0	5.5
(i) Top Marginal Income Tax Rate	5.0 (50)	4.0 (55)	1.0 (60)	9.0 (25)	8.0 (35)	8.0 (28)	8.0 (28)	8.0 (28)
(ii) Top Marginal Income & Payroll Tax Rate				2.0 (53)	3.0 (60)	2.0 (55)	2.0 (55)	3.0 (50)
2. Legal Structure & Security of Property Rights	5.4	5.9	5.7	6.2	5.8	5.4	4.9	4.9
A. Judicial Independence					5.6	5.5	5.3	4.8
B. Impartial Courts					6.7	6.2	4.6	4.8
C. Protection of Intellectual Property					4.1	5.1	4.8	4.7
D. Military Interference					5.5	6.7	6.7	6.7
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money	3.6	1.3	0.0	0.0	0.0	6.1	6.6	7.7
A. Growth of Money Supply	3.9 (30.6)	1.6 (41.8)	0.0 (137.8)	0.0 (648.7)	0.0 (479.0)	8.1 (9.6)	8.5 (7.6)	8.5 (7.6)
B. Inflation Variability	7.3 (6.7)	3.4 (16.6)	0.0 (53.1)	0.0 (878.9)	0.0 (851.5)	7.9 (5.2)	9.3 (1.7)	9.2 (2.0)
C. Recent Annual Inflation	3.2 (34.0)	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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
4. Freedom to Trade Internationally	3.8	4.5	3.0	4.6	5.7	5.9	6.4	6.8
A. Taxes on International Trade	6.2	3.3	2.6	4.8	7.7	6.3	7.3	7.3
(i) Taxes as Percentage of Exports & Imports	6.2 (5.7)	3.3 (10.0)	7.9 (3.2)	7.5 (3.7)	8.1 (2.8)	4.5 (8.3)	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)	7.4 (12.9)
(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)
B. Regulatory Trade Barriers					5.3	5.3	6.0	5.7
(i) Hidden Import Barriers					5.3	4.0	5.7	5.7
(ii) Costs of Importing						6.7	6.3	5.8
C. Size of Trade Sector	4.2	4.6	3.9	1.8	2.3	3.9	4.9	5.1
D. Official versus Black Market Exchange Rate	0.2	6.4	0.2	8.0	9.4	10.0	10.0	9.2
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	3.6	4.2	4.2	6.6
(i) Access to Foreign Capital					7.3	7.6	7.6	8.6
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	0.8	0.8	4.6
5. Regulation of Credit, Labor & Business	5.2	4.9	4.3	4.7	5.1	6.0	5.3	5.0
A. Regulation of Credit Markets	6.5	5.3	3.4	3.9	4.7	6.6	5.9	5.6
(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
(iii) Extension of Credit to Private Sector	8.4	6.8	5.3	6.8	8.2	7.3	6.3	6.4
(iv) Avoidance of Negative Real Interest Rates	6.0	4.0	0.0	0.0	0.0	8.0	5.0	5.0
(v) Controls on Interest Rates					3.8	5.8	5.8	5.8
B. Regulation of Labor Markets				4.8	5.3	4.6	4.7	4.5
(i) Impact of Minimum Wage					6.7	3.5	3.5	3.5
(ii) Flexibility in Hiring & Firing				6.2	6.2	5.3	5.5	5.0
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	5.5	5.3	5.3
(iv) Incentives from Unemployment Benefits					5.5	6.0	6.0	5.9
(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
(i) Price Controls				0.0	6.0	7.0	7.0	5.0
(ii) Administrative Obstacles for New Businesses						7.7	2.8	3.0
(iii) Time Spent with Government Bureaucracy					5.6	7.4	6.3	5.8
(iv) Ease of Starting a New Business					6.0	5.7	4.6	4.3
(v) Irregular Payments to Government Officials					3.3	5.7	6.2	5.6

Bulgaria

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶			5.6 (46)	4.3 (97)	4.6 (103)	5.1 (106)	5.7 (91)	6.0 (78)
1. Size of Government		4.5	4.5	2.5	4.0	4.0	4.6	4.6
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)
B. Transfers & 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)
C. Government Enterprises & Investment	0.0	0.0	0.0	0.0 (96.4)	0.0 (55.6)	2.0 (44.8)	2.0 (49.8)	2.0 (49.8)
D. Top Marginal Tax Rate					3.0	3.0	5.0	5.0
(i) Top Marginal Income Tax Rate					3.0 (50)	5.0 (38)	8.0 (29)	8.0 (29)
(ii) Top Marginal Income & Payroll Tax Rate						1.0 (56)	2.0 (53)	2.0 (52)
2. Legal Structure & Security of Property Rights			7.2	7.2	5.9	5.4	4.8	4.7
A. Judicial Independence						4.2	3.2	2.8
B. Impartial Courts					5.3	4.5	2.9	2.7
C. Protection of Intellectual Property						3.4	3.1	2.8
D. Military Interference					7.5	8.3	8.3	8.3
E. Integrity of Legal System					7.0	6.7	6.7	6.7
3. Access to Sound Money			6.5	4.4	2.0	3.2	6.3	8.3
A. Growth of Money Supply				7.4 (13.1)	3.0 (35.1)	0.0 (76.7)	6.7 (16.3)	6.7 (16.3)
B. Inflation Variability			9.4 (1.4)	5.6 (10.9)	0.0 (66.4)	0.0 (409.7)	0.0 (419.7)	7.6 (6.1)
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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally			4.2	4.3	6.9	7.3	7.1	6.8
A. Taxes on International Trade			6.4	8.4	6.4	7.8	7.4	7.4
(i) Taxes as Percentage of Exports & Imports			6.4 (5.4)	9.1 (1.3)	7.9 (3.2)	9.5 (0.7)	9.6 (0.6)	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)
(iii) Variability of Tariff Rates					4.7 (13.3)	6.8 (8.1)	5.5 (11.3)	5.5 (11.3)
B. Regulatory Trade Barriers						6.4	6.4	6.4
(i) Hidden Import Barriers						4.4	4.4	4.3
(ii) Costs of Importing						8.5	8.4	8.4
C. Size of Trade Sector		5.2	6.3	4.8	5.9	7.0	7.0	6.4
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	9.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	5.0	5.0	4.7	3.7
(i) Access to Foreign Capital						7.0	7.0	5.8
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	5.0	3.1	2.3	1.5
5. Regulation of Credit, Labor & Business				3.0	4.3	5.4	5.4	5.8
A. Regulation of Credit Markets	0.0	0.0	0.0	1.7	4.3	5.9	6.9	7.9
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	2.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks						5.2	5.2	9.0
(iii) Extension of Credit to Private Sector				1.0	3.0	7.1	7.3	7.3
(iv) Avoidance of Negative Real Interest Rates				4.0	8.0	4.0	9.0	10.0
(v) Controls on Interest Rates						5.3	5.3	5.3
B. Regulation of Labor Markets						4.9	4.9	5.1
(i) Impact of Minimum Wage						2.6	2.6	2.6
(ii) Flexibility in Hiring & Firing						4.3	4.6	5.3
(iii) Collective Bargaining						7.9	7.6	7.8
(iv) Incentives from Unemployment Benefits						6.8	6.8	6.8
(v) Military Conscription	0.0	0.0	0.0	0.0	1.0	3.0	3.0	3.0
C. Regulation of Business						5.4	4.5	4.3
(i) Price Controls				0.0	4.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						6.1	2.8	2.5
(iii) Time Spent with Government Bureaucracy						6.0	4.0	4.0
(iv) Ease of Starting a New Business						2.5	2.2	2.2
(v) Irregular Payments to Government Officials						6.6	7.4	6.8

Burundi

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.3 (59)	4.2 (88)	4.7 (83)	4.7 (90)	4.7 (100)	5.1 (106)	5.3 (106)	4.9 (115)
1. Size of Government	4.2	4.5	4.7	4.4	5.8	6.5	6.1	6.3
A. Government Consumption	8.5 (11.2)	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)
B. Transfers & Subsidies					9.3 (3.2)	9.4 (2.6)	9.4 (2.6)	9.4 (2.6)
C. Government Enterprises & Investment	0.0 (55.3)	0.0 (67.7)	0.0 (82.4)	0.0 (82.5)	0.0	2.0	2.0	2.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights		4.7	4.2	4.4	4.5	3.3	3.3	3.3
A. Judicial Independence								
B. Impartial Courts					4.0	3.7	3.7	3.7
C. Protection of Intellectual Property								
D. Military Interference						2.2	2.2	2.2
E. Integrity of Legal System					5.2			
3. Access to Sound Money	5.4	4.9	6.1	6.5	5.8	6.1	6.8	7.1
A. Growth of Money Supply	8.8 (6.1)	5.3 (23.3)	8.5 (7.3)	9.9 (0.8)	8.3 (8.6)	7.7 (11.7)	7.5 (12.6)	7.5 (12.6)
B. Inflation Variability	7.2 (7.1)	7.6 (6.0)	7.1 (7.4)	7.2 (6.9)	8.1 (4.9)	6.6 (8.5)	6.7 (8.3)	6.1 (9.8)
C. Recent Annual Inflation	5.8 (21.1)	6.7 (16.4)	9.0 (5.1)	8.8 (6.0)	7.0 (15.2)	5.1 (24.3)	8.2 (9.2)	9.7 (-1.4)
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 Trade Internationally	2.2	2.1	3.0	3.9	2.6	4.3	4.3	2.0
A. Taxes on International Trade	1.9	0.0	1.2	1.3	2.1	1.1	1.1	1.1
(i) Taxes as Percentage of Exports & Imports	1.9 (12.2)	0.0 (18.1)	0.0 (17.0)	0.0 (22.9)	1.6 (12.6)	1.1 (13.3)	1.1 (13.3)	1.1 (13.3)
(ii) Mean Tariff Rate			2.4 (37.9)	2.6 (37.0)	2.6 (36.9)			
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	0.0	1.0	0.4	0.9	1.4	0.0	0.0	0.0
D. Official versus Black Market Exchange Rate	0.8	1.0	5.0	8.8	1.2	10.0	10.0	4.5
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	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	0.0	2.3	2.3	2.3
5. Regulation of Credit, Labor & Business	5.2	4.8	5.2	4.5	4.9	5.5	5.8	5.8
A. Regulation of Credit Markets	3.1	2.9	4.0	3.3	3.9	5.2	6.4	6.4
(i) Private Ownership of Banks	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	4.3	4.8	3.9	5.8	7.8	9.7	9.3	9.3
(iv) Avoidance of Negative Real Interest Rates		2.0	6.0	4.0	4.0	6.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Canada

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	6.7 (9)	7.2 (7)	7.2 (6)	7.5 (5)	7.8 (8)	8.1 (7)	8.1 (6)	7.9 (7)
1. Size of Government	5.2	4.9	4.7	5.3	5.3	6.0	6.5	6.5
A. Government Consumption	3.3 (28.9)	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)
B. Transfers & Subsidies	7.7 (9.1)	6.2 (14.5)	5.7 (16.3)	5.9 (15.6)	5.5 (16.9)	6.3 (13.9)	6.4 (13.6)	6.4 (13.6)
C. Government Enterprises & Investment	8.0 (15.8)	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)
D. Top Marginal Tax Rate	2.0	2.0	2.0	4.0	4.0	3.0	5.0	5.0
(i) Top Marginal Income Tax Rate	2.0 (59-67)	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)
(ii) Top Marginal Income & Payroll Tax Rate				4.0 (44-54)	4.0 (44-54)	3.0 (44-51)	5.0 (39-49)	5.0 (39-49)
2. Legal Structure & Security of Property Rights	5.8	7.2	7.9	8.3	8.9	9.3	9.0	8.3
A. Judicial Independence					9.5	9.2	8.8	7.5
B. Impartial Courts					8.9	9.2	8.0	6.5
C. Protection of Intellectual Property					7.3	8.0	8.0	7.3
D. Military Interference					9.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money	8.8	9.2	9.0	9.6	9.6	9.5	9.5	9.5
A. Growth of Money Supply	8.7 (6.5)	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)
B. Inflation Variability	8.5 (3.9)	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)
C. Recent Annual Inflation	8.0 (10.2)	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)
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 Trade Internationally	7.5	7.8	7.7	7.5	7.3	8.3	8.2	8.0
A. Taxes on International Trade	7.5	8.1	8.4	7.9	5.9	8.8	8.7	8.7
(i) Taxes as Percentage of Exports & Imports	7.5 (3.7)	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 (0.3)
(ii) Mean Tariff Rate	7.4 (13.0)	7.8 (11.2)	7.9 (10.5)	8.1 (9.4)	8.0 (10.1)	9.2 (3.9)	9.1 (4.5)	9.1 (4.5)
(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)
B. Regulatory Trade Barriers					7.2	8.5	8.2	8.2
(i) Hidden Import Barriers					7.2	7.5	7.4	7.3
(ii) Costs of Importing						9.5	9.0	9.0
C. Size of Trade Sector	3.9	4.6	4.2	3.5	5.0	5.6	5.2	4.9
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	8.0	8.4	8.6	8.6	8.3
(i) Access to Foreign Capital					8.8	8.8	8.8	8.2
(ii) Restrictions on Foreign Capital Transactions	8.0	8.0	8.0	8.0	8.0	8.5	8.5	8.5
5. Regulation of Credit, Labor & Business	6.3	6.8	6.7	6.7	7.7	7.6	7.3	7.3
A. Regulation of Credit Markets	8.1	9.7	9.7	9.7	8.3	8.4	8.4	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
(iii) Extension of Credit to Private Sector	8.4	9.2	9.2	9.2	8.3	8.8	8.7	8.7
(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					7.8	8.2	8.2	8.2
B. Regulation of Labor Markets	7.2	7.3	7.2	7.1	7.1	6.4	6.5	6.5
(i) Impact of Minimum Wage					6.1	4.3	4.3	4.3
(ii) Flexibility in Hiring & Firing				6.5	6.5	5.1	5.6	5.5
(iii) Collective Bargaining	7.2	7.2	7.2	7.2	7.2	7.8	7.9	7.7
(iv) Incentives from Unemployment Benefits	4.4	4.8	4.5	4.5	5.8	4.8	4.8	5.1
(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
(i) Price Controls				9.0	7.0	9.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses						7.2	4.2	3.3
(iii) Time Spent with Government Bureaucracy					7.1	7.2	6.0	5.8
(iv) Ease of Starting a New Business					7.8	7.6	7.5	7.3
(v) Irregular Payments to Government Officials					8.8	9.1	8.6	7.7

Chad

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶			4.5 (89)	5.3 (62)	5.3 (84)	5.4 (101)	5.6 (98)	5.4 (103)
1. Size of Government	2.7	2.1	4.3	6.2	6.3	6.5	6.7	6.7
A. Government Consumption	5.4 (21.6)	4.1 (26.0)	8.6 (10.8)	8.7 (10.5)	9.1 (9.1)	8.9 (9.7)	9.4 (8.0)	9.4 (8.0)
B. Transfers & Subsidies				9.9 (0.9)	9.9 (0.8)			
C. Government Enterprises & Investment	0.0	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)
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights		4.7	4.2	4.4	4.4	4.2	4.2	2.7
A. Judicial Independence								1.3
B. Impartial Courts					4.1	4.0	4.0	2.2
C. Protection of Intellectual Property								1.5
D. Military Interference					4.4	4.7	4.7	4.7
E. Integrity of Legal System					5.2	4.0	4.0	4.0
3. Access to Sound Money	6.3	6.3	5.3	5.8	5.2	6.6	6.2	6.3
A. Growth of Money Supply	7.7 (11.5)	7.3 (13.5)	5.8 (20.9)	9.3 (-3.7)	9.6 (2.2)	9.7 (-1.7)	9.3 (3.3)	9.3 (3.3)
B. Inflation Variability	9.2 (1.9)	9.8 (0.6)	6.0 (10.0)	6.2 (9.5)	2.8 (17.9)	7.7 (5.8)	8.1 (4.7)	6.9 (7.8)
C. Recent Annual Inflation	8.4 (8.2)	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)
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 Trade Internationally	5.5			5.8	6.4	5.8	6.2	5.9
A. Taxes on International Trade	3.9			7.4	8.5	6.2	6.4	6.4
(i) Taxes as Percentage of Exports & Imports	3.9 (9.2)			7.4 (3.9)	8.5 (2.2)			
(ii) Mean Tariff Rate						6.8 (15.8)	6.6 (17.0)	6.6 (17.0)
(iii) Variability of Tariff Rates						5.6 (10.9)	6.2 (9.4)	6.2 (9.4)
B. Regulatory Trade Barriers								3.9
(i) Hidden Import Barriers								1.8
(ii) Costs of Importing								5.9
C. Size of Trade Sector	6.0	5.4	4.8	4.2	5.6	4.5	6.2	6.2
D. Official versus Black Market Exchange Rate	9.6	9.6	9.8	9.2	9.8	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	2.8
(i) Access to Foreign Capital								5.6
(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 & Business			4.2	4.3	3.9	3.9	4.6	5.2
A. Regulation of Credit Markets	2.0	2.0	5.0	4.8	3.5	3.3	5.7	5.8
(i) Private Ownership of Banks	2.0	2.0	2.0	0.0	0.0	0.0	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
(iv) Avoidance of Negative Real Interest Rates			8.0	8.0	4.0	4.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								5.9
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								6.3
(iii) Collective Bargaining								8.3
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	0.0	0.0	0.0	0.0	0.0	3.0
C. Regulation of Business								3.8
(i) Price Controls				4.0	4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses								3.2
(iii) Time Spent with Government Bureaucracy								6.0
(iv) Ease of Starting a New Business								3.5
(v) Irregular Payments to Government Officials								2.3

Chile

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank)	3.6 (71)		5.3 (55)		5.9 (35)		6.6 (26)		7.5 (13)		7.5 (17)		7.3 (20)		7.3 (22)	
1. Size of Government	4.0		5.0		5.7		6.5		7.3		7.1		6.1		6.1	
A. Government Consumption	6.6	(17.7)	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)
B. Transfers & Subsidies	7.3	(10.5)	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)
C. Government Enterprises & Investment	0.0	(77.0)	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)
D. Top Marginal Tax Rate	2.0		2.0		2.0		4.0		6.0		5.0		5.0		5.0	
(i) Top Marginal Income Tax Rate	2.0	(60)	2.0	(58)	2.0	(56)	4.0	(50)	6.0	(45)	5.0	(45)	5.0	(43)	5.0	(40)
(ii) Top Marginal Income & Payroll Tax Rate	4.0		4.0		4.0		6.0		6.0		5.0		5.0		5.0	
2. Legal Structure & Security of Property Rights	3.9		6.4		5.0		6.2		6.8		6.5		6.2		6.4	
A. Judicial Independence									6.6		5.8		5.4		6.0	
B. Impartial Courts									7.1		6.5		5.4		5.7	
C. Protection of Intellectual Property									5.6		5.3		5.0		5.2	
D. Military Interference									7.5		6.7		6.7		6.7	
E. Integrity of Legal System									7.0		8.3		8.3		8.3	
3. Access to Sound Money	0.0		2.3		7.0		7.2		8.7		9.3		9.4		9.2	
A. Growth of Money Supply	0.0	(210.7)	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)
B. Inflation Variability	0.0	(233.7)	0.0	(80.6)	6.2	(9.6)	8.3	(4.2)	8.4	(4.0)	8.4	(4.0)	8.4	(4.1)	8.4	(4.1)
C. Recent Annual Inflation	0.0	(334.7)	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)
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 Trade Internationally	5.8		6.8		5.8		7.2		7.6		7.5		8.3		8.4	
A. Taxes on International Trade	3.1		8.7		6.7		8.2		8.5		8.9		9.1		9.1	
(i) Taxes as Percentage of Exports & Imports	6.3	(5.6)	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)
(ii) Mean Tariff Rate	0.0	(55.0)	8.0	(10.0)	4.0	(30.0)	7.0	(15.0)	7.8	(11.0)	8.2	(9.0)	8.4	(8.0)	8.4	(8.0)
(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)	
B. Regulatory Trade Barriers									7.1		8.4		8.8		8.9	
(i) Hidden Import Barriers									7.1		8.3		8.7		8.5	
(ii) Costs of Importing											8.5		8.9		9.3	
C. Size of Trade Sector	6.6		6.4		6.5		7.5		6.3		5.8		6.6		6.6	
D. Official versus Black Market Exchange Rate	9.0		8.8		5.6		10.0		9.6		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		6.5		4.3		7.0		7.5	
(i) Access to Foreign Capital									8.0		8.6		8.6		9.6	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		5.0		0.0		5.4		5.4	
5. Regulation of Credit, Labor & Business	4.6		5.7		5.7		5.8		7.1		7.0		6.4		6.3	
A. Regulation of Credit Markets	4.8		7.5		8.2		8.4		8.6		8.3		8.3		8.3	
(i) Private Ownership of Banks	2.0		5.0		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	
(iii) Extension of Credit to Private Sector	7.5		9.6		8.6		9.3		9.9		9.8		9.8		9.8	
(iv) Avoidance of Negative Real Interest Rates			8.0		8.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates									7.0		7.8		7.8		7.8	
B. Regulation of Labor Markets							4.9		5.3		4.9		4.2		4.2	
(i) Impact of Minimum Wage									5.7		3.4		3.4		3.4	
(ii) Flexibility in Hiring & Firing							6.9		6.9		5.6		3.2		2.8	
(iii) Collective Bargaining					7.9		7.9		7.9		8.9		8.0		8.2	
(iv) Incentives from Unemployment Benefits									5.9		6.5		6.5		6.5	
(v) Military Conscription	3.0		3.0		0.0		0.0		0.0		0.0		0.0		0.0	
C. Regulation of Business									7.3		7.8		6.6		6.3	
(i) Price Controls									10.0		9.0		10.0		9.0	
(ii) Administrative Obstacles for New Businesses											7.9		3.7		3.5	
(iii) Time Spent with Government Bureaucracy									6.2		7.9		6.3		6.5	
(iv) Ease of Starting a New Business									6.5		5.7		4.9		5.0	
(v) Irregular Payments to Government Officials									6.6		8.5		8.1		7.6	

China

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.0 (93)	5.0 (72)	4.8 (84)	5.2 (88)	5.8 (85)	5.9 (84)	5.7 (90)
1. Size of Government		2.6	3.9	3.6	4.0	3.8	3.8	3.1
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)	5.3 (22.1)
B. Transfers & Subsidies								
C. Government Enterprises & Investment	0.0	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)
D. Top Marginal Tax Rate			6.0	5.0	6.0	6.0	6.0	4.0
(i) Top Marginal Income Tax Rate			6.0 (45)	5.0 (45)	6.0 (45)	6.0 (45)	6.0 (45)	4.0 (45)
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights			6.8	5.8	5.5	4.9	5.1	5.2
A. Judicial Independence					3.8	3.3	5.6	4.0
B. Impartial Courts					4.9	4.2	5.7	4.8
C. Protection of Intellectual Property					4.2	3.2	4.4	4.0
D. Military Interference					7.6	7.3	3.3	5.0
E. Integrity of Legal System					7.0	6.7	6.7	8.3
3. Access to Sound Money	6.6	6.2	6.0	6.5	5.8	8.1	8.4	8.5
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)	9.3 (3.7)
B. Inflation Variability	9.7 (0.8)	9.5 (1.3)	8.6 (3.4)	8.9 (2.8)	8.1 (4.8)	8.7 (3.4)	9.4 (1.6)	9.7 (0.8)
C. Recent Annual Inflation	10.0 (-0.1)	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)
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 Trade Internationally		4.2	5.5	4.9	6.4	7.2	7.5	7.5
A. Taxes on International Trade		3.2	2.7	3.2	3.9	7.2	7.3	7.3
(i) Taxes as Percentage of Exports & Imports		6.2 (5.7)	3.3 (10.0)	7.5 (3.7)	9.2 (1.2)	9.0 (1.5)	9.0 (1.5)	9.0 (1.5)
(ii) Mean Tariff Rate		0.1 (49.5)	2.1 (39.5)	1.9 (40.3)	2.5 (37.5)	6.7 (16.3)	6.9 (15.3)	6.9 (15.3)
(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)
B. Regulatory Trade Barriers					4.6	6.0	7.5	6.2
(i) Hidden Import Barriers					4.6	4.4	6.5	5.0
(ii) Costs of Importing						7.7	8.4	7.4
C. Size of Trade Sector	2.0	4.4	6.6	8.1	10.0	10.0	10.0	10.0
D. Official versus Black Market Exchange Rate	5.2	5.0	7.8	0.0	8.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	2.0	5.0	4.9	2.7	2.7	3.9
(i) Access to Foreign Capital					4.8	4.7	4.7	7.0
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	2.0	5.0	5.0	0.8	0.8	0.8
5. Regulation of Credit, Labor & Business	3.2	3.0	3.0	3.3	4.3	5.0	4.7	4.4
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	4.0	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
(iii) Extension of Credit to Private Sector					9.8	9.4	9.2	9.2
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	0.0	4.0	10.0	10.0	10.0
(v) Controls on Interest Rates					1.7	1.8	1.8	1.8
B. Regulation of Labor Markets				3.2	4.5	4.7	4.6	4.5
(i) Impact of Minimum Wage					5.8	4.4	4.4	4.4
(ii) Flexibility in Hiring & Firing				4.3	4.3	5.1	5.1	5.3
(iii) Collective Bargaining	4.5	4.5	4.5	5.2	6.2	7.7	7.1	7.3
(iv) Incentives from Unemployment Benefits					6.4	6.2	6.2	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					4.4	5.6	4.8	4.2
(i) Price Controls					4.0	3.0	3.0	3.0
(ii) Administrative Obstacles for New Businesses						7.6	3.9	3.8
(iii) Time Spent with Government Bureaucracy					4.8	5.4	5.0	2.8
(iv) Ease of Starting a New Business					6.1	6.5	5.4	5.3
(v) Irregular Payments to Government Officials					2.9	5.5	6.7	6.1

Colombia

Summary Ratings (Rank) ▶	1975		1980		1985		1990		1995		2000		2001		2002	
	4.9 (51)		4.7 (74)		5.1 (66)		5.0 (75)		5.4 (80)		5.4 (101)		5.5 (101)		5.3 (107)	
1. Size of Government	7.0		5.4		5.9		6.7		6.8		5.1		4.8		4.7	
A. Government Consumption	8.5	(11.0)	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)
B. Transfers & Subsidies	9.3	(3.0)	9.3	(2.9)	8.9	(4.4)	9.1	(3.7)	9.0	(4.1)	8.7	(5.2)	8.7	(5.2)	8.7	(5.2)
C. Government Enterprises & Investment	4.0	(32.8)	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)
D. Top Marginal Tax Rate	6.0		2.0		5.0		8.0		8.0		5.5		5.5		5.5	
(i) Top Marginal Income Tax Rate	6.0	(41)	2.0	(56)	5.0	(49)	8.0	(30)	8.0	(30)	7.0	(35)	7.0	(35)	7.0	(35)
(ii) Top Marginal Income & Payroll Tax Rate							8.0 (30)		8.0 (30)		4.0 (43)		4.0 (43)		4.0 (44)	
2. Legal Structure & Security of Property Rights	3.3		4.0		3.4		3.4		2.8		3.5		3.4		3.3	
A. Judicial Independence									3.7		3.5		3.9		3.5	
B. Impartial Courts									3.5		5.8		4.0		4.2	
C. Protection of Intellectual Property									4.1		3.3		4.3		4.0	
D. Military Interference									2.9		3.3		3.3		3.3	
E. Integrity of Legal System									0.0		1.7		1.7		1.7	
3. Access to Sound Money	5.0		4.5		6.5		4.5		5.3		6.3		7.6		7.4	
A. Growth of Money Supply	6.9	(15.6)	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	(13.1)
B. Inflation Variability	7.7	(5.6)	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)
C. Recent Annual Inflation	5.4	(22.9)	4.5	(27.6)	5.0	(24.9)	4.3	(28.6)	6.0	(19.8)	8.1	(9.5)	8.3	(8.7)	8.6	(7.0)
D. Freedom to Own Foreign Currency	0.0		0.0		5.0		0.0		0.0		0.0		5.0		5.0	
4. Freedom to Trade Internationally	4.3		4.7		4.7		4.9		6.3		6.4		6.4		6.1	
A. Taxes on International Trade	5.1		4.1		4.1		5.5		7.8		7.9		7.8		7.8	
(i) Taxes as Percentage of Exports & Imports	5.1	(7.4)	4.8	(7.8)	5.0	(7.5)	6.0	(6.0)	8.0	(2.9)	8.4	(2.4)	8.4	(2.5)	8.4	(2.5)
(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)	
(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)	
B. Regulatory Trade Barriers									5.2		6.1		6.1		6.4	
(i) Hidden Import Barriers									5.2		4.9		5.0		5.3	
(ii) Costs of Importing											7.3		7.2		7.4	
C. Size of Trade Sector	4.1		4.4		2.9		4.4		4.1		4.3		4.1		4.1	
D. Official versus Black Market Exchange Rate	4.2		6.8		8.2		6.6		8.6		10.0		10.0		8.6	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		6.0		3.9		3.9		3.5	
(i) Access to Foreign Capital									7.0		7.9		7.9		7.0	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		5.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor & Business			5.2		5.2		5.5		5.5		5.5		5.2		5.2	
A. Regulation of Credit Markets	8.0		8.0		8.0		8.2		7.6		6.9		7.0		7.2	
(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	
(iii) Extension of Credit to Private Sector							8.6		8.1		8.1		7.6		7.3	
(iv) Avoidance of Negative Real Interest Rates			8.0		8.0		8.0		8.0		8.0		9.0		10.0	
(v) Controls on Interest Rates									6.0		5.0		5.0		5.0	
B. Regulation of Labor Markets									4.8		3.9		3.7		3.7	
(i) Impact of Minimum Wage									6.8		2.8		2.8		2.8	
(ii) Flexibility in Hiring & Firing							5.5		5.5		4.2		2.9		2.8	
(iii) Collective Bargaining									5.9		6.3		6.3		6.3	
(iv) Incentives from Unemployment Benefits									5.7		5.5		5.5		5.4	
(v) Military Conscription	0.0		0.0		0.0		0.0		1.0		1.0		1.0		1.0	
C. Regulation of Business									4.1		5.8		4.7		4.7	
(i) Price Controls									5.0		6.0		6.0		5.0	
(ii) Administrative Obstacles for New Businesses											6.4		2.1		2.7	
(iii) Time Spent with Government Bureaucracy									6.2		6.8		6.0		6.3	
(iv) Ease of Starting a New Business									2.6		3.8		3.4		3.5	
(v) Irregular Payments to Government Officials									2.4		5.9		6.2		6.0	

Congo, Democratic Republic of

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.7 (53)	3.5 (103)	3.8 (100)	3.6 (106)	3.8 (118)	3.5 (123)	3.7 (121)	4.4 (121)
1. Size of Government	4.9	5.0	3.4	5.2	5.6	4.9	5.1	5.6
A. Government Consumption	7.8 (13.4)	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 (4.3)
B. Transfers & Subsidies	9.9 (1.0)	10.0 (0.6)		9.9 (0.8)	10.0 (0.5)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
C. Government Enterprises & Investment	0.0 (58.8)	0.0 (60.2)	0.0 (45.5)	2.0 (31.1)	2.0	0.0	0.0	0.0
D. Top Marginal Tax Rate	2.0	1.0	1.0	1.0	0.5	0.5	0.5	2.5
(i) Top Marginal Income Tax Rate	2.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)	1.0 (60)	3.0 (50)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (60)	0.0 (63)	0.0 (63)	0.0 (63)	2.0 (54)
2. Legal Structure & Security of Property Rights		2.4	2.5	2.4	2.2	2.4	2.4	2.4
A. Judicial Independence								
B. Impartial Courts					3.0	3.6	3.6	3.6
C. Protection of Intellectual Property								
D. Military Interference					1.5	0.0	0.0	0.0
E. Integrity of Legal System					0.0	1.7	1.7	1.7
3. Access to Sound Money	5.7	0.4	1.2	0.0	0.0	1.3	2.5	3.4
A. Growth of Money Supply	6.7 (16.6)	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)
B. Inflation Variability	8.4 (3.9)	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 (223.1)
C. Recent Annual Inflation	7.5 (12.5)	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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	10.0	10.0
4. Freedom to Trade Internationally	2.8	3.9	6.3	5.8	6.8	4.9	4.0	5.1
A. Taxes on International Trade	0.0	4.2	5.0	4.9	7.8	7.9	3.3	3.3
(i) Taxes as Percentage of Exports & Imports	0.0 (19.0)	3.1 (10.3)	4.4 (8.4)	3.9 (9.1)	7.8 (3.3)	7.9 (3.2)	3.3 (10.1)	3.3 (10.1)
(ii) Mean Tariff Rate		5.3 (23.6)	5.5 (22.4)	5.9 (20.7)				
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	3.5	5.0	7.6	7.9	6.7	4.6	4.0	4.0
D. Official versus Black Market Exchange Rate	0.0	0.0	8.8	6.0	9.2	1.4	1.4	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	2.3	3.1	3.1
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	2.3	3.1	3.1
5. Regulation of Credit, Labor & Business	5.5	5.6	5.7	4.6	4.6	4.0	4.6	5.6
A. Regulation of Credit Markets	3.9	4.3	4.7	2.9	3.1	0.0	2.9	6.3
(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	7.8	8.7	9.5	8.6	9.3		8.7	8.9
(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 & 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
(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

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.8 (72)	4.6 (85)	4.7 (90)	4.9 (93)	4.4 (118)	4.6 (119)	4.9 (115)
1. Size of Government	2.9	1.9	2.4	3.5	4.7	3.5	3.9	4.1
A. Government Consumption	5.8 (20.3)	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)
B. Transfers & Subsidies					9.3 (3.1)	9.5 (2.3)	9.6 (2.2)	9.6 (2.0)
C. Government Enterprises & Investment	0.0 (44.6)	0.0 (44.2)	0.0 (59.4)	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
(i) Top Marginal Income Tax Rate				4.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)
(ii) Top Marginal Income & Payroll Tax Rate								(0)
2. Legal Structure & Security of Property Rights		4.7	3.1	3.0	3.2	2.4	2.4	2.4
A. Judicial Independence								
B. Impartial Courts					1.8	1.9	1.9	1.9
C. Protection of Intellectual Property								
D. Military Interference					0.0	0.0	0.0	0.0
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money	6.6	5.3	6.1	5.8	5.7	4.3	4.7	6.6
A. Growth of Money Supply	8.1 (9.3)	8.3 (8.6)	8.3 (8.4)	9.3 (-3.6)	9.4 (3.0)	7.2 (13.8)	8.8 (6.1)	8.8 (6.1)
B. Inflation Variability	9.9 (0.3)	7.0 (7.4)	6.4 (9.0)	4.2 (14.5)	4.0 (14.9)	0.2 (24.5)	0.0 (28.0)	8.7 (3.3)
C. Recent Annual Inflation	8.3 (8.3)	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)
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 Trade Internationally	6.5	7.0	6.1	5.8	6.8	6.8	6.8	6.4
A. Taxes on International Trade	6.4	7.5	3.6	4.5	6.7	7.3	7.1	7.1
(i) Taxes as Percentage of Exports & Imports	6.4 (5.4)	7.5 (3.8)		4.5 (8.2)	7.6 (3.6)	8.9 (1.6)	8.9 (1.7)	8.9 (1.7)
(ii) Mean Tariff Rate			3.6 (32.0)		6.3 (18.6)	6.5 (17.6)	6.3 (18.6)	6.3 (18.6)
(iii) Variability of Tariff Rates					6.2 (9.5)	6.6 (8.6)	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	8.1	10.0	8.9	7.2	9.1	8.3	8.9	8.5
D. Official versus Black Market Exchange Rate	9.6	9.6	9.8	9.2	9.8	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 & Business		5.2	5.5	5.1	4.3	4.8	5.2	5.1
A. Regulation of Credit Markets	0.0	3.0	4.0	5.5	2.9	4.5	5.7	5.3
(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				6.4	6.6	7.5	8.2	6.8
(iv) Avoidance of Negative Real Interest Rates		6.0	8.0	10.0	2.0	6.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(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

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	6.7 (9)	5.9 (26)	5.4 (55)	6.8 (17)	6.9 (34)	7.3 (23)	7.2 (24)	7.1 (31)
1. Size of Government	6.7	5.7	5.2	7.0	6.3	7.1	7.3	7.0
A. Government Consumption	6.6 (17.5)	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)
B. Transfers & Subsidies	9.0 (4.1)	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)
C. Government Enterprises & Investment	6.0 (29.7)	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)
D. Top Marginal Tax Rate	5.0	5.0	3.0	8.0	8.0	7.0	7.0	6.0
(i) Top Marginal Income Tax Rate	5.0 (50)	5.0 (50)	3.0 (50)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	8.0 (30)
(ii) Top Marginal Income & Payroll Tax Rate				7.0 (33)	7.0 (33)	5.0 (39)	5.0 (39)	4.0 (41)
2. Legal Structure & Security of Property Rights		5.2	5.3	5.5	5.8	6.9	6.5	6.1
A. Judicial Independence						6.3	5.9	4.7
B. Impartial Courts					6.5	6.8	5.5	4.8
C. Protection of Intellectual Property						4.5	4.5	4.5
D. Military Interference					8.7	10.0	10.0	10.0
E. Integrity of Legal System					4.1	6.7	6.7	6.7
3. Access to Sound Money	7.1	7.8	4.9	8.1	7.9	7.9	8.5	8.6
A. Growth of Money Supply	6.8 (16.0)	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 (11.5)
B. Inflation Variability	6.5 (8.8)	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)
C. Recent Annual Inflation	5.1 (24.5)	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)
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 Trade Internationally	5.9	3.6	4.9	6.7	7.6	8.0	7.9	7.8
A. Taxes on International Trade	6.1	3.2	1.8	5.6	7.3	8.4	8.3	8.3
(i) Taxes as Percentage of Exports & Imports	6.1 (5.9)	6.5 (5.3)	5.4 (6.9)	5.3 (7.0)	6.9 (4.6)	9.2 (1.2)	9.2 (1.2)	9.2 (1.2)
(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 (6.3)	8.7 (6.3)
(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)
B. Regulatory Trade Barriers						6.6	6.5	6.5
(i) Hidden Import Barriers						5.2	5.0	5.2
(ii) Costs of Importing						8.0	8.0	7.8
C. Size of Trade Sector	4.7	4.5	4.2	4.9	4.8	5.4	5.0	4.9
D. Official versus Black Market Exchange Rate	8.4	0.0	5.2	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	5.0	5.0	8.0	9.6	9.6	9.4
(i) Access to Foreign Capital						9.3	9.3	8.8
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	5.0	5.0	8.0	10.0	10.0	10.0
5. Regulation of Credit, Labor & Business	7.3	6.9	6.8	6.7	6.8	6.6	5.9	6.0
A. Regulation of Credit Markets	9.3	8.2	8.1	8.5	8.9	7.5	6.7	6.6
(i) Private Ownership of Banks	10.0	10.0	10.0	10.0	10.0	10.0	5.0	5.0
(ii) Competition from Foreign Banks						6.2	6.2	6.2
(iii) Extension of Credit to Private Sector	8.6	6.4	8.3	7.5	8.8	8.6	8.6	8.3
(iv) Avoidance of Negative Real Interest Rates			6.0	8.0	8.0	8.0	9.0	9.0
(v) Controls on Interest Rates						4.6	4.6	4.6
B. Regulation of Labor Markets						6.0	6.1	5.7
(i) Impact of Minimum Wage						3.5	3.5	3.5
(ii) Flexibility in Hiring & Firing						5.0	5.5	3.2
(iii) Collective Bargaining						5.0	5.1	5.5
(iv) Incentives from Unemployment Benefits						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
(i) Price Controls				6.0	6.0	8.0	8.0	8.0
(ii) Administrative Obstacles for New Businesses						6.8	1.9	3.5
(iii) Time Spent with Government Bureaucracy						6.2	5.3	6.3
(iv) Ease of Starting a New Business						4.7	4.0	4.8
(v) Irregular Payments to Government Officials						5.9	5.6	5.9

Côte d'Ivoire

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			5.4 (51)		5.5 (51)		5.2 (68)		5.4 (80)		5.7 (94)		6.0 (80)		5.8 (86)	
1. Size of Government	3.7		4.9		3.7		4.1		6.0		6.5		7.5		7.2	
A. Government Consumption	5.3	(22.0)	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)
B. Transfers & Subsidies			9.0	(4.2)					9.4	(2.6)	9.5	(2.4)	9.5	(2.4)	9.5	(2.4)
C. Government Enterprises & Investment	2.0	(39.7)	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)
D. Top Marginal Tax Rate			5.0		5.0		4.0		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)				
(ii) Top Marginal Income & Payroll Tax Rate																
2. Legal Structure & Security of Property Rights					5.7		4.8		5.4		3.9		3.7		3.9	
A. Judicial Independence																
B. Impartial Courts									5.0		4.6		4.6		4.6	
C. Protection of Intellectual Property																
D. Military Interference									5.9		1.7		1.7		1.7	
E. Integrity of Legal System									7.0		5.0		4.2		5.0	
3. Access to Sound Money	5.9		4.6		6.6		6.9		4.9		6.7		7.0		7.1	
A. Growth of Money Supply	8.3	(8.5)	7.2	(14.3)	9.0	(5.0)	9.2	(-3.9)	7.6	(12.0)	9.8	(1.1)	9.7	(1.7)	9.7	(1.7)
B. Inflation Variability	6.0	(9.9)	6.2	(9.6)	7.6	(6.1)	9.3	(1.6)	3.6	(16.1)	7.5	(6.2)	9.1	(2.2)	9.4	(1.6)
C. Recent Annual Inflation	9.1	(4.3)	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)
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 Trade Internationally			5.7		5.9		5.2		5.8		5.9		6.0		5.5	
A. Taxes on International Trade			3.0		3.7		3.1		4.3		5.2		5.9		5.9	
(i) Taxes as Percentage of Exports & Imports			1.5	(12.8)	2.1	(11.8)	2.7	(10.9)	0.0	(17.3)	2.3	(11.6)	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)	7.5	(12.6)
(iii) Variability of Tariff Rates									9.4	(1.5)	5.7	(10.7)	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	7.4		7.9		7.8		5.5		6.9		6.2		6.0		6.0	
D. Official versus Black Market Exchange Rate	9.6		9.6		9.8		9.2		9.8		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 & Business			6.2		5.8		4.9		5.1		5.4		5.6		5.4	
A. Regulation of Credit Markets	2.0		6.6		7.1		6.4		6.4		7.3		8.0		7.3	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		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	
(iv) Avoidance of Negative Real Interest Rates			8.0		10.0		8.0		4.0		6.0		8.0		6.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets																
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing																
(iii) Collective Bargaining																
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	10.0		10.0		5.0		5.0		5.0		5.0		1.0		1.0	
C. Regulation of Business																
(i) Price Controls							0.0		2.0		2.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses																
(iii) Time Spent with Government Bureaucracy																
(iv) Ease of Starting a New Business																
(v) Irregular Payments to Government Officials																

Croatia

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►					4.4 (109)	5.8 (85)	6.0 (80)	5.9 (83)
1. Size of Government					2.6	2.8	4.1	4.1
A. Government Consumption					1.9 (33.4)	2.5 (31.7)	3.2 (29.3)	4.0 (26.5)
B. Transfers & Subsidies					5.9 (15.5)	4.7 (20.1)	4.4 (20.9)	4.4 (20.9)
C. Government Enterprises & Investment					0.0	2.0	7.0 (21.6)	7.0 (21.6)
D. Top Marginal Tax Rate						2.0	2.0	1.0
(i) Top Marginal Income Tax Rate						4.0 (35-53)	4.0 (35-53)	2.0 (45-63)
(ii) Top Marginal Income & Payroll Tax Rate						0.0 (56-68)	0.0 (56-68)	0.0 (62-75)
2. Legal Structure & Security of Property Rights					5.9	6.6	5.2	5.1
A. Judicial Independence							3.1	2.8
B. Impartial Courts					5.8	6.1	2.8	3.0
C. Protection of Intellectual Property							3.3	3.0
D. Military Interference					7.4	8.3	8.3	8.3
E. Integrity of Legal System						8.3	8.3	8.3
3. Access to Sound Money				2.5	3.4	7.8	7.8	7.7
A. Growth of Money Supply					0.0 (62.4)	8.3 (8.6)	8.2 (8.8)	7.3 (13.7)
B. Inflation Variability					0.0 (573.3)	9.2 (2.1)	9.1 (2.2)	9.0 (2.4)
C. Recent Annual Inflation				0.0 (500.0)	8.4 (8.0)	8.9 (5.3)	9.0 (4.8)	9.6 (2.0)
D. Freedom to Own Foreign Currency				5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally					6.0	6.3	6.5	6.5
A. Taxes on International Trade					7.0	8.6	7.7	7.7
(i) Taxes as Percentage of Exports & Imports					7.0 (4.6)	8.5 (2.2)	8.3 (2.5)	8.3 (2.5)
(ii) Mean Tariff Rate						8.7 (6.7)	7.6 (12.0)	7.6 (12.0)
(iii) Variability of Tariff Rates							7.0 (7.4)	7.0 (7.4)
B. Regulatory Trade Barriers							7.2	6.6
(i) Hidden Import Barriers							5.9	5.2
(ii) Costs of Importing							8.6	8.0
C. Size of Trade Sector					4.5	4.5	4.6	4.6
D. Official versus Black Market Exchange Rate				0.0	8.4	10.0	10.0	10.0
E. Restrictions on Capital Markets				0.0	2.0	0.0	0.8	3.4
(i) Access to Foreign Capital								6.0
(ii) Restrictions on Foreign Capital Transactions				0.0	2.0	0.0	0.8	0.8
5. Regulation of Credit, Labor & Business					4.0	5.5	6.1	6.2
A. Regulation of Credit Markets				0.0	3.4	7.7	9.1	8.9
(i) Private Ownership of Banks				0.0	0.0	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
(iv) Avoidance of Negative Real Interest Rates					4.0	6.0	10.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets							4.9	5.0
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing							3.4	3.8
(iii) Collective Bargaining							6.5	6.2
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription					3.0	3.0	5.0	5.0
C. Regulation of Business							4.3	4.6
(i) Price Controls				0.0	2.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses							1.9	2.0
(iii) Time Spent with Government Bureaucracy								7.0
(iv) Ease of Starting a New Business							5.5	4.7
(v) Irregular Payments to Government Officials							5.7	5.4

Cyprus

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	6.0 (19)		5.7 (41)		5.6 (46)		5.9 (42)		6.2 (56)		6.2 (72)		6.2 (71)		6.6 (51)	
1. Size of Government	6.2		6.0		5.8		5.4		6.2		6.2		5.7		7.0	
A. Government Consumption	6.6	(17.7)	6.8	(17.0)	6.5	(18.1)	5.2	(22.4)	5.5	(21.2)	6.0	(19.5)	4.0	(26.3)	5.7	(20.6)
B. Transfers & Subsidies	7.3	(10.3)	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)
C. Government Enterprises & Investment	8.0	(12.3)	8.0	(18.1)	8.0	(17.4)	8.0		8.0		8.0		8.0		8.0	
D. Top Marginal Tax Rate	3.0		1.0		1.0		0.5		4.0		4.0		4.0		7.5	
(i) Top Marginal Income Tax Rate	3.0	(54)	1.0	(60)	1.0	(60)	1.0	(60)	5.0	(40)	5.0	(40)	5.0	(40)	8.0	(30)
(ii) Top Marginal Income & Payroll Tax Rate							0.0 (62)		3.0 (48)		3.0 (48)		3.0 (49)		7.0 (34)	
2. Legal Structure & Security of Property Rights					4.0		6.7		6.3		6.9		6.9		6.9	
A. Judicial Independence																
B. Impartial Courts									7.2		7.3		7.3		7.3	
C. Protection of Intellectual Property																
D. Military Interference									7.3		8.3		8.3		8.3	
E. Integrity of Legal System									7.0		8.3		8.3		8.3	
3. Access to Sound Money	5.2		5.7		6.7		7.0		7.3		6.9		7.1		8.2	
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)		8.9 (5.4)	
B. Inflation Variability	8.6	(3.6)	9.1	(2.4)	8.9	(2.8)	9.7	(0.7)	9.6	(0.9)	9.7	(0.8)	9.7	(0.7)	9.6	(1.0)
C. Recent Annual Inflation	7.2	(14.2)	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)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		0.0		0.0		5.0	
4. Freedom to Trade Internationally	5.7		5.9		5.9		5.4		5.6		5.8		5.8		5.2	
A. Taxes on International Trade	7.7		7.0		6.8		5.5		7.7		7.9		7.9		7.9	
(i) Taxes as Percentage of Exports & Imports	7.7	(3.5)	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)
(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)	
(iii) Variability of Tariff Rates							2.5 (18.7)									
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	3.8		5.0		4.6		4.2		3.2		2.7		2.7		2.7	
D. Official versus Black Market Exchange Rate	8.8		9.2		9.8		9.0		9.0		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 & Business	6.7		5.2		5.6		5.1		5.4		5.4		5.5		5.7	
A. Regulation of Credit Markets	8.4		7.1		8.3		8.8		8.9		8.9		8.8		9.5	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		8.0		8.0		10.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	9.2		9.3		8.9		8.5		8.7		8.7		8.4		8.5	
(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																
B. Regulation of Labor Markets																
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & 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	
(ii) Administrative Obstacles for New Businesses																
(iii) Time Spent with Government Bureaucracy																
(iv) Ease of Starting a New Business																
(v) Irregular Payments to Government Officials																

Czech Republic

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►					5.8 (68)	6.7 (45)	6.9 (40)	6.9 (41)
1. Size of Government					3.1	4.6	4.5	4.9
A. Government Consumption					3.0 (29.7)	3.9 (26.6)	4.0 (26.3)	5.7 (20.6)
B. Transfers & Subsidies				0.0 (37.2)	2.4 (28.4)	2.4 (28.6)	2.0 (29.9)	2.0 (29.9)
C. Government Enterprises & Investment					4.0	8.0	8.0 (18.0)	8.0 (18.0)
D. Top Marginal Tax Rate					3.0	4.0	4.0	4.0
(i) Top Marginal Income Tax Rate					5.0 (43)	7.0 (32)	7.0 (32)	7.0 (32)
(ii) Top Marginal Income & Payroll Tax Rate					1.0 (64)	1.0 (56)	1.0 (56)	1.0 (56)
2. Legal Structure & Security of Property Rights			6.8	7.2	6.5	6.9	6.6	6.4
A. Judicial Independence					6.2	6.0	4.9	5.3
B. Impartial Courts					3.6	4.5	3.8	3.8
C. Protection of Intellectual Property					4.5	5.6	5.7	4.3
D. Military Interference					8.5	10.0	10.0	10.0
E. Integrity of Legal System					10.0	8.3	8.3	8.3
3. Access to Sound Money					6.0	8.1	9.1	8.9
A. Growth of Money Supply					6.0 (20.0)	9.9 (0.7)	9.0 (5.1)	7.3 (13.5)
B. Inflation Variability					4.9 (12.8)	8.4 (4.1)	8.5 (3.9)	8.5 (3.7)
C. Recent Annual Inflation					7.9 (10.4)	9.2 (3.9)	9.1 (4.7)	9.6 (1.8)
D. Freedom to Own Foreign Currency					5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally					7.8	8.4	8.4	8.3
A. Taxes on International Trade					8.4	8.2	8.3	8.3
(i) Taxes as Percentage of Exports & Imports					9.2 (1.1)	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate					8.7 (6.7)	8.7 (6.5)	8.7 (6.5)	8.7 (6.5)
(iii) Variability of Tariff Rates					7.4 (6.4)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)
B. Regulatory Trade Barriers					7.4	7.9	7.7	7.8
(i) Hidden Import Barriers					7.4	7.3	6.4	6.7
(ii) Costs of Importing						8.5	9.0	8.9
C. Size of Trade Sector				6.2	7.6	9.0	9.0	8.1
D. Official versus Black Market Exchange Rate					10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	5.7	7.0	7.0	7.5
(i) Access to Foreign Capital					6.4	7.9	7.9	8.8
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	5.0	6.2	6.2	6.2
5. Regulation of Credit, Labor & Business				3.2	5.4	5.7	5.7	6.0
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	5.7	5.8	6.8	8.1
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	5.0	2.0	5.0	8.0
(ii) Competition from Foreign Banks					5.1	4.9	4.9	10.0
(iii) Extension of Credit to Private Sector					6.5	8.0	7.7	6.1
(iv) Avoidance of Negative Real Interest Rates					6.0	8.0	10.0	10.0
(v) Controls on Interest Rates					6.1	6.3	6.3	6.3
B. Regulation of Labor Markets					5.0	5.2	5.4	4.7
(i) Impact of Minimum Wage					6.6	5.1	5.1	5.1
(ii) Flexibility in Hiring & Firing				5.6	5.6	5.3	6.3	5.0
(iii) Collective Bargaining					5.2	7.7	7.4	7.5
(iv) Incentives from Unemployment Benefits					4.8	5.0	5.0	3.1
(v) Military Conscription	0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0
C. Regulation of Business					5.4	6.1	5.1	5.1
(i) Price Controls				0.0	6.0	4.0	7.0	7.0
(ii) Administrative Obstacles for New Businesses						7.8	2.7	2.8
(iii) Time Spent with Government Bureaucracy					5.9	8.1	6.0	5.8
(iv) Ease of Starting a New Business					6.0	5.5	4.5	4.2
(v) Irregular Payments to Government Officials					3.9	4.9	5.1	5.8

Denmark

	1975		1980		1985		1990		1995		2000		2001		2002			
Summary Ratings (Rank) ▶	5.8 (24)		5.9 (26)		6.1 (28)		6.7 (20)		7.5 (13)		7.7 (12)		7.6 (14)		7.6 (14)			
1. Size of Government	3.6		3.1		3.1		2.9		3.1		3.6		3.9		3.9			
A. Government Consumption	2.2	(32.4)	1.8	(34.0)	2.0	(33.2)	1.7	(34.3)	1.9	(33.6)	1.7	(34.1)	1.4	(35.2)	1.4	(35.2)		
B. Transfers & Subsidies	5.3	(17.8)	4.5	(20.8)	4.6	(20.4)	4.0	(22.6)	2.9	(26.5)	4.3	(21.6)	3.7	(23.7)	3.7	(23.7)		
C. Government Enterprises & Investment	6.0	(27.3)	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)		
D. Top Marginal Tax Rate	1.0		0.0		0.0		0.0		0.5		1.5		0.5		0.5			
(i) Top Marginal Income Tax Rate	1.0	(63)	0.0	(66)	0.0	(73)	0.0	(68)	1.0	(64)	2.0	(59)	1.0	(59)	1.0	(59)		
(ii) Top Marginal Income & Payroll Tax Rate							0.0	(69)	0.0	(67)	1.0	(63)	0.0	(63)	0.0	(63)		
2. Legal Structure & Security of Property Rights	6.2		7.2		7.9		8.3		9.1		9.5		9.2		9.3			
A. Judicial Independence									8.8		9.4		9.3		9.0			
B. Impartial Courts									9.5		9.5		8.6		8.7			
C. Protection of Intellectual Property									7.4		8.8		8.3		8.7			
D. Military Interference									9.7		10.0		10.0		10.0			
E. Integrity of Legal System									10.0		10.0		10.0		10.0			
3. Access to Sound Money	6.2		6.7		6.4		9.4		9.8		9.7		9.7		9.7			
A. Growth of Money Supply	8.0	(9.8)	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)		
B. Inflation Variability	9.2	(2.0)	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)		
C. Recent Annual Inflation	7.5	(12.4)	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)		
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 Trade Internationally	7.0		7.1		7.3		6.9		7.9		8.3		8.2		8.1			
A. Taxes on International Trade	8.8		9.0		9.1		8.5		8.7		9.2		9.0		9.0			
(i) Taxes as Percentage of Exports & Imports	9.4	(0.9)	9.7	(0.5)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)		
(ii) Mean Tariff Rate	8.2	(9.0)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)		
(iii) Variability of Tariff Rates							7.1		(7.2)		7.6		(4.4)		8.0		(4.9)	
B. Regulatory Trade Barriers									9.1		9.4		9.2		9.2			
(i) Hidden Import Barriers									9.1		9.0		8.5		8.8			
(ii) Costs of Importing											9.8		9.8		9.6			
C. Size of Trade Sector	3.4		3.8		4.0		3.1		2.8		3.7		3.8		3.6			
D. Official versus Black Market Exchange Rate	9.8		9.6		10.0		10.0		10.0		10.0		10.0		10.0			
E. Restrictions on Capital Markets	5.0		5.0		5.0		5.0		8.8		9.0		9.0		8.8			
(i) Access to Foreign Capital									9.5		9.5		9.5		9.2			
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		8.0		8.5		8.5		8.5			
5. Regulation of Credit, Labor & Business	5.8		5.7		5.6		6.0		7.5		7.2		6.9		6.8			
A. Regulation of Credit Markets	9.1		9.4		9.1		9.3		9.1		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			
(iii) Extension of Credit to Private Sector	9.3		8.2		7.2		8.0		8.2		9.2		9.2		9.2			
(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									8.7		9.5		9.5		9.5			
B. Regulation of Labor Markets	4.0		3.5		3.5		4.7		4.8		4.6		4.7		4.6			
(i) Impact of Minimum Wage									3.7		4.8		4.8		4.8			
(ii) Flexibility in Hiring & Firing							8.1		8.1		6.5		7.0		7.2			
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		5.2		4.9		4.8		5.3			
(iv) Incentives from Unemployment Benefits	3.7		2.2		2.3		2.4		4.2		4.0		4.0		3.0			
(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			
(i) Price Controls							7.0		9.0		7.0		7.0		6.0			
(ii) Administrative Obstacles for New Businesses											7.1		3.5		4.3			
(iii) Time Spent with Government Bureaucracy									8.9		8.2		7.3		6.0			
(iv) Ease of Starting a New Business									6.3		6.5		5.8		6.2			
(v) Irregular Payments to Government Officials									10.0		9.3		9.4		9.5			

Dominican Republic

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		5.9 (26)	5.5 (51)	4.6 (94)	6.2 (56)	6.5 (58)	6.5 (53)	6.6 (51)
1. Size of Government	5.7	5.7	6.2	6.4	8.6	8.6	8.5	8.2
A. Government Consumption	9.4 (7.9)	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)
B. Transfers & Subsidies	9.5 (2.5)	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 (2.4)
C. Government Enterprises & Investment	4.0 (32.7)	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)
D. Top Marginal Tax Rate	0.0	0.0	0.0	0.0	9.0	9.0	9.0	8.0
(i) Top Marginal Income Tax Rate	0.0 (73)	0.0 (73)	0.0 (73)	0.0 (73)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income & Payroll Tax Rate				0.0 (73)	9.0 (25)	9.0 (25)	9.0 (25)	7.0 (32)
2. Legal Structure & Security of Property Rights		5.8	5.4	5.3	5.2	4.5	3.8	4.2
A. Judicial Independence							3.8	4.3
B. Impartial Courts					6.2	5.6	3.3	4.0
C. Protection of Intellectual Property						2.9	3.8	4.3
D. Military Interference					6.6	5.0	5.0	5.0
E. Integrity of Legal System					4.1	5.0	3.3	3.3
3. Access to Sound Money	5.6	7.4	3.8	1.5	4.5	6.8	8.0	8.2
A. Growth of Money Supply	8.3 (8.6)	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)
B. Inflation Variability	7.4 (6.6)	8.1 (4.6)	3.0 (17.5)	3.5 (16.3)	2.0 (20.0)	9.4 (1.5)	9.4 (1.6)	9.3 (1.7)
C. Recent Annual Inflation	6.6 (17.0)	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)
D. Freedom to Own Foreign Currency	0.0	5.0	5.0	0.0	0.0	0.0	5.0	5.0
4. Freedom to Trade Internationally	3.8	4.0	5.6	4.2	5.8	6.0	6.3	6.4
A. Taxes on International Trade	0.0	3.5	5.7	5.1	5.0	6.1	6.0	6.0
(i) Taxes as Percentage of Exports & Imports	0.0 (16.1)	3.5 (9.8)	5.7 (6.5)	5.8 (6.3)	4.0 (9.0)	6.3 (5.5)	5.2 (7.2)	5.2 (7.2)
(ii) Mean Tariff Rate				4.4 (28.0)	6.0 (20.0)	6.1 (19.5)	6.1 (19.5)	6.1 (19.5)
(iii) Variability of Tariff Rates						6.0 (10.0)	6.8 (8.1)	6.8 (8.1)
B. Regulatory Trade Barriers						3.3	5.8	6.7
(i) Hidden Import Barriers						3.3	4.2	5.3
(ii) Costs of Importing							7.5	8.0
C. Size of Trade Sector	4.5	3.5	5.0	5.6	4.4	4.0	2.9	2.9
D. Official versus Black Market Exchange Rate	4.4	2.6	7.2	0.0	9.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	6.5	6.5	6.5
(i) Access to Foreign Capital						8.4	8.4	9.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	4.6	4.6	3.8
5. Regulation of Credit, Labor & Business		6.8	6.6	5.7	6.8	6.5	6.1	5.9
A. Regulation of Credit Markets	7.6	7.8	7.3	6.0	9.0	7.8	7.5	7.5
(i) Private Ownership of Banks		8.0	8.0	10.0	10.0	10.0	8.0	8.0
(ii) Competition from Foreign Banks						5.8	5.8	5.8
(iii) Extension of Credit to Private Sector	7.6	7.6	6.7	8.0	8.9	9.2	8.8	8.8
(iv) Avoidance of Negative Real Interest Rates				0.0	8.0	8.0	9.0	9.0
(v) Controls on Interest Rates						5.8	5.8	5.8
B. Regulation of Labor Markets						5.9	6.2	5.5
(i) Impact of Minimum Wage						2.9	2.9	2.9
(ii) Flexibility in Hiring & Firing						5.2	4.6	3.2
(iii) Collective Bargaining						5.6	7.1	5.8
(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						6.0	4.7	4.6
(i) Price Controls				4.0	6.0	6.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses						7.4	3.4	3.2
(iii) Time Spent with Government Bureaucracy						5.2	5.8	5.8
(iv) Ease of Starting a New Business						5.5	4.8	5.3
(v) Irregular Payments to Government Officials						5.7	5.5	4.7

Ecuador

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.5 (36)		5.9 (26)		4.9 (75)		5.5 (52)		6.3 (49)		5.4 (101)		5.3 (106)		5.6 (94)	
1. Size of Government	5.1		5.5		5.1		8.2		8.2		8.4		9.0		9.0	
A. Government Consumption	6.4	(18.2)	6.0	(19.6)	7.3	(15.1)	8.5	(11.2)	7.2	(15.7)	7.9	(13.3)	8.1	(12.4)	8.1	(12.4)
B. Transfers & 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)
C. Government Enterprises & Investment	4.0	(37.5)	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)
D. Top Marginal Tax Rate	5.0		5.0		2.0		8.0		8.0		8.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	5.0	(50)	5.0	(50)	2.0	(58)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income & Payroll Tax Rate							7.0	(32)	7.0	(32)	7.0	(32)	7.0	(32)	7.0	(32)
2. Legal Structure & Security of Property Rights	3.9		5.9		5.3		5.2		4.4		3.3		2.5		2.9	
A. Judicial Independence											2.7		1.0		1.5	
B. Impartial Courts									4.3		2.5		1.3		2.0	
C. Protection of Intellectual Property											3.0		1.9		2.8	
D. Military Interference									5.1		3.3		3.3		3.3	
E. Integrity of Legal System									4.1		5.0		5.0		5.0	
3. Access to Sound Money	7.3		7.9		6.4		3.8		6.5		3.8		3.8		4.4	
A. Growth of Money Supply	6.7	(16.5)	7.3	(13.7)	6.0	(19.9)	1.9	(40.5)	4.8	(26.2)	0.0	(-53.7)	0.0	(-53.7)	0.0	(-53.7)
B. Inflation Variability	4.5	(13.7)	8.4	(4.1)	5.9	(10.4)	3.3	(16.8)	5.8	(10.5)	5.3	(11.6)	2.9	(17.8)	0.0	(31.0)
C. Recent Annual Inflation	8.0	(10.0)	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)
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 Trade Internationally	5.8		5.6		3.9		5.8		6.7		7.1		7.0		6.8	
A. Taxes on International Trade	4.1		5.2		4.2		3.3		7.7		7.1		7.1		7.1	
(i) Taxes as Percentage of Exports & Imports	4.1	(8.9)	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)
(ii) Mean Tariff Rate					2.5	(37.7)	2.6	(37.1)	7.5	(12.3)	7.4	(12.9)	7.4	(12.9)	7.4	(12.9)
(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)
B. Regulatory Trade Barriers											4.7		4.8		5.5	
(i) Hidden Import Barriers											3.1		3.4		4.0	
(ii) Costs of Importing											6.3		6.3		7.0	
C. Size of Trade Sector	6.0		5.2		4.6		5.6		5.1		6.1		5.4		5.4	
D. Official versus Black Market Exchange Rate	9.0		7.4		0.4		10.0		7.6		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		5.0		7.7		7.7		6.1	
(i) Access to Foreign Capital											9.2		9.2		6.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		5.0		6.2		6.2		6.2	
5. Regulation of Credit, Labor & Business			4.5		3.9		4.5		5.5		4.2		4.1		4.8	
A. Regulation of Credit Markets	5.7		5.4		3.7		5.8		7.8		4.4		4.7		6.5	
(i) Private Ownership of Banks			5.0		5.0		8.0		8.0		2.0		2.0		8.0	
(ii) Competition from Foreign Banks											3.8		3.8		3.8	
(iii) Extension of Credit to Private Sector	5.7		7.3		6.2		9.4		9.3		7.9		9.2		9.2	
(iv) Avoidance of Negative Real Interest Rates			4.0		0.0		0.0		6.0		6.0		6.0		9.0	
(v) Controls on Interest Rates											2.5		2.5		2.5	
B. Regulation of Labor Markets											3.6		3.7		3.6	
(i) Impact of Minimum Wage											3.5		3.5		3.5	
(ii) Flexibility in Hiring & Firing											3.4		2.9		2.2	
(iii) Collective Bargaining											4.3		5.3		5.8	
(iv) Incentives from Unemployment Benefits											3.7		3.7		3.7	
(v) Military Conscription	0.0		0.0		0.0		3.0		3.0		3.0		3.0		3.0	
C. Regulation of Business											4.7		3.9		4.4	
(i) Price Controls							0.0		4.0		4.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											5.3		1.3		2.0	
(iii) Time Spent with Government Bureaucracy											5.3		5.5		6.0	
(iv) Ease of Starting a New Business											4.0		2.9		3.5	
(v) Irregular Payments to Government Officials											4.9		3.9		4.4	

Egypt

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.3 (59)	4.7 (74)	5.3 (62)	4.9 (80)	5.8 (68)	6.7 (45)	6.5 (53)	6.2 (74)
1. Size of Government	2.9	3.4	4.0	4.9	5.2	6.5	7.1	6.9
A. Government Consumption	3.4 (28.4)	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)
B. Transfers & Subsidies	3.3 (25.0)	5.4 (17.2)	6.3 (13.9)	7.7 (8.9)	7.8 (8.5)	8.9 (4.6)	8.9 (4.6)	8.9 (4.6)
C. Government Enterprises & Investment	2.0 (43.8)	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)
D. Top Marginal Tax Rate		0.0	2.0	2.0	3.0	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)
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights	3.3	2.8	5.4	3.5	4.9	5.9	4.6	4.9
A. Judicial Independence					5.9	6.8	2.7	4.5
B. Impartial Courts					3.3	5.7	5.7	4.0
C. Protection of Intellectual Property					4.9	5.2	3.0	4.5
D. Military Interference					6.1	5.0	5.0	5.0
E. Integrity of Legal System					4.1	6.7	6.7	6.7
3. Access to Sound Money	5.8	7.5	8.8	8.1	7.6	9.5	9.6	9.6
A. Growth of Money Supply	6.9 (15.5)	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)
B. Inflation Variability	8.3 (4.2)	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 (1.7)
C. Recent Annual Inflation	7.9 (10.4)	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)
D. Freedom to Own Foreign Currency	0.0	10.0	10.0	10.0	5.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	5.3	5.4	3.3	3.5	5.9	6.1	6.1	4.9
A. Taxes on International Trade	0.0	0.9	1.7	3.1	3.1	3.7	3.7	3.7
(i) Taxes as Percentage of Exports & Imports	0.0 (16.7)	1.3 (13.1)	1.9 (12.1)	6.1 (5.9)	4.8 (7.8)	5.1 (7.3)	5.2 (7.3)	5.2 (7.3)
(ii) Mean Tariff Rate		0.5 (47.4)	1.4 (42.8)	3.3 (33.5)	4.3 (28.3)	5.9 (20.5)	5.9 (20.5)	5.9 (20.5)
(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)
B. Regulatory Trade Barriers					4.5	5.6	5.6	5.5
(i) Hidden Import Barriers					4.5	4.5	4.5	4.5
(ii) Costs of Importing						6.7	6.7	6.5
C. Size of Trade Sector	8.4	9.8	6.5	6.3	5.7	4.0	4.1	3.8
D. Official versus Black Market Exchange Rate	9.8	8.2	0.0	0.0	9.4	10.0	10.0	5.2
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	7.1	7.3	7.3	6.4
(i) Access to Foreign Capital					9.2	9.2	9.2	7.4
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	5.0	5.4	5.4	5.4
5. Regulation of Credit, Labor & Business		4.5	4.8	4.8	5.3	5.2	5.0	4.6
A. Regulation of Credit Markets	5.0	3.9	5.2	5.1	6.4	6.6	5.9	5.3
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	2.0	2.0
(ii) Competition from Foreign Banks					6.7	5.8	5.8	3.0
(iii) Extension of Credit to Private Sector		2.8	4.6	4.3	4.7	6.8	6.8	6.4
(iv) Avoidance of Negative Real Interest Rates		4.0	6.0	6.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates					5.5	5.1	5.1	5.1
B. Regulation of Labor Markets				4.0	5.6	4.0	4.0	4.2
(i) Impact of Minimum Wage					8.3	4.2	4.2	4.2
(ii) Flexibility in Hiring & Firing				4.0	4.0	3.1	3.1	4.5
(iii) Collective Bargaining		7.9	7.9	7.9	7.9	7.5	7.5	7.0
(iv) Incentives from Unemployment Benefits					7.6	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
(i) Price Controls				2.0	2.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses						7.5	7.5	3.0
(iii) Time Spent with Government Bureaucracy					4.7	2.8	2.8	3.8
(iv) Ease of Starting a New Business					6.0	5.8	5.8	4.5
(v) Irregular Payments to Government Officials					3.7	5.8	5.8	5.6

El Salvador

	1975		1980		1985		1990		1995		2000		2001		2002			
Summary Ratings (Rank) ▶			4.4 (82)		4.6 (85)		4.8 (84)		7.0 (28)		7.3 (23)		7.2 (24)		7.2 (27)			
1. Size of Government	7.3		6.3		6.4		7.1		8.6		8.4		8.7		8.7			
A. Government Consumption	7.8	(13.5)	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)		
B. Transfers & Subsidies	9.5	(2.5)	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)		
C. Government Enterprises & Investment	8.0	(10.8)	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)		
D. Top Marginal Tax Rate	4.0		3.0		3.0		2.0		8.0		8.0		8.0		8.0			
(i) Top Marginal Income Tax Rate	4.0	(55)	3.0	(60)	3.0	(48)	2.0	(60)	8.0	(30)	8.0	(30)	8.0	(30)	8.0	(30)		
(ii) Top Marginal Income & Payroll Tax Rate																		
2. Legal Structure & Security of Property Rights			2.5		2.0		2.0		5.4		4.5		4.4		4.3			
A. Judicial Independence											4.3		3.3		3.2			
B. Impartial Courts									4.4		4.2		3.9		4.0			
C. Protection of Intellectual Property											4.1		4.7		4.5			
D. Military Interference									6.3		5.0		5.0		5.0			
E. Integrity of Legal System									7.0		5.0		5.0		5.0			
3. Access to Sound Money	5.9		5.3		5.5		5.0		8.9		9.4		9.6		9.6			
A. Growth of Money Supply	7.5	(12.5)	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)		
B. Inflation Variability	8.3	(4.4)	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)		
C. Recent Annual Inflation	8.0	(9.9)	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)		
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 Trade Internationally	5.4		3.6		3.7		4.8		6.7		7.5		7.4		7.4			
A. Taxes on International Trade	5.7		3.1		5.3		6.5		7.5		8.0		8.1		8.1			
(i) Taxes as Percentage of Exports & Imports	5.7	(6.4)	5.9	(6.2)	5.3	(7.1)	7.3	(4.1)	7.6	(3.6)	9.0	(1.5)	9.0	(1.5)	9.0	(1.5)		
(ii) Mean Tariff Rate			0.4		(48.0)		5.8		(21.1)		8.0		(10.2)		8.5		(7.4)	
(iii) Variability of Tariff Rates									7.0		(7.6)		(8.6)		6.6		(8.4)	
B. Regulatory Trade Barriers											7.1		7.3		7.4			
(i) Hidden Import Barriers											5.7		6.1		6.2			
(ii) Costs of Importing											8.5		8.4		8.6			
C. Size of Trade Sector	5.0		4.8		2.8		2.0		3.0		3.6		3.7		3.3			
D. Official versus Black Market Exchange Rate	6.0		0.0		0.0		5.2		9.8		10.0		10.0		10.0			
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		5.0		8.9		8.2		8.0			
(i) Access to Foreign Capital											8.6		8.6		8.4			
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		5.0		9.2		7.7		7.7			
5. Regulation of Credit, Labor & Business					5.4		5.2		5.7		6.4		6.1		6.1			
A. Regulation of Credit Markets	9.8		9.8		8.7		8.6		9.7		7.8		7.2		7.3			
(i) Private Ownership of Banks													5.0		5.0			
(ii) Competition from Foreign Banks											4.6		4.6		4.6			
(iii) Extension of Credit to Private Sector	9.8		9.8		9.3		9.3		9.5		9.4		9.1		9.4			
(iv) Avoidance of Negative Real Interest Rates					8.0		8.0		10.0		10.0		10.0		10.0			
(v) Controls on Interest Rates											7.4		7.4		7.4			
B. Regulation of Labor Markets											4.8		5.2		4.7			
(i) Impact of Minimum Wage											3.1		3.1		3.1			
(ii) Flexibility in Hiring & Firing											4.9		6.4		4.0			
(iii) Collective Bargaining											7.7		7.9		8.0			
(iv) Incentives from Unemployment Benefits											5.5		5.5		5.5			
(v) Military Conscription			3.0		0.0		0.0		0.0		3.0		3.0		3.0			
C. Regulation of Business											6.4		6.0		6.2			
(i) Price Controls							4.0		6.0		8.0		8.0		8.0			
(ii) Administrative Obstacles for New Businesses											7.3		4.0		3.5			
(iii) Time Spent with Government Bureaucracy											5.4		7.0		7.0			
(iv) Ease of Starting a New Business											5.8		5.2		5.5			
(v) Irregular Payments to Government Officials											5.6		5.9		6.9			

Estonia

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶					5.6 (75)	7.1 (33)	7.6 (14)	7.7 (11)
1. Size of Government					4.4	5.4	6.5	6.6
A. Government Consumption				5.7 (20.5)	3.2 (29.1)	3.7 (27.3)	3.9 (26.6)	4.2 (25.6)
B. Transfers & Subsidies					6.4 (13.6)	6.0 (15.3)	6.2 (14.5)	6.2 (14.5)
C. Government Enterprises & Investment					2.0	6.0	10.0 (14.3)	10.0 (14.3)
D. Top Marginal Tax Rate					6.0	6.0	6.0	6.0
(i) Top Marginal Income Tax Rate					8.0 (26)	8.0 (26)	8.0 (26)	8.0 (26)
(ii) Top Marginal Income & Payroll Tax Rate					4.0 (44)	4.0 (44)	4.0 (45)	4.0 (45)
2. Legal Structure & Security of Property Rights					6.5	6.0	6.5	6.9
A. Judicial Independence							6.1	7.2
B. Impartial Courts					6.5	6.9	5.9	6.2
C. Protection of Intellectual Property						5.0	5.7	6.0
D. Military Interference					8.4	8.3	8.3	8.3
E. Integrity of Legal System						6.7	6.7	6.7
3. Access to Sound Money			8.8	4.5	2.3	8.6	9.2	9.3
A. Growth of Money Supply					0.0 (67.4)	8.3 (8.4)	9.1 (4.5)	8.7 (6.4)
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)
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)
D. Freedom to Own Foreign Currency				5.0	5.0	10.0	10.0	10.0
4. Freedom to Trade Internationally					8.6	8.8	8.8	8.7
A. Taxes on International Trade				9.8	9.8	10.0	10.0	10.0
(i) Taxes as Percentage of Exports & Imports				9.8 (0.3)	9.9 (0.1)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(ii) Mean Tariff Rate					10.0 (0.1)	10.0 (0.1)	10.0 (0.0)	10.0 (0.0)
(iii) Variability of Tariff Rates					9.5 (1.2)			
B. Regulatory Trade Barriers						8.3	8.8	8.7
(i) Hidden Import Barriers						8.3	8.0	7.8
(ii) Costs of Importing							9.6	9.6
C. Size of Trade Sector					6.9	8.0	7.6	7.3
D. Official versus Black Market Exchange Rate				0.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets				0.0	8.0	7.8	7.8	7.6
(i) Access to Foreign Capital						9.5	9.5	9.0
(ii) Restrictions on Foreign Capital Transactions				0.0	8.0	6.2	6.2	6.2
5. Regulation of Credit, Labor & Business				2.5	6.2	6.6	6.8	7.0
A. Regulation of Credit Markets				0.0	4.3	7.8	9.0	9.0
(i) Private Ownership of Banks				0.0	5.0	8.0	10.0	10.0
(ii) Competition from Foreign Banks						6.6	6.6	6.6
(iii) Extension of Credit to Private Sector					7.9	9.6	9.6	9.5
(iv) Avoidance of Negative Real Interest Rates					0.0	6.0	10.0	10.0
(v) Controls on Interest Rates						8.9	8.9	8.9
B. Regulation of Labor Markets						4.7	5.1	5.1
(i) Impact of Minimum Wage						2.9	2.9	2.9
(ii) Flexibility in Hiring & Firing						4.6	5.8	5.3
(iii) Collective Bargaining						8.5	8.6	8.7
(iv) Incentives from Unemployment Benefits								5.5
(v) Military Conscription				0.0	3.0	3.0	3.0	3.0
C. Regulation of Business					8.1	7.1	6.4	6.8
(i) Price Controls				0.0	6.0	6.0	7.0	8.0
(ii) Administrative Obstacles for New Businesses						7.6	5.1	5.3
(iii) Time Spent with Government Bureaucracy					8.5	7.2	4.8	5.5
(iv) Ease of Starting a New Business					8.5	8.0	7.6	8.0
(v) Irregular Payments to Government Officials					9.6	6.9	7.3	7.4

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.4 (38)		5.7 (41)		5.9 (35)		5.9 (42)		6.1 (60)		6.1 (75)		6.0 (80)		6.0 (78)	
1. Size of Government	6.0		4.8		4.7		5.2		5.9		6.1		6.1		6.1	
A. Government Consumption	7.4	(15.0)	5.6	(21.1)	5.0	(23.1)	5.9	(19.9)	5.5	(21.4)	5.9	(20.0)	5.9	(20.0)	5.9	(20.0)
B. Transfers & Subsidies	9.6	(1.9)	9.5	(2.5)	8.9	(4.5)	9.9	(1.0)	9.2	(3.5)	9.3	(2.9)	9.3	(2.9)	9.3	(2.9)
C. Government Enterprises & Investment	4.0	(30.0)	2.0	(45.0)	2.0	(37.0)	2.0	(62.0)	2.0		2.0		2.0		2.0	
D. Top Marginal Tax Rate	3.0		2.0		3.0		3.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	3.0	(53)	2.0	(53)	3.0	(50)	3.0	(50)	7.0	(35)	7.0	(34)	7.0	(32)	7.0	(32)
(ii) Top Marginal Income & Payroll Tax Rate							3.0 (50)		7.0 (35)		7.0 (34)		7.0 (32)		7.0 (32)	
2. Legal Structure & Security of Property Rights									5.1		5.5		5.5		5.5	
A. Judicial Independence																
B. Impartial Courts									4.7		4.6		4.6		4.6	
C. Protection of Intellectual Property																
D. Military Interference									6.3		7.3		7.3		7.3	
E. Integrity of Legal System																
3. Access to Sound Money	4.8		6.0		6.5		6.3		6.9		7.0		6.7		7.0	
A. Growth of Money Supply	7.5	(11.2)	9.8	(-1.3)	9.1	(4.5)	7.5	(12.3)	9.0	(4.9)	9.4	(2.9)	9.1	(4.6)	9.1	(4.6)
B. Inflation Variability	6.4	(9.0)	7.7	(5.7)	8.4	(3.9)	9.2	(2.1)	9.1	(2.4)	8.9	(2.8)	8.7	(3.3)	9.1	(2.1)
C. Recent Annual Inflation	5.1	(24.3)	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)
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 Trade Internationally	6.1		6.4		6.3		6.4		6.5		6.2		6.1		5.7	
A. Taxes on International Trade	5.6		6.1		4.7		5.7		6.6		7.3		6.8		6.8	
(i) Taxes as Percentage of Exports & Imports	5.6	(6.6)	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)
(ii) Mean Tariff Rate											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)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	4.9		6.3		5.2		7.0		5.8		6.1		6.1		6.1	
D. Official versus Black Market Exchange Rate	6.6		6.4		8.4		9.2		9.8		9.4		9.4		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		2.0		2.0		0.0		0.0		0.0	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		2.0		2.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor & Business	4.9		5.7		6.0		5.7		5.9		5.9		5.8		5.9	
A. Regulation of Credit Markets	3.0		5.1		5.9		5.4		6.2		6.1		6.4		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	7.1		7.3		7.7		8.3		8.5		8.3		8.1		8.1	
(iv) Avoidance of Negative Real Interest Rates	0.0		6.0		8.0		6.0		8.0		8.0		9.0		10.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets																
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & 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	
(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

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.8 (24)	6.4 (18)	6.5 (19)	6.7 (20)	7.6 (12)	7.7 (12)	7.7 (10)	7.7 (11)
1. Size of Government	5.0	4.7	4.4	4.2	3.7	4.1	4.5	4.6
A. Government Consumption	4.9 (23.4)	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)
B. Transfers & Subsidies	6.3 (14.1)	6.2 (14.3)	5.8 (15.8)	5.8 (16.0)	3.9 (22.8)	5.2 (18.2)	4.9 (19.1)	4.9 (19.1)
C. Government Enterprises & Investment	7.0 (18.9)	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)
D. Top Marginal Tax Rate	2.0	1.0	1.0	1.5	1.5	2.0	2.0	2.5
(i) Top Marginal Income Tax Rate	2.0 (61-68)	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)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (61-69)	1.0 (60-66)	1.0 (54-61)	1.0 (54-61)	2.0 (55-60)
2. Legal Structure & Security of Property Rights	5.0	6.8	7.9	8.3	9.3	9.5	9.3	9.3
A. Judicial Independence					9.8	9.7	8.9	9.3
B. Impartial Courts					9.4	8.9	8.7	8.8
C. Protection of Intellectual Property					7.2	8.9	8.6	8.5
D. Military Interference					10.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money	6.6	7.8	7.8	9.3	9.6	9.5	9.6	9.6
A. Growth of Money Supply	6.2 (18.8)	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)
B. Inflation Variability	7.9 (5.3)	9.3 (1.8)	9.3 (1.9)	9.6 (0.9)	9.7 (0.7)	9.3 (1.7)	9.5 (1.3)	9.4 (1.4)
C. Recent Annual Inflation	7.3 (13.3)	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)
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 Trade Internationally	6.5	6.8	6.7	6.1	8.2	8.3	8.2	8.1
A. Taxes on International Trade	8.1	8.7	9.2	8.0	8.7	9.1	9.0	9.0
(i) Taxes as Percentage of Exports & Imports	8.9 (1.6)	9.5 (0.8)	9.7 (0.4)	9.6 (0.6)	9.9 (0.2)	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate	7.4 (13.2)	7.9 (10.4)	8.6 (7.0)	8.5 (7.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.2 (3.9)
(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)
B. Regulatory Trade Barriers					9.3	9.8	9.4	9.5
(i) Hidden Import Barriers					9.3	9.7	9.1	9.3
(ii) Costs of Importing						9.8	9.6	9.6
C. Size of Trade Sector	4.2	5.2	4.2	2.4	4.3	4.7	4.3	4.0
D. Official versus Black Market Exchange Rate	9.8	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	8.7	8.1	8.1	8.1
(i) Access to Foreign Capital					9.4	10.0	10.0	10.0
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	8.0	6.2	6.2	6.2
5. Regulation of Credit, Labor & Business	5.8	5.7	5.8	5.8	7.1	7.1	6.9	6.8
A. Regulation of Credit Markets	9.0	8.6	9.3	9.3	8.9	9.2	9.1	9.2
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					8.9	8.1	8.1	8.1
(iii) Extension of Credit to Private Sector	9.9	9.9	9.9	10.0	9.0	9.0	8.6	8.9
(iv) Avoidance of Negative Real Interest Rates		8.0	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
B. Regulation of Labor Markets	4.1	4.1	3.8	3.7	3.5	3.3	3.6	3.8
(i) Impact of Minimum Wage					4.1	4.7	4.7	4.7
(ii) Flexibility in Hiring & Firing				3.9	3.9	3.2	4.4	5.2
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	2.9	2.9	2.2
(iv) Incentives from Unemployment Benefits	4.9	4.9	3.9	3.5	2.0	2.8	2.8	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					8.9	8.8	7.9	7.5
(i) Price Controls				6.0	9.0	9.0	9.0	9.0
(ii) Administrative Obstacles for New Businesses						8.0	5.7	6.2
(iii) Time Spent with Government Bureaucracy					8.5	8.5	7.3	5.3
(iv) Ease of Starting a New Business					8.5	8.8	8.0	7.7
(v) Irregular Payments to Government Officials					9.6	9.6	9.7	9.3

France

	1975		1980		1985		1990		1995		2000		2001		2002			
Summary Ratings (Rank) ▶	5.6 (34)		5.8 (35)		5.9 (35)		6.7 (20)		6.8 (37)		7.0 (37)		6.7 (45)		6.8 (44)			
1. Size of Government	4.5		3.7		3.1		3.5		3.2		2.3		2.8		2.8			
A. Government Consumption	5.3	(22.0)	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)		
B. Transfers & Subsidies	3.6	(24.0)	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)		
C. Government Enterprises & Investment	4.0		4.0	(27.4)	4.0	(33.2)	4.0	(35.0)	4.0	(30.0)	4.0		4.0		4.0			
D. Top Marginal Tax Rate	5.0		3.0		1.0		2.0		3.5		1.0		1.0		1.0			
(i) Top Marginal Income Tax Rate	5.0	(48)	3.0	(60)	1.0	(65)	3.0	(53)	4.0	(51)	2.0	(54)	2.0	(53)	2.0	(53)		
(ii) Top Marginal Income & Payroll Tax Rate							1.0	(61)	3.0	(60)	0.0	(62-65)	0.0	(61-64)	0.0	(61-64)		
2. Legal Structure & Security of Property Rights	4.9		6.8		7.2		7.7		7.5		8.1		7.1		7.4			
A. Judicial Independence									6.6		6.3		5.5		5.7			
B. Impartial Courts									5.6		8.0		5.8		6.5			
C. Protection of Intellectual Property									7.3		9.4		7.6		8.0			
D. Military Interference									8.0		8.3		8.3		8.3			
E. Integrity of Legal System									10.0		8.3		8.3		8.3			
3. Access to Sound Money	6.2		6.3		6.6		9.6		9.8		9.6		9.6		9.6			
A. Growth of Money Supply	8.3	(8.4)	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)		
B. Inflation Variability	8.9	(2.6)	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)		
C. Recent Annual Inflation	7.4	(13.0)	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)		
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 Trade Internationally	6.6		6.6		6.7		7.1		7.4		8.2		7.9		8.1			
A. Taxes on International Trade	8.9		9.0		9.1		8.5		8.7		9.2		9.0		9.0			
(i) Taxes as Percentage of Exports & Imports	9.9	(0.1)	9.7	(0.5)	9.7	(0.4)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)		
(ii) Mean Tariff Rate	7.8	(11.0)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)		
(iii) Variability of Tariff Rates							7.1		(7.2)		7.6		(4.4)		8.0		(4.9)	
B. Regulatory Trade Barriers									7.7		8.8		8.1		8.4			
(i) Hidden Import Barriers									7.7		8.4		6.9		7.7			
(ii) Costs of Importing											9.2		9.4		9.1			
C. Size of Trade Sector	4.2		4.7		4.8		4.1		3.8		4.8		4.6		4.3			
D. Official versus Black Market Exchange Rate	10.0		9.4		9.2		10.0		10.0		10.0		10.0		10.0			
E. Restrictions on Capital Markets	2.0		2.0		2.0		5.0		6.8		8.0		7.6		8.8			
(i) Access to Foreign Capital									8.6		9.1		9.1		9.2			
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		5.0		6.9		6.2		8.5			
5. Regulation of Credit, Labor & Business	5.8		5.7		5.7		5.7		6.0		6.8		6.2		6.2			
A. Regulation of Credit Markets	9.2		8.9		8.8		9.0		8.4		8.2		8.2		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			
(iii) Extension of Credit to Private Sector	9.5		8.7		8.5		9.0		8.4		8.2		7.9		7.9			
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		8.0		8.0		10.0		10.0		10.0		10.0			
(v) Controls on Interest Rates									6.8		6.2		6.2		6.2			
B. Regulation of Labor Markets	4.0		3.9		3.8		3.8		3.4		5.0		5.0		5.1			
(i) Impact of Minimum Wage									2.6		4.5		4.5		4.5			
(ii) Flexibility in Hiring & Firing							4.2		4.2		1.7		2.0		2.0			
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.5		5.5		5.5		6.0			
(iv) Incentives from Unemployment Benefits	4.7		4.3		4.0		3.7		2.6		3.2		3.2		3.0			
(v) Military Conscription	3.0		3.0		3.0		3.0		3.0		10.0		10.0		10.0			
C. Regulation of Business									6.1		7.3		5.3		5.4			
(i) Price Controls							6.0		8.0		8.0		7.0		7.0			
(ii) Administrative Obstacles for New Businesses											7.7		2.3		1.8			
(iii) Time Spent with Government Bureaucracy									6.3		8.1		6.3		6.5			
(iv) Ease of Starting a New Business									3.4		5.2		3.5		3.7			
(v) Irregular Payments to Government Officials									6.8		7.7		7.4		7.8			

Gabon

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.2 (88)	5.4 (55)	5.3 (62)	5.3 (84)	5.0 (111)	5.2 (109)	5.1 (112)
1. Size of Government	4.3	1.9	4.6	5.1	4.8	3.7	4.5	4.2
A. Government Consumption	1.7 (34.2)	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)
B. Transfers & Subsidies	9.3 (3.1)		9.4 (2.7)	9.8 (1.2)	9.8 (1.2)			
C. Government Enterprises & Investment	2.0 (42.6)	2.0 (42.6)	4.0 (35.3)	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
(i) Top Marginal Income Tax Rate				1.0 (60)	1.0 (60)	3.0 (50)	3.0 (56)	1.0 (56)
(ii) Top Marginal Income & Payroll Tax Rate							1.0 (65)	1.0 (56)
2. Legal Structure & Security of Property Rights		3.9	4.5	5.0	5.1	4.3	4.3	4.3
A. Judicial Independence								
B. Impartial Courts					4.6	4.8	4.8	4.8
C. Protection of Intellectual Property								
D. Military Interference					4.8	3.3	3.3	3.3
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	3.6	4.4	6.1	5.4	5.4	5.8	5.2	5.8
A. Growth of Money Supply	5.1 (24.5)	9.6 (2.2)	7.4 (13.0)	9.7 (-1.5)	10.0 (0.1)	9.7 (1.3)	10.0 (-0.2)	10.0 (-0.2)
B. Inflation Variability	0.0 (26.3)	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 (17.4)
C. Recent Annual Inflation	9.1 (4.4)	2.6 (36.8)	9.7 (-1.3)	6.9 (15.4)	9.9 (-0.5)	9.9 (0.5)	7.7 (-11.7)	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 Trade Internationally	5.8	5.6	6.2	5.8	5.9	5.6	6.0	5.5
A. Taxes on International Trade	4.5	3.2	4.9	6.8	5.8	6.0	6.2	6.2
(i) Taxes as Percentage of Exports & Imports	4.5 (8.2)	5.1 (7.3)	5.7 (6.4)	6.8 (4.8)	5.8 (6.3)			
(ii) Mean Tariff Rate		1.3 (43.3)	4.1 (29.6)			5.9 (20.4)	6.2 (18.8)	6.2 (18.8)
(iii) Variability of Tariff Rates						6.1 (9.8)	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	6.5	6.9	8.2	4.9	5.5	3.9	5.7	5.7
D. Official versus Black Market Exchange Rate	9.6	9.6	9.8	9.2	9.8	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 & Business		5.2	5.5	5.1	5.1	5.5	5.9	5.9
A. Regulation of Credit Markets	0.0	3.0	4.0	5.4	4.7	6.2	7.3	7.3
(i) Private Ownership of Banks	0.0	0.0	0.0	2.0	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
(iv) Avoidance of Negative Real Interest Rates		6.0	8.0	8.0	4.0	6.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(ii) Administrative Obstacles for New Businesses								
(iii) Time Spent with Government Bureaucracy								
(iv) Ease of Starting a New Business								
(v) Irregular Payments to Government Officials								

Germany

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	6.7 (9)		7.0 (9)		7.0 (11)		7.2 (14)		7.5 (13)		7.6 (15)		7.3 (20)		7.3 (22)	
1. Size of Government	4.6		4.6		4.3		4.9		4.4		4.5		4.2		4.2	
A. Government Consumption	4.0	(26.5)	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)
B. Transfers & Subsidies	5.4	(17.4)	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)
C. Government Enterprises & Investment	7.0		7.0	(25.7)	7.0	(24.4)	6.0	(24.0)	6.0	(25.5)	6.0		6.0		6.0	
D. Top Marginal Tax Rate	2.0		2.0		1.0		4.0		3.0		3.0		4.0		4.0	
(i) Top Marginal Income Tax Rate	2.0	(65)	2.0	(65)	1.0	(65)	4.0	(53)	3.0	(57)	3.0	(56)	4.0	(51)	4.0	(51)
(ii) Top Marginal Income & Payroll Tax Rate							4.0	(53)	3.0	(57)	3.0	(56)	4.0	(51)	4.0	(51)
2. Legal Structure & Security of Property Rights	6.6		7.7		7.5		8.3		9.1		9.1		8.7		8.7	
A. Judicial Independence									9.3		9.4		8.7		8.5	
B. Impartial Courts									8.6		9.2		8.4		8.3	
C. Protection of Intellectual Property									8.0		8.8		8.2		8.5	
D. Military Interference									9.8		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		8.3		8.3		8.3	
3. Access to Sound Money	9.3		9.4		9.6		9.3		9.6		9.6		9.5		9.6	
A. Growth of Money Supply	8.8	(6.2)	9.2	(4.1)	9.5	(2.6)	8.1	(9.7)	9.1	(4.4)	9.2	(4.2)	9.0	(5.2)	9.0	(5.0)
B. Inflation Variability	9.7	(0.7)	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)
C. Recent Annual Inflation	8.8	(6.0)	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)
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 Trade Internationally	8.1		8.0		8.4		8.2		8.2		8.7		8.6		8.6	
A. Taxes on International Trade	8.9		9.0		9.1		8.4		8.7		9.1		9.0		9.0	
(i) Taxes as Percentage of Exports & Imports	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)
(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)	
B. Regulatory Trade Barriers									8.3		8.9		8.6		8.8	
(i) Hidden Import Barriers									8.3		8.5		7.9		8.2	
(ii) Costs of Importing											9.3		9.4		9.4	
C. Size of Trade Sector	5.6		4.7		4.6		4.3		4.7		6.0		6.0		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		10.0		10.0		9.6		9.5		9.5		9.4	
(i) Access to Foreign Capital									9.2		9.7		9.7		9.6	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		10.0		10.0		10.0		9.2		9.2		9.2	
5. Regulation of Credit, Labor & Business	5.1		5.2		5.2		5.3		6.1		6.1		5.4		5.6	
A. Regulation of Credit Markets	7.0		7.6		7.6		7.6		7.8		7.8		7.7		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	
(iii) Extension of Credit to Private Sector	8.0		7.8		7.7		7.9		7.6		8.0		7.9		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									8.4		8.6		8.6		8.6	
B. Regulation of Labor Markets	3.3		3.3		3.3		3.5		3.6		2.9		2.8		2.5	
(i) Impact of Minimum Wage									3.4		4.6		4.6		4.6	
(ii) Flexibility in Hiring & Firing									3.9		1.8		1.4		1.3	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.5		2.3		2.5		1.8	
(iv) Incentives from Unemployment Benefits	4.4		4.4		4.5		4.5		3.0		2.5		2.5		1.7	
(v) Military Conscription	1.0		1.0		1.0		1.0		3.0		3.0		3.0		3.0	
C. Regulation of Business									7.0		7.8		5.6		6.3	
(i) Price Controls							9.0		9.0		8.0		6.0		7.0	
(ii) Administrative Obstacles for New Businesses											8.2		2.2		3.7	
(iii) Time Spent with Government Bureaucracy									6.5		8.5		6.5		6.5	
(iv) Ease of Starting a New Business									5.0		6.4		5.1		5.5	
(v) Irregular Payments to Government Officials									7.7		8.0		8.2		8.8	

Ghana

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	3.9 (68)	2.9 (105)	3.2 (107)	5.0 (75)	5.6 (75)	5.9 (80)	5.7 (91)	6.3 (68)
1. Size of Government	4.2	4.7	4.9	5.3	6.6	6.1	5.6	5.6
A. Government Consumption	7.3 (15.1)	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)
B. Transfers & Subsidies	9.3 (3.1)	9.5 (2.4)	9.8 (1.3)	9.4 (2.6)	9.2 (3.3)			
C. Government Enterprises & Investment	0.0 (34.1)	0.0 (35.4)	0.0	2.0 (25.0)	4.0	4.0	4.0	4.0
D. Top Marginal Tax Rate	0.0	1.0	1.0	1.0	5.5	6.0	6.0	6.0
(i) Top Marginal Income Tax Rate	0.0 (70)	1.0 (60)	1.0 (60)	2.0 (55)	7.0 (35)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top Marginal Income & Payroll Tax Rate				0.0 (62)	4.0 (45)	4.0 (41)	4.0 (41)	4.0 (41)
2. Legal Structure & Security of Property Rights		2.8	2.7	5.8	5.6	4.4	4.2	4.5
A. Judicial Independence								5.2
B. Impartial Courts					5.5	5.4	5.4	5.0
C. Protection of Intellectual Property								3.8
D. Military Interference					6.0	5.0	4.2	5.0
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money	3.9	1.1	1.8	4.1	4.1	5.8	5.6	7.7
A. Growth of Money Supply	4.9 (25.7)	1.4 (42.9)	1.2 (44.2)	2.4 (37.9)	4.5 (27.4)	7.5 (12.7)	7.4 (12.9)	7.4 (12.9)
B. Inflation Variability	6.7 (8.3)	3.2 (17.1)	0.0 (38.3)	8.0 (5.0)	5.6 (10.9)	5.9 (10.4)	6.6 (8.4)	6.5 (8.8)
C. Recent Annual Inflation	4.1 (29.5)	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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	5.0	5.0	5.0	10.0
4. Freedom to Trade Internationally	2.4	1.7	2.1	5.0	5.8	7.3	7.4	7.6
A. Taxes on International Trade	0.0	0.0	2.0	4.4	6.1	6.6	6.6	6.6
(i) Taxes as Percentage of Exports & Imports	0.0 (20.6)	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)
(ii) Mean Tariff Rate			4.0 (30.0)	6.5 (17.5)	7.0 (15.0)	7.2 (14.0)	7.2 (14.0)	7.2 (14.0)
(iii) Variability of Tariff Rates					6.7 (8.3)	5.7 (10.7)	5.7 (10.7)	5.7 (10.7)
B. Regulatory Trade Barriers								5.8
(i) Hidden Import Barriers								4.7
(ii) Costs of Importing								7.0
C. Size of Trade Sector	3.7	0.0	0.0	3.8	5.2	10.0	10.0	10.0
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	8.6	9.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	1.5	2.3	5.6
(i) Access to Foreign Capital								8.8
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	1.5	2.3	2.3
5. Regulation of Credit, Labor & Business	5.3	4.4	4.7	4.7	5.7	5.9	5.5	6.2
A. Regulation of Credit Markets	3.3	1.8	2.5	3.9	6.0	6.0	4.6	7.0
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	5.0	5.0	5.0	8.0
(ii) Competition from Foreign Banks								7.0
(iii) Extension of Credit to Private Sector	4.6	3.3	5.4	7.8	9.0	4.9	4.3	5.0
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	2.0	4.0	8.0	4.3	8.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								6.9
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								5.5
(iii) Collective Bargaining								5.2
(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
(i) Price Controls				0.0	4.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses								3.5
(iii) Time Spent with Government Bureaucracy								5.3
(iv) Ease of Starting a New Business								4.0
(v) Irregular Payments to Government Officials								4.8

Greece

Summary Ratings (Rank) ▶	1975		1980		1985		1990		1995		2000		2001		2002	
	5.7 (29)		5.7 (41)		5.2 (65)		5.8 (46)		6.2 (56)		6.9 (41)		6.8 (42)		6.9 (41)	
1. Size of Government	6.3		5.3		3.7		4.8		5.7		6.4		5.9		6.1	
A. Government Consumption	7.9	(13.2)	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)
B. Transfers & Subsidies	9.3	(3.1)	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)
C. Government Enterprises & Investment	4.0	(29.0)	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)
D. Top Marginal Tax Rate	4.0		3.0		1.0		4.0		5.0		4.0		4.0		5.0	
(i) Top Marginal Income Tax Rate	4.0	(52)	3.0	(60)	1.0	(63)	4.0	(50)	5.0	(45)	5.0	(43)	5.0	(40)	5.0	(40)
(ii) Top Marginal Income & Payroll Tax Rate							4.0 (50)		5.0 (45)		3.0 (50)		3.0 (50)		5.0 (40)	
2. Legal Structure & Security of Property Rights	5.4		5.6		5.6		6.8		6.7		5.7		5.6		6.0	
A. Judicial Independence									5.5		6.3		5.9		6.2	
B. Impartial Courts									5.7		5.7		5.0		5.2	
C. Protection of Intellectual Property									5.4		4.8		4.7		5.2	
D. Military Interference									6.9		6.7		7.5		8.3	
E. Integrity of Legal System									10.0		5.0		5.0		5.0	
3. Access to Sound Money	6.8		6.9		6.8		6.7		7.3		9.3		9.5		9.6	
A. Growth of Money Supply	7.4	(12.9)	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)
B. Inflation Variability	7.1	(7.2)	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)
C. Recent Annual Inflation	7.5	(12.3)	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)
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 Trade Internationally	5.8		6.2		5.4		6.1		6.6		7.9		7.7		7.4	
A. Taxes on International Trade	7.9		8.1		9.0		8.4		8.7		9.2		9.1		9.1	
(i) Taxes as Percentage of Exports & Imports	7.7	(3.5)	7.9	(3.2)	9.5	(0.7)	9.6	(0.6)	9.7	(0.4)	9.7	(0.4)	10.0	(0.0)	10.0	(0.0)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)
(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)	
B. Regulatory Trade Barriers									6.3		8.7		8.1		8.2	
(i) Hidden Import Barriers									6.3		8.0		6.7		7.0	
(ii) Costs of Importing											9.5		9.6		9.4	
C. Size of Trade Sector	1.6		4.1		3.0		2.5		1.4		3.2		2.7		1.6	
D. Official versus Black Market Exchange Rate	9.4		8.6		5.0		9.4		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		6.5		8.3		8.3		7.9	
(i) Access to Foreign Capital									8.0		8.9		8.9		8.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		5.0		7.7		7.7		7.7	
5. Regulation of Credit, Labor & Business	4.3		4.4		4.4		4.8		4.9		5.4		5.3		5.4	
A. Regulation of Credit Markets	3.5		4.2		4.1		5.6		5.9		7.1		7.2		7.7	
(i) Private Ownership of Banks	2.0		2.0		2.0		5.0		5.0		5.0		5.0		8.0	
(ii) Competition from Foreign Banks									6.4		7.0		7.0		6.0	
(iii) Extension of Credit to Private Sector	4.6		4.7		4.4		3.9		4.9		6.0		6.5		6.8	
(iv) Avoidance of Negative Real Interest Rates	4.0		6.0		6.0		8.0		8.0		10.0		10.0		10.0	
(v) Controls on Interest Rates									5.2		7.7		7.7		7.7	
B. Regulation of Labor Markets	3.6		3.6		3.6		3.7		4.0		3.4		3.8		3.5	
(i) Impact of Minimum Wage									5.2		4.1		4.1		4.1	
(ii) Flexibility in Hiring & Firing									4.8		2.3		3.3		2.7	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.5		4.2		4.3		4.2	
(iv) Incentives from Unemployment Benefits	6.3		6.3		6.3		5.5		5.5		6.3		6.3		5.6	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		0.0		1.0		1.0	
C. Regulation of Business									4.7		5.6		4.8		4.9	
(i) Price Controls							0.0		6.0		5.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.0		2.7		2.3	
(iii) Time Spent with Government Bureaucracy									4.8		6.4		5.8		6.3	
(iv) Ease of Starting a New Business									4.2		4.1		4.0		4.0	
(v) Irregular Payments to Government Officials									3.7		5.7		5.8		5.9	

Guatemala

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	7.3 (4)	6.5 (16)	5.4 (55)	5.8 (46)	6.9 (34)	6.4 (63)	6.4 (61)	6.4 (61)
1. Size of Government	9.1	8.7	8.1	8.3	9.1	9.1	8.5	8.6
A. Government Consumption	9.4 (8.0)	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)
B. Transfers & Subsidies	9.9 (0.8)	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)
C. Government Enterprises & Investment	8.0 (20.9)	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)
D. Top Marginal Tax Rate	9.0	8.0	5.0	6.0	8.5	7.0	7.0	7.0
(i) Top Marginal Income Tax Rate	9.0 (34)	8.0 (40)	5.0 (48)	7.0 (34)	9.0 (25)	7.0 (31)	7.0 (31)	7.0 (31)
(ii) Top Marginal Income & Payroll Tax Rate				5.0 (37)	8.0 (28)	7.0 (34)	7.0 (34)	7.0 (34)
2. Legal Structure & Security of Property Rights		2.5	2.0	2.4	4.7	3.4	2.6	2.6
A. Judicial Independence							1.7	2.0
B. Impartial Courts					3.6	3.8	1.9	2.0
C. Protection of Intellectual Property						2.2	3.0	2.5
D. Military Interference					4.3	3.3	3.3	3.3
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money	6.8	8.6	8.0	6.6	8.1	7.6	9.0	9.0
A. Growth of Money Supply	8.1 (9.7)	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)
B. Inflation Variability	6.9 (7.8)	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)
C. Recent Annual Inflation	7.4 (13.1)	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)
D. Freedom to Own Foreign Currency	5.0	10.0	10.0	10.0	10.0	5.0	10.0	10.0
4. Freedom to Trade Internationally	6.2	5.7	3.2	6.1	7.2	6.5	6.6	6.7
A. Taxes on International Trade	6.3	3.4	2.5	4.3	7.4	7.9	7.9	7.9
(i) Taxes as Percentage of Exports & Imports	6.3 (5.6)	6.8 (4.8)	5.0 (7.5)	7.6 (3.6)	7.1 (4.4)	8.3 (2.5)	8.2 (2.6)	8.2 (2.6)
(ii) Mean Tariff Rate		0.0 (50.0)	0.0 (50.0)	5.4 (23.0)	8.0 (10.2)	8.6 (7.2)	8.6 (7.0)	8.6 (7.0)
(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)
B. Regulatory Trade Barriers						4.1	6.0	6.2
(i) Hidden Import Barriers						4.1	4.0	4.3
(ii) Costs of Importing							8.1	8.0
C. Size of Trade Sector	3.7	3.9	0.0	3.0	2.4	2.8	2.2	2.2
D. Official versus Black Market Exchange Rate	8.0	8.0	0.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	5.0	8.0	7.5	6.7	6.9
(i) Access to Foreign Capital						7.2	7.2	6.2
(ii) Restrictions on Foreign Capital Transactions	5.0	5.0	5.0	5.0	8.0	7.7	6.2	7.7
5. Regulation of Credit, Labor & Business	6.9	6.9	5.7	5.6	5.6	5.5	5.1	5.2
A. Regulation of Credit Markets	8.1	8.5	8.5	8.5	8.4	6.6	7.2	7.6
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0
(ii) Competition from Foreign Banks						5.6	5.6	5.6
(iii) Extension of Credit to Private Sector	8.2	9.6	9.4	9.5	9.2	8.9	8.7	8.8
(iv) Avoidance of Negative Real Interest Rates		8.0	8.0	8.0	8.0	6.0	9.0	9.0
(v) Controls on Interest Rates						4.6	4.6	4.6
B. Regulation of Labor Markets						4.0	4.0	3.3
(i) Impact of Minimum Wage						4.6	4.6	4.6
(ii) Flexibility in Hiring & Firing						5.3	4.6	3.5
(iii) Collective Bargaining						6.2	6.5	5.2
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business						5.7	4.1	4.8
(i) Price Controls				6.0	6.0	8.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						6.1	1.8	2.2
(iii) Time Spent with Government Bureaucracy						4.5	4.8	7.3
(iv) Ease of Starting a New Business						5.1	3.8	4.5
(v) Irregular Payments to Government Officials						4.9	4.0	4.0

Guinea-Bissau

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶			3.2 (107)	3.0 (112)	3.5 (122)	4.4 (118)	4.8 (118)	4.8 (117)
1. Size of Government	3.7		4.7	4.3	5.0	4.6	4.0	3.6
A. Government Consumption	5.4 (21.7)		7.5 (14.6)	8.6 (10.6)	9.9 (6.3)	9.3 (8.6)	8.1 (12.5)	7.1 (15.9)
B. Transfers & Subsidies								
C. Government Enterprises & Investment	2.0	2.0	2.0	0.0 (71.9)	0.0 (68.0)	0.0	0.0 (68.0)	0.0 (68.0)
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights			2.0	2.9	2.5	3.0	3.0	2.6
A. Judicial Independence								
B. Impartial Courts					2.7	2.9	2.9	2.9
C. Protection of Intellectual Property								
D. Military Interference					3.1	3.3	3.3	1.7
E. Integrity of Legal System					0.0	1.7	1.7	1.7
3. Access to Sound Money	5.8	5.4	2.0	0.9	1.8	3.3	5.2	6.4
A. Growth of Money Supply				0.0 (65.1)	2.7 (36.6)	1.6 (41.8)	7.4 (12.8)	7.4 (12.8)
B. Inflation Variability	8.8 (3.0)	8.6 (3.5)	2.3 (19.2)	0.0 (28.6)	3.6 (16.1)	3.1 (17.2)	4.1 (14.8)	8.5 (3.9)
C. Recent Annual Inflation	8.6 (7.1)	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)
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 Trade Internationally			4.1			5.9	6.3	5.8
A. Taxes on International Trade			4.8			7.6	7.2	7.2
(i) Taxes as Percentage of Exports & Imports			4.8 (7.7)					
(ii) Mean Tariff Rate						7.6 (12.0)	7.2 (14.0)	7.2 (14.0)
(iii) Variability of Tariff Rates							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	0.0	2.1	3.2	0.0	0.0	3.9	5.2	5.2
D. Official versus Black Market Exchange Rate			4.2	8.2	9.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.0	5.0	0.0	0.8	0.8
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	5.0	0.0	0.8	0.8
5. Regulation of Credit, Labor & Business				3.8	4.7	5.1	5.6	5.6
A. Regulation of Credit Markets				3.9	4.5	6.0	7.3	7.3
(i) Private Ownership of Banks							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
(iv) Avoidance of Negative Real Interest Rates				0.0	0.0	2.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription			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
(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

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		3.7 (98)	3.6 (103)		4.8 (98)	6.6 (53)	6.4 (61)	6.4 (61)
1. Size of Government	1.6	1.4	2.5	3.4	3.7	4.0	3.3	3.1
A. Government Consumption	3.2 (29.3)	2.8 (30.4)	5.0 (23.1)	7.1 (15.8)	5.6 (20.8)	3.9 (26.8)	3.9 (26.9)	3.9 (26.9)
B. Transfers & Subsidies								
C. Government Enterprises & Investment	0.0	0.0	0.0	0.0	0.0	2.0	0.0 (56.4)	0.0 (56.4)
D. Top Marginal Tax Rate				3.0	5.5	6.0	6.0	5.5
(i) Top Marginal Income Tax Rate				3.0 (50)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)
(ii) Top Marginal Income & Payroll Tax Rate				3.0 (50)	4.0 (41)	5.0 (39)	5.0 (39)	4.0 (42)
2. Legal Structure & Security of Property Rights		2.2	2.1	3.4	4.8	6.5	6.5	5.7
A. Judicial Independence								
B. Impartial Courts					5.3	5.8	5.8	5.8
C. Protection of Intellectual Property								
D. Military Interference					5.8	10.0	10.0	10.0
E. Integrity of Legal System					4.1	6.7	6.7	3.3
3. Access to Sound Money	4.4	5.8	5.2	2.0	4.9	7.9	8.0	8.2
A. Growth of Money Supply	5.5 (22.7)	8.4 (7.9)	5.8 (20.8)	0.9 (45.5)	7.0 (15.1)	9.3 (3.7)	9.5 (2.6)	9.5 (2.6)
B. Inflation Variability	5.0 (12.4)	7.1 (7.3)	7.7 (5.9)	0.0 (53.1)	0.0 (48.3)	8.5 (3.8)	8.1 (4.7)	9.3 (1.8)
C. Recent Annual Inflation	7.1 (14.7)	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)
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 Trade Internationally		5.4	4.5			8.1	8.2	8.4
A. Taxes on International Trade	0.0	8.8	7.0			6.6	6.8	6.8
(i) Taxes as Percentage of Exports & Imports	0.0 (15.3)	8.8 (1.8)	7.4 (3.9)					
(ii) Mean Tariff Rate			6.6 (17.0)			6.6 (17.0)	7.7 (11.7)	7.7 (11.7)
(iii) Variability of Tariff Rates							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	10.0	7.1	8.6	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
E. Restrictions on Capital Markets	0.0	0.0	0.0	5.0	5.0	6.9	6.9	6.9
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	5.0	5.0	6.9	6.9	6.9
5. Regulation of Credit, Labor & Business					5.8	6.7	6.2	6.5
A. Regulation of Credit Markets	3.6	3.0	2.4	4.6	4.9	7.7	7.1	8.0
(i) Private Ownership of Banks							5.0	8.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	3.6	3.0	2.4	4.6	5.8	7.4	7.3	7.1
(iv) Avoidance of Negative Real Interest Rates					4.0	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 & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription				10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls							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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			5.3 (55)		5.6 (46)		5.3 (62)		5.8 (68)		6.4 (63)		6.0 (80)		6.0 (78)	
1. Size of Government	7.5		7.3		7.5		8.2		7.9		7.8		7.2		7.2	
A. Government Consumption	8.9	(9.7)	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)
B. Transfers & Subsidies					8.1	(7.3)							9.9	(0.8)	9.9	(0.8)
C. Government Enterprises & Investment	6.0	(13.1)	6.0	(19.0)	6.0	(32.7)	6.0	(42.0)	6.0		6.0		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 & Payroll Tax Rate																
2. Legal Structure & Security of Property Rights			2.2		2.9		2.0		3.9		3.9		2.0		1.9	
A. Judicial Independence												0.5		0.2		
B. Impartial Courts								2.9		3.0		0.9		1.3		
C. Protection of Intellectual Property												0.9		1.2		
D. Military Interference								1.8		5.0		4.2		3.3		
E. Integrity of Legal System								7.0		3.3		3.3		3.3		
3. Access to Sound Money	7.1		7.4		8.7		8.3		6.3		8.4		8.5		8.4	
A. Growth of Money Supply	7.1	(14.6)	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)
B. Inflation Variability	7.7	(5.9)	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	(3.7)
C. Recent Annual Inflation	8.8	(5.8)	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)
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 Trade Internationally	4.6		4.4		3.3		2.8				5.8		5.5		5.5	
A. Taxes on International Trade	3.8		3.9		6.2		5.5				8.0		8.0		8.0	
(i) Taxes as Percentage of Exports & Imports	3.8	(9.3)	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)
(iii) Variability of Tariff Rates																
B. Regulatory Trade Barriers												5.4		5.7		
(i) Hidden Import Barriers												4.2		5.0		
(ii) Costs of Importing												6.6		6.4		
C. Size of Trade Sector	0.9		3.6		2.1		0.0		0.1		0.8		0.6		1.0	
D. Official versus Black Market Exchange Rate	10.0		6.0		0.0		0.0		0.6		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		2.0		2.0		0.0		2.8	
(i) Access to Foreign Capital															5.6	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		2.0		2.0		0.0		0.0	
5. Regulation of Credit, Labor & Business							5.2		5.0		6.0		7.0		6.8	
A. Regulation of Credit Markets	9.2		10.0		9.7		5.0		5.0		7.9		9.5		9.0	
(i) Private Ownership of Banks																
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	9.2		10.0		9.7		9.9		10.0		9.9		9.9		10.0	
(iv) Avoidance of Negative Real Interest Rates							0.0		0.0		6.0		9.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													8.2		8.1	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing													5.7		6.2	
(iii) Collective Bargaining													8.9		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	
(i) Price Controls							2.0		0.0		2.0		2.0		2.0	
(ii) Administrative Obstacles for New Businesses													2.4		2.8	
(iii) Time Spent with Government Bureaucracy													7.3		6.8	
(iv) Ease of Starting a New Business													2.6		3.0	
(v) Irregular Payments to Government Officials													2.8		2.8	

Honduras

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		5.9 (26)	6.2 (25)	5.9 (42)	6.6 (41)	6.4 (63)	6.2 (71)	6.4 (61)
1. Size of Government	8.2	7.1	7.0	6.9	7.5	7.5	7.4	7.4
A. Government Consumption	7.7 (13.7)	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)
B. Transfers & Subsidies	10.0 (0.5)		9.5 (2.3)	9.5 (2.2)	9.0 (4.0)			
C. Government Enterprises & Investment	6.0 (31.1)	6.0 (37.4)	6.0 (62.6)	6.0 (32.0)	6.0 (37.2)	6.0	6.0	6.0
D. Top Marginal Tax Rate	9.0	8.0	5.0	5.0	7.0	9.0	9.0	9.0
(i) Top Marginal Income Tax Rate	9.0 (27)	8.0 (40)	5.0 (46)	5.0 (46)	7.0 (40)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income & Payroll Tax Rate				5.0 (46)	7.0 (40)	9.0 (25)	9.0 (25)	9.0 (25)
2. Legal Structure & Security of Property Rights		2.8	3.1	3.5	5.1	3.7	2.6	2.9
A. Judicial Independence							1.7	1.5
B. Impartial Courts					4.0	3.7	2.0	2.0
C. Protection of Intellectual Property						2.3	2.5	2.5
D. Military Interference					5.4	5.0	5.0	5.0
E. Integrity of Legal System					7.0	3.3	1.7	3.3
3. Access to Sound Money	8.8	8.4	9.5	8.3	7.2	8.2	8.7	9.1
A. Growth of Money Supply	8.7 (6.7)	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)
B. Inflation Variability	7.8 (5.6)	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)
C. Recent Annual Inflation	8.7 (6.4)	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)
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 Trade Internationally	6.4	4.9		5.9	7.4	6.8	7.1	7.2
A. Taxes on International Trade	6.5	3.7		6.0	7.7	7.8	7.9	7.9
(i) Taxes as Percentage of Exports & Imports	6.5 (5.3)	5.5 (6.7)				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 (7.3)	8.5 (7.3)
(iii) Variability of Tariff Rates					7.4 (6.5)	7.0 (7.5)	7.2 (7.0)	7.2 (7.0)
B. Regulatory Trade Barriers						3.4	5.4	6.4
(i) Hidden Import Barriers						3.4	3.7	4.5
(ii) Costs of Importing							7.0	8.4
C. Size of Trade Sector	5.5	6.4	3.9	5.5	6.3	6.3	6.0	6.0
D. Official versus Black Market Exchange Rate	10.0	6.0	0.0	10.0	9.8	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	0.0	0.0	0.0	5.0	6.6	6.2	5.4
(i) Access to Foreign Capital						8.5	8.5	7.0
(ii) Restrictions on Foreign Capital Transactions	2.0	0.0	0.0	0.0	5.0	4.6	3.8	3.8
5. Regulation of Credit, Labor & Business		6.2	5.1	4.9	5.8	5.6	5.5	5.7
A. Regulation of Credit Markets	8.7	6.1	7.7	7.8	6.3	6.8	7.6	8.2
(i) Private Ownership of Banks							10.0	10.0
(ii) Competition from Foreign Banks						4.7	4.7	8.0
(iii) Extension of Credit to Private Sector	8.7	8.2	7.4	7.5	8.6	9.9	9.8	9.7
(iv) Avoidance of Negative Real Interest Rates		4.0	8.0	8.0	4.0	8.0	9.0	9.0
(v) Controls on Interest Rates						4.5	4.5	4.5
B. Regulation of Labor Markets						5.7	5.2	4.9
(i) Impact of Minimum Wage						2.7	2.7	2.7
(ii) Flexibility in Hiring & Firing						4.5	3.3	2.2
(iii) Collective Bargaining						5.7	4.6	4.7
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	0.0	0.0	10.0	10.0	10.0	10.0
C. Regulation of Business						4.4	3.8	4.1
(i) Price Controls				4.0	4.0	4.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						5.8	1.5	2.3
(iii) Time Spent with Government Bureaucracy						4.9	5.5	6.3
(iv) Ease of Starting a New Business						2.9	2.0	2.7
(v) Irregular Payments to Government Officials						4.4	3.9	3.3

Hong Kong

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	8.4 (1)		8.6 (1)		8.4 (1)		8.2 (1)		9.1 (1)		8.7 (1)		8.7 (1)		8.7 (1)	
1. Size of Government	9.7		9.7		9.4		9.3		9.5		9.2		9.1		9.1	
A. Government Consumption	8.8	(9.9)	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)
B. Transfers & Subsidies	9.8	(1.1)	10.0	(0.6)	9.9	(0.9)	9.9	(0.9)	9.8	(1.1)						
C. Government Enterprises & Investment	10.0	(16.4)	10.0	(16.5)	10.0	(17.9)	10.0	(13.2)	10.0	(14.0)	10.0		10.0		10.0	
D. Top Marginal Tax Rate	10.0		10.0		9.0		9.0		10.0		10.0		10.0		10.0	
(i) Top Marginal Income Tax Rate	10.0	(15)	10.0	(15)	9.0	(25)	9.0	(25)	10.0	(20)	10.0	(17)	10.0	(17)	10.0	(17)
(ii) Top Marginal Income & Payroll Tax Rate							9.0	(25)	10.0	(20)	10.0	(17)	10.0	(17)	10.0	(17)
2. Legal Structure & Security of Property Rights	6.6		8.1		6.3		5.9		8.2		7.2		7.0		7.3	
A. Judicial Independence									8.1		7.7		8.0		7.7	
B. Impartial Courts									7.9		8.9		8.5		8.3	
C. Protection of Intellectual Property									6.1		6.3		6.9		7.2	
D. Military Interference									8.8		5.0		5.0		5.0	
E. Integrity of Legal System									10.0		8.3		6.7		8.3	
3. Access to Sound Money	9.2		8.5		9.3		9.0		9.4		9.1		9.4		9.3	
A. Growth of Money Supply	8.9	(5.5)	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)
B. Inflation Variability	8.7	(3.3)	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)
C. Recent Annual Inflation	9.1	(4.6)	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)
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 Trade Internationally	9.4		9.6		9.6		9.6		9.7		9.8		9.8		9.7	
A. Taxes on International Trade	9.8		9.8		9.8		9.9		9.9		9.9		9.9		9.9	
(i) Taxes as Percentage of Exports & Imports	9.5	(0.7)	9.7	(0.5)	9.6	(0.6)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)	10.0	(0.0)	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)
B. Regulatory Trade Barriers									8.8		9.4		9.2		9.3	
(i) Hidden Import Barriers									8.8		8.9		8.9		8.7	
(ii) Costs of Importing											9.8		9.6		9.9	
C. Size of Trade Sector	8.9		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		10.0		9.7		9.6		9.6		9.2	
(i) Access to Foreign Capital									9.4		9.9		9.9		10.0	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		10.0		9.2		9.2		8.5	
5. Regulation of Credit, Labor & Business	7.2		7.2		7.2		7.2		8.7		8.4		8.0		8.1	
A. Regulation of Credit Markets	10.0		10.0		10.0		9.9		9.1		8.8		8.8		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	
(iii) Extension of Credit to Private Sector							9.8		9.7		9.1		9.0		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	
B. Regulation of Labor Markets							8.9		8.1		7.7		7.8		7.7	
(i) Impact of Minimum Wage									7.4		4.3		4.3		4.3	
(ii) Flexibility in Hiring & Firing							8.8		8.8		7.6		7.8		7.8	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.9		9.0		9.5		9.2	
(iv) Incentives from Unemployment Benefits									6.5		7.7		7.7		7.2	
(v) Military Conscription	10.0		10.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									8.7		8.5		7.4		7.6	
(i) Price Controls							10.0		9.0		9.0		7.0		8.0	
(ii) Administrative Obstacles for New Businesses											8.5		6.8		6.7	
(iii) Time Spent with Government Bureaucracy									9.5		7.3		6.0		6.0	
(iv) Ease of Starting a New Business									9.1		9.0		8.9		8.7	
(v) Irregular Payments to Government Officials									7.3		8.8		8.5		8.6	

Hungary

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.6 (78)	4.9 (75)	5.1 (70)	6.3 (49)	6.7 (45)	7.1 (30)	7.3 (22)
1. Size of Government	3.7	3.8	2.9	2.9	4.7	4.8	5.2	5.7
A. Government Consumption	7.4 (15.0)	7.5 (14.4)	7.7 (13.9)	7.4 (14.7)	7.6 (14.2)	7.9 (13.3)	7.4 (14.7)	7.2 (15.4)
B. Transfers & 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)
C. Government Enterprises & Investment	0.0 (93.8)	0.0 (92.6)	0.0 (83.5)	0.0 (68.5)	4.0	4.0	6.0	8.0
D. Top Marginal Tax Rate				2.0	4.0	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)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (60)	4.0 (44)	0.0 (62)	0.0 (63)	0.0 (63)
2. Legal Structure & Security of Property Rights			6.8	7.2	7.6	7.0	6.7	6.7
A. Judicial Independence					6.7	6.5	5.7	6.5
B. Impartial Courts					6.8	6.3	5.3	5.2
C. Protection of Intellectual Property					4.9	5.5	6.0	5.3
D. Military Interference					9.6	10.0	10.0	10.0
E. Integrity of Legal System					10.0	6.7	6.7	6.7
3. Access to Sound Money	6.0	6.5	6.8	5.6	6.2	7.1	8.6	9.1
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)
B. Inflation Variability	9.0 (2.5)	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)
C. Recent Annual Inflation	9.1 (4.4)	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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally		4.3	4.5	4.9	7.1	7.7	8.5	8.3
A. Taxes on International Trade		6.7	7.5	6.1	6.7	7.3	7.3	7.3
(i) Taxes as Percentage of Exports & Imports		6.7 (5.0)	7.5 (3.7)	6.6 (5.1)	6.1 (5.9)	9.4 (0.8)	9.4 (0.8)	9.4 (0.8)
(ii) Mean Tariff Rate					7.8 (11.0)	8.4 (8.2)	8.4 (8.2)	8.4 (8.2)
(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)
B. Regulatory Trade Barriers					7.1	8.5	8.3	8.1
(i) Hidden Import Barriers					7.1	8.2	7.6	7.0
(ii) Costs of Importing						8.8	8.9	9.3
C. Size of Trade Sector	7.0	6.8	6.6	4.4	5.4	8.4	8.0	7.3
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	5.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	6.4	4.5	8.8	8.9
(i) Access to Foreign Capital					7.8	8.3	8.3	9.4
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	5.0	0.8	9.2	8.5
5. Regulation of Credit, Labor & Business		3.8	3.4	4.6	6.0	7.0	6.6	6.4
A. Regulation of Credit Markets	0.0	3.6	2.7	4.4	6.8	8.1	8.1	7.9
(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					7.3	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
(iv) Avoidance of Negative Real Interest Rates		6.0		6.0	6.0	10.0	10.0	9.0
(v) Controls on Interest Rates					6.4	8.0	8.0	8.0
B. Regulation of Labor Markets					5.4	5.6	5.8	5.4
(i) Impact of Minimum Wage					6.7	4.6	4.6	4.6
(ii) Flexibility in Hiring & Firing				7.1	7.1	5.5	6.0	4.7
(iii) Collective Bargaining					5.2	7.0	7.4	7.0
(iv) Incentives from Unemployment Benefits					5.2	5.8	5.8	5.8
(v) Military Conscription	0.0	0.0	0.0	1.0	3.0	5.0	5.0	5.0
C. Regulation of Business					6.0	7.3	5.8	5.9
(i) Price Controls					8.0	8.0	5.0	5.0
(ii) Administrative Obstacles for New Businesses						7.4	3.8	2.8
(iii) Time Spent with Government Bureaucracy					6.1	6.2	6.5	7.8
(iv) Ease of Starting a New Business					6.4	7.4	6.8	7.0
(v) Irregular Payments to Government Officials					3.3	7.3	6.7	7.0

Iceland

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	4.7 (53)		5.1 (64)		5.3 (62)		6.6 (26)		7.4 (17)		7.7 (12)		7.7 (10)		7.6 (14)	
1. Size of Government	6.9		5.1		5.3		6.0		5.7		5.9		5.9		5.6	
A. Government Consumption	5.3	(21.9)	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)
B. Transfers & Subsidies	7.4	(9.9)	7.2	(10.6)	6.9	(11.7)	7.4	(10.1)	7.7	(9.1)	7.7	(8.9)	8.3	(6.6)	8.3	(6.6)
C. Government Enterprises & Investment	8.0	(17.6)	8.0	(15.3)	8.0	(16.1)	7.0	(22.2)	7.0	(24.8)	7.0		7.0		7.0	
D. Top Marginal Tax Rate	0.0		0.0		1.0		5.0		4.0		5.5		5.0		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)	
(ii) Top Marginal Income & Payroll Tax Rate											5.0 (48)		5.0 (49)		4.0 (49)	
2. Legal Structure & Security of Property Rights	5.0		6.8		7.9		8.3		8.3		9.0		8.9		9.0	
A. Judicial Independence									7.8		8.5		8.7		8.8	
B. Impartial Courts									8.3		9.0		8.0		8.2	
C. Protection of Intellectual Property									5.8		7.6		7.6		7.8	
D. Military Interference									9.6		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	3.0		2.4		2.0		6.8		9.4		9.2		9.2		9.3	
A. Growth of Money Supply	5.0	(24.8)	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)
B. Inflation Variability	5.5	(11.2)	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)
C. Recent Annual Inflation	1.6	(41.9)	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)
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 Trade Internationally	3.5		5.6		5.6		5.9		6.5		6.9		6.9		6.6	
A. Taxes on International Trade	4.6		6.9		7.8		7.9		8.7		8.0		8.5		8.5	
(i) Taxes as Percentage of Exports & Imports	4.6	(8.1)	5.7	(6.5)	6.9	(4.6)	7.3	(4.0)	9.6	(0.6)	9.7	(0.5)	9.6	(0.5)	9.6	(0.5)
(ii) Mean Tariff Rate			8.1 (9.6)		8.7 (6.7)		9.2 (3.8)		9.3 (3.7)		9.6 (1.9)		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)	
B. Regulatory Trade Barriers									6.6		8.7		7.9		8.6	
(i) Hidden Import Barriers									6.6		8.3		7.5		8.2	
(ii) Costs of Importing											9.2		8.3		9.1	
C. Size of Trade Sector	2.7		2.6		3.1		1.2		0.9		1.3		1.7		1.1	
D. Official versus Black Market Exchange Rate	0.0		8.2		6.8		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		6.3		6.2		6.2		4.9	
(i) Access to Foreign Capital									7.6		8.6		8.6		6.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		5.0		3.8		3.8		3.8	
5. Regulation of Credit, Labor & Business	5.3		5.5		5.5		5.8		7.0		7.6		7.5		7.8	
A. Regulation of Credit Markets	4.5		5.2		5.2		6.3		6.9		7.7		7.9		8.9	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		2.0		5.0		5.0		10.0	
(ii) Competition from Foreign Banks									5.8		8.1		8.1		8.0	
(iii) Extension of Credit to Private Sector	9.5		9.6		9.7		8.8		9.4		9.9		9.8		9.9	
(iv) Avoidance of Negative Real Interest Rates	2.0		4.0		4.0		8.0		10.0		8.0		9.0		9.0	
(v) Controls on Interest Rates									7.1		7.5		7.5		7.5	
B. Regulation of Labor Markets							6.8		6.4		6.7		6.9		6.8	
(i) Impact of Minimum Wage									6.2		4.8		4.8		4.8	
(ii) Flexibility in Hiring & Firing									5.9		6.0		7.0		6.7	
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.5		5.5		5.7		5.5	
(iv) Incentives from Unemployment Benefits									5.3		7.0		7.0		7.2	
(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	
(i) Price Controls									6.0		8.0		8.0		8.0	
(ii) Administrative Obstacles for New Businesses											7.0		5.6		5.3	
(iii) Time Spent with Government Bureaucracy									8.1		8.4		7.3		7.0	
(iv) Ease of Starting a New Business									7.7		8.3		8.7		8.5	
(v) Irregular Payments to Government Officials									9.5		10.0		9.3		9.5	

India

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.4 (58)	5.2 (60)	4.9 (75)	4.9 (80)	5.6 (75)	6.2 (72)	6.2 (71)	6.3 (68)
1. Size of Government	4.4	4.5	4.0	4.4	5.8	6.8	7.4	7.1
A. Government Consumption	8.4 (11.4)	8.3 (11.7)	7.6 (14.1)	7.2 (15.7)	7.3 (15.2)	6.7 (17.1)	6.9 (16.5)	6.9 (16.5)
B. Transfers & Subsidies	9.1 (3.8)	8.7 (5.4)	8.4 (6.5)	8.4 (6.5)	8.7 (5.2)	8.6 (5.5)	8.6 (5.7)	8.6 (5.7)
C. Government Enterprises & Investment	0.0 (41.0)	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)
D. Top Marginal Tax Rate	0.0	1.0	0.0	2.0	5.0	8.0	8.0	7.0
(i) Top Marginal Income Tax Rate	0.0 (77)	1.0 (60)	0.0 (62)	2.0 (53)	5.0 (40)	8.0 (30)	8.0 (30)	7.0 (32)
(ii) Top Marginal Income & Payroll Tax Rate				2.0 (53)	5.0 (40)	8.0 (30)	8.0 (30)	7.0 (32)
2. Legal Structure & Security of Property Rights	2.3	5.8	4.9	4.4	5.9	6.0	5.7	6.0
A. Judicial Independence					7.3	7.0	6.9	7.0
B. Impartial Courts					7.6	8.0	5.9	5.7
C. Protection of Intellectual Property					4.1	3.3	4.0	4.2
D. Military Interference					6.2	5.0	5.0	6.7
E. Integrity of Legal System					4.1	6.7	6.7	6.7
3. Access to Sound Money	6.3	6.1	6.5	6.5	6.5	6.9	6.9	6.9
A. Growth of Money Supply	8.2 (8.9)	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 (4.4)
B. Inflation Variability	7.1 (7.2)	8.1 (4.8)	9.6 (1.1)	9.4 (1.5)	9.1 (2.3)	9.4 (1.6)	9.3 (1.7)	9.3 (1.8)
C. Recent Annual Inflation	9.7 (-1.4)	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)
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 Trade Internationally	3.8	4.2	3.6	3.9	4.7	5.5	5.7	6.2
A. Taxes on International Trade	0.1	0.0	0.0	0.0	0.9	4.1	4.4	4.4
(i) Taxes as Percentage of Exports & Imports	0.1 (14.8)	0.0 (15.5)	0.0 (24.2)	0.0 (21.1)	2.2 (11.8)	3.6 (9.6)	4.4 (8.4)	4.4 (8.4)
(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 (30.9)	3.8 (30.9)
(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)
B. Regulatory Trade Barriers					6.4	5.7	6.2	6.4
(i) Hidden Import Barriers					6.4	5.4	5.5	5.5
(ii) Costs of Importing						6.0	7.0	7.4
C. Size of Trade Sector	2.6	3.8	2.6	3.5	5.3	6.0	5.6	5.6
D. Official versus Black Market Exchange Rate	8.2	9.0	7.2	8.0	8.4	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	2.3	2.0	2.0	4.3
(i) Access to Foreign Capital					4.7	4.0	4.0	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 & Business	5.2	5.7	5.7	5.3	5.2	5.8	5.2	5.4
A. Regulation of Credit Markets	4.0	5.2	5.3	5.1	5.3	5.5	5.9	5.9
(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					5.3	6.4	6.4	6.4
(iii) Extension of Credit to Private Sector	8.0	7.7	7.8	7.4	6.8	6.3	6.2	6.1
(iv) Avoidance of Negative Real Interest Rates	4.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0
(v) Controls on Interest Rates					4.3	5.0	5.0	5.0
B. Regulation of Labor Markets				6.3	6.1	6.1	6.1	6.1
(i) Impact of Minimum Wage					6.2	4.3	4.3	4.3
(ii) Flexibility in Hiring & Firing				2.6	2.6	1.7	1.8	2.0
(iii) Collective Bargaining		6.2	6.2	6.2	6.2	7.7	7.7	7.7
(iv) Incentives from Unemployment Benefits					5.6	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					4.4	5.9	3.7	4.3
(i) Price Controls				3.0	4.0	4.0	3.0	4.0
(ii) Administrative Obstacles for New Businesses						7.4	2.0	2.5
(iii) Time Spent with Government Bureaucracy					6.1	7.4	4.3	5.5
(iv) Ease of Starting a New Business					5.0	5.9	4.9	5.0
(v) Irregular Payments to Government Officials					2.4	4.6	4.3	4.6

Indonesia

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.1 (47)		5.1 (64)		6.1 (28)		6.4 (31)		6.4 (45)		5.9 (80)		5.5 (101)		5.8 (86)	
1. Size of Government	6.5		5.3		6.4		7.1		8.0		7.6		6.8		6.8	
A. Government Consumption	8.2	(12.2)	6.8	(16.7)	7.0	(16.4)	7.9	(13.0)	8.4	(11.3)	9.0	(9.5)	8.8	(10.0)	8.8	(10.0)
B. Transfers & Subsidies	9.7	(1.5)	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)
C. Government Enterprises & Investment	4.0	(39.4)	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)
D. Top Marginal Tax Rate	4.0		3.0		7.0		7.0		6.5		6.0		6.0		6.0	
(i) Top Marginal Income Tax Rate	4.0	(48)	3.0	(50)	7.0	(35)	7.0	(35)	8.0	(30)	7.0	(35)	7.0	(35)	7.0	(35)
(ii) Top Marginal Income & Payroll Tax Rate							7.0 (35)		5.0 (40)		5.0 (40)		5.0 (40)		5.0 (40)	
2. Legal Structure & Security of Property Rights	3.7		3.4		4.5		4.7		3.5		3.4		2.9		4.1	
A. Judicial Independence									2.3		3.0		2.5		3.7	
B. Impartial Courts									4.2		4.0		2.2		4.3	
C. Protection of Intellectual Property									4.2		3.1		2.3		4.2	
D. Military Interference									2.9		3.3		4.2		5.0	
E. Integrity of Legal System									4.1		3.3		3.3		3.3	
3. Access to Sound Money	6.2		6.3		9.0		8.6		9.1		6.2		6.0		6.4	
A. Growth of Money Supply	3.6	(32.0)	5.2	(24.1)	8.3	(8.3)	7.5	(12.3)	9.0	(5.2)	5.6	(22.2)	6.5	(17.6)	6.5	(17.6)
B. Inflation Variability	3.6	(16.1)	6.1	(9.8)	8.6	(3.5)	7.9	(5.4)	9.4	(1.5)	0.0	(28.5)	0.0	(28.0)	1.5	(21.3)
C. Recent Annual Inflation	7.8	(11.2)	3.8	(31.0)	9.1	(4.3)	9.1	(4.3)	8.0	(9.9)	9.3	(3.7)	7.7	(11.5)	7.7	(11.5)
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 Trade Internationally	6.0		6.7		6.3		6.4		6.3		7.7		7.7		7.5	
A. Taxes on International Trade	4.8		6.1		7.7		5.9		6.4		7.8		7.8		7.8	
(i) Taxes as Percentage of Exports & Imports	7.3	(4.0)	8.1	(2.9)	8.9	(1.6)	8.4	(2.4)	9.1	(1.3)	9.5	(0.7)	9.5	(0.8)	9.5	(0.8)
(ii) Mean Tariff Rate	2.3	(38.5)	4.2	(29.0)	6.4	(18.1)	5.9	(20.3)	6.6	(17.0)	8.3	(8.4)	8.3	(8.4)	8.3	(8.4)
(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)	
B. Regulatory Trade Barriers									3.3		5.9		6.1		6.0	
(i) Hidden Import Barriers									3.3		3.8		4.2		4.2	
(ii) Costs of Importing											8.0		8.1		7.8	
C. Size of Trade Sector	8.3		9.8		7.3		7.7		7.8		10.0		9.8		9.8	
D. Official versus Black Market Exchange Rate	8.6		9.6		8.6		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		3.8		4.8		4.8		3.7	
(i) Access to Foreign Capital									7.5		8.1		8.1		5.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		1.5		1.5		1.5	
5. Regulation of Credit, Labor & Business	3.3		4.0		4.2		5.3		5.2		4.6		4.2		4.2	
A. Regulation of Credit Markets	1.0		3.2		4.5		7.1		7.1		5.2		5.1		5.2	
(i) Private Ownership of Banks	0.0		0.0		2.0		2.0		5.0		5.0		2.0		2.0	
(ii) Competition from Foreign Banks									5.9		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	
(iv) Avoidance of Negative Real Interest Rates	2.0		2.0		4.0		10.0		10.0		8.0		10.0		10.0	
(v) Controls on Interest Rates									5.2		4.6		4.6		4.6	
B. Regulation of Labor Markets									4.2		4.0		4.8		4.2	
(i) Impact of Minimum Wage									5.1		4.6		4.6		4.6	
(ii) Flexibility in Hiring & Firing							5.6		5.6		3.2		3.1		4.5	
(iii) Collective Bargaining											6.2		5.2		4.5	
(iv) Incentives from Unemployment Benefits									6.2		5.8		5.8		2.5	
(v) Military Conscription	3.0		3.0		0.0		0.0		0.0		0.0		5.0		5.0	
C. Regulation of Business									4.4		4.8		2.7		3.3	
(i) Price Controls							7.0		3.0		2.0		2.0		0.0	
(ii) Administrative Obstacles for New Businesses											7.0		1.4		4.3	
(iii) Time Spent with Government Bureaucracy									6.3		5.3		1.5		3.5	
(iv) Ease of Starting a New Business									5.2		5.6		5.9		4.3	
(v) Irregular Payments to Government Officials									2.9		3.9		2.8		4.4	

Iran

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	6.1 (17)	4.0 (93)	4.1 (93)	4.6 (94)	4.5 (107)	5.6 (97)	6.1 (77)	6.0 (78)
1. Size of Government	5.2	4.6	4.3	4.6	5.4	4.4	6.5	6.5
A. Government Consumption	1.2 (35.9)	3.4 (28.3)	6.0 (19.6)	7.3 (15.2)	6.1 (19.2)	4.7 (24.1)	4.6 (24.2)	4.6 (24.2)
B. Transfers & Subsidies	7.7 (8.9)	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)
C. Government Enterprises & Investment	4.0	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)
D. Top Marginal Tax Rate	8.0		0.0	0.0	4.0	1.5	8.0	8.0
(i) Top Marginal Income Tax Rate	8.0 (40)		0.0 (90)	0.0 (75)	4.0 (54)	2.0 (54)	8.0 (35)	8.0 (35)
(ii) Top Marginal Income & Payroll Tax Rate				0.0 (75)	4.0 (54)	1.0 (57)	8.0 (35)	8.0 (35)
2. Legal Structure & Security of Property Rights	4.4	1.8	2.3	2.2	5.6	5.9	5.9	5.9
A. Judicial Independence								
B. Impartial Courts					4.9	4.9	4.9	4.9
C. Protection of Intellectual Property								
D. Military Interference					6.7	8.3	8.3	8.3
E. Integrity of Legal System					7.0	6.7	6.7	6.7
3. Access to Sound Money	6.7	6.9	8.1	8.7	3.9	7.8	7.8	8.2
A. Growth of Money Supply	4.7 (26.6)	4.6 (26.8)	5.9 (20.3)	6.9 (15.3)	6.1 (19.6)	7.1 (14.3)	7.0 (15.0)	7.0 (15.0)
B. Inflation Variability	8.5 (3.8)	7.7 (5.9)	7.4 (6.5)	8.7 (3.2)	7.3 (6.7)	7.0 (7.4)	6.3 (9.2)	8.6 (3.4)
C. Recent Annual Inflation	8.8 (5.8)	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)
D. Freedom to Own Foreign Currency	5.0	10.0	10.0	10.0	0.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	8.1	3.0	2.3	4.0	4.0	5.9	6.4	5.3
A. Taxes on International Trade	7.6	2.9	3.2	6.1	7.3	8.4	8.4	8.4
(i) Taxes as Percentage of Exports & Imports	7.6 (3.6)	0.0 (17.0)	0.5 (14.2)	6.4 (5.4)	8.7 (1.9)	7.9 (3.2)	8.0 (3.1)	8.0 (3.1)
(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)
(iii) Variability of Tariff Rates						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	10.0	4.0	0.0	5.7	4.6	4.2	5.5	5.5
D. Official versus Black Market Exchange Rate	9.6	0.0	0.0	0.0	0.0	8.9	9.6	7.4
E. Restrictions on Capital Markets	5.0	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	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor & Business		3.9	3.4	3.5	3.6	3.9	3.9	3.9
A. Regulation of Credit Markets	8.3	2.7	2.4	2.9	3.2	4.8	4.8	4.8
(i) Private Ownership of Banks		0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	8.3	8.0	7.2	8.7	9.5	9.5	9.7	9.7
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	0.0	0.0			
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	0.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
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								

Ireland

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.8 (24)		6.2 (21)		6.3 (22)		6.7 (20)		8.2 (5)		8.1 (7)		7.9 (8)		7.8 (9)	
1. Size of Government	4.2		4.7		4.3		5.6		5.8		6.1		6.1		6.0	
A. Government Consumption	5.5	(21.3)	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)
B. Transfers & Subsidies	5.1	(18.3)	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)
C. Government Enterprises & Investment	6.0	(30.0)	7.0	(24.6)	7.0	(24.7)	10.0	(11.1)	10.0	(14.3)	10.0	(11.3)	10.0	(11.3)	10.0	(11.3)
D. Top Marginal Tax Rate	0.0		1.0		0.0		1.0		2.5		5.0		4.5		4.5	
(i) Top Marginal Income Tax Rate	0.0	(80)	1.0	(60)	0.0	(65)	1.0	(56)	3.0	(48)	5.0	(42)	5.0	(42)	5.0	(42)
(ii) Top Marginal Income & Payroll Tax Rate							1.0 (57)		2.0 (51)		5.0 (42)		4.0 (50)		4.0 (49)	
2. Legal Structure & Security of Property Rights	6.4		7.1		6.7		7.7		9.1		9.0		8.4		7.9	
A. Judicial Independence									9.3		8.7		8.4		7.0	
B. Impartial Courts									8.9		9.2		7.2		6.3	
C. Protection of Intellectual Property									7.3		7.0		6.5		6.2	
D. Military Interference									10.0		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	5.6		5.8		6.6		6.8		9.6		9.4		9.6		9.6	
A. Growth of Money Supply	8.4	(7.8)	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	(-1.1)
B. Inflation Variability	8.1	(4.7)	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)
C. Recent Annual Inflation	6.0	(20.1)	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)
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 Trade Internationally	7.2		7.5		7.5		7.4		8.6		9.1		9.0		9.0	
A. Taxes on International Trade	7.5		8.0		8.3		7.9		8.4		9.1		9.0		9.0	
(i) Taxes as Percentage of Exports & Imports	6.8	(4.8)	7.7	(3.5)	8.0	(3.0)	8.0	(3.0)	8.8	(1.8)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)
(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)	
B. Regulatory Trade Barriers									8.9		8.9		8.8		8.5	
(i) Hidden Import Barriers									8.9		8.2		8.3		7.7	
(ii) Costs of Importing											9.7		9.2		9.4	
C. Size of Trade Sector	5.5		6.5		6.5		5.9		7.3		8.6		8.5		8.0	
D. Official versus Black Market Exchange Rate	10.0		10.0		9.4		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		5.0		8.5		8.6		8.6		9.2	
(i) Access to Foreign Capital									8.9		8.8		8.8		10.0	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		8.0		8.5		8.5		8.5	
5. Regulation of Credit, Labor & Business	5.8		6.0		6.3		6.3		7.8		7.0		6.6		6.7	
A. Regulation of Credit Markets	6.3		7.3		8.5		8.8		8.4		7.8		8.0		8.2	
(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	
(iii) Extension of Credit to Private Sector	6.9		8.0		7.4		8.3		8.6		8.2		8.1		8.1	
(iv) Avoidance of Negative Real Interest Rates	4.0		6.0		10.0		10.0		10.0		8.0		9.0		9.0	
(v) Controls on Interest Rates									7.5		8.0		8.0		8.0	
B. Regulation of Labor Markets	6.8		6.6		6.6		6.5		6.7		5.3		5.5		5.7	
(i) Impact of Minimum Wage									7.0		4.7		4.7		4.7	
(ii) Flexibility in Hiring & Firing							5.5		5.5		3.8		4.2		4.5	
(iii) Collective Bargaining	5.2		5.2		5.2		6.2		6.2		2.9		3.3		3.5	
(iv) Incentives from Unemployment Benefits	5.2		4.5		4.6		4.4		4.7		5.3		5.3		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									8.3		7.8		6.3		6.0	
(i) Price Controls							7.0		9.0		7.0		7.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.2		4.5		4.0	
(iii) Time Spent with Government Bureaucracy									7.6		7.9		5.3		6.5	
(iv) Ease of Starting a New Business									7.6		6.9		6.4		6.2	
(v) Irregular Payments to Government Officials									8.9		8.2		8.3		7.6	

Israel

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.3 (59)	3.6 (102)	4.1 (93)	4.3 (97)	5.7 (72)	6.5 (58)	6.5 (53)	6.6 (51)
1. Size of Government	2.4	1.9	2.6	3.3	2.8	2.7	2.6	2.6
A. Government Consumption	0.0 (42.3)	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)
B. Transfers & Subsidies	5.3 (17.7)	4.5 (20.8)	4.8 (19.7)	5.6 (16.7)	5.1 (18.6)	3.9 (22.8)	4.0 (22.7)	4.0 (22.7)
C. Government Enterprises & 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
(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)
(ii) Top Marginal Income & Payroll Tax Rate				2.0 (64)	0.0 (66)	1.0 (62)	1.0 (57)	2.0 (58)
2. Legal Structure & Security of Property Rights	6.2	4.1	6.8	4.4	7.0	8.0	7.4	7.6
A. Judicial Independence					8.7	9.2	8.1	9.2
B. Impartial Courts					7.0	9.4	8.5	8.0
C. Protection of Intellectual Property					7.2	6.5	6.9	7.5
D. Military Interference					5.1	6.7	5.0	5.0
E. Integrity of Legal System					7.0	8.3	8.3	8.3
3. Access to Sound Money	5.1	1.7	1.3	3.0	7.4	8.1	9.3	9.2
A. Growth of Money Supply	6.4 (18.0)	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)
B. Inflation Variability	5.9 (10.2)	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)
C. Recent Annual Inflation	3.0 (35.2)	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)
D. Freedom to Own Foreign Currency	5.0	5.0	5.0	5.0	5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally	4.0	6.7	6.6	6.7	6.3	7.9	7.7	8.2
A. Taxes on International Trade	4.7	6.6	8.1	9.4	8.0	9.7	9.7	9.7
(i) Taxes as Percentage of Exports & Imports	4.7 (8.0)	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)
(ii) Mean Tariff Rate					8.3 (8.3)	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
(i) Hidden Import Barriers					5.4	6.9	7.5	7.7
(ii) Costs of Importing						9.3	8.4	8.8
C. Size of Trade Sector	4.9	6.8	6.4	4.7	4.2	4.6	4.0	4.2
D. Official versus Black Market Exchange Rate	0.0	9.8	8.6	9.2	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	4.2	7.0	7.0	8.8
(i) Access to Foreign Capital					6.4	9.4	9.4	9.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	4.6	4.6	8.5
5. Regulation of Credit, Labor & Business	3.9	3.5	3.3	4.3	5.0	5.9	5.4	5.5
A. Regulation of Credit Markets	2.9	1.7	1.1	3.8	4.9	6.1	6.5	7.2
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	2.0	5.0
(ii) Competition from Foreign Banks					4.2	5.4	5.4	6.0
(iii) Extension of Credit to Private Sector	5.8	5.2	3.4	5.4	8.1	9.0	9.1	9.1
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	6.0	8.0	10.0	10.0	10.0
(v) Controls on Interest Rates					4.0	5.9	5.9	5.9
B. Regulation of Labor Markets				3.3	3.8	4.3	4.3	3.6
(i) Impact of Minimum Wage					4.8	4.2	4.2	4.2
(ii) Flexibility in Hiring & Firing				4.9	4.9	5.4	5.7	4.8
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	6.2	6.2	5.7
(iv) Incentives from Unemployment Benefits					4.4	5.5	5.5	3.1
(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
(i) Price Controls					5.0	5.0	6.0	5.0
(ii) Administrative Obstacles for New Businesses						8.2	3.2	3.3
(iii) Time Spent with Government Bureaucracy					6.3	7.7	3.5	5.8
(iv) Ease of Starting a New Business					5.8	7.7	7.0	6.8
(v) Irregular Payments to Government Officials					7.7	8.4	7.9	8.5

Italy

Summary Ratings (Rank) ▶	1975		1980		1985		1990		1995		2000		2001		2002			
	5.3 (43)		5.4 (51)		5.7 (44)		6.5 (29)		6.5 (43)		7.1 (33)		7.0 (35)		7.0 (36)			
1. Size of Government	5.2		3.6		3.0		3.3		3.7		4.6		4.6		4.7			
A. Government Consumption	6.2	(18.8)	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)		
B. Transfers & Subsidies	5.4	(17.5)	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)		
C. Government Enterprises & Investment	4.0	(30.4)	4.0	(25.9)	4.0	(33.2)	4.0	(30.3)	6.0	(28.3)	6.0		6.0		6.0			
D. Top Marginal Tax Rate	5.0		0.0		0.0		1.0		1.0		3.0		3.0		3.5			
(i) Top Marginal Income Tax Rate	5.0	(48)	0.0	(72)	0.0	(81)	1.0	(66)	1.0	(67)	3.0	(51)	4.0	(46-50)	4.0	(47)		
(ii) Top Marginal Income & Payroll Tax Rate							1.0	(66)	1.0	(67)	3.0	(52)	2.0	(55-58)	3.0	(52)		
2. Legal Structure & Security of Property Rights	3.9		5.7		6.8		7.7		6.5		7.7		7.4		7.4			
A. Judicial Independence									5.1		4.8		5.9		5.7			
B. Impartial Courts									5.4		5.7		4.6		5.3			
C. Protection of Intellectual Property									5.4		7.8		6.3		6.0			
D. Military Interference									9.4		10.0		10.0		10.0			
E. Integrity of Legal System									7.0		10.0		10.0		10.0			
3. Access to Sound Money	5.5		5.3		6.2		9.2		9.6		9.5		9.6		9.6			
A. Growth of Money Supply	7.5	(12.7)	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)		
B. Inflation Variability	7.8	(5.6)	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)		
C. Recent Annual Inflation	6.8	(16.1)	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)		
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 Trade Internationally	7.0		7.5		7.4		7.1		7.7		8.2		8.2		7.9			
A. Taxes on International Trade	8.8		9.0		9.2		8.5		8.7		9.3		9.0		9.0			
(i) Taxes as Percentage of Exports & Imports	9.8	(0.3)	9.7	(0.4)	9.8	(0.3)	9.8	(0.3)	9.8	(0.3)	10.0	(0.0)	9.8	(0.3)	9.8	(0.3)		
(ii) Mean Tariff Rate	7.8	(11.0)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)		
(iii) Variability of Tariff Rates							7.1		(7.2)		7.6		(4.4)		8.0		(4.9)	
B. Regulatory Trade Barriers									7.0		8.5		8.2		7.8			
(i) Hidden Import Barriers									7.0		7.7		7.0		6.7			
(ii) Costs of Importing											9.3		9.5		9.0			
C. Size of Trade Sector	4.9		5.3		4.9		3.8		4.8		5.0		4.8		4.5			
D. Official versus Black Market Exchange Rate	8.2		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		5.0		8.0		8.4		8.7		7.9			
(i) Access to Foreign Capital									8.0		9.0		9.0		7.4			
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		8.0		7.7		8.5		8.5			
5. Regulation of Credit, Labor & Business	4.9		4.8		4.9		5.3		4.8		5.5		5.1		5.3			
A. Regulation of Credit Markets	5.9		5.0		5.6		6.9		6.6		6.7		6.8		7.5			
(i) Private Ownership of Banks	5.0		5.0		5.0		5.0		5.0		5.0		5.0		8.0			
(ii) Competition from Foreign Banks									4.8		5.7		5.7		6.0			
(iii) Extension of Credit to Private Sector	6.6		6.1		5.7		5.8		6.5		7.7		8.3		8.4			
(iv) Avoidance of Negative Real Interest Rates	6.0		4.0		6.0		10.0		10.0		10.0		10.0		10.0			
(v) Controls on Interest Rates									6.5		5.2		5.2		5.2			
B. Regulation of Labor Markets	3.8		4.1		4.1		4.2		3.5		3.5		3.6		3.6			
(i) Impact of Minimum Wage									3.4		4.0		4.0		4.0			
(ii) Flexibility in Hiring & Firing							2.6		2.6		2.1		2.3		3.0			
(iii) Collective Bargaining	4.5		4.5		4.5		4.5		4.5		3.7		3.8		3.0			
(iv) Incentives from Unemployment Benefits	6.8		6.9		6.9		6.7		4.0		4.8		4.8		4.8			
(v) Military Conscription	0.0		1.0		1.0		3.0		3.0		3.0		3.0		3.0			
C. Regulation of Business									4.4		6.3		5.0		4.9			
(i) Price Controls							5.0		6.0		6.0		5.0		5.0			
(ii) Administrative Obstacles for New Businesses											6.9		2.0		2.3			
(iii) Time Spent with Government Bureaucracy									4.7		6.1		6.8		6.8			
(iv) Ease of Starting a New Business									4.1		5.1		4.4		4.2			
(v) Irregular Payments to Government Officials									2.9		7.4		6.8		6.0			

Jamaica

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.3 (86)	4.9 (75)	5.5 (52)	6.5 (43)	7.0 (37)	7.0 (35)	6.9 (41)
1. Size of Government	4.4	2.2	5.4	7.0	7.4	7.5	7.6	7.7
A. Government Consumption	5.4 (21.7)	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)
B. Transfers & Subsidies	8.2 (7.0)		10.0 (0.5)	9.6 (2.0)	9.1 (3.9)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
C. Government Enterprises & Investment	2.0 (45.6)	2.0 (46.5)	4.0 (13.4)	6.0 (21.3)	6.0	6.0	6.0	6.0
D. Top Marginal Tax Rate	2.0	0.0	1.0	6.0	8.0	8.0	8.0	8.5
(i) Top Marginal Income Tax Rate	2.0 (60)	0.0 (80)	1.0 (58)	7.0 (33)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income & Payroll Tax Rate				5.0 (37)	7.0 (31)	7.0 (31)	7.0 (31)	8.0 (27)
2. Legal Structure & Security of Property Rights		3.3	3.5	4.2	5.1	5.2	5.6	5.0
A. Judicial Independence							5.7	5.3
B. Impartial Courts					4.3	4.9	5.0	4.5
C. Protection of Intellectual Property						4.1	3.9	3.5
D. Military Interference					5.4	10.0	10.0	10.0
E. Integrity of Legal System					7.0	3.3	3.3	1.7
3. Access to Sound Money	4.3	5.1	4.0	4.6	6.1	8.7	9.0	9.0
A. Growth of Money Supply	6.6 (17.1)	6.4 (18.1)	6.4 (17.8)	6.2 (19.0)	4.7 (26.7)	8.6 (6.9)	8.2 (9.0)	8.0 (9.8)
B. Inflation Variability	4.9 (12.8)	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)
C. Recent Annual Inflation	5.8 (20.8)	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)
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 Trade Internationally	5.6	4.9	6.2	5.3	7.5	7.2	7.2	7.1
A. Taxes on International Trade	7.3	8.1	7.7	6.6	6.9	7.3	7.3	7.3
(i) Taxes as Percentage of Exports & Imports	7.3 (4.0)	9.4 (0.9)	8.9 (1.7)		8.5 (2.2)	8.5 (2.2)	8.5 (2.2)	8.5 (2.2)
(ii) Mean Tariff Rate		6.7 (16.5)	6.6 (17.0)	6.6 (17.0)	7.2 (14.0)	7.9 (10.6)	7.9 (10.7)	7.9 (10.7)
(iii) Variability of Tariff Rates					5.0 (12.5)	5.5 (11.3)	5.6 (11.0)	5.6 (11.0)
B. Regulatory Trade Barriers						5.7	6.2	6.3
(i) Hidden Import Barriers						5.7	4.8	5.2
(ii) Costs of Importing							7.7	7.5
C. Size of Trade Sector	4.7	6.1	6.9	5.3	5.7	4.7	4.4	4.4
D. Official versus Black Market Exchange Rate	5.6	0.0	6.2	4.6	8.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	8.0	8.2	8.2	7.7
(i) Access to Foreign Capital						8.7	8.7	9.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	8.0	7.7	7.7	6.2
5. Regulation of Credit, Labor & Business		5.8	5.6	6.5	6.2	6.4	5.6	5.8
A. Regulation of Credit Markets	8.0	5.1	5.0	8.7	7.8	6.7	6.4	6.6
(i) Private Ownership of Banks			5.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks						5.7	5.7	5.7
(iii) Extension of Credit to Private Sector	8.0	6.1	6.0	8.2	7.3	7.3	3.0	3.7
(iv) Avoidance of Negative Real Interest Rates		4.0	4.0	8.0	6.0	6.0	9.0	9.0
(v) Controls on Interest Rates						4.4	4.4	4.4
B. Regulation of Labor Markets						6.5	6.2	6.5
(i) Impact of Minimum Wage						4.0	4.0	4.0
(ii) Flexibility in Hiring & Firing						4.8	3.7	4.8
(iii) Collective Bargaining						7.1	7.1	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						5.9	4.3	4.3
(i) Price Controls				4.0	4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses						6.8	2.1	1.8
(iii) Time Spent with Government Bureaucracy						6.9	5.5	6.5
(iv) Ease of Starting a New Business						5.7	3.6	4.2
(v) Irregular Payments to Government Officials						6.3	6.1	5.0

Japan

	1975		1980		1985		1990		1995		2000		2001		2002			
Summary Ratings (Rank) ▶	6.5 (13)		7.0 (9)		7.1 (8)		7.4 (7)		7.0 (28)		7.3 (23)		7.0 (35)		7.0 (36)			
1. Size of Government	6.2		5.8		6.0		6.1		5.0		5.3		5.6		5.6			
A. Government Consumption	7.4	(14.9)	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)		
B. Transfers & Subsidies	8.3	(6.7)	7.6	(9.2)	7.2	(10.9)	7.0	(11.5)	6.8	(12.2)	6.0	(28.5)	7.0	(21.5)	7.0	(21.5)		
C. Government Enterprises & Investment	8.0	(15.6)	8.0	(19.6)	8.0	(17.9)	8.0	(20.4)	6.0	(28.5)	6.0	(28.5)	7.0	(21.5)	7.0	(21.5)		
D. Top Marginal Tax Rate	1.0		0.0		1.0		1.5		1.5		5.0		5.0		5.0			
(i) Top Marginal Income Tax Rate	1.0	(68)	0.0	(75)	1.0	(70)	2.0	(65)	2.0	(65)	5.0	(50)	5.0	(50)	5.0	(50)		
(ii) Top Marginal Income & Payroll Tax Rate							1.0	(69)	1.0	(69)	5.0	(50)	5.0	(50)	5.0	(50)		
2. Legal Structure & Security of Property Rights	6.2		7.9		7.2		7.7		8.1		8.2		7.2		7.1			
A. Judicial Independence									8.3		8.0		6.5		6.2			
B. Impartial Courts									6.1		7.0		5.3		4.8			
C. Protection of Intellectual Property									6.8		7.6		5.7		6.2			
D. Military Interference									9.4		10.0		10.0		10.0			
E. Integrity of Legal System									10.0		8.3		8.3		8.3			
3. Access to Sound Money	7.3		8.2		8.5		9.7		9.7		9.6		9.6		9.4			
A. Growth of Money Supply	7.9	(10.5)	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	(9.1)		
B. Inflation Variability	7.6	(5.9)	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)		
C. Recent Annual Inflation	8.6	(7.2)	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)		
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 Trade Internationally	6.5		6.7		7.1		7.0		5.9		6.8		6.8		6.5			
A. Taxes on International Trade	8.5		8.8		9.1		8.2		8.1		8.4		8.3		8.3			
(i) Taxes as Percentage of Exports & Imports	9.1	(1.3)	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)		
(ii) Mean Tariff Rate	7.8	(11.0)	8.1	(9.5)	8.7	(6.7)	8.6	(6.9)	8.7	(6.3)	9.1	(4.5)	9.0	(5.1)	9.0	(5.1)		
(iii) Variability of Tariff Rates							6.7		(8.3)		6.6		(7.0)		7.0		(7.5)	
B. Regulatory Trade Barriers									3.7		7.4		7.1		6.9			
(i) Hidden Import Barriers									3.7		5.4		5.0		4.5			
(ii) Costs of Importing											9.3		9.2		9.3			
C. Size of Trade Sector	4.0		4.5		3.3		0.8		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		2.0		5.0		8.0		7.7		8.4		8.4		7.1			
(i) Access to Foreign Capital									7.4		9.1		9.1		6.6			
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		5.0		8.0		8.0		7.7		7.7		7.7			
5. Regulation of Credit, Labor & Business	6.2		6.5		6.5		6.3		6.5		6.6		6.1		6.2			
A. Regulation of Credit Markets	7.1		7.8		7.9		8.0		6.9		6.2		6.5		7.3			
(i) Private Ownership of Banks	8.0		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			
(iii) Extension of Credit to Private Sector	9.2		8.4		8.6		8.9		8.9		8.1		8.0		7.9			
(iv) Avoidance of Negative Real Interest Rates	4.0		10.0		10.0		10.0		10.0		8.0		10.0		10.0			
(v) Controls on Interest Rates									5.6		5.6		5.6		5.6			
B. Regulation of Labor Markets	7.9		8.0		8.1		7.2		7.5		6.5		6.4		6.0			
(i) Impact of Minimum Wage									7.6		4.0		4.0		4.0			
(ii) Flexibility in Hiring & Firing							4.8		4.8		4.2		3.0		2.5			
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.9		7.4		8.1		8.0			
(iv) Incentives from Unemployment Benefits	5.8		6.2		6.2		6.1		7.0		6.8		6.8		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			
(i) Price Controls							6.0		5.0		6.0		5.0		6.0			
(ii) Administrative Obstacles for New Businesses											6.5		2.2		3.0			
(iii) Time Spent with Government Bureaucracy									5.9		9.1		7.5		7.3			
(iv) Ease of Starting a New Business									4.7		5.9		4.7		3.5			
(v) Irregular Payments to Government Officials									4.6		8.5		7.6		7.5			

Jordan

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.0 (49)	5.3 (55)	5.8 (40)	5.4 (58)	6.1 (60)	7.0 (37)	6.7 (45)	7.0 (36)
1. Size of Government	1.5	4.1	4.6	4.6	4.4	5.0	5.0	4.8
A. Government Consumption	3.1 (29.6)	3.9 (26.8)	5.0 (22.9)	4.4 (25.1)	3.7 (27.4)	4.8 (23.8)	4.8 (23.6)	4.8 (23.6)
B. Transfers & 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)
C. Government Enterprises & Investment	0.0 (83.3)	0.0 (53.1)	0.0 (52.7)	0.0	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate				5.0		5.5	5.5	5.0
(i) Top Marginal Income Tax Rate				5.0 (45)		8.0 (30)	8.0 (30)	7.0 (35)
(ii) Top Marginal Income & Payroll Tax Rate						3.0 (46)	3.0 (46)	3.0 (46)
2. Legal Structure & Security of Property Rights		2.3	3.5	4.0	6.0	7.2	6.1	6.9
A. Judicial Independence					6.5	8.2	5.4	7.0
B. Impartial Courts					5.9	6.8	4.8	6.2
C. Protection of Intellectual Property					4.3	6.1	5.1	6.5
D. Military Interference					6.2	8.3	8.3	8.3
E. Integrity of Legal System					7.0	6.7	6.7	6.7
3. Access to Sound Money	5.7	6.8	7.8	6.2	7.2	9.7	9.6	9.7
A. Growth of Money Supply	7.0 (14.9)	5.9 (20.7)	9.5 (-2.5)	8.2 (9.0)	9.8 (-1.1)	9.8 (0.8)	9.7 (1.7)	9.7 (1.7)
B. Inflation Variability	8.0 (4.9)	6.6 (8.4)	7.1 (7.3)	6.7 (8.1)	9.5 (1.2)	9.0 (2.5)	9.0 (2.5)	9.6 (1.0)
C. Recent Annual Inflation	7.6 (12.2)	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)
D. Freedom to Own Foreign Currency	0.0	5.0	5.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.5	6.7	6.7	6.4	6.8	7.0	7.3	7.6
A. Taxes on International Trade	5.5	5.3	6.6	4.6	6.2	4.4	5.8	5.8
(i) Taxes as Percentage of Exports & Imports	5.5 (6.8)	5.3 (7.1)	5.9 (6.1)	6.7 (5.0)	6.2 (5.7)	7.0 (4.6)	7.0 (4.6)	7.0 (4.6)
(ii) Mean Tariff Rate			7.2 (13.8)			5.4 (22.8)	6.8 (16.2)	6.8 (16.2)
(iii) Variability of Tariff Rates				2.6 (18.5)		0.9 (22.8)	3.8 (15.6)	3.8 (15.6)
B. Regulatory Trade Barriers					5.1	6.3	5.9	7.5
(i) Hidden Import Barriers					5.1	5.4	5.3	7.0
(ii) Costs of Importing						7.3	6.4	8.0
C. Size of Trade Sector	7.3	8.2	7.2	9.3	7.4	6.3	6.4	6.4
D. Official versus Black Market Exchange Rate	9.8	10.0	9.4	7.8	9.8	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	5.4	8.2	8.2	8.0
(i) Access to Foreign Capital					8.9	8.7	8.7	8.4
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	7.7	7.7	7.7
5. Regulation of Credit, Labor & Business	6.4	6.5	6.4	5.9	6.1	6.2	5.8	6.1
A. Regulation of Credit Markets	6.6	7.0	6.7	5.7	6.2	6.8	6.8	6.4
(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					6.1	5.9	5.9	4.0
(iii) Extension of Credit to Private Sector	8.3	9.0	8.4	8.2	9.3	8.4	8.4	8.2
(iv) Avoidance of Negative Real Interest Rates				4.0	6.0	10.0	10.0	10.0
(v) Controls on Interest Rates					4.7	4.8	4.8	4.8
B. Regulation of Labor Markets				8.1	7.3	6.5	6.4	6.2
(i) Impact of Minimum Wage					6.6	3.7	3.7	3.7
(ii) Flexibility in Hiring & Firing				6.3	6.3	4.5	4.5	4.5
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.9	7.8	7.4	7.5
(iv) Incentives from Unemployment Benefits					5.9	6.5	6.5	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					4.6	5.4	4.3	5.7
(i) Price Controls				2.0	2.0	2.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses						7.6	3.0	4.8
(iii) Time Spent with Government Bureaucracy					5.4	4.6	3.5	4.8
(iv) Ease of Starting a New Business					6.6	6.3	5.1	7.2
(v) Irregular Payments to Government Officials					4.5	6.4	5.9	7.5

Kenya

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.1 (47)		5.2 (60)		5.5 (51)		5.4 (58)		5.8 (68)		6.5 (58)		6.6 (51)		6.4 (61)	
1. Size of Government	4.2		3.8		3.9		4.3		5.2		6.6		6.7		6.9	
A. Government Consumption	5.5	(21.2)	4.6	(24.2)	4.9	(23.3)	5.0	(23.1)	6.6	(17.6)	6.1	(19.1)	6.5	(17.8)	6.5	(17.8)
B. Transfers & Subsidies	9.4	(2.7)	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)
C. Government Enterprises & Investment	2.0	(42.1)	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)
D. Top Marginal Tax Rate	0.0		1.0		0.0		3.0		3.0		7.0		7.0		8.0	
(i) Top Marginal Income Tax Rate	0.0	(70)	1.0	(65)	0.0	(65)	3.0	(50)	3.0	(50)	7.0	(32)	7.0	(32)	8.0	(30)
(ii) Top Marginal Income & Payroll Tax Rate							3.0 (50)		3.0 (50)		7.0 (32)		7.0 (32)		8.0 (30)	
2. Legal Structure & Security of Property Rights	3.7		4.2		5.3		5.3		3.8		4.0		4.0		3.2	
A. Judicial Independence															2.3	
B. Impartial Courts									3.4		3.4		3.4		2.7	
C. Protection of Intellectual Property															2.8	
D. Military Interference									3.4		5.0		5.0		5.0	
E. Integrity of Legal System									4.1		3.3		3.3		3.3	
3. Access to Sound Money	5.7		6.0		6.7		6.3		6.8		8.8		9.1		9.4	
A. Growth of Money Supply	8.9	(5.5)	8.5	(7.3)	9.1	(4.5)	7.5	(12.3)	7.2	(14.1)	8.6	(7.0)	9.0	(5.0)	9.0	(5.0)
B. Inflation Variability	6.4	(9.0)	7.5	(6.2)	9.5	(1.3)	9.4	(1.4)	7.3	(6.7)	8.5	(3.6)	8.5	(3.7)	8.9	(2.9)
C. Recent Annual Inflation	7.6	(11.8)	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)
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 Trade Internationally	6.2		5.7		5.5		5.2		7.6		7.1		7.0		6.7	
A. Taxes on International Trade	6.3		3.9		3.6		2.8		4.7		5.7		5.5		5.5	
(i) Taxes as Percentage of Exports & Imports	6.3	(5.5)	5.9	(6.1)	5.1	(7.4)	5.8	(6.3)	6.3	(5.6)	5.9	(6.2)	5.9	(6.2)	5.9	(6.2)
(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 (20.2)		6.0 (20.2)	
(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)	
B. Regulatory Trade Barriers															5.3	
(i) Hidden Import Barriers															4.3	
(ii) Costs of Importing															6.3	
C. Size of Trade Sector	7.9		8.2		6.0		6.3		7.5		6.2		6.0		6.0	
D. Official versus Black Market Exchange Rate	8.4		8.0		9.6		8.8		9.6		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		8.0		5.4		5.4		6.9	
(i) Access to Foreign Capital															8.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		8.0		5.4		5.4		5.4	
5. Regulation of Credit, Labor & Business	5.5		6.1		6.3		5.9		5.5		6.2		6.2		5.9	
A. Regulation of Credit Markets	4.6		6.2		6.7		7.3		5.4		6.9		7.1		6.0	
(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															3.0	
(iii) Extension of Credit to Private Sector	7.8		8.5		8.1		7.0		7.3		7.7		7.3		7.2	
(iv) Avoidance of Negative Real Interest Rates	4.0		8.0		10.0		10.0		4.0		8.0		9.0		9.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets															7.4	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing															5.8	
(iii) Collective Bargaining															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															4.2	
(i) Price Controls							2.0		4.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses															2.7	
(iii) Time Spent with Government Bureaucracy															5.0	
(iv) Ease of Starting a New Business															3.8	
(v) Irregular Payments to Government Officials															3.5	

Kuwait

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		3.7 (98)	5.6 (46)	4.7 (90)	6.2 (56)	6.7 (45)	7.0 (35)	7.4 (18)
1. Size of Government	1.9	3.0	1.2	3.2	3.8	6.1	6.1	6.3
A. Government Consumption	1.9 (33.7)	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)
B. Transfers & Subsidies				7.5 (9.8)	7.5 (9.7)	7.1 (11.2)	7.1 (11.2)	7.1 (11.2)
C. Government Enterprises & Investment	2.0	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)
D. Top Marginal Tax Rate						10.0	10.0	10.0
(i) Top Marginal Income Tax Rate						10.0 (0)	10.0 (0)	10.0 (0)
(ii) Top Marginal Income & Payroll Tax Rate						10.0 (0)	10.0 (0)	10.0 (14)
2. Legal Structure & Security of Property Rights		1.8	5.8	2.7	6.5	6.9	6.9	6.9
A. Judicial Independence								
B. Impartial Courts					7.2	7.5	7.5	7.5
C. Protection of Intellectual Property								
D. Military Interference					8.1	8.3	8.3	8.3
E. Integrity of Legal System					7.0	8.3	8.3	8.3
3. Access to Sound Money	6.4	4.9	8.6	7.1	8.9	8.2	8.2	9.8
A. Growth of Money Supply	5.5 (22.3)	5.9 (20.5)	8.2 (9.0)	8.6 (7.0)	9.3 (-3.6)	9.9 (-0.5)	9.8 (1.1)	9.8 (1.1)
B. Inflation Variability	0.0 (61.7)	2.1 (19.8)	7.0 (7.4)	4.6 (13.6)	7.5 (6.2)	3.1 (17.3)	3.4 (16.4)	9.6 (1.0)
C. Recent Annual Inflation	9.9 (-0.6)	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)
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 Trade Internationally			6.9	7.0	6.8	7.2	7.2	7.0
A. Taxes on International Trade			9.2	9.2	9.4	9.3	9.3	9.3
(i) Taxes as Percentage of Exports & Imports				9.2 (1.2)	9.4 (0.9)	9.3 (1.1)	9.3 (1.1)	9.3 (1.1)
(ii) Mean Tariff Rate			9.2 (4.0)					
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	5.6	6.5	5.3	5.4	4.4	4.0	3.9	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	2.0	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	2.0	4.6	4.6	4.6
5. Regulation of Credit, Labor & Business	5.1	5.1	5.5	3.5	4.9	5.1	6.5	6.7
A. Regulation of Credit Markets	7.4	7.4	7.7	3.0	6.0	6.8	8.0	8.8
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	5.0	8.0	10.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	9.9	9.8	8.0	1.1	3.0	5.5	6.0	6.3
(iv) Avoidance of Negative Real Interest Rates			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 & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	1.0	1.0	1.0	0.0	0.0	0.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls					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

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶					5.1 (91)	6.6 (53)	6.8 (42)	7.0 (36)
1. Size of Government					4.1	5.2	5.7	5.8
A. Government Consumption				7.6 (14.0)	4.1 (26.2)	4.9 (23.2)	4.6 (24.3)	4.8 (23.6)
B. Transfers & Subsidies					5.2 (18.2)	5.8 (15.9)	6.2 (14.3)	6.2 (14.3)
C. Government Enterprises & Investment					0.0	4.0	6.0	6.0
D. Top Marginal Tax Rate					7.0	6.0	6.0	6.0
(i) Top Marginal Income Tax Rate					7.0 (35)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top Marginal Income & Payroll Tax Rate						3.0 (48)	3.0 (48)	3.0 (48)
2. Legal Structure & Security of Property Rights					6.0	5.9	5.7	6.4
A. Judicial Independence							4.1	5.3
B. Impartial Courts					5.8	6.2	4.1	5.0
C. Protection of Intellectual Property						3.8	3.7	5.0
D. Military Interference					7.5	8.3	8.3	8.3
E. Integrity of Legal System						8.3	8.3	8.3
3. Access to Sound Money				6.4	3.0	8.6	9.3	9.2
A. Growth of Money Supply					0.1 (49.5)	6.8 (16.0)	8.5 (7.4)	8.4 (8.1)
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)
C. Recent Annual Inflation				6.9 (15.7)	6.8 (16.0)	9.5 (2.7)	9.5 (2.5)	9.6 (2.0)
D. Freedom to Own Foreign Currency				5.0	5.0	10.0	10.0	10.0
4. Freedom to Trade Internationally					8.0	7.2	7.6	7.6
A. Taxes on International Trade					9.5	8.3	8.7	8.7
(i) Taxes as Percentage of Exports & Imports					9.5 (0.8)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate						8.9 (5.6)	9.2 (4.0)	9.2 (4.0)
(iii) Variability of Tariff Rates						6.3 (9.2)	7.0 (7.4)	7.0 (7.4)
B. Regulatory Trade Barriers						5.3	7.0	7.0
(i) Hidden Import Barriers						5.3	5.6	6.2
(ii) Costs of Importing							8.5	7.8
C. Size of Trade Sector				5.2	4.9	4.7	4.6	4.6
D. Official versus Black Market Exchange Rate				0.0	9.6	10.0	10.0	10.0
E. Restrictions on Capital Markets				0.0	8.0	7.6	7.5	7.7
(i) Access to Foreign Capital						8.3	8.3	8.4
(ii) Restrictions on Foreign Capital Transactions				0.0	8.0	6.9	6.7	6.9
5. Regulation of Credit, Labor & Business					4.3	6.1	5.9	6.2
A. Regulation of Credit Markets					3.7	7.9	8.3	8.4
(i) Private Ownership of Banks						10.0	10.0	10.0
(ii) Competition from Foreign Banks						5.1	5.1	5.1
(iii) Extension of Credit to Private Sector					5.4	8.0	8.1	8.4
(iv) Avoidance of Negative Real Interest Rates					2.0	8.0	10.0	10.0
(v) Controls on Interest Rates						8.3	8.3	8.3
B. Regulation of Labor Markets						4.5	4.7	4.9
(i) Impact of Minimum Wage						3.3	3.3	3.3
(ii) Flexibility in Hiring & Firing						3.9	5.1	5.7
(iii) Collective Bargaining						7.9	7.3	7.7
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription				0.0	1.0	3.0	3.0	3.0
C. Regulation of Business						5.8	4.7	5.4
(i) Price Controls				0.0	6.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						7.2	3.3	4.5
(iii) Time Spent with Government Bureaucracy						4.7	4.0	4.5
(iv) Ease of Starting a New Business						5.0	4.6	6.0
(v) Irregular Payments to Government Officials						5.8	5.4	6.0

Lithuania

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►					4.9 (93)	6.3 (66)	6.4 (61)	6.8 (44)
1. Size of Government					4.2	5.6	5.7	5.5
A. Government Consumption				4.3 (25.2)	5.1 (22.6)	4.4 (24.9)	4.7 (23.9)	4.5 (24.7)
B. Transfers & Subsidies					7.3 (10.4)	6.9 (11.8)	7.2 (11.0)	7.2 (11.0)
C. Government Enterprises & Investment					0.0	6.0	6.0	6.0
D. Top Marginal Tax Rate					4.5	5.0	5.0	4.5
(i) Top Marginal Income Tax Rate					7.0 (35)	7.0 (33)	7.0 (33)	7.0 (33)
(ii) Top Marginal Income & Payroll Tax Rate					2.0 (51)	3.0 (50)	3.0 (50)	2.0 (51)
2. Legal Structure & Security of Property Rights					5.9	5.8	5.1	5.3
A. Judicial Independence							3.5	3.8
B. Impartial Courts					5.9	6.1	3.1	3.8
C. Protection of Intellectual Property						3.2	3.7	4.0
D. Military Interference					7.2	8.3	8.3	8.3
E. Integrity of Legal System						8.3	6.7	6.7
3. Access to Sound Money				7.5	1.8	7.1	7.9	9.4
A. Growth of Money Supply					0.0 (53.0)	7.5 (12.6)	8.8 (6.0)	8.8 (6.2)
B. Inflation Variability					0.0 (329.2)	6.2 (9.5)	8.0 (5.1)	8.9 (2.7)
C. Recent Annual Inflation				10.0 (-0.2)	2.4 (38.1)	9.8 (1.0)	9.8 (1.2)	9.9 (0.3)
D. Freedom to Own Foreign Currency				5.0	5.0	5.0	5.0	10.0
4. Freedom to Trade Internationally					8.2	7.3	7.8	7.8
A. Taxes on International Trade					8.4	8.5	8.8	8.8
(i) Taxes as Percentage of Exports & Imports					9.6 (0.7)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate					9.1 (4.5)	8.9 (5.4)	9.8 (1.1)	9.8 (1.1)
(iii) Variability of Tariff Rates					6.4 (9.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)
B. Regulatory Trade Barriers						5.2	7.2	7.5
(i) Hidden Import Barriers						5.2	5.3	5.8
(ii) Costs of Importing							9.0	9.3
C. Size of Trade Sector				6.3	6.3	4.9	5.2	5.5
D. Official versus Black Market Exchange Rate				0.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets				0.0	8.0	7.8	7.8	7.4
(i) Access to Foreign Capital						8.1	8.1	7.8
(ii) Restrictions on Foreign Capital Transactions				0.0	8.0	7.5	7.5	6.9
5. Regulation of Credit, Labor & Business				2.5	4.5	5.6	5.5	5.8
A. Regulation of Credit Markets				0.0	4.4	6.4	6.8	7.9
(i) Private Ownership of Banks				0.0	5.0	5.0	5.0	8.0
(ii) Competition from Foreign Banks						5.2	5.2	7.0
(iii) Extension of Credit to Private Sector					8.3	6.6	6.7	7.0
(iv) Avoidance of Negative Real Interest Rates					0.0	8.0	10.0	10.0
(v) Controls on Interest Rates						7.3	7.3	7.3
B. Regulation of Labor Markets						4.2	4.5	4.5
(i) Impact of Minimum Wage						3.0	3.0	3.0
(ii) Flexibility in Hiring & Firing						2.8	3.6	3.7
(iii) Collective Bargaining						8.2	8.2	8.2
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription				0.0	3.0	3.0	3.0	3.0
C. Regulation of Business						6.2	5.3	5.1
(i) Price Controls				0.0	4.0	4.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						7.3	3.0	3.0
(iii) Time Spent with Government Bureaucracy						7.5	5.5	5.8
(iv) Ease of Starting a New Business						4.2	3.8	4.2
(v) Irregular Payments to Government Officials						8.3	8.0	6.7

Luxembourg

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	7.9 (2)		7.8 (2)		8.2 (2)		7.5 (5)		7.7 (11)		7.8 (11)		7.7 (10)		7.8 (9)	
1. Size of Government	7.0		6.8		7.4		4.7		4.4		4.5		4.6		4.7	
A. Government Consumption	6.9	(16.4)	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)
B. Transfers & Subsidies							2.9 (26.6)		3.3 (25.2)		3.4 (24.8)		4.5 (20.8)		4.5 (20.8)	
C. Government Enterprises & Investment	7.0		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)	
D. Top Marginal Tax Rate							1.5		2.5		3.5		4.0		5.0	
(i) Top Marginal Income Tax Rate							1.0 (56)		3.0 (50)		4.0 (49)		4.0 (41)		5.0 (40)	
(ii) Top Marginal Income & Payroll Tax Rate							2.0 (58)		2.0 (60)		3.0 (54)		4.0 (41)		5.0 (40)	
2. Legal Structure & Security of Property Rights	8.3		7.8		8.3		8.3		9.1		8.6		8.6		8.4	
A. Judicial Independence									9.5		7.3		7.3		7.5	
B. Impartial Courts									8.6		8.2		8.2		7.5	
C. Protection of Intellectual Property									7.4		7.6		7.6		7.0	
D. Military Interference									10.0		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	9.0		8.9		9.5		9.3		9.7		9.7		9.7		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)		9.8 (1.0)		9.8 (1.0)	
B. Inflation Variability	7.2	(7.1)	8.6	(3.6)	8.9	(2.7)	9.5	(1.2)	9.2	(1.9)	9.7	(0.6)	9.5	(1.2)	9.6	(1.0)
C. Recent Annual Inflation	9.8	(-0.9)	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)
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 Trade Internationally	8.4		8.6		8.8		8.5		8.4		9.0		9.0		8.9	
A. Taxes on International Trade	9.1		9.1		9.2		8.5		8.7		9.2		9.1		9.1	
(i) Taxes as Percentage of Exports & Imports	10.0	(0.0)	9.9	(0.1)	9.9	(0.1)	9.9	(0.1)	9.9	(0.1)	9.9	(0.1)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.5	(2.7)	9.5	(2.7)
(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)	
B. Regulatory Trade Barriers									8.7		9.1		9.1		9.0	
(i) Hidden Import Barriers									8.7		8.2		8.2		8.2	
(ii) Costs of Importing											10.0		10.0		9.9	
C. Size of Trade Sector	4.6		5.8		6.6		5.9		5.4		7.2		7.1		6.6	
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		9.4		9.6		9.6		9.6	
(i) Access to Foreign Capital									8.9		9.9		9.9		10.0	
(ii) Restrictions on Foreign Capital Transactions	10.0		10.0		10.0		10.0		10.0		9.2		9.2		9.2	
5. Regulation of Credit, Labor & Business	6.9		6.9		6.9		6.6		6.8		6.9		6.8		7.4	
A. Regulation of Credit Markets	10.0		10.0		10.0		10.0		8.4		8.9		9.0		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									8.6						10.0	
(iii) Extension of Credit to Private Sector									6.3		6.8		6.9		6.8	
(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							
B. Regulation of Labor Markets							6.5		5.4						6.3	
(i) Impact of Minimum Wage									3.6							
(ii) Flexibility in Hiring & Firing							4.3		4.3						4.2	
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		5.2		5.2		5.2		5.7	
(iv) Incentives from Unemployment Benefits									4.2						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									6.5						6.6	
(i) Price Controls							2.0		5.0		7.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses															4.3	
(iii) Time Spent with Government Bureaucracy									7.2						6.8	
(iv) Ease of Starting a New Business									7.0						7.3	
(v) Irregular Payments to Government Officials									6.9						8.5	

Madagascar

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.4 (82)	4.6 (85)	4.6 (94)	4.7 (100)	5.8 (85)	6.1 (77)	5.5 (100)
1. Size of Government	4.2	4.1	4.4	6.3	6.5	6.5	7.0	7.0
A. Government Consumption	8.5 (11.2)	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)
B. Transfers & Subsidies				9.8 (1.4)	9.8 (1.1)	9.9 (1.0)	9.9 (1.0)	9.9 (1.0)
C. Government Enterprises & Investment	0.0 (59.2)	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)
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights			4.3	3.1	4.8	4.6	4.6	3.0
A. Judicial Independence								2.3
B. Impartial Courts					4.1	4.4	4.4	3.0
C. Protection of Intellectual Property								3.0
D. Military Interference					4.2	5.0	5.0	1.7
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	6.2	5.7	5.7	5.5	2.8	7.2	7.7	7.0
A. Growth of Money Supply	8.8 (5.8)	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)
B. Inflation Variability	7.0 (7.5)	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)
C. Recent Annual Inflation	9.1 (4.7)	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)
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 Trade Internationally	3.7	3.5	4.1	4.6	5.7	6.2	6.0	5.2
A. Taxes on International Trade	0.8	4.0	0.8	1.7	5.1	3.7	3.2	3.2
(i) Taxes as Percentage of Exports & Imports	0.8 (13.8)	4.3 (8.5)		0.7 (14.0)	4.3 (8.5)	3.7 (9.4)	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)			
(iii) Variability of Tariff Rates					6.9 (7.7)			
B. Regulatory Trade Barriers								4.4
(i) Hidden Import Barriers								3.8
(ii) Costs of Importing								4.9
C. Size of Trade Sector	4.1	5.1	3.1	4.6	5.5	6.3	5.5	3.3
D. Official versus Black Market Exchange Rate	5.4	0.0	8.2	8.6	9.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	3.0	3.0	5.2
(i) Access to Foreign Capital								7.4
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0
5. Regulation of Credit, Labor & Business		4.2	4.3	3.5	3.7	4.4	5.1	5.1
A. Regulation of Credit Markets	4.4	4.6	4.9	3.1	3.7	6.0	6.9	7.7
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	2.0	2.0	5.0	8.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	8.7	9.3	9.7	9.3	9.0	7.9	6.8	6.2
(iv) Avoidance of Negative Real Interest Rates				0.0	0.0	8.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								4.2
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								4.5
(iii) Collective Bargaining								7.0
(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								3.5
(i) Price Controls				0.0	0.0	0.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses								1.3
(iii) Time Spent with Government Bureaucracy								4.5
(iv) Ease of Starting a New Business								4.0
(v) Irregular Payments to Government Officials								3.5

Malaysia

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	6.3 (15)	6.9 (11)	7.0 (11)	7.3 (10)	7.4 (17)	6.8 (43)	6.4 (61)	6.5 (58)
1. Size of Government	5.3	4.8	5.6	6.3	6.4	6.7	5.6	5.4
A. Government Consumption	4.7 (23.9)	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)
B. Transfers & Subsidies	8.4 (6.4)	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)
C. Government Enterprises & Investment	4.0 (37.6)	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)
D. Top Marginal Tax Rate	4.0	2.0	6.0	6.0	7.0	8.0	8.0	8.0
(i) Top Marginal Income Tax Rate	4.0 (50)	2.0 (60)	6.0 (45)	6.0 (45)	7.0 (32)	8.0 (29)	8.0 (28)	8.0 (28)
(ii) Top Marginal Income & Payroll Tax Rate				6.0 (45)	7.0 (32)	8.0 (29)	8.0 (28)	8.0 (28)
2. Legal Structure & Security of Property Rights	4.6	6.6	6.3	6.5	6.6	5.6	6.1	6.6
A. Judicial Independence					6.2	4.5	5.4	5.8
B. Impartial Courts					6.1	6.0	6.4	7.2
C. Protection of Intellectual Property					6.1	4.2	5.6	6.5
D. Military Interference					7.8	8.3	8.3	8.3
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	7.3	8.9	8.4	9.0	9.1	8.1	6.7	6.6
A. Growth of Money Supply	8.1 (9.4)	8.1 (9.7)	9.8 (0.9)	8.7 (6.5)	8.0 (9.9)	9.1 (-4.4)	9.0 (-5.0)	8.9 (5.3)
B. Inflation Variability	6.7 (8.3)	8.8 (3.1)	8.9 (2.6)	7.9 (5.2)	9.4 (1.5)	8.8 (3.1)	8.3 (4.3)	8.0 (5.1)
C. Recent Annual Inflation	9.4 (-3.1)	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)
D. Freedom to Own Foreign Currency	5.0	10.0	5.0	10.0	10.0	5.0	0.0	0.0
4. Freedom to Trade Internationally	7.9	7.9	8.0	8.0	8.0	7.5	7.4	7.5
A. Taxes on International Trade	6.5	6.4	6.7	6.8	6.9	5.7	5.7	5.7
(i) Taxes as Percentage of Exports & Imports	5.3 (7.0)	4.9 (7.7)	6.2 (5.7)	7.9 (3.2)	8.9 (1.6)	8.9 (1.6)	9.0 (1.6)	9.0 (1.6)
(ii) Mean Tariff Rate	7.6 (12.0)	7.9 (10.6)	7.3 (13.6)	7.4 (13.0)	7.4 (12.8)	8.2 (9.2)	8.2 (9.2)	8.2 (9.2)
(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)
B. Regulatory Trade Barriers					6.7	7.9	7.5	7.8
(i) Hidden Import Barriers					6.7	6.7	6.3	6.7
(ii) Costs of Importing						9.2	8.6	9.0
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	5.0	6.2	3.7	3.7	4.2
(i) Access to Foreign Capital					7.3	6.6	6.6	7.6
(ii) Restrictions on Foreign Capital Transactions	5.0	5.0	5.0	5.0	5.0	0.8	0.8	0.8
5. Regulation of Credit, Labor & Business	6.4	6.2	6.6	6.5	6.7	6.3	6.1	6.1
A. Regulation of Credit Markets	6.6	6.3	7.7	7.8	6.3	6.0	6.0	5.8
(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					3.2	2.1	2.1	2.1
(iii) Extension of Credit to Private Sector	8.2	7.9	8.0	8.4	8.7	9.3	9.4	9.4
(iv) Avoidance of Negative Real Interest Rates		6.0	10.0	10.0	10.0	10.0	10.0	9.0
(v) Controls on Interest Rates					4.8	3.7	3.7	3.7
B. Regulation of Labor Markets				8.2	7.6	6.6	6.6	6.6
(i) Impact of Minimum Wage					6.7	4.5	4.5	4.5
(ii) Flexibility in Hiring & Firing				6.7	6.7	4.0	4.0	3.8
(iii) Collective Bargaining	7.9	7.9	7.9	7.9	7.9	7.5	7.4	7.7
(iv) Incentives from Unemployment Benefits					6.5	7.0	7.0	7.2
(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
(i) Price Controls				5.0	4.0	3.0	4.0	5.0
(ii) Administrative Obstacles for New Businesses						7.1	4.1	4.3
(iii) Time Spent with Government Bureaucracy					8.1	8.4	5.8	5.8
(iv) Ease of Starting a New Business					7.2	6.3	7.3	7.5
(v) Irregular Payments to Government Officials					5.4	6.1	6.7	6.7

Malta

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		5.5 (49)	5.3 (62)	5.4 (58)	6.6 (41)	6.5 (58)	6.5 (53)	6.8 (44)
1. Size of Government	4.6	4.2	4.4	4.3	6.0	5.9	5.8	5.8
A. Government Consumption	5.8 (20.4)	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)
B. Transfers & Subsidies	6.1 (14.7)	6.8 (12.2)	5.9 (15.7)	5.9 (15.6)	6.5 (13.4)	5.6 (16.8)	5.6 (16.8)	5.6 (16.8)
C. Government Enterprises & Investment	2.0 (46.3)	4.0 (28.6)	6.0 (20.0)	6.0 (28.8)	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
(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)
(ii) Top Marginal Income & Payroll Tax Rate				0.0 (65)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
2. Legal Structure & Security of Property Rights			3.5	4.5	7.6	7.2	7.2	7.0
A. Judicial Independence								7.2
B. Impartial Courts					7.1	6.8	6.8	5.8
C. Protection of Intellectual Property								3.8
D. Military Interference					9.8	10.0	10.0	10.0
E. Integrity of Legal System					10.0	8.3	8.3	8.3
3. Access to Sound Money	6.6	6.3	7.1	7.3	7.1	7.3	7.1	7.1
A. Growth of Money Supply	8.6 (7.1)	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)
B. Inflation Variability	9.1 (2.3)	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)
C. Recent Annual Inflation	8.9 (5.4)	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)
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 Trade Internationally	6.2	6.0	6.0	6.3	6.8	6.4	6.0	7.0
A. Taxes on International Trade	6.9	6.7	7.0	6.7	9.5	8.5	8.5	8.5
(i) Taxes as Percentage of Exports & Imports	6.9 (4.6)	6.7 (4.9)	7.0 (4.5)	6.7 (4.9)	9.5 (0.8)	9.5 (0.8)	9.5 (0.8)	9.5 (0.8)
(ii) Mean Tariff Rate						8.2 (8.8)	8.2 (8.8)	8.2 (8.8)
(iii) Variability of Tariff Rates						7.7 (5.7)	7.7 (5.7)	7.7 (5.7)
B. Regulatory Trade Barriers								7.9
(i) Hidden Import Barriers								6.8
(ii) Costs of Importing								8.9
C. Size of Trade Sector	4.9	5.6	4.4	4.8	5.0	5.0	3.9	3.9
D. Official versus Black Market Exchange Rate	9.0	7.6	8.6	9.6	9.2	9.4	9.4	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	0.8	0.0	4.8
(i) Access to Foreign Capital								8.8
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	0.8	0.0	0.8
5. Regulation of Credit, Labor & Business		5.7	5.6	4.9	5.6	5.7	6.2	7.0
A. Regulation of Credit Markets	4.5	5.1	5.1	4.8	6.2	6.6	7.6	8.7
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	2.0	5.0	8.0
(ii) Competition from Foreign Banks								9.0
(iii) Extension of Credit to Private Sector	8.9	9.4	9.2	8.4	8.6	7.9	7.8	7.9
(iv) Avoidance of Negative Real Interest Rates		6.0	6.0	6.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								6.7
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								3.3
(iii) Collective Bargaining								6.7
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								5.6
(i) Price Controls				0.0	2.0	2.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses								3.2
(iii) Time Spent with Government Bureaucracy								6.5
(iv) Ease of Starting a New Business								6.3
(v) Irregular Payments to Government Officials								7.9

Mauritius

	1975		1980		1985		1990		1995		2000		2001		2002			
Summary Ratings (Rank) ▶	5.4 (38)		5.3 (55)		6.5 (19)		6.2 (34)		7.4 (17)		7.3 (23)		7.3 (20)		7.2 (27)			
1. Size of Government	7.2		5.6		6.8		6.8		6.9		6.9		7.6		7.6			
A. Government Consumption	7.3	(15.2)	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)		
B. Transfers & Subsidies	8.3	(6.6)	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)		
C. Government Enterprises & Investment	6.0	(18.8)	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)		
D. Top Marginal Tax Rate			3.0		7.0		7.0		7.5		8.0		8.0		8.0			
(i) Top Marginal Income Tax Rate			3.0		(50)		7.0		(35)		8.0		(30)		9.0		(25)	
(ii) Top Marginal Income & Payroll Tax Rate							7.0		(35)		7.0		(32)		7.0		(33)	
(iii) Top Marginal Income & Payroll Tax Rate											7.0		(33)		7.0		(34)	
2. Legal Structure & Security of Property Rights					6.3		6.3		6.9		6.9		6.7		6.5			
A. Judicial Independence											6.2		6.5		5.7			
B. Impartial Courts									7.8		7.0		5.9		5.8			
C. Protection of Intellectual Property											4.8		4.2		4.5			
D. Military Interference									9.4		10.0		10.0		10.0			
E. Integrity of Legal System									7.0		6.7		6.7		6.7			
3. Access to Sound Money	3.7		4.8		6.9		6.0		9.5		9.6		9.5		9.5			
A. Growth of Money Supply	3.8	(30.9)	8.9	(5.7)	9.7	(-1.4)	6.7	(16.3)	9.5	(2.3)	9.6	(-1.8)	9.9	(-0.3)	9.9	(-0.3)		
B. Inflation Variability	1.9	(20.2)	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	(1.2)		
C. Recent Annual Inflation	8.9	(5.3)	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)		
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 Trade Internationally	4.3		4.2		5.7		5.6		7.2		6.8		7.0		6.7			
A. Taxes on International Trade	5.3		3.3		3.3		3.1		4.4		3.6		5.1		5.1			
(i) Taxes as Percentage of Exports & Imports	5.3	(7.1)	3.6	(9.6)	3.6	(9.6)	4.9	(7.6)	6.1	(5.9)	6.9	(4.7)	7.6	(3.7)	7.6	(3.7)		
(ii) Mean Tariff Rate			3.0		(34.9)		3.0		(34.9)		3.8		(31.0)		7.8		(11.1)	
(iii) Variability of Tariff Rates							0.0		(91.5)		0.0		(27.8)		0.0		(27.8)	
B. Regulatory Trade Barriers											7.4		7.0		6.9			
(i) Hidden Import Barriers											7.9		6.6		6.2			
(ii) Costs of Importing											7.0		7.4		7.6			
C. Size of Trade Sector	5.4		5.5		5.2		6.2		5.2		5.1		5.0		5.0			
D. Official versus Black Market Exchange Rate	0.6		2.0		9.8		8.4		10.0		10.0		10.0		10.0			
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		8.0		7.8		7.8		6.7			
(i) Access to Foreign Capital											8.7		8.7		6.4			
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		8.0		6.9		6.9		6.9			
5. Regulation of Credit, Labor & Business	6.5		6.6		6.9		6.3		6.6		6.1		5.7		5.6			
A. Regulation of Credit Markets	7.0		7.3		8.5		8.1		9.0		7.3		7.4		7.3			
(i) Private Ownership of Banks	8.0		8.0		8.0		10.0		10.0		10.0		10.0		10.0			
(ii) Competition from Foreign Banks											4.3		4.3		4.3			
(iii) Extension of Credit to Private Sector	5.9		6.6		7.4		6.4		6.9		8.3		8.1		7.5			
(iv) Avoidance of Negative Real Interest Rates					10.0		8.0		10.0		8.0		9.0		9.0			
(v) Controls on Interest Rates											5.7		5.7		5.7			
B. Regulation of Labor Markets											4.9		5.0		5.1			
(i) Impact of Minimum Wage											3.1		3.1		3.1			
(ii) Flexibility in Hiring & Firing											2.0		2.3		2.7			
(iii) Collective Bargaining											3.6		3.6		3.7			
(iv) Incentives from Unemployment Benefits											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			
(i) Price Controls							4.0		4.0		6.0		4.0		4.0			
(ii) Administrative Obstacles for New Businesses											5.9		1.9		2.0			
(iii) Time Spent with Government Bureaucracy											7.5		5.8		5.3			
(iv) Ease of Starting a New Business											5.4		5.8		5.8			
(v) Irregular Payments to Government Officials											6.0		6.3		5.8			

Mexico

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.7 (29)	5.5 (49)	4.7 (83)	6.0 (40)	6.4 (45)	6.3 (66)	6.3 (67)	6.5 (58)
1. Size of Government	6.1	5.7	5.7	7.2	7.2	7.1	7.9	8.1
A. Government Consumption	8.3 (11.7)	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)
B. Transfers & Subsidies	9.0 (4.1)	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)
C. Government Enterprises & Investment	2.0 (40.2)	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)
D. Top Marginal Tax Rate	5.0	4.0	4.0	7.0	7.0	5.0	6.0	7.0
(i) Top Marginal Income Tax Rate	5.0 (47)	4.0 (55)	4.0 (55)	7.0 (40)	7.0 (35)	7.0 (40)	7.0 (40)	7.0 (35)
(ii) Top Marginal Income & Payroll Tax Rate						3.0 (47)	5.0 (40)	7.0 (35)
2. Legal Structure & Security of Property Rights	4.1	6.3	5.4	6.8	5.3	4.2	3.6	4.2
A. Judicial Independence					3.9	3.3	3.0	3.8
B. Impartial Courts					5.1	5.2	3.4	4.0
C. Protection of Intellectual Property					5.2	4.4	3.4	4.7
D. Military Interference					5.4	5.0	5.0	5.0
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money	8.1	7.4	3.3	3.6	5.5	6.9	7.4	7.4
A. Growth of Money Supply	7.7 (11.5)	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)
B. Inflation Variability	8.2 (4.5)	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 (5.1)
C. Recent Annual Inflation	6.4 (17.9)	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)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	5.0	3.1	5.0	7.3	7.8	7.6	7.3	7.4
A. Taxes on International Trade	4.7	1.9	6.1	7.9	8.2	7.5	7.5	7.5
(i) Taxes as Percentage of Exports & Imports	4.7 (7.9)	0.0 (17.6)	8.3 (2.6)	8.7 (2.0)	9.3 (1.1)	9.4 (0.9)	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)
(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)
B. Regulatory Trade Barriers					6.3	7.3	6.7	7.2
(i) Hidden Import Barriers					6.3	6.4	5.4	6.0
(ii) Costs of Importing						8.2	8.0	8.4
C. Size of Trade Sector	0.0	3.4	3.6	5.5	7.9	8.1	7.2	6.9
D. Official versus Black Market Exchange Rate	10.0	0.0	5.0	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	5.0	6.4	5.1	5.1	5.7
(i) Access to Foreign Capital					7.8	8.7	8.7	9.0
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	5.0	5.0	1.5	1.5	2.3
5. Regulation of Credit, Labor & Business	5.1	5.2	4.0	5.1	6.1	5.6	5.3	5.2
A. Regulation of Credit Markets	5.3	5.6	2.4	4.7	7.5	6.1	7.0	7.2
(i) Private Ownership of Banks	8.0	8.0	0.0	0.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					7.3	5.9	5.9	5.9
(iii) Extension of Credit to Private Sector	2.7	4.9	3.1	6.0	8.3	4.1	3.7	3.8
(iv) Avoidance of Negative Real Interest Rates		4.0	4.0	8.0	8.0	4.0	9.0	10.0
(v) Controls on Interest Rates					5.7	6.5	6.5	6.5
B. Regulation of Labor Markets				5.7	6.3	4.8	4.7	4.4
(i) Impact of Minimum Wage					7.9	2.7	2.7	2.7
(ii) Flexibility in Hiring & Firing				5.0	5.0	4.1	3.1	3.0
(iii) Collective Bargaining				7.2	7.2	5.7	6.0	6.5
(iv) Incentives from Unemployment Benefits					6.2	6.5	6.5	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
(i) Price Controls				0.0	5.0	7.0	6.0	4.0
(ii) Administrative Obstacles for New Businesses						6.7	2.1	2.2
(iii) Time Spent with Government Bureaucracy					6.1	6.3	4.3	5.0
(iv) Ease of Starting a New Business					4.2	3.7	3.0	3.5
(v) Irregular Payments to Government Officials					3.4	5.7	5.7	6.1

Morocco

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.3 (43)		4.6 (78)		5.1 (66)		5.0 (75)		5.9 (67)		6.0 (78)		5.9 (84)		5.9 (83)	
1. Size of Government	5.7		4.6		4.2		4.9		5.0		5.9		5.5		5.5	
A. Government Consumption	6.2	(19.0)	5.5	(21.3)	6.1	(19.4)	6.1	(19.2)	6.0	(19.6)	5.1	(22.7)	5.2	(22.3)	5.2	(22.3)
B. Transfers & Subsidies	8.5	(6.0)	9.0	(4.1)	8.9	(4.6)	9.5	(2.3)	9.1	(3.9)	8.7	(5.4)	8.7	(5.4)	8.7	(5.4)
C. Government Enterprises & Investment	0.0	(60.5)	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)
D. Top Marginal Tax Rate	8.0		2.0		0.0		0.0		3.0		4.0		4.0		4.0	
(i) Top Marginal Income Tax Rate	8.0	(39)	2.0	(64)	0.0	(87)	0.0	(87)	3.0	(46)	4.0	(44)	4.0	(44)	4.0	(44)
(ii) Top Marginal Income & Payroll Tax Rate																
2. Legal Structure & Security of Property Rights	3.3		2.2		4.0		4.0		6.7		6.7		5.9		5.9	
A. Judicial Independence													3.8		3.5	
B. Impartial Courts									6.8		6.4		4.9		4.7	
C. Protection of Intellectual Property													4.0		4.8	
D. Military Interference									6.5		6.7		6.7		6.7	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	5.9		6.1		6.7		6.3		6.7		7.0		7.1		7.0	
A. Growth of Money Supply	7.2	(13.9)	8.2	(9.0)	9.0	(4.9)	7.2	(13.8)	9.3	(3.7)	8.6	(7.0)	8.8	(5.8)	8.8	(5.8)
B. Inflation Variability	6.7	(8.4)	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	(1.1)
C. Recent Annual Inflation	9.7	(1.5)	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)
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 Trade Internationally	6.1		5.2		6.1		5.6		6.2		5.4		5.7		5.6	
A. Taxes on International Trade	5.0		1.4		5.5		4.8		5.2		2.9		3.5		3.5	
(i) Taxes as Percentage of Exports & Imports	5.0	(7.5)	2.9	(10.7)	5.7	(6.4)	4.3	(8.6)	5.5	(6.8)	4.1	(8.8)	5.1	(7.4)	5.1	(7.4)
(ii) Mean Tariff Rate			0.0		(54.0)		5.3		(23.5)		3.3		(33.6)		3.5	
(iii) Variability of Tariff Rates									(13.2)		1.2		(22.0)		1.8	
B. Regulatory Trade Barriers													5.8		5.6	
(i) Hidden Import Barriers													5.2		4.5	
(ii) Costs of Importing													6.4		6.8	
C. Size of Trade Sector	6.1		4.8		6.0		5.6		5.6		5.9		5.7		5.7	
D. Official versus Black Market Exchange Rate	9.4		9.8		8.6		7.4		9.8		10.0		10.0		7.9	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		2.0		0.0		0.8		5.3	
(i) Access to Foreign Capital															9.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		2.0		0.0		0.8		1.5	
5. Regulation of Credit, Labor & Business			4.5		4.7		4.4		4.9		5.1		5.3		5.6	
A. Regulation of Credit Markets	5.0		5.7		5.6		6.1		6.4		7.0		7.2		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																
(iii) Extension of Credit to Private Sector			6.4		5.7		5.3		6.2		8.0		7.7		7.7	
(iv) Avoidance of Negative Real Interest Rates					6.0		8.0		8.0		8.0		9.0		9.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets													4.3		5.1	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing													4.5		3.2	
(iii) Collective Bargaining													7.4		7.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	1.0		1.0		1.0		1.0		1.0		1.0		1.0		5.0	
C. Regulation of Business																
(i) Price Controls							0.0		4.0		4.0		4.4		4.3	
(ii) Administrative Obstacles for New Businesses													3.4		3.3	
(iii) Time Spent with Government Bureaucracy													5.5		5.5	
(iv) Ease of Starting a New Business													4.3		4.5	
(v) Irregular Payments to Government Officials													4.6		4.4	

Myanmar

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►		4.5 (81)	4.2 (92)	3.2 (110)	3.8 (118)	3.6 (122)	3.4 (122)	2.5 (123)
1. Size of Government						3.5	3.5	3.5
A. Government Consumption								
B. Transfers & Subsidies								
C. Government Enterprises & Investment	0.0	0.0	0.0	0.0 (45.0)	2.0	2.0	2.0	2.0
D. Top Marginal Tax Rate						5.0	5.0	5.0
(i) Top Marginal Income Tax Rate						5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income & Payroll Tax Rate						5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure & Security of Property Rights		5.3	4.0	3.5	4.7	3.2	3.2	3.2
A. Judicial Independence								
B. Impartial Courts					4.1	3.8	3.8	3.8
C. Protection of Intellectual Property								
D. Military Interference					3.7	0.0	0.0	0.0
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	3.7	6.8	7.2	3.9	4.8	5.4	4.2	1.7
A. Growth of Money Supply	6.4 (17.9)	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)
B. Inflation Variability	1.5 (21.2)	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)
C. Recent Annual Inflation	6.7 (16.5)	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)
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 Trade Internationally	1.7	2.1	1.7	1.7	1.7	1.7	1.7	0.0
A. Taxes on International Trade	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
(i) Taxes as Percentage of Exports & Imports	0.0 (19.3)	0.5 (14.2)	0.0 (17.6)	0.0 (19.4)	0.0 (24.7)	0.0 (21.8)	0.0 (21.8)	0.0 (21.8)
(ii) Mean Tariff Rate								
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	0.0	1.8	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 & Business	4.6	3.9	3.8	3.6	3.8	4.0	4.5	4.3
A. Regulation of Credit Markets	1.4	0.5	0.2	0.5	1.1	1.7	3.4	2.8
(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	2.7	1.4	0.6	1.5	3.2	3.2	3.3	3.5
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	0.0	0.0	2.0	7.0	5.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(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

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶				5.1 (70)	6.3 (49)	6.3 (66)	6.5 (53)	6.4 (61)
1. Size of Government		1.7	0.7	4.9	4.8	4.0	4.5	4.5
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)
B. Transfers & Subsidies				9.3 (3.2)	9.2 (3.4)	8.6 (5.5)	8.6 (5.5)	8.6 (5.5)
C. Government Enterprises & 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)
D. Top Marginal Tax Rate						5.0	5.0	5.0
(i) Top Marginal Income Tax Rate						5.0 (36)	5.0 (36)	5.0 (36)
(ii) Top Marginal Income & Payroll Tax Rate						5.0 (36)	5.0 (36)	5.0 (36)
2. Legal Structure & Security of Property Rights				2.3	7.8	8.1	7.9	7.5
A. Judicial Independence					7.2	7.2	7.0	6.3
B. Impartial Courts					7.2	7.7	6.9	6.2
C. Protection of Intellectual Property					6.5	5.8	5.6	4.8
D. Military Interference					8.2	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money			4.0	5.4	6.0	6.1	6.1	6.1
A. Growth of Money Supply					7.2 (14.0)	7.6 (12.2)	7.2 (13.9)	7.2 (13.9)
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 (1.8)
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)
D. Freedom to Own Foreign Currency			0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally				6.7	6.4	6.3	6.7	7.0
A. Taxes on International Trade		8.1	8.8	6.1	3.9	5.9	6.4	6.4
(i) Taxes as Percentage of Exports & Imports				5.1 (7.3)	4.3 (8.6)	3.3 (10.1)	4.6 (8.1)	4.6 (8.1)
(ii) Mean Tariff Rate		8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.6 (7.2)	8.6 (7.2)	8.6 (7.2)
(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)
B. Regulatory Trade Barriers							7.2	6.6
(i) Hidden Import Barriers							6.4	5.5
(ii) Costs of Importing							8.1	7.6
C. Size of Trade Sector		10.0	9.4	7.9	8.1	7.4	8.2	8.2
D. Official versus Black Market Exchange Rate			5.0	9.4	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets				2.0	2.0	0.0	0.0	3.7
(i) Access to Foreign Capital								7.4
(ii) Restrictions on Foreign Capital Transactions				2.0	2.0	0.0	0.0	0.0
5. Regulation of Credit, Labor & Business				5.9	6.4	6.8	7.3	7.1
A. Regulation of Credit Markets				7.7	8.6	9.6	9.7	9.7
(i) Private Ownership of Banks						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
(iv) Avoidance of Negative Real Interest Rates				6.0	8.0	10.0	10.0	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets							6.7	6.5
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing							3.4	3.2
(iii) Collective Bargaining							6.7	6.3
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription				10.0	10.0	10.0	10.0	10.0
C. Regulation of Business							5.5	5.2
(i) Price Controls				2.0	4.0	4.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							4.1	3.3
(iii) Time Spent with Government Bureaucracy							5.3	5.0
(iv) Ease of Starting a New Business							6.3	6.0
(v) Irregular Payments to Government Officials							5.9	5.7

Nepal

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►		5.8 (35)	5.4 (55)	5.3 (62)	5.3 (84)	5.8 (85)	5.8 (87)	5.6 (94)
1. Size of Government	6.6	6.8	5.3	5.5	5.3	5.3	5.2	5.1
A. Government Consumption	9.3 (8.4)	9.5 (7.5)	8.6 (10.8)	9.0 (9.4)	8.7 (10.6)	8.6 (10.8)	8.3 (11.7)	8.2 (12.2)
B. Transfers & Subsidies								
C. Government Enterprises & Investment	4.0 (32.5)	4.0 (37.3)	2.0 (45.8)	2.0 (43.2)	2.0	2.0	2.0	2.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights					4.4	4.8	4.8	4.8
A. Judicial Independence								
B. Impartial Courts					4.6	4.4	4.4	4.4
C. Protection of Intellectual Property								
D. Military Interference						5.6	5.6	5.6
E. Integrity of Legal System								
3. Access to Sound Money	4.4	5.9	6.2	6.1	6.3	7.0	7.0	7.0
A. Growth of Money Supply	7.7 (11.6)	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)
B. Inflation Variability	5.5 (11.3)	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)
C. Recent Annual Inflation	4.5 (27.5)	8.5 (7.6)	7.7 (11.4)	7.9 (10.7)	8.7 (6.3)	9.7 (1.5)	9.4 (2.8)	9.5 (2.4)
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 Trade Internationally	2.9	5.2	4.8	4.4	5.1	6.2	6.2	5.4
A. Taxes on International Trade	4.1	4.9	5.2	4.8	5.6	6.2	6.1	6.1
(i) Taxes as Percentage of Exports & Imports	4.1 (8.9)	4.3 (8.6)	4.9 (7.7)	4.1 (8.8)	6.4 (5.4)	6.9 (4.7)	6.6 (5.1)	6.6 (5.1)
(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)	7.1 (14.7)
(iii) Variability of Tariff Rates					3.6 (15.9)	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	0.0	3.0	2.8	2.2	5.5	4.9	4.7	3.8
D. Official versus Black Market Exchange Rate	2.0	10.0	7.8	6.8	6.2	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	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	0.0	1.8	1.8	1.8
5. Regulation of Credit, Labor & Business		5.2	5.2	5.4	5.3	5.6	5.9	5.9
A. Regulation of Credit Markets	0.0	4.0	3.8	5.6	5.5	6.3	6.7	6.8
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector		6.0	5.5	6.7	8.5	8.8	8.2	8.5
(iv) Avoidance of Negative Real Interest Rates		6.0	6.0	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 & 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
(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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	6.5 (13)		6.9 (11)		7.1 (8)		7.3 (10)		7.8 (8)		8.0 (9)		7.7 (10)		7.7 (11)	
1. Size of Government	4.3		3.8		3.8		4.9		4.8		4.5		4.6		4.6	
A. Government Consumption	5.2	(22.2)	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)
B. Transfers & Subsidies	3.2	(25.6)	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)
C. Government Enterprises & Investment	4.0	(33.6)	8.0	(14.8)	8.0	(14.7)	10.0	(12.7)	10.0	(13.8)	10.0		10.0		10.0	
D. Top Marginal Tax Rate	5.0		0.0		0.0		1.5		1.0		2.5		2.0		2.0	
(i) Top Marginal Income Tax Rate	5.0	(46)	0.0	(72)	0.0	(72)	3.0	(60)	2.0	(60)	3.0	(52)	2.0	(52)	2.0	(52)
(ii) Top Marginal Income & Payroll Tax Rate							0.0 (63)		0.0 (63)		2.0 (54)		2.0 (52)		2.0 (52)	
2. Legal Structure & Security of Property Rights	6.4		7.5		8.3		8.3		9.1		9.6		9.1		9.1	
A. Judicial Independence									9.4		9.5		9.0		8.8	
B. Impartial Courts									8.7		9.5		8.2		8.3	
C. Protection of Intellectual Property									7.5		9.1		8.4		8.2	
D. Military Interference									10.0		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	9.0		9.4		9.5		9.6		9.7		9.6		9.5		9.5	
A. Growth of Money Supply	8.3	(8.5)	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)
B. Inflation Variability	9.7	(0.7)	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)
C. Recent Annual Inflation	8.0	(10.2)	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)
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 Trade Internationally	7.6		8.3		8.5		8.1		8.6		9.0		8.7		8.6	
A. Taxes on International Trade	8.6		9.0		9.1		8.4		8.7		9.1		9.0		9.0	
(i) Taxes as Percentage of Exports & Imports	9.1	(1.3)	9.7	(0.4)	9.7	(0.4)	9.7	(0.5)	9.7	(0.5)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)
(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)	
B. Regulatory Trade Barriers									8.9		9.5		8.8		8.8	
(i) Hidden Import Barriers									8.9		9.3		8.5		8.2	
(ii) Costs of Importing											9.8		9.2		9.5	
C. Size of Trade Sector	6.1		6.5		7.1		5.9		5.9		6.7		6.3		6.0	
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		8.0		8.0		8.0		9.6		9.5		9.5		9.1	
(i) Access to Foreign Capital									9.1		9.9		9.9		9.0	
(ii) Restrictions on Foreign Capital Transactions	5.0		8.0		8.0		8.0		10.0		9.2		9.2		9.2	
5. Regulation of Credit, Labor & Business	5.1		5.6		5.3		5.5		6.9		7.6		6.8		6.7	
A. Regulation of Credit Markets	7.9		9.4		8.6		9.3		9.0		9.2		9.1		9.1	
(i) Private Ownership of Banks	10.0		10.0		8.0		10.0		10.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks									8.2		8.2		8.2		8.0	
(iii) Extension of Credit to Private Sector	7.8		8.3		7.8		7.8		8.2		9.1		8.6		8.5	
(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		8.9		8.9		8.9	
B. Regulation of Labor Markets	2.6		3.0		2.6		2.8		4.1		5.2		5.2		5.0	
(i) Impact of Minimum Wage									4.5		4.5		4.5		4.5	
(ii) Flexibility in Hiring & Firing							3.4		3.4		2.6		3.0		2.7	
(iii) Collective Bargaining	5.2		5.2		4.5		4.5		4.5		4.4		4.0		4.2	
(iv) Incentives from Unemployment Benefits	2.7		2.7		2.4		2.5		5.1		4.5		4.5		3.5	
(v) Military Conscription	0.0		1.0		1.0		1.0		3.0		10.0		10.0		10.0	
C. Regulation of Business									7.6		8.3		6.0		6.1	
(i) Price Controls							7.0		7.0		8.0		7.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.7		2.9		2.8	
(iii) Time Spent with Government Bureaucracy									7.4		9.1		5.5		6.3	
(iv) Ease of Starting a New Business									7.5		7.6		6.1		6.7	
(v) Irregular Payments to Government Officials									8.5		8.9		8.5		8.6	

New Zealand

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.6 (34)	6.2 (21)	6.1 (28)	7.1 (15)	8.6 (3)	8.4 (4)	8.2 (5)	8.2 (3)
1. Size of Government	4.4	3.8	3.5	5.5	7.5	6.7	6.7	6.7
A. Government Consumption	6.0 (19.6)	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)
B. Transfers & Subsidies	4.6 (20.2)	4.2 (21.9)	4.5 (20.6)	2.6 (27.5)	6.6 (12.8)	6.9 (11.9)	7.1 (11.2)	7.1 (11.2)
C. Government Enterprises & Investment	4.0 (37.5)	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)
D. Top Marginal Tax Rate	3.0	2.0	0.0	7.0	7.0	5.0	5.0	5.0
(i) Top Marginal Income Tax Rate	3.0 (60)	2.0 (62)	0.0 (66)	7.0 (33)	7.0 (33)	5.0 (39)	5.0 (39)	5.0 (39)
(ii) Top Marginal Income & Payroll Tax Rate				7.0 (33)	7.0 (33)	5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure & Security of Property Rights	5.1	8.0	7.9	8.3	9.2	9.1	8.9	9.0
A. Judicial Independence					9.5	9.2	9.1	8.8
B. Impartial Courts					9.1	9.2	8.3	8.3
C. Protection of Intellectual Property					7.3	7.2	7.2	7.7
D. Military Interference					10.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money	5.8	6.3	6.0	7.3	9.7	9.6	9.4	9.4
A. Growth of Money Supply	7.6 (12.2)	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 (5.7)
B. Inflation Variability	8.5 (3.7)	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 (2.0)
C. Recent Annual Inflation	7.2 (14.1)	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)
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 Trade Internationally	6.9	7.4	7.2	7.9	8.1	8.5	8.4	8.4
A. Taxes on International Trade	7.3	7.9	7.7	6.6	7.7	9.0	9.0	9.0
(i) Taxes as Percentage of Exports & Imports	8.4 (2.4)	8.3 (2.5)	8.7 (2.0)	8.9 (1.7)	9.1 (1.4)	9.5 (0.8)	9.5 (0.8)	9.5 (0.8)
(ii) Mean Tariff Rate	6.2 (18.9)	7.4 (13.0)	6.8 (16.0)	7.1 (14.5)	8.3 (8.5)	9.3 (3.4)	9.3 (3.4)	9.3 (3.4)
(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)
B. Regulatory Trade Barriers					8.5	9.4	9.1	9.2
(i) Hidden Import Barriers					8.5	9.1	8.5	8.8
(ii) Costs of Importing						9.7	9.6	9.6
C. Size of Trade Sector	5.2	6.1	5.9	4.7	4.6	5.3	5.0	4.7
D. Official versus Black Market Exchange Rate	9.0	10.0	9.2	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	5.0	5.0	5.0	10.0	9.6	8.9	8.9	9.1
(i) Access to Foreign Capital					9.2	9.3	9.3	9.8
(ii) Restrictions on Foreign Capital Transactions	5.0	5.0	5.0	10.0	10.0	8.5	8.5	8.5
5. Regulation of Credit, Labor & Business	5.7	5.7	5.8	6.6	8.8	7.9	7.6	7.6
A. Regulation of Credit Markets	6.2	6.2	6.6	9.6	9.4	9.3	9.3	9.7
(i) Private Ownership of Banks	5.0	5.0	5.0	10.0	10.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					9.1	7.9	7.9	10.0
(iii) Extension of Credit to Private Sector	7.4	7.5	6.9	8.8	9.6	9.5	9.6	9.5
(iv) Avoidance of Negative Real Interest Rates		6.0	8.0	10.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates					8.2	9.1	9.1	9.1
B. Regulation of Labor Markets	6.5	6.6	6.5	6.8	7.5	5.9	6.1	5.9
(i) Impact of Minimum Wage					6.5	3.6	3.6	3.6
(ii) Flexibility in Hiring & Firing				7.6	7.6	3.1	4.0	4.0
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	7.9	8.1	8.0	8.0
(iv) Incentives from Unemployment Benefits	4.4	4.6	4.3	4.3	5.3	4.8	4.8	3.8
(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
(i) Price Controls				9.0	10.0	10.0	10.0	10.0
(ii) Administrative Obstacles for New Businesses						7.5	3.6	2.8
(iii) Time Spent with Government Bureaucracy					9.3	7.8	6.8	6.8
(iv) Ease of Starting a New Business					8.5	7.9	7.5	7.3
(v) Irregular Payments to Government Officials					9.9	9.2	9.3	9.4

Nicaragua

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	4.1 (91)		2.3 (111)		3.2 (110)		5.7 (72)		6.6 (53)		6.3 (67)		6.4 (61)			
1. Size of Government	8.6		5.0		3.4		3.4		5.6		6.3		5.8		5.9	
A. Government Consumption	8.7	(10.3)	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)
B. Transfers & Subsidies	9.5	(2.4)	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)
C. Government Enterprises & Investment	6.0	(29.8)	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)
D. Top Marginal Tax Rate	10.0		5.0		5.0		5.0		6.0		6.0		6.0		6.0	
(i) Top Marginal Income Tax Rate	10.0	(21)	5.0	(50)	5.0	(50)	5.0	(50)	8.0	(30)	8.0	(30)	8.0	(30)	8.0	(30)
(ii) Top Marginal Income & Payroll Tax Rate									4.0	(41)	4.0	(44)	4.0	(44)	4.0	(44)
2. Legal Structure & Security of Property Rights			2.6		2.6		4.0		4.5		4.1		3.2		3.1	
A. Judicial Independence													1.5		1.0	
B. Impartial Courts									4.3		4.2		2.2		1.8	
C. Protection of Intellectual Property											2.1		2.3		2.8	
D. Military Interference									5.4		3.3		3.3		3.3	
E. Integrity of Legal System									4.1		6.7		6.7		6.7	
3. Access to Sound Money	8.4		5.5		0.0		0.0		5.2		8.7		8.7		9.0	
A. Growth of Money Supply	7.5	(12.3)	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)
B. Inflation Variability	7.6	(6.0)	4.6	(13.6)	0.0	(60.1)	0.0	(4792.5)	0.0	(1852.1)	9.4	(1.4)	9.1	(2.2)	8.5	(3.7)
C. Recent Annual Inflation	8.7	(6.8)	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)
D. Freedom to Own Foreign Currency	10.0		10.0		0.0		0.0		5.0		10.0		10.0		10.0	
4. Freedom to Trade Internationally	6.1		3.1		2.3		5.5		7.1		7.6		7.8		7.8	
A. Taxes on International Trade	6.7		2.1		2.5		6.1		7.9		8.8		8.6		8.6	
(i) Taxes as Percentage of Exports & Imports	6.7	(4.9)	4.2	(8.7)	5.1	(7.4)	7.1	(4.3)	6.1	(5.9)	8.8	(1.8)	8.8	(1.8)	8.8	(1.8)
(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)	9.2	(3.8)
(iii) Variability of Tariff Rates									9.7	(25.7)	8.1	(4.7)	7.6	(5.9)	7.6	(5.9)
B. Regulatory Trade Barriers											3.8		5.7		5.9	
(i) Hidden Import Barriers											3.8		3.2		4.0	
(ii) Costs of Importing													8.2		7.9	
C. Size of Trade Sector	5.0		5.3		0.8		5.0		6.1		7.5		6.9		6.8	
D. Official versus Black Market Exchange Rate	5.8		0.0		0.0		8.0		8.4		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		0.0		0.0		0.0		5.0		8.0		8.0		7.7	
(i) Access to Foreign Capital											8.3		8.3		7.8	
(ii) Restrictions on Foreign Capital Transactions	5.0		0.0		0.0		0.0		5.0		7.7		7.7		7.7	
5. Regulation of Credit, Labor & Business					3.2		2.9		6.2		6.1		6.2		6.0	
A. Regulation of Credit Markets			0.0		2.2		1.8		8.0		7.0		7.4		7.2	
(i) Private Ownership of Banks													8.0		8.0	
(ii) Competition from Foreign Banks											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	
(iv) Avoidance of Negative Real Interest Rates			0.0		0.0		0.0		6.0		8.0		9.0		9.0	
(v) Controls on Interest Rates											5.5		5.5		5.5	
B. Regulation of Labor Markets											6.6		6.4		6.4	
(i) Impact of Minimum Wage											3.6		3.6		3.6	
(ii) Flexibility in Hiring & Firing											6.1		5.9		3.8	
(iii) Collective Bargaining											6.7		6.0		8.2	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	5.0		5.0		0.0		0.0		10.0		10.0		10.0		10.0	
C. Regulation of Business											4.8		4.9		4.2	
(i) Price Controls							0.0		4.0		4.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											6.0		2.4		2.2	
(iii) Time Spent with Government Bureaucracy											5.2		7.0		5.0	
(iv) Ease of Starting a New Business											4.1		4.0		3.3	
(v) Irregular Payments to Government Officials											4.4		5.3		4.6	

Niger

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.7 (29)	5.4 (51)	5.4 (55)	5.1 (70)	4.9 (93)	5.8 (85)	5.6 (98)	5.3 (107)
1. Size of Government	6.3	7.2	6.3	3.8	5.8	5.9	5.5	5.5
A. Government Consumption	8.5 (11.1)	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)
B. Transfers & Subsidies		9.5 (2.5)						
C. Government Enterprises & Investment	4.0	4.0 (33.5)	4.0 (29.4)	0.0 (76.5)	4.0	4.0	4.0	4.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights		4.7	4.8	5.3	3.0	4.4	4.4	4.0
A. Judicial Independence								
B. Impartial Courts					3.5	3.5	3.5	3.5
C. Protection of Intellectual Property								
D. Military Interference					4.3	6.7	6.7	5.0
E. Integrity of Legal System					0.0	3.3	3.3	3.3
3. Access to Sound Money	4.8	4.7	6.4	7.1	5.7	8.3	7.0	6.9
A. Growth of Money Supply	6.1 (19.5)	5.0 (25.0)	9.3 (3.3)	9.9 (-0.6)	9.3 (3.6)	9.0 (-4.8)	9.1 (4.3)	9.1 (4.3)
B. Inflation Variability	4.2 (14.6)	7.9 (5.4)	7.4 (6.6)	8.9 (2.9)	4.6 (13.4)	9.5 (1.1)	9.6 (1.0)	8.9 (2.7)
C. Recent Annual Inflation	8.7 (-6.4)	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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	5.0	0.0	0.0
4. Freedom to Trade Internationally	5.7	5.9	5.6	4.9	5.0	6.0	5.8	5.3
A. Taxes on International Trade	5.5	4.4	3.7	3.5	2.8	7.6	7.2	7.2
(i) Taxes as Percentage of Exports & Imports	5.5 (6.7)	4.4 (8.4)	3.7 (9.5)	3.5 (9.8)	2.8 (10.8)			
(ii) Mean Tariff Rate						7.6 (12.0)	7.1 (14.5)	7.1 (14.5)
(iii) Variability of Tariff Rates							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	5.3	7.5	6.1	3.7	4.2	4.1	3.8	3.8
D. Official versus Black Market Exchange Rate	9.6	9.6	9.8	9.2	9.8	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 & Business	6.0	4.6	4.2	4.3	4.8	4.6	5.1	5.0
A. Regulation of Credit Markets	5.5	4.3	5.1	6.1	6.2	5.7	7.4	6.9
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	5.0	5.0	5.0	8.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	9.0	8.9	8.2	8.4	7.7	8.0	8.6	8.8
(iv) Avoidance of Negative Real Interest Rates		2.0		8.0	6.0	4.0	8.6	4.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0		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
(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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	4.3 (59)		3.9 (95)		4.5 (89)		3.9 (103)		4.0 (116)		5.3 (105)		5.5 (101)		5.7 (90)	
1. Size of Government	5.1		2.2		5.0		2.5		4.9		5.5		6.2		6.3	
A. Government Consumption	7.1	(15.9)	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)
B. Transfers & Subsidies	9.4	(2.8)			9.8	(1.3)										
C. Government Enterprises & Investment	4.0	(30.7)	0.0	(50.9)	0.0	(49.8)	0.0	(88.1)	0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate	0.0		0.0		3.0		2.0		7.0		9.0		9.0		9.0	
(i) Top Marginal Income Tax Rate	0.0	(75)	0.0	(70)	3.0	(55)	2.0	(55)	7.0	(35)	9.0	(25)	9.0	(25)	9.0	(25)
(ii) Top Marginal Income & Payroll Tax Rate											9.0	(25)	9.0	(25)	9.0	(25)
2. Legal Structure & Security of Property Rights	3.7		3.1		2.5		2.9		4.5		3.7		3.1		3.4	
A. Judicial Independence																
B. Impartial Courts									3.6		3.6		3.3		3.5	
C. Protection of Intellectual Property											2.5		2.3		2.7	
D. Military Interference									3.5		3.3		3.3		3.3	
E. Integrity of Legal System									7.0		5.0		3.3		3.3	
3. Access to Sound Money	3.4		5.5		6.3		4.1		1.3		5.3		5.8		6.6	
A. Growth of Money Supply	4.8	(25.9)	4.9	(25.5)	8.6	(7.1)	6.0	(20.1)	4.0	(30.0)	5.9	(20.4)	5.6	(22.1)	5.6	(22.1)
B. Inflation Variability	3.5	(16.3)	9.4	(1.4)	7.4	(6.5)	1.9	(20.2)	1.1	(22.4)	3.1	(17.3)	5.3	(11.7)	8.5	(3.8)
C. Recent Annual Inflation	5.3	(23.5)	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)
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 Trade Internationally	4.4		3.9		3.4		5.4		4.6		5.9		6.6		6.3	
A. Taxes on International Trade	5.6		3.9		4.6		3.5		4.7		3.8		4.9		4.9	
(i) Taxes as Percentage of Exports & Imports	5.6	(6.6)	4.3	(8.5)	6.6	(5.1)	7.3	(4.0)					6.0	(20.0)	6.0	(20.0)
(ii) Mean Tariff Rate			3.5	(32.6)	2.6	(37.0)	3.1	(34.3)	5.6	(21.8)			3.8	(15.6)	3.8	(15.6)
(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)
B. Regulatory Trade Barriers											3.2		5.3		4.5	
(i) Hidden Import Barriers											3.2		3.4		3.2	
(ii) Costs of Importing													7.1		5.9	
C. Size of Trade Sector	6.6		7.6		4.1		10.0		10.0		10.0		10.0		6.2	
D. Official versus Black Market Exchange Rate	1.4		0.0		0.0		5.4		0.0		5.7		5.7		8.6	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		7.0		7.0		7.3	
(i) Access to Foreign Capital											8.7		8.7		9.2	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		5.4		5.4		5.4	
5. Regulation of Credit, Labor & Business	4.8		4.8		5.2		4.6		4.9		6.1		6.0		6.1	
A. Regulation of Credit Markets	2.0		2.0		3.0		3.6		4.6		5.9		7.3		7.5	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		5.0		5.0		5.0		8.0	
(ii) Competition from Foreign Banks											7.6		7.6		7.6	
(iii) Extension of Credit to Private Sector							8.7		8.7		6.6		8.0		6.6	
(iv) Avoidance of Negative Real Interest Rates	2.0		2.0		4.0		0.0		0.0		4.0		10.0		9.0	
(v) Controls on Interest Rates											6.2		6.2		6.2	
B. Regulation of Labor Markets											7.2		7.1		7.0	
(i) Impact of Minimum Wage											4.8		4.8		4.8	
(ii) Flexibility in Hiring & Firing											7.2		6.8		6.8	
(iii) Collective Bargaining											6.9		6.9		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											5.2		3.5		3.7	
(i) Price Controls							0.0		0.0		4.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.8		1.5		2.2	
(iii) Time Spent with Government Bureaucracy											6.0		3.0		3.5	
(iv) Ease of Starting a New Business											5.1		4.2		3.8	
(v) Irregular Payments to Government Officials											3.0		2.9		3.2	

Norway

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.4 (38)	5.7 (41)	6.1 (28)	6.7 (20)	7.5 (13)	7.2 (28)	7.1 (30)	7.0 (36)
1. Size of Government	3.1	2.9	3.2	2.9	3.7	3.7	4.7	4.6
A. Government Consumption	3.8 (27.1)	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)
B. Transfers & Subsidies	4.4 (21.0)	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)
C. Government Enterprises & Investment	4.0 (30.5)	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)
D. Top Marginal Tax Rate	0.0	0.0	1.0	2.0	3.5	3.5	3.5	3.5
(i) Top Marginal Income Tax Rate	0.0 (74)	0.0 (75)	1.0 (64)	3.0 (51)	5.0 (42)	5.0 (48)	5.0 (48)	5.0 (48)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (64)	2.0 (56)	2.0 (64)	2.0 (65)	2.0 (65)
2. Legal Structure & Security of Property Rights	5.4	7.0	8.1	8.3	9.2	8.8	8.3	8.3
A. Judicial Independence					9.5	8.4	7.9	7.7
B. Impartial Courts					8.9	8.7	7.2	7.2
C. Protection of Intellectual Property					7.6	7.2	6.6	6.7
D. Military Interference					10.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money	6.3	6.5	6.3	8.7	9.5	9.0	8.9	9.0
A. Growth of Money Supply	8.0 (10.2)	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)
B. Inflation Variability	9.2 (2.1)	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)
C. Recent Annual Inflation	8.0 (10.0)	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)
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 Trade Internationally	6.9	6.9	7.6	7.9	8.0	7.6	7.5	7.0
A. Taxes on International Trade	9.0	9.3	9.3	8.6	8.1	7.5	7.9	7.9
(i) Taxes as Percentage of Exports & Imports	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.7 (0.4)	9.8 (0.3)	9.8 (0.9)	9.8 (0.9)
(ii) Mean Tariff Rate	8.3 (8.5)	8.8 (6.2)	8.9 (5.7)	8.9 (5.7)	8.8 (5.9)	9.4 (2.9)	9.3 (3.3)	9.3 (3.3)
(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)
B. Regulatory Trade Barriers					9.2	8.3	7.9	7.1
(i) Hidden Import Barriers					9.2	7.8	7.2	6.2
(ii) Costs of Importing						8.8	8.7	8.1
C. Size of Trade Sector	5.8	5.8	5.3	4.7	4.1	4.2	3.9	3.3
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	8.0	8.6	7.8	7.8	6.5
(i) Access to Foreign Capital					9.3	8.8	8.8	7.6
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	5.0	8.0	8.0	6.9	6.9	5.4
5. Regulation of Credit, Labor & Business	5.5	5.2	5.5	5.5	6.9	6.7	6.3	6.3
A. Regulation of Credit Markets	8.1	7.2	8.8	8.5	8.6	8.5	8.6	9.0
(i) Private Ownership of Banks	10.0	10.0	10.0	8.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					8.3	6.2	6.2	8.0
(iii) Extension of Credit to Private Sector	6.2	5.6	6.4	7.5	8.1	9.4	9.7	9.8
(iv) Avoidance of Negative Real Interest Rates		6.0	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
B. Regulation of Labor Markets	4.1	3.5	3.2	3.6	4.3	3.8	4.0	3.6
(i) Impact of Minimum Wage					4.5	5.0	5.0	5.0
(ii) Flexibility in Hiring & Firing				4.9	4.9	2.1	3.0	2.2
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	4.0	4.1	3.5
(iv) Incentives from Unemployment Benefits	6.2	4.4	3.5	3.5	4.2	4.8	4.8	4.3
(v) Military Conscription	1.0	1.0	1.0	1.0	3.0	3.0	3.0	3.0
C. Regulation of Business					7.8	7.7	6.2	6.3
(i) Price Controls				6.0	7.0	8.0	6.0	7.0
(ii) Administrative Obstacles for New Businesses						6.1	2.8	3.3
(iii) Time Spent with Government Bureaucracy					8.1	8.7	7.3	7.0
(iv) Ease of Starting a New Business					7.2	6.8	6.4	6.0
(v) Irregular Payments to Government Officials					9.0	8.7	8.7	8.3

Oman

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶					6.9 (14)		6.3 (32)		7.0 (28)		7.4 (20)		7.4 (18)		7.4 (18)	
1. Size of Government	5.4		5.4		5.3		5.3		5.7		5.8		5.8		5.8	
A. Government Consumption	0.0	(66.6)	0.0	(47.4)	0.0	(45.5)	0.0	(58.8)	1.2	(36.0)	1.6	(34.4)	1.4	(35.3)	1.4	(35.3)
B. Transfers & Subsidies	9.7	(1.7)	9.6	(2.0)	9.3	(3.1)	9.3	(2.9)	9.8	(1.3)	9.6	(1.9)	9.7	(1.7)	9.7	(1.7)
C. Government Enterprises & Investment	2.0	(43.7)	2.0	(58.8)	2.0		2.0		2.0		2.0		2.0		2.0	
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 & Payroll Tax Rate							10.0 (0)		10.0 (0)		10.0 (0)		10.0 (0)		10.0 (13)	
2. Legal Structure & Security of Property Rights					5.8		5.2		6.7		6.9		6.9		6.9	
A. Judicial Independence																
B. Impartial Courts									7.5		7.4		7.4		7.4	
C. Protection of Intellectual Property																
D. Military Interference									8.7		8.3		8.3		8.3	
E. Integrity of Legal System									7.0		8.3		8.3		8.3	
3. Access to Sound Money	6.0		5.0		9.2		7.5		9.1		9.8		9.8		9.8	
A. Growth of Money Supply	4.6	(27.1)	7.8	(11.1)	8.8	(6.1)	8.9	(-5.4)	9.8	(-1.2)	9.6	(-1.9)	9.8	(1.1)	9.8	(1.1)
B. Inflation Variability	0.0	(75.6)	2.2	(19.4)	8.1	(4.8)	4.5	(13.7)	7.6	(6.1)	9.7	(0.7)	9.7	(0.7)	9.8	(0.6)
C. Recent Annual Inflation	9.5	(2.4)	0.0	(51.1)	9.9	(-0.5)	6.7	(16.6)	9.3	(3.7)	9.8	(-1.1)	9.8	(-1.1)	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 Trade Internationally					7.1		7.0		6.8		7.8		7.9		7.8	
A. Taxes on International Trade					9.2		9.3		8.1		9.0		9.3		9.3	
(i) Taxes as Percentage of Exports & Imports					9.1		(1.4)		9.3		(1.1)		9.4		(2.4)	
(ii) Mean Tariff Rate					9.4		(3.0)		8.9		(5.7)		9.1		(4.7)	
(iii) Variability of Tariff Rates									6.3		(9.2)		9.5		(1.2)	
B. Regulatory Trade Barriers																
(i) Hidden Import Barriers																
(ii) Costs of Importing																
C. Size of Trade Sector	7.9		7.1		5.9		5.3		5.5		5.1		5.2		5.2	
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		2.0		2.0		2.0		6.7		6.7		6.7	
(i) Access to Foreign Capital																
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		2.0		6.7		6.7		6.7	
5. Regulation of Credit, Labor & Business			7.1		7.1		6.6		6.6		6.8		6.8		6.8	
A. Regulation of Credit Markets	5.0		8.9		9.0		9.1		9.1		9.6		9.6		9.6	
(i) Private Ownership of Banks	5.0		8.0		8.0		8.0		8.0		10.0		10.0		10.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector			9.8		9.1		9.3		9.4		8.9		8.7		8.8	
(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 & 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	
(ii) Administrative Obstacles for New Businesses																
(iii) Time Spent with Government Bureaucracy																
(iv) Ease of Starting a New Business																
(v) Irregular Payments to Government Officials																

Pakistan

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	3.8 (69)	4.6 (78)	5.1 (66)	5.0 (75)	5.6 (75)	5.4 (101)	5.5 (101)	5.7 (90)
1. Size of Government	4.7	5.0	4.7	4.6	5.3	6.7	7.3	7.2
A. Government Consumption	8.5 (11.2)	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)
B. Transfers & Subsidies	9.3 (3.0)	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)
C. Government Enterprises & Investment	0.0 (65.4)	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)
D. Top Marginal Tax Rate	1.0	2.0	1.0	3.0	4.0	7.0	7.0	7.0
(i) Top Marginal Income Tax Rate	1.0 (61)	2.0 (55)	1.0 (60)	3.0 (50)	4.0 (45)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top Marginal Income & Payroll Tax Rate				3.0 (50)	4.0 (45)	7.0 (35)	7.0 (35)	7.0 (35)
2. Legal Structure & Security of Property Rights	1.6	2.5	3.5	2.7	4.9	4.6	3.4	2.7
A. Judicial Independence								3.0
B. Impartial Courts					4.2	4.3	4.3	2.8
C. Protection of Intellectual Property								2.5
D. Military Interference					4.6	5.3	0.0	0.0
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	5.1	6.1	6.7	7.7	7.6	6.5	6.8	6.9
A. Growth of Money Supply	8.5 (7.7)	6.7 (16.4)	8.7 (6.6)	8.1 (9.4)	9.0 (5.2)	8.5 (7.3)	9.3 (3.7)	8.9 (5.7)
B. Inflation Variability	6.6 (8.5)	9.3 (1.7)	9.1 (2.3)	9.0 (2.4)	9.2 (2.0)	8.4 (3.9)	8.4 (3.9)	9.3 (1.8)
C. Recent Annual Inflation	5.2 (24.0)	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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	5.0	5.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	4.4	4.1	4.9	4.5	5.1	4.1	4.6	5.7
A. Taxes on International Trade	0.0	0.0	0.1	0.0	1.3	2.8	4.9	4.9
(i) Taxes as Percentage of Exports & Imports	0.0 (15.3)	0.0 (15.3)	0.2 (14.7)	0.0 (15.2)	2.6 (11.1)	6.3 (5.6)	6.6 (5.1)	6.6 (5.1)
(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)	5.9 (20.6)
(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)
B. Regulatory Trade Barriers								6.9
(i) Hidden Import Barriers								6.0
(ii) Costs of Importing								7.9
C. Size of Trade Sector	5.2	5.7	4.8	5.3	4.5	3.8	4.3	3.9
D. Official versus Black Market Exchange Rate	6.6	4.6	9.2	7.2	9.4	5.0	5.0	8.3
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	2.0	0.8	0.8	4.6
(i) Access to Foreign Capital								8.4
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	0.8	0.8	0.8
5. Regulation of Credit, Labor & Business	3.4	5.4	5.7	5.4	5.1	5.2	5.6	6.0
A. Regulation of Credit Markets	2.3	4.3	5.3	4.4	4.1	4.4	5.6	7.1
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	2.0	5.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	7.0	6.9	7.9	7.2	6.4	7.1	7.4	6.2
(iv) Avoidance of Negative Real Interest Rates	0.0	6.0	8.0	6.0	6.0	6.0	7.4	10.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								7.1
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								4.2
(iii) Collective Bargaining								7.2
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								3.9
(i) Price Controls					4.0	4.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses								2.2
(iii) Time Spent with Government Bureaucracy								4.3
(iv) Ease of Starting a New Business								4.0
(v) Irregular Payments to Government Officials								4.9

Panama

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	7.3 (4)		6.0 (25)		6.6 (18)		6.6 (26)		7.4 (17)		7.1 (33)		7.2 (24)		7.2 (27)	
1. Size of Government	5.3		4.8		5.0		5.6		7.4		7.3		7.8		7.8	
A. Government Consumption	4.3	(25.4)	3.5	(28.2)	4.2	(25.8)	4.7	(24.2)	5.1	(22.5)	5.3	(22.1)	5.3	(22.1)	5.3	(22.1)
B. Transfers & Subsidies	9.1	(3.8)	8.8	(4.9)	8.8	(4.8)	8.1	(7.4)	8.3	(6.7)	8.3	(6.6)	8.5	(6.1)	8.5	(6.1)
C. Government Enterprises & Investment	4.0	(42.9)	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)
D. Top Marginal Tax Rate	4.0		3.0		3.0		2.5		8.0		7.5		7.5		7.5	
(i) Top Marginal Income Tax Rate	4.0	(52)	3.0	(56)	3.0	(56)	3.0	(56)	9.0	(30)	8.0	(31)	8.0	(31)	8.0	(31)
(ii) Top Marginal Income & Payroll Tax Rate							2.0 (64)		7.0 (38)		7.0 (38)		7.0 (38)		7.0 (38)	
2. Legal Structure & Security of Property Rights			3.2		3.5		3.7		5.6		5.2		4.7		4.6	
A. Judicial Independence													2.5		2.0	
B. Impartial Courts									4.9		5.4		3.2		2.7	
C. Protection of Intellectual Property											4.1		4.3		4.8	
D. Military Interference									6.7		8.3		8.3		8.3	
E. Integrity of Legal System									7.0		5.0		5.0		5.0	
3. Access to Sound Money	8.9		6.7		9.7		9.8		9.5		9.6		9.7		9.9	
A. Growth of Money Supply	8.9	(5.4)	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)
B. Inflation Variability	8.7	(3.2)	5.6	(11.0)	9.0	(2.4)	9.5	(1.2)	9.3	(1.9)	9.4	(1.4)	9.5	(1.3)	9.8	(0.5)
C. Recent Annual Inflation	8.0	(10.3)	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)
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 Trade Internationally	8.2		8.2		7.6		7.2		8.0		7.1		7.4		7.4	
A. Taxes on International Trade	7.9		7.9		7.3		5.4		7.3		7.5		7.5		7.5	
(i) Taxes as Percentage of Exports & Imports	7.9	(3.2)	7.9	(3.1)	7.3	(4.1)	8.8	(1.8)	9.1	(1.4)	7.3	(4.0)	7.3	(4.0)	7.3	(4.0)
(ii) Mean Tariff Rate							2.0 (40.0)		5.6 (22.0)		8.1 (9.5)		8.1 (9.3)		8.1 (9.3)	
(iii) Variability of Tariff Rates											7.0 (7.4)		7.1 (7.2)		7.1 (7.2)	
B. Regulatory Trade Barriers											5.0		6.9		6.6	
(i) Hidden Import Barriers											5.0		5.4		5.2	
(ii) Costs of Importing													8.5		8.0	
C. Size of Trade Sector	7.0		7.1		4.7		4.7		4.6		4.0		3.5		3.5	
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		8.0		10.0		9.1		9.1		9.2	
(i) Access to Foreign Capital											8.2		8.2		8.4	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		8.0		8.0		10.0		10.0		10.0		10.0	
5. Regulation of Credit, Labor & Business	6.9		7.0		6.9		6.4		6.7		6.5		6.2		6.3	
A. Regulation of Credit Markets	8.2		8.5		8.3		9.1		9.3		8.4		8.4		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	
(iii) Extension of Credit to Private Sector	8.4		8.9		8.7		9.3		9.9		9.9		9.9		9.8	
(iv) Avoidance of Negative Real Interest Rates							10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates											6.9		6.9		6.9	
B. Regulation of Labor Markets											5.9		5.6		5.4	
(i) Impact of Minimum Wage											3.8		3.8		3.8	
(ii) Flexibility in Hiring & Firing											4.2		2.5		2.2	
(iii) Collective Bargaining											5.9		6.0		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											5.1		4.5		4.6	
(i) Price Controls							2.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses											6.9		2.5		2.3	
(iii) Time Spent with Government Bureaucracy											3.9		6.0		7.3	
(iv) Ease of Starting a New Business											5.5		4.9		4.8	
(v) Irregular Payments to Government Officials											5.3		5.3		4.7	

Papua New Guinea

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶			6.3 (22)	6.3 (32)	6.1 (60)	5.9 (80)	5.8 (87)	5.6 (94)
1. Size of Government			5.9	5.8	7.3	6.5	6.5	6.5
A. Government Consumption	0.5 (38.5)	3.5 (28.1)	4.1 (25.9)	3.1 (29.6)	6.0 (19.6)	6.0 (19.5)	6.0 (19.5)	6.0 (19.5)
B. Transfers & Subsidies			9.5 (2.5)	9.1 (3.8)		9.9 (0.8)	9.9 (0.8)	9.9 (0.8)
C. Government Enterprises & 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)
D. Top Marginal Tax Rate				4.0	8.0	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)
(ii) Top Marginal Income & Payroll Tax Rate				4.0 (45)	8.0 (28)	3.0 (47)	3.0 (47)	3.0 (47)
2. Legal Structure & Security of Property Rights			5.7	6.3	5.3	4.4	4.4	4.0
A. Judicial Independence								
B. Impartial Courts					5.0	5.1	5.1	5.1
C. Protection of Intellectual Property								
D. Military Interference					5.3	5.0	5.0	3.3
E. Integrity of Legal System					7.0	3.3	3.3	3.3
3. Access to Sound Money	5.7	6.2	6.6	6.6	5.6	6.3	6.4	6.4
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)	9.0 (4.9)
B. Inflation Variability	7.5 (6.2)	6.9 (7.6)	7.2 (6.9)	8.4 (4.0)	7.5 (6.2)	8.5 (3.9)	8.4 (3.9)	9.0 (2.5)
C. Recent Annual Inflation	9.5 (2.3)	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)
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 Trade Internationally			6.7	6.3	6.4	6.3	6.0	5.4
A. Taxes on International Trade	7.7	7.8	7.3	6.9	6.5	4.6	4.6	4.6
(i) Taxes as Percentage of Exports & Imports	7.7 (3.4)	7.8 (3.3)	6.1 (5.9)	5.3 (7.1)	6.0 (6.0)	5.4 (7.0)	5.4 (7.0)	5.4 (7.0)
(ii) Mean Tariff Rate			8.6 (7.0)	8.6 (7.0)		5.8 (21.1)	5.8 (21.1)	5.8 (21.1)
(iii) Variability of Tariff Rates					7.0 (7.5)	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	8.4	9.8	8.9	7.9	8.7	7.0	7.0	7.0
D. Official versus Black Market Exchange Rate			9.2	8.6	8.6	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	1.5	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	1.5	0.0	0.0
5. Regulation of Credit, Labor & Business		6.3	6.5	6.5	6.2	6.4	6.0	5.9
A. Regulation of Credit Markets	6.8	6.4	6.9	6.9	6.4	7.0	6.9	6.6
(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	8.5	7.7	8.8	8.9	6.3	5.9	5.7	5.7
(iv) Avoidance of Negative Real Interest Rates					8.0	10.0	10.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls							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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			6.6 (14)		5.9 (35)		6.1 (39)		7.0 (28)		6.3 (66)		6.4 (61)		6.2 (74)	
1. Size of Government	8.7		9.1		7.8		8.8		8.7		8.0		8.1		8.1	
A. Government Consumption	9.5 (7.7)		9.6 (7.4)		9.5 (7.9)		9.6 (7.4)		8.5 (11.2)		8.7 (10.4)		9.1 (9.2)		9.1 (9.2)	
B. Transfers & Subsidies	9.6 (2.0)		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)	
C. Government Enterprises & Investment	7.0 (21.1)		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)	
D. Top Marginal Tax Rate							8.0		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)	
(ii) Top Marginal Income & Payroll Tax Rate											10.0 (0)		10.0 (0)		10.0 (0)	
2. Legal Structure & Security of Property Rights			3.7		4.0		4.5		4.3		3.8		2.8		2.1	
A. Judicial Independence													1.7		0.7	
B. Impartial Courts									4.3		4.1		1.9		1.3	
C. Protection of Intellectual Property											2.3		2.2		1.8	
D. Military Interference									4.8		3.3		3.3		3.3	
E. Integrity of Legal System									4.1		5.0		5.0		3.3	
3. Access to Sound Money	8.2		7.7		7.5		6.2		8.2		8.7		8.9		8.6	
A. Growth of Money Supply	7.2 (14.0)		6.1 (19.6)		8.3 (8.7)		3.6 (32.1)		7.1 (14.6)		8.7 (6.7)		8.8 (6.0)		8.8 (6.0)	
B. Inflation Variability	7.0 (7.5)		7.9 (5.2)		6.8 (7.9)		8.6 (3.6)		8.3 (4.3)		8.0 (4.9)		8.1 (4.7)		7.9 (5.4)	
C. Recent Annual Inflation	8.7 (6.6)		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)	
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 Trade Internationally	5.3		5.9		4.5		6.3		8.3		6.4		7.3		7.4	
A. Taxes on International Trade	4.1		3.0		4.3		6.5		8.0		7.4		7.8		7.8	
(i) Taxes as Percentage of Exports & Imports	4.1 (8.8)		6.0 (6.0)		8.5 (2.2)		7.8 (3.3)		8.6 (2.1)		7.1 (4.4)		8.0 (3.0)		8.0 (3.0)	
(ii) Mean Tariff Rate			0.0 (71.0)		0.0 (71.7)		6.8 (16.0)		8.1 (9.3)		7.8 (10.9)		7.9 (10.7)		7.9 (10.7)	
(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)	
B. Regulatory Trade Barriers											2.4		6.0		5.9	
(i) Hidden Import Barriers											2.4		4.7		4.3	
(ii) Costs of Importing													7.3		7.4	
C. Size of Trade Sector	1.6		4.8		5.0		7.2		8.0		4.9		5.4		5.4	
D. Official versus Black Market Exchange Rate	7.4		8.6		0.0		4.8		7.4		10.0		10.0		10.0	
E. Restrictions on Capital Markets	5.0		5.0		5.0		5.0		10.0		7.1		7.1		7.7	
(i) Access to Foreign Capital											5.7		5.7		7.0	
(ii) Restrictions on Foreign Capital Transactions	5.0		5.0		5.0		5.0		10.0		8.5		8.5		8.5	
5. Regulation of Credit, Labor & Business							4.5		5.5		4.9		4.9		4.8	
A. Regulation of Credit Markets							6.0		8.9		6.7		6.8		6.5	
(i) Private Ownership of Banks											8.0		8.0		8.0	
(ii) Competition from Foreign Banks											4.1		4.1		4.1	
(iii) Extension of Credit to Private Sector							9.9		9.8		9.5		9.6		9.3	
(iv) Avoidance of Negative Real Interest Rates							2.0		8.0		8.0		8.0		7.0	
(v) Controls on Interest Rates											4.1		4.1		4.1	
B. Regulation of Labor Markets											3.3		3.4		3.2	
(i) Impact of Minimum Wage											4.7		4.7		4.7	
(ii) Flexibility in Hiring & Firing											4.7		2.2		2.3	
(iii) Collective Bargaining											4.0		5.6		4.7	
(iv) Incentives from Unemployment Benefits																
(v) Military Conscription	0.0		1.0		0.0		0.0		0.0		0.0		1.0		1.0	
C. Regulation of Business											4.6		4.6		4.8	
(i) Price Controls							4.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											4.9		2.9		3.2	
(iii) Time Spent with Government Bureaucracy											5.0		6.0		7.0	
(iv) Ease of Starting a New Business											4.0		4.2		3.8	
(v) Irregular Payments to Government Officials											3.1		3.7		3.9	

Peru

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.0 (65)	3.8 (97)	2.9 (109)	4.0 (101)	6.3 (49)	6.9 (41)	6.9 (40)	6.8 (44)
1. Size of Government	6.3	5.7	5.4	7.4	8.2	8.1	7.6	7.4
A. Government Consumption	7.6 (14.3)	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)
B. Transfers & Subsidies	9.6 (1.9)	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)
C. Government Enterprises & Investment	4.0 (36.8)	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)
D. Top Marginal Tax Rate	4.0	2.0	0.0	3.5	7.0	7.5	6.5	5.5
(i) Top Marginal Income Tax Rate	4.0 (51)	2.0 (65)	0.0 (65)	4.0 (45)	8.0 (30)	10.0 (20)	8.0 (27)	8.0 (30)
(ii) Top Marginal Income & Payroll Tax Rate				3.0 (48)	6.0 (39)	5.0 (41)	5.0 (46)	3.0 (49)
2. Legal Structure & Security of Property Rights	1.1	3.8	2.2	2.9	4.8	3.9	4.2	4.0
A. Judicial Independence					2.8	1.5	2.2	1.5
B. Impartial Courts					4.3	3.2	3.0	2.3
C. Protection of Intellectual Property					4.8	3.3	2.6	2.7
D. Military Interference					4.9	6.7	8.3	8.3
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	4.8	1.3	0.0	1.3	5.1	8.8	9.5	9.7
A. Growth of Money Supply	6.3 (18.6)	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)
B. Inflation Variability	7.7 (5.9)	3.1 (17.3)	0.0 (37.9)	0.0 (2341.4)	0.0 (127.5)	8.9 (2.8)	9.0 (2.5)	9.0 (2.5)
C. Recent Annual Inflation	5.4 (23.2)	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)
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 Trade Internationally	3.7	4.8	3.5	4.7	6.9	7.3	7.3	7.2
A. Taxes on International Trade	3.7	1.5	1.9	3.4	7.0	7.7	7.8	7.8
(i) Taxes as Percentage of Exports & Imports	3.7 (9.5)	2.9 (10.6)	4.5 (8.3)	7.4 (3.9)	6.3 (5.5)	7.0 (4.5)	7.1 (4.3)	7.1 (4.3)
(ii) Mean Tariff Rate		0.0 (57.0)	0.0 (64.0)	2.8 (36.0)	6.5 (17.6)	7.4 (13.1)	7.4 (13.1)	7.4 (13.1)
(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)
B. Regulatory Trade Barriers					6.0	6.7	6.7	6.9
(i) Hidden Import Barriers					6.0	6.8	6.1	6.2
(ii) Costs of Importing						6.7	7.4	7.6
C. Size of Trade Sector	4.4	5.8	5.2	3.2	3.0	3.3	3.0	3.0
D. Official versus Black Market Exchange Rate	0.0	6.4	0.0	6.8	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	8.6	8.9	8.9	8.3
(i) Access to Foreign Capital					9.2	9.3	9.3	8.2
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	8.0	8.5	8.5	8.5
5. Regulation of Credit, Labor & Business		3.5	3.4	3.8	6.5	6.6	5.7	5.8
A. Regulation of Credit Markets	4.0	2.9	2.7	2.1	8.0	8.5	8.5	8.5
(i) Private Ownership of Banks						10.0	10.0	10.0
(ii) Competition from Foreign Banks					8.1	6.6	6.6	6.6
(iii) Extension of Credit to Private Sector	4.0	5.9	5.4	4.2	9.4	9.5	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
(v) Controls on Interest Rates					8.4	8.3	8.3	8.3
B. Regulation of Labor Markets					5.4	4.7	4.2	4.0
(i) Impact of Minimum Wage					6.5	3.1	3.1	3.1
(ii) Flexibility in Hiring & Firing				6.8	6.8	7.2	4.9	3.2
(iii) Collective Bargaining					7.9	7.9	7.7	8.3
(iv) Incentives from Unemployment Benefits					5.7	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
(i) Price Controls				2.0	6.0	8.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						6.8	2.1	1.8
(iii) Time Spent with Government Bureaucracy					7.0	7.5	5.8	6.5
(iv) Ease of Starting a New Business					6.4	3.6	2.9	3.8
(v) Irregular Payments to Government Officials					5.0	6.8	5.5	5.8

Philippines

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.3 (43)		5.3 (55)		5.1 (66)		5.5 (52)		7.1 (26)		7.1 (33)		6.6 (51)		6.6 (51)	
1. Size of Government	6.6		6.2		7.0		8.3		8.2		7.6		6.9		6.9	
A. Government Consumption	7.5	(14.7)	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)
B. Transfers & Subsidies	9.9	(0.8)	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)
C. Government Enterprises & Investment	6.0	(21.4)	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)
D. Top Marginal Tax Rate	3.0		1.0		1.0		7.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	3.0	(56)	1.0	(70)	1.0	(60)	7.0	(35)	7.0	(35)	7.0	(32)	7.0	(32)	7.0	(32)
(ii) Top Marginal Income & Payroll Tax Rate							7.0 (35)		7.0 (35)		7.0 (32)		7.0 (32)		7.0 (32)	
2. Legal Structure & Security of Property Rights	3.9		3.1		2.5		2.4		4.8		4.6		3.9		3.7	
A. Judicial Independence									3.7		4.5		3.9		3.2	
B. Impartial Courts									5.3		5.5		3.0		2.5	
C. Protection of Intellectual Property									4.0		3.2		2.8		3.0	
D. Military Interference									7.0		6.7		6.7		6.7	
E. Integrity of Legal System									4.1		3.3		3.3		3.3	
3. Access to Sound Money	5.4		5.9		4.6		4.0		8.8		9.2		9.3		9.4	
A. Growth of Money Supply	7.2	(13.9)	7.8	(11.0)	8.4	(7.9)	0.0	(118.7)	8.1	(9.5)	8.4	(8.0)	9.0	(4.8)	9.0	(4.8)
B. Inflation Variability	6.4	(9.1)	8.8	(2.9)	3.5	(16.4)	8.7	(3.3)	8.6	(3.5)	9.3	(1.7)	9.3	(1.7)	9.0	(2.5)
C. Recent Annual Inflation	8.1	(9.3)	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	(3.1)
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 Trade Internationally	5.0		6.0		5.9		6.2		7.3		7.6		7.5		7.3	
A. Taxes on International Trade	1.1		3.9		5.2		5.7		6.1		7.8		7.9		7.9	
(i) Taxes as Percentage of Exports & Imports	1.1	(13.4)	5.5	(6.8)	5.9	(6.2)	5.6	(6.6)	5.7	(6.4)	8.2	(2.7)	8.1	(2.8)	8.1	(2.8)
(ii) Mean Tariff Rate	1.2	(44.0)	2.4	(38.0)	4.5	(27.6)	5.1	(24.3)	4.5	(27.6)	8.5	(7.6)	8.6	(7.0)	8.6	(7.0)
(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)	
B. Regulatory Trade Barriers									5.7		5.9		5.8		6.3	
(i) Hidden Import Barriers									5.7		4.0		4.0		4.2	
(ii) Costs of Importing											7.8		7.7		8.5	
C. Size of Trade Sector	6.2		6.7		5.4		6.6		8.0		9.9		8.9		8.7	
D. Official versus Black Market Exchange Rate	7.4		9.4		8.6		8.6		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		6.6		4.6		4.6		3.7	
(i) Access to Foreign Capital									8.2		8.4		8.4		6.6	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		5.0		0.8		0.8		0.8	
5. Regulation of Credit, Labor & Business	5.5		5.3		5.8		6.3		6.5		6.4		5.7		5.8	
A. Regulation of Credit Markets	7.0		6.6		5.5		7.7		8.1		7.7		7.6		7.6	
(i) Private Ownership of Banks	5.0		5.0		5.0		8.0		8.0		8.0		8.0		8.0	
(ii) Competition from Foreign Banks									7.5		5.7		5.7		5.7	
(iii) Extension of Credit to Private Sector	7.9		6.8		7.5		7.1		7.6		7.5		7.0		6.8	
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		4.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates									7.4		7.5		7.5		7.5	
B. Regulation of Labor Markets							7.6		6.8		6.1		5.7		5.6	
(i) Impact of Minimum Wage									5.1		4.4		4.4		4.4	
(ii) Flexibility in Hiring & Firing							5.7		5.7		3.3		2.8		3.2	
(iii) Collective Bargaining							7.2		7.2		6.9		5.7		5.2	
(iv) Incentives from Unemployment Benefits									6.1		5.7		5.7		5.5	
(v) Military Conscription	3.0		3.0		10.0		10.0		10.0		10.0		10.0		10.0	
C. Regulation of Business									4.5		5.6		3.7		4.2	
(i) Price Controls									4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses											7.2		1.6		1.7	
(iii) Time Spent with Government Bureaucracy									5.5		6.7		5.0		6.8	
(iv) Ease of Starting a New Business									6.1		5.6		4.6		5.2	
(v) Irregular Payments to Government Officials									2.3		4.3		3.1		3.6	

Poland

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶			3.8 (100)	3.9 (103)	5.2 (88)	6.3 (66)	6.2 (71)	6.4 (61)
1. Size of Government	3.6	4.1	3.5	2.0	2.6	5.0	5.5	5.6
A. Government Consumption	7.2 (15.6)	8.2 (12.1)	8.0 (13.0)	3.3 (28.7)	5.0 (23.0)	6.1 (19.2)	6.2 (19.0)	5.5 (21.4)
B. Transfers & Subsidies			2.7 (27.4)	2.7 (27.4)	3.5 (24.4)	4.5 (20.7)	4.3 (21.4)	4.3 (21.4)
C. Government Enterprises & Investment	0.0	0.0	0.0	0.0 (58.8)	0.0 (55.8)	6.0	8.0	8.0
D. Top Marginal Tax Rate					2.0	3.5	3.5	4.5
(i) Top Marginal Income Tax Rate					4.0 (45)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income & Payroll Tax Rate					0.0 (63)	2.0 (53)	2.0 (52)	4.0 (44)
2. Legal Structure & Security of Property Rights			4.8	6.2	6.8	6.5	5.8	5.9
A. Judicial Independence					6.5	5.3	4.5	4.8
B. Impartial Courts					5.6	5.8	3.8	3.8
C. Protection of Intellectual Property					3.6	4.6	3.9	4.2
D. Military Interference					8.5	10.0	10.0	10.0
E. Integrity of Legal System					10.0	6.7	6.7	6.7
3. Access to Sound Money	7.8	7.4	4.4	2.5	6.0	7.5	7.8	7.9
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)	8.7 (6.6)
B. Inflation Variability	9.0 (2.4)	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 (4.0)
C. Recent Annual Inflation	9.5 (2.4)	8.0 (9.8)	6.8 (15.8)	0.0 (435.7)	4.4 (28.2)	8.0 (10.1)	8.9 (5.5)	9.6 (1.9)
D. Freedom to Own Foreign Currency	5.0	5.0	5.0	10.0	10.0	5.0	5.0	5.0
4. Freedom to Trade Internationally			3.3	5.5	6.3	6.9	6.6	7.0
A. Taxes on International Trade			5.8	6.7	6.4	7.7	7.8	7.8
(i) Taxes as Percentage of Exports & Imports			4.3 (8.6)	6.0 (6.0)	5.9 (6.1)	9.0 (1.5)	9.4 (0.9)	9.4 (0.9)
(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)
(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)
B. Regulatory Trade Barriers					5.7	7.4	6.6	6.9
(i) Hidden Import Barriers					5.7	6.2	5.1	5.5
(ii) Costs of Importing						8.7	8.1	8.3
C. Size of Trade Sector		6.1	2.6	4.5	4.1	5.4	5.0	5.0
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	8.2	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	5.2	3.8	3.8	5.4
(i) Access to Foreign Capital					5.4	6.8	6.8	8.4
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	5.0	0.8	0.8	2.3
5. Regulation of Credit, Labor & Business		3.1	3.1	3.5	4.5	5.9	5.4	5.5
A. Regulation of Credit Markets	0.0	0.2	0.4	0.4	4.0	7.1	7.7	8.1
(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					4.2	6.7	6.7	9.0
(iii) Extension of Credit to Private Sector		0.5	0.8	1.3	3.8	7.8	7.6	7.4
(iv) Avoidance of Negative Real Interest Rates				0.0	6.0	10.0	10.0	10.0
(v) Controls on Interest Rates					3.9	6.2	6.2	6.2
B. Regulation of Labor Markets				3.6	4.4	4.2	4.3	4.1
(i) Impact of Minimum Wage					5.4	3.4	3.4	3.4
(ii) Flexibility in Hiring & Firing				5.7	5.7	2.7	3.7	4.0
(iii) Collective Bargaining		4.5	4.5	5.2	5.2	7.0	6.4	7.0
(iv) Incentives from Unemployment Benefits					5.0	4.8	4.8	3.2
(v) Military Conscription	0.0	0.0	0.0	0.0	1.0	3.0	3.0	3.0
C. Regulation of Business					5.0	6.2	4.1	4.1
(i) Price Controls					7.0	4.0	3.0	2.0
(ii) Administrative Obstacles for New Businesses						7.4	2.4	3.0
(iii) Time Spent with Government Bureaucracy					5.1	7.1	6.0	5.5
(iv) Ease of Starting a New Business					4.4	7.0	4.4	4.7
(v) Irregular Payments to Government Officials					3.3	5.6	4.7	5.5

Portugal

	1975		1980		1985		1990		1995		2000		2001		2002			
Summary Ratings (Rank) ▶	4.0 (65)		5.7 (41)		5.4 (55)		6.0 (40)		7.2 (23)		7.3 (23)		7.2 (24)		7.2 (27)			
1. Size of Government	3.9		3.6		3.9		4.7		5.2		5.1		5.1		5.0			
A. Government Consumption	7.3	(15.3)	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)		
B. Transfers & Subsidies	6.2	(14.6)	5.7	(16.3)	4.8	(19.5)	5.9	(15.5)	6.5	(13.4)	6.1	(14.8)	5.9	(15.6)	5.9	(15.6)		
C. Government Enterprises & Investment	2.0	(39.7)	2.0	(42.2)	4.0	(30.5)	4.0	(29.9)	6.0	(23.2)	6.0		6.0		6.0			
D. Top Marginal Tax Rate	0.0		0.0		0.0		3.0		3.0		4.0		4.0		4.0			
(i) Top Marginal Income Tax Rate	0.0	(82)	0.0	(84)	0.0	(69)	5.0	(40)	5.0	(40)	6.0	(40)	6.0	(40)	6.0	(40)		
(ii) Top Marginal Income & Payroll Tax Rate							1.0	(57)	1.0	(57)	2.0	(57)	2.0	(57)	2.0	(57)		
2. Legal Structure & Security of Property Rights	1.4		8.0		6.1		7.7		8.0		7.6		7.6		7.6			
A. Judicial Independence									8.2		7.0		8.3		7.8			
B. Impartial Courts									7.0		6.3		5.4		5.5			
C. Protection of Intellectual Property									5.1		6.5		6.1		6.2			
D. Military Interference									10.0		10.0		10.0		10.0			
E. Integrity of Legal System									10.0		8.3		8.3		8.3			
3. Access to Sound Money	5.5		5.5		5.5		5.7		9.2		9.5		9.5		9.6			
A. Growth of Money Supply	7.5	(12.4)	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)		
B. Inflation Variability	7.9	(5.2)	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)		
C. Recent Annual Inflation	6.8	(16.2)	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)		
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 Trade Internationally	4.5		6.7		6.9		7.2		7.9		8.1		8.0		7.8			
A. Taxes on International Trade	6.9		8.6		9.2		8.3		8.7		9.1		9.0		9.0			
(i) Taxes as Percentage of Exports & Imports	6.9	(4.6)	8.6	(2.1)	9.2	(1.2)	9.1	(1.3)	9.8	(0.3)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)		
(ii) Mean Tariff Rate							8.5		(7.4)		8.7		(6.7)		9.2		(3.9)	
(iii) Variability of Tariff Rates							7.1		(7.2)		7.6		(5.9)		8.0		(4.9)	
B. Regulatory Trade Barriers									8.2		8.6		9.1		8.7			
(i) Hidden Import Barriers									8.2		7.7		8.9		8.0			
(ii) Costs of Importing											9.5		9.3		9.4			
C. Size of Trade Sector	3.7		5.0		5.3		5.3		4.5		4.8		4.5		4.0			
D. Official versus Black Market Exchange Rate	1.6		9.6		9.6		9.4		10.0		10.0		10.0		10.0			
E. Restrictions on Capital Markets	2.0		2.0		2.0		5.0		8.3		8.0		7.6		7.2			
(i) Access to Foreign Capital									8.6		9.1		9.1		8.2			
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		8.0		6.9		6.2		6.2			
5. Regulation of Credit, Labor & Business	4.6		4.5		4.9		4.7		5.7		6.4		5.9		6.0			
A. Regulation of Credit Markets	4.5		4.4		6.2		5.8		7.0		8.0		8.0		8.4			
(i) Private Ownership of Banks	0.0		0.0		0.0		2.0		2.0		5.0		5.0		8.0			
(ii) Competition from Foreign Banks									7.9		7.3		7.3		6.0			
(iii) Extension of Credit to Private Sector	9.1		9.3		8.5		7.3		7.3		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			
(v) Controls on Interest Rates									8.0		8.3		8.3		8.3			
B. Regulation of Labor Markets	3.9		3.8		3.5		3.1		4.6		4.5		4.6		4.3			
(i) Impact of Minimum Wage									6.4		4.0		4.0		4.0			
(ii) Flexibility in Hiring & Firing							3.4		3.4		2.8		2.3		2.8			
(iii) Collective Bargaining	5.2		5.2		5.2		5.2		5.2		4.9		6.0		5.7			
(iv) Incentives from Unemployment Benefits	6.5		6.2		5.2		4.0		5.2		5.5		5.5		3.9			
(v) Military Conscription	0.0		0.0		0.0		0.0		3.0		5.0		5.0		5.0			
C. Regulation of Business									5.4		6.7		5.2		5.2			
(i) Price Controls							5.0		6.0		6.0		6.0		6.0			
(ii) Administrative Obstacles for New Businesses											7.6		2.9		3.0			
(iii) Time Spent with Government Bureaucracy									5.5		7.2		4.8		5.8			
(iv) Ease of Starting a New Business									4.3		5.7		5.1		3.8			
(v) Irregular Payments to Government Officials									5.8		7.0		7.4		7.6			

Romania

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶			4.8 (79)	4.8 (84)	3.8 (118)	4.9 (112)	5.1 (113)	5.4 (103)
1. Size of Government		5.2	5.9	4.0	3.4	4.0	4.6	4.5
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)
B. Transfers & 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)
C. Government Enterprises & Investment	0.0	0.0	0.0	0.0	0.0 (60.7)	0.0 (56.7)	2.0 (48.6)	2.0 (48.6)
D. Top Marginal Tax Rate					0.5	2.5	3.5	3.5
(i) Top Marginal Income Tax Rate					1.0 (60)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income & Payroll Tax Rate					0.0 (72)	0.0 (68)	2.0 (55)	2.0 (54)
2. Legal Structure & Security of Property Rights			4.0	6.3	5.6	5.6	4.6	4.5
A. Judicial Independence							2.9	2.3
B. Impartial Courts					5.4	5.5	2.6	2.3
C. Protection of Intellectual Property						4.1	2.7	3.0
D. Military Interference					6.4	8.3	8.3	8.3
E. Integrity of Legal System					7.0	6.7	6.7	6.7
3. Access to Sound Money	4.9	6.6	6.9	7.1	0.7	2.7	4.2	6.2
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 (-3.5)
B. Inflation Variability	9.8 (0.4)	8.8 (3.1)	8.1 (4.7)	7.9 (5.3)	0.0 (68.3)	0.0 (44.5)	0.0 (45.7)	5.1 (12.3)
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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	5.0	0.0	0.0	5.0	5.0
4. Freedom to Trade Internationally				4.2	6.0	6.4	6.5	6.7
A. Taxes on International Trade				9.7	7.2	6.6	6.4	6.4
(i) Taxes as Percentage of Exports & Imports				9.7 (0.4)	8.2 (2.7)	8.4 (2.4)	9.3 (1.1)	9.3 (1.1)
(ii) Mean Tariff Rate					6.2 (18.8)	7.0 (15.2)	6.4 (18.1)	6.4 (18.1)
(iii) Variability of Tariff Rates						4.4 (14.1)	3.6 (15.9)	3.6 (15.9)
B. Regulatory Trade Barriers						5.5	5.4	5.5
(i) Hidden Import Barriers						5.5	3.8	3.8
(ii) Costs of Importing							7.0	7.1
C. Size of Trade Sector		7.3	3.4	3.2	4.9	5.4	5.6	5.6
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	9.4	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	4.5	4.9	5.9
(i) Access to Foreign Capital						7.5	7.5	7.2
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	1.5	2.3	4.6
5. Regulation of Credit, Labor & Business	2.5	2.6	2.5	2.5	3.4	5.5	5.3	5.2
A. Regulation of Credit Markets	0.0	0.0	0.0	0.0	0.7	4.6	6.7	7.2
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	2.0	0.0	2.0	5.0
(ii) Competition from Foreign Banks						8.1	8.1	7.0
(iii) Extension of Credit to Private Sector	0.0	0.0	0.0	0.0	0.0	6.0	6.5	7.0
(iv) Avoidance of Negative Real Interest Rates				0.0	0.0	0.0	8.0	8.0
(v) Controls on Interest Rates						8.8	8.8	8.8
B. Regulation of Labor Markets						6.3	5.0	5.0
(i) Impact of Minimum Wage						4.7	4.7	4.7
(ii) Flexibility in Hiring & Firing						8.8	5.1	4.5
(iii) Collective Bargaining						8.7	7.4	8.0
(iv) Incentives from Unemployment Benefits								4.8
(v) Military Conscription	0.0	1.0	0.0	0.0	1.0	3.0	3.0	3.0
C. Regulation of Business						5.8	4.3	3.4
(i) Price Controls				0.0	6.0	6.0	6.0	2.0
(ii) Administrative Obstacles for New Businesses						6.6	1.1	1.7
(iii) Time Spent with Government Bureaucracy						7.5	8.0	7.0
(iv) Ease of Starting a New Business						3.6	2.6	3.0
(v) Irregular Payments to Government Officials						5.2	3.8	3.5

Russia

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶									4.0 (116)		4.9 (112)		4.9 (116)		5.0 (114)	
1. Size of Government	1.1		1.2		1.2		1.2		4.8		5.3		5.5		5.3	
A. Government Consumption	2.5	(31.5)	3.0	(29.7)	2.6	(31.0)	3.0	(29.8)	3.7	(27.3)	5.0	(23.0)	5.3	(21.9)	4.5	(24.8)
B. Transfers & Subsidies	2.0	(30.0)	2.0	(30.0)	2.0	(30.0)	2.0	(30.0)	7.9	(8.2)	6.6	(13.1)	6.3	(14.2)	6.3	(14.2)
C. Government Enterprises & Investment	0.0		0.0		0.0		0.0	(90.0)	2.0	(45.0)	4.0		4.0	(35.0)	4.0	(35.0)
D. Top Marginal Tax Rate	0.0		0.0		0.0		0.0		5.5		5.5		6.5		6.5	
(i) Top Marginal Income Tax Rate	0.0	(100)	0.0	(100)	0.0	(100)	0.0	(80)	8.0	(30)	8.0	(30)	10.0	(13)	10.0	(13)
(ii) Top Marginal Income & Payroll Tax Rate									3.0	(51)	3.0	(50)	3.0	(49)	3.0	(49)
2. Legal Structure & Security of Property Rights									3.4		4.4		3.8		4.4	
A. Judicial Independence									3.5		3.5		2.6		2.5	
B. Impartial Courts									4.2		5.2		2.6		2.5	
C. Protection of Intellectual Property									1.6		1.9		2.4		2.2	
D. Military Interference									4.5		6.7		6.7		8.3	
E. Integrity of Legal System											5.0		5.0		6.7	
3. Access to Sound Money	6.0		5.7		6.5		6.0		1.3		3.6		3.8		3.8	
A. Growth of Money Supply	8.3	(8.3)	7.9	(10.6)	8.1	(9.6)	8.1	(9.7)	0.0	(401.4)	2.2	(39.1)	3.3	(33.5)	3.3	(33.5)
B. Inflation Variability	9.6	(1.1)	9.3	(1.8)	9.4	(1.4)	8.9	(2.7)	0.0	(522.9)	1.6	(21.1)	1.3	(21.8)	0.0	(29.0)
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)
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 Trade Internationally									6.5		6.9		6.8		6.9	
A. Taxes on International Trade									6.6		7.0		7.2		7.2	
(i) Taxes as Percentage of Exports & Imports									7.1	(4.4)	6.9	(4.6)	6.0	(6.1)	6.0	(6.1)
(ii) Mean Tariff Rate									7.7	(11.5)	7.5	(12.6)	7.8	(11.1)	7.8	(11.1)
(iii) Variability of Tariff Rates									5.0	(12.4)	6.6	(8.5)	7.8	(5.4)	7.8	(5.4)
B. Regulatory Trade Barriers									4.3		5.1		5.1		5.7	
(i) Hidden Import Barriers									4.3		3.8		4.0		4.3	
(ii) Costs of Importing											6.3		6.2		7.0	
C. Size of Trade Sector							6.0		8.0		9.7		8.5		8.0	
D. Official versus Black Market Exchange Rate	0.0		0.0		0.0		0.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		3.5		2.9		3.2		3.9	
(i) Access to Foreign Capital									5.1		5.7		5.7		5.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		2.0		0.0		0.8		2.3	
5. Regulation of Credit, Labor & Business	2.5		2.5		2.5		3.0		4.1		4.4		4.3		4.5	
A. Regulation of Credit Markets	0.0		0.0		0.0		0.2		4.7		3.7		5.1		6.0	
(i) Private Ownership of Banks	0.0		0.0		0.0		0.0		2.0		2.0		2.0		5.0	
(ii) Competition from Foreign Banks									3.9		4.3		4.3		6.0	
(iii) Extension of Credit to Private Sector							0.5		5.0		5.9		6.8		7.0	
(iv) Avoidance of Negative Real Interest Rates	0.0		0.0		0.0		0.0		8.0		2.0		8.0		8.0	
(v) Controls on Interest Rates									4.4		4.2		4.2		4.2	
B. Regulation of Labor Markets							1.8		4.0		4.5		4.5		4.3	
(i) Impact of Minimum Wage									6.0		2.6		2.6		2.6	
(ii) Flexibility in Hiring & Firing							1.0		1.0		6.1		6.2		6.2	
(iii) Collective Bargaining							4.5		7.2		8.3		8.1		8.0	
(iv) Incentives from Unemployment Benefits									5.7		5.5		5.5		4.9	
(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	
(i) Price Controls							0.0		5.0		5.0		2.0		2.0	
(ii) Administrative Obstacles for New Businesses											6.2		2.6		1.5	
(iii) Time Spent with Government Bureaucracy									4.8		5.0		3.8		4.0	
(iv) Ease of Starting a New Business									3.5		4.0		3.6		3.3	
(v) Irregular Payments to Government Officials									1.4		5.4		5.0		4.5	

Rwanda

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.1 (64)	5.4 (51)		5.3 (62)	4.3 (113)	5.1 (106)	5.2 (109)	5.3 (107)
1. Size of Government	7.5	7.3	6.1	7.3	7.7	5.5	5.5	5.5
A. Government Consumption	6.6 (17.6)	7.9 (13.0)	8.2 (12.3)	8.6 (10.8)	9.4 (8.0)	9.0 (9.5)	9.0 (9.5)	9.0 (9.5)
B. Transfers & Subsidies	10.0 (0.6)	9.9 (0.8)		9.2 (3.5)	9.5 (2.2)			
C. Government Enterprises & Investment	6.0 (16.9)	4.0 (39.4)	4.0 (42.4)	4.0	4.0	2.0	2.0	2.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights					2.4	2.0	2.0	2.0
A. Judicial Independence								
B. Impartial Courts					3.4	3.5	3.5	3.5
C. Protection of Intellectual Property								
D. Military Interference						0.0	0.0	0.0
E. Integrity of Legal System					0.0	0.0	0.0	0.0
3. Access to Sound Money	1.8	6.1	6.6	6.1	3.5	7.6	7.4	7.9
A. Growth of Money Supply	7.3 (13.4)	7.1 (14.5)	9.5 (-2.4)	9.9 (0.8)	5.6 (21.9)	9.1 (-4.7)	8.2 (-8.9)	8.2 (-8.9)
B. Inflation Variability	0.0 (33.5)	8.0 (5.0)	8.0 (5.1)	7.3 (6.7)	3.3 (16.8)	7.0 (7.6)	7.1 (7.2)	8.7 (3.2)
C. Recent Annual Inflation	0.0 (88.0)	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)
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 Trade Internationally	1.9	2.5		2.6	3.8		5.4	4.9
A. Taxes on International Trade	0.0	1.1		0.5	1.1		7.5	7.5
(i) Taxes as Percentage of Exports & Imports	0.0 (16.5)	1.1 (13.3)		0.5 (14.2)	0.3 (14.6)			
(ii) Mean Tariff Rate					3.0 (34.8)		8.0 (10.0)	8.0 (10.0)
(iii) Variability of Tariff Rates					0.0 (33.1)		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	0.0	3.1	0.3	0.0	0.0	0.0	0.0	0.0
D. Official versus Black Market Exchange Rate	1.0	0.0	0.2	4.4	9.4	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	1.5	1.5	2.3
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	1.5	1.5	2.3
5. Regulation of Credit, Labor & Business	5.0	5.6	5.7	5.1	4.3	5.2	5.9	6.0
A. Regulation of Credit Markets	2.5	5.0	5.3	5.5	2.8	5.6	6.7	7.1
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	2.0	5.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	5.0	9.0	7.8	6.5	8.5	8.9	9.0	8.2
(iv) Avoidance of Negative Real Interest Rates		6.0	8.0	10.0	0.0	8.0	9.0	8.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			5.2 (60)		5.0 (72)		5.2 (68)		4.6 (103)		5.8 (85)		5.8 (87)		5.8 (86)	
1. Size of Government	6.9		6.4		4.0		5.7		4.6		6.7		6.5		6.5	
A. Government Consumption	7.2	(15.5)	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)
B. Transfers & Subsidies	9.4	(2.6)	9.0	(4.2)							9.8	(1.3)	10.0	(0.4)	10.0	(0.4)
C. Government Enterprises & Investment	4.0	(33.9)	4.0	(36.7)	4.0	(36.2)	6.0	(30.1)	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	
(i) Top Marginal Income Tax Rate					1.0	(65)	4.0	(48)	0.0	(64)	3.0	(50)	3.0	(50)	3.0	(50)
(ii) Top Marginal Income & Payroll Tax Rate					4.0	(48)	4.0	(48)	0.0	(64)	3.0	(50)	3.0	(50)	3.0	(50)
2. Legal Structure & Security of Property Rights			3.4		4.0		4.0		3.4		4.4		4.4		4.1	
A. Judicial Independence															3.5	
B. Impartial Courts									5.4		5.3		5.3		4.0	
C. Protection of Intellectual Property															4.5	
D. Military Interference									4.0		3.3		3.3		3.3	
E. Integrity of Legal System									0.0		5.0		5.0		5.0	
3. Access to Sound Money	5.7		6.1		6.6		7.1		5.8		7.3		7.0		7.0	
A. Growth of Money Supply	7.1	(14.8)	7.8	(11.2)	9.0	(5.0)	9.6	(-2.0)	8.7	(6.3)	9.5	(2.7)	8.9	(5.4)	8.9	(5.4)
B. Inflation Variability	8.0	(5.1)	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	(1.0)
C. Recent Annual Inflation	7.7	(11.6)	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)
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 Trade Internationally	5.8		5.3		5.5		4.9		5.2		6.3		5.8		6.1	
A. Taxes on International Trade	4.2		2.4		3.3		2.6		2.2		5.6		6.0		6.0	
(i) Taxes as Percentage of Exports & Imports	4.2	(8.7)	2.4	(11.4)	4.5	(8.3)	2.1	(11.8)	1.3	(13.0)	3.6	(9.6)	3.6	(9.6)	3.6	(9.6)
(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	(14.0)
(iii) Variability of Tariff Rates													7.3	(6.8)	7.3	(6.8)
B. Regulatory Trade Barriers															5.6	
(i) Hidden Import Barriers															4.3	
(ii) Costs of Importing															6.9	
C. Size of Trade Sector	7.1		6.4		6.1		4.5		5.8		5.2		4.9		4.9	
D. Official versus Black Market Exchange Rate	9.6		9.6		9.8		9.2		9.8		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		0.0		2.3		0.0		4.2	
(i) Access to Foreign Capital															8.4	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		0.0		2.3		0.0		0.0	
5. Regulation of Credit, Labor & Business			4.9		4.7		4.4		4.1		4.6		5.1		5.0	
A. Regulation of Credit Markets	2.0		6.5		5.9		6.5		4.8		5.6		7.4		8.4	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		2.0		2.0		5.0		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	
(iv) Avoidance of Negative Real Interest Rates			8.0		6.0		8.0		4.0		6.0		8.7		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets															2.4	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing															2.8	
(iii) Collective Bargaining															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	
(i) Price Controls							0.0		2.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses															2.0	
(iii) Time Spent with Government Bureaucracy															5.8	
(iv) Ease of Starting a New Business															5.3	
(v) Irregular Payments to Government Officials															4.4	

Sierra Leone

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.4 (38)	5.0 (68)	3.7 (102)	3.9 (103)	4.3 (113)	5.1 (106)	5.1 (113)	5.2 (111)
1. Size of Government	7.3	5.6	6.4	6.0	5.6	5.9	5.7	5.7
A. Government Consumption	8.3 (11.8)	9.3 (8.4)	9.1 (8.9)	8.3 (11.8)	7.7 (13.8)	7.8 (13.5)	7.3 (15.3)	7.3 (15.3)
B. Transfers & Subsidies	9.7 (1.6)		10.0 (0.6)	9.7 (1.6)	9.0 (4.3)	9.8 (1.2)	9.8 (1.2)	9.8 (1.2)
C. Government Enterprises & Investment	4.0 (33.3)	2.0 (61.6)	0.0 (81.4)	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 & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights			5.3	5.3	2.6	3.5	3.5	4.7
A. Judicial Independence								
B. Impartial Courts					4.0	4.9	4.9	4.9
C. Protection of Intellectual Property								
D. Military Interference					2.3	0.0	0.0	5.0
E. Integrity of Legal System					0.0	5.0	5.0	5.0
3. Access to Sound Money	5.6	5.8	0.4	0.0	3.8	6.5	6.5	5.5
A. Growth of Money Supply	7.5 (12.6)	6.4 (18.1)	1.6 (41.8)	0.0 (73.0)	6.9 (15.4)	4.4 (28.2)	5.4 (23.1)	5.4 (23.1)
B. Inflation Variability	7.2 (6.9)	8.9 (2.8)	0.0 (26.1)	0.0 (29.2)	0.0 (26.1)	6.7 (8.3)	6.0 (10.0)	2.2 (19.5)
C. Recent Annual Inflation	7.8 (11.0)	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)
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 Trade Internationally	3.2	3.2	2.3	3.6	4.7	4.8	4.6	4.9
A. Taxes on International Trade	3.1	3.0	3.5	7.4	4.5	3.9	3.3	3.3
(i) Taxes as Percentage of Exports & Imports	3.1 (10.4)	1.1 (13.3)	2.1 (11.9)	7.4 (4.0)	4.1 (8.8)	3.9 (9.2)	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	4.7	4.8	0.0	2.3	1.0	2.0	2.5	2.5
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	9.6	5.0	5.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	4.6	3.8	3.8
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	4.6	3.8	3.8
5. Regulation of Credit, Labor & Business	5.6	5.5	4.3	4.6	5.1	4.8	5.2	5.3
A. Regulation of Credit Markets	4.3	4.7	1.5	2.9	3.3	2.5	4.4	4.8
(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	6.7	6.0	2.4	6.8	5.8	3.4	3.1	3.4
(iv) Avoidance of Negative Real Interest Rates		6.0	0.0	0.0	2.0	2.0	8.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & 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
(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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	7.0 (7)		7.4 (5)		7.7 (4)		8.1 (2)		8.8 (2)		8.5 (3)		8.5 (2)		8.6 (2)	
1. Size of Government	7.0		7.0		7.1		8.2		8.4		8.0		7.8		8.0	
A. Government Consumption	7.4	(14.9)	7.1	(15.9)	4.7	(24.0)	6.5	(18.1)	6.9	(16.5)	5.6	(20.8)	5.3	(22.0)	5.3	(22.0)
B. Transfers & Subsidies	9.8	(1.4)	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)
C. Government Enterprises & Investment	7.0	(25.0)	7.0	(24.2)	6.0	(34.7)	8.0	(18.6)	8.0		8.0		8.0		8.0	
D. Top Marginal Tax Rate	4.0		4.0		8.0		9.0		9.0		9.0		9.0		10.0	
(i) Top Marginal Income Tax Rate	4.0	(55)	4.0	(55)	8.0	(40)	9.0	(33)	9.0	(30)	9.0	(28)	9.0	(26)	10.0	(22)
(ii) Top Marginal Income & Payroll Tax Rate							9.0 (33)		9.0 (30)		9.0 (28)		9.0 (26)		10.0 (22)	
2. Legal Structure & Security of Property Rights	6.6		8.1		7.2		7.2		8.3		8.5		8.5		8.6	
A. Judicial Independence									7.2		7.3		6.8		7.0	
B. Impartial Courts									7.1		7.7		7.9		8.0	
C. Protection of Intellectual Property									7.3		7.6		7.8		8.2	
D. Military Interference									10.0		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	6.6		6.4		8.4		9.3		9.7		9.5		9.6		9.6	
A. Growth of Money Supply	9.0	(5.2)	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	(0.5)
B. Inflation Variability	7.9	(5.2)	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)
C. Recent Annual Inflation	9.6	(2.2)	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)
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 Trade Internationally	9.1		9.2		9.6		9.6		9.6		9.3		9.4		9.5	
A. Taxes on International Trade	9.6		9.8		9.9		9.7		9.6		9.9		10.0		10.0	
(i) Taxes as Percentage of Exports & Imports	9.6	(0.6)	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)
(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)	
(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)	
B. Regulatory Trade Barriers									8.9		9.4		9.2		9.3	
(i) Hidden Import Barriers									8.9		8.8		8.7		8.7	
(ii) Costs of Importing											10.0		9.8		9.9	
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		8.0		10.0		10.0		9.3		7.2		7.6		8.1	
(i) Access to Foreign Capital									8.7		9.1		9.1		10.0	
(ii) Restrictions on Foreign Capital Transactions	8.0		8.0		10.0		10.0		10.0		5.4		6.2		6.2	
5. Regulation of Credit, Labor & Business	5.8		6.2		6.2		6.3		7.9		7.3		7.0		7.0	
A. Regulation of Credit Markets	9.3		9.6		9.7		9.6		8.3		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	
(iii) Extension of Credit to Private Sector	8.7		8.9		9.0		8.8		8.8		8.3		8.2		8.0	
(iv) Avoidance of Negative Real Interest Rates			10.0		10.0		10.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates									6.7		6.8		6.8		6.8	
B. Regulation of Labor Markets							5.5		6.2		5.5		5.6		5.7	
(i) Impact of Minimum Wage									7.1		4.6		4.6		4.6	
(ii) Flexibility in Hiring & Firing							8.5		8.5		7.2		7.6		7.7	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.9		8.4		8.1		8.0	
(iv) Incentives from Unemployment Benefits									7.3		7.5		7.5		8.5	
(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	
(i) Price Controls							8.0		9.0		9.0		8.0		7.0	
(ii) Administrative Obstacles for New Businesses											7.7		6.6		6.8	
(iii) Time Spent with Government Bureaucracy									9.7		8.1		6.5		6.5	
(iv) Ease of Starting a New Business									9.1		8.0		8.1		7.7	
(v) Irregular Payments to Government Officials									9.7		9.1		9.1		9.3	

Slovak Republic

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►					5.4 (80)	6.3 (66)	6.3 (67)	6.6 (51)
1. Size of Government					2.4	3.5	4.0	4.5
A. Government Consumption				3.3 (28.9)	3.2 (29.2)	4.0 (26.3)	4.1 (26.1)	4.1 (26.2)
B. Transfers & Subsidies					3.9 (23.0)	4.3 (21.5)	4.3 (21.5)	4.3 (21.5)
C. Government Enterprises & Investment					0.0 (75.1)	2.0	4.0	6.0
D. Top Marginal Tax Rate					4.0	4.0	3.5	3.5
(i) Top Marginal Income Tax Rate					4.0 (42)	4.0 (42)	5.0 (38)	5.0 (38)
(ii) Top Marginal Income & Payroll Tax Rate					4.0 (42)	4.0 (44)	2.0 (55)	2.0 (54)
2. Legal Structure & Security of Property Rights					6.5	6.3	5.6	5.7
A. Judicial Independence					5.1	5.0	3.7	3.7
B. Impartial Courts					5.4	5.2	3.4	3.5
C. Protection of Intellectual Property					4.0	4.7	4.4	4.5
D. Military Interference					8.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	6.7	6.7	6.7
3. Access to Sound Money				8.8	6.7	8.0	8.2	8.2
A. Growth of Money Supply					7.3 (13.4)	9.8 (-0.9)	9.4 (3.0)	9.4 (3.0)
B. Inflation Variability				9.0 (2.5)	6.4 (9.0)	9.6 (1.0)	9.7 (0.7)	9.2 (1.9)
C. Recent Annual Inflation				8.6 (6.9)	8.1 (9.7)	7.6 (12.0)	8.5 (7.3)	9.3 (3.3)
D. Freedom to Own Foreign Currency					5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally					6.8	7.9	8.3	8.7
A. Taxes on International Trade					8.8	9.1	9.3	9.3
(i) Taxes as Percentage of Exports & Imports						9.3 (1.0)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate					8.8 (6.1)	8.8 (6.0)	8.8 (6.0)	8.8 (6.0)
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers					4.8	7.2	7.6	8.1
(i) Hidden Import Barriers					4.8	6.7	6.3	7.2
(ii) Costs of Importing						7.7	8.9	9.1
C. Size of Trade Sector					6.6	8.0	8.5	8.1
D. Official versus Black Market Exchange Rate					10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets					3.6	5.5	6.2	7.8
(i) Access to Foreign Capital					5.3	7.8	7.8	9.4
(ii) Restrictions on Foreign Capital Transactions					2.0	3.1	4.6	6.2
5. Regulation of Credit, Labor & Business					4.8	5.8	5.5	5.8
A. Regulation of Credit Markets					5.7	7.4	7.4	7.9
(i) Private Ownership of Banks					5.0	5.0	8.0	10.0
(ii) Competition from Foreign Banks					6.1	5.3	5.3	5.3
(iii) Extension of Credit to Private Sector					5.3	8.1	5.6	6.0
(iv) Avoidance of Negative Real Interest Rates					6.0	10.0	10.0	10.0
(v) Controls on Interest Rates					6.1	8.3	8.3	8.3
B. Regulation of Labor Markets					4.4	4.9	4.7	4.4
(i) Impact of Minimum Wage					6.1	4.2	4.2	4.2
(ii) Flexibility in Hiring & Firing				4.9	4.9	3.0	4.3	4.2
(iii) Collective Bargaining					5.2	7.7	7.1	7.7
(iv) Incentives from Unemployment Benefits					4.7	4.8	4.8	3.2
(v) Military Conscription					1.0	5.0	3.0	3.0
C. Regulation of Business					4.2	5.2	4.5	5.2
(i) Price Controls					4.0	4.0	4.0	6.0
(ii) Administrative Obstacles for New Businesses						8.0	1.9	2.0
(iii) Time Spent with Government Bureaucracy					4.7	4.5	7.0	7.0
(iv) Ease of Starting a New Business					4.3	3.0	4.7	5.2
(v) Irregular Payments to Government Officials					3.7	6.5	5.1	5.6

Slovenia

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶					4.9 (93)	5.9 (80)	6.1 (77)	6.2 (74)
1. Size of Government					1.8	2.9	2.5	3.1
A. Government Consumption				4.1 (25.9)	4.2 (25.8)	3.7 (27.5)	3.4 (28.5)	3.7 (27.3)
B. Transfers & Subsidies					1.1 (33.2)	4.0 (22.4)	4.7 (20.0)	4.7 (20.0)
C. Government Enterprises & Investment					0.0 (75.1)	2.0	0.0	2.0
D. Top Marginal Tax Rate						2.0	2.0	2.0
(i) Top Marginal Income Tax Rate						4.0 (50)	4.0 (50)	4.0 (50)
(ii) Top Marginal Income & Payroll Tax Rate						0.0 (70)	0.0 (66)	0.0 (66)
2. Legal Structure & Security of Property Rights					7.4	6.4	7.0	6.7
A. Judicial Independence							6.7	5.5
B. Impartial Courts					7.0	7.1	5.4	5.3
C. Protection of Intellectual Property						5.4	6.3	6.0
D. Military Interference					9.2	8.3	8.3	8.3
E. Integrity of Legal System					10.0	8.3	8.3	8.3
3. Access to Sound Money					3.1	7.4	8.8	8.7
A. Growth of Money Supply					0.0 (57.5)	7.6 (11.9)	7.7 (11.4)	7.0 (15.1)
B. Inflation Variability					0.0 (79.6)	9.2 (2.1)	9.3 (1.6)	9.4 (1.6)
C. Recent Annual Inflation					7.5 (12.6)	7.8 (10.8)	8.1 (9.4)	8.5 (7.5)
D. Freedom to Own Foreign Currency			5.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Trade Internationally					7.1	7.1	7.2	7.2
A. Taxes on International Trade					7.5	8.1	8.2	8.2
(i) Taxes as Percentage of Exports & Imports					7.5 (3.7)	9.5 (0.8)	9.6 (0.5)	9.6 (0.5)
(ii) Mean Tariff Rate						7.6 (11.8)	7.7 (11.4)	7.7 (11.4)
(iii) Variability of Tariff Rates						7.0 (7.4)	7.2 (7.0)	7.2 (7.0)
B. Regulatory Trade Barriers						7.4	8.3	8.1
(i) Hidden Import Barriers						7.4	7.3	7.2
(ii) Costs of Importing							9.3	9.0
C. Size of Trade Sector					4.7	4.7	4.4	4.2
D. Official versus Black Market Exchange Rate				0.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	5.0	5.3	5.3	5.3
(i) Access to Foreign Capital						6.8	6.8	6.0
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	5.0	3.8	3.8	4.6
5. Regulation of Credit, Labor & Business					5.3	5.7	5.1	5.4
A. Regulation of Credit Markets					6.5	6.5	6.7	8.0
(i) Private Ownership of Banks					5.0	5.0	5.0	8.0
(ii) Competition from Foreign Banks						4.8	4.8	8.0
(iii) Extension of Credit to Private Sector					6.5	7.7	7.8	7.8
(iv) Avoidance of Negative Real Interest Rates					8.0	9.0	10.0	10.0
(v) Controls on Interest Rates						6.1	6.1	6.1
B. Regulation of Labor Markets						3.6	3.8	3.6
(i) Impact of Minimum Wage						4.0	4.0	4.0
(ii) Flexibility in Hiring & Firing						2.3	2.7	2.7
(iii) Collective Bargaining						5.1	5.3	5.2
(iv) Incentives from Unemployment Benefits								3.1
(v) Military Conscription					3.0	3.0	3.0	3.0
C. Regulation of Business						7.0	4.9	4.7
(i) Price Controls					6.0	8.0	2.0	2.0
(ii) Administrative Obstacles for New Businesses						7.0	3.0	3.0
(iii) Time Spent with Government Bureaucracy						7.8	6.3	5.8
(iv) Ease of Starting a New Business						5.7	6.0	5.3
(v) Irregular Payments to Government Officials						6.6	7.4	7.4

South Africa

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.9 (21)	5.8 (35)	5.4 (55)	5.3 (62)	6.3 (49)	6.8 (43)	6.7 (45)	6.8 (44)
1. Size of Government	4.6	4.7	4.9	5.6	5.8	5.4	5.5	5.6
A. Government Consumption	6.0 (19.6)	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)
B. Transfers & Subsidies	9.2 (3.4)	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)
C. Government Enterprises & Investment	2.0 (48.2)	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)
D. Top Marginal Tax Rate	1.0	2.0	4.0	5.0	4.0	4.0	4.0	4.5
(i) Top Marginal Income Tax Rate	1.0 (66)	2.0 (60)	4.0 (50)	5.0 (45)	4.0 (43)	4.0 (45)	4.0 (42)	5.0 (40)
(ii) Top Marginal Income & Payroll Tax Rate				5.0 (45)	4.0 (43)	4.0 (45)	4.0 (42)	4.0 (41)
2. Legal Structure & Security of Property Rights	5.6	6.2	4.5	2.9	6.1	6.5	6.6	6.5
A. Judicial Independence					7.2	7.2	7.6	7.7
B. Impartial Courts					7.9	8.0	7.3	7.0
C. Protection of Intellectual Property					6.5	5.8	6.7	6.2
D. Military Interference					4.9	8.3	8.3	8.3
E. Integrity of Legal System					4.1	3.3	3.3	3.3
3. Access to Sound Money	6.1	5.3	5.3	5.8	6.4	7.9	7.9	7.8
A. Growth of Money Supply	8.2 (8.9)	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)
B. Inflation Variability	8.5 (3.8)	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)
C. Recent Annual Inflation	7.8 (10.9)	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)
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 Trade Internationally	7.3	7.4	6.4	6.5	6.3	7.2	7.1	7.5
A. Taxes on International Trade	8.7	8.7	8.9	7.3	5.5	7.7	7.4	7.4
(i) Taxes as Percentage of Exports & Imports	8.7 (2.0)	9.2 (1.2)	9.1 (1.4)	8.5 (2.2)	9.3 (1.0)	9.0 (1.5)	9.1 (1.4)	9.1 (1.4)
(ii) Mean Tariff Rate		8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.3 (8.5)	7.8 (11.0)	7.8 (11.0)
(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)
B. Regulatory Trade Barriers					6.4	7.6	7.7	7.7
(i) Hidden Import Barriers					6.4	6.6	6.9	6.8
(ii) Costs of Importing						8.5	8.6	8.5
C. Size of Trade Sector	8.9	9.5	7.7	5.9	5.8	6.5	6.3	7.6
D. Official versus Black Market Exchange Rate	8.8	8.8	5.0	9.4	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	2.0	2.0	4.0	4.1	4.1	4.9
(i) Access to Foreign Capital					6.0	7.5	7.5	9.0
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	2.0	2.0	2.0	0.8	0.8	0.8
5. Regulation of Credit, Labor & Business	6.1	5.3	5.9	5.7	6.8	6.9	6.5	6.5
A. Regulation of Credit Markets	9.2	7.5	9.1	9.1	8.5	8.5	8.5	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
(iii) Extension of Credit to Private Sector	8.5	8.4	9.2	9.2	9.3	9.2	9.3	9.2
(iv) Avoidance of Negative Real Interest Rates		4.0	8.0	8.0	10.0	10.0	10.0	10.0
(v) Controls on Interest Rates					5.3	6.5	6.5	6.5
B. Regulation of Labor Markets				3.9	6.1	5.5	5.4	5.5
(i) Impact of Minimum Wage					2.9	4.6	4.6	4.6
(ii) Flexibility in Hiring & Firing				5.6	5.6	2.1	2.2	2.2
(iii) Collective Bargaining				6.2	6.2	4.5	4.2	4.7
(iv) Incentives from Unemployment Benefits					5.9	6.2	6.2	5.9
(v) Military Conscription	3.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0
C. Regulation of Business					5.9	6.6	5.4	5.2
(i) Price Controls					6.0	7.0	6.0	5.0
(ii) Administrative Obstacles for New Businesses						6.9	3.3	3.2
(iii) Time Spent with Government Bureaucracy					6.4	6.5	5.3	5.8
(iv) Ease of Starting a New Business					6.4	5.9	5.8	5.7
(v) Irregular Payments to Government Officials					4.6	6.8	6.9	6.3

South Korea

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.4 (38)		5.8 (35)		5.8 (40)		6.2 (34)		6.4 (45)		6.7 (45)		7.1 (30)		7.1 (31)	
1. Size of Government	6.6		6.0		6.5		6.2		6.8		7.1		7.3		7.4	
A. Government Consumption	7.8	(13.5)	7.3	(15.2)	7.4	(14.7)	7.1	(15.9)	7.0	(16.2)	7.3	(15.1)	7.4	(14.9)	7.4	(14.9)
B. Transfers & Subsidies	9.6	(2.0)	9.6	(2.0)	9.5	(2.2)	9.3	(2.9)	9.3	(2.9)	9.1	(3.7)	9.1	(3.7)	9.1	(3.7)
C. Government Enterprises & Investment	7.0	(21.1)	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)
D. Top Marginal Tax Rate	2.0		0.0		2.0		1.5		5.0		5.0		5.5		6.0	
(i) Top Marginal Income Tax Rate	2.0	(63)	0.0	(89)	2.0	(65)	2.0	(64)	5.0	(48)	5.0	(44)	6.0	(40)	6.0	(40)
(ii) Top Marginal Income & Payroll Tax Rate							1.0 (66)		5.0 (48)		5.0 (44)		5.0 (43)		6.0 (40)	
2. Legal Structure & Security of Property Rights	4.9		6.5		4.2		5.4		5.6		6.0		6.4		6.2	
A. Judicial Independence									4.9		4.7		5.5		5.2	
B. Impartial Courts									5.3		5.2		5.5		5.2	
C. Protection of Intellectual Property									4.3		5.0		5.8		5.8	
D. Military Interference									6.7		8.3		8.3		8.3	
E. Integrity of Legal System									7.0		6.7		6.7		6.7	
3. Access to Sound Money	4.4		5.0		6.4		6.5		8.0		8.2		9.3		9.2	
A. Growth of Money Supply	5.7	(21.6)	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)
B. Inflation Variability	7.3	(6.8)	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)
C. Recent Annual Inflation	4.8	(26.0)	5.0	(24.9)	9.1	(4.6)	8.0	(9.9)	8.9	(5.6)	9.6	(2.2)	9.2	(4.1)	9.4	(2.8)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		5.0		5.0		10.0		10.0	
4. Freedom to Trade Internationally	6.6		6.2		6.3		7.2		6.8		7.1		7.3		7.2	
A. Taxes on International Trade	7.9		6.6		6.5		7.5		7.9		8.2		8.2		8.2	
(i) Taxes as Percentage of Exports & Imports	7.9	(3.1)	7.3	(4.1)	7.6	(3.6)	7.7	(3.4)	8.7	(2.0)	8.8	(1.8)	8.8	(1.8)	8.8	(1.8)
(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)		8.3 (8.7)	
(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)	
B. Regulatory Trade Barriers									6.0		6.8		7.5		7.4	
(i) Hidden Import Barriers									6.0		5.2		6.3		6.2	
(ii) Costs of Importing											8.5		8.8		8.6	
C. Size of Trade Sector	7.4		8.4		6.8		5.7		5.3		6.8		6.5		6.0	
D. Official versus Black Market Exchange Rate	9.6		7.8		7.8		9.8		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		2.0		5.0		4.8		3.6		4.3		4.6	
(i) Access to Foreign Capital									4.7		7.2		7.2		7.6	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		2.0		5.0		5.0		0.0		1.5		1.5	
5. Regulation of Credit, Labor & Business	4.6		5.1		5.7		5.4		4.8		5.3		5.2		5.3	
A. Regulation of Credit Markets	5.6		6.1		8.1		8.2		6.8		6.4		6.4		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	
(iii) Extension of Credit to Private Sector	9.7		9.4		9.3		9.5		9.7		9.5		9.6		9.6	
(iv) Avoidance of Negative Real Interest Rates	2.0		4.0		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	
B. Regulation of Labor Markets							3.6		4.4		4.2		4.3		3.9	
(i) Impact of Minimum Wage									5.8		4.1		4.1		4.1	
(ii) Flexibility in Hiring & Firing									3.5		4.7		4.4		4.0	
(iii) Collective Bargaining			7.2		7.2		7.2		7.2		6.2		6.8		6.3	
(iv) Incentives from Unemployment Benefits									5.5		6.0		6.0		4.9	
(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	
(i) Price Controls							0.0		0.0		1.0		3.0		1.0	
(ii) Administrative Obstacles for New Businesses											6.5		3.4		3.7	
(iii) Time Spent with Government Bureaucracy									5.4		7.7		6.3		6.3	
(iv) Ease of Starting a New Business									3.7		5.4		5.8		5.3	
(v) Irregular Payments to Government Officials									3.3		5.4		6.4		6.8	

Spain

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.7 (29)	5.8 (35)	5.9 (35)	6.2 (34)	7.0 (28)	7.4 (20)	7.0 (35)	7.1 (31)
1. Size of Government	6.3	4.7	4.2	4.7	4.2	4.6	5.0	4.9
A. Government Consumption	7.7 (13.9)	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)
B. Transfers & Subsidies	7.5 (9.5)	6.8 (12.3)	5.5 (16.9)	5.8 (16.0)	5.1 (18.5)	5.2 (18.0)	5.8 (16.1)	5.8 (16.1)
C. Government Enterprises & Investment	6.0 (17.3)	4.0 (27.1)	4.0 (30.2)	4.0 (33.5)	4.0	4.0	4.0	4.0
D. Top Marginal Tax Rate	4.0	1.0	1.0	3.0	2.0	4.0	5.0	5.0
(i) Top Marginal Income Tax Rate	4.0 (55)	1.0 (66)	1.0 (66)	3.0 (56)	2.0 (56)	4.0 (48)	5.0 (38-48)	5.0 (35-45)
(ii) Top Marginal Income & Payroll Tax Rate				3.0 (56)	2.0 (56)	4.0 (48)	5.0 (38-48)	5.0 (35-45)
2. Legal Structure & Security of Property Rights	5.1	6.3	6.4	7.2	7.5	7.5	6.3	6.5
A. Judicial Independence					6.8	7.5	5.1	4.7
B. Impartial Courts					6.6	8.0	5.3	5.0
C. Protection of Intellectual Property					6.1	7.2	5.9	6.2
D. Military Interference					7.9	8.3	8.3	8.3
E. Integrity of Legal System					10.0	6.7	6.7	8.3
3. Access to Sound Money	5.5	5.9	6.5	6.1	9.6	9.4	9.5	9.6
A. Growth of Money Supply	6.9 (15.7)	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)
B. Inflation Variability	8.5 (3.7)	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)
C. Recent Annual Inflation	6.6 (16.8)	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)
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 Trade Internationally	6.0	6.9	7.1	7.4	7.8	8.3	8.0	8.0
A. Taxes on International Trade	7.0	8.2	8.3	8.2	8.7	9.1	9.0	9.0
(i) Taxes as Percentage of Exports & Imports	5.9 (6.1)	8.2 (2.7)	8.0 (3.0)	9.0 (1.5)	9.9 (0.2)	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate	8.1 (9.4)	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.2 (3.9)
(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)
B. Regulatory Trade Barriers					7.6	8.7	8.7	8.4
(i) Hidden Import Barriers					7.6	7.6	7.9	7.3
(ii) Costs of Importing						9.8	9.6	9.4
C. Size of Trade Sector	3.2	3.2	4.5	3.2	4.3	5.6	5.4	5.1
D. Official versus Black Market Exchange Rate	9.6	10.0	9.6	9.6	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	5.0	5.0	8.0	8.3	8.0	6.9	7.6
(i) Access to Foreign Capital					8.6	9.1	9.1	9.0
(ii) Restrictions on Foreign Capital Transactions	2.0	5.0	5.0	8.0	8.0	6.9	4.6	6.2
5. Regulation of Credit, Labor & Business	5.5	5.2	5.4	5.5	5.9	6.9	6.5	6.4
A. Regulation of Credit Markets	8.3	7.4	8.3	8.3	7.9	8.5	8.5	8.3
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					7.7	6.1	6.1	6.0
(iii) Extension of Credit to Private Sector	8.5	8.1	6.8	6.8	6.7	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
(v) Controls on Interest Rates					7.3	8.1	8.1	8.1
B. Regulation of Labor Markets	3.8	3.6	3.4	3.7	4.1	5.3	5.0	5.1
(i) Impact of Minimum Wage					5.8	3.1	3.1	3.1
(ii) Flexibility in Hiring & Firing				2.6	2.6	3.7	2.5	2.2
(iii) Collective Bargaining	5.2	5.2	5.2	5.2	5.2	4.9	4.6	5.7
(iv) Incentives from Unemployment Benefits	5.1	4.5	4.1	4.0	3.8	5.0	5.0	4.6
(v) Military Conscription	1.0	1.0	1.0	3.0	3.0	10.0	10.0	10.0
C. Regulation of Business					5.7	6.9	5.8	5.8
(i) Price Controls				7.0	6.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses						7.4	3.8	2.8
(iii) Time Spent with Government Bureaucracy					6.4	7.9	7.0	7.3
(iv) Ease of Starting a New Business					5.3	5.7	4.6	5.2
(v) Irregular Payments to Government Officials					5.1	7.6	7.7	7.8

Sri Lanka

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			5.0 (68)		5.1 (66)		5.0 (75)		6.1 (60)		6.1 (75)		6.2 (71)		6.0 (78)	
1. Size of Government	6.2		4.7		4.8		7.0		6.8		7.0		7.0		7.4	
A. Government Consumption	8.8	(10.2)	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)
B. Transfers & Subsidies	7.9	(8.1)	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)
C. Government Enterprises & Investment	2.0	(40.5)	2.0	(53.5)	2.0	(54.3)	4.0	(39.2)	4.0		4.0		4.0		4.0	
D. Top Marginal Tax Rate			0.0		0.0		7.0		7.0		7.0		7.0		8.0	
(i) Top Marginal Income Tax Rate			0.0		0.0		7.0		7.0		7.0		7.0		8.0	
(ii) Top Marginal Income & Payroll Tax Rate			0.0		0.0		7.0		7.0		7.0		7.0		8.0	
2. Legal Structure & Security of Property Rights			4.0		3.4		2.3		4.5		4.2		5.2		3.8	
A. Judicial Independence													6.6		3.7	
B. Impartial Courts									4.9		5.0		6.1		3.7	
C. Protection of Intellectual Property											3.5		5.0		3.5	
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	6.2		5.1		6.2		5.4		6.7		6.7		6.3		6.5	
A. Growth of Money Supply	9.0	(4.8)	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	(3.9)
B. Inflation Variability	6.9	(7.8)	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)
C. Recent Annual Inflation	8.9	(5.4)	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)
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 Trade Internationally	3.4		5.5		4.8		4.5		6.3		6.5		6.4		6.7	
A. Taxes on International Trade	2.6		2.0		3.6		2.9		4.8		7.6		7.6		7.6	
(i) Taxes as Percentage of Exports & Imports	2.6	(11.1)	2.2	(11.7)	2.9	(10.6)	4.1	(8.8)	7.0	(4.5)	8.6	(2.2)	8.4	(2.3)	8.4	(2.3)
(ii) Mean Tariff Rate			1.7		4.2		4.6		4.8		8.0		8.0		8.0	
(iii) Variability of Tariff Rates							0.0		2.8		6.3		6.3		6.3	
B. Regulatory Trade Barriers											4.8		5.3		5.9	
(i) Hidden Import Barriers											4.8		5.0		5.0	
(ii) Costs of Importing													5.6		6.9	
C. Size of Trade Sector	6.2		9.0		6.2		5.9		6.7		6.9		6.1		5.8	
D. Official versus Black Market Exchange Rate	0.0		8.2		6.0		5.2		9.6		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		2.0		3.0		3.0		4.1	
(i) Access to Foreign Capital											6.0		6.0		8.2	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		2.0		0.0		0.0		0.0	
5. Regulation of Credit, Labor & Business			5.7		6.4		5.9		6.2		6.0		5.9		5.7	
A. Regulation of Credit Markets	5.0		5.1		7.0		6.6		7.8		6.1		6.4		6.7	
(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	
(iii) Extension of Credit to Private Sector			6.4		7.9		6.7		8.4		8.3		6.8		7.3	
(iv) Avoidance of Negative Real Interest Rates			4.0		8.0		8.0		10.0		6.0		9.0		10.0	
(v) Controls on Interest Rates											5.3		5.3		5.3	
B. Regulation of Labor Markets											5.9		6.2		5.9	
(i) Impact of Minimum Wage											4.1		4.1		4.1	
(ii) Flexibility in Hiring & Firing											2.9		4.6		3.2	
(iii) Collective Bargaining											6.5		6.1		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											6.0		5.2		4.4	
(i) Price Controls							4.0		4.0		4.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses											7.3		6.1		3.2	
(iii) Time Spent with Government Bureaucracy											7.2		4.0		4.8	
(iv) Ease of Starting a New Business											6.5		6.1		5.5	
(v) Irregular Payments to Government Officials											5.3		5.7		4.4	

Sweden

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.3 (43)	5.7 (41)	6.2 (25)	6.5 (29)	7.2 (23)	7.4 (20)	7.2 (24)	7.3 (22)
1. Size of Government	2.7	2.1	2.6	2.4	2.6	3.0	3.0	3.1
A. Government Consumption	2.4 (31.8)	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)
B. Transfers & Subsidies	3.3 (25.0)	3.4 (24.7)	3.1 (26.0)	2.0 (29.9)	0.8 (34.1)	3.4 (24.9)	4.0 (22.6)	4.0 (22.6)
C. Government Enterprises & Investment	4.0 (38.1)	4.0 (41.2)	6.0 (28.0)	6.0 (22.8)	6.0 (28.3)	6.0	6.0	6.0
D. Top Marginal Tax Rate	1.0	0.0	0.0	0.0	1.5	1.0	0.5	1.5
(i) Top Marginal Income Tax Rate	1.0 (70)	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)
(ii) Top Marginal Income & Payroll Tax Rate				0.0 (79-86)	0.0 (66-73)	0.0 (68-75)	0.0 (64-69)	0.0 (64-69)
2. Legal Structure & Security of Property Rights	4.4	6.6	7.4	8.3	8.9	9.0	8.6	8.9
A. Judicial Independence					8.8	8.7	7.6	8.3
B. Impartial Courts					8.9	8.4	7.9	7.8
C. Protection of Intellectual Property					6.6	8.1	8.3	8.3
D. Military Interference					10.0	10.0	9.2	10.0
E. Integrity of Legal System					10.0	10.0	10.0	10.0
3. Access to Sound Money	7.4	7.6	8.0	7.8	9.5	9.8	9.7	9.6
A. Growth of Money Supply	8.6 (7.0)	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)
B. Inflation Variability	8.8 (2.9)	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)
C. Recent Annual Inflation	7.1 (14.5)	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)
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 Trade Internationally	6.8	6.7	7.6	8.3	8.5	8.3	8.2	8.2
A. Taxes on International Trade	8.9	9.0	9.5	9.0	8.7	9.2	9.0	9.0
(i) Taxes as Percentage of Exports & Imports	9.3 (1.0)	9.5 (0.7)	9.8 (0.3)	9.7 (0.4)	9.7 (0.4)	10.0 (0.0)	9.8 (0.3)	9.8 (0.3)
(ii) Mean Tariff Rate	8.4 (8.0)	8.5 (7.5)	9.2 (4.1)	9.1 (4.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.2 (3.9)
(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)
B. Regulatory Trade Barriers					9.1	9.2	8.9	9.2
(i) Hidden Import Barriers					9.1	8.8	8.3	8.8
(ii) Costs of Importing						9.5	9.5	9.6
C. Size of Trade Sector	5.0	5.2	5.5	4.4	5.4	6.0	5.8	5.3
D. Official versus Black Market Exchange Rate	9.8	9.0	9.8	10.0	10.0	10.0	10.0	10.0
E. Restrictions on Capital Markets	2.0	2.0	5.0	10.0	9.3	7.2	7.2	7.7
(i) Access to Foreign Capital					8.6	9.0	9.0	10.0
(ii) Restrictions on Foreign Capital Transactions	2.0	2.0	5.0	10.0	10.0	5.4	5.4	5.4
5. Regulation of Credit, Labor & Business	5.1	5.4	5.5	5.6	6.4	6.8	6.3	6.5
A. Regulation of Credit Markets	6.4	7.6	8.1	8.4	8.6	8.8	8.8	9.1
(i) Private Ownership of Banks	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0
(ii) Competition from Foreign Banks					8.3	6.5	6.5	8.0
(iii) Extension of Credit to Private Sector	7.1	6.8	6.2	7.2	8.6	9.1	9.1	9.1
(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					8.3	8.6	8.6	8.6
B. Regulation of Labor Markets	4.2	4.1	4.0	4.0	3.0	3.4	3.4	3.3
(i) Impact of Minimum Wage					1.8	4.4	4.4	4.4
(ii) Flexibility in Hiring & Firing				3.9	3.9	2.2	1.9	2.5
(iii) Collective Bargaining	4.5	4.5	4.5	4.5	4.5	3.8	4.2	4.3
(iv) Incentives from Unemployment Benefits	5.2	4.8	4.5	4.4	1.9	3.5	3.5	2.4
(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
(i) Price Controls				6.0	8.0	9.0	9.0	8.0
(ii) Administrative Obstacles for New Businesses						7.3	3.1	4.7
(iii) Time Spent with Government Bureaucracy					8.3	8.3	5.8	6.8
(iv) Ease of Starting a New Business					5.1	7.9	5.8	6.8
(v) Irregular Payments to Government Officials					9.3	9.1	9.0	9.0

Switzerland

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	7.4 (3)	7.7 (3)	7.8 (3)	7.8 (4)	8.0 (7)	8.3 (5)	8.1 (6)	8.2 (3)
1. Size of Government	7.3	7.1	7.0	6.8	6.8	7.0	7.0	6.9
A. Government Consumption	6.8 (17.0)	6.9 (16.7)	6.5 (17.8)	6.0 (19.6)	6.1 (19.2)	6.1 (19.2)	6.1 (19.2)	5.9 (20.1)
B. Transfers & 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)	5.8 (15.7)
C. Government Enterprises & 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	7.0	7.5	8.0	8.0	8.0	8.0
(i) Top Marginal Income Tax Rate	7.0 (38-42)	7.0 (31-44)	7.0 (33-46)	8.0 (33-43)	8.0 (35-39)	9.0 (31-40)	9.0 (31-40)	9.0 (31-40)
(ii) Top Marginal Income & Payroll Tax Rate				7.0 (36-46)	8.0 (38-42)	7.0 (39-48)	7.0 (39-48)	7.0 (39-48)
2. Legal Structure & Security of Property Rights	8.3	8.1	8.3	8.3	9.1	9.3	8.6	8.6
A. Judicial Independence					9.4	8.7	7.9	8.2
B. Impartial Courts					7.9	8.5	8.4	8.3
C. Protection of Intellectual Property					8.4	9.2	8.4	8.2
D. Military Interference					10.0	10.0	10.0	10.0
E. Integrity of Legal System					10.0	10.0	8.3	8.3
3. Access to Sound Money	9.4	9.5	9.7	9.7	9.6	9.7	9.7	9.7
A. Growth of Money Supply	9.3 (3.4)	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)
B. Inflation Variability	9.6 (1.1)	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)
C. Recent Annual Inflation	8.6 (7.1)	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)
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 Trade Internationally	6.3	8.4	8.4	8.3	7.4	8.5	8.4	8.3
A. Taxes on International Trade	8.3	8.7	8.9	9.3	7.7	9.9	9.9	9.9
(i) Taxes as Percentage of Exports & Imports	7.7 (3.5)	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)
(ii) Mean Tariff Rate	8.8 (5.8)	9.1 (4.6)	9.1 (4.4)	9.1 (4.4)	9.3 (3.6)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(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)
B. Regulatory Trade Barriers					6.4	8.9	8.3	8.7
(i) Hidden Import Barriers					6.4	8.2	7.2	7.8
(ii) Costs of Importing						9.7	9.3	9.5
C. Size of Trade Sector	3.2	4.9	4.8	4.3	3.5	4.8	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	2.0	10.0	10.0	10.0	9.6	9.1	9.1	8.6
(i) Access to Foreign Capital					9.2	9.7	9.7	8.8
(ii) Restrictions on Foreign Capital Transactions	2.0	10.0	10.0	10.0	10.0	8.5	8.5	8.5
5. Regulation of Credit, Labor & Business	5.5	5.4	5.7	5.9	7.1	7.3	6.8	7.3
A. Regulation of Credit Markets	6.6	6.7	8.1	8.2	8.1	8.7	8.7	8.9
(i) Private Ownership of Banks	5.0	5.0	5.0	5.0	5.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks					7.8	7.0	7.0	8.0
(iii) Extension of Credit to Private Sector	8.9	9.1	9.2	9.5	9.2	9.2	9.2	9.2
(iv) Avoidance of Negative Real Interest Rates	6.0	6.0	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
B. Regulation of Labor Markets	5.3	5.0	4.8	5.5	5.8	5.3	5.3	5.9
(i) Impact of Minimum Wage					7.1	4.6	4.6	4.6
(ii) Flexibility in Hiring & Firing				7.7	7.7	5.6	5.8	7.5
(iii) Collective Bargaining	6.2	6.2	6.2	6.2	6.2	7.8	7.7	7.8
(iv) Incentives from Unemployment Benefits	6.7	5.8	5.1	5.0	5.0	5.5	5.5	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
(i) Price Controls				7.0	6.0	7.0	6.0	7.0
(ii) Administrative Obstacles for New Businesses						7.3	4.3	5.3
(iii) Time Spent with Government Bureaucracy					8.3	9.1	7.3	7.3
(iv) Ease of Starting a New Business					6.6	7.7	6.2	7.5
(v) Irregular Payments to Government Officials					8.6	8.2	8.5	8.9

Syria

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	5.0 (49)	4.1 (91)	3.4 (106)	3.6 (106)	4.4 (109)	4.9 (112)	5.4 (105)	5.4 (103)
1. Size of Government	4.4	3.8	1.9	3.4	3.6	3.7	3.6	5.1
A. Government Consumption	4.7 (24.1)	4.2 (25.8)	3.9 (26.8)	6.8 (17.0)	7.1 (15.7)	7.5 (14.5)	7.3 (15.2)	7.3 (15.2)
B. Transfers & Subsidies	8.6 (5.5)	7.4 (10.2)						
C. Government Enterprises & Investment	0.0 (74.4)	0.0 (70.2)	0.0 (66.3)	0.0 (55.6)	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate								8.0
(i) Top Marginal Income Tax Rate								8.0 (28)
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights		1.8	3.1	3.0	4.9	5.1	5.1	5.1
A. Judicial Independence								
B. Impartial Courts					5.0	4.6	4.6	4.6
C. Protection of Intellectual Property								
D. Military Interference					6.5	3.3	3.3	3.3
E. Integrity of Legal System					4.1	8.3	8.3	8.3
3. Access to Sound Money	7.5	8.0	6.0	5.5	6.6	6.6	8.0	8.3
A. Growth of Money Supply	6.8 (16.1)	6.8 (15.8)	6.9 (15.5)	7.1 (14.5)	8.8 (5.8)	9.2 (4.2)	8.7 (6.7)	8.7 (6.7)
B. Inflation Variability	5.1 (12.3)	8.6 (3.6)	7.9 (5.2)	8.7 (3.1)	8.6 (3.5)	7.5 (6.3)	8.5 (3.8)	9.5 (1.1)
C. Recent Annual Inflation	8.2 (8.8)	6.5 (17.5)	9.2 (4.1)	6.1 (19.3)	8.9 (5.4)	9.9 (-0.5)	9.9 (0.4)	9.8 (1.0)
D. Freedom to Own Foreign Currency	10.0	10.0	0.0	0.0	0.0	0.0	5.0	5.0
4. Freedom to Trade Internationally	5.5	4.0	3.2	3.5	4.1	6.1	6.1	4.5
A. Taxes on International Trade	4.3	3.9	5.4	4.7	7.1	7.5	7.6	7.6
(i) Taxes as Percentage of Exports & Imports	4.3 (8.5)	5.3 (7.1)	6.3 (5.6)	8.1 (2.9)	7.1 (4.3)	7.5 (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)			
(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	4.9	4.8	2.1	4.4	5.3	5.0	5.0	5.0
D. Official versus Black Market Exchange Rate	9.8	3.0	0.0	0.0	0.0	10.0	10.0	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 & Business	2.7	2.7	2.8	2.7	2.8	2.7	3.9	3.9
A. Regulation of Credit Markets	0.7	0.8	0.9	0.8	0.9	0.8	4.0	4.1
(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	1.5	1.6	2.6	2.3	2.8	2.4	2.1	2.3
(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 & 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
(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

Summary Ratings (Rank) ▶	1975		1980		1985		1990		1995		2000		2001		2002	
	5.7 (29)		6.5 (16)		6.7 (17)		6.9 (16)		7.3 (22)		7.2 (28)		7.1 (30)		7.3 (22)	
1. Size of Government	5.1		5.0		4.9		5.4		6.1		6.2		6.2		6.2	
A. Government Consumption	5.4	(21.7)	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)
B. Transfers & Subsidies	10.0	(0.4)	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)
C. Government Enterprises & Investment	2.0	(46.1)	2.0	(44.3)	2.0	(43.0)	2.0	(44.3)	2.0	(47.2)	2.0		2.0		2.0	
D. Top Marginal Tax Rate	3.0		3.0		3.0		5.0		7.0		7.0		7.0		7.0	
(i) Top Marginal Income Tax Rate	3.0	(60)	3.0	(60)	3.0	(60)	5.0	(50)	7.0	(40)	7.0	(40)	7.0	(40)	7.0	(40)
(ii) Top Marginal Income & Payroll Tax Rate	3.0		3.0		3.0		5.0		7.0		7.0		7.0		7.0	
2. Legal Structure & Security of Property Rights	5.3		7.8		7.2		7.2		6.7		6.1		5.9		6.4	
A. Judicial Independence									5.5		5.3		5.0		6.2	
B. Impartial Courts									6.5		5.7		5.1		6.0	
C. Protection of Intellectual Property									5.9		6.1		6.0		6.7	
D. Military Interference									8.8		6.7		6.7		6.7	
E. Integrity of Legal System									7.0		6.7		6.7		6.7	
3. Access to Sound Money	7.1		7.9		9.4		9.0		9.7		9.5		9.7		9.7	
A. Growth of Money Supply	6.2	(19.0)	7.5	(12.5)	10.0	(-0.2)	7.4	(12.8)	9.6	(-2.0)	9.2	(-4.0)	9.6	(-2.1)	9.6	(-2.1)
B. Inflation Variability	3.1	(17.2)	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)
C. Recent Annual Inflation	9.0	(5.2)	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)
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 Trade Internationally	6.7		7.5		7.2		7.7		7.6		8.1		8.0		8.2	
A. Taxes on International Trade	6.8		7.6		8.1		8.3		8.6		8.0		8.1		8.1	
(i) Taxes as Percentage of Exports & Imports	6.8	(4.8)	7.6	(3.6)	8.1	(2.8)	8.6	(2.1)	8.9	(1.7)	9.1	(1.3)	9.1	(1.3)	9.1	(1.3)
(ii) Mean Tariff Rate							8.1		(9.7)		8.4		(8.0)		8.5	
(iii) Variability of Tariff Rates											6.7		(8.2)		6.8	
B. Regulatory Trade Barriers									7.3		8.2		8.0		8.5	
(i) Hidden Import Barriers									7.3		7.1		6.8		7.5	
(ii) Costs of Importing											9.3		9.2		9.5	
C. Size of Trade Sector	7.7		10.0		8.2		7.0		6.6		6.8		6.1		6.3	
D. Official versus Black Market Exchange Rate	9.0		9.8		9.4		10.0		10.0		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		5.0		5.7		7.6		7.6		8.2	
(i) Access to Foreign Capital									6.4		7.6		7.6		8.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		5.0		5.0							
5. Regulation of Credit, Labor & Business	4.5		4.5		5.0		5.4		6.1		6.1		5.8		5.8	
A. Regulation of Credit Markets	5.3		5.3		6.7		6.9		7.0		6.3		6.3		6.3	
(i) Private Ownership of Banks	0.0		0.0		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	
(iii) Extension of Credit to Private Sector	8.0		7.8		8.2		8.6		8.5		8.1		8.0		8.0	
(iv) Avoidance of Negative Real Interest Rates	8.0		8.0		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	
B. Regulation of Labor Markets							4.7		5.2		4.5		4.9		4.8	
(i) Impact of Minimum Wage									6.5		3.8		3.8		3.8	
(ii) Flexibility in Hiring & Firing							6.3		6.3		4.6		6.1		6.8	
(iii) Collective Bargaining							7.9		7.9		8.0		8.5		8.2	
(iv) Incentives from Unemployment Benefits							5.4		6.2		6.2		6.2		5.1	
(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	
(i) Price Controls							6.0		6.0		6.0		6.0		5.0	
(ii) Administrative Obstacles for New Businesses											7.6		4.1		5.2	
(iii) Time Spent with Government Bureaucracy									6.9		7.4		5.8		6.0	
(iv) Ease of Starting a New Business									7.5		7.6		7.1		7.3	
(v) Irregular Payments to Government Officials									4.5		8.1		7.6		8.0	

Tanzania

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.3 (59)	4.8 (72)	4.0 (95)	4.0 (101)	4.9 (93)	5.8 (85)	6.3 (67)	6.3 (68)
1. Size of Government	4.1	5.8	3.8	2.9	4.3	4.9	4.9	4.9
A. Government Consumption	6.2 (18.9)	7.5 (14.5)	6.4 (18.1)	6.7 (17.1)	7.0 (16.1)	9.6 (7.2)	9.7 (6.9)	9.7 (6.9)
B. Transfers & Subsidies	10.0 (0.1)	10.0 (0.0)	8.7 (5.2)					
C. Government Enterprises & Investment	0.0 (49.0)	0.0 (53.8)	0.0 (53.5)	0.0	0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate	0.0		0.0	2.0	6.0	5.0	5.0	5.0
(i) Top Marginal Income Tax Rate	0.0 (80)		0.0 (95)	3.0 (50)	8.0 (30)	7.0 (31)	7.0 (31)	7.0 (31)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (57)	4.0 (45)	3.0 (46)	3.0 (46)	3.0 (46)
2. Legal Structure & Security of Property Rights		6.1	5.8	5.2	5.4	6.1	6.1	5.9
A. Judicial Independence								6.0
B. Impartial Courts					5.8	5.8	5.8	5.0
C. Protection of Intellectual Property								3.3
D. Military Interference					7.8	6.7	6.7	6.7
E. Integrity of Legal System					4.1	8.3	8.3	8.3
3. Access to Sound Money	4.9	4.1	4.9	4.6	5.0	8.8	8.9	9.1
A. Growth of Money Supply	7.0 (15.1)	5.9 (20.3)	7.9 (10.4)	4.0 (30.0)	4.5 (27.6)	8.7 (6.4)	8.8 (5.9)	8.8 (5.9)
B. Inflation Variability	7.8 (5.6)	6.5 (8.7)	8.4 (3.9)	8.7 (3.3)	6.4 (9.1)	7.8 (5.4)	7.7 (5.7)	8.7 (3.3)
C. Recent Annual Inflation	4.8 (26.1)	4.0 (30.2)	3.3 (33.3)	5.6 (21.8)	4.2 (28.9)	8.8 (5.9)	9.0 (5.1)	9.1 (4.6)
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 Trade Internationally	4.0	3.7	2.9	3.7	6.0	5.5	5.6	5.7
A. Taxes on International Trade	5.1	4.9	4.7	4.5	5.3	5.0	5.0	5.0
(i) Taxes as Percentage of Exports & Imports	5.1 (7.3)	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)
(ii) Mean Tariff Rate			3.6 (32.0)	4.1 (29.7)	6.1 (19.5)	6.4 (18.2)	6.4 (18.2)	6.4 (18.2)
(iii) Variability of Tariff Rates					5.1 (12.3)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)
B. Regulatory Trade Barriers								5.3
(i) Hidden Import Barriers								4.3
(ii) Costs of Importing								6.3
C. Size of Trade Sector	6.5	5.2	1.5	5.9	6.7	3.7	4.0	4.0
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	9.8	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	0.8	0.8	4.2
(i) Access to Foreign Capital								8.4
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0
5. Regulation of Credit, Labor & Business	4.4	4.4	2.6	3.6	3.8	3.7	5.8	5.7
A. Regulation of Credit Markets	0.7	1.6	0.3	3.7	2.9	2.8	5.6	5.7
(i) Private Ownership of Banks	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
(ii) Competition from Foreign Banks								
(iii) Extension of Credit to Private Sector	1.3	0.9	0.9	7.2	4.7	4.5	5.8	6.1
(iv) Avoidance of Negative Real Interest Rates		4.0	0.0	4.0	4.0	4.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								6.8
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								4.0
(iii) Collective Bargaining								6.3
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription	10.0	10.0	0.0	0.0	0.0	0.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls				0.0	4.0	4.0	6.0	4.5
(ii) Administrative Obstacles for New Businesses								6.0
(iii) Time Spent with Government Bureaucracy								3.3
(iv) Ease of Starting a New Business								4.3
(v) Irregular Payments to Government Officials								4.0
								5.0

Thailand

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.8 (24)		6.1 (24)		6.1 (28)		6.7 (20)		7.1 (26)		6.7 (45)		6.7 (45)		6.7 (50)	
1. Size of Government	6.7		6.0		5.6		7.1		7.8		6.8		6.8		6.6	
A. Government Consumption	8.0	(12.9)	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)
B. Transfers & Subsidies	10.0	(0.6)	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)
C. Government Enterprises & Investment	6.0	(19.3)	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)
D. Top Marginal Tax Rate	3.0		3.0		2.0		4.0		7.0		7.0		7.0		6.0	
(i) Top Marginal Income Tax Rate	3.0	(60)	3.0	(60)	2.0	(65)	4.0	(55)	7.0	(37)	7.0	(37)	7.0	(37)	6.0	(37)
(ii) Top Marginal Income & Payroll Tax Rate							4.0 (55)		7.0 (37)		7.0 (37)		7.0 (37)		6.0 (37)	
2. Legal Structure & Security of Property Rights	4.6		6.5		5.8		6.4		5.4		6.0		6.2		6.5	
A. Judicial Independence									5.8		5.8		6.0		6.3	
B. Impartial Courts									3.8		4.7		4.9		5.8	
C. Protection of Intellectual Property									3.6		4.4		4.9		5.3	
D. Military Interference									7.0		6.7		6.7		6.7	
E. Integrity of Legal System									7.0		8.3		8.3		8.3	
3. Access to Sound Money	6.2		6.1		7.0		7.8		9.5		6.6		6.7		6.7	
A. Growth of Money Supply	9.0	(5.0)	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)
B. Inflation Variability	6.7	(8.4)	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)
C. Recent Annual Inflation	9.3	(3.5)	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)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		5.0		10.0		0.0		0.0		0.0	
4. Freedom to Trade Internationally	6.0		6.3		6.2		6.6		6.9		7.6		7.6		7.6	
A. Taxes on International Trade	4.0		4.5		4.7		3.2		4.6		6.6		6.6		6.6	
(i) Taxes as Percentage of Exports & Imports	5.3	(7.0)	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	(1.4)
(ii) Mean Tariff Rate	2.6	(37.0)	3.5	(32.3)	3.8	(31.2)	1.8	(40.8)	2.8	(36.0)	6.6	(17.0)	6.6	(17.0)	6.6	(17.0)
(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)	
B. Regulatory Trade Barriers									5.1		7.2		7.3		7.0	
(i) Hidden Import Barriers									5.1		5.7		5.8		5.7	
(ii) Costs of Importing											8.7		8.8		8.3	
C. Size of Trade Sector	6.0		7.9		6.7		9.5		10.0		10.0		10.0		10.0	
D. Official versus Black Market Exchange Rate	9.6		9.0		9.4		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		4.3		4.3		4.4	
(i) Access to Foreign Capital									7.3		7.0		7.0		7.2	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		2.0		1.5		1.5		1.5	
5. Regulation of Credit, Labor & Business	5.4		5.3		5.9		5.8		6.0		6.2		6.1		5.9	
A. Regulation of Credit Markets	7.8		6.7		8.7		8.3		7.3		7.0		7.0		7.0	
(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									5.6		3.8		3.8		3.8	
(iii) Extension of Credit to Private Sector	7.5		8.0		8.0		8.8		9.2		9.2		9.1		9.0	
(iv) Avoidance of Negative Real Interest Rates			4.0		10.0		8.0		10.0		10.0		10.0		10.0	
(v) Controls on Interest Rates									3.6		7.3		7.3		7.3	
B. Regulation of Labor Markets							5.0		5.4		6.3		6.6		6.2	
(i) Impact of Minimum Wage									5.8		3.9		3.9		3.9	
(ii) Flexibility in Hiring & Firing									7.0		4.6		5.4		5.5	
(iii) Collective Bargaining	7.9		7.9		7.9		7.9		7.9		6.5		6.9		5.8	
(iv) Incentives from Unemployment Benefits									6.3		6.5		6.5		5.7	
(v) Military Conscription	0.0		0.0		0.0		0.0		0.0		10.0		10.0		10.0	
C. Regulation of Business									5.4		5.3		4.7		4.6	
(i) Price Controls							4.0		5.0		3.0		4.0		2.0	
(ii) Administrative Obstacles for New Businesses											6.9		3.4		3.7	
(iii) Time Spent with Government Bureaucracy									6.8		4.0		3.0		4.8	
(iv) Ease of Starting a New Business									6.5		7.3		6.8		6.3	
(v) Irregular Payments to Government Officials									3.1		5.3		6.1		6.4	

Togo

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.2 (88)	5.6 (46)	4.9 (80)	4.6 (103)	5.1 (106)	5.2 (109)	5.1 (112)
1. Size of Government	2.0	1.6	6.4	3.4	3.9	4.4	4.4	4.4
A. Government Consumption	4.0 (26.3)	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)
B. Transfers & Subsidies			9.5 (2.4)					
C. Government Enterprises & Investment	0.0 (50.2)	0.0 (52.5)	2.0 (40.0)	0.0 (54.8)	0.0 (51.7)	0.0	0.0	0.0
D. Top Marginal Tax Rate								
(i) Top Marginal Income Tax Rate								
(ii) Top Marginal Income & Payroll Tax Rate								
2. Legal Structure & Security of Property Rights		3.3	4.2	4.5	4.7	3.7	3.7	3.7
A. Judicial Independence								
B. Impartial Courts					4.1	4.1	4.1	4.1
C. Protection of Intellectual Property								
D. Military Interference					3.9	1.7	1.7	1.7
E. Integrity of Legal System					7.0	5.0	5.0	5.0
3. Access to Sound Money	5.1	5.0	6.5	7.0	5.0	6.5	6.6	6.8
A. Growth of Money Supply	7.8 (11.1)	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 (-1.5)
B. Inflation Variability	3.3 (16.7)	5.6 (11.1)	8.0 (4.9)	9.4 (1.6)	4.5 (13.7)	7.8 (5.4)	7.9 (5.3)	8.2 (4.5)
C. Recent Annual Inflation	9.1 (-4.3)	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)
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 Trade Internationally	6.0	5.5	5.9	5.3		6.1	6.0	5.5
A. Taxes on International Trade	5.2	1.7	4.3	3.9		7.6	7.2	7.2
(i) Taxes as Percentage of Exports & Imports	5.2 (7.2)	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)
(iii) Variability of Tariff Rates							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	6.9	7.9	7.4	5.2	4.3	4.9	4.8	4.8
D. Official versus Black Market Exchange Rate	9.6	9.6	9.8	9.2	9.8	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 & Business		5.7	5.0	4.5	4.6	4.4	5.0	4.9
A. Regulation of Credit Markets	2.0	6.4	6.6	6.6	6.4	5.8	7.0	6.8
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	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
(iv) Avoidance of Negative Real Interest Rates		8.0	8.0	8.0	8.0	6.0	9.5	6.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription			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
(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

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	4.6 (57)		5.1 (64)		5.0 (72)		5.7 (50)		6.7 (39)		7.0 (37)		7.1 (30)		7.1 (31)	
1. Size of Government	3.6		5.4		3.8		6.3		6.0		5.9		6.6		6.9	
A. Government Consumption	5.2	(22.4)	5.6	(20.8)	3.1	(29.5)	6.8	(16.8)	6.7	(17.1)	5.6	(20.8)	6.7	(17.2)	6.7	(17.2)
B. Transfers & Subsidies			8.5	(6.0)	6.1	(14.9)	7.4	(10.0)	8.4	(6.2)	6.8					
C. Government Enterprises & Investment	2.0	(45.8)	2.0	(47.6)	2.0	(40.6)	4.0	(34.6)	4.0		4.0		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	
(i) Top Marginal Income Tax Rate					4.0	(50)	7.0	(35)	5.0	(38)	7.0	(35)	7.0	(35)	8.0	(30)
(ii) Top Marginal Income & Payroll Tax Rate							7.0	(35)	5.0	(38)	7.0	(35)	7.0	(35)	8.0	(30)
2. Legal Structure & Security of Property Rights			5.4		4.8		6.2		5.4		5.9		6.5		5.8	
A. Judicial Independence													7.1		7.0	
B. Impartial Courts									6.5		6.3		5.9		5.0	
C. Protection of Intellectual Property											5.3		4.6		3.8	
D. Military Interference									7.1		8.3		8.3		8.3	
E. Integrity of Legal System									4.1		6.7		6.7		5.0	
3. Access to Sound Money	3.9		4.0		5.9		6.0		8.6		9.1		9.1		9.4	
A. Growth of Money Supply	6.7	(16.4)	5.7	(21.4)	8.8	(5.8)	9.5	(2.7)	8.8	(6.2)	8.8	(5.9)	9.0	(4.9)	9.0	(4.9)
B. Inflation Variability	3.1	(17.3)	5.9	(10.3)	6.7	(8.3)	7.8	(5.5)	6.4	(9.0)	8.4	(4.0)	8.4	(4.0)	9.6	(1.0)
C. Recent Annual Inflation	6.0	(20.1)	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)
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 Trade Internationally	4.4		4.2		3.7		3.8		7.3		6.7		6.8		6.7	
A. Taxes on International Trade	8.3		7.9		6.4		6.1		7.0		5.4		5.6		5.6	
(i) Taxes as Percentage of Exports & Imports	8.3	(2.6)	7.9	(3.2)	6.2	(5.7)	8.2	(2.7)	8.9	(1.7)	3.2	(10.2)	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)	7.8	(11.2)
(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)
B. Regulatory Trade Barriers											6.2		7.4		7.1	
(i) Hidden Import Barriers											6.2		6.6		6.0	
(ii) Costs of Importing													8.2		8.1	
C. Size of Trade Sector	4.3		4.7		1.8		2.8		3.9		4.3		3.7		3.7	
D. Official versus Black Market Exchange Rate	1.4		0.2		2.2		2.0		9.4		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		8.0		7.5		7.5		7.4	
(i) Access to Foreign Capital											8.1		8.1		7.8	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		8.0		6.9		6.9		6.9	
5. Regulation of Credit, Labor & Business	6.4		6.5		6.8		6.1		6.3		7.2		6.3		6.4	
A. Regulation of Credit Markets	6.7		6.9		8.0		7.2		7.3		7.5		7.2		7.4	
(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											4.0		4.0		4.0	
(iii) Extension of Credit to Private Sector	8.4		8.8		8.1		7.7		7.8		8.6		8.1		8.0	
(iv) Avoidance of Negative Real Interest Rates					8.0		6.0		6.0		10.0		9.0		10.0	
(v) Controls on Interest Rates											6.8		6.8		6.8	
B. Regulation of Labor Markets											7.2		6.7		6.7	
(i) Impact of Minimum Wage											5.3		5.3		5.3	
(ii) Flexibility in Hiring & Firing											5.8		4.7		4.7	
(iii) Collective Bargaining											7.5		6.9		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											6.9		5.1		5.2	
(i) Price Controls							4.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.5		2.9		3.2	
(iii) Time Spent with Government Bureaucracy											7.7		4.8		5.8	
(iv) Ease of Starting a New Business											6.6		5.9		5.7	
(v) Irregular Payments to Government Officials											6.6		6.1		5.5	

Tunisia

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	4.8 (52)	5.0 (68)	4.8 (79)	5.4 (58)	6.0 (65)	6.1 (75)	6.4 (61)	6.3 (68)
1. Size of Government	5.2	4.2	4.4	5.1	5.2	5.3	5.3	5.3
A. Government Consumption	5.9 (19.8)	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)
B. Transfers & Subsidies	9.6 (1.9)	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)
C. Government Enterprises & Investment	0.0 (52.1)	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)
D. Top Marginal Tax Rate		2.0	2.0					5.5
(i) Top Marginal Income Tax Rate		2.0 (62)	2.0 (62)					7.0 (35)
(ii) Top Marginal Income & Payroll Tax Rate								4.0 (51)
2. Legal Structure & Security of Property Rights	3.3	4.9	3.5	3.5	5.7	6.4	6.9	6.9
A. Judicial Independence							6.6	6.3
B. Impartial Courts					6.7	7.0	6.7	6.8
C. Protection of Intellectual Property							6.4	6.2
D. Military Interference					8.1	6.7	6.7	6.7
E. Integrity of Legal System					4.1	8.3	8.3	8.3
3. Access to Sound Money	5.8	6.1	6.3	7.0	7.0	7.0	7.1	7.2
A. Growth of Money Supply	7.3 (13.3)	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)
B. Inflation Variability	6.9 (7.8)	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)
C. Recent Annual Inflation	9.0 (5.0)	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)
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 Trade Internationally	4.8	5.1	4.8	6.0	6.2	6.1	6.4	6.2
A. Taxes on International Trade	2.9	4.4	3.2	4.7	4.6	5.5	5.5	5.5
(i) Taxes as Percentage of Exports & Imports	2.9 (10.7)	4.0 (9.0)	1.1 (13.3)	3.7 (9.5)	4.0 (9.0)	7.6 (3.6)	7.6 (3.6)	7.6 (3.6)
(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)	3.9 (30.6)
(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)
B. Regulatory Trade Barriers							7.5	7.1
(i) Hidden Import Barriers							6.5	6.0
(ii) Costs of Importing							8.5	8.1
C. Size of Trade Sector	5.0	6.6	5.1	6.6	6.3	5.8	6.2	5.8
D. Official versus Black Market Exchange Rate	7.8	6.4	7.6	8.4	9.8	10.0	10.0	7.8
E. Restrictions on Capital Markets	0.0	0.0	0.0	2.0	2.0	0.8	0.8	4.7
(i) Access to Foreign Capital								8.6
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	2.0	2.0	0.8	0.8	0.8
5. Regulation of Credit, Labor & Business	4.9	4.7	5.0	5.4	5.7	5.6	6.1	6.0
A. Regulation of Credit Markets	5.7	4.9	5.6	7.3	7.6	7.4	8.1	8.1
(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	9.3	8.7	8.7	8.9	9.7	9.1	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
(v) Controls on Interest Rates								
B. Regulation of Labor Markets							3.8	3.9
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing							5.2	5.0
(iii) Collective Bargaining							3.2	3.7
(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
(i) Price Controls				4.0	6.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses							5.3	4.7
(iii) Time Spent with Government Bureaucracy							6.8	5.8
(iv) Ease of Starting a New Business							7.1	7.3
(v) Irregular Payments to Government Officials							7.0	6.8

Turkey

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	4.0 (65)		3.7 (98)		4.8 (79)		4.8 (84)		5.7 (72)		5.8 (85)		5.3 (106)		5.5 (100)	
1. Size of Government	4.7		4.4		4.9		5.8		6.9		7.1		6.7		7.0	
A. Government Consumption	7.1	(15.7)	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)
B. Transfers & Subsidies	8.5	(6.0)	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)
C. Government Enterprises & Investment	2.0	(47.1)	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)
D. Top Marginal Tax Rate	1.0		0.0		2.0		2.5		4.0		5.0		4.5		6.0	
(i) Top Marginal Income Tax Rate	1.0	(68)	0.0	(75)	2.0	(63)	4.0	(50)	4.0	(55)	6.0	(45)	5.0	(45)	6.0	(40)
(ii) Top Marginal Income & Payroll Tax Rate							1.0 (57)		4.0 (55)		4.0 (46)		4.0 (47)		6.0 (40)	
2. Legal Structure & Security of Property Rights	2.8		5.6		5.8		4.5		4.8		5.4		4.1		4.5	
A. Judicial Independence									5.5		5.3		3.3		4.5	
B. Impartial Courts									6.6		6.5		2.8		3.5	
C. Protection of Intellectual Property									4.3		3.4		2.8		3.0	
D. Military Interference									3.8		5.0		5.0		5.0	
E. Integrity of Legal System									4.1		6.7		6.7		6.7	
3. Access to Sound Money	4.8		0.5		2.3		3.3		3.2		3.6		3.6		4.0	
A. Growth of Money Supply	5.7	(21.6)	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)
B. Inflation Variability	7.6	(6.0)	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	(12.1)
C. Recent Annual Inflation	5.9	(20.5)	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)
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 Trade Internationally	3.3		3.7		5.6		5.0		7.2		7.2		7.1		6.9	
A. Taxes on International Trade	0.5		3.5		6.3		4.5		8.3		7.3		7.4		7.4	
(i) Taxes as Percentage of Exports & Imports	0.5	(14.3)	5.8	(6.3)	8.0	(3.0)	8.1	(2.8)	9.0	(1.5)	9.5	(0.7)	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)		8.3 (8.4)		8.3 (8.4)		8.3 (8.4)	
(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)	
B. Regulatory Trade Barriers									7.6		7.0		5.9		6.4	
(i) Hidden Import Barriers									7.6		5.6		4.8		5.3	
(ii) Costs of Importing											8.3		7.1		7.4	
C. Size of Trade Sector	0.0		0.0		4.0		2.8		4.8		5.7		6.5		5.9	
D. Official versus Black Market Exchange Rate	7.8		6.8		9.4		9.6		9.6		10.0		10.0		10.0	
E. Restrictions on Capital Markets	0.0		0.0		0.0		0.0		5.5		5.8		5.8		5.0	
(i) Access to Foreign Capital									9.0		9.3		9.3		7.6	
(ii) Restrictions on Foreign Capital Transactions	0.0		0.0		0.0		0.0		2.0		2.3		2.3		2.3	
5. Regulation of Credit, Labor & Business	4.5		4.4		5.2		5.1		6.1		5.7		4.9		5.0	
A. Regulation of Credit Markets	5.3		4.0		6.7		5.4		7.6		6.7		6.0		6.1	
(i) Private Ownership of Banks	8.0		8.0		8.0		8.0		8.0		8.0		5.0		5.0	
(ii) Competition from Foreign Banks									7.8		5.1		5.1		6.0	
(iii) Extension of Credit to Private Sector	5.9		4.0		4.0		6.2		7.3		4.3		3.6		3.4	
(iv) Avoidance of Negative Real Interest Rates	2.0		0.0		8.0		2.0		8.0		8.0		8.0		8.0	
(v) Controls on Interest Rates									6.8		8.2		8.2		8.2	
B. Regulation of Labor Markets							5.2		5.4		4.5		4.4		4.4	
(i) Impact of Minimum Wage									6.4		3.4		3.4		3.4	
(ii) Flexibility in Hiring & Firing									7.2		5.3		4.8		4.8	
(iii) Collective Bargaining			7.2		7.2		7.2		7.2		6.6		6.5		7.0	
(iv) Incentives from Unemployment Benefits									4.9		6.2		6.2		5.9	
(v) Military Conscription	0.0		0.0		0.0		1.0		1.0		1.0		1.0		1.0	
C. Regulation of Business									5.5		5.9		4.3		4.6	
(i) Price Controls							8.0		5.0		6.0		5.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.4		1.7		2.5	
(iii) Time Spent with Government Bureaucracy									6.2		5.2		6.5		5.3	
(iv) Ease of Starting a New Business									7.6		5.2		4.8		4.3	
(v) Irregular Payments to Government Officials									3.2		5.5		3.7		4.7	

Uganda

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		3.2 (104)	2.9 (109)	2.9 (113)	5.0 (92)	6.7 (45)	6.7 (45)	6.6 (51)
1. Size of Government			3.1	4.5	5.6	6.5	6.4	6.2
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)
B. Transfers & Subsidies						10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
C. Government Enterprises & Investment	2.0 (42.8)	2.0	2.0 (26.4)	2.0 (47.6)	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
(i) Top Marginal Income Tax Rate			0.0 (70)	3.0 (50)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (59)	4.0 (41)	5.0 (40)	5.0 (40)	4.0 (41)
2. Legal Structure & Security of Property Rights		2.8	2.9	2.4	4.3	4.6	4.6	4.3
A. Judicial Independence								4.5
B. Impartial Courts					5.5	4.4	4.4	4.3
C. Protection of Intellectual Property								2.8
D. Military Interference					3.7	3.3	3.3	3.3
E. Integrity of Legal System					4.1	6.7	6.7	6.7
3. Access to Sound Money	3.1	1.0	0.0	0.3	4.6	9.3	9.3	9.4
A. Growth of Money Supply	5.5 (22.5)	3.1 (34.4)	0.0 (76.2)	0.0 (410.0)	6.0 (20.2)	8.7 (6.3)	8.8 (6.0)	8.8 (6.0)
B. Inflation Variability	3.8 (15.5)	0.0 (33.8)	0.0 (40.8)	0.0 (52.4)	4.4 (14.1)	9.0 (2.5)	8.8 (2.9)	8.9 (2.7)
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)
D. Freedom to Own Foreign Currency	0.0	0.0	0.0	0.0	0.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	1.7	4.3	3.8	3.0	5.1	7.4	7.5	7.0
A. Taxes on International Trade	0.0	7.9	3.1	3.4	5.4	7.6	8.0	8.0
(i) Taxes as Percentage of Exports & Imports	0.0 (20.4)	7.9 (3.1)	2.3 (11.6)	2.8 (10.8)	3.2 (10.2)	6.9 (4.7)	7.9 (3.1)	7.9 (3.1)
(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 (8.2)
(iii) Variability of Tariff Rates					6.4 (9.1)		7.7 (5.7)	7.7 (5.7)
B. Regulatory Trade Barriers								5.3
(i) Hidden Import Barriers								4.3
(ii) Costs of Importing								6.3
C. Size of Trade Sector	0.0	5.5	2.4	1.3	2.5	2.6	2.9	2.9
D. Official versus Black Market Exchange Rate	0.0	0.0	5.0	2.0	9.4	10.0	10.0	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	0.0	8.5	8.5	8.7
(i) Access to Foreign Capital								9.0
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	0.0	8.5	8.5	8.5
5. Regulation of Credit, Labor & Business	5.4	4.7	4.7	4.5	5.2	5.6	5.6	5.8
A. Regulation of Credit Markets	3.8	2.6	2.6	3.2	4.3	5.0	5.0	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	5.7	5.8	5.7	7.7	6.9	5.1	4.1	3.6
(iv) Avoidance of Negative Real Interest Rates		0.0	0.0	0.0	4.0	8.0	9.0	9.0
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								8.3
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								6.7
(iii) Collective Bargaining								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
(i) Price Controls				0.0	4.0	6.0	6.0	6.0
(ii) Administrative Obstacles for New Businesses								3.2
(iii) Time Spent with Government Bureaucracy								3.3
(iv) Ease of Starting a New Business								5.7
(v) Irregular Payments to Government Officials								3.6

Ukraine

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶					3.4 (123)	4.7 (116)	5.0 (115)	5.3 (107)
1. Size of Government					1.8	3.4	3.1	3.3
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)	3.3 (28.9)
B. Transfers & Subsidies						5.6 (16.6)	6.3 (14.2)	6.3 (14.2)
C. Government Enterprises & Investment					0.0	0.0	0.0	0.0
D. Top Marginal Tax Rate						4.5	3.0	3.5
(i) Top Marginal Income Tax Rate						5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top Marginal Income & Payroll Tax Rate						4.0 (44)	1.0 (58)	2.0 (55)
2. Legal Structure & Security of Property Rights					4.3	4.8	4.2	4.4
A. Judicial Independence					6.1	3.2	2.0	2.3
B. Impartial Courts					4.3	3.5	2.1	2.5
C. Protection of Intellectual Property					1.2	2.4	1.9	2.3
D. Military Interference					5.7	8.3	8.3	8.3
E. Integrity of Legal System						6.7	6.7	6.7
3. Access to Sound Money				5.9	1.7	3.5	5.8	6.0
A. Growth of Money Supply						3.2 (34.1)	3.5 (32.3)	3.5 (32.3)
B. Inflation Variability					0.0 (1158.3)	1.5 (21.4)	6.9 (7.7)	5.7 (10.8)
C. Recent Annual Inflation				6.7 (16.3)	0.0 (415.5)	4.4 (28.2)	7.6 (12.0)	9.8 (0.8)
D. Freedom to Own Foreign Currency				5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally					6.3	7.0	6.8	7.3
A. Taxes on International Trade						7.6	7.6	7.6
(i) Taxes as Percentage of Exports & Imports						9.4 (1.0)	9.4 (1.0)	9.4 (1.0)
(ii) Mean Tariff Rate						7.9 (10.5)	7.9 (10.5)	7.9 (10.5)
(iii) Variability of Tariff Rates						5.6 (11.0)	5.6 (11.0)	5.6 (11.0)
B. Regulatory Trade Barriers					2.5	5.5	4.8	5.7
(i) Hidden Import Barriers					2.5	4.0	3.2	3.8
(ii) Costs of Importing						7.0	6.3	7.5
C. Size of Trade Sector				5.9	9.7	10.0	10.0	10.0
D. Official versus Black Market Exchange Rate	0.0	0.0	0.0	0.0	9.4	7.8	7.8	10.0
E. Restrictions on Capital Markets	0.0	0.0	0.0	0.0	3.4	4.3	4.0	3.4
(i) Access to Foreign Capital					4.9	7.1	7.1	6.0
(ii) Restrictions on Foreign Capital Transactions	0.0	0.0	0.0	0.0	2.0	1.5	0.8	0.8
5. Regulation of Credit, Labor & Business				3.5	3.2	4.6	4.9	5.5
A. Regulation of Credit Markets				0.0	1.8	4.6	5.5	6.9
(i) Private Ownership of Banks				0.0	0.0	0.0	2.0	5.0
(ii) Competition from Foreign Banks					3.2	3.9	3.9	8.0
(iii) Extension of Credit to Private Sector					1.7	8.4	8.6	8.6
(iv) Avoidance of Negative Real Interest Rates					0.0	6.0	8.0	8.0
(v) Controls on Interest Rates					4.0	4.9	4.9	4.9
B. Regulation of Labor Markets					5.1	4.3	5.9	5.9
(i) Impact of Minimum Wage					6.6	1.9	1.9	1.9
(ii) Flexibility in Hiring & Firing				5.8	5.8	6.3	5.6	6.0
(iii) Collective Bargaining					7.9	8.1	6.6	6.5
(iv) Incentives from Unemployment Benefits					5.4	5.3	5.3	5.3
(v) Military Conscription					0.0	0.0	10.0	10.0
C. Regulation of Business					2.6	4.7	3.2	3.5
(i) Price Controls				0.0	4.0	6.0	4.0	4.0
(ii) Administrative Obstacles for New Businesses						6.3	1.6	2.3
(iii) Time Spent with Government Bureaucracy					2.2	4.8	3.3	4.8
(iv) Ease of Starting a New Business					3.7	2.9	3.0	2.3
(v) Irregular Payments to Government Officials					0.6	3.8	4.3	4.1

United Arab Emirates

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ►		5.9 (26)	6.8 (16)	7.4 (7)	7.4 (17)	7.6 (15)	7.5 (17)	7.5 (16)
1. Size of Government	5.8	5.2	5.0	7.6	7.9	7.6	7.6	7.6
A. Government Consumption	1.6 (34.4)	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)
B. Transfers & Subsidies				9.8 (1.2)	9.9 (1.0)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)
C. Government Enterprises & Investment						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	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
(ii) Top Marginal Income & Payroll Tax Rate						10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure & Security of Property Rights		2.1	5.8	5.8	5.8	6.6	6.6	6.6
A. Judicial Independence								
B. Impartial Courts					6.9	7.5	7.5	7.5
C. Protection of Intellectual Property								
D. Military Interference					8.5	8.3	8.3	8.3
E. Integrity of Legal System					4.1	6.7	6.7	6.7
3. Access to Sound Money	8.1	7.9	9.3	9.6	9.4	9.1	9.1	9.1
A. Growth of Money Supply		5.5 (22.7)	9.8 (-0.9)	9.7 (1.5)	8.9 (5.5)	9.1 (4.4)	9.1 (4.4)	9.1 (4.4)
B. Inflation Variability		8.1 (4.8)	8.1 (4.8)	9.3 (1.7)		7.4 (6.4)	7.4 (6.4)	7.4 (6.4)
C. Recent Annual Inflation	6.2 (19.0)	8.2 (9.1)	9.1 (4.5)	9.2 (4.1)		10.0 (-0.1)	10.0 (-0.1)	10.0 (-0.1)
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 Trade Internationally	8.8	9.1	7.7	7.9		8.2	8.2	8.2
A. Taxes on International Trade	10.0	10.0	9.6	10.0		9.6	9.6	9.6
(i) Taxes as Percentage of Exports & 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)
(iii) Variability of Tariff Rates								
B. Regulatory Trade Barriers								
(i) Hidden Import Barriers								
(ii) Costs of Importing								
C. Size of Trade Sector	5.8	7.5	5.8	6.5	7.4	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	10.0	5.0	5.0	5.0	6.2	6.2	6.2
(i) Access to Foreign Capital								
(ii) Restrictions on Foreign Capital Transactions	10.0	10.0	5.0	5.0	5.0	6.2	6.2	6.2
5. Regulation of Credit, Labor & Business		5.3	6.2	6.4	6.3	6.5	6.2	6.2
A. Regulation of Credit Markets	7.0	6.9	6.2	6.5	6.4	6.9	7.0	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								
(iii) Extension of Credit to Private Sector	9.1	8.7	7.3	8.0	7.7	8.7	8.9	8.7
(iv) Avoidance of Negative Real Interest Rates								
(v) Controls on Interest Rates								
B. Regulation of Labor Markets								
(i) Impact of Minimum Wage								
(ii) Flexibility in Hiring & Firing								
(iii) Collective Bargaining								
(iv) Incentives from Unemployment Benefits								
(v) Military Conscription		3.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Regulation of Business								
(i) Price Controls				8.0	8.0	8.0	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								

United Kingdom

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	5.9 (21)		6.2 (21)		7.0 (11)		7.4 (7)		8.1 (6)		8.3 (5)		8.3 (3)		8.2 (3)	
1. Size of Government	3.0		3.4		4.4		5.9		5.7		6.2		6.6		6.8	
A. Government Consumption	3.9	(26.6)	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)
B. Transfers & Subsidies	6.0	(15.0)	5.8	(15.8)	5.3	(17.9)	6.1	(14.9)	5.3	(17.7)	5.6	(16.5)	6.3	(14.1)	6.3	(14.1)
C. Government Enterprises & Investment	2.0	(41.8)	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)
D. Top Marginal Tax Rate	0.0		0.0		2.0		5.0		5.0		6.0		5.0		6.0	
(i) Top Marginal Income Tax Rate	0.0	(83)	0.0	(83)	2.0	(60)	5.0	(40)	5.0	(40)	6.0	(40)	5.0	(40)	6.0	(40)
(ii) Top Marginal Income & Payroll Tax Rate							5.0 (40)		5.0 (40)		6.0 (40)		5.0 (40)		6.0 (40)	
2. Legal Structure & Security of Property Rights	8.3		7.0		6.7		7.7		8.8		9.3		9.2		9.0	
A. Judicial Independence									9.5		9.0		8.7		8.3	
B. Impartial Courts									8.9		9.0		8.5		8.3	
C. Protection of Intellectual Property									7.1		8.4		9.0		8.5	
D. Military Interference									8.8		10.0		10.0		10.0	
E. Integrity of Legal System									10.0		10.0		10.0		10.0	
3. Access to Sound Money	5.0		5.8		8.9		8.1		9.6		9.3		9.5		9.5	
A. Growth of Money Supply	8.0	(9.8)	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)
B. Inflation Variability	7.2	(7.0)	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	(0.5)
C. Recent Annual Inflation	4.7	(26.3)	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)
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 Trade Internationally	7.0		8.5		8.5		8.2		8.2		8.4		8.3		8.3	
A. Taxes on International Trade	8.8		8.9		9.1		8.4		8.6		9.1		9.0		9.0	
(i) Taxes as Percentage of Exports & Imports	9.5	(0.7)	9.5	(0.7)	9.6	(0.6)	9.6	(0.6)	9.6	(0.6)	9.7	(0.5)	9.8	(0.3)	9.8	(0.3)
(ii) Mean Tariff Rate	8.1	(9.4)	8.2	(8.8)	8.5	(7.5)	8.5	(7.4)	8.7	(6.7)	9.5	(2.4)	9.2	(3.9)	9.2	(3.9)
(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)	
B. Regulatory Trade Barriers									8.0		9.3		8.9		8.9	
(i) Hidden Import Barriers									8.0		9.0		8.2		8.3	
(ii) Costs of Importing											9.7		9.6		9.5	
C. Size of Trade Sector	5.8		5.3		5.5		4.5		4.9		4.6		4.4		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	2.0		10.0		10.0		10.0		9.4		9.1		9.1		9.2	
(i) Access to Foreign Capital									8.9		9.8		9.8		10.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		10.0		10.0		10.0		10.0		8.5		8.5		8.5	
5. Regulation of Credit, Labor & Business	6.0		6.0		6.6		6.8		8.3		8.1		7.7		7.4	
A. Regulation of Credit Markets	7.1		7.3		9.7		9.9		9.3		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	
(iii) Extension of Credit to Private Sector	7.3		8.0		9.1		9.8		9.7		9.9		9.9		9.8	
(iv) Avoidance of Negative Real Interest Rates	4.0		4.0		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	
B. Regulation of Labor Markets	6.8		6.7		6.8		7.2		7.2		6.9		7.1		6.7	
(i) Impact of Minimum Wage									6.7		4.6		4.6		4.6	
(ii) Flexibility in Hiring & Firing							7.4		7.4		4.9		6.1		5.5	
(iii) Collective Bargaining	5.2		5.2		5.2		6.2		6.2		8.6		8.2		7.8	
(iv) Incentives from Unemployment Benefits	5.1		4.8		5.2		5.4		5.9		6.5		6.5		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									8.4		8.1		6.8		6.2	
(i) Price Controls							9.0		9.0		8.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											7.9		4.4		3.3	
(iii) Time Spent with Government Bureaucracy									7.8		8.0		7.0		6.0	
(iv) Ease of Starting a New Business									8.1		7.7		7.5		7.2	
(v) Irregular Payments to Government Officials									8.7		9.0		9.0		8.7	

United States

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	7.3 (4)	7.5 (4)	7.7 (4)	7.9 (3)	8.3 (4)	8.6 (2)	8.3 (3)	8.2 (3)
1. Size of Government	4.8	5.2	6.0	6.7	6.9	7.6	7.3	7.4
A. Government Consumption	5.2 (22.2)	5.5 (21.2)	5.5 (21.5)	5.7 (20.8)	6.2 (19.0)	6.6 (17.6)	5.6 (21.0)	5.5 (21.3)
B. Transfers & Subsidies	7.1 (11.1)	7.2 (10.9)	6.7 (12.5)	6.7 (12.7)	6.3 (14.0)	6.7 (12.6)	6.8 (12.3)	6.7 (12.5)
C. Government Enterprises & Investment	7.0 (21.7)	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)
D. Top Marginal Tax Rate	0.0	0.0	4.0	6.5	7.0	7.0	7.0	7.5
(i) Top Marginal Income Tax Rate	0.0 (70-75)	0.0 (70-75)	4.0 (50-59)	7.0 (33-42)	7.0 (40-46)	7.0 (40-46)	7.0 (39-46)	8.0 (36-43)
(ii) Top Marginal Income & Payroll Tax Rate				6.0 (36-45)	7.0 (42-49)	7.0 (42-49)	7.0 (41-48)	7.0 (38-45)
2. Legal Structure & Security of Property Rights	7.9	8.3	8.3	8.3	8.8	9.2	8.7	8.2
A. Judicial Independence					8.3	8.0	7.9	7.8
B. Impartial Courts					8.5	9.0	8.0	7.7
C. Protection of Intellectual Property					7.8	9.1	9.1	8.7
D. Military Interference					9.2	10.0	8.3	8.3
E. Integrity of Legal System					10.0	10.0	10.0	8.3
3. Access to Sound Money	9.2	9.2	9.3	9.6	9.8	9.8	9.7	9.8
A. Growth of Money Supply	9.4 (3.1)	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)
B. Inflation Variability	9.3 (1.7)	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)
C. Recent Annual Inflation	8.2 (9.2)	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)
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 Trade Internationally	7.8	8.1	7.8	7.8	7.9	8.1	7.9	7.8
A. Taxes on International Trade	8.5	8.9	8.8	8.2	8.4	8.1	8.1	8.1
(i) Taxes as Percentage of Exports & Imports	9.0 (1.5)	9.3 (1.1)	8.9 (1.7)	9.0 (1.5)	9.2 (1.2)	9.4 (0.8)	9.4 (0.9)	9.4 (0.9)
(ii) Mean Tariff Rate	7.9 (10.3)	8.5 (7.3)	8.7 (6.6)	8.8 (6.2)	8.8 (5.9)	9.2 (4.0)	9.2 (4.0)	9.2 (4.0)
(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)
B. Regulatory Trade Barriers					7.8	8.8	8.5	8.2
(i) Hidden Import Barriers					7.8	8.1	7.7	6.8
(ii) Costs of Importing						9.5	9.4	9.6
C. Size of Trade Sector	4.2	5.4	4.0	4.6	4.9	5.1	4.6	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	8.0	8.4	8.2	8.2	8.4
(i) Access to Foreign Capital					8.8	9.5	9.5	9.8
(ii) Restrictions on Foreign Capital Transactions	8.0	8.0	8.0	8.0	8.0	6.9	6.9	6.9
5. Regulation of Credit, Labor & Business	6.7	6.8	6.8	6.8	8.2	8.2	7.8	7.7
A. Regulation of Credit Markets	8.8	9.5	9.5	9.6	9.0	9.1	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
(iii) Extension of Credit to Private Sector	8.3	8.5	8.4	8.9	8.8	9.4	9.5	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					8.1	8.7	8.7	8.7
B. Regulation of Labor Markets	7.8	7.7	7.7	7.7	7.5	7.2	7.3	7.3
(i) Impact of Minimum Wage					5.9	3.8	3.8	3.8
(ii) Flexibility in Hiring & Firing				7.1	7.1	6.7	7.0	7.3
(iii) Collective Bargaining	7.6	7.6	7.6	7.6	7.6	8.4	8.7	8.3
(iv) Incentives from Unemployment Benefits	5.9	5.6	5.6	6.0	6.7	7.0	7.0	6.9
(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
(i) Price Controls				9.0	9.0	8.0	8.0	7.0
(ii) Administrative Obstacles for New Businesses						7.9	4.0	4.0
(iii) Time Spent with Government Bureaucracy					7.5	8.2	6.5	6.8
(iv) Ease of Starting a New Business					8.4	8.4	8.1	8.0
(v) Irregular Payments to Government Officials					7.9	8.8	8.1	8.0

Uruguay

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶			5.9 (26)		6.0 (33)		6.2 (34)		6.1 (60)		6.6 (53)		6.8 (42)		6.8 (44)	
1. Size of Government	6.2		7.3		7.0		7.4		7.2		6.0		6.7		7.4	
A. Government Consumption	6.9	(16.6)	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)
B. Transfers & Subsidies	6.9	(11.8)	7.7	(9.1)	7.4	(10.0)	6.9	(12.0)	5.4	(17.3)	5.2	(18.1)	5.2	(18.1)	5.2	(18.1)
C. Government Enterprises & Investment	4.0	(34.9)	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)
D. Top Marginal Tax Rate	7.0		10.0		10.0		10.0		10.0		7.5		7.5		10.0	
(i) Top Marginal Income Tax Rate	7.0	(41)	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 & Payroll Tax Rate											5.0 (36)		5.0 (36)		10.0 (0)	
2. Legal Structure & Security of Property Rights			5.6		5.4		6.3		6.0		5.7		5.8		5.8	
A. Judicial Independence													7.1		6.3	
B. Impartial Courts									6.0		6.7		5.2		4.8	
C. Protection of Intellectual Property											5.5		4.1		4.5	
D. Military Interference									7.2		8.3		8.3		8.3	
E. Integrity of Legal System									7.0		5.0		4.2		5.0	
3. Access to Sound Money	2.5		3.8		3.6		3.8		3.9		8.4		8.9		8.7	
A. Growth of Money Supply	0.0	(60.5)	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)
B. Inflation Variability	0.0	(32.6)	5.3	(11.8)	1.9	(20.4)	5.0	(12.4)	1.1	(22.3)	6.0	(9.9)	7.4	(6.4)	7.5	(6.2)
C. Recent Annual Inflation	0.0	(66.0)	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)
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 Trade Internationally	7.2		6.9		7.4		7.3		7.4		6.8		6.7		6.6	
A. Taxes on International Trade	7.7		4.1		5.0		5.9		7.8		7.7		7.8		7.8	
(i) Taxes as Percentage of Exports & Imports	7.7	(3.4)	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)
(ii) Mean Tariff Rate					3.8 (31.0)		3.9 (30.5)		8.1 (9.3)		7.8 (11.1)		7.8 (11.0)		7.8 (11.0)	
(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)	
B. Regulatory Trade Barriers											6.3		6.8		6.9	
(i) Hidden Import Barriers											6.3		5.9		6.5	
(ii) Costs of Importing													7.7		7.4	
C. Size of Trade Sector	2.2		2.3		3.9		2.5		1.1		1.1		0.4		0.4	
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		10.0		10.0		10.0		10.0		8.7		8.7		7.9	
(i) Access to Foreign Capital											9.0		9.0		7.4	
(ii) Restrictions on Foreign Capital Transactions	8.0		10.0		10.0		10.0		10.0		8.5		8.5		8.5	
5. Regulation of Credit, Labor & Business			6.0		6.4		6.0		6.1		6.2		5.6		5.7	
A. Regulation of Credit Markets	5.0		5.5		7.0		7.0		6.6		6.5		6.3		6.3	
(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											6.3		6.3		7.0	
(iii) Extension of Credit to Private Sector					7.9		7.9		8.7		9.2		9.0		8.2	
(iv) Avoidance of Negative Real Interest Rates			6.0		8.0		8.0		6.0		6.0		5.0		5.0	
(v) Controls on Interest Rates											6.2		6.2		6.2	
B. Regulation of Labor Markets											5.9		5.5		5.8	
(i) Impact of Minimum Wage											2.6		2.6		2.6	
(ii) Flexibility in Hiring & Firing											4.1		2.7		2.7	
(iii) Collective Bargaining											6.9		6.9		7.8	
(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											6.1		5.0		5.0	
(i) Price Controls							4.0		6.0		6.0		6.0		6.0	
(ii) Administrative Obstacles for New Businesses											6.8		1.8		2.3	
(iii) Time Spent with Government Bureaucracy											6.5		5.8		5.5	
(iv) Ease of Starting a New Business											5.0		3.5		3.5	
(v) Irregular Payments to Government Officials											6.1		7.6		7.5	

Venezuela

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶	6.1 (17)	6.6 (14)	6.2 (25)	5.5 (52)	4.2 (115)	5.8 (85)	5.7 (91)	4.6 (118)
1. Size of Government	7.4	6.3	6.9	6.0	6.1	7.1	7.0	6.8
A. Government Consumption	6.2 (19.0)	6.6 (17.7)	7.5 (14.4)	8.3 (11.9)	9.0 (9.3)	8.8 (10.0)	8.4 (11.4)	8.4 (11.4)
B. Transfers & Subsidies	9.5 (2.3)	9.6 (2.0)	8.9 (4.5)	8.6 (5.8)	8.5 (6.0)	9.6 (1.8)	9.6 (1.8)	9.6 (1.8)
C. Government Enterprises & Investment	4.0 (33.6)	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)
D. Top Marginal Tax Rate	10.0	7.0	7.0	7.0	7.0	8.0	8.0	7.0
(i) Top Marginal Income Tax Rate	10.0 (20)	7.0 (45)	7.0 (45)	7.0 (45)	7.0 (34)	8.0 (35)	8.0 (34)	7.0 (34)
(ii) Top Marginal Income & Payroll Tax Rate				7.0 (45)	7.0 (34)	8.0 (35)	8.0 (35)	7.0 (35)
2. Legal Structure & Security of Property Rights	2.8	6.2	5.3	5.7	3.8	3.7	1.9	1.6
A. Judicial Independence					2.9	1.7	0.5	0.3
B. Impartial Courts					2.9	3.7	0.9	0.5
C. Protection of Intellectual Property					3.7	3.4	2.2	2.2
D. Military Interference					5.6	3.3	2.5	1.7
E. Integrity of Legal System					4.1	6.7	3.3	3.3
3. Access to Sound Money	6.9	7.3	8.3	4.4	1.9	5.6	7.6	6.1
A. Growth of Money Supply	4.8 (26.0)	7.3 (13.6)	7.3 (13.3)	6.1 (19.7)	3.9 (30.3)	5.5 (22.6)	7.4 (12.8)	7.4 (12.8)
B. Inflation Variability	4.0 (15.1)	7.0 (7.4)	7.9 (5.2)	0.0 (30.2)	3.8 (15.6)	0.0 (39.4)	5.4 (11.6)	6.4 (8.9)
C. Recent Annual Inflation	9.0 (5.1)	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)
D. Freedom to Own Foreign Currency	10.0	10.0	10.0	10.0	0.0	10.0	10.0	5.0
4. Freedom to Trade Internationally	8.0	8.1	5.3	6.8	5.2	7.2	7.0	4.3
A. Taxes on International Trade	7.5	8.0	3.7	4.2	7.8	7.7	7.7	7.7
(i) Taxes as Percentage of Exports & Imports	7.5 (3.7)	8.0 (3.0)	3.9 (9.1)	8.5 (2.2)	7.9 (3.1)	7.9 (3.1)	7.9 (3.1)	7.9 (3.1)
(ii) Mean Tariff Rate			3.4 (32.9)	3.9 (30.6)	7.3 (13.4)	7.5 (12.6)	7.5 (12.6)	7.5 (12.6)
(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)
B. Regulatory Trade Barriers					4.6	5.7	6.0	5.0
(i) Hidden Import Barriers					4.6	4.9	4.6	3.0
(ii) Costs of Importing						6.5	7.4	7.0
C. Size of Trade Sector	6.2	6.3	4.8	6.7	5.2	4.4	3.7	3.7
D. Official versus Black Market Exchange Rate	10.0	10.0	5.0	10.0	1.6	10.0	10.0	0.0
E. Restrictions on Capital Markets	8.0	8.0	5.0	5.0	6.9	8.1	7.8	5.1
(i) Access to Foreign Capital					8.7	9.4	9.4	7.2
(ii) Restrictions on Foreign Capital Transactions	8.0	8.0	5.0	5.0	5.0	6.9	6.2	3.1
5. Regulation of Credit, Labor & Business	5.2	5.0	5.4	4.6	4.0	5.2	5.1	4.4
A. Regulation of Credit Markets	7.4	6.1	6.9	4.6	4.7	6.0	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					7.6	6.2	6.2	6.2
(iii) Extension of Credit to Private Sector	9.8	9.3	8.8	5.7	2.7	7.7	7.8	7.1
(iv) Avoidance of Negative Real Interest Rates		4.0	4.0	0.0	0.0	2.0	10.0	10.0
(v) Controls on Interest Rates					5.4	6.0	6.0	6.0
B. Regulation of Labor Markets				3.9	4.3	4.0	3.8	2.8
(i) Impact of Minimum Wage					4.9	4.1	4.1	4.1
(ii) Flexibility in Hiring & Firing				4.4	4.4	4.6	3.2	1.0
(iii) Collective Bargaining	7.2	7.2	7.2	7.2	7.2	5.8	6.0	4.8
(iv) Incentives from Unemployment Benefits					5.0	5.7	5.7	4.3
(v) Military Conscription	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0
C. Regulation of Business					3.0	5.5	4.0	2.9
(i) Price Controls					0.0	5.0	6.0	0.0
(ii) Administrative Obstacles for New Businesses						6.4	1.2	1.0
(iii) Time Spent with Government Bureaucracy					5.3	6.2	5.3	6.5
(iv) Ease of Starting a New Business					4.6	4.7	3.0	2.8
(v) Irregular Payments to Government Officials					2.1	5.0	4.5	4.3

Zambia

	1975		1980		1985		1990		1995		2000		2001		2002	
Summary Ratings (Rank) ▶	4.7 (53)		5.1 (64)		4.0 (95)		3.3 (109)		4.8 (98)		6.6 (53)		6.7 (45)		6.6 (51)	
1. Size of Government	2.5		2.6		3.1		3.5		5.9		6.6		6.4		6.4	
A. Government Consumption	1.8	(34.0)	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)
B. Transfers & Subsidies	8.2	(7.0)	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)
C. Government Enterprises & Investment	0.0	(94.0)	0.0	(77.1)	0.0	(90.7)	0.0	(44.0)	0.0		0.0		0.0		0.0	
D. Top Marginal Tax Rate	0.0		0.0		0.0		0.0		7.0		8.0		8.0		8.0	
(i) Top Marginal Income Tax Rate	0.0	(70)	0.0	(70)	0.0	(80)	0.0	(75)	7.0	(35)	8.0	(30)	8.0	(30)	8.0	(30)
(ii) Top Marginal Income & Payroll Tax Rate																
2. Legal Structure & Security of Property Rights			6.1		4.0		3.7		5.9		5.9		5.9		5.4	
A. Judicial Independence									6.7		6.2		6.2		4.7	
B. Impartial Courts									4.8		4.9		4.9		4.3	
C. Protection of Intellectual Property									4.8		3.2		3.2		3.0	
D. Military Interference									6.3		8.3		8.3		8.3	
E. Integrity of Legal System									7.0		6.7		6.7		6.7	
3. Access to Sound Money	5.1		6.1		3.3		0.1		0.7		7.2		7.4		7.5	
A. Growth of Money Supply	7.9	(10.3)	8.4	(8.1)	6.3	(18.4)	0.0	(58.6)	0.0	(58.5)	5.5	(22.7)	5.5	(22.7)	5.5	(22.7)
B. Inflation Variability	5.1	(12.3)	8.2	(4.6)	5.0	(12.6)	0.4	(23.9)	0.0	(49.2)	8.4	(4.1)	8.4	(4.1)	9.1	(2.3)
C. Recent Annual Inflation	7.2	(-14.2)	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)
D. Freedom to Own Foreign Currency	0.0		0.0		0.0		0.0		0.0		10.0		10.0		10.0	
4. Freedom to Trade Internationally	5.7		5.7		5.1		4.8		6.7		7.9		8.0		7.6	
A. Taxes on International Trade	8.3		8.4		4.4		5.8		6.0		6.9		6.2		6.2	
(i) Taxes as Percentage of Exports & Imports	8.3	(2.6)	8.4	(2.4)	5.7	(6.4)	6.8	(4.8)	7.5	(3.8)	7.1	(4.3)	5.1	(7.3)	5.1	(7.3)
(ii) Mean Tariff Rate					3.0		(34.8)		4.9		(25.6)		7.1		(14.7)	
(iii) Variability of Tariff Rates									5.8		(10.6)		6.5		(8.8)	
B. Regulatory Trade Barriers															6.1	
(i) Hidden Import Barriers															5.5	
(ii) Costs of Importing															6.8	
C. Size of Trade Sector	10.0		10.0		8.7		8.1		8.1		5.2		6.3		6.3	
D. Official versus Black Market Exchange Rate	0.0		0.0		2.4		0.0		9.4		10.0		10.0		10.0	
E. Restrictions on Capital Markets	2.0		2.0		2.0		2.0		2.0		9.2		9.2		9.1	
(i) Access to Foreign Capital															9.0	
(ii) Restrictions on Foreign Capital Transactions	2.0		2.0		2.0		2.0		2.0		9.2		9.2		9.2	
5. Regulation of Credit, Labor & Business	5.4		5.3		4.4		4.2		4.7		5.6		5.7		5.9	
A. Regulation of Credit Markets	4.4		4.0		1.7		2.4		3.3		6.2		5.9		6.0	
(i) Private Ownership of Banks	2.0		2.0		2.0		2.0		5.0		5.0		5.0		5.0	
(ii) Competition from Foreign Banks																
(iii) Extension of Credit to Private Sector	7.1		6.1		3.1		5.2		5.0		5.6		4.7		5.0	
(iv) Avoidance of Negative Real Interest Rates	4.0		4.0		0.0		0.0		0.0		8.0		8.0		8.0	
(v) Controls on Interest Rates																
B. Regulation of Labor Markets															7.4	
(i) Impact of Minimum Wage																
(ii) Flexibility in Hiring & Firing															5.2	
(iii) Collective Bargaining															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															4.3	
(i) Price Controls							0.0		2.0		2.0		4.0		4.0	
(ii) Administrative Obstacles for New Businesses															3.2	
(iii) Time Spent with Government Bureaucracy															3.8	
(iv) Ease of Starting a New Business															5.8	
(v) Irregular Payments to Government Officials															4.7	

Zimbabwe

	1975	1980	1985	1990	1995	2000	2001	2002
Summary Ratings (Rank) ▶		4.7 (74)	4.6 (85)	4.8 (84)	5.4 (80)	4.3 (120)	3.4 (122)	3.4 (122)
1. Size of Government	4.6	4.9	3.5	4.1	5.0	4.7	4.7	4.7
A. Government Consumption	7.1 (15.8)	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)
B. Transfers & Subsidies		7.0 (11.4)	7.4 (10.0)	8.4 (6.2)	8.6 (5.7)	8.3 (6.6)	8.3 (6.6)	8.3 (6.6)
C. Government Enterprises & Investment	2.0 (39.3)	2.0 (32.5)	2.0 (53.6)	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
(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)
(ii) Top Marginal Income & Payroll Tax Rate				1.0 (60)	4.0 (45)	2.0 (53)	3.0 (46)	3.0 (46)
2. Legal Structure & Security of Property Rights		3.0	3.1	4.0	5.5	5.0	2.6	2.8
A. Judicial Independence					6.7	6.2	1.4	1.2
B. Impartial Courts					7.3	7.3	2.4	2.5
C. Protection of Intellectual Property					4.8	3.2	3.4	3.5
D. Military Interference					4.9	5.0	5.0	5.0
E. Integrity of Legal System					4.1	3.3	0.8	1.7
3. Access to Sound Money	5.7	6.3	6.2	5.6	4.9	2.8	1.8	1.6
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)	1.4 (42.9)
B. Inflation Variability	8.9 (2.7)	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 (41.0)
C. Recent Annual Inflation	8.1 (9.5)	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)
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 Trade Internationally		5.0	4.7	5.6	6.4	3.7	3.3	3.2
A. Taxes on International Trade	8.6	8.4	6.5	5.7	6.8	4.6	4.6	4.6
(i) Taxes as Percentage of Exports & Imports	8.6 (2.1)	8.9 (1.7)	4.7 (8.0)	3.9 (9.2)	5.4 (6.9)	5.1 (7.3)	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)	6.2 (19.0)	6.2 (19.0)
(iii) Variability of Tariff Rates				5.3 (11.8)		2.8 (17.9)	2.6 (18.6)	2.6 (18.6)
B. Regulatory Trade Barriers					3.7	5.9	5.3	5.0
(i) Hidden Import Barriers					3.7	5.2	5.0	3.7
(ii) Costs of Importing						6.5	5.6	6.3
C. Size of Trade Sector	6.4	6.1	5.2	5.1	8.3	5.5	3.9	3.9
D. Official versus Black Market Exchange Rate	0.0	0.0	1.6	7.0	9.8	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
(i) Access to Foreign Capital					5.1	5.0	5.0	4.8
(ii) Restrictions on Foreign Capital Transactions		2.0	2.0	2.0	2.0	0.0	0.0	0.0
5. Regulation of Credit, Labor & Business		4.3	5.5	4.8	5.3	5.4	4.5	4.6
A. Regulation of Credit Markets	2.0	4.5	4.7	5.6	5.8	6.0	5.2	5.5
(i) Private Ownership of Banks	2.0	2.0	2.0	2.0	5.0	8.0	8.0	8.0
(ii) Competition from Foreign Banks					4.8	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
(iv) Avoidance of Negative Real Interest Rates		6.0	8.0	8.0	8.0	6.0	2.0	3.0
(v) Controls on Interest Rates					4.5	3.0	3.0	3.0
B. Regulation of Labor Markets				3.6	6.0	4.9	4.8	4.9
(i) Impact of Minimum Wage					5.9	3.5	3.5	3.5
(ii) Flexibility in Hiring & Firing				3.4	3.4	1.6	1.3	1.3
(iii) Collective Bargaining				4.5	4.5	2.5	2.2	3.0
(iv) Incentives from Unemployment Benefits					6.4	6.8	6.8	6.8
(v) Military Conscription	3.0	1.0	10.0	3.0	10.0	10.0	10.0	10.0
C. Regulation of Business					4.0	5.2	3.7	3.5
(i) Price Controls				2.0	4.0	4.0	2.0	2.0
(ii) Administrative Obstacles for New Businesses						5.1	1.7	1.8
(iii) Time Spent with Government Bureaucracy					4.3	7.1	5.8	4.8
(iv) Ease of Starting a New Business					3.7	5.7	4.4	4.7
(v) Irregular Payments to Government Officials					3.9	4.1	4.7	4.3

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 enterprise and government investment received lower ratings. When there were few SOEs and government investment was generally less than 15% of total investment, countries were given a rating of 10. When there were few SOEs other than those involved in industries where economies of scale reduce the effectiveness of competition (e.g., power generation) and government investment was between 15% and 20% of the total, countries received a rating of 8. When there were, again, few SOEs other than those involved in energy and other such industries and government investment was between 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 the total.

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

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

- 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 included sub-national rates if applicable.

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

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

Sources: World Economic Forum (2003), *Global Competitiveness Report 2002–2003* (Oxford: Oxford University Press). World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford University Press).

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

Sources: World Economic Forum (2003), *Global Competitiveness Report 2002–2003* (Oxford: Oxford University Press). World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford University Press).

Kaufmann, Daniel, Aart Kraay, and Pablo Zoido-Lobaton (2002). "Governance Matters II: Updated Indicators for 2000/01," World Bank Policy Research Working Paper No. 2772, <<http://www.worldbank.org/wbi/governance/govdata2001.htm>>. This project creates an aggregated measure of governance based on an array of different indicators from different sources in six different areas: Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. We used the 1997/98 and 2000/01 Rule of Law estimates to fill in gaps in our Component 2-B (Impartial Courts) for 1995 and 2000, respectively.

C Protection of intellectual property

Sources: World Economic Forum (2003), *Global Competitiveness Report 2002–2003* (Oxford: Oxford University Press). World Economic Forum (2001), *Global Competitiveness Report 2001–2002* (Oxford: Oxford University Press).

D Military interference in rule of law and the political process

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

Sources: PRS Group, *International Country Risk Guide* (various issues). Kaufmann, Daniel, Aart Kraay and Pablo Zoido-Lobaton (2002). "Governance Matters II: Updated Indicators for 2000/01," World Bank Policy Research Working Paper No. 2772, <<http://www.worldbank.org/wbi/governance/govdata2001.htm>>. This project creates an aggregated measure of governance based on an array of different indicators from different sources in six different areas: Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. We used the 1997/98 and 2000/01 Political Stability estimates to fill in gaps in our Component 2-D (Military Interference) for 1995 and 2000, respectively.

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

C Recent inflation rate

Generally, the CPI was used as the measure of inflation for this component. The 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), with updates from International Monetary Fund, *International Financial Statistics* (various issues).

D Freedom to own foreign currency bank accounts domestically and abroad

When foreign currency bank accounts were permissible without restrictions both domestically and abroad, the rating was 10; when these accounts were restricted, the rating was zero. If foreign currency bank accounts were permissible domestically but not abroad (or vice versa), the rating was 5.

Sources: International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues) and Currency Data and Intelligence, Inc., *World Currency Yearbook* (various issues).

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

Sources: World Economic Forum (2003), *Global Competitiveness Report 2002–2003* (Oxford: Oxford University Press). World Economic Forum (2001), *Global Competitiveness Report 2001–2002* (Oxford: Oxford University Press).

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

Sources: World Economic Forum (2003), *Global Competitiveness Report 2002–2003* (Oxford: Oxford University Press). World Economic Forum (2000), *Global Competitiveness Report 2000* (Oxford: Oxford University Press).

C Actual size of trade sector compared to expected size

Regression analysis was used to derive an expected size of the trade sector based on the population and geographic size of the country and its location relative to the concentration of world GDP. The exact methodology is available from the authors upon request. 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.

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

D Difference between official exchange rate and black-market rate

The formula used to calculate the zero-to-10 ratings for this component was the following: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i is the country's black-market exchange rate premium. The values for V_{\min} and V_{\max} were set at 0% and 50%, respectively. This formula will allocate a rating of 10 to countries without a black-market exchange rate; *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 (2003) *Global Competitiveness Report 2003–2004* (Oxford: Oxford University Press). 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 (2001) *Global Competitiveness Report 2001–2002*. (Oxford: Oxford University Press).

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

The IMF reports on 13 different types of capital controls. This component is based on the number of capital controls levied. The 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 to-

talled 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 totalled 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.

		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

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>.

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%).

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

iv Avoidance of interest rate controls and regulations that lead to negative real interest rates

Data on credit-market controls and regulations were used to construct rating intervals. Countries with interest rates determined by the market, stable monetary policy, and positive real deposit and lending rates received higher ratings. When interest rates were determined primarily by market forces and the real rates were positive, countries were given a rating of 10. When interest rates were primarily market-determined but the real rates were sometimes slightly negative (less than 5%) or the differential between the deposit and lending rates was large (8% or more),

countries received a rating of 8. When the real deposit or lending rate was persistently negative by a single-digit amount or the differential between them was regulated by the government, countries were rated at 6. When the deposit and lending rates were fixed by the government and the real rates were often negative by single-digit amounts, countries were assigned a rating of 4. When the real deposit or lending rate was persistently negative by a double-digit amount, countries received a rating of 2. A zero rating was assigned when the deposit and lending rates were fixed by the government and real rates were persistently negative by double-digit amounts or hyperinflation had virtually eliminated the credit market.

Source: International Monetary Fund, *International Financial Statistics Yearbook* (various issues, as well as the monthly supplements).

- v Interest rate controls—interest rates on bank deposits and/or loans are freely determined by the market

Sources: World Economic Forum, *Global Competitiveness Report* (various issues). This particular component was not presented in the 2001 GCR publication only due to space constraints but the data were provided to us directly from the World Economic Forum.

B Labor market regulations

- i Impact of minimum wage—the minimum wage, set by law, has little impact on wages because it is too low or not obeyed

This component is based on two survey responses obtained from the *Global Competitiveness Report 2001–2002*. The first question, which was not presented in the GCR publication 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 (2001), *Global Competitiveness Report 2001–2002* (Oxford: Oxford University Press).

- 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 (2003), *Global Competitiveness Report 2002–2003* (Oxford: Oxford University Press). This particular component was not presented in the 2001 GCR publication only due to space constraints but the data were provided to us directly from the World Economic Forum.

- iv Unemployment benefits—the unemployment benefits system preserves the incentive to work

Source: International Institute for Management Development (IMD), *World Competitiveness Yearbook* (various issues). World Economic Forum, *Global Competitiveness Report* (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 households, a rating of 4 was given. When price controls applied to a significant number of products in both agriculture and manufacturing, the rating was 2. A rating of zero was given when there was widespread use of price controls throughout various sectors of the economy.

Sources: IMD, *World Competitiveness Report* (various issues); Price Waterhouse, *Doing Business in ...* publication series; World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994); 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., and W. Mark Crain (1999). "Institutional Distortions, Economic Freedom, and Growth." Draft manuscript (April). James M. Buchanan Center for Political Economy.

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 the 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, de-

fined 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.

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 Slottje’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.

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.

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.

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.

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 (forthcoming). “Two Freedoms, Economic Growth and Development: An Empirical Study.” *Public Choice*.

“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.

