Economic Freedom of the World

1998/1999 Interim Report

James Gwartney and Robert Lawson

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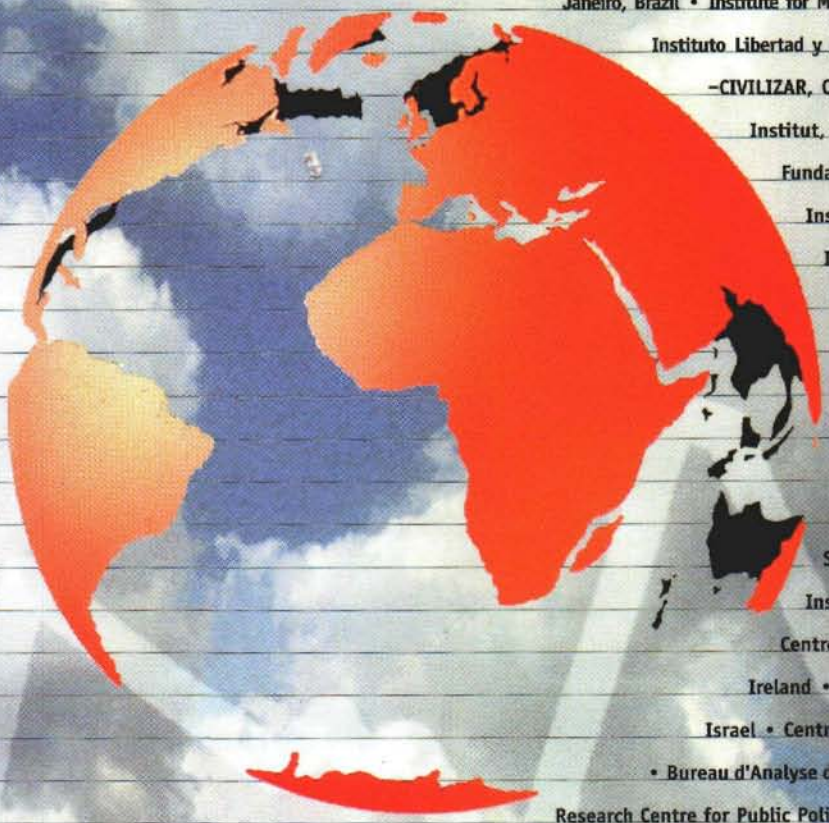

ECONOMIC FREEDOM OF THE WORLD

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Table of Contents

Acknowledgments / 4

About the Authors / 5

About the Participating Institutes / 6

Executive Summary / 16

Introduction / 18

- The Summary Ratings / 20
- Construction of the Index / 20
- The Results / 21
  - 1997 Weighted Summary Index / 22
  - 1997 Unweighted Summary Index / 23
  - 1990 Weighted Summary Index / 24
  - 1990 Unweighted Summary Index / 25

1997Area Ratings / 26

- Area I: Size of Government: Consumption, Transfers, and Subsidies / 26
- Area II: Structure of the Economy and Use of Markets / 28
- Area III: Monetary Policy and Price Stability / 30
- Area IV: Freedom to Use Alternative Currencies / 32
- Area V: Legal Structure and Property Rights / 34
- Area VI: International Exchange: Freedom to Trade with Foreigners / 36
- Area VII: Freedom of Exchange in Capital and Financial Markets / 38

Explanatory Notes and Data Sources / 40

Appendix I: Component and Area Ratings for 1990 and 1997 / 47

Appendix II: Area Ratings for 1997 and Summary Ratings by Country for 1990 and 1997 / 85

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We also are indebted to several of the participants and contributors to the Fraser/Liberty Fund Series. Alvin Rabushka's paper presented in July 1988 at the second symposium sharpened the concept of economic freedom and provided direction as to how it might be measured. A theoretical paper by Ronald Jones and Alan Stockman presented at the fourth symposium held in Sea Ranch, California moved the process forward. Walter Block edited one of the volumes summarizing conference proceedings and he was also a co-author with us of Economic Freedom of the World: 1975–1995. At various stages of this project, the comments and suggestions of Stephen Easton, Zane Spindler, Douglass North, and Gary Becker have been particularly helpful.

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James Gwartney

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About the Authors

James Gwartney is a Professor of Economics at the DeVoe L. Moore Center, Florida State University. He has a doctoral degree in economics from the University of Washington. Along with Richard Stroup of Montana State University, he is the author of *Economics: Private and Public Choice* (Harcourt Brace). This text, now in its eighth edition, has been used by more than 1 million students during the last two decades. A member of the Mont Pelerin Society, during 1993-94 Professor Gwartney taught at the Central European University in Prague, Czech Republic. He has published in the leading journals of professional economics, including the *American Economic Review, Journal of Political Economy, Industrial and Labor Relations Review, Cato Journal,* and *Southern Economic Journal.*

Robert Lawson is an Assistant Professor of Economics at Capital University in Columbus, Ohio; he taught previously at Shawnee State University. He earned his B.S. from the Honors Tutorial College at Ohio University in 1988 and his M.S. and Ph.D. from Florida State University in 1991 and 1992, respectively. He has published articles in several journals, including *Public Choice*, the *Journal of Labor Research*, and the *Journal of Public Finance and Public Choice.* Professor Lawson has written extensively on public policy issues such as welfare reform, Medicaid, tax policy, and prevailing wage regulations. He has recently been named the Director of Fiscal Policy Studies for the Buckeye Institute for Public Policy Solutions in Dayton, Ohio.

About the Participating Institutes

CO-PUBLISHERS OF *ECONOMIC FREEDOM OF THE WORLD*

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

African Research Center for Public Policy and Market Process, Kenya The African Research Center for Public Policy and Market Process, Kenya, is the first research centre founded in Africa by the African Educational Foundation for Public Policy and Market Process, an independent educational organization registered in the United States. The primary mission of the Center and the Foundation is to promote ideas about free markets and voluntary associations in Africa. The Center seeks to conduct research on all aspects of free markets, voluntary association, and individual liberty, and to disseminate the results to as wide an audience as possible. The Center also organizes seminars and conferences to examine issues related to liberty and enterprise in Africa.

Association pour la Liberté Economique et le Progrès Social (ALEPS), France The objective of ALEPS is to promote the idea of free markets generating social progress. It connects French liberal intellectuals with the world 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. The post-socialist society remains to be set up. This requirement in Eastern Europe is also needed in Western countries, such as France, where 40 years of the welfare state have led to mass unemployment, fiscal oppression, a social security explosion, an increase in poverty and inequality, and a loss of moral virtues and spiritual values. ALEPS provides the political and intellectual push for this necessary revival.

liberal düşünce topluluğu

Association for Liberal Thinking, Turkey The objectives of the Association for Liberal Thinking as a non-profit, non-governmental organization are to introduce the liberal democratic tradition to the Turkish public; to engage in activities that promote understanding and acceptance of ideas like liberty, justice, peace, human rights, equality, and tolerance; to help the development of academic writing on liberal themes that will improve the ability of the Turkish people to assess contemporary domestic and international changes; and to attempt 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 and influence broader political agendas so as to contribute to the liberalization of Turkey in economics and politics.

Cato Institute, United States of America Founded in 1977, the Cato Institute is a public policy research foundation dedicated to broadening the parameters of policy debate to allow consideration of 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.

The Center for the Dissemination of Economic Knowledge, Venezuela CEDICE is a non-partisan, non-profit, private association dedicated to the dissemination, research, and promotion of philosophical, economic, political, and social thinking that focuses on individual initiative and activities conducive to a better understanding of the free market system and free and responsible societies. CEDICE carries out a variety of activities and programs to meet its objectives, including operating a library and bookstore, researching and writing the *Venezuela Today* series and other studies, conducting economic training for journalists, and offering special events and community programs.

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

The Center for Research and Communication, Philippines The Center for Research and Communication (CRC), which started operations in 1967, conducts research and publishes works on domestic and international economic and political issues, focusing on the Asia-Pacific region. It provides fora for discussion and debate among academicians, businessmen, civil officials, and representatives of other sectors that help shape public opinion and chart the course of policies. CRC, which is the main research arm of the University of Asia and the Pacific in Metro Manila, Philippines, also currently serves as the Secretariat of the Asia Pacific Economic Cooperation (APEC) Business Advisory Council.

Center for the New Europe, Belgium The Center for the New Europe is a European research institute based in Brussels. It aims to promote the advancement of a market-oriented economy, personal liberty, and creativity and responsibility in an ordered society. CNE is founded on the belief that European integration can work only in a society led by a spirit of democratic capitalism. The Center focuses on developing policy alternatives encouraging economic growth and deregulation; seeking new market-based solutions for social and environmental concerns; and promoting individual freedom, choice and responsibility.

Centre for Civil Society, India The Centre for Civil Society is an independent, nonprofit, research and educational organization devoted to improving the quality of life for all citizens of India by reviving and reinvigorating civil society. The focus on civil society enables one to work from both directions; it provides 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. Both programs are equally critical and must be pursued simultaneously. Weeds of the political society must be uprooted and seeds of a civil society must be sown.

The Centre was inaugurated on August 15, 1997, signifying the necessity of achieving economic, social, and cultural independence from the Indian state after attaining political independence from an alien state. The Centre 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. Email: civil@siliconindia.com; website: www.siliconindia.com/civil/.

Centro de Investigaciones Académicas (CIVILIZAR), Colombia The Centro de Investigaciones Académicas is a private, non-profit economic and social research organization. Established in 1996, the Centro is affiliated with the Sergio Arboleda University of Bogata. It is dedicated to the scientific study of economic and social topics. It defends individual liberty, which it recognizes as a basic principle to guide programs of research and education. The Centro supports research and publishes studies on economic, social, and legal issues in order to promote Colombian economic growth and human development.

Centro de Investigaciones Económicas Nacionales, Guatemala CIEN, the Center for Research on the National Economy was established in Guatemala in 1982. It is a private, non-partisan, not-for-profit public policy institute, funded by the sale of its books and periodical publications, income from conferences and seminars, and the support it receives from its members and the public. The Center's program is devoted to the technical study of economic and social problems that need to be resolved to promote the stable development of the nation. Its members, staff, research associates, and its supporters share the principles of a social order of free and responsible individuals interacting through a market economy functioning within the rule of law.

Centro de Investigaciones Sobre la Libre Empresa, A.C., Mexico The Centro de Investigaciones Sobre la Libre Empresa (CISLE) is a non-profit, educational and public policy organization founded in 1984. Its aim is to defend and promote the ideals of free trade and free enterprise in all areas of society, and it maintains that the fundamental source of well-being and the wealth of nations is a sound institutional order that guarantees competition, private ownership, and open markets. CISLE's activities are financed by a select group of generous donors.

Centro de Investigacion y Estudios Legales (CITEL), Peru CITEL was organized in 1989. Its principal field is the economic analysis of law. To that end, it conducts research on different legal institutions, publishes books, and organizes seminars and colloquia.

Centrum im. Adama Smitha, Poland The Centrum im. Adama Smitha, Poland (the Adam Smith Research Centre) is a private, non-partisan, non-profit, think-tank and public policy institute. It was founded in 1989 and was the first such institute in Poland and in Eastern Europe The ASRC is devoted to the furtherance of a free and fair market economy, participatory democracy, and 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. The ASRC associates more than 50 experts. E-mail: adam.smith@adam-smith.pl; website: http://www.adam-smith.pl

Edmund Burke Institute, Ireland The Edmund Burke Institute is a non-profit and non-political organization that believes that Ireland's political, academic, and cultural leaders have failed to draw the natural conclusions from the collapse of state socialism and the growth of free-market ideas across the industrialized and developing world. It believes that these ideas are directly relevant to Ireland, and that hostility towards free markets and individual freedom needs to be challenged by an institution that promotes debate and discussion about the role of the state in our lives. (Internet: http://www.his.com/~chyden/ebi/)

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

The F.A. Hayek Foundation, Slovak Republic The F.A. Hayek Foundation is an independent, non-profit organization that brings together social scientists, business people, and policy-makers to exchange their ideas on economic, social, political, and other issues. It provides practical reform proposals for the transition of economics, health, education, social welfare, retirement and legislative systems. The F.A. Hayek Foundation established a tradition that was virtually absent in Slovakia until 1989–the tradition of liberal thinking and its further cultivation in order to demonstrate the advantages of market economy solutions as better alternatives to collectivist policies. The Foundation promotes the following liberal ideals: limited government, a free-market economy, and an open society based on the concept of individual choice and personal responsibilities.

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

The Free Enterprise Commission, Panama The Free Enterprise Commission is a working group within the Panamanian Association of Executives (APEDE). APEDE is a non-partisan, non-profit association dedicated to the improvement of entrepreneurship, management, and the development of the individual in a free society. As such, APEDE invests a good part of its efforts in education and individual liberties.

The Free Market Foundation of Southern Africa The Free Market Foundation of Southern Africa was established in 1975 to promote economic freedom. The FMF sponsors and conducts research, publications, conferences, lectures, training programs and lobbying efforts in support of the free market. Its funding comes from membership subscriptions, project sponsorships, and income from sales and fees.

Fundación Economía y Desarrollo, Inc., Dominican Republic The Fundación Economía y Desarrollo, Inc. (FEyD) is a private non-profit organization dedicated to fostering the principles, mechanisms, and advantages of the economy of competitive markets and private enterprise as well as the economic policies which back this strategy of economic development. To meet its objectives, FEyD has several regular publications in the most important newspapers

in the country. It also produces a weekly television program called "Triálogo," a one-hour program that is broadcast three times week, and elaborates numerous studies related to the performance of the Dominican economy and its sectors.

Fundacion Libertad, Democracia y Desarrollo, Bolivia The Fundacion Libertad, Democracia y Desarrollo (FULIDED), is a non-profit organization founded by a group of citizens interested in promoting democracy and freedom. The Foundation has the purpose of investigating, analyzing, and disseminating issues of national priority, keeping in mind that economic, political, and social topics are of great importance in strengthening the free market and private initiative, within the ideal of an open, pluralist, and honest society. Through seminars, debates, and publications, FULIDED seeks to create a current of opinion according to Bolivia's reality and in the framework of a global economy.

GRUPPO GIOVANI IMPRENDITORI
UNIONE INDUSTRIALE TORINO

Gruppo Giovani Imprenditori and Centro Luigi Einaudi, Italy The Turin Group of Young Entrepreneurs was founded in 1959. It is composed of 300 entrepreneurs and managers under the age of 40. A member of the Confederation of Italian Industry, it has always been on the forefront of the liberalization of the Italian economy.

Centro di Ricerca
e Documentazione
"Luigi Einaudi"
10143 Torino, C. Appio Claudio 7
Tel. +39-11-770.16.08, Fax 749.57.96

Established in 1963, the Centro di ricerca e documentazione "Luigi Einaudi" is one of Italy's most influential independent think tanks. Its aim is to further free-market policies and personal freedom, promote leaner government, and enhance political pluralism.

Hong Kong Centre for Economic Research The Hong Kong Centre for Economic Research is an educational, charitable trust established in 1987 to promote public understanding of economic affairs and to develop alternative policy choices for government with the aim to promote the free market in Hong Kong. The Centre publishes and promotes authoritative research studies to achieve its goals. It is widely recognized as the leading free-market think-tank in Asia and has been influential in persuading public opinion and the government 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 legally sanctioned, deposit interest-rate fixing among banks, adopt market mechanisms for protecting the environment, and other public-policy measures in Hong Kong.

ידידי האמרים לדעת שוב ולשוב רעיוני ישעיה הכ

Institute for Advanced Strategic and Political Studies, Israel The mission of the Institute for Advanced Strategic and Political Studies is the development of policies in economics, strategic studies, and politics, directed toward the understanding and realization of limited government in domestic affairs and the balance of power in strategic planning. The Institute's Division for Economic Policy Research (DEPR) produces *Policy Studies* in both English and Hebrew, while the Division for Research in Strategy and Politics produces one series of documents in strategic studies, and another series in politics.

The Institute for Economic Freedom

The Institute for Economic Freedom, Bahamas The Institute for Economic Freedom is an independent non-political, non-profit Bahamian 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.

IWIP
Institut für Wirtschaft und Politik

Institute for Economy and Politics (IWIP), Austria IWIP is an affiliate institute of the Federation of Austrian Industry. Its duty is to give objective information to the general pub-

lic about the economy, politics, and culture. It supports a social free market economy and protection of the environment. IWIP organizes meetings, workshops, symposiums, and lectures, and is editor of *Conturen*, a quarterly magazine aimed at the liberal and critical reader who is interested in diverse discussions about the economy, politics, and culture.

Institute for Market Economics, Bulgaria Established in 1993, IME is the first independent economic think tank in Bulgaria. It is a private, registered, non-profit corporation with a mission to elaborate and advocate market approaches to the problems Bulgaria is facing in its transition to a market economy, thus supporting market reforms. IME's objectives are to provide the following: independent assessment and analysis of the government's economic policies; a focal point for an exchange of views on market economics and relevant policy issues; and an internationally supported Bulgarian think-tank that is widely respected for its expertise. (E-mail: IME@omega.bg)

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

The Institute of Economic Affairs, Ghana The Institute of Economic Affairs (IEA) Ghana is an independent, non-governmental institution dedicated to the establishment and strengthening of a market economy and a democratic, free, and open society. The IEA was founded in October 1989. 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.

Institute of Economic Analysis, Russia The Institute of Economic Analysis is a macroeconomic research institute designed to: analyze the current economic situation and policies; provide expert analysis of acts, programs, and current economic policy; consult Russian government bodies, enterprises, and organizations; prepare and publish scientific, research and methodological economic literature; and conduct 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 policy.

Institute of Economic Studies, Iceland The Institute of Economic Studies was founded in 1989. It operates within the Department of Economics in the Faculty of Economics and Business Administration at the University of Iceland. From the outset, the Institute has been active in carrying out applied research projects commissioned by a great variety of private and public clients ranging from small Icelandic interest groups to the Nordic Investment Bank to the governments of Iceland, Denmark, and the Faroe Islands. More recently, funded by research grants, the Institute has put greater emphasis on large-scale applied research projects with substantial analytical content and economic research.

Institute of Macroeconomic Analysis and Development, Slovenia The Institute of Macroeconomic Analysis and Development (IMAD) is a part of the Ministry of Economic Relations and Development. It plays the key analytical role in preparation of annual memoranda on economic policy and it coordinated the preparation of the Strategy of Economic Development of Slovenia and its Strategy for Accession to the European Union. Its activities also include current analyses of macroeconomic trends and of social, regional, and institutional development; simulations and evaluations of economic and developmental measures; development of methodological tools and information systems. In order to fulfill its tasks, the Institute has around 50 employees, two-thirds of whom are specialists. Its publications, *Slovenian Economic Mirror* and its Spring and Autumn Reports are translated into English and distributed to a large international audience. IMAD also publishes the international *Journal for Institutional Innovation, Development, and Transition* (IB Review) and organizes an annual conference on the general topic of Institutions in Transition.

Institute of Public Affairs, Australia Established in 1943, the IPA is Australia's oldest and largest private-sector think-tank. Its aim is to advance the interests of the Australian people. Those interests include prosperity and full employment, the rule of law, democratic freedoms, security from crime and invasion, high standards in education and family life. To identify and promote the best means of securing these values, the IPA undertakes research, organizes seminars, and publishes widely.

Instituto Ecuatoriano de Economia Politica, Ecuador The Instituto Ecuatoriano de Economia Politica (IEEP) is a private, independent, non-profit institution. Its mission is to defend and promote the classical liberal ideals of individual liberty, free markets, limited government, property rights, and the rule of law. The IEEP achieves its mission through publications, seminars, and workshops that debate socio-economic and political issues. The IEEP's funding comes from voluntary donations, membership subscriptions, and income from sales of its publications. (E-mail: dampuero@ecua.net.ec)

Instituto Liberal do Rio de Janiero, Brazil Instituto Liberal is a non-profit institution supported by donations and the sponsorship of private individuals and corporations. Its bylaws provide for a Board of Trustees as its supreme body, and forbid any political or sectarian affiliations. Its principal objective is to *persuade Brazilian society of the advantages of a liberal order.* To attain this goal the institute publishes books, organizes seminars, and elaborates policy papers on subjects related to public policy.

The Korea Center for Free Enterprise The Center for Free Enterprise (CFE) is a foundation committed to advancing guiding principles such as free enterprise, limited government, freedom and individual responsibilities, the rule of law and restraint of violence. The CFE was inaugurated as a non-profit, independent foundation funded by the members of the Federation of Korean Industries (FKI) on April 1, 1997, when woes over an economic crisis began seriously to plague Korean society. The CFE has concentrated its efforts on championing the principles of a free economy through books and reports on related ideas, philosophies, public policies, statistics and analyses. By holding occasional workshops and policy forums, the CFE has striven to put forward policy alternatives to proposed solutions for pending issues facing the Korean society.

Libertad y Desarrollo, Chile Libertad y Desarrollo is a private think-tank committed to free market ideas and devoted to research, study, and analysis of public policy issues inspired by political and economic freedom. Libertad y Desarrollo is wholly independent of any religious, political, financial, or governmental groups.

Liberales Institut, Germany The Liberales Institut (Liberty Institute) is the think-tank of the Friedrich-Naumann-Foundation. Based in Berlin and Königswinter, the Institute devotes itself to spreading classical liberal and free-market ideas through the publication of classical liberal literature, the analysis of current political trends, and the promotion of research. By organizing conferences and workshops, the Institute tries to stimulate an intellectual exchange among liberals around the world.

Liberales Institut, Switzerland The Liberal Institute provides a platform where the basic values and concepts of a free society can be discussed and questioned. The Institute offers a meeting place for practitioners and theoreticians from different walks of life and professions. The aim is to examine issues in an open atmosphere, to inquire and experiment. The Liberal Institute is not associated with any political party. It wants to foster the development and dissemination of liberal ideas in the classical European sense, ideas about personal freedom, limited government, and free markets.

Liberální institut, Czech Republic The Liberal Institute is an independent, non-profit organization for the development and application of liberal ideas and programs based on the principles of classical liberalism. The Liberal Institute's activities are based on the recognition of the following: each individual has inalienable rights, and the individual's life is valuable; the principle of voluntary action applies in all human activity; the institutions of private property, contract, and the rule of law are essential in the protection of human rights; self-regulating markets, free trade, and a clearly defined government sphere are crucial factors for the development of any society. The Liberal Institute is financed by funds realized from its various activities and by donations from individuals and private corporations.

Lithuanian Free Market Institute, Lithuania The Lithuanian Free Market Institute (LFMI) is an independent, non-profit, organization founded in 1990 to promote the ideas of economic liberalism based on the principles of individual freedom and responsibility, free markets, and limited government. The LFMI's staff pursues this mission by exploring key issues of economic policy, developing conceptual reform packages, drafting and evaluating legislation, and submitting policy recommendations at the legislative and executive levels, and launching public educational campaigns. LFMI's activities also include sociological surveys, publications, conferences, workshops, and lectures. Since its inception, LFMI has addressed a variety of core issues confronting the economic reform process: it promoted the idea of a currency board and provided decisive input to the Law on Litas Credibility, led the creation of the legal and institutional framework for the securities market, and initiated the policy-making process on private pension insurance through pension funds. LFMI's recommendations were adopted in legislation on commercial banks, the Bank of Lithuania, privatization, credit unions, insurance, and foreign investment. LFMI influenced strongly the improvement of company and bankruptcy law. The Institute has also developed a conceptual proposal for tax and budget reform and proposals from LFMI were adopted in policy debates on income taxation, real estate tax, and inheritance and gift taxes. Recently, LFMI has initiated a business deregulation process.

Making Our Economy Right (MOER), Bangladesh MOER champions free-market concepts and the freedom of the individual. MOER was founded in 1991, a period that saw the downfall of the communist empire across the globe as well as the fall of Bangladesh's own nine-year military dictatorship. Bangladesh is still a fully statist society where politicians promise jobs and economic development but are unaware that the function of the state and the government is merely to protect individual freedom, liberty, life, property, and the national geographic boundary.

Today, in 1998, there are no dramatic changes towards free-market individualism in Bangladesh but MOER continues its work, writing in the national newspapers and translating free-market literature into Bangla. MOER solicits international support and cooperation in its efforts to liberalize Bangladesh's economy fully and thereby to democratize Bangladesh society. The use of the Internet has been tremendously helpful in our work and we are thankful for the support of the Atlas Economic Research Foundation. Contact Nizam Ahmad via e-mail at nizam@bdmail.net; wegsite: http://www.atlas-fdn.org/moer.

The New Zealand Business Roundtable The New Zealand Business Roundtable is an organization of chief executives of about 60 of New Zealand's largest business organizations. 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 reforms.

Szazadveg Institute, Hungary The Szazadveg Institute is a non-profit organization performing political and economic research, advisory and training activities. This think-tank is independent of the government or any political parties and has been operating as a foundation since its establishment in 1990. Szazadveg endeavors to publish its research results in specific professional and academic areas to the public at large as well as to render professional services in order to support the preparation of decisions by economic institutions, political and civil organizations, political parties, and the government.

Timbro, Sweden Timbro is a Swedish free-enterprise think-tank. Its goal is to mould public opinion favourably toward free enterprise, a free economy, and a free society. Timbro publishes books, papers, reports, and the magazine *Smedjan.* It also arranges seminars and builds human networks. 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.

The Ukrainian Center for Independent Political Research The Ukrainian Center for Independent Political Research was established in early 1991 as a non-profit, non-partisan, and non-governmental research institution. Its purpose is to enhance the awareness of the Ukrainian people of democracy and to further the analytic research of Ukrainian 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 issues, economy in transition, security doctrine, relations with neighbouring states, the Crimean dilemma, inter-ethnic relations, and media freedom, and so on. The Center has hosted a number of national and international conferences and workshops on the above issues.

Fundación del Orden Social de la Libertad, Argentina; **Institute of Economics, Croatia**; and **Liberty Network** (**LINE**), **Denmark** have recently joined the Economic Freedom Network; descriptions of their activities will be included in the next issue of *Economic Freedom of the World.*

Economic Freedom of the World: 1988/1999 Interim Report

Executive Summary

- The indexes presented in this report represent a continuation of our efforts to develop an objective measure of economic freedom. The summary indexes of economic freedom presented here are more comprehensive, and they are based on more complete data and the use of statistical procedures more value-free than any prior measure.

- The summary indexes are based on 25 components designed to identify the consistency of institutional arrangements and policies with economic freedom in seven major areas. The seven areas covered by the indexes are: (I) size of government, (II) economic structure and use of markets, (III) monetary policy and price stability, (IV) freedom to use alternative currencies, (V) legal structure and security of private ownership, (VI) freedom to trade with foreigners, and (VII) freedom of exchange in capital markets.

- Two summary indexes were derived: (1) a weighted summary index based on principal component analysis and (2) an unweighted summary index that assigns equal weight to each of the seven areas. The ratings and rankings derived by the two alternative procedures were similar. Summary ratings were derived for 119 countries in 1997 and 111 in 1990.

- In 1997, both the weighted and unweighted indexes indicated that Hong Kong, Singapore, New Zealand, United States, and United Kingdom were the five freest economies in the world. Other countries ranking in the top 10 were Canada, Argentina, Australia, Ireland, Luxembourg, Netherlands, and Panama. The latter five were tied for eighth place in the weighted summary index. See Exhibits 2 through 5 for the complete presentation of the summary ratings for 1997 and 1990.

- The least free economies in 1997 were Myanmar, Democratic Republic of Congo (formerly Zaire), Guinea-Bissau, Rwanda, Albania, Sierra Leone, Malawi, Ukraine, Algeria, Central African Republic, Madagascar, and Romania.

- While Hong Kong and Singapore were ranked one and two in both 1990 and 1997, there have been some significant changes among top-rated countries. New Zealand's weighted summary rating jumped from 8.3 in 1990 to 9.2 in 1997, pushing its ranking from ninth to third. Japan experienced a slight rating reduction (from 8.4 to 8.3) and its ranking fell from seventh in 1990 to fourteenth in 1997. Switzerland's rating declined from 8.7 to 8.5 between 1990 and 1997; its ranking fell from fourth to thirteenth during the period.

- A number of Latin American countries have achieved dramatic increases in both ratings and rankings during the 1990s. Argentina, El Salvador, and Peru headed the list of major gainers. Based on the weighted index, Argentina's rating rose from 4.8 in 1990 to 8.7 in 1997, pushing its ranking from fifty-ninth to seventh. El Salvador's rating rose from 4.5 to 8.2 between 1990 and 1997, while its ranking

jumped from seventy-third to seventeenth. Peru's rating rose from 3.6 in 1990 to 7.6 in 1997; its ranking jumped from ninety-seventh to thirty-ninth. Liberalization of trade and capital markets, greater monetary stability, privatization, and reductions in high marginal tax rates contributed to the rating increases of these countries.

- Dominican Republic, Hungary, Ireland, Mauritius, Panama, Philippines, Poland, Portugal, and the Czech and Slovak Republics (compared to Czechoslovakia in 1990) were among the countries achieving substantially higher ratings (and rankings) in 1997 than in 1990.

- Malaysia, Indonesia, and Venezuela were among those experiencing substantial ranking declines. Between 1990 and 1997, Malaysia's ranking fell from fourteenth to thirty-ninth, Indonesia's from twenty-eighth to forty-seventh, and Venezuela's from forty-third to sixty-fourth. Among the major European economies, the rankings of Germany, France, and Italy drifted lower.

- Principal component analysis was used to combine the component data into area ratings, indicating the degree of economic freedom in the seven major areas of the index. Graphics for Areas I through VII present the country ratings and rankings for each of these areas.

Introduction

More than a decade ago, Michael Walker, the Executive Director of The Fraser Institute in Vancouver, Canada, and Nobel laureate Milton Friedman organized a series of conferences with the objective of clearly defining and measuring economic freedom. They were able to attract some of the world's leading economists including Gary Becker, Douglass North, Peter Bauer, and Assar Lindbeck to participate in the series and provide input for the study. These conferences eventually led to the publishing of *Economic Freedom of the World: 1975–1995* (written by James Gwartney, Robert Lawson, and Walter Block) and the organizing of the Economic Freedom Network, a group of institutes in some 50 different countries seeking to develop the best possible measure of economic freedom.*

In his foreword to *Economic Freedom of the World: 1975–1995*, Milton Friedman indicated that the indexes presented in that publication had brought the quest for an objective measure of economic freedom to a "temporary conclusion." Amplifying this statement, Professor Friedman indicated subsequent studies would "surely make revised editions necessary, both to bring the indexes of economic freedom up-to-date and to incorporate the additional understanding that will be generated." The measures developed in this publication are indicative of this evolutionary process. They reflect improved knowledge about how to measure economic freedom and the development of a more complete data set for the achievement of that purpose. They represent movement to a new level.

The core ingredients of economic freedom are personal choice, protection of private property, and freedom of exchange. Individuals have economic freedom when: (a) property acquired without the use of force, fraud, or theft is protected from physical invasions by others and (b) such property can be freely used, exchanged, or given to another as long as the owner's actions do not violate the identical rights of others. Like a compass, this concept of economic freedom has directed our work.

From the very beginning, our goal was the development of an objective measure of economic freedom rather than an index based on subjective assessments and "judgment calls." Therefore, the foundation of our index is objective components that reflect the presence (or absence) of economic freedom–components that can be derived for a large number of countries from regularly published sources. This will make it possible both to calculate the index for earlier time periods and to update it regularly. We also wanted to combine the components into a summary index in a sound, objective manner. The measures presented in this report are an additional step in this direction. They are more comprehensive, based on more complete data and the use of statistical procedures more value-free, than any prior measure of economic freedom. Still, they are transparent. It is easy to see precisely how the various indexes are constructed, the data they reflect, and the factors underlying rating differences across countries and time periods.

*See Michael Walker, ed., *Freedom, Democracy, and Economic Welfare*, (Vancouver: Fraser Institute, 1988); Walter Block, ed., *Economic Freedom: Toward a Theory of Measurement*, (Vancouver: Fraser Institute, 1991); Stephen Easton and Michael Walker, eds., *Rating Global Economic Freedom*, (Vancouver: Fraser Institute, 1992); James Gwartney, Robert Lawson and Walter Block, *Economic Freedom of the World: 1975–1995*, (Vancouver: Fraser Institute, 1996); and James Gwartney and Robert Lawson, *Economic Freedom of the World, 1997 Report*, (Vancouver: Fraser Institute, 1997). These publications provide the foundation for this work.

EXHIBIT 1: COMPONENTS OF THE INDEX OF ECONOMIC FREEDOM (7 areas/25 factors)

I	**Size of Government: Consumption, Transfers, and Subsidies**	**[11.0%]**
	A General Government Consumption Expenditures as a Percent of Total Consumption	(.500)
	B Transfers and Subsidies as a Percent of GDP	(.500)
II	**Structure of the Economy and Use of Markets** *(Production and allocation via government and political mandates rather than private enterprises and markets)*	**[14.2%]**
	A Government Enterprises and Investment as a Share of the Economy	(.327)
	B Price Controls: Extent to Which Businesses Are Free to Set Their Own Prices	(.335)
	C Top Marginal Tax Rate *(and income threshold at which it applies)*	(.250)
	D The Use of Conscripts to Obtain Military Personnel	(.088)
III	**Monetary Policy and Price Stability** *(Protection of money as a store of value and medium of exchange)*	**[9.2%]**
	A Average Annual Growth Rate of the Money Supply during the Last Five Years minus the Growth Rate of Real GDP during the Last 10 Years	(.349)
	B Standard Deviation of the Annual Inflation Rate during the Last Five Years	(.326)
	C Annual Inflation Rate during the Most Recent Year	(.325)
IV	**Freedom to Use Alternative Currencies** *(Freedom of access to alternative currencies)*	**[14.6%]**
	A Freedom of Citizens to Own Foreign Currency Bank Accounts Domestically	(.335)
	B Freedom of Citizens to Maintain Foreign Currency Bank Accounts Abroad	(.357)
	C Freedom to Convert Domestic Currency to Foreign Currencies in Order to Engage in Current and Capital Account Transactions	(.308)
V	**Legal Structure and Property Rights** *(Security of property rights and viability of contracts)*	**[16.6%]**
	A Legal Security of Private Ownership Rights *(Risk of confiscation)*	(.345)
	B Viability of Contracts *(Risk of contract repudiation by the government)*	(.339)
	C Rule of Law: Legal Institutions, Including Access to a Nondiscriminatory Judiciary, that Are Supportive of Rule of Law Principles	(.317)
VI	**International Exchange: Freedom to Trade with Foreigners**	**[17.1%]**
	A Taxes on International Trade	
	i Revenue from Taxes on International Trade as a Percent of Exports plus Imports	(.214)
	ii Mean Tariff Rate	(.227)
	iii Standard Deviation of Tariff Rates	(.117)
	B Non-tariff Regulatory Trade Barriers	
	i Percent of International Trade Covered by Non-tariff Trade Restraints	(.198)
	ii Actual Size of Trade Sector Compared to the Expected Size	(.105)
	C Difference between the Official Exchange Rate and the Black Market Rate	(.139)
VII	**Freedom of Exchange in Capital and Financial Markets**	**[17.2%]**
	A Ownership of Banks: Percent of Deposits Held in Privately Owned Banks	(.271)
	B Extension of Credit: Percent of Credit Extended to Private Sector	(.212)
	C Interest Rate Controls and Regulations that Lead to Negative Interest Rates	(.247)
	D Restrictions on the Freedom of Citizens to Engage in Capital Transactions with Foreigners	(.271)

Note: The numbers in the brackets, *e.g.* **[11.0%]**, indicate the percentage weight allocated to each area when the weighted summary rating was derived. The numbers in parentheses, *e.g.* (.500), indicate the weights used to derive the area rating. These weights are derived by principal component analysis.

THE SUMMARY RATINGS

As Exhibit 1 illustrates, the index comprises 25 components designed to identify the consistency of institutional arrangements and policies with economic freedom in seven major areas. The seven areas covered by the index are: (I) size of government, (II) economic structure and use of markets, (III) monetary policy and price stability, (IV) freedom to use alternative currencies, (V) legal structure and security of private ownership, (VI) freedom to trade with foreigners, and (VII) freedom of exchange in capital markets.

Areas I and II are indicators of *reliance on markets* rather than the political process (large government expenditures, state-operated enterprises, price controls, and discriminatory taxes) to allocate resources and determine the distribution of income. Areas III and IV reflect the availability of *sound money.* Area V focuses on the *legal security of property rights and the enforcement of contracts.* Area VI indicates the consistency of policies with *free trade.* Area VII is a measure of the degree to which markets are used to allocate capital. Reliance on markets, sound money, legal protection of property rights, free trade, and market allocation of capital are important elements of economic freedom captured by the index. Of course, we recognize that economic freedom is heterogeneous and highly complex. No single statistic will be able fully and accurately to capture its many facets. However, the index outlined in Exhibit 1 does encompass key ingredients of the concept.

Our work on the measurement of economic freedom is an ongoing project. This publication should be viewed as an interim report. Work on a still more comprehensive index is continuing. The required data are being assembled for the integration of an eighth area–labour market regulation–into the index. This measure will be extended historically back to 1975 in next year's report. Detailed Country Reports providing both comprehensive statistics and descriptive analysis by country will also be included in the next edition.

CONSTRUCTION OF THE INDEX

Counting Czechoslovakia in 1990, 125 nations were included in this study. However, as the result of incomplete data, we were only able to derive summary ratings for 119 countries in 1997 and 111 in 1990. Data were assembled for each of the 25 components of the index. Since we wanted the ratings to be easily comparable across countries and time periods, they were placed on a scale from zero to 10. Higher ratings are indicative of institutions and policies more consistent with economic freedom.

How were the ratings derived? The ratings for 13 of the 25 components in the index reflect various categorical characteristics; those for the remaining 12 are based on continuous data. Countries with categorical characteristics more consistent with economic freedom are given higher ratings. For example, countries with few government enterprises are given higher ratings than those with widespread use of such enterprises. Similarly, countries where price controls are absent (or apply in only a few markets) are given higher ratings than countries where these controls are extensively applied.

Depending on whether higher values are indicative of more or less economic freedom, alternative formulas are used to transform the 12 continuous variables to a zero-to-10 scale. When higher values are indicative of more economic freedom, the formula used to derive the zero-to-10 ratings is: $(V_i - V_{min}) / (V_{max} - V_{min})$ multiplied by 10. V_i is the country's actual value for the component, V_{max} the maximum value for a country during the 1990 base year, and V_{min} the minimum base-year value for the component. This formula is used to derive the ratings for all years. A country's rating will be close to 10 when its value for the component is near the base-year maximum. In contrast, the rating will be near zero when the observation for a country is near the base-year minimum. As the actual values exceed the base-year minimum by larger and larger amounts, ratings will rise from zero toward 10. Whenever the actual value for the component is equal to or greater than the base-year maximum, a rating of 10 is assigned. When the actual value is equal to or less than the base-year minimum, the rating is zero.

Higher actual values are often indicative of less economic freedom. Inflation and size of the trans-

fer sector provide examples. Increases in these variables reflect reductions in economic freedom. When higher values for a component are indicative of less economic freedom, the formula used to derive the zero-to-10 ratings is: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. This formula will assign higher ratings to countries with actual values closer to the base-year minimum. In some cases, component values of zero represent an ideal, a benchmark that should be required for a rating of 10. For example, a zero mean tariff rate and a zero rate of inflation (perfect price stability) are benchmark outcomes representing maximum economic freedom. When zero represents an ideal benchmark value, this value was included as V_{min} in the formula even if no country actually achieved this ideal during the base year. In some cases where extreme component values are present (for example, a 10,000 percent rate of inflation), V_{max} is constrained at a level clearly warranting a rating of zero even if this was not the maximum observed value during the base year. If this had not been done, extreme observations would have created such a large range that the ratings would have been concentrated near 10. The precise formula used to derive the zero-to-10 ratings for each component is presented in the section Explanatory Notes and Data Sources below (page 40).

The procedures used to convert the continuous component values to the zero-to-10 ratings have two important characteristics. First, if all (or most) countries improve (or regress) with the passage of time, the ratings will reflect the change. Second, the distribution of the country ratings along the zero-to-10 scale reflects the distribution of the actual values among the countries.

Principal component analysis was used to determine the weight given to each component in the construction of the area index. This procedure partitions the variance of a set of variables and uses it to determine the linear combination–the weights–of these variables that maximizes the variation of the newly constructed principal component. In effect, the newly constructed principal component–an area rating, for example–is the variable that most fully captures the variation of the underlying components. It is an objective method of combining a set of variables into a single variable that best reflects the original data. The procedure is particularly appropriate when several sub-components measure different elements of a principal component. This is precisely the case with our index. Economic theory is a road map indicating components that are likely to capture various elements of a broader area (a principal component). In turn, principal component analysis indicates the permissibility of grouping components together and the weights most appropriate to combine a set of subcomponents into a principal component. The component weights derived by this procedure are shown in parentheses, *e.g.* (.500), in Exhibit 1. The same procedure was also used to derive the weights for the area components in the construction of what we will refer to as the "weighted" summary index. The weights for each of the seven areas in Exhibit 1 are shown in brackets, *e.g.* **[11.0%]**.

Alternatively, equal weight could have been assigned to each of the seven areas. We also derived summary ratings based on this procedure. We will refer to the summary index that assigns equal weight to each of the seven areas as the "unweighted" summary index. The ratings and rankings derived by these two alternative procedures were quite similar.

THE RESULTS

Exhibit 2 illustrates graphically the 1997 weighted summary index for the 119 countries for which we were able to derive ratings. Exhibit 3 presents the same data for the 1997 unweighted index. Exhibits 4 and 5 present the parallel material for 1990. Additional detail on the components and a graphic presentation of the results for each of the seven areas is presented in the 1997 Area Ratings section. The area ratings allow one to both (a) pinpoint the strengths and weaknesses of various countries and (b) identify country differences in economic freedom in specific areas.

The Appendices provide additional details. Appendix I presents both the 1990 and 1997 component ratings and the actual data on which they were based for each country. Appendix II presents the 1997 area ratings, 1997 summary ratings, and 1990 summary ratings for each country.

Exhibit 2: Weighted Summary Index, 1997

Exhibit 3: Unweighted Summary Index, 1997

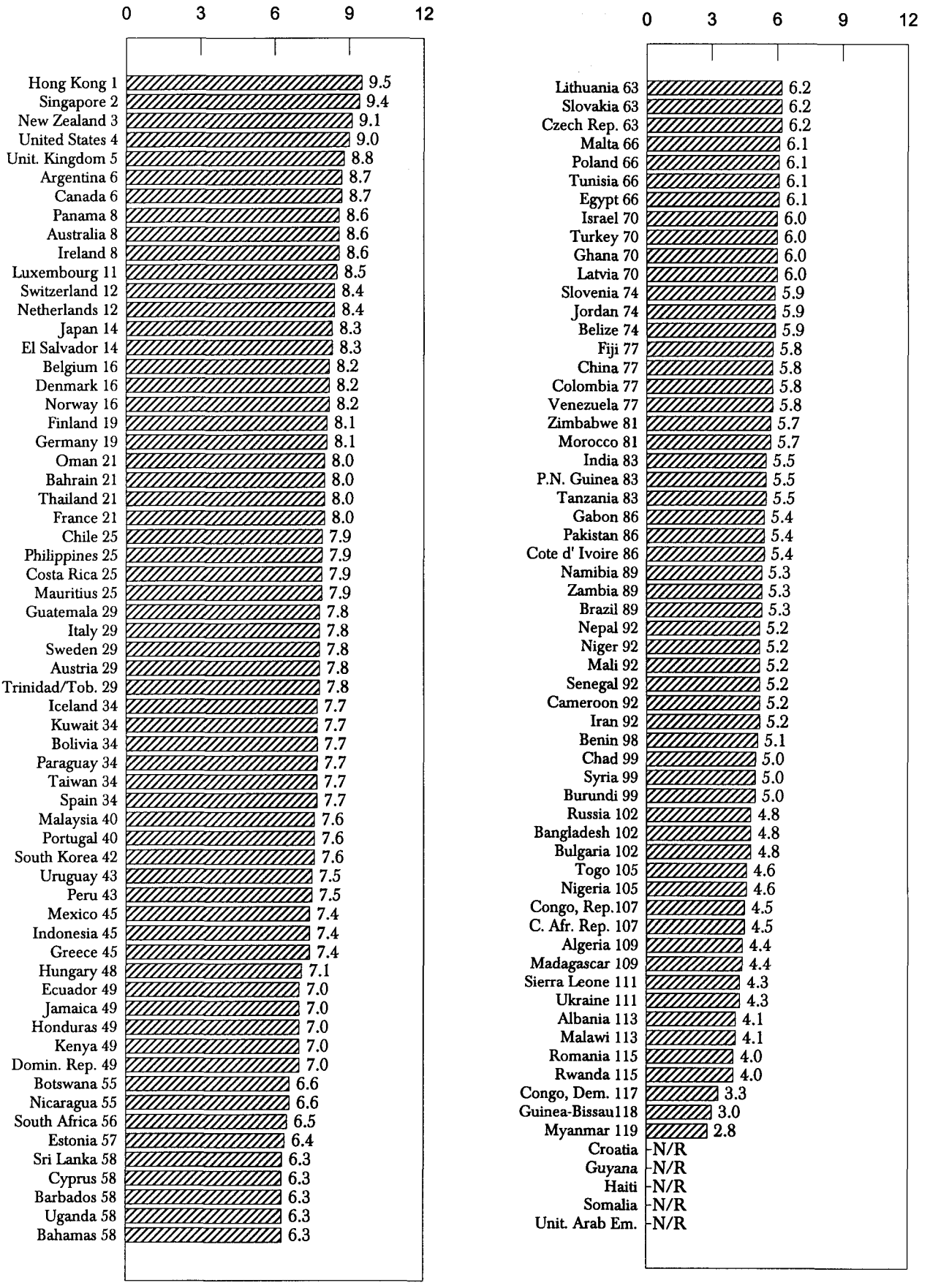


Exhibit 4: Weighted Summary Index, 1990

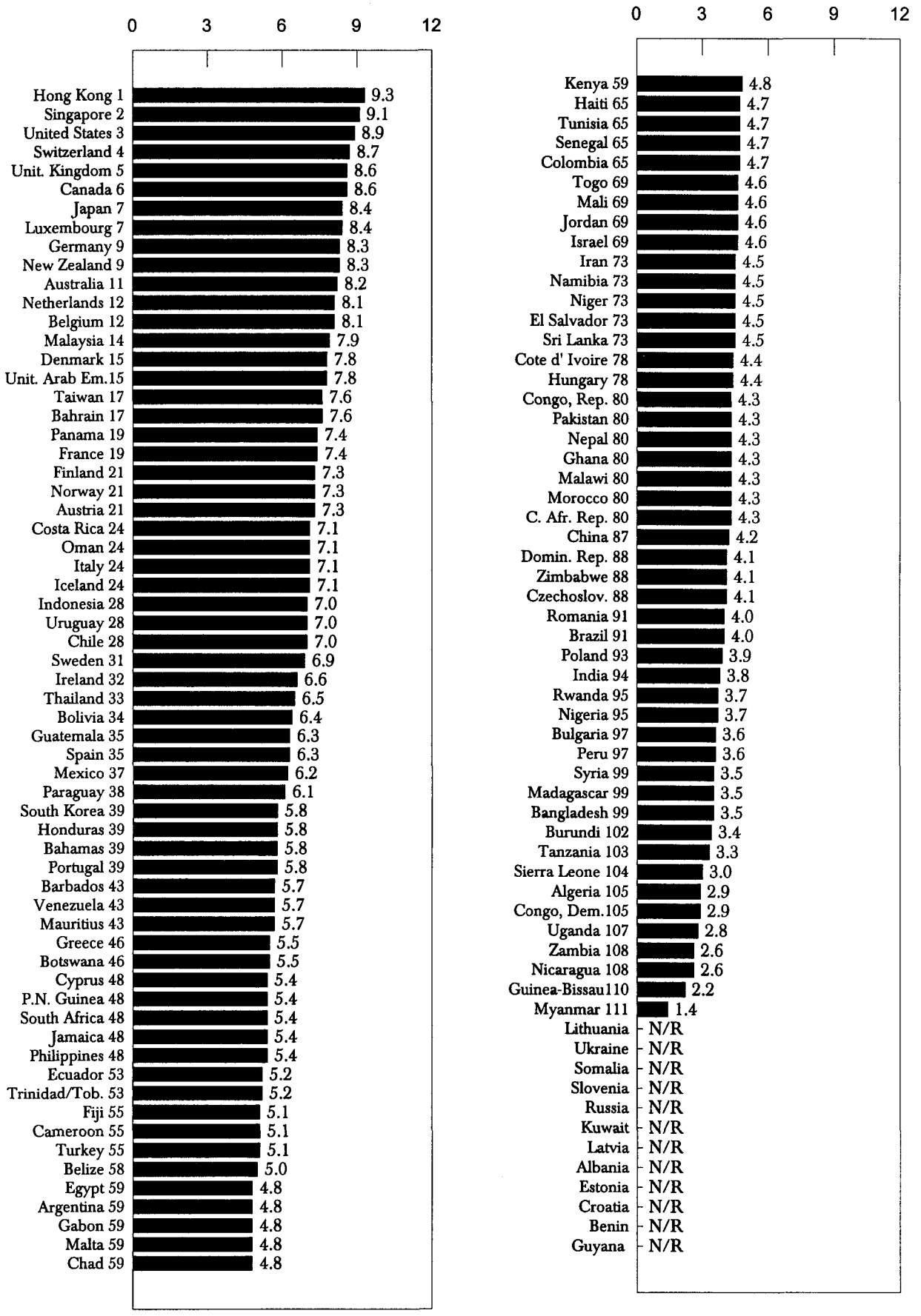
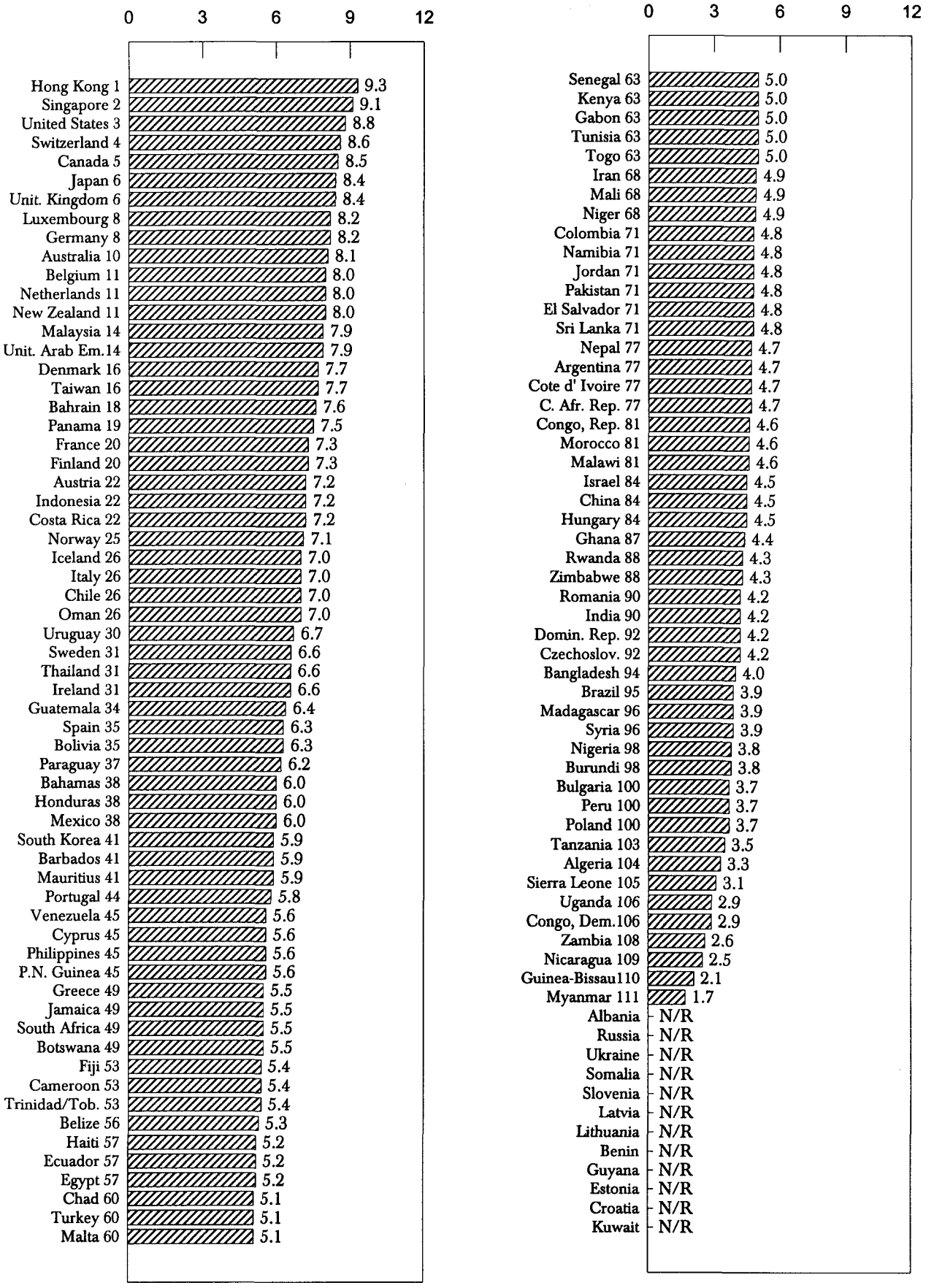


Exhibit 5: Unweighted Summary Index, 1990



1997 Area Ratings

AREA I SIZE OF GOVERNMENT: CONSUMPTION, TRANSFERS, AND SUBSIDIES

A General Government Consumption Expenditures as a Percent of Total Consumption (weight .500)

B Transfers and Subsidies as a Percent of GDP (weight .500)

The two components in this area are indicative of the size of government. When governments focus on core functions that involve (a) the protection of persons and property and (b) the provision of public goods (things like national defence that are difficult to provide via markets), they may enhance economic freedom. Our research on this topic indicates that the core functions, defined very liberally, can be provided with approximately 10 percent of GDP.* As government expenditures expand beyond the core functions, the political process is substituted for the coordination of markets and the security of property rights is eroded. Regardless of whether financed by taxes or borrowing, government spending beyond the minimal core level reduces economic freedom.

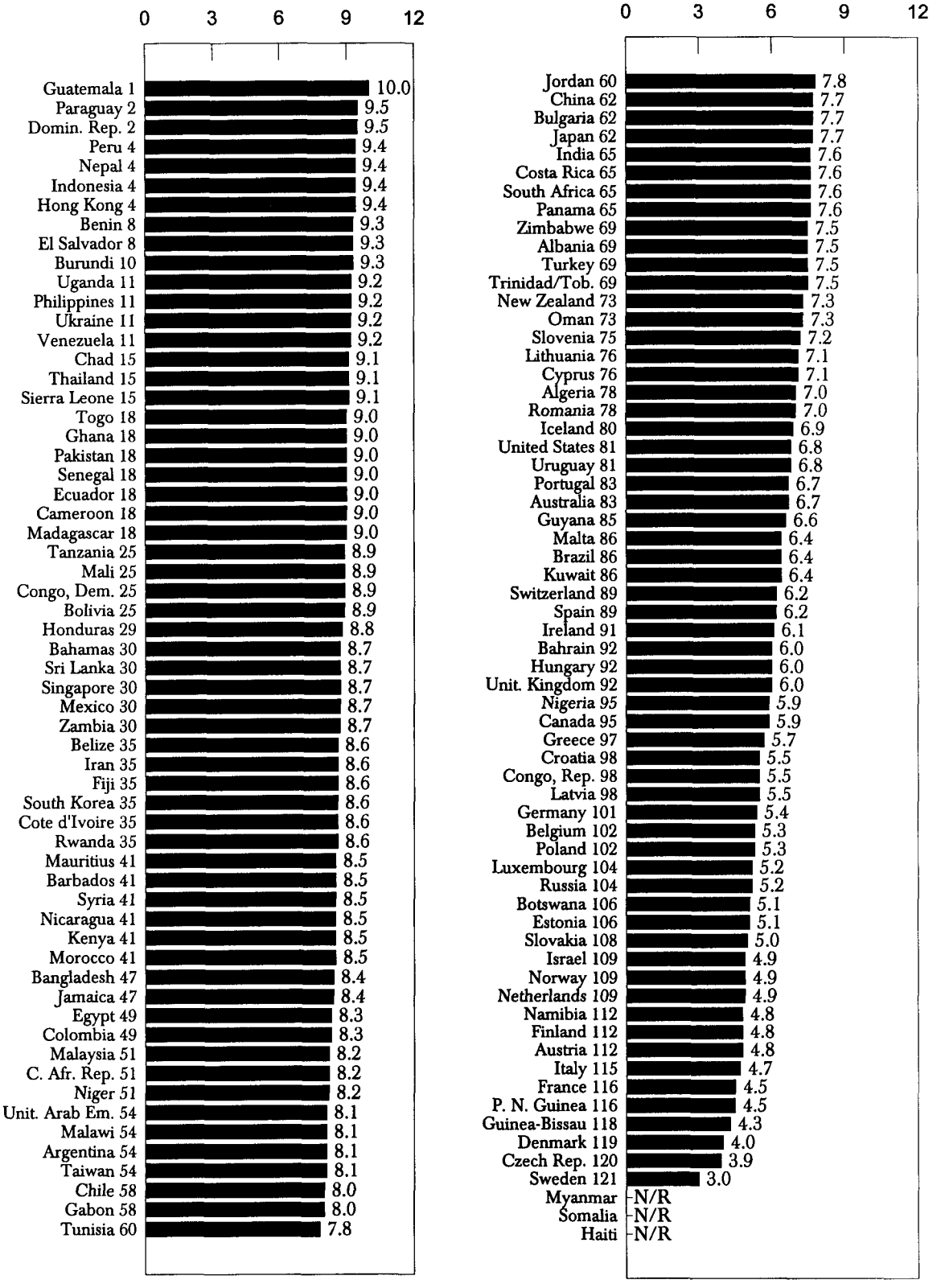
Data for government and private consumption are available for most countries. As government consumption increases relative to total consumption (private plus government), politics supplants personal choice and voluntary exchange. Larger government consumption means less private consumption and less economic freedom. Thus, countries with higher levels of government consumption as a share of the total are given lower ratings for Component I-A.

Transfers and subsidies violate the freedom of individuals to keep the value of their productivity. When governments tax income from one person in order to transfer it to another, usually in an effort to "buy" votes, they are violating the property rights of individuals. Such taking of property (including labour services) without compensation conflicts with economic freedom. The ratio of transfers and subsidies to GDP is a measure of the degree to which governments engage in such activities. As this ratio increases, countries are given a lower rating for Component I-B.

Both of these components are continuous variables for which higher values indicate less economic freedom. The formula used to derive the zero-to-10 country ratings was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. The larger the actual value for the component, the lower the rating. The numbers above in parentheses *e.g.*, (weight .271), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. The 1997 ratings for this area are presented on the following page.

* See James Gwartney, Robert Lawson, and Randall Holcombe, *Size and Functions of Government and Economic Freedom*, (Washington, DC: Joint Economic Committee, 1998). There is no assurance that governments spending a small amount will focus their expenditures on core functions that are, at least potentially, consistent with economic freedom.

Area I Graphic: Size of Government: Consumption, Transfers, and Subsidies, 1997



AREA II STRUCTURE OF THE ECONOMY AND USE OF MARKETS

A	Government Enterprises and Investment as a Share of the Economy	(weight .327)
B	Price Controls: Extent to Which Businesses Are Free to Set Their Own Prices	(weight .335)
C	Top Marginal Tax Rate (and income threshold at which it applies)	(weight .250)
D	The Use of Conscripts to Obtain Military Personnel	(weight .088)

The four components of this area provide information on four important structural characteristics. They indicate the extent to which economic activities are organized via markets rather than government mandates and discriminatory taxes.

State-operated enterprises (SOEs) involve the substitution of political for market decision-making. They are fundamentally different from private businesses. The investment choices of SOEs need not pass the market test. Subsidies, favourable tax treatment, and regulations are often used to protect them from private competitors. Thus, SOEs often continue to survive even when they are inefficient and produce little of value. By way of contrast, bankruptcy would bring such activities to a halt in the market sector. The government enterprise component is a categorical variable. Data on representation of SOEs in various industries and as a share of the total economy were used to classify countries. Government investment as a share of the total was also used to help quantify the size of the state enterprise sector and the role of government in the production process. Countries with relatively few SOEs and small government investment as a share of the total are given higher ratings for Component II-A.

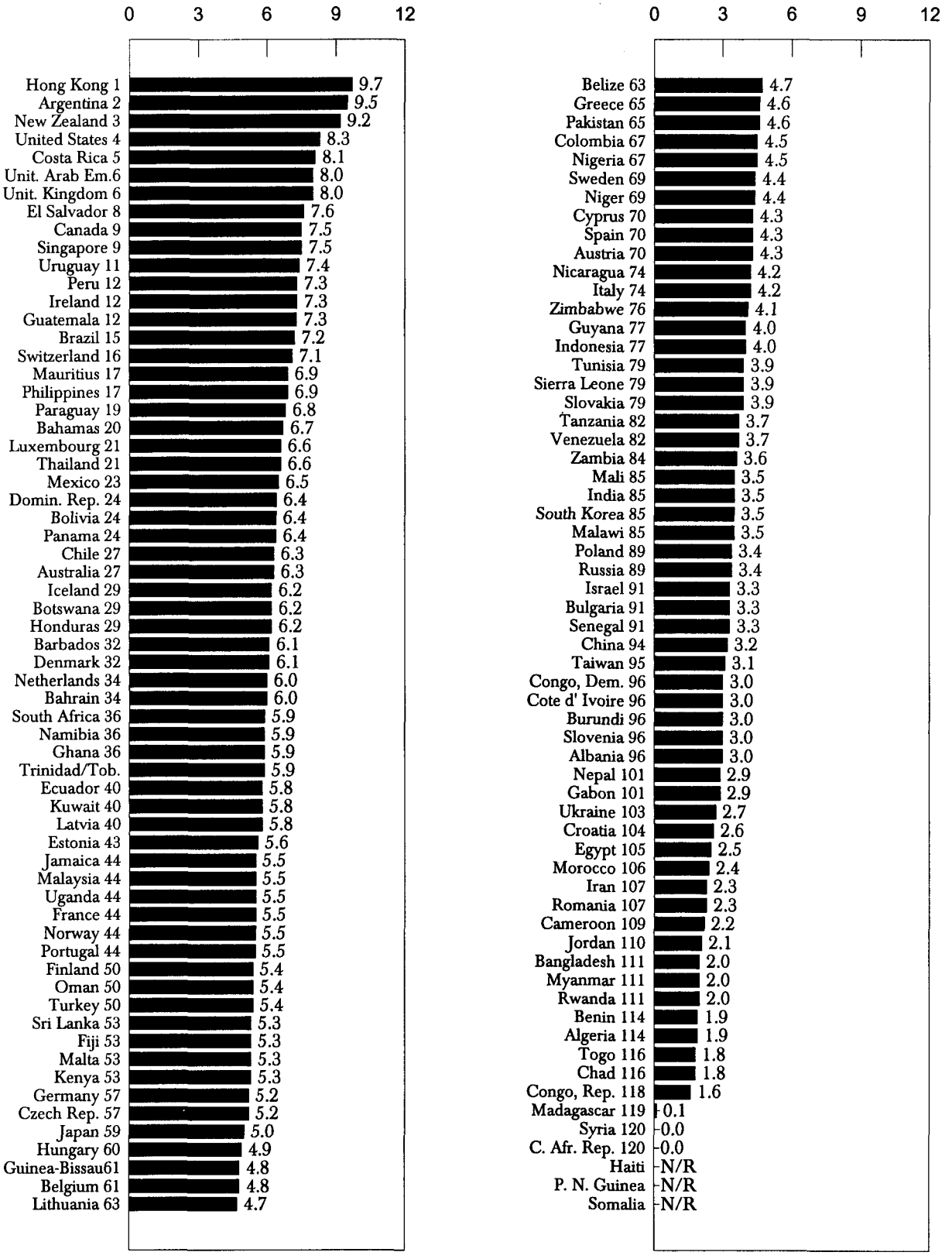
Price controls interfere with the freedom of buyers and sellers to undertake exchanges. In addition, they often reduce the value of assets and thereby take property from rightful owners. Since both restraints on exchange and the taking of property are violations of economic freedom, countries that use price controls more extensively are given lower ratings for Component II-B.

High marginal tax rates discriminate against productive citizens and deny them income that they have rightfully earned. Countries are given lower ratings for Component II-C as they impose higher marginal tax rates that take effect at lower income thresholds.

Conscription denies draftees the property right to their labour services. Countries that rely on market forces to obtain military personnel are given a rating of 10 for Component II-D. Those that use conscription and conscripts for more lengthy time periods are given lower ratings.

The numbers above in parentheses *e.g.*, (weight .327), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. For additional details, see the section on "Explanatory Notes and Data Sources." A graphic illustration of the ratings for this area is presented on the following page.

Area II Graphic: The Structure of the Economy and Use of Markets, 1997



AREA III MONETARY POLICY AND PRICE STABILITY

A Average Annual Growth Rate of the Money Supply during the Last Five Years minus the Growth Rate of Real GDP during the Last 10 Years (weight .349)

B Standard Deviation of the Annual Inflation Rate during the Last Five Years (weight .326)

C Annual Inflation Rate during the Most Recent Year (weight .325)

Monetary policy and price stability are important for the smooth operation of a market economy. The three components in this area are designed to measure the degree to which each country is following a monetary policy consistent with stability in the general level of prices. Taken together, the three components reflect the consistency of domestic monetary policy with *sound money* principles and economic freedom.

Slow growth of the money supply (relative to the economy's long-run real growth) is indicative of monetary policy consistent with price stability. In contrast, rapid monetary expansion will lead to high rates of inflation and uncertainty with regard to the future value of the monetary unit. Thus, countries with low rates of monetary growth relative to real GDP are given higher ratings for Component III-A.

Instability in the general level of prices also generates uncertainty. When the inflation rate changes in an unpredictable manner (for example, when it is 10 percent one year, 40 percent the next, and 20 percent the year after that), it is extremely difficult for individuals and businesses to plan for the future. Since unpredictable changes in the rate of inflation undermine the efficacy of money, countries with the more stable and, therefore, more easily predictable rates of inflation are given higher ratings for Component III-B.

Component III-C is included in order to give countries that have recently moved toward greater price stability credit for this achievement. If it was not included, countries with rising rates of inflation during the last five years (for example, inflation rates of 5 percent, 10 percent, 20 percent, 40 percent, and 80 percent) would receive the same rating as those with declining rates (for example, 80 percent, 40 percent, 20 percent, 10 percent, and 5 percent.) Inclusion of this component provides a remedy for this situation.

All three of the components in this area are continuous variables for which higher values are indicative of less economic freedom. Because price stability is the ideal criterion and exceedingly high rates of inflation reduce the efficacy of our standard formula, it was necessary to alter slightly our usual procedure to derive the zero-to-10 ratings. A country's component rating in this area is equal to: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. For the money growth and inflation components, the upper limit for V_{max} was set at 50 percent, and V_{min} was set equal to zero. Thus, countries with annual money growth and inflation rates close to zero would receive ratings close to 10; those with values near 50 percent would receive ratings near zero. The same procedure was followed for the standard deviation of the inflation rate, except the upper limit for V_{max} was set at 25 percent. The numbers above in parentheses *e.g.*, (weight .349), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. The graphic on the following page indicates the 1997 country ratings for this area.

Area III Graphic: Monetary Policy and Price Stability, 1997

AREA IV FREEDOM TO USE ALTERNATIVE CURRENCIES

A Freedom of Citizens to Own Foreign Currency Bank Accounts Domestically (weight .335)

B Freedom of Citizens to Maintain Foreign Currency Bank Accounts Abroad (weight .357)

C Freedom to Convert Domestic Currency to Foreign Currencies in Order to Engage in Current and Capital Account Transactions (weight .308)

The three components in this area indicate how easy it is to conduct business in other currencies. If the purchasing power of the domestic currency is relatively stable and people have confidence that this will continue in the future, the freedom to use other currencies is generally less significant. However, when these conditions are absent, the freedom to use other currencies, maintain foreign currency bank accounts, and convert the domestic currency to other forms of money is extremely important.

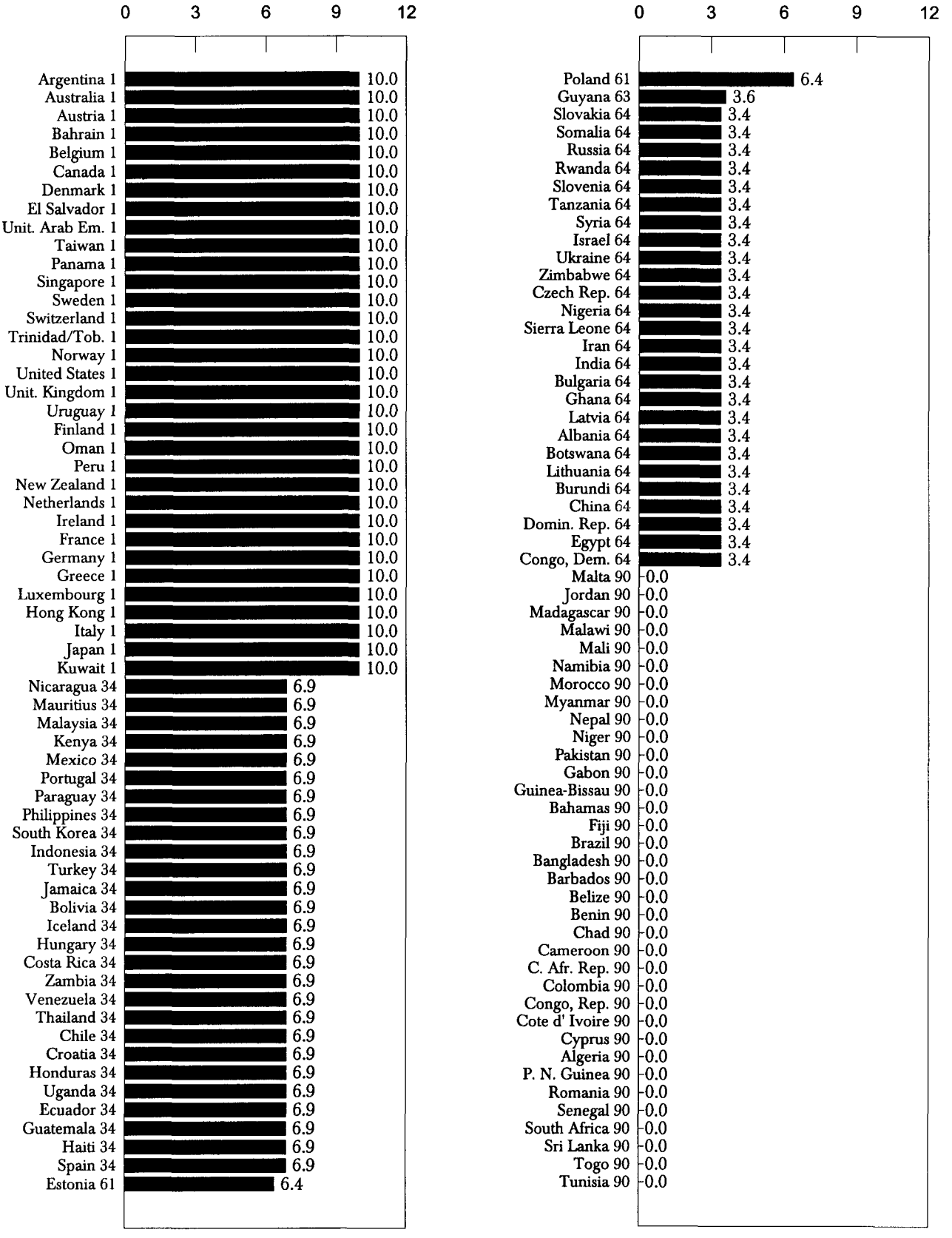
Money offered by other monetary authorities is a substitute for money issued by the government of a given country. When residents are free to maintain bank accounts in foreign currencies, it is easier for them to avoid the uncertainties accompanying an unstable domestic monetary regime. Each of the three components in this area is binary, indicating that the condition is either present or absent (either legal or illegal). Countries that permit their citizens to maintain domestic bank accounts in other currencies freely are given a rating of 10 for Component IV-A. Those that prohibit (or establish various restrictions on) these accounts are given a zero rating.

Ownership of a bank account abroad provides another alternative method of storing purchasing power for future use. From a security standpoint, this option may be preferable to the domestic ownership of a foreign currency account because an account abroad is less vulnerable to confiscation by one's own government. Thus, countries that permit their citizens to maintain bank accounts abroad are given a 10 rating. Those that restrict these accounts are given a zero.

A citizen's ability to use alternative currencies in exchange and as a store of value is reduced substantially if the domestic currency is not freely convertible to other currencies. A currency is considered to be freely convertible if citizens are allowed to conduct both current and capital account foreign exchange transactions without having to obtain special permission from government authorities. Countries with freely convertible currencies are given a rating of 10 for Component IV-C. Those that impose restrictions are rated zero.

The numbers above in parentheses *e.g.*, (weight .335), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. The 1997 ratings for this area are presented on the following page.

Area IV Graphic: Freedom to Use Alternative Currencies, 1997



AREA V LEGAL STRUCTURE AND PROPERTY RIGHTS

A. Legal Security of Private Ownership Rights (Risk of confiscation) (weight .345)

B. Viability of Contracts (Risk of contract repudiation by the government) (weight .339)

C Rule of Law: Legal Institutions, Including Access to a Nondiscriminatory Judiciary, that Are Supportive of Rule of Law Principles (weight .317)

Property rights are crucial to the workings of a market economy and the protection of personal freedom. Without well-defined, secure, property rights, and the rule of law, both the efficiency of markets and the incentive for productive behaviour are severely eroded. More importantly, the absence of these factors undermines economic freedom.

How can the security of property rights and the presence of rule of law be measured? The International Country Risk Guide has tracked the political, financial, and economic risks accompanying business and investment activities in various countries since 1982. Their ratings are published monthly and marketed to businesses, investors, and financial analysts.

While the ratings cover several areas, three of them–risk of expropriation, risk of contact violation, and presence of rule of law–are particularly pertinent to legal structure. The risk of confiscation variable indicates the likelihood that one's property might be expropriated. The component for risk of contracts reflects the degree to which "foreign businesses, contractors, and consultants face the risk of a modification in a contract taking the form of repudiation, postponement, or scaling down." The rule of law variable "reflects the degree to which the citizens of a country are willing to accept the established institutions to make and implement laws and adjudicate disputes." Nations are given a higher score for the rule of law component when "sound political institutions, a strong courts system, and provisions for an orderly succession of power" are present. Lower scores indicate "a tradition of depending on physical force or illegal means to settle claims."

While these ratings involve subjective evaluations on the part of the panel of experts of the PRS Group, the publishers of the Guide, they reflect the views at the time the ratings were made. Their credibility is enhanced by the fact that business decision-makers are willing to pay for them and the rating service has survived in the marketplace for an extended period of time. To date, they appear to be the best available indicator for the soundness of legal structure and security of property over an extended time period.

The original data for Components V-A and V-B were already on a zero-to-10 scale. Component V-C was initially on a zero-to-six scale, which was converted to a zero-to-10 scale. The numbers above in parentheses *e.g.*, (weight .345), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. The ratings for this area are indicated graphically on the following page.

Area V Graphic: Legal Structure and Property Rights, 1997

AREA VI INTERNATIONAL EXCHANGE: FREEDOM TO TRADE WITH FOREIGNERS

A	Taxes on International Trade	(weight .558)
	(i) Revenue from Taxes on International Trade as a Percent of Exports Plus Imports	(weight .214)
	(ii) Mean Tariff Rate	(weight .227)
	(iii) Standard Deviation of Tariff Rates	(weight .117)
B	Non-tariff Regulatory Trade Barriers	(weight .303)
	(i) Percent of International Trade Covered by Non-tariff Trade Restraints	(weight .198)
	(ii) Actual Size of Trade Sector Compared to the Expected Size	(weight .105)
C	Difference between the Official Exchange Rate and the Black Market Rate	(weight .139)

The primary factors limiting the freedom of individuals and businesses in one nation from trading with parties in another are tariffs, non-tariff trade restraints, and exchange rate controls. The components of this area reflect all of these factors.

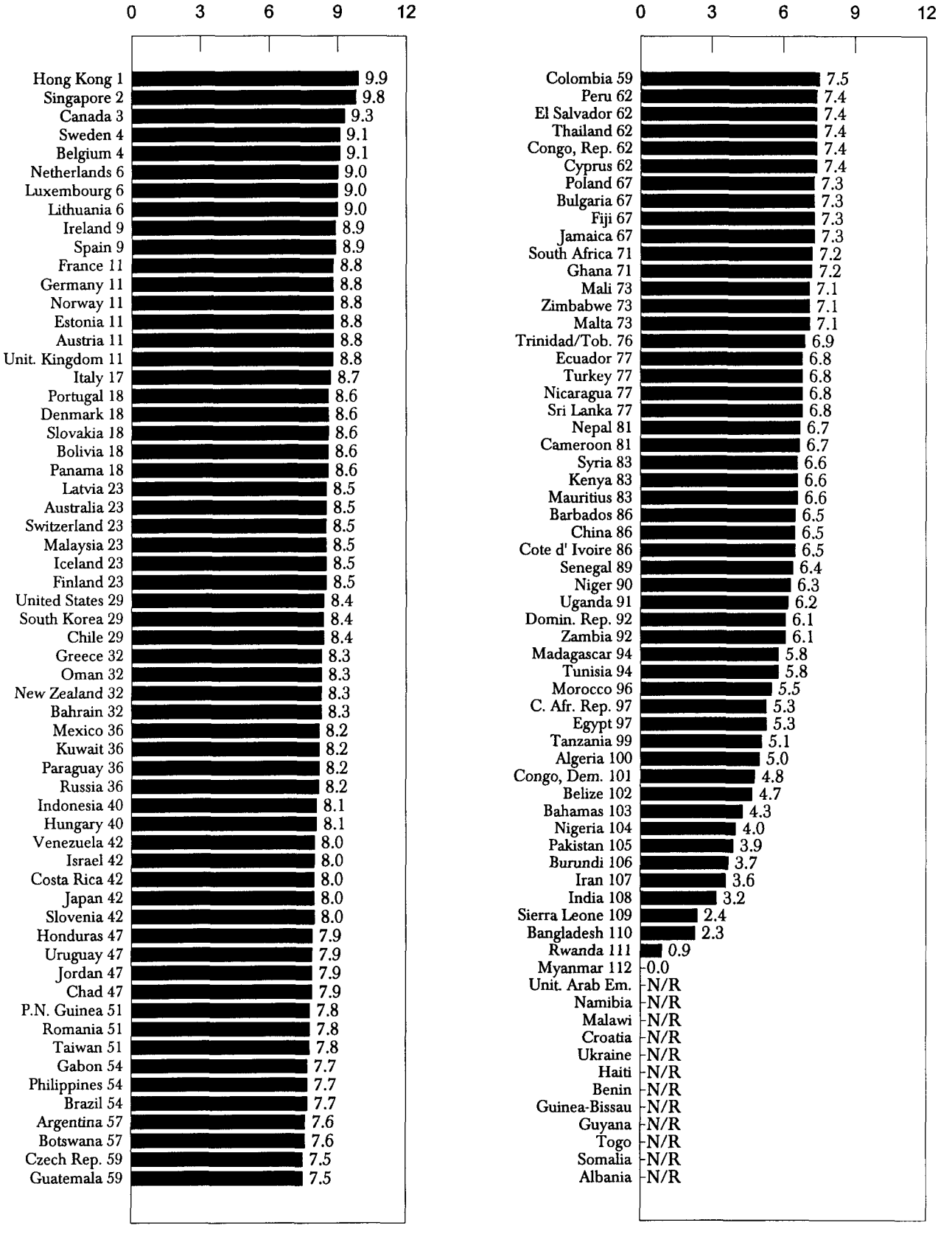
Tariffs and taxes on exports drive a wedge between what the seller receives and what the buyer pays, and thereby limit both trade and economic freedom. Large revenue (from taxes on international trade) relative to the volume of trade is indicative of high tariff rates. However, sometimes this figure can be misleading. Prohibitive tariffs–that is, exceedingly high tariffs that effectively prohibit trade–will raise little or no revenue. Inclusion of the mean and standard deviation components will pick up this factor. Working together, the three tariff-related variables allocate higher ratings to countries with low, uniform tariffs and lower ratings to those with high, widely dispersed tariff rates. Since the latter restrains trade by a larger amount, countries with this tariff rate structure are given lower ratings.

Nations may also restrain trade through the use of quotas, monopoly grants, and various other types of non-tariff trade barriers. The components on the share of international trade covered by non-tariff barriers and the actual size of the trade sector relative to what would be expected (given the country's geographic size, population, and location) will identify nations imposing such restrictions and reduce their rating in this area.

Finally, exchange rate controls can also be a major obstacle to trade. If people are going to trade with outsiders, they must be able to convert their domestic currency to foreign exchange (other currencies). The black market exchange rate indicates the degree to which exchange rate controls limit trade with foreigners. The larger the black market premium, the lower the rating.

All of the variables in this area are continuous. They were transformed to the zero-to-10 scale in the manner previously described. (Note: as in the case of the monetary variables, the presence of two or three extreme observations made it necessary to set upper limits for the range in order to avoid concentration of component ratings near 10. See "Explanatory Notes and Data Sources" for additional details.) The numbers above in parentheses *e.g.*, (weight .558), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. The 1997 ratings for this area are indicated on the following page.

Area VI Graphic: International Exchange: Freedom to Trade with Foreigners, 1997



AREA VII FREEDOM OF EXCHANGE IN CAPITAL AND FINANCIAL MARKETS

A	Ownership of Banks: Percent of Deposits Held in Privately Owned Banks	(weight .271)
B	Extension of Credit: Percent of Credit Extended to Private Sector	(weight .212)
C	Interest Rate Controls and Regulations that Lead to Negative Interest Rates	(weight .247)
D	Restrictions on the Freedom of Citizens to Engage in Capital Transactions with Foreigners	(weight .271)

Taken together, the four components in this area provide a good indication of the degree to which countries use market forces rather than political considerations to allocate capital. When capital is allocated by a private banking sector to private investors at interest rates determined by market forces (including global financial markets), a country will earn a higher rating in this area. The absence of these conditions will lead to lower ratings.

Banks are the major financial intermediaries in most countries. They utilize the savings and chequing deposits of their customers to extend loans, primarily to investors. When banks are owned and operated by the government, political considerations are likely to play a larger role in the allocation of capital. Thus, countries with a large government-owned banking sector are given lower ratings for Component VII-A.

While VII-A indicates who is extending the loans, VII-B reveals to whom they are extended. When market forces are used to allocate capital, most of the credit will be extended to private investors. Thus, the ratings for Component VII-B are directly related to the share of domestic bank credit extended to the private sector. The larger the share of total domestic credit allocated to the private sector, the higher a country's rating.

Governments may also affect the allocation of credit through the imposition of interest rate controls. Interest rate controls coupled with inflationary monetary policy are particularly damaging. When the inflation rate exceeds the fixed interest rate, *negative real* interest rates occur. Countries that follow policies that result in negative real interest rates (and/or wide gaps between the borrowing and lending rates) are given lower ratings. (See the "Explanatory Notes and Data Sources" section for additional details on the ratings for this component.)

Many countries place limitations on domestic investments by foreigners, limit the freedom of their citizens to make investments abroad, or both. The greater the restrictions on the mobility of capital, the lower the rating for this component. (See note for Component VII-D in the "Explanatory Notes and Data Sources" section for additional details.)

The numbers above in parentheses *e.g.*, (weight .271), represent the portion of the area rating that is determined by a specific component. These values were determined by principal component analysis. The area ratings are presented on the following page.

Area VII Graphic: Freedom of Exchange in Capital and Financial Markets, 1997

Explanatory Notes and Data Sources

Explanation of Component Ratings and Sources of Data

I-A

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} represent the maximum and minimum values for this component during the 1990 base year for the countries included in our analysis. Countries with a larger proportion of government expenditures received lower ratings. If the ratio of a country's government consumption to total consumption is close to the minimum value of this ratio during the 1990 base year, the country's rating will be close to 10. In contrast, if this ratio is close to the highest value during the base year, the rating will be close to zero.

Sources

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

I-B

The rating for this component is equal to: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. The V_i is the country's ratio of transfers and subsidies to GDP, while the V_{max} and V_{min} represent the maximum and minimum values of this component during the 1990 base year. The formula will generate lower ratings for countries with larger transfer sectors. When the size of a country's transfer sector approaches that of the country with the largest transfer sector during the base year, the rating of the country will approach zero.

Sources

World Bank, *1997 World Development Indicators CD-ROM*; International Monetary Fund, *International Financial Statistics* (various issues); International Monetary Fund, *Government Finance Statistics Yearbook* (various years); and Inter-American Development Bank, *Economic and Social Progress in Latin America, 1994.*

II-A

Data on the number, composition, and share of output supplied by State-Operated Enterprises (SOEs) and government investment as a share of total investment were used to construct the zero-to-10 ratings. Countries with more government enterprise and government investment received lower ratings. When there were few SOEs and government investment was generally less than 15 percent 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 reduced the effectiveness of competition (e.g., power generation) and government investment was between 15 and 20 percent of the total, countries received a rating of eight. When there were, again, few SOEs other than those involved in energy and other such industries and government investment was between about 20 and 25 percent of the total, countries were rated at seven. When SOEs were present in the energy, transportation, and communication sectors of the economy and government investment was between about 25 and 30 percent of the total, countries were assigned a rating of six. When a substantial

number of SOEs operated in many sectors, including manufacturing, and government investment was generally between 30 and 40 percent of the total, countries received a rating of four. When numerous SOEs operated in many sectors, including retail sales, and government investment was between about 40 and 50 percent of the total, countries were rated at two. A zero rating was assigned when the economy was dominated by SOEs and government investment exceeded 50 percent of the total.

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

II-B — The more widespread the use of price controls, the lower the rating. The survey data of the International Institute for Management Development (IMD), *World Competitiveness Report, 1990* and *1997*, were used to rate the 46 countries (mostly developed economies) covered by this report. For other countries, the Price Waterhouse *Doing Business in . . .* series and other sources were used to categorize countries. Countries were given a rating of 10 if no price controls or marketing boards were present. When price controls were limited to industries where economies of scale may reduce the effectiveness of competition (*e.g.*, power generation), a country was given a rating of eight. When price controls were applied in only a few other industries, such as agriculture, a country was given a rating of six. When price controls were levied on energy, agriculture, and many other stable products that are widely purchased by households, a rating of four was given. When price controls applied to a significant number of products in both agriculture and manufacturing, the rating was two. A rating of zero was given when there was widespread use of price controls throughout various sectors of the economy.

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

II-C — Data on the top marginal tax rates and the income thresholds at which they take effect were used to construct a rating grid. Countries with higher marginal tax rates that take effect at lower income thresholds received lower ratings. The income threshold data were converted from local currency to 1982-84 U.S. dollars (using beginning-of-year exchange rates and the U.S. Consumer Price Index). See *Economic Freedom of the World: 1997 Report*, page 265, for the precise relationship between a country's rating and its top marginal tax and income threshold.

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

II-D — 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 the length of conscription was six months or less, countries were given a rating of five. When the length of conscription was more than six months but not more than twelve months, countries were rated at three. When length of conscription was more than twelve months but not more than eighteen months, countries were assigned a rating of one. When conscription periods exceeded eighteen months, countries were rated zero.

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

III-A — The M1 money supply figures were used to measure the growth rate of the money supply. The rating is equal to: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i represents the average annual growth rate of the money supply during the last five years adjusted for the growth of real GDP during the previous 10 years. The values for V_{min} and V_{max} were set at zero and 50 percent, 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 differs from zero. When the adjusted annual money growth is equal to (or greater than) 50 percent, a rating of zero results.

Sources — World Bank, *1997 World Development Indicators CD-ROM*, with updates from International Monetary Fund, *International Financial Statistics* (various issues).

III-B — The GDP deflator was used as the measure of inflation. 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 percent, 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 percent annually.

Sources — World Bank, *1997 World Development Indicators CD-ROM*, with updates from International Monetary Fund, *International Financial Statistics* (various issues).

III-C — 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 percent, respectively. The lower the rate of inflation, the higher the rating. Countries that achieve perfect price stability earn a perfect 10 rating. As the inflation rate moves toward a 50 percent annual rate, the rating for this component moves toward zero. A zero rating is assigned to all countries with an inflation rate of 50 percent or more.

Sources — World Bank, *1997 World Development Indicators CD-ROM*, with updates from International Monetary Fund, *International Financial Statistics* (various issues).

IV-A; IV-B — When foreign currency bank accounts were permissible without restrictions, the rating was 10; when these accounts were restricted, the rating was zero.

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

IV-C — A 10 rating indicates that citizens are allowed to conduct both current and capital account foreign exchange transactions without having to obtain special permission from the monetary authorities. A zero indicates that there are restrictions on the convertibility of the domestic currency. The most common restrictions on this freedom are repatriation and surrender re-

quirements. Repatriation requirements refer to the obligation of exporters to bring into the country export proceeds either by selling them in the foreign exchange market or depositing them in authorized accounts. Surrender requirements refer to regulations requiring the recipient of export proceeds to sell any foreign exchange proceeds (sometimes at a specified exchange rate) to the central bank or exchange dealers authorized for this purpose.

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

V-A — Countries with less risk of confiscation received higher ratings.

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

V-B — Countries with less risk of contract repudiation by the government received higher ratings.

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

V-C — Countries with legal institutions that were more supportive of the principles of rule of law received higher ratings. The original data were converted to fit a zero-to-10 scale.

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

VI-A (i) — The following formula was used to derive the ratings for this component: $(V_{max} - V_i) / (V_{max} - V_{min})$ 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 percent, 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 percent of international trade, ratings decline toward zero. (Note: 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 percent range.)

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

VI-A (ii) — 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 zero and 50 percent, 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 percent. (Note: except for two or three extreme observations, all countries have mean tariff rates within this zero to 50 percent range.)

Sources — OECD, *Indicators of Tariff and Non-tariff Trade Barriers* (1996); World Bank, *1997 World Development Indicators CD-ROM*; J. Michael Finger, Merlinda D. Ingco, and Ulrich Reincke, *Statistics on Tariff Concessions Given and Received* (1996); Judith M. Dean, Seema Desai, and James Riedel, *Trade Policy Reform in Developing Countries Since 1985: A Review of the Evidence* (1994); GATT, *The Tokyo Round of Multilateral Trade Negotiations, Vol. II: Supplementary Report* (1979); UNCTAD, *Revitalizing Development, Growth and International Trade: Assessment and Policy Options* (1987); R. Erzan and K. Kuwahara, "The Profile of Protection in Developing Countries," *UNCTAD Review* 1: 1 (1989): 29–49; and Inter-American Development Bank (data supplied to the authors).

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VI-A (iii) 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 zero and 25 percent, 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 percent, ratings decline toward zero. (Note: except a few very extreme observations, the standard deviations of the tariff rates for the countries in our study fall within this zero to 25 percent range.)

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

VI-B (i) The formula used to calculate the ratings for this component was: $(V_{max} - V_i) / (V_{max} - V_{min})$ multiplied by 10. V_i indicates the share of the trade sector covered by non-tariff restrictions. During the 1990 base year, this figure ranged from a low of zero to a high of 100 percent. Thus, the values for V_{min} and V_{max} were set at zero and 100 percent, respectively. This formula will allocate a rating of 10 to countries that do not impose non-tariff trade barriers. Ratings will decline toward zero as the share of the trade sector covered by restrictions increases toward 100 percent. Thus, countries with larger percentages of trade subject to non-tariff restraints receive lower ratings.

Sources UNCTAD, *Directory of Import Regimes-Part 1* (1994); World Bank, *1997 World Development Indicators CD-ROM*; Sam Laird and Alexander Yeats, *Quantitative Methods for Trade Barrier Analysis* (1990); OECD, *Indicators of Tariff and Non-tariff Trade Barriers* (1996); and World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994).

VI-B (ii) Regression analysis was used to derive an expected size of the trade sector based on the country's population, geographic size, and location. 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 percent and minus 50 percent, respectively. (Note: minus 50 percent is symmetrical with positive 100 percent.) This procedure allocates higher ratings to countries with large trade sectors compared to what would be expected, given their population, geographic size, and location. On the other hand, countries with small trade sectors relative to the expected size receive lower ratings.

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

VI-C 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 is the country's black market exchange rate premium. The values for V_{min} and V_{max} were set at zero and 50 percent, respectively. This formula will allocate a rating of 10 to countries without a black market exchange rate, *i.e.*, those with a do-

mestic 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 percent. A zero rating is given when the black market premium is equal to or greater than 50 percent.

Sources — Currency Data and Intelligence, Inc., *World Currency Yearbook* (various issues of the yearbook and the monthly report supplement) and International Monetary Fund, *International Financial Statistics* (various issues).

VII-A — 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 totalled between 95 and 100 percent, countries were given a rating of 10. When private deposits constituted between 75 and 95 percent of the total, a rating of eight was assigned. When private deposits were between 40 and 75 percent of the total, the rating was five. When private deposits totalled between 10 and 40 percent, countries received a rating of two. A zero rating was assigned when private deposits were 10 percent or less of the total.

Sources — Euromoney Publications, *The Telrate Bank Register* (various editions); World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (1994); Price Waterhouse, *Doing Business in ...* publication series; H.T. Patrick and Y.C. Park, eds., *The Financial Development of Japan, Korea, and Taiwan: Growth, Repression, and Liberalization* (1994); D.C. Cole and B.F. Slade, *Building a Modern Financial System: The Indonesian Experience* (1996); and information supplied by member institutes of the Economic Freedom Network.

VII-B — For this component, higher values are indicative of greater economic freedom. Thus, the formula used to derive the country ratings for this component was: $(V_i - V_{min}) / (V_{max} - V_{min})$ multiplied by 10. V_i is the share of the country's total domestic credit allocated to the private sector. V_{max} is the maximum value and V_{min} the minimum value for the figure during the 1990 base year. Respectively, these figures were 99.9 percent and 10.0 percent. 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 percent). A rating near zero results when the private sector share of credit is close to the base-year minimum (10.0 percent).

Sources — International Monetary Fund, *International Financial Statistics* (the 1997 yearbook and June 1998 monthly supplement) and *Statistical Yearbook of the Republic of China* (1996).

VII-C — Data on credit market controls and regulations were used to construct rating intervals. Countries with market-determined interest rates, 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 percent) or the differential between the deposit and lending rates was large (8 percent or more), countries received a rating of eight. 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 six. 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 four. When the real deposit or lending rate was persistently negative by a double-digit amount, countries received a rating of two. A zero

rating was assigned when the deposit and lending rates were fixed by the government and real rates were persistently negative by double-digit amounts or hyperinflation had virtually eliminated the credit market.

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

VII-D — Descriptive data on capital market arrangements were used to place countries into rating categories. Countries with more restrictions on foreign capital transactions received lower ratings. When domestic investments by foreigners and foreign investments by citizens were unrestricted, countries were given a rating of 10. When these investments were restricted only in a few industries (*e.g.*, banking, defence, and telecommunications), countries were assigned a rating of eight. When these investments were permitted but regulatory restrictions slowed the mobility of capital, countries were rated at five. When either domestic investments by foreigners or foreign investments by citizens required approval from government authorities, countries received a rating of two. A zero rating was assigned when both domestic investments by foreigners and foreign investments by citizens required government approval.

Sources — International Monetary Fund, *Annual Report on Exchange Arrangements and Exchange Restrictions* (various issues) and Price Waterhouse, *Doing Business in ...* publication series.

Appendix I Component and Area Ratings for 1990 and 1997

Table I Size of Government: Consumption, Transfers, and Subsidies / 48

Table II The Structure of the Economy and the Use of Markets / 52

Table III Monetary Policy and Price Stability / 59

Table IV Freedom to Use Alternative Currencies / 66

Table V Legal Structure and Property Rights / 69

Table VI International exchange: Freedom to Trade with Foreigners / 73

Table VII Freedom of Exchange in Capital and Financial Markets / 79

Table I: Size of Government: Consumption, Transfers, and Subsidies, Component and Area Ratings, 1990 and 1997 (The ratings are in bold. The data used to derive the ratings are in parentheses.)

	1990			1997		
	I-A	I-B		I-A	I-B	
Country	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies	Area Rating	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies[a]	Area Rating
Albania	**5.7** (29.1)	**3.5** (24.3)	**4.6**	**7.1** (22.0)	**7.8** (8.4)	**7.5**
Algeria	**6.9** (22.7)	-	**6.9**	**7.0** (22.1)	-	**7.0**
Argentina	**9.2** (11.0)	**8.2** (7.2)	**8.7**	**8.9** (12.6)	**7.3** (10.3)	**8.1**
Australia	**7.0** (22.1)	**7.2** (10.7)	**7.1**	**7.1** (21.7)	**6.2** (14.4)	**6.7**
Austria	**6.6** (24.3)	**4.0** (22.4)	**5.3**	**6.4** (25.6)	**3.3** (25.2)	**4.8**
Bahamas	**8.3** (15.6)	**9.9** (1.0)	**9.1**	**7.7** (18.9)	**9.7** (1.6)	**8.7**
Bahrain	**3.2** (41.9)	**10.0** (0.5)	**6.6**	**2.0** (48.4)	**10.0** (0.0)	**6.0**
Bangladesh	**8.5** (14.4)	-	**8.5**	**8.4** (15.1)	-	**8.4**
Barbados	**6.9** (22.7)	**10.0** (0.5)	**8.5**	**6.9** (22.7)	**10.0** (0.0)	**8.5**
Belgium	**7.7** (18.8)	**3.3** (25.0)	**5.5**	**7.7** (18.7)	**3.0** (26.3)	**5.3**
Belize	**7.4** (20.2)	**9.8** (1.2)	**8.6**	**7.4** (20.1)	**9.8** (1.2)	**8.6**
Benin	**8.6** (14.0)	-	**8.6**	**9.3** (10.1)	-	**9.3**
Bolivia	**8.3** (15.5)	**9.4** (2.8)	**8.8**	**8.3** (15.6)	**9.5** (2.5)	**8.9**
Botswana	**5.4** (30.5)	**8.3** (6.6)	**6.9**	**2.0** (48.5)	**8.2** (7.2)	**5.1**
Brazil	**7.4** (20.1)	**7.2** (10.7)	**7.3**	**6.8** (23.6)	**6.1** (14.9)	**6.4**
Bulgaria	**6.8** (23.3)	**2.7** (27.2)	**4.8**	**8.7** (13.4)	**6.6** (13.0)	**7.7**
Burundi	**7.6** (19.0)	-	**7.6**	**9.2** (11.0)	**9.4** (2.8)	**9.3**
Cameroon	**8.5** (14.5)	**9.4** (2.7)	**9.0**	**8.4** (15.1)	**9.7** (1.6)	**9.0**
Canada	**6.4** (25.6)	**5.9** (15.6)	**6.1**	**6.5** (25.0)	**5.3** (17.7)	**5.9**
C. African Rep.	**9.5** (9.3)	-	**9.5**	**8.2** (16.1)	-	**8.2**
Chad	**7.7** (18.6)	**9.9** (0.9)	**8.8**	**8.3** (15.5)	**9.9** (0.8)	**9.1**
Chile	**8.7** (13.3)	**7.3** (10.5)	**8.0**	**8.8** (13.2)	**7.2** (10.8)	**8.0**
China		-		**7.7** (18.9)	-	**7.7**
Colombia	**8.7** (13.6)	**9.1** (3.7)	**8.9**	**7.6** (19.1)	**9.0** (4.1)	**8.3**
Congo, Dem. R.	**6.2** (26.4)	**9.9** (0.8)	**8.1**	**7.9** (17.7)[b]	**10.0** (0.2)	**8.9**
Congo, Rep. of	**8.6** (13.9)	-	**8.6**	**5.5** (29.9)	-	**5.5**
Costa Rica	**6.9** (22.8)	**8.8** (5.0)	**7.8**	**6.9** (22.8)	**8.2** (7.0)	**7.6**
Cote d'Ivoire	**7.0** (22.1)	-	**7.0**	**8.6** (14.0)	-	**8.6**
Croatia		-		**5.2** (31.8)	**5.9** (15.5)	**5.5**
Cyprus	**7.0** (22.4)	**7.9** (8.3)	**7.4**	**6.9** (22.8)	**7.3** (10.3)	**7.1**
Czech Rep.				**5.4** (30.7)	**2.3** (28.6)	**3.9**
Czechoslovakia	**5.5** (29.9)	**0.0** (37.2)	**2.8**		-	
Denmark	**5.0** (32.8)	**4.0** (22.6)	**4.5**	**5.2** (31.8)	**2.9** (26.5)	**4.0**
Dominican Rep.	**10.0** (6.9)	**9.7** (1.5)	**9.8**	**9.3** (10.1)	**9.7** (1.7)	**9.5**
Ecuador	**9.1** (11.2)	**9.5** (2.3)	**9.3**	**8.3** (15.8)	**9.7** (1.5)	**9.0**

	1990			1997		
	I-A	I-B		I-A	I-B	
Country	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies	Area Rating	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies[a]	Area Rating
Egypt	**8.9** (12.3)	**7.7** (8.9)	**8.3**	**9.0** (12.1)	**7.7** (8.9)	**8.3**
El Salvador	**9.1** (11.4)	**9.8** (1.4)	**9.4**	**9.3** (10.1)	**9.3** (2.9)	**9.3**
Estonia		-		**3.4** (41.1)	**6.9** (12.0)	**5.1**
Fiji	**7.5** (19.6)	**9.9** (1.0)	**8.7**	**7.9** (17.9)	**9.3** (2.9)	**8.6**
Finland	**5.8** (28.5)	**5.8** (16.0)	**5.8**	**5.7** (28.9)	**3.9** (22.8)	**4.8**
France	**6.9** (23.1)	**3.3** (25.2)	**5.1**	**6.5** (24.7)	**2.4** (28.4)	**4.5**
Gabon	**5.8** (28.8)	**9.8** (1.2)	**7.8**	**6.2** (26.5)	**9.8** (1.2)	**8.0**
Germany	**6.4** (25.2)	**5.3** (17.9)	**5.9**	**6.4** (25.6)	**4.3** (21.3)	**5.4**
Ghana	**9.1** (11.6)	**9.4** (2.6)	**9.2**	**8.7** (13.3)	**9.2** (3.3)	**9.0**
Greece	**7.9** (17.5)	**3.7** (23.8)	**5.8**	**8.0** (16.9)	**3.4** (24.6)	**5.7**
Guatemala	**9.8** (7.5)	**9.6** (1.8)	**9.7**	**10.0** (5.6)	**10.0** (0.5)	**10.0**
Guinea-Bissau	**2.4** (46.2)[b]	-	**2.4**	**4.3** (36.3)[b]	-	**4.3**
Guyana	**7.8** (18.3)	-	**7.8**	**6.6** (24.2)	-	**6.6**
Haiti	**9.6** (8.8)	-	**9.6**		-	
Honduras	**8.3** (15.8)	**9.5** (2.2)	**8.9**	**8.6** (14.2)	**9.0** (4.0)	**8.8**
Hong Kong	**9.0** (11.7)	**9.9** (0.9)	**9.5**	**8.9** (12.5)	**9.8** (1.1)	**9.4**
Hungary	**8.5** (14.7)	**2.3** (28.7)	**5.4**	**8.8** (13.2)	**3.3** (25.0)	**6.0**
Iceland	**6.6** (24.4)	**7.4** (10.1)	**7.0**	**6.5** (25.0)	**7.4** (10.2)	**6.9**
India	**8.4** (15.2)	**8.4** (6.5)	**8.4**	**6.7** (23.9)	**8.5** (6.0)	**7.6**
Indonesia	**8.6** (14.2)	**9.6** (2.0)	**9.1**	**9.2** (11.1)	**9.7** (1.6)	**9.4**
Iran	**8.5** (14.7)	**8.9** (4.4)	**8.7**	**7.9** (17.9)	**9.4** (2.8)	**8.6**
Ireland	**7.3** (20.6)	**5.4** (17.3)	**6.4**	**7.2** (21.1)	**5.0** (18.8)	**6.1**
Israel	**5.0** (32.9)	**5.6** (16.7)	**5.3**	**5.1** (32.4)	**4.7** (19.8)	**4.9**
Italy	**7.0** (22.1)	**3.1** (25.8)	**5.1**	**7.2** (21.1)	**2.1** (29.4)	**4.7**
Jamaica	**8.1** (16.8)	**9.6** (2.0)	**8.8**	**7.8** (18.2)	**9.1** (3.9)	**8.4**
Japan	**8.7** (13.7)	**7.0** (11.5)	**7.8**	**8.6** (14.1)	**6.8** (12.2)	**7.7**
Jordan	**7.1** (21.6)	**9.1** (3.7)	**8.1**	**6.3** (26.0)	**9.4** (2.7)	**7.8**
Kenya	**6.9** (23.1)	**9.4** (2.8)	**8.1**	**7.5** (19.9)	**9.6** (1.9)	**8.5**
Kuwait	**3.7** (39.7)	**9.1** (3.7)	**6.4**	**3.6** (40.0)	**9.1** (3.8)	**6.4**
Latvia		-		**6.2** (17.2)	**4.8** (19.7)	**5.5**
Lithuania		-		**6.9** (22.6)	**7.2** (10.7)	**7.1**
Luxembourg	**6.9** (22.9)	**2.9** (26.6)	**4.9**	**7.1** (21.6)	**3.3** (25.2)	**5.2**
Madagascar	**8.5** (14.6)[b]	**9.8** (1.4)	**9.1**	**8.2** (15.9)[b]	**9.8** (1.3)	**9.0**
Malawi	**8.1** (16.8)	**9.5** (2.4)	**8.8**	**8.1** (16.6)	-	**8.1**
Malaysia	**7.3** (21.0)	**9.5** (2.4)	**8.4**	**7.5** (19.9)	**8.9** (4.7)	**8.2**
Mali	**8.5** (14.3)	**10.0** (0.6)	**9.3**	**8.9** (12.5)	-	**8.9**
Malta	**7.1** (21.9)	**5.9** (15.6)	**6.5**	**6.4** (25.2)	**6.3** (14.1)	**6.4**
Mauritius	**8.4** (15.2)	**9.0** (4.2)	**8.7**	**8.3** (15.7)	**8.8** (4.9)	**8.5**
Mexico	**9.3** (10.6)	**9.4** (2.7)	**9.3**	**8.8** (13.2)	**8.6** (5.5)	**8.7**
Morocco	**7.6** (19.1)	**9.5** (2.3)	**8.6**	**7.7** (18.8)	**9.4** (2.8)	**8.5**

	1990			1997		
	I-A	I-B		I-A	I-B	
Country	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies	Area Rating	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies[a]	Area Rating
Myanmar		-			-	
Namibia	**4.1** (37.4)	**9.3** (3.2)	**6.7**	**4.8** (33.6)	-	**4.8**
Nepal	**8.9** (12.6)	-	**8.9**	**9.4** (9.7)	-	**9.4**
Netherlands	**7.5** (19.8)	**2.3** (28.7)	**4.9**	**7.7** (18.9)	**2.2** (29.1)	**4.9**
New Zealand	**7.1** (21.6)	**2.6** (27.5)	**4.9**	**7.7** (18.8)	**6.9** (12.0)	**7.3**
Nicaragua	**5.0** (32.9)	**8.3** (6.8)	**6.6**	**8.5** (14.7)	**8.5** (6.0)	**8.5**
Niger	**8.3** (15.7)	-	**8.3**	**8.2** (16.3)	-	**8.2**
Nigeria	**6.9** (23.1) [b]	-	**6.9**	**5.9** (28.1) [b]	-	**5.9**
Norway	**5.7** (29.3)	**2.7** (27.3)	**4.2**	**5.5** (30.1)	**4.2** (21.8)	**4.9**
Oman	**0.0** (58.8)	**9.3** (2.9)	**4.7**	**4.8** (33.9)	**9.8** (1.1)	**7.3**
Pakistan	**7.9** (17.5)	**8.9** (4.4)	**8.4**	**8.5** (14.3)	**9.4** (2.7)	**9.0**
Panama	**7.1** (21.8)	**8.1** (7.4)	**7.6**	**6.8** (23.2)	**8.3** (6.7)	**7.6**
Pap. New Guinea	**5.6** (29.6)	**9.1** (3.8)	**7.4**	**4.5** (35.3)	-	**4.5**
Paraguay	**9.8** (7.7)	**9.6** (1.8)	**9.7**	**9.6** (8.7)	**9.3** (3.0)	**9.5**
Peru	**9.8** (7.6)	**9.3** (3.0)	**9.6**	**9.3** (10.2)	**9.4** (2.8)	**9.4**
Philippines	**8.9** (12.4)	**9.9** (0.9)	**9.4**	**8.4** (15.1)	**9.9** (0.7)	**9.2**
Poland	**5.8** (28.7)	**2.7** (27.4)	**4.2**	**7.1** (21.6)	**3.5** (24.4)	**5.3**
Portugal	**7.3** (21.0)	**5.9** (15.5)	**6.6**	**6.9** (22.6)	**6.5** (13.4)	**6.7**
Romania	**7.9** (17.9)	**5.1** (18.6)	**6.5**	**7.8** (18.1)	**6.2** (14.6)	**7.0**
Russia	**5.3** (31.4)	**2.0** (30.0)	**3.6**	**5.7** (29.0)	**4.7** (20.0)	**5.2**
Rwanda	**8.2** (16.0)	**9.2** (3.5)	**8.7**	**7.8** (18.4) [b]	**9.5** (2.2)	**8.6**
Senegal	**8.2** (15.9)	-	**8.2**	**9.0** (11.7)	-	**9.0**
Sierra Leone	**9.9** (7.3)	**9.7** (1.6)	**9.8**	**9.3** (10.5)	**9.0** (4.3)	**9.1**
Singapore	**7.6** (19.1)	**9.4** (2.6)	**8.5**	**7.8** (18.0)	**9.6** (1.8)	**8.7**
Slovakia		-		**5.0** (32.7)	-	**5.0**
Slovenia	**6.3** (25.9)	-	**6.3**	**6.3** (26.0)	**8.2** (7.1)	**7.2**
Somalia		-			-	
South Africa	**6.3** (26.1)	**8.8** (4.8)	**7.6**	**6.5** (25.0)	**8.7** (5.3)	**7.6**
South Korea	**8.2** (15.9)	**9.3** (2.9)	**8.8**	**8.0** (17.2)	**9.2** (3.6)	**8.6**
Spain	**7.5** (19.9)	**5.8** (16.0)	**6.6**	**7.3** (20.6)	**5.0** (18.9)	**6.2**
Sri Lanka	**9.1** (11.2)	**8.5** (6.0)	**8.8**	**8.9** (12.4)	**8.5** (5.9)	**8.7**
Sweden	**4.6** (35.0)	**2.0** (29.9)	**3.3**	**4.9** (33.4)	**1.2** (32.8)	**3.0**
Switzerland	**7.6** (19.1)	**5.8** (16.0)	**6.7**	**7.4** (20.0)	**5.0** (18.9)	**6.2**
Syria	**8.0** (17.0)	-	**8.0**	**8.5** (14.4)	-	**8.5**
Taiwan	**6.7** (23.9)	**8.9** (4.7)	**7.8**	**7.6** (19.3)	**8.5** (5.9)	**8.1**
Tanzania	**7.4** (20.3)	-	**7.4**	**8.9** (12.2)	-	**8.9**
Thailand	**8.6** (14.2)	**9.9** (1.0)	**9.2**	**8.3** (15.7)	**9.9** (1.0)	**9.1**
Togo	**8.2** (16.2)	-	**8.2**	**9.0** (11.8)	-	**9.0**
Trinidad/Tob.	**6.9** (23.0)	**7.4** (10.0)	**7.1**	**6.6** (24.2)	**8.4** (6.2)	**7.5**
Tunisia	**7.4** (20.3)	**7.7** (9.0)	**7.5**	**7.3** (20.9)	**8.3** (6.9)	**7.8**

	1990			1997		
	I-A	I-B		I-A	I-B	
Country	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies	**Area Rating**	Gov't Cons. As a Percent of Total Cons.	Transfers and Subsidies[a]	**Area Rating**
Turkey	**8.6** (13.8)	**9.1** (3.9)	**8.9**	**8.5** (14.6)	**6.6** (13.0)	**7.5**
Uganda	**9.6** (8.8)	-	**9.6**	**9.2** (11.0)	-	**9.2**
Ukraine	**6.9** (23.0)	-	**6.9**	**9.2** (10.9)	-	**9.2**
Unit. Arab Em.	**5.5** (30.1)	**9.8** (1.2)	**7.7**	**6.3** (26.0)	**9.9** (1.0)	**8.1**
United Kingdom	**6.6** (24.6)	**6.1** (14.9)	**6.3**	**6.6** (24.3)	**5.3** (17.7)	**6.0**
United States	**7.4** (20.3)	**6.7** (12.7)	**7.0**	**7.3** (20.9)	**6.3** (14.1)	**6.8**
Uruguay	**8.1** (16.8)	**6.9** (12.0)	**7.5**	**8.4** (14.8)	**5.1** (18.3)	**6.8**
Venezuela	**9.0** (11.9)	**8.6** (5.8)	**8.8**	**9.6** (8.6)	**8.7** (5.1)	**9.2**
Zambia	**6.9** (23.1)	**8.9** (4.5)	**7.9**	**8.0** (17.1)	**9.4** (2.6)	**8.7**
Zimbabwe	**5.9** (28.3)	**8.4** (6.2)	**7.2**	**7.5** (19.9)	-	**7.5**

[a] If the 1997 data were unavailable, the figures for the most recent year available were used to derive the rating.

[b] Figures are based on government expenditures as a share of GDP.

Table II: The Structure of the Economy and the Use of Markets, Component and Area Ratings, 1990 and 1997 (The ratings are in bold. The data used to derive the ratings are in parentheses.)

	1990								
	II-A		II-B		II-C		II-D		
Country	Government Enterprises[a]		Price Controls[b]		Top Marginal Tax Rate[c]		Military Conscription[d]		Area Rating
Albania	**0**		**0**			-	**0**	(36)	**0.0**
Algeria	**0**	(57.6)	**2**			-	**1**	(18)	**1.0**
Argentina	**6**	(30.0)	**0**		**7**	(35)	**1**	(14)	**3.8**
Australia	**6**	(25.2)	**6**	(7.2)	**3**	(49)	**10**	(NC)	**5.6**
Austria	**2**		**5**	(6.5)	**4**	(50)	**5**	(6)	**3.8**
Bahamas	**2**		**4**		**10**	(0)	**10**	(NC)	**5.4**
Bahrain	**4**		**4**		**10**	(0)	**10**	(NC)	**6.0**
Bangladesh	**2**	(47.1)	**0**			-	**10**	(NC)	**2.0**
Barbados	**6**		**6**		**4**	(50)	**10**	(NC)	**5.9**
Belgium	**6**	(27.0)	**2**	(5.0)	**2**	(55-61)	**3**	(10)	**3.4**
Belize	**2**	(55.5)	**0**		**4**	(45)	**10**	(NC)	**2.5**
Benin	**2**	(42.9)				-	**1**	(18)	**N/R**
Bolivia	**2**	(64.9)	**6**		**10**	(10)	**3**	(12)	**5.4**
Botswana	**2**		**6**		**3**	(50)	**10**	(NC)	**4.3**
Brazil	**6**	(24.9)	**0**	(3.1)	**9**	(25)	**3**	(12)	**4.5**
Bulgaria	**0**	(64.0)	**0**			-	**0**	(36)	**0.0**
Burundi	**0**	(82.5)	**0**			-	**10**	(NC)	**1.2**
Cameroon	**4**	(32.0)	**0**		**1**	(60)	**10**	(NC)	**2.4**
Canada	**6**	(19.8)	**8**	(8.4)	**5**	(42-47)	**10**	(NC)	**6.8**
C. African Rep.	**0**	(51.8)	**0**			-	**0**	(24)	**0.0**
Chad	**0**	(94.0)	**4**			-	**0**	(36)	**1.8**
Chile	**6**	(21.2)	**8**		**3**	(50)	**0**	(24)	**5.4**
China	**0**	(61.8)	**2**		**5**	(45)	**0**	(36-48)	**1.9**
Colombia	**2**	(43.9)	**6**		**8**	(30)	**0**	(24)	**4.7**
Congo, Dem. R.	**2**	(31.1)	**2**		**1**	(60)	**10**	(NC)	**2.5**
Congo, Rep. of	**0**		**0**		**4**	(50)	**10**	(NC)	**1.9**
Costa Rica	**7**	(21.0)	**6**		**9**	(25)	**10**	(NC)	**7.4**
Cote d' Ivoire	**0**	(52.5)	**0**		**4**	(45)	**5**	(6)	**1.4**
Croatia			**0**			-			**N/R**
Cyprus	**8**		**0**		**0**	(62)	**0**	(29)	**2.6**
Czech Rep.						-			**N/R**
Czechoslovakia	**0**		**0**		**4**	(55)	**0**	(24)	**1.0**
Denmark	**6**	(20.3)	**6**	(7.4)	**0**	(68)	**3**	(9-12)	**4.2**
Dominican Rep.	**4**	(28.5)	**4**		**0**	(73)	**10**	(NC)	**3.5**
Ecuador	**4**	(38.9)	**0**		**5**	(40)	**3**	(12)	**2.8**
Egypt	**0**	(55.5)	**2**		**2**	(65)	**0**	(36)	**1.2**
El Salvador	**8**	(20.0)	**4**		**2**	(60)	**0**	(24)	**4.5**
Estonia			**0**			-	**0**	(24-36)	**N/R**
Fiji	**2**	(62.0)	**6**		**3**	(50)	**10**	(NC)	**4.3**
Finland	**6**	(29.3)	**6**	(7.3)	**0**	(63-69)	**3**	(8-11)	**4.2**

	1990				
	II-A	**II-B**	**II-C**	**II-D**	
Country	Government Enterprises[a]	Price Controls[b]	Top Marginal Tax Rate[c]	Military Conscription[d]	**Area Rating**
France	**4** (35.0)	**6** (7.2)	**3** (53)	**3** (12)	**4.3**
Gabon	**4**	**0**	**1** (60)	**10** (NC)	**2.4**
Germany	**6** (24.0)	**9** (8.9)	**3** (56)	**1** (15)	**5.8**
Ghana	**2** (25.0)	**0**	**2** (55)	**10** (NC)	**2.0**
Greece	**2** (37.5)	**0** (4.2)	**4** (50)	**0** (24)	**1.7**
Guatemala	**8** (21.0)	**6**	**7** (34)	**0** (30)	**6.4**
Guinea-Bissau	**4**	**0**	-	**3** [e]	**2.1**
Guyana	**0**		-	**10** (NC)	**N/R**
Haiti	**6** (42.0)	**2**	**9** (30)	**10** (NC)	**5.8**
Honduras	**6** (32.0)	**4**	**5** (46)	**0** (24)	**4.6**
Hong Kong	**10** (13.2)	**10** (9.1)	**9** (25)	**10** (NC)	**9.7**
Hungary	**0** (68.5)	**6**	**3** (50)	**1** (18)	**2.8**
Iceland	**7** (22.2)	**6**	**5** (40)	**10** (NC)	**6.4**
India	**0** (42.3)	**3** (5.7)	**2** (53)	**10** (NC)	**2.4**
Indonesia	**4** (32.1)	**6** (7.4)	**7** (35)	**0** (24)	**5.1**
Iran	**2** (42.2)	**2**	**0** (75)	**0** (24-30)	**1.3**
Ireland	**8** (11.8)	**7** (7.8)	**1** (58)	**10** (NC)	**6.1**
Israel	**2**	**0**	**4** (51)	**0** (24-36)	**1.7**
Italy	**4** (30.3)	**5** (6.7)	**1** (66)	**3** (12)	**3.5**
Jamaica	**4** (21.3)	**4**	**7** (33)	**10** (NC)	**5.3**
Japan	**8** (20.4)	**6** (7.0)	**2** (65)	**10** (NC)	**6.0**
Jordan	**0**	**2**	**5** (45)	**10** (NC)	**2.8**
Kenya	**2** (44.5)	**2**	**3** (50)	**10** (NC)	**3.0**
Kuwait	**2** (46.0)		-	**0** (24)	**N/R**
Latvia		**0**	-	**0** (24-36)	**N/R**
Lithuania		**0**	-	**0** (24-36)	**N/R**
Luxembourg	**8** (19.2)	**2** (5.0)	**1** (56)	**10** (NC)	**4.4**
Madagascar	**0**	**0**	-	**1** (18)	**0.1**
Malawi	**0** (45.3)	**0**	**3** (50)	**10** (NC)	**1.6**
Malaysia	**4** (35.8)	**5** (6.8)	**6** (45)	**10** (NC)	**5.4**
Mali	**4**	**0**	-	**0** (24)	**1.7**
Malta	**6** (28.8)	**0**	**0** (65)	**10** (NC)	**2.8**
Mauritius	**6** (30.8)	**4**	**7** (35)	**10** (NC)	**5.9**
Mexico	**4** (23.2)	**0** (3.3)	**7** (40)	**5** [f]	**3.5**
Morocco	**0** (41.8)	**0**	**0** (87)	**1** (18)	**0.1**
Myanmar	**2** (45.0)	**0**	-	**10** (NC)	**2.0**
Namibia	-	**2**	-	**10** (NC)	**N/R**
Nepal	**2** (43.2)	**2**	-	**10** (NC)	**2.9**
Netherlands	**6** (25.0)	**7** (7.7)	**0** (72)	**1** (14-17)	**4.4**
New Zealand	**7** (23.9)	**9** (8.8)	**7** (33)	**10** (NC)	**7.9**

	1990								
	II-A		II-B		II-C		II-D		
Country	Government Enterprises[a]		Price Controls[b]		Top Marginal Tax Rate[c]		Military Conscription[d]		Area Rating
Nicaragua	0	(52.1)	0			-	0	(24)	0.0
Niger	6		0			-	0	(24)	2.6
Nigeria	0	(88.1)	0		2	(55)	10	(NC)	1.4
Norway	4	(37.4)	5	(6.9)	3	(54)	1	(15)	3.8
Oman	2		4		10	(0)	10	(NC)	5.4
Pakistan	2	(49.4)			3	(50)	10	(NC)	3.4
Panama	6	(22.1)	2		3	(56)	10	(NC)	4.3
Pap. New Guinea					4	(45)	10	(NC)	N/R
Paraguay	7	(24.0)	4		8	(30)	0	(24)	5.6
Peru	6	(19.0)	2		4	(45)	0	(24)	3.6
Philippines	8	(18.2)	2		7	(35)	10	(NC)	5.9
Poland	0	(80.2)	2			-	0	(36)	0.9
Portugal	4	(29.9)	4	(6.4)	5	(40)	0	(21-24)	3.9
Romania	0		0			-	0	(24)	0.0
Russia	0		0		0	(80)	0	(24-36)	0.0
Rwanda	4		0			-	10	(NC)	2.9
Senegal	6	(30.1)	0		4	(48)	0	(24)	3.0
Sierra Leone	0		2			-	10	(NC)	2.1
Singapore	8	(18.6)	8	(8.3)	9	(33)	0	(24-30)	7.5
Slovakia						-			N/R
Slovenia						-			N/R
Somalia	2		0			-	1	(18)	1.0
South Africa	4	(34.2)	4		5	(45)	0	(24)	3.9
South Korea	7	(19.2)	0	(4.1)	3	(60)	0	(30-36)	3.0
Spain	4	(33.5)	6	(7.4)	3	(56)	3	(12)	4.3
Sri Lanka	4	(39.2)	4			-	10	(NC)	4.7
Sweden	4		6	(7.1)	0	(72)	3	(7.5-15)	3.6
Switzerland	8		7	(7.7)	8	(33-43)	5	(4)	7.4
Syria	0	(55.6)	0			-	0	(30)	0.0
Taiwan	2	(44.3)	6	(7.1)	5	(50)	0	(24)	3.9
Tanzania	0		0		3	(50)	0	(24)	0.8
Thailand	7	(15.1)	4	(6.1)	4	(55)	0	(24)	4.6
Togo	2	(54.8)	0			-	0	(24)	0.9
Trinidad/Tob.	4	(34.6)	4		7	(35)	10	(NC)	5.3
Tunisia	2	(46.8)	4			-	3	(12)	3.0
Turkey	4	(38.4)	6	(8.2)	4	(50)	1	(18)	4.4
Uganda	2	(47.6)	0		3	(50)	10	(NC)	2.3
Ukraine			0			-			N/R
Unit. Arab Em.			8			-	10	(NC)	N/R
United Kingdom	8	(15.3)	8	(8.4)	5	(40)	10	(NC)	7.4
United States	8	(19.5)	8	(8.4)	7	(33-42)	10	(NC)	7.9
Uruguay	6	(29.9)	4		10	(0)	10	(NC)	6.7
Venezuela	0	(62.2)	4		7	(45)	0	(30)	3.1
Zambia	0	(44.0)	0		0	(75)	10	(NC)	0.9
Zimbabwe	2		2		1	(60)	3[e]		1.8

Table II: (con't)

	1997								
	II-A		II-B		II-C		II-D		
Country	Government Enterprises[a]		Price Controls[b]		Top Marginal Tax Rate[c]		Military Conscription[d]		Area Rating
Albania	0		4			-	10	(NC)	3.0
Algeria	0		4			-	1	(18)	1.9
Argentina	10	(12.8)	10	(9.4)	8	(33)	10	(NC)	9.5
Australia	7	(18.7)	7	(7.7)	3	(47)	10	(NC)	6.3
Austria	2		7	(7.8)	4	(50)	3	(7)	4.3
Bahamas	6		4		10	(0)	10	(NC)	6.7
Bahrain	4		4		10	(0)	10	(NC)	6.0
Bangladesh	2	(46.4)	0			-	10	(NC)	2.0
Barbados	6		6		5	(40)	10	(NC)	6.1
Belgium	6		5	(6.8)	1	(58-64)	10	(NC)	4.8
Belize	2	(47.6)	6			-	10	(NC)	4.7
Benin	2	(50.0)	2			-	1	(18)	1.9
Bolivia	2	(61.6)	9		10	(13)	3	(12)	6.4
Botswana	4		6		8	(30)	10	(NC)	6.2
Brazil	6	(19.3)	8	(8.2)	9	(25)	3	(12)	7.2
Bulgaria	0	(55.6)	6		5	(40)	1	(18)	3.3
Burundi	0		4			-	10	(NC)	3.0
Cameroon	4		0		0	(65)	10	(NC)	2.2
Canada	8	(17.7)	9	(8.5)	4	(44-54)	10	(NC)	7.5
C. African Rep.	0	(54.8)	0			-	0	(24)	0.0
Chad	0		4			-	0	(36)	1.8
Chile	7	(21.3)	9	(8.5)	4	(45)	0	(22)	6.3
China	0		5	(6.6)	6	(45)	0	(36-48)	3.2
Colombia	4	(34.1)	4	(6.2)	7	(35)	1	(12-18)	4.5
Congo, Dem. R.	2		2		3	(50)	10	(NC)	3.0
Congo, Rep. of	0		0		3	(50)	10	(NC)	1.6
Costa Rica	7	(21.0)	8		9	(25)	10	(NC)	8.1
Cote d' Ivoire	2	(43.7)	2		5	(39)	5	(6)	3.0
Croatia	0		4		4	(35-53)	3	(10)	2.6
Cyprus	8		2		4	(42)	0	(26)	4.3
Czech Rep.	6		5	(6.6)	5	(40)	3	(12)	5.2
Czechoslovakia	-		-			-			N/R
Denmark	7	(24.9)	9	(8.7)	2	(55-60)	3	(4-12)	6.1
Dominican Rep.	4	(38.3)	6		9	(25)	10	(NC)	6.4
Ecuador	4	(35.2)	6		9	(25)	3	(12)	5.8
Egypt	2	(35.1)	4		2	(52)	0	(36)	2.5
El Salvador	8	(19.0)	8		8	(30)	3	(12)	7.6
Estonia	4		6		8	(26)	3	(12)	5.6
Fiji	2		6		7	(35)	10	(NC)	5.3
Finland	6	(42.2)	8	(8.3)	2	(53-60)	3	(8-11)	5.4

	1997								
	II-A		II-B		II-C		II-D		
Country	Government Enterprises[a]		Price Controls[b]		Top Marginal Tax Rate[c]		Military Conscription[d]		Area Rating
France	4	(30.0)	8	(8.1)	5	(48)	3	(10)	5.5
Gabon	4		2		0	(60.5)	10	(NC)	2.9
Germany	6	(25.5)	8	(8.8)	1	(61.7)	3	(10)	5.2
Ghana	4		6		7	(35)	10	(NC)	5.9
Greece	4	(35.8)	6	(7.2)	5	(45)	0	(21)	4.6
Guatemala	8	(17.3)	8		8	(30)	0	(30)	7.3
Guinea-Bissau	4		6			-	3[e]		4.8
Guyana	0				7	(33.3)	10	(NC)	4.0
Haiti			2			-	10	(NC)	N/R
Honduras	6	(37.2)	4		8	(30)	10	(NC)	6.2
Hong Kong	10	(14.0)	9	(8.8)	10	(20)	10	(NC)	9.7
Hungary	4		7	(7.8)	4	(42)	3	(9)	4.9
Iceland	7	(24.8)	6	(7.2)	4	(42)	10	(NC)	6.2
India	2	(36.6)	2	(5.4)	5	(40)	10	(NC)	3.5
Indonesia	4	(33.9)	2	(5.4)	8	(30)	0	(24)	4.0
Iran	2	(39.1)	2		4	(54)	0	(24)	2.3
Ireland	8	(14.4)	9	(8.7)	3	(48)	10	(NC)	7.3
Israel	2		5	(6.5)	4	(50)	0	(21-36)	3.3
Italy	6	(28.3)	5	(6.6)	1	(67.2)	3	(10)	4.2
Jamaica	4		4		8	(27)	10	(NC)	5.5
Japan	6	(26.5)	5	(6.5)	2	(65)	10	(NC)	5.0
Jordan	0		2			-	10	(NC)	2.1
Kenya	2	(50.5)	6		7	(35)	10	(NC)	5.3
Kuwait	4	(21.8)	6		10	(0)	0	(24)	5.8
Latvia	4		6		9	(25)	3	(12)	5.8
Lithuania	4		4		7	(33)	3	(12)	4.7
Luxembourg	8		7	(7.5)	3	(52.5)	10	(NC)	6.6
Madagascar	0		0			-	1	(18)	0.1
Malawi	0	(75.7)	4		5	(38)	10	(NC)	3.5
Malaysia	4	(34.1)	4	(6.4)	8	(30)	10	(NC)	5.5
Mali	4		4			-	0	(24)	3.5
Malta	6		2		7	(35)	10	(NC)	5.3
Mauritius	6	(32.0)	6		8	(30)	10	(NC)	6.9
Mexico	6	(19.6)	7	(7.7)	7	(35)	5[f]		6.5
Morocco	0	(55.8)	4		4	(44)	1	(18)	2.4
Myanmar	2		0			-	10	(NC)	2.0
Namibia			4		7	(35)	10	(NC)	5.9
Nepal	2		2			-	10	(NC)	2.9
Netherlands	6		8	(8.1)	2	(60)	10	(NC)	6.0
New Zealand	10	(11.7)	10	(9.3)	7	(33)	10	(NC)	9.2

	1997								
	II-A		**II-B**		**II-C**		**II-D**		
Country	Government Enterprises[a]		Price Controls[b]		Top Marginal Tax Rate[c]		Military Conscription[d]		**Area Rating**
Nicaragua	**0**	(66.5)	**4**		**8**	(30)	**10**	(NC)	**4.2**
Niger	**6**		**4**			-	**0**	(24)	**4.4**
Nigeria	**0**		**4**		**9**	(25)	**10**	(NC)	**4.5**
Norway	**4**	(43.1)	**8**	(8.3)	**5**	(41.7)	**3**	(12)	**5.5**
Oman	**2**		**4**		**10**	(0)	**10**	(NC)	**5.4**
Pakistan	**2**	(46.8)	**4**		**7**	(35)	**10**	(NC)	**4.6**
Panama	**6**	(16.1)	**4**		**9**	(30)	**10**	(NC)	**6.4**
Pap. New Guinea					**7**	(35)	**10**	(NC)	**N/R**
Paraguay	**7**	(23.9)	**6**		**10**	(0)	**0**	(24)	**6.8**
Peru	**8**	(17.9)	**8**		**8**	(30)	**0**	(24)	**7.3**
Philippines	**8**	(20.6)	**5**	(6.8)	**7**	(35)	**10**	(NC)	**6.9**
Poland	**2**	(58.0)	**5**	(6.6)	**4**	(44)	**1**	(18)	**3.4**
Portugal	**6**	(23.2)	**6**	(7.3)	**5**	(40)	**3**	(4-18)	**5.5**
Romania	**0**	(54.0)	**6**		**1**	(60)	**1**	(18)	**2.3**
Russia	**2**		**3**	(5.8)	**7**	(35)	**0**	(18-24)	**3.4**
Rwanda	**2**		**0**			-	**10**	(NC)	**2.0**
Senegal	**6**		**4**		**0**	(64)	**0**	(24)	**3.3**
Sierra Leone	**0**		**6**			-	**10**	(NC)	**3.9**
Singapore	**8**		**8**	(8.3)	**9**	(28)	**0**	(24-30)	**7.5**
Slovakia	**4**		**4**		**4**	(42)	**3**	(12)	**3.9**
Slovenia	**0**	(75.1)	**6**		**3**	(50)	**3**	(7)	**3.0**
Somalia						-	**10**	(NC)	**N/R**
South Africa	**6**	(26.2)	**6**	(7.4)	**4**	(45)	**10**	(NC)	**5.9**
South Korea	**6**	(25.5)	**0**	(4.1)	**6**	(44)	**0**	(30)	**3.5**
Spain	**4**		**6**	(7.3)	**3**	(56)	**3**	(9)	**4.3**
Sri Lanka	**4**		**4**		**7**	(35)	**10**	(NC)	**5.3**
Sweden	**4**		**7**	(7.9)	**2**	(55)	**3**	(7-15)	**4.4**
Switzerland	**8**		**6**	(7.2)	**8**	(33-43)	**5**	(4)	**7.1**
Syria	**0**		**0**			-	**0**	(30)	**0.0**
Taiwan	**2**	(47.2)	**2**	(5.1)	**7**	(40)	**0**	(24)	**3.1**
Tanzania	**2**		**4**		**7**	(35)	**0**	(24)	**3.7**
Thailand	**7**	(20.3)	**5**	(6.7)	**7**	(37)	**10**	(NC)	**6.6**
Togo	**2**	(43.3)	**2**			-	**0**	(24)	**1.8**
Trinidad/Tob.	**4**		**6**		**7**	(35)	**10**	(NC)	**5.9**
Tunisia	**2**	(47.4)	**6**			-	**3**	(12)	**3.9**
Turkey	**6**	(19.2)	**7**	(7.7)	**4**	(55)	**1**	(18)	**5.4**
Uganda	**2**		**6**		**8**	(30)	**10**	(NC)	**5.5**
Ukraine	**0**		**6**			-	**0**	(24)	**2.7**
Unit. Arab Em.	**6**		**8**		**10**	(0)	**10**	(NC)	**8.0**
United Kingdom	**8**	(14.5)	**9**	(8.8)	**6**	(40)	**10**	(NC)	**8.0**

	1997						
	II-A	**II-B**	**II-C**	**II-D**			
Country	Government Enterprises[a]	Price Controls[b]	Top Marginal Tax Rate[c]	Military Conscription[d]			**Area Rating**
United States	**8** (15.5)	**9** (8.9)	**7** (40-47)	**10**	(NC)		**8.3**
Uruguay	**6** (36.8)	**6**	**10** (0)	**10**	(NC)		**7.4**
Venezuela	**2** (59.7)	**4** (6.1)	**7** (34)	**0**	(30)		**3.7**
Zambia	**0**	**2**	**8** (30)	**10**	(NC)		**3.6**
Zimbabwe	**2**	**4**	**5** (40)	**10**	(NC)		**4.1**

[a] The figures in parentheses are government investment expenditures as a percent of total investment. When available, they were used with data on the size of the government enterprise sector to determine the ratings for this component. If 1997 data were unavailable, 1995 data were used. See source note II-A for details.

[b] The figures in parentheses are ratings of the International Institute for Management Development, *World Competitiveness Report*. See source note II-B for details of how the ratings for this component are derived.

[c] The figures in parentheses indicate the top marginal tax rate. The rating is also influenced by the income level at which the top rate initially applies. See source note for component II-C.

[d] "NC" indicates "no conscription." The numbers in parentheses indicate the months of service required when conscription is present.

[e] Conscription was present, but the length of service could not be determined. When this was the case, the country was given a rating of 3.

[f] Service was voluntary, except for part-time militia service. When this was the case, the country was given a rating of 5.

Table III: Monetary Policy and Price Stability, Component and Area Ratings, 1990 and 1997 (The ratings are in bold. The data used to derive the ratings are in parentheses.)

	1990						
	III-A		III-B		III-C		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		Area Rating
Albania		-		-	**10.0**	(0.0)	**N/R**
Algeria	**8.8**	(5.8)	**6.2**	(9.5)	**6.7**	(16.7)	**7.3**
Argentina	**0.0**	(514.4)	**0.0**	(1185.0)	**0.0**	(2315.5)	**0.0**
Australia	**7.3**	(13.5)	**9.2**	(1.9)	**8.5**	(7.3)	**8.3**
Austria	**9.0**	(4.9)	**9.6**	(0.9)	**9.3**	(3.3)	**9.3**
Bahamas	**8.8**	(6.0)	**9.8**	(0.5)	**9.1**	(4.7)	**9.2**
Bahrain	**8.7**	(6.5)	**6.7**	(8.2)	**9.8**	(0.9)	**8.4**
Bangladesh	**8.9**	(5.4)	**9.2**	(2.1)	**8.4**	(8.1)	**8.8**
Barbados	**6.3**	(18.5)	**7.2**	(7.0)	**9.4**	(3.1)	**7.6**
Belgium	**9.3**	(3.3)	**9.6**	(1.0)	**9.3**	(3.4)	**9.4**
Belize	**8.4**	(8.1)	**8.9**	(2.8)	**9.4**	(3.0)	**8.9**
Benin	**9.4**	(3.2)	**9.0**	(2.4)	**9.7**	(1.4)	**9.4**
Bolivia	**2.5**	(37.3)	**0.0**	(91.2)	**6.6**	(17.1)	**3.0**
Botswana	**5.9**	(20.6)	**6.5**	(8.7)	**7.7**	(11.4)	**6.7**
Brazil	**0.0**	(647.7)	**0.0**	(909.8)	**0.0**	(2939.5)	**0.0**
Bulgaria	**7.4**	(13.1)	**5.5**	(11.3)	**4.5**	(27.3)	**5.8**
Burundi	**9.4**	(2.9)	**7.2**	(6.9)	**8.6**	(7.0)	**8.4**
Cameroon	**9.9**	(0.3)	**8.3**	(4.2)	**9.8**	(1.1)	**9.3**
Canada	**8.9**	(5.5)	**9.6**	(1.0)	**9.1**	(4.7)	**9.2**
C. African Rep.	**9.9**	(0.4)	**7.6**	(6.0)	**10.0**	(0.0)	**9.2**
Chad	**9.6**	(-1.9)	**6.7**	(8.2)	**10.0**	(0.0)	**8.8**
Chile	**5.0**	(25.2)	**8.7**	(3.2)	**4.8**	(26.1)	**6.1**
China	**7.1**	(14.6)	**8.9**	(2.7)	**9.4**	(3.1)	**8.4**
Colombia	**4.2**	(28.9)	**9.1**	(2.2)	**4.2**	(29.2)	**5.8**
Congo, Dem. R.	**0.0**	(100.0)	**0.0**	(28.0)	**0.0**	(81.2)	**0.0**
Congo, Rep. of	**9.7**	(1.4)	**4.2**	(14.5)	**9.0**	(-4.8)	**7.7**
Costa Rica	**7.4**	(13.2)	**8.7**	(3.3)	**6.2**	(19.0)	**7.4**
Cote d' Ivoire	**9.4**	(-2.9)	**8.8**	(3.0)	**9.8**	(-1.0)	**9.3**
Croatia		-		-	**0.0**	(594.4)	**N/R**
Cyprus	**9.0**	(5.1)	**9.7**	(0.7)	**9.1**	(4.5)	**9.3**
Czech Rep.		-		-		-	**N/R**
Czechoslovakia	**9.9**	(0.4)	**8.4**	(4.0)	**8.0**	(10.0)	**8.8**
Denmark	**8.3**	(8.6)	**9.7**	(0.8)	**9.5**	(2.7)	**9.1**
Dominican Rep.	**2.4**	(38.2)	**3.3**	(16.7)	**0.0**	(59.5)	**1.9**
Ecuador	**2.0**	(40.0)	**3.3**	(16.7)	**0.3**	(48.6)	**1.9**

	1990						
	III-A		**III-B**		**III-C**		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		**Area Rating**
Egypt	**7.8**	(10.8)	**9.4**	(1.6)	**6.6**	(16.8)	**7.9**
El Salvador	**7.7**	(11.5)	**6.7**	(8.2)	**5.2**	(24.1)	**6.6**
Estonia		-		-		-	**N/R**
Fiji	**7.6**	(12.1)	**9.2**	(2.0)	**8.4**	(8.2)	**8.4**
Finland	**8.4**	(8.2)	**9.6**	(0.9)	**8.8**	(6.2)	**8.9**
France	**9.3**	(3.7)	**9.6**	(0.9)	**9.3**	(3.4)	**9.4**
Gabon	**10.0**	(0.0)	**4.8**	(13.0)	**8.4**	(8.0)	**7.8**
Germany	**8.0**	(10.2)	**9.7**	(0.7)	**9.5**	(2.7)	**9.0**
Ghana	**2.4**	(37.8)	**8.1**	(4.8)	**2.6**	(37.2)	**4.3**
Greece	**6.2**	(19.2)	**8.8**	(2.9)	**5.9**	(20.3)	**7.0**
Guatemala	**6.4**	(17.8)	**3.9**	(15.2)	**1.8**	(41.2)	**4.1**
Guinea-Bissau	**0.0**	(65.1)	**0.7**	(23.2)	**4.0**	(30.0)	**1.5**
Guyana	**1.4**	(43.1)	**0.0**	(52.1)	**9.3**	(3.7)	**3.5**
Haiti	**8.4**	(8.2)	**6.8**	(8.1)	**5.8**	(21.2)	**7.0**
Honduras	**6.7**	(16.6)	**7.3**	(6.7)	**5.3**	(23.3)	**6.4**
Hong Kong	**7.4**	(13.1)	**8.8**	(2.9)	**8.0**	(9.8)	**8.1**
Hungary	**6.7**	(16.5)	**6.9**	(7.8)	**4.2**	(29.0)	**6.0**
Iceland	**4.4**	(28.2)	**8.6**	(3.6)	**6.9**	(15.5)	**6.6**
India	**7.6**	(12.2)	**9.4**	(1.4)	**8.2**	(8.9)	**8.4**
Indonesia	**6.9**	(15.6)	**8.0**	(5.1)	**8.4**	(7.8)	**7.7**
Iran	**6.9**	(15.3)	**8.6**	(3.6)	**8.5**	(7.6)	**8.0**
Ireland	**8.9**	(5.6)	**9.0**	(2.5)	**9.3**	(3.3)	**9.1**
Israel	**1.2**	(44.1)	**4.8**	(13.0)	**6.6**	(17.2)	**4.1**
Italy	**8.5**	(7.7)	**9.7**	(0.8)	**8.7**	(6.5)	**9.0**
Jamaica	**6.1**	(19.4)	**8.0**	(5.0)	**5.6**	(22.0)	**6.6**
Japan	**9.2**	(3.9)	**9.6**	(0.9)	**9.4**	(3.1)	**9.4**
Jordan	**7.7**	(11.3)	**6.7**	(8.3)	**6.8**	(16.1)	**7.1**
Kenya	**7.3**	(13.6)	**9.4**	(1.4)	**6.9**	(15.6)	**7.9**
Kuwait	**9.1**	(-4.4)	**4.6**	(13.6)	**8.0**	(9.8)	**7.3**
Latvia		-		-		-	**N/R**
Lithuania		-		-		-	**N/R**
Luxembourg	**8.4**	(7.9)	**9.1**	(2.3)	**9.3**	(3.7)	**8.9**
Madagascar	**6.4**	(17.8)	**8.1**	(4.8)	**7.7**	(11.7)	**7.4**
Malawi	**5.5**	(22.3)	**7.6**	(5.9)	**7.6**	(11.9)	**6.9**
Malaysia	**8.2**	(9.1)	**7.9**	(5.2)	**9.5**	(2.7)	**8.5**
Mali	**8.9**	(-5.3)	**8.5**	(3.8)	**9.4**	(3.2)	**8.9**
Malta	**9.9**	(0.7)	**9.7**	(0.7)	**9.4**	(3.0)	**9.7**
Mauritius	**6.3**	(18.6)	**9.5**	(1.3)	**7.3**	(13.5)	**7.7**
Mexico	**0.0**	(68.1)	**0.0**	(42.8)	**4.7**	(26.6)	**1.5**
Morocco	**7.7**	(11.5)	**9.0**	(2.6)	**8.6**	(7.0)	**8.4**

	1990						
	III-A		III-B		III-C		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		**Area Rating**
Myanmar	**5.5**	(22.6)	**3.1**	(17.2)	**6.5**	(17.6)	**5.0**
Namibia		-	**8.0**	(4.9)	**7.6**	(12.0)	**7.8**
Nepal	**6.5**	(17.6)	**9.2**	(1.9)	**8.4**	(8.2)	**8.0**
Netherlands	**9.0**	(4.9)	**9.6**	(1.0)	**9.5**	(2.5)	**9.4**
New Zealand	**1.7**	(41.6)	**8.0**	(5.0)	**8.8**	(6.0)	**6.1**
Nicaragua	**0.0**	(2072.0)	**0.0**	(4853.2)	**0.0**	(7475.8)	**0.0**
Niger	**9.7**	(-1.7)	**7.9**	(5.3)	**9.8**	(-1.0)	**9.1**
Nigeria	**6.2**	(18.9)	**2.3**	(19.3)	**8.5**	(7.4)	**5.7**
Norway	**6.3**	(18.7)	**8.6**	(3.5)	**9.2**	(4.2)	**8.0**
Oman	**9.4**	(-3.0)	**4.4**	(14.0)	**6.7**	(16.7)	**6.9**
Pakistan	**7.4**	(12.8)	**9.0**	(2.4)	**8.2**	(9.1)	**8.2**
Panama	**9.6**	(1.8)	**9.7**	(0.8)	**9.8**	(0.8)	**9.7**
Pap. New Guinea	**8.7**	(6.4)	**5.4**	(11.6)	**8.6**	(7.0)	**7.6**
Paraguay	**3.4**	(32.9)	**8.6**	(3.6)	**2.4**	(38.1)	**4.8**
Peru	**0.0**	(690.3)	**0.0**	(2302.8)	**0.0**	(7475.8)	**0.0**
Philippines	**6.4**	(18.1)	**8.7**	(3.3)	**7.2**	(14.1)	**7.4**
Poland	**0.0**	(110.5)	**0.0**	(178.3)	**0.0**	(553.6)	**0.0**
Portugal	**6.5**	(17.4)	**8.6**	(3.4)	**7.3**	(13.4)	**7.4**
Romania	**8.2**	(8.9)	**7.6**	(6.0)	**7.4**	(12.8)	**7.7**
Russia	**8.1**	(9.7)	**8.9**	(2.7)	**6.7**	(16.6)	**7.9**
Rwanda	**9.6**	(2.2)	**8.5**	(3.8)	**9.2**	(4.2)	**9.1**
Senegal	**9.9**	(-0.7)	**8.9**	(2.7)	**9.9**	(0.3)	**9.6**
Sierra Leone	**0.0**	(72.5)	**0.0**	(38.9)	**0.0**	(111.0)	**0.0**
Singapore	**8.4**	(7.8)	**8.9**	(2.8)	**9.3**	(3.4)	**8.9**
Slovakia		-		-		-	**N/R**
Slovenia		-		-		-	**N/R**
Somalia	**0.0**	(92.0)	**0.0**	(67.5)		-	**0.0**
South Africa	**6.5**	(17.7)	**9.6**	(0.9)	**7.1**	(14.4)	**7.7**
South Korea	**7.8**	(11.2)	**5.9**	(10.2)	**8.3**	(8.6)	**7.3**
Spain	**6.7**	(16.7)	**9.2**	(2.0)	**8.7**	(6.7)	**8.2**
Sri Lanka	**7.1**	(14.6)	**8.1**	(4.7)	**5.7**	(21.5)	**7.0**
Sweden	**8.6**	(7.0)	**9.4**	(1.4)	**7.9**	(10.5)	**8.6**
Switzerland	**9.7**	(1.3)	**9.5**	(1.2)	**8.9**	(5.4)	**9.4**
Syria	**6.8**	(16.0)	**8.7**	(3.2)	**6.1**	(19.3)	**7.2**
Taiwan	**6.7**	(16.5)	**9.5**	(1.3)	**9.2**	(4.1)	**8.4**

	1990						
	III-A		**III-B**		**III-C**		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		**Area Rating**
Tanzania	**4.0**	(30.0)	**6.2**	(9.5)	**2.8**	(35.8)	**4.3**
Thailand	**7.4**	(12.8)	**9.3**	(1.7)	**8.8**	(5.9)	**8.5**
Togo	**9.4**	(-3.1)	**9.4**	(1.6)	**9.8**	(1.0)	**9.5**
Trinidad/Tob.	**9.2**	(3.8)	**7.8**	(5.6)	**7.8**	(11.1)	**8.3**
Tunisia	**9.2**	(3.8)	**9.3**	(1.8)	**8.7**	(6.5)	**9.1**
Turkey	**0.0**	(51.3)	**4.4**	(13.9)	**0.0**	(60.3)	**1.4**
Uganda	**0.0**	(410.0)	**0.0**	(67.7)	**3.4**	(33.2)	**1.1**
Ukraine		-		-		-	**N/R**
Unit. Arab Em.	**9.7**	(1.5)	**9.0**	(2.6)	**9.2**	(4.1)	**9.3**
United Kingdom	**4.2**	(28.9)	**9.4**	(1.4)	**8.1**	(9.5)	**7.2**
United States	**9.1**	(4.5)	**9.7**	(0.7)	**8.9**	(5.4)	**9.2**
Uruguay	**0.0**	(73.9)	**5.0**	(12.6)	**0.0**	(112.3)	**1.6**
Venezuela	**6.1**	(19.4)	**0.0**	(30.4)	**1.9**	(40.6)	**2.7**
Zambia	**0.0**	(58.3)	**0.7**	(23.3)	**0.0**	(117.4)	**0.2**
Zimbabwe	**6.4**	(18.0)	**7.7**	(5.7)	**6.5**	(17.4)	**6.9**

Table III: (con't)

	1997						
	III-A		III-B		III-C		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		Area Rating
Albania	**3.4**	(33.1)	**0.0**	(76.3)	**3.4**	(33.2)	**2.3**
Algeria	**7.6**	(12.0)	**7.7**	(5.7)	**5.7**	(21.6)	**7.0**
Argentina	**7.5**	(12.3)	**7.9**	(5.2)	**9.9**	(0.5)	**8.4**
Australia	**7.9**	(10.6)	**9.7**	(0.8)	**9.9**	(0.3)	**9.1**
Austria	**8.7**	(6.3)	**9.6**	(1.1)	**9.7**	(1.3)	**9.3**
Bahamas	**8.5**	(7.5)	**9.3**	(1.7)	**9.9**	(0.5)	**9.2**
Bahrain	**8.8**	(-6.2)	**9.0**	(2.5)	**10.0**	(-0.2)	**9.2**
Bangladesh	**8.1**	(9.3)	**9.2**	(2.1)	**9.5**	(2.7)	**8.9**
Barbados	**8.6**	(7.1)	**8.9**	(2.7)	**8.5**	(7.7)	**8.7**
Belgium	**9.7**	(-1.5)	**9.7**	(0.7)	**9.7**	(1.6)	**9.7**
Belize	**10.0**	(0.1)	**9.2**	(1.9)	**9.8**	(1.0)	**9.7**
Benin	**8.8**	(5.9)	**5.0**	(12.4)	**9.0**	(4.9)	**7.7**
Bolivia	**5.9**	(20.4)	**4.3**	(14.3)	**9.1**	(4.7)	**6.4**
Botswana	**9.1**	(4.4)	**8.9**	(2.8)	**8.2**	(8.9)	**8.7**
Brazil	**0.0**	(291.0)	**0.0**	(1074.0)	**8.6**	(6.9)	**2.8**
Bulgaria	**0.0**	(140.0)	**0.0**	(147.9)	**0.0**	(405.0)	**0.0**
Burundi	**8.6**	(7.2)	**6.1**	(9.8)	**3.8**	(31.1)	**6.2**
Cameroon	**9.1**	(4.7)	**4.3**	(14.2)	**9.1**	(4.7)	**7.5**
Canada	**8.6**	(7.0)	**9.8**	(0.4)	**9.1**	(4.6)	**9.2**
C. African Rep.	**7.2**	(14.0)	**6.0**	(10.1)	**9.3**	(3.7)	**7.5**
Chad	**8.0**	(10.2)	**3.7**	(15.8)	**7.5**	(12.4)	**6.4**
Chile	**7.4**	(13.2)	**8.8**	(3.1)	**8.8**	(6.1)	**8.3**
China	**6.5**	(17.3)	**7.0**	(7.5)	**9.4**	(2.8)	**7.6**
Colombia	**5.0**	(24.9)	**9.5**	(1.2)	**6.3**	(18.5)	**6.9**
Congo, Dem. R.	**0.0**	(2290.0)	**0.0**	(8406.2)	**0.0**	(658.8)	**0.0**
Congo, Rep. of	**9.0**	(4.9)	**1.5**	(21.3)	**10.0**	(-0.2)	**6.9**
Costa Rica	**6.7**	(16.3)	**8.3**	(4.2)	**7.4**	(13.2)	**7.5**
Cote d' Ivoire	**7.0**	(15.1)	**5.9**	(10.3)	**9.5**	(2.5)	**7.4**
Croatia	**1.4**	(42.8)	**0.0**	(545.8)	**9.2**	(4.1)	**3.5**
Cyprus	**9.7**	(1.7)	**9.7**	(0.7)	**9.3**	(3.6)	**9.6**
Czech Rep.	**8.1**	(9.7)	**8.0**	(4.9)	**8.3**	(8.4)	**8.1**
Czechoslovakia		-		-		-	**N/R**
Denmark	**9.2**	(4.1)	**9.9**	(0.2)	**9.6**	(2.2)	**9.5**
Dominican Rep.	**7.1**	(14.4)	**8.5**	(3.7)	**8.9**	(5.4)	**8.2**
Ecuador	**4.1**	(29.3)	**6.0**	(10.1)	**3.9**	(30.6)	**4.6**
Egypt	**8.7**	(6.4)	**8.1**	(4.8)	**9.1**	(4.6)	**8.6**
El Salvador	**9.0**	(5.0)	**8.8**	(3.1)	**9.1**	(4.5)	**9.0**
Estonia	**3.5**	(32.4)	**0.0**	(279.5)	**7.8**	(11.2)	**3.8**
Fiji	**9.1**	(4.4)	**9.0**	(2.6)	**9.3**	(3.4)	**9.1**
Finland	**8.4**	(8.2)	**9.6**	(1.1)	**9.8**	(1.2)	**9.2**

	1997						
	III-A		III-B		III-C		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		**Area Rating**
France	**9.9**	(0.6)	**9.8**	(0.4)	**9.8**	(1.2)	**9.8**
Gabon	**7.0**	(14.8)	**4.6**	(13.5)	**9.3**	(3.7)	**7.0**
Germany	**9.1**	(4.6)	**9.6**	(1.0)	**9.6**	(1.8)	**9.4**
Ghana	**3.6**	(32.2)	**2.2**	(19.4)	**4.4**	(27.9)	**3.4**
Greece	**7.3**	(13.7)	**8.7**	(3.3)	**8.9**	(5.5)	**8.3**
Guatemala	**6.3**	(18.4)	**9.2**	(1.9)	**8.2**	(9.2)	**7.9**
Guinea-Bissau	**0.0**	(50.3)	**2.5**	(18.8)	**0.0**	(50.7)	**0.8**
Guyana	**7.1**	(14.5)		-		-	**N/R**
Haiti	**6.2**	(18.8)	**3.6**	(15.9)	**5.9**	(20.6)	**5.3**
Honduras	**5.1**	(24.4)	**7.1**	(7.3)	**6.0**	(20.2)	**6.0**
Hong Kong	**9.9**	(0.6)	**8.3**	(4.3)	**8.9**	(5.7)	**9.0**
Hungary	**7.0**	(14.8)	**8.6**	(3.4)	**6.3**	(18.3)	**7.3**
Iceland	**8.9**	(5.7)	**9.8**	(0.6)	**9.7**	(1.7)	**9.4**
India	**8.0**	(9.8)	**9.6**	(0.9)	**8.9**	(5.5)	**8.8**
Indonesia	**8.5**	(7.4)	**9.6**	(1.1)	**8.7**	(6.6)	**8.9**
Iran	**4.7**	(26.5)	**6.1**	(9.8)	**6.6**	(17.2)	**5.8**
Ireland	**8.7**	(6.5)	**9.8**	(0.6)	**9.7**	(1.4)	**9.4**
Israel	**7.3**	(13.6)	**9.5**	(1.2)	**8.2**	(9.0)	**8.3**
Italy	**9.7**	(1.3)	**9.6**	(1.0)	**9.6**	(2.0)	**9.6**
Jamaica	**3.6**	(31.8)	**4.2**	(14.5)	**4.7**	(26.4)	**4.2**
Japan	**9.1**	(4.4)	**9.7**	(0.7)	**9.7**	(1.7)	**9.5**
Jordan	**9.2**	(-3.9)	**9.6**	(1.1)	**8.7**	(6.5)	**9.2**
Kenya	**6.7**	(16.6)	**7.0**	(7.5)	**7.6**	(12.0)	**7.1**
Kuwait	**9.4**	(-2.8)	**7.5**	(6.3)	**9.3**	(3.6)	**8.7**
Latvia	**6.3**	(18.5)	**0.9**	(22.7)	**8.3**	(8.4)	**5.2**
Lithuania	**4.3**	(28.6)	**0.0**	(138.1)	**8.2**	(8.9)	**4.2**
Luxembourg	**9.2**	(4.0)	**9.2**	(2.1)	**9.7**	(1.4)	**9.4**
Madagascar	**5.5**	(22.4)	**3.5**	(16.3)	**9.1**	(4.5)	**6.0**
Malawi	**3.6**	(32.1)	**0.8**	(23.1)	**2.5**	(37.6)	**2.3**
Malaysia	**7.1**	(14.5)	**9.6**	(1.1)	**9.5**	(2.7)	**8.7**
Mali	**6.6**	(17.1)	**6.3**	(9.2)	**8.6**	(6.8)	**7.2**
Malta	**9.7**	(-1.5)	**9.6**	(1.1)	**9.5**	(2.5)	**9.6**
Mauritius	**9.5**	(2.3)	**9.5**	(1.2)	**8.6**	(6.8)	**9.2**
Mexico	**7.6**	(12.2)	**5.2**	(12.1)	**5.9**	(20.6)	**6.2**
Morocco	**7.3**	(13.5)	**9.3**	(1.7)	**9.8**	(1.0)	**8.8**
Myanmar		-	**6.9**	(7.8)	**6.7**	(16.3)	**6.8**
Namibia	**5.4**	(23.1)	**8.5**	(3.8)	**8.4**	(8.0)	**7.4**
Nepal	**8.0**	(10.1)	**8.4**	(4.1)	**8.1**	(9.4)	**8.1**
Netherlands	**8.7**	(6.4)	**9.4**	(1.5)	**9.6**	(1.8)	**9.2**
New Zealand	**9.1**	(4.6)	**9.6**	(1.1)	**9.8**	(1.2)	**9.5**

	1997						
	III-A		III-B		III-C		
Country	Growth Rate of Money Supply		Std. Deviation of Inflation Rate		Current Inflation Rate		Area Rating
Nicaragua	5.8	(21.0)	7.8	(5.6)	7.7	(11.6)	7.0
Niger	9.5	(2.3)	4.7	(13.3)	8.9	(5.3)	7.8
Nigeria	2.7	(36.6)	3.5	(16.3)	4.1	(29.3)	3.4
Norway	9.4	(3.1)	9.4	(1.4)	9.5	(2.6)	9.4
Oman	9.8	(-1.0)	8.2	(4.6)	8.6	(7.2)	8.9
Pakistan	8.8	(6.2)	9.1	(2.2)	7.7	(11.4)	8.5
Panama	8.7	(6.4)	9.9	(0.3)	9.7	(1.3)	9.4
Pap. New Guinea	6.3	(18.6)	7.6	(6.0)	7.7	(11.6)	7.2
Paraguay	7.1	(14.7)	8.0	(4.9)	8.6	(7.0)	7.9
Peru	2.0	(40.1)	0.6	(23.5)	8.3	(8.6)	3.6
Philippines	7.2	(14.2)	9.4	(1.5)	9.0	(5.1)	8.5
Poland	3.3	(33.6)	7.0	(7.5)	6.8	(15.9)	5.6
Portugal	8.2	(9.2)	8.5	(3.7)	9.6	(2.0)	8.7
Romania	0.0	(77.7)	0.0	(73.5)	0.0	(154.8)	0.0
Russia	0.0	(141.9)	0.0	(43.6)	7.1	(14.6)	2.3
Rwanda	6.4	(17.9)	7.9	(5.3)	7.7	(11.5)	7.3
Senegal	8.5	(7.5)	5.3	(11.8)	9.4	(2.8)	7.8
Sierra Leone	7.2	(14.2)	0.0	(32.4)	5.4	(23.2)	4.2
Singapore	9.6	(2.1)	9.7	(0.7)	9.6	(2.0)	9.6
Slovakia	8.8	(6.1)	8.8	(3.1)	8.8	(6.1)	8.8
Slovenia	4.6	(26.9)	8.4	(4.0)	8.2	(9.1)	7.0
Somalia		-		-		-	N/R
South Africa	6.3	(18.4)	9.4	(1.5)	8.3	(8.6)	8.0
South Korea	9.9	(-0.3)	9.8	(0.5)	9.1	(4.4)	9.6
Spain	9.3	(3.7)	9.4	(1.4)	9.6	(2.0)	9.4
Sri Lanka	8.7	(6.7)	8.9	(2.7)	8.1	(9.6)	8.6
Sweden	9.5	(2.6)	9.5	(1.3)	9.9	(0.5)	9.6
Switzerland	8.2	(9.0)	9.7	(0.8)	9.9	(0.5)	9.2
Syria	7.0	(15.0)	8.6	(3.4)	8.4	(8.2)	8.0
Taiwan	10.0	(0.1)	9.9	(0.3)	10.0	(0.2)	9.9
Tanzania	6.6	(17.2)	7.9	(5.2)	6.8	(16.1)	7.1
Thailand	9.3	(3.3)	9.6	(0.9)	8.3	(8.6)	9.1
Togo	7.1	(14.5)	4.2	(14.6)		-	5.7
Trinidad/Tob.	8.4	(8.0)	8.4	(4.0)	9.3	(3.4)	8.7
Tunisia	9.1	(4.5)	9.6	(0.9)	9.3	(3.7)	9.3
Turkey	0.0	(77.5)	4.0	(14.9)	0.0	(85.7)	1.3
Uganda	7.2	(14.2)	2.1	(19.8)	8.6	(7.0)	6.0
Ukraine	0.0	(235.3)	0.0	(345.6)	6.8	(15.9)	2.2
Unit. Arab Em.	8.1	(9.3)		-		-	N/R
United Kingdom	7.9	(10.4)	9.7	(0.8)	9.4	(3.1)	9.0
United States	10.0	(0.2)	9.6	(0.9)	9.5	(2.3)	9.7
Uruguay	1.8	(41.1)	4.6	(13.6)	6.0	(19.8)	4.1
Venezuela	0.0	(70.1)	0.5	(23.8)	0.0	(50.0)	0.2
Zambia	0.0	(64.4)	0.0	(53.6)	0.7	(46.3)	0.2
Zimbabwe	3.4	(33.0)	7.0	(7.5)	6.3	(18.6)	5.5

Table IV: Freedom to Use Alternative Currencies, Component and Area Ratings, 1990 and 1997

	1990				1997			
	IV-A	IV-B	IV-C		IV-A	IV-B	IV-C	
	Foreign Currency Bank Acct.		Dom. Curr. Fully	Area	Foreign Currency Bank Acct.		Dom. Curr. Fully	Area
Country	Domestically	Abroad	Convertible	Rating	Domestically	Abroad	Convertible	Rating
Albania	0	0	0	0.0	10	0	0	3.4
Algeria	0	0	0	0.0	0	0	0	0.0
Argentina	10	10	0	6.9	10	10	10	10.0
Australia	10	10	10	10.0	10	10	10	10.0
Austria	10	10	0	6.9	10	10	10	10.0
Bahamas	0	0	0	0.0	0	0	0	0.0
Bahrain	10	10	10	10.0	10	10	10	10.0
Bangladesh	0	0	0	0.0	0	0	0	0.0
Barbados	0	0	0	0.0	0	0	0	0.0
Belgium	10	10	10	10.0	10	10	10	10.0
Belize	0	0	0	0.0	0	0	0	0.0
Benin	0	0	0	0.0	0	0	0	0.0
Bolivia	10	10	0	6.9	10	10	0	6.9
Botswana	0	0	0	0.0	10	0	0	3.4
Brazil	0	0	0	0.0	0	0	0	0.0
Bulgaria	0	0	0	0.0	10	0	0	3.4
Burundi	0	0	0	0.0	10	0	0	3.4
Cameroon	0	0	0	0.0	0	0	0	0.0
Canada	10	10	10	10.0	10	10	10	10.0
C. African Rep.	0	0	0	0.0	0	0	0	0.0
Chad	0	0	0	0.0	0	0	0	0.0
Chile	10	10	0	6.9	10	10	0	6.9
China	10	0	0	3.4	10	0	0	3.4
Colombia	0	0	0	0.0	0	0	0	0.0
Congo, Dem. R.	0	0	0	0.0	10	0	0	3.4
Congo, Rep. of	0	0	0	0.0	0	0	0	0.0
Costa Rica	10	10	0	6.9	10	10	0	6.9
Cote d' Ivoire	0	0	0	0.0	0	0	0	0.0
Croatia	10	0	0	3.4	10	10	0	6.9
Cyprus	0	0	0	0.0	0	0	0	0.0
Czech Rep.	-	-	-	N/R	10	0	0	3.4
Czechoslovakia	0	0	0	0.0	-	-	-	N/R
Denmark	10	10	10	10.0	10	10	10	10.0
Dominican Rep.	0	0	0	0.0	10	0	0	3.4
Ecuador	10	10	0	6.9	10	10	0	6.9
Egypt	10	10	0	6.9	10	0	0	3.4
El Salvador	0	0	0	0.0	10	10	10	10.0
Estonia	10	0	0	3.4	10	0	10	6.4
Fiji	0	0	0	0.0	0	0	0	0.0
Finland	10	10	0	6.9	10	10	10	10.0

	1990				1997			
	IV-A	IV-B	IV-C		IV-A	IV-B	IV-C	
	Foreign Currency Bank Acct.		Dom. Curr. Fully	Area	Foreign Currency Bank Acct.		Dom. Curr. Fully	Area
Country	Domestically	Abroad	Convertible	Rating	Domestically	Abroad	Convertible	Rating
France	10	10	0	6.9	10	10	10	10.0
Gabon	0	0	0	0.0	0	0	0	0.0
Germany	10	10	10	10.0	10	10	10	10.0
Ghana	0	0	0	0.0	10	0	0	3.4
Greece	10	0	0	3.4	10	10	10	10.0
Guatemala	10	10	0	6.9	10	10	0	6.9
Guinea-Bissau	0	0	0	0.0	0	0	0	0.0
Guyana	0	0	0	0.0	0	10	0	3.6
Haiti	10	10	0	6.9	10	10	0	6.9
Honduras	10	10	0	6.9	10	10	0	6.9
Hong Kong	10	10	10	10.0	10	10	10	10.0
Hungary	0	0	0	0.0	10	10	0	6.9
Iceland	10	10	0	6.9	10	10	0	6.9
India	0	0	0	0.0	10	0	0	3.4
Indonesia	10	10	10	10.0	10	10	0	6.9
Iran	10	10	0	6.9	10	0	0	3.4
Ireland	0	0	0	0.0	10	10	10	10.0
Israel	10	0	0	3.4	10	0	0	3.4
Italy	10	10	0	6.9	10	10	10	10.0
Jamaica	0	0	0	0.0	10	10	0	6.9
Japan	10	10	10	10.0	10	10	10	10.0
Jordan	0	0	0	0.0	0	0	0	0.0
Kenya	0	0	0	0.0	10	10	0	6.9
Kuwait	-	-	-	N/R	10	10	10	10.0
Latvia	10	0	0	3.4	10	0	0	3.4
Lithuania	10	0	0	3.4	10	0	0	3.4
Luxembourg	10	10	10	10.0	10	10	10	10.0
Madagascar	0	0	0	0.0	0	0	0	0.0
Malawi	0	0	0	0.0	0	0	0	0.0
Malaysia	10	10	10	10.0	10	10	0	6.9
Mali	0	0	0	0.0	0	0	0	0.0
Malta	0	0	0	0.0	0	0	0	0.0
Mauritius	0	0	0	0.0	10	10	0	6.9
Mexico	10	10	0	6.9	10	10	0	6.9
Morocco	0	0	0	0.0	0	0	0	0.0
Myanmar	0	0	0	0.0	0	0	0	0.0
Namibia	0	0	0	0.0	0	0	0	0.0
Nepal	0	0	0	0.0	0	0	0	0.0
Netherlands	10	10	10	10.0	10	10	10	10.0
New Zealand	10	10	10	10.0	10	10	10	10.0
Nicaragua	0	0	0	0.0	10	10	0	6.9
Niger	0	0	0	0.0	0	0	0	0.0
Nigeria	0	0	0	0.0	10	0	0	3.4
Norway	10	10	0	6.9	10	10	10	10.0
Oman	10	10	10	10.0	10	10	10	10.0

	1990				1997			
	IV-A	IV-B	IV-C		IV-A	IV-B	IV-C	
	Foreign Currency Bank Acct.		Dom. Curr. Fully	Area	Foreign Currency Bank Acct.		Dom. Curr. Fully	Area
Country	Domestically	Abroad	Convertible	Rating	Domestically	Abroad	Convertible	Rating
Pakistan	10	0	0	3.4	0	0	0	0.0
Panama	10	10	10	10.0	10	10	10	10.0
Pap. New Guinea	0	0	0	0.0	0	0	0	0.0
Paraguay	10	10	0	6.9	10	10	0	6.9
Peru	10	0	0	3.4	10	10	10	10.0
Philippines	0	0	0	0.0	10	10	0	6.9
Poland	10	10	0	6.9	10	0	10	6.4
Portugal	0	0	0	0.0	10	10	0	6.9
Romania	10	0	0	3.4	0	0	0	0.0
Russia	0	0	0	0.0	10	0	0	3.4
Rwanda	0	0	0	0.0	10	0	0	3.4
Senegal	0	0	0	0.0	0	0	0	0.0
Sierra Leone	0	0	0	0.0	10	0	0	3.4
Singapore	10	10	10	10.0	10	10	10	10.0
Slovakia	-	-	-	N/R	10	0	0	3.4
Slovenia	10	0	0	3.4	10	0	0	3.4
Somalia	0	0	0	0.0	10	0	0	3.4
South Africa	0	0	0	0.0	0	0	0	0.0
South Korea	0	0	0	0.0	10	10	0	6.9
Spain	0	0	0	0.0	10	10	0	6.9
Sri Lanka	0	0	0	0.0	0	0	0	0.0
Sweden	10	0	0	3.4	10	10	10	10.0
Switzerland	10	10	10	10.0	10	10	10	10.0
Syria	10	0	0	3.4	10	0	0	3.4
Taiwan	10	10	10	10.0	10	10	10	10.0
Tanzania	0	0	0	0.0	10	0	0	3.4
Thailand	10	0	0	3.4	10	10	0	6.9
Togo	0	0	0	0.0	0	0	0	0.0
Trinidad/Tob.	0	0	0	0.0	10	10	10	10.0
Tunisia	0	0	0	0.0	0	0	0	0.0
Turkey	10	10	0	6.9	10	10	0	6.9
Uganda	0	0	0	0.0	10	10	0	6.9
Ukraine	10	0	0	3.4	10	0	0	3.4
Unit. Arab Em.	10	10	10	10.0	10	10	10	10.0
United Kingdom	10	10	10	10.0	10	10	10	10.0
United States	10	10	10	10.0	10	10	10	10.0
Uruguay	10	10	10	10.0	10	10	10	10.0
Venezuela	10	10	0	6.9	10	10	0	6.9
Zambia	0	0	0	0.0	10	10	0	6.9
Zimbabwe	0	0	0	0.0	10	0	0	3.4

Note: The permissibility of holding foreign currency accounts was scored "10" if accounts may be held without restriction and "0" if they may not. The convertibility of currency was scored "10" if currency is fully convertible and "0" if it is not. A currency is considered to be fully convertible if citizens are allowed to conduct both current and capital account foreign exchange transactions without having to obtain special permission from the monetary authorities. The most common restrictions on this freedom are repatriation and surrender requirements. Repatriation requirements refer to the obligation of exporters to bring their export proceeds into the country either by selling them in the foreign exchange market or depositing them in authorized accounts. Surrender requirements refer to regulations requiring the recipient of export proceeds to sell any foreign exchange proceeds in return for local currency (sometimes at a specified exchange rate) to the central bank or foreign exchange dealers authorized for this purpose.

Table V: Legal Structure and Property Rights, Component and Area Ratings, 1990 and 1997

	1990				1997			
	V-A	V-B	V-C		V-A	V-B	V-C	
Country	Risk of Expropriation	Risk of Contract Violation	Rule of Law Principles	Area Rating	Risk of Expropriation	Risk of Contract Violation	Rule of Law Principles	Area Rating
Albania	6.0	7.0	6.7	6.6	9.0	4.0	3.3	5.5
Algeria	5.0	5.0	3.3	4.5	10.0	9.0	8.3	9.1
Argentina	6.5	3.5	8.3	6.1	10.0	9.0	8.3	9.1
Australia	9.0	8.5	10.0	9.1	10.0	10.0	10.0	10.0
Austria	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Bahamas	7.0	8.0	6.7	7.2	9.0	9.0	6.7	8.3
Bahrain	7.0	6.0	6.7	6.6	10.0	9.0	8.3	9.1
Bangladesh	4.0	3.0	1.7	2.9	9.0	8.0	8.3	8.4
Barbados	7.0	8.0	6.7	7.2	9.0	9.0	6.7	8.3
Belgium	10.0	10.0	10.0	10.0	10.0	10.0	8.3	9.5
Belize	-	-	-	N/R	-	-	-	N/R
Benin	5.4	5.0	5.3	5.2	7.4	6.0	7.3	6.9
Bolivia	5.5	5.5	1.7	4.3	9.0	8.0	8.3	8.4
Botswana	7.0	6.0	8.3	7.1	10.0	9.0	6.7	8.6
Brazil	8.0	6.0	6.7	6.9	10.0	8.0	8.3	8.8
Bulgaria	9.0	6.0	8.3	7.8	9.0	6.0	6.7	7.3
Burundi	5.4	5.0	5.3	5.2	7.4	6.0	7.3	6.9
Cameroon	6.0	6.0	8.3	6.7	8.0	7.0	8.3	7.8
Canada	10.0	9.0	10.0	9.7	10.0	9.0	10.0	9.7
C. African Rep.	5.4	5.0	5.3	5.2	7.4	6.0	7.3	6.9
Chad	5.4	5.0	5.3	5.2	7.4	6.0	7.3	6.9
Chile	8.0	7.5	6.7	7.4	10.0	9.0	8.3	9.1
China	6.0	5.0	8.3	6.4	10.0	9.0	8.3	9.1
Colombia	6.0	6.0	1.7	4.6	9.0	6.0	3.3	6.2
Congo, Dem. R.	4.0	4.0	1.7	3.3	5.0	2.0	0.0	2.4
Congo, Rep. of	4.0	4.0	3.3	3.8	8.0	6.0	8.3	7.4
Costa Rica	6.5	5.0	6.7	6.1	9.0	8.0	6.7	7.9
Cote d' Ivoire	7.0	6.0	4.2	5.8	7.0	6.0	8.3	7.1
Croatia	-	-	-	N/R	-	-	-	N/R
Cyprus	9.0	7.0	6.7	7.6	10.0	10.0	8.3	9.5
Czech Rep.	-	-	-	N/R	10.0	10.0	10.0	10.0
Czechoslovakia	9.0	7.0	8.3	8.1	-	-	-	N/R
Denmark	10.0	9.0	10.0	9.7	10.0	10.0	10.0	10.0
Dominican Rep.	5.0	3.5	8.3	5.5	9.0	6.0	6.7	7.3
Ecuador	6.0	5.0	6.7	5.9	8.0	8.0	6.7	7.6
Egypt	5.0	5.0	3.3	4.5	10.0	9.0	6.7	8.6
El Salvador	3.0	4.0	1.7	2.9	9.0	8.0	8.3	8.4
Estonia	-	-	-	N/R	9.5	8.5	7.5	8.5
Fiji	-	-	-	N/R	-	-	-	N/R
Finland	10.0	9.0	10.0	9.7	10.0	10.0	10.0	10.0

	1990				1997			
	V-A	V-B	V-C		V-A	V-B	V-C	
Country	Risk of Expropriation	Risk of Contract Violation	Rule of Law Principles	**Area Rating**	Risk of Expropriation	Risk of Contract Violation	Rule of Law Principles	**Area Rating**
France	10.0	9.0	8.3	9.1	10.0	10.0	8.3	9.5
Gabon	8.0	7.0	3.3	6.2	9.0	8.0	8.3	8.4
Germany	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Ghana	6.0	6.0	8.3	6.7	9.0	8.0	8.3	8.4
Greece	8.0	8.0	8.3	8.1	9.0	9.0	8.3	8.8
Guatemala	4.0	5.0	1.7	3.6	8.0	6.0	8.3	7.4
Guinea-Bissau	5.0	4.0	1.7	3.6	5.0	4.0	1.7	3.6
Guyana	6.0	5.0	1.7	4.3	10.0	8.0	6.7	8.3
Haiti	3.0	2.0	1.7	2.2	8.0	5.0	8.3	7.1
Honduras	5.0	5.0	3.3	4.5	8.0	6.0	8.3	7.4
Hong Kong	7.5	9.0	6.7	7.8	10.0	8.0	8.3	8.8
Hungary	9.0	7.0	8.3	8.1	10.0	10.0	10.0	10.0
Iceland	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
India	8.0	4.0	1.7	4.7	10.0	9.0	6.7	8.6
Indonesia	7.5	7.0	3.3	6.0	10.0	9.0	6.7	8.6
Iran	3.5	5.0	1.7	3.4	9.0	9.0	8.3	8.8
Ireland	10.0	9.0	8.3	9.1	10.0	10.0	10.0	10.0
Israel	8.0	7.0	1.7	5.7	10.0	9.0	8.3	9.1
Italy	10.0	10.0	8.3	9.5	10.0	9.0	10.0	9.7
Jamaica	6.5	6.0	3.3	5.3	10.0	9.0	8.3	9.1
Japan	10.0	10.0	8.3	9.5	10.0	10.0	10.0	10.0
Jordan	6.0	3.0	3.3	4.1	10.0	8.0	6.7	8.3
Kenya	5.0	5.0	8.3	6.0	9.0	7.0	6.7	7.6
Kuwait	4.0	4.5	2.5	3.7	10.0	8.0	10.0	9.3
Latvia	-	-	-	N/R	9.5	8.5	7.5	8.5
Lithuania	-	-	-	N/R	9.5	8.5	7.5	8.5
Luxembourg	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Madagascar	4.0	3.5	3.5	3.7	6.0	3.0	8.3	5.7
Malawi	7.0	5.5	3.3	5.3	9.0	8.0	6.7	7.9
Malaysia	7.5	8.5	8.3	8.1	9.0	9.0	8.3	8.8
Mali	4.0	3.5	3.3	3.6	4.0	3.0	8.3	5.0
Malta	7.0	6.0	3.3	5.5	10.0	10.0	10.0	10.0
Mauritius	7.0	6.0	8.3	7.1	10.0	9.0	6.7	8.6
Mexico	8.0	7.0	8.3	7.8	10.0	9.0	8.3	9.1
Morocco	6.0	5.0	3.3	4.8	9.0	9.0	10.0	9.3
Myanmar	5.0	1.0	3.3	3.1	9.0	7.0	8.3	8.1
Namibia	2.0	4.5	3.3	3.3	10.0	8.0	10.0	9.3
Nepal	-	-	-	N/R	-	-	-	N/R
Netherlands	10.0	9.0	10.0	9.7	10.0	10.0	10.0	10.0
New Zealand	10.0	9.0	10.0	9.7	10.0	10.0	10.0	10.0
Nicaragua	6.0	3.0	3.3	4.1	9.0	7.0	6.7	7.6
Niger	5.0	4.5	8.3	5.9	8.0	6.0	3.3	5.8
Nigeria	5.0	5.0	1.7	4.0	8.0	7.0	8.3	7.8
Norway	10.0	9.5	10.0	9.8	10.0	10.0	10.0	10.0
Oman	6.0	5.5	6.7	6.1	9.0	9.0	8.3	8.8

	1990				1997			
	V-A	V-B	V-C		V-A	V-B	V-C	
Country	Risk of Expropriation	Risk of Contract Violation	Rule of Law Principles	**Area Rating**	Risk of Expropriation	Risk of Contract Violation	Rule of Law Principles	**Area Rating**
Pakistan	4.5	4.0	1.7	3.4	10.0	8.0	6.7	8.3
Panama	5.5	4.0	3.3	4.3	9.0	8.0	8.3	8.4
Pap. New Guinea	7.0	5.5	8.3	6.9	10.0	7.0	8.3	8.4
Paraguay	7.0	7.0	3.3	5.8	8.0	9.0	6.7	7.9
Peru	5.0	4.0	1.7	3.6	10.0	8.0	8.3	8.8
Philippines	4.0	5.0	1.7	3.6	10.0	9.0	6.7	8.6
Poland	8.0	5.0	6.7	6.6	10.0	10.0	8.3	9.5
Portugal	10.0	9.0	8.3	9.1	10.0	10.0	8.3	9.5
Romania	7.0	5.0	8.3	6.7	10.0	9.0	8.3	9.1
Russia	-	-	-	N/R	9.0	7.0	6.7	7.6
Rwanda	-	-	-	N/R	-	-	-	N/R
Senegal	6.0	5.0	3.3	4.8	6.0	5.0	8.3	6.4
Sierra Leone	5.0	4.0	8.3	5.7	5.0	3.0	8.3	5.4
Singapore	9.0	9.5	8.3	8.9	10.0	10.0	10.0	10.0
Slovakia	-	-	-	N/R	9.0	7.0	8.3	8.1
Slovenia	-	-	-	N/R	9.5	8.5	9.2	9.1
Somalia	3.0	2.0	3.3	2.8	3.0	2.0	3.3	2.8
South Africa	5.0	7.0	1.7	4.6	10.0	9.0	8.3	9.1
South Korea	9.0	9.5	3.3	7.4	10.0	10.0	6.7	9.0
Spain	10.0	9.0	6.7	8.6	10.0	10.0	10.0	10.0
Sri Lanka	5.0	4.0	0.0	3.1	10.0	9.0	6.7	8.6
Sweden	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Switzerland	10.0	10.0	10.0	10.0	10.0	9.0	10.0	9.7
Syria	4.0	4.0	3.3	3.8	9.0	8.0	8.3	8.4
Taiwan	9.0	10.0	8.3	9.1	10.0	10.0	6.7	9.0
Tanzania	6.0	6.0	6.7	6.2	9.0	7.0	8.3	8.1
Thailand	8.5	9.0	6.7	8.1	10.0	9.0	8.3	9.1
Togo	7.0	5.0	3.3	5.2	8.0	5.0	8.3	7.1
Trinidad/Tob.	8.0	6.5	6.7	7.1	9.0	7.0	6.7	7.6
Tunisia	5.0	4.5	3.3	4.3	10.0	9.0	8.3	9.1
Turkey	7.0	5.0	3.3	5.2	9.0	8.0	6.7	7.9
Uganda	4.0	4.0	1.7	3.3	8.0	7.0	6.7	7.2
Ukraine	-	-	-	N/R	9.0	6.5	6.7	7.4
Unit. Arab Em.	6.0	4.5	8.3	6.2	9.0	8.0	6.7	7.9
United Kingdom	10.0	10.0	8.3	9.5	10.0	10.0	10.0	10.0
United States	10.0	9.0	10.0	9.7	10.0	10.0	10.0	10.0
Uruguay	7.0	7.0	8.3	7.4	9.0	9.0	8.3	8.8
Venezuela	7.0	6.5	6.7	6.7	9.0	7.0	6.7	7.6
Zambia	6.0	2.0	2.5	3.5	9.0	5.0	6.7	6.9
Zimbabwe	6.0	5.0	3.3	4.8	8.0	6.0	6.7	6.9

Note: The *International Country Risk Guide*, the source for these ratings, did not provide ratings for Barbados, Benin, Burundi, Central African Republic, Chad, Estonia, Latvia, Lithuania, Mauritius, Slovenia, and Ukraine. We rated these eleven countries based on the ratings of the country or group of countries to which each is most similar. The countries used as the basis of the ratings for each are indicated in parentheses below: Barbados (Bahamas); Mauritius (Botswana); Estonia, Latvia, and Lithuania (Poland and Russia); Slovenia (Czech Republic and Slovakia); Ukraine (Bulgaria and Russia); and Benin, Burundi, Central African Republic, and Chad (Cameroon, Rep. of Congo, Gabon, Mali, and Niger).

Table VI: International Exchange: Freedom to Trade with Foreigners, Component and Area Ratings, 1990 and 1997 (The ratings are in bold. The data used to derive the ratings are in parentheses.)

	1990												
	VI-A						VI-B				VI-C		
	Taxes on International Trade						Non-Tariff Trade Barriers						
	Revenues (% of Trade)		Average Tariff Rates		Std. Dev. Tariff Rates		Coverage (% of Trade)		Size of Trade Sector[a]		Black Market Exch. Rate Premium		Area Rating[b]
Country	i.		ii.		iii.		i.		ii.				
Albania							-		**5.2**	(4.0)	**0.0**	(800)	**N/R**
Algeria			**5.1**	(24.6)			**0.7**	(93.0)	**5.9**	(16.9)	**0.0**	(140)	**2.8**
Argentina	**3.4**	(9.9)	**5.9**	(20.5)	**0.3**	(24.3)	**8.4**	(16.1)	**0.0**	(-61.5)	**10.0**	(0)	**5.2**
Australia	**7.9**	(3.1)	**7.2**	(14.2)	**4.3**	(14.3)	**9.1**	(8.9)	**5.4**	(8.0)	**10.0**	(0)	**7.6**
Austria	**9.5**	(0.7)	**7.8**	(11.0)	**6.0**	(10.1)	**9.7**	(2.6)	**6.6**	(32.4)	**10.0**	(0)	**8.5**
Bahamas	**3.6**	(9.6)							**3.0**	(-28.8)	**7.4**	(13)	**4.6**
Bahrain	**9.3**	(1.1)							**6.2**	(23.6)	**10.0**	(0)	**8.8**
Bangladesh	**1.9**	(12.1)	**0.0**	(102.2)	**0.0**	(50.4)	**4.3**	(57.5)	**2.2**	(-35.6)	**0.0**	(165)	**1.5**
Barbados	**7.6**	(3.6)			**4.5**	(13.7)	**6.6**	(33.9)	**0.0**	(-52.2)	**8.0**	(10)	**5.9**
Belgium[c]	**9.7**	(0.4)	**8.5**	(7.4)	**7.6**	(6.1)	**8.9**	(10.9)	**9.8**	(95.9)	**10.0**	(0)	**9.1**
Belize	**2.8**	(10.8)							**4.0**	(-17.5)	**5.0**	(25)	**3.7**
Benin							**0.0**	(100.0)	**2.9**	(-29.7)	**9.2**	(4)	**N/R**
Bolivia	**8.5**	(2.3)	**6.7**	(16.7)			**9.8**	(2.0)	**4.9**	(-2.7)	**9.4**	(3)	**8.0**
Botswana	**5.6**	(6.6)					**10.0**	(0.3)	**7.9**	(57.5)	**8.6**	(7)	**7.9**
Brazil	**7.5**	(3.7)	**4.0**	(30.0)	**3.0**	(17.5)	**9.0**	(10.0)	**0.0**	(-52.9)	**8.0**	(10)	**5.8**
Bulgaria	**9.1**	(1.3)	**7.7**	(11.4)					**5.2**	(4.3)	**0.0**	(100)	**6.2**
Burundi	**0.0**	(22.9)	**2.6**	(37.0)			**1.0**	(90.0)	**0.1**	(-49.7)	**8.8**	(6)	**2.3**
Cameroon	**6.4**	(5.4)					**8.0**	(20.0)	**2.6**	(-32.1)	**9.2**	(4)	**6.9**
Canada	**9.2**	(1.2)	**8.1**	(9.4)	**6.5**	(8.8)	**9.6**	(4.1)	**7.2**	(44.4)	**10.0**	(0)	**8.6**
C. African Rep.	**2.3**	(11.5)	**3.6**	(32.0)					**4.0**	(-16.5)	**9.2**	(4)	**4.4**
Chad	**7.4**	(3.9)							**6.2**	(23.3)	**9.2**	(4)	**7.7**
Chile	**7.5**	(3.7)	**7.0**	(15.0)	**10.0**	(0.0)	**8.9**	(10.6)	**6.3**	(26.3)	**10.0**	(0)	**8.2**
China	**7.5**	(3.7)	**1.9**	(40.3)			**7.7**	(23.2)	**7.2**	(44.1)	**0.0**	(159)	**4.9**
Colombia	**5.3**	(7.1)	**3.9**	(30.4)	**1.0**	(22.5)	**2.6**	(73.8)	**4.1**	(-16.1)	**6.6**	(17)	**4.0**
Congo, Dem. R.	**3.9**	(9.1)	**5.9**	(20.7)			**0.0**	(100.0)	**7.2**	(44.6)	**6.0**	(20)	**4.3**
Congo, Rep. of	**4.5**	(8.2)							**6.5**	(28.9)	**9.2**	(4)	**6.4**
Costa Rica	**5.3**	(7.0)	**6.7**	(16.4)	**4.8**	(12.9)	**10.0**	(0.0)	**4.3**	(-12.5)	**10.0**	(0)	**7.1**
Cote d' Ivoire	**2.7**	(10.9)	**3.4**	(33.0)			**6.3**	(37.5)	**5.2**	(2.8)	**9.2**	(4)	**5.0**
Croatia											**0.0**	(106)	**N/R**
Cyprus	**7.2**	(4.2)	**6.7**	(16.5)	**2.5**	(18.7)	**5.1**	(49.0)	**3.9**	(-18.0)	**9.0**	(5)	**6.0**
Czech Rep.													**N/R**
Czechoslovakia	**7.3**	(4.0)							**6.0**	(19.9)	**0.0**	(61)	**4.8**
Denmark[c]	**9.8**	(0.3)	**8.5**	(7.4)	**7.6**	(6.1)	**8.9**	(10.9)	**3.9**	(-18.5)	**10.0**	(0)	**8.5**
Dominican Rep.	**4.5**	(8.2)	**4.4**	(28.0)					**4.0**	(-16.8)	**0.0**	(66)	**3.5**
Ecuador	**7.3**	(4.0)	**2.6**	(37.1)	**0.0**	(27.0)	**3.6**	(63.6)	**5.1**	(1.1)	**10.0**	(0)	**4.8**
Egypt	**6.1**	(5.9)	**3.3**	(33.5)	**0.0**	(425.8)	**5.5**	(45.2)	**6.7**	(33.7)	**0.0**	(56)	**3.8**
El Salvador	**7.3**	(4.1)	**5.8**	(21.1)					**1.3**	(-42.5)	**5.2**	(24)	**5.4**
Estonia											**0.0**	(1969)	**N/R**
Fiji	**5.7**	(6.4)							**6.5**	(29.5)	**9.2**	(4)	**7.0**
Finland	**9.6**	(0.6)	**8.5**	(7.7)	**6.0**	(10.1)	**8.8**	(11.7)	**3.0**	(-28.2)	**10.0**	(0)	**8.1**

	1990												
	VI-A					VI-B				VI-C			
	Taxes on International Trade					Non-Tariff Trade Barriers							
	Revenues (% of Trade)		Average Tariff Rates		Std. Dev. Tariff Rates	Coverage (% of Trade)		Size of Trade Sector[a]		Black Market Exch. Rate Premium		Area Rating[b]	
Country	i.		ii.		iii.	i.		ii.					
France[c]	9.7	(0.4)	8.5	(7.4)	7.6 (6.1)	8.9	(10.9)	5.5	(9.3)	10.0	(0)	8.6	
Gabon	6.8	(4.8)						4.6	(-8.0)	9.2	(4)	7.0	
Germany[c]	9.7	(0.5)	8.5	(7.4)	7.6 (6.1)	8.9	(10.9)	7.8	(56.4)	10.0	(0)	8.9	
Ghana	2.3	(11.6)	6.5	(17.5)		9.8	(2.0)	3.0	(-28.8)	8.6	(7)	6.1	
Greece[c]	9.6	(0.6)	8.5	(7.4)	7.6 (6.1)	8.9	(10.9)	2.9	(-30.0)	9.4	(3)	8.2	
Guatemala	7.6	(3.6)	5.4	(23.0)	0.0 (26.7)	9.3	(7.0)	2.3	(-30.7)	10.0	(0)	6.4	
Guinea-Bissau								0.0	(-50.8)	8.2	(9)	N/R	
Guyana								10.0	(106.3)	8.2	(9)	N/R	
Haiti	5.5	(6.7)						1.1	(-43.8)	0.0	(151)	2.8	
Honduras			6.0	(20.0)				5.2	(3.6)	10.0	(0)	7.0	
Hong Kong	9.7	(0.4)	10.0	(0.0)	10.0 (0.0)	10.0	(0.5)	10.0	(129.3)	10.0	(0)	9.9	
Hungary	6.7	(5.0)						5.3	(5.6)	5.6	(22)	6.0	
Iceland	7.3	(4.0)	9.2	(3.8)	7.0 (7.5)	8.9	(10.9)	2.4	(-34.2)	9.4	(3)	7.8	
India	0.0	(20.7)	0.0	(79.2)	0.0 (45.2)	3.5	(65.4)	4.1	(-15.9)	8.0	(10)	2.2	
Indonesia	8.3	(2.5)	5.9	(20.3)	3.3 (16.7)	9.1	(9.4)	8.2	(63.2)	10.0	(0)	7.6	
Iran	5.1	(7.3)	5.9	(20.7)				6.1	(22.1)	0.0	(2197)	4.5	
Ireland[c]	8.0	(3.0)	8.5	(7.4)	7.6 (6.1)	8.9	(10.9)	6.9	(37.3)	9.8	(1)	8.4	
Israel	9.4	(0.9)						4.5	(-9.1)	9.2	(4)	8.2	
Italy[c]	9.8	(0.3)	8.5	(7.4)	7.6 (6.1)	8.9	(10.9)	4.7	(-5.3)	10.0	(0)	8.6	
Jamaica			6.6	(17.0)				5.2	(4.7)	4.6	(27)	5.7	
Japan	9.4	(0.9)	8.6	(6.9)	6.4 (8.9)	9.3	(7.4)	2.6	(-32.5)	10.0	(0)	8.2	
Jordan	6.7	(5.0)			2.6 (18.5)	7.4	(25.6)	9.3	(85.3)	7.8	(11)	6.8	
Kenya	5.8	(6.3)	1.3	(43.7)	1.4 (21.6)	6.2	(37.8)	6.0	(19.1)	8.8	(6)	4.8	
Kuwait	9.2	(1.2)						5.0	(0.5)	10.0	(0)	8.5	
Latvia										0.0	(1969)	N/R	
Lithuania										0.0	(1969)	N/R	
Luxembourg[c]	9.9	(0.1)	8.5	(7.4)		8.9	(10.9)	6.9	(37.0)	10.0	(0)	9.0	
Madagascar	0.7	(14.0)	2.8	(36.0)		9.8	(1.7)	4.8	(-3.4)	8.6	(7)	5.0	
Malawi	6.2	(5.7)	7.0	(15.2)		0.9	(91.3)	4.2	(-13.4)	7.2	(14)	5.1	
Malaysia	7.9	(3.2)	7.4	(13.0)	5.0 (12.5)	9.7	(2.8)	10.0	(182.6)	10.0	(0)	8.3	
Mali	6.9	(4.6)	5.0	(25.0)		4.2	(58.0)	5.5	(9.8)	9.2	(4)	6.0	
Malta	6.7	(4.9)						4.7	(-6.4)	9.6	(2)	7.1	
Mauritius	4.9	(7.6)	4.5	(27.6)	0.0 (91.5)	6.5	(35.2)	5.9	(18.7)	8.4	(8)	5.2	
Mexico	8.7	(2.0)	7.8	(11.1)	7.2 (7.0)	8.1	(18.6)	4.7	(-5.5)	10.0	(0)	8.0	
Morocco	4.3	(8.6)	5.3	(23.5)				6.0	(20.5)	7.4	(13)	5.5	
Myanmar	0.0	(25.9)						0.0	(-87.0)	0.0	(1134)	0.0	
Namibia	5.1	(7.3)						7.8	(55.8)	9.4	(3)	7.0	
Nepal	4.1	(8.8)	5.5	(22.6)				2.3	(-35.4)	6.8	(16)	4.8	
Netherlands[c]	9.7	(0.5)	8.5	(7.4)	7.6 (6.1)	8.9	(10.9)	7.7	(53.0)	10.0	(0)	8.8	
New Zealand	8.9	(1.7)	7.1	(14.5)	3.7 (15.7)	8.9	(11.5)	4.5	(-8.6)	10.0	(0)	7.6	
Nicaragua	7.1	(4.3)	5.0	(24.8)				4.7	(-6.6)	8.0	(10)	6.2	
Niger	3.5	(9.8)				1.0	(90.0)	3.9	(-17.7)	9.2	(4)	4.0	
Nigeria	7.3	(4.0)	3.1	(34.3)		9.1	(8.7)	10.0	(101.5)	5.4	(23)	6.7	
Norway	9.8	(0.3)	8.9	(5.7)	7.2 (6.9)	8.9	(10.9)	5.5	(9.2)	10.0	(0)	8.7	
Oman	9.3	(1.0)						5.0	(-1.2)	10.0	(0)	8.5	

1990

	VI-A						VI-B				VI-C		
	Taxes on International Trade						Non-Tariff Trade Barriers						
	Revenues (% of Trade)		Average Tariff Rates		Std. Dev. Tariff Rates		Coverage (% of Trade)		Size of Trade Sector[a]		Black Market Exch. Rate Premium		Area Rating[b]
Country	i.		ii.		iii.		i.		ii.				
Pakistan	**0.0**	(16.5)	**0.0**	(58.8)	**0.0**	(34.0)	**7.5**	(25.4)	**5.0**	(-1.0)	**7.2**	(14)	**3.0**
Panama	**8.8**	(1.8)	**2.0**	(40.0)					**4.2**	(-13.8)	**10.0**	(0)	**6.1**
Pap. New Guinea	**5.3**	(7.1)	**8.6**	(7.0)					**6.7**	(33.4)	**8.6**	(7)	**7.3**
Paraguay	**7.8**	(3.3)	**6.8**	(16.0)					**6.4**	(26.8)	**4.8**	(26)	**6.6**
Peru	**7.4**	(3.9)	**2.8**	(36.0)	**0.0**	(25.0)	**4.4**	(55.7)	**0.5**	(-47.7)	**6.8**	(16)	**4.1**
Philippines	**5.6**	(6.6)	**5.1**	(24.3)	**4.6**	(13.4)	**8.5**	(15.0)	**8.6**	(72.2)	**8.6**	(7)	**6.7**
Poland	**6.0**	(6.0)	**7.9**	(10.7)					**5.4**	(7.0)	**8.2**	(9)	**7.0**
Portugal[c]	**9.1**	(1.3)	**8.5**	(7.4)	**7.6**	(6.0)	**8.1**	(19.1)	**5.5**	(10.1)	**9.4**	(3)	**8.3**
Romania	**9.7**	(0.4)							**3.9**	(-18.3)	**0.0**	(416)	**5.4**
Russia									**7.2**	(43.5)	**0.0**	(1969)	**N/R**
Rwanda	**0.5**	(14.2)					**1.0**	(90.0)	**0.0**	(-70.0)	**4.4**	(28)	**1.4**
Senegal	**2.1**	(11.8)	**3.0**	(35.0)			**8.5**	(15.0)	**4.5**	(-9.7)	**9.2**	(4)	**5.2**
Sierra Leone	**6.0**	(6.0)					**0.0**	(100.0)	**3.9**	(-38.6)	**0.0**	(165)	**2.3**
Singapore	**9.9**	(0.2)	**9.9**	(0.4)	**9.3**	(1.8)	**9.9**	(1.0)	**10.0**	(182.3)	**10.0**	(0)	**9.8**
Slovakia													**N/R**
Slovenia											**0.0**	(106)	**N/R**
Somalia							**0.0**	(100.0)	**3.9**	(-17.7)	**0.0**	(200)	**N/R**
South Africa	**8.5**	(2.2)	**6.0**	(20.0)			**7.7**	(22.9)	**5.5**	(9.6)	**9.4**	(3)	**7.5**
South Korea	**7.7**	(3.4)	**8.0**	(10.1)	**4.8**	(13.1)	**8.3**	(16.7)	**5.9**	(17.1)	**9.8**	(1)	**7.7**
Spain[c]	**9.0**	(1.5)	**8.5**	(7.4)	**7.6**	(6.1)	**8.9**	(10.9)	**4.1**	(-15.7)	**9.6**	(2)	**8.3**
Sri Lanka	**4.1**	(8.8)	**4.6**	(26.9)	**0.0**	(35.0)	**9.0**	(10.1)	**5.5**	(9.2)	**5.2**	(24)	**5.0**
Sweden	**9.7**	(0.4)	**9.1**	(4.7)	**8.1**	(4.8)	**9.6**	(4.5)	**5.1**	(1.2)	**10.0**	(0)	**8.9**
Switzerland	**8.7**	(1.9)	**9.1**	(4.4)	**4.8**	(13.0)	**9.7**	(2.7)	**5.6**	(10.3)	**10.0**	(0)	**8.4**
Syria	**8.1**	(2.9)	**5.9**	(20.4)	**0.0**	(27.7)	**3.9**	(61.0)	**4.6**	(-8.4)	**0.0**	(301)	**4.3**
Taiwan	**8.6**	(2.1)	**8.1**	(9.7)					**5.8**	(16.4)	**10.0**	(0)	**8.3**
Tanzania	**5.0**	(7.5)	**4.1**	(29.7)			**2.0**	(79.7)	**5.5**	(9.2)	**0.0**	(78)	**3.4**
Thailand	**6.4**	(5.4)	**1.8**	(40.8)	**1.4**	(21.5)	**9.2**	(8.5)	**9.1**	(80.9)	**10.0**	(0)	**6.1**
Togo	**3.9**	(9.2)					**8.0**	(20.0)	**4.7**	(-6.2)	**9.2**	(4)	**6.4**
Trinidad/Tob.	**8.2**	(2.7)							**1.1**	(-44.1)	**2.0**	(40)	**4.7**
Tunisia	**3.7**	(9.5)	**4.5**	(27.5)	**0.0**	(37.4)	**3.6**	(63.7)	**7.2**	(44.3)	**8.4**	(8)	**4.5**
Turkey	**8.1**	(2.8)	**5.5**	(22.7)	**0.0**	(35.7)	**0.4**	(96.4)	**3.5**	(-23.0)	**9.6**	(2)	**4.8**
Uganda	**2.8**	(10.8)	**4.0**	(30.1)			**0.1**	(99.0)	**1.0**	(-44.3)	**2.0**	(40)	**2.2**
Ukraine											**0.0**	(1969)	**N/R**
Unit. Arab Em.	**10.0**	(0.0)							**6.0**	(18.9)	**10.0**	(0)	**9.1**
United Kingdom[c]	**9.6**	(0.6)	**8.5**	(7.4)	**7.6**	(6.1)	**8.9**	(10.9)	**5.8**	(15.2)	**10.0**	(0)	**8.6**
United States	**9.0**	(1.5)	**8.8**	(6.2)	**6.9**	(7.7)	**8.3**	(16.6)	**4.3**	(-11.7)	**10.0**	(0)	**8.2**
Uruguay	**6.3**	(5.6)	**3.9**	(30.5)			**8.8**	(12.0)	**1.7**	(-39.7)	**10.0**	(0)	**6.3**
Venezuela	**8.5**	(2.2)	**3.9**	(30.6)	**0.2**	(24.4)	**8.8**	(11.9)	**6.3**	(25.6)	**10.0**	(0)	**6.5**
Zambia	**6.8**	(4.8)	**4.9**	(25.6)			**0.0**	(100.0)	**7.6**	(52.5)	**0.0**	(212)	**3.8**
Zimbabwe	**3.9**	(9.2)	**8.0**	(10.1)	**5.3**	(11.8)	**0.6**	(93.6)	**5.9**	(16.8)	**7.0**	(15)	**5.0**

Table VI: (con't)

	1997												
	VI-A						VI-B				VI-C		
	Taxes on International Trade						Non-Tariff Trade Barriers						
	Revenues (% of Trade)		Average Tariff Rates		Std. Dev. Tariff Rates		Coverage (% of Trade)		Size of Trade Sector[a]		Black Market Exch. Rate Premium		Area Rating[b]
Country	i.		ii.		iii.		i.		ii.				
Albania									0.4	(-47.8)	4.2	(29)	N/R
Algeria			5.4	(22.9)	2.2	(19.6)	9.1	(9.5)	6.4	(26.9)	0.0	(122)	5.0
Argentina	7.4	(3.9)	7.9	(10.5)	7.0	(7.4)	10.0	(0.2)	0.0	(-55.5)	10.0	(0)	7.6
Australia	8.9	(1.6)	8.4	(8.2)	6.0	(10.1)	10.0	(0.4)	5.7	(14.1)	10.0	(0)	8.5
Austria	9.9	(0.2)	8.7	(6.3)	6.5	(8.7)	9.7	(2.6)	5.9	(17.6)	10.0	(0)	8.8
Bahamas	3.1	(10.3)	3.0	(35.0)					2.8	(-30.5)	9.2	(4)	4.3
Bahrain	9.1	(1.4)							4.7	(-6.1)	10.0	(0)	8.3
Bangladesh			0.0	(81.2)	0.0	(26.1)			4.2	(-14.5)	6.4	(18)	2.3
Barbados	7.8	(3.3)	7.2	(14.1)	4.8	(13.1)			0.0	(-55.7)	9.8	(1)	6.5
Belgium[c]	9.7	(0.4)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	8.2	(64.1)	10.0	(0)	9.1
Belize	2.7	(10.9)							2.6	(-32.6)	9.2	(4)	4.7
Benin							8.3	(17.0)	3.3	(-25.6)	9.6	(2)	N/R
Bolivia	8.7	(2.0)	8.0	(9.8)	9.5	(1.2)	9.8	(2.0)	4.8	(-4.1)	9.8	(1)	8.6
Botswana	4.8	(7.8)					10.0	(0.3)	6.4	(28.6)	9.6	(2)	7.6
Brazil	8.3	(2.6)	7.7	(11.7)	6.1	(9.8)	9.9	(1.5)	1.1	(-43.8)	9.8	(1)	7.7
Bulgaria	8.5	(2.2)	6.6	(17.0)	4.7	(13.3)			6.4	(27.2)	9.2	(4)	7.3
Burundi	0.9	(13.6)	2.6	(36.9)			10.0	(0.0)	0.0	(-75.2)	3.6	(32)	3.7
Cameroon	4.9	(7.7)	6.3	(18.7)	5.2	(12.0)	9.5	(5.1)	3.5	(-23.4)	9.6	(2)	6.7
Canada	9.5	(0.7)	8.9	(5.7)	7.2	(6.9)	9.8	(2.5)	10.0	(105.0)	10.0	(0)	9.3
C. African Rep.			3.6	(32.0)					3.1	(-27.6)	9.6	(2)	5.3
Chad	8.5	(2.2)							4.3	(-11.9)	9.6	(2)	7.9
Chile	7.5	(3.7)	7.8	(11.0)	10.0	(0.0)	10.0	(0.1)	5.2	(4.6)	9.2	(4)	8.4
China	9.2	(1.2)	2.5	(37.5)	0.0	(28.0)	8.9	(11.3)	10.0	(99.1)	8.6	(7)	6.5
Colombia	7.3	(4.0)	7.7	(11.5)	7.4	(6.5)	9.8	(1.7)	3.1	(-27.4)	7.2	(14)	7.5
Congo, Dem. R.	5.9	(6.1)					0.0	(100.0)	6.3	(25.1)	9.0	(5)	4.8
Congo, Rep. of	7.8	(3.3)	6.3	(18.6)	6.2	(9.5)	7.2	(28.0)	7.8	(56.7)	9.6	(2)	7.4
Costa Rica	6.9	(4.6)	8.0	(10.2)	6.9	(7.7)	10.0	(0.0)	5.3	(5.0)	10.0	(0)	8.0
Cote d' Ivoire			3.4	(33.0)	9.4	(1.5)	6.3	(37.5)	6.5	(29.0)	9.6	(2)	6.5
Croatia									5.0	(23.5)	0.4	(48)	N/R
Cyprus	8.3	(2.6)	7.2	(14.0)					2.8	(-30.7)	10.0	(0)	7.4
Czech Rep.	9.3	(1.1)	9.0	(4.8)	7.4	(6.4)			9.8	(96.1)	10.0	(0)	9.1
Czechoslovakia													N/R
Denmark[c]	9.8	(0.3)	9.1	(4.4)	7.6	(6.1)	8.9	(9.0)	3.6	(-21.7)	10.0	(0)	8.6
Dominican Rep.	5.9	(6.1)	6.0	(20.0)					2.6	(-32.8)	9.2	(4)	6.1
Ecuador	7.7	(3.5)	8.1	(9.3)	7.4	(6.5)	3.6	(63.6)	4.6	(-7.4)	9.0	(5)	6.8
Egypt	5.9	(6.1)	4.3	(28.3)	0.0	(28.9)	5.5	(45.2)	5.4	(7.2)	10.0	(0)	5.3
El Salvador	8.1	(2.9)	7.2	(13.9)			8.1	(19.2)	2.3	(-34.9)	9.4	(3)	7.4
Estonia	9.9	(0.1)							5.0	(46.2)	10.0	(0)	8.8
Fiji	6.9	(4.7)							5.3	(4.9)	9.4	(3)	7.3
Finland	9.9	(0.2)	8.8	(5.9)	5.9	(10.3)	9.0	(10.1)	4.7	(-5.4)	10.0	(0)	8.5
France[c]	9.8	(0.3)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	5.1	(1.0)	10.0	(0)	8.8
Gabon	5.8	(6.3)					9.6	(4.0)	5.2	(3.3)	9.6	(2)	7.7
Germany[c]	9.7	(0.5)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	5.3	(5.5)	10.0	(0)	8.8
Ghana	4.6	(8.1)	7.0	(15.0)	6.7	(8.3)	9.8	(2.0)	4.7	(-5.8)	9.8	(1)	7.2
Greece[c]	9.7	(0.4)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	0.9	(-45.0)	10.0	(0)	8.3

1997

	VI-A						VI-B				VI-C		
	Taxes on International Trade						Non-Tariff Trade Barriers						
Country	Revenues (% of Trade) i.		Average Tariff Rates ii.		Std. Dev. Tariff Rates iii.		Coverage (% of Trade) i.		Size of Trade Sector[a] ii.		Black Market Exch. Rate Premium		Area Rating[b]
Guatemala	7.1	(4.4)	8.0	(10.2)	7.0	(7.4)	9.4	(6.0)	1.6	(-40.7)	9.8	(1)	7.5
Guinea-Bissau									0.0	(-59.4)	3.6	(32)	N/R
Guyana									9.2	(84.6)	9.0	(5)	N/R
Haiti							6.9	(30.8)	0.0	(-50.4)	3.8	(31)	N/R
Honduras			8.0	(10.1)	7.4	(6.5)			6.1	(22.6)	9.6	(2)	7.9
Hong Kong	9.8	(0.3)	10.0	(0.0)	10.0	(0.0)	10.0	(0.5)	10.0	(118.6)	10.0	(0)	9.9
Hungary			8.3	(8.5)	6.1	(9.7)	9.0	(9.7)	5.8	(15.8)	9.6	(2)	8.1
Iceland	9.5	(0.7)	9.3	(3.7)	7.1	(7.3)	9.9	(1.4)	2.4	(-34.4)	9.6	(2)	8.5
India	1.3	(13.0)	1.0	(45.0)	0.6	(23.6)	3.7	(62.6)	5.8	(15.9)	9.0	(5)	3.2
Indonesia	9.3	(1.0)	6.8	(16.0)	3.6	(16.1)	9.7	(2.7)	8.1	(61.5)	9.8	(1)	8.1
Iran	6.9	(4.7)	5.9	(20.7)			0.1	(99.3)	3.9	(-17.7)	0.0	(60)	3.6
Ireland[c]	8.8	(1.8)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	8.4	(67.4)	10.0	(0)	8.9
Israel	9.9	(0.2)	8.3	(8.3)	5.7	(10.8)			3.9	(-18.5)	9.8	(1)	8.0
Italy[c]	9.8	(0.3)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	4.5	(-7.5)	10.0	(0)	8.7
Jamaica			7.2	(14.0)	5.0	(12.5)	9.3	(6.6)	6.4	(26.9)	7.0	(15)	7.3
Japan	8.9	(1.6)	9.3	(3.7)	4.9	(12.7)	9.6	(3.8)	1.4	(-42.1)	10.0	(0)	8.0
Jordan	6.2	(5.7)					8.7	(12.9)	7.4	(47.4)	9.8	(1)	7.9
Kenya	6.7	(5.0)	3.2	(34.0)	4.7	(13.3)	10.0	(0.2)	6.9	(38.5)	8.8	(6)	6.6
Kuwait	9.4	(0.9)							3.4	(-24.9)	10.0	(0)	8.2
Latvia	9.4	(0.9)							5.0	(0.0)	9.6	(2)	8.5
Lithuania	9.5	(0.7)							6.6	(31.8)	10.0	(0)	9.0
Luxembourg[c]	9.9	(0.1)	9.1	(4.4)			9.1	(9.0)	5.6	(11.7)	10.0	(0)	9.0
Madagascar	3.3	(10.0)	4.0	(30.0)			9.8	(1.7)	5.6	(12.6)	6.6	(17)	5.8
Malawi							0.9	(91.3)	3.4	(-24.1)	6.8	(16)	N/R
Malaysia	8.9	(1.6)	7.9	(10.6)	4.4	(14.0)	9.8	(2.1)	10.0	(222.7)	9.4	(3)	8.5
Mali	6.8	(4.8)	3.0	(35.0)	9.0	(2.4)	9.9	(1.0)	6.2	(23.5)	9.6	(2)	7.1
Malta	7.1	(4.4)							4.3	(-12.1)	9.4	(3)	7.1
Mauritius	6.8	(4.8)	5.3	(23.4)			6.5	(35.2)	5.2	(4.3)	9.8	(1)	6.6
Mexico	9.5	(0.7)	7.3	(13.4)	5.0	(12.5)	8.3	(17.4)	8.3	(64.8)	9.8	(1)	8.2
Morocco	3.4	(9.9)	5.4	(22.8)	4.7	(13.2)			5.2	(4.5)	9.6	(2)	5.5
Myanmar	0.0	(31.8)							0.0	(-95.1)	0.0	(2604)	0.0
Namibia									6.6	(31.3)	10.0	(0)	N/R
Nepal	6.3	(5.6)	6.8	(16.1)	3.6	(15.9)	9.9	(0.7)	5.8	(16.1)	5.6	(22)	6.7
Netherlands[c]	9.7	(0.5)	9.1	(4.4)	7.6	(6.1)	9.1	(9.0)	7.7	(54.6)	10.0	(0)	9.0
New Zealand	9.0	(1.5)	8.4	(8.0)	5.8	(10.4)	10.0	(0.2)	4.4	(-11.5)	10.0	(0)	8.3
Nicaragua	6.1	(5.9)	7.9	(10.7)	2.9	(17.8)			6.3	(25.3)	9.8	(1)	6.8
Niger	2.8	(10.8)					9.1	(9.0)	3.5	(-22.7)	9.6	(2)	6.3
Nigeria			3.4	(32.8)	0.0	(25.0)	9.1	(8.8)	5.5	(10.4)	0.0	(271)	4.0
Norway	9.7	(0.4)	9.4	(3.1)	7.2	(6.9)	9.1	(9.0)	5.0	(-0.6)	10.0	(0)	8.8
Oman	9.3	(1.0)	8.9	(5.7)	6.3	(9.2)			4.7	(-5.8)	10.0	(0)	8.3
Pakistan	0.9	(13.6)	0.0	(61.1)	1.2	(21.9)	8.6	(14.5)	5.5	(10.1)	9.0	(5)	3.9
Panama	9.1	(1.4)	8.3	(8.3)					6.1	(20.8)	10.0	(0)	8.6
Pap. New Guinea					7.0	(7.5)			6.4	(27.1)	9.6	(2)	7.8
Paraguay	8.6	(2.1)	8.1	(9.5)	7.2	(6.9)	9.8	(1.8)	6.1	(21.1)	7.8	(11)	8.2
Peru	6.5	(5.2)	6.8	(16.0)	8.2	(4.4)	10.0	(0.0)	1.4	(-41.6)	10.0	(0)	7.4

1997

Country	VI-A Taxes on International Trade: Revenues (% of Trade) i.		Average Tariff Rates ii.		Std. Dev. Tariff Rates iii.		VI-B Non-Tariff Trade Barriers: Coverage (% of Trade) i.		Size of Trade Sector[a] ii.		VI-C Black Market Exch. Rate Premium		Area Rating[b]
Philippines	**6.6**	(5.1)	**6.4**	(18.2)	**5.6**	(11.0)	**9.5**	(5.0)	**10.0**	(169.3)	**9.0**	(5)	**7.7**
Poland	**5.7**	(6.4)	**8.3**	(8.6)	**6.9**	(7.8)			**5.3**	(5.5)	**10.0**	(0)	**7.3**
Portugal[c]	**9.8**	(0.3)	**9.1**	(4.4)	**7.7**	(5.8)	**8.7**	(13.4)	**4.3**	(-12.8)	**10.0**	(0)	**8.6**
Romania	**8.1**	(2.9)	**6.2**	(18.8)			**10.0**	(0.0)	**5.2**	(3.0)	**8.8**	(6)	**7.8**
Russia	**7.6**	(3.6)							**7.1**	(41.8)	**9.8**	(1)	**8.2**
Rwanda	**0.3**	(14.6)	**3.0**	(34.8)	**0.0**	(33.1)	**1.0**	(90.0)	**0.0**	(-62.0)	**0.0**	(61)	**0.9**
Senegal	**1.3**	(13.0)	**7.4**	(12.8)			**9.3**	(7.2)	**4.8**	(-4.2)	**9.6**	(2)	**6.4**
Sierra Leone	**4.9**	(7.7)	**4.8**	(25.8)			**0.0**	(100.0)	**0.0**	(-54.0)	**0.0**	(86)	**2.4**
Singapore	**9.9**	(0.1)	**9.9**	(0.4)	**8.9**	(2.7)	**10.0**	(0.3)	**10.0**	(143.8)	**10.0**	(0)	**9.8**
Slovakia			**9.0**	(4.8)					**8.6**	(70.9)	**7.8**	(11)	**8.6**
Slovenia			**7.9**	(10.6)			**9.8**	(2.0)	**5.8**	(14.8)	**7.4**	(13)	**8.0**
Somalia							**0.0**	(100.0)			**0.0**	(200)	**N/R**
South Africa	**9.3**	(1.0)	**6.1**	(19.7)	**1.2**	(21.9)	**8.5**	(15.0)	**5.9**	(18.2)	**9.8**	(1)	**7.2**
South Korea	**8.7**	(2.0)	**8.5**	(7.7)	**7.4**	(6.6)			**6.9**	(38.3)	**9.6**	(2)	**8.4**
Spain[c]	**9.9**	(0.2)	**9.1**	(4.4)	**7.6**	(6.1)	**9.1**	(9.0)	**5.7**	(12.9)	**10.0**	(0)	**8.9**
Sri Lanka	**7.2**	(4.2)	**4.8**	(26.0)	**2.8**	(18.1)	**9.6**	(3.8)	**5.9**	(16.8)	**9.8**	(1)	**6.8**
Sweden	**9.8**	(0.3)	**9.3**	(3.3)	**8.0**	(5.1)	**9.7**	(3.4)	**5.7**	(14.7)	**10.0**	(0)	**9.1**
Switzerland	**8.5**	(2.3)	**9.5**	(2.4)	**5.4**	(11.6)	**9.7**	(2.7)	**5.3**	(5.8)	**10.0**	(0)	**8.5**
Syria	**7.3**	(4.0)	**7.0**	(14.8)			**6.3**	(36.6)	**5.6**	(12.1)	**5.8**	(21)	**6.6**
Taiwan	**7.1**	(4.3)	**8.4**	(8.0)					**5.1**	(1.5)	**10.0**	(0)	**7.8**
Tanzania	**4.6**	(8.1)	**6.1**	(19.5)	**5.1**	(12.3)	**2.0**	(79.7)	**5.4**	(8.1)	**8.4**	(8)	**5.1**
Thailand	**7.8**	(3.3)	**4.5**	(27.6)	**3.2**	(16.9)	**9.6**	(5.5)	**10.0**	(106.0)	**10.0**	(0)	**7.4**
Togo							**9.3**	(7.0)	**3.4**	(-24.9)	**9.6**	(2)	**N/R**
Trinidad/Tob.	**8.9**	(1.7)	**7.2**	(14.1)	**4.9**	(12.7)	**7.7**	(23.4)	**0.0**	(-50.7)	**9.2**	(4)	**6.9**
Tunisia	**4.1**	(8.9)	**4.5**	(27.6)	**5.3**	(11.7)	**6.7**	(32.7)	**6.2**	(22.8)	**9.4**	(3)	**5.8**
Turkey	**9.4**	(0.9)	**8.2**	(9.0)	**7.7**	(5.7)	**0.4**	(96.4)	**5.9**	(17.2)	**9.8**	(1)	**6.8**
Uganda	**3.2**	(10.2)	**6.6**	(17.1)	**6.4**	(9.1)	**9.5**	(5.0)	**2.2**	(-35.7)	**8.4**	(8)	**6.2**
Ukraine									**9.3**	(85.9)	**9.4**	(3)	**N/R**
Unit. Arab Em.									**7.5**	(50.7)	**10.0**	(0)	**N/R**
United Kingdom[c]	**9.7**	(0.5)	**9.1**	(4.4)	**7.6**	(6.1)	**9.1**	(9.0)	**5.9**	(17.1)	**10.0**	(0)	**8.8**
United States	**9.3**	(1.0)	**9.1**	(4.3)	**7.2**	(7.0)	**8.3**	(17.0)	**4.7**	(-5.3)	**10.0**	(0)	**8.4**
Uruguay	**8.4**	(2.4)	**8.1**	(9.6)	**7.0**	(7.6)	**10.0**	(0.0)	**0.3**	(-48.4)	**10.0**	(0)	**7.9**
Venezuela	**8.5**	(2.3)	**6.9**	(15.5)	**7.5**	(6.2)	**9.8**	(2.4)	**4.9**	(-2.4)	**9.6**	(2)	**8.0**
Zambia	**7.1**	(4.3)	**4.9**	(25.6)	**5.8**	(10.6)	**8.8**	(12.0)	**4.8**	(-4.3)	**3.6**	(32)	**6.1**
Zimbabwe	**5.4**	(6.9)	**8.2**	(9.2)			**8.0**	(20.0)	**6.8**	(35.3)	**7.2**	(14)	**7.1**

[a] The actual size of the trade sector (exports + imports) as a share of GDP compared to the expected size (based on the population, geographic size, and locational characteristics of the country). Positive (negative) numbers indicate that the actual size is greater (smaller) than the expected size.

[b] Countries must have at least one component in each of the three areas (taxes on trade, non-tariff trade barriers, and black market exchange rate) in order to receive an area rating.

[c] Trade tax revenue includes tariffs collected for the European Union (EU). The average tariff rate is for the EU.

Table VII: Freedom of Exchange in Capital and Financial Markets, Component and Area Ratings, 1990 and 1997 (The ratings are in bold. The data used to derive the ratings are in parentheses.)

	1990				
	VII-A	VII-B	VII-C	VII-D	
Country	Ownership of Banks	Credit to Private Sector	Interest Rate Controls	Capital Market Controls	**Area Rating**
Albania	**0** (0)		**0**	**0**	**0.0**
Algeria	**0** (0-10)	**1.1** (19.7)		**0**	**0.3**
Argentina	**5** (40-50)	**5.7** (60.8)	**0**	**0**	**2.6**
Australia	**10** (95-100)	**8.9** (90.2)	**10**	**8**	**9.2**
Austria	**5** (40-75)	**7.1** (73.8)	**10**	**5**	**6.7**
Bahamas	**10** (95-100)	**7.7** (78.9)	**10**	**0**	**6.8**
Bahrain	**8** (90-95)	**7.2** (74.6)	**10**	**2**	**6.7**
Bangladesh	**0** (0-10)	**7.0** (72.7)	**10**	**0**	**3.9**
Barbados	**8** (75-90)	**6.4** (67.3)	**10**	**0**	**6.0**
Belgium	**10** (95-100)	**3.9** (44.8)	**10**	**10**	**8.7**
Belize	**10** (95-100)	**8.0** (82.1)	**10**	**5**	**8.2**
Benin	**2** (10-40)	**8.6** (87.5)	**8**	**0**	**4.3**
Bolivia	**10** (100)	**10.0** (99.9)	**8**	**2**	**7.3**
Botswana	**5** (40-75)	**8.6** (87.5)	**4**	**5**	**5.5**
Brazil	**5** (40-60)	**6.5** (68.4)	**0**	**0**	**2.7**
Bulgaria	**0** (0-10)	**0.0** (10.0)	**4**	**0**	**1.0**
Burundi	**0** (0-10)	**5.3** (57.7)	**4**	**0**	**2.1**
Cameroon	**0** (0-10)	**7.4** (76.8)	**8**	**0**	**3.5**
Canada	**10** (100)	**9.1** (92.0)	**10**	**8**	**9.3**
C. African Rep.	**2** (10-40)	**6.5** (68.7)	**10**	**0**	**4.4**
Chad	**0** (0-10)	**5.9** (62.8)	**8**	**0**	**3.2**
Chile	**8** (75-85)	**9.2** (92.7)	**8**	**2**	**6.6**
China	**0** (0)		**0**	**5**	**1.7**
Colombia	**8** (75-95)	**8.5** (86.0)	**8**	**0**	**5.9**
Congo, Dem. R.	**0** (0)	**8.5** (86.4)	**0**	**2**	**2.3**
Congo, Rep. of	**0** (0)	**6.0** (63.5)	**10**	**0**	**3.7**
Costa Rica	**10** (100)	**7.2** (75.0)	**8**	**5**	**7.6**
Cote d' Ivoire	**2** (10-40)	**9.1** (91.6)	**8**	**0**	**4.4**
Croatia	**0** (0-10)			**0**	**N/R**
Cyprus	**8** (75-95)	**8.3** (84.9)	**10**	**0**	**6.4**
Czech Rep.					**N/R**
Czechoslovakia	**0** (0)			**0**	**N/R**
Denmark	**10** (100)	**6.8** (70.8)	**10**	**5**	**8.0**
Dominican Rep.	**10** (95-100)	**7.7** (79.6)	**0**	**2**	**4.9**
Ecuador	**8** (91)	**9.3** (93.6)	**0**	**2**	**4.7**
Egypt	**5** (40-60)	**3.7** (43.4)	**6**	**0**	**3.6**
El Salvador		**9.2** (92.9)	**8**	**2**	**6.1**
Estonia	**0** (0)			**0**	**N/R**
Fiji	**2** (10-40)	**8.2** (83.3)	**6**	**2**	**4.3**
Finland	**8** (75-95)	**10.0** (99.6)	**10**	**2**	**7.3**

	1990				
	VII-A	**VII-B**	**VII-C**	**VII-D**	
Country	Ownership of Banks	Credit to Private Sector	Interest Rate Controls	Capital Market Controls	**Area Rating**
France	10 (95-100)	8.9 (90.2)	8	5	7.9
Gabon	2 (10-40)	5.9 (62.9)	8	0	3.8
Germany	5 (49)	7.7 (79.3)	10	10	8.2
Ghana	2 (10-40)	7.5 (77.8)	2	0	2.6
Greece	5 (40-60)	3.2 (39.0)	8	2	4.5
Guatemala	8 (91)	9.4 (94.7)	8	5	7.5
Guinea-Bissau		7.5 (77.4)	0	5	4.0
Guyana		4.0 (46.1)		5	N/R
Haiti		9.9 (99.3)	0	0	2.9
Honduras		7.3 (75.3)	8	0	4.8
Hong Kong	10 (100)	9.8 (98.1)	10	10	10.0
Hungary	2 (12)	4.7 (52.0)	6	0	3.0
Iceland	2 (28)	8.1 (88.2)	6	2	4.3
India	0 (5-10)	7.1 (73.9)	8	0	3.5
Indonesia	2 (15-25)	9.2 (92.4)	10	0	5.0
Iran	0 (0)	8.5 (86.6)	0	0	1.8
Ireland	8 (90)	6.1 (64.9)	10	5	7.3
Israel	0 (0-10)	4.9 (54.2)	6	2	3.1
Italy	5 (62)	6.8 (71.4)	10	5	6.6
Jamaica	10 (95-100)	8.0 (81.6)	8	2	6.9
Japan	5 (74)	8.8 (89.0)	10	8	7.8
Jordan	5 (40-75)	8.0 (81.5)	4	2	4.6
Kenya	5 (40-75)	6.7 (69.8)	10	0	5.2
Kuwait	5 (40-75)	0.1 (10.9)		2	2.5
Latvia				0	N/R
Lithuania	0 (0)			0	N/R
Luxembourg	10 (95-100)		10	10	10.0
Madagascar	0 (0-10)	9.2 (92.5)	0	0	1.9
Malawi	2 (10-40)	7.8 (80.4)	6	2	4.2
Malaysia	5 (40-75)	8.3 (84.3)	10	5	6.9
Mali	2 (10-40)	9.5 (95.6)	8	2	5.1
Malta	0 (0)	8.3 (84.2)	6	2	3.8
Mauritius	10 (90-100)	6.0 (63.7)	8	2	6.5
Mexico	0 (0)	6.9 (72.0)	8	5	4.8
Morocco	5 (40-75)	4.7 (52.5)	8	2	4.9
Myanmar	0 (0-10)		0	0	0.0
Namibia		9.3 (93.6)	6	2	5.5
Nepal	0 (0-10)	6.3 (66.7)	10	0	3.8
Netherlands	10 (95-100)	7.5 (77.7)	10	8	8.9
New Zealand	10 (95-100)	8.6 (87.6)	10	10	9.7
Nicaragua		2.8 (35.4)	0	0	0.8
Niger	2 (10-40)	8.2 (83.7)	8	0	4.2
Nigeria	2 (10-40)	8.5 (86.8)	0	0	2.3
Norway	8 (75-95)	7.3 (75.2)	10	8	8.3
Oman	8 (75-95)	9.3 (93.4)	10	2	7.1

	1990				
	VII-A	**VII-B**	**VII-C**	**VII-D**	
Country	Ownership of Banks	Credit to Private Sector	Interest Rate Controls	Capital Market Controls	**Area Rating**
Pakistan	**0** (0)	**6.9** (72.2)	**6**	**2**	**3.5**
Panama	**8** (75-95)	**9.3** (93.4)	**10**	**8**	**8.8**
Pap. New Guinea	**5** (40-60)	**8.7** (88.6)		**0**	**4.2**
Paraguay		**9.9** (99.4)	**2**	**5**	**5.4**
Peru		**3.6** (42.1)	**0**	**2**	**1.8**
Philippines	**8** (88)	**6.8** (70.9)	**8**	**2**	**6.1**
Poland	**0** (0-10)	**0.3** (13.1)	**0**	**0**	**0.1**
Portugal	**2** (15)	**5.4** (58.8)	**8**	**5**	**5.0**
Romania	**0** (0)	**0.0** (0.0)	**0**	**0**	**0.0**
Russia	**0** (0)		**0**	**0**	**0.0**
Rwanda	**0** (0-10)	**6.1** (64.8)	**10**	**0**	**3.8**
Senegal	**2** (10-40)	**9.6** (95.9)	**8**	**0**	**4.5**
Sierra Leone	**2** (10-40)	**6.5** (68.1)	**0**	**0**	**1.9**
Singapore	**10** (95-100)	**8.6** (87.6)	**10**	**10**	**9.7**
Slovakia					**N/R**
Slovenia				**0**	**N/R**
Somalia			**0**	**0**	**N/R**
South Africa	**10** (100)	**9.1** (92.1)	**8**	**2**	**7.2**
South Korea	**5** (58)	**9.4** (94.8)	**10**	**5**	**7.2**
Spain	**8** (80-95)	**6.5** (68.1)	**10**	**8**	**8.2**
Sri Lanka	**5** (40-75)	**6.3** (66.7)	**8**	**0**	**4.7**
Sweden	**8** (75-90)	**6.9** (71.7)	**10**	**10**	**8.8**
Switzerland	**5** (67)	**9.4** (94.5)	**10**	**10**	**8.5**
Syria	**0** (0)	**1.5** (23.3)	**0**	**0**	**0.3**
Taiwan	**2** (16)	**8.5** (86.2)	**10**	**5**	**6.2**
Tanzania	**0** (0-5)	**6.9** (72.0)	**4**	**0**	**2.4**
Thailand	**8** (80-90)	**8.6** (87.7)	**8**	**2**	**6.5**
Togo	**2** (10-40)	**9.7** (97.6)	**8**	**0**	**4.6**
Trinidad/Tob.	**8** (75-90)	**7.5** (77.0)	**6**	**0**	**5.2**
Tunisia	**5** (40-60)	**8.8** (88.7)	**8**	**5**	**6.5**
Turkey	**8** (75-90)	**5.8** (62.1)	**2**	**0**	**3.9**
Uganda	**2** (10-40)	**7.4** (76.9)	**0**	**0**	**2.1**
Ukraine	**0** (0)			**0**	**N/R**
Unit. Arab Em.	**5** (40-75)	**7.8** (79.7)		**5**	**5.8**
United Kingdom	**10** (100)	**9.8** (97.8)	**10**	**10**	**10.0**
United States	**10** (100)	**8.8** (89.2)	**10**	**10**	**9.7**
Uruguay	**5** (40-75)	**7.7** (79.1)	**8**	**10**	**7.7**
Venezuela	**8** (94)	**5.3** (57.4)	**0**	**5**	**4.6**
Zambia	**2** (10-40)	**4.6** (51.7)	**0**	**2**	**2.1**
Zimbabwe	**2** (10-40)	**6.3** (66.5)	**8**	**2**	**4.4**

Table VII: (con't)

	1997				
	VII-A	**VII-B**	**VII-C**	**VII-D**	
Country	Ownership of Banks	Credit to Private Sector	Interest Rate Controls	Capital Market Controls	**Area Rating**
Albania	2 (10-40)	0.0 (6.9)	8	2	3.1
Algeria	0 (0-10)	0.7 (16.5)	0	2	0.7
Argentina	5 (60)	7.2 (74.8)	10	10	8.1
Australia	10 (95-100)	9.4 (94.5)	10	8	9.3
Austria	5 (74)	7.4 (76.8)	10	8	7.6
Bahamas	10 (95-100)	8.3 (84.3)	10	0	6.9
Bahrain	8 (90-95)	8.7 (88.4)	10	2	7.0
Bangladesh	0 (0-10)	7.1 (74.2)	8	0	3.5
Barbados	8 (75-90)	5.9 (63.1)	10	0	5.9
Belgium	10 (95-100)	3.9 (45.3)	10	10	8.7
Belize	10 (95-100)	8.8 (88.9)	8	5	7.9
Benin	10 (100)	6.5 (68.5)	2	0	4.6
Bolivia	8 (93)	9.2 (92.9)	8	8	8.3
Botswana	5 (40-75)	9.3 (93.5)	8	5	6.6
Brazil	5 (40-55)	5.7 (61.4)	8	0	4.5
Bulgaria	5 (43)	5.3 (57.5)	4	5	4.8
Burundi	0 (0-10)	6.9 (72.2)	6	0	2.9
Cameroon	2 (10-40)	5.7 (60.9)	6	0	3.2
Canada	10 (100)	8.6 (87.4)	10	8	9.2
C. African Rep.	2 (10-40)	6.6 (69.0)	6	0	3.4
Chad	0 (0-10)	5.0 (55.3)	6	0	2.5
Chile	8 (85-95)	9.7 (97.5)	10	5	8.0
China	0 (0)		4	5	3.0
Colombia	8 (75-95)	7.5 (77.1)	8	5	7.1
Congo, Dem. R.	0 (0)		0	2	0.7
Congo, Rep. of	0 (0)	6.9 (72.4)	6	0	2.9
Costa Rica	10 (100)	8.0 (82.1)	8	10	9.1
Cote d' Ivoire	8 (90-95)	7.1 (73.4)	6	0	5.2
Croatia	0 (0-10)	6.9 (71.6)	8	2	4.0
Cyprus	8 (75-95)	8.1 (83.1)	10	0	6.3
Czech Rep.	2 (10-20)	7.5 (77.2)	8	5	5.5
Czechoslovakia					N/R
Denmark	10 (100)	5.4 (58.7)	10	10	9.0
Dominican Rep.	10 (95-100)	8.5 (86.2)	8	5	7.8
Ecuador	8 (92)	8.6 (87.3)	8	8	8.1
Egypt	5 (40-50)	4.7 (52.3)	8	5	5.7
El Salvador		9.6 (96.7)	10	8	9.1
Estonia	8 (80-90)	6.9 (72.2)	4	8	6.8
Fiji	2 (10-40)	7.8 (80.1)	8	2	4.7
Finland	8 (75-95)	8.9 (89.9)	10	8	8.7
France	10 (95-100)	7.8 (80.4)	10	5	8.2
Gabon	5 (40-75)	5.6 (60.1)	6	0	4.0
Germany	5 (49)	7.4 (76.5)	10	10	8.1
Ghana	5 (40-75)	5.2 (56.5)	8	0	4.4
Greece	5 (40-60)	4.3 (48.9)	8	8	6.4

	1997				
	VII-A	**VII-B**	**VII-C**	**VII-D**	
Country	Ownership of Banks	Credit to Private Sector	Interest Rate Controls	Çapital Market Controls	**Area Rating**
Guatemala	8 (91)	8.5 (86.2)	6	8	7.6
Guinea-Bissau		9.9 (98.6)	4	5	6.1
Guyana		6.8 (71.0)	4	5	5.2
Haiti		10.0 (99.9)	4	2	5.0
Honduras		9.8 (97.9)	8	5	7.4
Hong Kong	10 (100)	9.3 (94.0)	10	10	9.9
Hungary	8 (91)	3.3 (39.7)	8	5	6.2
Iceland	2 (28)	9.6 (96.4)	8	5	5.9
India	2 (10-15)	6.1 (64.4)	8	0	3.8
Indonesia	5 (40-60)	9.3 (93.5)	10	0	5.8
Iran	0 (0-5)	9.6 (96.7)	8	0	4.0
Ireland	8 (93)	6.9 (72.0)	10	8	8.3
Israel	0 (0-10)	9.1 (91.5)	10	2	4.9
Italy	5 (60-75)	6.2 (65.5)	10	10	7.8
Jamaica	10 (95-100)	6.4 (67.9)	6	8	7.7
Japan	5 (66)	8.8 (89.5)	10	8	7.9
Jordan	5 (40-75)	9.5 (95.6)	10	2	6.4
Kenya	5 (40-75)	6.9 (72.1)	8	8	7.0
Kuwait	5 (40-75)	4.2 (47.5)	10	2	5.3
Latvia		6.7 (70.5)	6	8	6.9
Lithuania	5 (40-75)	6.1 (65.1)	8	8	6.8
Luxembourg	10 (95-100)	6.3 (67.0)	10	10	9.2
Madagascar	2 (10-40)	8.2 (83.5)	6	2	4.3
Malawi	2 (10-40)	3.3 (39.8)	4	2	2.8
Malaysia	5 (40-75)	8.3 (84.5)	10	5	6.9
Mali	2 (10-40)	8.9 (90.3)	6	2	4.4
Malta	0 (0-10)	7.8 (80.3)	10	2	4.7
Mauritius	10 (90-100)	6.9 (71.6)	8	10	8.9
Mexico	8 (90)	5.6 (60.5)	6	5	6.2
Morocco	5 (40-75)	6.0 (63.5)	8	2	5.1
Myanmar	0 (0-10)		0	0	0.0
Namibia		8.7 (88.5)	8	2	6.0
Nepal	0 (0-10)	8.5 (86.4)	8	0	3.8
Netherlands	10 (95-100)	8.3 (84.9)	10	10	9.6
New Zealand	10 (95-100)	9.7 (97.5)	10	8	9.4
Nicaragua		9.3 (93.6)	8	5	7.3
Niger	5 (40-75)	6.5 (68.0)	6	0	4.2
Nigeria	5 (40-75)	7.6 (78.0)	0	0	3.0
Norway	8 (75-95)	8.2 (83.9)	10	8	8.5
Oman	8 (75-95)	9.3 (93.2)	10	2	7.1

	1997				
	VII-A	VII-B	VII-C	VII-D	
Country	Ownership of Banks	Credit to Private Sector	Interest Rate Controls	Capital Market Controls	**Area Rating**
Pakistan	0 (0)	5.7 (60.8)	6	2	3.2
Panama	8 (80-95)	9.9 (99.0)	10	10	9.4
Pap. New Guinea	5 (45-55)	5.3 (57.9)	8	2	5.0
Paraguay		9.6 (96.0)	8	10	9.2
Peru		9.2 (92.4)	8	8	8.3
Philippines	8 (90)	7.4 (76.7)	10	5	7.6
Poland	2 (20-40)	3.7 (43.3)	10	5	5.1
Portugal	5 (40-60)	6.9 (72.3)	10	8	7.4
Romania	0 (0-10)	4.1 (47.0)	0	2	1.4
Russia	2 (10-20)	4.0 (45.7)	4	5	3.7
Rwanda	0 (0-10)	8.8 (89.0)	0	0	1.9
Senegal	2 (10-40)	7.7 (79.6)	6	0	3.7
Sierra Leone	2 (10-40)	4.7 (52.0)	2	0	2.0
Singapore	10 (95-100)	8.7 (88.4)	10	10	9.7
Slovakia	2 (10-20)	4.4 (49.8)	10	5	5.3
Slovenia	2 (10-40)	6.5 (68.1)	8	0	3.9
Somalia			0	0	N/R
South Africa	10 (100)	9.1 (92.2)	10	2	7.6
South Korea	5 (62)	9.8 (97.9)	10	5	7.2
Spain	8 (85-95)	6.7 (70.6)	10	8	8.2
Sri Lanka	5 (40-75)	7.8 (80.4)	10	2	6.0
Sweden	8 (75-90)	5.6 (60.3)	10	10	8.5
Switzerland	5 (40-75)	9.2 (92.3)	10	10	8.5
Syria	0 (0)	1.0 (19.2)	0	0	0.2
Taiwan	2 (15-25)	8.3 (85.0)	10	5	6.1
Tanzania	0 (0-5)	3.2 (38.7)	6	0	2.2
Thailand	8 (90-95)	9.2 (92.5)	10	5	7.9
Togo	2 (10-40)	8.9 (89.9)	6	0	3.9
Trinidad/Tob.	8 (75-90)	6.5 (68.2)	8	8	7.7
Tunisia	5 (40-60)	9.3 (93.9)	8	5	6.6
Turkey	8 (75-90)	6.4 (67.6)	8	2	6.0
Uganda	2 (10-40)	4.9 (54.0)	6	0	3.1
Ukraine	0 (0-10)	1.5 (23.5)	0	2	0.9
Unit. Arab Em.	5 (40-75)	8.0 (81.6)		5	5.8
United Kingdom	10 (100)	9.8 (98.5)	10	10	10.0
United States	10 (100)	8.6 (87.7)	10	10	9.7
Uruguay	5 (40-75)	8.6 (87.0)	6	10	7.4
Venezuela	8 (92)	7.1 (74.3)	0	5	5.0
Zambia	5 (40-75)	5.5 (59.4)	6	2	4.5
Zimbabwe	5 (40-75)	7.2 (74.6)	8	2	5.4

Appendix II Area Ratings for 1997 and Summary Ratings by Country for 1990 and 1997

Appendix II: Area Ratings for 1997 and Summary Ratings for 1990 and 1997 by Country

	1997 Area Ratings							1997 Summary		1990 Summary	
Country	I	II	III	IV	V	VI	VII	Weighted	Unweighted	Weighted	Unweighted
Albania	7.5	3.0	2.3	3.4	5.5		3.1	4.1	4.1	N/R	N/R
Algeria	7.0	1.9	7.0	0.0	9.1	5.0	0.7	4.2	4.4	2.9	3.3
Argentina	8.1	9.5	8.4	10.0	9.1	7.6	8.1	8.7	8.7	4.8	4.7
Australia	6.7	6.3	9.1	10.0	10.0	8.5	9.3	8.6	8.6	8.2	8.1
Austria	4.8	4.3	9.3	10.0	10.0	8.8	7.6	7.9	7.8	7.3	7.2
Bahamas	8.7	6.7	9.2	0.0	8.3	4.3	6.9	6.1	6.3	5.8	6.0
Bahrain	6.0	6.0	9.2	10.0	9.1	8.3	7.0	8.0	8.0	7.6	7.6
Bangladesh	8.4	2.0	8.9	0.0	8.4	2.3	3.5	4.4	4.8	3.5	4.0
Barbados	8.5	6.1	8.7	0.0	8.3	6.5	5.9	6.1	6.3	5.7	5.9
Belgium	5.3	4.8	9.7	10.0	9.5	9.1	8.7	8.2	8.2	8.1	8.0
Belize	8.6	4.7	9.7	0.0		4.7	7.9	5.6	5.9	5.0	5.3
Benin	9.3	1.9	7.7	0.0	6.9		4.6	4.7	5.1	N/R	N/R
Bolivia	8.9	6.4	6.4	6.9	8.4	8.6	8.3	7.8	7.7	6.4	6.3
Botswana	5.1	6.2	8.7	3.4	8.6	7.6	6.6	6.6	6.6	5.5	5.5
Brazil	6.4	7.2	2.8	0.0	8.8	7.7	4.5	5.5	5.3	4.0	3.9
Bulgaria	7.7	3.3	0.0	3.4	7.3	7.3	4.8	5.1	4.8	3.6	3.7
Burundi	9.3	3.0	6.2	3.4	6.9	3.7	2.9	4.8	5.0	3.4	3.8
Cameroon	9.0	2.2	7.5	0.0	7.8	6.7	3.2	5.0	5.2	5.1	5.4
Canada	5.9	7.5	9.2	10.0	9.7	9.3	9.2	8.8	8.7	8.6	8.5
C. African Rep.	8.2	0.0	7.5	0.0	6.9	5.3	3.4	4.2	4.5	4.3	4.7
Chad	9.1	1.8	6.4	0.0	6.9	7.9	2.5	4.8	5.0	4.8	5.1
Chile	8.0	6.3	8.3	6.9	9.1	8.4	8.0	7.9	7.9	7.0	7.0
China	7.7	3.2	7.6	3.4	9.1	6.5	3.0	5.6	5.8	4.2	4.5
Colombia	8.3	4.5	6.9	0.0	6.2	7.5	7.1	5.7	5.8	4.7	4.8
Congo, Dem. R.	8.9	3.0	0.0	3.4	2.4	4.8	0.7	3.2	3.3	2.9	2.9
Congo, Rep. of	5.5	1.6	6.9	0.0	7.4	7.4	2.9	4.5	4.5	4.3	4.6
Costa Rica	7.6	8.1	7.5	6.9	7.9	8.0	9.1	7.9	7.9	7.1	7.2
Cote d' Ivoire	8.6	3.0	7.4	0.0	7.1	6.5	5.1	5.2	5.4	4.4	4.7
Croatia	5.5	2.6	3.5	6.9			4.0	N/R	N/R	N/R	N/R
Cyprus	7.1	4.3	9.6	0.0	9.5	7.4	6.4	6.2	6.3	5.4	5.6
Czech Rep.	3.9	5.2	8.1	3.4	10.0	9.1	5.4	6.6	6.4	N/R	N/R
Czechoslovakia				N/R				N/R	N/R	4.1	4.2
Denmark	4.0	6.1	9.5	10.0	10.0	8.6	9.0	8.3	8.2	7.8	7.7
Dominican Rep.	9.5	6.4	8.2	3.4	7.3	6.1	7.8	6.8	7.0	4.1	4.2
Ecuador	9.0	5.8	4.6	6.9	7.6	6.8	8.1	7.1	7.0	5.2	5.2
Egypt	8.3	2.5	8.6	3.4	8.6	5.3	5.7	5.9	6.1	4.8	5.2
El Salvador	9.3	7.6	9.0	10.0	8.4	7.4	6.7	8.2	8.3	4.5	4.8
Estonia	5.1	5.6	3.8	6.4	8.5	8.8	6.8	6.7	6.4	N/R	N/R
Fiji	8.6	5.3	9.1	0.0		7.3	4.7	5.5	5.8	5.1	5.4
Finland	4.8	5.4	9.2	10.0	10.0	8.5	8.7	8.2	8.1	7.3	7.3

	1997 Area Ratings							1997 Summary		1990 Summary	
Country	I	II	III	IV	V	VI	VII	Weighted	Unweighted	Weighted	Unweighted
France	4.5	5.5	9.8	10.0	9.5	8.8	8.2	8.1	8.0	7.4	7.3
Gabon	8.0	2.9	7.0	0.0	8.4	7.7	4.0	5.3	5.4	4.8	5.0
Germany	5.4	5.2	9.4	10.0	10.0	8.8	8.1	8.2	8.1	8.3	8.2
Ghana	9.0	5.9	3.4	3.4	8.4	7.2	4.4	6.0	6.0	4.3	4.4
Greece	5.7	4.6	8.3	10.0	8.8	8.3	6.4	7.5	7.4	5.5	5.5
Guatemala	10.0	7.3	7.9	6.9	7.4	7.5	7.6	7.7	7.8	6.3	6.4
Guinea-Bissau	4.3	4.8	0.8	0.0	3.6		4.4	3.1	3.0	2.2	2.1
Guyana	6.6	4.0		3.6	8.3		3.8	N/R	N/R	N/R	N/R
Haiti			5.3	6.9	7.1		3.6	N/R	N/R	4.7	5.2
Honduras	8.8	6.2	6.0	6.9	7.4	7.9	5.4	6.9	7.0	5.8	6.0
Hong Kong	9.4	9.7	9.0	10.0	8.8	9.9	9.9	9.6	9.5	9.3	9.3
Hungary	6.0	4.9	7.3	6.9	10.0	8.1	6.2	7.2	7.1	4.4	4.5
Iceland	6.9	6.2	9.4	6.9	10.0	8.5	5.9	7.7	7.7	7.1	7.0
India	7.6	3.5	8.8	3.4	8.6	3.2	3.8	5.3	5.5	3.8	4.2
Indonesia	9.4	4.0	8.9	6.9	8.6	8.1	5.8	7.2	7.4	7.0	7.2
Iran	8.6	2.3	5.8	3.4	8.8	3.6	4.0	5.1	5.2	4.5	4.9
Ireland	6.1	7.3	9.4	10.0	10.0	8.9	8.3	8.6	8.6	6.6	6.6
Israel	4.9	3.3	8.3	3.4	9.1	8.0	4.9	6.0	6.0	4.6	4.5
Italy	4.7	4.2	9.6	10.0	9.7	8.7	7.8	7.9	7.8	7.1	7.0
Jamaica	8.4	5.5	4.2	6.9	9.1	7.3	7.7	7.2	7.0	5.4	5.5
Japan	7.7	5.0	9.5	10.0	10.0	8.0	7.9	8.3	8.3	8.4	8.4
Jordan	7.8	2.1	9.2	0.0	8.3	7.9	6.4	5.8	5.9	4.6	4.8
Kenya	8.5	5.3	7.1	6.9	7.6	6.6	7.0	7.0	7.0	4.8	5.0
Kuwait	6.4	5.8	8.7	10.0	9.3	8.2	5.2	7.6	7.7	N/R	N/R
Latvia	5.5	5.8	5.2	3.4	8.5	8.5	5.1	6.1	6.0	N/R	N/R
Lithuania	7.1	4.7	4.2	3.4	8.5	9.0	6.8	6.5	6.2	N/R	N/R
Luxembourg	5.2	6.6	9.4	10.0	10.0	9.0	9.2	8.6	8.5	8.4	8.2
Madagascar	9.0	0.1	6.0	0.0	5.7	5.8	4.3	4.2	4.4	3.5	3.9
Malawi	8.1	3.5	2.3	0.0	7.9		2.8	4.1	4.1	4.3	4.6
Malaysia	8.2	5.5	8.7	6.9	8.8	8.5	6.9	7.6	7.6	7.9	7.9
Mali	8.9	3.5	7.2	0.0	5.0	7.1	4.5	5.0	5.2	4.6	4.9
Malta	6.4	5.3	9.6	0.0	10.0	7.1	4.7	6.0	6.1	4.8	5.1
Mauritius	8.5	6.9	9.2	6.9	8.6	6.6	8.8	7.9	7.9	5.7	5.9
Mexico	8.7	6.5	6.2	6.9	9.1	8.2	6.2	7.4	7.4	6.2	6.0
Morocco	8.5	2.4	8.8	0.0	9.3	5.5	5.1	5.5	5.7	4.3	4.6
Myanmar		2.0	6.8	0.0	8.1	0.0	0.0	2.5	2.8	1.4	1.7
Namibia	4.8	5.9	7.4	0.0	9.3		4.4	5.2	5.3	4.5	4.8
Nepal	9.4	2.9	8.1	0.0		6.7	3.8	4.8	5.2	4.3	4.7
Netherlands	4.9	6.0	9.2	10.0	10.0	9.0	9.6	8.6	8.4	8.1	8.0
New Zealand	7.3	9.2	9.5	10.0	10.0	8.3	9.4	9.2	9.1	8.3	8.0

	1997 Area Ratings							1997 Summary		1990 Summary	
Country	I	II	III	IV	V	VI	VII	Weighted	Unweighted	Weighted	Unweighted
Nicaragua	8.5	4.2	7.0	6.9	7.6	6.8	5.3	6.5	6.6	2.6	2.5
Niger	8.2	4.4	7.8	0.0	5.8	6.3	4.2	5.0	5.2	4.5	4.9
Nigeria	5.9	4.5	3.4	3.4	7.8	4.0	3.0	4.6	4.6	3.7	3.8
Norway	4.9	5.5	9.4	10.0	10.0	8.8	8.5	8.3	8.2	7.3	7.1
Oman	7.3	5.4	8.9	10.0	8.8	8.3	7.1	7.9	8.0	7.1	7.0
Pakistan	9.0	4.6	8.5	0.0	8.3	3.9	3.2	5.0	5.4	4.3	4.8
Panama	7.6	6.4	9.4	10.0	8.4	8.6	9.4	8.6	8.6	7.1	7.3
Pap. New Guinea	4.5		7.2	0.0	8.4	7.8	5.0	5.5	5.5	5.4	5.6
Paraguay	9.5	6.8	7.9	6.9	7.9	8.2	6.7	7.6	7.7	6.1	6.2
Peru	9.4	7.3	3.6	10.0	8.8	7.4	6.1	7.6	7.5	3.6	3.7
Philippines	9.2	6.9	8.5	6.9	8.6	7.7	7.6	7.8	7.9	5.4	5.6
Poland	5.3	3.4	5.6	6.4	9.5	7.3	5.1	6.2	6.1	3.9	3.7
Portugal	6.7	5.5	8.7	6.9	9.5	8.6	7.5	7.7	7.6	5.8	5.8
Romania	7.0	2.3	0.0	0.0	9.1	7.8	1.4	4.2	4.0	4.0	4.2
Russia	5.2	3.4	2.3	3.4	7.6	8.2	3.7	5.1	4.8	N/R	N/R
Rwanda	8.6	2.0	7.3	3.4		0.9	1.9	3.5	4.0	3.7	4.3
Senegal	9.0	3.3	7.8	0.0	6.4	6.4	3.7	5.0	5.2	4.7	5.0
Sierra Leone	9.1	3.9	4.2	3.4	5.4	2.4	2.0	4.1	4.3	3.0	3.1
Singapore	8.7	7.5	9.6	10.0	10.0	9.8	9.7	9.4	9.4	9.1	9.1
Slovakia	5.0	3.9	8.8	3.4	8.1	8.6	5.3	6.1	6.2	N/R	N/R
Slovenia	6.3	3.0	7.0	3.4	9.1	8.0	3.9	5.9	5.9	N/R	N/R
Somalia				3.4	2.8			N/R	N/R	N/R	N/R
South Africa	7.6	5.9	8.0	0.0	9.1	7.2	7.7	6.5	6.5	5.4	5.5
South Korea	8.6	3.5	9.6	6.9	9.0	8.4	7.2	7.5	7.6	5.8	5.9
Spain	6.2	4.3	9.4	6.9	10.0	8.9	8.2	7.8	7.7	6.3	6.3
Sri Lanka	8.7	5.3	8.6	0.0	8.6	6.8	6.0	6.1	6.3	4.5	4.8
Sweden	3.0	4.4	9.6	10.0	10.0	9.1	8.5	8.0	7.8	6.9	6.6
Switzerland	6.2	7.1	9.2	10.0	9.7	8.5	8.5	8.5	8.4	8.7	8.6
Syria	8.5	0.0	8.0	3.4	8.4	6.6	0.2	4.7	5.0	3.5	3.9
Taiwan	8.1	3.1	9.9	10.0	9.0	7.8	6.1	7.6	7.7	7.6	7.7
Tanzania	8.9	3.7	7.1	3.4	8.1	5.1	2.2	5.2	5.5	3.3	3.5
Thailand	9.1	6.6	9.1	6.9	9.1	7.4	7.9	7.9	8.0	6.5	6.6
Togo	9.0	1.8	5.7	0.0	7.1		3.9	4.4	4.6	4.6	5.0
Trinidad/Tob.	7.5	5.9	8.7	10.0	7.6	6.9	7.7	7.7	7.8	5.2	5.4
Tunisia	7.8	3.9	9.3	0.0	9.1	5.8	6.7	5.9	6.1	4.7	5.0
Turkey	7.5	5.4	1.3	6.9	7.9	6.8	6.0	6.3	6.0	5.1	5.1
Uganda	9.2	5.5	6.0	6.9	7.2	6.2	3.1	6.2	6.3	2.8	2.9
Ukraine	9.2	2.7	2.2	3.4	7.4		0.9	4.2	4.3	N/R	N/R
Unit. Arab Em.	8.1	8.0		10.0	7.9		5.8	N/R	N/R	7.8	7.9
United Kingdom	6.0	8.0	9.0	10.0	10.0	8.8	10.0	9.0	8.8	8.6	8.4
United States	6.8	8.3	9.7	10.0	10.0	8.4	9.7	9.1	9.0	8.9	8.8
Uruguay	6.8	7.4	4.1	10.0	8.8	7.9	7.4	7.7	7.5	7.0	6.7
Venezuela	9.2	3.7	0.2	6.9	7.6	8.0	5.0	6.1	5.8	5.7	5.6
Zambia	8.7	3.6	0.2	6.9	6.9	6.1	4.5	5.5	5.3	2.6	2.6
Zimbabwe	7.5	4.1	5.5	3.4	6.9	7.1	5.4	5.7	5.7	4.1	4.3

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