

Economic Freedom of the World

2007 Annual Report

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Economic Freedom Network

2007

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The full data set, including all of the data published in this report as well as data omitted due to limited space, can be freely downloaded at <<http://www.freetheworld.com>>. If you are using the data across time periods, it would be better to use the chain-link series presented in Chapter 1, exhibit 1.5, and available at the website, for reasons outlined in that chapter. If you have any difficulties downloading the data, please feel free to contact us via e-mail to freetheworld@fraserinstitute.ca or via telephone at +1.604.714.4563.

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Acknowledgments

As always, we are grateful for the continued intellectual and financial assistance of The Fraser Institute. The Economic Freedom of the World project lost a great friend in Milton Friedman this year; we are honored to continue this work as a small part of his legacy in the promotion of the principles of economic freedom. Without the assistance and guidance of both Michael Walker, President of The Fraser Institute Foundation, and Milton Friedman, this project would never have gotten off of the ground. We are also thankful for the support of Mark Mullins, Executive Director of The Fraser Institute.

The members of the Economic Freedom Network again provided valuable support for this report. Our thanks also go to Kathy Makinen at the DeVoe Moore Center of Florida State University; and to Fred McMahon and Amela Karabegović at The Fraser Institute who continue to provide tremendous support in managing the overall project and in keeping us on top of our deadlines. We are grateful for their hard work on the project. Very special thanks go to Joshua Hall of Beloit College for his valuable assistance with this year's data revisions and updates. We are pleased to welcome Josh to the project.

James Gwartney & Robert Lawson

Dedication to Milton Friedman

The Greatest Economist of the Twentieth Century

I remember getting an invitation to participate in a 1989 conference focusing on how to develop a measure of economic freedom. The idea struck me as an impossible task but the invitation was from Milton Friedman. Thus, I quickly fired back my acceptance letter. Eventually, this led to a major highlight of my career, the opportunity to work with Milton Friedman on the development of a cross-country measure of economic freedom.

Milton Friedman is the godfather of the Economic Freedom of the World project and it could not have been undertaken without his leadership and direction. During the early development conferences, two things made a vivid impression on me. First, Milton was convinced that despite the complex and multidimensional nature of economic freedom, it could be measured. Moreover, it was important to do so. He told conference participants that social scientists at the University of Chicago often argued, “If you can’t measure it, measure it anyway.” His insights provided inspiration that a reasonably good measure of economic freedom could be developed.

Second, Milton was constantly reminding us that our goal was the development of a scientific instrument. To the fullest extent possible, the measure needed to be based on objective data. We did not want our subjective views to influence the rating of any country. We wanted to develop an index that others could replicate and that even those who disagreed with us would use as a research tool.

Long before the EFW Project, Milton Friedman had exerted a major impact on my views. I began studying economics in the early 1960s. It is difficult for anyone under age 50 to visualize the academic dominance of Keynesian macroeconomics and interventionist policies during that era. If you wanted to get an academic job or promotion and tenure at most of the leading American universities, it was not a good idea to challenge the dominant view. Against this background, Milton Friedman was a voice in the wilderness and he took considerable abuse for it. According to the dominant view of the 1960s,

- ◆ planned deficits during recessions and surpluses during periods of inflation would promote unprecedented stability;
- ◆ monetary policy was impotent and totally incapable of combating a recession; and
- ◆ there was a trade-off between inflation and unemployment: if we were willing to tolerate a little inflation, the unemployment level could be maintained at 3% or less.

Furthermore, macroeconomists were not the only ones in love with government planning. Most mainstream economists of the 1960s, particularly those at elite schools like Harvard, Yale, and MIT, favored central planning on a much larger scale. The students of the 1960s were told that if the United States and other market economies wanted to keep up with the Soviet Union, they must recognize the attractiveness of government planning and emulate, perhaps with an American twist, the successes of the Soviet system.

Except for a few enclaves like the University of Chicago, these views dominated the economics profession when I entered graduate school in 1962. Milton Friedman challenged every one of them and, over the course of the next two decades, the power of his intellectual skills and scholarly work almost single-handedly transformed the profession. His *Monetary History of the United States* (1963) with Anna Schwartz presented powerful evidence that monetary policy not only mattered, but was the major source of economic instability. The chapter on the Great Contraction illustrated that the Great Depression was primarily, if not exclusively,

the result of perverse monetary policy by the Federal Reserve rather than a defect of market economies. In his 1967 presidential address to the American Economic Association, Friedman summarized the link between perverse monetary policy and instability in the following manner: “Every major contraction in this country has been either produced by monetary disorder or greatly exacerbated by monetary disorder. Every major inflation episode has been produced by monetary expansion.”

Friedman’s empirical work with David Meiselman found that changes in monetary policy had a greater impact on total demand and growth than budget deficits. In other words, their work indicated that monetary policy was more potent than fiscal policy as a source of demand stimulus. Early on, Friedman recognized the nonsense of the Phillips Curve, the theory that inflation could be used to reduce the unemployment rate. He correctly noted that once people come to expect the inflation, the alleged trade-off between inflation and unemployment will dissipate. Further, an economy that follows inflationary policies in an effort to reduce unemployment will soon be plagued by both. The so-called “stagflation” of the 1970s illustrated his point.

History has confirmed the validity of Friedman’s views on the potency of money, the absence of the trade-off between inflation and unemployment, and the ineffectiveness of fiscal policy as a stabilization tool. Even his critics, albeit sometimes grudgingly, now admit that Friedman was right.

Milton Friedman had an uncanny ability to connect with both the general public and the brightest in his field. He knew how to state his position with clarity, zeal, and diplomacy. He was able to disagree without being disagreeable. Friedman was a superb debater and he refused to allow others to use emotionally charged words to gain advantage. When Friedman was a member of the Presidential Commission appointed by President Nixon in 1969 to study how the military draft might be eliminated, General William Westmoreland, who had been the commander of the troops in Vietnam and was Chief of Staff of the US Army at the time, told the commission that he did not want to command an army of mercenaries. Friedman stopped him and asked, “General, would you rather command an army of slaves?” General Westmoreland retorted, “I don’t like to hear our patriotic draftees referred to as slaves.” Friedman shot back that he did not like to hear a volunteer army referred to as mercenaries: “If they are mercenaries, then I, sir, am a mercenary professor, and you, sir, are a mercenary general; we are served by mercenary physicians, we use a mercenary lawyer, and we get our meat from a mercenary butcher.” That was the last the Commission heard from the general about mercenaries.

It is difficult to over-estimate the impact of Milton Friedman. He was the leading architect of the case for a volunteer military. In recent years, several other countries have followed the lead of the United States and eliminated the draft. Monetary policy throughout the world now focuses on control of the money supply and achieving price stability. The economies of Chile, China, India, and eastern European countries are now considerably more free than was true two decades ago. Mart Laar, twice selected as Prime Minister of Estonia, confirmed that he had read only one economics book, *Free to Choose*, when he assumed the leadership of his country. He thought that the book represented the views of all economists and used the ideas as a road map for his policy initiatives. The result: Estonia now has the fastest growing economy among the former Soviet bloc countries. The world is more prosperous and more free because of the life of Milton Friedman.

Friedman was a scholar’s scholar but capable of communicating complex ideas in an understandable manner. In my judgment, he was the greatest economist of the twentieth century—perhaps the greatest ever.

James Gwartney

To Change the World

As news of my friend's death spread around the globe, people sought to distill the effect Milton Friedman has had on the world: journalists looking for the best 700 words to capture the essence of the man; television channels scrambling, as they usually are, to find a "visual" to represent the event to their viewers. Of course, for most people in the world, the very best way to see the effect of Milton Friedman is to simply look around. From Mongolia to Manitoba, from Reykjavik to Cape Town, from Sydney to Beijing, and in every nook and cranny of the former Soviet Union, the ideas of Milton Friedman inform and enthuse the economic policies that are transforming the world and eradicating poverty at an unprecedented pace. *Free to Choose*, the book that developed from a television series of the same name, written by Milton and his brilliant wife Rose, has been the handbook for reformers in dozens of languages.

You can't really think about Milton without thinking about Rose, who has been the enabler, the critic, the instigator, the radical, and the moderator of their very joint effort to change the world. Rose made everyone more relaxed in approaching what was undoubtedly one of the greatest intellects in the history of the human race. The last time I was with Milton and Rose, two weeks before his death and the day before he entered hospital for the declining heart function that would end his life, he was as he had always been, curious, cheerful, combative and resolute. The occasion was a meeting about the Milton and Rose D. Friedman Foundation of which I am privileged to be a director. The business of the Foundation was dealt with efficiently and well but its conduct did not preclude us from having, in passing, a debate about the merits of "naked short selling." Our debate was about whether those who sell stock short ought to be required to cover their short sales by borrowing stock. Or whether stock markets should in that regard be like currency markets and commodity markets.

The debate reminded me that one of Milton's contributions to the world was his advice to the creators of the Chicago Mercantile Exchange, which is now one of the world's largest stock and commodity markets. The Founder of the Exchange commissioned Milton to do a paper on Futures Markets and the ideas in that 1971 paper played a key role in persuading both the founders and public officials about the merits of establishing such an exchange. In fact, the founder of the futures market at the exchange, Leo Melamed, has noted that public officials who at first were skeptical of the idea abandoned their skepticism when they found out that Milton Friedman was in favor of the idea.

This crucial intellectual contribution to what has become the world's largest financial exchange is just one indication of the fact that Milton Friedman was a polymath. Students of statistics first encounter him when they calculate an F test for Ranked data. Economic students recognize him for his original contributions to most of the theoretical underpinnings of both macro and micro-economics, from the theory of capital to the functioning of exchange rates, to the conditions of equilibrium in the labor market and, of course, the understanding of how consumption behavior and the demand for cash balances interact to spread monetary shocks through the economy. Central Bankers pay him homage daily as they monitor the inflation rate as an indicator of monetary policy. "Inflation is always and everywhere a monetary phenomenon," Milton's monetarist mantra, was not always the touchstone of monetary policy. In fact many, such as Canadian economist John Kenneth Galbraith, believed that inflation was caused by wage and other cost pressures and that the cure was wage and price controls.

While Ken and Milton were friendly acquaintances during the 1970s, that is no surprise since Milton was friendly to everybody, both the many who opposed his ideas and the few who embraced them. That is how he survived for 30 years while the world was foolishly imbibing socialist ideas. While people may not have agreed with him, they had to admit that he was a nice guy. The only people who had anything to fear were those who came to his Money Workshop at the University of Chicago with a half-baked idea—particularly one that had already been discussed in a previous paper.

One of the most endearing characteristics of this gentle intellectual giant was his humanity. His concern not to embarrass the askers of silly questions. His care to treat every person with respect even when they assailed him for his views. A great tennis player until he was in his mid-eighties, he was also a good skier and, he once sheepishly admitted to me, he'd like to learn in-line skating! He also did handwriting analysis as a parlour trick and ice breaker to make others feel more comfortable in social settings.

Professor Friedman's contributions to economic understanding were driven by his ambition to change the world. He was a student of history as well as a creator of it and acutely aware of the extent to which human suffering and underachievement were the unintended consequence of well meaning but incorrect policy. As early as the late 1950s, he began to lecture about the connections between human achievement and economic freedom. His book with Rose, *Capitalism and Freedom*, was an early statement of what was to become the comprehensive world view of libertarian economists. It was also what led Milton, Rose, and me to initiate in 1984 the process that created the Economic Freedom of the World index, which is now released annually by a network of institutes dedicated to promoting economic freedom in more than 70 countries and has inspired intracountry indices in China, India, the Arab world, North America, Europe, and Argentina.

While Milton and Rose have often been described as advocates of a free market, they were first investigators of how economic process worked. They wanted to know how markets for education and health care worked and that led them to favor vouchers and certification to ensure the effective delivery of these crucial services. Their support for educational choice through vouchers is currently expressed in the activities of the Milton and Rose D. Friedman Foundation.

They observed the ineffectiveness and wastefulness of public spending and the dearth of solutions to the problems that were the objectives of the public spending. Better, they concluded, to reduce taxes and have people spend their own money on the things they thought were important. Today these ideas are taken as obvious as governments around the world move closer to a Friedman-style model for public finances. But 40 years ago, they were regarded as quirky and unrealistic. Moreover, with full-blown Keynesian beliefs widespread in the capitals of the leading nations, Friedman was considered a pariah. Fortunately, this did not have any effect on his determination to show that the consensus view was incorrect and ineffective.

While Milton would reject the use of the term, national leaders from Premier Zhao Ziyang in China to Prime Minister Davíð Oddsson in Iceland would testify that Milton was a great missionary. And, he made many excursions to Canada to convert the northern socialists. His first, with Rose in 1940, was nearly his last as the convertible car in which they were traveling rolled off the highway between Banff and Jasper Alberta. In 1982, a trip with Rose to meet with then Premier William Bennett helped to produce a dramatic program of economic reform comparable to the performances by Roger Douglas in New Zealand and Margaret Thatcher in the United Kingdom, a program that swept across Canada. During his last trip just over a year ago, he was mobbed like a rock star by young people wanting his autograph. But his influence in Canada did not always require a visit. In 1971, when I was advising the Governor of the Bank of Canada on the conduct of Monetary Policy, it was Milton's ideas that informed our attempts to determine how to read the dial of monetary policy and eventually shaped that policy.

As a Jew, Milton Friedman was acutely aware that the freedom to engage in commerce, particularly for minorities and those who are preyed upon by governments, is the right that preserves life itself. He was puzzled by the fact that many Jews were ill disposed toward the market in spite of the fact that it had been the difference between life and death for so many of their predecessors. In the end, those whose religion, skin color, or ethnicity made them the object of government pogroms of one sort or another could survive only if they could find refuge in the fact that their freedom to trade, truck, and barter was not curtailed. This economic freedom Friedman regarded as the basis for all other freedoms.

While of course Milton Friedman continued to contribute to public debate in a wide range of areas until the very end, his last major policy project was to help with the creation of the Economic Freedom of the World index. As a co-chair with Rose Friedman and myself of all of the academic conferences that together created the intellectual capital upon which the Economic Freedom of the World index is based, Milton actively participated in the construction of the methodology of the index. I shall never forget the conference that we held in Sea Ranch California near the Friedmans' country home, which is documented in the volume, *Rating Global Economic Freedom*, edited by Stephen Easton and me.

During the course of one day's meeting, Milton assigned to each of the participants the task of ranking a group of countries from one to 10 in the extent to which they were economically free. We all dutifully complied and this produced a series of rankings of the countries. I had been staying at the Friedmans' house and early the next morning I arose to find Milton studiously typing the rankings into his computer so as to be able to make

a report to the gathering that morning about the findings. Of course, it was not the first time that I had seen Milton roll up his sleeves and get busy with the details of constructing a database but what was striking was the relish and enthusiasm that he brought to the task in spite of its mundane nature. Two things explained that enthusiasm. The first was his unquenchable thirst to know why and the necessarily coupled need to measure. But the second reason was that Milton Friedman, just like Rose, cared passionately about the achievement of economic freedom at higher levels and in every corner of the world. And he believed that one of the key ways to achieving that broadening and deepening of economic freedom was a careful program of measuring it.

In a curious way, we will not miss Milton Friedman. The main reason is that he is ever present in the ideas and policies with which we are surrounded. In fact, it is difficult to avoid him. For those of us who are engaged in the studying the impact of ideas he will always be our companion—encouraging us to be bold in our defense of economic freedom, counseling us to be tolerant of those who have not yet had the gift of understanding about these ideas, urging us to spread the word about the great power of markets and the unintended consequences that result from ignoring or attempting to subvert the inexorable force of incentives on behavior.

But I shall miss him nonetheless. I shall miss his sage counsel, which he happily gave. I shall miss his encouragement and enthusiasm, which knew no bounds. I shall miss his effervescent optimism, which was as reassuring as it was infectious. But most of all I shall miss our conversations about economic issues and economic freedom from which I always learned something new and in which I always felt privileged to be included. Thank you Milton for all that you gave to us and to the countless generations not yet born who will benefit from your wisdom and your teachings.

I believe the continuing effort to measure economic freedom in the world, of which the present volume is the latest manifestation, stands as a living monument to Milton Friedman and one that he would have found appropriate and important.

Michael Walker

President of The Fraser Institute Foundation

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About the Members of the Economic Freedom Network

Co-publishers of *Economic Freedom of the World*

Albania ♦ Albanian Center for Economic Research (ACER)

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@icc-al.org.

Argentina ♦ Fundación Libertad

Fundación Libertad is a private, non-profit institution working towards two main goals: the research and distribution of public-policy issues (specifically in socio-economic and business areas) and the promotion of the concept of a free-market society. Founded in Rosario, Argentina, in 1988 by a group of businessmen, professionals, and intellectuals, the Foundation has developed its activities with the support of more than 200 private companies. Its projects include courses, lectures, seminars, research, studies, and publications as well as a strong permanent presence in the media, through columns, and television and radio programs produced by the Foundation. These projects have focused on economic policies, education, regulations, and public spending. Outstanding guest speakers have delivered lectures and conferences for the Fundación Libertad; these include Peruvian writer Mario Vargas Llosa, Nobel prize-winning economists such as Gary Becker, Douglass North, Robert Lucas, and James Buchanan, historian Paul Johnson, Nobel Peace Prize Laureate Lech Walessa, and other intellectuals like Jean Francoise Revel. Fundación Libertad has also led the creation of REFUNDAR, a network of Argentine foundations made up of ten organizations, located in the country's major cities. This network has helped us spread our ideas all over the country and is affiliated with similar international organizations. ♦ E-mail: dmaggiolo@libertad.org.ar; website: <http://www.libertad.org.ar>.

Australia ♦ Institute of Public Affairs

Established in 1943, the IPA is Australia's oldest and largest private-sector think-tank. Its aim is to foster prosperity and full employment, the rule of law, democratic freedoms, security from crime and invasion, and high standards in education and family life for the Australian people. To identify and promote the best means of securing these values, the IPA undertakes research, organizes seminars, and publishes widely. ♦ E-mail: ipa@ipa.org.au; website: <http://ipa.org.au>.

Austria ♦ TIGRA®

TIGRA® is the premier Austrian think-tank on governance research. Headquartered in Salzburg, it was founded to study and advance effective and efficient economic policies. TIGRA® organizes workshops and publishes papers and reports. Their mission is "From analysis to action." TIGRA® is a network of experts who provide effective market solutions to policy-makers. Special emphasis is put on knowledge management, monitoring the scope and quality of regulations ("cutting red tape"), and setting benchmarks. ♦ E-mail: bendl@erwin.tc; website: <http://www.tigra.at>.

Azerbaijan ♦ Center for Economic and Political Research

The Center for Economic and Political Research, Azerbaijan, is a non-profit, non-governmental, research institute founded in 1994. Its mission is to facilitate the country's democratization and economic liberalization and to increase the role of civil society. The main objectives of the Center's activities are analyzing the eco-

conomic situation and progress of market reforms, political processes, foreign political relations, and regional economic and political tendencies. The Center also conducts sociological surveys and holds conferences, round-tables, and seminars on different aspects of economic and political reforms in the country. ♦ E-mail: bagirov.sabit@gmail.com.

Bahamas ♦ The Nassau Institute

The Nassau Institute is an independent, non-political, non-profit institute that promotes economic growth, employment, and entrepreneurial activity. It believes that this can best be achieved with a free-market economy and a decent society—one that embraces the rule of law, the right of private property, the free exchange of property and services, and the individual virtues of self-control, commitment, and good will. ♦ E-mail: joan@seekersend.com or info@nassauinstitute.org; website: <<http://www.nassauinstitute.org>>.

Bangladesh ♦ Making Our Economy Right (MOER)

MOER, founded in 1991, is the country's lone free-market institute and continues to struggle to promote free-market capitalism against all odds. The concept of individual freedom and free markets determining the supply of goods, services, and capital is little understood in Bangladesh. For the past 50 years or so, Fabian socialism and the doctrines of Karl Marx were the basis of our country's economy. MOER contributes free-market, libertarian articles in English and Bangla newspapers. 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.

Belarus ♦ Scientific Research Mises Center

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: jaroslavroman@gmail.com website: <<http://liberty-belarus.info>>.

Belgium ♦ Centre for the New Europe

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: <<http://www.cne.org>>.

Bolivia ♦ Fundación Libertad y Democracia (FULIDE)

The Fundación Libertad y Democracia 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, FULIDE seeks to reflect Bolivia's participation in the global economy. ♦ E-mail: fulide@fulide.org.bo; website: <<http://www.fulide.org.bo>>.

Brazil ♦ Instituto Liberal do Rio de Janeiro

Instituto Liberal was founded to persuade Brazilians of the advantages of a liberal order. It is a non-profit institution supported by donations and the sponsorship of private individuals and corporations. Its by-laws provide

for a Board of Trustees and forbid any political or sectarian affiliations. The institute publishes books, organizes seminars, and elaborates policy papers on subjects related to public policy. ♦ E-mail: ilrj@gbl.com.br; website: <http://www.institutoliberal.org.br>.

Bulgaria ♦ Institute for Market Economics

Established in 1993, IME is the first independent economic think-tank in Bulgaria. It is a private, registered, non-profit corporation that receives international support and is widely respected for its expertise. IME designs and promotes solutions to the problems that Bulgaria is facing in its transition to a market economy, provides independent assessment and analysis of the government's economic policies, and supports an exchange of views on market economics and relevant policy issues. ♦ E-mail: mail@ime.bg; website: <http://www.ime.bg>.

Cambodia ♦ The Cambodia Institute of Development Study

The Cambodia Institute of Development Study (CIDS) is a non-profit, independent, local research institute founded in December 2004. The Institute's mission is to provide high-quality research on the local and provincial levels in the specialized areas of economics, natural resources and environment, agriculture and rural development, and public finance and governance, within the context of world integration. Its objectives are to generate and disseminate research on the national and provincial economies, and to enhance the capacity and promote the professional development of local resources by providing training and practical research opportunities. ♦ E-mail: k_cdrrot@yahoo.com.

Canada ♦ The Fraser Institute

Our vision is a free and prosperous world where individuals benefit from greater choice, competitive markets, and personal responsibility. Our mission is to measure, study, and communicate the impact of competitive markets and government interventions on the welfare of individuals. Founded in 1974, we are an independent research and educational organization with offices in Calgary, Montreal, Tampa, Toronto, and Vancouver, and international partners in over 70 countries. Our work is financed by tax-deductible contributions from thousands of individuals, organizations, and foundations. In order to protect its independence, the Institute does not accept grants from government or contracts for research. ♦ E-mail: info@fraserinstitute.ca; website: <http://www.fraserinstitute.ca>, <http://www.freetheworld.com>.

Chile ♦ Instituto Libertad y Desarrollo

Instituto Libertad y Desarrollo is a private think-tank wholly independent of any religious, political, financial, or governmental groups. It is committed to the free market and to political and economic freedom. It publishes studies and analyses of public-policy issues. ♦ E-mail: clarrolet@lyd.org; website: <http://www.lyd.com>.

Colombia ♦ Instituto Libertad y Progreso (ILP)

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

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

The Instituto para la Libertad y el Análisis de Políticas (INLAP—the Institute for Liberty and Public Policy Analysis) is a non-profit, non-partisan organization created to defend and promote individual liberty through analysis of public policy and educational activities. Its specific objectives are to increase awareness of the moral foundations of liberty and to promote liberty as an individual right necessary to achieve the highest levels of economic and human development; and to foster changes in social organization and public policies by influencing the thinking of policy makers, community leaders, and citizens.

INLAP produces timely analyses of proposed laws, decrees, and regulations, and its recommendations provide guidance for elected officials who seek to achieve greater individual liberty and creativity and a more productive economy. It also conducts detailed studies of well-meant public policies that may ultimately have

unintended adverse effects. The Institute's studies and recommendations are published in books, journals, and newspapers, appear as position papers and bulletins, and are also available via our website. ♦ E-mail: inlapp@racsa.co.cr; website: <http://www.inlap.org>.

Croatia ♦ The Institute of Economics

The Institute of Economics, Zagreb, established in 1939, is a major scientific and research institution for the study of economic processes and the application of contemporary theories in economics. The Institute's objective is the economic and social advance of Croatia. Research encompasses both 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: ssvaljek@eizg.hr; website: <http://www.eizg.hr/>.

Czech Republic ♦ Liberální Institut

Liberální Institut is an independent, non-profit organization for the development and application of classical liberal ideas: individual rights, private property, rule of law, self-regulating markets, and delineated government functions. It is financed by its various activities and by donations from individuals and private corporations. ♦ E-mail: miroslav.sevcik@libinst.cz; website: <http://www.libinst.cz>.

Denmark ♦ Center for Politiske Studier (CEPOS)

The Center for Politiske Studier (Center for Political Studies) was founded in 2004 as an independent, non-profit think-tank based in Copenhagen. It seeks to promote a free and prosperous society by conducting research that will foster the policies, institutions, and culture that will best support a market economy, rule of law, and a civil society consisting of free and responsible individuals. It does so by producing academic studies and policy analyses aimed partly at general political 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: <http://www.cepos.dk>.

Dominican Republic ♦ Fundación Economía y Desarrollo, Inc.

The Fundación Economía y Desarrollo, Inc. (FEyD) is a private, non-profit organization dedicated to fostering competitive markets, private enterprise, and strategies that promote economic development. To meet its objectives, FEyD has several 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.

Ecuador ♦ Instituto Ecuatoriano de Economía Política

The Instituto Ecuatoriano de Economía Política (IEEP) is a private, independent, non-profit institution that defends and promotes the classical liberal ideals of individual liberty, free markets, limited government, property rights, and the rule of law. The IEEP achieves its mission through publications, seminars, and workshops that debate socioeconomic and political issues. The IEEP's funding comes from voluntary donations, membership subscriptions, and income from sales of its publications. ♦ E-mail: dora_ampuero@ieep.org.ec; website: <http://www.ieep.org.ec>.

Estonia ♦ International University Audentes

The International University Audentes is the international institute of Audentes University, the biggest private university in Estonia. The university was established in 1992. Our mission is to encourage and enable our students to develop their professional, academic and personal abilities, as creative, progressive, committed individuals,

to the very highest standards, so that they might best contribute to economic, social, cultural, intellectual and political life at national, European and global levels. We aim to be the leader in international education in North-Eastern Europe. ♦ E-mail: university@audentes.eu; website: <http://www.audentes.eu>.

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

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

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

Georgia ♦ Society for Disseminating Economic Knowledge: New Economic School—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: <http://www.economics.ge>.

Germany ♦ Liberales Institut

The Liberales Institut (Liberty Institute), based in Potsdam, is the think-tank of the Friedrich-Naumann-Foundation. It spreads free-market ideas through the publication of classical liberal literature, the analysis of current political trends, and the promotion of research. The Institute organizes conferences and workshops to stimulate an intellectual exchange among liberals around the world. ♦ E-mail: LibInst@fnst.org; website: <http://www.fnst.de>.

Ghana ♦ The Institute of Economic Affairs

The Institute of Economic Affairs (IEA), Ghana was founded in October 1989 as an independent, non-governmental institution dedicated to the establishment and strengthening of a market economy and a democratic, free, and open society. It considers improvements in the legal, social, and political institutions as necessary conditions for sustained economic growth and human development. The IEA supports research and promotes and publishes studies on important economic, socio-political, and legal issues in order to enhance understanding of public policy. ♦ E-mail: iea@ghana.com; Tel: 233-21-244716/233-21-7010714; Fax: 233-21-222313.

Guatemala ♦ Centro de Investigaciones Económicas Nacionales

The Centro de Investigaciones Económicas Nacionales (CIEN—the Center for Research on the National Economy) was established in Guatemala in 1982. It is a private, non-partisan, not-for-profit, public-policy institute, funded by the sale of its books and periodical publications, income from conferences and seminars, and the support it receives from its members and the public. The Center’s program is devoted to the technical study of economic and social problems that impede the stable development of the nation. Its members, staff, research associates, and supporters share the principles of a social order of free and responsible individuals interacting through a market economy functioning within the rule of law. ♦ E-mail: cien@cien.org.gt; website: <http://www.cien.org.gt>.

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

L’Institut de Recherche pour la Liberté Économique et la Prospérité (IRLEP), Haiti, was founded in 2004. It is a non-partisan, non-profit, research and educational organization devoted to improving the quality of life in

Haiti through economic growth and development. Through publications and conferences, IRLEP promotes the principles and concepts of individual rights, limited government, competition, free trade, and physical and intellectual property rights. IRLEP does not accept funding and subsidies from public institutions and political parties. ♦ E-mail: irlephaiti@yahoo.com.

Hong Kong ♦ Hong Kong Centre for Economic Research

The Hong Kong Centre for Economic Research is an educational, charitable trust established in 1987 to promote the free market in Hong Kong by fostering public understanding of economic affairs and developing alternative policies for government. The Centre publishes authoritative research studies and is widely recognized as the leading free-market think-tank in Asia. It has been influential in persuading public opinion and the government in Hong Kong to liberalize telecommunications, open up air-cargo handling franchises, privatize public housing, adopt a fully funded provident scheme instead of a pay-as-you-go pension scheme, remove the legally sanctioned fixing of deposit interest rates by banks, and adopt market mechanisms for protecting the environment. ♦ E-mail: asi@econ.hku.hk; website: <<http://www.hku.hk/hkcer/>>.

Hungary ♦ Szazadveg Foundation

The Szazadveg Foundation is a non-profit organization performing political and economic research, and advisory and training activities. This think-tank is independent of the government or any political parties and has been operating as a foundation since its establishment in 1990. Szazadveg publishes the results of its research to the public at large and also provides professional services to economic institutions, political and civil organizations, political parties, and the government. ♦ E-mail: gazso@szazadveg.hu; website: <<http://www.szazadveg.hu>>.

Iceland ♦ Centre for Social and Economic Research (RSE)

RSE is an independent, non partisan, non-profit organization in Reykjavik, Iceland, founded in 2004. Its mission is to promote an understanding of private property and free-market ideas for a progressive, democratic society. RSE achieves its mission through programs of publication and conferences. Its work is assisted by a council of academic advisors of the highest standard from various academic fields. RSE is funded entirely by voluntary contributions from its supporters. ♦ E-mail: birgir@rse.is; website: <<http://www.rse.is>>.

India ♦ Centre for Civil Society

The Centre for Civil Society (CCS) is an independent, non-profit, research and educational organization inaugurated on August 15, 1997 and devoted to improving the quality of life for all citizens of India. The CCS maintains that, having earlier attained their political independence from an alien state, the Indian people must now seek economic, social, and cultural independence from the Indian state. This can work from two directions simultaneously: a “mortar” program of building or rebuilding the institutions of civil society and a “hammer” program of readjusting the size and scope of the political society. The CCS conducts monthly dialogues on topical issues to introduce classical liberal philosophy and market-based solutions into public debate. It has published *Agenda for Change*, a volume in 17 chapters that outlines policy reforms for the Indian government, Israel Kirzner’s *How Markets Work*, and *Self-Regulation in the Civil Society*, edited by Ashok Desai. It organizes Liberty and Society seminars for college students and journalists. ♦ E-mail: parth@ccsindia.org; website: <<http://www.ccsindia.org>>.

Indonesia ♦ The Institute for Development of Economics and Finance

E-mail: Indef@indo.net.id; website: <<http://home.indo.net.id/~indef/>>.

Ireland ♦ Open Republic Institute

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

Israel ♦ Jerusalem Institute for Market Studies

The Jerusalem Institute for Market Studies (JIMS) was founded in 2003 in Jerusalem, Israel, as an independent non-profit, economic policy think tank. JIMS' mission is to promote market solutions and limited government in Israel and the region. In order to spread free-market ideas, JIMS conducts original research and publishes public-policy papers and editorials. JIMS also runs a wide range of educational programs that targets elementary school students, high school students, college students and young professionals. ♦ E-mail: corinnesauer@gmail.com; website: <<http://www.jims-israel.org>>.

Italy ♦ Centro Einaudi

The Centro di Ricerca e Documentazione "Luigi Einaudi" was founded in 1963 in Turin, Italy, as a free association of businessmen and young intellectuals to foster individual freedom and autonomy, economic competition and the free market. The Centro is an independent, non-profit institute financed by contributions from individuals and corporations, by the sale of its publications, and by specific research commissions. The Centro carries on research activities, trains young scholars and researchers, organizes seminars, conferences and lectures, and publishes monographs, books and periodicals, including: the quarterly journal, *Biblioteca della libertà*; *Rapporto sull'economia globale e l'Italia* (Report on the global economy and Italy); *Rapporto sul risparmio e sui risparmiatori in Italia* (Report on savings and savers in Italy); and *Rapporto sulla distribuzione in Italia* (Report on the retail trade in Italy—published also in English). ♦ E-mail: segreteria@centroeinaudi.it; website: <<http://www.centroeinaudi.it>>.

Ivory Coast ♦ Bureau d'Analyse d'Ingenierie et de Logiciels (BAILO)

E-mail: bailo@afribone.net.ml.

Kenya ♦ African Research Center for Public Policy and Market Process

The African Research Center for Public Policy and Market Process, Kenya, is the first research centre founded in Africa by the African Educational Foundation for Public Policy and Market Process, an independent educational organization registered in the United States. The primary mission of the Center and the Foundation is to promote ideas about free markets and voluntary associations in Africa. The Center conducts research on all aspects of free markets, voluntary association, and individual liberty, and publishes the results to as wide an audience as possible. The Center also organizes seminars and conferences to examine liberty and enterprise in Africa. ♦ E-mail: kimenyi@kippra.or.ke.

Korea ♦ Center for Free Enterprise

The Center for Free Enterprise (CFE) is a foundation committed to promoting free enterprise, limited government, freedom and individual responsibility, the rule of law and restraint of violence. Funded by the members of the Federation of Korean Industries (FKI), the CFE was founded as a non-profit, independent foundation on April 1, 1997, at a time of economic crisis in Korean society. The CFE has concentrated on championing a free economy through books and reports on public policies, statistics, and analyses. In workshops and policy forums, the CFE has put forward alternatives to policies proposed as solutions for issues facing Korean society. ♦ E-mail: csn@cfe.org; website: <<http://www.cfe.org>>.

Kyrgyz Republic ♦ Economic Policy Institute—Bishkek Consensus

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

Lithuania ♦ Lithuanian Free Market Institute

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; it led the creation of the legal and institutional framework for the securities market and contributed significantly to the country’s privatization legislation; and it initiated and participated in the policy-making process on private, fully funded pension insurance. LFMI’s recommendations were adopted in legislation on commercial banks, the Bank of Lithuania, credit unions, insurance, and foreign investment. LFMI significantly influenced the improvement of company, bankruptcy and competition law.

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: AstaT@freema.org; website: <<http://www.freema.org>>.

Luxembourg ♦ D’Letzeburger LandE-mail: info@mmp.lu**Mexico ♦ Centro de Investigación para el Desarrollo A.C.**

Centro de Investigación para el Desarrollo A.C. (CIDAC) is an independent, not-for-profit research institution devoted to the study of Mexico’s economy and political system. Its philosophy is that Mexico’s economy can be made viable only through a greater, more efficient, and more competitive private sector. CIDAC was founded in 1980 as an executive training facility for the financial sector at large (public and private, banking and business). It received an endowment from Banamex, then Mexico’s largest private bank. In 1983, immediately after the expropriation of the private banks, CIDAC changed its mandate from teaching to research. Over the last five years, CIDAC has held over 40 conferences for businessmen and its professionals continuously address academic, policy, and business forums. CIDAC has also published 19 books on various economic, political, and policy issues, 45 monographs, and over 500 op-ed pieces in Mexican, American, and European papers and magazines. ♦ E-mail: cidacmx@aol.com; website: <<http://www.cidac.org>>.

Mongolia ♦ Open Society Forum

The Open Society Forum is an independent, non-governmental, organization founded in 2004. The Forum’s goals are to provide quality policy research and analysis and broad public access to information resources pertaining to governance, economic, and social policies. It focuses on economic freedom, land reform, rule of law, freedom of media, campaign financing, nomadic pastoralism, privatization, shadow economy, and education policy. The Forum conducts research and holds conferences to encourage public participation in policy formulation. ♦ E-mail: djargal@yahoo.com; soyoloo@soros.org.mn; website: <<http://www.forum.mn>>.

Montenegro ♦ The Center for Entrepreneurship and Economic Development (CEED)

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: <<http://www.visit-ceed.org>>.

New Zealand ♦ The New Zealand Business Roundtable

The New Zealand Business Roundtable is made up of the chief executives of about 60 of New Zealand's largest businesses. Its aim is to contribute to the development of sound public policies that reflect New Zealand's overall interests. It has been a prominent supporter of the country's economic liberalization. ♦ E-mail: nzbr@nzbr.org.nz; website: <<http://www.nzbr.org.nz>>.

Nigeria ♦ Initiative of Public Policy Analysis

The Initiative of Public Policy Analysis (IPPA) is a private, non-profit organization involved in research, education, and publication on matters affecting the freedom of individuals. Its objective is to provide market-oriented analysis of current and emerging policy issues, with a view to influencing the public debate and the political decision-making process. ♦ E-mail: info@ippanigeria.org; website: <<http://www.ippanigeria.org>>; mail: P.O. Box 6434 Shomolu, Lagos-Nigeria.

Norway ♦ Center for Business and Society Incorporated (Civita)

Civita, the first market-oriented think tank in Norway, was established in 2004. It strives for increased consensus on important market economic principles and their implications for welfare, freedom, and democracy. Civita is also dedicated to promoting personal responsibility and civil society to achieve larger, more important roles in society's development. To communicate its ideas to the public, it conducts research, publishes reports and holds seminars and conferences. ♦ E-mail: Dag.Ekelberg@civita.no; website: <<http://www.civita.no>>.

Oman ♦ International Research Foundation (IRF)

The International Research Foundation (IRF), Sultanate of Oman, was established in 2005 as a non-governmental, independent, non-profit "Think-Tank" based in Oman to conduct research on domestic and international economic issues with emphasis on the Arab World. The IRF has set its research and public-affairs agenda on a collegial basis, relying on the input of its research staff, its editorial board, and its Senior Fellows. It maintains a working arrangement with governmental and non-governmental organizations in the region and other parts of the world. IRF is the regional member of The Fraser Institute's Economic Freedom Network.

The vision of IRF is to create wealth and jobs through the promotion of economic freedom. Its mission is to measure, research, and communicate to a global audience the impact of competitive markets on the welfare of individuals. The Board of Trustees of the IRF consists of high profile private-sector members from different organizations. IRF has initiated the establishment of a network of academic researchers to facilitate research projects, which will help in its endeavor to research economic issues affecting the daily life of individuals. ♦ E-mail: azzan@ociped.com.

Pakistan ♦ Alternate Solutions Institute

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

Panama ♦ Fundación Libertad

The Fundación Libertad, Panama, is a non-profit foundation engaged in the promotion and development of liberty, individual choice, and voluntary cooperation and in the reduction of the size of government. Fundación Libertad was founded in 2001 by members of professional and business organizations to promote free enterprise and democracy and to address issues affecting the freedom of the common citizen including the increasing discretionary power of the state and the proliferation of legislation fostering discrimination and establishing privileges, all of which are contrary to the spirit of democratic capitalism. Fundación Libertad has drawn ini-

tial support from sister organizations such as Centro de Divulgación del Conocimiento Económico (CEDICE) in Caracas, Venezuela, and the Centro de Investigación y Estudios Nacionales (CIEN) in Guatemala. ♦ Email: diablo@diablopty.com; website: <http://www.fundacionlibertad.org.pa>.

Peru ♦ Centro de Investigación y Estudios Legales (CITEL)

CITEL was organized in 1989. Its principal field is the economic analysis of law. To that end, it conducts research on different legal institutions, publishes books, and organizes seminars and colloquia. ♦ E-mail: eghers@tsi.com.pe.

Philippines ♦ The Center for Research and Communication

The Center for Research and Communication (CRC) has, since 1967, conducted research and published works on domestic and international economic and political issues that affect the Asia-Pacific region. It provides forums for discussion and debate among academicians, businessmen, civil officials, and representatives of other sectors that shape public opinion and chart the course of policies. CRC is the main research arm of the University of Asia and the Pacific in Metro Manila, Philippines, and currently serves as the Secretariat of the Asia Pacific Economic Cooperation (APEC) Business Advisory Council. ♦ E-mail: crcfi@info.com.ph; website: <http://www.crc.org.ph>.

Poland ♦ Centrum im. Adama Smitha

The Centrum im. Adama Smitha (the Adam Smith Research Centre—ASRC) is a private, non-partisan, non-profit, public-policy institute. It was founded in 1989 and was the first such institute in Poland and in Eastern Europe. The ASRC promotes a free and fair market economy, participatory democracy, and a virtuous society. Its activities in research and development, education, and publishing cover almost all important issues within the areas of economy and social life. The ASRC acts as a guardian of economic freedom in Poland. More than 50 experts are associated with the ASRC. ♦ E-mail: adam@smith.pl; website: <http://www.adam-smith.pl>.

Portugal ♦ Causa Liberal

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

Romania ♦ Romania Think Tank

Romania Think Tank is an independent research institute founded in 2003. The Think Tank is funded entirely by its founding members. Its objective is to promote the development of free 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: office@rtt.ro; website: <http://www.thinktankromania.ro/>.

Russia ♦ Institute of Economic Analysis

The Institute of Economic Analysis is a macroeconomic research institute that analyzes the current economic situation and policies and provides expert analysis of acts, programs, and current economic policy. It will offer advice to Russian government bodies, enterprises, and organizations and prepares and publishes scientific, research, and methodological economic literature. It also conducts seminars, conferences, and symposia on economic topics. The Institute is an independent, non-governmental, non-political, non-profit research centre that works closely with leading Russian and international research centres. Its research focuses on macroeconomic, budget, and social policies. ♦ E-mail: iea@iea.ru; website: <http://www.iea.ru>.

Serbia ♦ Free Market Center (FMC)

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

Slovak Republic ♦ The F.A. Hayek Foundation

The F.A. Hayek Foundation is an independent and non-partisan, non-profit organization that provides a forum for the exchange of opinions among scholars, businessmen, and policy-makers on the causes of, and solutions to, economic, social, and political problems. It proposes practical reforms of the economy, education, social security, and legislation as the Slovak Republic is transformed into an open society. Education of high-school and university students is a large part of its activities. The F.A. Hayek Foundation promotes 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@hayek.sk; website: <http://www.hayek.sk>.

South Africa ♦ The Free Market Foundation of Southern 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: <http://www.freemarketfoundation.com>.

Sri Lanka ♦ The Pathfinder Foundation

The Pathfinder Foundation has replaced the Center for Policy Research. Through informed and well-researched information, it seeks to challenge old ideas and 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.

Sweden ♦ Timbro

Timbro is a Swedish think-tank that encourages public opinion to favour free enterprise, a free economy, and a free society. Timbro publishes books, papers, reports, and the magazine, *Smedjan*. It also arranges seminars and establishes networks among people. Founded in 1978, Timbro is owned by the Swedish Free Enterprise Foundation, which has as its principals a large number of Swedish companies and organizations. ♦ E-mail: fredrik.erixon@timbro.se; website: <http://www.timbro.se>.

Switzerland ♦ Liberales Institut

The Liberales Institut is a forum where the basic values and concepts of a free society can be discussed and questioned. The Institute's aim is the establishment of free markets as the best way towards the goals of openness, diversity, and autonomy. The Liberales Institut is not associated with any political party. Through publications, discussion forums, and seminars, it seeks to develop and disseminate classical liberal ideas. ♦ E-mail: libinst@libinst.ch; website: <http://www.libinst.ch>.

Trinidad and Tobago ♦ Arthur Lok Jack Graduate School of Business, The University of the West Indies

The Arthur Lok Jack Graduate School of Business was created in 1989 as a channel partner for developing managerial talent for the business community in Trinidad and Tobago. Its mission is to empower people and organizations in developing nations to optimize their performance capabilities and international competitiveness.

through development and deployment of consulting; education, research, and training resources. One of the Institute's core services are business and academic research in areas of real concern to business managers, enabling them to improve their ability to manage successfully in the face of increasingly complex markets. ♦ E-mail: rbalgobin@uwi-iob.org; website: <<http://www.gsb.tt>>.

Turkey ♦ Association for Liberal Thinking

The Association for Liberal Thinking is a non-profit, non-governmental organization seeking to introduce the liberal democratic tradition into Turkey. The Association promotes the understanding and acceptance of ideas like liberty, justice, peace, human rights, equality, and tolerance. It also encourages academic writing on liberal themes to help the Turkish people assess contemporary domestic and international changes and attempts to find effective solutions to Turkey's problems within liberal thought. The Association for Liberal Thinking is not involved in day-to-day politics and has no direct links to any political party or movement. Instead, as an independent intellectual group, it aims to set broader political agendas so as to contribute to the liberalization of economics and politics in Turkey. ♦ E-mail: info@liberal-dt.org.tr; website: <<http://www.liberal-dt.org.tr>>.

Ukraine ♦ The Ukrainian Center for Independent Political Research

The Ukrainian Center for Independent Political Research (UCIPR) was established in early 1991 as a non-profit, non-partisan, and non-governmental research institution that would increase awareness of democracy among the Ukrainian people and analyze domestic and international politics and security. The UCIPR is politically independent; it does not accept any funding from either the state or any political party. The UCIPR publishes books and research papers on Ukraine's domestic and foreign policy, the economy in transition, security, relations with neighbouring states, the Crimean dilemma, interethnic relations, and the freedom of the news media. The Center has hosted a number of national and international conferences and workshops. ♦ E-mail: maxim@uncpd.kiev.ua; website: <<http://www.ucipr.kiev.ua>>.

United Kingdom ♦ Institute of Economic Affairs (IEA)

The mission of the Institute of Economic Affairs (IEA) is to improve public understanding of the foundations of a free and harmonious society by expounding and analyzing the role of markets in solving economic and social problems, and bringing the results of that work to the attention of those who influence thinking. The IEA achieves its mission by a high-quality publishing program; conferences, seminars, and lectures on a range of subjects; outreach to school and college students; brokering media introductions and appearances; and other related activities. Incorporated in 1955 by the late Sir Antony Fisher, the IEA is an educational charity, limited by guarantee. It is independent of any political party or group, and is financed by sales of publications, conference fees, and voluntary donations. ♦ E-mail: pbooth@iea.org.uk; website: <<http://www.iea.org.uk>>.

United States of America ♦ Cato Institute

Founded in 1977, the Cato Institute is a research foundation dedicated to broadening debate about public policy to include more options consistent with the traditional American principles of limited government, individual liberty, free markets, and peace. To that end, the Institute strives to achieve greater involvement by the intelligent, concerned, lay public in questions of policy and the proper role of government through an extensive program of publications and seminars. ♦ E-mail: ivasquez@cato.org; website: <<http://www.cato.org>>.

Venezuela ♦ The Center for the Dissemination of Economic Knowledge (CEDICE)

CEDICE is a non-partisan, non-profit, private association dedicated to the research and promotion of philosophical, economic, political, and social thinking that focuses on individual initiative and a better understanding of the free-market system and free and responsible societies. To this end, CEDICE operates a library and bookstore, publishes the series, *Venezuela Today*, and other studies, provides economic training for journalists, and conducts special events and community programs. ♦ E-mail: cedice@cedice.org.ve; website: <<http://www.cedice.org.ve>>.

Vietnam ♦ Research Center for Entrepreneurship Development

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

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

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

**Economic Freedom of the World
2007 Annual Report**

Executive Summary

Economic Freedom of the World

The index published in *Economic Freedom of the World* measures the degree to which the policies and institutions of countries support economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property. Forty-two data points are used to construct a summary index and to measure the degree of economic freedom in five broad areas: (1) size of government; (2) legal structure and security of property rights; (3) access to sound money; (4) freedom to trade internationally; and (5) regulation of credit, labor and business. This year's index includes a number of new components based on the World Bank's *Doing Business* ratings.

In the past year, more data has become available and, so, 11 new jurisdictions have been added to the 130 jurisdictions in last year's index. They are: Angola, Bosnia and Herzegovina, Burkina Faso, Ethiopia, Kazakhstan, Kyrgyz Republic, Lesotho, Mauritania, Moldova, Montenegro, and Serbia.

Economic freedom has grown considerably in recent decades

- ◆ The chain-linked summary index (exhibit 1.5) permits comparison over time. The average economic freedom score rose from 5.4 (out of 10) in 1980 to 6.6 in 2005, the most recent year for which data are available.
- ◆ Of the 102 jurisdictions with scores in the chain-link index in 1980 and in the most recent index, 90 had increases in score, nine had decreases in scores, and three had the same score, when changes are rounded to one decimal point.
- ◆ Five nations increased their score by more than three points since 1980: Hungary (3.0), Peru (3.0), Uganda (3.2), Ghana (3.6), and Israel (3.7). Only three nations decreased their score by more than one point: Zimbabwe (−1.7), Venezuela (−1.7) and Myanmar (−1.3). Other nations that saw reductions are: Nepal (−0.7), Bahrain (−0.3), Hong Kong (−0.2), Malaysia (−0.2), the Republic of Congo (−0.2), and Haiti (−0.1).
- ◆ In this year's main index, Hong Kong retains the highest rating for economic freedom, 8.9 out of 10. The other top scorers are: Singapore (8.8), New Zealand (8.5), Switzerland (8.3), Canada (8.1), United Kingdom (8.1), United States (8.1), Estonia (8.0), Australia (7.9), and Ireland (7.9).
- ◆ The rankings of other large economies are Germany, 18 (7.6); Japan, 22 (7.5); Mexico, 44 (7.1); France, 52 (7.0); Italy, 52 (7.0); India, 69 (6.6); China, 86 (6.3); Brazil, 101 (6.0); and Russia, 112 (5.8).
- ◆ The majority of nations ranked in the bottom fifth are African and all the nations in the bottom 10 are African, with the exceptions of Venezuela and Myanmar. They are: Zimbabwe (2.9), Myanmar (3.8), the Democratic Republic of the Congo, (4.0), Angola (4.2), the Republic of the Congo, (4.3), Central Africa Republic, (4.6), Venezuela (4.9), Burundi (5.0), Chad (5.1), and Niger (5.1). Botswana's ranking, tied for 39th with a score of 7.2, is the best among continental sub-Saharan African nations.

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

- ◆ Nations in the top quartile of economic freedom have an average per-capita GDP of US\$26,013, compared to US\$3,305 for those nations in the bottom quartile (exhibit 1.6).
- ◆ The top quartile has an average per-capita economic growth rate of 2.25%, compared to 0.35% for the bottom quartile (exhibit 1.7).
- ◆ In nations of the top quartile, the average income of the poorest 10% of the population is US\$7,334, compared to \$905 for those in the bottom quartile (exhibit 1.10).
- ◆ Life expectancy is 78.7 years in the top quartile but 56.7 years in the bottom quartile (exhibit 1.11).
- ◆ Nations in the top quartile of economic freedom have an average score of 1.8 for political rights on a scale of 1 to 7, where 1 marks the highest level, while those in the bottom quartile have an average score of 4.4 (exhibit 1.18).
- ◆ Nations in the top quartile of economic freedom have an average score of 1.7 for civil liberties on a scale of 1 to 7, where 1 marks the highest level, while those in the bottom quartile have an average score of 4.1 (exhibit 1.18).
- ◆ Nations in the top quartile of economic freedom have an average score of 81.0 (out of 100) for environmental performance, while those in the bottom quartile have an average score of 58.9 (exhibit 1.19).

The Spread of Global Economic Freedom

Global foreign policy has been strongly grounded in the idea that freedom, including economic freedom, spreads among countries. Russell S. Sobel and Peter T. Leeson, in Chapter 2, search for spatial dependence in economic freedom between geographic neighbors and trade partners using a panel of more than 100 countries between 1985 and 2000. Their results confirm that economic freedom does indeed spread through both geography and trade: both a country's levels of economic freedom and changes in its economic freedom are affected by levels and changes in neighbouring countries and its trading partners.

- ◆ Both levels of economic freedom and changes in it spread at about the same rate through both geography and trade. Countries “catch” about 20% of their average geographic neighbors’ and trading partners’ levels of, and changes in, economic freedom. This result is remarkably robust to alternative specifications and estimation techniques.
- ◆ Although these results provide strong evidence that freedom spreads, they also suggest freedom does not spread as strongly as suggested by the “domino theory” that underpinned American and Soviet foreign relations during the Cold War. The idea that reforms within a few key nations would substantially alter the state of economic freedom in the rest of a region does not appear to be correct.

Policy implications

While it is important to be cautious in drawing policy implications from the analysis, the results suggest significant conclusions.

- ◆ While changes in the economic freedom in one country have only a modest impact on neighboring countries, when multiple neighbors experience simultaneous changes in economic freedom, the impact is much greater. Thus broad regional changes in freedom can and do have significant impacts on surrounding countries.

- ◆ By liberalizing their trade with foreign nations, economically free countries can exert at least a modest positive impact on economic freedom in less free nations. While the effect of trade liberalization with any one country is relatively small in terms of the broader impact on other neighbors, free-trade agreements that allow a number of nations to simultaneously coordinate trade liberalization could have a sizeable influence on spreading economic freedom.

Data Available to Researchers

The full data set, including all of the data published in this report as well as data omitted due to limited space, can be freely downloaded at <<http://www.freetheworld.com>>. If you are using the data across time periods, it would be better to use the chain-link series presented in Chapter 1, Exhibit 1.5, and available at the website, for reasons outlined in that chapter. If you have any difficulties downloading the data, please feel free to contact us via e-mail to freetheworld@fraserinstitute.ca or via telephone at +1.604.714.4563.

Chapter 1: Economic Freedom of the World, 2005

More than two decades ago, The Fraser Institute began a series of conferences that focused on defining and measuring economic freedom for a large number of countries. Milton and Rose Friedman and Michael Walker spearheaded the project that led to the publication of *Economic Freedom of the World, 1975–1995*. Eleven years have now passed since the publication of the initial report but the objective remains the same: the measurement of economic freedom in an accurate, comprehensive, and objective manner. The report is now published annually by a network of institutes in more than 70 countries.

What is economic freedom?

The key ingredients of economic freedom are

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

Using these four cornerstones as a compass, the Economic Freedom of the World (EFW) index is designed to measure the consistency of a nation's institutions and policies with economic freedom. In order to achieve a high EFW rating, a country must provide secure protection of privately owned property, even-handed enforcement of contracts, and a stable monetary environment. It also must keep taxes low, refrain from creating barriers to both domestic and international trade, and rely more fully on markets rather than the political process to allocate goods and resources.

Institutions and policies are consistent with economic freedom when they provide an infrastructure for voluntary exchange, and protect individuals and their property from aggressors. Personal ownership of self is an underlying postulate of economic freedom. Because of this self ownership, individuals have a right to choose—to

decide how they will use their time and talents. On the other hand, they do not have a right to the time, talents, and resources of others. Thus, they do not have a right to take things from others or demand that others provide things for them.

Economic Freedom and Democracy

People often use “democracy” and “economic freedom” in incorrect ways. Sometimes their incorrect usage may reflect misunderstanding but, in other cases, it is almost certainly a deliberate effort to confuse. Economic freedom and political democracy are not the same thing. In fact, they are substantially different.

First, they differ with regard to the area of human interaction covered. Put simply, democracy relates to political decision-making while economic freedom relates to interaction through exchange and markets. Democracy is present when all adult citizens are free to participate in the political process (vote, lobby, and choose among candidates), and when political outcomes are determined by voting in fair and open elections. Economic freedom is about the freedom of individuals to decide how they will develop and use their productive abilities, exchange goods and services with others, compete in markets, and keep the fruits of their labor. Political restrictions that inhibit voluntary actions and personal choice in these areas conflict with economic freedom, even when they are adopted democratically. A country can be democratic and still severely restrict the economic freedom of its citizens. The experiences of India and Israel during the period from 1960 to 1990 illustrate this point. Correspondingly, it is also possible for a country with very little democracy to have a substantial degree of economic freedom nonetheless. Hong Kong during the last several decades provides an example.

Second, the basis for economically free action is fundamentally different than that for political democracy. Agreement and mutual gain provide the basis for

economically free activities. Unless both parties to an exchange agree, the transaction will not occur. On the other hand, democratic political action is based on “majority rule.” The majority, either directly or through their representatives, decides and the minority must submit.

It makes a huge difference whether mutual agreement or majority rule underpins economic activities. When mutual agreement forms the basis for economic activity, both buyers and sellers will be “winners” and there will be a strong tendency for resources to be used productively—that is, to produce goods people value more than the resources required for their production. In contrast, there is no such tendency under majority rule. When a project is undertaken politically, even if the process is democratic, the minority must pay taxes for its support even if the project makes them worse off. The political process creates “losers” as well as “winners.” Furthermore, there is no assurance that the gains of the winners will exceed the costs imposed on the losers. In fact, as the public-choice literature highlights, there are several circumstances under which there is good reason to expect that the cost imposed on the losers will be greater than the benefits derived by the winners.

The political process tends to be shortsighted. It is biased toward the adoption of programs that provide immediate, highly visible benefits at the expense of future costs that are difficult to identify. Furthermore, when the government is heavily involved in activities that provide favors to some at the expense of others, people will be encouraged to divert resources away from productive activities and toward lobbying, campaign contributions, and other forms of seeking political favor. Predictably, the shift of resources away from production and toward such favor seeking will generate economic inefficiency.

It is the “special-interest effect” that provides the most important reason that the political process will often go awry—why it will often lead to policies that do more harm than good. Elected political officials will often find it attractive to support the positions of well-organized interest groups at the expense of consumers and taxpayers. This will be true even when the gains derived by an interest group are substantially less than the cost imposed on other voters. Well-organized interest groups provide politicians with a readily available source of campaign contributions and other political resources that will help them win subsequent elections. In contrast, those harmed by special-interest policies are unlikely to provide much political assistance because they are largely unorganized and frequently poorly informed.

Thus, the democratic political process is characterized by politicians who “trade” programs that benefit special-interest groups at the expense of the general populace in exchange for political contributions that will help them win the next election. In contrast with market actions based on mutual agreement, there is no assurance that political action will be productive, that it will expand output and enhance the income levels of the citizenry.¹

Unconstrained democracy is not the political system that is most complementary with economic freedom; limited constitutional government is. Constitutional restraints, structural procedures designed to promote agreement and reduce the ability of interest groups to exploit consumers and taxpayers, and competition among governmental units (federalism) can help restrain the impulses of the majority and promote political action more consistent with economic freedom. It is widely recognized that the protection of civil liberties requires political constraints capable of controlling the excesses of the majority. Thus, we do not count on majority rule to protect civil liberties such as the right to free speech, freedom of the press, the right to assembly, and religious freedom. Rather, it is recognized that constitutional and structural protections are needed to secure these liberties. The same thing is true of economic freedom. Basic economic freedoms such as (a) the right to trade with others, including foreigners, at mutually agreeable terms, (b) the right to enter and compete in the business or occupation of your choice, (c) the right to keep what you earn, and (d) protection of your property from confiscation by others, including the government, are too important to be left to the “rule of the majority.” Like other basic liberties, they deserve constitutional, procedural, and structural protection.

The Economic Freedom of the World Index

From the very beginning, the construction of the Economic Freedom of the World (EFW) index was based on three important methodological principles. First, objective components are preferred to those that involve surveys or value judgments. However, given the

¹ For additional analysis of why democratic political decision making will often lead to counterproductive economic activities, see Chapter 6 of James Gwartney, Richard Stroup, Russell Sobel, and David Macpherson, *Economics: Private and Public Choice* (11th edition), (Thomson South-Western, 2006).

multi-dimensional nature of economic freedom and the importance of legal and regulatory elements, it is sometimes necessary to use data based on surveys and expert panels. But, to the fullest extent possible, the index will use objective components. Second, the data used to construct index ratings are from external sources such as the International Monetary Fund (IMF), World Bank, and World Economic Forum that provide data for a large number of countries. Data provided directly from a source within a country are used only rarely and only when the data are unavailable from international sources. Importantly, the value judgments of neither the authors nor others in the EFW network are used to alter the raw data or the rating of any country. Third, transparency is present throughout. The report provides information about the data sources, the methodology used to transform raw data into component ratings, and how the component ratings are used to construct both the area and summary ratings. Complete methodological details can be found in Appendix 1: Explanatory Notes and Data Sources (page 183). The entire data set used in the construction of the index is freely available to researchers at <<http://www.freetheworld.com>>.

Exhibit 1.1 indicates the structure of the EFW Index. The index measures the degree of economic freedom present in five major areas:

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

Within the five major areas, there are 23 components in this year's index. Many of those components are themselves made up of several sub-components. Counting the various sub-components, this year's index is based on 42 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 sub-component ratings are averaged to determine each component; 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. The following section provides an overview of the five major areas.

1 Size of Government: Expenditures, Taxes and Enterprises

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

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

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

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

2 Legal 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

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
- D Top marginal tax rate
 - i Top marginal income tax rate
 - ii Top marginal income and payroll tax rates

2 Legal Structure and Security of Property Rights

- A Judicial independence (GCR)
- B Impartial courts (GCR)
- C Protection of property rights (GCR)
- D Military interference in rule of law and the political process (ICRG)
- E Integrity of the legal system (ICRG)
- F Legal enforcement of contracts (DB)
- G Regulatory restrictions on the sale of real property (DB)

3 Access to Sound Money

- A Money growth
- B Standard deviation of inflation
- C Inflation: Most recent year
- D Freedom to own foreign currency bank accounts

4 Freedom to Trade Internationally

- A Taxes on international trade
 - i Revenue from taxes on international trade as a percentage of exports and imports
 - ii Mean tariff rate
 - iii Standard deviation of tariff rates

- B Regulatory trade barriers
 - i Non-tariff trade barriers (GCR)
 - ii Compliance cost of importing and exporting (DB)
- C Size of trade sector relative to expected
- D Black-market exchange rates
- E International capital market controls
 - i Foreign ownership / investment restrictions (GCR)
 - ii Capital controls

5 Regulation of Credit, Labor, and Business

- A Credit market regulations
 - i Ownership of banks
 - ii Foreign bank competition
 - iii Private sector credit
 - iv Interest rate controls/negative real interest rates
- B Labor market regulations
 - i Minimum wage (DB)
 - ii Hiring and firing regulations (GCR)
 - iii Centralized collective bargaining (GCR)
 - iv Mandated cost of hiring (DB)
 - v Mandated cost of worker dismissal (DB)
 - vi Conscription
- C Business regulations
 - i Price controls
 - ii Administrative requirements (GCR)
 - iii Bureaucracy costs (GCR)
 - iv Starting a business (DB)
 - v Extra payments / bribes (GCR)
 - vi Licensing restrictions (DB)
 - vii Cost of tax compliance (DB)

ingredients of a legal system consistent with economic freedom are rule of law, security of property rights, an independent judiciary, and an impartial court system. Components indicating how well the protective function of government is performed were assembled from three primary sources: the *International Country Risk Guide*, the *Global Competitiveness Report*, and the World Bank's *Doing Business* data set.

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 fair and peaceful 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.

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

There are four components to the EFW index in Area 3. All of them are objective and relatively easy to

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

4 Freedom to Trade Internationally

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

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 if the passage of goods through customs is onerous and time consuming. Sometimes these delays are the result of administrative inefficiency while in other instances they reflect the actions of corrupt officials seeking to extract bribes.

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

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 fifth area of the index focuses on this topic.

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 two sub-components indicate the extent to which credit is supplied to the private sector and whether controls on interest rates interfere with the credit market. Countries that use a private banking system to allocate credit to private parties and refrain from controlling interest rates receive higher ratings for this regulatory component.

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

Like the regulation of credit and labor markets, the regulation of business activities (component 5C) inhibits economic freedom. The sub-components of 5C are designed to identify the extent to which 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,” that is, from using their power to extract financial payments and reward some businesses at the expense of others.

Construction of Area and Summary Ratings

Theory provides us with direction regarding elements that should be included in the five areas and the summary index but it does not indicate what weights should be attached to the components within the areas or among the areas in the construction of the summary index. It would be nice if these factors were independent of each other and a weight could be attached to each of them. During the past several years, we have investigated several

methods of weighting the various components, including principle component analysis and a survey of economists. We have also invited others to use their own weighting structure if they believe that it is preferable. In the final analysis, the summary index is not very sensitive to substantial variations in the weights.

Furthermore, there is reason to question whether the areas (and components) are independent, or whether they work together like a team. Put another way, they may be linked more like the wheels, motor, transmission, drive shaft, and frame of a car. Just as it is the bundle of these factors that underlies the mobility of an auto, it may be a bundle of factors that underlies the composition of economic freedom. Which is more important for the mobility of an automobile: the motor, wheels, or transmission? The question cannot be easily answered because the parts work together. If any of these key parts break down, the car is immobile. Institutional quality may be much the same. If any of the key parts are absent, the overall effectiveness is undermined. As the result of these two considerations, we organize the elements of the index in a manner that seems sensible to us but we make no attempt to weight the components in any special way when deriving either area or summary ratings.

Changes in This Year’s Index

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

There have been 38 components and sub-components in the EFW index for the past several years. Two of these components (interest-rate controls and unemployment benefits) have been dropped from this year’s index because they are no longer available from either their original source or elsewhere. In two other cases, (compliance costs of clearing customs and the cost of starting a business) a measure that we believe is superior has been substituted for the prior components. Finally, six new components are incorporated into this year’s index. The six additions along with the two deletions and two replacements mean that the index now has 42 components and sub-components

rather than 38. All of these changes relate to the legal and regulatory elements of the index, the elements that are most difficult to measure.

The methodology and basic structure of the index remain unchanged. As in recent years, the index will continue to provide both a summary rating and ratings for the same five major areas. The components for Areas 1 and 3 remain the same, and only minor changes were made to two sub-components in area 4.

The World Bank's *Doing Business* Data Set

All of the eight new and substitute components incorporated into the index involve the use of ratings from the World Bank's *Doing Business* data set. In Exhibit 1.1, the DB label indicates these components. The *Doing Business* project has generated one of the most useful cross-country data sets developed in many years. The project focuses on the nature and quality of the legal and regulatory environment.

The methodology of the DB project is a modified form of that employed by Hernando de Soto almost two decades ago.² De Soto had associates go through the required procedures to start a generic business legally in several locations and kept track of the time and monetary cost. Like de Soto, the World Bank begins with a generic experiment, such as starting a business, dismissing a worker, or collecting a contractual debt. The various requirements that must be met in order to legally undertake the activity are identified and leading law firms and other professionals that generally handle such matters are contacted and asked to provide estimates of both the time (measured in days) and money cost that would typically be incurred complying with the mandated regulations. Special care is taken to ensure that the generic cases are comparable across both countries and time periods. The focus of the cases is on business activities that are highly relevant to small and medium-size domestic companies rather than foreigners doing business in the country. In this respect, the data are reflective of how the legal and regulatory environment affects the activities of domestic entrepreneurs.

How consistent the legal and regulatory environment is with economic freedom is particularly difficult to measure. In the past, we have relied extensively on survey data to address these highly important areas. Compared to survey data, the DB data are more objective. From our viewpoint, this makes the data more attractive. The DB data are

available for almost all of the countries covered by the EFW index. In our judgment, inclusion of the eight components from this source into this year's EFW index enhances both the breadth and depth of the EFW measure.

Summary Economic Freedom Ratings, 2005

Exhibit 1.2 presents summary economic freedom ratings, sorted from highest to lowest. These ratings are for the year 2005, the most recent year for which comprehensive data are available. Hong Kong and Singapore, once again, occupy the top two positions. The other nations in the top ten are New Zealand, Switzerland, United States, United Kingdom, Canada, Estonia, Ireland, and Australia. The rankings of other major countries include Germany (18th), Japan (22nd), South Korea (32nd), Spain and Mexico (44th), France and Italy (52nd), India (69th), China (86th), Brazil (101st), Russia (112th), and Nigeria (117th). The ten lowest-rated countries are Niger, Togo, Burundi, Venezuela, Central African Republic, Republic of Congo, Angola, Democratic Republic of Congo, Myanmar, and in last place, Zimbabwe.

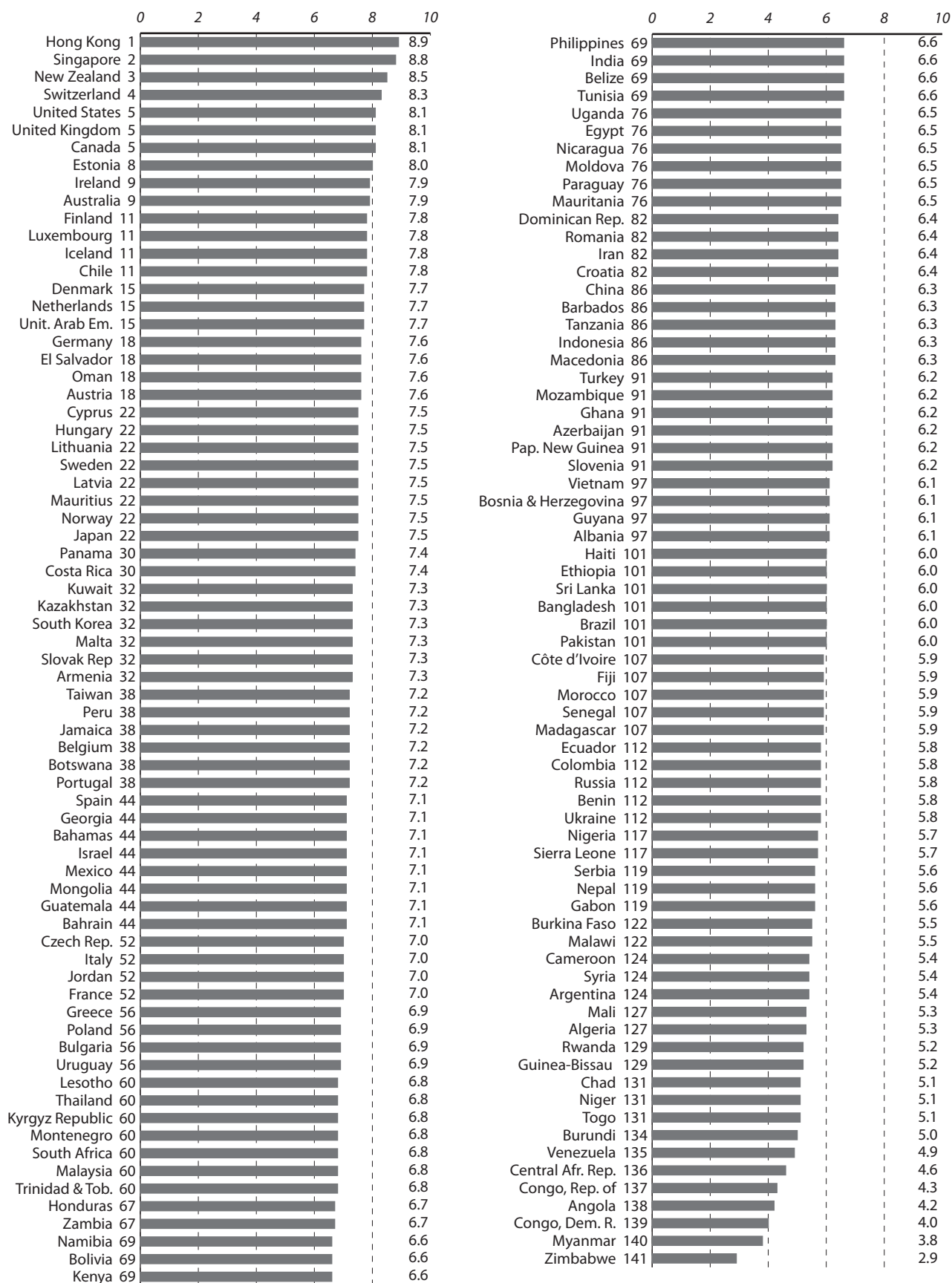
This year 11 additional countries have been added to the index. These countries are Angola (4.2, 138th), Bosnia and Herzegovina (6.1, 97th), Burkina Faso (5.5, 122nd), Ethiopia (6.0, 101st), Kazakhstan (7.3, 32nd), Kyrgyz Republic (6.9, 60th), Lesotho (6.8, 60th), Mauritania (6.5, 76th), Moldova (6.5, 76th), Montenegro (6.8, 60th), and Serbia (5.6, 119th).³ This brings the total number of countries rated to 141.

The criteria for adding new countries are fairly strict and the decision is dictated by the availability of the requisite data. In particular, countries that are not reported in the IMF's standard statistical reports, covered by the *Global Competitiveness Report*, or in the World Bank's *Doing Business* data set are unlikely to be included in the EFW index. Nevertheless, we expect to add additional countries as the data become available.

3 Montenegro was in a loose confederation with Serbia until it became independent in June 2006. Most of the data sources report information for the combined "Serbia and Montenegro" in 2005 but we believe most of the data reflect the situation in Serbia rather than the comparatively smaller and mostly independent Montenegro. Hence we are denoting this entry simply as "Serbia." Montenegro's 2005 ratings were provided by The Center for Entrepreneurship and Economic Development in Montenegro.

2 Hernando de Soto, *The Other Path: The Economic Answer to Terrorism* (Basic Books, 1989).

Exhibit 1.2: Summary Economic Freedom Ratings, 2005



The EFW index is calculated back to 1970 as the availability of data allows; see the Country Data Tables (Chapter 3, page 39 ff) or our website, <<http://www.freetheworld.com>>, for information from past years. Because some data for earlier years may have been updated or corrected, researchers are always encouraged to use the data from the most recent annual report to assure the best-quality data.

Area Economic Freedom Ratings (and Rankings), 2005

Exhibit 1.3 (pages 16–18) 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 alone 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 ranked quite highly at 33rd in Size of Government: Expenditures, Taxes, and Enterprises (Area 1) but scored poorly in all the other categories, especially Legal Structure and Security of Property Rights (Area 2), where it placed 113th, and in Regulation (Area 5), where it ranked 101st. Despite relatively high rankings in a couple of areas, Bolivia's overall ranking was only 69th.

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. 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 have reasonably sized governments and sound money.

The economies most open to foreign trade were Hong Kong and Singapore, followed by a number of European nations such as Ireland, the Netherlands, and Belgium. Some former Soviet-bloc nations also rank fairly high in openness to trade: Slovak Republic (6th), Estonia (8th), and Czech Republic (10th). Chile is also highly open to foreign trade, ranking 4th in this area. The least regulated countries—those at the top in Regulation of Credit, Labor, and Business (Area 5)—were New Zealand, Hong Kong, Singapore, and Iceland.

The Chain-Linked Summary Index, 1970–2005

One of the most valuable aspects of this index of economic freedom is that, for many countries, it can be calculated back to 1970: 53 countries have ratings in 1970; 70 in 1975; 102 in 1980, 109 in 1985, 113 in 1990, 123 for 1995 through 2002, 127 in 2003, 130 in 2004, and 141 in 2005. These longitudinal data are useful for examining 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 especially important to note this year because of the changes being made to the index. The problem is similar to comparing GDP or a price index over time when we know that the underlying goods and services are constantly changing. The problem of missing or changing components threatens the comparability of the index ratings over time.

In order to correct for this problem, we have constructed a chain-linked, 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 proportionally to reflect this fact. Correspondingly, in cases where the

Exhibit 1.3: Area Economic Freedom Ratings (and Rankings), 2005

	AREAS															
	1 Size of Government		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	5.4	(91)	4.9	(97)	9.2	(41)	5.4	(124)	5.6	(112)	6.7	(114)	5.3	(96)	5.0	(94)
Algeria	3.7	(135)	5.3	(87)	6.8	(108)	5.7	(112)	4.9	(130)	4.6	(139)	4.9	(105)	5.2	(85)
Angola			3.4	(131)	1.3	(140)	7.2	(47)	4.9	(129)	5.9	(127)	6.5	(42)	2.4	(136)
Argentina	6.1	(68)	4.6	(106)	5.4	(134)	5.9	(103)	4.8	(134)	5.9	(125)	3.6	(135)	4.9	(100)
Armenia	7.7	(15)	5.6	(79)	9.4	(33)	6.7	(68)	6.8	(50)	8.8	(36)	7.0	(22)	4.7	(104)
Australia	6.4	(55)	8.8	(10)	9.4	(30)	7.1	(49)	7.6	(17)	8.7	(37)	6.7	(35)	7.5	(10)
Austria	5.2	(100)	8.7	(13)	9.5	(16)	7.7	(19)	6.7	(57)	8.5	(54)	4.6	(112)	7.2	(17)
Azerbaijan	5.7	(81)	5.6	(75)	7.2	(95)	6.4	(85)	6.0	(102)	7.0	(104)	6.3	(49)	4.6	(112)
Bahamas	7.9	(13)	8.5	(15)	6.8	(109)	4.4	(135)	8.1	(6)	9.5	(8)				
Bahrain	6.6	(50)	5.6	(76)	8.7	(58)	7.4	(30)	6.9	(48)	9.3	(15)	6.8	(30)	4.6	(110)
Bangladesh	8.0	(9)	3.7	(126)	6.7	(117)	5.5	(121)	6.1	(93)	7.0	(105)	6.8	(29)	4.5	(115)
Barbados	5.3	(96)	8.0	(20)	6.4	(121)	5.1	(129)	6.8	(56)	8.3	(59)	6.7	(36)	5.3	(82)
Belgium	4.3	(128)	7.5	(27)	9.5	(18)	8.1	(9)	6.5	(74)	7.8	(85)	4.8	(109)	7.0	(21)
Belize	4.6	(121)	6.4	(53)	8.4	(70)	5.0	(133)	8.6	(2)	9.3	(16)				
Benin	5.9	(72)	4.8	(100)	6.7	(114)	5.2	(127)	6.4	(80)	9.1	(27)	5.5	(85)	4.7	(107)
Bolivia	7.2	(33)	4.3	(113)	8.8	(56)	6.9	(61)	6.0	(101)	7.8	(84)	5.4	(90)	4.8	(103)
Bosnia & Herz.	6.0	(69)	4.0	(120)	8.1	(77)	5.9	(101)	6.6	(67)	9.5	(9)	5.4	(86)	5.0	(97)
Botswana	5.0	(107)	7.4	(32)	9.0	(47)	6.9	(60)	7.6	(18)	9.4	(12)	7.2	(21)	6.1	(46)
Brazil	6.4	(56)	5.2	(88)	7.6	(91)	6.3	(87)	4.3	(140)	4.9	(138)	3.7	(134)	4.3	(119)
Bulgaria	5.8	(75)	5.7	(71)	8.9	(50)	7.2	(46)	6.7	(59)	9.2	(24)	5.9	(64)	5.0	(93)
Burkina Faso			4.1	(119)	6.9	(103)	5.1	(130)	5.9	(103)	8.7	(42)	4.6	(114)	4.6	(109)
Burundi	5.6	(83)	2.9	(135)	6.6	(119)	3.3	(138)	6.6	(70)	7.8	(80)	7.4	(15)	4.5	(116)
Cameroon	5.5	(86)	3.7	(124)	6.9	(106)	5.5	(120)	5.5	(118)	7.3	(97)	6.0	(57)	3.2	(133)
Canada	6.8	(47)	8.6	(14)	9.7	(5)	7.5	(22)	7.8	(15)	8.6	(49)	7.0	(23)	7.8	(9)
Central Afr. Rep.	4.3	(130)	2.8	(136)	7.1	(98)	3.2	(139)	5.4	(122)	7.2	(100)	4.8	(108)	4.1	(128)
Chad	6.4	(54)	2.7	(137)	6.0	(128)	5.7	(113)	4.9	(131)	5.7	(130)	4.9	(106)	4.1	(127)
Chile	6.3	(58)	7.1	(35)	9.3	(39)	8.2	(4)	7.8	(13)	9.0	(31)	7.3	(18)	7.1	(19)
China	5.1	(106)	5.8	(63)	8.2	(73)	7.6	(21)	5.0	(128)	6.5	(116)	4.5	(119)	3.8	(130)
Colombia	4.6	(119)	5.0	(92)	7.8	(86)	5.6	(115)	6.1	(94)	7.5	(92)	5.0	(102)	5.8	(59)
Congo, Dem. R.	5.3	(94)	1.8	(141)	4.0	(138)	5.4	(122)	3.3	(141)	2.7	(141)	4.3	(126)	3.0	(135)
Congo, Rep. of	4.3	(129)	2.6	(138)	4.4	(137)	5.6	(117)	4.5	(138)	5.4	(133)	5.0	(103)	3.3	(132)
Costa Rica	7.8	(14)	6.9	(41)	8.7	(59)	7.3	(34)	6.0	(100)	6.9	(109)	5.2	(97)	5.9	(53)
Côte d'Ivoire	8.1	(8)	2.5	(140)	6.9	(104)	5.8	(107)	6.2	(87)	7.4	(94)	5.3	(94)	6.0	(49)
Croatia	4.4	(125)	5.6	(74)	8.2	(75)	6.5	(77)	7.0	(42)	9.2	(21)	6.4	(44)	5.3	(79)
Cyprus	7.4	(25)	7.6	(25)	9.4	(34)	6.9	(57)	6.4	(82)	8.3	(61)	5.6	(78)	5.1	(88)
Czech Rep.	4.5	(124)	6.8	(44)	9.1	(44)	8.0	(10)	6.8	(51)	9.3	(18)	5.9	(63)	5.2	(84)
Denmark	4.0	(132)	9.4	(1)	9.5	(23)	7.7	(17)	8.1	(7)	8.6	(46)	7.4	(14)	8.2	(4)
Dominican Rep.	8.5	(3)	4.5	(107)	6.0	(127)	6.5	(79)	6.4	(78)	7.8	(79)	5.6	(80)	5.9	(55)
Ecuador	7.3	(28)	4.1	(118)	5.9	(131)	6.6	(74)	5.3	(124)	6.4	(121)	4.4	(120)	5.0	(92)
Egypt	7.1	(34)	5.7	(70)	8.9	(51)	6.3	(88)	4.6	(136)	5.3	(135)	4.5	(118)	4.1	(123)
El Salvador	9.3	(1)	5.3	(86)	9.6	(11)	6.7	(64)	7.2	(32)	9.3	(14)	6.0	(58)	6.3	(36)
Estonia	7.0	(38)	7.7	(23)	9.5	(28)	8.1	(8)	7.8	(16)	9.7	(3)	6.3	(48)	7.4	(14)
Ethiopia	7.5	(21)	4.4	(111)	6.9	(105)	5.1	(131)	6.2	(89)	5.9	(128)	7.4	(16)	5.4	(76)
Fiji	4.5	(122)	5.3	(84)	7.0	(101)	5.6	(119)	7.2	(35)	7.6	(88)	6.4	(43)	7.4	(13)
Finland	5.0	(112)	9.0	(7)	9.6	(10)	7.5	(24)	8.0	(8)	9.4	(13)	5.6	(81)	9.0	(1)
France	3.7	(134)	7.5	(26)	9.6	(13)	7.2	(40)	6.7	(58)	8.2	(66)	5.1	(98)	6.8	(25)
Gabon	3.8	(133)	4.3	(114)	7.0	(102)	5.4	(123)	7.3	(31)	7.4	(95)				

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and Rankings), 2005

	AREAS									
	1 Size of Government	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		
Georgia	7.9 (11)	4.7 (103)	9.0 (48)	6.7 (67)	7.5 (21)	9.2 (22)	7.4 (13)	5.9 (54)		
Germany	5.7 (76)	8.9 (8)	9.5 (22)	7.8 (15)	6.2 (88)	7.0 (106)	4.3 (124)	7.3 (15)		
Ghana	6.4 (57)	5.0 (93)	7.3 (93)	5.3 (126)	6.9 (47)	7.9 (75)	6.6 (39)	6.3 (37)		
Greece	6.1 (65)	6.7 (45)	9.6 (12)	6.3 (93)	5.8 (107)	7.2 (99)	4.1 (129)	6.0 (48)		
Guatemala	8.2 (5)	5.2 (89)	9.1 (43)	6.3 (86)	6.5 (73)	8.1 (71)	5.7 (75)	5.8 (58)		
Guinea-Bissau	5.0 (108)	3.6 (128)	6.0 (130)	4.8 (134)	6.6 (71)	9.1 (29)				
Guyana	3.0 (137)	4.8 (98)	8.0 (81)	7.4 (32)	7.3 (29)	8.2 (67)	8.1 (6)	5.7 (63)		
Haiti	6.3 (61)	3.0 (133)	7.8 (85)	6.2 (95)	6.8 (54)	9.0 (32)	7.2 (20)	4.1 (125)		
Honduras	7.3 (29)	4.2 (117)	8.9 (52)	6.8 (63)	6.4 (79)	8.7 (43)	5.6 (82)	5.1 (90)		
Hong Kong	9.2 (2)	8.0 (19)	9.5 (20)	9.4 (1)	8.6 (3)	9.2 (23)	8.7 (1)	7.8 (8)		
Hungary	6.3 (59)	6.7 (47)	9.4 (35)	7.9 (13)	7.3 (27)	9.5 (6)	5.9 (65)	6.5 (32)		
Iceland	6.9 (40)	9.2 (4)	8.7 (62)	5.8 (109)	8.3 (5)	8.2 (65)	7.9 (9)	8.6 (2)		
India	7.7 (17)	6.7 (46)	6.9 (107)	6.4 (84)	5.4 (123)	5.9 (126)	4.8 (107)	5.3 (77)		
Indonesia	6.9 (39)	3.9 (121)	7.5 (92)	7.5 (26)	5.5 (117)	6.7 (113)	5.3 (91)	4.5 (114)		
Iran	6.4 (53)	6.5 (51)	8.6 (67)	5.2 (128)	5.2 (125)	6.5 (115)	3.8 (133)	5.2 (87)		
Ireland	6.1 (67)	8.3 (18)	9.7 (8)	8.4 (3)	7.3 (28)	8.7 (39)	5.8 (72)	7.5 (11)		
Israel	5.3 (93)	6.6 (50)	9.3 (36)	7.8 (16)	6.7 (64)	6.7 (111)	6.1 (54)	7.1 (20)		
Italy	5.9 (70)	6.4 (52)	9.5 (17)	7.1 (51)	6.1 (95)	7.9 (78)	4.4 (122)	5.9 (51)		
Jamaica	7.7 (18)	6.1 (58)	8.7 (63)	6.9 (58)	6.7 (62)	8.4 (58)	6.0 (59)	5.6 (67)		
Japan	6.2 (63)	8.3 (17)	9.5 (21)	6.4 (83)	7.0 (44)	6.9 (108)	6.8 (28)	7.1 (18)		
Jordan	4.8 (116)	6.9 (43)	9.3 (37)	7.5 (28)	6.5 (75)	8.3 (64)	5.5 (83)	5.6 (65)		
Kazakhstan	8.2 (6)	6.1 (59)	7.9 (84)	7.1 (50)	7.4 (23)	8.6 (44)	7.5 (12)	6.2 (43)		
Kenya	7.1 (36)	4.9 (95)	8.6 (66)	6.3 (90)	6.3 (83)	7.6 (89)	5.8 (73)	5.6 (68)		
Kuwait	6.5 (51)	7.4 (31)	8.9 (49)	6.6 (71)	7.3 (30)	8.6 (50)	7.5 (11)	5.7 (62)		
Kyrgyz Republic	7.9 (10)	3.7 (123)	8.6 (64)	6.6 (72)	7.2 (34)	8.7 (38)	7.3 (19)	5.5 (72)		
Latvia	6.8 (43)	7.0 (39)	8.7 (60)	7.4 (31)	7.5 (22)	9.1 (28)	6.9 (25)	6.4 (33)		
Lesotho	7.7 (16)	5.5 (80)	8.2 (76)	6.4 (81)	6.4 (81)	9.0 (30)	5.8 (70)	4.3 (121)		
Lithuania	6.8 (46)	6.9 (42)	8.9 (53)	7.5 (23)	7.5 (20)	9.7 (2)	6.2 (53)	6.7 (30)		
Luxembourg	5.3 (95)	8.7 (11)	9.7 (4)	7.9 (12)	7.4 (24)	8.7 (41)	6.6 (38)	6.9 (23)		
Macedonia	5.2 (102)	4.2 (116)	8.3 (72)	6.4 (80)	7.1 (36)	9.3 (20)	5.9 (67)	6.2 (41)		
Madagascar	7.0 (37)	3.7 (125)	7.0 (100)	6.0 (99)	5.6 (115)	7.5 (91)	5.1 (99)	4.2 (122)		
Malawi	4.3 (127)	5.3 (85)	6.3 (122)	5.6 (114)	5.7 (110)	7.2 (101)	5.4 (89)	4.6 (111)		
Malaysia	5.4 (92)	7.3 (33)	6.8 (110)	7.4 (29)	7.1 (38)	8.6 (47)	6.9 (26)	5.6 (64)		
Mali	4.6 (120)	4.9 (96)	6.3 (123)	5.8 (105)	5.1 (127)	6.4 (120)	4.7 (111)	4.1 (124)		
Malta	5.8 (74)	7.7 (24)	8.8 (55)	7.5 (27)	6.8 (55)	8.8 (35)	6.7 (33)	4.8 (102)		
Mauritania		5.4 (83)	7.7 (88)	6.3 (89)	6.4 (77)	9.4 (11)	5.8 (68)	4.0 (129)		
Mauritius	7.4 (24)	6.2 (56)	9.5 (25)	7.2 (45)	7.2 (33)	8.6 (51)	6.9 (27)	6.1 (47)		
Mexico	7.9 (12)	5.7 (72)	8.1 (79)	7.2 (48)	6.7 (63)	9.1 (25)	5.8 (71)	5.1 (89)		
Moldova	6.8 (44)	5.6 (77)	6.7 (115)	6.8 (62)	6.6 (69)	7.9 (77)	6.3 (46)	5.6 (66)		
Mongolia	6.3 (60)	5.8 (66)	8.7 (61)	7.2 (39)	7.4 (26)	9.3 (17)	7.0 (24)	5.8 (57)		
Montenegro	5.0 (111)	6.1 (57)	9.4 (32)	7.3 (37)	6.3 (84)	9.7 (4)	4.3 (125)	5.0 (95)		
Morocco	5.2 (104)	6.3 (54)	7.1 (97)	5.8 (108)	5.2 (126)	6.5 (117)	4.4 (123)	4.7 (108)		
Mozambique	5.7 (80)	4.5 (109)	9.1 (45)	6.1 (96)	5.7 (109)	8.1 (69)	4.2 (127)	4.9 (98)		
Myanmar	5.1 (105)	2.6 (139)	3.9 (139)	1.4 (141)	6.2 (86)	5.3 (134)				
Namibia	5.2 (97)	7.4 (28)	6.5 (120)	6.2 (94)	7.8 (14)	9.6 (5)	7.9 (10)	5.8 (56)		
Nepal	5.2 (103)	4.7 (104)	6.6 (118)	5.6 (118)	5.7 (111)	6.8 (110)	4.9 (104)	5.3 (78)		
Netherlands	4.9 (115)	9.2 (5)	9.5 (26)	8.1 (7)	6.9 (46)	8.4 (57)	6.0 (60)	6.4 (34)		

Exhibit 1.3 (continued): Area Economic Freedom Ratings (and Rankings), 2005

	AREAS															
	1 Size of Government	2 Legal Structure & Security of Property Rights	3 Access to Sound Money		4 Freedom to Trade Internationally		5 Regulation of Credit, Labor, & Business		COMPONENTS OF AREA 5							
								5A Credit Market Regulations	5B Labor Market Regulations	5C Business Regulations						
New Zealand	6.7	(48)	9.3	(3)	9.6	(9)	7.9	(14)	8.8	(1)	9.9	(1)	8.1	(5)	8.2	(3)
Nicaragua	5.6	(84)	4.6	(105)	8.8	(54)	6.9	(59)	6.7	(60)	8.0	(73)	6.5	(41)	5.5	(71)
Niger	5.4	(90)	4.5	(108)	6.7	(113)	4.3	(136)	4.6	(137)	6.0	(123)	3.5	(136)	4.3	(120)
Nigeria	6.2	(62)	3.0	(134)	6.7	(116)	6.7	(66)	6.0	(98)	7.5	(90)	6.4	(45)	4.1	(126)
Norway	4.7	(118)	9.3	(2)	9.3	(38)	6.6	(75)	7.6	(19)	8.7	(40)	6.2	(52)	7.8	(7)
Oman	5.7	(79)	7.7	(22)	9.4	(31)	7.3	(38)	8.0	(9)	9.3	(19)	8.0	(8)	6.7	(29)
Pakistan	7.3	(30)	4.4	(112)	6.0	(126)	5.8	(106)	6.3	(85)	8.3	(62)	6.1	(55)	4.6	(113)
Panama	8.3	(4)	5.6	(73)	9.5	(24)	6.9	(56)	6.8	(52)	8.9	(33)	5.7	(76)	5.8	(60)
Pap. New Guinea	6.1	(64)	4.4	(110)	7.2	(96)	6.1	(97)	7.0	(40)	8.0	(74)	6.3	(47)	6.7	(27)
Paraguay	7.5	(23)	3.8	(122)	8.5	(69)	7.2	(41)	5.5	(120)	7.1	(103)	4.2	(128)	5.2	(86)
Peru	7.5	(20)	5.1	(91)	9.7	(6)	7.2	(44)	6.6	(68)	8.4	(56)	6.1	(56)	5.3	(80)
Philippines	7.1	(35)	5.0	(94)	7.9	(82)	7.4	(33)	5.8	(108)	7.3	(98)	4.6	(113)	5.5	(73)
Poland	5.9	(71)	5.8	(67)	9.3	(40)	6.7	(65)	6.6	(65)	8.3	(60)	6.0	(62)	5.6	(69)
Portugal	5.7	(77)	7.4	(30)	9.5	(27)	7.0	(53)	6.2	(90)	8.1	(68)	4.5	(117)	5.9	(52)
Romania	5.5	(88)	5.7	(69)	8.1	(78)	7.1	(52)	5.5	(119)	6.5	(118)	4.4	(121)	5.6	(70)
Russia	5.2	(98)	5.5	(81)	6.0	(129)	6.3	(92)	6.1	(92)	6.9	(107)	6.6	(40)	4.8	(101)
Rwanda	5.0	(109)	3.6	(129)	7.7	(89)	4.2	(137)	5.6	(113)	5.4	(132)	5.4	(88)	6.1	(45)
Senegal	6.1	(66)	4.3	(115)	7.1	(99)	5.9	(102)	5.9	(105)	7.5	(93)	5.3	(95)	5.0	(96)
Serbia	5.7	(78)	4.7	(102)	4.7	(136)	6.0	(100)	6.6	(66)	8.6	(48)	6.2	(50)	5.1	(91)
Sierra Leone	5.5	(87)	4.8	(101)	7.9	(83)	5.4	(125)	4.8	(133)	5.2	(136)	3.9	(132)	5.5	(74)
Singapore	8.1	(7)	8.4	(16)	9.8	(2)	9.3	(2)	8.3	(4)	8.3	(63)	8.4	(2)	8.1	(5)
Slovak Rep	5.0	(110)	6.7	(48)	9.2	(42)	8.2	(6)	7.4	(25)	9.1	(26)	6.7	(32)	6.3	(38)
Slovenia	2.4	(138)	6.0	(60)	8.8	(57)	7.2	(43)	6.4	(76)	7.8	(81)	5.5	(84)	6.0	(50)
South Africa	5.5	(89)	7.0	(37)	8.0	(80)	6.6	(73)	6.8	(53)	8.5	(53)	5.6	(77)	6.2	(44)
South Korea	6.4	(52)	7.2	(34)	9.5	(19)	6.5	(78)	7.0	(45)	8.8	(34)	5.8	(74)	6.3	(40)
Spain	5.2	(101)	7.1	(36)	9.6	(14)	7.2	(42)	6.7	(61)	8.4	(55)	5.0	(101)	6.6	(31)
Sri Lanka	6.9	(41)	5.1	(90)	6.1	(125)	6.3	(91)	5.6	(116)	6.7	(112)	4.7	(110)	5.2	(83)
Sweden	4.2	(131)	8.9	(9)	9.7	(3)	7.7	(18)	7.0	(41)	8.6	(52)	4.6	(116)	7.9	(6)
Switzerland	7.4	(26)	9.0	(6)	9.7	(7)	7.3	(36)	7.9	(12)	8.1	(70)	8.1	(3)	7.4	(12)
Syria	4.8	(117)	4.8	(99)	7.7	(87)	5.0	(132)	4.8	(135)	4.4	(140)	4.6	(115)	5.3	(81)
Taiwan	5.7	(82)	7.0	(38)	9.6	(15)	8.0	(11)	6.0	(97)	5.5	(131)	5.8	(69)	6.7	(28)
Tanzania	4.9	(114)	5.8	(64)	9.0	(46)	5.7	(111)	6.0	(99)	7.9	(76)	5.3	(92)	4.7	(106)
Thailand	6.9	(42)	6.3	(55)	6.8	(111)	7.3	(35)	6.9	(49)	7.6	(87)	6.7	(31)	6.2	(42)
Togo	4.5	(123)	3.5	(130)	6.7	(112)	5.9	(104)	4.9	(132)	5.7	(129)	3.9	(131)	4.9	(99)
Trinidad & Tob.	6.8	(45)	5.7	(68)	8.4	(71)	6.9	(55)	6.0	(96)	7.2	(102)	6.2	(51)	4.7	(105)
Tunisia	5.2	(99)	7.4	(29)	7.3	(94)	6.0	(98)	7.0	(43)	8.0	(72)	6.0	(61)	6.9	(22)
Turkey	7.3	(27)	6.6	(49)	4.9	(135)	6.7	(69)	5.6	(114)	6.5	(119)	4.0	(130)	6.3	(39)
Uganda	5.9	(73)	5.4	(82)	8.5	(68)	5.8	(110)	7.1	(37)	7.8	(83)	8.1	(7)	5.5	(75)
Ukraine	5.0	(113)	5.6	(78)	5.8	(133)	6.6	(76)	5.8	(106)	7.3	(96)	5.9	(66)	4.3	(118)
Unit. Arab Em.	7.5	(22)	6.9	(40)	8.6	(65)	8.2	(5)	7.1	(39)	7.8	(82)	6.6	(37)	6.7	(26)
United Kingdom	6.7	(49)	8.7	(12)	9.4	(29)	7.7	(20)	7.9	(11)	9.5	(10)	7.4	(17)	6.8	(24)
United States	7.6	(19)	7.7	(21)	9.8	(1)	7.5	(25)	8.0	(10)	8.6	(45)	8.1	(4)	7.2	(16)
Uruguay	7.2	(32)	5.9	(61)	8.2	(74)	7.0	(54)	5.9	(104)	6.0	(124)	5.4	(87)	6.4	(35)
Venezuela	4.3	(126)	3.3	(132)	5.8	(132)	5.6	(116)	5.4	(121)	7.7	(86)	5.3	(93)	3.1	(134)
Vietnam	5.6	(85)	5.8	(65)	6.2	(124)	6.6	(70)	6.5	(72)	9.5	(7)	5.6	(79)	4.4	(117)
Zambia	7.3	(31)	5.9	(62)	7.6	(90)	6.4	(82)	6.2	(91)	6.1	(122)	6.7	(34)	5.7	(61)
Zimbabwe	3.4	(136)	3.7	(127)	0.0	(141)	2.8	(140)	4.5	(139)	5.1	(137)	5.0	(100)	3.3	(131)

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 2005. The chain-linked methodology means that a country's rating will change across time periods only when there is a change in ratings for components present during adjacent years. This is precisely what one would want when making comparisons across time periods.

Exhibit 1.4 shows the average chain-linked economic freedom index rating for the 102 countries with ratings since 1980. The average level of economic freedom, as measured by the chain-linked EFW index, has increased to 6.6 in 2005 from 5.4 in 1980. Much of this increase was driven by reductions in marginal income-tax rates, if not aggregate taxation; improvements in monetary policy; and global trade liberalization.

The full Chain-Linked Summary Index for the years 1970, 1975, 1980, 1985, 1990, 1995, and 2000 to 2005 is found in exhibit 1.5 (pages 20–22). Researchers using the data for long-term studies should use these chain-linked data. The chain-link summary index is computed only for the 123 countries receiving ratings in the base year of 2000.

Because the eight components (or sub-components) added to the index this year were not present during the 2000 base year, they will not affect the 2005 ratings derived by the chain-link method. How much difference does this make? In order to address this question, we calculated the correlation coefficient between the 2005 summary ratings (based on the 42 components of this year's index) and the 2005 chain-linked ratings. The correlation coefficient between the two was 0.986. Clearly, this indicates that for most countries the difference between the summary and the chain-linked ratings was small in 2005.

Concluding Thoughts

This chapter concludes with some graphs illustrating simple relationships between economic freedom by quartile and various other indicators of human and political progress (exhibits 1.6–1.19; pages 23–27). The graphs use the average of the chain-linked EFW index for the years 1990, 1995, 2000, and 2005. Because persistence is important and the impact of economic freedom will be felt over a lengthy time period, it is better to use the average rating over a fairly long time span rather than the current rating if you want to observe the impact of economic freedom on performance.

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

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

Exhibit 1.4: Average Chain-linked EFW Rating for the 102 Countries with Ratings since 1980

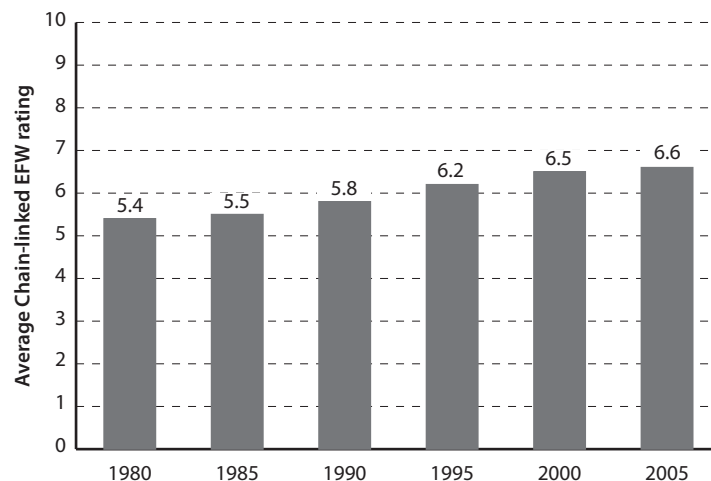


Exhibit 1.5: The Chain-Linked Summary Index, 1970–2005

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Albania					4.13	4.50	5.72	5.69	5.94	6.13	5.81	5.95
Algeria			4.07	4.13	3.72	3.81	4.29	4.47	4.52	4.51	4.76	5.36
Argentina	5.06	3.25	4.28	3.86	4.89	6.68	7.19	6.50	5.86	5.73	5.76	5.31
Australia	7.31	6.40	7.12	7.45	7.64	7.80	8.02	7.91	7.87	7.80	7.83	7.86
Austria	6.46	6.16	6.65	6.64	7.21	7.04	7.50	7.59	7.58	7.64	7.67	7.66
Bahamas		6.64	6.37	6.28	6.24	6.33	6.50	6.57	6.51	6.65	6.73	7.01
Bahrain			7.34	6.86	6.82	6.94	7.24	7.16	7.11	7.14	7.00	7.07
Bangladesh		3.34	3.55	3.86	4.60	5.38	5.74	5.66	5.75	5.60	5.62	5.79
Barbados		5.37	5.43	5.72	5.76	5.78	5.59	5.48	5.65	5.55	5.65	5.79
Belgium	7.66	6.96	7.22	7.25	7.52	7.21	7.46	7.36	7.36	7.33	7.26	7.21
Belize			5.59	5.44	5.81	6.32	6.22	6.16	6.56	6.66	6.65	6.95
Benin			4.94	4.61	4.99	4.59	5.43	5.53	5.44	5.41	5.38	5.80
Bolivia			4.50	3.56	5.25	6.52	6.70	6.51	6.51	6.49	6.54	6.57
Botswana			5.52	5.68	5.77	6.38	7.19	7.16	7.19	6.98	6.98	6.95
Brazil	5.43	4.52	4.20	3.70	4.47	4.47	5.87	5.90	6.21	5.92	5.87	5.93
Bulgaria				5.17	4.08	4.48	5.07	5.66	6.12	6.25	6.35	6.64
Burundi		4.28	4.31	4.72	4.88	4.51	5.12	5.27	5.07	4.53	4.49	4.95
Cameroon			5.50	5.72	5.74	5.28	5.44	5.67	5.68	5.67	5.65	5.62
Canada	7.97	7.14	7.58	7.65	7.97	7.80	8.12	8.06	7.91	8.00	8.05	8.04
Central Afr. Rep.				4.27	4.92	4.69	4.86	4.96	5.00	5.18	5.02	5.07
Chad				4.52	4.62	4.58	5.45	5.55	5.60	5.60	5.52	5.28
Chile	4.08	3.91	5.56	6.16	6.93	7.48	7.48	7.27	7.25	7.41	7.41	7.71
China			4.23	5.11	4.91	5.30	5.73	5.80	5.72	5.79	5.48	5.90
Colombia	5.31	5.00	4.76	5.16	4.94	5.45	5.39	5.46	5.40	5.45	5.48	5.57
Congo, Dem. R.	4.64	4.23	3.07	3.76	3.45	3.72	3.41	3.56	4.54	4.37	4.35	3.80
Congo, Rep. Of			4.69	4.68	4.93	4.95	4.37	4.61	4.46	4.45	4.40	4.51
Costa Rica		6.22	5.53	5.23	6.66	6.76	7.30	7.22	7.21	7.35	7.21	7.33
Cote d'Ivoire			5.23	5.77	5.52	5.44	5.72	5.71	5.61	5.40	5.79	6.14
Croatia						4.38	5.79	6.05	6.02	6.07	6.21	6.46
Cyprus		5.63	5.54	5.47	5.99	6.16	6.23	6.32	6.75	6.72	7.32	7.47
Czech Rep.						5.81	6.69	6.80	6.86	6.84	6.93	6.99
Denmark	7.08	6.31	6.52	6.66	7.34	7.46	7.67	7.59	7.60	7.61	7.63	7.75
Dominican Rep.			5.34	4.97	4.46	5.96	6.46	6.54	6.61	6.21	5.50	6.27
Ecuador	3.96	4.96	5.31	4.50	5.26	5.97	5.60	5.48	5.92	5.82	5.23	5.57
Egypt		4.02	4.72	5.28	5.03	5.87	6.66	6.49	6.18	6.10	6.25	6.77
El Salvador			4.68	4.49	4.77	7.00	7.25	7.28	7.21	7.21	7.29	7.49
Estonia						5.43	7.09	7.43	7.57	7.57	7.57	7.75
Fiji		5.42	5.71	5.88	5.94	6.09	6.13	6.03	6.09	6.01	6.04	6.27
Finland	7.12	6.25	6.89	7.06	7.37	7.56	7.71	7.68	7.69	7.62	7.69	7.82
France	6.58	5.79	6.06	6.06	7.06	6.80	6.99	6.72	6.89	6.87	7.00	6.92
Gabon			3.92	4.56	4.81	4.78	5.23	5.10	5.03	5.04	5.34	5.63
Germany	7.70	7.17	7.42	7.43	7.66	7.50	7.61	7.30	7.32	7.42	7.59	7.69
Ghana		3.63	2.83	3.02	4.82	5.39	5.82	5.65	6.31	6.54	6.32	6.40
Greece	6.37	5.86	5.83	5.34	6.00	6.28	6.93	6.77	6.84	6.87	6.80	6.83
Guatemala	6.13	6.65	6.12	5.06	5.62	6.69	6.42	6.40	6.42	6.55	6.69	7.11
Guinea-Bissau					3.29	3.86	4.39	5.04	5.13	5.02	5.07	5.29

Exhibit 1.5 (continued): The Chain-Linked Summary Index, 1970–2005

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Guyana						5.07	6.76	6.57	6.46	6.33	6.10	6.41
Haiti			5.84	6.08	5.80	5.76	5.91	5.46	5.44	5.29	5.31	5.79
Honduras			5.87	5.71	5.51	6.16	6.37	6.25	6.43	6.53	6.48	6.48
Hong Kong	8.93	8.93	9.18	8.89	8.74	9.09	8.79	8.72	8.72	8.77	8.71	8.96
Hungary			4.61	5.23	5.35	6.36	6.72	7.12	7.26	7.22	7.45	7.57
Iceland	6.57	4.72	5.36	5.56	6.95	7.38	7.72	7.66	7.63	7.67	7.90	7.76
India	5.35	4.44	5.28	4.97	5.00	5.63	6.22	6.17	6.32	6.38	6.48	6.70
Indonesia	4.89	5.35	5.21	6.14	6.52	6.59	5.89	5.51	5.76	6.10	6.03	6.36
Iran	5.87	5.71	3.80	4.12	4.66	4.55	5.58	6.10	6.08	5.92	6.05	6.49
Ireland	7.08	6.29	6.69	6.74	7.31	8.19	8.12	7.94	7.84	7.84	7.95	7.88
Israel	4.92	4.29	3.68	4.23	4.49	5.81	6.51	6.47	6.79	6.69	6.96	7.37
Italy	6.06	5.29	5.38	5.66	6.57	6.50	7.08	6.96	6.98	6.72	6.94	6.92
Jamaica			4.28	4.68	5.43	6.35	6.99	6.87	6.78	6.74	6.84	7.04
Japan	6.76	6.39	6.91	6.96	7.36	6.97	7.33	7.04	6.94	7.43	7.39	7.36
Jordan		5.48	5.30	5.78	5.57	6.07	7.02	6.75	7.06	6.89	6.84	6.94
Kenya	5.11	4.84	5.01	5.39	5.42	5.78	6.50	6.60	6.64	6.80	6.73	6.86
Kuwait			5.17	7.13	5.11	6.43	6.70	6.98	6.97	7.07	7.11	7.42
Latvia						4.84	6.59	6.75	7.08	6.79	7.01	7.30
Lithuania						4.84	6.28	6.32	6.80	6.65	6.88	7.25
Luxembourg	7.67	7.63	7.54	7.93	7.83	7.70	7.75	7.74	7.60	7.64	7.76	7.66
Madagascar			4.52	4.73	4.62	4.67	5.64	5.93	5.54	5.90	5.83	5.77
Malawi		5.08	4.59	4.76	4.84	4.44	4.66	5.25	5.53	5.47	5.30	5.51
Malaysia	6.61	6.43	7.04	7.13	7.49	7.43	6.85	6.39	6.45	6.51	6.67	6.82
Mali		5.40	5.45	5.08	5.17	5.27	6.03	5.70	5.57	5.61	5.63	5.51
Malta			5.40	5.19	5.42	6.56	6.51	6.48	6.52	6.29	6.93	7.07
Mauritius		5.03	5.16	6.29	6.14	7.26	7.27	7.31	7.21	7.02	7.05	7.62
Mexico	6.47	5.76	5.60	4.71	6.02	6.32	6.27	6.29	6.47	6.43	6.53	7.03
Morocco	5.77	5.12	4.51	5.04	5.03	5.90	6.00	5.91	5.91	6.09	5.87	6.05
Myanmar			4.82	4.42	3.43	4.07	3.88	3.74	3.39	3.21	3.39	3.53
Namibia					5.40	6.40	6.25	6.38	6.29	6.52	6.23	6.43
Nepal			5.70	5.28	5.37	5.37	5.76	5.79	5.71	5.21	5.28	5.00
Netherlands	7.54	6.85	7.31	7.47	7.80	7.82	8.04	7.74	7.69	7.70	7.71	7.77
New Zealand	6.72	6.00	6.72	6.54	7.71	8.64	8.35	8.22	8.18	8.20	8.25	8.34
Nicaragua			4.10	2.09	3.05	5.35	6.44	6.24	6.34	6.27	6.24	6.25
Niger			5.07	5.45	5.09	4.85	5.83	5.55	5.42	5.20	5.22	5.26
Nigeria	3.68	3.76	3.69	3.92	3.75	3.95	5.30	5.43	5.48	5.67	5.57	5.71
Norway	6.32	5.83	6.13	6.61	7.25	7.44	7.16	7.13	7.07	7.27	7.09	7.38
Oman				6.75	6.30	7.00	7.14	7.17	7.13	7.35	7.40	7.89
Pakistan	4.44	3.80	4.59	5.08	4.96	5.61	5.43	5.52	5.78	5.57	5.66	5.83
Panama		6.76	5.52	6.04	6.31	7.14	7.14	7.21	7.18	7.19	7.17	7.25
Pap. New Guinea				6.23	6.37	6.47	5.82	5.84	5.77	5.73	5.80	6.29
Paraguay			5.75	5.16	5.65	6.52	6.27	6.35	6.18	6.18	6.10	6.26
Peru	4.75	4.05	4.03	3.08	4.16	6.32	6.93	6.87	6.91	6.79	6.82	7.06
Philippines	5.73	5.30	5.35	5.17	5.53	7.22	7.11	6.64	6.59	6.63	6.34	6.51
Poland				3.93	4.00	5.30	6.29	6.14	6.40	6.19	6.72	6.83
Portugal	6.32	4.10	5.87	5.64	6.36	7.27	7.34	7.23	7.44	7.31	7.46	7.28

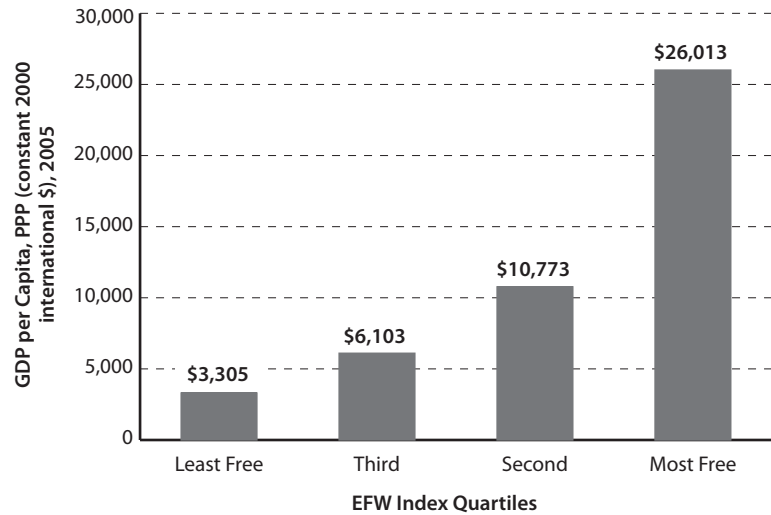
Exhibit 1.5 (continued): The Chain-Linked Summary Index, 1970–2005

	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Romania				4.60	4.70	3.96	4.86	5.04	5.56	5.69	5.64	6.30
Russia						4.09	4.94	4.85	5.21	5.15	5.63	5.54
Rwanda					5.11	4.14	5.01	5.11	5.26	4.67	4.83	5.08
Senegal			4.71	5.04	5.41	4.79	5.87	5.76	5.83	5.78	5.75	6.12
Sierra Leone		5.64	5.43	3.63	3.89	4.34	5.07	5.10	5.37	5.38	5.57	5.51
Singapore	7.88	7.63	7.92	8.27	8.69	8.79	8.51	8.46	8.55	8.46	8.56	8.65
Slovak Rep						5.51	6.30	6.30	6.39	6.41	7.01	7.24
Slovenia						4.79	5.93	5.96	5.99	5.92	6.03	6.05
South Africa	6.68	5.95	5.87	5.46	5.46	6.34	6.78	6.73	6.77	6.88	6.71	6.74
South Korea	5.40	5.33	5.63	5.67	6.10	6.42	6.63	6.96	6.93	6.92	7.07	7.15
Spain	6.55	5.87	6.04	6.16	6.46	7.03	7.36	7.04	7.08	7.14	7.20	7.06
Sri Lanka			5.17	5.30	5.00	6.09	6.08	6.04	5.86	6.00	5.88	5.79
Sweden	5.75	5.62	6.05	6.63	6.93	7.18	7.40	7.15	7.31	7.51	7.30	7.43
Switzerland	8.02	7.79	8.19	8.32	8.30	8.04	8.43	8.17	8.28	8.21	8.22	8.20
Syria	4.32	4.50	3.68	3.38	3.71	4.39	4.82	5.32	5.05	4.94	5.19	5.37
Taiwan	6.86	6.06	6.90	7.13	7.29	7.31	7.20	7.09	7.22	7.23	7.28	7.21
Tanzania	4.46	3.87	3.99	3.57	4.01	4.90	5.83	6.26	6.41	6.34	6.48	6.43
Thailand	5.99	5.86	6.16	6.20	6.88	7.19	6.66	6.67	6.67	6.55	6.64	6.69
Togo			4.18	5.39	5.13	4.82	5.04	5.14	5.22	4.89	4.91	5.05
Trinidad & Tob.		4.77	4.98	4.87	5.66	6.69	7.01	6.93	6.77	6.64	6.66	6.59
Tunisia	4.78	4.79	5.16	4.93	5.40	5.95	6.08	6.14	6.03	5.94	5.99	6.16
Turkey	4.00	4.12	3.83	4.93	5.04	5.73	5.78	5.29	5.47	5.84	5.94	6.20
Uganda			3.25	2.84	3.04	5.12	6.54	6.56	6.60	6.50	6.45	6.42
Ukraine						3.87	4.67	4.82	5.32	5.10	5.37	5.58
Unit. Arab Em.			5.86	6.76	7.14	7.13	7.39	7.38	7.45	7.51	7.41	7.50
United Kingdom	6.49	6.21	6.53	7.45	7.83	8.08	8.22	8.21	8.16	8.13	8.08	8.12
United States	7.61	7.74	7.99	8.14	8.41	8.33	8.56	8.33	8.22	8.14	8.18	7.97
Uruguay			5.67	5.73	5.96	5.93	6.62	6.59	6.66	6.53	6.68	6.67
Venezuela	6.85	5.80	6.31	5.98	5.35	4.26	5.51	5.49	4.45	3.99	4.47	4.59
Zambia		4.57	5.04	3.96	3.33	4.78	6.69	6.85	6.73	6.68	6.78	6.77
Zimbabwe			4.54	4.46	4.71	5.41	4.14	3.36	3.29	3.35	3.06	2.81

Exhibit 1.6: Economic Freedom and Income per Capita

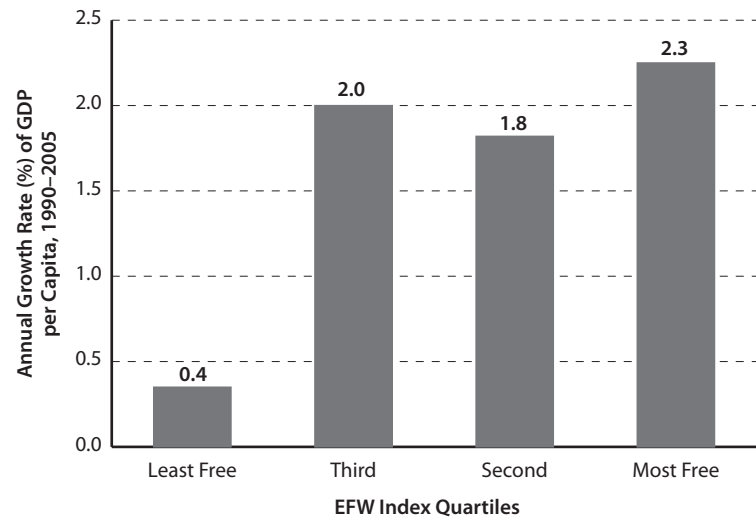
Countries with more economic freedom have substantially higher per-capita incomes.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

**Exhibit 1.7: Economic Freedom and Economic Growth**

Countries with more economic freedom have higher growth rates.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

**Exhibit 1.8: Economic Freedom and Foreign Direct Investment**

Countries with more economic freedom attract more foreign investment.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

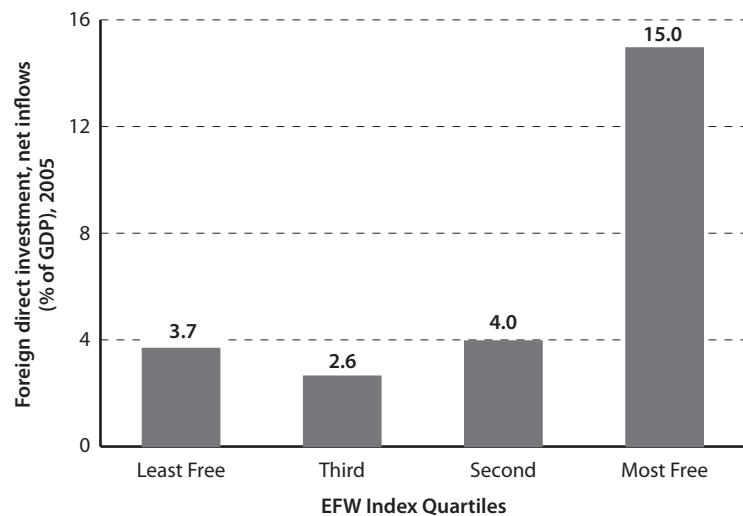


Exhibit 1.9: Economic Freedom and the Income Share of the Poorest 10%

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

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

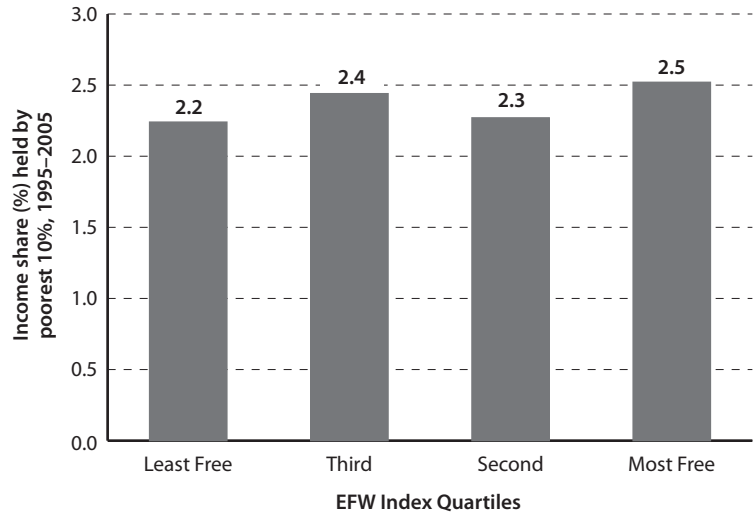


Exhibit 1.10: Economic Freedom and the Income Level of the Poorest 10%

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

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

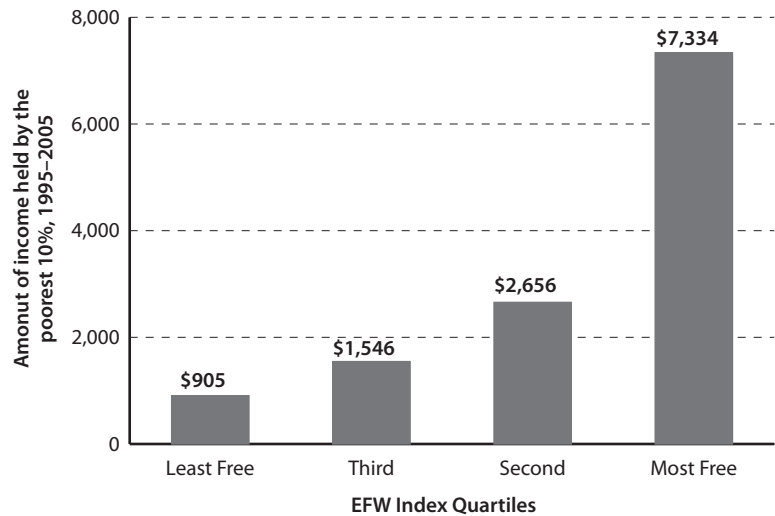


Exhibit 1.11: Economic Freedom and Life Expectancy

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

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

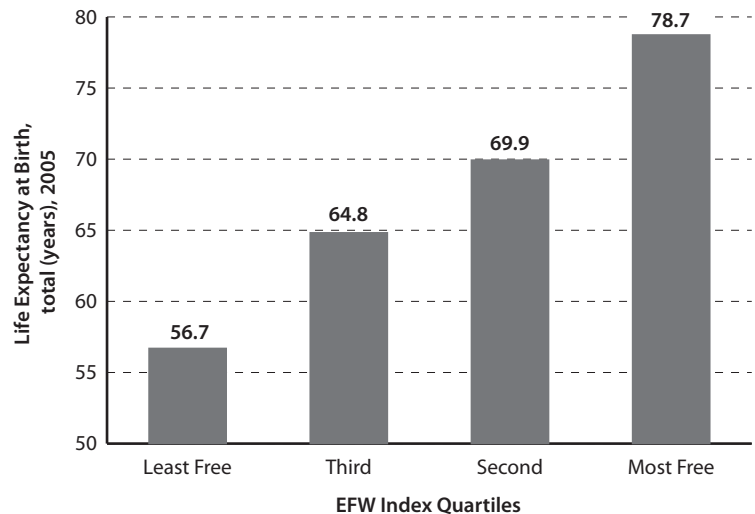
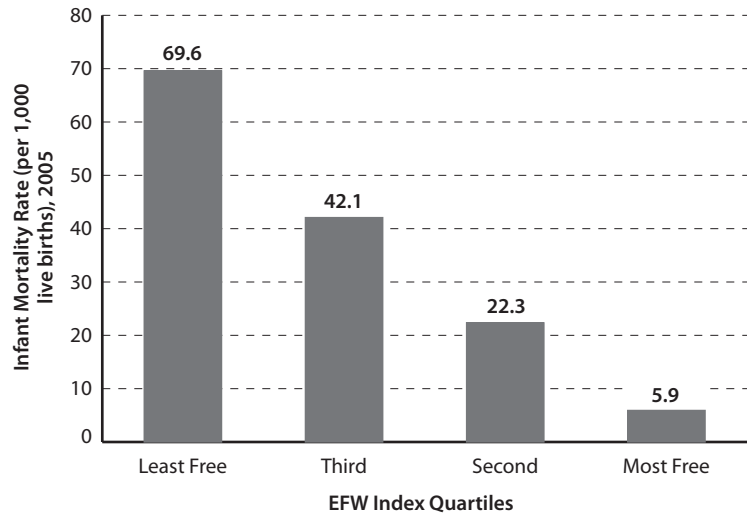


Exhibit 1.12: Economic Freedom and Infant Mortality

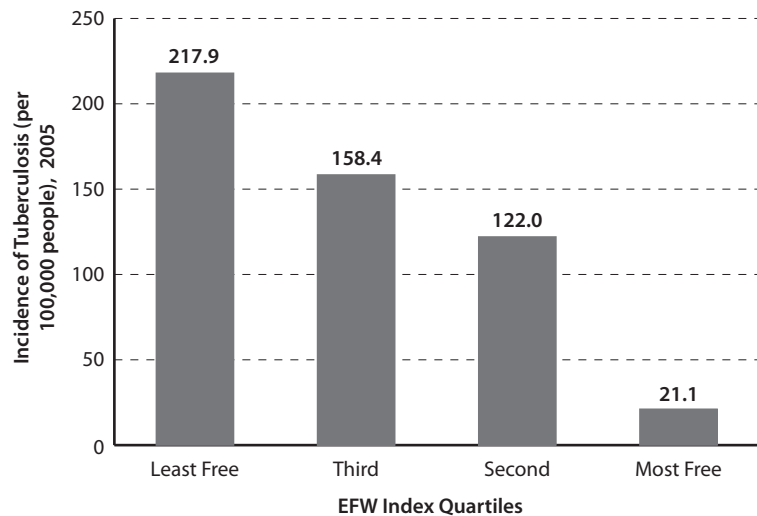
Infant mortality is much lower in countries with high levels of economic freedom.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

**Exhibit 1.13: Economic Freedom and the Incidence of Tuberculosis**

Tuberculosis is less prevalent in countries with high levels of economic freedom.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

**Exhibit 1.14: Economic Freedom and the Number of Telephone Subscribers**

Countries with more economic freedom have more telephone subscribers.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

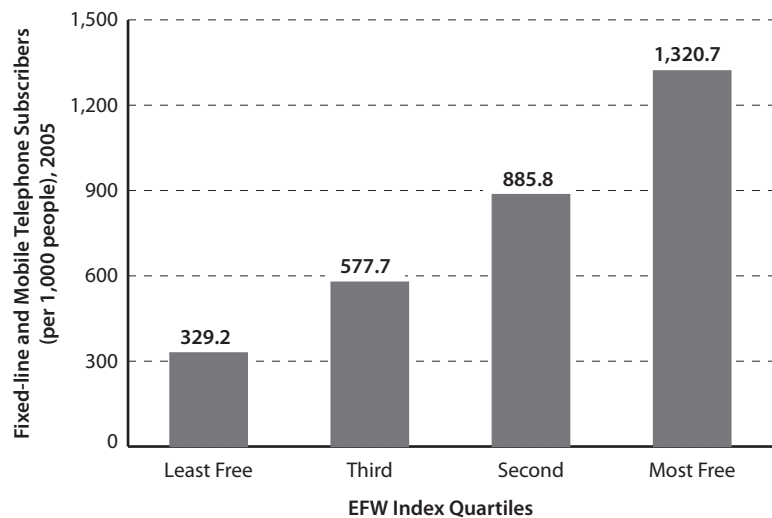
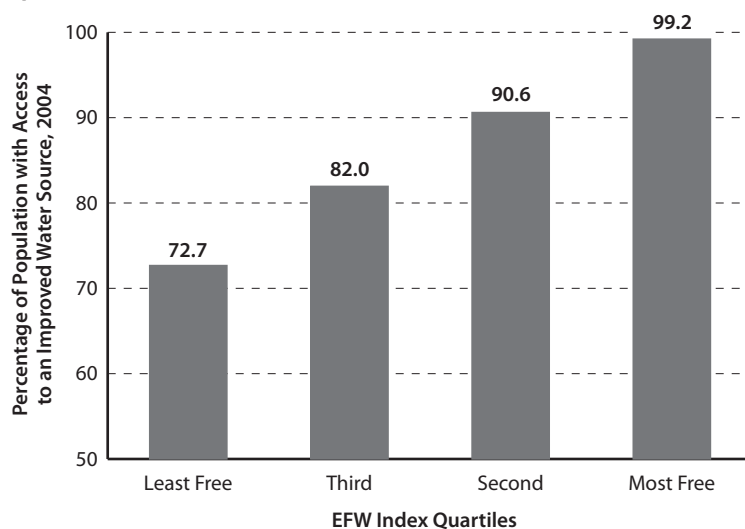


Exhibit 1.15: Economic Freedom and Access to Improved Water Sources

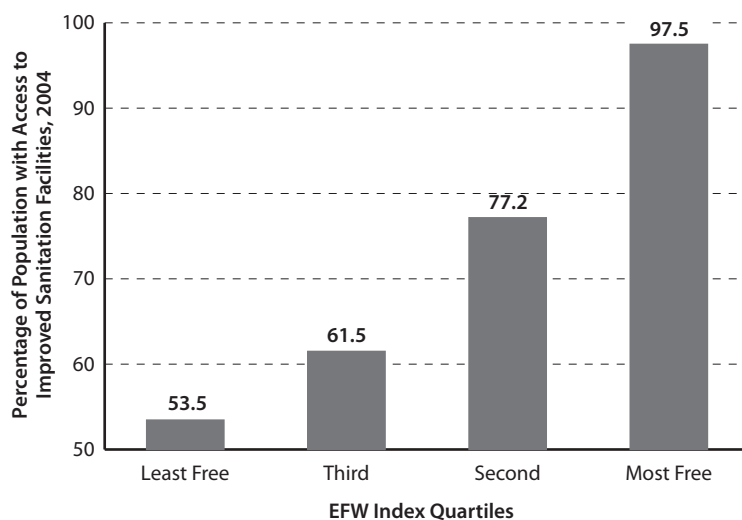
Access to improved water increases with economic freedom.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

**Exhibit 1.16: Economic Freedom and Improved Sanitation Facilities**

Access to sanitation facilities increases with economic freedom.

Sources: The Fraser Institute; The World Bank, *World Development Indicators 2007* CD ROM.

**Exhibit 1.17: Economic Freedom and Corruption**

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

Note: "The scores in the 2005 *Corruption Perceptions Index* (CPI) are derived from the perceptions of the degree of corruption as seen by business people and country analysts and ranges between 10 (highly clean) and 0 (highly corrupt)."

Sources: The Fraser Institute; Transparency International, *2005 Corruption Perceptions Index* <http://www.transparency.org/policy_research/surveys_indices/cpi/2005/>.

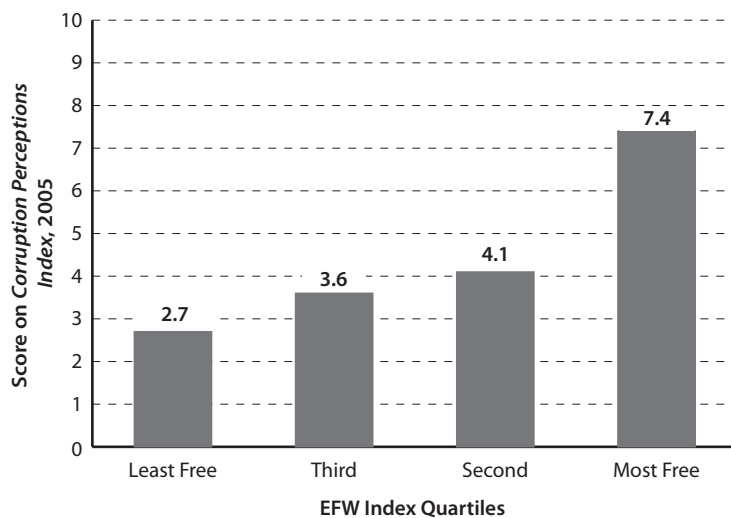
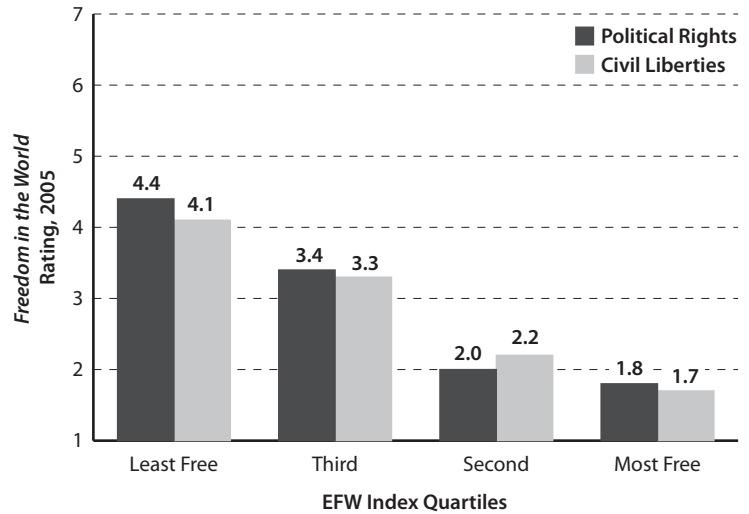


Exhibit 1.18: Economic Freedom and Political Rights and Civil Liberties

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

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

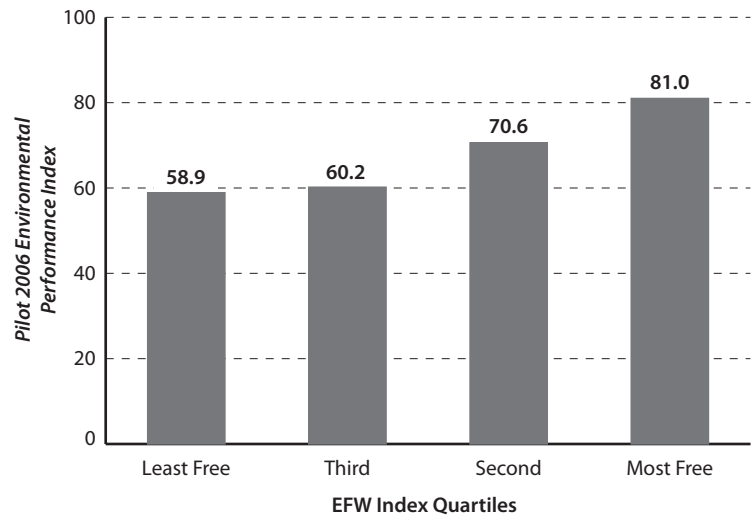
Sources: The Fraser Institute; Freedom House, *Freedom in the World Country Ratings* (2005) <<http://www.freedomhouse.org/template.cfm?page=15&year=2007>>.

**Exhibit 1.19: Economic Freedom and Environmental Performance**

Environmental stresses on human health are lower and ecosystem vitality is greater in countries with more economic freedom.

Note: Higher index values indicate greater environmental performance.

Sources: The Fraser Institute; Yale Center for Environmental Law and Policy (YCELP) and Center for International Earth Science Information Network (CIESIN), Columbia University, with the World Economic Forum, and Joint Research Centre (JRC) of the European Commission, *Pilot 2006 Environmental Performance Index*, <<http://sedac.ciesin.columbia.edu/es/epi/>>.



Chapter 2: The Spread of Global Economic Freedom

by Russell S. Sobel and Peter T. Leeson¹

1 Introduction

American foreign policy has long been guided by the idea that freedom spreads from one country to others. According to this idea, introducing freedom to a repressed country ignites the spread of freedom throughout a region, infecting other countries. Conversely, lower levels of freedom (or higher levels of repression) in one country also infects others—spreading tyranny to a region.

America's recent intervention in Iraq is a good example. According to George W. Bush, one of the goals was "to spread freedom throughout the Middle East."² Bush and his supporters argue that "[a] new regime in Iraq would serve as a dramatic and inspiring example of freedom for other nations in the region ... A liberated Iraq can show the power of freedom to transform that vital region, by bringing hope and progress into the lives of millions."³

One need not look to leaders or events as recent as George W. Bush or the War on Terror, however, to see that

foreign policy is often guided by the belief that freedom spreads across countries. During the Cold War, for instance, both American and Soviet leaders envisaged international affairs as a kind of domino game where tipping one country toward capitalism or socialism would lead to the adoption of a similar economic organization by its neighbors. In fact, American Cold War strategists called this idea the "domino theory."⁴ In 1961, John F. Kennedy warned Americans of the imminent threat that communism in Cuba posed of infecting the entire hemisphere. This idea also played a role in America's interventions in South Korea and Vietnam.

These examples illustrate the *geographic* spread theory, in which freedom (or the lack of it) spreads directly to geographic neighbors. The *trade* spread theory holds that freedom can also spread directly between countries that are trading partners, independent of whether they are geographic neighbors.⁵ As an example, Richard Nixon maintained that trade was an important carrier of the communist virus. In a 1953 speech, Nixon argued:

If Indochina falls, Thailand is put in an almost impossible position. The same is true of Malaya with its rubber and tin. The same is true of Indonesia. If this whole part of South East Asia goes under Communist domination or Communist influence, Japan, who trades and must trade with this area in order to exist must inevitably be oriented towards the Communist regime.⁶

¹ We thank Christopher Coyne, Stratford Douglas, James Gwartney, Robert Lawson, and two anonymous referees for helpful comments and suggestions. We are especially grateful to Andrea Dean for providing invaluable research assistance. We also gratefully acknowledge the financial support of the West Virginia University Ken & Randy Kendrick Fund. This chapter is based on Peter T. Leeson and Russell S. Sobel, "Contagious Capitalism," West Virginia University Department of Economics Working Paper #06-04 (2006). The most recent version of this paper can be found at <http://www.peterleeson.com/Contagious_Capitalism.pdf>. Data are as published in James Gwartney and Robert Lawson, *Economic Freedom of the World: 2006 Annual Report* (The Fraser Institute, 2006) and may be retrieved from <<http://www.freetheworld.org/>>.

² *President Addresses the Nation in Prime Time Press Conference*, Presidential News and Speeches, April 13, 2004 (The White House), <<http://www.whitehouse.gov/news/releases/2004/04/20040413-20.html>>.

³ *President Discusses the Future of Iraq*, Presidential News and Speeches, February 26, 2003 (White House), <<http://www.whitehouse.gov/news/releases/2003/02/20030226-11.html>>.

⁴ President Dwight Eisenhower was the first to use the term "domino theory" publicly by name in 1954. See "The President's News Conference of April 7, 1954," *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1954* (US Government Printing Office, 1960), pp. 382–83.

⁵ We explore the channels through which freedom may spread geographically and by trade in the next section.

⁶ Quoted in Allan Cole, *Conflict in Indo-China and International Repercussions: A Documentary History, 1944-55* (Cornell University Press, 1956), p. 171.

Twenty years later, Nixon used the inverse of this logic to open trade relations with China.

In the 1980s, Ronald Reagan used both the trade and geographic spread theories of freedom as justifications for foreign intervention. For example, Reagan argued that if communism gained a foothold in a significant country in Latin America, the rest of its region was soon to follow, which threatened to “spread communism throughout Central America.”⁷

American foreign policies guided by the idea that freedom spreads can easily be found as far back as the administrations of Franklin Delano Roosevelt and Woodrow Wilson. America is not the only country whose policies have been guided by this theory, of course—it was clearly a central component in the Cold War policies of the former Soviet Union as well. Despite the spread theory’s long history in global foreign affairs, no one has yet investigated whether economic freedom or repression does, in fact, spread significantly from country to country. Is capitalism contagious? If so, to what extent; and how does it spread?

This chapter, based on excerpts from our study, “Contagious Capitalism,” is the first to examine these questions empirically. We estimate the rate of spread of economic freedom between countries using spatial econometric models designed precisely to measure this type of geographic dependence. We use panel data that covers more than 100 countries between 1985 and 2000. Our analysis considers both channels through which freedom might spread: geography and trade.

Our results suggest that economic freedom does in fact spread, although not as strongly as might be suggested by the emphasis this idea has been given in US foreign policy. Our analysis reveals that, if the average level of economic freedom of a country’s neighbors (or trading partners) were to rise by one unit in the Summary Economic Freedom Ratings, the country in question would experience a 0.2 unit increase in its Economic Freedom Rating.

Section 2 explores the channels through which economic freedom may spread through geography and trade. Section 3 discusses our data and empirical findings. Section 4 discusses the implications of our results for foreign policy and offers some predictions about the future path, and spread, of global economic freedom.

⁷ Radio Address to the Nation on United States Assistance for the Nicaraguan Democratic Resistance, March 8, 1986 (Ronald Reagan Presidential Library), <<http://www.reagan.utexas.edu/archives/speeches/1986/30886a.htm>>

2 Theories of How Economic Freedom Spreads

No one has provided an explicit model of how economic freedom might in fact spread between countries. However, the rhetoric and actions of world leaders interested in increasing freedom abroad suggests two channels through which this could occur: geography and trade. Historically, the idea of geographic spread has wider support in the policies of national governments. As noted above, American and Soviet activities during the Cold War certainly favored spreading economic freedom or socialism through geography. More recently, the War on Terror supported by America and its western European allies is grounded in this theory as well. However, the policies of Ronald Reagan, Richard Nixon, and Woodrow Wilson incorporated the idea that trade was also an important channel through which this spread could occur.

Geographic Channels

When labor and capital are able to move between countries, competition between governments, such as that described by Tiebout (1956), can create strong incentives for geographic neighbors to increase domestic economic freedom, leading capitalism to spread throughout regions.⁸ If a country liberalizes its economy substantially, for instance by lowering taxes and regulation, it is likely to attract additional foreign businesses and direct investment through agents seeking the most profitable locations to undertake economic activity.

The firms and citizens that find this move the least costly are those in neighboring nations that share a border with the liberalizing economy. Their movement or potential movement puts pressure on neighboring countries to undertake similar market-oriented reforms to avoid losing their tax base. If these nations’ neighbors in turn liberalize to avoid losing their tax base to their liberalizing neighbors, and so on, the resulting competition spreads greater economic freedom throughout a region.

The diffusion of pro-freedom ideas and technologies between neighboring countries could also cause economic freedom to spread geographically. Examples of freedom-enhancing ideas and technologies might be institutional or organizational arrangements that make the market more effective, or technologies that make it possible to streamline government activities. Neighbor-

⁸ Charles Tiebout, “A Pure Theory of Local Government Expenditures,” *Journal of Political Economy* 64, (October 1956), pp. 416–24.

ing countries can more easily discover, observe, and replicate the activities of the countries around them and import successful ideas and technologies at a lower cost than if they had to look further abroad to find them. If one country stumbles upon freedom-enhancing ideas or technologies, its geographic neighbors become more likely to adopt them as well. Once these countries' have adopted freedom-enhancing ideas or technologies, their neighbors become more likely to adopt them, and so on. This process may cause a cascade whereby economic freedom in one country spreads to countries around it.

Trade Channels

The second major channel through which economic freedom might spread is international trade. The idea that foreign trade helps to spread freedom is at least 150 years old. Classical liberal thinkers, such as the Frenchman, Frederic Bastiat, and the Englishman, Richard Cobden, argued in the mid-nineteenth century that free trade stimulates the growth of economic freedom abroad by disseminating new ideas from free countries to those that are less free. These ideas could be like the ones considered above that spread geographically. They could also be new methods of production, new attitudes toward openness, and new ways of thinking about life—namely life oriented toward market exchange versus isolationist subsistence.⁹ In the twentieth century, development economist P.T. Bauer (2000) advanced this argument, and noted the freedom-enhancing properties of imports, in particular for Africa.¹⁰

By promoting greater wealth, imports to the developing world, for example, give a taste of capitalism's fruit to countries with less economic freedom. After experiencing some of these benefits, such nations may be more inclined to liberalize economically in their domestic sphere, increasing their economic freedom. When these nations exchange with their trading partners, they may pass some of their now higher economic freedom along as well, causing freedom to spread through trade. Though he was not a classical liberal, Richard Nixon used this argument to open trade between the United States and China in 1972. A decade before, critics also used this argument to contest John Kennedy's declaration of a trade embargo with communist Cuba. Ronald Reagan, for example, was

fond of pointing to this alleged benefit of liberalizing US trade with foreign countries as a channel through which to spread economic freedom across the globe.

3 Data and Empirical Methodology

We examine both geography and trade as potential channels by which economic freedom might spread. Our basic empirical strategy is therefore twofold. First, we search for geographic, or "spatial," dependence in both the levels and changes in Summary Economic Freedom Ratings between geographic neighbors over time. Second, we do the same for trading partners. For both analyses, we construct a panel of Economic Freedom Ratings in 102 countries, at five year intervals, between 1985 and 2000. The full list of countries included in our analysis is given in the appendix.

Spatial Econometric Methods

While this chapter includes the estimates from a few of the empirical specifications from our full-length study, we try to present the results in a non-technical manner. However, it is worthwhile to discuss very briefly the intuition behind the econometric methodology we employ. Readers wanting the full technical details and expanded results and robustness checks are referred to our full paper cited in the opening footnote.

A spatial econometric model specifies each country's dependent variable, in our case economic freedom, as a function of the weighted average value of economic freedom in its neighbors or trading partners. For geography, each contiguous geographic neighbor of country i is weighted equally. In our full study, we perform numerous robustness checks including also weighting neighboring countries by their population, but it does not affect our results. For trade, each trading partner country is weighted by its share of the country's imports.

For readers who have a basic understanding of time-series econometrics, one useful analogy is to think of the geographic neighbor model as analogous to a time-series model but with lags over geographic distances rather than over time. So, for a country i , one spatial lag refers to all of i 's contiguous geographic neighbors.¹¹

⁹ When countries trade, the cost of going to war also rises, thus promoting peace. See Erik Gartzke, "Chapter 2: Economic Freedom and Peace," *Economic Freedom of the World: 2005 Annual Report* (Fraser Institute, 2005), pp. 29–44.

¹⁰ Peter Bauer, *From Subsistence to Exchange and Other Essays* (Princeton University Press, 2000).

¹¹ There are two general types of spatial econometric models, a spatial autoregressive model (SAR) and spatial error model (SEM). The SAR model is analogous to an autoregressive (AR) time-series model, while the SEM model is analogous to the moving average (MA) time-series model that includes a spatially correlated error structure. Unlike standard time-series

In its levels form, the spatial econometric model attempts to predict the level of the Economic Freedom (EFW) Rating at time t for country i based on country i 's own lagged freedom level (EFW at time $t - 1$) and the average, contemporaneous economic-freedom level in all of country i 's neighbors (or trading partners). Including the lagged freedom level of the country controls for all factors that were already reflected in the country's prior economic-freedom level (such as colonial and legal origins, ethnolinguistic fractionalization, etc.). We also estimate the model both including and excluding regional dummy variables to control for other unobserved, but geographically based, factors that may affect economic freedom levels.

In its change form, the econometric model attempts to predict the change in the EFW rating for country i based on country i 's own lagged freedom level and the average, contemporaneous change in economic freedom in all of country i 's neighbors (or trading partners). Again, we try the model both including and excluding regional dummy variables for the reasons cited above. Because the change specification looks specifically at how economic freedom changes within countries, it completely controls for, and removes any factors that determine, the underlying levels of economic freedom in a country. If the results from the change specification are similar to the results from the levels specification, we can be assured that these other factors are not underlying our empirical estimates.

The estimated regression coefficient on the neighbors' weighted average economic freedom (level or change, depending on the model) is typically termed "rho" (ρ) in the spatial econometrics literature. This coefficient is the estimated degree to which economic freedom spreads from country i 's neighbors (or trading partners) to country i . More precisely, ρ measures how much a one-unit change in the *average* level of economic freedom of country i 's neighbors changes economic freedom in country i .

An estimated ρ coefficient of 0.3, for example, would mean that, if the average level of freedom across all of country i 's neighbors increased by one unit, country i would experience a 0.3-unit increase in its EFW rating. Bear in mind that this is the response to the change in the average free-

models, however, spatial models allow dependence to be bidirectional rather than only unidirectional, as it is in a time-series model (e.g., past only affects future, not vice versa). This is important since we are interested in how economic freedom may flow into and out of multiple countries, influencing economic freedom in a region. We estimate both spatial autoregressive (SAR) and spatial error (SEM) models in our paper, "Contagious Capitalism," which is available at <http://www.peterleeson.com/Contagious_Capitalism.pdf>, and our results are virtually identical. In this chapter, we present only the SAR results.

dom level of all neighbors. Thus, if only one neighboring country's freedom changes, the impact on country i would depend on how this one neighbor's change affects the overall average rating of all neighboring countries.

Spread of Economic Freedom through Geography

A visual example will help to clarify exactly what our model is estimating. Consider the data presented in Figures 2.1a and b. These charts show the Summary Economic Freedom Ratings for countries of the world, and how they changed between 1985 and 2000. When comparing the two figures it is clear that both the levels of economic freedom, and the changes in economic freedom through time, show a degree of geographic correlation. In levels, North America and western Europe are darker regions, with clear geographic groupings of countries with a higher level of freedom. When considering how the pattern changed between 1985 and 2000, there are clear geographic groupings that changed together (e.g., in parts of South America, Asia, and Africa most clearly). Our model essentially estimates the degree of correlation among the levels and changes in EFW Ratings for neighboring countries.

The results of our estimations on the geographic spread of economic freedom are presented in Table 2.1. The important numbers in the table are the coefficient estimates for ρ , the rate at which freedom spreads. The coefficient estimate of 0.2 in the levels specification suggests that a country, i , whose geographic neighbors are on average one unit freer than the neighbors of some other country, j , is on average 0.2 units freer than j . The coefficient estimate from the change specification suggests that a country,

Table 2.1: The Spread of Economic Freedom through Geography—Regression Results

Independent Variable	Level of Economic Freedom	Change in Economic Freedom
Constant	0.350 (1.11)	1.293*** (5.04)
ρ (Geographic Spread)	0.183*** (5.18)	0.218*** (4.00)
Lagged Own Freedom Level	0.800*** (27.76)	-0.157*** (5.67)
Log-likelihood	-225.73	-229.90
R-squared	0.79	0.06
Number of Observations	408	408

Notes

Absolute t-ratios in parentheses.

Regression also includes regional dummy variables.

Statistical significance as follows: * = 10%, ** = 5%, *** = 1%.

Figure 2.1a: Geographic Correlations in Economic Freedom, 1985

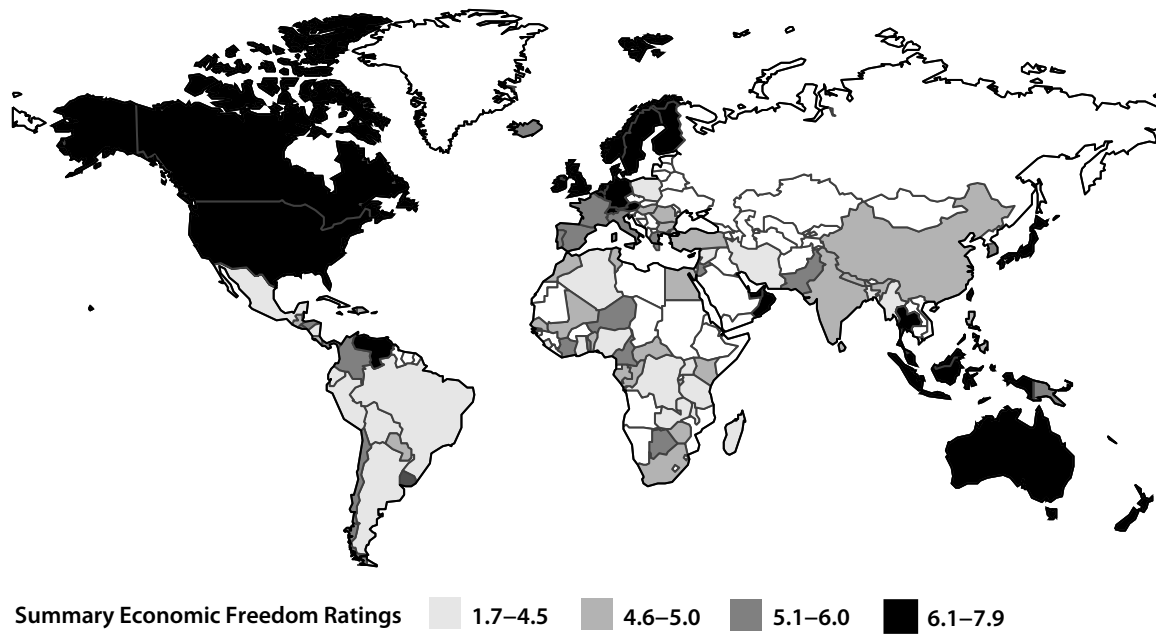
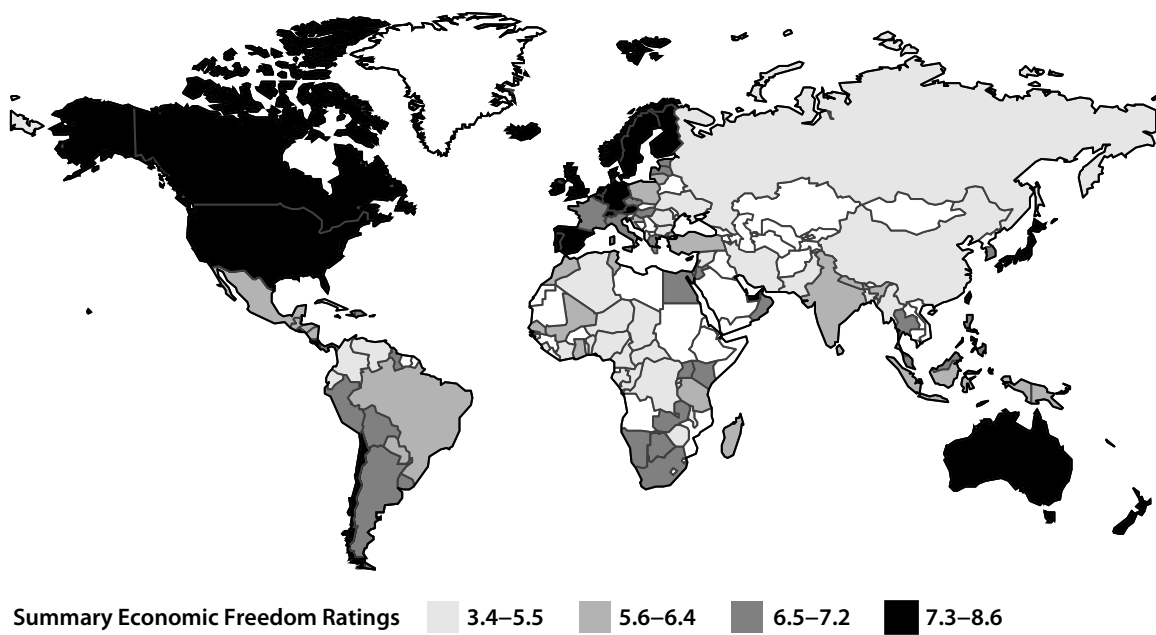


Figure 2.1b: Geographic Correlations in Economic Freedom, 2000



Source: Authors' calculations.

i , whose geographic neighbors are experiencing changes in economic freedom on average one unit higher than the neighbors of some other country, j , is experiencing changes in economic freedom also roughly 0.2 units higher than j .

The remarkable similarity in the estimates from both the level and change of freedom specifications, generally around 0.20, gives us strong confidence in the precision of our estimated degree to which economic freedom (whether measured in levels or changes) spreads across countries. In a nutshell, our estimates imply that if the EFW Ratings of a country's neighbors is one unit higher, that country will have a freedom rating on average 0.20 higher as a result.

The other result worth noting is the coefficient estimate on the country's own lagged freedom in the levels specification. This coefficient is a measure of institutional persistence—that is, how much of a country's previous level of economic freedom persists into the current period (in our model, five years later). Our model estimates a high degree of persistence, with a coefficient of 0.8 implying that a country maintains 80% of its economic freedom from five years ago.¹² Using a standard compound growth equation ($FV = PV(1 + r)^t$), this would imply an *annual* rate of persistence of approximately 0.956 from one year to the next in a country's EFW Rating.

Panels (a) and (b) of Figure 2.2 present a hypothetical set of countries who are geographic neighbors, along with hypothetical data on each country's levels of economic freedom at two points in time, EFW1995 and EFW2000, to illustrate the implications of our main estimates on the geographic spread of economic freedom from Table 2.1. In panel (a), we simulate the direct (partial equilibrium) impact of a change in just one neighbor's EFW Rating, momentarily holding the ratings of other neighbors' ratings constant and ignoring all second-order changes. Here, we have increased the economic freedom level of neighboring country j by 4 units (from a Rating of 3.0 to a Rating of 7.0). Because the direct impact of this change is to increase the average Rating across all neighbors by only $\frac{1}{4}$ of this change (because there are four neighbors, weighted equally here), the neighbor average rises by only 1 unit, from 4.0 to 5.0. Given a coefficient estimate of 0.20, this would imply that country i 's level of economic freedom would rise by 0.2 units (1.0 times 0.2), from 4.5 to 4.7.

In reality, the change in country j 's economic freedom would also spread to countries m and k , and then the

first-round changes in these countries would again spread to their neighbors, and so forth. In panel (b) of Figure 2.2 we simulate the general equilibrium impact (including all direct and indirect changes). The impact on country i is larger once these indirect impacts are included, from 0.20 to 0.22, and now the EFW Ratings of all other countries are affected as well. Country l , a second-degree neighbor (a neighbor of a neighbor of j) experiences only a 0.03 increase in economic freedom from the 4-unit increase in country j . The overall EFW Rating in the region rises from 4.10 to 5.04, but most of this is due to the 4-unit increase in country j . Excluding j , the impact of this change on the average regional freedom in the surrounding countries is an increase of only 0.17 (from 4.38 to 4.55).

This effect is statistically significant but economically modest, particularly considering the large size of the change for the neighboring country j . The 4-unit change in freedom we have simulated is a full $\frac{1}{3}$ of the difference between the highest and lowest scoring countries in the EFW index. Even a change this large, however, has only around a 0.22 impact on the first ring of neighboring countries, and a minimal 0.03 impact on the second surrounding ring of countries.

In panels (a) and (b) of Figure 2.3, we simulate the impact of a simultaneous increase in the economic freedom of all of i 's neighbors. Again, panel (a) shows the direct (partial equilibrium) impact only, while panel (b) shows the full general equilibrium impact including both direct and indirect impacts.

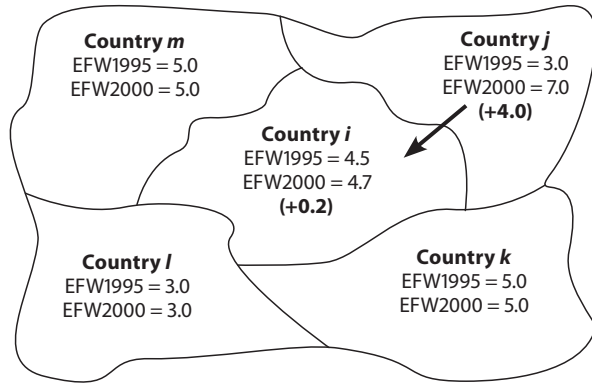
Here we use a smaller magnitude of change—with each neighbor increasing by 2.0 units—but now the change occurs across a larger number of countries in the region. Examining the direct impact in panel (a), the average economic freedom of country i 's neighbors rises by 2.0 units from 4.0 to 6.0. Again given the coefficient estimate of 0.20, this would imply that country i 's level of economic freedom would rise by 0.4 units (2.0×0.2), from 4.5 to 4.9. In panel (b), which also includes the indirect impacts, the effect is somewhat larger, with country i 's freedom rising by 0.45 rather than 0.40. The surrounding countries all get an extra 0.25 increase also after including the indirect impacts. Overall regional economic freedom rises from 4.10 to 5.99, and increase of 1.89.

These examples illustrate an important implication of our results. Because of the dilution effect of multiple neighbors, even a large change in the economic freedom of one neighbor has only a limited impact on a country. On the other hand, when broad regional changes occur, such as the fall of the Soviet bloc, or the formation of a free-trade union, the impact can be much more substantial.

¹² The coefficient on own lagged freedom in the change specification is interpreted differently: it would suggest that countries with lower beginning levels of economic freedom tend to have larger positive changes in freedom in subsequent years.

Figure 2.2: Simulated Spread Impact—One Neighbor + 4.0 in EFW score

(a) Partial equilibrium (direct) impact of a +4 unit change in neighbor *j*'s economic freedom on country *i*
 Average of *i*'s Neighbors
 EFW1995 = 4.0
 EFW2000 = 5.0



(b) General equilibrium (direct + indirect) impact of a +4 unit change in neighbor *j*'s economic freedom on all countries, including country *i*

Average of *i*'s Neighbors
 EFW1995 = 4.00; EFW2000 = 5.12
 Average Regional EFW (including *j*)
 EFW1995 = 4.10; EFW2000 = 5.04 (+0.94)
 Average Regional EFW (excluding *j*)
 EFW1995 = 4.38; EFW2000 = 4.55 (+0.17)

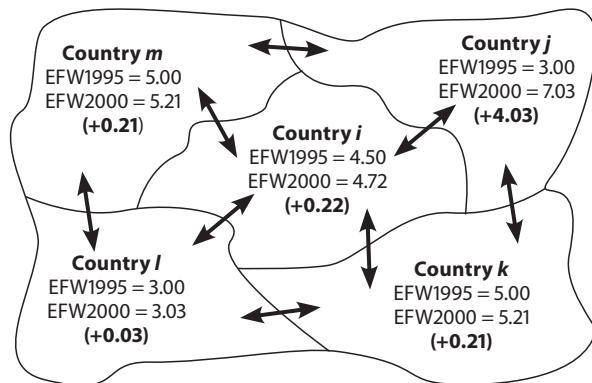
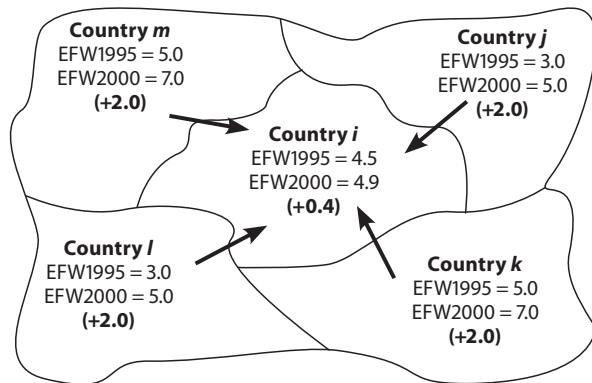


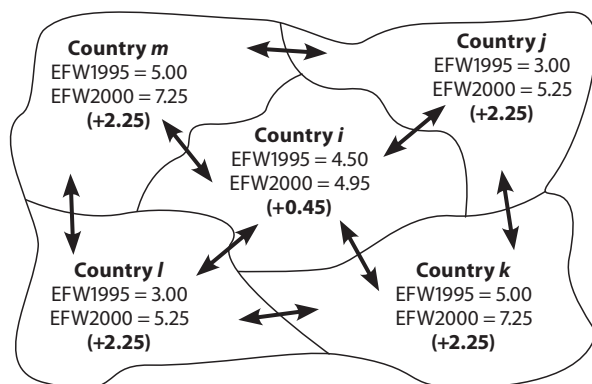
Figure 2.3: Simulated Spread Impact—All Neighbors + 2.0 in EFW score

(a) Partial equilibrium (direct) impact of a +2 unit change in all neighbor's economic freedom on country *i*
 Average of *i*'s Neighbors
 EFW1995 = 4.0; EFW2000 = 6.0



(b) General equilibrium (direct + indirect) impact of a +2 unit change in all neighbor's economic freedom on all countries, including country *i*

Average of *i*'s Neighbors
 EFW1995 = 4.00; EFW2000 = 6.25
 Average Regional EFW (including all)
 EFW1995 = 4.10; EFW2000 = 5.99 (+1.89)



The overall results suggest that indeed economic freedom does spread geographically, but at a modest rate. Interventions that target one country are likely to have little impact on surrounding countries. Furthermore, widespread regional changes in freedom do build momentum and have the highest impact on neighboring countries.

Spread of Economic Freedom through Trade

It is now time to turn to the other channel through which economic freedom may spread—international trade. We repeat our specifications above but, instead of using the average freedom level of a country's neighbors to predict their Rating, here the import-share weighted average of the country's trading partner's Ratings is used.

The biggest drawback of considering trade as a channel by which economic freedom spreads is the potential for endogeneity. Although countries cannot choose their location in the world (and thus cannot choose their geographic neighbors), they obviously can and do choose trading partners. Thus, what may look like economic freedom spreading between trade partners could in fact be countries simply choosing to trade with nations that have similar levels of economic freedom. If so, the estimated spread rate would be biased upward.

We deal with this issue in two ways. First, we are able to reduce the impact of reverse causality in our trade regressions to some extent by controlling for lagged economic freedom. If countries are importing from certain nations primarily because they share many of the same historical institutional structures, including the lagged freedom term will account for this.

Second, we can also partially circumvent the potential for endogeneity by looking at changes in economic freedom in addition to levels. While it might be reasonable to think that countries with similar institutional features, and thus similar levels of economic freedom, choose to import from one another more, there is no reason to think that countries choose to import more from others whose economic freedom is changing by the same magnitude. Furthermore, if we find that economic freedom spreads at a similar or lower rate through imports compared to geography, which we know does not suffer from endogeneity, we can be more confident that reverse causality is not biasing our estimates that consider trade.

The results of our estimations on the spread of economic freedom through trade are presented in Table 2.2. The results from both the level and change of freedom specifications are similar to before. The coefficient in the level specification for trade does rise to 0.32 (compared

Table 2.2: The Spread of Economic Freedom through Trade—Regression Results

Independent Variable:	Level of Economic Freedom	Change in Economic Freedom
Constant	-0.795* (1.89)	1.266*** (4.73)
ρ (Trade Partner Spread)	0.322*** (6.00)	0.197* (1.93)
Lagged Own Freedom Level	0.811*** (28.42)	-0.152*** (5.28)
Log-likelihood	-219.25	-232.87
R-squared	0.79	0.06
Number of Observations	392	392

Notes

Absolute t-ratios in parentheses.
Regression also includes regional dummy variables.
Statistical significance as follows: * = 10%, ** = 5%, *** = 1%.

to 0.183 for geography) and the coefficient in the change specification for trade falls slightly to 0.197 (compared to 0.218 for geography).

At face value, in the levels specification it appears that economic freedom spreads about ten percentage points more strongly through trade than through geography. However, we should interpret this larger coefficient with caution, since the larger effect for trade may reflect endogeneity that we could not remove in the freedom-level regressions. The estimate from the change specification (which accounts for endogeneity better) is more similar to the estimates using geographic neighbors. On the other hand, if this slightly higher coefficient in the levels regression is not simply due to an endogeneity bias, it implies that trade is a better route by which to spread economic freedom.

Overall, the spatial coefficients in both models for geography and trade are always highly significant and between 0.2 and 0.3. This closeness strengthens our confidence that we have correctly identified the extent to which economic freedom spreads between countries of the world.¹³

¹³ To check the robustness of our findings, we tried rerunning our regressions including islands, indicated by dummy variables, in the sample; excluding islands, using both the SAR and SEM models; and using a population-weighted spatial weight matrix in our regressions that look at geographic spread. Our results can be found in our full paper; they are robust to these different measures.

4 Conclusions

The history of global foreign policy is strongly grounded in the idea that economic freedom spreads between countries. This theory has explicitly or implicitly guided foreign policy for some of the most important global events in the twentieth and twenty-first centuries. WWI, WWII, the Cold War, and most recently the War on Terror have all, to one extent or another, been influenced by the belief that capitalism (or the lack of it) does indeed spread between countries by geography and trade.

We searched for spatial dependence in economic freedom between geographic neighbors and trade partners using a panel of more than 100 countries between 1985 and 2000. Our results confirm that economic freedom does indeed spread through both geography and trade, in both levels and changes.

Significantly, economic freedom spreads at about the same rate through both geography and trade, in both levels and changes. Countries “catch” about 20% of their average geographic neighbors’ and trading partners’ levels and changes in economic freedom. This result is remarkably robust to alternative specifications and estimation techniques.

Although these results provide strong evidence that freedom spreads, they also suggest freedom does not spread as strongly as the domino theory behind American and Soviet foreign relations during the Cold War suggested. The idea that reforms within a few key nations would substantially alter the state of economic freedom in the rest of the region does not appear to be correct.

While it is important to be cautious in drawing policy implications from our analysis, the results point to several conclusions. First, while economic freedom changes in one country have only a modest impact on neighboring countries, when multiple neighbors experience simultaneous changes in economic freedom the impact is much greater. Thus broad regional changes in freedom can and do have significant impacts on surrounding countries.

Second, by liberalizing their trade with foreign nations, economically free countries can exert at least a modest positive impact on economic freedom in less free nations. While the effect of trade liberalization with any one country is again relatively small in terms of the broader impact on other neighbors, free-trade agreements that allow a number of nations to simultaneously coordinate trade liberalization could have a sizeable influence on spreading economic freedom to economically repressed regions of the world.

Appendix

Countries Included in the Geographic Spread Regressions

Algeria	Rep. of Congo	Iceland	Myanmar	Sweden
Argentina	Costa Rica	India	Nepal	Switzerland
Australia	Cote d'Ivoire	Indonesia	Netherlands	Syria
Austria	Cyprus	Iran	New Zealand	Taiwan
Bahamas	Denmark	Ireland	Nicaragua	Tanzania
Bahrain	Dominican Republic	Israel	Niger	Thailand
Bangladesh	Ecuador	Italy	Nigeria	Togo
Barbados	Egypt	Jamaica	Norway	Trinidad and Tobago
Belgium	El Salvador	Japan	Pakistan	Tunisia
Belize	Fiji	Jordan	Panama	Turkey
Benin	Finland	Kenya	Paraguay	Uganda
Bolivia	France	Kuwait	Peru	United Arab Emirates
Botswana	Gabon	Luxembourg	Philippines	United Kingdom
Brazil	Germany	Madagascar	Portugal	United States
Burundi	Ghana	Malawi	Senegal	Uruguay
Cameroon	Greece	Malaysia	Sierra Leone	Venezuela
Canada	Guatemala	Mali	Singapore	Zambia
Chile	Haiti	Malta	South Africa	Zimbabwe
China	Honduras	Mauritius	South Korea	
Colombia	Hong Kong	Mexico	Spain	
Dem. R. Congo	Hungary	Morocco	Sri Lanka	

Countries Included in the Trade Spread Regressions

All of the above countries except Belgium, Botswana, Luxembourg, and Syria, for which no trade data was available.

Chapter 3: Country Data Tables

This chapter presents detailed data on the component variables used in constructing the EFW index for the 141 countries included in this study. For each country, we present the overall EFW index rating and the ranking of that country for the years 1980, 1985, 1990, 1995, 2000, 2001, 2002, 2003, 2004, and 2005. 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. A higher score indicates a greater degree of economic freedom.

In the first column, titles in bold-face indicate the five areas of economic freedom that are combined to generate an overall score. The cells to their right give the scores (out of 10) for that particular area for each year.

Underneath each area title are the titles of the components that are combined to generate that particular area's score. Note that components 4Bi, 4Bii, 4Ei,

and 4Eii were not included in the tables due to limited space, but can be found in the full set of data available at <http://www.freetheworld.com>. In these rows are the scores (out of 10) for each year for which there are data available. In parentheses beside some scores are the actual data used to derive that particular component rating. The top row under the years shows the country's summary rating for each year and, in parentheses, its overall rank. The summary score is rounded to one decimal place for the country ranking.

A more complete description of each component, including the methodology used to calculate the ratings, can be found in the Appendix 1: Explanatory Notes and Data Sources (page 183).

Values are calculated back to 1970 but data for 1970 and 1975 are omitted from the tables due to limited space.

Data Available to Researchers

The full data set, including all of the data published in this report as well as data omitted due to limited space, can be freely downloaded at <http://www.freetheworld.com>. If you are using the data across time periods, it would be better to use the chain-link series presented in Chapter 1, exhibit 1.5 (pages 20–22), and available at the website, for reasons outlined in that chapter. If you have any difficulties downloading the data, please feel free to contact us via e-mail to freetheworld@fraserinstitute.ca or via telephone at +1.604.714.4563.

Analytic software tool

Global Economic Software has developed a software research tool that aids the analysis of relationships between economic freedom and other factors. This tool incorporates all data from the *Economic Freedom of the World* and provides for collaborative exchange of data-sets created by other researchers. These extended data-sets are excellent for producing correlative graphs. The software is free of charge. More information is available at <http://www.freetheworld.com>.

Albania

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶			4.3 (97)	4.5 (107)	5.7 (91)	5.7 (91)	6.0 (80)	6.2 (73)	5.8 (88)	6.1 (97)
1. Size of Government	3.9	3.9	2.8	5.2	6.3	5.6	6.3	5.9	5.0	5.4
A. General government consumption spending	7.7 (13.8)	7.8 (13.4)	4.9 (23.4)	7.8 (13.6)	9.1 (9.1)	9.1 (9.0)	9.5 (7.7)	8.3 (11.9)	7.4 (15.0)	7.4 (14.7)
B. Transfers and subsidies			3.5 (24.3)	7.8 (8.4)	7.8 (8.6)	7.8 (8.6)	9.5 (2.4)	9.5 (2.4)	7.6 (9.3)	7.6 (9.3)
C. Government enterprises and investment	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0
D. Top marginal tax rate										6.5
(i) Top marginal income tax rate										9.0 (25)
(ii) Top marginal income and payroll tax rates										4.0 (43)
2. Legal Structure and Security of Property Rights		5.3	5.2	4.6	4.6	4.6	5.0	4.8	3.8	4.9
A. Judicial independence									2.9	2.4
B. Impartial courts				3.9	4.3	4.3	4.3	4.1	2.4	2.7
C. Protection of property rights									1.8	3.4
D. Military interference				3.6	6.7	6.7	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	3.3	3.7
F. Legal enforcement of contracts										5.8
G. Regulatory restrictions on sale of real property										7.9
3. Access to Sound Money		6.5	6.5	3.3	7.4	7.1	7.1	9.4	9.2	9.2
A. Money growth				0.0 (78.9)	9.6 (2.2)	9.3 (3.5)	8.5 (7.4)	8.5 (7.4)	8.5 (7.4)	8.5 (7.4)
B. Standard deviation of inflation		9.6 (0.9)	9.6 (1.0)	0.0 (86.9)	5.0 (12.4)	4.8 (13.0)	6.4 (9.1)	9.3 (1.7)	8.8 (3.1)	8.9 (2.7)
C. Inflation: most recent year		9.9 (0.4)	10.0 (0.0)	8.0 (9.8)	10.0 (0.1)	9.4 (3.1)	8.4 (7.8)	9.9 (0.5)	9.5 (2.3)	9.5 (2.4)
D. Freedom to own foreign currency	0.0	0.0	0.0	5.0	5.0	5.0	5.0	10.0	10.0	10.0
4. Freedom to Trade Internationally				5.2	5.3	5.5	5.5	5.2	5.4	5.4
A. Taxes on international trade				5.7	6.1	6.7	7.8	7.8	7.8	8.2
(i) Taxes as percentage of exports and imports				5.7 (6.5)	5.1 (7.3)	5.1 (7.3)	7.7 (3.5)	8.0 (3.1)	8.0 (3.1)	8.0 (3.1)
(ii) Mean tariff rate					6.6 (17.0)	7.7 (11.7)	8.3 (8.3)	8.3 (8.3)	8.3 (8.3)	8.7 (6.3)
(iii) Standard deviation of tariff rates					6.6 (8.5)	7.2 (6.9)	7.2 (6.9)	7.2 (6.9)	7.2 (6.9)	7.8 (5.4)
B. Regulatory trade barriers									4.9	4.6
C. Size of trade sector	0.4	0.0	0.0	0.0	0.8	0.9	0.9	0.6	0.9	0.9
D. Black-market exchange rates	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	2.0	1.5	1.5	0.8	0.8	3.2	3.3
5. Regulation of Credit, Labor and Business			2.5	4.1	5.0	5.7	6.0	5.5	5.7	5.6
A. Credit market regulations			0.0	2.9	3.6	5.2	6.4	6.5	6.6	6.7
(i) Ownership of banks			0.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition							9.0	9.0	9.0	9.0
(iii) Private sector credit				0.7	0.9	1.7	1.6	2.2	2.5	3.6
(iv) Interest rate controls/negative real int. rates			0.0	6.0	8.0	9.0	10.0	10.0	10.0	9.0
B. Labor market regulations									5.7	5.3
(i) Minimum wage									5.7	5.7
(ii) Hiring and firing regulations									6.3	6.7
(iii) Centralized collective bargaining									7.9	7.7
(iv) Mandated cost of hiring										0.7
(v) Mandated cost of worker dismissal										4.1
(vi) Conscription	0.0	0.0	0.0	3.0	10.0	10.0	10.0	3.0	3.0	3.0
C. Business regulations									4.6	5.0
(i) Price controls			0.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements									2.6	2.7
(iii) Bureaucracy costs									4.3	1.0
(iv) Starting a business									6.1	8.2
(v) Extra payments/bribes									4.1	4.9
(vi) Licensing restrictions										4.9
(vii) Cost of tax compliance										7.3

Angola

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005 4.2 (138)
Summary Ratings (Rank) >										
1. Size of Government										
A. General government consumption spending										2.6 (31.2)
B. Transfers and subsidies										
C. Government enterprises and investment										
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights										3.4
A. Judicial independence										3.1
B. Impartial courts										2.9
C. Protection of property rights										4.1
D. Military interference										3.3
E. Integrity of the legal system										5.0
F. Legal enforcement of contracts										4.3
G. Regulatory restrictions on sale of real property										1.4
3. Access to Sound Money										1.3
A. Money growth										0.0 (53.9)
B. Standard deviation of inflation										0.0 (40.9)
C. Inflation: most recent year										5.0 (24.8)
D. Freedom to own foreign currency										0.0
4. Freedom to Trade Internationally										7.2
A. Taxes on international trade										7.9
(i) Taxes as percentage of exports and imports										
(ii) Mean tariff rate										8.5 (7.6)
(iii) Standard deviation of tariff rates										7.4 (6.6)
B. Regulatory trade barriers										4.3
C. Size of trade sector										10.0
D. Black-market exchange rates										10.0
E. International capital market controls										3.7
5. Regulation of Credit, Labor and Business										4.9
A. Credit market regulations										5.9
(i) Ownership of banks										5.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit										5.6
(iv) Interest rate controls/negative real int. rates										5.0
B. Labor market regulations										6.5
(i) Minimum wage										9.1
(ii) Hiring and firing regulations										4.4
(iii) Centralized collective bargaining										7.6
(iv) Mandated cost of hiring										7.6
(v) Mandated cost of worker dismissal										4.3
(vi) Conscription										0.0
C. Business regulations										2.4
(i) Price controls										
(ii) Administrative requirements										2.2
(iii) Bureaucracy costs										0.5
(iv) Starting a business										1.7
(v) Extra payments/bribes										4.9
(vi) Licensing restrictions										2.6
(vii) Cost of tax compliance										2.6

Armenia

	1980	1985	1990	1995	2000	2001	2002	2003	2004 6.8 (49)	2005 7.3 (32)
Summary Ratings (Rank) >										
1. Size of Government									7.9	7.7
A. General government consumption spending									8.4 (11.3)	8.2 (12.3)
B. Transfers and subsidies									8.6 (5.7)	8.3 (6.6)
C. Government enterprises and investment									6.0	6.0
D. Top marginal tax rate									8.5	8.5
(i) Top marginal income tax rate									9.0	9.0
(ii) Top marginal income and payroll tax rates									8.0	8.0
2. Legal Structure and Security of Property Rights									3.5	5.6
A. Judicial independence									1.9	2.1
B. Impartial courts									2.8	3.0
C. Protection of property rights									2.0	5.5
D. Military interference									5.8	5.8
E. Integrity of the legal system									5.0	5.0
F. Legal enforcement of contracts										8.0
G. Regulatory restrictions on sale of real property										9.7
3. Access to Sound Money									9.1	9.4
A. Money growth									9.0 (5.0)	9.0 (5.0)
B. Standard deviation of inflation									9.0 (2.4)	8.8 (3.0)
C. Inflation: most recent year									8.4 (8.1)	9.9 (0.6)
D. Freedom to own foreign currency									10.0	10.0
4. Freedom to Trade Internationally									7.2	6.7
A. Taxes on international trade									9.0	7.7
(i) Taxes as percentage of exports and imports									9.5 (0.7)	9.3 (1.0)
(ii) Mean tariff rate									9.3 (3.3)	9.4 (3.0)
(iii) Standard deviation of tariff rates									8.1 (4.7)	4.4 (14.1)
B. Regulatory trade barriers									4.8	5.2
C. Size of trade sector									4.8	2.8
D. Black-market exchange rates									10.0	10.0
E. International capital market controls									7.4	7.6
5. Regulation of Credit, Labor and Business									6.1	6.8
A. Credit market regulations									7.6	8.8
(i) Ownership of banks									10.0	10.0
(ii) Foreign bank competition									7.0	8.0
(iii) Private sector credit									8.1	8.0
(iv) Interest rate controls/negative real int. rates									8.0	9.0
B. Labor market regulations									5.2	7.0
(i) Minimum wage									7.8	7.8
(ii) Hiring and firing regulations									6.5	5.1
(iii) Centralized collective bargaining									7.7	7.6
(iv) Mandated cost of hiring									4.0	4.3
(v) Mandated cost of worker dismissal										8.5
(vi) Conscription									0.0	0.0
C. Business regulations									5.5	4.7
(i) Price controls									5.0	5.0
(ii) Administrative requirements									3.2	3.0
(iii) Bureaucracy costs									6.3	2.9
(iv) Starting a business									7.6	9.1
(v) Extra payments/bribes									5.5	5.2
(vi) Licensing restrictions										7.9
(vii) Cost of tax compliance										0.0

Austria

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.4 (18)	6.4 (21)	6.8 (17)	7.0 (28)	7.5 (16)	7.6 (14)	7.5 (15)	7.6 (15)	7.7 (13)	7.6 (18)
1. Size of Government	3.1	3.0	3.1	2.8	3.4	4.8	4.8	5.1	5.2	5.2
A. General government consumption spending	4.5 (24.8)	4.3 (25.2)	4.4 (25.0)	4.0 (26.4)	4.2 (25.9)	4.4 (25.0)	4.4 (24.9)	4.5 (24.7)	4.7 (24.2)	4.6 (24.4)
B. Transfers and subsidies	4.1 (22.1)	3.8 (23.1)	4.0 (22.4)	3.3 (25.2)	3.6 (23.9)	2.9 (26.4)	2.7 (27.4)	2.6 (27.7)	2.6 (27.7)	2.8 (26.8)
C. Government enterprises and investment	2.0 (44.5)	2.0 (42.0)	2.0	2.0	4.0	10.0 (7.7)	10.0 (7.7)	10.0 (5.9)	10.0 (5.9)	10.0 (5.9)
D. Top marginal tax rate	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.5	3.5	3.5
(i) Top marginal income tax rate	2.0 (62)	2.0 (62)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)	4.0 (50)
(ii) Top marginal income and payroll tax rates			0.0 (62)	0.0 (66)	0.0 (66)	0.0 (66)	0.0 (67)	3.0 (54)	3.0 (54)	3.0 (54)
2. Legal Structure and Security of Property Rights	8.0	7.9	8.3	8.8	9.3	8.9	8.6	8.8	8.7	8.7
A. Judicial independence				8.8	9.0	8.3	7.5	7.8	8.0	8.1
B. Impartial courts				7.7	9.0	7.9	8.0	8.3	7.8	8.6
C. Protection of property rights				7.7	8.7	8.4	7.3	7.8	7.6	9.1
D. Military interference				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										7.1
G. Regulatory restrictions on sale of real property										7.9
3. Access to Sound Money	8.4	8.4	9.6	9.5	9.6	9.6	9.6	9.6	9.6	9.5
A. Money growth	9.8 (1.0)	9.5 (2.3)	9.2 (4.0)	8.9 (5.4)	9.2 (4.1)	9.1 (4.6)	9.1 (4.5)	9.0 (4.8)	9.0 (5.1)	8.8 (6.1)
B. Standard deviation of inflation	9.6 (0.9)	9.5 (1.2)	9.7 (0.6)	9.7 (0.8)	9.8 (0.4)	9.8 (0.6)	9.8 (0.6)	9.8 (0.5)	9.9 (0.3)	9.9 (0.3)
C. Inflation: most recent year	9.0 (5.0)	9.4 (3.1)	9.3 (3.5)	9.6 (2.1)	9.5 (2.4)	9.5 (2.7)	9.6 (1.8)	9.7 (1.4)	9.6 (2.1)	9.5 (2.3)
D. Freedom to own foreign currency	5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.9	6.9	7.3	8.0	8.5	8.4	8.2	8.3	8.3	7.7
A. Taxes on international trade	8.6	8.8	7.9	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.5 (0.7)	9.6 (0.6)	9.5 (0.7)	9.9 (0.2)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	7.7 (11.6)	8.0 (10.0)	8.3 (8.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			6.0 (10.1)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				8.1	9.2	8.8	8.7	8.8	8.5	8.4
C. Size of trade sector	5.7	5.8	5.4	4.9	6.2	6.3	6.1	6.0	6.2	6.1
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	5.0	8.5	8.1	8.1	7.3	7.3	7.5	5.5
5. Regulation of Credit, Labor and Business	5.4	5.5	5.5	5.9	6.5	6.2	6.2	6.3	6.6	6.7
A. Credit market regulations	7.0	7.6	7.5	6.9	8.4	8.4	8.4	8.4	8.4	8.5
(i) Ownership of banks	5.0	5.0	5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				6.5	5.7	5.7	5.7	5.7	5.7	5.0
(iii) Private sector credit	7.9	7.8	7.4	7.3	8.1	8.3	8.3	8.3	8.3	8.9
(iv) Interest rate controls/negative real int. rates	8.0	10.0	10.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	4.6	4.6	4.6	4.3	3.9	4.2	3.8	4.0	4.4	4.6
(i) Minimum wage				4.6	4.6	4.6	4.6	4.6	6.6	6.6
(ii) Hiring and firing regulations			4.8	4.8	3.1	3.9	4.0	4.2	4.7	4.3
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	3.5	4.5	2.8	3.3	2.9	2.8
(iv) Mandated cost of hiring	4.4	4.4	4.2	4.5	5.2	5.2	4.4	5.1	5.1	0.5
(v) Mandated cost of worker dismissal										4.9
(vi) Conscription	5.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				6.4	7.3	5.9	6.4	6.5	7.0	7.2
(i) Price controls			5.0	8.0	8.0	7.0	7.0	7.0	8.0	8.0
(ii) Administrative requirements					7.5	3.3	4.5	5.5	3.9	4.3
(iii) Bureaucracy costs				6.5	7.4	6.0	6.3	6.0	8.1	5.5
(iv) Starting a business				3.7	5.4	4.9	5.8	5.5	6.4	8.8
(v) Extra payments/bribes				7.5	8.3	8.1	8.5	8.7	8.7	8.9
(vi) Licensing restrictions										7.6
(vii) Cost of tax compliance										7.0

Bahamas

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.4 (18)	6.3 (22)	6.2 (34)	6.3 (48)	6.5 (56)	6.6 (50)	6.5 (57)	6.8 (44)	6.8 (49)	7.1 (44)
1. Size of Government	7.7	7.2	7.3	7.9	7.5	7.9	7.9	7.9	7.9	7.9
A. General government consumption spending	6.8 (16.9)	6.9 (16.5)	7.2 (15.6)	6.2 (18.9)	5.2 (22.4)	6.8 (16.8)	6.5 (17.8)	6.7 (17.2)	6.6 (17.5)	6.5 (18.0)
B. Transfers and subsidies	10.0 (0.5)	10.0 (0.1)	9.9 (1.0)	9.6 (2.1)	8.9 (4.6)	9.0 (4.3)	9.0 (4.3)	9.0 (4.3)	9.0 (4.3)	9.0 (4.3)
C. Government enterprises and investment	4.0	2.0	2.0	6.0	6.0	6.0	6.0	6.0	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	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)	10.0 (0)	10.0 (0)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights		5.7	5.7	5.2	6.3	6.3	6.3	7.6	7.8	8.5
A. Judicial independence				5.0	5.0	5.0	5.0			
B. Impartial courts				6.6	7.1	7.1	7.1	7.8	7.8	7.9
C. Protection of property rights				3.0	3.0	3.0	3.0			
D. Military interference				7.3	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				4.1	6.7	6.7	6.7	6.7	7.2	7.5
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	6.1	6.4	6.8	7.0	6.8	6.8	6.8	6.8	6.9	6.8
A. Money growth	7.9 (10.3)	9.6 (2.2)	8.7 (6.6)	9.3 (3.3)	8.0 (10.2)	8.0 (10.2)	8.0 (10.2)	8.0 (10.2)	8.0 (10.2)	8.0 (10.2)
B. Standard deviation of inflation	8.6 (3.5)	7.9 (5.3)	9.3 (1.7)	9.3 (1.6)	9.6 (0.9)	9.7 (0.8)	9.6 (1.0)	9.7 (0.7)	9.6 (0.9)	9.6 (0.9)
C. Inflation: most recent year	8.0 (10.0)	8.3 (8.5)	9.4 (3.2)	9.4 (2.8)	9.7 (1.6)	9.6 (2.0)	9.6 (2.2)	9.4 (3.0)	9.9 (0.5)	9.7 (1.6)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	4.8	4.9	4.4	4.7	5.0	5.0	4.8	4.5	4.7	4.4
A. Taxes on international trade	4.3	3.7	3.6	3.1	2.8	2.8	2.8	2.8	2.8	3.8
(i) Taxes as percentage of exports and imports	4.6 (8.1)	3.8 (9.3)	3.6 (9.6)	3.1 (10.3)	2.7 (11.0)	2.7 (11.0)	2.7 (11.0)	2.7 (11.0)	2.7 (11.0)	2.7 (11.0)
(ii) Mean tariff rate	4.0 (29.8)	3.5 (32.3)			3.0 (35.0)	3.0 (35.0)	3.0 (35.0)	3.0 (35.0)	3.0 (35.0)	4.0 (30.2)
(iii) Standard deviation of tariff rates										4.7 (13.3)
B. Regulatory trade barriers										
C. Size of trade sector	5.6	4.9	2.7	2.6	2.6	2.4	2.4	2.4	2.4	2.4
D. Black-market exchange rates	6.0	7.8	7.4	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	1.5	1.5	0.8	0.8	1.5	1.5
5. Regulation of Credit, Labor and Business	7.0	7.3	6.7	6.7	6.8	6.8	6.7	7.0	7.0	8.1
A. Credit market regulations	8.6	9.4	9.3	9.4	9.5	9.5	9.4	9.5	9.5	9.5
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition										
(iii) Private sector credit	7.9	8.1	7.9	8.2	8.5	8.6	8.3	8.4	8.4	8.5
(iv) Interest rate controls/negative real int. rates	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations										
(i) Minimum wage										
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										
(i) Price controls			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business										
(v) Extra payments/bribes										
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Bangladesh

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.7 (98)	4.0 (95)	4.7 (90)	5.5 (79)	5.7 (91)	5.8 (84)	5.8 (88)	5.7 (94)	5.7 (91)	6.0 (101)
1. Size of Government	4.3	4.3	7.0	7.7	7.7	8.1	8.1	8.1	8.0	8.0
A. General government consumption spending	9.9 (6.4)	10.0 (5.4)	10.0 (4.8)	10.0 (5.3)	10.0 (5.6)	10.0 (5.5)	10.0 (5.4)	10.0 (6.1)	9.7 (6.9)	9.7 (7.0)
B. Transfers and subsidies						9.3 (3.2)	9.3 (3.2)	9.4 (2.6)	9.4 (2.6)	9.4 (2.6)
C. Government enterprises and investment	2.0 (44.4)	2.0 (46.6)	2.0 (47.1)	4.0 (34.0)	4.0 (32.0)	4.0 (30.0)	4.0 (30.0)	4.0 (30.0)	4.0 (30.0)	4.0 (30.0)
D. Top marginal tax rate	1.0	1.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
(i) Top marginal income tax rate	1.0 (60)	1.0 (60)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top marginal income and payroll tax rates			9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
2. Legal Structure and Security of Property Rights	2.5	2.5	2.4	5.0	3.5	3.0	3.2	2.7	2.7	3.7
A. Judicial independence						3.7	3.2	2.7	2.8	2.5
B. Impartial courts				3.9	4.2	2.6	2.8	2.5	2.9	3.0
C. Protection of property rights					2.0	1.9	1.8	1.8	1.9	4.7
D. Military interference				5.3	3.3	3.3	5.0	5.0	4.2	4.6
E. Integrity of the legal system				7.0	3.3	3.3	3.3	1.7	1.7	3.3
F. Legal enforcement of contracts										6.4
G. Regulatory restrictions on sale of real property										1.4
3. Access to Sound Money	4.5	6.0	6.9	6.4	7.0	7.0	6.9	6.9	7.0	6.7
A. Money growth	6.4 (18.0)	7.4 (13.1)	9.5 (2.7)	8.0 (10.0)	9.1 (4.6)	9.0 (5.2)	9.0 (4.8)	9.3 (3.6)	9.3 (3.4)	8.6 (7.2)
B. Standard deviation of inflation	4.2 (14.4)	8.8 (3.1)	9.2 (2.1)	9.0 (2.4)	9.5 (1.4)	9.3 (1.6)	9.3 (1.6)	9.4 (1.4)	9.5 (1.3)	9.5 (1.4)
C. Inflation: most recent year	7.3 (13.4)	7.8 (11.1)	9.0 (4.9)	8.7 (6.7)	9.6 (2.2)	9.6 (2.0)	9.3 (3.3)	8.9 (5.7)	9.4 (3.2)	8.6 (7.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	2.2	2.1	1.8	3.2	5.1	5.5	5.6	5.4	5.4	5.5
A. Taxes on international trade	0.5	0.0	0.6	1.4	5.2	4.8	4.6	4.9	5.0	5.6
(i) Taxes as percentage of exports and imports	1.1 (13.4)	0.0 (17.9)	1.9 (12.1)	4.3 (8.6)	5.3 (7.0)	4.1 (8.9)	3.5 (9.8)	4.5 (8.2)	3.8 (9.4)	3.8 (9.4)
(ii) Mean tariff rate	0.0 (99.9)	0.0 (86.0)	0.0 (102.2)	0.0 (81.2)	5.7 (21.6)	5.7 (21.6)	5.7 (21.6)	5.7 (21.6)	6.7 (16.4)	6.6 (16.8)
(iii) Standard deviation of tariff rates			0.0 (50.4)	0.0 (26.1)	4.6 (13.6)	4.6 (13.6)	4.6 (13.6)	4.6 (13.6)	4.6 (13.6)	6.5 (8.7)
B. Regulatory trade barriers					4.7	5.9	6.0	5.8	5.1	4.5
C. Size of trade sector	2.4	2.3	0.0	1.7	2.5	3.3	3.5	2.5	2.8	3.0
D. Black-market exchange rates	0.0	0.0	0.0	4.4	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	2.9	3.3	3.7	3.7	4.0	4.1
5. Regulation of Credit, Labor and Business	5.0	5.3	5.2	5.0	5.5	5.3	5.4	5.4	5.4	6.1
A. Credit market regulations	3.4	4.2	5.8	5.1	5.9	5.9	5.8	5.7	5.7	7.0
(i) Ownership of banks	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	5.0
(ii) Foreign bank competition					5.9	5.9	5.9	5.9	5.9	5.0
(iii) Private sector credit	4.3	6.6	7.3	7.4	8.0	7.9	7.6	7.8	7.9	7.9
(iv) Interest rate controls/negative real int. rates	6.0	6.0	10.0	8.0	10.0	10.0	10.0	9.0	9.0	10.0
B. Labor market regulations					6.6	6.6	6.8	6.8	6.7	6.8
(i) Minimum wage					4.6	4.6	4.6	4.6	4.8	4.8
(ii) Hiring and firing regulations					5.0	5.0	5.3	5.0	5.0	6.0
(iii) Centralized collective bargaining					6.6	6.8	7.3	7.5	7.1	7.5
(iv) Mandated cost of hiring										10.0
(v) Mandated cost of worker dismissal										5.6
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					4.0	3.5	3.7	3.7	3.7	4.5
(i) Price controls			0.0	0.0	0.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements					7.6	1.7	1.7	2.2	2.4	2.4
(iii) Bureaucracy costs					5.7	3.3	4.5	4.0	2.5	2.4
(iv) Starting a business					4.6	3.8	3.8	3.8	5.2	8.0
(v) Extra payments/bribes					1.9	2.5	2.3	2.3	2.4	2.3
(vi) Licensing restrictions										7.4
(vii) Cost of tax compliance										2.8

Belgium

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	7.1 (8)	7.1 (8)	7.3 (9)	7.2 (23)	7.5 (16)	7.4 (17)	7.3 (18)	7.3 (23)	7.3 (24)	7.2 (38)
1. Size of Government	3.6	3.6	4.2	4.0	3.5	4.6	4.5	4.4	4.3	4.3
A. General government consumption spending	5.4 (21.6)	5.8 (20.3)	6.4 (18.1)	6.2 (18.9)	3.5 (28.3)	3.5 (28.2)	3.5 (28.0)	3.1 (29.3)	2.9 (30.1)	3.0 (30.0)
B. Transfers and subsidies	3.1 (26.0)	2.6 (27.6)	3.3 (25.0)	3.0 (26.3)	3.4 (24.9)	3.8 (23.2)	3.4 (24.6)	3.3 (25.2)	3.3 (25.2)	3.4 (24.8)
C. Government enterprises and investment	6.0 (26.8)	6.0 (25.3)	6.0 (27.0)	6.0	6.0	10.0 (8.6)	10.0 (8.6)	10.0 (8.3)	10.0 (8.3)	10.0 (7.7)
D. Top marginal tax rate	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
(i) Top marginal income tax rate	0.0 (76)	0.0 (76)	2.0 (55-61)	1.0 (58-64)	2.0 (58-63)	2.0 (53-57)	2.0 (50-54)	2.0 (50-55)	2.0 (50-55)	2.0 (50-55)
(ii) Top marginal income and payroll tax rates			0.0 (70)	1.0 (58-64)	0.0 (71)	0.0 (69-72)	0.0 (64-68)	0.0 (62-66)	0.0 (62-66)	0.0 (62-66)
2. Legal Structure and Security of Property Rights	7.8	7.9	8.3	7.5	8.3	7.8	7.7	7.9	7.6	7.5
A. Judicial independence				5.8	7.3	6.2	6.7	7.5	6.9	7.0
B. Impartial courts				6.4	8.2	6.6	6.2	6.2	6.0	6.3
C. Protection of property rights				6.9	7.6	7.8	7.2	7.5	6.7	8.2
D. Military interference				8.5	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										9.2
G. Regulatory restrictions on sale of real property										3.3
3. Access to Sound Money	9.5	9.6	9.6	9.7	9.6	9.7	9.7	9.7	9.6	9.5
A. Money growth	9.6 (1.9)	9.7 (1.6)	9.4 (2.9)	9.6 (1.9)	9.1 (4.5)	9.2 (4.0)	9.1 (4.4)	9.1 (4.7)	9.0 (5.0)	8.8 (6.1)
B. Standard deviation of inflation	9.4 (1.6)	9.8 (0.6)	9.6 (1.0)	9.6 (0.9)	9.9 (0.2)	9.9 (0.2)	9.9 (0.3)	9.9 (0.3)	9.8 (0.5)	9.9 (0.3)
C. Inflation: most recent year	9.2 (4.2)	8.8 (6.1)	9.4 (3.1)	9.7 (1.7)	9.5 (2.5)	9.5 (2.5)	9.7 (1.6)	9.7 (1.6)	9.6 (2.1)	9.4 (2.8)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	8.7	9.0	8.7	8.5	9.0	8.9	8.6	8.6	8.5	8.1
A. Taxes on international trade	9.0	9.2	8.5	8.7	9.2	9.0	9.1	9.1	9.2	8.5
(i) Taxes as percentage of exports and imports	9.8 (0.3)	9.8 (0.3)	9.7 (0.4)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.4 (3.1)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				8.3	8.9	8.9	8.9	8.7	8.1	8.1
C. Size of trade sector	6.6	7.5	6.9	6.4	7.6	7.3	7.1	6.9	7.0	7.1
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	10.0	10.0	10.0	9.3	9.2	9.2	8.1	8.3	8.1	6.7
5. Regulation of Credit, Labor and Business	5.5	5.4	5.5	6.1	7.0	5.9	6.1	6.1	6.3	6.5
A. Credit market regulations	8.6	8.1	8.4	8.0	8.3	8.4	8.4	8.4	8.4	7.8
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				7.9	8.0	8.0	8.0	8.0	8.0	5.0
(iii) Private sector credit	5.8	4.3	5.2	5.0	5.2	5.6	5.9	5.8	5.8	6.0
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	3.5	3.5	3.6	4.9	5.0	4.9	4.5	4.7	5.0	4.8
(i) Minimum wage				3.9	5.1	5.1	5.1	5.1	6.2	6.2
(ii) Hiring and firing regulations			3.8	3.8	3.1	3.0	1.5	2.3	2.6	2.6
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	4.2	3.8	3.3	3.7	3.4	3.8
(iv) Mandated cost of hiring	3.0	3.0	3.3	2.6	2.7	2.7	2.5	2.6	2.6	0.0
(v) Mandated cost of worker dismissal										8.5
(vi) Conscription	3.0	3.0	3.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				5.3	7.6	4.5	5.3	5.2	5.6	7.0
(i) Price controls			2.0	5.0	6.0	5.0	5.0	5.0	5.0	5.0
(ii) Administrative requirements					8.2	2.1	1.8	2.2	2.0	3.0
(iii) Bureaucracy costs				6.5	8.9	3.5	6.8	6.3	8.2	7.9
(iv) Starting a business				4.6	6.4	4.2	5.2	4.5	5.6	8.8
(v) Extra payments/bribes				5.1	8.3	7.5	7.6	8.0	7.3	8.1
(vi) Licensing restrictions										7.8
(vii) Cost of tax compliance										8.2

Benin

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.2 (60)	4.8 (79)	5.1 (70)	4.6 (103)	5.4 (100)	5.5 (99)	5.4 (103)	5.4 (107)	5.5 (105)	5.8 (112)
1. Size of Government	4.7	3.6	4.2	4.0	5.7	5.9	5.9	5.8	5.9	5.9
A. General government consumption spending	9.3 (8.2)	7.2 (15.5)	8.3 (11.7)	8.1 (12.5)	7.4 (14.7)	7.7 (13.8)	7.8 (13.6)	7.6 (14.1)	7.7 (13.7)	7.8 (13.5)
B. Transfers and subsidies										
C. Government enterprises and investment	0.0 (53.7)	0.0 (53.5)	0.0 (55.2)	0.0 (60.1)	4.0 (33.9)	4.0 (39.2)	4.0 (39.2)	4.0 (39.2)	4.0 (39.2)	4.0 (39.2)
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	4.7	4.2	4.4	4.5	4.3	4.3	4.3	4.1	3.5	4.8
A. Judicial independence									2.4	4.6
B. Impartial courts				4.8	4.6	4.6	4.6	4.7	2.9	4.1
C. Protection of property rights									3.4	4.4
D. Military interference				3.8	4.7	4.7	4.7	4.7	4.7	7.1
E. Integrity of the legal system				5.2	4.0	4.0	4.0	4.0	4.0	
F. Legal enforcement of contracts										4.4
G. Regulatory restrictions on sale of real property										4.1
3. Access to Sound Money	6.3	6.1	6.7	5.3	6.6	6.6	6.8	7.2	6.8	6.7
A. Money growth	8.4 (8.0)	8.0 (10.0)	9.9 (0.7)	9.1 (4.4)	8.0 (9.8)	7.7 (11.4)	8.0 (10.2)	9.5 (-2.4)	7.6 (-11.8)	8.4 (-7.9)
B. Standard deviation of inflation	8.7 (3.2)	7.2 (6.9)	8.3 (4.2)	5.0 (12.5)	9.3 (1.9)	9.5 (1.4)	9.6 (1.1)	9.7 (0.6)	9.7 (0.6)	9.6 (1.1)
C. Inflation: most recent year	8.0 (10.2)	9.0 (-4.9)	8.8 (6.1)	6.9 (15.4)	9.2 (4.2)	9.2 (4.0)	9.5 (2.5)	9.7 (1.5)	9.8 (0.9)	8.9 (5.4)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.0	5.0			5.4	5.3	5.2	4.9	5.3	5.2
A. Taxes on international trade	2.9	2.5			7.6	7.2	7.2	7.2	6.4	6.4
(i) Taxes as percentage of exports and imports	2.9 (10.6)								4.8 (7.9)	4.8 (7.9)
(ii) Mean tariff rate		2.5 (37.4)			7.6 (12.0)	7.1 (14.5)	7.1 (14.5)	7.1 (14.5)	7.2 (14.0)	7.1 (14.4)
(iii) Standard deviation of tariff rates						7.3 (6.7)	7.3 (6.7)	7.3 (6.7)	7.3 (6.7)	7.3 (6.8)
B. Regulatory trade barriers									4.7	4.9
C. Size of trade sector	4.3	4.7	1.7	3.3	1.2	1.2	0.4	0.5	1.9	1.9
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	3.0
5. Regulation of Credit, Labor and Business	5.1	4.8	5.0	4.6	5.1	5.6	5.1	5.1	5.9	6.4
A. Credit market regulations	5.3	5.9	6.3	6.2	7.6	9.3	7.7	7.8	9.1	9.1
(i) Ownership of banks	0.0	0.0	2.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition										
(iii) Private sector credit	9.9	9.8	8.8	6.6	8.8	8.9	9.2	9.3	9.4	9.3
(iv) Interest rate controls/negative real int. rates	6.0	8.0	8.0	2.0	4.0	8.9	4.0	4.0	8.0	8.0
B. Labor market regulations									4.1	5.5
(i) Minimum wage									2.9	2.9
(ii) Hiring and firing regulations									5.1	5.7
(iii) Centralized collective bargaining									7.2	6.8
(iv) Mandated cost of hiring										1.7
(v) Mandated cost of worker dismissal										6.7
(vi) Conscription		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
C. Business regulations									4.6	4.7
(i) Price controls				2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Administrative requirements									2.3	2.4
(iii) Bureaucracy costs									8.9	6.5
(iv) Starting a business									6.9	5.9
(v) Extra payments/bribes									3.1	3.8
(vi) Licensing restrictions										4.9
(vii) Cost of tax compliance										7.0

Bosnia & Herzegovina

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >										6.1 (97)
1. Size of Government										6.0
A. General government consumption spending										5.8 (20.4)
B. Transfers and subsidies										5.7 (16.5)
C. Government enterprises and investment										
D. Top marginal tax rate										6.5
(i) Top marginal income tax rate										10.0 (15)
(ii) Top marginal income and payroll tax rates										3.0 (50)
2. Legal Structure and Security of Property Rights										4.0
A. Judicial independence										3.5
B. Impartial courts										3.3
C. Protection of property rights										3.3
D. Military interference										4.2
E. Integrity of the legal system										
F. Legal enforcement of contracts										6.8
G. Regulatory restrictions on sale of real property										3.0
3. Access to Sound Money										8.1
A. Money growth										8.9 (5.6)
B. Standard deviation of inflation										9.3 (1.8)
C. Inflation: most recent year										9.4 (3.0)
D. Freedom to own foreign currency										5.0
4. Freedom to Trade Internationally										5.9
A. Taxes on international trade										6.9
(i) Taxes as percentage of exports and imports										6.7 (5.0)
(ii) Mean tariff rate										8.6 (7.2)
(iii) Standard deviation of tariff rates										5.3 (11.7)
B. Regulatory trade barriers										5.2
C. Size of trade sector										3.1
D. Black-market exchange rates										10.0
E. International capital market controls										4.5
5. Regulation of Credit, Labor and Business										6.6
A. Credit market regulations										9.5
(i) Ownership of banks										8.0
(ii) Foreign bank competition										10.0
(iii) Private sector credit										9.9
(iv) Interest rate controls/negative real int. rates										10.0
B. Labor market regulations										5.4
(i) Minimum wage										3.6
(ii) Hiring and firing regulations										4.6
(iii) Centralized collective bargaining										7.9
(iv) Mandated cost of hiring										0.0
(v) Mandated cost of worker dismissal										7.0
(vi) Conscription										5.0
C. Business regulations										5.0
(i) Price controls										
(ii) Administrative requirements										2.0
(iii) Bureaucracy costs										6.2
(iv) Starting a business										7.7
(v) Extra payments/bribes										5.2
(vi) Licensing restrictions										0.0
(vii) Cost of tax compliance										8.9

Brazil

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.4 (82)	3.6 (103)	4.2 (100)	4.4 (109)	5.9 (79)	5.9 (82)	6.1 (75)	5.9 (88)	5.9 (85)	6.0 (101)
1. Size of Government	5.3	5.1	5.8	5.6	5.9	6.3	6.5	6.3	6.3	6.4
A. General government consumption spending	8.3 (11.6)	7.9 (13.0)	4.5 (24.5)	4.5 (24.7)	4.4 (24.9)	4.4 (24.9)	4.5 (24.5)	4.1 (26.0)	4.3 (25.4)	4.1 (26.0)
B. Transfers and subsidies	6.8 (12.4)	7.4 (10.0)	7.2 (10.7)	6.5 (13.3)	6.0 (15.3)	6.0 (15.3)	6.0 (15.3)	6.0 (15.3)	6.0 (15.3)	6.0 (15.3)
C. Government enterprises and investment	2.0 (49.2)	4.0 (36.0)	6.0 (24.9)	6.0 (17.8)	8.0 (17.1)	10.0 (13.8)	10.0 (13.8)	10.0 (13.8)	10.0 (13.8)	10.0 (13.8)
D. Top marginal tax rate	4.0	1.0	5.5	5.5	5.0	5.0	5.5	5.0	5.0	5.0
(i) Top marginal income tax rate	4.0 (55)	1.0 (60)	9.0 (25)	8.0 (35)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)
(ii) Top marginal income and payroll tax rates			2.0 (53)	3.0 (60)	2.0 (55)	2.0 (55)	3.0 (50)	2.0 (55)	2.0 (55)	2.0 (55)
2. Legal Structure and Security of Property Rights	5.9	5.7	6.2	5.8	5.4	4.9	4.9	4.9	4.2	5.2
A. Judicial independence				5.6	5.5	5.3	4.8	5.2	3.3	3.0
B. Impartial courts				6.7	6.2	4.6	4.8	4.7	3.6	3.4
C. Protection of property rights				4.1	5.1	4.8	4.7	4.5	3.7	6.0
D. Military interference				5.5	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	3.5	4.2
F. Legal enforcement of contracts										5.4
G. Regulatory restrictions on sale of real property										7.8
3. Access to Sound Money	1.3	0.0	0.0	0.0	6.1	6.6	7.5	7.1	7.6	7.6
A. Money growth	1.6 (41.8)	0.0 (137.8)	0.0 (648.7)	0.0 (479.0)	8.1 (9.6)	8.5 (7.6)	7.6 (11.9)	7.9 (10.3)	7.9 (10.3)	7.9 (10.4)
B. Standard deviation of inflation	3.4 (16.6)	0.0 (53.1)	0.0 (878.9)	0.0 (851.5)	7.9 (5.2)	9.1 (2.2)	8.9 (2.6)	8.5 (3.8)	8.8 (2.9)	8.7 (3.2)
C. Inflation: most recent year	0.0 (87.5)	0.0 (231.7)	0.0 (2509.5)	0.0 (77.6)	8.6 (7.0)	8.6 (6.8)	8.3 (8.5)	7.1 (14.7)	8.7 (6.6)	8.6 (6.9)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	4.5	3.0	4.5	5.6	6.1	6.4	6.6	6.5	6.4	6.3
A. Taxes on international trade	3.3	2.6	4.8	7.7	7.2	7.3	7.1	7.1	7.2	7.2
(i) Taxes as percentage of exports and imports	3.3 (10.0)	7.9 (3.2)	7.5 (3.7)	8.1 (2.8)	7.2 (4.2)	7.2 (4.2)	7.2 (4.2)	7.2 (4.2)	7.2 (4.2)	7.2 (4.2)
(ii) Mean tariff rate		0.0 (55.6)	4.0 (30.0)	7.6 (12.0)	7.1 (14.4)	7.4 (12.9)	7.0 (14.9)	7.0 (14.9)	7.4 (13.1)	7.5 (12.3)
(iii) Standard deviation of tariff rates		0.0 (26.2)	3.0 (17.5)	7.2 (6.9)	7.2 (7.0)	7.1 (7.2)	7.1 (7.2)	7.1 (7.2)	7.1 (7.2)	6.9 (7.9)
B. Regulatory trade barriers				5.3	5.3	6.0	5.7	5.5	5.0	4.7
C. Size of trade sector	4.5	3.8	1.6	2.2	3.8	4.7	4.9	5.0	5.1	4.7
D. Black-market exchange rates	6.4	0.2	8.0	9.4	10.0	10.0	9.2	9.2	9.0	9.0
E. International capital market controls	0.0	0.0	0.0	3.6	4.2	4.2	5.9	5.6	5.5	6.2
5. Regulation of Credit, Labor and Business	4.9	4.3	4.7	5.1	5.9	5.3	5.0	4.9	4.9	4.3
A. Credit market regulations	5.3	3.4	3.9	4.7	6.4	5.7	5.5	5.5	5.6	4.9
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition				6.5	7.1	7.1	6.0	6.0	6.0	5.0
(iii) Private sector credit	6.8	5.3	6.8	8.2	5.9	5.7	5.9	5.8	6.0	4.5
(iv) Interest rate controls/negative real int. rates	4.0	0.0	0.0	0.0	8.0	5.0	5.0	5.0	5.0	5.0
B. Labor market regulations			4.8	5.3	4.6	4.7	4.5	4.4	5.0	3.7
(i) Minimum wage				6.7	3.5	3.5	3.5	3.5	7.2	7.2
(ii) Hiring and firing regulations			6.2	6.2	5.3	5.5	5.0	4.3	3.5	2.9
(iii) Centralized collective bargaining	5.2	5.2	5.2	5.2	5.5	5.3	5.3	5.2	5.2	5.3
(iv) Mandated cost of hiring				5.5	6.0	6.0	5.9	6.3	6.3	1.9
(v) Mandated cost of worker dismissal										0.0
(vi) Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				5.2	6.7	5.4	4.9	4.7	4.1	4.3
(i) Price controls			0.0	6.0	7.0	7.0	6.0	7.0	6.0	6.0
(ii) Administrative requirements					7.7	2.8	3.0	2.0	1.7	1.5
(iii) Bureaucracy costs				5.6	7.4	6.3	5.8	4.8	5.4	5.3
(iv) Starting a business				6.0	5.7	4.6	4.3	3.0	1.5	6.6
(v) Extra payments/bribes				3.3	5.7	6.2	5.6	6.5	5.7	6.3
(vi) Licensing restrictions										4.7
(vii) Cost of tax compliance										0.0

Burkina Faso

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005 5.5 (122)
Summary Ratings (Rank) >										
1. Size of Government										
A. General government consumption spending										5.6 (21.0)
B. Transfers and subsidies										
C. Government enterprises and investment										
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights										4.1
A. Judicial independence										3.4
B. Impartial courts										3.7
C. Protection of property rights										5.7
D. Military interference										5.0
E. Integrity of the legal system										5.8
F. Legal enforcement of contracts										2.1
G. Regulatory restrictions on sale of real property										3.0
3. Access to Sound Money										6.9
A. Money growth										9.6 (2.2)
B. Standard deviation of inflation										9.5 (1.2)
C. Inflation: most recent year										8.7 (6.4)
D. Freedom to own foreign currency										0.0
4. Freedom to Trade Internationally										5.1
A. Taxes on international trade										7.0
(i) Taxes as percentage of exports and imports										6.3 (5.6)
(ii) Mean tariff rate										7.4 (13.1)
(iii) Standard deviation of tariff rates										7.3 (6.8)
B. Regulatory trade barriers										4.0
C. Size of trade sector										0.5
D. Black-market exchange rates										10.0
E. International capital market controls										4.1
5. Regulation of Credit, Labor and Business										5.9
A. Credit market regulations										8.7
(i) Ownership of banks										10.0
(ii) Foreign bank competition										7.0
(iii) Private sector credit										9.6
(iv) Interest rate controls/negative real int. rates										8.0
B. Labor market regulations										4.6
(i) Minimum wage										0.0
(ii) Hiring and firing regulations										4.8
(iii) Centralized collective bargaining										6.0
(iv) Mandated cost of hiring										3.2
(v) Mandated cost of worker dismissal										4.7
(vi) Conscription										10.0
C. Business regulations										4.6
(i) Price controls										
(ii) Administrative requirements										4.3
(iii) Bureaucracy costs										4.1
(iv) Starting a business										5.4
(v) Extra payments/bribes										5.0
(vi) Licensing restrictions										2.0
(vii) Cost of tax compliance										7.0

Burundi

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.2 (88)	4.7 (83)	4.7 (90)	4.7 (100)	5.1 (107)	5.3 (106)	5.2 (111)	4.6 (121)	4.4 (126)	5.0 (134)
1. Size of Government	4.5	4.7	4.4	5.8	6.5	6.1	6.3	6.0	5.7	5.6
A. General government consumption spending	9.1 (9.2)	9.4 (8.2)	8.7 (10.3)	8.1 (12.5)	8.0 (12.9)	6.9 (16.6)	7.6 (14.2)	6.6 (17.7)	5.8 (20.4)	5.5 (21.2)
B. Transfers and subsidies				9.3 (3.2)	9.4 (2.6)	9.4 (2.6)	9.4 (2.6)	9.4 (2.6)	9.4 (2.6)	9.4 (2.6)
C. Government enterprises and investment	0.0 (67.7)	0.0 (82.4)	0.0 (82.5)	0.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	4.7	4.2	4.4	4.5	3.3	3.3	3.3	1.6	1.6	2.9
A. Judicial independence										1.4
B. Impartial courts				4.0	3.7	3.7	3.7	2.9	2.9	2.5
C. Protection of property rights										3.3
D. Military interference					2.2	2.2	2.2	0.9	0.9	1.9
E. Integrity of the legal system				5.2						
F. Legal enforcement of contracts										5.2
G. Regulatory restrictions on sale of real property										3.2
3. Access to Sound Money	4.9	6.1	6.5	5.8	6.1	6.8	6.7	6.4	6.4	6.6
A. Money growth	5.3 (23.3)	8.5 (7.3)	9.9 (0.8)	8.3 (8.6)	7.7 (11.7)	7.5 (12.6)	6.7 (16.6)	7.5 (12.4)	6.6 (16.8)	6.8 (15.9)
B. Standard deviation of inflation	7.6 (6.0)	7.1 (7.4)	7.2 (6.9)	8.1 (4.9)	6.6 (8.5)	6.7 (8.3)	6.2 (9.5)	6.2 (9.6)	6.4 (8.9)	7.3 (6.8)
C. Inflation: most recent year	6.7 (16.4)	9.0 (5.1)	8.8 (6.0)	7.0 (15.2)	5.1 (24.3)	8.2 (9.2)	8.8 (-5.8)	6.8 (16.0)	7.5 (12.6)	7.4 (13.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	2.1	3.0	3.9	2.6	4.3	4.3	3.7	3.2	2.8	3.3
A. Taxes on international trade	0.0	1.2	1.3	2.1	1.1	1.1	3.6	3.6	3.6	4.5
(i) Taxes as percentage of exports and imports	0.0 (18.1)	0.0 (17.0)	0.0 (22.9)	1.6 (12.6)	1.1 (13.3)	1.1 (13.3)	1.1 (13.3)	1.1 (13.3)	1.1 (13.3)	1.1 (13.3)
(ii) Mean tariff rate		2.4 (37.9)	2.6 (37.0)	2.6 (36.9)			6.0 (20.0)	6.0 (20.0)	6.0 (20.0)	6.1 (19.6)
(iii) Standard deviation of tariff rates										6.2 (9.4)
B. Regulatory trade barriers									0.0	2.1
C. Size of trade sector	1.1	0.5	1.0	1.5	0.0	0.0	0.0	0.0	0.0	1.3
D. Black-market exchange rates	1.0	5.0	8.8	1.2	10.0	10.0	4.5	4.5	4.9	4.9
E. International capital market controls	0.0	0.0	0.0	0.0	2.3	2.3	2.3	2.3	2.3	3.9
5. Regulation of Credit, Labor and Business	4.8	5.2	4.5	4.9	5.5	5.8	5.8	5.9	5.7	6.6
A. Credit market regulations	2.9	4.0	3.3	3.9	5.2	6.4	6.4	6.5	6.0	7.8
(i) Ownership of banks	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
(ii) Foreign bank competition									5.0	5.0
(iii) Private sector credit	4.8	3.9	5.8	7.8	9.7	9.3	9.3	9.4	9.0	8.4
(iv) Interest rate controls/negative real int. rates	2.0	6.0	4.0	4.0	6.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations										7.4
(i) Minimum wage									7.1	7.1
(ii) Hiring and firing regulations										5.8
(iii) Centralized collective bargaining										8.1
(iv) Mandated cost of hiring										7.9
(v) Mandated cost of worker dismissal										7.7
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										4.5
(i) Price controls			0.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										2.8
(iii) Bureaucracy costs										4.7
(iv) Starting a business									5.9	6.5
(v) Extra payments/bribes										4.0
(vi) Licensing restrictions										1.0
(vii) Cost of tax compliance										8.4

Cameroon

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.8 (35)	5.8 (40)	5.7 (50)	5.2 (86)	5.4 (100)	5.7 (91)	5.6 (98)	5.6 (98)	5.5 (105)	5.4 (124)
1. Size of Government	7.4	5.5	5.2	5.6	5.4	5.3	5.4	5.4	5.6	5.5
A. General government consumption spending	8.2 (12.2)	8.2 (12.3)	7.0 (16.1)	8.6 (10.7)	8.0 (12.8)	7.6 (14.1)	8.1 (12.4)	8.2 (12.0)	8.2 (12.3)	8.1 (12.6)
B. Transfers and subsidies	9.9 (0.8)	10.0 (0.6)	9.4 (2.7)	9.7 (1.6)	9.7 (1.7)	9.6 (2.1)	9.6 (2.1)	9.6 (2.1)	9.6 (2.1)	9.6 (2.1)
C. Government enterprises and investment	4.0 (27.7)	2.0 (41.7)	4.0 (32.0)	4.0	4.0	4.0	4.0	4.0	4.0	4.0
D. Top marginal tax rate		2.0	0.5	0.0	0.0	0.0	0.0	0.0	0.5	0.5
(i) Top marginal income tax rate		2.0 (60)	1.0 (60)	0.0 (66)	0.0 (65)	0.0 (65)	0.0 (65)	0.0 (65)	1.0 (60)	1.0 (60)
(ii) Top marginal income and payroll tax rates			0.0 (63)	0.0 (69)	0.0 (68)	0.0 (68)	0.0 (68)	0.0 (68)	0.0 (68)	0.0 (68)
2. Legal Structure and Security of Property Rights	5.8	5.8	5.8	4.8	4.4	4.4	4.2	4.2	3.9	3.7
A. Judicial independence							3.3	3.3	2.0	2.1
B. Impartial courts				3.8	3.8	3.8	3.5	3.8	3.3	2.8
C. Protection of property rights							4.0	4.0	4.1	4.1
D. Military interference				4.4	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	3.3	3.3
F. Legal enforcement of contracts										3.8
G. Regulatory restrictions on sale of real property										3.2
3. Access to Sound Money	5.4	6.4	7.1	5.8	6.6	6.8	6.8	6.9	6.9	6.9
A. Money growth	6.8 (15.8)	8.5 (7.7)	9.2 (-4.1)	9.4 (-3.0)	7.4 (13.2)	8.3 (8.3)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)
B. Standard deviation of inflation	7.6 (5.9)	9.3 (1.7)	9.4 (1.6)	7.3 (6.6)	9.3 (1.8)	9.6 (1.1)	9.4 (1.4)	9.4 (1.5)	9.0 (2.5)	9.3 (1.7)
C. Inflation: most recent year	7.2 (14.3)	7.8 (11.2)	9.7 (1.6)	6.6 (17.0)	9.6 (-2.1)	9.1 (4.5)	9.4 (2.8)	9.9 (0.6)	10.0 (0.2)	9.6 (2.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.3	6.1	5.4	5.2	5.8	5.9	5.6	5.3	5.6	5.5
A. Taxes on international trade	2.7	5.9	6.4	3.7	5.1	5.5	5.5	5.5	5.5	5.5
(i) Taxes as percentage of exports and imports	2.7 (11.0)	5.9 (6.1)	6.4 (5.4)	4.9 (7.7)	3.8 (9.2)	3.8 (9.2)	3.8 (9.2)	3.8 (9.2)	3.8 (9.2)	3.8 (9.2)
(ii) Mean tariff rate				6.3 (18.7)	6.3 (18.4)	6.4 (18.0)	6.4 (18.1)	6.4 (18.1)	6.4 (18.1)	6.3 (18.4)
(iii) Standard deviation of tariff rates				0.0 (29.6)		6.2 (9.6)	6.2 (9.6)	6.2 (9.6)	6.2 (9.6)	6.3 (9.2)
B. Regulatory trade barriers							4.0	3.2	4.7	4.4
C. Size of trade sector	6.0	6.4	3.1	4.1	5.0	5.2	4.6	4.1	4.1	4.1
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.8	0.8	3.9	3.9	4.0	3.6
5. Regulation of Credit, Labor and Business	5.2	5.2	5.1	4.7	5.0	6.0	5.9	5.9	5.7	5.5
A. Credit market regulations	3.0	3.0	5.2	4.0	4.9	7.0	7.1	7.2	6.9	7.3
(i) Ownership of banks	0.0	0.0	0.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition										
(iii) Private sector credit			7.7	6.1	6.8	7.0	7.4	7.6	7.8	7.9
(iv) Interest rate controls/negative real int. rates	6.0	6.0	8.0	4.0	6.0	9.0	9.0	9.0	8.0	9.0
B. Labor market regulations							6.8	6.8	6.6	6.0
(i) Minimum wage									5.7	5.7
(ii) Hiring and firing regulations							4.3	4.3	4.3	5.7
(iii) Centralized collective bargaining							6.0	6.0	6.4	5.9
(iv) Mandated cost of hiring										5.3
(v) Mandated cost of worker dismissal										6.3
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							3.8	3.8	3.7	3.2
(i) Price controls			0.0	0.0	0.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements							2.2	2.2	2.2	1.7
(iii) Bureaucracy costs							3.8	3.8	3.1	3.7
(iv) Starting a business							5.7	5.7	6.1	6.3
(v) Extra payments/bribes							3.5	3.5	3.1	4.0
(vi) Licensing restrictions										3.0
(vii) Cost of tax compliance										0.0

Central African Republic

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.7 (74)	4.3 (91)	4.9 (80)	4.7 (100)	4.9 (112)	5.0 (114)	4.8 (117)	5.0 (116)	4.7 (123)	4.6 (136)
1. Size of Government	3.8	3.6	3.7	3.8	4.3	4.2	4.2	4.2	4.3	4.3
A. General government consumption spending	7.7 (13.9)	7.2 (15.7)	7.4 (14.8)	7.7 (14.0)	8.6 (10.9)	8.4 (11.4)	8.4 (11.6)	8.5 (11.1)	8.6 (10.6)	8.6 (10.8)
B. Transfers and subsidies										
C. Government enterprises and investment	0.0 (65.7)	0.0 (67.0)	0.0 (51.8)	0.0 (54.8)	0.0	0.0	0.0 (54.8)	0.0	0.0	0.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	4.7	4.2	4.4	4.9	4.3	4.3	3.2	3.5	3.5	2.8
A. Judicial independence										
B. Impartial courts							0.0	3.0	3.0	3.3
C. Protection of property rights										
D. Military interference					4.7	4.7	4.7	4.7	4.7	3.3
E. Integrity of the legal system				5.2	4.0	4.0	4.0	4.0	4.0	
F. Legal enforcement of contracts										1.1
G. Regulatory restrictions on sale of real property										3.7
3. Access to Sound Money	4.9	4.3	7.1	5.0	7.1	7.0	7.2	7.2	7.1	7.1
A. Money growth	5.6 (22.1)	8.5 (7.3)	10.0 (-0.2)	6.8 (15.8)	9.1 (-4.4)	9.2 (-4.1)	9.8 (-0.8)	9.8 (-0.8)	9.8 (-0.8)	9.8 (-0.8)
B. Standard deviation of inflation	7.5 (6.2)	5.6 (10.9)	8.9 (2.9)	6.0 (9.9)	9.8 (0.6)	9.6 (0.9)	9.5 (1.2)	9.6 (0.9)	9.0 (2.4)	9.1 (2.4)
C. Inflation: most recent year	6.3 (18.3)	3.2 (34.2)	9.5 (2.3)	7.3 (13.4)	9.4 (3.2)	9.3 (3.4)	9.3 (3.4)	9.4 (3.1)	9.6 (-2.1)	9.4 (2.9)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.5	5.4	4.8	5.6	4.8	4.8	4.7	5.3	3.8	3.2
A. Taxes on international trade	2.9	3.6	3.0	6.2	5.6	5.5	5.5	5.5	6.1	6.2
(i) Taxes as percentage of exports and imports	2.9 (10.6)		2.3 (11.5)		4.3 (8.6)	4.3 (8.6)	4.3 (8.6)	4.3 (8.6)	6.0 (6.1)	6.0 (6.1)
(ii) Mean tariff rate		3.6 (32.0)	3.6 (32.0)	6.3 (18.6)	6.3 (18.6)	6.3 (18.4)	6.2 (18.9)	6.2 (18.9)	6.2 (18.9)	6.4 (17.9)
(iii) Standard deviation of tariff rates				6.2 (9.6)	6.2 (9.5)	6.0 (9.9)	6.0 (9.9)	6.0 (9.9)	6.0 (9.9)	6.3 (9.2)
B. Regulatory trade barriers									0.0	0.0
C. Size of trade sector	6.9	5.2	3.5	4.0	0.0	0.0	0.0	4.2	0.0	0.0
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business		3.8	4.4	3.9	3.9	4.5	4.6	4.5	4.7	5.4
A. Credit market regulations	0.0	4.0	6.3	4.9	4.7	6.8	7.1	7.0	7.3	7.2
(i) Ownership of banks	0.0	0.0	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition										
(iii) Private sector credit			6.9	6.6	6.2	6.4	7.2	7.1	7.9	7.7
(iv) Interest rate controls/negative real int. rates		8.0	10.0	6.0	6.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations										4.8
(i) Minimum wage									1.1	1.1
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										4.5
(v) Mandated cost of worker dismissal										6.6
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations										4.1
(i) Price controls			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									8.7	5.5
(v) Extra payments/bribes										
(vi) Licensing restrictions										6.5
(vii) Cost of tax compliance										4.4

Chile

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.3 (55)	5.9 (35)	6.6 (26)	7.5 (13)	7.5 (16)	7.3 (19)	7.2 (23)	7.4 (19)	7.4 (22)	7.8 (11)
1. Size of Government	5.0	5.7	6.5	7.3	7.1	6.1	6.1	6.3	6.3	6.3
A. General government consumption spending	7.4 (15.0)	6.9 (16.7)	7.8 (13.6)	7.8 (13.6)	7.0 (16.1)	6.9 (16.5)	6.9 (16.7)	6.8 (16.8)	6.8 (16.7)	6.8 (16.9)
B. Transfers and subsidies	6.6 (12.9)	6.0 (15.3)	7.3 (10.5)	7.4 (10.0)	6.5 (13.4)	6.5 (13.3)	6.5 (13.3)	7.3 (10.4)	7.5 (9.6)	7.6 (9.3)
C. Government enterprises and investment	4.0 (32.2)	8.0 (16.1)	7.0 (20.5)	8.0 (16.6)	10.0 (12.3)	6.0 (28.2)	6.0 (28.2)	6.0 (28.2)	6.0 (28.2)	6.0 (28.2)
D. Top marginal tax rate	2.0	2.0	4.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
(i) Top marginal income tax rate	2.0 (58)	2.0 (56)	4.0 (50)	6.0 (45)	5.0 (45)	5.0 (43)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates			4.0 (50)	6.0 (45)	5.0 (45)	5.0 (43)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure and Security of Property Rights	6.4	5.0	6.2	6.8	6.5	6.2	6.4	6.5	6.1	7.1
A. Judicial independence				6.6	5.8	5.4	6.0	6.3	5.2	4.8
B. Impartial courts				7.1	6.5	5.4	5.7	6.2	5.6	6.0
C. Protection of property rights				5.6	5.3	5.0	5.2	4.8	4.6	7.5
D. Military interference				7.5	6.7	6.7	6.7	6.7	6.7	6.9
E. Integrity of the legal system				7.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										7.5
G. Regulatory restrictions on sale of real property										9.0
3. Access to Sound Money	2.3	7.0	7.2	8.7	9.3	9.4	9.2	9.4	9.5	9.3
A. Money growth	0.0 (99.5)	7.9 (10.7)	4.8 (25.9)	8.1 (9.7)	9.6 (2.1)	10.0 (0.2)	8.9 (5.6)	9.6 (2.0)	9.1 (4.6)	8.7 (6.4)
B. Standard deviation of inflation	0.0 (80.6)	6.2 (9.6)	8.3 (4.2)	8.4 (4.0)	8.4 (4.0)	8.4 (4.1)	8.3 (4.2)	8.4 (3.9)	9.0 (2.5)	9.0 (2.4)
C. Inflation: most recent year	4.2 (28.8)	3.9 (30.7)	5.8 (21.2)	8.1 (9.3)	9.2 (3.8)	9.3 (3.6)	9.5 (2.5)	9.4 (2.8)	9.8 (1.1)	9.4 (3.1)
D. Freedom to own foreign currency	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.8	5.8	7.2	7.6	7.5	8.3	8.3	8.4	8.4	8.2
A. Taxes on international trade	8.7	6.7	8.2	8.5	8.9	9.1	9.1	9.4	9.5	9.5
(i) Taxes as percentage of exports and imports	8.1 (2.8)	6.2 (5.7)	7.5 (3.7)	7.7 (3.5)	8.5 (2.3)	8.8 (1.8)	8.8 (1.8)	9.4 (0.9)	9.6 (0.7)	9.6 (0.6)
(ii) Mean tariff rate	8.0 (10.0)	4.0 (30.0)	7.0 (15.0)	7.8 (11.0)	8.2 (9.0)	8.4 (8.0)	8.6 (7.0)	8.8 (6.0)	9.0 (4.9)	9.0 (4.9)
(iii) Standard deviation of tariff rates	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	9.8 (0.5)
B. Regulatory trade barriers				7.1	8.4	8.8	8.9	9.1	7.9	7.2
C. Size of trade sector	6.4	6.5	7.5	6.3	5.8	6.6	6.6	6.5	6.7	6.9
D. Black-market exchange rates	8.8	5.6	10.0	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	6.5	4.3	7.0	6.7	6.9	7.7	7.7
5. Regulation of Credit, Labor and Business	5.7	5.7	5.8	7.1	7.0	6.4	6.3	6.5	6.8	7.8
A. Credit market regulations	7.5	8.2	8.4	8.6	8.3	8.3	8.3	8.3	8.1	9.0
(i) Ownership of banks	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				8.2	6.0	6.0	6.0	6.0	6.0	8.0
(iii) Private sector credit	9.6	8.6	9.3	9.9	9.8	9.8	9.8	9.9	9.6	9.9
(iv) Interest rate controls/negative real int. rates	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	9.0	10.0
B. Labor market regulations			4.9	5.3	4.9	4.2	4.2	4.7	5.3	7.3
(i) Minimum wage				5.7	3.4	3.4	3.4	3.4	7.3	7.3
(ii) Hiring and firing regulations			6.9	6.9	5.6	3.2	2.8	4.5	4.0	4.9
(iii) Centralized collective bargaining		7.9	7.9	7.9	8.9	8.0	8.2	8.5	8.6	8.5
(iv) Mandated cost of hiring				5.9	6.5	6.5	6.5	6.9	6.9	9.0
(v) Mandated cost of worker dismissal										5.2
(vi) Conscription	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				7.3	7.8	6.6	6.5	6.7	6.9	7.1
(i) Price controls				10.0	9.0	10.0	10.0	9.0	8.0	9.0
(ii) Administrative requirements					7.9	3.7	3.5	4.5	4.4	4.7
(iii) Bureaucracy costs				6.2	7.9	6.3	6.5	6.8	7.9	6.0
(iv) Starting a business				6.5	5.7	4.9	5.0	4.8	6.1	9.0
(v) Extra payments/bribes				6.6	8.5	8.1	7.6	8.2	8.0	8.4
(vi) Licensing restrictions										7.6
(vii) Cost of tax compliance										5.2

Colombia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.7 (74)	5.1 (66)	5.0 (75)	5.4 (80)	5.4 (100)	5.5 (99)	5.3 (109)	5.5 (104)	5.5 (105)	5.8 (112)
1. Size of Government	5.4	5.9	6.7	6.8	5.1	4.8	4.7	4.9	4.9	4.6
A. General government consumption spending	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)	5.2 (22.3)	5.4 (21.5)	5.4 (21.5)
B. Transfers and subsidies	9.3 (2.9)	8.9 (4.4)	9.1 (3.7)	9.0 (4.1)	8.7 (5.2)	8.7 (5.2)	8.7 (5.2)	8.7 (5.2)	8.7 (5.2)	7.6 (9.3)
C. Government enterprises and investment	2.0 (41.5)	2.0 (53.9)	2.0 (43.9)	4.0 (34.1)	2.0 (40.2)	0.0 (51.9)	0.0 (51.9)	0.0 (51.9)	0.0 (51.9)	0.0 (51.9)
D. Top marginal tax rate	2.0	5.0	8.0	8.0	5.5	5.5	5.5	5.5	5.5	5.5
(i) Top marginal income tax rate	2.0 (56)	5.0 (49)	8.0 (30)	8.0 (30)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top marginal income and payroll tax rates			8.0 (30)	8.0 (30)	4.0 (43)	4.0 (43)	4.0 (44)	4.0 (44)	4.0 (44)	4.0 (45)
2. Legal Structure and Security of Property Rights	4.0	3.4	3.4	2.8	3.5	3.4	3.3	3.2	3.4	5.0
A. Judicial independence				3.7	3.5	3.9	3.5	3.3	3.9	4.4
B. Impartial courts				3.5	5.8	4.0	4.2	3.8	4.2	4.6
C. Protection of property rights				4.1	3.3	4.3	4.0	3.8	4.0	6.2
D. Military interference				2.9	3.3	3.3	3.3	3.3	3.3	3.3
E. Integrity of the legal system				0.0	1.7	1.7	1.7	1.7	1.7	1.7
F. Legal enforcement of contracts										6.6
G. Regulatory restrictions on sale of real property										8.4
3. Access to Sound Money	4.5	6.5	4.5	5.3	6.3	7.6	7.4	7.5	7.7	7.8
A. Money growth	5.3 (23.7)	6.6 (17.0)	4.4 (27.8)	6.1 (19.6)	8.3 (8.6)	8.5 (7.3)	7.4 (13.0)	7.6 (11.8)	8.0 (10.0)	7.7 (11.5)
B. Standard deviation of inflation	8.3 (4.2)	9.3 (1.7)	9.1 (2.3)	9.2 (2.1)	8.8 (3.0)	8.3 (4.3)	8.3 (4.2)	8.8 (2.9)	8.9 (2.7)	9.5 (1.3)
C. Inflation: most recent year	4.5 (27.6)	5.0 (24.9)	4.3 (28.6)	6.0 (19.8)	8.2 (9.2)	8.4 (8.0)	8.7 (6.4)	8.6 (7.1)	8.8 (5.9)	9.0 (5.1)
D. Freedom to own foreign currency	0.0	5.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	4.7	4.7	4.9	6.3	6.4	6.4	6.0	6.3	5.8	5.6
A. Taxes on international trade	4.1	4.1	5.5	7.8	7.9	7.7	7.7	7.8	8.0	7.7
(i) Taxes as percentage of exports and imports	4.8 (7.8)	5.0 (7.5)	6.0 (6.0)	8.0 (2.9)	8.4 (2.4)	8.2 (2.7)	8.2 (2.7)	8.5 (2.3)	8.6 (2.1)	8.7 (1.9)
(ii) Mean tariff rate	3.3 (33.5)	3.3 (33.6)	3.9 (30.4)	7.3 (13.3)	7.7 (11.7)	7.4 (12.8)	7.4 (12.8)	7.4 (12.8)	7.7 (11.3)	7.6 (11.9)
(iii) Standard deviation of tariff rates			6.7 (8.3)	8.0 (4.9)	7.5 (6.2)	7.5 (6.2)	7.5 (6.2)	7.5 (6.2)	7.5 (6.2)	6.8 (8.0)
B. Regulatory trade barriers				5.2	6.1	6.1	6.4	6.4	5.7	4.6
C. Size of trade sector	4.4	2.8	4.3	4.1	4.3	4.0	4.3	4.6	4.0	3.9
D. Black-market exchange rates	6.8	8.2	6.6	8.6	10.0	10.0	8.6	8.6	8.1	8.1
E. International capital market controls	0.0	0.0	0.0	6.0	3.9	3.9	2.9	4.1	3.6	3.8
5. Regulation of Credit, Labor and Business	5.2	5.2	5.5	5.5	5.5	5.2	5.3	5.4	5.6	6.1
A. Credit market regulations	8.0	8.0	8.2	7.6	6.9	7.0	7.2	7.1	7.1	7.5
(i) Ownership of banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				7.7	5.6	5.6	5.6	5.6	5.6	5.0
(iii) Private sector credit			8.6	8.1	8.1	7.6	7.3	7.2	6.9	6.8
(iv) Interest rate controls/negative real int. rates	8.0	8.0	8.0	8.0	8.0	9.0	10.0	10.0	10.0	10.0
B. Labor market regulations				4.8	3.9	3.7	3.7	4.0	4.3	5.0
(i) Minimum wage				6.8	2.8	2.8	2.8	2.8	3.2	3.2
(ii) Hiring and firing regulations			5.5	5.5	4.2	2.9	2.8	4.3	4.7	5.0
(iii) Centralized collective bargaining					5.9	6.3	6.3	7.0	7.6	6.8
(iv) Mandated cost of hiring				5.7	5.5	5.5	5.4	5.9	5.9	1.4
(v) Mandated cost of worker dismissal										5.9
(vi) Conscription	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
C. Business regulations				4.1	5.8	4.7	4.9	5.0	5.3	5.8
(i) Price controls				5.0	6.0	6.0	6.0	5.0	5.0	5.0
(ii) Administrative requirements					6.4	2.1	2.7	3.0	3.0	2.6
(iii) Bureaucracy costs				6.2	6.8	6.0	6.3	6.8	6.3	5.8
(iv) Starting a business				2.6	3.8	3.4	3.5	3.7	4.8	8.4
(v) Extra payments/bribes				2.4	5.9	6.2	6.0	6.8	7.4	6.4
(vi) Licensing restrictions										7.2
(vii) Cost of tax compliance										5.2

Congo, Republic of

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.8 (72)	4.6 (85)	4.7 (90)	5.0 (93)	4.4 (118)	4.6 (119)	4.5 (119)	4.4 (123)	4.1 (127)	4.3 (137)
1. Size of Government	1.9	2.4	3.5	4.7	3.5	3.9	3.9	4.1	4.2	4.3
A. General government consumption spending	3.7 (27.3)	4.7 (23.9)	6.4 (18.2)	6.5 (17.9)	1.6 (34.6)	3.1 (29.3)	4.0 (26.5)	4.6 (24.4)	5.3 (21.9)	5.7 (20.7)
B. Transfers and subsidies				9.3 (3.1)	9.5 (2.3)	9.6 (2.2)	8.6 (5.6)	8.6 (5.6)	8.6 (5.6)	8.6 (5.6)
C. Government enterprises and investment	0.0 (44.2)	0.0 (59.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Top marginal tax rate			4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
(i) Top marginal income tax rate			4.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	4.7	3.1	3.0	3.2	2.4	2.4	2.4	1.9	1.9	2.6
A. Judicial independence										
B. Impartial courts				1.8	1.9	1.9	1.9	3.5	3.5	3.0
C. Protection of property rights										
D. Military interference				0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	3.3	3.3
F. Legal enforcement of contracts										3.6
G. Regulatory restrictions on sale of real property										3.1
3. Access to Sound Money	5.3	6.1	5.8	5.7	4.3	4.7	4.2	4.4	4.4	4.4
A. Money growth	8.3 (8.6)	8.3 (8.4)	9.3 (-3.6)	9.4 (3.0)	7.2 (13.8)	8.8 (6.1)	7.7 (11.7)	7.7 (11.7)	7.7 (11.7)	7.7 (11.7)
B. Standard deviation of inflation	7.0 (7.4)	6.4 (9.0)	4.2 (14.5)	4.0 (14.9)	0.2 (24.5)	0.0 (27.8)	0.0 (28.2)	0.0 (25.4)	0.0 (25.4)	0.0 (25.4)
C. Inflation: most recent year	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)	9.8 (-0.9)	9.8 (-0.9)	9.8 (-0.9)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	7.0	6.1	5.9	6.8	6.8	6.8	6.8	6.7	5.5	5.6
A. Taxes on international trade	7.5	3.6	4.5	6.7	7.4	7.1	7.1	7.2	7.1	7.2
(i) Taxes as percentage of exports and imports	7.5 (3.8)		4.5 (8.2)	7.6 (3.6)	9.2 (1.1)	8.9 (1.7)	9.0 (1.6)	9.3 (1.1)	9.2 (1.2)	9.2 (1.2)
(ii) Mean tariff rate		3.6 (32.0)		6.3 (18.6)	6.5 (17.6)	6.3 (18.6)	6.1 (19.6)	6.1 (19.6)	6.1 (19.6)	6.2 (19.1)
(iii) Standard deviation of tariff rates				6.2 (9.5)	6.6 (8.6)	6.2 (9.6)	6.2 (9.6)	6.2 (9.6)	6.2 (9.6)	6.2 (9.4)
B. Regulatory trade barriers									0.6	2.1
C. Size of trade sector	10.0	9.1	7.3	9.2	8.4	9.0	8.5	8.7	7.7	8.7
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	5.2	5.5	5.1	4.3	4.8	5.2	5.1	5.2	4.7	4.5
A. Credit market regulations	3.0	4.0	5.5	2.9	4.5	5.7	5.3	5.6	5.0	5.4
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Foreign bank competition										
(iii) Private sector credit			6.4	6.6	7.5	8.2	6.8	7.8	6.9	8.1
(iv) Interest rate controls/negative real int. rates	6.0	8.0	10.0	2.0	6.0	9.0	9.0	9.0	8.0	8.0
B. Labor market regulations										5.0
(i) Minimum wage									3.2	3.2
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										5.1
(v) Mandated cost of worker dismissal										6.2
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										3.3
(i) Price controls			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									3.6	4.1
(v) Extra payments/bribes										
(vi) Licensing restrictions										5.5
(vii) Cost of tax compliance										3.5

Costa Rica

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.9 (26)	5.4 (55)	6.8 (17)	6.9 (34)	7.3 (22)	7.2 (23)	7.1 (27)	7.3 (23)	7.2 (28)	7.4 (30)
1. Size of Government	5.7	5.2	7.0	6.3	7.1	7.3	7.0	7.3	7.3	7.8
A. General government consumption spending	5.4 (21.8)	5.7 (20.8)	5.0 (22.9)	5.0 (22.9)	6.9 (16.4)	6.7 (17.2)	6.5 (17.9)	6.5 (17.9)	6.6 (17.6)	6.7 (17.4)
B. Transfers and subsidies	8.5 (6.0)	8.2 (7.2)	8.8 (5.0)	8.2 (7.0)	8.6 (5.7)	8.4 (6.4)	8.4 (6.4)	8.8 (4.9)	8.8 (4.9)	8.6 (5.5)
C. Government enterprises and investment	4.0 (36.2)	4.0 (34.1)	6.0 (21.0)	4.0 (27.1)	6.0 (23.2)	7.0 (23.2)	7.0 (23.2)	7.0 (23.2)	7.0 (23.2)	7.0
D. Top marginal tax rate	5.0	3.0	8.0	8.0	7.0	7.0	6.0	7.0	7.0	9.0
(i) Top marginal income tax rate	5.0 (50)	3.0 (50)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	8.0 (30)	9.0 (18-30)	9.0 (18-30)	10.0 (15-25)
(ii) Top marginal income and payroll tax rates			7.0 (33)	7.0 (33)	5.0 (39)	5.0 (39)	4.0 (41)	5.0 (27-45)	5.0 (27-45)	8.0 (24-33)
2. Legal Structure and Security of Property Rights	5.2	5.3	5.5	5.8	6.9	6.5	6.1	6.6	6.7	6.9
A. Judicial independence					6.3	5.9	4.7	6.5	6.7	6.9
B. Impartial courts				6.5	6.8	5.5	4.8	5.3	5.5	6.5
C. Protection of property rights					4.5	4.5	4.5	4.7	4.4	6.1
D. Military interference				8.7	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				4.1	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										3.8
G. Regulatory restrictions on sale of real property										8.4
3. Access to Sound Money	7.8	4.9	8.1	7.9	7.9	8.5	8.6	8.8	8.9	8.7
A. Money growth	6.9 (15.6)	3.6 (32.1)	7.4 (13.0)	8.1 (9.3)	5.2 (24.2)	7.8 (11.2)	7.7 (11.4)	8.2 (8.8)	8.7 (6.4)	8.4 (8.1)
B. Standard deviation of inflation	8.2 (4.5)	0.2 (24.4)	8.7 (3.3)	7.6 (6.0)	8.5 (3.6)	8.5 (3.6)	8.7 (3.2)	8.7 (3.2)	9.3 (1.8)	9.3 (1.7)
C. Inflation: most recent year	6.2 (18.8)	5.9 (20.5)	6.3 (18.6)	5.7 (21.3)	7.8 (11.0)	7.8 (11.2)	8.2 (9.2)	8.1 (9.5)	7.5 (12.3)	7.2 (13.8)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	3.6	4.9	6.8	7.7	8.0	7.9	7.7	7.9	7.4	7.3
A. Taxes on international trade	3.2	1.8	5.6	7.3	8.4	8.3	8.2	8.3	8.4	8.1
(i) Taxes as percentage of exports and imports	6.5 (5.3)	5.4 (6.9)	5.3 (7.0)	6.9 (4.6)	9.3 (1.1)	9.2 (1.2)	9.1 (1.4)	9.3 (1.1)	9.2 (1.1)	9.3 (1.1)
(ii) Mean tariff rate	0.0 (55.0)	0.0 (53.0)	6.7 (16.4)	8.0 (10.2)	8.9 (5.4)	8.7 (6.6)	8.7 (6.6)	8.7 (6.6)	8.9 (5.7)	8.6 (7.0)
(iii) Standard deviation of tariff rates		0.0 (61.8)	4.8 (12.9)	6.9 (7.7)	7.0 (7.5)	7.0 (7.5)	7.0 (7.5)	7.0 (7.5)	7.0 (7.5)	6.4 (9.0)
B. Regulatory trade barriers					6.6	6.5	6.5	6.8	5.1	4.6
C. Size of trade sector	4.6	4.3	5.0	4.9	5.5	5.1	4.9	5.4	5.3	5.6
D. Black-market exchange rates	0.0	5.2	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	5.0	5.0	8.0	9.6	9.6	8.7	8.8	8.0	8.3
5. Regulation of Credit, Labor and Business	6.9	6.8	6.7	6.8	6.6	5.9	6.0	6.1	5.8	6.0
A. Credit market regulations	8.2	8.1	8.5	8.9	7.5	6.7	6.6	6.6	6.5	6.9
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition					6.2	6.2	6.2	6.2	6.2	5.0
(iii) Private sector credit	6.4	8.3	7.5	8.8	8.6	8.6	8.3	8.3	7.7	8.5
(iv) Interest rate controls/negative real int. rates		6.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations					6.0	6.1	5.7	6.2	6.1	5.2
(i) Minimum wage					3.5	3.5	3.5	3.5	3.1	3.1
(ii) Hiring and firing regulations					5.0	5.5	3.2	5.3	5.2	5.5
(iii) Centralized collective bargaining					5.0	5.1	5.5	5.8	5.7	5.7
(iv) Mandated cost of hiring					6.5	6.5	6.5	6.5	6.5	2.9
(v) Mandated cost of worker dismissal										6.9
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					6.3	5.0	5.7	5.5	4.9	5.9
(i) Price controls			6.0	6.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Administrative requirements					6.8	1.9	3.5	3.3	2.7	2.6
(iii) Bureaucracy costs					6.2	5.3	6.3	5.8	4.7	2.3
(iv) Starting a business					4.7	4.0	4.8	4.2	3.4	7.3
(v) Extra payments/bribes					5.9	5.6	5.9	6.5	5.8	6.9
(vi) Licensing restrictions										8.7
(vii) Cost of tax compliance										5.5

Côte d'Ivoire

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.4 (51)	5.5 (51)	5.2 (68)	5.4 (80)	5.7 (91)	5.7 (91)	5.7 (92)	5.4 (107)	5.8 (88)	5.9 (107)
1. Size of Government	4.9	3.7	4.1	6.0	6.7	6.4	6.0	6.1	8.0	8.1
A. General government consumption spending	5.5 (21.2)	6.1 (19.4)	6.2 (18.9)	7.4 (15.0)	8.2 (12.2)	7.1 (15.9)	5.6 (21.1)	6.0 (19.7)	6.5 (17.7)	7.2 (15.6)
B. Transfers and subsidies	9.0 (4.2)			9.4 (2.6)	9.5 (2.4)	9.5 (2.4)	9.5 (2.4)	9.4 (2.7)	9.4 (2.7)	9.3 (2.9)
C. Government enterprises and investment	0.0 (52.4)	0.0 (66.7)	2.0 (42.1)	4.0 (32.8)	6.0 (28.0)	6.0 (26.7)	6.0 (26.7)	6.0 (26.7)	6.0 (26.7)	6.0 (26.7)
D. Top marginal tax rate	5.0	5.0	4.0	3.0	3.0	3.0	3.0	3.0	10.0	10.0
(i) Top marginal income tax rate	5.0 (45)	5.0 (45)	4.0 (45)	3.0 (49)	3.0 (49)	3.0 (49)	3.0 (49)	3.0 (49)	10.0 (10)	10.0 (10)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights		5.7	4.8	5.4	3.9	3.7	3.9	2.9	2.6	2.5
A. Judicial independence										
B. Impartial courts				5.0	4.6	4.6	4.6	3.0	3.0	3.0
C. Protection of property rights										
D. Military interference				5.9	1.7	1.7	1.7	1.7	1.7	1.7
E. Integrity of the legal system				7.0	5.0	4.2	5.0	5.0	4.2	4.2
F. Legal enforcement of contracts										3.6
G. Regulatory restrictions on sale of real property										0.3
3. Access to Sound Money	4.6	6.6	6.9	4.9	6.7	7.0	6.8	6.9	7.1	6.9
A. Money growth	7.2 (14.3)	9.0 (5.0)	9.2 (-3.9)	7.6 (12.0)	9.8 (1.1)	9.7 (1.7)	9.0 (5.2)	9.0 (5.2)	9.0 (5.2)	9.0 (5.2)
B. Standard deviation of inflation	6.2 (9.6)	7.6 (6.1)	9.3 (1.6)	3.6 (16.1)	7.5 (6.2)	9.1 (2.3)	9.0 (2.5)	9.1 (2.2)	9.6 (1.1)	9.6 (1.1)
C. Inflation: most recent year	5.2 (24.1)	9.9 (0.3)	9.1 (-4.5)	8.3 (8.5)	9.5 (2.5)	9.1 (4.3)	9.4 (3.1)	9.3 (3.4)	9.7 (1.4)	9.2 (3.9)
D. Freedom to own foreign currency	0.0	0.0	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	6.0	6.0	6.2	6.0	5.8	5.8
A. Taxes on international trade	3.0	3.7	3.1	4.3	5.7	5.9	6.1	6.0	5.9	6.3
(i) Taxes as percentage of exports and imports	1.5 (12.8)	2.1 (11.8)	2.7 (10.9)	0.0 (17.3)	3.8 (9.3)	3.1 (10.4)	3.7 (9.5)	3.4 (9.9)	3.1 (10.4)	4.0 (8.9)
(ii) Mean tariff rate	4.5 (27.5)	5.3 (23.3)	3.4 (33.0)	3.4 (33.0)	7.6 (12.0)	7.5 (12.6)	7.4 (12.8)	7.4 (12.8)	7.5 (12.7)	7.5 (12.6)
(iii) Standard deviation of tariff rates				9.4 (1.5)	5.7 (10.7)	7.2 (6.9)	7.2 (6.9)	7.2 (6.9)	7.2 (6.9)	7.3 (6.8)
B. Regulatory trade barriers									4.3	5.4
C. Size of trade sector	7.9	7.8	5.5	6.9	6.2	6.0	6.5	6.6	6.9	6.6
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
5. Regulation of Credit, Labor and Business	6.2	5.8	4.9	5.1	5.4	5.6	5.4	5.4	5.3	6.2
A. Credit market regulations	6.6	7.1	6.4	6.4	7.3	8.0	7.3	7.3	7.4	7.4
(i) Ownership of banks	2.0	2.0	2.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition										
(iii) Private sector credit	9.7	9.3	9.2	7.3	7.8	8.0	8.0	7.8	8.1	8.1
(iv) Interest rate controls/negative real int. rates	8.0	10.0	8.0	4.0	6.0	8.0	6.0	6.0	6.0	6.0
B. Labor market regulations										5.3
(i) Minimum wage									4.8	4.8
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										5.3
(v) Mandated cost of worker dismissal										3.7
(vi) Conscription	10.0	5.0	5.0	5.0	5.0	1.0	1.0	1.0	1.0	1.0
C. Business regulations										6.0
(i) Price controls			0.0	2.0	2.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									5.7	6.4
(v) Extra payments/bribes										
(vi) Licensing restrictions										4.6
(vii) Cost of tax compliance										7.0

Cyprus

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.7 (40)	5.6 (46)	5.9 (42)	6.2 (56)	6.2 (70)	6.3 (66)	6.7 (48)	6.9 (36)	7.5 (19)	7.5 (22)
1. Size of Government	6.0	5.8	5.4	6.2	6.2	6.1	6.9	6.9	7.0	7.4
A. General government consumption spending	6.8 (17.0)	6.5 (18.1)	5.2 (22.4)	5.5 (21.2)	6.0 (19.5)	5.7 (20.6)	5.2 (22.3)	4.8 (23.8)	5.3 (22.1)	5.3 (21.9)
B. Transfers and subsidies	8.3 (6.6)	7.9 (8.1)	7.9 (8.3)	7.3 (10.3)	6.9 (11.9)	6.9 (11.9)	6.7 (12.5)	6.7 (12.5)	6.7 (12.5)	6.4 (13.7)
C. Government enterprises and investment	8.0 (18.1)	8.0 (17.4)	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0 (3.1)
D. Top marginal tax rate	1.0	1.0	0.5	4.0	4.0	4.0	7.5	8.0	8.0	8.0
(i) Top marginal income tax rate	1.0 (60)	1.0 (60)	1.0 (60)	5.0 (40)	5.0 (40)	5.0 (40)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates			0.0 (62)	3.0 (48)	3.0 (48)	3.0 (49)	7.0 (34)	8.0 (30)	8.0 (30)	8.0 (30)
2. Legal Structure and Security of Property Rights		4.0	6.7	6.3	6.9	6.9	6.9	7.0	7.2	7.6
A. Judicial independence								7.0	7.4	7.0
B. Impartial courts				7.2	7.3	7.3	7.3	6.3	6.6	6.8
C. Protection of property rights								4.8	5.4	7.5
D. Military interference				7.3	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	5.7	6.7	7.0	7.3	6.9	7.1	8.3	8.3	9.6	9.4
A. Money growth	6.4 (18.0)	9.1 (4.6)	9.5 (2.3)	9.9 (0.4)	8.6 (6.8)	8.9 (5.4)	9.1 (4.7)	9.4 (3.2)	9.2 (3.9)	8.5 (7.6)
B. Standard deviation of inflation	9.1 (2.4)	8.9 (2.8)	9.7 (0.7)	9.6 (0.9)	9.7 (0.8)	9.7 (0.7)	9.7 (0.7)	9.6 (0.9)	9.6 (0.9)	9.7 (0.8)
C. Inflation: most recent year	7.3 (13.5)	8.9 (5.7)	8.9 (5.3)	9.5 (2.6)	9.2 (4.1)	9.6 (2.0)	9.4 (2.8)	9.2 (4.1)	9.5 (2.3)	9.5 (2.6)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally	5.9	5.9	5.4	5.6	5.8	6.0	5.8	6.2	7.4	6.9
A. Taxes on international trade	7.0	6.8	5.5	7.7	7.9	7.9	7.9	8.0	9.6	8.4
(i) Taxes as percentage of exports and imports	7.3 (4.0)	7.1 (4.4)	7.2 (4.2)	8.3 (2.6)	9.2 (1.3)	9.2 (1.3)	9.2 (1.3)	9.3 (1.0)	9.6 (0.6)	9.6 (0.6)
(ii) Mean tariff rate	6.6 (17.1)	6.5 (17.6)	6.7 (16.5)	7.2 (14.0)	6.7 (16.4)	6.7 (16.4)	6.7 (16.4)	6.7 (16.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			2.5 (18.7)							6.1 (9.7)
B. Regulatory trade barriers								8.1	8.4	7.1
C. Size of trade sector	5.1	4.7	4.4	3.3	2.8	3.6	3.1	2.4	2.5	2.4
D. Black-market exchange rates	9.2	9.8	9.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	6.4	6.8
5. Regulation of Credit, Labor and Business	5.2	5.6	5.1	5.4	5.4	5.5	5.7	6.0	6.1	6.4
A. Credit market regulations	7.1	8.3	8.8	8.9	8.9	8.8	9.5	9.4	9.1	8.3
(i) Ownership of banks	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition									8.0	5.0
(iii) Private sector credit	9.3	8.9	8.5	8.7	8.7	8.4	8.5	8.2	8.4	8.2
(iv) Interest rate controls/negative real int. rates	4.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations								3.0	3.1	5.6
(i) Minimum wage										
(ii) Hiring and firing regulations								4.0	3.9	3.6
(iii) Centralized collective bargaining								5.0	5.3	5.0
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations								5.7	6.2	5.1
(i) Price controls			0.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements								4.7	4.4	4.2
(iii) Bureaucracy costs								6.5	8.5	5.1
(iv) Starting a business								6.5	6.5	
(v) Extra payments/bribes								7.0	7.6	7.1
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Denmark

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.9 (26)	6.1 (28)	6.7 (20)	7.5 (13)	7.7 (11)	7.6 (14)	7.5 (15)	7.6 (15)	7.6 (17)	7.7 (15)
1. Size of Government	3.1	3.1	2.9	3.1	3.6	3.9	3.9	4.2	4.2	4.0
A. General government consumption spending	1.8 (34.0)	2.0 (33.2)	1.7 (34.3)	1.9 (33.6)	1.7 (34.1)	1.4 (35.2)	1.2 (35.8)	1.2 (36.1)	1.4 (35.4)	1.5 (34.7)
B. Transfers and subsidies	4.5 (20.8)	4.6 (20.4)	4.0 (22.6)	2.9 (26.5)	4.3 (21.6)	3.7 (23.7)	3.7 (23.7)	4.0 (22.7)	3.9 (22.7)	3.9 (22.7)
C. Government enterprises and investment	6.0 (25.0)	6.0 (26.0)	6.0 (20.3)	7.0 (24.9)	7.0	10.0 (8.3)	10.0 (8.3)	10.0 (8.3)	10.0 (9.5)	10.0 (9.5)
D. Top marginal tax rate	0.0	0.0	0.0	0.5	1.5	0.5	0.5	1.5	1.5	0.5
(i) Top marginal income tax rate	0.0 (66)	0.0 (73)	0.0 (68)	1.0 (63)	2.0 (59)	1.0 (59)	1.0 (59)	2.0 (59)	2.0 (59)	1.0 (59)
(ii) Top marginal income and payroll tax rates			0.0 (69)	0.0 (67)	1.0 (63)	0.0 (63)	0.0 (63)	1.0 (63)	1.0 (63)	0.0 (63)
2. Legal Structure and Security of Property Rights	7.2	7.9	8.3	9.1	9.5	9.2	9.3	9.5	9.2	9.4
A. Judicial independence				8.8	9.4	9.3	9.0	9.3	8.7	8.8
B. Impartial courts				9.5	9.5	8.6	8.7	9.2	8.9	9.3
C. Protection of property rights				7.4	8.8	8.3	8.7	8.8	8.2	9.3
D. Military interference				9.7	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										9.5
G. Regulatory restrictions on sale of real property										9.0
3. Access to Sound Money	6.7	6.4	9.4	9.8	9.7	9.7	9.7	9.7	9.6	9.5
A. Money growth	8.6 (7.0)	7.5 (12.5)	8.5 (7.4)	9.7 (1.3)	9.7 (1.3)	9.7 (1.6)	9.8 (1.2)	9.6 (2.2)	9.0 (4.9)	8.6 (7.2)
B. Standard deviation of inflation	9.7 (0.8)	9.0 (2.4)	9.7 (0.7)	9.8 (0.6)	9.7 (0.8)	9.7 (0.8)	9.7 (0.8)	9.8 (0.5)	9.8 (0.6)	9.8 (0.4)
C. Inflation: most recent year	8.4 (8.2)	9.1 (4.3)	9.3 (3.4)	9.6 (2.1)	9.4 (2.9)	9.5 (2.4)	9.5 (2.4)	9.6 (2.1)	9.8 (1.2)	9.6 (1.8)
D. Freedom to own foreign currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	7.1	7.3	6.9	7.9	8.3	8.2	8.0	8.0	7.9	7.7
A. Taxes on international trade	9.0	9.1	8.5	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.7 (0.5)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				9.1	9.4	9.2	9.2	9.0	8.7	8.4
C. Size of trade sector	3.8	4.0	3.1	2.8	3.7	3.8	3.6	3.2	3.6	3.9
D. Black-market exchange rates	9.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	5.0	5.0	5.0	8.8	9.0	9.0	8.1	8.3	8.1	7.9
5. Regulation of Credit, Labor and Business	5.7	5.6	6.0	7.5	7.2	6.9	6.9	6.8	7.2	8.1
A. Credit market regulations	9.4	9.1	9.3	9.1	9.4	9.4	9.4	9.4	9.4	8.6
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				8.8	8.2	8.2	8.2	8.2	8.2	5.0
(iii) Private sector credit	8.2	7.2	8.0	8.2	9.2	9.2	9.2	9.2	9.4	9.5
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	3.5	3.5	4.7	4.8	4.6	4.7	4.6	4.6	5.1	7.4
(i) Minimum wage				3.7	4.8	4.8	4.8	4.8	6.1	6.1
(ii) Hiring and firing regulations			8.1	8.1	6.5	7.0	7.2	6.7	7.3	7.4
(iii) Centralized collective bargaining	5.2	5.2	5.2	5.2	4.9	4.8	5.3	4.7	5.3	6.2
(iv) Mandated cost of hiring	2.2	2.3	2.4	4.2	4.0	4.0	3.0	3.8	3.8	9.8
(v) Mandated cost of worker dismissal										6.4
(vi) Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				8.5	7.6	6.6	6.6	6.3	7.2	8.2
(i) Price controls			7.0	9.0	7.0	7.0	7.0	6.0	7.0	7.0
(ii) Administrative requirements					7.1	3.5	4.3	3.3	4.9	4.6
(iii) Bureaucracy costs				8.9	8.2	7.3	6.0	6.5	7.0	8.4
(iv) Starting a business				6.3	6.5	5.8	6.2	6.2	7.8	9.7
(v) Extra payments/bribes				10.0	9.3	9.4	9.5	9.7	9.1	9.5
(vi) Licensing restrictions										9.6
(vii) Cost of tax compliance										8.5

Ecuador

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.9 (26)	4.9 (76)	5.5 (52)	6.3 (48)	5.6 (95)	5.5 (99)	5.9 (84)	5.8 (89)	5.2 (117)	5.8 (112)
1. Size of Government	5.5	5.1	8.2	8.2	8.4	9.0	8.9	9.0	8.1	7.3
A. General government consumption spending	6.0 (19.6)	7.3 (15.1)	8.5 (11.2)	7.2 (15.7)	7.9 (13.3)	8.1 (12.4)	7.9 (13.2)	8.2 (12.3)	7.6 (14.3)	4.6 (24.3)
B. Transfers and subsidies	8.8 (4.9)	9.0 (4.0)	9.5 (2.3)	9.7 (1.5)	9.9 (1.0)	9.9 (1.0)	9.9 (1.0)	9.9 (1.0)	9.9 (1.0)	9.6 (2.0)
C. Government enterprises and investment	2.0 (40.2)	2.0 (41.3)	7.0 (21.7)	8.0 (18.3)	8.0 (18.1)	10.0 (3.1)	10.0 (3.1)	10.0 (3.1)	7.0 (20.1)	7.0 (20.1)
D. Top marginal tax rate	5.0	2.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate	5.0 (50)	2.0 (58)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top marginal income and payroll tax rates			7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (32)	7.0 (35)
2. Legal Structure and Security of Property Rights	5.9	5.3	5.2	4.4	3.3	2.5	2.9	2.7	2.4	4.1
A. Judicial independence					2.7	1.0	1.5	1.3	0.4	1.9
B. Impartial courts				4.3	2.5	1.3	2.0	1.7	1.5	2.2
C. Protection of property rights					3.0	1.9	2.8	2.2	2.4	4.1
D. Military interference				5.1	3.3	3.3	3.3	3.3	2.5	2.5
E. Integrity of the legal system				4.1	5.0	5.0	5.0	5.0	5.0	4.4
F. Legal enforcement of contracts										6.6
G. Regulatory restrictions on sale of real property										7.4
3. Access to Sound Money	7.9	6.4	3.8	6.5	4.9	4.8	6.1	5.9	4.2	5.9
A. Money growth	7.3 (13.7)	6.0 (19.9)	1.9 (40.5)	4.8 (26.2)	4.3 (28.7)	4.1 (29.6)	4.7 (26.4)	2.9 (35.7)	1.9 (40.3)	7.5 (12.4)
B. Standard deviation of inflation	8.4 (4.1)	5.9 (10.4)	3.3 (16.8)	5.8 (10.5)	5.4 (11.6)	2.7 (18.2)	2.3 (19.2)	2.2 (19.5)	5.3 (11.8)	6.6 (8.4)
C. Inflation: most recent year	6.1 (19.5)	3.8 (30.9)	0.0 (54.0)	5.4 (23.2)	0.0 (96.1)	2.5 (37.7)	7.5 (12.5)	8.4 (7.9)	9.5 (2.7)	9.4 (3.1)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	0.0	0.0
4. Freedom to Trade Internationally	5.6	3.9	5.8	6.7	7.1	7.0	6.5	6.5	6.6	6.6
A. Taxes on international trade	5.2	4.2	3.3	7.7	7.1	7.1	7.2	7.2	7.2	7.1
(i) Taxes as percentage of exports and imports	5.2 (7.2)	5.9 (6.2)	7.3 (4.0)	7.7 (3.5)	6.5 (5.2)	6.5 (5.2)	6.5 (5.2)	6.5 (5.2)	6.5 (5.2)	6.5 (5.2)
(ii) Mean tariff rate		2.5 (37.7)	2.6 (37.1)	7.5 (12.3)	7.4 (12.9)	7.4 (12.9)	7.5 (12.5)	7.5 (12.5)	7.7 (11.5)	7.6 (11.8)
(iii) Standard deviation of tariff rates			0.0 (27.0)	7.8 (5.6)	7.5 (6.3)	7.5 (6.3)	7.5 (6.3)	7.5 (6.3)	7.5 (6.3)	7.2 (6.9)
B. Regulatory trade barriers					4.7	4.8	5.5	5.4	5.0	4.9
C. Size of trade sector	5.2	4.7	5.6	5.2	6.1	5.4	4.4	4.0	4.2	4.2
D. Black-market exchange rates	7.4	0.4	10.0	7.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	5.0	7.7	7.7	5.6	6.1	6.7	6.7
5. Regulation of Credit, Labor and Business	4.5	3.9	4.5	5.5	4.2	4.1	4.8	5.0	4.9	5.3
A. Credit market regulations	5.4	3.7	5.8	7.8	4.4	4.7	6.5	6.7	6.8	6.4
(i) Ownership of banks	5.0	5.0	8.0	8.0	2.0	2.0	8.0	8.0	8.0	2.0
(ii) Foreign bank competition					3.8	3.8	3.8	3.8	3.8	3.8
(iii) Private sector credit	7.3	6.2	9.4	9.3	7.9	9.2	9.1	9.4	9.6	9.7
(iv) Interest rate controls/negative real int. rates	4.0	0.0	0.0	6.0	6.0	6.0	9.0	10.0	10.0	10.0
B. Labor market regulations					3.6	3.7	3.6	3.8	4.2	4.4
(i) Minimum wage					3.5	3.5	3.5	3.5	5.1	5.1
(ii) Hiring and firing regulations					3.4	2.9	2.2	2.7	3.4	3.2
(iii) Centralized collective bargaining					4.3	5.3	5.8	6.2	5.8	5.7
(iv) Mandated cost of hiring					3.7	3.7	3.7	3.7	3.7	6.0
(v) Mandated cost of worker dismissal										0.0
(vi) Conscription	0.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations					4.7	3.9	4.4	4.4	3.8	5.0
(i) Price controls			0.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements					5.3	1.3	2.0	2.3	2.2	2.4
(iii) Bureaucracy costs					5.3	5.5	6.0	6.0	4.2	3.3
(iv) Starting a business					4.0	2.9	3.5	2.8	3.1	7.4
(v) Extra payments/bribes					4.9	3.9	4.4	5.0	3.5	4.5
(vi) Licensing restrictions										8.3
(vii) Cost of tax compliance										3.3

El Salvador

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.4 (82)	4.6 (85)	4.8 (84)	7.0 (28)	7.3 (22)	7.2 (23)	7.2 (23)	7.2 (27)	7.2 (28)	7.6 (18)
1. Size of Government	6.3	6.4	7.1	8.6	8.4	8.7	8.7	8.7	9.2	9.3
A. General government consumption spending	7.0 (16.3)	7.1 (16.0)	8.8 (10.0)	9.1 (9.0)	8.7 (10.4)	8.8 (10.2)	8.9 (9.7)	8.7 (10.4)	8.7 (10.4)	9.0 (9.4)
B. Transfers and subsidies	9.4 (2.7)	9.6 (2.0)	9.8 (1.4)	9.2 (3.3)	10.0 (0.3)	10.0 (0.4)	10.0 (0.4)	10.0 (0.3)	10.0 (0.3)	10.0 (0.3)
C. Government enterprises and investment	6.0 (20.2)	6.0 (28.4)	8.0 (20.0)	8.0 (19.0)	7.0 (23.4)	8.0 (19.9)	8.0 (19.9)	8.0 (19.9)	10.0 (1.9)	10.0 (1.9)
D. Top marginal tax rate	3.0	3.0	2.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate	3.0 (60)	3.0 (48)	2.0 (60)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	2.5	2.0	2.0	5.4	4.5	4.4	4.3	4.3	4.1	5.3
A. Judicial independence					4.3	3.3	3.2	3.5	3.5	3.1
B. Impartial courts				4.4	4.2	3.9	4.0	3.5	3.5	3.4
C. Protection of property rights					4.1	4.7	4.5	4.5	4.0	5.8
D. Military interference				6.3	5.0	5.0	5.0	5.0	5.0	5.0
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	4.8	4.6
F. Legal enforcement of contracts										7.6
G. Regulatory restrictions on sale of real property										7.8
3. Access to Sound Money	5.3	5.5	5.0	8.9	9.4	9.6	9.5	9.6	9.6	9.6
A. Money growth	7.0 (14.9)	7.8 (10.9)	7.5 (12.7)	8.2 (9.0)	9.0 (-4.8)	9.6 (-2.0)	9.2 (-4.1)	9.3 (-3.4)	9.9 (0.6)	9.9 (0.6)
B. Standard deviation of inflation	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 (1.5)	9.5 (1.3)	9.5 (1.2)	9.5 (1.3)
C. Inflation: most recent year	6.6 (17.0)	6.0 (20.2)	5.5 (22.5)	7.9 (10.4)	9.5 (2.3)	9.3 (3.8)	9.6 (1.9)	9.6 (2.1)	9.1 (4.5)	9.1 (4.7)
D. Freedom to own foreign currency	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	3.7	3.7	4.8	6.7	7.6	7.4	7.2	7.3	7.1	6.7
A. Taxes on international trade	3.1	5.3	6.5	7.5	8.0	8.0	8.0	8.0	8.2	8.3
(i) Taxes as percentage of exports and imports	5.9 (6.2)	5.3 (7.1)	7.3 (4.1)	7.6 (3.6)	9.0 (1.5)	8.9 (1.6)	8.9 (1.6)	8.8 (1.7)	9.0 (1.6)	9.0 (1.5)
(ii) Mean tariff rate	0.4 (48.0)		5.8 (21.1)	8.0 (10.2)	8.5 (7.4)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)	8.9 (5.4)	8.7 (6.4)
(iii) Standard deviation of tariff rates				7.0 (7.6)	6.6 (8.6)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)	7.1 (7.1)
B. Regulatory trade barriers					7.1	7.3	7.4	7.6	6.3	4.5
C. Size of trade sector	4.9	2.9	2.1	3.1	3.7	3.8	3.4	3.4	3.5	3.4
D. Black-market exchange rates	0.0	0.0	5.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	5.0	8.9	8.2	7.3	7.3	7.4	7.5
5. Regulation of Credit, Labor and Business		5.4	5.2	5.7	6.4	6.1	6.1	6.0	6.2	7.2
A. Credit market regulations	9.8	8.7	8.6	9.7	7.8	7.2	7.3	7.3	7.2	9.3
(i) Ownership of banks						5.0	5.0	5.0	5.0	10.0
(ii) Foreign bank competition					4.6	4.6	4.6	4.6	4.6	8.0
(iii) Private sector credit	9.8	9.3	9.3	9.5	9.4	9.1	9.4	9.4	9.2	9.4
(iv) Interest rate controls/negative real int. rates		8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations					4.8	5.2	4.7	5.2	5.5	6.0
(i) Minimum wage					3.1	3.1	3.1	3.1	5.1	5.1
(ii) Hiring and firing regulations					4.9	6.4	4.0	5.8	6.5	6.3
(iii) Centralized collective bargaining					7.7	7.9	8.0	8.3	7.6	8.1
(iv) Mandated cost of hiring					5.5	5.5	5.5	5.5	5.5	5.3
(v) Mandated cost of worker dismissal										2.0
(vi) Conscription	3.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations					6.4	6.0	6.2	5.6	5.9	6.3
(i) Price controls			4.0	6.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Administrative requirements					7.3	4.0	3.5	4.0	3.5	3.8
(iii) Bureaucracy costs					5.4	7.0	7.0	5.3	6.7	3.0
(iv) Starting a business					5.8	5.2	5.5	4.2	5.2	7.1
(v) Extra payments/bribes					5.6	5.9	6.9	6.8	6.2	6.9
(vi) Licensing restrictions										8.2
(vii) Cost of tax compliance										7.5

Ethiopia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005 6.0 (101)
Summary Ratings (Rank) >										
1. Size of Government										7.5
A. General government consumption spending										7.4 (14.9)
B. Transfers and subsidies										7.7 (9.1)
C. Government enterprises and investment										
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights										4.4
A. Judicial independence										2.0
B. Impartial courts										2.7
C. Protection of property rights										4.3
D. Military interference										1.7
E. Integrity of the legal system										8.3
F. Legal enforcement of contracts										6.4
G. Regulatory restrictions on sale of real property										5.5
3. Access to Sound Money										6.9
A. Money growth										8.7 (6.6)
B. Standard deviation of inflation										6.1 (9.8)
C. Inflation: most recent year										7.7 (11.6)
D. Freedom to own foreign currency										5.0
4. Freedom to Trade Internationally										5.1
A. Taxes on international trade										4.5
(i) Taxes as percentage of exports and imports										1.6 (12.7)
(ii) Mean tariff rate										6.6 (16.8)
(iii) Standard deviation of tariff rates										5.4 (11.4)
B. Regulatory trade barriers										4.1
C. Size of trade sector										5.3
D. Black-market exchange rates										8.0
E. International capital market controls										3.5
5. Regulation of Credit, Labor and Business										6.2
A. Credit market regulations										5.9
(i) Ownership of banks										2.0
(ii) Foreign bank competition										
(iii) Private sector credit										6.7
(iv) Interest rate controls/negative real int. rates										9.0
B. Labor market regulations										7.4
(i) Minimum wage										10.0
(ii) Hiring and firing regulations										4.6
(iii) Centralized collective bargaining										7.4
(iv) Mandated cost of hiring										10.0
(v) Mandated cost of worker dismissal										6.3
(vi) Conscription										10.0
C. Business regulations										5.4
(i) Price controls										
(ii) Administrative requirements										3.3
(iii) Bureaucracy costs										3.7
(iv) Starting a business										5.0
(v) Extra payments/bribes										5.2
(vi) Licensing restrictions										5.6
(vii) Cost of tax compliance										9.4

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.7 (40)	5.9 (35)	5.9 (42)	6.1 (60)	6.1 (74)	6.0 (80)	6.1 (75)	6.0 (84)	5.7 (91)	5.9 (107)
1. Size of Government	4.8	4.7	5.2	5.9	6.1	5.8	5.7	5.7	4.6	4.5
A. General government consumption spending	5.6 (21.1)	5.0 (23.1)	5.9 (19.9)	5.5 (21.4)	5.9 (20.0)	5.0 (23.0)	4.6 (24.2)	4.5 (24.6)	4.7 (24.2)	4.6 (24.3)
B. Transfers and subsidies	9.5 (2.5)	8.9 (4.5)	9.9 (1.0)	9.2 (3.5)	9.3 (2.9)	9.3 (2.9)	9.3 (2.9)	9.3 (2.9)		
C. Government enterprises and investment	2.0 (45.0)	2.0 (37.0)	2.0 (62.0)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate	2.0	3.0	3.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
(i) Top marginal income tax rate	2.0 (53)	3.0 (50)	3.0 (50)	7.0 (35)	7.0 (34)	7.0 (32)	7.0 (32)	7.0 (31)	7.0 (31)	7.0 (31)
(ii) Top marginal income and payroll tax rates			3.0 (50)	7.0 (35)	7.0 (34)	7.0 (32)	7.0 (32)	7.0 (31)	7.0 (31)	7.0 (31)
2. Legal Structure and Security of Property Rights				5.1	5.5	5.5	5.5	5.4	5.4	5.3
A. Judicial independence										
B. Impartial courts				4.7	4.6	4.6	4.6	5.2	5.2	5.1
C. Protection of property rights										
D. Military interference				6.3	7.3	7.3	7.3	6.6	6.6	7.1
E. Integrity of the legal system										
F. Legal enforcement of contracts										4.0
G. Regulatory restrictions on sale of real property										5.1
3. Access to Sound Money	6.0	6.5	6.3	6.9	7.0	6.8	6.9	6.8	6.9	7.0
A. Money growth	9.8 (-1.3)	9.1 (4.5)	7.5 (12.3)	9.0 (4.9)	9.4 (2.9)	9.1 (4.6)	9.0 (5.2)	9.0 (5.2)	9.0 (5.2)	9.0 (5.2)
B. Standard deviation of inflation	7.7 (5.7)	8.4 (3.9)	9.2 (2.1)	9.1 (2.4)	9.0 (2.6)	8.9 (2.7)	8.9 (2.7)	9.1 (2.4)	9.1 (2.4)	9.4 (1.4)
C. Inflation: most recent year	6.5 (17.3)	8.5 (7.5)	8.6 (7.1)	9.7 (1.6)	9.8 (1.1)	9.1 (4.3)	9.8 (0.8)	9.2 (4.2)	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	0.0	0.0
4. Freedom to Trade Internationally	6.4	6.3	6.5	6.5	6.2	6.2	6.3	6.0	6.2	5.6
A. Taxes on international trade	6.1	4.7	5.7	6.6	7.3	6.8	6.8	6.8	7.0	5.2
(i) Taxes as percentage of exports and imports	6.1 (5.8)	4.7 (7.9)	5.7 (6.4)	6.6 (5.1)	7.0 (4.5)	7.0 (4.5)	7.0 (4.5)	7.0 (4.5)	7.6 (3.7)	7.7 (3.4)
(ii) Mean tariff rate					7.5 (12.4)	7.5 (12.4)	7.5 (12.4)	7.5 (12.4)	7.5 (12.4)	8.0 (10.2)
(iii) Standard deviation of tariff rates						5.9 (10.3)	5.9 (10.3)	5.9 (10.3)	5.9 (10.3)	0.0 (43.0)
B. Regulatory trade barriers									6.8	6.9
C. Size of trade sector	6.5	5.4	7.2	5.9	6.0	6.4	6.4	5.9	5.6	5.7
D. Black-market exchange rates	6.4	8.4	9.2	9.8	9.4	9.4	10.0	10.0	10.0	10.0
E. International capital market controls	5.0	5.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	5.7	6.0	5.7	5.9	5.9	5.8	5.9	6.0	5.5	7.2
A. Credit market regulations	5.1	5.9	5.4	6.2	6.1	6.4	6.7	6.7	6.3	7.6
(i) Ownership of banks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Foreign bank competition									5.0	10.0
(iii) Private sector credit	7.3	7.7	8.3	8.5	8.3	8.1	8.1	8.0	8.3	8.5
(iv) Interest rate controls/negative real int. rates	6.0	8.0	6.0	8.0	8.0	9.0	10.0	10.0	10.0	10.0
B. Labor market regulations										6.4
(i) Minimum wage									3.2	3.2
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										7.6
(v) Mandated cost of worker dismissal										7.4
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										7.4
(i) Price controls			6.0	6.0	6.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									5.6	8.2
(v) Extra payments/bribes										
(vi) Licensing restrictions										8.9
(vii) Cost of tax compliance										8.4

Finland

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.4 (18)	6.5 (19)	6.7 (20)	7.6 (12)	7.7 (11)	7.7 (10)	7.7 (10)	7.6 (15)	7.7 (13)	7.8 (11)
1. Size of Government	4.7	4.4	4.2	3.7	4.1	4.5	4.6	4.5	4.9	5.0
A. General government consumption spending	4.4 (24.9)	3.8 (27.0)	3.3 (28.7)	3.3 (28.7)	3.1 (29.5)	3.0 (29.7)	2.9 (30.0)	3.0 (29.7)	2.9 (30.2)	2.9 (30.0)
B. Transfers and subsidies	6.2 (14.3)	5.8 (15.8)	5.8 (16.0)	3.9 (22.8)	5.2 (18.2)	4.9 (19.1)	4.9 (19.1)	4.3 (21.4)	4.3 (21.4)	4.4 (20.9)
C. Government enterprises and investment	7.0 (23.3)	7.0 (24.2)	6.0 (29.3)	6.0 (42.2)	6.0	8.0 (15.5)	8.0 (15.5)	8.0 (15.5)	10.0 (12.3)	10.0 (10.5)
D. Top marginal tax rate	1.0	1.0	1.5	1.5	2.0	2.0	2.5	2.5	2.5	2.5
(i) Top marginal income tax rate	1.0 (65-71)	1.0 (64-70)	2.0 (57-63)	2.0 (54-59)	3.0 (51-57)	3.0 (51-57)	3.0 (51-56)	3.0 (50-56)	3.0 (50-56)	3.0 (50-56)
(ii) Top marginal income and payroll tax rates			1.0 (61-69)	1.0 (60-66)	1.0 (54-61)	1.0 (54-61)	2.0 (55-60)	2.0 (54-60)	2.0 (54-60)	2.0 (54-60)
2. Legal Structure and Security of Property Rights	6.8	7.9	8.3	9.3	9.5	9.3	9.3	9.3	8.8	9.0
A. Judicial independence				9.8	9.7	8.9	9.3	9.3	8.1	8.6
B. Impartial courts				9.4	8.9	8.7	8.8	8.7	8.1	8.6
C. Protection of property rights				7.2	8.9	8.6	8.5	8.5	8.0	9.0
D. Military interference				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										8.4
G. Regulatory restrictions on sale of real property										8.4
3. Access to Sound Money	7.8	7.8	9.3	9.6	9.5	9.6	9.6	9.6	9.7	9.6
A. Money growth	8.9 (5.5)	7.9 (10.3)	8.6 (6.8)	9.0 (5.1)	9.5 (2.6)	9.5 (2.3)	9.4 (3.0)	9.3 (3.3)	9.3 (3.7)	9.0 (5.0)
B. Standard deviation of inflation	9.3 (1.8)	9.3 (1.9)	9.6 (0.9)	9.7 (0.7)	9.3 (1.7)	9.4 (1.4)	9.4 (1.5)	9.4 (1.5)	9.5 (1.3)	9.6 (1.0)
C. Inflation: most recent year	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 (1.6)	9.8 (0.9)	10.0 (0.2)	9.8 (0.9)
D. Freedom to own foreign currency	5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.8	6.7	6.1	8.2	8.3	8.2	7.9	7.9	7.9	7.5
A. Taxes on international trade	8.7	9.2	8.0	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.5 (0.8)	9.7 (0.4)	9.6 (0.6)	9.9 (0.2)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	7.9 (10.4)	8.6 (7.0)	8.5 (7.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			6.0 (10.1)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				9.3	9.8	9.4	9.5	9.3	9.0	8.9
C. Size of trade sector	5.2	4.1	2.4	4.3	4.7	4.3	3.9	3.7	3.9	4.1
D. Black-market exchange rates	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	8.7	8.1	8.1	7.2	7.2	7.4	6.0
5. Regulation of Credit, Labor and Business	5.7	5.8	5.8	7.1	7.1	6.9	6.8	6.8	7.1	8.0
A. Credit market regulations	8.6	9.3	9.3	8.9	9.2	9.1	9.2	9.1	9.3	9.4
(i) Ownership of banks	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				8.9	8.1	8.1	8.1	8.1	8.1	8.0
(iii) Private sector credit	9.9	9.9	10.0	9.0	9.0	8.6	8.9	8.2	9.4	9.4
(iv) Interest rate controls/negative real int. rates	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	4.1	3.8	3.7	3.5	3.3	3.6	3.8	3.7	3.9	5.6
(i) Minimum wage				4.1	4.7	4.7	4.7	4.7	6.3	6.3
(ii) Hiring and firing regulations			3.9	3.9	3.2	4.4	5.2	4.7	4.4	3.8
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	2.9	2.9	2.2	2.7	2.5	3.1
(iv) Mandated cost of hiring	4.9	3.9	3.5	2.0	2.8	2.8	3.8	3.4	3.4	3.3
(v) Mandated cost of worker dismissal										7.8
(vi) Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				8.9	8.8	7.9	7.5	7.6	8.2	9.0
(i) Price controls			6.0	9.0	9.0	9.0	9.0	9.0	8.0	9.0
(ii) Administrative requirements					8.0	5.7	6.2	5.8	5.8	6.4
(iii) Bureaucracy costs				8.5	8.5	7.3	5.3	6.3	9.7	9.9
(iv) Starting a business				8.5	8.8	8.0	7.7	7.7	8.2	9.4
(v) Extra payments/bribes				9.6	9.6	9.7	9.3	9.4	9.1	9.4
(vi) Licensing restrictions										9.9
(vii) Cost of tax compliance										

Gabon

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.2 (88)	5.4 (55)	5.3 (62)	5.3 (84)	5.2 (106)	5.0 (114)	5.0 (115)	5.0 (116)	5.3 (114)	5.6 (119)
1. Size of Government	1.9	4.6	5.1	4.8	4.9	3.3	3.4	3.7	3.7	3.8
A. General government consumption spending	1.9 (33.6)	0.4 (38.7)	5.5 (21.2)	4.3 (25.3)	7.6 (14.0)	4.0 (26.5)	5.1 (22.6)	6.0 (19.5)	6.2 (19.1)	6.3 (18.6)
B. Transfers and subsidies		9.4 (2.7)	9.8 (1.2)	9.8 (1.2)						
C. Government enterprises and investment	2.0 (42.6)	4.0 (35.3)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
D. Top marginal tax rate			1.0	1.0	3.0	2.0	1.0	1.0	1.0	1.0
(i) Top marginal income tax rate			1.0 (60)	1.0 (60)	3.0 (50)	3.0 (56)	1.0 (56)	1.0 (56)	1.0 (56)	1.0 (56)
(ii) Top marginal income and payroll tax rates						1.0 (65)	1.0 (56)	1.0 (56)	1.0 (56)	1.0 (56)
2. Legal Structure and Security of Property Rights	3.9	4.5	5.0	5.1	4.3	4.3	4.3	3.9	3.9	4.3
A. Judicial independence										
B. Impartial courts				4.6	4.8	4.8	4.8	4.7	4.7	4.7
C. Protection of property rights										
D. Military interference				4.8	3.3	3.3	3.3	3.3	3.3	3.3
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	4.4	6.1	5.4	5.4	5.8	5.6	5.3	5.5	6.9	7.0
A. Money growth	9.6 (2.2)	7.4 (13.0)	9.7 (-1.5)	10.0 (0.1)	9.7 (1.3)	10.0 (-0.2)	8.3 (8.6)	8.3 (8.6)	8.3 (8.6)	8.3 (8.6)
B. Standard deviation of inflation	5.4 (11.4)	7.4 (6.5)	5.2 (12.1)	1.9 (20.3)	3.5 (16.1)	3.0 (17.4)	2.9 (17.7)	4.1 (14.8)	9.6 (1.0)	9.5 (1.1)
C. Inflation: most recent year	2.6 (36.8)	9.7 (-1.3)	6.9 (15.4)	9.9 (-0.5)	9.9 (0.5)	9.6 (2.1)	10.0 (0.0)	9.6 (2.2)	9.9 (0.4)	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	0.0	0.0
4. Freedom to Trade Internationally	5.6	6.2	5.8	5.9	5.6	6.0	6.0	5.8	5.8	5.4
A. Taxes on international trade	3.2	4.9	6.8	5.8	6.0	6.2	6.2	6.2	6.2	6.2
(i) Taxes as percentage of exports and imports	5.1 (7.3)	5.7 (6.4)	6.8 (4.8)	5.8 (6.3)						
(ii) Mean tariff rate	1.3 (43.3)	4.1 (29.6)			5.9 (20.4)	6.2 (18.8)	6.3 (18.6)	6.3 (18.6)	6.3 (18.6)	6.0 (19.9)
(iii) Standard deviation of tariff rates					6.1 (9.8)	6.1 (9.7)	6.1 (9.7)	6.1 (9.7)	6.1 (9.7)	6.3 (9.2)
B. Regulatory trade barriers										
C. Size of trade sector	7.1	8.3	5.0	5.6	4.0	5.8	5.5	5.7	5.5	5.5
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	5.2	5.5	5.1	5.1	5.5	5.9	5.9	6.0	6.0	7.3
A. Credit market regulations	3.0	4.0	5.4	4.7	6.2	7.3	7.3	7.3	7.3	7.4
(i) Ownership of banks	0.0	0.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition										
(iii) Private sector credit			6.3	5.2	7.6	7.8	7.9	7.8	7.8	8.1
(iv) Interest rate controls/negative real int. rates	6.0	8.0	8.0	4.0	6.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations										
(i) Minimum wage										
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										
(i) Price controls			0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business										
(v) Extra payments/bribes										
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Georgia

Summary Ratings (Rank) ▶	1980	1985	1990	1995	2000	2001	2002	2003 6.4 (64)	2004 6.5 (60)	2005 7.1 (44)
1. Size of Government								8.2	7.6	7.9
A. General government consumption spending								8.4 (11.3)	7.0 (16.1)	6.6 (17.4)
B. Transfers and subsidies								8.7 (5.2)	8.0 (7.7)	8.0 (7.7)
C. Government enterprises and investment								8.0	8.0	8.0
D. Top marginal tax rate								7.5	7.5	9.0
(i) Top marginal income tax rate								10.0 (20)	10.0 (20)	10.0 (12)
(ii) Top marginal income and payroll tax rates								5.0 (40)	5.0 (40)	8.0 (27)
2. Legal Structure and Security of Property Rights								2.6	2.5	4.7
A. Judicial independence								2.3	2.3	1.9
B. Impartial courts								2.8	2.4	2.4
C. Protection of property rights								2.2	2.3	4.2
D. Military interference								3.0	3.0	4.2
E. Integrity of the legal system										5.7
F. Legal enforcement of contracts										9.6
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money								9.1	9.0	9.0
A. Money growth								8.1 (8.1)	8.1 (11.7)	8.1 (11.7)
B. Standard deviation of inflation								9.1 (2.2)	9.1 (2.3)	9.4 (1.4)
C. Inflation: most recent year								9.0 (4.8)	8.9 (5.7)	8.4 (8.2)
D. Freedom to own foreign currency								10.0	10.0	10.0
4. Freedom to Trade Internationally								7.2	7.0	6.7
A. Taxes on international trade								9.0	8.7	8.4
(i) Taxes as percentage of exports and imports								9.3 (1.0)	8.9 (1.7)	8.9 (1.7)
(ii) Mean tariff rate									8.5 (7.5)	8.6 (7.0)
(iii) Standard deviation of tariff rates								8.7 (3.2)	8.7 (3.2)	7.8 (5.6)
B. Regulatory trade barriers								5.5	5.0	3.8
C. Size of trade sector								4.1	4.1	4.1
D. Black-market exchange rates								10.0	10.0	10.0
E. International capital market controls								7.3	7.4	7.1
5. Regulation of Credit, Labor and Business								5.2	6.4	7.5
A. Credit market regulations								7.0	7.5	9.2
(i) Ownership of banks								10.0	10.0	10.0
(ii) Foreign bank competition								3.0	4.0	8.0
(iii) Private sector credit								8.9	9.6	9.9
(iv) Interest rate controls/negative real int. rates								6.0	4.0	9.0
B. Labor market regulations								5.0	6.5	7.4
(i) Minimum wage									10.0	10.0
(ii) Hiring and firing regulations								5.3	6.4	6.8
(iii) Centralized collective bargaining								8.7	8.4	8.3
(iv) Mandated cost of hiring										0.6
(v) Mandated cost of worker dismissal										9.6
(vi) Conscription								1.0	1.0	1.0
C. Business regulations								3.8	5.1	5.9
(i) Price controls									8.0	8.0
(ii) Administrative requirements								2.7	2.8	4.7
(iii) Bureaucracy costs								5.0	4.5	3.2
(iv) Starting a business								3.7	5.8	9.0
(v) Extra payments/bribes								3.7	4.7	5.0
(vi) Licensing restrictions										6.1
(vii) Cost of tax compliance										5.0

Germany

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	7.0 (9)	7.0 (11)	7.2 (14)	7.5 (13)	7.6 (15)	7.3 (19)	7.3 (18)	7.4 (19)	7.6 (17)	7.6 (18)
1. Size of Government	4.6	4.3	4.9	4.4	4.5	4.2	4.2	4.4	5.5	5.7
A. General government consumption spending	4.0 (26.3)	4.1 (26.1)	4.4 (25.2)	4.2 (25.8)	4.6 (24.5)	4.6 (24.4)	4.6 (24.5)	4.5 (24.8)	4.7 (23.9)	4.7 (24.1)
B. Transfers and subsidies	5.3 (17.6)	5.0 (19.0)	5.3 (17.9)	4.3 (21.6)	4.5 (20.8)	2.3 (28.8)	2.3 (28.8)	2.0 (29.8)	2.3 (28.6)	2.3 (28.8)
C. Government enterprises and investment	7.0 (25.7)	7.0 (24.4)	6.0 (24.0)	6.0 (25.5)	6.0	6.0	6.0 (25.5)	6.0	10.0 (9.2)	10.0 (9.3)
D. Top marginal tax rate	2.0	1.0	4.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0
(i) Top marginal income tax rate	2.0 (65)	1.0 (65)	4.0 (53)	3.0 (57)	3.0 (56)	4.0 (51)	4.0 (51)	5.0 (47)	5.0 (46)	6.0 (44)
(ii) Top marginal income and payroll tax rates			4.0 (53)	3.0 (57)	3.0 (56)	4.0 (51)	4.0 (51)	5.0 (47)	5.0 (46)	6.0 (44)
2. Legal Structure and Security of Property Rights	7.7	7.5	8.3	9.1	9.1	8.7	8.7	8.9	8.8	8.9
A. Judicial independence				9.3	9.4	8.7	8.5	9.0	8.8	9.2
B. Impartial courts				8.6	9.2	8.4	8.3	8.7	8.2	9.0
C. Protection of property rights				8.0	8.8	8.2	8.5	8.7	8.8	9.6
D. Military interference				9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										8.5
G. Regulatory restrictions on sale of real property										7.9
3. Access to Sound Money	9.4	9.6	9.3	9.6	9.6	9.6	9.6	9.6	9.6	9.5
A. Money growth	9.2 (4.1)	9.5 (2.6)	8.1 (9.7)	9.1 (4.4)	8.8 (6.1)	9.0 (5.2)	9.0 (5.0)	8.9 (5.4)	8.8 (5.8)	8.6 (6.8)
B. Standard deviation of inflation	9.6 (0.9)	9.5 (1.2)	9.5 (1.2)	9.5 (1.2)	9.8 (0.5)	9.8 (0.6)	9.7 (0.7)	9.7 (0.7)	9.7 (0.7)	9.8 (0.5)
C. Inflation: most recent year	8.9 (5.5)	9.6 (2.2)	9.5 (2.7)	9.6 (2.1)	9.7 (1.5)	9.6 (2.0)	9.7 (1.4)	9.8 (1.1)	9.7 (1.7)	9.6 (2.0)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	7.9	8.3	8.1	8.2	8.7	8.6	8.4	8.5	8.2	7.8
A. Taxes on international trade	9.0	9.1	8.4	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)	9.7 (0.5)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				8.3	8.9	8.6	8.8	8.8	8.6	8.5
C. Size of trade sector	4.6	4.5	4.2	4.5	5.9	5.9	5.7	5.7	5.9	6.1
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	8.0	10.0	10.0	9.6	9.5	9.5	8.6	8.7	7.5	6.0
5. Regulation of Credit, Labor and Business	5.2	5.2	5.3	6.1	6.1	5.4	5.5	5.7	5.8	6.2
A. Credit market regulations	7.6	7.6	7.6	7.8	7.8	7.7	7.9	7.9	7.9	7.0
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition				7.8	7.2	7.2	8.0	8.0	8.0	5.0
(iii) Private sector credit	7.8	7.7	7.9	7.6	8.0	7.9	7.9	7.9	7.8	7.9
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	3.3	3.3	3.5	3.6	2.9	2.8	2.5	2.8	3.3	4.3
(i) Minimum wage				3.4	4.6	4.6	4.6	4.6	6.1	6.1
(ii) Hiring and firing regulations			3.9	3.9	1.8	1.4	1.3	2.0	2.2	2.4
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	2.3	2.5	1.8	2.3	3.0	3.2
(iv) Mandated cost of hiring	4.4	4.5	4.5	3.0	2.5	2.5	1.7	2.2	2.2	3.5
(v) Mandated cost of worker dismissal										3.8
(vi) Conscription	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				7.0	7.8	5.6	6.1	6.4	6.3	7.3
(i) Price controls			9.0	9.0	8.0	6.0	6.0	7.0	7.0	7.0
(ii) Administrative requirements					8.2	2.2	3.7	4.7	2.8	3.4
(iii) Bureaucracy costs				6.5	8.5	6.5	6.5	6.3	6.6	5.8
(iv) Starting a business				5.0	6.4	5.1	5.5	5.2	6.4	9.0
(v) Extra payments/bribes				7.7	8.0	8.2	8.8	8.8	8.5	9.1
(vi) Licensing restrictions										8.1
(vii) Cost of tax compliance										8.8

Greece

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.7 (40)	5.2 (65)	5.8 (46)	6.2 (56)	6.9 (41)	6.8 (42)	6.8 (42)	6.9 (36)	6.8 (49)	6.9 (56)
1. Size of Government	5.3	3.7	4.8	5.7	6.4	5.9	6.1	6.0	6.0	6.1
A. General government consumption spending	7.4 (14.7)	6.6 (17.5)	6.7 (17.3)	6.9 (16.4)	6.6 (17.7)	6.3 (18.6)	6.2 (19.0)	6.1 (19.3)	5.9 (20.0)	6.0 (19.6)
B. Transfers and subsidies	8.6 (5.7)	5.3 (17.7)	4.6 (20.5)	5.0 (19.0)	9.0 (4.3)	5.2 (18.0)	5.2 (18.0)	5.1 (18.6)	5.1 (18.6)	5.4 (17.6)
C. Government enterprises and investment	2.0 (32.0)	2.0 (41.0)	4.0 (37.5)	6.0 (35.8)	6.0	8.0 (16.1)	8.0 (16.1)	8.0 (16.1)	8.0 (16.1)	8.0
D. Top marginal tax rate	3.0	1.0	4.0	5.0	4.0	4.0	5.0	5.0	5.0	5.0
(i) Top marginal income tax rate	3.0 (60)	1.0 (63)	4.0 (50)	5.0 (45)	5.0 (43)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates			4.0 (50)	5.0 (45)	3.0 (50)	3.0 (50)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure and Security of Property Rights	5.6	5.6	6.8	6.7	5.7	5.6	6.0	6.0	5.6	6.7
A. Judicial independence				5.5	6.3	5.9	6.2	6.0	5.2	5.6
B. Impartial courts				5.7	5.7	5.0	5.2	5.3	4.8	5.4
C. Protection of property rights				5.4	4.8	4.7	5.2	5.5	5.1	7.2
D. Military interference				6.9	6.7	7.5	8.3	8.3	7.5	7.6
E. Integrity of the legal system				10.0	5.0	5.0	5.0	5.0	5.4	7.5
F. Legal enforcement of contracts										8.6
G. Regulatory restrictions on sale of real property										5.1
3. Access to Sound Money	6.9	6.8	6.7	7.3	9.3	9.5	9.6	9.6	9.7	9.6
A. Money growth	7.2 (14.1)	6.7 (16.4)	6.3 (18.4)	7.7 (11.7)	8.7 (6.5)	9.1 (4.3)	9.3 (3.6)	9.3 (3.4)	9.3 (3.6)	9.1 (4.5)
B. Standard deviation of inflation	9.1 (2.4)	9.0 (2.5)	9.1 (2.4)	8.5 (3.8)	9.2 (2.0)	9.4 (1.6)	9.7 (0.9)	9.9 (0.3)	9.9 (0.2)	9.9 (0.2)
C. Inflation: most recent year	6.5 (17.7)	6.5 (17.7)	6.5 (17.7)	8.2 (8.9)	9.4 (3.2)	9.3 (3.4)	9.3 (3.6)	9.3 (3.5)	9.4 (2.9)	9.3 (3.6)
D. Freedom to own foreign currency	5.0	5.0	5.0	5.0	10.0	10.0	10.0	10	10.0	10.0
4. Freedom to Trade Internationally	6.2	5.4	6.1	6.6	7.9	7.6	7.2	7.2	7.1	6.3
A. Taxes on international trade	8.1	9.0	8.4	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	7.9 (3.2)	9.5 (0.7)	9.6 (0.6)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				6.3	8.7	8.1	8.2	8.3	7.4	6.4
C. Size of trade sector	4.1	3.0	2.4	1.4	3.2	2.7	1.6	1.4	1.7	1.3
D. Black-market exchange rates	8.6	5.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	6.5	8.3	8.3	7.3	7.3	7.4	5.2
5. Regulation of Credit, Labor and Business	4.4	4.4	4.8	4.9	5.4	5.3	5.4	5.4	5.6	5.8
A. Credit market regulations	4.2	4.1	5.6	5.9	7.1	7.2	7.7	7.8	7.9	7.2
(i) Ownership of banks	2.0	2.0	5.0	5.0	5.0	5.0	8.0	8.0	8.0	5.0
(ii) Foreign bank competition				6.4	7.0	7.0	6.0	6.0	6.0	6.0
(iii) Private sector credit	4.7	4.4	3.9	4.9	6.0	6.5	6.8	7.4	7.9	7.9
(iv) Interest rate controls/negative real int. rates	6.0	6.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	3.6	3.6	3.7	4.0	3.4	3.8	3.5	3.6	4.0	4.1
(i) Minimum wage				5.2	4.1	4.1	4.1	4.1	6.2	6.2
(ii) Hiring and firing regulations			4.8	4.8	2.3	3.3	2.7	3.0	3.2	2.9
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	4.2	4.3	4.2	4.2	4.0	3.5
(iv) Mandated cost of hiring	6.3	6.3	5.5	5.5	6.3	6.3	5.6	5.6	5.6	0.9
(v) Mandated cost of worker dismissal										3.6
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
C. Business regulations				4.7	5.6	4.8	4.9	4.9	5.0	6.0
(i) Price controls			0.0	6.0	5.0	6.0	6.0	6.0	4.0	5.0
(ii) Administrative requirements					7.0	2.7	2.3	2.8	3.0	2.8
(iii) Bureaucracy costs				4.8	6.4	5.8	6.3	5.5	6.5	4.5
(iv) Starting a business				4.2	4.1	4.0	4.0	3.7	5.0	8.1
(v) Extra payments/bribes				3.7	5.7	5.8	5.9	6.3	6.2	6.2
(vi) Licensing restrictions										7.9
(vii) Cost of tax compliance										7.7

Guinea-Bissau

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶		3.2 (107)	3.0 (112)	3.5 (122)	4.4 (118)	4.9 (116)	5.0 (115)	4.9 (119)	5.0 (120)	5.2 (129)
1. Size of Government		4.7	4.3	5.0	4.6	4.5	4.8	5.0	5.0	5.0
A. General government consumption spending		7.5 (14.6)	8.6 (10.6)	9.9 (6.3)	9.1 (9.0)	9.1 (9.2)	9.5 (7.6)	10.0 (6.1)	10.0 (6.1)	10.0 (6.1)
B. Transfers and subsidies										
C. Government enterprises and investment	2.0	2.0	0.0 (71.9)	0.0 (68.0)	0.0	0.0 (68.0)	0.0 (68.0)	0.0 (68.0)	0.0 (68.0)	0.0 (68.0)
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights		2.0	2.9	2.5	3.0	3.0	2.6	1.9	2.9	3.6
A. Judicial independence										
B. Impartial courts				2.7	2.9	2.9	2.9	3.3	3.3	3.2
C. Protection of property rights										
D. Military interference				3.1	3.3	3.3	1.7	1.7	2.6	2.5
E. Integrity of the legal system				0.0	1.7	1.7	1.7	1.7	3.9	5.0
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	5.4	2.0	0.9	1.8	3.3	5.2	5.8	5.8	5.9	6.0
A. Money growth			0.0 (65.1)	2.7 (36.6)	1.6 (41.8)	7.4 (12.8)	5.7 (21.5)	5.7 (21.5)	5.7 (21.5)	5.7 (21.5)
B. Standard deviation of inflation	8.6 (3.5)	2.3 (19.2)	0.0 (28.6)	3.6 (16.1)	3.1 (17.2)	4.1 (14.8)	8.0 (4.9)	8.1 (4.8)	8.2 (4.4)	8.8 (3.0)
C. Inflation: most recent year	7.7 (11.6)	3.5 (32.3)	3.5 (32.3)	1.1 (44.7)	8.3 (8.6)	9.4 (3.2)	9.3 (3.4)	9.3 (-3.5)	9.8 (0.9)	9.3 (3.3)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally		4.1			6.0	6.3	6.3	5.5	5.7	4.8
A. Taxes on international trade		4.8			7.6	7.2	7.2	7.2	7.2	8.4
(i) Taxes as percentage of exports and imports		4.8 (7.7)								
(ii) Mean tariff rate					7.6 (12.0)	7.2 (14.1)	7.3 (13.6)	7.3 (13.6)	7.2 (13.9)	7.2 (13.9)
(iii) Standard deviation of tariff rates						7.2 (7.1)	7.2 (7.1)	7.2 (7.1)	7.2 (7.1)	9.7 (0.8)
B. Regulatory trade barriers										
C. Size of trade sector	2.3	3.4	0.0	0.0	4.0	5.3	5.5	2.5	3.4	0.0
D. Black-market exchange rates		4.2	8.2	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	5.0	5.0	0.0	0.8	0.8	0.8	0.8	0.8
5. Regulation of Credit, Labor and Business			3.8	4.7	5.1	5.6	5.6	6.4	5.3	6.6
A. Credit market regulations			3.9	4.5	6.0	7.3	7.3	9.5	6.3	9.1
(i) Ownership of banks						2.0	2.0	10.0	2.0	10.0
(ii) Foreign bank competition										
(iii) Private sector credit			7.7	8.9	10.0	10.0	10.0	8.5	6.9	7.2
(iv) Interest rate controls/negative real int. rates			0.0	0.0	2.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations										
(i) Minimum wage										
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations										
(i) Price controls			0.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business										
(v) Extra payments/bribes										
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Guyana

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.7 (98)	3.6 (103)		4.8 (98)	6.8 (44)	6.4 (61)	6.2 (70)	6.2 (73)	5.6 (100)	6.1 (97)
1. Size of Government	1.4	2.5	3.4	3.7	4.5	3.1	2.6	2.4	2.7	3.0
A. General government consumption spending	2.8 (30.4)	5.0 (23.1)	7.1 (15.8)	5.6 (20.8)	5.5 (21.2)	3.2 (29.2)	2.4 (31.9)	1.6 (34.6)	2.7 (30.7)	3.5 (28.2)
B. Transfers and subsidies										
C. Government enterprises and investment	0.0	0.0	0.0	0.0	2.0	0.0 (56.4)	0.0 (56.4)	0.0 (56.4)	0.0 (56.4)	0.0 (56.4)
D. Top marginal tax rate			3.0	5.5	6.0	6.0	5.5	5.5	5.5	5.5
(i) Top marginal income tax rate			3.0 (50)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)
(ii) Top marginal income and payroll tax rates			3.0 (50)	4.0 (41)	5.0 (39)	5.0 (39)	4.0 (42)	4.0 (41)	4.0 (41)	4.0 (41)
2. Legal Structure and Security of Property Rights	2.2	2.1	3.4	4.8	6.5	6.5	5.7	5.6	3.4	4.8
A. Judicial independence									2.3	3.0
B. Impartial courts				5.3	5.8	5.8	5.8	4.7	1.8	2.4
C. Protection of property rights									1.1	3.9
D. Military interference				5.8	10.0	10.0	10.0	10.0	8.1	6.7
E. Integrity of the legal system				4.1	6.7	6.7	3.3	3.3	3.8	4.2
F. Legal enforcement of contracts										5.0
G. Regulatory restrictions on sale of real property										8.7
3. Access to Sound Money	5.8	5.2	2.0	4.9	7.9	8.0	7.8	7.8	7.9	8.0
A. Money growth	8.4 (7.9)	5.8 (20.8)	0.9 (45.5)	7.0 (15.1)	9.3 (3.7)	9.5 (2.6)	8.9 (5.5)	9.0 (4.8)	8.9 (5.7)	8.9 (5.7)
B. Standard deviation of inflation	7.1 (7.3)	7.7 (5.9)	0.0 (53.1)	0.0 (48.3)	8.5 (3.8)	8.1 (4.7)	8.2 (4.4)	8.3 (4.3)	8.8 (2.9)	9.4 (1.5)
C. Inflation: most recent year	7.6 (11.8)	7.1 (14.5)	6.9 (15.5)	7.8 (11.2)	8.8 (6.2)	9.5 (2.6)	8.9 (5.3)	8.8 (6.0)	9.1 (4.7)	8.7 (6.3)
D. Freedom to own foreign currency	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	5.4	4.5			8.1	8.2	8.4	8.5	7.5	7.4
A. Taxes on international trade	8.8	7.0			6.6	6.7	6.7	6.7	6.7	6.5
(i) Taxes as percentage of exports and imports	8.8 (1.8)	7.4 (3.9)								
(ii) Mean tariff rate		6.6 (17.0)			6.6 (17.0)	7.6 (12.2)	7.6 (12.2)	7.6 (12.0)	7.6 (12.0)	7.8 (11.1)
(iii) Standard deviation of tariff rates						5.8 (10.4)	5.8 (10.4)	5.8 (10.4)	5.8 (10.4)	5.2 (12.0)
B. Regulatory trade barriers									4.8	4.6
C. Size of trade sector	10.0	7.3	8.7	10.0	10.0	10.0	10.0	10.0	10.0	10.0
D. Black-market exchange rates	0.0	0.0	8.2	9.2	9.0	9.0	10.0	10.0	9.5	9.5
E. International capital market controls	0.0	0.0	5.0	5.0	6.9	6.9	6.9	6.9	6.7	6.4
5. Regulation of Credit, Labor and Business				5.8	6.7	6.2	6.5	6.6	6.4	7.3
A. Credit market regulations	3.0	2.4	4.6	4.9	7.7	7.1	8.0	7.9	6.4	8.2
(i) Ownership of banks						5.0	8.0	8.0	8.0	10.0
(ii) Foreign bank competition									3.0	8.0
(iii) Private sector credit	3.0	2.4	4.6	5.8	7.4	7.3	7.1	6.7	5.5	5.6
(iv) Interest rate controls/negative real int. rates				4.0	8.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations									8.2	8.1
(i) Minimum wage									10.0	10.0
(ii) Hiring and firing regulations									5.8	6.0
(iii) Centralized collective bargaining									6.8	6.5
(iv) Mandated cost of hiring										7.8
(v) Mandated cost of worker dismissal										10.0
(vi) Conscription			10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations									4.6	5.7
(i) Price controls						6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements									2.6	2.5
(iii) Bureaucracy costs									5.0	5.2
(iv) Starting a business									5.6	7.5
(v) Extra payments/bribes									3.8	4.3
(vi) Licensing restrictions										7.4
(vii) Cost of tax compliance										6.8

Haiti

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.3 (55)	5.6 (46)	5.3 (62)	5.8 (68)	5.9 (79)	5.8 (84)	5.7 (92)	5.6 (98)	5.5 (105)	6.0 (101)
1. Size of Government	7.3	7.5	8.2	7.9	5.6	5.8	5.9	5.6	5.8	6.3
A. General government consumption spending	8.5 (11.0)	8.3 (11.9)	9.5 (7.6)	9.8 (6.8)	5.1 (22.6)	5.6 (20.9)	5.8 (20.2)	4.9 (23.2)	5.5 (21.3)	5.3 (22.1)
B. Transfers and subsidies		8.1 (7.3)				9.9 (0.8)	9.9 (0.8)	9.9 (0.8)	9.9 (0.8)	9.9 (0.8)
C. Government enterprises and investment	6.0 (19.0)	6.0 (32.7)	6.0 (42.0)	6.0	6.0	2.0 (48.2)	2.0 (48.2)	2.0 (48.2)	2.0 (48.2)	2.0 (48.2)
D. Top marginal tax rate			9.0							8.0
(i) Top marginal income tax rate			9.0 (30)							8.0 (30)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	2.2	2.9	2.0	3.9	3.9	2.0	1.9	2.1	1.6	3.0
A. Judicial independence						0.5	0.2	0.2	0.2	
B. Impartial courts				2.9	3.0	0.9	1.3	2.6	2.6	2.7
C. Protection of property rights						0.9	1.2	1.2	1.2	
D. Military interference				1.8	5.0	4.2	3.3	3.3	0.4	0.0
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	3.6	3.8
F. Legal enforcement of contracts										6.2
G. Regulatory restrictions on sale of real property										2.3
3. Access to Sound Money	7.4	8.7	8.3	6.3	8.4	8.6	8.6	6.7	7.5	7.8
A. Money growth	7.1 (14.3)	8.3 (8.6)	8.4 (8.1)	5.3 (23.7)	7.9 (10.7)	8.1 (9.7)	7.0 (14.9)	7.4 (12.8)	7.2 (13.9)	7.1 (14.6)
B. Standard deviation of inflation	6.7 (8.3)	8.7 (3.1)	7.0 (7.5)	6.3 (9.2)	8.3 (4.2)	9.0 (2.5)	9.2 (2.1)	7.2 (7.0)	7.2 (7.1)	7.4 (6.5)
C. Inflation: most recent year	5.7 (21.4)	7.9 (10.4)	7.9 (10.4)	3.8 (31.0)	7.3 (13.7)	7.2 (14.2)	8.0 (9.9)	2.1 (39.3)	5.4 (22.8)	6.9 (15.7)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	4.4	3.3	2.8		5.8	5.5	5.4	6.5	6.3	6.2
A. Taxes on international trade	3.9	6.2	5.5		8.0	8.0	8.0	8.0	8.0	8.8
(i) Taxes as percentage of exports and imports	3.4 (9.9)	4.7 (8.0)	5.5 (6.7)							
(ii) Mean tariff rate	4.5 (27.7)	7.7 (11.6)			8.0 (10.0)	8.0 (10.0)	8.0 (10.0)	8.0 (10.0)	8.0 (10.0)	9.4 (2.8)
(iii) Standard deviation of tariff rates										8.2 (4.6)
B. Regulatory trade barriers						5.4	5.7	5.1	4.1	1.6
C. Size of trade sector	3.7	2.2	0.0	0.2	0.9	0.7	1.1	3.1	2.2	1.5
D. Black-market exchange rates	6.0	0.0	0.0	0.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	2.0	2.0	0.0	2.3	6.5	7.3	9.1
5. Regulation of Credit, Labor and Business			5.2	5.0	6.0	7.0	6.8	6.8	6.2	6.8
A. Credit market regulations	10.0	9.7	5.0	5.0	7.9	9.5	9.0	9.0	9.0	9.0
(i) Ownership of banks										
(ii) Foreign bank competition										
(iii) Private sector credit	10.0	9.7	9.9	10.0	9.9	9.9	10.0	10.0	10.0	9.9
(iv) Interest rate controls/negative real int. rates			0.0	0.0	6.0	9.0	8.0	8.0	8.0	8.0
B. Labor market regulations						8.2	8.1	8.1	7.3	7.2
(i) Minimum wage									5.1	5.1
(ii) Hiring and firing regulations						5.7	6.2	6.2	6.2	
(iii) Centralized collective bargaining						8.9	8.0	8.0	8.0	
(iv) Mandated cost of hiring										7.3
(v) Mandated cost of worker dismissal										7.6
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations						3.4	3.5	3.5	2.3	4.1
(i) Price controls			2.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Administrative requirements						2.4	2.8	2.8	2.8	
(iii) Bureaucracy costs						7.3	6.8	6.8		
(iv) Starting a business						2.6	3.0	3.0	1.5	4.6
(v) Extra payments/bribes						2.8	2.8	2.8	2.8	
(vi) Licensing restrictions										
(vii) Cost of tax compliance										5.8

Hong Kong

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	8.6 (1)	8.4 (1)	8.2 (1)	9.1 (1)	8.8 (1)	8.7 (1)	8.7 (1)	8.7 (1)	8.7 (1)	8.9 (1)
1. Size of Government	9.7	9.4	9.3	9.5	9.2	9.1	9.0	9.0	9.1	9.2
A. General government consumption spending	9.0 (9.3)	8.7 (10.6)	8.4 (11.6)	8.0 (12.7)	7.6 (14.2)	7.4 (14.7)	7.4 (14.9)	7.3 (15.3)	7.6 (14.2)	7.9 (13.1)
B. Transfers and subsidies	10.0 (0.6)	9.9 (0.9)	9.9 (0.9)	9.8 (1.1)			8.6 (5.6)	8.6 (5.7)	8.7 (5.2)	8.8 (4.8)
C. Government enterprises and investment	10.0 (16.5)	10.0 (17.9)	10.0 (13.2)	10.0 (14.0)	10.0	10.0	10.0 (14.0)	10.0	10.0 (1.4)	10.0 (1.4)
D. Top marginal tax rate	10.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(i) Top marginal income tax rate	10.0 (15)	9.0 (25)	9.0 (25)	10.0 (20)	10.0 (17)	10.0 (17)	10.0 (17)	10.0 (19)	10.0 (20)	10.0 (20)
(ii) Top marginal income and payroll tax rates			9.0 (25)	10.0 (20)	10.0 (17)	10.0 (17)	10.0 (17)	10.0 (19)	10.0 (20)	10.0 (20)
2. Legal Structure and Security of Property Rights	8.1	6.3	5.9	8.2	7.2	7.0	7.3	7.4	7.5	8.0
A. Judicial independence				8.1	7.7	8.0	7.7	8.0	7.0	8.2
B. Impartial courts				7.9	8.9	8.5	8.3	8.5	7.9	8.3
C. Protection of property rights				6.1	6.3	6.9	7.2	7.3	6.6	8.7
D. Military interference				8.8	5.0	5.0	5.0	5.0	8.3	8.3
E. Integrity of the legal system				10.0	8.3	6.7	8.3	8.3	7.5	7.7
F. Legal enforcement of contracts										8.1
G. Regulatory restrictions on sale of real property										6.8
3. Access to Sound Money	8.5	9.3	9.0	9.4	9.1	9.4	9.3	9.2	9.2	9.5
A. Money growth	9.0 (4.8)	9.5 (2.6)	8.4 (8.2)	9.3 (3.4)	9.5 (-2.7)	9.7 (1.4)	8.9 (5.6)	8.1 (9.3)	7.6 (12.0)	9.0 (5.1)
B. Standard deviation of inflation	8.0 (5.0)	9.0 (2.6)	8.9 (2.9)	9.0 (2.6)	7.7 (5.8)	8.1 (4.9)	8.9 (2.7)	9.3 (1.8)	9.3 (1.7)	9.3 (1.8)
C. Inflation: most recent year	7.0 (15.0)	8.9 (5.7)	8.9 (5.7)	9.5 (2.6)	9.3 (-3.8)	9.7 (-1.6)	9.4 (-3.0)	9.5 (-2.6)	9.9 (-0.4)	9.8 (0.9)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	9.6	9.6	9.6	9.7	9.8	9.8	9.6	9.6	9.5	9.4
A. Taxes on international trade	9.8	9.8	9.9	9.9	9.9	9.9	10.0	10.0	10.0	10.0
(i) Taxes as percentage of exports and imports	9.7 (0.5)	9.6 (0.6)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(ii) Mean tariff rate	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(iii) Standard deviation of tariff rates			10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
B. Regulatory trade barriers				8.8	9.4	9.2	9.3	9.4	8.6	8.3
C. Size of trade sector	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	10.0	10.0	10.0	9.7	9.6	9.6	8.6	8.8	8.8	8.7
5. Regulation of Credit, Labor and Business	7.2	7.2	7.2	8.7	8.6	8.3	8.3	8.4	8.3	8.6
A. Credit market regulations	10.0	10.0	9.9	9.1	8.8	8.8	8.9	8.9	8.9	9.2
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				8.6	7.3	7.3	8.0	8.0	8.0	8.0
(iii) Private sector credit			9.8	9.7	9.1	9.0	8.9	8.9	8.8	8.9
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			8.9	8.1	8.6	8.7	8.5	8.5	8.6	8.7
(i) Minimum wage				7.4					10.0	10.0
(ii) Hiring and firing regulations			8.8	8.8	7.6	7.8	7.8	8.2	7.9	6.9
(iii) Centralized collective bargaining	7.9	7.9	7.9	7.9	9.0	9.5	9.2	9.5	9.0	8.9
(iv) Mandated cost of hiring				6.5	7.7	7.7	7.2	6.3	6.3	8.5
(v) Mandated cost of worker dismissal										8.8
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				8.7	8.5	7.4	7.4	7.9	7.4	7.8
(i) Price controls			10.0	9.0	9.0	7.0	7.0	8.0	8.0	9.0
(ii) Administrative requirements					8.5	6.8	6.7	6.8	6.3	6.4
(iii) Bureaucracy costs				9.5	7.3	6.0	6.0	6.8	5.5	4.6
(iv) Starting a business				9.1	9.0	8.9	8.7	8.8	8.9	9.6
(v) Extra payments/bribes				7.3	8.8	8.5	8.6	9.0	8.1	8.8
(vi) Licensing restrictions										7.1
(vii) Cost of tax compliance										9.1

Iceland

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.1 (64)	5.3 (62)	6.6 (26)	7.4 (17)	7.7 (11)	7.7 (10)	7.6 (13)	7.7 (12)	7.9 (9)	7.8 (11)
1. Size of Government	5.1	5.3	6.0	5.7	5.9	5.9	5.5	5.4	6.8	6.9
A. General government consumption spending	5.2 (22.2)	5.4 (21.5)	4.7 (23.9)	4.2 (25.6)	3.4 (28.3)	3.1 (29.5)	2.4 (31.7)	2.3 (32.2)	2.7 (30.9)	3.2 (29.0)
B. Transfers and subsidies	7.2 (10.6)	6.9 (11.7)	7.4 (10.1)	7.7 (9.1)	7.7 (8.9)	8.3 (6.6)	7.9 (8.2)	7.9 (8.2)	7.9 (8.2)	7.9 (8.2)
C. Government enterprises and investment	8.0 (15.3)	8.0 (16.1)	7.0 (22.2)	7.0 (24.8)	7.0	7.0	7.0 (24.8)	7.0	10.0 (9.6)	10.0 (9.6)
D. Top marginal tax rate	0.0	1.0	5.0	4.0	5.5	5.0	4.5	4.5	6.5	6.5
(i) Top marginal income tax rate	0.0 (63)	1.0 (56)	5.0 (40)	4.0 (47)	6.0 (45)	5.0 (46)	5.0 (46)	5.0 (44)	7.0 (39)	7.0 (39)
(ii) Top marginal income and payroll tax rates					5.0 (48)	5.0 (49)	4.0 (49)	4.0 (47)	6.0 (47)	6.0 (42)
2. Legal Structure and Security of Property Rights	6.8	7.9	8.3	8.3	9.0	8.9	9.0	9.2	8.9	9.2
A. Judicial independence				7.8	8.5	8.7	8.8	8.7	8.1	8.4
B. Impartial courts				8.3	9.0	8.0	8.2	9.0	8.3	8.9
C. Protection of property rights				5.8	7.6	7.6	7.8	8.3	7.9	9.4
D. Military interference				9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										8.7
G. Regulatory restrictions on sale of real property										9.1
3. Access to Sound Money	2.4	2.0	6.8	9.4	9.2	9.2	9.3	9.2	9.0	8.7
A. Money growth	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)	8.7 (6.4)	8.1 (9.5)	7.1 (14.7)
B. Standard deviation of inflation	6.9 (7.7)	2.8 (18.0)	8.8 (3.0)	9.2 (2.1)	9.6 (1.0)	8.9 (2.7)	9.0 (2.6)	8.6 (3.6)	8.5 (3.7)	8.5 (3.7)
C. Inflation: most recent year	0.0 (52.5)	3.7 (31.3)	3.7 (31.3)	9.5 (2.8)	9.0 (5.2)	8.7 (6.4)	9.0 (5.2)	9.6 (2.1)	9.4 (2.8)	9.2 (4.2)
D. Freedom to own foreign currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	5.6	5.6	5.9	6.5	6.9	6.9	6.6	6.6	6.4	5.8
A. Taxes on international trade	6.9	7.8	7.9	8.7	8.0	8.5	8.5	8.5	8.5	6.1
(i) Taxes as percentage of exports and imports	5.7 (6.5)	6.9 (4.6)	7.3 (4.0)	9.6 (0.6)	9.6 (0.5)	9.7 (0.5)	9.7 (0.4)	9.7 (0.4)	9.7 (0.4)	9.7 (0.4)
(ii) Mean tariff rate	8.1 (9.6)	8.7 (6.7)	9.2 (3.8)	9.3 (3.7)	9.6 (1.9)	9.0 (5.2)	9.0 (5.2)	9.0 (5.1)	9.0 (5.1)	8.5 (7.7)
(iii) Standard deviation of tariff rates			7.0 (7.5)	7.1 (7.3)	4.8 (13.0)	6.8 (8.1)	6.8 (8.1)	6.8 (8.1)	6.8 (8.1)	0.0 (38.7)
B. Regulatory trade barriers				6.6	8.7	7.9	8.6	8.9	7.5	6.9
C. Size of trade sector	2.8	3.3	1.4	1.1	1.5	1.9	1.3	0.8	1.3	0.8
D. Black-market exchange rates	8.2	6.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	6.3	6.2	6.2	4.4	4.8	4.7	5.0
5. Regulation of Credit, Labor and Business	5.5	5.5	5.8	7.0	7.6	7.5	7.8	7.9	8.4	8.3
A. Credit market regulations	5.2	5.2	6.3	6.9	7.7	7.9	8.9	8.9	9.1	8.2
(i) Ownership of banks	2.0	2.0	2.0	2.0	5.0	5.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				5.8	8.1	8.1	8.0	8.0	8.0	5.0
(iii) Private sector credit	9.6	9.7	8.8	9.4	9.9	9.8	9.9	9.9	10.0	10.0
(iv) Interest rate controls/negative real int. rates	4.0	4.0	8.0	10.0	8.0	9.0	9.0	9.0	10.0	8.0
B. Labor market regulations			6.8	6.4	6.7	6.9	6.8	7.0	8.0	7.9
(i) Minimum wage				6.2	4.8	4.8	4.8	4.8	10.0	10.0
(ii) Hiring and firing regulations			5.9	5.9	6.0	7.0	6.7	8.0	7.3	7.7
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	5.5	5.7	5.5	5.2	5.8	6.7
(iv) Mandated cost of hiring				5.3	7.0	7.0	7.2	7.0	7.0	6.4
(v) Mandated cost of worker dismissal										8.8
(vi) Conscriptation	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				7.8	8.3	7.8	7.7	7.9	8.2	8.6
(i) Price controls				6.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Administrative requirements					7.0	5.6	5.3	6.3	5.7	7.2
(iii) Bureaucracy costs				8.1	8.4	7.3	7.0	7.3	9.0	8.6
(iv) Starting a business				7.7	8.3	8.7	8.5	8.3	8.9	9.8
(v) Extra payments/bribes				9.5	10.0	9.3	9.5	9.7	9.5	9.7
(vi) Licensing restrictions										8.9
(vii) Cost of tax compliance										8.0

Indonesia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.1 (64)	6.1 (28)	6.4 (31)	6.4 (45)	5.9 (79)	5.5 (99)	5.7 (92)	6.1 (77)	6.0 (82)	6.3 (86)
1. Size of Government	5.3	6.4	7.1	8.0	7.6	6.8	6.7	6.7	6.4	6.9
A. General government consumption spending	6.8 (16.7)	7.0 (16.4)	7.9 (13.0)	8.4 (11.3)	9.0 (9.5)	8.8 (10.0)	8.7 (10.6)	8.3 (11.7)	8.5 (11.1)	8.5 (11.2)
B. Transfers and subsidies	9.2 (3.3)	9.5 (2.5)	9.6 (2.0)	9.9 (0.9)	8.3 (6.7)	8.3 (6.7)	8.3 (6.7)	8.3 (6.7)	7.2 (10.6)	7.2 (10.6)
C. Government enterprises and investment	2.0 (49.5)	2.0 (43.0)	4.0 (32.5)	7.0 (20.7)	7.0 (23.0)	4.0 (39.0)	4.0 (39.0)	4.0 (39.0)	4.0 (39.0)	6.0 (39.0)
D. Top marginal tax rate	3.0	7.0	7.0	6.5	6.0	6.0	6.0	6.0	6.0	6.0
(i) Top marginal income tax rate	3.0 (50)	7.0 (35)	7.0 (35)	8.0 (30)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top marginal income and payroll tax rates			7.0 (35)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure and Security of Property Rights	3.4	4.5	4.7	3.5	3.4	2.9	4.1	4.5	3.9	3.9
A. Judicial independence				2.3	3.0	2.5	3.7	4.5	3.7	3.0
B. Impartial courts				4.2	4.0	2.2	4.3	4.8	3.7	3.9
C. Protection of property rights				4.2	3.1	2.3	4.2	4.8	3.6	4.6
D. Military interference				2.9	3.3	4.2	5.0	5.0	4.2	4.2
E. Integrity of the legal system				4.1	3.3	3.3	3.3	3.3	4.4	5.0
F. Legal enforcement of contracts										1.2
G. Regulatory restrictions on sale of real property										5.6
3. Access to Sound Money	6.3	9.0	8.6	9.1	6.2	6.0	6.3	7.6	7.9	7.5
A. Money growth	5.2 (24.1)	8.3 (8.3)	7.5 (12.3)	9.0 (5.2)	5.6 (22.2)	6.5 (17.6)	7.2 (14.0)	7.8 (11.2)	8.5 (7.3)	8.4 (7.8)
B. Standard deviation of inflation	6.1 (9.8)	8.6 (3.5)	7.9 (5.4)	9.4 (1.5)	0.0 (28.7)	0.0 (28.4)	0.0 (29.1)	8.8 (3.1)	9.2 (2.0)	8.7 (3.2)
C. Inflation: most recent year	3.8 (31.0)	9.1 (4.3)	9.1 (4.3)	8.0 (9.9)	9.3 (3.7)	7.5 (12.6)	7.8 (10.8)	8.7 (6.6)	8.8 (6.2)	7.9 (10.5)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	6.7	6.3	6.3	6.2	7.7	7.7	7.1	7.1	7.2	7.5
A. Taxes on international trade	6.1	7.7	5.9	6.4	7.9	8.0	7.9	7.9	7.9	7.9
(i) Taxes as percentage of exports and imports	8.1 (2.9)	8.9 (1.6)	8.4 (2.4)	9.1 (1.3)	9.6 (0.5)	9.5 (0.8)	9.3 (1.0)	9.3 (1.0)	9.4 (1.0)	9.4 (1.0)
(ii) Mean tariff rate	4.2 (29.0)	6.4 (18.1)	5.9 (20.3)	6.6 (17.0)	8.3 (8.4)	8.8 (6.0)	8.8 (6.0)	8.7 (6.4)	8.7 (6.4)	8.7 (6.5)
(iii) Standard deviation of tariff rates			3.3 (16.7)	3.6 (16.1)	5.7 (10.8)	5.7 (10.8)	5.7 (10.8)	5.7 (10.8)	5.7 (10.8)	5.7 (10.7)
B. Regulatory trade barriers				3.3	5.9	6.1	6.0	6.7	6.5	6.3
C. Size of trade sector	9.7	7.2	7.6	7.7	9.9	9.7	8.3	7.2	7.5	8.2
D. Black-market exchange rates	9.6	8.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	3.8	4.8	4.8	3.2	3.6	4.0	4.9
5. Regulation of Credit, Labor and Business	4.0	4.2	5.3	5.2	4.6	4.2	4.4	4.7	4.7	5.5
A. Credit market regulations	3.2	4.5	7.1	7.1	5.2	5.1	5.2	5.3	5.5	6.7
(i) Ownership of banks	0.0	2.0	2.0	5.0	5.0	2.0	2.0	2.0	2.0	5.0
(ii) Foreign bank competition				5.9	4.6	4.6	4.6	4.6	4.6	5.0
(iii) Private sector credit	7.5	7.6	9.2	9.4	3.8	4.1	4.7	5.4	6.1	6.8
(iv) Interest rate controls/negative real int. rates	2.0	4.0	10.0	10.0	8.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations				4.2	4.0	4.8	4.2	4.7	5.0	5.3
(i) Minimum wage				5.1	4.6	4.6	4.6	4.6	6.7	6.7
(ii) Hiring and firing regulations			5.6	5.6	3.2	3.1	4.5	5.0	4.3	4.5
(iii) Centralized collective bargaining					6.2	5.2	4.5	5.2	5.3	7.3
(iv) Mandated cost of hiring				6.2	5.8	5.8	2.5	3.6	3.6	6.9
(v) Mandated cost of worker dismissal										0.0
(vi) Conscription	3.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0
C. Business regulations				4.4	4.8	2.7	3.7	4.2	3.8	4.5
(i) Price controls			7.0	3.0	2.0	2.0	2.0	0.0	2.0	1.0
(ii) Administrative requirements					7.0	1.4	4.3	4.7	3.5	6.3
(iii) Bureaucracy costs				6.3	5.3	1.5	3.5	4.8	6.3	5.9
(iv) Starting a business				5.2	5.6	5.9	4.3	5.8	2.9	5.3
(v) Extra payments/bribes				2.9	3.9	2.8	4.4	5.5	4.1	3.1
(vi) Licensing restrictions										6.6
(vii) Cost of tax compliance										3.7

Iran

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.0 (93)	4.1 (93)	4.6 (94)	4.5 (107)	5.6 (95)	6.1 (77)	6.1 (75)	6.1 (77)	6.1 (78)	6.4 (82)
1. Size of Government	4.6	4.3	4.6	5.4	4.4	6.5	6.7	6.5	6.4	6.4
A. General government consumption spending	3.4 (28.3)	6.0 (19.6)	7.3 (15.2)	6.1 (19.2)	4.7 (24.1)	4.6 (24.2)	5.3 (22.1)	5.4 (21.6)	5.9 (20.0)	5.9 (20.0)
B. Transfers and subsidies	8.2 (7.0)	9.3 (3.0)	8.9 (4.4)	9.3 (3.1)	9.5 (2.3)	9.5 (2.3)	9.5 (2.3)	8.5 (5.9)	8.3 (6.9)	8.3 (6.9)
C. Government enterprises and investment	2.0 (47.6)	2.0 (40.0)	2.0 (42.2)	2.0 (44.1)	2.0	4.0 (31.1)	4.0 (31.1)	4.0 (31.1)	4.0 (31.1)	4.0 (31.1)
D. Top marginal tax rate	0.0	0.0	0.0	4.0	1.5	8.0	8.0	8.0	7.5	7.5
(i) Top marginal income tax rate		0.0 (90)	0.0 (75)	4.0 (54)	2.0 (54)	8.0 (35)	8.0 (35)	8.0 (35)	8.0 (35)	8.0 (35)
(ii) Top marginal income and payroll tax rates			0.0 (75)	4.0 (54)	1.0 (57)	8.0 (35)	8.0 (35)	8.0 (35)	7.0 (37)	7.0 (37)
2. Legal Structure and Security of Property Rights	1.8	2.3	2.2	5.6	5.9	5.9	5.9	5.9	5.9	6.5
A. Judicial independence										
B. Impartial courts				4.9	4.9	4.9	4.9	4.1	4.1	4.2
C. Protection of property rights										
D. Military interference				6.7	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										5.6
G. Regulatory restrictions on sale of real property										7.7
3. Access to Sound Money	6.9	8.1	8.7	3.9	7.7	7.8	7.8	7.8	8.0	8.6
A. Money growth	4.6 (26.8)	5.9 (20.3)	6.9 (15.3)	6.1 (19.6)	7.1 (14.3)	7.0 (15.0)	6.8 (15.8)	7.3 (13.6)	7.7 (11.5)	7.7 (11.5)
B. Standard deviation of inflation	7.7 (5.9)	7.4 (6.5)	8.7 (3.2)	7.3 (6.7)	6.6 (8.5)	6.6 (8.5)	7.1 (7.2)	7.1 (7.2)	7.1 (7.3)	9.2 (1.9)
C. Inflation: most recent year	5.3 (23.4)	9.1 (4.7)	9.1 (4.7)	2.1 (39.5)	7.1 (14.5)	7.7 (11.3)	7.1 (14.3)	6.7 (16.5)	7.0 (14.8)	7.3 (13.4)
D. Freedom to own foreign currency	10.0	10.0	10.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	3.0	2.3	4.0	4.0	5.9	6.3	6.1	5.6	5.4	5.2
A. Taxes on international trade	2.9	3.2	6.1	7.3	8.4	8.1	8.3	8.2	7.3	6.9
(i) Taxes as percentage of exports and imports	0.0 (17.0)	0.5 (14.2)	6.4 (5.4)	8.7 (1.9)	8.0 (3.1)	7.0 (4.4)	7.6 (3.6)	7.2 (4.1)	7.5 (3.8)	7.5 (3.8)
(ii) Mean tariff rate	5.9 (20.7)	5.9 (20.7)	5.9 (20.7)	5.9 (20.7)	9.0 (4.9)	9.0 (4.9)	9.0 (4.9)	9.0 (4.9)	6.3 (18.7)	6.3 (18.7)
(iii) Standard deviation of tariff rates					8.3 (4.2)	8.3 (4.2)	8.3 (4.2)	8.3 (4.2)	8.3 (4.2)	
B. Regulatory trade barriers									1.8	3.2
C. Size of trade sector	3.9	0.0	5.6	4.5	4.1	5.4	6.5	5.2	5.8	5.7
D. Black-market exchange rates	0.0	0.0	0.0	0.0	8.9	9.6	7.4	7.4	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	3.9	3.4	3.5	3.6	3.9	3.9	3.9	4.7	4.7	5.2
A. Credit market regulations	2.7	2.4	2.9	3.2	4.8	4.8	4.8	6.5	6.5	6.5
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Foreign bank competition										
(iii) Private sector credit	8.0	7.2	8.7	9.5	9.5	9.7	9.7	9.5	9.5	9.6
(iv) Interest rate controls/negative real int. rates	0.0	0.0	0.0	0.0				10.0	10.0	10.0
B. Labor market regulations									4.2	4.2
(i) Minimum wage										
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										3.0
(v) Mandated cost of worker dismissal										1.7
(vi) Conscription	3.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
C. Business regulations										5.2
(i) Price controls			2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									5.5	8.4
(v) Extra payments/bribes										
(vi) Licensing restrictions										3.5
(vii) Cost of tax compliance										6.7

Ireland

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.2 (21)	6.3 (22)	6.7 (20)	8.2 (5)	8.1 (7)	7.9 (8)	7.8 (9)	7.8 (8)	8.1 (6)	7.9 (9)
1. Size of Government	4.7	4.3	5.6	5.8	6.1	6.1	6.0	5.9	6.4	6.1
A. General government consumption spending	5.3 (22.0)	5.2 (22.5)	5.8 (20.3)	5.4 (21.5)	5.3 (21.9)	5.8 (20.4)	5.2 (22.4)	4.9 (23.4)	4.7 (24.0)	4.8 (23.6)
B. Transfers and subsidies	5.4 (17.5)	4.9 (19.3)	5.4 (17.3)	5.1 (18.5)	4.2 (21.8)	4.2 (21.8)	4.2 (21.8)	4.2 (21.8)	4.7 (24.0)	6.9 (11.7)
C. Government enterprises and investment	7.0 (24.6)	7.0 (24.7)	10.0 (11.1)	10.0 (14.3)	10.0	10.0 (11.3)	10.0 (11.3)	10.0 (11.3)	10.0 (11.3)	8.0 (11.3)
D. Top marginal tax rate	1.0	0.0	1.0	2.5	5.0	4.5	4.5	4.5	4.5	4.5
(i) Top marginal income tax rate	1.0 (60)	0.0 (65)	1.0 (56)	3.0 (48)	5.0 (42)	5.0 (42)	5.0 (42)	5.0 (42)	5.0 (42)	5.0 (42)
(ii) Top marginal income and payroll tax rates			1.0 (57)	2.0 (51)	5.0 (42)	4.0 (50)	4.0 (49)	4.0 (50)	4.0 (50)	4.0 (49)
2. Legal Structure and Security of Property Rights	7.1	6.7	7.7	9.1	9.0	8.4	7.9	8.3	8.8	8.3
A. Judicial independence				9.3	8.7	8.4	7.0	7.8	8.4	8.6
B. Impartial courts				8.9	9.2	7.2	6.3	6.7	7.7	7.1
C. Protection of property rights				7.3	7.0	6.5	6.2	7.0	7.7	9.0
D. Military interference				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										7.5
G. Regulatory restrictions on sale of real property										5.9
3. Access to Sound Money	5.8	6.6	6.8	9.6	9.4	9.6	9.6	9.6	9.7	9.7
A. Money growth	7.4 (12.9)	9.5 (2.8)	9.1 (4.3)	9.0 (4.9)	9.4 (-3.0)	9.6 (2.1)	9.8 (-1.2)	9.8 (-0.9)	10.0 (0.0)	9.7 (1.3)
B. Standard deviation of inflation	8.6 (3.5)	8.1 (4.8)	9.0 (2.6)	9.5 (1.3)	9.5 (1.3)	9.7 (0.8)	9.7 (0.8)	9.4 (1.5)	9.4 (1.5)	9.4 (1.6)
C. Inflation: most recent year	7.1 (14.7)	9.0 (5.2)	9.0 (5.2)	9.9 (0.4)	8.9 (5.6)	9.0 (4.9)	9.1 (4.7)	9.3 (3.5)	9.6 (2.2)	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	10.0	10.0
4. Freedom to Trade Internationally	7.5	7.5	7.4	8.6	9.1	9.0	8.9	8.6	8.6	8.4
A. Taxes on international trade	8.0	8.3	7.9	8.4	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	7.7 (3.5)	8.0 (3.0)	8.0 (3.0)	8.8 (1.8)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				8.9	8.9	8.8	8.5	8.4	8.2	8.1
C. Size of trade sector	6.6	6.5	5.9	7.3	8.6	8.5	8.0	7.2	6.7	6.6
D. Black-market exchange rates	10.0	9.4	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	5.0	5.0	5.0	8.5	8.6	8.6	8.6	8.4	8.7	8.8
5. Regulation of Credit, Labor and Business	6.0	6.3	6.3	7.8	7.0	6.6	6.7	6.7	6.9	7.3
A. Credit market regulations	7.3	8.5	8.8	8.4	7.8	8.0	8.2	8.3	8.1	8.7
(i) Ownership of banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				8.1	7.0	7.0	8.0	8.0	8.0	8.0
(iii) Private sector credit	8.0	7.4	8.3	8.6	8.2	8.1	8.1	7.7	7.7	9.8
(iv) Interest rate controls/negative real int. rates	6.0	10.0	10.0	10.0	8.0	9.0	9.0	10.0	9.0	9.0
B. Labor market regulations	6.6	6.6	6.5	6.7	5.3	5.5	5.7	5.4	5.8	5.8
(i) Minimum wage				7.0	4.7	4.7	4.7	4.7	5.9	5.9
(ii) Hiring and firing regulations			5.5	5.5	3.8	4.2	4.5	3.8	4.0	4.0
(iii) Centralized collective bargaining	5.2	5.2	6.2	6.2	2.9	3.3	3.5	3.2	3.7	4.2
(iv) Mandated cost of hiring	4.5	4.6	4.4	4.7	5.3	5.3	6.0	5.3	5.3	6.7
(v) Mandated cost of worker dismissal										5.2
(vi) Conscriptation	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				8.3	7.8	6.3	6.2	6.5	6.7	7.5
(i) Price controls			7.0	9.0	9.0	7.0	7.0	6.0	5.0	6.0
(ii) Administrative requirements					7.2	4.5	4.0	4.8	4.6	4.8
(iii) Bureaucracy costs				7.6	7.9	5.3	6.5	7.3	8.3	6.7
(iv) Starting a business				7.6	6.9	6.4	6.2	6.0	6.8	9.2
(v) Extra payments/bribes				8.9	8.2	8.3	7.6	8.4	8.5	8.4
(vi) Licensing restrictions										7.9
(vii) Cost of tax compliance										9.1

Italy

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.4 (51)	5.7 (44)	6.5 (29)	6.5 (43)	7.1 (32)	7.0 (34)	7.0 (33)	6.7 (48)	6.9 (45)	7.0 (52)
1. Size of Government	3.6	3.0	3.3	3.7	4.6	4.6	4.7	5.6	5.6	5.9
A. General government consumption spending	6.0 (19.7)	5.5 (21.4)	5.2 (22.3)	5.7 (20.7)	4.8 (23.5)	4.7 (24.0)	4.8 (23.7)	4.6 (24.4)	4.6 (24.2)	4.2 (25.7)
B. Transfers and subsidies	4.4 (20.9)	2.4 (28.5)	3.1 (25.8)	2.3 (28.7)	4.4 (20.9)	4.6 (20.2)	4.6 (20.2)	4.2 (21.8)	4.2 (21.8)	4.5 (20.8)
C. Government enterprises and investment	4.0 (25.9)	4.0 (33.2)	4.0 (30.3)	6.0 (28.3)	6.0	6.0	6.0 (28.3)	10.0 (6.7)	10.0 (6.7)	10.0 (8.6)
D. Top marginal tax rate	0.0	0.0	1.0	1.0	3.0	3.0	3.5	3.5	3.5	5.0
(i) Top marginal income tax rate	0.0 (72)	0.0 (81)	1.0 (66)	1.0 (67)	3.0 (51)	4.0 (46-50)	4.0 (47)	4.0 (47)	4.0 (47)	6.0 (43-45)
(ii) Top marginal income and payroll tax rates			1.0 (66)	1.0 (67)	3.0 (52)	2.0 (55-58)	3.0 (52)	3.0 (52)	3.0 (52)	4.0 (51)
2. Legal Structure and Security of Property Rights	5.7	6.8	7.7	6.5	7.7	7.4	7.4	5.6	5.8	6.4
A. Judicial independence				5.1	4.8	5.9	5.7	4.3	4.2	4.3
B. Impartial courts				5.4	5.7	4.6	5.3	3.7	3.6	3.7
C. Protection of property rights				5.4	7.8	6.3	6.0	4.8	5.5	6.8
D. Military interference				9.4	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				7.0	10.0	10.0	10.0	5.0	6.0	6.7
F. Legal enforcement of contracts										3.9
G. Regulatory restrictions on sale of real property										9.2
3. Access to Sound Money	5.3	6.2	9.2	9.6	9.5	9.6	9.6	9.6	9.6	9.5
A. Money growth	6.5 (17.7)	8.1 (9.7)	8.8 (6.3)	9.9 (0.6)	8.9 (5.3)	9.0 (5.2)	9.1 (4.7)	9.0 (5.1)	8.9 (5.6)	8.6 (6.8)
B. Standard deviation of inflation	9.0 (2.4)	8.5 (3.7)	9.7 (0.7)	9.4 (1.4)	9.4 (1.4)	9.8 (0.4)	9.8 (0.5)	9.8 (0.6)	9.9 (0.3)	9.8 (0.4)
C. Inflation: most recent year	5.8 (20.9)	8.2 (9.0)	8.2 (9.0)	9.0 (5.1)	9.5 (2.5)	9.4 (2.8)	9.5 (2.5)	9.5 (2.7)	9.6 (2.2)	9.6 (2.0)
D. Freedom to own foreign currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	7.5	7.4	7.1	7.7	8.2	8.1	7.7	7.6	7.5	7.1
A. Taxes on international trade	9.0	9.2	8.5	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				7.0	8.5	8.2	7.8	7.7	7.3	6.2
C. Size of trade sector	5.3	4.9	3.7	4.7	4.9	4.7	4.4	4.0	4.0	4.1
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	5.0	5.0	5.0	8.0	8.4	8.7	7.3	6.9	7.0	6.6
5. Regulation of Credit, Labor and Business	4.8	4.9	5.3	4.8	5.5	5.1	5.3	5.3	6.2	6.1
A. Credit market regulations	5.0	5.6	6.9	6.6	6.7	6.8	7.5	7.5	7.5	7.9
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				4.8	5.7	5.7	6.0	6.0	6.0	5.0
(iii) Private sector credit	6.1	5.7	5.8	6.5	7.7	8.3	8.4	8.3	8.4	8.5
(iv) Interest rate controls/negative real int. rates	4.0	6.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	4.1	4.1	4.2	3.5	3.5	3.6	3.6	3.6	5.5	4.4
(i) Minimum wage				3.4	4.0	4.0	4.0	4.0	6.3	6.3
(ii) Hiring and firing regulations			2.6	2.6	2.1	2.3	3.0	2.2	2.7	2.8
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	3.7	3.8	3.0	4.2	3.9	3.6
(iv) Mandated cost of hiring	6.9	6.9	6.7	4.0	4.8	4.8	4.8	4.4	4.4	0.1
(v) Mandated cost of worker dismissal										5.6
(vi) Conscription	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	10.0	10.0
C. Business regulations				4.4	6.3	5.0	4.9	5.0	5.7	5.9
(i) Price controls			5.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
(ii) Administrative requirements				6.9	6.9	2.0	2.3	1.7	1.8	1.7
(iii) Bureaucracy costs				4.7	6.1	6.8	6.8	7.3	8.0	6.1
(iv) Starting a business				4.1	5.1	4.4	4.2	3.8	6.3	9.4
(v) Extra payments/bribes				2.9	7.4	6.8	6.0	7.2	7.5	7.4
(vi) Licensing restrictions										6.0
(vii) Cost of tax compliance										6.0

Jamaica

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.3 (86)	5.0 (72)	5.5 (52)	6.5 (43)	7.0 (37)	7.0 (34)	6.9 (38)	6.9 (36)	7.0 (39)	7.2 (38)
1. Size of Government	2.2	5.4	7.0	7.4	7.5	7.6	7.7	7.7	7.7	7.7
A. General government consumption spending	4.7 (24.1)	6.6 (17.4)	6.4 (18.4)	6.4 (18.3)	6.1 (19.3)	6.3 (18.5)	6.3 (18.5)	6.7 (17.1)	6.9 (16.5)	6.7 (17.2)
B. Transfers and subsidies		10.0 (0.5)	9.6 (2.0)	9.1 (3.9)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.6)	10.0 (0.6)	9.9 (0.8)
C. Government enterprises and investment	2.0 (46.5)	4.0 (13.4)	6.0 (21.3)	6.0	6.0	6.0	6.0	6.0	6.0	6.0
D. Top marginal tax rate	0.0	1.0	6.0	8.0	8.0	8.0	8.5	8.0	8.0	8.0
(i) Top marginal income tax rate	0.0 (80)	1.0 (58)	7.0 (33)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top marginal income and payroll tax rates			5.0 (37)	7.0 (31)	7.0 (31)	7.0 (31)	8.0 (29)	7.0 (33)	7.0 (33)	7.0 (33)
2. Legal Structure and Security of Property Rights	3.3	3.5	4.2	5.1	5.2	5.6	5.0	5.1	5.4	6.1
A. Judicial independence						5.7	5.3	5.2	5.1	5.4
B. Impartial courts				4.3	4.9	5.0	4.5	4.5	4.9	4.7
C. Protection of property rights					4.1	3.9	3.5	4.2	4.5	6.6
D. Military interference				5.4	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				7.0	3.3	3.3	1.7	1.7	2.5	4.2
F. Legal enforcement of contracts										7.3
G. Regulatory restrictions on sale of real property										4.5
3. Access to Sound Money	5.1	4.0	4.6	6.1	8.7	9.0	9.0	8.9	8.7	8.7
A. Money growth	6.4 (18.1)	6.4 (17.8)	6.2 (19.0)	4.7 (26.7)	8.6 (6.9)	8.2 (9.0)	8.1 (9.7)	8.7 (6.4)	8.2 (8.8)	8.2 (8.8)
B. Standard deviation of inflation	7.9 (5.3)	5.6 (11.0)	8.2 (4.5)	5.3 (11.7)	7.9 (5.3)	9.1 (2.1)	9.2 (1.9)	9.1 (2.1)	9.1 (2.3)	8.8 (3.0)
C. Inflation: most recent year	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)	7.9 (10.3)	7.3 (13.6)	7.6 (12.2)
D. Freedom to own foreign currency	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	4.9	6.2	5.4	7.5	7.2	7.3	7.0	6.7	6.9	6.9
A. Taxes on international trade	8.1	7.7	6.6	6.9	7.3	7.4	7.3	7.2	7.2	7.3
(i) Taxes as percentage of exports and imports	9.4 (0.9)	8.9 (1.7)		8.5 (2.2)	8.5 (2.2)	8.4 (2.4)	8.2 (2.7)	8.0 (3.0)	7.8 (3.3)	7.7 (3.5)
(ii) Mean tariff rate	6.7 (16.5)	6.6 (17.0)	6.6 (17.0)	7.2 (14.0)	7.9 (10.6)	8.2 (9.1)	8.2 (9.1)	8.1 (9.4)	8.1 (9.4)	8.5 (7.3)
(iii) Standard deviation of tariff rates				5.0 (12.5)	5.5 (11.3)	5.6 (11.0)	5.6 (11.0)	5.6 (11.0)	5.6 (11.0)	5.8 (10.5)
B. Regulatory trade barriers					5.7	6.2	6.3	5.7	6.6	6.4
C. Size of trade sector	6.2	7.0	5.4	5.8	4.7	4.5	4.5	4.5	4.3	4.4
D. Black-market exchange rates	0.0	6.2	4.6	8.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	8.0	8.2	8.2	6.9	6.4	6.5	6.5
5. Regulation of Credit, Labor and Business	5.8	5.6	6.5	6.2	6.4	5.6	5.8	6.0	6.2	6.7
A. Credit market regulations	5.1	5.0	8.7	7.8	6.7	6.4	6.6	6.7	6.6	8.4
(i) Ownership of banks		5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition					5.7	5.7	5.7	5.7	5.7	10.0
(iii) Private sector credit	6.1	6.0	8.2	7.3	7.3	3.0	3.7	4.2	4.0	4.6
(iv) Interest rate controls/negative real int. rates	4.0	4.0	8.0	6.0	6.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations					6.5	6.2	6.5	6.5	6.6	6.0
(i) Minimum wage					4.0	4.0	4.0	4.0	4.1	4.1
(ii) Hiring and firing regulations					4.8	3.7	4.8	4.7	5.0	5.3
(iii) Centralized collective bargaining					7.1	7.1	7.3	7.2	7.4	7.3
(iv) Mandated cost of hiring										6.5
(v) Mandated cost of worker dismissal										4.4
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					5.9	4.3	4.3	4.8	5.5	5.6
(i) Price controls			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements					6.8	2.1	1.8	2.7	2.6	2.9
(iii) Bureaucracy costs					6.9	5.5	6.5	6.5	7.7	5.4
(iv) Starting a business					5.7	3.6	4.2	4.7	6.9	9.6
(v) Extra payments/bribes					6.3	6.1	5.0	6.0	6.3	6.1
(vi) Licensing restrictions										6.0
(vii) Cost of tax compliance										5.4

Japan

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	7.0 (9)	7.1 (8)	7.4 (7)	7.0 (28)	7.3 (22)	7.0 (34)	6.9 (38)	7.4 (19)	7.4 (22)	7.5 (22)
1. Size of Government	5.8	6.0	6.1	5.0	5.3	5.6	5.6	6.6	6.2	6.2
A. General government consumption spending	7.6 (14.3)	7.7 (14.0)	7.8 (13.5)	5.5 (21.3)	5.0 (22.9)	4.8 (23.7)	4.8 (23.7)	4.8 (23.5)	4.8 (23.8)	4.8 (23.8)
B. Transfers and subsidies	7.6 (9.2)	7.2 (10.9)	7.0 (11.5)	6.8 (12.2)				6.6 (12.8)	5.1 (18.4)	5.1 (18.4)
C. Government enterprises and investment	8.0 (19.6)	8.0 (17.9)	8.0 (20.4)	6.0 (28.5)	6.0	7.0 (21.5)	7.0 (21.5)	10.0 (11.5)	10.0 (13.1)	10.0 (13.1)
D. Top marginal tax rate	0.0	1.0	1.5	1.5	5.0	5.0	5.0	5.0	5.0	5.0
(i) Top marginal income tax rate	0.0 (75)	1.0 (70)	2.0 (65)	2.0 (65)	5.0 (50)	5.0 (50)	5.0 (50)	5.0 (50)	5.0 (50)	5.0 (50)
(ii) Top marginal income and payroll tax rates			1.0 (69)	1.0 (69)	5.0 (50)	5.0 (50)	5.0 (50)	5.0 (50)	5.0 (50)	5.0 (50)
2. Legal Structure and Security of Property Rights	7.9	7.2	7.7	8.1	8.2	7.2	7.1	7.8	7.5	8.3
A. Judicial independence				8.3	8.0	6.5	6.2	7.3	7.2	7.6
B. Impartial courts				6.1	7.0	5.3	4.8	6.3	6.4	7.3
C. Protection of property rights				6.8	7.6	5.7	6.2	7.2	7.2	8.7
D. Military interference				9.4	10.0	10.0	10.0	10.0	8.5	8.3
E. Integrity of the legal system				10.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										9.5
G. Regulatory restrictions on sale of real property										8.4
3. Access to Sound Money	8.2	8.5	9.7	9.7	9.6	9.6	9.4	9.6	9.6	9.5
A. Money growth	9.5 (2.4)	9.8 (1.2)	9.6 (2.1)	9.5 (2.7)	9.1 (4.6)	8.9 (5.7)	8.2 (9.2)	8.5 (7.6)	8.5 (7.5)	8.8 (6.0)
B. Standard deviation of inflation	9.3 (1.8)	9.7 (0.9)	9.7 (0.8)	9.5 (1.2)	9.6 (1.0)	9.6 (1.0)	9.7 (0.7)	9.8 (0.5)	9.8 (0.5)	9.8 (0.5)
C. Inflation: most recent year	8.9 (5.4)	9.6 (2.1)	9.6 (2.1)	9.9 (-0.6)	9.9 (-0.7)	9.9 (-0.7)	9.8 (-0.9)	10.0 (-0.3)	10.0 (0.0)	9.5 (-2.7)
D. Freedom to own foreign currency	5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.7	7.1	7.0	5.9	6.8	6.8	6.4	6.7	6.7	6.4
A. Taxes on international trade	8.8	9.1	8.2	8.1	8.4	8.3	8.5	8.5	8.5	6.1
(i) Taxes as percentage of exports and imports	9.4 (0.9)	9.5 (0.8)	9.4 (0.9)	8.9 (1.6)	9.0 (1.5)	9.0 (1.5)	9.0 (1.5)	9.0 (1.5)	9.0 (1.5)	9.0 (1.5)
(ii) Mean tariff rate	8.1 (9.5)	8.7 (6.7)	8.6 (6.9)	8.7 (6.3)	9.1 (4.5)	9.0 (5.1)	9.4 (2.9)	9.4 (2.9)	9.4 (2.9)	9.3 (3.3)
(iii) Standard deviation of tariff rates			6.7 (8.3)	6.6 (8.4)	7.2 (7.0)	7.0 (7.5)	7.0 (7.5)	7.0 (7.5)	7.0 (7.5)	0.0 (25.6)
B. Regulatory trade barriers				3.7	7.4	7.1	6.9	7.6	7.3	7.3
C. Size of trade sector	4.5	3.3	0.8	0.0	0.0	0.0	0.0	0.0	0.4	1.2
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	5.0	8.0	7.7	8.4	8.4	6.6	7.4	7.3	7.4
5. Regulation of Credit, Labor and Business	6.5	6.5	6.3	6.5	6.6	6.1	6.2	6.5	6.9	7.0
A. Credit market regulations	7.8	7.9	8.0	6.9	6.2	6.5	7.3	7.2	7.1	6.9
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition				4.9	4.2	4.2	8.0	8.0	8.0	5.0
(iii) Private sector credit	8.4	8.6	8.9	8.9	8.1	8.0	7.9	7.3	7.1	7.5
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	8.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	8.0	8.1	7.2	7.5	6.5	6.4	6.0	6.3	7.0	6.8
(i) Minimum wage				7.6	4.0	4.0	4.0	4.0	7.1	7.1
(ii) Hiring and firing regulations			4.8	4.8	4.2	3.0	2.5	3.7	4.4	4.6
(iii) Centralized collective bargaining	7.9	7.9	7.9	7.9	7.4	8.1	8.0	8.5	8.2	8.4
(iv) Mandated cost of hiring	6.2	6.2	6.1	7.0	6.8	6.8	5.4	5.4	5.4	6.1
(v) Mandated cost of worker dismissal										8.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				5.0	7.2	5.4	5.3	6.0	6.6	7.1
(i) Price controls			6.0	5.0	6.0	5.0	5.0	6.0	5.0	5.0
(ii) Administrative requirements					6.5	2.2	3.0	3.0	4.0	4.3
(iii) Bureaucracy costs				5.9	9.1	7.5	7.3	6.5	9.0	7.1
(iv) Starting a business				4.7	5.9	4.7	3.5	5.5	6.3	8.6
(v) Extra payments/bribes				4.6	8.5	7.6	7.5	8.8	8.7	8.9
(vi) Licensing restrictions										9.5
(vii) Cost of tax compliance										6.5

Kazakhstan

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >										7.3 (32)
1. Size of Government										8.2
A. General government consumption spending										6.4 (18.3)
B. Transfers and subsidies										8.8 (5.1)
C. Government enterprises and investment										
D. Top marginal tax rate										9.5
(i) Top marginal income tax rate										10.0 (20)
(ii) Top marginal income and payroll tax rates										9.0 (25)
2. Legal Structure and Security of Property Rights										6.1
A. Judicial independence										2.9
B. Impartial courts										4.1
C. Protection of property rights										4.9
D. Military interference										8.3
E. Integrity of the legal system										6.7
F. Legal enforcement of contracts										7.1
G. Regulatory restrictions on sale of real property										8.5
3. Access to Sound Money										7.9
A. Money growth										5.9 (20.7)
B. Standard deviation of inflation										7.1 (7.3)
C. Inflation: most recent year										8.5 (7.6)
D. Freedom to own foreign currency										10.0
4. Freedom to Trade Internationally										7.1
A. Taxes on international trade										9.5
(i) Taxes as percentage of exports and imports										9.4 (0.8)
(ii) Mean tariff rate										9.5 (2.3)
(iii) Standard deviation of tariff rates										
B. Regulatory trade barriers										2.3
C. Size of trade sector										10.0
D. Black-market exchange rates										10.0
E. International capital market controls										3.8
5. Regulation of Credit, Labor and Business										7.4
A. Credit market regulations										8.6
(i) Ownership of banks										10.0
(ii) Foreign bank competition										5.0
(iii) Private sector credit										9.5
(iv) Interest rate controls/negative real int. rates										10.0
B. Labor market regulations										7.5
(i) Minimum wage										7.9
(ii) Hiring and firing regulations										7.6
(iii) Centralized collective bargaining										8.3
(iv) Mandated cost of hiring										3.3
(v) Mandated cost of worker dismissal										9.2
(vi) Conscription										0.0
C. Business regulations										6.2
(i) Price controls										
(ii) Administrative requirements										3.4
(iii) Bureaucracy costs										4.2
(iv) Starting a business										9.1
(v) Extra payments/bribes										5.5
(vi) Licensing restrictions										6.6
(vii) Cost of tax compliance										8.3

Kenya

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.2 (60)	5.5 (51)	5.4 (59)	5.8 (68)	6.5 (56)	6.6 (50)	6.4 (61)	6.5 (58)	6.3 (69)	6.6 (69)
1. Size of Government	3.8	3.9	4.3	5.2	6.6	6.7	6.7	7.0	7.1	7.1
A. General government consumption spending	4.6 (24.2)	4.9 (23.3)	5.0 (23.1)	6.6 (17.6)	6.1 (19.1)	6.5 (17.8)	5.6 (20.8)	6.0 (19.5)	6.3 (18.5)	6.4 (18.4)
B. Transfers and subsidies	9.5 (2.3)	8.9 (4.7)	9.4 (2.8)	9.2 (3.4)	9.2 (3.4)	9.2 (3.4)	9.2 (3.4)	9.9 (0.9)	9.9 (0.9)	9.9 (0.9)
C. Government enterprises and investment	0.0 (55.1)	2.0 (49.5)	0.0 (58.3)	2.0 (43.3)	4.0 (41.2)	4.0 (32.9)	4.0 (32.9)	4.0 (32.9)	4.0 (32.9)	4.0 (32.9)
D. Top marginal tax rate	1.0	0.0	3.0	3.0	7.0	7.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate	1.0 (65)	0.0 (65)	3.0 (50)	3.0 (50)	7.0 (32)	7.0 (32)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates			3.0 (50)	3.0 (50)	7.0 (32)	7.0 (32)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
2. Legal Structure and Security of Property Rights	4.2	5.3	5.3	3.8	4.0	4.0	3.2	4.2	3.9	4.9
A. Judicial independence							2.3	3.7	3.2	3.3
B. Impartial courts				3.4	3.4	3.4	2.7	4.0	3.1	3.3
C. Protection of property rights							2.8	3.5	3.1	4.9
D. Military interference				3.4	5.0	5.0	5.0	6.7	6.7	6.7
E. Integrity of the legal system				4.1	3.3	3.3	3.3	3.3	3.3	3.9
F. Legal enforcement of contracts										5.2
G. Regulatory restrictions on sale of real property										7.3
3. Access to Sound Money	6.0	6.7	6.3	6.8	8.8	9.1	9.4	8.8	8.7	8.6
A. Money growth	8.5 (7.3)	9.1 (4.5)	7.5 (12.3)	7.2 (14.1)	8.6 (7.0)	9.0 (5.0)	8.4 (7.9)	7.9 (10.3)	7.9 (10.3)	7.9 (10.3)
B. Standard deviation of inflation	7.5 (6.2)	9.5 (1.3)	9.4 (1.4)	7.3 (6.7)	8.5 (3.7)	8.5 (3.7)	9.4 (1.4)	9.2 (2.1)	9.3 (1.8)	8.4 (4.0)
C. Inflation: most recent year	8.1 (9.6)	8.4 (8.2)	8.4 (8.2)	7.7 (11.3)	8.0 (10.0)	8.9 (5.7)	9.6 (2.0)	8.0 (9.8)	7.7 (11.6)	7.9 (10.3)
D. Freedom to own foreign currency	0.0	0.0	0.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	5.7	5.5	5.2	7.6	7.0	7.0	6.7	6.7	6.6	6.3
A. Taxes on international trade	3.9	3.6	2.8	4.7	5.3	5.7	6.6	6.6	6.2	6.8
(i) Taxes as percentage of exports and imports	5.9 (6.1)	5.1 (7.4)	5.8 (6.3)	6.3 (5.6)	5.0 (7.5)	6.7 (5.0)	9.3 (1.1)	9.4 (1.0)	7.4 (3.9)	7.4 (3.9)
(ii) Mean tariff rate	1.9 (40.3)	2.2 (39.2)	1.3 (43.7)	3.2 (34.0)	6.1 (19.3)	6.0 (20.0)	6.0 (20.0)	6.0 (20.0)	6.8 (16.2)	7.6 (12.1)
(iii) Standard deviation of tariff rates			1.4 (21.6)	4.7 (13.3)	4.9 (12.7)	4.6 (13.6)	4.6 (13.6)	4.6 (13.6)	4.6 (13.6)	5.3 (11.7)
B. Regulatory trade barriers							5.3	5.5	4.7	3.3
C. Size of trade sector	8.2	6.0	6.3	7.5	6.2	5.9	5.4	5.2	6.1	5.9
D. Black-market exchange rates	8.0	9.6	8.8	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	8.0	5.4	5.4	6.2	6.2	5.8	5.6
5. Regulation of Credit, Labor and Business	6.1	6.3	5.9	5.5	6.2	6.2	5.9	6.0	5.4	6.3
A. Credit market regulations	6.2	6.7	7.3	5.4	6.9	7.1	6.0	5.9	6.1	7.6
(i) Ownership of banks	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	8.0
(ii) Foreign bank competition							3.0	3.0	3.0	5.0
(iii) Private sector credit	8.5	8.1	7.0	7.3	7.7	7.3	7.2	6.6	7.4	7.3
(iv) Interest rate controls/negative real int. rates	8.0	10.0	10.0	4.0	8.0	9.0	9.0	9.0	9.0	10.0
B. Labor market regulations							7.4	7.2	5.8	5.8
(i) Minimum wage									0.0	0.0
(ii) Hiring and firing regulations							5.8	5.7	6.4	5.9
(iii) Centralized collective bargaining							6.3	6.0	6.7	7.1
(iv) Mandated cost of hiring										8.5
(v) Mandated cost of worker dismissal										5.6
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							4.2	4.7	4.4	5.6
(i) Price controls			2.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements							2.7	2.8	3.1	2.9
(iii) Bureaucracy costs							5.0	5.0	4.0	4.3
(iv) Starting a business							3.8	4.5	4.7	7.8
(v) Extra payments/bribes							3.5	5.4	4.4	4.4
(vi) Licensing restrictions										8.1
(vii) Cost of tax compliance										5.8

Kuwait

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.7 (98)	5.6 (46)	4.7 (90)	6.2 (56)	6.7 (46)	7.0 (34)	7.0 (33)	7.1 (32)	7.1 (33)	7.3 (32)
1. Size of Government	3.0	1.2	3.2	3.8	6.1	6.1	6.3	6.2	6.1	6.5
A. General government consumption spending	3.9 (26.6)	2.4 (31.9)	0.0 (40.6)	0.0 (44.4)	1.4 (35.2)	1.3 (35.5)	2.3 (32.2)	1.7 (34.3)	1.2 (35.8)	2.1 (33.0)
B. Transfers and subsidies			7.5 (9.8)	7.5 (9.7)	7.1 (11.2)	7.1 (11.2)	7.1 (11.2)	7.0 (11.5)	7.0 (11.5)	7.8 (8.5)
C. Government enterprises and investment	2.0 (43.5)	0.0 (61.3)	2.0 (46.0)	4.0 (21.8)	6.0 (20.5)	6.0 (16.3)	6.0 (16.3)	6.0 (16.3)	6.0	6.0
D. Top marginal tax rate					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)
(ii) Top marginal income and payroll tax rates					10.0 (0)	10.0 (0)	10.0 (14)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights	1.8	5.8	2.7	6.5	6.9	6.9	6.9	7.3	6.8	7.4
A. Judicial independence									7.0	7.0
B. Impartial courts				7.2	7.5	7.5	7.5	6.7	6.4	6.8
C. Protection of property rights									4.0	6.3
D. Military interference				8.1	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										6.7
G. Regulatory restrictions on sale of real property										8.4
3. Access to Sound Money	4.9	8.6	7.1	8.9	8.1	8.1	7.7	8.1	8.1	8.9
A. Money growth	5.9 (20.5)	8.2 (9.0)	8.6 (7.0)	9.3 (-3.6)	9.9 (-0.5)	9.8 (1.1)	7.8 (11.1)	7.6 (12.2)	7.1 (14.6)	7.1 (14.6)
B. Standard deviation of inflation	2.1 (19.8)	7.0 (7.4)	4.6 (13.6)	7.5 (6.2)	2.8 (18.1)	3.0 (17.4)	3.2 (17.0)	5.2 (11.9)	5.6 (11.1)	9.5 (1.3)
C. Inflation: most recent year	1.5 (42.6)	9.0 (4.9)	8.0 (9.8)	8.7 (6.3)	9.6 (1.8)	9.7 (1.7)	9.7 (1.4)	9.8 (1.0)	9.8 (1.3)	9.2 (4.1)
D. Freedom to own foreign currency	10.0	10.0		10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally		7.0	7.0	6.8	7.2	7.2	7.1	6.9	6.7	6.6
A. Taxes on international trade		9.2	9.2	9.4	9.3	9.3	9.3	9.2	9.2	8.7
(i) Taxes as percentage of exports and imports			9.2 (1.2)	9.4 (0.9)	9.3 (1.1)	9.3 (1.1)	9.3 (1.1)	9.2 (1.3)	9.2 (1.3)	9.2 (1.3)
(ii) Mean tariff rate		9.2 (4.0)					9.3 (3.5)	9.3 (3.5)	9.3 (3.5)	9.1 (4.7)
(iii) Standard deviation of tariff rates										7.9 (5.1)
B. Regulatory trade barriers									6.0	6.2
C. Size of trade sector	6.6	5.4	5.5	4.5	4.0	4.0	3.6	2.6	4.0	4.0
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	2.0	4.6	4.6	4.6	4.6	4.2	4.2
5. Regulation of Credit, Labor and Business	5.1	5.5	3.5	4.9	5.1	6.5	6.7	6.9	7.6	7.3
A. Credit market regulations	7.4	7.7	3.0	6.0	6.8	8.0	8.8	8.6	9.1	8.6
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	8.0	10.0	10.0	10.0	8.0
(ii) Foreign bank competition										
(iii) Private sector credit	9.8	8.0	1.1	3.0	5.5	6.0	6.3	6.8	7.2	7.7
(iv) Interest rate controls/negative real int. rates		10.0		10.0	10.0	10.0	10.0	9.0	10.0	10.0
B. Labor market regulations									8.6	7.5
(i) Minimum wage									10.0	10.0
(ii) Hiring and firing regulations									5.9	5.5
(iii) Centralized collective bargaining									8.5	8.4
(iv) Mandated cost of hiring										6.7
(v) Mandated cost of worker dismissal										6.1
(vi) Conscription	1.0	1.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations									5.1	5.7
(i) Price controls				6.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements									2.9	3.2
(iii) Bureaucracy costs									3.2	1.6
(iv) Starting a business									6.6	8.4
(v) Extra payments/bribes									6.8	7.1
(vi) Licensing restrictions										8.0
(vii) Cost of tax compliance										

Kyrgyz Republic

Summary Ratings (Rank) >	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
										6.8 (60)
1. Size of Government										7.9
A. General government consumption spending										6.4 (18.1)
B. Transfers and subsidies										9.4 (2.6)
C. Government enterprises and investment										
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights										3.7
A. Judicial independence										1.6
B. Impartial courts										2.4
C. Protection of property rights										3.3
D. Military interference										3.1
E. Integrity of the legal system										
F. Legal enforcement of contracts										3.8
G. Regulatory restrictions on sale of real property										8.1
3. Access to Sound Money										8.6
A. Money growth										6.3 (18.4)
B. Standard deviation of inflation										9.1 (2.2)
C. Inflation: most recent year										9.1 (4.4)
D. Freedom to own foreign currency										10.0
4. Freedom to Trade Internationally										6.6
A. Taxes on international trade										8.8
(i) Taxes as percentage of exports and imports										9.6 (0.6)
(ii) Mean tariff rate										9.0 (4.8)
(iii) Standard deviation of tariff rates										7.7 (5.7)
B. Regulatory trade barriers										2.0
C. Size of trade sector										7.2
D. Black-market exchange rates										10.0
E. International capital market controls										5.1
5. Regulation of Credit, Labor and Business										7.2
A. Credit market regulations										8.7
(i) Ownership of banks										10.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit										8.8
(iv) Interest rate controls/negative real int. rates										8.0
B. Labor market regulations										7.3
(i) Minimum wage										10.0
(ii) Hiring and firing regulations										7.4
(iii) Centralized collective bargaining										7.6
(iv) Mandated cost of hiring										1.9
(v) Mandated cost of worker dismissal										8.1
(vi) Conscription										0.0
C. Business regulations										5.5
(i) Price controls										
(ii) Administrative requirements										1.8
(iii) Bureaucracy costs										3.0
(iv) Starting a business										9.2
(v) Extra payments/bribes										3.5
(vi) Licensing restrictions										7.9
(vii) Cost of tax compliance										7.7

Latvia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >				5.1 (91)	6.6 (53)	6.8 (42)	7.0 (33)	6.9 (36)	7.1 (33)	7.5 (22)
1. Size of Government				4.1	5.2	5.7	5.8	5.9	6.5	6.8
A. General government consumption spending			7.6 (14.0)	4.1 (26.2)	4.9 (23.2)	4.6 (24.3)	4.8 (23.6)	4.5 (24.8)	4.6 (24.2)	5.3 (22.1)
B. Transfers and subsidies				5.2 (18.2)	5.8 (15.9)	6.2 (14.3)	6.2 (14.3)	7.2 (10.9)	7.5 (9.8)	7.6 (9.2)
C. Government enterprises and investment				0.0	4.0	6.0	6.0	6.0	8.0	8.0
D. Top marginal tax rate				7.0	6.0	6.0	6.0	6.0	6.0	6.5
(i) Top marginal income tax rate				7.0 (35)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top marginal income and payroll tax rates					3.0 (48)	3.0 (48)	3.0 (48)	3.0 (48)	3.0 (48)	4.0 (45)
2. Legal Structure and Security of Property Rights				6.0	5.9	5.7	6.4	5.6	5.8	7.0
A. Judicial independence						4.1	5.3	4.0	4.2	4.6
B. Impartial courts				5.8	6.2	4.1	5.0	3.8	4.1	4.6
C. Protection of property rights					3.8	3.7	5.0	3.5	3.8	6.5
D. Military interference				7.5	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system					8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										8.4
G. Regulatory restrictions on sale of real property										8.3
3. Access to Sound Money			6.4	3.0	8.6	9.3	9.3	9.2	9.0	8.7
A. Money growth				0.1 (49.5)	6.8 (16.0)	8.5 (7.4)	8.4 (8.1)	7.9 (10.5)	8.1 (9.3)	7.4 (12.9)
B. Standard deviation of inflation	8.9 (2.7)		7.4 (6.4)	0.0 (365.3)	8.1 (4.8)	9.2 (1.9)	9.1 (2.3)	9.6 (1.1)	9.3 (1.8)	8.8 (2.9)
C. Inflation: most recent year			6.9 (15.7)	6.8 (16.0)	9.5 (2.7)	9.5 (2.5)	9.6 (1.9)	9.4 (2.9)	8.8 (6.2)	8.6 (6.8)
D. Freedom to own foreign currency			5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally				8.0	7.2	7.6	7.5	7.5	7.5	7.4
A. Taxes on international trade				9.5	8.3	8.7	8.7	8.7	8.8	8.5
(i) Taxes as percentage of exports and imports				9.5 (0.8)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate					8.9 (5.6)	9.4 (3.2)	9.4 (3.2)	9.4 (3.2)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates					6.3 (9.2)	7.0 (7.4)	7.0 (7.4)	7.0 (7.4)	7.0 (7.4)	6.1 (9.7)
B. Regulatory trade barriers					5.3	7.0	7.0	7.1	6.9	6.9
C. Size of trade sector			5.2	4.9	4.7	4.6	4.6	4.6	4.5	4.7
D. Black-market exchange rates			0.0	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls			0.0	8.0	7.6	7.5	7.0	7.0	7.0	6.9
5. Regulation of Credit, Labor and Business				4.3	6.1	5.9	6.2	6.2	6.7	7.5
A. Credit market regulations				3.7	7.9	8.3	8.4	8.4	8.5	9.1
(i) Ownership of banks					10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition					5.1	5.1	5.1	5.1	5.1	8.0
(iii) Private sector credit				5.4	8.0	8.1	8.4	8.5	9.0	9.4
(iv) Interest rate controls/negative real int. rates				2.0	8.0	10.0	10.0	10.0	10.0	9.0
B. Labor market regulations					4.5	4.7	4.9	4.9	5.8	6.9
(i) Minimum wage					3.3	3.3	3.3	3.3	7.3	7.3
(ii) Hiring and firing regulations					3.9	5.1	5.7	5.2	4.8	5.3
(iii) Centralized collective bargaining					7.9	7.3	7.7	8.0	7.9	8.3
(iv) Mandated cost of hiring										3.2
(v) Mandated cost of worker dismissal										8.4
(vi) Conscription			0.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations					5.8	4.7	5.4	5.3	5.9	6.4
(i) Price controls			0.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements					7.2	3.3	4.5	3.3	3.8	3.9
(iii) Bureaucracy costs					4.7	4.0	4.5	5.8	6.9	4.5
(iv) Starting a business					5.0	4.6	6.0	5.3	6.8	9.3
(v) Extra payments/bribes					5.8	5.4	6.0	6.0	5.8	6.4
(vi) Licensing restrictions										8.2
(vii) Cost of tax compliance										6.4

Lithuania

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶				4.9 (94)	6.3 (65)	6.4 (61)	6.8 (42)	6.7 (48)	7.0 (39)	7.5 (22)
1. Size of Government				4.2	5.6	5.7	5.5	5.6	6.6	6.8
A. General government consumption spending		4.3 (25.2)	5.1 (22.6)	4.4 (24.9)	4.7 (23.9)	4.5 (24.7)	5.3 (22.1)	5.4 (21.6)	5.8 (20.4)	
B. Transfers and subsidies			7.3 (10.4)	6.9 (11.8)	7.2 (11.0)	7.2 (11.0)	6.6 (13.2)	6.4 (13.7)	6.8 (12.1)	
C. Government enterprises and investment			0.0	6.0	6.0	6.0 (36.4)	6.0 (36.4)	10.0 (5.0)	10.0 (5.6)	
D. Top marginal tax rate			4.5	5.0	5.0	4.5	4.5	4.5	4.5	
(i) Top marginal income tax rate			7.0 (35)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	7.0 (33)	
(ii) Top marginal income and payroll tax rates			2.0 (51)	3.0 (50)	3.0 (50)	2.0 (51)	2.0 (51)	2.0 (51)	2.0 (51)	
2. Legal Structure and Security of Property Rights			5.9	5.8	5.1	5.3	5.4	5.0	6.9	
A. Judicial independence					3.5	3.8	3.8	3.0	4.0	
B. Impartial courts			5.9	6.1	3.1	3.8	4.0	3.6	4.3	
C. Protection of property rights				3.2	3.7	4.0	4.0	3.6	6.5	
D. Military interference			7.2	8.3	8.3	8.3	8.3	8.3	8.3	
E. Integrity of the legal system				8.3	6.7	6.7	6.7	6.7	6.7	
F. Legal enforcement of contracts									8.8	
G. Regulatory restrictions on sale of real property									9.7	
3. Access to Sound Money		7.5	1.8	7.1	7.9	9.4	9.3	9.2	8.9	
A. Money growth			0.0 (53.0)	7.5 (12.6)	8.8 (6.0)	8.8 (6.2)	7.9 (10.7)	7.5 (12.6)	7.0 (15.2)	
B. Standard deviation of inflation			0.0 (329.2)	6.1 (9.7)	7.9 (5.4)	8.9 (2.9)	9.5 (1.4)	9.5 (1.2)	9.0 (2.5)	
C. Inflation: most recent year	10.0 (-0.2)	2.4 (38.1)	9.8 (1.0)	9.7 (1.3)	9.9 (0.3)	9.8 (-1.2)	9.8 (1.2)	9.5 (2.7)		
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			8.2	7.3	7.8	7.7	7.6	7.6	7.5	
A. Taxes on international trade			8.4	8.5	8.8	8.8	8.8	8.8	8.5	
(i) Taxes as percentage of exports and imports			9.6 (0.7)	9.8 (0.3)	9.8 (0.3)	9.8 (0.2)	9.8 (0.2)	9.9 (0.1)	9.8 (0.2)	
(ii) Mean tariff rate			9.1 (4.5)	8.9 (5.4)	9.8 (1.1)	9.9 (0.7)	9.8 (1.2)	9.6 (1.8)	9.5 (2.7)	
(iii) Standard deviation of tariff rates			6.4 (9.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.1 (9.7)	
B. Regulatory trade barriers				5.2	7.2	7.5	7.4	7.3	7.4	
C. Size of trade sector	6.3	6.4	4.9	5.3	5.5	5.4	5.2	5.7		
D. Black-market exchange rates	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		
E. International capital market controls	0.0	8.0	7.8	7.8	6.7	6.5	6.5	6.1		
5. Regulation of Credit, Labor and Business		2.5	4.5	5.6	5.5	5.8	5.8	6.4	7.5	
A. Credit market regulations		0.0	4.4	6.4	6.8	7.9	8.1	8.1	9.7	
(i) Ownership of banks		0.0	5.0	5.0	5.0	8.0	8.0	8.0	10.0	
(ii) Foreign bank competition				5.2	5.2	7.0	7.0	7.0	10.0	
(iii) Private sector credit			8.3	6.6	6.7	7.0	8.0	8.5	8.8	
(iv) Interest rate controls/negative real int. rates			0.0	8.0	10.0	10.0	10.0	10.0	10.0	
B. Labor market regulations				4.2	4.5	4.5	4.3	5.4	6.2	
(i) Minimum wage				3.0	3.0	3.0	3.0	7.0	7.0	
(ii) Hiring and firing regulations				2.8	3.6	3.7	3.5	3.6	3.5	
(iii) Centralized collective bargaining				8.2	8.2	8.2	7.7	8.0	8.3	
(iv) Mandated cost of hiring									1.5	
(v) Mandated cost of worker dismissal									6.9	
(vi) Conscriptation		0.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
C. Business regulations				6.2	5.3	5.1	5.1	5.6	6.7	
(i) Price controls		0.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0	
(ii) Administrative requirements				7.3	3.0	3.0	3.3	3.1	3.3	
(iii) Bureaucracy costs				7.5	5.5	5.8	5.0	6.3	4.8	
(iv) Starting a business				4.2	3.8	4.2	4.2	5.8	8.9	
(v) Extra payments/bribes				8.3	8.0	6.7	6.8	6.9	6.9	
(vi) Licensing restrictions									8.4	
(vii) Cost of tax compliance									8.2	

Macedonia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >								5.6 (98)	5.6 (100)	6.3 (86)
1. Size of Government								4.8	5.2	5.2
A. General government consumption spending								5.5 (21.1)	5.6 (21.1)	5.6 (21.1)
B. Transfers and subsidies										
C. Government enterprises and investment								4.0	4.0	4.0
D. Top marginal tax rate								5.0	6.0	6.0
(i) Top marginal income tax rate								7.0 (35)	9.0 (24)	9.0 (24)
(ii) Top marginal income and payroll tax rates								3.0 (50)	3.0 (47)	3.0 (47)
2. Legal Structure and Security of Property Rights								2.6	2.6	4.2
A. Judicial independence								2.2	2.1	2.4
B. Impartial courts								2.3	2.3	3.2
C. Protection of property rights								2.5	2.4	4.1
D. Military interference								3.5	3.5	3.5
E. Integrity of the legal system										
F. Legal enforcement of contracts										4.6
G. Regulatory restrictions on sale of real property										7.4
3. Access to Sound Money								8.2	8.2	8.3
A. Money growth								9.0 (5.2)	9.0 (2.8)	9.0 (2.8)
B. Standard deviation of inflation								9.0 (2.5)	8.9 (2.7)	9.2 (2.0)
C. Inflation: most recent year								9.8 (1.1)	9.8 (1.1)	10.0 (0.0)
D. Freedom to own foreign currency								5.0	5.0	5.0
4. Freedom to Trade Internationally								6.2	6.0	6.4
A. Taxes on international trade								6.7	6.7	9.2
(i) Taxes as percentage of exports and imports										
(ii) Mean tariff rate								8.0 (10.2)	8.0 (10.2)	9.2 (4.1)
(iii) Standard deviation of tariff rates								5.4 (11.6)	5.4 (11.6)	
B. Regulatory trade barriers								5.9	5.7	5.4
C. Size of trade sector								4.1	4.7	4.7
D. Black-market exchange rates								10.0	10.0	10.0
E. International capital market controls								4.3	2.9	2.9
5. Regulation of Credit, Labor and Business								6.0	6.2	7.1
A. Credit market regulations								7.9	8.5	9.3
(i) Ownership of banks								8.0	8.0	10.0
(ii) Foreign bank competition								7.0	7.0	8.0
(iii) Private sector credit								8.7	8.9	9.1
(iv) Interest rate controls/negative real int. rates								8.0	10.0	10.0
B. Labor market regulations								5.7	5.8	5.9
(i) Minimum wage									6.7	6.7
(ii) Hiring and firing regulations								4.5	3.9	5.1
(iii) Centralized collective bargaining								7.7	7.5	7.8
(iv) Mandated cost of hiring										0.1
(v) Mandated cost of worker dismissal										6.2
(vi) Conscription								5.0	5.0	5.0
C. Business regulations								4.2	4.4	6.2
(i) Price controls										
(ii) Administrative requirements								2.8	3.0	3.2
(iii) Bureaucracy costs								7.0	6.1	5.3
(iv) Starting a business								2.3	3.9	7.9
(v) Extra payments/bribes								4.8	4.9	4.9
(vi) Licensing restrictions										7.3
(vii) Cost of tax compliance										8.9

Malawi

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.9 (71)	5.1 (66)	5.1 (70)	4.4 (109)	4.7 (116)	5.2 (109)	5.7 (92)	5.6 (98)	5.3 (114)	5.5 (122)
1. Size of Government	4.7	4.6	4.8	4.3	3.9	3.9	4.2	4.1	4.0	4.3
A. General government consumption spending	5.4 (21.6)	5.8 (20.3)	6.7 (17.4)	5.9 (19.8)	6.8 (16.8)	6.6 (17.5)	7.7 (13.9)	7.4 (14.8)	7.0 (16.2)	8.0 (12.8)
B. Transfers and subsidies	9.6 (2.0)	9.5 (2.3)	9.5 (2.4)							
C. Government enterprises and investment	0.0 (69.3)	0.0 (62.0)	0.0 (48.2)	0.0 (65.2)	0.0 (79.0)	0.0 (70.8)	0.0 (70.8)	0.0 (70.8)	0.0 (70.8)	0.0 (70.8)
D. Top marginal tax rate	4.0	3.0	3.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0
(i) Top marginal income tax rate	4.0 (45)	3.0 (50)	3.0 (50)	7.0 (35)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)
(ii) Top marginal income and payroll tax rates			3.0 (50)	7.0 (35)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)	5.0 (38)
2. Legal Structure and Security of Property Rights	3.6	4.0	4.5	5.4	5.5	5.3	5.6	5.6	4.8	5.3
A. Judicial independence				6.7	6.2		6.0	6.3	5.5	5.9
B. Impartial courts				4.8	4.9	4.9	6.7	5.7	4.2	4.4
C. Protection of property rights				4.8	3.2		3.8	4.2	2.4	5.3
D. Military interference				6.4	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				4.1	6.7	5.8	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										3.4
G. Regulatory restrictions on sale of real property										6.7
3. Access to Sound Money	6.1	6.4	5.2	1.2	2.9	5.3	6.1	6.3	6.6	6.3
A. Money growth	9.9 (-0.5)	8.4 (8.0)	5.7 (21.4)	4.9 (25.7)	5.1 (24.7)	5.5 (22.4)	6.4 (18.1)	7.0 (15.1)	6.5 (17.5)	5.9 (20.7)
B. Standard deviation of inflation	7.6 (5.9)	8.9 (2.7)	7.3 (6.6)	0.0 (28.5)	2.3 (19.3)	5.1 (12.2)	6.1 (9.7)	5.2 (12.1)	7.0 (7.4)	7.5 (6.2)
C. Inflation: most recent year	6.8 (15.8)	8.2 (8.9)	7.8 (10.9)	0.0 (90.4)	4.1 (29.6)	5.5 (22.7)	7.1 (14.7)	8.1 (9.6)	7.7 (11.4)	6.9 (15.4)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	4.6	5.0	5.9	6.3	5.9	6.0	6.4	6.3	6.2	5.6
A. Taxes on international trade	5.6	5.4	6.6	4.6	5.0	5.9	5.9	5.9	5.9	4.0
(i) Taxes as percentage of exports and imports	5.6 (6.6)	4.1 (8.8)	6.2 (5.7)	6.2 (5.7)	4.6 (8.1)	4.6 (8.1)	4.6 (8.1)	4.6 (8.1)	4.6 (8.1)	4.6 (8.1)
(ii) Mean tariff rate		6.7 (16.7)	7.0 (15.2)	3.8 (30.8)	6.1 (19.6)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)
(iii) Standard deviation of tariff rates				3.8 (15.5)	4.2 (14.5)	5.8 (10.5)	5.8 (10.5)	5.8 (10.5)	5.8 (10.5)	0.0 (34.3)
B. Regulatory trade barriers							6.1	6.1	5.1	3.9
C. Size of trade sector	6.8	5.4	5.4	6.8	5.4	5.2	5.5	5.4	5.8	7.0
D. Black-market exchange rates	0.4	4.0	7.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	2.0	0.8	0.8	4.3	4.0	4.0	3.3
5. Regulation of Credit, Labor and Business	5.5	5.7	5.1	5.0	5.1	5.7	5.9	5.7	5.2	5.7
A. Credit market regulations	4.6	5.3	5.3	3.8	4.0	5.5	5.1	4.9	5.2	7.2
(i) Ownership of banks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	10.0
(ii) Foreign bank competition										5.0
(iii) Private sector credit	7.9	6.0	8.0	5.5	5.9	6.4	5.2	4.7	5.6	5.8
(iv) Interest rate controls/negative real int. rates	4.0	8.0	6.0	4.0	4.0	8.0	8.0	8.0	8.0	8.0
B. Labor market regulations							7.6	7.5	5.7	5.4
(i) Minimum wage									2.1	2.1
(ii) Hiring and firing regulations							5.3	4.8	4.1	4.6
(iii) Centralized collective bargaining							7.3	7.7	6.6	7.1
(iv) Mandated cost of hiring										9.7
(v) Mandated cost of worker dismissal										1.7
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							5.2	4.7	4.8	4.6
(i) Price controls			0.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements							4.0	4.2	3.6	4.0
(iii) Bureaucracy costs							4.0	3.3	3.3	1.1
(iv) Starting a business							5.3	4.8	5.7	7.4
(v) Extra payments/bribes							6.5	5.3	5.4	5.5
(vi) Licensing restrictions										7.1
(vii) Cost of tax compliance										1.2

Malaysia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.9 (11)	7.0 (11)	7.3 (9)	7.4 (17)	6.9 (41)	6.4 (61)	6.5 (57)	6.5 (58)	6.7 (54)	6.8 (60)
1. Size of Government	4.8	5.6	6.3	6.4	6.7	5.6	5.4	5.3	5.3	5.4
A. General government consumption spending	4.5 (24.6)	5.1 (22.7)	5.6 (21.0)	5.6 (20.9)	5.9 (20.1)	5.2 (22.2)	4.7 (23.9)	4.7 (24.2)	4.8 (23.5)	5.0 (22.9)
B. Transfers and subsidies	8.8 (4.8)	9.2 (3.6)	9.5 (2.4)	9.0 (4.0)	9.0 (4.1)	9.0 (4.1)	9.0 (4.1)	8.4 (6.4)	8.4 (6.4)	8.4 (6.4)
C. Government enterprises and investment	4.0 (37.3)	2.0 (46.8)	4.0 (35.5)	4.0 (29.2)	4.0 (34.6)	0.0 (50.8)	0.0 (50.8)	0.0 (50.8)	0.0 (50.8)	0.0 (50.8)
D. Top marginal tax rate	2.0	6.0	6.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate	2.0 (60)	6.0 (45)	6.0 (45)	7.0 (32)	8.0 (29)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)
(ii) Top marginal income and payroll tax rates			6.0 (45)	7.0 (32)	8.0 (29)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)	8.0 (28)
2. Legal Structure and Security of Property Rights	6.6	6.3	6.5	6.6	5.6	6.1	6.6	6.6	7.2	7.3
A. Judicial independence				6.2	4.5	5.4	5.8	6.7	7.3	7.2
B. Impartial courts				6.1	6.0	6.4	7.2	6.7	7.5	7.3
C. Protection of property rights				6.1	4.2	5.6	6.5	6.3	6.9	7.9
D. Military interference				7.8	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	6.1	6.7
F. Legal enforcement of contracts										7.0
G. Regulatory restrictions on sale of real property										6.5
3. Access to Sound Money	8.9	8.4	9.0	9.1	8.2	6.7	6.7	7.0	6.9	6.8
A. Money growth	8.1 (9.7)	9.8 (0.9)	8.7 (6.5)	8.0 (9.9)	9.1 (-4.4)	9.0 (-5.0)	9.0 (4.8)	9.6 (2.2)	9.4 (2.8)	9.2 (4.2)
B. Standard deviation of inflation	8.8 (3.1)	8.9 (2.6)	7.9 (5.2)	9.4 (1.5)	8.8 (3.0)	8.2 (4.4)	8.2 (4.4)	8.7 (3.2)	8.6 (3.5)	8.6 (3.5)
C. Inflation: most recent year	8.6 (6.9)	9.7 (-1.5)	9.4 (3.0)	9.0 (5.0)	9.7 (1.5)	9.7 (1.4)	9.6 (1.8)	9.8 (1.1)	9.7 (1.5)	9.4 (3.0)
D. Freedom to own foreign currency	10.0	5.0	10.0	10.0	5.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	7.9	8.0	8.0	8.0	7.5	7.4	7.5	7.4	7.5	7.4
A. Taxes on international trade	6.4	6.7	6.8	6.9	5.9	6.0	6.0	6.0	6.0	6.6
(i) Taxes as percentage of exports and imports	4.9 (7.7)	6.2 (5.7)	7.9 (3.2)	8.9 (1.6)	9.6 (0.6)	9.6 (0.6)	9.6 (0.6)	9.6 (0.6)	9.6 (0.6)	9.6 (0.6)
(ii) Mean tariff rate	7.9 (10.6)	7.3 (13.6)	7.4 (13.0)	7.4 (12.8)	8.2 (9.2)	8.5 (7.5)	8.5 (7.5)	8.5 (7.4)	8.5 (7.4)	8.5 (7.5)
(iii) Standard deviation of tariff rates			5.0 (12.5)	4.4 (14.0)	0.0 (33.3)	0.0 (33.3)	0.0 (33.3)	0.0 (33.3)	0.0 (33.3)	1.8 (20.5)
B. Regulatory trade barriers				6.7	7.9	7.5	7.8	7.3	7.2	6.7
C. Size of trade sector	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	5.0	5.0	5.0	6.2	3.7	3.7	3.6	3.9	4.1	3.8
5. Regulation of Credit, Labor and Business	6.2	6.6	6.5	6.7	6.3	6.1	6.0	6.2	6.5	7.1
A. Credit market regulations	6.3	7.7	7.8	6.3	6.0	6.0	5.8	6.0	6.0	8.6
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	10.0
(ii) Foreign bank competition				3.2	2.1	2.1	2.1	2.1	2.1	5.0
(iii) Private sector credit	7.9	8.0	8.4	8.7	9.3	9.4	9.4	9.3	9.3	9.4
(iv) Interest rate controls/negative real int. rates	6.0	10.0	10.0	10.0	10.0	10.0	9.0	10.0	10.0	10.0
B. Labor market regulations			8.2	7.6	6.6	6.6	6.6	6.8	7.9	6.9
(i) Minimum wage				6.7	4.5	4.5	4.5	4.5	10.0	10.0
(ii) Hiring and firing regulations			6.7	6.7	4.0	4.0	3.8	5.8	5.0	5.0
(iii) Centralized collective bargaining	7.9	7.9	7.9	7.9	7.5	7.4	7.7	7.0	7.7	7.9
(iv) Mandated cost of hiring				6.5	7.0	7.0	7.2	6.8	6.8	6.0
(v) Mandated cost of worker dismissal										4.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				6.1	6.2	5.6	5.7	5.8	5.4	5.6
(i) Price controls			5.0	4.0	3.0	4.0	4.0	5.0	4.0	2.0
(ii) Administrative requirements					7.1	4.1	4.3	5.3	6.0	6.0
(iii) Bureaucracy costs				8.1	8.4	5.8	5.8	5.0	3.1	3.5
(iv) Starting a business				7.2	6.3	7.3	7.5	6.7	6.9	8.8
(v) Extra payments/bribes				5.4	6.1	6.7	6.7	7.0	7.2	7.4
(vi) Licensing restrictions										6.2
(vii) Cost of tax compliance										

Mali

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.9 (26)	5.5 (51)	5.5 (52)	5.2 (86)	6.0 (77)	5.7 (91)	5.4 (103)	5.5 (104)	5.5 (105)	5.3 (127)
1. Size of Government	7.8	7.1	7.1	5.2	5.7	5.1	5.1	5.1	4.7	4.6
A. General government consumption spending	10.0 (4.9)	7.9 (13.1)	7.3 (15.1)	6.5 (18.0)	7.5 (14.6)	6.3 (18.7)	6.1 (19.2)	6.2 (18.8)	5.5 (21.4)	5.2 (22.2)
B. Transfers and subsidies	9.5 (2.3)	9.5 (2.3)	10.0 (0.6)							
C. Government enterprises and investment	4.0 (21.4)	4.0 (22.4)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	4.2	3.1	3.0	5.3	5.0	5.0	4.3	4.5	4.7	4.9
A. Judicial independence							4.0	3.3	4.7	4.4
B. Impartial courts				4.7	4.4	4.4	3.7	3.5	4.4	3.9
C. Protection of property rights							2.3	3.8	3.7	5.1
D. Military interference				5.5	6.7	6.7	6.7	6.7	5.8	5.8
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.8
G. Regulatory restrictions on sale of real property										4.2
3. Access to Sound Money	5.9	6.4	7.0	5.1	8.4	6.7	6.1	6.3	6.5	6.3
A. Money growth	8.1 (9.3)	7.7 (11.4)	9.0 (-5.0)	7.9 (10.6)	10.0 (0.0)	9.0 (4.8)	8.2 (8.8)	8.2 (8.8)	8.2 (8.8)	8.2 (8.8)
B. Standard deviation of inflation	8.8 (2.9)	8.3 (4.3)	9.4 (1.6)	5.2 (12.0)	8.7 (3.2)	8.8 (3.1)	7.2 (6.9)	7.2 (7.0)	8.5 (3.8)	8.3 (4.3)
C. Inflation: most recent year	6.7 (16.3)	9.7 (1.3)	9.5 (2.7)	7.5 (12.5)	9.9 (-0.7)	9.0 (5.2)	9.0 (5.0)	9.7 (-1.4)	9.4 (-3.1)	8.7 (6.4)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.6	6.0	5.8	6.0	6.4	6.5	6.5	6.4	6.2	5.8
A. Taxes on international trade	5.2	4.8	6.0	6.2	7.6	7.3	7.3	7.3	7.3	7.4
(i) Taxes as percentage of exports and imports	7.5 (3.8)	6.7 (5.0)	6.9 (4.6)	6.8 (4.8)						
(ii) Mean tariff rate	3.0 (35.0)	3.0 (35.0)	5.0 (25.0)	6.7 (16.3)	7.6 (12.0)	7.4 (12.9)	7.4 (12.9)	7.4 (12.9)	7.4 (12.8)	7.5 (12.4)
(iii) Standard deviation of tariff rates				5.0 (12.6)		7.2 (6.9)	7.2 (6.9)	7.2 (6.9)	7.2 (6.9)	7.3 (6.8)
B. Regulatory trade barriers							5.0	5.8	4.6	3.1
C. Size of trade sector	5.4	7.1	5.6	6.0	6.2	7.1	6.9	5.4	6.0	5.2
D. Black-market exchange rates	9.0	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	3.4	3.3	3.3	3.4
5. Regulation of Credit, Labor and Business	5.7	4.7	4.4	4.6	4.6	5.1	5.1	5.1	5.3	5.1
A. Credit market regulations	5.3	5.9	6.5	5.6	5.8	6.8	7.5	7.6	7.6	6.4
(i) Ownership of banks	2.0	2.0	2.0	2.0	2.0	2.0	5.0	5.0	5.0	2.0
(ii) Foreign bank competition										
(iii) Private sector credit	9.9	9.7	9.6	8.7	9.4	9.3	9.5	9.7	9.7	9.2
(iv) Interest rate controls/negative real int. rates	4.0	6.0	8.0	6.0	6.0	9.3	8.0	8.0	8.0	8.0
B. Labor market regulations							3.3	3.2	3.6	4.7
(i) Minimum wage									4.6	4.6
(ii) Hiring and firing regulations							4.7	4.3	4.0	5.6
(iii) Centralized collective bargaining							5.2	5.2	5.9	6.1
(iv) Mandated cost of hiring										2.7
(v) Mandated cost of worker dismissal										2.5
(vi) Conscription	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations							4.5	4.6	4.7	4.1
(i) Price controls			0.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements							2.8	3.5	3.6	3.3
(iii) Bureaucracy costs							5.8	5.3	4.5	1.7
(iv) Starting a business							4.8	4.3	5.1	5.0
(v) Extra payments/bribes							3.0	4.0	4.4	4.1
(vi) Licensing restrictions										1.7
(vii) Cost of tax compliance										7.0

Malta

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.6 (48)	5.3 (62)	5.5 (52)	6.6 (41)	6.5 (56)	6.5 (55)	6.8 (42)	6.5 (58)	7.2 (28)	7.3 (32)
1. Size of Government	4.2	4.4	4.3	6.0	6.0	5.9	5.8	5.6	5.7	5.8
A. General government consumption spending	5.9 (20.0)	5.8 (20.2)	5.3 (21.9)	4.4 (25.1)	5.1 (22.7)	4.7 (24.0)	4.7 (24.0)	4.2 (25.8)	4.2 (25.6)	4.6 (24.4)
B. Transfers and subsidies	6.8 (12.2)	5.9 (15.7)	5.9 (15.6)	6.5 (13.4)	5.9 (15.5)	5.9 (15.5)	5.4 (17.3)	5.4 (17.3)	5.7 (16.2)	5.7 (16.2)
C. Government enterprises and investment	4.0 (28.6)	6.0 (20.0)	6.0 (28.8)	6.0	6.0	6.0	6.0	6.0	6.0	6.0
D. Top marginal tax rate	0.0	0.0	0.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
(i) Top marginal income tax rate	0.0 (65)	0.0 (65)	0.0 (65)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top marginal income and payroll tax rates			0.0 (65)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
2. Legal Structure and Security of Property Rights		3.5	4.5	7.6	7.2	7.2	7.0	7.0	7.0	7.7
A. Judicial independence							7.2	7.2	6.8	7.2
B. Impartial courts				7.1	6.8	6.8	5.8	5.2	5.3	5.9
C. Protection of property rights							3.8	4.5	4.8	6.9
D. Military interference				9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	6.3	7.1	7.3	7.1	7.3	7.1	7.1	6.5	8.8	8.8
A. Money growth	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)	7.1 (14.6)	6.8 (16.1)	6.8 (15.9)
B. Standard deviation of inflation	8.8 (3.0)	8.8 (3.1)	9.7 (0.6)	9.6 (0.9)	9.6 (0.9)	9.3 (1.9)	9.2 (2.0)	9.1 (2.3)	9.0 (2.5)	9.1 (2.3)
C. Inflation: most recent year	7.5 (12.4)	9.9 (0.6)	9.4 (3.2)	8.9 (5.6)	9.5 (2.4)	9.4 (2.9)	9.6 (2.2)	9.9 (0.5)	9.4 (2.8)	9.4 (3.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0
4. Freedom to Trade Internationally	6.1	6.1	6.3	6.8	6.4	6.0	6.9	6.6	7.5	7.5
A. Taxes on international trade	6.7	7.0	6.7	9.5	8.5	8.5	8.5	8.5	9.0	9.4
(i) Taxes as percentage of exports and imports	6.7 (4.9)	7.0 (4.5)	6.7 (4.9)	9.5 (0.8)	9.6 (0.6)	9.5 (0.7)	9.5 (0.7)	9.5 (0.7)	9.5 (0.7)	9.8 (0.2)
(ii) Mean tariff rate					8.2 (8.8)	8.2 (8.8)	8.2 (8.8)	8.2 (8.8)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates					7.7 (5.7)	7.7 (5.7)	7.7 (5.7)	7.7 (5.7)	7.7 (5.7)	8.8 (3.0)
B. Regulatory trade barriers							7.9	7.5	8.3	7.5
C. Size of trade sector	5.8	4.6	4.9	5.1	5.2	4.1	3.9	3.3	3.1	2.6
D. Black-market exchange rates	7.6	8.6	9.6	9.2	9.4	9.4	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	2.0	0.8	0.0	4.1	3.6	6.9	8.0
5. Regulation of Credit, Labor and Business	5.7	5.6	4.9	5.6	5.7	6.2	7.0	6.8	6.9	6.8
A. Credit market regulations	5.1	5.1	4.8	6.2	6.6	7.6	8.7	8.7	8.5	8.8
(i) Ownership of banks	0.0	0.0	0.0	0.0	2.0	5.0	8.0	8.0	8.0	10.0
(ii) Foreign bank competition							9.0	9.0	9.0	8.0
(iii) Private sector credit	9.4	9.2	8.4	8.6	7.9	7.8	7.9	7.9	7.1	7.3
(iv) Interest rate controls/negative real int. rates	6.0	6.0	6.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations							6.7	6.6	6.8	6.7
(i) Minimum wage										
(ii) Hiring and firing regulations							3.3	3.5	3.4	4.1
(iii) Centralized collective bargaining							6.7	6.2	6.9	7.1
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							5.6	5.1	5.4	4.8
(i) Price controls			0.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements							3.2	2.7	2.4	3.0
(iii) Bureaucracy costs							6.5	6.0	8.2	4.8
(iv) Starting a business							6.3	5.2	5.2	
(v) Extra payments/bribes							7.9	7.5	7.1	7.3
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Mauritania

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >										6.5 (76)
1. Size of Government										
A. General government consumption spending										6.9 (16.7)
B. Transfers and subsidies										
C. Government enterprises and investment										
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights										5.4
A. Judicial independence										4.7
B. Impartial courts										5.1
C. Protection of property rights										4.6
D. Military interference										5.5
E. Integrity of the legal system										
F. Legal enforcement of contracts										5.6
G. Regulatory restrictions on sale of real property										6.8
3. Access to Sound Money										7.7
A. Money growth										9.2 (3.9)
B. Standard deviation of inflation										8.8 (2.9)
C. Inflation: most recent year										7.6 (12.1)
D. Freedom to own foreign currency										5.0
4. Freedom to Trade Internationally										6.3
A. Taxes on international trade										7.5
(i) Taxes as percentage of exports and imports										
(ii) Mean tariff rate										7.9 (10.7)
(iii) Standard deviation of tariff rates										7.1 (7.2)
B. Regulatory trade barriers										3.8
C. Size of trade sector										6.7
D. Black-market exchange rates										10.0
E. International capital market controls										3.6
5. Regulation of Credit, Labor and Business										6.4
A. Credit market regulations										9.4
(i) Ownership of banks										
(ii) Foreign bank competition										
(iii) Private sector credit										9.4
(iv) Interest rate controls/negative real int. rates										
B. Labor market regulations										5.8
(i) Minimum wage										0.0
(ii) Hiring and firing regulations										7.8
(iii) Centralized collective bargaining										5.9
(iv) Mandated cost of hiring										4.8
(v) Mandated cost of worker dismissal										7.1
(vi) Conscription										10.0
C. Business regulations										4.0
(i) Price controls										
(ii) Administrative requirements										6.0
(iii) Bureaucracy costs										2.7
(iv) Starting a business										3.0
(v) Extra payments/bribes										3.8
(vi) Licensing restrictions										6.7
(vii) Cost of tax compliance										2.2

Mexico

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.5 (50)	4.7 (83)	6.0 (40)	6.4 (45)	6.3 (65)	6.3 (66)	6.5 (57)	6.4 (64)	6.5 (60)	7.1 (44)
1. Size of Government	5.7	5.7	7.2	7.2	7.1	7.9	8.1	8.0	7.6	7.9
A. General government consumption spending	7.8 (13.4)	8.1 (12.5)	8.6 (10.8)	7.8 (13.5)	7.7 (14.0)	7.6 (14.2)	7.5 (14.4)	7.3 (15.3)	7.4 (14.8)	7.5 (14.5)
B. Transfers and subsidies	8.9 (4.4)	8.7 (5.4)	9.3 (3.2)	8.1 (7.5)	7.7 (8.8)	7.9 (8.1)	7.9 (8.1)	7.9 (8.1)	7.9 (8.1)	7.9 (8.1)
C. Government enterprises and investment	2.0 (43.5)	2.0 (38.0)	4.0 (23.2)	6.0 (19.6)	8.0	10.0 (10.5)	10.0 (10.5)	10.0 (10.5)	8.0 (10.5)	8.0 (10.5)
D. Top marginal tax rate	4.0	4.0	7.0	7.0	5.0	6.0	7.0	7.0	7.0	8.0
(i) Top marginal income tax rate	4.0 (55)	4.0 (55)	7.0 (40)	7.0 (35)	7.0 (40)	7.0 (40)	7.0 (35)	7.0 (33)	7.0 (33)	8.0 (30)
(ii) Top marginal income and payroll tax rates					3.0 (47)	5.0 (40)	7.0 (35)	7.0 (33)	7.0 (33)	8.0 (30)
2. Legal Structure and Security of Property Rights	6.3	5.4	6.8	5.3	4.2	3.6	4.2	3.9	4.5	5.7
A. Judicial independence				3.9	3.3	3.0	3.8	4.0	4.2	4.4
B. Impartial courts				5.1	5.2	3.4	4.0	3.3	4.1	3.8
C. Protection of property rights				5.2	4.4	3.4	4.7	3.8	3.8	6.1
D. Military interference				5.4	5.0	5.0	5.0	5.0	5.4	7.5
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	4.9	5.0
F. Legal enforcement of contracts										6.1
G. Regulatory restrictions on sale of real property										6.9
3. Access to Sound Money	7.4	3.3	3.6	5.5	6.9	7.4	7.4	7.6	7.9	8.1
A. Money growth	5.1 (24.7)	1.1 (44.3)	0.0 (67.4)	9.0 (5.2)	7.2 (13.9)	7.6 (11.9)	7.5 (12.4)	8.0 (10.0)	8.4 (7.8)	8.6 (7.0)
B. Standard deviation of inflation	9.1 (2.3)	1.9 (20.3)	0.0 (43.9)	5.6 (11.0)	7.1 (7.3)	8.2 (4.6)	8.2 (4.5)	8.4 (3.9)	9.0 (2.4)	9.5 (1.3)
C. Inflation: most recent year	5.4 (22.8)	0.0 (54.0)	4.4 (28.1)	2.4 (37.9)	8.1 (9.5)	8.7 (6.4)	9.0 (5.0)	9.1 (4.6)	9.1 (4.7)	9.2 (4.0)
D. Freedom to own foreign currency	10.0	10.0	10.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	3.1	5.0	7.3	7.7	7.6	7.3	7.3	7.3	7.2	7.2
A. Taxes on international trade	1.9	6.1	7.9	8.2	7.5	7.5	7.5	7.5	7.6	7.5
(i) Taxes as percentage of exports and imports	0.0 (17.6)	8.3 (2.6)	8.7 (2.0)	9.3 (1.1)	9.3 (1.0)	9.3 (1.0)	9.3 (1.0)	9.3 (1.0)	9.3 (1.0)	9.3 (1.0)
(ii) Mean tariff rate	3.8 (30.9)	4.0 (30.0)	7.8 (11.1)	7.5 (12.6)	6.8 (16.2)	6.8 (16.2)	6.8 (16.2)	6.8 (16.2)	7.1 (14.6)	8.2 (9.2)
(iii) Standard deviation of tariff rates			7.2 (7.0)	7.8 (5.4)	6.3 (9.2)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)	5.1 (12.2)
B. Regulatory trade barriers				6.3	7.3	6.7	7.2	7.3	6.7	6.6
C. Size of trade sector	3.3	3.5	5.4	7.7	8.0	7.1	6.8	7.0	7.3	7.1
D. Black-market exchange rates	0.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	5.0	6.4	5.1	5.1	4.9	4.7	4.4	4.5
5. Regulation of Credit, Labor and Business	5.2	4.0	5.1	6.1	5.6	5.3	5.4	5.3	5.6	6.7
A. Credit market regulations	5.6	2.4	4.7	7.5	6.1	7.0	7.2	7.3	7.3	9.1
(i) Ownership of banks	8.0	0.0	0.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				7.3	5.9	5.9	5.9	5.9	5.9	10.0
(iii) Private sector credit	4.9	3.1	6.0	8.3	4.1	3.7	3.8	4.0	4.2	6.6
(iv) Interest rate controls/negative real int. rates	4.0	4.0	8.0	8.0	4.0	9.0	10.0	10.0	10.0	10.0
B. Labor market regulations			5.7	6.3	4.8	4.7	4.4	4.6	5.5	5.8
(i) Minimum wage				7.9	2.7	2.7	2.7	2.7	8.2	8.2
(ii) Hiring and firing regulations			5.0	5.0	4.1	3.1	3.0	4.2	3.3	4.7
(iii) Centralized collective bargaining			7.2	7.2	5.7	6.0	6.5	6.3	6.6	6.9
(iv) Mandated cost of hiring				6.2	6.5	6.5	4.6	4.6	4.6	2.8
(v) Mandated cost of worker dismissal										3.1
(vi) Conscription	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
C. Business regulations				4.6	5.9	4.2	4.6	4.0	3.8	5.1
(i) Price controls			0.0	5.0	7.0	6.0	6.0	4.0	4.0	4.0
(ii) Administrative requirements					6.7	2.1	2.2	2.3	2.4	2.7
(iii) Bureaucracy costs				6.1	6.3	4.3	5.0	4.5	3.1	3.8
(iv) Starting a business				4.2	3.7	3.0	3.5	3.2	3.8	7.9
(v) Extra payments/bribes				3.4	5.7	5.7	6.1	6.0	5.6	6.2
(vi) Licensing restrictions										7.0
(vii) Cost of tax compliance										4.0

Mongolia

	1980	1985	1990	1995	2000	2001	2002	2003	2004 6.1 (78)	2005 7.1 (44)
Summary Ratings (Rank) >										
1. Size of Government									6.3	6.3
A. General government consumption spending									5.5 (21.3)	5.8 (20.4)
B. Transfers and subsidies									7.6 (9.3)	7.6 (9.3)
C. Government enterprises and investment									6.0	6.0
D. Top marginal tax rate									6.0	6.0
(i) Top marginal income tax rate									8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates									4.0 (49)	4.0 (49)
2. Legal Structure and Security of Property Rights									2.2	5.8
A. Judicial independence									2.3	2.6
B. Impartial courts									2.0	2.5
C. Protection of property rights									2.3	5.0
D. Military interference										8.8
E. Integrity of the legal system										
F. Legal enforcement of contracts										6.7
G. Regulatory restrictions on sale of real property										9.0
3. Access to Sound Money									8.7	8.7
A. Money growth									8.5 (7.7)	8.5 (7.6)
B. Standard deviation of inflation									8.1 (4.8)	8.1 (4.6)
C. Inflation: most recent year									8.4 (8.2)	8.2 (8.9)
D. Freedom to own foreign currency									10.0	10.0
4. Freedom to Trade Internationally									7.1	7.2
A. Taxes on international trade									9.0	9.2
(i) Taxes as percentage of exports and imports									9.0 (1.5)	9.0 (1.5)
(ii) Mean tariff rate										9.2 (4.2)
(iii) Standard deviation of tariff rates										9.4 (1.6)
B. Regulatory trade barriers									2.4	2.1
C. Size of trade sector									10.0	10.0
D. Black-market exchange rates									10.0	10.0
E. International capital market controls									4.2	4.9
5. Regulation of Credit, Labor and Business									6.3	7.4
A. Credit market regulations									8.7	9.3
(i) Ownership of banks										
(ii) Foreign bank competition										
(iii) Private sector credit									9.3	9.6
(iv) Interest rate controls/negative real int. rates									8.0	9.0
B. Labor market regulations									5.4	7.0
(i) Minimum wage									4.5	4.5
(ii) Hiring and firing regulations									6.1	7.0
(iii) Centralized collective bargaining									8.2	8.3
(iv) Mandated cost of hiring										4.2
(v) Mandated cost of worker dismissal										8.4
(vi) Conscription									3.0	3.0
C. Business regulations									4.9	5.8
(i) Price controls										
(ii) Administrative requirements									2.7	2.9
(iii) Bureaucracy costs									4.8	3.4
(iv) Starting a business									8.1	8.8
(v) Extra payments/bribes									4.1	4.7
(vi) Licensing restrictions										9.2
(vii) Cost of tax compliance										

Montenegro

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >										6.8 (60)
1. Size of Government										5.0
A. General government consumption spending										2.9 (30.0)
B. Transfers and subsidies										
C. Government enterprises and investment										
D. Top marginal tax rate										7.0
(i) Top marginal income tax rate										10.0 (15)
(ii) Top marginal income and payroll tax rates										4.0 (45)
2. Legal Structure and Security of Property Rights										6.1
A. Judicial independence										3.5
B. Impartial courts										3.5
C. Protection of property rights										4.5
D. Military interference										10.0
E. Integrity of the legal system										
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										9.0
3. Access to Sound Money										9.4
A. Money growth										
B. Standard deviation of inflation										8.7 (3.2)
C. Inflation: most recent year										9.5 (2.3)
D. Freedom to own foreign currency										10.0
4. Freedom to Trade Internationally										7.3
A. Taxes on international trade										7.5
(i) Taxes as percentage of exports and imports										7.8 (3.3)
(ii) Mean tariff rate										8.7 (6.6)
(iii) Standard deviation of tariff rates										6.1 (9.9)
B. Regulatory trade barriers										4.3
C. Size of trade sector										
D. Black-market exchange rates										10.0
E. International capital market controls										
5. Regulation of Credit, Labor and Business										6.3
A. Credit market regulations										9.7
(i) Ownership of banks										10.0
(ii) Foreign bank competition										10.0
(iii) Private sector credit										8.7
(iv) Interest rate controls/negative real int. rates										10.0
B. Labor market regulations										4.3
(i) Minimum wage										3.0
(ii) Hiring and firing regulations										2.0
(iii) Centralized collective bargaining										2.5
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription										
C. Business regulations										5.0
(i) Price controls										8.0
(ii) Administrative requirements										4.0
(iii) Bureaucracy costs										3.0
(iv) Starting a business										7.0
(v) Extra payments/bribes										3.0
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Morocco

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.6 (78)	5.1 (66)	5.0 (75)	5.9 (67)	6.0 (77)	5.9 (82)	5.9 (84)	6.0 (84)	5.7 (91)	5.9 (107)
1. Size of Government	4.6	4.2	4.9	5.0	5.8	5.3	5.3	5.2	5.2	5.2
A. General government consumption spending	5.5 (21.3)	6.1 (19.4)	6.1 (19.2)	6.0 (19.6)	5.1 (22.7)	5.2 (22.3)	4.9 (23.2)	4.6 (24.3)	4.8 (23.8)	4.5 (24.8)
B. Transfers and subsidies	9.0 (4.1)	8.9 (4.6)	9.5 (2.3)	9.1 (3.9)	8.2 (7.3)	8.2 (7.3)	8.2 (7.3)	8.2 (7.3)	8.2 (7.3)	8.2 (7.3)
C. Government enterprises and investment	2.0 (46.8)	2.0 (47.5)	4.0 (31.7)	2.0 (41.7)	6.0 (29.3)	4.0 (35.4)	4.0 (35.4)	4.0 (35.4)	4.0 (35.4)	4.0 (35.4)
D. Top marginal tax rate	2.0	0.0	0.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
(i) Top marginal income tax rate	2.0 (64)	0.0 (87)	0.0 (87)	3.0 (46)	4.0 (44)	4.0 (44)	4.0 (44)	4.0 (44)	4.0 (44)	4.0 (44)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	2.2	4.0	4.0	6.7	6.7	5.9	5.9	6.2	5.3	6.3
A. Judicial independence						3.8	3.5	5.3	3.5	4.1
B. Impartial courts				6.8	6.4	4.9	4.7	5.5	4.3	5.1
C. Protection of property rights						4.0	4.8	5.0	3.5	6.3
D. Military interference				6.5	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				10.0	10.0	10.0	10.0	8.3	8.3	8.3
F. Legal enforcement of contracts										7.6
G. Regulatory restrictions on sale of real property										6.4
3. Access to Sound Money	6.1	6.7	6.3	6.7	7.0	7.1	7.0	7.1	7.1	7.1
A. Money growth	8.2 (9.0)	9.0 (4.9)	7.2 (13.8)	9.3 (3.7)	8.6 (7.0)	8.8 (5.8)	8.9 (5.6)	8.9 (5.7)	9.0 (5.1)	8.8 (5.9)
B. Standard deviation of inflation	8.2 (4.5)	9.6 (0.9)	9.1 (2.4)	9.1 (2.2)	9.7 (0.7)	9.7 (0.7)	9.7 (0.6)	9.7 (0.7)	9.7 (0.7)	9.7 (0.7)
C. Inflation: most recent year	8.1 (9.5)	8.3 (8.4)	8.9 (5.7)	8.4 (8.0)	9.6 (1.9)	9.9 (0.6)	9.4 (2.8)	9.8 (1.2)	9.7 (1.5)	9.8 (1.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.2	6.1	5.6	6.2	5.5	5.7	5.5	5.7	5.6	5.8
A. Taxes on international trade	1.4	5.5	4.8	5.2	3.2	3.5	3.8	4.2	4.3	4.5
(i) Taxes as percentage of exports and imports	2.9 (10.7)	5.7 (6.4)	4.3 (8.6)	5.5 (6.8)	5.1 (7.4)	5.1 (7.4)	5.1 (7.4)	6.5 (5.2)	6.8 (4.9)	6.9 (4.7)
(ii) Mean tariff rate	0.0 (54.0)	5.3 (23.5)	5.3 (23.5)	5.4 (22.8)	3.3 (33.6)	3.5 (32.6)	4.5 (27.7)	4.3 (28.3)	4.3 (28.3)	6.1 (19.4)
(iii) Standard deviation of tariff rates				4.7 (13.2)	1.2 (22.0)	1.8 (20.5)	1.8 (20.5)	1.8 (20.5)	1.8 (20.5)	0.6 (23.5)
B. Regulatory trade barriers						5.8	5.6	6.4	5.2	5.2
C. Size of trade sector	4.8	6.0	5.6	5.6	5.9	5.6	5.7	5.7	5.2	5.7
D. Black-market exchange rates	9.8	8.6	7.4	9.8	10.0	10.0	7.9	7.9	9.4	9.4
E. International capital market controls	2.0	2.0	2.0	2.0	0.0	0.8	4.5	4.4	3.8	3.9
5. Regulation of Credit, Labor and Business	4.5	4.7	4.4	4.9	5.1	5.3	5.6	6.1	5.5	5.2
A. Credit market regulations	5.7	5.6	6.1	6.4	7.0	7.2	7.2	7.3	7.8	6.5
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition									8.0	5.0
(iii) Private sector credit	6.4	5.7	5.3	6.2	8.0	7.7	7.7	7.8	8.0	8.1
(iv) Interest rate controls/negative real int. rates		6.0	8.0	8.0	8.0	9.0	9.0	9.0	10.0	8.0
B. Labor market regulations						4.3	5.1	5.7	4.1	4.4
(i) Minimum wage									0.0	0.0
(ii) Hiring and firing regulations						4.5	3.2	5.0	4.6	5.3
(iii) Centralized collective bargaining						7.4	7.2	7.2	6.8	7.5
(iv) Mandated cost of hiring										4.6
(v) Mandated cost of worker dismissal										2.3
(vi) Conscription	1.0	1.0	1.0	1.0	1.0	1.0	5.0	5.0	5.0	5.0
C. Business regulations						4.4	4.3	5.2	4.7	4.7
(i) Price controls			0.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements						3.4	3.3	3.3	3.1	3.6
(iii) Bureaucracy costs						5.5	5.5	7.3	5.1	5.4
(iv) Starting a business						4.3	4.5	5.0	7.0	7.2
(v) Extra payments/bribes						4.6	4.4	6.3	4.1	5.1
(vi) Licensing restrictions										5.0
(vii) Cost of tax compliance										2.3

Myanmar

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.5 (81)	4.2 (92)	3.2 (110)	3.8 (118)	3.9 (122)	3.9 (121)	3.5 (122)	3.4 (126)	3.6 (129)	3.8 (140)
1. Size of Government					5.1	5.1	5.2	5.2	5.1	5.1
A. General government consumption spending					8.3 (11.9)	8.3 (11.6)	8.6 (10.8)	8.5 (11.0)	8.3 (11.7)	8.3 (11.7)
B. Transfers and subsidies										
C. Government enterprises and investment	0.0	0.0	0.0 (45.0)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate					5.0	5.0	5.0	5.0	5.0	5.0
(i) Top marginal income tax rate					5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates					5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
2. Legal Structure and Security of Property Rights	5.3	4.0	3.5	4.7	3.2	3.2	3.2	2.2	2.2	2.6
A. Judicial independence										
B. Impartial courts				4.1	3.8	3.8	3.8	2.7	2.7	2.8
C. Protection of property rights										
D. Military interference				3.7	0.0	0.0	0.0	0.0	0.0	0.0
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	6.8	7.2	3.9	4.8	5.4	4.2	2.4	3.3	3.9	3.9
A. Money growth	8.9 (5.6)	9.5 (2.3)	6.0 (20.2)	5.6 (21.8)	6.9 (15.4)	6.2 (18.9)	5.8 (21.2)	6.1 (19.5)	6.1 (19.5)	6.1 (19.5)
B. Standard deviation of inflation	8.6 (3.5)	9.6 (1.0)	3.2 (17.1)	7.6 (6.0)	4.6 (13.4)	4.6 (13.4)	3.9 (15.3)	4.5 (13.8)	0.6 (23.6)	1.4 (21.4)
C. Inflation: most recent year	9.8 (1.2)	9.7 (1.6)	6.3 (18.5)	6.1 (19.4)	10.0 (-0.1)	5.8 (21.1)	0.0 (57.1)	2.7 (36.6)	9.1 (4.5)	8.1 (9.4)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	2.1	1.7	1.7	1.7	1.7	2.6	2.6	1.9	1.9	1.4
A. Taxes on international trade	0.5	0.0	0.0	0.0	0.0	4.5	4.5	4.5	4.6	5.4
(i) Taxes as percentage of exports and imports	0.5 (14.2)	0.0 (17.6)	0.0 (19.4)	0.0 (24.7)	0.0 (19.8)	0.0 (18.1)	0.0 (15.2)	0.0 (15.2)	0.0 (15.2)	0.0 (15.2)
(ii) Mean tariff rate						9.1 (4.7)	9.1 (4.7)	9.0 (4.8)	9.1 (4.4)	9.1 (4.5)
(iii) Standard deviation of tariff rates										7.2 (7.1)
B. Regulatory trade barriers										
C. Size of trade sector	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Black-market exchange rates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	3.9	3.8	3.6	3.8	4.0	4.5	4.3	4.3	5.0	6.2
A. Credit market regulations	0.5	0.2	0.5	1.1	1.7	3.4	2.8	3.0	5.2	5.3
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Foreign bank competition									9.0	9.0
(iii) Private sector credit	1.4	0.6	1.5	3.2	3.2	3.3	3.5	2.0	1.9	2.1
(iv) Interest rate controls/negative real int. rates	0.0	0.0	0.0	0.0	2.0	7.0	5.0	7.0	10.0	10.0
B. Labor market regulations										
(i) Minimum wage										
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										
(i) Price controls			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business										
(v) Extra payments/bribes										
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Namibia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶			5.1 (70)	6.3 (48)	6.2 (70)	6.5 (55)	6.4 (61)	6.7 (48)	6.4 (65)	6.6 (69)
1. Size of Government	1.7	0.7	4.9	4.8	4.0	4.5	4.5	5.1	5.1	5.2
A. General government consumption spending	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 (32.2)	2.3 (32.3)	2.4 (32.0)	2.8 (30.6)
B. Transfers and subsidies			9.3 (3.2)	9.2 (3.4)	8.6 (5.5)	8.6 (5.5)	8.6 (5.5)	9.2 (3.3)	9.2 (3.3)	9.2 (3.3)
C. Government enterprises and investment	0.0 (57.9)	0.0 (64.5)	4.0 (38.3)	4.0 (35.1)	0.0 (51.4)	2.0 (44.6)	2.0 (44.6)	2.0 (44.6)	2.0 (44.6)	2.0 (44.6)
D. Top marginal tax rate					5.0	5.0	5.0	7.0	7.0	7.0
(i) Top marginal income tax rate					5.0 (36)	5.0 (36)	5.0 (36)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top marginal income and payroll tax rates					5.0 (36)	5.0 (36)	5.0 (36)	7.0 (35)	7.0 (35)	7.0 (35)
2. Legal Structure and Security of Property Rights			2.3	7.8	8.1	7.9	7.5	8.1	6.9	7.4
A. Judicial independence				7.2	7.2	7.0	6.3	7.2	6.4	7.1
B. Impartial courts				7.2	7.7	6.9	6.2	7.5	5.2	5.9
C. Protection of property rights				6.5	5.8	5.6	4.8	5.8	3.7	7.5
D. Military interference				8.2	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	9.3	8.3
F. Legal enforcement of contracts										6.7
G. Regulatory restrictions on sale of real property										6.4
3. Access to Sound Money		4.0	5.4	6.0	6.1	6.0	6.2	6.1	6.6	6.5
A. Money growth				7.2 (14.0)	7.6 (12.2)	7.2 (13.9)	8.1 (9.3)	8.1 (9.3)	8.1 (9.3)	8.1 (9.3)
B. Standard deviation of inflation		7.0 (7.6)	8.0 (5.0)	8.3 (4.2)	8.7 (3.3)	8.8 (3.1)	8.9 (2.9)	7.6 (6.0)	8.9 (2.7)	8.5 (3.7)
C. Inflation: most recent year		5.0 (24.8)	8.3 (8.3)	8.6 (7.2)	8.2 (9.0)	8.1 (9.5)	7.7 (11.4)	8.6 (7.2)	9.2 (4.2)	9.5 (2.3)
D. Freedom to own foreign currency		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally			6.7	6.4	6.2	6.7	6.6	6.6	6.4	6.2
A. Taxes on international trade	8.1	8.8	6.1	3.9	5.4	6.2	6.6	6.5	6.5	6.1
(i) Taxes as percentage of exports and imports			5.1 (7.3)	4.3 (8.6)	1.7 (12.5)	3.4 (9.9)	4.8 (7.8)	4.4 (8.4)	4.4 (8.4)	4.4 (8.4)
(ii) Mean tariff rate	8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.6 (7.2)	9.1 (4.5)	9.1 (4.5)	9.1 (4.5)	9.1 (4.5)	8.9 (5.6)
(iii) Standard deviation of tariff rates			5.5 (11.3)	1.2 (21.9)	6.0 (10.0)	6.0 (10.0)	6.0 (10.0)	6.0 (10.0)	6.0 (10.0)	5.2 (12.1)
B. Regulatory trade barriers						7.2	6.6	7.1	6.4	5.6
C. Size of trade sector	10.0	9.5	8.0	8.2	7.5	8.3	6.6	5.9	6.1	6.1
D. Black-market exchange rates		5.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls			2.0	2.0	0.0	0.0	3.1	3.3	3.0	3.3
5. Regulation of Credit, Labor and Business			5.9	6.4	6.8	7.3	7.1	7.4	7.1	7.8
A. Credit market regulations			7.7	8.6	9.6	9.7	9.7	9.6	9.6	9.6
(i) Ownership of banks					10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition										
(iii) Private sector credit			9.4	9.2	8.8	9.1	9.0	8.9	8.9	8.9
(iv) Interest rate controls/negative real int. rates			6.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations						6.7	6.5	6.8	7.2	7.9
(i) Minimum wage									10.0	10.0
(ii) Hiring and firing regulations							3.4	3.2	3.3	3.7
(iii) Centralized collective bargaining						6.7	6.3	6.3	5.5	6.2
(iv) Mandated cost of hiring										10.0
(v) Mandated cost of worker dismissal										7.8
(vi) Conscription			10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations						5.5	5.2	5.8	4.5	5.8
(i) Price controls			2.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements						4.1	3.3	5.2	3.5	2.9
(iii) Bureaucracy costs						5.3	5.0	5.3	3.4	3.5
(iv) Starting a business						6.3	6.0	6.2	3.5	6.8
(v) Extra payments/bribes						5.9	5.7	6.5	5.8	5.8
(vi) Licensing restrictions										6.5
(vii) Cost of tax compliance										9.4

Nepal

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.8 (35)	5.4 (55)	5.3 (62)	5.3 (84)	5.8 (84)	5.8 (84)	5.7 (92)	5.2 (112)	5.2 (117)	5.6 (119)
1. Size of Government	6.8	5.3	5.5	5.3	5.3	5.2	5.1	5.2	5.2	5.2
A. General government consumption spending	9.5 (7.5)	8.6 (10.8)	9.0 (9.4)	8.7 (10.6)	8.6 (10.8)	8.3 (11.7)	8.2 (12.2)	8.4 (11.6)	8.4 (11.6)	8.4 (11.6)
B. Transfers and subsidies										
C. Government enterprises and investment	4.0 (37.3)	2.0 (45.8)	2.0 (43.2)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights				4.4	4.8	4.8	4.8	2.5	2.5	4.7
A. Judicial independence										5.2
B. Impartial courts				4.6	4.4	4.4	4.4	4.1	4.1	3.6
C. Protection of property rights										5.1
D. Military interference					5.6	5.6	5.6	1.7	1.7	0.0
E. Integrity of the legal system										
F. Legal enforcement of contracts										6.3
G. Regulatory restrictions on sale of real property										7.9
3. Access to Sound Money	5.9	6.2	6.1	6.3	7.0	7.0	6.9	6.7	6.9	6.6
A. Money growth	7.1 (14.4)	7.8 (10.8)	6.9 (15.7)	8.1 (9.3)	9.2 (-4.0)	9.4 (-2.9)	9.0 (-5.1)	8.8 (-6.1)	8.7 (-6.4)	8.7 (-6.4)
B. Standard deviation of inflation	7.9 (5.4)	9.1 (2.2)	9.5 (1.3)	8.2 (4.6)	9.2 (2.0)	9.0 (2.5)	9.0 (2.4)	9.0 (2.4)	9.6 (1.0)	9.2 (1.9)
C. Inflation: most recent year	8.5 (7.6)	7.7 (11.4)	7.9 (10.7)	8.7 (6.3)	9.5 (2.5)	9.5 (2.7)	9.4 (3.0)	8.9 (5.7)	9.4 (2.8)	8.6 (6.8)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.2	4.8	4.4	5.1	6.2	6.1	5.9	5.6	5.4	5.6
A. Taxes on international trade	4.9	5.2	4.8	5.6	6.1	6.0	6.0	5.8	5.7	5.9
(i) Taxes as percentage of exports and imports	4.3 (8.6)	4.9 (7.7)	4.1 (8.8)	6.4 (5.4)	6.6 (5.1)	6.2 (5.7)	5.9 (6.2)	5.4 (7.0)	5.4 (6.9)	5.4 (6.9)
(ii) Mean tariff rate	5.6 (22.1)	5.5 (22.6)	5.5 (22.6)	6.8 (16.1)	7.1 (14.7)	7.1 (14.7)	7.4 (13.1)	7.4 (13.1)	7.0 (14.8)	7.1 (14.7)
(iii) Standard deviation of tariff rates				3.6 (15.9)	4.6 (13.4)	4.6 (13.4)	4.6 (13.4)	4.6 (13.4)	4.6 (13.4)	5.4 (11.5)
B. Regulatory trade barriers									3.8	4.4
C. Size of trade sector	3.0	2.7	2.2	5.5	4.8	4.6	3.7	3.4	3.8	3.8
D. Black-market exchange rates	10.0	7.8	6.8	6.2	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	1.8	1.8	1.8	1.8	1.8	3.7
5. Regulation of Credit, Labor and Business	5.2	5.2	5.4	5.3	5.6	5.9	5.9	6.0	5.7	5.7
A. Credit market regulations	4.0	3.8	5.6	5.5	6.3	6.7	6.8	6.8	6.8	6.8
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0
(ii) Foreign bank competition										
(iii) Private sector credit	6.0	5.5	6.7	8.5	8.8	8.2	8.5	8.5	8.5	8.5
(iv) Interest rate controls/negative real int. rates	6.0	6.0	10.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations										4.9
(i) Minimum wage									1.7	1.7
(ii) Hiring and firing regulations										3.6
(iii) Centralized collective bargaining										5.9
(iv) Mandated cost of hiring										10.0
(v) Mandated cost of worker dismissal										1.7
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										5.3
(i) Price controls			2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										3.1
(iii) Bureaucracy costs										4.2
(iv) Starting a business									8.0	8.6
(v) Extra payments/bribes										4.2
(vi) Licensing restrictions										8.0
(vii) Cost of tax compliance										5.4

New Zealand

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.2 (21)	6.1 (28)	7.1 (15)	8.6 (3)	8.4 (4)	8.2 (4)	8.2 (3)	8.2 (3)	8.2 (3)	8.5 (3)
1. Size of Government	3.8	3.5	5.5	7.5	6.7	6.7	6.7	6.8	6.7	6.7
A. General government consumption spending	5.1 (22.6)	5.6 (20.9)	5.5 (21.2)	6.2 (18.9)	4.8 (23.6)	4.9 (23.3)	4.8 (23.6)	5.0 (23.0)	4.9 (23.2)	4.9 (23.5)
B. Transfers and subsidies	4.2 (21.9)	4.5 (20.6)	2.6 (27.5)	6.6 (12.8)	6.9 (11.9)	7.1 (11.2)	7.1 (11.2)	7.3 (10.4)	7.0 (11.5)	7.1 (11.2)
C. Government enterprises and investment	4.0 (30.8)	4.0 (31.4)	7.0 (25.3)	10.0 (12.0)	10.0	10.0 (13.3)	10.0 (13.3)	10.0 (13.3)	10.0 (7.9)	10.0 (7.8)
D. Top marginal tax rate	2.0	0.0	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0
(i) Top marginal income tax rate	2.0 (62)	0.0 (66)	7.0 (33)	7.0 (33)	5.0 (39)	5.0 (39)	5.0 (39)	5.0 (39)	5.0 (39)	5.0 (39)
(ii) Top marginal income and payroll tax rates			7.0 (33)	7.0 (33)	5.0 (40)	5.0 (40)	5.0 (39)	5.0 (39)	5.0 (39)	5.0 (40)
2. Legal Structure and Security of Property Rights	8.0	7.9	8.3	9.2	9.1	8.9	9.0	8.9	8.9	9.3
A. Judicial independence				9.5	9.2	9.1	8.8	8.3	8.4	8.9
B. Impartial courts				9.1	9.2	8.3	8.3	8.2	8.3	8.1
C. Protection of property rights				7.3	7.2	7.2	7.7	8.2	7.8	8.7
D. Military interference				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	9.7
F. Legal enforcement of contracts										9.7
G. Regulatory restrictions on sale of real property										9.9
3. Access to Sound Money	6.3	6.0	7.3	9.7	9.6	9.4	9.4	9.5	9.6	9.6
A. Money growth	8.9 (5.6)	8.3 (8.5)	1.8 (40.9)	9.6 (2.1)	9.2 (4.1)	8.9 (5.3)	8.9 (5.6)	9.2 (4.0)	9.3 (3.4)	9.7 (1.4)
B. Standard deviation of inflation	9.2 (2.0)	8.7 (3.3)	7.8 (5.4)	9.9 (0.3)	9.6 (1.1)	9.3 (1.8)	9.3 (1.9)	9.3 (1.9)	9.4 (1.5)	9.4 (1.5)
C. Inflation: most recent year	6.9 (15.4)	7.2 (14.2)	9.5 (2.7)	9.5 (2.3)	9.5 (2.6)	9.5 (2.6)	9.5 (2.7)	9.7 (1.8)	9.5 (2.3)	9.4 (3.0)
D. Freedom to own foreign currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	7.4	7.2	7.9	8.1	8.5	8.4	8.2	8.0	8.0	7.9
A. Taxes on international trade	7.9	7.7	6.6	7.7	9.0	8.8	8.8	8.7	8.8	8.9
(i) Taxes as percentage of exports and imports	8.3 (2.5)	8.7 (2.0)	8.9 (1.7)	9.1 (1.4)	9.5 (0.8)	8.9 (1.7)	8.9 (1.6)	8.8 (1.9)	8.9 (1.6)	9.3 (1.0)
(ii) Mean tariff rate	7.4 (13.0)	6.8 (16.0)	7.1 (14.5)	8.3 (8.5)	9.3 (3.4)	9.3 (3.4)	9.1 (4.3)	9.1 (4.3)	9.3 (3.7)	9.0 (5.0)
(iii) Standard deviation of tariff rates			3.7 (15.7)	5.8 (10.4)	8.2 (4.4)	8.2 (4.4)	8.2 (4.4)	8.2 (4.4)	8.2 (4.4)	8.3 (4.2)
B. Regulatory trade barriers				8.5	9.4	9.1	9.2	9.2	8.9	8.9
C. Size of trade sector	6.2	6.0	4.7	4.7	5.4	5.1	4.7	4.1	4.0	3.9
D. Black-market exchange rates	10.0	9.2	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	5.0	5.0	10.0	9.6	8.9	8.9	8.3	8.3	8.4	7.8
5. Regulation of Credit, Labor and Business	5.7	5.8	6.6	8.8	7.9	7.6	7.6	7.6	8.0	8.8
A. Credit market regulations	6.2	6.6	9.6	9.4	9.3	9.3	9.7	9.7	9.8	9.9
(i) Ownership of banks	5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				9.1	7.9	7.9	10.0	10.0	10.0	10.0
(iii) Private sector credit	7.5	6.9	8.8	9.6	9.5	9.6	9.5	9.5	9.7	9.8
(iv) Interest rate controls/negative real int. rates	6.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	6.6	6.5	6.8	7.5	5.9	6.1	5.9	5.7	6.5	8.1
(i) Minimum wage				6.5	3.6	3.6	3.6	3.6	6.5	6.5
(ii) Hiring and firing regulations			7.6	7.6	3.1	4.0	4.0	3.5	4.7	4.5
(iii) Centralized collective bargaining	5.2	5.2	5.2	7.9	8.1	8.0	8.0	8.0	8.0	7.7
(iv) Mandated cost of hiring	4.6	4.3	4.3	5.3	4.8	4.8	3.8	3.6	3.6	10.0
(v) Mandated cost of worker dismissal										10.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				9.4	8.5	7.4	7.3	7.5	7.8	8.2
(i) Price controls			9.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0
(ii) Administrative requirements					7.5	3.6	2.8	3.3	3.7	4.1
(iii) Bureaucracy costs				9.3	7.8	6.8	6.8	6.5	7.6	6.1
(iv) Starting a business				8.5	7.9	7.5	7.3	8.0	8.4	9.6
(v) Extra payments/bribes				9.9	9.2	9.3	9.4	9.5	9.5	9.6
(vi) Licensing restrictions										9.8
(vii) Cost of tax compliance										9.2

Niger

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.4 (51)	5.4 (55)	5.1 (70)	4.9 (94)	5.8 (84)	5.6 (97)	5.4 (103)	5.3 (111)	5.3 (114)	5.1 (131)
1. Size of Government	7.2	6.3	3.8	5.8	6.0	5.5	5.5	5.2	5.1	5.4
A. General government consumption spending	8.2 (12.1)	8.6 (10.9)	7.6 (14.1)	7.6 (14.1)	7.9 (13.1)	6.9 (16.5)	6.9 (16.4)	6.3 (18.5)	6.2 (19.0)	6.8 (16.9)
B. Transfers and subsidies	9.5 (2.5)									
C. Government enterprises and investment	4.0 (33.5)	4.0 (29.4)	0.0 (76.5)	4.0	4.0	4.0	4.0	4.0	4.0	4.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	4.7	4.8	5.3	3.0	4.4	4.4	4.0	3.7	3.7	4.5
A. Judicial independence										
B. Impartial courts				3.5	3.5	3.5	3.5	3.9	3.9	4.1
C. Protection of property rights										
D. Military interference				4.3	6.7	6.7	5.0	5.0	5.0	5.0
E. Integrity of the legal system				0.0	3.3	3.3	3.3	3.3	3.3	3.3
F. Legal enforcement of contracts										5.4
G. Regulatory restrictions on sale of real property										4.5
3. Access to Sound Money	4.7	6.4	7.1	5.7	8.3	7.0	6.9	7.1	7.2	6.7
A. Money growth	5.0 (25.0)	9.3 (3.3)	9.9 (-0.6)	9.3 (3.6)	9.0 (-4.8)	9.1 (4.3)	8.6 (6.8)	9.7 (-1.7)	10.0 (0.2)	10.0 (0.2)
B. Standard deviation of inflation	7.9 (5.4)	7.4 (6.6)	8.9 (2.9)	4.6 (13.4)	9.5 (1.1)	9.6 (1.0)	9.6 (1.0)	9.2 (1.9)	9.1 (2.3)	8.6 (3.6)
C. Inflation: most recent year	5.8 (20.8)	8.8 (-5.9)	9.7 (-1.6)	8.9 (5.4)	9.4 (2.9)	9.2 (4.0)	9.5 (2.6)	9.7 (-1.6)	9.9 (0.3)	8.4 (7.8)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.9	5.5	4.9	5.0	6.0	5.8	5.8	5.6	5.6	4.3
A. Taxes on international trade	4.4	3.7	3.5	2.8	7.6	7.2	7.2	7.2	7.4	7.4
(i) Taxes as percentage of exports and imports	4.4 (8.4)	3.7 (9.5)	3.5 (9.8)	2.8 (10.8)						
(ii) Mean tariff rate					7.6 (12.0)	7.1 (14.6)	7.1 (14.5)	7.1 (14.5)	7.4 (12.8)	7.5 (12.7)
(iii) Standard deviation of tariff rates						7.3 (6.7)	7.3 (6.7)	7.3 (6.7)	7.3 (6.7)	7.3 (6.8)
B. Regulatory trade barriers										0.0
C. Size of trade sector	7.5	6.1	3.7	4.1	4.0	3.7	3.5	3.5	3.5	4.0
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	4.6	4.2	4.3	4.8	4.6	5.1	5.0	4.9	4.7	4.6
A. Credit market regulations	4.3	5.1	6.1	6.2	5.7	7.4	6.9	6.9	7.0	6.0
(i) Ownership of banks	2.0	2.0	2.0	5.0	5.0	5.0	8.0	8.0	8.0	5.0
(ii) Foreign bank competition										
(iii) Private sector credit	8.9	8.2	8.4	7.7	8.0	8.6	8.8	8.8	9.1	9.1
(iv) Interest rate controls/negative real int. rates	2.0		8.0	6.0	4.0	8.6	4.0	4.0	4.0	4.0
B. Labor market regulations										3.5
(i) Minimum wage									0.0	0.0
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										5.0
(v) Mandated cost of worker dismissal										3.0
(vi) Conscription		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations										4.3
(i) Price controls			0.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									6.6	3.1
(v) Extra payments/bribes										
(vi) Licensing restrictions										3.2
(vii) Cost of tax compliance										7.0

Nigeria

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.9 (95)	4.5 (89)	3.9 (103)	4.0 (116)	5.3 (105)	5.5 (99)	5.6 (98)	5.8 (89)	5.6 (100)	5.7 (117)
1. Size of Government	2.2	5.0	2.5	4.9	5.5	6.2	5.9	6.2	6.2	6.2
A. General government consumption spending	6.6 (17.6)	7.2 (15.5)	5.5 (21.4)	7.8 (13.6)	7.6 (14.3)	9.6 (7.5)	8.6 (10.6)	9.5 (7.6)	9.7 (7.1)	9.7 (7.1)
B. Transfers and subsidies		9.8 (1.3)								
C. Government enterprises and investment	0.0 (50.9)	0.0 (49.8)	0.0 (88.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Top marginal tax rate	0.0	3.0	2.0	7.0	9.0	9.0	9.0	9.0	9.0	9.0
(i) Top marginal income tax rate	0.0 (70)	3.0 (55)	2.0 (55)	7.0 (35)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
(ii) Top marginal income and payroll tax rates					9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)	9.0 (25)
2. Legal Structure and Security of Property Rights	3.1	2.5	2.9	4.5	3.7	3.1	3.4	3.4	3.5	3.0
A. Judicial independence						3.4	4.2	3.7	4.8	3.6
B. Impartial courts				3.6	3.6	3.3	3.5	3.5	3.6	3.7
C. Protection of property rights					2.5	2.3	2.7	3.3	3.4	4.7
D. Military interference				3.5	3.3	3.3	3.3	3.3	3.3	3.3
E. Integrity of the legal system				7.0	5.0	3.3	3.3	3.3	2.5	2.8
F. Legal enforcement of contracts										2.7
G. Regulatory restrictions on sale of real property										0.0
3. Access to Sound Money	5.5	6.3	4.1	1.3	5.2	5.6	5.7	6.0	6.4	6.7
A. Money growth	4.9 (25.5)	8.6 (7.1)	6.0 (20.1)	4.0 (30.0)	5.9 (20.4)	5.6 (22.1)	5.7 (21.7)	5.4 (22.8)	5.4 (22.8)	5.4 (22.8)
B. Standard deviation of inflation	9.4 (1.4)	7.4 (6.5)	1.9 (20.2)	1.1 (22.4)	2.9 (17.8)	4.5 (13.7)	4.7 (13.3)	6.3 (9.3)	8.9 (2.7)	8.9 (2.8)
C. Inflation: most recent year	7.5 (12.4)	9.3 (3.7)	8.6 (7.2)	0.0 (55.8)	7.1 (14.5)	7.4 (13.0)	7.4 (12.9)	7.2 (14.0)	6.1 (19.4)	7.3 (13.5)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	3.9	3.4	5.4	4.6	5.9	6.6	6.7	6.8	6.4	6.7
A. Taxes on international trade	3.9	4.6	3.5	4.7	3.8	4.9	4.4	4.4	4.4	7.0
(i) Taxes as percentage of exports and imports	4.3 (8.5)	6.6 (5.1)	7.3 (4.0)							
(ii) Mean tariff rate	3.5 (32.6)	2.6 (37.0)	3.1 (34.3)	5.6 (21.8)		6.0 (20.0)	5.0 (24.8)	5.0 (24.8)	5.0 (24.8)	7.7 (11.6)
(iii) Standard deviation of tariff rates			0.0 (30.8)	3.7 (15.7)	3.8 (15.6)	3.8 (15.6)	3.8 (15.6)	3.8 (15.6)	3.8 (15.6)	6.4 (9.0)
B. Regulatory trade barriers					3.2	5.3	4.5	4.9	3.8	4.0
C. Size of trade sector	7.5	4.0	9.9	10.0	10.0	10.0	9.7	10.0	10.0	8.4
D. Black-market exchange rates	0.0	0.0	5.4	0.0	5.7	5.7	8.6	8.6	7.9	7.9
E. International capital market controls	0.0	0.0	0.0	0.0	7.0	7.0	6.5	6.1	6.1	6.2
5. Regulation of Credit, Labor and Business	4.8	5.2	4.6	4.9	6.1	6.0	6.1	6.4	5.7	6.0
A. Credit market regulations	2.0	3.0	3.6	4.6	5.9	7.3	7.5	7.6	7.6	7.5
(i) Ownership of banks	2.0	2.0	2.0	5.0	5.0	5.0	8.0	8.0	8.0	5.0
(ii) Foreign bank competition					7.6	7.6	7.6	7.6	7.6	7.6
(iii) Private sector credit			8.7	8.7	6.6	8.0	6.6	7.5	7.0	7.4
(iv) Interest rate controls/negative real int. rates	2.0	4.0	0.0	0.0	4.0	10.0	9.0	9.0	9.0	10.0
B. Labor market regulations					7.2	7.1	7.0	7.0	5.5	6.4
(i) Minimum wage					4.8	4.8	4.8	4.8	0.0	0.0
(ii) Hiring and firing regulations					7.2	6.8	6.8	6.5	5.9	6.6
(iii) Centralized collective bargaining					6.9	6.9	6.5	6.8	6.0	6.7
(iv) Mandated cost of hiring										7.7
(v) Mandated cost of worker dismissal										9.6
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					5.2	3.5	3.7	4.4	3.9	4.1
(i) Price controls			0.0	0.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements					7.8	1.5	2.2	3.5	3.7	3.7
(iii) Bureaucracy costs					6.0	3.0	3.5	5.0	1.0	3.2
(iv) Starting a business					5.1	4.2	3.8	3.8	4.9	7.7
(v) Extra payments/bribes					3.0	2.9	3.2	3.7	4.1	3.9
(vi) Licensing restrictions										4.4
(vii) Cost of tax compliance										0.0

Norway

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.7 (40)	6.1 (28)	6.7 (20)	7.5 (13)	7.2 (27)	7.1 (30)	7.0 (33)	7.3 (23)	7.1 (33)	7.5 (22)
1. Size of Government	2.9	3.2	2.9	3.7	3.7	4.7	4.6	4.5	4.1	4.7
A. General government consumption spending	3.4 (28.6)	3.7 (27.5)	3.1 (29.6)	3.0 (29.8)	2.8 (30.6)	2.5 (31.6)	2.2 (32.7)	2.0 (33.1)	2.1 (32.8)	2.1 (32.8)
B. Transfers and subsidies	4.1 (22.1)	4.3 (21.4)	2.7 (27.3)	4.2 (21.8)	4.5 (20.7)	4.8 (19.7)	4.8 (19.7)	4.3 (21.4)	4.6 (20.3)	5.1 (18.4)
C. Government enterprises and investment	4.0 (35.9)	4.0 (34.2)	4.0 (37.4)	4.0 (43.1)	4.0	8.0 (16.2)	8.0 (16.2)	8.0 (16.2)	6.0 (16.2)	6.0 (16.2)
D. Top marginal tax rate	0.0	1.0	2.0	3.5	3.5	3.5	3.5	3.5	3.5	5.5
(i) Top marginal income tax rate	0.0 (75)	1.0 (64)	3.0 (51)	5.0 (42)	5.0 (48)	5.0 (48)	5.0 (48)	5.0 (48)	5.0 (48)	7.0 (40)
(ii) Top marginal income and payroll tax rates			1.0 (64)	2.0 (56)	2.0 (64)	2.0 (65)	2.0 (65)	2.0 (65)	2.0 (65)	4.0 (54)
2. Legal Structure and Security of Property Rights	7.0	8.1	8.3	9.2	8.8	8.3	8.3	9.2	8.7	9.3
A. Judicial independence				9.5	8.4	7.9	7.7	9.0	8.3	8.9
B. Impartial courts				8.9	8.7	7.2	7.2	8.8	7.7	8.8
C. Protection of property rights				7.6	7.2	6.6	6.7	8.3	7.3	8.8
D. Military interference				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										9.6
G. Regulatory restrictions on sale of real property										9.2
3. Access to Sound Money	6.5	6.3	8.7	9.5	9.0	8.9	9.0	8.9	9.0	9.3
A. Money growth	9.7 (1.5)	7.5 (12.7)	6.6 (16.8)	9.1 (4.7)	9.1 (4.5)	8.7 (6.7)	9.0 (4.8)	9.0 (5.1)	9.0 (5.1)	9.0 (5.1)
B. Standard deviation of inflation	8.9 (2.6)	8.9 (2.8)	8.9 (2.7)	9.4 (1.4)	7.5 (6.2)	7.4 (6.5)	7.1 (7.2)	7.3 (6.8)	7.3 (6.8)	8.5 (3.8)
C. Inflation: most recent year	7.4 (13.1)	9.0 (5.2)	9.2 (3.9)	9.4 (3.1)	9.4 (3.1)	9.4 (3.0)	9.7 (1.3)	9.5 (2.5)	9.9 (0.5)	9.7 (1.5)
D. Freedom to own foreign currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.9	7.6	7.9	8.0	7.6	7.5	6.9	7.3	7.0	6.6
A. Taxes on international trade	9.3	9.3	8.6	8.1	7.6	7.9	8.0	7.9	7.9	6.1
(i) Taxes as percentage of exports and imports	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.7 (0.4)	9.9 (0.2)	9.9 (0.2)	9.9 (0.2)	9.9 (0.2)	9.9 (0.2)	9.9 (0.1)
(ii) Mean tariff rate	8.8 (6.2)	8.9 (5.7)	8.9 (5.7)	8.8 (5.9)	9.4 (2.9)	9.3 (3.3)	9.8 (0.8)	9.5 (2.6)	9.5 (2.6)	8.3 (8.6)
(iii) Standard deviation of tariff rates			7.2 (6.9)	5.7 (10.7)	3.4 (16.6)	4.4 (14.0)	4.4 (14.0)	4.4 (14.0)	4.4 (14.0)	0.0 (37.4)
B. Regulatory trade barriers				9.2	8.3	7.9	7.1	8.6	7.0	7.0
C. Size of trade sector	5.8	5.3	4.7	4.1	4.2	3.9	3.3	3.3	3.5	3.4
D. Black-market exchange rates	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	5.0	8.0	8.6	7.8	7.8	5.9	6.5	6.8	6.4
5. Regulation of Credit, Labor and Business	5.2	5.5	5.5	6.9	6.7	6.3	6.2	6.5	6.6	7.6
A. Credit market regulations	7.2	8.8	8.5	8.6	8.5	8.6	9.0	9.0	8.8	8.7
(i) Ownership of banks	10.0	10.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				8.3	6.2	6.2	8.0	8.0	8.0	5.0
(iii) Private sector credit	5.6	6.4	7.5	8.1	9.4	9.7	9.8	9.8	9.7	9.7
(iv) Interest rate controls/negative real int. rates	6.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	10.0
B. Labor market regulations	3.5	3.2	3.6	4.3	3.8	4.0	3.6	3.7	4.2	6.2
(i) Minimum wage				4.5	5.0	5.0	5.0	5.0	6.2	6.2
(ii) Hiring and firing regulations			4.9	4.9	2.1	3.0	2.2	2.7	3.3	2.8
(iii) Centralized collective bargaining	5.2	5.2	5.2	5.2	4.0	4.1	3.5	4.0	4.9	4.6
(iv) Mandated cost of hiring	4.4	3.5	3.5	4.2	4.8	4.8	4.3	3.8	3.8	5.7
(v) Mandated cost of worker dismissal										8.9
(vi) Conscription	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				7.8	7.7	6.2	6.1	6.8	6.9	7.8
(i) Price controls			6.0	7.0	8.0	6.0	6.0	7.0	6.0	6.0
(ii) Administrative requirements					6.1	2.8	3.3	4.2	4.2	4.7
(iii) Bureaucracy costs				8.1	8.7	7.3	7.0	7.5	7.6	7.1
(iv) Starting a business				7.2	6.8	6.4	6.0	6.3	7.5	9.5
(v) Extra payments/bribes				9.0	8.7	8.7	8.3	9.1	9.0	9.3
(vi) Licensing restrictions										9.2
(vii) Cost of tax compliance										9.0

Oman

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶		6.9 (14)	6.3 (32)	7.0 (28)	7.1 (32)	7.2 (23)	7.1 (27)	7.4 (19)	7.3 (24)	7.6 (18)
1. Size of Government	5.4	5.3	5.3	5.7	5.8	5.8	5.8	5.8	5.9	5.7
A. General government consumption spending	0.0 (47.4)	0.0 (45.5)	0.0 (58.8)	1.2 (36.0)	1.6 (34.4)	1.4 (35.3)	1.5 (34.8)	1.9 (33.7)	2.4 (31.9)	1.3 (35.6)
B. Transfers and subsidies	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)	9.4 (2.7)	9.4 (2.7)	9.4 (2.7)
C. Government enterprises and investment	2.0 (58.8)	2.0	2.0	2.0	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	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)	10.0 (0)	10.0 (0)
(ii) Top marginal income and payroll tax rates			10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (13)	10.0 (0)	10.0 (0)	10.0 (0)
2. Legal Structure and Security of Property Rights		5.8	5.2	6.7	6.9	6.9	6.9	7.5	7.5	7.7
A. Judicial independence										
B. Impartial courts				7.5	7.4	7.4	7.4	7.3	7.3	6.8
C. Protection of property rights										
D. Military interference				8.7	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										6.4
G. Regulatory restrictions on sale of real property										8.7
3. Access to Sound Money	5.0	9.2	7.5	9.1	8.3	8.5	8.3	8.6	8.6	9.4
A. Money growth	7.8 (11.1)	8.8 (6.1)	8.9 (-5.4)	9.8 (-1.2)	9.6 (-1.9)	9.8 (1.1)	8.9 (5.6)	8.7 (6.5)	8.5 (7.3)	8.5 (7.3)
B. Standard deviation of inflation	2.2 (19.4)	8.1 (4.8)	4.5 (13.7)	7.6 (6.1)	3.9 (15.3)	4.4 (13.9)	4.5 (13.8)	5.8 (10.6)	5.9 (10.2)	9.5 (1.2)
C. Inflation: most recent year	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)	9.9 (-0.4)	9.9 (0.4)	9.6 (1.9)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally		7.1	7.0	6.8	7.9	7.9	7.8	7.9	7.8	7.3
A. Taxes on international trade		9.2	9.3	8.1	9.3	9.3	9.1	9.1	9.1	7.7
(i) Taxes as percentage of exports and imports		9.1 (1.4)	9.3 (1.0)	9.3 (1.1)	9.4 (0.9)	9.4 (0.8)	9.4 (0.8)	9.4 (0.8)	9.4 (0.8)	9.4 (0.8)
(ii) Mean tariff rate		9.4 (3.0)		8.9 (5.7)	9.1 (4.7)	9.1 (4.7)	8.4 (8.0)	8.4 (8.0)	8.4 (8.0)	9.2 (3.8)
(iii) Standard deviation of tariff rates				6.3 (9.2)	9.5 (1.2)	9.5 (1.2)	9.5 (1.2)	9.5 (1.2)	9.5 (1.2)	4.4 (14.0)
B. Regulatory trade barriers									6.1	6.6
C. Size of trade sector	7.2	6.0	5.3	5.6	5.2	5.3	5.2	5.2	6.1	5.4
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	2.0	6.7	6.7	6.7	6.7	6.7	6.7
5. Regulation of Credit, Labor and Business	7.1	7.1	6.6	6.6	6.8	6.8	6.8	7.0	6.6	8.0
A. Credit market regulations	8.9	9.0	9.1	9.1	9.6	9.6	9.6	9.5	8.9	9.3
(i) Ownership of banks	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition									8.0	8.0
(iii) Private sector credit	9.8	9.1	9.3	9.4	8.9	8.7	8.8	8.6	8.6	9.1
(iv) Interest rate controls/negative real int. rates		10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	10.0
B. Labor market regulations										8.0
(i) Minimum wage									6.7	6.7
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										7.3
(v) Mandated cost of worker dismissal										8.8
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										6.7
(i) Price controls			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									6.7	8.5
(v) Extra payments/bribes										
(vi) Licensing restrictions										4.7
(vii) Cost of tax compliance										9.4

Pakistan

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.6 (78)	5.1 (66)	5.0 (75)	5.6 (74)	5.4 (100)	5.5 (99)	5.8 (88)	5.6 (98)	5.7 (91)	6.0 (101)
1. Size of Government	5.0	4.7	4.6	5.3	6.7	7.3	7.7	7.3	7.2	7.3
A. General government consumption spending	8.6 (10.8)	8.0 (12.9)	6.6 (17.5)	7.7 (13.8)	7.9 (13.1)	8.2 (12.1)	7.9 (13.2)	8.5 (11.0)	8.8 (10.2)	9.1 (9.0)
B. Transfers and subsidies	9.5 (2.2)	9.9 (0.7)	8.9 (4.4)	9.7 (1.8)	9.8 (1.1)	9.9 (0.9)	9.9 (0.9)	9.7 (1.4)	9.1 (3.8)	8.9 (4.4)
C. Government enterprises and investment	0.0 (65.3)	0.0 (53.9)	0.0 (49.4)	0.0 (46.8)	2.0 (33.8)	4.0 (35.3)	6.0 (26.0)	4.0 (30.9)	4.0 (30.9)	4.0 (30.9)
D. Top marginal tax rate	2.0	1.0	3.0	4.0	7.0	7.0	7.0	7.0	7.0	7.0
(i) Top marginal income tax rate	2.0 (55)	1.0 (60)	3.0 (50)	4.0 (45)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top marginal income and payroll tax rates			3.0 (50)	4.0 (45)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
2. Legal Structure and Security of Property Rights	2.5	3.5	2.7	4.9	4.6	3.4	2.7	2.3	2.5	4.4
A. Judicial independence							3.0	2.3	2.6	3.8
B. Impartial courts				4.2	4.3	4.3	2.8	2.2	2.3	3.4
C. Protection of property rights							2.5	2.0	2.7	4.5
D. Military interference				4.6	5.3	0.0	0.0	0.0	0.0	0.4
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.3
G. Regulatory restrictions on sale of real property										8.0
3. Access to Sound Money	6.1	6.7	7.7	7.6	6.5	6.8	6.8	6.8	6.4	6.0
A. Money growth	6.7 (16.4)	8.7 (6.6)	8.1 (9.4)	9.0 (5.2)	8.5 (7.3)	9.3 (3.7)	8.8 (5.9)	8.3 (8.6)	7.8 (10.8)	6.9 (15.4)
B. Standard deviation of inflation	9.3 (1.7)	9.1 (2.3)	9.0 (2.4)	9.2 (2.0)	8.4 (3.9)	8.4 (3.9)	9.2 (2.1)	9.4 (1.5)	9.2 (2.1)	8.9 (2.6)
C. Inflation: most recent year	8.2 (9.1)	9.1 (4.5)	8.7 (6.5)	7.2 (13.8)	9.1 (4.4)	9.4 (3.2)	9.3 (3.3)	9.4 (2.9)	8.5 (7.4)	8.2 (9.1)
D. Freedom to own foreign currency	0.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	4.1	4.9	4.5	5.1	4.1	4.6	5.7	5.7	5.7	5.8
A. Taxes on international trade	0.0	0.1	0.0	1.3	2.8	4.9	5.5	5.3	5.2	6.4
(i) Taxes as percentage of exports and imports	0.0 (15.3)	0.2 (14.7)	0.0 (15.2)	2.6 (11.1)	6.3 (5.6)	6.6 (5.1)	7.5 (3.7)	7.1 (4.3)	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)	6.6 (16.9)	6.6 (16.9)	6.8 (16.1)	7.1 (14.6)
(iii) Standard deviation of tariff rates			0.0 (34.0)	1.2 (21.9)	1.5 (21.2)	2.3 (19.2)	2.3 (19.2)	2.3 (19.2)	2.3 (19.2)	5.6 (11.0)
B. Regulatory trade barriers							6.9	6.3	5.7	5.3
C. Size of trade sector	5.6	4.7	5.2	4.4	3.7	4.2	3.8	4.5	4.4	4.7
D. Black-market exchange rates	4.6	9.2	7.2	9.4	5.0	5.0	8.3	8.3	8.9	8.9
E. International capital market controls	2.0	2.0	2.0	2.0	0.8	0.8	3.9	3.8	4.2	3.7
5. Regulation of Credit, Labor and Business	5.4	5.7	5.4	5.1	5.2	5.6	6.0	5.8	6.5	6.3
A. Credit market regulations	4.3	5.3	4.4	4.1	4.4	5.6	7.1	7.1	7.6	8.3
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	2.0	5.0	5.0	5.0	8.0
(ii) Foreign bank competition									8.0	8.0
(iii) Private sector credit	6.9	7.9	7.2	6.4	7.1	7.4	6.2	6.4	7.4	7.2
(iv) Interest rate controls/negative real int. rates	6.0	8.0	6.0	6.0	6.0	7.4	10.0	10.0	10.0	10.0
B. Labor market regulations							7.1	6.6	7.8	6.1
(i) Minimum wage									7.6	7.6
(ii) Hiring and firing regulations							4.2	4.7	5.8	6.0
(iii) Centralized collective bargaining							7.2	5.0	7.9	6.6
(iv) Mandated cost of hiring										6.4
(v) Mandated cost of worker dismissal										1.7
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							3.9	3.8	4.2	4.6
(i) Price controls				4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements							2.2	2.0	2.6	3.4
(iii) Bureaucracy costs							4.3	6.0	4.7	1.9
(iv) Starting a business							4.0	4.0	5.8	9.0
(v) Extra payments/bribes							4.9	2.8	3.8	4.5
(vi) Licensing restrictions										5.2
(vii) Cost of tax compliance										3.7

Panama

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.0 (25)	6.6 (18)	6.6 (26)	7.4 (17)	7.1 (32)	7.2 (23)	7.1 (27)	7.2 (27)	7.2 (28)	7.4 (30)
1. Size of Government	4.8	5.0	5.6	7.4	7.3	8.1	8.1	8.2	8.3	8.3
A. General government consumption spending	3.5 (28.2)	4.2 (25.8)	4.7 (24.2)	5.1 (22.5)	5.3 (22.1)	6.3 (18.4)	6.3 (18.7)	6.1 (19.2)	6.6 (17.6)	6.6 (17.6)
B. Transfers and subsidies	8.8 (4.9)	8.8 (4.8)	8.1 (7.4)	8.3 (6.7)	8.3 (6.6)	8.6 (5.8)	8.6 (5.8)	8.6 (5.8)	8.6 (5.8)	8.6 (5.8)
C. Government enterprises and investment	4.0 (39.9)	4.0 (31.4)	7.0 (22.1)	8.0 (16.1)	8.0 (17.1)	10.0 (11.9)	10.0 (11.9)	10.0 (11.9)	10.0 (11.9)	10.0 (11.9)
D. Top marginal tax rate	3.0	3.0	2.5	8.0	7.5	7.5	7.5	8.0	8.0	8.0
(i) Top marginal income tax rate	3.0 (56)	3.0 (56)	3.0 (56)	9.0 (30)	8.0 (31)	8.0 (31)	8.0 (31)	9.0 (30)	9.0 (30)	9.0 (30)
(ii) Top marginal income and payroll tax rates			2.0 (64)	7.0 (38)	7.0 (38)	7.0 (38)	7.0 (38)	7.0 (36)	7.0 (36)	7.0 (36)
2. Legal Structure and Security of Property Rights	3.2	3.5	3.7	5.6	5.2	4.7	4.6	4.5	4.6	5.6
A. Judicial independence						2.5	2.0	1.8	2.5	2.4
B. Impartial courts				4.9	5.4	3.2	2.7	2.7	3.2	3.1
C. Protection of property rights					4.1	4.3	4.8	4.8	4.0	6.7
D. Military interference				6.7	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.5
G. Regulatory restrictions on sale of real property										8.4
3. Access to Sound Money	6.7	9.7	9.8	9.5	9.6	9.7	9.7	9.7	9.7	9.5
A. Money growth	8.0 (10.0)	9.9 (0.6)	10.0 (-0.3)	8.8 (5.9)	9.3 (3.4)	9.5 (2.7)	9.8 (1.0)	9.5 (2.5)	9.3 (3.6)	9.0 (4.8)
B. Standard deviation of inflation	5.6 (11.0)	9.0 (2.4)	9.5 (1.2)	9.3 (1.9)	9.3 (1.8)	9.3 (1.8)	9.3 (1.7)	9.6 (1.1)	9.5 (1.3)	9.5 (1.2)
C. Inflation: most recent year	3.3 (33.7)	9.8 (0.8)	9.9 (0.6)	9.9 (0.5)	9.7 (1.5)	9.9 (0.3)	9.8 (1.0)	9.7 (1.4)	9.9 (0.4)	9.3 (3.3)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	8.3	7.7	7.3	8.0	7.1	7.6	7.1	7.2	7.0	6.9
A. Taxes on international trade	7.9	7.3	5.4	7.3	7.5	8.2	8.2	8.2	8.2	7.9
(i) Taxes as percentage of exports and imports	7.9 (3.1)	7.3 (4.1)	8.8 (1.8)	9.1 (1.4)	7.3 (4.0)	8.9 (1.6)	8.9 (1.6)	8.9 (1.6)	8.9 (1.6)	8.9 (1.6)
(ii) Mean tariff rate			2.0 (40.0)	5.6 (22.0)	8.1 (9.5)	8.4 (7.9)	8.4 (7.9)	8.4 (7.9)	8.4 (7.9)	8.5 (7.4)
(iii) Standard deviation of tariff rates					7.0 (7.4)	7.1 (7.2)	7.1 (7.2)	7.1 (7.2)	7.1 (7.2)	6.4 (9.1)
B. Regulatory trade barriers					5.0	6.9	6.6	6.8	6.5	5.4
C. Size of trade sector	7.3	4.8	4.7	4.7	4.1	3.6	2.3	2.3	2.9	2.9
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	8.0	8.0	8.0	10.0	9.1	9.1	8.5	8.8	7.7	8.6
5. Regulation of Credit, Labor and Business	7.0	6.9	6.4	6.7	6.5	6.2	6.3	6.4	6.3	6.8
A. Credit market regulations	8.5	8.3	9.1	9.3	8.4	8.4	8.7	8.7	8.7	8.9
(i) Ownership of banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition					7.1	7.1	9.0	9.0	9.0	8.0
(iii) Private sector credit	8.9	8.7	9.3	9.9	9.9	9.9	9.8	9.7	9.7	9.8
(iv) Interest rate controls/negative real int. rates			10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations					5.9	5.6	5.4	5.9	5.6	5.7
(i) Minimum wage					3.8	3.8	3.8	3.8	4.0	4.0
(ii) Hiring and firing regulations					4.2	2.5	2.2	3.0	3.4	3.4
(iii) Centralized collective bargaining					5.9	6.0	5.8	6.8	4.9	6.6
(iv) Mandated cost of hiring										5.7
(v) Mandated cost of worker dismissal										5.6
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					5.1	4.5	4.6	4.6	4.7	5.8
(i) Price controls			2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements					6.9	2.5	2.3	2.5	3.2	3.1
(iii) Bureaucracy costs					3.9	6.0	7.3	6.0	5.2	4.7
(iv) Starting a business					5.5	4.9	4.8	4.5	6.3	9.1
(v) Extra payments/bribes					5.3	5.3	4.7	6.1	4.7	5.8
(vi) Licensing restrictions										8.6
(vii) Cost of tax compliance										5.2

Papua New Guinea

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶		6.3 (22)	6.3 (32)	6.1 (60)	5.8 (84)	5.8 (84)	5.7 (92)	5.7 (94)	5.6 (100)	6.2 (91)
1. Size of Government		5.9	5.8	7.3	5.9	6.1	6.4	6.0	6.1	6.1
A. General government consumption spending	3.5 (28.1)	4.1 (25.9)	3.1 (29.6)	6.0 (19.6)	3.8 (27.1)	4.3 (25.4)	5.8 (20.2)	5.1 (22.7)	5.3 (22.0)	5.3 (22.0)
B. Transfers and subsidies		9.5 (2.5)	9.1 (3.8)		9.9 (0.8)	9.9 (0.8)	9.9 (0.8)	9.1 (3.7)	9.1 (3.7)	9.1 (3.7)
C. Government enterprises and investment		4.0 (34.0)	7.0 (20.3)	8.0 (18.7)	7.0 (23.1)	7.0 (22.9)	7.0 (22.9)	7.0 (22.9)	7.0 (22.9)	7.0
D. Top marginal tax rate			4.0	8.0	3.0	3.0	3.0	3.0	3.0	3.0
(i) Top marginal income tax rate			4.0 (45)	8.0 (28)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)
(ii) Top marginal income and payroll tax rates			4.0 (45)	8.0 (28)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)	3.0 (47)
2. Legal Structure and Security of Property Rights		5.7	6.3	5.3	4.4	4.4	4.0	3.7	3.7	4.4
A. Judicial independence										
B. Impartial courts				5.0	5.1	5.1	5.1	4.1	4.1	3.9
C. Protection of property rights										
D. Military interference				5.3	5.0	5.0	3.3	5.0	5.0	5.4
E. Integrity of the legal system				7.0	3.3	3.3	3.3	3.3	3.3	3.8
F. Legal enforcement of contracts										2.1
G. Regulatory restrictions on sale of real property										6.9
3. Access to Sound Money	6.2	6.6	6.6	5.6	6.3	6.4	6.1	6.1	6.5	7.2
A. Money growth	9.3 (3.5)	9.5 (2.7)	8.8 (5.8)	8.7 (6.6)	9.7 (1.4)	9.0 (4.9)	8.5 (7.6)	8.6 (7.0)	7.9 (10.4)	6.6 (17.1)
B. Standard deviation of inflation	6.9 (7.6)	7.2 (6.9)	8.4 (4.0)	7.5 (6.2)	8.5 (3.8)	8.5 (3.9)	8.4 (4.1)	8.7 (3.2)	8.6 (3.4)	7.7 (5.8)
C. Inflation: most recent year	8.6 (7.1)	9.7 (1.6)	9.2 (4.1)	6.1 (19.7)	6.9 (15.6)	8.1 (9.3)	7.6 (11.8)	7.1 (14.7)	9.6 (2.1)	9.7 (1.7)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
4. Freedom to Trade Internationally		6.7	6.3	6.4	6.2	6.1	6.1	6.5	6.4	6.1
A. Taxes on international trade	7.8	7.3	6.9	6.5	4.5	4.9	5.7	5.7	5.7	5.9
(i) Taxes as percentage of exports and imports	7.8 (3.3)	6.1 (5.9)	5.3 (7.1)	6.0 (6.0)	5.1 (7.3)	6.4 (5.4)	5.9 (6.1)	5.9 (6.1)	5.9 (6.1)	5.9 (6.1)
(ii) Mean tariff rate		8.6 (7.0)	8.6 (7.0)		5.8 (21.1)	5.8 (21.1)	8.7 (6.3)	8.7 (6.3)	8.7 (6.4)	8.8 (6.1)
(iii) Standard deviation of tariff rates				7.0 (7.5)	2.6 (18.5)	2.6 (18.5)	2.6 (18.5)	2.6 (18.5)	2.6 (18.5)	3.0 (17.4)
B. Regulatory trade barriers									5.8	5.7
C. Size of trade sector	9.9	9.0	8.0	8.7	6.6	7.2	6.5	8.9	8.8	8.8
D. Black-market exchange rates		9.2	8.6	8.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0
5. Regulation of Credit, Labor and Business	6.3	6.5	6.5	6.2	6.4	6.0	5.9	5.9	5.4	7.0
A. Credit market regulations	6.4	6.9	6.9	6.4	7.0	6.9	6.6	6.4	6.2	8.0
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	10.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit	7.7	8.8	8.9	6.3	5.9	5.7	5.7	5.3	4.6	5.0
(iv) Interest rate controls/negative real int. rates				8.0	10.0	10.0	9.0	9.0	9.0	9.0
B. Labor market regulations									3.1	6.3
(i) Minimum wage										3.1
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										7.7
(v) Mandated cost of worker dismissal										6.4
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										6.7
(i) Price controls						4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									4.6	7.9
(v) Extra payments/bribes										
(vi) Licensing restrictions										7.1
(vii) Cost of tax compliance										7.8

Peru

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.8 (97)	2.9 (109)	4.0 (101)	6.3 (48)	6.9 (41)	6.9 (40)	6.8 (42)	6.8 (44)	6.8 (49)	7.2 (38)
1. Size of Government	5.7	5.4	7.4	8.2	8.1	7.6	7.4	7.5	7.6	7.5
A. General government consumption spending	7.3 (15.3)	8.0 (12.7)	8.7 (10.5)	8.8 (10.2)	7.7 (13.7)	7.8 (13.4)	7.9 (13.2)	8.1 (12.5)	8.0 (12.8)	7.9 (13.3)
B. Transfers and subsidies	9.6 (1.9)	9.6 (1.8)	9.3 (3.0)	9.1 (3.9)	9.0 (4.0)	9.2 (3.6)	9.2 (3.6)	9.3 (3.2)	9.2 (3.3)	9.3 (3.2)
C. Government enterprises and investment	4.0 (28.1)	4.0 (33.9)	8.0 (16.9)	8.0 (17.0)	8.0 (15.9)	7.0 (20.8)	7.0 (20.8)	7.0 (20.8)	7.0 (20.8)	7.0 (20.8)
D. Top marginal tax rate	2.0	0.0	3.5	7.0	7.5	6.5	5.5	5.5	6.0	6.0
(i) Top marginal income tax rate	2.0 (65)	0.0 (65)	4.0 (45)	8.0 (30)	10.0 (20)	8.0 (27)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates			3.0 (48)	6.0 (39)	5.0 (41)	5.0 (46)	3.0 (49)	3.0 (50)	4.0 (50)	4.0 (48)
2. Legal Structure and Security of Property Rights	3.8	2.2	2.9	4.8	3.9	4.2	4.0	4.0	4.0	5.1
A. Judicial independence				2.8	1.5	2.2	1.5	2.0	1.7	1.6
B. Impartial courts				4.3	3.2	3.0	2.3	2.3	2.3	2.6
C. Protection of property rights				4.8	3.3	2.6	2.7	2.3	2.8	4.1
D. Military interference				4.9	6.7	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.5
G. Regulatory restrictions on sale of real property										8.3
3. Access to Sound Money	1.3	0.0	1.3	5.1	8.8	9.5	9.7	9.6	9.6	9.7
A. Money growth	2.2 (39.1)	0.0 (98.5)	0.0 (690.3)	2.9 (35.3)	7.0 (14.9)	9.3 (3.3)	9.8 (-1.0)	9.2 (-3.8)	9.9 (-0.3)	9.8 (1.1)
B. Standard deviation of inflation	3.1 (17.3)	0.0 (37.9)	0.0 (2341.4)	0.0 (127.5)	8.9 (2.8)	9.0 (2.5)	9.1 (2.3)	9.4 (1.4)	9.2 (2.0)	9.2 (2.0)
C. Inflation: most recent year	0.0 (65.9)	0.0 (167.8)	0.0 (6134.8)	7.6 (12.2)	9.2 (3.8)	9.6 (2.0)	10.0 (0.2)	9.5 (2.3)	9.3 (3.7)	9.7 (1.6)
D. Freedom to own foreign currency	0.0	0.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	4.8	3.5	4.7	6.9	7.3	7.3	7.1	7.2	7.2	7.2
A. Taxes on international trade	1.5	1.9	3.4	7.0	7.7	7.8	7.9	8.0	8.3	8.1
(i) Taxes as percentage of exports and imports	2.9 (10.6)	4.5 (8.3)	7.4 (3.9)	6.3 (5.5)	7.0 (4.5)	7.1 (4.3)	7.6 (3.7)	7.8 (3.4)	8.0 (3.0)	8.4 (2.3)
(ii) Mean tariff rate	0.0 (57.0)	0.0 (64.0)	2.8 (36.0)	6.5 (17.6)	7.3 (13.4)	7.3 (13.4)	7.3 (13.4)	7.3 (13.4)	8.1 (9.6)	8.2 (9.2)
(iii) Standard deviation of tariff rates		1.2 (22.0)	0.0 (25.0)	8.2 (4.4)	8.8 (2.9)	8.8 (2.9)	8.8 (2.9)	8.8 (2.9)	8.8 (2.9)	7.6 (6.0)
B. Regulatory trade barriers				6.0	6.7	6.7	6.9	7.1	6.1	5.7
C. Size of trade sector	5.8	5.1	3.1	3.0	3.2	3.0	3.0	3.2	3.9	4.4
D. Black-market exchange rates	6.4	0.0	6.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	8.6	8.9	8.9	7.6	7.6	7.7	7.9
5. Regulation of Credit, Labor and Business	3.5	3.4	3.8	6.5	6.6	5.7	5.8	5.8	5.7	6.6
A. Credit market regulations	2.9	2.7	2.1	8.0	8.5	8.5	8.5	8.5	8.5	8.4
(i) Ownership of banks					10.0	10.0	10.0	10.0	10.0	8.0
(ii) Foreign bank competition				8.1	6.6	6.6	6.6	6.6	6.6	8.0
(iii) Private sector credit	5.9	5.4	4.2	9.4	9.5	8.6	8.6	8.6	8.7	8.8
(iv) Interest rate controls/negative real int. rates	0.0	0.0	0.0	6.0	8.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations				5.4	4.7	4.2	4.0	4.1	4.3	6.1
(i) Minimum wage				6.5	3.1	3.1	3.1	3.1	4.6	4.6
(ii) Hiring and firing regulations			6.8	6.8	7.2	4.9	3.2	4.0	3.8	3.7
(iii) Centralized collective bargaining				7.9	7.9	7.7	8.3	8.0	7.8	7.8
(iv) Mandated cost of hiring				5.7	5.5	5.5	5.5	5.5	5.5	7.0
(v) Mandated cost of worker dismissal										4.8
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				6.1	6.5	4.5	4.8	4.7	4.4	5.3
(i) Price controls			2.0	6.0	8.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements				6.8	7.5	2.1	1.8	2.2	1.8	2.2
(iii) Bureaucracy costs				7.0	7.5	5.8	6.5	5.8	6.1	4.2
(iv) Starting a business				6.4	3.6	2.9	3.8	3.2	1.7	6.3
(v) Extra payments/bribes				5.0	6.8	5.5	5.8	6.2	6.3	6.4
(vi) Licensing restrictions										7.0
(vii) Cost of tax compliance										5.2

Poland

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶		3.8 (100)	3.9 (103)	5.2 (86)	6.3 (65)	6.1 (77)	6.3 (66)	6.2 (73)	6.7 (54)	6.9 (56)
1. Size of Government	4.1	3.5	2.0	2.6	4.7	5.2	5.4	5.8	5.8	5.9
A. General government consumption spending	8.2 (12.1)	8.0 (13.0)	3.3 (28.7)	5.0 (23.0)	5.0 (23.0)	5.0 (23.1)	5.0 (22.9)	4.9 (23.2)	4.9 (23.3)	5.1 (22.5)
B. Transfers and subsidies		2.7 (27.4)	2.7 (27.4)	3.5 (24.4)	4.5 (20.7)	4.3 (21.4)	5.0 (18.7)	4.9 (19.0)	4.9 (19.0)	5.0 (19.0)
C. Government enterprises and investment	0.0	0.0	0.0 (58.8)	0.0 (55.8)	6.0	8.0	8.0 (36.6)	10.0 (9.0)	10.0 (9.0)	10.0 (10.6)
D. Top marginal tax rate				2.0	3.5	3.5	3.5	3.5	3.5	3.5
(i) Top marginal income tax rate				4.0 (45)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates				0.0 (63)	2.0 (53)	2.0 (52)	2.0 (52)	2.0 (52)	2.0 (52)	2.0 (55)
2. Legal Structure and Security of Property Rights		4.8	6.2	6.8	6.5	5.8	5.9	5.2	5.8	5.8
A. Judicial independence				6.5	5.3	4.5	4.8	3.5	4.0	4.2
B. Impartial courts				5.6	5.8	3.8	3.8	3.0	3.9	4.4
C. Protection of property rights				3.6	4.6	3.9	4.2	3.0	4.3	4.6
D. Military interference				8.5	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	6.7	6.7	6.7	6.7	6.7	7.1
F. Legal enforcement of contracts										4.5
G. Regulatory restrictions on sale of real property										5.8
3. Access to Sound Money	7.4	4.4	2.5	6.0	7.5	7.7	7.9	8.2	9.2	9.3
A. Money growth		5.9 (20.5)	0.0 (110.4)	3.8 (30.9)	9.0 (5.1)	9.1 (4.6)	8.9 (5.5)	9.0 (4.8)	8.3 (8.4)	8.1 (9.7)
B. Standard deviation of inflation	9.2 (2.0)	0.0 (37.4)	0.0 (167.6)	5.9 (10.2)	7.9 (5.1)	8.0 (5.1)	8.2 (4.4)	8.8 (3.1)	9.0 (2.5)	9.5 (1.4)
C. Inflation: most recent year	8.0 (9.8)	6.8 (15.8)	0.0 (435.7)	4.4 (28.2)	8.0 (10.1)	8.9 (5.5)	9.6 (1.9)	9.9 (0.7)	9.3 (3.6)	9.6 (2.1)
D. Freedom to own foreign currency	5.0	5.0	10.0	10.0	5.0	5.0	5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally		3.3	5.5	6.3	6.9	6.6	6.9	6.3	7.1	6.7
A. Taxes on international trade		5.8	6.7	6.4	7.8	7.8	7.9	8.1	8.5	8.5
(i) Taxes as percentage of exports and imports		4.3 (8.6)	6.0 (6.0)	5.9 (6.1)	9.2 (1.2)	9.4 (0.9)	9.5 (0.8)	9.4 (1.0)	9.8 (0.3)	9.8 (0.2)
(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)	8.9 (5.5)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			6.4 (8.9)	6.9 (7.8)	6.1 (9.8)	6.1 (9.8)	6.1 (9.8)	6.1 (9.8)	6.1 (9.8)	6.1 (9.7)
B. Regulatory trade barriers				5.7	7.4	6.6	6.9	6.3	6.7	6.1
C. Size of trade sector	6.0	2.5	4.4	4.0	5.3	4.9	4.9	3.1	6.1	5.6
D. Black-market exchange rates	0.0	0.0	8.2	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	5.2	3.8	3.8	4.7	4.2	4.2	3.6
5. Regulation of Credit, Labor and Business	3.1	3.1	3.5	4.5	5.9	5.4	5.5	5.3	5.7	6.6
A. Credit market regulations	0.2	0.4	0.4	4.0	7.1	7.7	8.1	8.1	8.1	8.3
(i) Ownership of banks	0.0	0.0	0.0	2.0	5.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				4.2	6.7	6.7	9.0	9.0	9.0	8.0
(iii) Private sector credit	0.5	0.8	1.3	3.8	7.8	7.6	7.4	7.1	7.1	7.3
(iv) Interest rate controls/negative real int. rates			0.0	6.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			3.6	4.4	4.2	4.3	4.1	4.3	4.8	6.0
(i) Minimum wage				5.4	3.4	3.4	3.4	3.4	6.8	6.8
(ii) Hiring and firing regulations			5.7	5.7	2.7	3.7	4.0	4.5	4.2	4.8
(iii) Centralized collective bargaining	4.5	4.5	5.2	5.2	7.0	6.4	7.0	7.5	6.7	6.1
(iv) Mandated cost of hiring				5.0	4.8	4.8	3.2	3.0	3.0	2.2
(v) Mandated cost of worker dismissal										7.7
(vi) Conscription	0.0	0.0	0.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				5.0	6.2	4.1	4.3	3.7	4.4	5.6
(i) Price controls				7.0	4.0	3.0	3.0	2.0	1.0	2.0
(ii) Administrative requirements					7.4	2.4	3.0	2.0	2.8	3.4
(iii) Bureaucracy costs				5.1	7.1	6.0	5.5	5.5	7.0	6.5
(iv) Starting a business				4.4	7.0	4.4	4.7	3.8	5.4	8.1
(v) Extra payments/bribes				3.3	5.6	4.7	5.5	5.2	5.5	5.5
(vi) Licensing restrictions										5.5
(vii) Cost of tax compliance										8.0

Romania

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶		4.8 (79)	4.8 (84)	3.8 (118)	4.9 (112)	5.1 (111)	5.5 (100)	5.7 (94)	5.7 (91)	6.4 (82)
1. Size of Government	5.2	5.9	4.0	3.4	4.0	4.6	4.7	4.6	4.3	5.5
A. General government consumption spending	9.4 (8.0)	9.9 (6.5)	6.8 (16.8)	6.8 (16.8)	7.5 (14.5)	6.7 (17.3)	6.2 (18.9)	6.7 (17.2)	5.4 (21.8)	7.6 (14.0)
B. Transfers and subsidies	6.3 (14.1)	8.0 (7.9)	5.1 (18.6)	6.2 (14.6)	6.1 (14.8)	6.4 (13.7)	7.0 (11.6)	6.3 (13.9)	6.3 (13.9)	6.3 (13.9)
C. Government enterprises and investment	0.0	0.0	0.0	0.0 (60.7)	0.0 (56.7)	2.0 (48.6)	2.0 (48.6)	2.0 (48.6)	2.0 (48.6)	2.0 (48.6)
D. Top marginal tax rate				0.5	2.5	3.5	3.5	3.5	3.5	6.0
(i) Top marginal income tax rate				1.0 (60)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	10.0 (16)
(ii) Top marginal income and payroll tax rates				0.0 (72)	0.0 (68)	2.0 (55)	2.0 (54)	2.0 (55)	2.0 (55)	2.0 (54)
2. Legal Structure and Security of Property Rights		4.0	6.3	5.6	5.6	4.6	4.5	5.2	4.8	5.7
A. Judicial independence						2.9	2.3	3.3	2.6	3.1
B. Impartial courts				5.4	5.5	2.6	2.3	3.7	3.0	3.5
C. Protection of property rights					4.1	2.7	3.0	3.8	3.3	5.1
D. Military interference				6.4	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										7.2
G. Regulatory restrictions on sale of real property										6.1
3. Access to Sound Money	6.6	6.9	7.1	0.7	2.7	4.2	6.2	6.6	6.5	8.1
A. Money growth	7.8 (11.2)	9.8 (1.2)	8.3 (8.7)	0.0 (58.1)	10.0 (-0.1)	8.6 (-6.8)	9.3 (-3.4)	9.0 (-4.8)	8.2 (-8.8)	8.2 (-8.8)
B. Standard deviation of inflation	8.8 (3.1)	8.1 (4.7)	7.9 (5.3)	0.0 (68.3)	0.0 (44.2)	0.0 (45.2)	5.2 (12.1)	5.3 (11.8)	5.1 (12.3)	5.9 (10.2)
C. Inflation: most recent year	9.9 (0.6)	9.9 (0.4)	7.3 (13.7)	2.9 (35.3)	0.9 (45.7)	3.1 (34.5)	5.5 (22.5)	6.9 (15.3)	7.6 (11.9)	8.2 (9.0)
D. Freedom to own foreign currency	0.0	0.0	5.0	0.0	0.0	5.0	5.0	5.0	5.0	10.0
4. Freedom to Trade Internationally			4.2	5.9	6.4	6.5	6.7	6.8	6.9	7.1
A. Taxes on international trade			9.7	7.2	6.8	6.9	6.9	6.9	6.8	7.7
(i) Taxes as percentage of exports and imports			9.7 (0.4)	8.2 (2.7)	8.9 (1.6)	9.3 (1.1)	9.4 (0.9)	9.4 (0.9)	9.4 (0.9)	9.4 (0.9)
(ii) Mean tariff rate				6.2 (18.8)	7.0 (15.2)	7.7 (11.4)	7.7 (11.4)	7.7 (11.4)	7.3 (13.3)	8.7 (6.6)
(iii) Standard deviation of tariff rates					4.4 (14.1)	3.6 (15.9)	3.6 (15.9)	3.6 (15.9)	3.6 (15.9)	5.0 (12.6)
B. Regulatory trade barriers					5.5	5.4	5.5	5.8	6.0	5.8
C. Size of trade sector	7.3	3.4	3.1	4.9	5.4	5.5	5.5	5.1	5.6	5.3
D. Black-market exchange rates	0.0	0.0	0.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	4.5	4.9	5.3	6.0	6.0	6.6
5. Regulation of Credit, Labor and Business	2.6	2.5	2.5	3.4	5.5	5.3	5.5	5.5	5.9	5.5
A. Credit market regulations	0.0	0.0	0.0	0.7	4.6	6.7	7.2	7.4	7.5	6.5
(i) Ownership of banks	0.0	0.0	0.0	2.0	0.0	2.0	5.0	5.0	5.0	2.0
(ii) Foreign bank competition					8.1	8.1	7.0	7.0	7.0	7.0
(iii) Private sector credit	0.0	0.0	0.0	0.0	6.0	6.5	7.0	8.3	8.8	9.1
(iv) Interest rate controls/negative real int. rates			0.0	0.0	0.0	8.0	8.0	8.0	8.0	8.0
B. Labor market regulations					6.3	5.0	5.0	4.6	5.0	4.4
(i) Minimum wage					4.7	4.7	4.7	4.7	6.9	6.9
(ii) Hiring and firing regulations					8.8	5.1	4.5	3.5	3.5	4.2
(iii) Centralized collective bargaining					8.7	7.4	8.0	7.8	7.6	7.9
(iv) Mandated cost of hiring							4.8	4.1	4.1	0.0
(v) Mandated cost of worker dismissal										0.9
(vi) Conscription	1.0	0.0	0.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations					5.8	4.3	4.2	4.4	5.2	5.6
(i) Price controls			0.0	6.0	6.0	6.0	6.0	2.0	1.0	0.0
(ii) Administrative requirements					6.6	1.1	1.7	3.7	3.3	3.5
(iii) Bureaucracy costs					7.5	8.0	7.0	7.5	10.0	7.0
(iv) Starting a business					3.6	2.6	3.0	4.0	6.5	9.6
(v) Extra payments/bribes					5.2	3.8	3.5	4.8	5.0	5.2
(vi) Licensing restrictions										5.8
(vii) Cost of tax compliance										7.9

Rwanda

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.4 (51)		5.3 (62)	4.3 (114)	5.0 (110)	5.2 (109)	5.3 (109)	4.9 (119)	4.8 (122)	5.2 (129)
1. Size of Government	7.3	6.1	7.3	7.7	5.3	5.1	5.1	4.7	4.9	5.0
A. General government consumption spending	7.9 (13.0)	8.2 (12.3)	8.6 (10.8)	9.4 (8.0)	8.6 (10.7)	8.2 (12.0)	8.3 (11.8)	7.3 (15.0)	7.9 (13.2)	8.0 (12.9)
B. Transfers and subsidies	9.9 (0.8)		9.2 (3.5)	9.5 (2.2)						
C. Government enterprises and investment	4.0 (39.4)	4.0 (42.4)	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights				2.4	2.0	2.0	2.0	1.0	1.0	3.6
A. Judicial independence										
B. Impartial courts				3.4	3.5	3.5	3.5	4.0	4.0	3.8
C. Protection of property rights										
D. Military interference					0.0	0.0	0.0	0.0	0.0	3.1
E. Integrity of the legal system				0.0	0.0	0.0	0.0	0.0	0.0	
F. Legal enforcement of contracts										5.5
G. Regulatory restrictions on sale of real property										1.8
3. Access to Sound Money	6.1	6.6	6.1	3.5	7.5	7.4	7.9	7.4	7.6	7.7
A. Money growth	7.1 (14.5)	9.5 (-2.4)	9.9 (0.8)	5.6 (21.9)	9.1 (-4.7)	8.2 (-8.9)	8.3 (-8.7)	7.2 (-14.2)	8.8 (-6.0)	9.9 (0.3)
B. Standard deviation of inflation	8.0 (5.0)	8.0 (5.1)	7.3 (6.7)	3.3 (16.8)	7.0 (7.6)	7.1 (7.2)	8.9 (2.7)	8.7 (3.3)	8.8 (3.1)	7.5 (6.2)
C. Inflation: most recent year	9.4 (3.1)	9.1 (4.6)	7.3 (13.5)	0.0 (54.2)	9.1 (4.3)	9.4 (3.0)	9.5 (2.5)	8.6 (6.9)	7.7 (11.7)	8.2 (9.1)
D. Freedom to own foreign currency	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	2.5		2.6	3.8		5.4	5.6	5.4	4.8	4.2
A. Taxes on international trade	1.1		0.5	1.1		7.5	7.5	7.7	7.7	6.3
(i) Taxes as percentage of exports and imports	1.1 (13.3)		0.5 (14.2)	0.3 (14.6)						
(ii) Mean tariff rate				3.0 (34.8)		8.0 (10.0)	8.0 (10.0)	8.3 (8.3)	8.3 (8.3)	6.6 (17.2)
(iii) Standard deviation of tariff rates				0.0 (33.1)		7.0 (7.6)	7.0 (7.6)	7.0 (7.6)	7.0 (7.6)	6.0 (9.9)
B. Regulatory trade barriers									0.0	0.0
C. Size of trade sector	3.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
D. Black-market exchange rates	0.0	0.2	4.4	9.4	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	1.5	1.5	2.3	2.3	3.8	3.8
5. Regulation of Credit, Labor and Business	5.6	5.7	5.1	4.3	5.2	5.9	6.0	6.1	5.7	5.6
A. Credit market regulations	5.0	5.3	5.5	2.8	5.6	6.7	7.1	7.1	6.1	5.4
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	2.0	5.0	5.0	5.0	2.0
(ii) Foreign bank competition									3.0	3.0
(iii) Private sector credit	9.0	7.8	6.5	8.5	8.9	9.0	8.2	8.3	8.3	8.7
(iv) Interest rate controls/negative real int. rates	6.0	8.0	10.0	0.0	8.0	9.0	8.0	8.0	8.0	8.0
B. Labor market regulations										5.4
(i) Minimum wage									3.6	3.6
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										7.6
(v) Mandated cost of worker dismissal										5.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations										6.1
(i) Price controls			0.0	0.0	0.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									8.0	6.4
(v) Extra payments/bribes										
(vi) Licensing restrictions										5.9
(vii) Cost of tax compliance										8.1

Senegal

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.2 (60)	5.0 (72)	5.2 (68)	4.6 (103)	5.9 (79)	5.8 (84)	5.8 (88)	5.8 (89)	5.7 (91)	5.9 (107)
1. Size of Government	6.4	4.0	5.7	4.6	6.8	6.5	6.7	6.3	6.3	6.1
A. General government consumption spending	6.1 (19.3)	7.0 (16.3)	7.0 (16.1)	7.7 (13.9)	8.3 (11.7)	7.1 (15.9)	7.8 (13.4)	7.6 (14.1)	7.5 (14.5)	6.6 (17.6)
B. Transfers and subsidies	9.0 (4.2)				9.8 (1.3)	10.0 (0.4)	10.0 (0.4)	8.7 (5.2)	8.7 (5.2)	8.7 (5.2)
C. Government enterprises and investment	4.0 (36.7)	4.0 (36.2)	6.0 (30.1)	6.0	6.0	6.0	6.0	6.0	6.0	6.0
D. Top marginal tax rate		1.0	4.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0
(i) Top marginal income tax rate		1.0 (65)	4.0 (48)	0.0 (64)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)
(ii) Top marginal income and payroll tax rates			4.0 (48)	0.0 (64)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)
2. Legal Structure and Security of Property Rights	3.4	4.0	4.0	3.4	4.4	4.4	4.1	4.3	4.3	4.3
A. Judicial independence							3.5	3.5	3.5	
B. Impartial courts				5.4	5.3	5.3	4.0	5.2	5.2	5.1
C. Protection of property rights							4.5	4.5	4.5	
D. Military interference				4.0	3.3	3.3	3.3	3.3	3.3	3.3
E. Integrity of the legal system				0.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.4
G. Regulatory restrictions on sale of real property										2.8
3. Access to Sound Money	6.1	6.6	7.1	5.8	7.3	7.0	7.1	7.2	6.9	7.1
A. Money growth	7.8 (11.2)	9.0 (5.0)	9.6 (-2.0)	8.7 (6.3)	9.5 (2.7)	8.9 (5.4)	9.4 (3.1)	9.2 (4.2)	9.1 (4.4)	9.1 (4.4)
B. Standard deviation of inflation	8.9 (2.6)	9.4 (1.6)	9.0 (2.5)	5.7 (10.9)	9.8 (0.5)	9.7 (0.8)	9.6 (0.9)	9.6 (1.0)	8.7 (3.1)	9.5 (1.3)
C. Inflation: most recent year	7.7 (11.5)	8.1 (9.3)	9.8 (1.2)	8.8 (5.9)	9.9 (0.7)	9.4 (3.1)	9.6 (2.2)	10.0 (0.0)	9.9 (0.5)	9.7 (1.7)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.3	5.5	4.9	5.2	6.3	5.8	6.1	5.9	6.1	5.9
A. Taxes on international trade	2.4	3.3	2.6	2.2	6.0	6.1	6.1	6.1	6.1	6.1
(i) Taxes as percentage of exports and imports	2.4 (11.4)	4.5 (8.3)	2.1 (11.8)	1.3 (13.0)	4.4 (8.3)	3.8 (9.3)	3.8 (9.3)	3.8 (9.3)	3.8 (9.3)	3.8 (9.3)
(ii) Mean tariff rate		2.2 (39.0)	3.0 (35.0)	3.2 (34.2)	7.6 (12.0)	7.2 (14.0)	7.2 (13.9)	7.2 (13.9)	7.3 (13.4)	7.2 (14.0)
(iii) Standard deviation of tariff rates						7.3 (6.8)	7.3 (6.8)	7.3 (6.8)	7.3 (6.8)	7.3 (6.8)
B. Regulatory trade barriers							5.6	5.1	5.4	8.0
C. Size of trade sector	6.5	6.2	4.6	5.8	5.2	4.9	5.2	4.9	4.8	4.8
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	2.3	0.0	3.5	3.5	4.2	0.8
5. Regulation of Credit, Labor and Business	4.9	4.7	4.4	4.1	4.6	5.1	5.0	5.0	5.0	5.9
A. Credit market regulations	6.5	5.9	6.5	4.8	5.6	7.4	8.4	8.4	8.4	7.5
(i) Ownership of banks	2.0	2.0	2.0	2.0	2.0	5.0	8.0	8.0	8.0	5.0
(ii) Foreign bank competition										
(iii) Private sector credit	9.4	9.6	9.6	8.5	8.7	8.7	9.2	9.3	9.2	9.4
(iv) Interest rate controls/negative real int. rates	8.0	6.0	8.0	4.0	6.0	8.7	8.0	8.0	8.0	8.0
B. Labor market regulations							2.4	2.4	2.8	5.3
(i) Minimum wage									4.2	4.2
(ii) Hiring and firing regulations							2.8	2.8	2.8	
(iii) Centralized collective bargaining							4.3	4.3	4.3	
(iv) Mandated cost of hiring										3.0
(v) Mandated cost of worker dismissal										6.4
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations							4.3	4.3	3.8	5.0
(i) Price controls			0.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements							2.0	2.0	2.0	
(iii) Bureaucracy costs							5.8	5.8		
(iv) Starting a business							5.3	5.3	4.9	6.2
(v) Extra payments/bribes							4.4	4.4	4.4	
(vi) Licensing restrictions										7.6
(vii) Cost of tax compliance										2.2

Serbia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >										5.6 (119)
1. Size of Government										5.7
A. General government consumption spending										3.9 (26.8)
B. Transfers and subsidies										4.3 (21.6)
C. Government enterprises and investment										
D. Top marginal tax rate										9.0
(i) Top marginal income tax rate										10.0 (10)
(ii) Top marginal income and payroll tax rates										8.0 (28)
2. Legal Structure and Security of Property Rights										4.7
A. Judicial independence										2.5
B. Impartial courts										2.9
C. Protection of property rights										4.6
D. Military interference										6.7
E. Integrity of the legal system										5.8
F. Legal enforcement of contracts										4.6
G. Regulatory restrictions on sale of real property										6.2
3. Access to Sound Money										4.7
A. Money growth										3.8 (30.8)
B. Standard deviation of inflation										0.0 (36.6)
C. Inflation: most recent year										10.0 (0.0)
D. Freedom to own foreign currency										5.0
4. Freedom to Trade Internationally										6.0
A. Taxes on international trade										7.8
(i) Taxes as percentage of exports and imports										7.5 (3.8)
(ii) Mean tariff rate										8.4 (8.2)
(iii) Standard deviation of tariff rates										7.4 (6.4)
B. Regulatory trade barriers										5.1
C. Size of trade sector										4.0
D. Black-market exchange rates										10.0
E. International capital market controls										3.1
5. Regulation of Credit, Labor and Business										6.6
A. Credit market regulations										8.6
(i) Ownership of banks										10.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit										8.3
(iv) Interest rate controls/negative real int. rates										8.0
B. Labor market regulations										6.2
(i) Minimum wage										6.2
(ii) Hiring and firing regulations										5.0
(iii) Centralized collective bargaining										7.1
(iv) Mandated cost of hiring										2.4
(v) Mandated cost of worker dismissal										8.0
(vi) Conscription										3.0
C. Business regulations										5.1
(i) Price controls										2.0
(ii) Administrative requirements										1.7
(iii) Bureaucracy costs										5.1
(iv) Starting a business										9.4
(v) Extra payments/bribes										5.7
(vi) Licensing restrictions										3.5
(vii) Cost of tax compliance										8.1

Singapore

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	7.4 (5)	7.7 (4)	8.1 (2)	8.8 (2)	8.5 (3)	8.5 (2)	8.6 (2)	8.5 (2)	8.6 (2)	8.8 (2)
1. Size of Government	7.0	7.1	8.2	8.4	8.0	7.8	8.1	8.1	8.2	8.1
A. General government consumption spending	7.1 (15.9)	4.7 (24.0)	6.5 (18.1)	6.9 (16.5)	5.6 (20.8)	5.4 (21.6)	5.6 (20.9)	5.7 (20.5)	6.0 (19.7)	5.8 (20.2)
B. Transfers and subsidies	9.8 (1.1)	9.6 (1.8)	9.4 (2.6)	9.6 (1.8)	9.2 (3.3)	8.8 (4.9)	8.8 (4.9)	8.6 (5.6)	8.7 (5.2)	8.7 (5.2)
C. Government enterprises and investment	7.0 (24.2)	6.0 (34.7)	8.0 (18.6)	8.0	8.0	8.0	8.0	8.0	8.0	8.0
D. Top marginal tax rate	4.0	8.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0
(i) Top marginal income tax rate	4.0 (55)	8.0 (40)	9.0 (33)	9.0 (30)	9.0 (28)	9.0 (26)	10.0 (22)	10.0 (22)	10.0 (22)	10.0 (21)
(ii) Top marginal income and payroll tax rates			9.0 (33)	9.0 (30)	9.0 (28)	9.0 (26)	10.0 (22)	10.0 (22)	10.0 (22)	10.0 (21)
2. Legal Structure and Security of Property Rights	8.1	7.2	7.2	8.3	8.5	8.5	8.6	8.2	8.1	8.4
A. Judicial independence				7.2	7.3	6.8	7.0	7.2	7.3	7.0
B. Impartial courts				7.1	7.7	7.9	8.0	7.8	8.1	8.0
C. Protection of property rights				7.3	7.6	7.8	8.2	7.8	8.4	8.9
D. Military interference				10.0	10.0	10.0	10.0	10.0	8.3	8.3
E. Integrity of the legal system				10.0	10.0	10.0	10.0	8.3	8.3	8.3
F. Legal enforcement of contracts										9.4
G. Regulatory restrictions on sale of real property										8.9
3. Access to Sound Money	6.4	8.4	9.3	9.7	9.4	9.6	9.6	9.6	9.6	9.8
A. Money growth	9.4 (3.3)	9.9 (0.3)	9.1 (4.4)	9.9 (0.5)	9.4 (-2.9)	9.9 (-0.6)	9.9 (0.4)	9.9 (0.3)	9.7 (1.6)	9.8 (0.9)
B. Standard deviation of inflation	8.6 (3.6)	8.9 (2.8)	8.9 (2.7)	9.4 (1.5)	8.6 (3.5)	8.6 (3.4)	8.6 (3.4)	8.7 (3.4)	9.0 (2.5)	9.3 (1.8)
C. Inflation: most recent year	7.7 (11.5)	9.8 (-1.1)	9.0 (4.9)	9.5 (2.7)	9.7 (1.4)	9.8 (1.0)	9.9 (-0.4)	9.9 (0.5)	9.7 (1.7)	9.9 (0.5)
D. Freedom to own foreign currency	0.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	9.2	9.6	9.6	9.6	9.3	9.4	9.3	9.3	9.3	9.3
A. Taxes on international trade	9.8	9.9	9.7	9.6	9.9	10.0	10.0	10.0	10.0	10.0
(i) Taxes as percentage of exports and imports	9.7 (0.4)	9.8 (0.3)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	9.9 (0.1)	10.0 (0.0)	10.0 (0.0)
(ii) Mean tariff rate	9.9 (0.3)	9.9 (0.3)	9.9 (0.4)	9.9 (0.4)	9.9 (0.4)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.1)
(iii) Standard deviation of tariff rates			9.3 (1.8)	8.9 (2.7)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
B. Regulatory trade barriers				8.9	9.4	9.2	9.3	9.3	9.0	8.9
C. Size of trade sector	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	8.0	10.0	10.0	9.3	7.2	7.6	7.3	7.2	7.5	7.6
5. Regulation of Credit, Labor and Business	6.2	6.2	6.3	7.9	7.3	7.0	7.1	7.0	7.6	8.3
A. Credit market regulations	9.6	9.7	9.6	8.3	7.9	7.9	7.9	7.9	7.9	8.3
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				6.1	4.6	4.6	4.6	4.6	4.6	5.0
(iii) Private sector credit	8.9	9.0	8.8	8.8	8.3	8.2	8.0	8.0	8.1	8.1
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			5.5	6.2	5.5	5.6	5.7	5.7	6.9	8.4
(i) Minimum wage				7.1	4.6	4.6	4.6	4.6	10.0	10.0
(ii) Hiring and firing regulations			8.5	8.5	7.2	7.6	7.7	7.7	8.2	8.1
(iii) Centralized collective bargaining	7.9	7.9	7.9	7.9	8.4	8.1	8.0	8.0	8.3	8.1
(iv) Mandated cost of hiring				7.3	7.5	7.5	8.5	8.1	8.1	6.0
(v) Mandated cost of worker dismissal										9.6
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				9.4	8.4	7.7	7.7	7.6	8.1	8.1
(i) Price controls			8.0	9.0	9.0	8.0	8.0	7.0	7.0	6.0
(ii) Administrative requirements				7.7	7.7	6.6	6.8	7.2	7.3	6.8
(iii) Bureaucracy costs				9.7	8.1	6.5	6.5	6.8	8.2	6.4
(iv) Starting a business				9.1	8.0	8.1	7.7	7.8	8.6	9.8
(v) Extra payments/bribes				9.7	9.1	9.1	9.3	9.1	9.2	9.6
(vi) Licensing restrictions										8.8
(vii) Cost of tax compliance										9.7

Slovak Republic

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶				5.4 (80)	6.3 (65)	6.3 (66)	6.3 (66)	6.4 (64)	7.0 (39)	7.3 (32)
1. Size of Government				2.4	3.5	4.0	3.7	3.9	4.9	5.0
A. General government consumption spending		3.3 (28.9)		3.2 (29.2)	4.0 (26.3)	4.1 (26.1)	4.1 (26.2)	4.1 (26.1)	4.3 (25.5)	4.6 (24.4)
B. Transfers and subsidies				3.9 (23.0)	4.3 (21.5)	4.3 (21.5)	4.3 (21.5)	4.9 (19.2)	4.9 (19.2)	4.8 (19.5)
C. Government enterprises and investment				0.0 (75.1)	2.0	4.0	4.0 (75.1)	4.0	4.0	4.0
D. Top marginal tax rate				4.0	4.0	3.5	2.5	2.5	6.5	6.5
(i) Top marginal income tax rate				4.0 (42)	4.0 (42)	5.0 (38)	5.0 (38)	5.0 (38)	10.0 (19)	10.0 (19)
(ii) Top marginal income and payroll tax rates				4.0 (42)	4.0 (44)	2.0 (55)	0.0 (64)	0.0 (64)	3.0 (48)	3.0 (48)
2. Legal Structure and Security of Property Rights				6.5	6.3	5.6	5.7	6.0	5.8	6.7
A. Judicial independence				5.1	5.0	3.7	3.7	4.3	3.9	4.3
B. Impartial courts				5.4	5.2	3.4	3.5	4.2	3.9	4.4
C. Protection of property rights				4.0	4.7	4.4	4.5	4.7	4.6	6.7
D. Military interference				8.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										5.3
G. Regulatory restrictions on sale of real property										9.6
3. Access to Sound Money		8.8		6.7	7.9	8.1	8.1	7.4	8.8	9.2
A. Money growth				7.3 (13.4)	9.8 (-0.9)	9.4 (3.0)	8.7 (6.5)	7.2 (14.1)	7.4 (12.8)	7.7 (11.7)
B. Standard deviation of inflation		9.0 (2.5)		6.4 (9.0)	9.4 (1.5)	9.4 (1.6)	9.3 (1.8)	9.2 (1.9)	9.3 (1.8)	9.5 (1.3)
C. Inflation: most recent year		8.6 (6.9)		8.1 (9.7)	7.6 (12.0)	8.5 (7.3)	9.3 (3.3)	8.3 (8.6)	8.5 (7.6)	9.5 (2.7)
D. Freedom to own foreign currency				5.0	5.0	5.0	5.0	5.0	10.0	10.0
4. Freedom to Trade Internationally				6.8	7.9	8.3	8.2	8.3	8.8	8.2
A. Taxes on international trade				8.8	9.1	9.3	7.7	7.7	9.7	8.5
(i) Taxes as percentage of exports and imports					9.3 (1.0)	9.8 (0.3)	9.8 (0.2)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate				8.8 (6.1)	8.8 (6.0)	8.8 (6.0)	5.6 (22.1)	5.6 (22.1)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates										6.1 (9.7)
B. Regulatory trade barriers				4.8	7.2	7.6	8.1	7.7	8.0	7.6
C. Size of trade sector				6.6	8.0	8.4	8.1	8.2	8.0	7.7
D. Black-market exchange rates				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls				3.6	5.5	6.2	7.0	8.0	8.3	7.1
5. Regulation of Credit, Labor and Business				4.8	5.8	5.5	5.7	6.4	6.7	7.4
A. Credit market regulations				5.7	7.4	7.4	7.9	7.9	7.9	9.1
(i) Ownership of banks				5.0	5.0	8.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				6.1	5.3	5.3	5.3	5.3	5.3	10.0
(iii) Private sector credit				5.3	8.1	5.6	6.0	5.9	5.8	6.6
(iv) Interest rate controls/negative real int. rates				6.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations				4.4	4.9	4.7	4.4	5.9	6.6	6.7
(i) Minimum wage				6.1	4.2	4.2	4.2	4.2	7.1	7.1
(ii) Hiring and firing regulations		4.9		4.9	3.0	4.3	4.2	5.7	6.3	6.8
(iii) Centralized collective bargaining				5.2	7.7	7.1	7.7	7.8	7.7	8.3
(iv) Mandated cost of hiring				4.7	4.8	4.8	3.2	6.9	6.9	0.0
(v) Mandated cost of worker dismissal										8.8
(vi) Conscription				1.0	5.0	3.0	3.0	5.0	5.0	5.0
C. Business regulations				4.2	5.2	4.5	4.8	5.5	5.7	6.3
(i) Price controls				4.0	4.0	4.0	4.0	6.0	5.0	7.0
(ii) Administrative requirements					8.0	1.9	2.0	2.8	2.9	3.5
(iii) Bureaucracy costs				4.7	4.5	7.0	7.0	6.8	7.4	5.2
(iv) Starting a business				4.3	3.0	4.7	5.2	6.0	6.8	9.0
(v) Extra payments/bribes				3.7	6.5	5.1	5.6	6.0	6.3	6.6
(vi) Licensing restrictions										6.5
(vii) Cost of tax compliance										6.1

Slovenia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >				4.9 (94)	5.9 (79)	6.2 (71)	6.1 (75)	6.1 (77)	6.2 (75)	6.2 (91)
1. Size of Government				1.8	2.9	2.5	2.6	2.5	2.5	2.4
A. General government consumption spending			4.1 (25.9)	4.2 (25.8)	3.7 (27.5)	3.4 (28.5)	3.7 (27.3)	3.8 (27.2)	4.3 (25.5)	4.0 (26.3)
B. Transfers and subsidies				1.1 (33.2)	4.0 (22.4)	4.7 (20.0)	4.7 (20.0)	4.7 (20.0)	4.4 (21.0)	4.1 (22.2)
C. Government enterprises and investment				0.0 (75.1)	2.0	0.0	0.0 (75.1)	0.0	0.0	0.0
D. Top marginal tax rate					2.0	2.0	2.0	1.5	1.5	1.5
(i) Top marginal income tax rate					4.0 (50)	4.0 (50)	4.0 (50)	3.0 (50)	3.0 (50)	3.0 (50)
(ii) Top marginal income and payroll tax rates					0.0 (70)	0.0 (66)	0.0 (70)	0.0 (70)	0.0 (70)	0.0 (70)
2. Legal Structure and Security of Property Rights				7.4	6.4	7.0	6.7	6.5	6.2	6.0
A. Judicial independence						6.7	5.5	4.8	5.0	5.9
B. Impartial courts				7.0	7.1	5.4	5.3	5.2	4.7	5.3
C. Protection of property rights					5.4	6.3	6.0	5.8	5.7	6.5
D. Military interference				9.2	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				10.0	8.3	8.3	8.3	8.3	7.5	7.5
F. Legal enforcement of contracts										4.1
G. Regulatory restrictions on sale of real property										4.3
3. Access to Sound Money				3.1	7.5	8.9	8.7	8.9	8.7	8.8
A. Money growth				0.0 (57.5)	7.6 (11.9)	7.7 (11.4)	7.0 (15.1)	7.5 (12.7)	6.6 (17.1)	6.9 (15.6)
B. Standard deviation of inflation				0.0 (79.6)	9.2 (1.9)	9.4 (1.5)	9.4 (1.5)	9.2 (2.0)	8.8 (2.9)	8.6 (3.4)
C. Inflation: most recent year				7.5 (12.6)	8.2 (8.9)	8.3 (8.4)	8.5 (7.5)	8.9 (5.6)	9.3 (3.6)	9.5 (2.5)
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				7.1	7.1	7.2	7.1	7.2	7.4	7.2
A. Taxes on international trade				7.5	8.1	8.2	8.2	8.7	8.9	8.5
(i) Taxes as percentage of exports and imports				7.5 (3.7)	9.5 (0.8)	9.6 (0.5)	9.7 (0.5)	9.6 (0.5)	9.8 (0.3)	9.8 (0.2)
(ii) Mean tariff rate					7.6 (11.8)	7.7 (11.6)	7.7 (11.6)	9.1 (4.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates					7.0 (7.4)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)	6.1 (9.7)
B. Regulatory trade barriers					7.4	8.3	8.1	8.2	7.7	7.1
C. Size of trade sector				4.7	4.8	4.4	4.2	4.4	4.3	4.7
D. Black-market exchange rates			0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	5.0	5.3	5.3	4.8	4.7	5.9	5.7
5. Regulation of Credit, Labor and Business				5.3	5.7	5.1	5.4	5.5	6.3	6.4
A. Credit market regulations				6.5	6.5	6.7	8.0	8.0	8.0	7.8
(i) Ownership of banks				5.0	5.0	5.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition					4.8	4.8	8.0	8.0	8.0	5.0
(iii) Private sector credit				6.5	7.7	7.8	7.8	8.0	8.0	8.2
(iv) Interest rate controls/negative real int. rates				8.0	9.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations					3.6	3.8	3.6	3.6	5.6	5.5
(i) Minimum wage					4.0	4.0	4.0	4.0	5.9	5.9
(ii) Hiring and firing regulations					2.3	2.7	2.7	2.7	3.1	2.9
(iii) Centralized collective bargaining					5.1	5.3	5.2	5.3	6.0	5.5
(iv) Mandated cost of hiring							3.1	2.9	2.9	5.0
(v) Mandated cost of worker dismissal										6.0
(vi) Conscription				3.0	3.0	3.0	3.0	3.0	10.0	10.0
C. Business regulations					7.0	4.9	4.7	4.8	5.2	6.0
(i) Price controls				6.0	8.0	2.0	2.0	2.0	4.0	3.0
(ii) Administrative requirements					7.0	3.0	3.0	3.0	2.9	3.2
(iii) Bureaucracy costs					7.8	6.3	5.8	5.5	6.3	5.4
(iv) Starting a business					5.7	6.0	5.3	5.5	4.9	7.9
(v) Extra payments/bribes					6.6	7.4	7.4	7.8	7.8	8.3
(vi) Licensing restrictions										7.3
(vii) Cost of tax compliance										7.0

South Africa

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.8 (35)	5.4 (55)	5.3 (62)	6.3 (48)	6.8 (44)	6.7 (46)	6.7 (48)	6.9 (36)	6.7 (54)	6.8 (60)
1. Size of Government	4.7	4.9	5.6	5.8	5.4	5.5	5.6	5.6	5.5	5.5
A. General government consumption spending	5.6 (20.9)	4.6 (24.4)	4.5 (24.8)	4.5 (24.7)	5.2 (22.4)	5.2 (22.4)	4.8 (23.7)	4.9 (23.3)	4.7 (23.9)	4.8 (23.8)
B. Transfers and subsidies	9.3 (3.2)	8.8 (4.8)	8.8 (4.8)	8.7 (5.3)	8.6 (5.5)	8.9 (4.5)	8.9 (4.5)	8.8 (4.9)	8.7 (5.2)	8.7 (5.3)
C. Government enterprises and investment	2.0 (50.9)	2.0 (42.2)	4.0 (34.2)	6.0 (26.2)	4.0 (32.7)	4.0 (31.0)	4.0 (31.0)	4.0 (31.0)	4.0 (31.0)	4.0 (31.0)
D. Top marginal tax rate	2.0	4.0	5.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5
(i) Top marginal income tax rate	2.0 (60)	4.0 (50)	5.0 (45)	4.0 (43)	4.0 (45)	4.0 (42)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates			5.0 (45)	4.0 (43)	4.0 (45)	4.0 (42)	4.0 (41)	4.0 (41)	4.0 (41)	4.0 (41)
2. Legal Structure and Security of Property Rights	6.2	4.5	2.9	6.1	6.5	6.6	6.5	7.1	6.6	7.0
A. Judicial independence				7.2	7.2	7.6	7.7	8.0	6.5	7.6
B. Impartial courts				7.9	8.0	7.3	7.0	7.3	7.4	7.6
C. Protection of property rights				6.5	5.8	6.7	6.2	6.7	6.7	8.0
D. Military interference				4.9	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				4.1	3.3	3.3	3.3	5.0	4.2	4.2
F. Legal enforcement of contracts										7.7
G. Regulatory restrictions on sale of real property										5.9
3. Access to Sound Money	5.3	5.3	5.8	6.4	7.9	7.9	7.8	8.0	8.2	8.0
A. Money growth	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)	9.0 (5.2)	8.7 (6.7)	8.6 (7.0)
B. Standard deviation of inflation	8.1 (4.7)	8.5 (3.7)	9.5 (1.3)	9.3 (1.8)	9.7 (0.8)	9.7 (0.7)	9.4 (1.4)	9.3 (1.6)	9.3 (1.7)	9.2 (2.1)
C. Inflation: most recent year	5.2 (24.1)	6.4 (18.1)	7.0 (15.1)	8.2 (8.8)	8.9 (5.3)	8.9 (5.7)	8.2 (9.2)	8.8 (5.9)	9.7 (1.4)	9.4 (3.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	7.4	6.4	6.5	6.3	7.2	7.1	7.4	7.2	6.9	6.6
A. Taxes on international trade	8.7	8.9	7.3	5.5	7.7	7.6	7.6	7.6	7.5	7.0
(i) Taxes as percentage of exports and imports	9.2 (1.2)	9.1 (1.4)	8.5 (2.2)	9.3 (1.0)	9.0 (1.5)	9.1 (1.4)	9.2 (1.2)	9.3 (1.1)	8.9 (1.6)	8.9 (1.6)
(ii) Mean tariff rate	8.1 (9.4)	8.8 (6.0)	7.8 (11.0)	6.1 (19.7)	8.3 (8.5)	8.3 (8.5)	8.3 (8.5)	8.3 (8.5)	8.3 (8.5)	8.3 (8.5)
(iii) Standard deviation of tariff rates			5.5 (11.3)	1.2 (21.9)	5.9 (10.2)	5.3 (11.7)	5.3 (11.7)	5.3 (11.7)	5.3 (11.7)	3.6 (15.9)
B. Regulatory trade barriers				6.4	7.6	7.7	7.7	7.7	6.6	6.1
C. Size of trade sector	9.5	7.7	5.8	5.8	6.5	6.3	7.5	6.3	6.1	6.2
D. Black-market exchange rates	8.8	5.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	4.0	4.1	4.1	4.1	4.3	4.2	3.9
5. Regulation of Credit, Labor and Business	5.3	5.9	5.7	6.8	6.9	6.5	6.5	6.6	6.4	6.8
A. Credit market regulations	7.5	9.1	9.1	8.5	8.5	8.5	8.8	8.8	8.8	8.5
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				7.9	6.8	6.8	8.0	8.0	8.0	5.0
(iii) Private sector credit	8.4	9.2	9.2	9.3	9.2	9.3	9.2	9.2	9.2	9.1
(iv) Interest rate controls/negative real int. rates	4.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			3.9	6.1	5.5	5.4	5.5	5.6	5.1	5.6
(i) Minimum wage				2.9	4.6	4.6	4.6	4.6	3.4	3.4
(ii) Hiring and firing regulations			5.6	5.6	2.1	2.2	2.2	2.5	2.1	2.4
(iii) Centralized collective bargaining			6.2	6.2	4.5	4.2	4.7	4.7	4.0	3.8
(iv) Mandated cost of hiring				5.9	6.2	6.2	5.9	6.0	6.0	9.2
(v) Mandated cost of worker dismissal										6.5
(vi) Conscription	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				5.9	6.6	5.4	5.4	5.4	5.4	6.2
(i) Price controls				6.0	7.0	6.0	6.0	5.0	6.0	5.0
(ii) Administrative requirements					6.9	3.3	3.2	3.5	3.1	3.3
(iii) Bureaucracy costs				6.4	6.5	5.3	5.8	5.5	5.4	4.5
(iv) Starting a business				6.4	5.9	5.8	5.7	5.5	5.9	8.7
(v) Extra payments/bribes				4.6	6.8	6.9	6.3	7.5	6.5	7.5
(vi) Licensing restrictions										8.0
(vii) Cost of tax compliance										6.1

South Korea

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.7 (40)	5.8 (40)	6.2 (34)	6.3 (48)	6.6 (53)	7.0 (34)	6.9 (38)	6.9 (36)	7.1 (33)	7.3 (32)
1. Size of Government	6.0	6.5	6.2	6.4	6.5	6.6	6.6	6.6	6.5	6.4
A. General government consumption spending	7.3 (15.2)	7.4 (14.7)	7.1 (15.9)	7.0 (16.2)	6.4 (18.3)	6.2 (19.0)	6.2 (18.8)	5.9 (19.8)	5.7 (20.8)	5.5 (21.1)
B. Transfers and subsidies	9.6 (2.0)	9.5 (2.2)	9.3 (2.9)	7.7 (9.0)	7.7 (9.0)	7.7 (9.0)	7.3 (10.4)	7.3 (10.4)	7.3 (10.4)	7.1 (11.1)
C. Government enterprises and investment	7.0 (22.6)	7.0 (25.4)	7.0 (19.2)	6.0 (25.5)	7.0 (20.5)	7.0 (21.3)	7.0 (21.3)	7.0 (21.3)	7.0 (21.3)	7.0 (21.3)
D. Top marginal tax rate	0.0	2.0	1.5	5.0	5.0	5.5	6.0	6.0	6.0	6.0
(i) Top marginal income tax rate	0.0 (89)	2.0 (65)	2.0 (64)	5.0 (48)	5.0 (44)	6.0 (40)	6.0 (40)	6.0 (40)	6.0 (40)	6.0 (39)
(ii) Top marginal income and payroll tax rates			1.0 (66)	5.0 (48)	5.0 (44)	5.0 (43)	6.0 (40)	6.0 (40)	6.0 (40)	6.0 (39)
2. Legal Structure and Security of Property Rights	6.5	4.2	5.4	5.6	6.0	6.4	6.2	6.4	6.3	7.2
A. Judicial independence				4.9	4.7	5.5	5.2	5.3	5.3	5.2
B. Impartial courts				5.3	5.2	5.5	5.2	4.5	5.3	5.3
C. Protection of property rights				4.3	5.0	5.8	5.8	5.3	5.8	7.4
D. Military interference				6.7	8.3	8.3	8.3	8.3	6.9	6.7
E. Integrity of the legal system				7.0	6.7	6.7	6.7	8.3	8.3	8.3
F. Legal enforcement of contracts										9.6
G. Regulatory restrictions on sale of real property										7.7
3. Access to Sound Money	5.0	6.4	6.5	8.0	8.3	9.3	9.2	9.4	9.5	9.5
A. Money growth	6.2 (18.8)	8.6 (7.1)	8.6 (7.0)	9.0 (5.0)	9.7 (-1.7)	9.2 (3.9)	8.6 (7.1)	9.3 (3.5)	9.3 (3.7)	9.2 (3.8)
B. Standard deviation of inflation	8.8 (3.0)	8.0 (4.9)	9.2 (1.9)	9.3 (1.9)	8.9 (2.8)	8.9 (2.8)	8.9 (2.8)	9.1 (2.2)	9.6 (1.0)	9.4 (1.5)
C. Inflation: most recent year	5.0 (24.9)	9.1 (4.6)	8.0 (9.9)	8.9 (5.6)	9.6 (2.3)	9.2 (4.1)	9.5 (2.7)	9.3 (3.6)	9.3 (3.6)	9.5 (2.8)
D. Freedom to own foreign currency	0.0	0.0	0.0	5.0	5.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.2	6.3	7.2	6.8	7.1	7.3	7.1	7.0	7.2	6.5
A. Taxes on international trade	6.6	6.5	7.5	7.9	8.3	8.3	8.3	8.3	8.4	5.9
(i) Taxes as percentage of exports and imports	7.3 (4.1)	7.6 (3.6)	7.7 (3.4)	8.7 (2.0)	9.1 (1.3)	9.1 (1.3)	9.1 (1.3)	9.1 (1.3)	9.3 (1.0)	9.4 (0.9)
(ii) Mean tariff rate	5.9 (20.4)	5.4 (23.0)	7.3 (13.3)	7.7 (11.5)	8.3 (8.7)	8.3 (8.7)	8.1 (9.3)	8.1 (9.3)	8.2 (9.0)	8.2 (9.0)
(iii) Standard deviation of tariff rates			7.3 (6.7)	7.4 (6.6)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	0.0 (49.4)
B. Regulatory trade barriers				6.0	6.8	7.5	7.4	7.2	7.4	7.2
C. Size of trade sector	8.4	6.8	5.7	5.3	6.8	6.4	6.0	5.5	6.1	5.9
D. Black-market exchange rates	7.8	7.8	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	2.0	5.0	4.8	3.6	4.3	3.9	3.9	4.1	3.7
5. Regulation of Credit, Labor and Business	5.1	5.7	5.4	4.8	5.3	5.2	5.4	5.3	5.8	7.0
A. Credit market regulations	6.1	8.1	8.2	6.8	6.4	6.4	7.4	7.4	7.4	8.8
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	8.0
(ii) Foreign bank competition				4.9	3.2	3.2	8.0	8.0	8.0	8.0
(iii) Private sector credit	9.4	9.3	9.5	9.7	9.5	9.6	9.6	9.6	9.5	9.4
(iv) Interest rate controls/negative real int. rates	4.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			3.6	4.4	4.2	4.3	3.9	4.1	4.9	5.8
(i) Minimum wage				5.8	4.1	4.1	4.1	4.1	6.7	6.7
(ii) Hiring and firing regulations			3.5	3.5	4.7	4.4	4.0	3.8	5.1	4.7
(iii) Centralized collective bargaining	7.2	7.2	7.2	7.2	6.2	6.8	6.3	7.3	7.4	7.9
(iv) Mandated cost of hiring				5.5	6.0	6.0	4.9	5.3	5.3	4.8
(v) Mandated cost of worker dismissal										1.7
(vi) Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				3.1	5.2	5.0	5.0	4.3	5.1	6.3
(i) Price controls			0.0	0.0	1.0	3.0	3.0	1.0	1.0	3.0
(ii) Administrative requirements					6.5	3.4	3.7	2.8	4.6	3.5
(iii) Bureaucracy costs				5.4	7.7	6.3	6.3	6.5	6.6	6.3
(iv) Starting a business				3.7	5.4	5.8	5.3	5.2	6.5	8.1
(v) Extra payments/bribes				3.3	5.4	6.4	6.8	6.2	6.5	6.5
(vi) Licensing restrictions										9.5
(vii) Cost of tax compliance										6.7

Sri Lanka

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.0 (68)	5.1 (66)	5.0 (75)	6.1 (60)	6.1 (74)	6.2 (71)	6.0 (80)	6.1 (77)	6.0 (82)	6.0 (101)
1. Size of Government	4.7	4.8	7.0	6.8	7.0	7.0	7.4	7.4	7.4	6.9
A. General government consumption spending	8.9 (9.6)	8.4 (11.4)	8.4 (11.4)	7.8 (13.5)	8.0 (12.7)	8.2 (12.1)	8.6 (10.8)	9.0 (9.4)	8.9 (9.7)	8.8 (10.0)
B. Transfers and subsidies	7.8 (8.4)	8.7 (5.1)	8.5 (6.0)	8.5 (5.9)	9.0 (4.1)	8.9 (4.6)	8.9 (4.6)	8.8 (5.0)	8.8 (5.0)	8.8 (5.0)
C. Government enterprises and investment	2.0 (53.5)	2.0 (54.3)	4.0 (39.2)	4.0	4.0	4.0	4.0	4.0	4.0	4.0
D. Top marginal tax rate	0.0	0.0		7.0	7.0	7.0	8.0	8.0	8.0	6.0
(i) Top marginal income tax rate	0.0 (61)	0.0 (61)		7.0 (35)	7.0 (35)	7.0 (35)	8.0 (30)	8.0 (30)	8.0 (30)	7.0 (35)
(ii) Top marginal income and payroll tax rates				7.0 (35)	7.0 (35)	7.0 (35)	8.0 (30)	8.0 (30)	8.0 (30)	5.0 (36)
2. Legal Structure and Security of Property Rights	4.0	3.4	2.3	4.5	4.2	5.2	3.8	4.1	3.8	5.1
A. Judicial independence						6.6	3.7	4.2	3.3	4.2
B. Impartial courts				4.9	5.0	6.1	3.7	4.2	3.9	4.4
C. Protection of property rights					3.5	5.0	3.5	3.8	3.6	6.0
D. Military interference				2.0	3.3	3.3	3.3	3.3	3.3	3.3
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.9
G. Regulatory restrictions on sale of real property										7.1
3. Access to Sound Money	5.1	6.2	5.4	6.7	6.7	6.3	6.5	6.6	6.5	6.1
A. Money growth	5.9 (20.6)	8.0 (9.8)	7.6 (12.1)	8.8 (6.1)	9.2 (3.9)	9.4 (3.2)	9.2 (3.8)	9.1 (4.4)	8.8 (5.9)	8.1 (9.4)
B. Standard deviation of inflation	8.6 (3.6)	7.0 (7.5)	8.0 (5.0)	9.8 (0.5)	9.0 (2.5)	8.6 (3.4)	8.6 (3.4)	8.5 (3.7)	8.7 (3.2)	8.8 (3.1)
C. Inflation: most recent year	6.0 (20.0)	9.9 (0.6)	5.9 (20.3)	8.1 (9.3)	8.8 (6.2)	7.2 (14.2)	8.1 (9.6)	8.7 (6.3)	8.5 (7.6)	7.7 (11.6)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.5	4.8	4.5	6.3	6.5	6.4	6.6	6.7	6.5	6.3
A. Taxes on international trade	2.0	3.6	2.9	4.8	7.6	7.7	7.6	7.6	7.5	6.9
(i) Taxes as percentage of exports and imports	2.2 (11.7)	2.9 (10.6)	4.1 (8.8)	7.0 (4.5)	8.6 (2.1)	8.4 (2.3)	8.3 (2.5)	8.1 (2.9)	8.0 (2.9)	7.9 (3.1)
(ii) Mean tariff rate	1.7 (41.3)	4.2 (29.0)	4.6 (26.9)	4.8 (26.1)	8.0 (9.9)	8.3 (8.4)	8.3 (8.4)	8.3 (8.4)	8.0 (9.8)	7.7 (11.3)
(iii) Standard deviation of tariff rates			0.0 (25.5)	2.8 (18.1)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)	6.3 (9.3)	4.9 (12.8)
B. Regulatory trade barriers					4.8	5.3	5.9	7.0	5.6	5.8
C. Size of trade sector	9.1	6.2	6.0	6.7	6.9	6.1	5.8	5.7	5.8	5.4
D. Black-market exchange rates	8.2	6.0	5.2	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	2.0	3.0	3.0	3.4	3.5	3.6	3.5
5. Regulation of Credit, Labor and Business	5.7	6.4	5.9	6.2	6.0	5.9	5.7	5.7	5.7	5.6
A. Credit market regulations	5.1	7.0	6.6	7.8	6.1	6.4	6.7	6.8	6.9	6.7
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition					6.1	6.1	6.1	6.1	6.1	5.0
(iii) Private sector credit	6.4	7.9	6.7	8.4	8.3	6.8	7.3	7.6	7.9	7.9
(iv) Interest rate controls/negative real int. rates	4.0	8.0	8.0	10.0	6.0	9.0	10.0	10.0	10.0	9.0
B. Labor market regulations					5.9	6.2	5.9	5.5	6.4	4.7
(i) Minimum wage					4.1	4.1	4.1	4.1	6.8	6.8
(ii) Hiring and firing regulations					2.9	4.6	3.2	2.0	2.8	3.4
(iii) Centralized collective bargaining					6.5	6.1	6.3	5.8	5.8	6.2
(iv) Mandated cost of hiring										5.0
(v) Mandated cost of worker dismissal										0.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					6.0	5.2	4.4	4.9	3.9	5.2
(i) Price controls			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements					7.3	6.1	3.2	3.5	2.8	2.8
(iii) Bureaucracy costs					7.2	4.0	4.8	5.5	3.2	3.7
(iv) Starting a business					6.5	6.1	5.5	6.2	5.7	8.3
(v) Extra payments/bribes					5.3	5.7	4.4	5.3	4.1	4.7
(vi) Licensing restrictions										7.9
(vii) Cost of tax compliance										

Sweden

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.7 (40)	6.2 (25)	6.5 (29)	7.2 (23)	7.4 (19)	7.2 (23)	7.3 (18)	7.5 (18)	7.3 (24)	7.5 (22)
1. Size of Government	2.1	2.6	2.4	2.6	3.0	3.0	3.1	3.9	4.0	4.2
A. General government consumption spending	1.1 (36.3)	1.4 (35.3)	1.5 (34.9)	2.1 (33.0)	1.7 (34.3)	1.5 (34.8)	1.0 (36.5)	1.0 (36.6)	1.1 (36.2)	1.2 (36.0)
B. Transfers and subsidies	3.4 (24.7)	3.1 (26.0)	2.0 (29.9)	0.8 (34.1)	3.4 (24.9)	4.0 (22.6)	4.0 (22.7)	3.7 (23.5)	3.7 (23.5)	4.0 (22.5)
C. Government enterprises and investment	4.0 (41.2)	6.0 (28.0)	6.0 (22.8)	6.0 (28.3)	6.0	6.0	6.0 (28.3)	10.0 (14.4)	10.0 (14.4)	10.0 (13.5)
D. Top marginal tax rate	0.0	0.0	0.0	1.5	1.0	0.5	1.5	1.0	1.0	1.5
(i) Top marginal income tax rate	0.0 (87)	0.0 (80)	0.0 (61-68)	3.0 (46-53)	2.0 (51-58)	1.0 (52-59)	3.0 (52-59)	2.0 (54-62)	2.0 (54-62)	3.0 (52-59)
(ii) Top marginal income and payroll tax rates			0.0 (79-86)	0.0 (66-73)	0.0 (68-75)	0.0 (64-69)	0.0 (64-69)	0.0 (68)	0.0 (68)	0.0 (66)
2. Legal Structure and Security of Property Rights	6.6	7.4	8.3	8.9	9.0	8.6	8.9	9.3	8.1	8.9
A. Judicial independence				8.8	8.7	7.6	8.3	8.5	6.3	8.1
B. Impartial courts				8.9	8.4	7.9	7.8	9.0	7.2	8.7
C. Protection of property rights				6.6	8.1	8.3	8.3	8.8	7.7	8.7
D. Military interference				10.0	10.0	9.2	10.0	10.0	9.2	9.2
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	10.0	10.0
F. Legal enforcement of contracts										8.5
G. Regulatory restrictions on sale of real property										9.0
3. Access to Sound Money	7.6	8.0	7.8	9.5	9.8	9.7	9.6	9.7	9.8	9.7
A. Money growth	8.3 (8.7)	8.9 (5.5)	8.7 (6.6)	9.8 (1.0)	9.7 (1.5)	9.6 (2.2)	9.2 (3.9)	9.5 (2.6)	9.5 (2.4)	9.2 (3.8)
B. Standard deviation of inflation	9.4 (1.5)	9.5 (1.3)	9.4 (1.4)	9.1 (2.2)	9.8 (0.4)	9.7 (0.7)	9.7 (0.6)	9.7 (0.7)	9.7 (0.7)	9.7 (0.7)
C. Inflation: most recent year	7.7 (11.7)	8.7 (6.6)	8.2 (8.8)	9.3 (3.7)	9.8 (0.9)	9.5 (2.4)	9.6 (2.2)	9.6 (1.9)	9.9 (0.4)	9.9 (0.5)
D. Freedom to own foreign currency	5.0	5.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.7	7.6	8.3	8.5	8.3	8.2	8.1	8.1	8.0	7.7
A. Taxes on international trade	9.0	9.5	9.0	8.7	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.5 (0.7)	9.8 (0.3)	9.7 (0.4)	9.7 (0.4)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.5 (7.5)	9.2 (4.1)	9.1 (4.7)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			8.1 (4.8)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				9.1	9.2	8.9	9.2	9.3	8.7	8.8
C. Size of trade sector	5.2	5.5	4.4	5.3	6.0	5.7	5.2	5.2	5.3	5.7
D. Black-market exchange rates	9.0	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	5.0	10.0	9.3	7.2	7.2	6.9	6.7	6.8	5.7
5. Regulation of Credit, Labor and Business	5.4	5.5	5.6	6.4	6.8	6.3	6.6	6.6	6.7	7.0
A. Credit market regulations	7.6	8.1	8.4	8.6	8.8	8.8	9.2	9.2	9.2	8.6
(i) Ownership of banks	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				8.3	6.5	6.5	8.0	8.0	8.0	5.0
(iii) Private sector credit	6.8	6.2	7.2	8.6	9.1	9.2	9.3	9.4	9.4	9.2
(iv) Interest rate controls/negative real int. rates	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	4.1	4.0	4.0	3.0	3.4	3.4	3.3	3.2	3.5	4.6
(i) Minimum wage				1.8	4.4	4.4	4.4	4.4	5.5	5.5
(ii) Hiring and firing regulations			3.9	3.9	2.2	1.9	2.5	2.7	2.3	1.9
(iii) Centralized collective bargaining	4.5	4.5	4.5	4.5	3.8	4.2	4.3	3.5	3.9	3.6
(iv) Mandated cost of hiring	4.8	4.5	4.4	1.9	3.5	3.5	2.4	2.6	2.6	0.0
(v) Mandated cost of worker dismissal										7.8
(vi) Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations				7.7	8.3	6.5	7.3	7.2	7.4	7.9
(i) Price controls			6.0	8.0	9.0	9.0	9.0	8.0	7.0	7.0
(ii) Administrative requirements					7.3	3.1	4.7	5.0	4.1	3.7
(iii) Bureaucracy costs				8.3	8.3	5.8	6.8	6.5	9.2	8.3
(iv) Starting a business				5.1	7.9	5.8	6.8	7.3	7.9	9.4
(v) Extra payments/bribes				9.3	9.1	9.0	9.0	9.3	8.7	9.3
(vi) Licensing restrictions										8.8
(vii) Cost of tax compliance										8.6

Switzerland

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	7.7 (3)	7.8 (3)	7.8 (3)	8.0 (7)	8.4 (4)	8.2 (4)	8.2 (3)	8.2 (3)	8.2 (3)	8.3 (4)
1. Size of Government	7.1	7.0	6.8	6.8	7.2	7.2	7.4	7.4	7.4	7.4
A. General government consumption spending	6.9 (16.7)	6.5 (17.8)	6.0 (19.6)	6.1 (19.2)	7.2 (15.6)	7.0 (16.1)	6.9 (16.4)	6.9 (16.5)	6.9 (16.4)	7.1 (15.9)
B. Transfers and subsidies	6.5 (13.4)	6.5 (13.2)	5.8 (16.0)	5.0 (18.9)	5.7 (16.2)	5.8 (15.7)	6.5 (13.2)	6.5 (13.2)	6.5 (13.2)	6.5 (13.2)
C. Government enterprises and investment	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
D. Top marginal tax rate	7.0	7.0	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate	7.0 (31-44)	7.0 (33-46)	8.0 (33-43)	8.0 (35-39)	9.0 (31-40)	9.0 (31-40)	9.0 (31-40)	9.0 (26-44)	9.0 (26-44)	9.0 (26-42)
(ii) Top marginal income and payroll tax rates			7.0 (36-46)	8.0 (38-42)	7.0 (39-48)	7.0 (39-48)	7.0 (39-48)	7.0 (39-50)	7.0 (34-50)	7.0 (34-50)
2. Legal Structure and Security of Property Rights	8.1	8.3	8.3	9.1	9.3	8.6	8.6	8.7	8.7	9.0
A. Judicial independence				9.4	8.7	7.9	8.2	8.5	8.4	8.6
B. Impartial courts				7.9	8.5	8.4	8.3	8.5	8.2	8.6
C. Protection of property rights				8.4	9.2	8.4	8.2	8.3	8.5	9.3
D. Military interference				10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										8.9
G. Regulatory restrictions on sale of real property										9.6
3. Access to Sound Money	9.5	9.7	9.7	9.6	9.7	9.7	9.7	9.6	9.7	9.7
A. Money growth	9.0 (5.1)	9.8 (1.0)	9.9 (0.6)	9.4 (2.8)	9.3 (3.6)	9.3 (3.3)	9.2 (3.9)	8.7 (6.7)	8.8 (5.8)	8.9 (5.3)
B. Standard deviation of inflation	9.5 (1.1)	9.3 (1.8)	9.8 (0.6)	9.3 (1.7)	9.8 (0.4)	9.8 (0.5)	9.8 (0.4)	9.9 (0.2)	9.9 (0.1)	9.9 (0.2)
C. Inflation: most recent year	9.5 (2.7)	9.5 (2.4)	9.1 (4.3)	9.8 (1.1)	9.7 (1.5)	9.8 (1.0)	9.9 (0.6)	9.9 (0.6)	9.8 (0.8)	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	10.0	10.0
4. Freedom to Trade Internationally	8.4	8.4	8.3	7.4	8.5	8.3	8.1	8.0	7.7	7.3
A. Taxes on international trade	8.7	8.9	9.3	7.7	9.9	9.7	9.7	9.7	9.7	9.8
(i) Taxes as percentage of exports and imports	8.4 (2.4)	8.7 (2.0)	8.7 (1.9)	8.5 (2.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)
(ii) Mean tariff rate	9.1 (4.6)	9.1 (4.4)	9.1 (4.4)	9.3 (3.6)	10.0 (0.0)	9.4 (3.2)	9.4 (3.2)	9.4 (3.2)	9.4 (3.2)	9.5 (2.7)
(iii) Standard deviation of tariff rates			10.0 (0.0)	5.4 (11.6)	10.0 (0.1)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
B. Regulatory trade barriers				6.4	8.9	8.3	8.7	8.2	6.2	6.1
C. Size of trade sector	4.9	4.7	4.2	3.4	4.7	4.5	4.1	3.8	4.5	4.9
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	10.0	10.0	10.0	9.6	9.1	9.1	7.9	8.1	8.1	5.9
5. Regulation of Credit, Labor and Business	5.4	5.7	5.9	7.1	7.4	7.0	7.4	7.4	7.7	7.9
A. Credit market regulations	6.7	8.1	8.2	8.1	8.7	8.7	8.9	8.9	8.9	8.1
(i) Ownership of banks	5.0	5.0	5.0	5.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				7.8	7.0	7.0	8.0	8.0	8.0	5.0
(iii) Private sector credit	9.1	9.2	9.5	9.2	9.2	9.2	9.2	9.2	9.3	9.3
(iv) Interest rate controls/negative real int. rates	6.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	5.0	4.8	5.5	5.8	5.7	5.7	6.3	6.4	7.4	8.1
(i) Minimum wage				7.1	4.6	4.6	4.6	4.6	10.0	10.0
(ii) Hiring and firing regulations			7.7	7.7	5.6	5.8	7.5	7.8	7.3	7.8
(iii) Centralized collective bargaining	6.2	6.2	6.2	6.2	7.8	7.7	7.8	7.8	8.0	8.1
(iv) Mandated cost of hiring	5.8	5.1	5.0	5.0	5.5	5.5	6.5	6.5	6.5	5.9
(v) Mandated cost of worker dismissal										8.9
(vi) Conscription	3.0	3.0	3.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0
C. Business regulations				7.4	7.8	6.5	7.0	7.0	6.8	7.4
(i) Price controls			7.0	6.0	7.0	6.0	6.0	7.0	5.0	5.0
(ii) Administrative requirements					7.3	4.3	5.3	5.0	4.6	5.1
(iii) Bureaucracy costs				8.3	9.1	7.3	7.3	6.8	8.1	6.0
(iv) Starting a business				6.6	7.7	6.2	7.5	7.2	7.6	9.2
(v) Extra payments/bribes				8.6	8.2	8.5	8.9	9.0	8.6	8.9
(vi) Licensing restrictions										8.3
(vii) Cost of tax compliance										9.3

Taiwan

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.5 (16)	6.7 (17)	6.9 (16)	7.3 (22)	7.2 (27)	7.1 (30)	7.2 (23)	7.2 (27)	7.3 (24)	7.2 (38)
1. Size of Government	5.0	4.9	5.4	6.1	6.2	6.2	6.2	6.2	6.2	5.7
A. General government consumption spending	4.8 (23.6)	4.7 (24.0)	4.7 (23.9)	6.0 (19.5)	6.7 (17.3)	6.8 (17.0)	6.9 (16.7)	6.7 (17.2)	6.9 (16.5)	6.5 (17.8)
B. Transfers and subsidies	10.0 (0.4)	10.0 (0.7)	9.9 (1.0)	9.4 (2.8)	9.2 (3.4)	9.0 (4.1)	9.1 (3.9)	9.1 (3.9)	9.1 (3.9)	9.1 (3.9)
C. Government enterprises and investment	2.0 (44.3)	2.0 (43.0)	2.0 (44.3)	2.0 (47.2)	2.0	2.0	2.0 (47.2)	2.0	2.0	2.0
D. Top marginal tax rate	3.0	3.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	5.0
(i) Top marginal income tax rate	3.0 (60)	3.0 (60)	5.0 (50)	7.0 (40)	7.0 (40)	7.0 (40)	7.0 (40)	7.0 (40)	7.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates			5.0 (50)	7.0 (40)	7.0 (40)	7.0 (40)	7.0 (40)	7.0 (40)	7.0 (40)	5.0 (40)
2. Legal Structure and Security of Property Rights	7.8	7.2	7.2	6.7	6.1	5.9	6.4	6.5	6.4	7.0
A. Judicial independence				5.5	5.3	5.0	6.2	6.3	5.5	5.1
B. Impartial courts				6.5	5.7	5.1	6.0	6.2	6.1	5.7
C. Protection of property rights				5.9	6.1	6.0	6.7	6.5	6.5	7.2
D. Military interference				8.8	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				7.0	6.7	6.7	6.7	6.7	7.4	8.3
F. Legal enforcement of contracts										8.4
G. Regulatory restrictions on sale of real property										7.9
3. Access to Sound Money	7.9	9.4	9.0	9.7	9.5	9.6	9.6	9.7	9.6	9.6
A. Money growth	7.5 (12.5)	10.0 (-0.2)	7.4 (12.8)	9.6 (-2.0)	9.2 (-4.0)	9.2 (-4.0)	9.2 (-4.0)	9.2 (-4.0)	9.2 (-4.0)	9.2 (-4.0)
B. Standard deviation of inflation	7.8 (5.6)	7.5 (6.2)	9.3 (1.7)	9.8 (0.5)	9.1 (2.3)	9.2 (1.9)	9.3 (1.8)	9.6 (1.0)	9.6 (0.9)	9.5 (1.2)
C. Inflation: most recent year	6.2 (19.0)	10.0 (-0.2)	9.2 (4.1)	9.4 (3.0)	9.7 (1.3)	10.0 (0.0)	10.0 (-0.2)	9.9 (-0.3)	9.7 (1.6)	9.5 (2.3)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	7.5	7.2	7.7	7.6	8.1	8.0	8.0	8.0	8.2	8.0
A. Taxes on international trade	7.6	8.1	8.3	8.6	8.0	8.2	8.3	8.3	8.3	7.4
(i) Taxes as percentage of exports and imports	7.6 (3.6)	8.1 (2.8)	8.6 (2.1)	8.9 (1.7)	9.0 (1.5)	9.3 (1.0)	9.4 (0.9)	9.5 (0.8)	9.5 (0.8)	9.5 (0.8)
(ii) Mean tariff rate			8.1 (9.7)	8.4 (8.0)	8.2 (8.8)	8.5 (7.6)	8.6 (6.9)	8.6 (6.9)	8.6 (6.9)	8.7 (6.4)
(iii) Standard deviation of tariff rates					6.7 (8.2)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	3.9 (15.3)
B. Regulatory trade barriers				7.3	8.2	8.0	8.5	8.2	7.8	7.6
C. Size of trade sector	10.0	8.2	7.0	6.5	6.7	6.1	6.2	6.5	7.4	7.4
D. Black-market exchange rates	9.8	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	5.0	5.7	7.6	7.6	6.8	7.2	7.6	7.4
5. Regulation of Credit, Labor and Business	4.5	5.0	5.4	6.1	6.1	5.8	5.9	5.8	5.9	6.0
A. Credit market regulations	5.3	6.7	6.9	7.0	6.3	6.3	6.3	6.3	5.6	5.5
(i) Ownership of banks	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(ii) Foreign bank competition				7.3	5.6	5.6	5.6	5.6	5.6	5.6
(iii) Private sector credit	7.8	8.2	8.6	8.5	8.1	8.0	8.0	7.9	4.7	4.6
(iv) Interest rate controls/negative real int. rates	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			4.7	5.2	4.5	4.9	4.8	4.8	5.3	5.8
(i) Minimum wage				6.5	3.8	3.8	3.8	3.8	6.3	6.3
(ii) Hiring and firing regulations			6.3	6.3	4.6	6.1	6.8	6.2	6.0	5.9
(iii) Centralized collective bargaining			7.9	7.9	8.0	8.5	8.2	8.5	8.7	8.4
(iv) Mandated cost of hiring				5.4	6.2	6.2	5.1	5.8	5.8	7.1
(v) Mandated cost of worker dismissal										1.7
(vi) Conscriptation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				6.2	7.3	6.1	6.5	6.3	6.7	6.7
(i) Price controls			6.0	6.0	6.0	6.0	6.0	5.0	6.0	6.0
(ii) Administrative requirements				7.6	4.1	4.1	5.2	5.7	5.9	5.2
(iii) Bureaucracy costs				6.9	7.4	5.8	6.0	5.5	7.3	6.5
(iv) Starting a business				7.5	7.6	7.1	7.3	7.0	6.2	7.7
(v) Extra payments/bribes				4.5	8.1	7.6	8.0	8.1	8.0	7.9
(vi) Licensing restrictions										6.6
(vii) Cost of tax compliance										6.7

Tanzania

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.8 (72)	4.0 (95)	4.0 (101)	4.9 (94)	5.8 (84)	6.3 (66)	6.2 (70)	6.3 (69)	6.3 (69)	6.3 (86)
1. Size of Government	5.8	3.8	2.9	4.3	4.9	4.9	4.9	5.2	5.1	4.9
A. General government consumption spending	7.5 (14.5)	6.4 (18.1)	6.7 (17.1)	7.0 (16.1)	9.6 (7.2)	9.7 (6.9)	9.6 (7.4)	9.6 (7.4)	9.4 (7.9)	9.3 (8.3)
B. Transfers and subsidies	10.0 (0.0)	8.7 (5.2)								
C. Government enterprises and investment	0.0 (53.8)	0.0 (53.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Top marginal tax rate		0.0	2.0	6.0	5.0	5.0	5.0	6.0	6.0	5.5
(i) Top marginal income tax rate		0.0 (95)	3.0 (50)	8.0 (30)	7.0 (31)	7.0 (31)	7.0 (31)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates			1.0 (57)	4.0 (45)	3.0 (46)	3.0 (46)	3.0 (46)	4.0 (45)	4.0 (45)	3.0 (46)
2. Legal Structure and Security of Property Rights	6.1	5.8	5.2	5.4	6.1	6.1	5.9	5.3	5.9	5.8
A. Judicial independence							6.0	4.5	6.4	4.9
B. Impartial courts				5.8	5.8	5.8	5.0	3.7	5.0	4.5
C. Protection of property rights							3.3	3.3	3.2	4.9
D. Military interference				7.8	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				4.1	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										6.5
G. Regulatory restrictions on sale of real property										4.8
3. Access to Sound Money	4.1	4.9	4.6	5.0	8.8	8.9	9.2	9.2	9.4	9.0
A. Money growth	5.9 (20.3)	7.9 (10.4)	4.0 (30.0)	4.5 (27.6)	8.7 (6.4)	8.8 (5.9)	8.4 (8.2)	8.4 (7.8)	8.2 (9.2)	8.2 (9.2)
B. Standard deviation of inflation	6.5 (8.7)	8.4 (3.9)	8.7 (3.3)	6.4 (9.1)	7.8 (5.4)	7.8 (5.5)	8.7 (3.4)	9.1 (2.3)	9.6 (0.9)	9.6 (0.9)
C. Inflation: most recent year	4.0 (30.2)	3.3 (33.3)	5.6 (21.8)	4.2 (28.9)	8.8 (5.9)	9.0 (5.1)	9.8 (1.0)	9.3 (3.5)	10.0 (0.0)	8.3 (8.6)
D. Freedom to own foreign currency	0.0	0.0	0.0	5.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	3.7	2.9	3.7	6.0	5.5	5.6	5.5	5.8	5.7	5.7
A. Taxes on international trade	4.9	4.7	4.5	5.3	5.0	5.0	5.0	5.3	5.3	4.9
(i) Taxes as percentage of exports and imports	4.9 (7.7)	5.8 (6.3)	5.0 (7.5)	4.6 (8.1)	2.1 (11.9)	2.1 (11.9)	2.1 (11.9)	2.1 (11.9)	2.1 (11.9)	2.1 (11.9)
(ii) Mean tariff rate		3.6 (32.0)	4.1 (29.7)	6.1 (19.5)	6.2 (19.1)	6.2 (19.1)	6.2 (19.1)	7.2 (14.1)	7.2 (14.1)	7.4 (12.9)
(iii) Standard deviation of tariff rates				5.1 (12.3)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)	6.6 (8.4)	5.3 (11.7)
B. Regulatory trade barriers							5.3	5.7	5.2	4.7
C. Size of trade sector	5.2	1.5	5.9	6.6	3.7	4.0	3.9	4.6	4.8	5.2
D. Black-market exchange rates	0.0	0.0	0.0	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.8	0.8	3.5	3.3	3.2	3.7
5. Regulation of Credit, Labor and Business	4.4	2.6	3.6	3.8	3.7	5.8	5.7	6.1	5.5	6.0
A. Credit market regulations	1.6	0.3	3.7	2.9	2.8	5.6	5.7	6.1	6.2	7.9
(i) Ownership of banks	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	8.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit	0.9	0.9	7.2	4.7	4.5	5.8	6.1	7.2	7.6	6.7
(iv) Interest rate controls/negative real int. rates	4.0	0.0	4.0	4.0	4.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations							6.8	7.3	5.1	5.3
(i) Minimum wage									0.0	0.0
(ii) Hiring and firing regulations							4.0	5.3	4.5	5.1
(iii) Centralized collective bargaining							6.3	6.5	5.9	7.4
(iv) Mandated cost of hiring										5.1
(v) Mandated cost of worker dismissal										6.4
(vi) Conscription	10.0	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							4.5	5.0	5.3	4.7
(i) Price controls			0.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements							3.3	4.3	4.2	4.2
(iii) Bureaucracy costs							4.3	6.0	6.0	3.0
(iv) Starting a business							4.0	4.7	5.7	7.2
(v) Extra payments/bribes							5.0	4.0	4.8	4.6
(vi) Licensing restrictions										0.8
(vii) Cost of tax compliance										7.2

Thailand

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.1 (24)	6.1 (28)	6.7 (20)	7.1 (26)	6.7 (46)	6.7 (46)	6.7 (48)	6.6 (54)	6.6 (58)	6.8 (60)
1. Size of Government	6.0	5.6	7.1	7.8	6.8	6.8	6.6	6.7	6.8	6.9
A. General government consumption spending	7.1 (15.8)	6.5 (17.9)	7.6 (14.3)	7.2 (15.6)	6.8 (17.0)	6.8 (17.0)	6.9 (16.6)	7.1 (15.8)	7.0 (16.4)	6.7 (17.2)
B. Transfers and subsidies	9.9 (0.7)	9.8 (1.2)	9.9 (1.0)	9.8 (1.1)	9.6 (2.0)	9.3 (2.9)	9.3 (2.9)	9.5 (2.3)	9.1 (3.8)	8.8 (5.0)
C. Government enterprises and investment	4.0 (30.9)	4.0 (31.4)	7.0 (15.1)	7.0 (20.3)	4.0 (33.8)	4.0 (30.6)	4.0 (30.6)	4.0 (30.6)	4.0 (30.6)	6.0 (30.6)
D. Top marginal tax rate	3.0	2.0	4.0	7.0	7.0	7.0	6.0	6.0	7.0	6.0
(i) Top marginal income tax rate	3.0 (60)	2.0 (65)	4.0 (55)	7.0 (37)	7.0 (37)	7.0 (37)	6.0 (37)	6.0 (37)	7.0 (37)	6.0 (37)
(ii) Top marginal income and payroll tax rates			4.0 (55)	7.0 (37)	7.0 (37)	7.0 (37)	6.0 (37)	6.0 (37)	7.0 (37)	6.0 (37)
2. Legal Structure and Security of Property Rights	6.5	5.8	6.4	5.4	6.0	6.2	6.5	5.7	5.5	6.3
A. Judicial independence				5.8	5.8	6.0	6.3	5.8	5.7	5.7
B. Impartial courts				3.8	4.7	4.9	5.8	5.8	5.6	5.9
C. Protection of property rights				3.6	4.4	4.9	5.3	5.0	5.2	7.1
D. Military interference				7.0	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				7.0	8.3	8.3	8.3	5.0	4.2	4.2
F. Legal enforcement of contracts										6.7
G. Regulatory restrictions on sale of real property										7.9
3. Access to Sound Money	6.1	7.0	7.8	9.5	6.6	6.7	6.7	7.1	7.1	6.8
A. Money growth	8.3 (8.7)	9.4 (-3.0)	8.0 (10.0)	9.4 (2.9)	8.7 (6.5)	8.9 (5.3)	8.9 (5.3)	9.9 (0.4)	9.2 (4.2)	8.5 (7.3)
B. Standard deviation of inflation	8.9 (2.9)	9.0 (2.5)	9.3 (1.7)	9.6 (1.0)	8.1 (4.9)	8.1 (4.8)	8.1 (4.8)	9.0 (2.6)	9.6 (1.0)	9.4 (1.5)
C. Inflation: most recent year	7.5 (12.7)	9.6 (2.2)	8.8 (5.8)	8.8 (6.0)	9.7 (1.6)	9.7 (1.7)	9.9 (0.6)	9.6 (1.8)	9.4 (2.8)	9.1 (4.6)
D. Freedom to own foreign currency	0.0	0.0	5.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	6.3	6.2	6.6	6.9	7.6	7.7	7.5	7.4	7.5	7.3
A. Taxes on international trade	4.5	4.7	3.2	4.6	6.6	6.8	6.8	6.9	6.9	6.8
(i) Taxes as percentage of exports and imports	5.4 (6.9)	5.7 (6.5)	6.4 (5.4)	7.7 (3.5)	9.1 (1.4)	9.0 (1.4)	9.0 (1.5)	9.0 (1.5)	9.2 (1.2)	9.3 (1.0)
(ii) Mean tariff rate	3.5 (32.3)	3.8 (31.2)	1.8 (40.8)	2.8 (36.0)	6.6 (17.0)	7.1 (14.7)	7.1 (14.7)	7.3 (13.3)	7.3 (13.3)	7.9 (10.6)
(iii) Standard deviation of tariff rates			1.4 (21.5)	3.2 (16.9)	4.3 (14.3)	4.3 (14.3)	4.3 (14.3)	4.3 (14.3)	4.3 (14.3)	3.3 (16.6)
B. Regulatory trade barriers				5.1	7.2	7.3	7.0	6.7	6.5	5.8
C. Size of trade sector	7.9	6.6	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0
D. Black-market exchange rates	9.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	4.6	4.3	4.3	3.8	3.3	4.0	3.9
5. Regulation of Credit, Labor and Business	5.3	5.9	5.8	6.0	6.2	6.1	6.1	5.9	6.4	6.9
A. Credit market regulations	6.7	8.7	8.3	7.3	7.0	7.0	7.0	7.0	7.0	7.6
(i) Ownership of banks	8.0	8.0	8.0	8.0	5.0	5.0	5.0	5.0	5.0	8.0
(ii) Foreign bank competition				5.6	3.8	3.8	3.8	3.8	3.8	3.8
(iii) Private sector credit	8.0	8.0	8.8	9.2	9.2	9.1	9.0	9.2	9.2	8.8
(iv) Interest rate controls/negative real int. rates	4.0	10.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations			5.0	5.4	6.3	6.6	6.2	6.2	7.0	6.7
(i) Minimum wage				5.8	3.9	3.9	3.9	3.9	7.6	7.6
(ii) Hiring and firing regulations			7.0	7.0	4.6	5.4	5.5	5.5	5.3	4.7
(iii) Centralized collective bargaining	7.9	7.9	7.9	7.9	6.5	6.9	5.8	5.7	6.2	6.1
(iv) Mandated cost of hiring				6.3	6.5	6.5	5.7	5.8	5.8	8.5
(v) Mandated cost of worker dismissal										5.6
(vi) Conscription	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				5.4	5.3	4.7	5.0	4.6	5.2	6.2
(i) Price controls			4.0	5.0	3.0	4.0	4.0	2.0	4.0	4.0
(ii) Administrative requirements					6.9	3.4	3.7	4.5	4.7	4.9
(iii) Bureaucracy costs				6.8	4.0	3.0	4.8	4.0	4.0	2.2
(iv) Starting a business				6.5	7.3	6.8	6.3	6.2	6.5	8.9
(v) Extra payments/bribes				3.1	5.3	6.1	6.4	6.3	6.8	5.9
(vi) Licensing restrictions										8.5
(vii) Cost of tax compliance										9.4

Togo

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.2 (88)	5.6 (46)	4.9 (80)	4.6 (103)	5.0 (110)	5.1 (111)	5.2 (111)	5.0 (116)	5.0 (120)	5.1 (131)
1. Size of Government	1.6	6.4	3.4	3.9	4.4	4.4	4.4	4.3	4.4	4.5
A. General government consumption spending	3.2 (29.1)	7.6 (14.2)	6.9 (16.6)	7.7 (13.8)	8.9 (9.8)	8.8 (10.0)	8.8 (10.1)	8.6 (10.7)	8.8 (9.9)	9.0 (9.5)
B. Transfers and subsidies		9.5 (2.4)								
C. Government enterprises and investment	0.0 (52.5)	2.0 (40.0)	0.0 (54.8)	0.0 (51.7)	0.0	0.0	0.0 (51.7)	0.0	0.0	0.0
D. Top marginal tax rate										
(i) Top marginal income tax rate										
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	3.3	4.2	4.5	4.7	3.7	3.7	3.7	3.1	3.1	3.5
A. Judicial independence										
B. Impartial courts				4.1	4.1	4.1	4.1	3.8	3.8	3.7
C. Protection of property rights										
D. Military interference				3.9	1.7	1.7	1.7	1.7	1.7	0.1
E. Integrity of the legal system				7.0	5.0	5.0	5.0	5.0	5.0	5.0
F. Legal enforcement of contracts										5.0
G. Regulatory restrictions on sale of real property										3.5
3. Access to Sound Money	5.0	6.5	7.0	5.0	6.5	6.5	7.0	7.0	7.1	6.7
A. Money growth	6.7 (16.5)	8.8 (6.2)	9.4 (-2.9)	8.1 (9.7)	8.7 (6.7)	9.3 (3.7)	9.7 (-1.6)	9.4 (-3.1)	9.6 (-2.2)	9.6 (-2.2)
B. Standard deviation of inflation	5.6 (11.1)	8.0 (4.9)	9.4 (1.6)	4.5 (13.7)	7.7 (5.9)	7.7 (5.7)	9.0 (2.5)	8.9 (2.7)	9.0 (2.5)	8.8 (3.0)
C. Inflation: most recent year	7.9 (10.5)	9.3 (3.4)	9.4 (3.0)	7.6 (12.2)	9.6 (1.9)	9.2 (3.9)	9.4 (3.1)	9.8 (-1.0)	9.9 (0.4)	8.6 (6.8)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.5	5.9	5.3		6.1	6.1	6.1	5.8	5.7	5.9
A. Taxes on international trade	1.7	4.3	3.9		7.6	7.2	7.2	7.2	7.5	7.5
(i) Taxes as percentage of exports and imports	1.7 (12.4)	4.3 (8.6)	3.9 (9.2)						8.1 (2.8)	8.2 (2.7)
(ii) Mean tariff rate					7.6 (12.0)	7.1 (14.5)	7.1 (14.5)	7.1 (14.5)	7.1 (14.4)	7.1 (14.6)
(iii) Standard deviation of tariff rates						7.3 (6.7)	7.3 (6.7)	7.3 (6.7)	7.3 (6.7)	7.3 (6.8)
B. Regulatory trade barriers									4.5	4.6
C. Size of trade sector	8.0	7.5	5.3	4.4	4.9	4.9	4.8	4.7	4.5	6.4
D. Black-market exchange rates	9.6	9.8	9.2	9.8	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
5. Regulation of Credit, Labor and Business	5.7	5.0	4.5	4.6	4.4	5.0	4.9	4.9	4.7	4.9
A. Credit market regulations	6.4	6.6	6.6	6.4	5.8	7.0	6.8	6.9	6.6	5.7
(i) Ownership of banks	2.0	2.0	2.0	2.0	2.0	2.0	5.0	5.0	5.0	2.0
(ii) Foreign bank competition										
(iii) Private sector credit	9.3	9.8	9.8	9.1	9.3	9.5	9.5	9.6	8.8	9.2
(iv) Interest rate controls/negative real int. rates	8.0	8.0	8.0	8.0	6.0	9.5	6.0	6.0	6.0	6.0
B. Labor market regulations										3.9
(i) Minimum wage									3.7	3.7
(ii) Hiring and firing regulations										
(iii) Centralized collective bargaining										
(iv) Mandated cost of hiring										2.4
(v) Mandated cost of worker dismissal										3.9
(vi) Conscription		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations										4.9
(i) Price controls			0.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements										
(iii) Bureaucracy costs										
(iv) Starting a business									4.9	4.5
(v) Extra payments/bribes										
(vi) Licensing restrictions										4.3
(vii) Cost of tax compliance										7.0

Trinidad & Tobago

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.1 (64)	5.0 (72)	5.7 (50)	6.7 (39)	7.0 (37)	7.1 (30)	6.9 (38)	6.8 (44)	6.9 (45)	6.8 (60)
1. Size of Government	5.4	3.8	6.3	6.0	6.1	6.6	6.5	6.2	6.8	6.8
A. General government consumption spending	5.6 (20.8)	3.1 (29.5)	6.8 (16.8)	6.7 (17.1)	6.7 (17.1)	6.7 (17.2)	5.6 (20.9)	4.7 (24.0)	5.7 (20.7)	5.7 (20.7)
B. Transfers and subsidies	8.5 (6.0)	6.1 (14.9)	7.4 (10.0)	8.4 (6.2)	6.8			7.6 (9.2)	7.6 (9.2)	7.6 (9.2)
C. Government enterprises and investment	2.0 (47.6)	2.0 (40.6)	4.0 (34.6)	4.0	4.0	6.0 (25.1)	6.0 (25.1)	6.0 (25.1)	6.0 (25.1)	6.0 (25.1)
D. Top marginal tax rate		4.0	7.0	5.0	7.0	7.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate		4.0 (50)	7.0 (35)	5.0 (38)	7.0 (35)	7.0 (35)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates			7.0 (35)	5.0 (38)	7.0 (35)	7.0 (35)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
2. Legal Structure and Security of Property Rights	5.4	4.8	6.2	5.4	5.9	6.5	5.8	5.4	4.8	5.7
A. Judicial independence						7.1	7.0	6.3	4.7	5.3
B. Impartial courts				6.5	6.3	5.9	5.0	5.3	4.6	5.2
C. Protection of property rights					5.3	4.6	3.8	3.7	3.2	6.0
D. Military interference				7.1	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				4.1	6.7	6.7	5.0	3.3	3.3	3.8
F. Legal enforcement of contracts										
G. Regulatory restrictions on sale of real property										
3. Access to Sound Money	4.0	5.9	6.0	8.6	9.1	9.0	8.8	9.0	9.0	8.4
A. Money growth	5.7 (21.4)	8.8 (5.8)	9.5 (2.7)	8.8 (6.2)	8.8 (5.9)	9.0 (4.9)	8.7 (6.4)	9.5 (2.7)	9.4 (2.8)	8.2 (8.8)
B. Standard deviation of inflation	5.9 (10.3)	6.7 (8.3)	7.8 (5.5)	6.4 (9.0)	8.2 (4.5)	8.2 (4.5)	7.5 (6.3)	7.5 (6.3)	7.5 (6.3)	6.6 (8.5)
C. Inflation: most recent year	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 (4.1)	9.2 (3.8)	9.3 (3.7)	8.6 (6.9)
D. Freedom to own foreign currency	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	4.2	3.8	3.9	7.3	6.7	6.9	6.9	6.9	7.2	6.9
A. Taxes on international trade	7.9	6.4	6.1	7.0	5.4	5.6	7.6	7.6	7.6	7.8
(i) Taxes as percentage of exports and imports	7.9 (3.2)	6.2 (5.7)	8.2 (2.7)	8.9 (1.7)	3.2 (10.2)	3.2 (10.2)	8.9 (1.6)	8.9 (1.6)	8.9 (1.6)	8.9 (1.6)
(ii) Mean tariff rate		6.6 (17.0)	6.3 (18.6)	7.2 (14.1)	6.3 (18.4)	7.8 (11.2)	8.1 (9.6)	8.0 (9.8)	8.0 (9.8)	8.4 (7.8)
(iii) Standard deviation of tariff rates			3.9 (15.3)	4.9 (12.7)	6.7 (8.3)	5.8 (10.6)	5.8 (10.6)	5.8 (10.6)	5.8 (10.6)	6.0 (10.1)
B. Regulatory trade barriers					6.2	7.4	7.1	6.8	7.1	5.7
C. Size of trade sector	4.9	2.0	2.9	4.0	4.4	3.9	3.2	3.2	4.1	4.1
D. Black-market exchange rates	0.2	2.2	2.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	8.0	7.5	7.5	6.7	6.8	7.0	7.1
5. Regulation of Credit, Labor and Business	6.5	6.8	6.1	6.3	7.2	6.3	6.4	6.3	6.5	6.0
A. Credit market regulations	6.9	8.0	7.2	7.3	7.5	7.2	7.4	7.2	7.4	7.2
(i) Ownership of banks	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition					4.0	4.0	4.0	4.0	4.0	5.0
(iii) Private sector credit	8.8	8.1	7.7	7.8	8.6	8.1	8.0	8.1	8.3	8.6
(iv) Interest rate controls/negative real int. rates		8.0	6.0	6.0	10.0	9.0	10.0	9.0	10.0	7.0
B. Labor market regulations					7.2	6.7	6.7	6.5	7.1	6.2
(i) Minimum wage					5.3	5.3	5.3	5.3		
(ii) Hiring and firing regulations					5.8	4.7	4.7	4.5	5.0	5.3
(iii) Centralized collective bargaining					7.5	6.9	6.7	6.3	6.4	6.1
(iv) Mandated cost of hiring										
(v) Mandated cost of worker dismissal										
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					6.9	5.1	5.2	5.2	4.9	4.7
(i) Price controls			4.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements					7.5	2.9	3.2	3.5	2.9	3.3
(iii) Bureaucracy costs					7.7	4.8	5.8	5.8	6.0	4.7
(iv) Starting a business					6.6	5.9	5.7	5.0	5.0	
(v) Extra payments/bribes					6.6	6.1	5.5	5.8	4.9	4.8
(vi) Licensing restrictions										
(vii) Cost of tax compliance										

Tunisia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.0 (68)	4.8 (79)	5.4 (59)	6.0 (65)	6.1 (74)	6.4 (61)	6.3 (66)	6.3 (69)	6.3 (69)	6.6 (69)
1. Size of Government	4.2	4.4	5.1	5.2	5.3	5.3	5.3	5.2	5.2	5.2
A. General government consumption spending	6.2 (19.0)	5.2 (22.5)	5.7 (20.5)	5.6 (21.1)	5.7 (20.5)	5.7 (20.6)	5.7 (20.8)	5.8 (20.4)	5.8 (20.2)	6.0 (19.6)
B. Transfers and subsidies	8.6 (5.6)	8.3 (6.8)	7.7 (9.0)	8.1 (7.3)	8.1 (7.5)	8.1 (7.5)	8.1 (7.5)	7.4 (10.0)	7.4 (10.0)	7.4 (10.0)
C. Government enterprises and investment	0.0 (53.1)	2.0 (48.6)	2.0 (49.5)	2.0 (49.3)	2.0 (48.8)	2.0 (47.8)	2.0 (47.8)	2.0 (47.8)	2.0 (47.8)	2.0 (47.8)
D. Top marginal tax rate	2.0	2.0					5.5	5.5	5.5	5.5
(i) Top marginal income tax rate	2.0 (62)	2.0 (62)					7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)
(ii) Top marginal income and payroll tax rates							4.0 (51)	4.0 (51)	4.0 (51)	4.0 (51)
2. Legal Structure and Security of Property Rights	4.9	3.5	3.5	5.7	6.4	6.9	6.9	6.8	6.7	7.4
A. Judicial independence						6.6	6.3	6.3	6.3	6.8
B. Impartial courts				6.7	7.0	6.7	6.8	6.5	6.5	6.6
C. Protection of property rights						6.4	6.2	6.3	5.7	7.4
D. Military interference				8.1	6.7	6.7	6.7	6.7	6.7	6.7
E. Integrity of the legal system				4.1	8.3	8.3	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										9.3
G. Regulatory restrictions on sale of real property										6.9
3. Access to Sound Money	6.1	6.3	7.0	7.0	7.1	7.1	7.2	7.3	7.3	7.3
A. Money growth	8.5 (7.5)	7.7 (11.5)	9.6 (1.8)	9.5 (2.6)	9.0 (4.8)	9.1 (4.5)	9.5 (2.7)	9.9 (0.4)	10.0 (0.1)	9.8 (1.1)
B. Standard deviation of inflation	8.6 (3.4)	8.3 (4.4)	9.2 (2.0)	9.6 (0.9)	9.8 (0.6)	9.8 (0.5)	9.8 (0.6)	9.7 (0.7)	9.8 (0.5)	9.8 (0.6)
C. Inflation: most recent year	7.4 (12.8)	9.3 (3.6)	9.1 (4.5)	9.0 (5.2)	9.4 (2.9)	9.6 (2.0)	9.5 (2.7)	9.5 (2.7)	9.3 (3.6)	9.6 (2.0)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Freedom to Trade Internationally	5.1	4.8	6.0	6.2	6.1	6.4	6.1	6.0	6.2	6.0
A. Taxes on international trade	4.4	3.2	4.7	4.6	5.5	5.5	5.7	5.8	6.1	5.3
(i) Taxes as percentage of exports and imports	4.0 (9.0)	1.1 (13.3)	3.7 (9.5)	4.0 (9.0)	7.6 (3.6)	7.6 (3.6)	8.3 (2.6)	8.3 (2.5)	8.4 (2.4)	8.6 (2.1)
(ii) Mean tariff rate	4.7 (26.4)	5.2 (24.0)	4.5 (27.5)	4.5 (27.5)	3.9 (30.6)	3.9 (30.6)	4.0 (30.2)	4.0 (30.2)	4.9 (25.3)	7.3 (13.4)
(iii) Standard deviation of tariff rates			6.0 (10.1)	5.3 (11.7)	5.0 (12.6)	5.0 (12.6)	5.0 (12.6)	5.0 (12.6)	5.0 (12.6)	0.0 (26.0)
B. Regulatory trade barriers						7.5	7.1	6.8	6.3	6.2
C. Size of trade sector	6.6	5.1	6.5	6.3	5.8	6.2	5.7	5.5	5.8	5.8
D. Black-market exchange rates	6.4	7.6	8.4	9.8	10.0	10.0	7.8	7.8	8.8	8.8
E. International capital market controls	0.0	0.0	2.0	2.0	0.8	0.8	4.0	4.1	3.9	4.1
5. Regulation of Credit, Labor and Business	4.7	5.0	5.4	5.7	5.6	6.1	6.0	6.1	6.3	7.0
A. Credit market regulations	4.9	5.6	7.3	7.6	7.4	8.1	8.1	8.1	8.0	8.0
(i) Ownership of banks	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition									8.0	8.0
(iii) Private sector credit	8.7	8.7	8.9	9.7	9.1	9.2	9.2	9.2	9.1	9.1
(iv) Interest rate controls/negative real int. rates	4.0	6.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations						3.8	3.9	4.0	4.3	6.0
(i) Minimum wage									4.4	4.4
(ii) Hiring and firing regulations						5.2	5.0	4.8	5.3	5.8
(iii) Centralized collective bargaining						3.2	3.7	4.2	4.5	6.0
(iv) Mandated cost of hiring										4.4
(v) Mandated cost of worker dismissal										7.3
(vi) Conscription	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C. Business regulations						6.4	6.1	6.2	6.5	6.9
(i) Price controls			4.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements						5.3	4.7	4.5	4.9	5.3
(iii) Bureaucracy costs						6.8	5.8	6.5	7.1	4.3
(iv) Starting a business						7.1	7.3	7.2	7.9	9.3
(v) Extra payments/bribes						7.0	6.8	7.0	6.6	6.8
(vi) Licensing restrictions										7.8
(vii) Cost of tax compliance										8.7

Turkey

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.7 (98)	4.8 (79)	4.8 (84)	5.7 (72)	5.8 (84)	5.3 (106)	5.5 (100)	5.8 (89)	5.9 (85)	6.2 (91)
1. Size of Government	4.4	4.9	5.8	6.9	7.1	6.7	7.0	7.0	7.3	7.3
A. General government consumption spending	7.1 (15.9)	8.4 (11.4)	7.7 (13.8)	7.9 (13.3)	6.9 (16.4)	6.9 (16.5)	6.6 (17.5)	6.8 (17.0)	6.9 (16.7)	7.0 (16.3)
B. Transfers and subsidies	8.5 (6.0)	7.3 (10.4)	9.1 (3.9)	7.9 (8.4)	9.4 (2.8)	9.4 (2.8)	9.4 (2.8)	9.4 (2.8)	9.4 (2.8)	9.4 (2.8)
C. Government enterprises and investment	2.0 (40.0)	2.0 (45.5)	4.0 (31.8)	8.0 (17.5)	7.0 (23.7)	6.0 (28.7)	6.0 (28.7)	6.0 (28.7)	6.0 (28.7)	6.0 (28.7)
D. Top marginal tax rate	0.0	2.0	2.5	4.0	5.0	4.5	6.0	6.0	7.0	7.0
(i) Top marginal income tax rate	0.0 (75)	2.0 (63)	4.0 (50)	4.0 (55)	6.0 (45)	5.0 (45)	6.0 (40)	6.0 (40)	7.0 (40)	7.0 (40)
(ii) Top marginal income and payroll tax rates			1.0 (57)	4.0 (55)	4.0 (46)	4.0 (47)	6.0 (40)	6.0 (40)	7.0 (40)	7.0 (40)
2. Legal Structure and Security of Property Rights	5.6	5.8	4.5	4.8	5.4	4.1	4.5	5.3	5.2	6.6
A. Judicial independence				5.5	5.3	3.3	4.5	4.5	4.3	5.3
B. Impartial courts				6.6	6.5	2.8	3.5	3.8	3.9	4.7
C. Protection of property rights				4.3	3.4	2.8	3.0	3.0	3.4	6.3
D. Military interference				3.8	5.0	5.0	5.0	6.7	6.7	6.7
E. Integrity of the legal system				4.1	6.7	6.7	6.7	8.3	7.5	7.5
F. Legal enforcement of contracts										7.2
G. Regulatory restrictions on sale of real property										8.8
3. Access to Sound Money	0.5	2.3	3.3	3.2	3.6	3.6	4.1	4.9	5.1	4.9
A. Money growth	1.9 (40.6)	3.7 (31.7)	0.2 (49.0)	0.0 (50.4)	0.0 (81.9)	0.0 (78.5)	0.0 (73.4)	0.0 (64.1)	0.0 (58.2)	0.0 (59.3)
B. Standard deviation of inflation	0.0 (27.8)	5.7 (10.7)	3.1 (17.2)	2.8 (17.9)	4.3 (14.3)	4.4 (14.1)	5.2 (11.9)	4.5 (13.7)	2.3 (19.2)	1.4 (21.5)
C. Inflation: most recent year	0.0 (85.0)	0.0 (52.2)	0.0 (58.2)	0.0 (87.0)	0.0 (54.9)	0.0 (54.4)	1.0 (45.0)	4.9 (25.3)	8.3 (8.6)	8.4 (8.2)
D. Freedom to own foreign currency	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	3.7	5.6	5.0	7.1	7.2	7.1	6.8	6.9	7.0	6.7
A. Taxes on international trade	3.5	6.3	4.5	8.3	7.4	7.5	7.5	7.8	7.8	6.9
(i) Taxes as percentage of exports and imports	5.8 (6.3)	8.0 (3.0)	8.1 (2.8)	9.0 (1.5)	9.6 (0.7)	9.7 (0.4)	9.7 (0.4)	9.7 (0.4)	9.7 (0.4)	9.7 (0.4)
(ii) Mean tariff rate	1.2 (44.0)	4.7 (26.6)	5.5 (22.7)	8.2 (9.0)	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)	9.5 (2.6)	9.5 (2.6)	9.5 (2.4)
(iii) Standard deviation of tariff rates			0.0 (35.7)	7.7 (5.7)	4.1 (14.7)	4.1 (14.7)	4.1 (14.7)	4.1 (14.7)	4.1 (14.7)	1.4 (21.6)
B. Regulatory trade barriers				7.6	7.0	5.9	6.4	6.9	6.7	6.6
C. Size of trade sector	0.0	3.9	2.7	4.7	5.6	6.4	5.7	5.7	6.1	5.7
D. Black-market exchange rates	6.8	9.4	9.6	9.6	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	5.5	5.8	5.8	4.3	4.0	4.2	4.0
5. Regulation of Credit, Labor and Business	4.4	5.2	5.1	6.1	5.7	4.9	5.0	5.2	5.1	5.6
A. Credit market regulations	4.0	6.7	5.4	7.6	6.7	6.0	6.1	6.2	5.9	6.5
(i) Ownership of banks	8.0	8.0	8.0	8.0	8.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition				7.8	5.1	5.1	6.0	6.0	6.0	6.0
(iii) Private sector credit	4.0	4.0	6.2	7.3	4.3	3.6	3.4	3.7	4.4	5.0
(iv) Interest rate controls/negative real int. rates	0.0	8.0	2.0	8.0	8.0	8.0	8.0	8.0	6.0	10.0
B. Labor market regulations			5.2	5.4	4.5	4.4	4.4	4.5	4.3	4.0
(i) Minimum wage				6.4	3.4	3.4	3.4	3.4	4.0	4.0
(ii) Hiring and firing regulations			7.2	7.2	5.3	4.8	4.8	5.5	4.2	4.0
(iii) Centralized collective bargaining	7.2	7.2	7.2	7.2	6.6	6.5	7.0	6.8	6.8	6.4
(iv) Mandated cost of hiring				4.9	6.2	6.2	5.9	5.6	5.6	3.3
(v) Mandated cost of worker dismissal										0.0
(vi) Conscription	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
C. Business regulations				5.5	5.9	4.3	4.4	4.9	5.1	6.3
(i) Price controls			8.0	5.0	6.0	5.0	5.0	6.0	5.0	5.0
(ii) Administrative requirements					7.4	1.7	2.5	2.5	3.1	3.3
(iii) Bureaucracy costs				6.2	5.2	6.5	5.3	5.3	4.8	6.2
(iv) Starting a business				7.6	5.2	4.8	4.3	5.2	7.2	9.4
(v) Extra payments/bribes				3.2	5.5	3.7	4.7	5.3	5.6	6.3
(vi) Licensing restrictions										6.5
(vii) Cost of tax compliance										7.2

Uganda

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	3.2 (104)	2.9 (109)	2.9 (113)	5.1 (91)	6.5 (56)	6.6 (50)	6.4 (61)	6.4 (64)	6.4 (65)	6.5 (76)
1. Size of Government		3.1	4.5	6.5	6.3	6.2	6.0	6.0	5.9	5.9
A. General government consumption spending		7.2 (15.5)	9.6 (7.5)	8.7 (10.5)	7.5 (14.5)	7.2 (15.4)	6.9 (16.7)	7.5 (14.6)	7.1 (15.9)	7.2 (15.6)
B. Transfers and subsidies				9.2 (3.4)	9.2 (3.4)	9.2 (3.4)	9.2 (3.4)	8.4 (6.4)	8.4 (6.4)	8.4 (6.4)
C. Government enterprises and investment	2.0	2.0 (26.4)	2.0 (47.6)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate		0.0	2.0	6.0	6.5	6.5	6.0	6.0	6.0	6.0
(i) Top marginal income tax rate		0.0 (70)	3.0 (50)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates			1.0 (59)	4.0 (41)	5.0 (40)	5.0 (40)	4.0 (41)	4.0 (41)	4.0 (41)	4.0 (41)
2. Legal Structure and Security of Property Rights	2.8	2.9	2.4	4.3	4.6	4.6	4.3	4.5	4.2	5.4
A. Judicial independence							4.5	5.0	4.7	4.6
B. Impartial courts				5.5	4.4	4.4	4.3	4.7	3.8	4.1
C. Protection of property rights							2.8	2.8	2.6	4.3
D. Military interference				3.7	3.3	3.3	3.3	3.3	3.3	3.3
E. Integrity of the legal system				4.1	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										7.5
G. Regulatory restrictions on sale of real property										7.4
3. Access to Sound Money	1.0	0.0	0.3	4.6	9.3	9.3	9.2	8.8	9.1	8.5
A. Money growth	3.1 (34.4)	0.0 (76.2)	0.0 (410.0)	6.0 (20.2)	8.7 (6.3)	8.8 (6.0)	8.7 (6.5)	8.7 (6.5)	8.9 (5.4)	8.6 (7.2)
B. Standard deviation of inflation	0.0 (33.8)	0.0 (40.8)	0.0 (52.4)	4.4 (14.1)	9.0 (2.4)	9.0 (2.6)	8.2 (4.5)	7.9 (5.3)	8.0 (5.1)	7.3 (6.9)
C. Inflation: most recent year		0.0 (120.4)	1.1 (44.4)	8.2 (9.2)	9.4 (2.8)	9.6 (2.0)	9.9 (-0.3)	8.4 (7.8)	9.3 (3.3)	8.4 (8.2)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	4.3	3.7	3.0	5.1	6.9	7.2	6.6	6.7	6.4	5.8
A. Taxes on international trade	7.9	3.1	3.4	5.4	5.4	6.4	6.5	6.6	6.7	5.5
(i) Taxes as percentage of exports and imports	7.9 (3.1)	2.3 (11.6)	2.8 (10.8)	3.2 (10.2)	2.4 (11.4)	3.0 (10.5)	3.5 (9.8)	3.8 (9.4)	3.8 (9.4)	3.8 (9.4)
(ii) Mean tariff rate		4.0 (30.0)	4.0 (30.1)	6.6 (17.1)	8.3 (8.3)	8.4 (8.2)	8.4 (8.0)	8.4 (8.0)	8.7 (6.7)	7.5 (12.4)
(iii) Standard deviation of tariff rates				6.4 (9.1)		7.7 (5.7)	7.7 (5.7)	7.7 (5.7)	7.7 (5.7)	5.3 (11.7)
B. Regulatory trade barriers							5.3	5.5	4.1	2.4
C. Size of trade sector	5.5	2.4	1.2	2.4	2.5	2.9	3.1	3.0	3.3	2.6
D. Black-market exchange rates	0.0	5.0	2.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	0.0	8.5	8.5	8.0	8.2	8.0	8.2
5. Regulation of Credit, Labor and Business	4.7	4.7	4.5	5.2	5.6	5.6	5.8	6.1	6.2	7.1
A. Credit market regulations	2.6	2.6	3.2	4.3	5.0	5.0	4.9	5.0	5.0	7.8
(i) Ownership of banks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	10.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit	5.8	5.7	7.7	6.9	5.1	4.1	3.6	4.1	4.1	4.1
(iv) Interest rate controls/negative real int. rates	0.0	0.0	0.0	4.0	8.0	9.0	9.0	9.0	9.0	9.0
B. Labor market regulations							8.3	8.4	8.6	8.1
(i) Minimum wage									9.1	9.1
(ii) Hiring and firing regulations							6.7	6.8	6.6	6.9
(iii) Centralized collective bargaining							8.2	8.3	8.8	8.7
(iv) Mandated cost of hiring										7.0
(v) Mandated cost of worker dismissal										8.9
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							4.3	4.9	5.0	5.5
(i) Price controls			0.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements							3.2	4.2	3.7	3.8
(iii) Bureaucracy costs							3.3	4.3	5.1	2.4
(iv) Starting a business							5.7	5.7	6.1	7.6
(v) Extra payments/bribes							3.6	4.2	4.0	4.2
(vi) Licensing restrictions										6.8
(vii) Cost of tax compliance										7.3

Ukraine

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) >				3.4 (123)	4.7 (116)	4.8 (118)	5.2 (111)	5.1 (115)	5.4 (112)	5.8 (112)
1. Size of Government				1.8	3.4	3.1	3.8	3.5	4.3	5.0
A. General government consumption spending	4.6 (24.2)	4.4 (25.0)	5.2 (22.4)	3.6 (27.8)	3.6 (27.8)	3.3 (28.9)	5.6 (21.1)	4.3 (25.2)	4.5 (24.6)	4.4 (25.1)
B. Transfers and subsidies					5.6 (16.6)	6.3 (14.2)	6.1 (14.9)	6.1 (14.9)	5.2 (18.0)	4.0 (22.6)
C. Government enterprises and investment				0.0	0.0	0.0	0.0	0.0	0.0	4.0
D. Top marginal tax rate					4.5	3.0	3.5	3.5	7.5	7.5
(i) Top marginal income tax rate					5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	10.0 (13)	10.0 (13)
(ii) Top marginal income and payroll tax rates					4.0 (44)	1.0 (58)	2.0 (55)	2.0 (55)	5.0 (38)	5.0 (38)
2. Legal Structure and Security of Property Rights				4.3	4.8	4.2	4.4	4.5	4.6	5.6
A. Judicial independence				6.1	3.2	2.0	2.3	2.0	2.1	2.6
B. Impartial courts				4.3	3.5	2.1	2.5	2.7	3.2	3.1
C. Protection of property rights				1.2	2.4	1.9	2.3	2.8	2.6	3.9
D. Military interference				5.7	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system					6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										7.8
G. Regulatory restrictions on sale of real property										7.0
3. Access to Sound Money			5.9	1.7	3.5	5.8	6.0	5.7	5.5	5.8
A. Money growth					3.2 (34.1)	3.5 (32.3)	3.0 (34.8)	3.0 (34.8)	3.0 (34.8)	3.0 (34.8)
B. Standard deviation of inflation				0.0 (1158.3)	1.4 (21.4)	7.1 (7.3)	6.3 (9.4)	6.0 (10.1)	5.8 (10.5)	7.9 (5.2)
C. Inflation: most recent year			6.7 (16.3)	0.0 (415.5)	4.4 (28.2)	7.6 (12.0)	9.8 (0.8)	9.0 (5.2)	8.2 (9.0)	7.3 (13.5)
D. Freedom to own foreign currency			5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally				6.2	7.0	6.8	7.2	6.9	7.1	6.6
A. Taxes on international trade					7.6	7.6	7.8	7.7	7.6	6.7
(i) Taxes as percentage of exports and imports					9.4 (1.0)	9.3 (1.1)	9.2 (1.2)	9.0 (1.5)	8.9 (1.7)	8.9 (1.7)
(ii) Mean tariff rate					7.9 (10.5)	7.9 (10.5)	8.5 (7.6)	8.5 (7.6)	8.4 (7.9)	8.6 (6.8)
(iii) Standard deviation of tariff rates					5.6 (11.0)	5.6 (11.0)	5.6 (11.0)	5.6 (11.0)	5.6 (11.0)	2.7 (18.2)
B. Regulatory trade barriers				2.5	5.5	4.8	5.7	5.6	5.4	4.5
C. Size of trade sector			5.8	9.5	10.0	9.9	9.5	8.7	9.8	8.8
D. Black-market exchange rates	0.0	0.0	0.0	9.4	7.8	7.8	10.0	10.0	10.0	10.0
E. International capital market controls	0.0	0.0	0.0	3.4	4.3	4.0	2.9	2.5	2.4	2.7
5. Regulation of Credit, Labor and Business			3.5	3.2	4.6	4.2	4.8	4.9	5.4	5.8
A. Credit market regulations			0.0	1.8	4.6	5.5	6.9	7.2	7.2	7.3
(i) Ownership of banks			0.0	0.0	0.0	2.0	5.0	5.0	5.0	2.0
(ii) Foreign bank competition				3.2	3.9	3.9	8.0	8.0	8.0	8.0
(iii) Private sector credit				1.7	8.4	8.6	8.6	8.9	9.1	9.3
(iv) Interest rate controls/negative real int. rates				0.0	6.0	8.0	8.0	9.0	9.0	10.0
B. Labor market regulations				5.1	4.3	3.9	3.9	4.1	4.8	5.9
(i) Minimum wage				6.6	1.9	1.9	1.9	1.9	5.7	5.7
(ii) Hiring and firing regulations			5.8	5.8	6.3	5.6	6.0	6.7	6.3	6.3
(iii) Centralized collective bargaining				7.9	8.1	6.6	6.5	6.7	6.7	7.3
(iv) Mandated cost of hiring				5.4	5.3	5.3	5.3	5.3	5.3	0.0
(v) Mandated cost of worker dismissal										8.5
(vi) Conscription				0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				2.6	4.7	3.2	3.5	3.4	4.1	4.3
(i) Price controls			0.0	4.0	6.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements					6.3	1.6	2.3	1.7	2.7	2.6
(iii) Bureaucracy costs				2.2	4.8	3.3	4.8	3.5	3.4	3.8
(iv) Starting a business				3.7	2.9	3.0	2.3	3.0	4.9	8.2
(v) Extra payments/bribes				0.6	3.8	4.3	4.1	4.6	5.3	5.6
(vi) Licensing restrictions										6.2
(vii) Cost of tax compliance										0.0

United Arab Emirates

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.9 (26)	6.8 (16)	7.4 (7)	7.4 (17)	7.4 (19)	7.4 (17)	7.4 (17)	7.8 (8)	7.8 (11)	7.7 (15)
1. Size of Government	5.2	5.0	7.6	7.9	7.6	7.5	7.7	7.7	7.8	7.5
A. General government consumption spending	0.4 (38.7)	0.0 (41.8)	2.9 (30.1)	3.9 (26.8)	4.7 (24.0)	4.1 (26.0)	5.1 (22.6)	5.1 (22.6)	5.7 (20.7)	6.5 (17.9)
B. Transfers and subsidies			9.8 (1.2)	9.9 (1.0)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	6.0
C. Government enterprises and investment					6.0	6.0	6.0	6.0	6.0	6.0
D. Top marginal tax rate	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(i) Top marginal income tax rate	10.0 (0)	10.0 (0)	10.0	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
(ii) Top marginal income and payroll tax rates										10.0 (16)
2. Legal Structure and Security of Property Rights	2.1	5.8	5.8	5.8	6.6	6.6	6.6	6.8	6.2	6.9
A. Judicial independence								6.7	5.3	6.3
B. Impartial courts				6.9	7.5	7.5	7.5	6.2	5.2	6.3
C. Protection of property rights								6.3	5.5	6.8
D. Military interference				8.5	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				4.1	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										4.9
G. Regulatory restrictions on sale of real property										9.2
3. Access to Sound Money	7.9	9.3	9.6	9.4	8.1	8.5	8.6	8.6	8.6	8.6
A. Money growth	5.5 (22.7)	9.8 (-0.9)	9.7 (1.5)	8.9 (5.5)	8.9 (5.7)	8.8 (5.9)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)	8.5 (7.5)
B. Standard deviation of inflation	8.1 (4.8)	8.1 (4.8)	9.3 (1.7)		6.5 (8.8)	6.0 (9.9)	6.1 (9.9)	6.1 (9.9)	6.1 (9.9)	6.1 (9.9)
C. Inflation: most recent year	8.2 (9.1)	9.1 (4.5)	9.2 (4.1)		7.2 (13.9)	9.0 (-4.8)	9.9 (0.7)	9.9 (0.7)	9.9 (0.7)	9.9 (0.7)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	9.2	7.7	8.0		8.2	8.2	8.2	8.3	8.5	8.2
A. Taxes on international trade	10.0	9.6	10.0		9.6	9.6	9.6	9.6	9.6	8.9
(i) Taxes as percentage of exports and imports	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)		10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
(ii) Mean tariff rate		9.2 (4.0)			9.2 (4.0)	9.2 (4.0)	9.2 (4.0)	9.2 (4.0)	9.2 (4.0)	9.0 (4.8)
(iii) Standard deviation of tariff rates										7.6 (6.1)
B. Regulatory trade barriers								9.1	8.7	7.6
C. Size of trade sector	7.7	5.9	6.6	7.5	6.9	6.9	6.9	7.4	8.3	8.3
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	10.0	5.0	5.0	5.0	6.2	6.2	6.2	5.5	5.7	6.4
5. Regulation of Credit, Labor and Business	5.3	6.2	6.4	6.3	6.5	6.2	6.2	7.7	7.7	7.1
A. Credit market regulations	6.9	6.2	6.5	6.4	6.9	7.0	6.8	7.8	7.8	7.8
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition										8.0
(iii) Private sector credit	8.7	7.3	8.0	7.7	8.7	8.9	8.7	8.3	8.2	8.2
(iv) Interest rate controls/negative real int. rates								10.0	10.0	10.0
B. Labor market regulations								8.4	8.9	6.6
(i) Minimum wage									10.0	10.0
(ii) Hiring and firing regulations								6.5	6.7	6.2
(iii) Centralized collective bargaining								8.8	8.8	8.5
(iv) Mandated cost of hiring										6.2
(v) Mandated cost of worker dismissal										1.1
(vi) Conscription	3.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations								6.8	6.3	6.7
(i) Price controls			8.0	8.0	8.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements								6.3	5.3	5.6
(iii) Bureaucracy costs								5.3	5.8	2.2
(iv) Starting a business								7.5	6.2	6.4
(v) Extra payments/bribes								8.7	8.2	8.1
(vi) Licensing restrictions										8.9
(vii) Cost of tax compliance										9.9

United Kingdom

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.2 (21)	7.0 (11)	7.3 (9)	8.1 (6)	8.2 (6)	8.2 (4)	8.1 (6)	8.1 (5)	8.1 (6)	8.1 (5)
1. Size of Government	3.4	4.4	5.6	5.4	6.0	6.4	6.6	6.5	6.7	6.7
A. General government consumption spending	3.9 (26.6)	4.2 (25.9)	4.5 (24.6)	4.4 (25.2)	5.2 (22.2)	5.1 (22.5)	4.9 (23.3)	4.7 (24.2)	4.6 (24.5)	4.3 (25.3)
B. Transfers and subsidies	5.8 (15.8)	5.3 (17.9)	6.1 (14.9)	5.3 (17.7)	5.6 (16.5)	6.3 (14.1)	6.3 (14.1)	6.2 (14.6)	6.2 (14.3)	6.3 (14.0)
C. Government enterprises and investment	4.0 (29.1)	6.0 (23.5)	8.0 (15.3)	8.0 (16.4)	8.0	10.0 (6.4)	10.0 (6.4)	10.0 (6.4)	10.0 (5.4)	10.0 (6.0)
D. Top marginal tax rate	0.0	2.0	4.0	4.0	5.0	4.0	5.0	5.0	6.0	6.0
(i) Top marginal income tax rate	0.0 (83)	2.0 (60)	5.0 (40)	5.0 (40)	6.0 (40)	5.0 (40)	6.0 (40)	6.0 (40)	6.0 (40)	6.0 (40)
(ii) Top marginal income and payroll tax rates			3.0 (46)	3.0 (46)	4.0 (46)	3.0 (46)	4.0 (47)	4.0 (48)	6.0 (40)	6.0 (40)
2. Legal Structure and Security of Property Rights	7.0	6.7	7.7	8.8	9.3	9.2	9.0	9.2	8.9	8.7
A. Judicial independence				9.5	9.0	8.7	8.3	8.5	8.3	8.7
B. Impartial courts				8.9	9.0	8.5	8.3	8.8	7.8	8.4
C. Protection of property rights				7.1	8.4	9.0	8.5	8.5	8.5	9.1
D. Military interference				8.8	10.0	10.0	10.0	10.0	10.0	10.0
E. Integrity of the legal system				10.0	10.0	10.0	10.0	10.0	9.7	9.2
F. Legal enforcement of contracts										7.2
G. Regulatory restrictions on sale of real property										8.3
3. Access to Sound Money	5.8	8.9	8.1	9.6	9.3	9.5	9.5	9.4	9.4	9.4
A. Money growth	8.0 (9.9)	7.8 (10.9)	4.3 (28.7)	9.6 (2.1)	8.1 (9.3)	8.7 (6.4)	8.6 (7.2)	8.5 (7.3)	8.6 (7.0)	8.5 (7.3)
B. Standard deviation of inflation	9.0 (2.4)	9.0 (2.5)	9.4 (1.4)	9.3 (1.7)	9.7 (0.7)	9.8 (0.6)	9.7 (0.7)	9.7 (0.7)	9.7 (0.8)	9.8 (0.5)
C. Inflation: most recent year	6.2 (18.8)	8.8 (5.9)	8.7 (6.4)	9.5 (2.4)	9.4 (2.9)	9.6 (1.8)	9.7 (1.6)	9.4 (2.9)	9.4 (3.0)	9.4 (2.8)
D. Freedom to own foreign currency	0.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	8.5	8.5	8.2	8.2	8.4	8.3	8.1	8.1	7.9	7.7
A. Taxes on international trade	8.9	9.1	8.4	8.6	9.2	9.0	9.1	9.2	9.2	8.5
(i) Taxes as percentage of exports and imports	9.5 (0.7)	9.6 (0.6)	9.6 (0.6)	9.6 (0.6)	9.8 (0.3)	9.8 (0.3)	9.8 (0.3)	9.9 (0.2)	9.9 (0.2)	9.8 (0.2)
(ii) Mean tariff rate	8.2 (8.8)	8.5 (7.5)	8.5 (7.4)	8.7 (6.7)	9.5 (2.4)	9.2 (3.9)	9.4 (3.1)	9.7 (1.4)	9.6 (1.8)	9.5 (2.7)
(iii) Standard deviation of tariff rates			7.1 (7.2)	7.6 (5.9)	8.2 (4.4)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	8.0 (4.9)	6.1 (9.7)
B. Regulatory trade barriers				8.0	9.3	8.9	8.9	9.0	7.9	7.5
C. Size of trade sector	5.3	5.4	4.5	4.8	4.5	4.3	4.1	3.8	3.7	3.9
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	10.0	10.0	10.0	9.4	9.1	9.1	8.6	8.7	8.6	8.5
5. Regulation of Credit, Labor and Business	6.0	6.6	6.8	8.3	8.1	7.7	7.4	7.5	7.6	7.9
A. Credit market regulations	7.3	9.7	9.9	9.3	9.2	9.2	9.2	9.2	9.2	9.5
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				9.3	7.4	7.4	7.4	7.4	7.4	8.0
(iii) Private sector credit	8.0	9.1	9.8	9.7	9.9	9.9	9.8	9.9	9.9	9.9
(iv) Interest rate controls/negative real int. rates	4.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	6.7	6.8	7.2	7.2	6.9	7.1	6.7	6.6	6.9	7.4
(i) Minimum wage				6.7	4.6	4.6	4.6	4.6	6.5	6.5
(ii) Hiring and firing regulations			7.4	7.4	4.9	6.1	5.5	5.8	5.7	5.8
(iii) Centralized collective bargaining	5.2	5.2	6.2	6.2	8.6	8.2	7.8	8.2	8.2	8.1
(iv) Mandated cost of hiring	4.8	5.2	5.4	5.9	6.5	6.5	5.4	4.3	4.3	7.4
(v) Mandated cost of worker dismissal										6.9
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				8.4	8.1	6.8	6.2	6.7	6.6	6.8
(i) Price controls			9.0	9.0	8.0	6.0	6.0	6.0	5.0	4.0
(ii) Administrative requirements					7.9	4.4	3.3	4.2	3.3	3.8
(iii) Bureaucracy costs				7.8	8.0	7.0	6.0	6.5	8.0	5.9
(iv) Starting a business				8.1	7.7	7.5	7.2	7.7	8.0	9.4
(v) Extra payments/bribes				8.7	9.0	9.0	8.7	9.0	8.8	9.0
(vi) Licensing restrictions										8.9
(vii) Cost of tax compliance										

United States

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	7.5 (4)	7.7 (4)	7.8 (3)	8.3 (4)	8.6 (2)	8.3 (3)	8.2 (3)	8.1 (5)	8.2 (3)	8.1 (5)
1. Size of Government	5.2	6.0	6.7	6.9	7.6	7.6	7.6	7.8	7.6	7.6
A. General government consumption spending	5.5 (21.2)	5.5 (21.5)	5.7 (20.8)	6.2 (19.0)	6.6 (17.6)	6.6 (17.5)	6.5 (17.9)	6.4 (18.1)	6.4 (18.3)	6.3 (18.4)
B. Transfers and subsidies	7.2 (10.9)	6.7 (12.5)	6.7 (12.7)	6.3 (14.0)	6.7 (12.6)	6.8 (12.3)	6.7 (12.5)	6.7 (12.5)	6.7 (12.5)	6.7 (12.7)
C. Government enterprises and investment	8.0 (17.2)	8.0 (17.3)	8.0 (20.0)	8.0 (14.6)	10.0	10.0 (14.2)	10.0 (14.2)	10.0 (14.2)	10.0 (6.6)	10.0 (6.5)
D. Top marginal tax rate	0.0	4.0	6.5	7.0	7.0	7.0	7.0	8.0	7.5	7.5
(i) Top marginal income tax rate	0.0 (70-75)	4.0 (50-59)	7.0 (33-42)	7.0 (40-46)	7.0 (40-46)	7.0 (39-46)	7.0 (39-43)	8.0 (35-42)	8.0 (35-42)	8.0 (35-42)
(ii) Top marginal income and payroll tax rates			6.0 (36-45)	7.0 (42-49)	7.0 (42-49)	7.0 (41-48)	7.0 (41-45)	8.0 (37-44)	7.0 (37-44)	7.0 (37-44)
2. Legal Structure and Security of Property Rights	8.3	8.3	8.3	8.8	9.2	8.7	8.2	7.9	7.8	7.7
A. Judicial independence				8.3	8.0	7.9	7.8	7.0	7.5	6.6
B. Impartial courts				8.5	9.0	8.0	7.7	7.2	7.4	6.8
C. Protection of property rights				7.8	9.1	9.1	8.7	8.7	9.0	8.1
D. Military interference				9.2	10.0	8.3	8.3	8.3	6.9	6.7
E. Integrity of the legal system				10.0	10.0	10.0	8.3	8.3	8.3	8.3
F. Legal enforcement of contracts										8.1
G. Regulatory restrictions on sale of real property										9.6
3. Access to Sound Money	9.2	9.3	9.6	9.8	9.8	9.7	9.8	9.8	9.7	9.8
A. Money growth	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)	9.9 (0.6)	9.6 (2.0)	9.9 (-0.4)
B. Standard deviation of inflation	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 (0.5)	9.8 (0.4)	9.8 (0.4)	9.8 (0.5)
C. Inflation: most recent year	8.1 (9.5)	9.3 (3.5)	9.1 (4.3)	9.6 (2.0)	9.3 (3.4)	9.4 (2.8)	9.7 (1.6)	9.5 (2.3)	9.5 (2.7)	9.3 (3.4)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	8.1	7.8	7.8	7.9	8.0	7.9	7.6	7.6	7.6	7.5
A. Taxes on international trade	8.9	8.8	8.2	8.4	8.1	8.1	8.1	8.1	8.1	8.4
(i) Taxes as percentage of exports and imports	9.3 (1.1)	8.9 (1.7)	9.0 (1.5)	9.2 (1.2)	9.4 (0.8)	9.4 (0.9)	9.5 (0.8)	9.4 (0.8)	9.4 (0.9)	9.5 (0.8)
(ii) Mean tariff rate	8.5 (7.3)	8.7 (6.6)	8.8 (6.2)	8.8 (5.9)	9.2 (4.0)	9.2 (4.0)	9.2 (4.1)	9.2 (4.1)	9.4 (3.2)	9.4 (3.2)
(iii) Standard deviation of tariff rates			6.9 (7.7)	7.2 (7.0)	5.7 (10.7)	5.6 (11.1)	5.6 (11.1)	5.6 (11.1)	5.6 (11.1)	6.3 (9.3)
B. Regulatory trade barriers				7.8	8.8	8.5	8.2	8.2	8.0	7.8
C. Size of trade sector	5.3	3.9	4.5	4.8	5.0	4.5	4.3	4.2	4.4	4.6
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	8.0	8.0	8.0	8.4	8.2	8.2	7.5	7.5	7.5	6.7
5. Regulation of Credit, Labor and Business	6.8	6.8	6.8	8.2	8.2	7.8	7.8	7.6	8.1	8.0
A. Credit market regulations	9.5	9.5	9.6	9.0	9.1	9.2	9.2	9.2	9.3	8.6
(i) Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(ii) Foreign bank competition				8.3	7.6	7.6	8.0	8.0	8.0	5.0
(iii) Private sector credit	8.5	8.4	8.9	8.8	9.4	9.5	9.4	9.6	9.6	9.5
(iv) Interest rate controls/negative real int. rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	7.7	7.7	7.7	7.5	7.2	7.3	7.3	7.0	7.9	8.1
(i) Minimum wage				5.9	3.8	3.8	3.8	3.8	7.7	7.7
(ii) Hiring and firing regulations			7.1	7.1	6.7	7.0	7.3	7.2	7.2	7.0
(iii) Centralized collective bargaining	7.6	7.6	7.6	7.6	8.4	8.7	8.3	8.0	8.4	7.8
(iv) Mandated cost of hiring	5.6	5.6	6.0	6.7	7.0	7.0	6.9	6.2	6.2	7.4
(v) Mandated cost of worker dismissal										10.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				8.2	8.3	6.9	6.9	6.6	7.1	7.2
(i) Price controls			9.0	9.0	8.0	8.0	8.0	7.0	7.0	7.0
(ii) Administrative requirements					7.9	4.0	4.0	3.7	4.3	4.3
(iii) Bureaucracy costs				7.5	8.2	6.5	6.8	6.5	7.1	5.9
(iv) Starting a business				8.4	8.4	8.1	8.0	7.5	8.5	9.8
(v) Extra payments/bribes				7.9	8.8	8.1	8.0	8.3	8.5	7.2
(vi) Licensing restrictions										9.7
(vii) Cost of tax compliance										6.4

Uruguay

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.9 (26)	6.0 (33)	6.2 (34)	6.1 (60)	6.6 (53)	6.8 (42)	6.8 (42)	6.7 (48)	6.9 (45)	6.9 (56)
1. Size of Government	7.3	7.0	7.4	7.2	6.0	6.9	7.5	7.4	6.6	7.2
A. General government consumption spending	7.6 (14.1)	6.6 (17.4)	6.8 (16.8)	7.5 (14.5)	7.4 (14.8)	7.3 (15.3)	7.4 (15.0)	7.7 (13.8)	8.0 (12.8)	7.9 (13.2)
B. Transfers and subsidies	7.7 (9.1)	7.4 (10.0)	6.9 (12.0)	5.4 (17.3)	5.2 (18.1)	5.8 (16.1)	5.8 (16.1)	4.9 (19.3)	4.9 (19.3)	6.6 (13.0)
C. Government enterprises and investment	4.0 (31.7)	4.0 (36.2)	6.0 (28.5)	6.0 (28.8)	4.0 (39.5)	7.0 (23.0)	7.0 (23.0)	7.0 (23.0)	7.0 (23.0)	7.0 (23.0)
D. Top marginal tax rate	10.0	10.0	10.0	10.0	7.5	7.5	10.0	10.0	6.5	7.5
(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)	10.0 (0)	10.0 (0)
(ii) Top marginal income and payroll tax rates					5.0 (36)	5.0 (36)	10.0 (0)	10.0 (0)	3.0 (46)	5.0 (36)
2. Legal Structure and Security of Property Rights	5.6	5.4	6.3	6.0	5.7	5.8	5.8	5.7	5.8	5.9
A. Judicial independence						7.1	6.3	6.7	7.0	6.6
B. Impartial courts				6.0	6.7	5.2	4.8	4.3	5.2	5.5
C. Protection of property rights					5.5	4.1	4.5	4.3	4.2	6.3
D. Military interference				7.2	8.3	8.3	8.3	8.3	8.3	8.2
E. Integrity of the legal system				7.0	5.0	4.2	5.0	5.0	4.2	4.2
F. Legal enforcement of contracts										4.2
G. Regulatory restrictions on sale of real property										6.4
3. Access to Sound Money	3.8	3.6	3.8	3.9	8.4	8.9	8.7	8.0	8.4	8.2
A. Money growth	0.0 (58.2)	2.6 (36.9)	0.0 (74.7)	3.0 (35.0)	8.5 (7.6)	9.1 (4.4)	9.9 (-0.3)	8.9 (5.5)	8.4 (8.1)	6.9 (15.5)
B. Standard deviation of inflation	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)	7.0 (7.6)	7.2 (7.1)	6.9 (7.7)
C. Inflation: most recent year	0.0 (54.8)	0.0 (74.0)	0.0 (100.4)	1.6 (42.0)	9.0 (4.8)	9.1 (4.4)	7.2 (14.0)	6.1 (19.4)	8.2 (9.2)	9.1 (4.7)
D. Freedom to own foreign currency	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	6.9	7.4	7.3	7.4	6.8	6.7	6.5	6.7	6.9	7.0
A. Taxes on international trade	4.1	5.0	5.9	7.8	7.7	7.4	7.4	7.4	7.7	7.7
(i) Taxes as percentage of exports and imports	4.1 (8.9)	6.1 (5.8)	6.3 (5.6)	8.2 (2.7)	8.7 (2.0)	8.1 (2.8)	8.2 (2.7)	8.2 (2.7)	8.3 (2.5)	8.4 (2.4)
(ii) Mean tariff rate		3.8 (31.0)	3.9 (30.5)	8.1 (9.3)	7.8 (11.1)	7.3 (13.3)	7.3 (13.3)	7.3 (13.3)	7.8 (10.8)	8.0 (9.9)
(iii) Standard deviation of tariff rates			7.6 (5.9)	7.2 (7.1)	6.7 (8.3)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.8 (8.0)	6.7 (8.2)
B. Regulatory trade barriers					6.3	6.8	6.9	6.4	6.0	6.2
C. Size of trade sector	2.4	4.0	2.6	1.2	1.2	0.5	0.9	2.2	3.3	3.4
D. Black-market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	10.0	10.0	10.0	10.0	8.7	8.7	7.3	7.6	7.4	7.6
5. Regulation of Credit, Labor and Business	6.0	6.4	6.0	6.1	6.2	5.6	5.7	5.7	6.6	5.9
A. Credit market regulations	5.5	7.0	7.0	6.6	6.5	6.3	6.3	6.2	7.0	6.0
(i) Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	2.0
(ii) Foreign bank competition					6.3	6.3	7.0	7.0	7.0	5.0
(iii) Private sector credit		7.9	7.9	8.7	9.2	9.0	8.2	8.0	7.7	7.8
(iv) Interest rate controls/negative real int. rates	6.0	8.0	8.0	6.0	6.0	5.0	5.0	5.0	9.0	9.0
B. Labor market regulations					5.9	5.5	5.8	5.8	7.3	5.4
(i) Minimum wage					2.6	2.6	2.6	2.6	8.2	8.2
(ii) Hiring and firing regulations					4.1	2.7	2.7	3.2	4.5	3.3
(iii) Centralized collective bargaining					6.9	6.9	7.8	7.3	6.6	3.5
(iv) Mandated cost of hiring										3.9
(v) Mandated cost of worker dismissal										7.6
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations					6.1	5.0	5.0	5.1	5.5	6.4
(i) Price controls			4.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
(ii) Administrative requirements					6.8	1.8	2.3	3.2	3.1	3.5
(iii) Bureaucracy costs					6.5	5.8	5.5	5.3	6.6	5.0
(iv) Starting a business					5.0	3.5	3.5	3.3	4.5	7.6
(v) Extra payments/bribes					6.1	7.6	7.5	7.5	7.4	7.5
(vi) Licensing restrictions										8.4
(vii) Cost of tax compliance										6.6

Venezuela

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	6.6 (14)	6.2 (25)	5.5 (52)	4.2 (115)	5.5 (99)	5.5 (99)	4.4 (120)	4.0 (125)	4.5 (125)	4.9 (135)
1. Size of Government	6.3	6.9	6.0	6.1	6.0	5.9	5.7	5.3	5.3	4.3
A. General government consumption spending	6.6 (17.7)	7.5 (14.4)	8.3 (11.9)	9.0 (9.3)	6.1 (19.4)	5.7 (20.6)	6.0 (19.5)	6.2 (19.0)	5.8 (20.3)	5.8 (20.3)
B. Transfers and subsidies	9.6 (2.0)	8.9 (4.5)	8.6 (5.8)	8.5 (6.0)	7.7 (8.8)	7.7 (8.8)	7.7 (8.8)	6.5 (13.3)	6.1 (15.0)	6.1 (15.0)
C. Government enterprises and investment	2.0 (45.6)	4.0 (35.8)	0.0 (65.2)	0.0 (58.3)	2.0 (46.2)	2.0 (42.4)	2.0 (42.4)	2.0 (42.4)	2.0 (42.4)	0.0 (42.4)
D. Top marginal tax rate	7.0	7.0	7.0	7.0	8.0	8.0	7.0	6.5	7.5	5.5
(i) Top marginal income tax rate	7.0 (45)	7.0 (45)	7.0 (45)	7.0 (34)	8.0 (35)	8.0 (34)	7.0 (34)	7.0 (34)	8.0 (34)	7.0 (34)
(ii) Top marginal income and payroll tax rates			7.0 (45)	7.0 (34)	8.0 (35)	8.0 (35)	7.0 (35)	6.0 (36)	7.0 (36)	4.0 (49)
2. Legal Structure and Security of Property Rights	6.2	5.3	5.7	3.8	3.7	1.9	1.6	1.4	1.8	3.3
A. Judicial independence				2.9	1.7	0.5	0.3	0.8	0.5	0.3
B. Impartial courts				2.9	3.7	0.9	0.5	0.7	1.1	0.9
C. Protection of property rights				3.7	3.4	2.2	2.2	2.3	2.3	2.3
D. Military interference				5.6	3.3	2.5	1.7	1.7	0.8	0.8
E. Integrity of the legal system				4.1	6.7	3.3	3.3	1.7	4.2	5.0
F. Legal enforcement of contracts										5.4
G. Regulatory restrictions on sale of real property										8.7
3. Access to Sound Money	7.3	8.3	4.4	1.9	5.6	7.6	5.8	4.8	5.1	5.8
A. Money growth	7.3 (13.6)	7.3 (13.3)	6.1 (19.7)	3.9 (30.3)	5.5 (22.6)	7.4 (12.8)	6.7 (16.6)	5.0 (25.1)	4.4 (27.9)	4.4 (27.9)
B. Standard deviation of inflation	7.0 (7.4)	7.9 (5.2)	0.0 (30.2)	3.8 (15.6)	0.0 (39.4)	5.5 (11.2)	6.1 (9.7)	5.5 (11.2)	5.4 (11.4)	7.2 (7.1)
C. Inflation: most recent year	4.8 (26.0)	7.9 (10.4)	1.7 (41.7)	0.0 (51.9)	6.8 (16.2)	7.5 (12.5)	5.5 (22.4)	3.8 (31.1)	5.7 (21.8)	6.8 (16.0)
D. Freedom to own foreign currency	10.0	10.0	10.0	0.0	10.0	10.0	5.0	5.0	5.0	5.0
4. Freedom to Trade Internationally	8.1	5.3	6.8	5.2	7.2	7.0	4.3	4.5	5.8	5.6
A. Taxes on international trade	8.0	3.7	4.2	7.8	7.6	7.5	7.7	7.9	7.9	7.7
(i) Taxes as percentage of exports and imports	8.0 (3.0)	3.9 (9.1)	8.5 (2.2)	7.9 (3.1)	7.9 (3.1)	7.5 (3.7)	8.2 (2.7)	8.8 (1.8)	8.6 (2.1)	8.6 (2.1)
(ii) Mean tariff rate		3.4 (32.9)	3.9 (30.6)	7.3 (13.4)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)	7.3 (13.5)	7.6 (12.2)	7.4 (12.8)
(iii) Standard deviation of tariff rates			0.2 (24.4)	8.1 (4.8)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	7.6 (5.9)	7.0 (7.4)
B. Regulatory trade barriers				4.6	5.7	6.0	5.0	4.6	5.2	4.7
C. Size of trade sector	6.3	4.8	6.6	5.1	4.3	3.6	4.3	4.2	5.3	5.3
D. Black-market exchange rates	10.0	5.0	10.0	1.6	10.0	10.0	0.0	0.0	5.1	5.1
E. International capital market controls	8.0	5.0	5.0	6.9	8.1	7.8	4.5	5.5	5.5	5.2
5. Regulation of Credit, Labor and Business	5.0	5.4	4.6	4.0	5.2	5.1	4.8	4.0	4.3	5.4
A. Credit market regulations	6.1	6.9	4.6	4.7	6.0	7.6	7.5	6.2	7.5	7.7
(i) Ownership of banks	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				7.6	6.2	6.2	6.2	6.2	6.2	5.0
(iii) Private sector credit	9.3	8.8	5.7	2.7	7.7	7.8	7.1	6.9	7.1	8.0
(iv) Interest rate controls/negative real int. rates	4.0	4.0	0.0	0.0	2.0	10.0	10.0	4.0	10.0	10.0
B. Labor market regulations			3.9	4.3	4.0	3.8	2.8	3.1	3.5	5.3
(i) Minimum wage				4.9	4.1	4.1	4.1	4.1	7.0	7.0
(ii) Hiring and firing regulations			4.4	4.4	4.6	3.2	1.0	2.2	1.5	1.7
(iii) Centralized collective bargaining	7.2	7.2	7.2	7.2	5.8	6.0	4.8	5.3	5.3	4.3
(iv) Mandated cost of hiring				5.0	5.7	5.7	4.3	3.8	3.8	5.5
(v) Mandated cost of worker dismissal										5.7
(vi) Conscription	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Business regulations				3.0	5.5	4.0	4.1	2.6	1.8	3.1
(i) Price controls				0.0	5.0	6.0	6.0	0.0	0.0	0.0
(ii) Administrative requirements					6.4	1.2	1.0	1.3	2.0	1.4
(iii) Bureaucracy costs				5.3	6.2	5.3	6.5	4.0	1.4	3.7
(iv) Starting a business				4.6	4.7	3.0	2.8	2.7	1.3	6.5
(v) Extra payments/bribes				2.1	5.0	4.5	4.3	4.8	4.5	4.4
(vi) Licensing restrictions										5.4
(vii) Cost of tax compliance										0.3

Vietnam

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶								5.6 (98)	5.9 (85)	6.1 (97)
1. Size of Government								4.4	5.5	5.6
A. General government consumption spending								9.2 (8.7)	9.1 (8.9)	9.2 (8.8)
B. Transfers and subsidies										
C. Government enterprises and investment								4.0	4.0	4.0
D. Top marginal tax rate								0.0	3.5	3.5
(i) Top marginal income tax rate								0.0 (63)	5.0 (40)	5.0 (40)
(ii) Top marginal income and payroll tax rates								0.0 (70)	2.0 (52)	2.0 (52)
2. Legal Structure and Security of Property Rights								4.2	4.4	5.8
A. Judicial independence								4.5	4.0	4.1
B. Impartial courts								4.0	4.0	4.6
C. Protection of property rights								2.3	2.6	5.7
D. Military interference								3.3	4.7	5.0
E. Integrity of the legal system								6.7	6.7	6.7
F. Legal enforcement of contracts										6.1
G. Regulatory restrictions on sale of real property										8.3
3. Access to Sound Money								6.6	6.4	6.2
A. Money growth								7.7 (11.6)	7.9 (10.5)	7.9 (10.3)
B. Standard deviation of inflation								9.4 (1.5)	9.1 (2.3)	8.6 (3.6)
C. Inflation: most recent year								9.4 (3.1)	8.4 (7.8)	8.4 (8.3)
D. Freedom to own foreign currency								0.0	0.0	0.0
4. Freedom to Trade Internationally								6.8	6.7	6.6
A. Taxes on international trade								5.9	6.0	5.8
(i) Taxes as percentage of exports and imports								8.2 (2.8)	8.2 (2.8)	8.2 (2.8)
(ii) Mean tariff rate								7.0 (15.0)	7.3 (13.6)	7.4 (13.2)
(iii) Standard deviation of tariff rates								2.6 (18.5)	2.6 (18.5)	1.9 (20.3)
B. Regulatory trade barriers								5.8	5.3	4.7
C. Size of trade sector								10.0	10.0	10.0
D. Black-market exchange rates								10.0	10.0	10.0
E. International capital market controls								2.3	2.4	2.8
5. Regulation of Credit, Labor and Business								5.9	6.3	6.5
A. Credit market regulations								9.5	9.8	9.5
(i) Ownership of banks										
(ii) Foreign bank competition										
(iii) Private sector credit								9.0	9.6	9.1
(iv) Interest rate controls/negative real int. rates								10.0	10.0	10.0
B. Labor market regulations								4.1	4.8	5.6
(i) Minimum wage									6.7	6.7
(ii) Hiring and firing regulations								5.0	5.3	5.4
(iii) Centralized collective bargaining								7.2	7.3	6.2
(iv) Mandated cost of hiring										4.8
(v) Mandated cost of worker dismissal										0.9
(vi) Conscription								0.0	0.0	0.0
C. Business regulations								4.1	4.2	4.4
(i) Price controls										
(ii) Administrative requirements								3.0	2.3	2.3
(iii) Bureaucracy costs								4.5	5.7	4.0
(iv) Starting a business								5.3	5.3	7.9
(v) Extra payments/bribes								3.8	3.5	4.0
(vi) Licensing restrictions										8.5
(vii) Cost of tax compliance										0.0

Zambia

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	5.1 (64)	4.0 (95)	3.3 (109)	4.8 (98)	6.7 (46)	6.9 (40)	6.7 (48)	6.6 (54)	6.7 (54)	6.7 (67)
1. Size of Government	2.6	3.1	3.5	5.9	7.1	7.4	7.3	7.1	7.3	7.3
A. General government consumption spending	2.5 (31.6)	3.6 (27.8)	5.0 (23.1)	7.3 (15.2)	8.5 (11.0)	7.5 (14.4)	7.1 (15.8)	6.5 (18.0)	7.2 (15.5)	7.0 (16.2)
B. Transfers and subsidies	7.8 (8.7)	9.0 (4.2)	8.9 (4.5)	9.4 (2.6)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)	10.0 (0.0)
C. Government enterprises and investment	0.0 (77.1)	0.0 (90.7)	0.0 (44.0)	0.0	2.0	4.0	4.0	4.0	4.0	4.0
D. Top marginal tax rate	0.0	0.0	0.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
(i) Top marginal income tax rate	0.0 (70)	0.0 (80)	0.0 (75)	7.0 (35)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)
(ii) Top marginal income and payroll tax rates										
2. Legal Structure and Security of Property Rights	6.1	4.0	3.7	5.9	5.9	5.9	5.4	5.5	5.5	5.9
A. Judicial independence				6.7	6.2	6.2	4.7	4.5	4.5	2.9
B. Impartial courts				4.8	4.9	4.9	4.3	4.5	4.5	5.0
C. Protection of property rights				4.8	3.2	3.2	3.0	3.3	3.3	6.0
D. Military interference				6.3	8.3	8.3	8.3	8.3	8.3	8.3
E. Integrity of the legal system				7.0	6.7	6.7	6.7	6.7	6.7	6.7
F. Legal enforcement of contracts										6.7
G. Regulatory restrictions on sale of real property										5.5
3. Access to Sound Money	6.1	3.3	0.1	0.7	7.2	7.4	7.2	7.2	7.5	7.6
A. Money growth	8.4 (8.1)	6.3 (18.4)	0.0 (58.6)	0.0 (58.5)	5.5 (22.7)	5.5 (22.7)	4.9 (25.4)	4.9 (25.4)	4.9 (25.4)	4.9 (25.4)
B. Standard deviation of inflation	8.2 (4.6)	5.0 (12.6)	0.4 (23.9)	0.0 (49.2)	8.4 (4.1)	8.4 (4.1)	8.3 (4.4)	8.3 (4.3)	8.8 (2.9)	9.2 (2.0)
C. Inflation: most recent year	7.6 (11.8)	1.8 (41.1)	0.0 (106.4)	2.6 (36.9)	4.8 (26.0)	5.7 (21.4)	5.6 (22.2)	5.7 (21.4)	6.4 (18.0)	6.3 (18.3)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	10.0	10.0	10.0	10.0	10.0	10.0
4. Freedom to Trade Internationally	5.7	5.1	4.8	6.7	7.8	8.0	7.5	7.0	6.9	6.4
A. Taxes on international trade	8.4	4.4	5.8	6.0	6.2	6.2	6.3	6.3	6.3	6.1
(i) Taxes as percentage of exports and imports	8.4 (2.4)	5.7 (6.4)	6.8 (4.8)	7.5 (3.8)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)
(ii) Mean tariff rate		3.0 (34.8)	4.9 (25.6)	4.9 (25.6)	7.1 (14.7)	7.1 (14.7)	7.2 (13.9)	7.2 (14.2)	7.4 (13.2)	7.1 (14.6)
(iii) Standard deviation of tariff rates				5.8 (10.6)	6.5 (8.8)	6.5 (8.8)	6.5 (8.8)	6.5 (8.8)	6.5 (8.8)	6.0 (10.0)
B. Regulatory trade barriers							6.1	5.8	4.4	3.2
C. Size of trade sector	10.0	8.7	8.1	8.0	5.2	6.3	6.8	4.5	4.2	4.2
D. Black-market exchange rates	0.0	2.4	0.0	9.4	10.0	10.0	10.0	10.0	10.0	10.0
E. International capital market controls	2.0	2.0	2.0	2.0	9.2	9.2	8.4	8.5	9.3	8.7
5. Regulation of Credit, Labor and Business	5.3	4.4	4.2	4.7	5.6	5.7	5.9	6.2	6.5	6.2
A. Credit market regulations	4.0	1.7	2.4	3.3	6.2	5.9	6.0	5.7	6.1	6.1
(i) Ownership of banks	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
(ii) Foreign bank competition										
(iii) Private sector credit	6.1	3.1	5.2	5.0	5.6	4.7	5.0	4.2	5.2	5.2
(iv) Interest rate controls/negative real int. rates	4.0	0.0	0.0	0.0	8.0	8.0	8.0	8.0	8.0	8.0
B. Labor market regulations							7.4	8.2	8.6	6.7
(i) Minimum wage									10.0	10.0
(ii) Hiring and firing regulations							5.2	6.3	6.3	8.2
(iii) Centralized collective bargaining							7.2	8.2	8.2	8.7
(iv) Mandated cost of hiring										7.3
(v) Mandated cost of worker dismissal										0.0
(vi) Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations							4.3	4.8	4.7	5.7
(i) Price controls			0.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0
(ii) Administrative requirements							3.2	3.8	3.8	5.3
(iii) Bureaucracy costs							3.8	5.5	5.5	5.5
(iv) Starting a business							5.8	5.3	6.0	8.7
(v) Extra payments/bribes							4.7	5.1	5.1	2.9
(vi) Licensing restrictions										5.2
(vii) Cost of tax compliance										8.5

Zimbabwe

	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005
Summary Ratings (Rank) ▶	4.7 (74)	4.6 (85)	4.8 (84)	5.4 (80)	4.1 (121)	3.4 (123)	3.3 (123)	3.3 (127)	2.9 (130)	2.9 (141)
1. Size of Government	4.9	3.5	4.1	5.0	3.8	4.6	4.6	4.6	3.4	3.4
A. General government consumption spending	5.6 (21.1)	4.5 (24.6)	4.8 (23.6)	5.4 (21.6)	3.6 (27.6)	5.6 (21.1)	5.6 (21.1)	5.6 (21.1)	5.2 (22.3)	5.2 (22.3)
B. Transfers and subsidies	7.0 (11.4)	7.4 (10.0)	8.4 (6.2)	8.6 (5.7)	7.7 (8.8)	7.7 (8.8)	7.7 (8.8)	7.7 (8.8)		
C. Government enterprises and investment	2.0 (32.5)	2.0 (53.6)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Top marginal tax rate	5.0	0.0	1.0	4.0	2.0	3.0	3.0	3.0	3.0	3.0
(i) Top marginal income tax rate	5.0 (45)	0.0 (63)	1.0 (60)	4.0 (45)	2.0 (53)	3.0 (46)	3.0 (46)	3.0 (46)	3.0 (46)	3.0 (46)
(ii) Top marginal income and payroll tax rates			1.0 (60)	4.0 (45)	2.0 (53)	3.0 (46)	3.0 (46)	3.0 (46)	3.0 (46)	3.0 (46)
2. Legal Structure and Security of Property Rights	3.0	3.1	4.0	5.5	5.0	2.6	2.8	2.8	3.1	3.7
A. Judicial independence				6.7	6.2	1.4	1.2	1.5	1.8	1.1
B. Impartial courts				7.3	7.3	2.4	2.5	2.3	2.6	2.1
C. Protection of property rights				4.8	3.2	3.4	3.5	3.5	4.0	1.4
D. Military interference				4.9	5.0	5.0	5.0	5.0	5.0	5.0
E. Integrity of the legal system				4.1	3.3	0.8	1.7	1.7	2.2	5.0
F. Legal enforcement of contracts										6.7
G. Regulatory restrictions on sale of real property										4.4
3. Access to Sound Money	6.3	6.2	5.6	4.9	2.8	1.8	1.3	1.3	0.0	0.0
A. Money growth	7.8 (11.2)	8.6 (7.2)	7.0 (14.9)	4.5 (27.3)	3.9 (30.4)	1.4 (42.9)	0.0 (68.0)	0.0 (127.5)	0.0 (165.1)	0.0 (165.1)
B. Standard deviation of inflation	8.7 (3.1)	7.7 (5.8)	8.4 (4.1)	7.3 (6.8)	2.2 (19.4)	1.0 (22.6)	0.0 (28.4)	0.0 (87.2)	0.0 (129.3)	0.0 (129.3)
C. Inflation: most recent year	8.7 (6.6)	8.7 (6.5)	7.1 (14.8)	7.9 (10.7)	0.0 (55.9)	0.0 (76.7)	0.0 (140.1)	0.0 (263.0)	0.0 (349.5)	0.0 (349.5)
D. Freedom to own foreign currency	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	0.0	0.0
4. Freedom to Trade Internationally	5.0	4.7	5.6	6.4	3.7	3.2	3.2	3.5	3.7	2.8
A. Taxes on international trade	8.4	6.5	5.7	6.8	4.6	4.5	4.8	4.8	4.8	3.9
(i) Taxes as percentage of exports and imports	8.9 (1.7)	4.7 (8.0)	3.9 (9.2)	5.4 (6.9)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)	5.1 (7.3)
(ii) Mean tariff rate	8.0 (10.0)	8.3 (8.7)	8.0 (10.1)	8.2 (9.2)	5.7 (21.4)	5.9 (20.4)	6.7 (16.7)	6.8 (15.9)	6.8 (15.9)	6.7 (16.7)
(iii) Standard deviation of tariff rates			5.3 (11.8)		2.8 (17.9)	2.6 (18.6)	2.6 (18.6)	2.6 (18.6)	2.6 (18.6)	0.0 (71.7)
B. Regulatory trade barriers				3.7	5.9	5.3	5.0	5.1	3.9	3.2
C. Size of trade sector	6.1	5.2	5.1	8.2	5.5	3.9	4.2	5.3	7.4	5.1
D. Black-market exchange rates	0.0	1.6	7.0	9.8	0.0	0.0	0.0	0.0	0.0	0.0
E. International capital market controls	2.0	2.0	2.0	3.5	2.5	2.5	2.0	2.3	2.4	2.0
5. Regulation of Credit, Labor and Business	4.3	5.5	4.8	5.3	5.4	4.5	4.6	4.6	4.1	4.5
A. Credit market regulations	4.5	4.7	5.6	5.8	6.0	5.2	5.5	5.3	4.7	5.1
(i) Ownership of banks	2.0	2.0	2.0	5.0	8.0	8.0	8.0	8.0	8.0	8.0
(ii) Foreign bank competition				4.8	6.8	6.8	6.8	6.8	6.8	8.0
(iii) Private sector credit	5.4	4.0	6.7	6.9	6.3	6.0	6.7	8.5	5.6	4.3
(iv) Interest rate controls/negative real int. rates	6.0	8.0	8.0	8.0	6.0	2.0	3.0	0.0	0.0	0.0
B. Labor market regulations			3.6	6.0	4.9	4.8	4.9	4.8	5.2	5.0
(i) Minimum wage				5.9	3.5	3.5	3.5	3.5	4.3	4.3
(ii) Hiring and firing regulations			3.4	3.4	1.6	1.3	1.3	1.7	2.0	2.6
(iii) Centralized collective bargaining			4.5	4.5	2.5	2.2	3.0	2.0	3.0	2.8
(iv) Mandated cost of hiring				6.4	6.8	6.8	6.8	6.8	6.8	8.2
(v) Mandated cost of worker dismissal										7.3
(vi) Conscriptation	1.0	10.0	3.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Business regulations				4.0	5.2	3.7	3.5	3.8	2.4	3.3
(i) Price controls			2.0	4.0	4.0	2.0	2.0	0.0	0.0	0.0
(ii) Administrative requirements					5.1	1.7	1.8	2.5	2.4	2.0
(iii) Bureaucracy costs				4.3	7.1	5.8	4.8	4.5	1.8	3.4
(iv) Starting a business				3.7	5.7	4.4	4.7	3.8	2.3	3.4
(v) Extra payments/bribes				3.9	4.1	4.7	4.3	6.0	5.5	4.6
(vi) Licensing restrictions										2.3
(vii) Cost of tax compliance										7.6

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

This component is measured as general government consumption spending as a percentage of total consumption. The rating for this component is equal to: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. The V_i is the country's actual government consumption as a proportion of total consumption, while the V_{\max} and V_{\min} were set at 40 and 6 respectively. The 1990 data were used to derive the maximum and minimum values for this component. Countries with a larger proportion of government expenditures received lower ratings. In contrast, as the ratio approaches the maximum value, the ratio moves toward zero. ♦ **Sources:** World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

B Transfers and subsidies as a percentage of GDP

This component is measured as general government transfers and subsidies as a share of GDP. The rating for this component is equal to: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. The V_i is the country's ratio of transfers and subsidies to GDP, while the V_{\max} and V_{\min} values are set at 37.2 and 0.5, respectively. The 1990 data were used to derive the maximum and minimum values for this component. The formula will generate lower ratings for countries with larger transfer sectors. When the size of a country's transfer sector approaches that of the country with the largest transfer sector during the 1990 benchmark year, the rating of the country will approach zero. ♦ **Sources:** International Monetary Fund, *Government Finance Statistics Yearbook* (various years); World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); Inter-American Development Bank, *Economic and Social Progress in Latin America*, 1994.

C Government enterprises and investment

Data on the number, composition, and share of output supplied by State-Operated Enterprises (SOEs) and government investment as a share of total investment were used to construct the zero-to-10 ratings. Countries with more government enterprises and government investment received lower ratings. When there were few SOEs and government investment was generally less than 15% of total investment, countries were given a rating of 10. When there were few SOEs other than those involved in industries where economies of scale reduce the effectiveness of competition (e.g., power generation) and government investment was between 15% and 20% of the total, countries received a rating of 8. When there were, again, few SOEs other than those involved in energy and other such industries and government investment was between 20% and 25% of the total, countries were rated at 7. When SOEs were present in the energy, transportation, and communication sectors of the economy and government investment was between 25% and 30% of the total, countries were assigned a rating of 6. When a substantial number of SOEs operated in many sectors, including manufacturing, and government investment was generally between 30% and 40% of the total, countries received a rating of 4. When numerous SOEs operated in many sectors, including retail sales, and government investment was between 40% and 50% of the total, countries were rated at 2. A rating of zero was assigned when the economy was dominated by SOEs and government investment exceeded 50% of total investment. ♦ **Sources:** International Monetary

Fund, *Government Finance Statistics Yearbook* (various issues); World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Finance Statistics* (various issues); International Institute of Management Development (IMD), *World Competitiveness Yearbook* (2007); 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); L. Bouten and M. Sumlinski, *Trends in Private Investment in Developing Countries: Statistics for 1970–1995*.

D Top marginal tax rate

i Top marginal income tax rate

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

ii Top marginal income and payroll tax rates

Countries with higher marginal income and payroll (wage) tax rates that take effect at lower income thresholds received lower ratings based on the matrix below. The income threshold data were converted from local currency to 1982/1984 US dollars (using beginning-of-year exchange rates and the US Consumer Price Index). These figures include sub-national rates if applicable.

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

Sources: PricewaterhouseCoopers, *Worldwide Tax Summaries Online*, <<http://www.pwc.com/extweb/pwcpublishations.nsf/docid/9B2B76032544964C8525717E00606CBD>>; PricewaterhouseCoopers, *Individual Taxes: A Worldwide Summary* (various issues).

Area 2 Legal Structure and Security of Property Rights

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

A Judicial independence

This component is from the *Global Competitiveness Report's* question: "Is the judiciary in your country independent from political influences of members of government, citizens, or firms? No—heavily influenced (= 1) or Yes—entirely independent (= 7)." The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

B Impartial courts

This component is from the *Global Competitiveness Report's* question: "The legal framework in your country for private businesses to settle disputes and challenge the legality of government actions and/or regulations is inefficient and subject to manipulation (= 1) or is efficient and follows a clear, neutral process (= 7)." The question's wording has varied slightly over the years. ♦ **Note:** The "Rule of Law" ratings from the World Bank's *Governance Indicators* Project have been used to fill in omitted countries in the primary data source since 1995. ♦ **Sources:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>; World Bank, *Governance Indicators* (various years), <<http://www.worldbank.org/wbi/governance/govdata/>>.

C Protection of property rights

This component is from the *Global Competitiveness Report's* question: "Property rights, including over financial assets are poorly defined and not protected by law (= 1) or are clearly defined and well protected by law (= 7)." ♦ **Note:** This replaces previous *Global Competitiveness Report* question on protection of intellectual property. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

D Military interference in rule of law and the political process

This component is based on the *International Country Risk Guide's* Political Risk Component G: Military in Politics: "A measure of the military's involvement in politics. Since the military is not elected, involvement, even at a peripheral level, diminishes democratic accountability. Military involvement might stem from an external or internal threat, be symptomatic of underlying difficulties, or be a full-scale military takeover. Over the long term, a system of military government will almost certainly diminish effective governmental functioning, become corrupt, and create an uneasy environment for foreign businesses." ♦ **Note:** The "Political Stability and Absence of Violence" ratings from the World Bank's *Governance Indicators* Project have been used to fill in omitted countries in the primary data source since 1995. ♦ **Sources:** PRS Group, *International Country Risk Guide* (various issues), <<http://www.prsgroup.com/ICRG.aspx>>; World Bank, *Governance Indicators* (various years), <<http://www.worldbank.org/wbi/governance/govdata/>>.

E Integrity of the legal system

This component is based on the *International Country Risk Guide's* Political Risk Component I for Law and Order: "Two measures comprising one risk component. Each sub-component equals half of the total. The 'law' sub-component assesses the strength and impartiality of the legal system, and the 'order' sub-component assesses popular observance of the law." ♦ **Source:** PRS Group, *International Country Risk Guide* (various issues), <<http://www.prsgroup.com/ICRG.aspx>>.

F Legal enforcement of contracts

This component is based on the World Bank's *Doing Business* estimates for the time and money required to collect a clear-cut debt. The debt is assumed to equal 200% of the country's per-capita income where the plaintiff has complied with the contract and judicial judgment is rendered in his favor. Zero-to-10 ratings were constructed for (1) the time cost (measured in number of calendar days required from the moment the lawsuit is filed until payment) and (2) the monetary cost of the case (measured as a percentage of the debt). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the time or money cost value. The values for V_{\max} and V_{\min} were set at 725 days and 82.3% (1.5 standard deviations above average) and 62 days (1.5 standard deviations below average) and 0%, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or ten accordingly. ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

G Regulatory restrictions on the sale of real property

This sub-component is based on the World Bank's *Doing Business* data on the time measured in days and monetary costs required to transfer ownership of property that includes land and a warehouse. Zero-to-10 ratings were constructed for (1) the time cost (measured in number of calendar days required to transfer ownership) and (2) the monetary cost of transferring ownership (measured as a percentage of the property value). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the time or money cost value. The values for V_{\max} and V_{\min} were set at 265 days and 15% (1.5 standard deviations above average) and 0 days and 0%, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or ten accordingly. ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

Area 3 Access to Sound Money

A Money growth

This component measures the average annual growth of the money supply in the last five years minus average annual growth of real GDP in the last ten years. The M1 money supply figures were used to measure the growth rate of the money supply. The rating is equal to: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the average annual growth rate of the money supply during the last five years adjusted for the growth of real GDP during the previous ten years. The values for V_{\min} and V_{\max} were set at zero and 50%, respectively. Therefore, if the adjusted growth rate of the money supply during the last five years was zero, indicating that money growth was equal to the long-term growth of real output, the formula generates a rating of 10. Ratings decline as the adjusted 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); International Monetary Fund, *International Financial Statistics* (various issues).

B Standard deviation of inflation

This component measures the standard deviation of the inflation rate over the last five years. Generally, the GDP deflator was used as the measure of inflation for this component. When these data were unavailable, the Consumer Price Index was used. The following formula was used to determine the zero-to-10 scale rating for each country: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the country's standard deviation of the annual rate of inflation during the last five years. The values for V_{\min} and V_{\max} were set at zero and 25%, respectively. This procedure will allocate the highest ratings to the countries with least variation in the annual rate of inflation. A perfect 10 results when there is no variation in the rate of inflation over the five-year period. Ratings will decline toward zero as the standard deviation of the inflation rate approaches 25% annually. ♦ **Sources:** World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

C Inflation: Most recent year

Generally, the Consumer Price Index was used as the measure of inflation for this component. When these data were unavailable, the GDP Deflator inflation rate was used. The zero-to-10 country ratings were derived by the following formula: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the rate of inflation during the most recent year. The values for V_{\min} and V_{\max} were set at zero and 50%, respectively—the lower the rate of inflation, the higher the rating. Countries that achieve perfect price stability earn a rating of 10. As the inflation rate moves toward a 50% annual rate, the rating for this component moves toward zero. A zero rating is assigned to all countries with an inflation rate of 50% or more. ♦ **Sources:** World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

D Freedom to own foreign currency bank accounts

When foreign currency bank accounts are permissible without restrictions both domestically and abroad, the rating is 10; when these accounts are restricted, the rating is zero. If foreign currency bank accounts are permissible domestically but not abroad (or vice versa), the rating is 5. ♦ **Sources:** International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues); 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 and imports**

This sub-component measures the amount of taxes on international trade as a share of exports and imports. The formula used to calculate the ratings for this sub-component was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the revenue derived from taxes on international trade as a share of the trade sector. The values for V_{\min} and V_{\max} were set at zero and 15%, respectively. This formula leads to lower ratings as the average tax rate on international trade increases. Countries with no specific taxes on international trade earn a perfect 10. As the revenues from these taxes rise toward 15% of international trade, ratings decline toward zero. (Note that except for two or three extreme observations, the revenues from taxes on international trade as a share of the trade sector are within the zero to 15% range.) ♦ **Sources:** International Monetary Fund, *Government Finance Statistics Yearbook* (various issues); International Monetary Fund, *International Financial Statistics* (various issues).

ii Mean tariff rate

This sub-component is based on the unweighted mean of tariff rates. The formula used to calculate the zero-to-10 rating for each country was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the country's mean tariff rate. The values for V_{\min} and V_{\max} were set at 0% and 50%, respectively. This formula will allocate a rating of 10 to countries that do not impose tariffs. As the mean tariff rate increases, countries are assigned lower ratings. The rating will decline toward zero as the mean tariff rate approaches 50%. (Note that except for two or three extreme observations, all countries have mean tariff rates within this range from 0% to 50%.) ♦ **Sources:** World Trade Organization/International Trade Centre/United Nations Conference on Trade and Development, *World Tariff Profiles 2006*; World Bank, *World Development Indicators* (various issues); Organisation for Economic Co-operation and Development, *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; 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 Trade Organization/International Trade Centre/United Nations Conference on Trade and Development, *World Tariff Profiles 2006*; World Bank, *World Development Indicators* (various issues); Organisation for Economic Co-operation and Development, *Indicators of Tariff and Non-tariff Trade Barriers* (1996); Jang-Wha Lee and Phillip Swagel, *Trade Barriers and Trade Flows across Countries and Industries* (NBER Working Paper Series No. 4799, 1994); Inter-American Development Bank (data supplied to the authors).

B Regulatory Trade Barriers

i Non-tariff trade barriers

This sub-component is based on the *Global Competitiveness Report's* survey question: "In your country, tariff and non-tariff barriers significantly reduce the ability of imported goods to compete in the domestic market." The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

ii Compliance cost of importing and exporting

This sub-component is based on the World Bank's *Doing Business* data on the time (i.e., non money) cost of procedures required to import a full, 20-foot container of dry goods that contains no hazardous or military items. Countries where it takes longer to export or import are given lower ratings. Zero-to-10 ratings were constructed for (1) the time cost to export a good (measured in number of calendar days required) and (2) the time cost to import a good (measured in number of calendar days required). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the time cost value. The values for V_{\max} and V_{\min} were set at 62 and 80 days (1.5 standard deviations above average) and 2 days (1.5 standard deviations below average) and 0 days, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or ten, accordingly. ♦ **Note:** In previous years, this component was based on the World Economic Forum's *Global Competitiveness Report* (various issues) survey question, "Costs of importing—the combined effect of import tariffs, license fees, bank fees, and the time required for administrative red-tape raises costs of importing equipment (by 10% or less = score of 10; by more than 50% = score of 0)." ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

C Size of the trade sector relative to expected

Regression analysis was used to derive an expected size of the trade sector based on the population and geographic size of the country and its location relative to the concentration of world GDP. The actual size of the trade sector was then compared with the expected size for the country. If the actual size of the trade sector is greater than expected, this figure will be positive. If it is less than expected, the number will be negative. The percent change of the negative numbers was adjusted to make it symmetrical with the percent change of the positive numbers. The following formula was used to place the figures on a zero-to-10 scale: $(V_i - V_{\min}) / (V_{\max} - V_{\min})$ multiplied by 10. V_i is the country's actual value for the component. V_{\max} and V_{\min} were set at 100% and minus 50%, respectively. (Note that minus 50% is symmetrical with positive 100%.) This procedure allocates higher ratings to countries with large trade sectors compared to what would be expected, given their

population, geographic size, and location. On the other hand, countries with small trade sectors relative to the expected size receive lower ratings. A short paper providing additional details is available on the website: <<http://www.freetheworld.com/2004/TradeSectorMethodology.pdf>>. ♦ **Sources:** World Bank, *World Development Indicators* (various issues); International Monetary Fund, *International Financial Statistics* (various issues); Central Intelligence Agency, *1997 World Factbook*.

D Black-market exchange rates

This component is based on the percentage difference between the official and the parallel (black) market exchange rate. The formula used to calculate the zero-to-10 ratings for this component was the following: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i is the country's black-market exchange rate premium. The values for V_{\min} and V_{\max} were set at 0% and 50%, respectively. This formula will allocate a rating of 10 to countries without a black-market exchange rate; 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:** Monetary Research Institute, *MRI Bankers' Guide to Foreign Currency* (various issues), <<http://www.mriguide.com/>>; 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); International Monetary Fund, *International Financial Statistics* (various issues).

E International capital market controls

i Foreign ownership/investment restrictions

This sub-component is based on the following two questions in the *Global Competitiveness Report*: "Foreign ownership of companies in your country is rare, limited to minority stakes and often prohibited in key sectors (= 1) or prevalent and encouraged (= 7)"; and "In your country, rules governing foreign direct investment are damaging and discourage foreign direct investment (= 1) or beneficial and encourage foreign direct investment (= 7)." ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

ii Capital controls

The International Monetary Fund reports on up to 13 different types of international capital controls. The zero-to-10 rating is the percentage of capital controls not levied as a share of the total number of capital controls listed multiplied by 10. ♦ **Source:** International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues).

Area 5 Regulation of Credit, Labor, and Business

A Credit market regulations

i Ownership of banks

Data on the percentage of bank deposits held in privately owned banks were used to construct rating intervals. Countries with larger shares of privately held deposits received higher ratings. When privately held deposits totaled between 95% and 100%, countries were given a rating of 10. When private deposits constituted between 75% and 95% of the total, a rating of 8 was assigned. When private deposits were between 40% and 75% of the total, the rating was 5. When private deposits totaled between 10% and 40%, countries received a rating of 2. A zero rating was assigned when private deposits were 10% or less of the total. ♦ **Sources:** James R. Barth, Gerard Caprio, Jr., and Ross Levine, *World Bank Regulation Survey III, 2007*; *World Bank Survey of Bank Regulation and Supervision*, <http://www.worldbank.org/research/interest/2003_bank_survey/2003_bank_regulation_database.htm>.

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); information supplied by member institutes of the Economic Freedom Network.

ii Foreign bank competition

Beginning with the 2007 report, data on foreign bank assets were used to update some countries data.

Foreign bank assets as a share of total banking sector assets	80% – 100%	10
	40% – 79%	9
	0% – 39%	8

In editions of *Economic Freedom of the World* published from 2004 to 2006, data on both the denial rate of foreign bank license applications and on foreign bank assets were used to update some countries' data. In earlier years, this component was based on a survey question, which has since been discontinued, from the World Economic Forum's *Global Competitiveness Report*. ♦ **Sources:** James R. Barth, Gerard Caprio, Jr., and Ross Levine, *World Bank Regulation Survey III*, 2007; *World Bank Survey of Bank Regulation and Supervision*, <http://www.worldbank.org/research/interest/2003_bank_survey/2003_bank_regulation_database.htm>; World Economic Forum, *Global Competitiveness Report* (2001).

iii Private sector credit

This sub-component is based on the percentage of domestic credit consumed by the private sector. For this component, higher values are indicative of greater economic freedom. Thus, the formula used to derive the country ratings for this sub-component was $(V_i - V_{\min}) / (V_{\max} - V_{\min})$ multiplied by 10. V_i is the share of the country's total domestic credit allocated to the private sector and the values for V_{\max} and V_{\min} are set at 99.9% and 10.0%, respectively. The 1990 data were used to derive the maximum and minimum values for this component. The formula allocates higher ratings as the share of credit extended to the private-sector increases. A country's rating will be close to 10 when the private sector's share of domestic credit is near the base-year maximum (99.9%). A rating near zero results when the private sector's share of credit is close to the base-year minimum (10.0%). ♦ **Source:** International Monetary Fund, *International Financial Statistics* (various issues).

iv Interest rate controls/negative real interest rates

Data on credit-market controls and regulations were used to construct rating intervals. Countries with interest rates determined by the market, stable monetary policy, and positive real deposit and lending rates received higher ratings. When interest rates were determined primarily by market forces and the real rates were positive, countries were given a rating of 10. When interest rates were primarily market-determined but the real rates were sometimes slightly negative (less than 5%) or the differential between the deposit and lending rates was large (8% or more), countries received a rating of 8. When the real deposit or lending rate was persistently negative by a single-digit amount or the differential between them was regulated by the government, countries were rated at 6. When the deposit and lending rates were fixed by the government and the real rates were often negative by single-digit amounts, countries were assigned a rating of 4. When the real deposit or lending rate was persistently negative by a double-digit amount, countries received a rating of 2. A zero rating was assigned when the deposit and lending rates were fixed by the government and real rates were persistently negative by double-digit amounts or hyperinflation had virtually eliminated the credit market. ♦ **Source:** International Monetary Fund, *International Financial Statistics* (various issues).

B Labor market regulations

i Minimum wage

This sub-component is based on the World Bank's *Doing Business* data for the ratio of mandated minimum wage to the average value added per worker, an unpublished component that is part of the "Difficulty of Hiring Index". Countries with higher mandated minimum wages relative to average value added per worker are given lower ratings. The formula used to calculate the zero-to-10 ratings for this sub-component was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the ratio between minimum wage and average value added per worker. The values for V_{\max} and V_{\min} were set at 79% (1.5 standard deviations above average) and 0, respectively. Countries where the minimum wage was more than 79% of the average value added per worker were given a rating of zero. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or ten accordingly. ♦ **Note:** In earlier reports, this component was based on two survey responses obtained from the World Economic Forum's *Global Competitiveness Report* (various issues). The first question asked about the overall "impact of the minimum wage." The second question 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 Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

ii Hiring and firing regulations

This sub-component is based on the *Global Competitiveness Report's* question: "The hiring and firing of workers is impeded by regulations (= 1) or flexibly determined by employers (= 7)." The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

iii Centralized collective bargaining

This sub-component is based on the *Global Competitiveness Report's* question: "Wages in your country are set by a centralized bargaining process (= 1) or up to each individual company (= 7)." The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

iv Mandated cost of hiring

This sub-component is based on the World Bank's *Doing Business* data on the cost of all social security and payroll taxes and the cost of other mandated benefits including those for retirement, sickness, health care, maternity leave, family allowance, and paid vacations and holidays associated with hiring an employee. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the hiring cost (measured as a percentage of salary). The values for V_{\max} and V_{\min} were set at 33% (1.5 standard deviations above average) and 0%, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or 10 accordingly. ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

v Mandated cost of worker dismissal

This sub-component is based on the World Bank's *Doing Business* data on the cost of the advance notice requirements, severance payments, and penalties due when dismissing a redundant worker. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the dismissal cost (measured in weeks of wages). The values for V_{\max} and V_{\min} were set at 108 weeks (1.5 standard deviations above average) and zero weeks, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or 10 accordingly. ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

vi Conscription

Data on the use and duration of military conscription were used to construct rating intervals. Countries with longer conscription periods received lower ratings. A rating of 10 was assigned to countries without military conscription. When length of conscription was six months or less, countries were given a rating of 5. When length of conscription was more than six months but not more than 12 months, countries were rated at 3. When length of conscription was more than 12 months but not more than 18 months, countries were assigned a rating of 1. When conscription periods exceeded 18 months, countries were rated zero. ♦ **Source:** International Institute for Strategic Studies, *The Military Balance* (various issues); War Resisters International, *Refusing to Bear Arms: A World Survey of Conscription and Conscientious Objection to Military Service*, <<http://www.wri-irg.org/co/rtba/index.html>>.

C Business Regulations

i Price controls

The more widespread the use of price controls, the lower the rating. The survey data of the International Institute for Management Development's (IMD) *World Competitiveness Yearbook* (various editions) were used to rate the 46 countries (mostly developed economies) covered by this report. For other countries, 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:** International Institute for Management Development (IMD), *World Competitiveness Yearbook* (various issues); Price Waterhouse, *Doing Business In ...* publication series; World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994); Economist Intelligence Unit, *EIU Country Reports and Country Commerce*, 2001; US State Department, *Country Commercial Guides and Country Reports on Economic Policy and Trade Practices* (various years).

ii Administrative requirements

This sub-component is based on the *Global Competitiveness Report's* question: "Complying with administrative requirements (permits, regulations, reporting) issued by the government in your country is (1 = burdensome, 7 = not burdensome)." The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <http://www.weforum.org/en/initiatives/gcp/index.htm>.

iii Bureaucracy costs

This sub-component is based on the *Global Competitiveness Report's* question: "How much time does your firm's senior management spend dealing/negotiating with government officials (as a percentage of work time)?" The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

iv Starting a business

This sub-component is based on the World Bank's *Doing Business* data on the amount of time and money it takes to start a new limited-liability business. Countries where it takes longer or is more costly to start a new business are given lower ratings. Zero-to-10 ratings were constructed for three different variables: (1) time (measured in days) necessary to comply with regulations when starting a limited liability company, (2) money costs of the fees paid to regulatory authorities (measured as a share of per-capita income) and (3) minimum capital requirements, i.e., funds that must be deposited into company bank account (measured as a share of per-capita income). These three ratings were then averaged to arrive at the final rating for this sub-component. The

formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the variable value. The values for V_{\max} and V_{\min} were set at 104 days, 317%, and 1,017% (1.5 standard deviations above average) and 0 days, 0%, and 0%, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or 10 accordingly. ♦ **Note:** In previous years, this component was based on the survey question in the World Economic Forum's *Global Competitiveness Report* (various issues): "Starting a new business—starting a new business is generally easy." ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

v Extra payments/bribes

This sub-component is based on the *Global Competitiveness Report's* question: "In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with the following: A— Import and export permits; B— Connection to public utilities (e.g., telephone or electricity); C— Annual tax payments; D— Awarding of public contracts (investment projects); E— Getting favourable judicial decisions. Common (= 1) Never occur (= 7)." The question's wording has varied slightly over the years. ♦ **Source:** World Economic Forum, *Global Competitiveness Report* (various issues), <<http://www.weforum.org/en/initiatives/gcp/index.htm>>.

vi Licensing restrictions

This sub-component is based on the World Bank's *Doing Business* data on the time in days and monetary costs required to obtain a license to construct a standard warehouse. Zero-to-10 ratings were constructed for (1) the time cost (measured in number of calendar days required to obtain a license) and (2) the monetary cost of obtaining the license (measured as a share of per-capita income). These two ratings were then averaged to arrive at the final rating for this sub-component. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the time or money cost value. The values for V_{\max} and V_{\min} were set at 363 days and 2,763% (1.5 standard deviations above average) and 56 days (1.5 standard deviations below average) and 0%, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or 10 accordingly. ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

vii Cost of tax compliance

This sub-component is based on the World Bank's *Doing Business* data on the time required per year for a business to prepare, file, and pay taxes on corporate income, value added or sales taxes, and taxes on labor. The formula used to calculate the zero-to-10 ratings was: $(V_{\max} - V_i) / (V_{\max} - V_{\min})$ multiplied by 10. V_i represents the time cost (measured in hours) of tax compliance. The values for V_{\max} and V_{\min} were set at 892 hours (1.5 standard deviations above average) and 0 hours, respectively. Countries with values outside of the V_{\max} and V_{\min} range received ratings of either zero or 10 accordingly. ♦ **Source:** World Bank, *Doing Business* (various issues), <<http://www.doingbusiness.org/>>.

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 most 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 data set 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>>.

Adkins, Lee C., Ronald L. Moomaw, and Andreas Savvides (2002). "Institutions, Freedom, and Technical Efficiency." *Southern Economic Journal* 69 (July): 92–108.

The authors conclude that increases in economic freedom are associated with improved economic performance in that increases in economic freedom move countries closer to the production frontier.

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

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

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

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

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

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

Ali, Abdiweli M., and Hodan Said Isse (2003). "Determinants of Economic Corruption: A Cross Country Comparison." *Cato Journal* 22, 3 (Winter): 449–66.

In this paper, the authors looked at what factors determine the level of corruption across nations. They used education, judicial efficiency, the size of government, political and economic freedom, foreign aid, ethnicity, and the type of the political regime to explain cross-country differences in corruption. They concluded that "[c]orruption is found to be negatively and significantly correlated with the level of education, judicial efficiency, and economic freedom. It is positively and significantly correlated with foreign aid and the size of government" (p. 461).

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

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

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

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

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

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

Berggren, Niclas, and Henrik Jordahl (2005). "Does Free Trade Really Reduce Growth? Further Testing Using the Economic Freedom Index." *Public Choice* 22, 1–2: 99–114.

"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.

Berggren, Niclas and Jordahl, Henrik (2006). "Free to Trust: Economic Freedom and Social Capital." *Kyklos* 59 (May): 141–69.

"We present new evidence on how generalized trust is formed. Unlike previous studies, we look at the explanatory power of economic institutions, use newer data, incorporate more countries, and use instrumental variables

in an attempt to handle the causality problem. A central result is that legal structure and security of property rights (area 2 of the Economic Freedom Index) increase trust. The idea is that a market economy, building on voluntary transactions and interactions with both friends and strangers within the predictability provided by the rule of law, entails both incentives and mechanisms for trust to emerge between people.”

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

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

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

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

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

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

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

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

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

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

De Haan, Jakob, and 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.

de Vanssay, Xavier, Vincent Hildebrand, and Zane A. Spindler (2005). "Constitutional Foundations of Economic Freedom: A Time-Series Cross-Section Analysis." *Constitutional Political Economy* 16, 4 (December): 327–46.

"Using time-series cross-section analysis, we provide additional empirical validation for the principal-agent model developed by Adserà et al. (2003). In our innovation, efficient economic policy is proxied by "economic freedom" from the Fraser Institute database and constitutional 'political institutions' are proxied by variables from the Database of Political Institutions. Our results suggest that the more credible the threat of removal from office, the more government officials will pursue efficient economic policies."

Doucouliaqos, Chris, and Mehmet Ali Ulubasoglu (2006). "Economic Freedom and Economic Growth: Does Specification Make a Difference?" *European Journal of Political Economy* 22, 1: 60–81.

The study analyzes the literature on the impact of economic freedom on economic growth. The authors analyzed the results of 45 different studies published over the last decade and concluded that "regardless of the sample of countries, the measure of economic freedom and the level of aggregation, there is a solid finding of a direct positive association between economic freedom and growth" (p. 19). Furthermore, they noted that studies of economic growth that fail to include a measure of economic freedom in their analysis will produce biased results. The authors also highlight the importance of including a measure of physical investment when estimating the impact of economic freedom on economic growth. They found that the exclusion of a measure of investment in physical capital increases the estimated effect economic freedom has on economic growth.

Dreher, Axel, and Sarah M. Rupprecht (2007). "IMF Programs and Reforms—Inhibition or Encouragement?" *Economics Letters* 95, 3 (June): 320–26.

"We analyze the impact of International Monetary Fund (IMF) programs on market-oriented reforms [as measured by economic freedom]. Employing panel data for 116 countries over the period 1970–2000 we find that the net effect of IMF programs on reforms is negative."

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

This paper 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.

Esposito, Alfredo, and Peter Zaleski (1999). "Economic Freedom and the Quality of Life." *Constitutional Political Economy* 10: 185–97.

"Previous empirical research on the social and economic impact of freedom has tended to focus on the link between freedom and economic growth rates. Only a few studies have looked at freedom's effect on the quality of life, and these generally focused on the effect of political freedom. Here, we attempt to bridge this gap by analyzing the effect of economic freedom on the quality of life. Taking advantage of newly developed measures of economic freedom, we analyze the impact of economic freedom on life expectancy and literacy rates. We find that greater economic freedom enhances the quality of life both across nations and increases the improvements in the quality of life over time."

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

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

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

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

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

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

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

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

Gwartney, D. James, Randall G. Holcombe, and Robert A. Lawson (2006). "Institutions and the Impact of Investment on Growth." *Kyklos* 59, 2: 255–73.

This paper investigates the effects of institutions on economic growth through the impact of economic institutions on both the levels and productivity of investment. That is, the authors looked at both the indirect and direct effects of economic freedom on economic growth. They found, using data for 94 countries from 1980 to 2000, that countries that have high-quality institutions, as measured by The Fraser Institute's report, *Economic Freedom of the World*, have not only higher levels of private investment, but also higher productivity with that investment. Specifically, it was found that the productivity of private investment, measured as the impact of investment on growth, was 74% greater in countries with high-quality institutions. In addition, the authors found that a one-unit increase in institutional quality, i.e., economic freedom, increases the long-term economic growth by about 1.5 percentage points when both direct and indirect effects are included, compared to 1.0 percentage point when only the direct affect of institutions are included.

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* and 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.

International Monetary Fund (2005). *World Economic Outlook: Building Institutions*. Washington, DC: International Monetary Fund.

The book uses *Economic Freedom of the World: 2004 Annual Report* as the key measure of good institutions.

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.

Knack, Stephen, and Jac Heckelman (2005). *Foreign Aid and Market-Liberalizing Reform*. World Bank Policy Research Working Paper 3557 (April). Washington, DC: World Bank.

Market-oriented economic policies—reflected in limited economic activity by government, protection of private property rights, a sound monetary policy, outward orientation regarding trade and efficient tax and regulatory policy—have been strongly linked to faster rates of economic growth. Foreign aid is often provided in the belief that it encourages liberalizing reforms in these areas. This paper analyzes the impact of aid on market-liberalizing policy reform, correcting for the possible endogeneity of aid. Results indicate that higher aid slowed reform over the period from 1980 to 2000, as measured by a broad index of policies. Disaggregating policy into

five areas, aid is significantly linked to slower reform in some policy areas but not in others. Disaggregating by decade, aid's adverse impact on policy reform is much more pronounced for the 1980s than for the 1990s. The Economic Freedom of the World: 2004 Annual Report as the key measure of market oriented policies.

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 and 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* (The Fraser Institute, 1992). The summary ratings of "Measuring Economic Freedom" are used as one variable in a comparison of a number of variables for institutions and the size of government.

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

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

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

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

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

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

Ovaska, Tomi, and Ryo Takashima (2006). "Economic Policy and the Level of Self-perceived Well-being: An International Comparison." *Journal of Socio-Economics* 35: 308–25.

This study examines whether economic policies and their outcomes have an effect on people's self-perceived level of well-being. The authors used two different measures of well being, happiness and life satisfaction, both of which come from survey database managed by the Erasmus University in The Netherlands. Using data for 68 countries during the 1990s, Ovaska and Takashima found that economic freedom, as measured by The Fraser Institute, and health, as measured by life expectancy, have consistently turned out to be statistically significant in determining people's level of well-being. That is, both longer life expectancy and the freedom to make choices that are consistent with personal preferences increases one's self-perceived level of well being and happiness.

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

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

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

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

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

Stroup, D. Michael (2007). "Economic Freedom, Democracy, and the Quality of Life." *World Development* 35, 1 (January), 52-66.

"Many empirical studies indicate that economic freedom in society is positively correlated with prosperity and growth, while democracy exhibits mixed correlations. However, these studies do not control for the possible interaction of these two types of freedoms or their respective influences on social welfare. This empirical analysis examines the interaction of economic freedom and democracy on measures of health, education, and disease prevention in society. The results imply that greater economic freedom consistently enhances these welfare measures, even among more democratic countries. Democracy has a smaller positive influence that disappears for many welfare measures in countries with more economic freedoms."

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.

Tures, John A. (2003). "Economic Freedom and Conflict Reduction: Evidence from the 1970s, 1980s, and 1990s." *Cato Journal* 22, 3 (Winter): 533-42.

This paper examines the impact of economic freedom on the reduction of conflict. The author concluded that "[t]he major lesson from our study is that economic freedom promotes peace. Consequently, the more a government erodes economic liberties, the greater the likelihood that a severe crisis or war will erupt" (p. 542).

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

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

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

Argues that foreign aid is propping up countries that are not economically free. Mr Vásquez also tests the notion that aid agencies target pro-growth policies. He finds that for the countries where economic freedom declines

or does not improve, foreign aid actually increases (19 of 20 cases). As well, in over one half of these countries GDP per capita declines. ♦ Makes reference to the general conclusions of *Economic Freedom of the World: 1997 Annual Report* regarding economic freedom and income and growth.

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

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

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

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

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

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

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

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

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

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