

# Kenya

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

# Kuwait

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

# Latvia

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

# Lithuania

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

# Luxembourg

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

# Madagascar

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

# Malawi

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

# Malaysia

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





# Malta

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

# Mauritius

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

# Mexico

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

# Morocco

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

# Myanmar

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

# Namibia

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

# Nepal

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



## Netherlands

|   | 1970    |        | 1975     |        | 1980     |        | 1985    |        | 1990     |        | 1995    |        | 2000    |        |
|---|---------|--------|----------|--------|----------|--------|---------|--------|----------|--------|---------|--------|---------|--------|
| Summary Ratings (Rank) ▶  | 7.1 (9) |        | 6.5 (13) |        | 6.9 (10) |        | 7.1 (9) |        | 7.2 (10) |        | 7.8 (8) |        | 8.0 (8) |        |
| <b>1. Size of Government: Expenditures, Taxes and Enterprises</b> | 4.9     |        | 4.3      |        | 3.8      |        | 3.8     |        | 4.6      |        | 5.0     |        | 4.6     |        |
| A. Government Consumption   | 5.8     | (20.3) | 5.2      | (22.2) | 5.2      | (22.2) | 5.6     | (21.0) | 5.9      | (19.9) | 6.1     | (19.3) | 2.5     | (31.4) |
| B. Transfers and Subsidies  | 5.0     | (18.7) | 3.2      | (25.6) | 2.1      | (29.4) | 1.5     | (31.6) | 2.3      | (28.7) | 2.0     | (29.7) | 2.8     | (27.0) |
| C. Government Enterprises and Investment                          | 4.0     | (33.7) | 4.0      | (33.6) | 8.0      | (14.8) | 8.0     | (14.7) | 10.0     | (12.7) | 10.0    | (13.8) | 10.0    |        |
| D. Top Marginal Tax Rate  |         |        | 5.0      | (46)   | 0.0      | (72)   | 0.0     | (72)   | 0.0      | (72)   | 2.0     | (60)   | 3.0     | (52)   |
| <b>2. Legal Structure and Security of Property Rights</b>         | 8.3     |        | 6.4      |        | 7.5      |        | 8.3     |        | 8.3      |        | 8.9     |        | 9.6     |        |
| A. Judicial Independence  |         |        |          |        |          |        |         |        |          |        | 9.4     |        | 9.5     |        |
| B. Impartial Courts   |         |        |          |        |          |        |         |        |          |        | 8.7     |        | 9.5     |        |
| C. Protection of Intellectual Property                            |         |        |          |        |          |        |         |        |          |        | 7.5     |        | 9.1     |        |
| D. Military Interference  |         |        |          |        |          |        |         |        |          |        |         |        | 10.0    |        |
| E. Integrity of Legal System                                      |         |        |          |        |          |        |         |        |          |        | 10.0    |        | 10.0    |        |
| <b>3. Access to Sound Money</b>                                   | 9.4     |        | 9.0      |        | 9.4      |        | 9.5     |        | 9.6      |        | 9.7     |        | 9.4     |        |
| A. Growth of Money Supply   | 9.2     | (3.8)  | 8.3      | (8.5)  | 9.2      | (3.9)  | 9.0     | (4.8)  | 9.2      | (4.2)  | 9.1     | (4.3)  | 8.4     | (7.9)  |
| B. Inflation Variability  | 9.6     | (1.0)  | 9.7      | (0.7)  | 9.3      | (1.6)  | 9.3     | (1.8)  | 9.6      | (1.0)  | 9.9     | (0.4)  | 9.9     | (0.3)  |
| C. Recent Annual Inflation  | 8.8     | (6.2)  | 8.0      | (10.2) | 8.9      | (5.5)  | 9.6     | (1.8)  | 9.5      | (2.3)  | 9.7     | (1.6)  | 9.5     | (2.5)  |
| D. Freedom to Own Foreign Currency                                | 10.0    |        | 10.0     |        | 10.0     |        | 10.0    |        | 10.0     |        | 10.0    |        | 10.0    |        |
| <b>4. Freedom to Exchange with Foreigners</b>                     | 7.3     |        | 7.4      |        | 8.3      |        | 8.6     |        | 8.2      |        | 8.5     |        | 8.8     |        |
| A. Taxes on International Trade                                   | 8.9     |        | 8.6      |        | 9.0      |        | 9.1     |        | 8.4      |        | 8.7     |        | 9.0     |        |
| (i) Taxes as Percentage of Exports and Imports                    | 8.9     | (1.7)  | 9.1      | (1.3)  | 9.7      | (0.4)  | 9.7     | (0.4)  | 9.7      | (0.5)  | 9.7     | (0.5)  | 9.7     | (0.5)  |
| (ii) Mean Tariff Rate   |         |        | 8.1      | (9.4)  | 8.2      | (8.8)  | 8.5     | (7.5)  | 8.5      | (7.4)  | 8.7     | (6.7)  | 9.3     | (3.5)  |
| (iii) Variability of Tariff Rates                                 |         |        |          |        |          |        |         |        | 7.1      | (7.2)  | 7.6     | (5.9)  | 8.0     | (5.0)  |
| B. Regulatory Trade Barriers                                      |         |        |          |        |          |        |         |        |          |        | 8.9     |        | 9.5     |        |
| (i) Hidden Import Barriers  |         |        |          |        |          |        |         |        |          |        | 8.9     |        | 9.3     |        |
| (ii) Costs of Importing   |         |        |          |        |          |        |         |        |          |        |         |        | 9.8     |        |
| C. Size of Trade Sector   | 8.5     |        | 6.1      |        | 6.1      |        | 7.5     |        | 6.4      |        | 5.6     |        | 5.9     |        |
| D. Difference between Official and Black Market Exchange Rates    | 10.0    |        | 10.0     |        | 10.0     |        | 10.0    |        | 10.0     |        | 10.0    |        | 10.0    |        |
| E. Restrictions on Capital Markets                                | 2.0     |        | 5.0      |        | 8.0      |        | 8.0     |        | 8.0      |        | 9.6     |        | 9.5     |        |
| (i) Access to Foreign Capital                                     |         |        |          |        |          |        |         |        |          |        | 9.1     |        | 9.9     |        |
| (ii) Restrictions on Capital Transactions with Foreigners         | 2.0     |        | 5.0      |        | 8.0      |        | 8.0     |        | 8.0      |        | 10.0    |        | 9.2     |        |
| <b>5. Regulation of Credit, Labor and Business</b>                | 5.4     |        | 5.1      |        | 5.6      |        | 5.3     |        | 5.4      |        | 6.9     |        | 7.6     |        |
| A. Regulation of Credit Markets                                   | 8.9     |        | 7.9      |        | 9.4      |        | 8.6     |        | 9.3      |        | 9.1     |        | 9.3     |        |
| (i) Private Ownership of Banks                                    | 10.0    |        | 10.0     |        | 10.0     |        | 8.0     |        | 10.0     |        | 10.0    |        | 10.0    |        |
| (ii) Competition from Foreign Banks                               |         |        |          |        |          |        |         |        |          |        | 8.2     |        | 8.2     |        |
| (iii) Extension of Credit to Private Sector                       | 6.7     |        | 7.8      |        | 8.3      |        | 7.8     |        | 7.8      |        | 8.2     |        | 9.1     |        |
| (iv) Avoidance of Negative Real Interest Rates                    | 10.0    |        | 6.0      |        | 10.0     |        | 10.0    |        | 10.0     |        | 10.0    |        | 10.0    |        |
| (v) Controls on Interest Rates                                    |         |        |          |        |          |        |         |        |          |        | 8.6     |        | 8.9     |        |
| B. Regulation of Labor Markets                                    | 2.6     |        | 2.6      |        | 3.0      |        | 2.6     |        | 2.8      |        | 4.1     |        | 5.2     |        |
| (i) Impact of Minimum Wage  |         |        |          |        |          |        |         |        |          |        | 4.5     |        | 4.5     |        |
| (ii) Flexibility in Hiring and Firing                             |         |        |          |        |          |        |         |        | 3.4      |        | 3.4     |        | 2.6     |        |
| (iii) Collective Bargaining                                       | 5.2     |        | 5.2      |        | 5.2      |        | 4.5     |        | 4.5      |        | 4.5     |        | 4.4     |        |
| (iv) Incentives from Unemployment Benefits                        | 2.7     |        | 2.7      |        | 2.7      |        | 2.4     |        | 2.5      |        | 5.1     |        | 4.5     |        |
| (v) Military Conscription   | 0.0     |        | 0.0      |        | 1.0      |        | 1.0     |        | 1.0      |        | 3.0     |        | 10.0    |        |
| C. Regulation of Business   |         |        |          |        |          |        |         |        |          |        | 7.6     |        | 8.3     |        |
| (i) Price Controls  |         |        |          |        |          |        |         |        | 7.0      |        | 7.0     |        | 8.0     |        |
| (ii) Administrative Obstacles for New Businesses                  |         |        |          |        |          |        |         |        |          |        |         |        | 7.7     |        |
| (iii) Time Spent with Government Bureaucracy                      |         |        |          |        |          |        |         |        |          |        | 7.4     |        | 9.1     |        |
| (iv) Ease of Starting a New Business                              |         |        |          |        |          |        |         |        |          |        | 7.5     |        | 7.6     |        |
| (v) Irregular Payments to Government Officials                    |         |        |          |        |          |        |         |        |          |        | 8.5     |        | 8.9     |        |

# New Zealand

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

# Nicaragua

|   | 1970 |        | 1975 |        | 1980     |        | 1985      |         | 1990      |          | 1995     |          | 2000     |        |
|---|------|--------|------|--------|----------|--------|-----------|---------|-----------|----------|----------|----------|----------|--------|
| Summary Ratings (Rank) ▶  |      |        |      |        | 4.0 (91) |        | 2.3 (111) |         | 3.2 (109) |          | 5.3 (86) |          | 6.5 (60) |        |
| <b>1. Size of Government: Expenditures, Taxes and Enterprises</b> | 6.3  |        | 8.6  |        | 5.0      |        | 3.4       |         | 3.4       |          | 6.1      |          | 6.8      |        |
| A. Government Consumption   | 8.5  | (11.0) | 8.7  | (10.3) | 6.1      | (19.3) | 0.0       | (42.6)  | 0.0       | (42.6)   | 8.0      | (12.7)   | 6.7      | (17.1) |
| B. Transfers and Subsidies  |      |        | 9.5  | (2.4)  | 9.0      | (4.1)  | 8.4       | (6.2)   | 8.3       | (6.8)    | 8.5      | (6.0)    | 8.5      | (5.9)  |
| C. Government Enterprises and Investment                          | 4.0  | (31.5) | 6.0  | (29.8) | 0.0      | (71.9) | 0.0       |         | 2.0       | (45.3)   | 0.0      | (55.9)   | 4.0      | (32.1) |
| D. Top Marginal Tax Rate  |      |        | 10.0 | (21)   | 5.0      | (50)   | 5.0       | (50)    |           |          | 8.0      | (30)     | 8.0      | (30)   |
| <b>2. Legal Structure and Security of Property Rights</b>         |      |        |      |        | 2.6      |        | 2.6       |         | 4.0       |          | 4.1      |          | 4.0      |        |
| A. Judicial Independence  |      |        |      |        |          |        |           |         |           |          |          |          |          |        |
| B. Impartial Courts   |      |        |      |        |          |        |           |         |           |          |          |          |          |        |
| C. Protection of Intellectual Property                            |      |        |      |        |          |        |           |         |           |          |          |          | 2.1      |        |
| D. Military Interference  |      |        |      |        |          |        |           |         |           |          |          |          | 3.3      |        |
| E. Integrity of Legal System                                      |      |        |      |        |          |        |           |         |           |          | 4.1      |          | 6.7      |        |
| <b>3. Access to Sound Money</b>                                   | 9.4  |        | 8.4  |        | 5.5      |        | 0.0       |         | 0.0       |          | 3.3      |          | 8.1      |        |
| A. Growth of Money Supply   | 8.8  | (5.9)  | 7.5  | (12.3) | 4.7      | (26.7) | 0.0       | (69.6)  | 0.0       | (2072.1) | 0.0      | (89.1)   | 5.9      | (20.6) |
| B. Inflation Variability  | 8.9  | (2.7)  | 7.6  | (6.0)  | 4.6      | (13.6) | 0.0       | (60.1)  | 0.0       | (4792.5) | 0.0      | (1852.1) | 8.8      | (2.9)  |
| C. Recent Annual Inflation  | 9.8  | (-1.1) | 8.7  | (6.8)  | 2.7      | (36.6) | 0.0       | (168.1) | 0.0       | (5012.7) | 8.0      | (9.8)    | 7.8      | (11.2) |
| D. Freedom to Own Foreign Currency                                | 10.0 |        | 10.0 |        | 10.0     |        | 0.0       |         | 0.0       |          | 5.0      |          | 10.0     |        |
| <b>4. Freedom to Exchange with Foreigners</b>                     | 6.1  |        | 6.1  |        | 3.0      |        | 2.3       |         | 5.5       |          | 6.6      |          | 7.3      |        |
| A. Taxes on International Trade                                   | 7.0  |        | 6.7  |        | 2.1      |        | 2.5       |         | 6.1       |          | 5.6      |          | 7.3      |        |
| (i) Taxes as Percentage of Exports and Imports                    | 7.0  | (4.5)  | 6.7  | (4.9)  | 4.2      | (8.7)  | 5.1       | (7.4)   | 7.1       | (4.3)    | 6.1      | (5.9)    | 7.1      | (4.3)  |
| (ii) Mean Tariff Rate   |      |        |      |        | 0.0      | (54.0) | 0.0       | (54.0)  | 5.0       | (24.8)   | 7.9      | (10.7)   | 7.8      | (11.0) |
| (iii) Variability of Tariff Rates                                 |      |        |      |        |          |        |           |         |           |          | 2.9      | (17.8)   | 7.1      | (7.3)  |
| B. Regulatory Trade Barriers                                      |      |        |      |        |          |        |           |         |           |          |          |          | 3.8      |        |
| (i) Hidden Import Barriers  |      |        |      |        |          |        |           |         |           |          |          |          | 3.8      |        |
| (ii) Costs of Importing   |      |        |      |        |          |        |           |         |           |          |          |          |          |        |
| C. Size of Trade Sector   | 4.1  |        | 5.0  |        | 4.6      |        | 0.9       |         | 5.2       |          | 6.0      |          | 7.6      |        |
| D. Difference between Official and Black Market Exchange Rates    | 6.2  |        | 5.8  |        | 0.0      |        | 0.0       |         | 8.0       |          | 8.4      |          | 10.0     |        |
| E. Restrictions on Capital Markets                                | 5.0  |        | 5.0  |        | 0.0      |        | 0.0       |         | 0.0       |          | 5.0      |          | 8.0      |        |
| (i) Access to Foreign Capital                                     |      |        |      |        |          |        |           |         |           |          |          |          | 8.3      |        |
| (ii) Restrictions on Capital Transactions with Foreigners         | 5.0  |        | 5.0  |        | 0.0      |        | 0.0       |         | 0.0       |          | 5.0      |          | 7.7      |        |
| <b>5. Regulation of Credit, Labor and Business</b>                |      |        |      |        |          |        | 3.2       |         | 2.9       |          | 6.5      |          | 6.3      |        |
| A. Regulation of Credit Markets                                   |      |        |      |        | 0.0      |        | 2.2       |         | 1.8       |          | 8.0      |          | 7.5      |        |
| (i) Private Ownership of Banks                                    |      |        |      |        |          |        |           |         |           |          |          |          |          |        |
| (ii) Competition from Foreign Banks                               |      |        |      |        |          |        |           |         |           |          |          |          | 5.5      |        |
| (iii) Extension of Credit to Private Sector                       |      |        |      |        |          |        |           | 4.4     | 3.5       |          | 10.0     |          | 9.0      |        |
| (iv) Avoidance of Negative Real Interest Rates                    |      |        |      |        | 0.0      |        | 0.0       |         | 0.0       |          | 6.0      |          | 8.0      |        |
| (v) Controls on Interest Rates                                    |      |        |      |        |          |        |           |         |           |          |          |          | 5.5      |        |
| B. Regulation of Labor Markets                                    |      |        |      |        |          |        |           |         |           |          |          |          | 6.6      |        |
| (i) Impact of Minimum Wage  |      |        |      |        |          |        |           |         |           |          |          |          | 3.6      |        |
| (ii) Flexibility in Hiring and Firing                             |      |        |      |        |          |        |           |         |           |          |          |          | 6.1      |        |
| (iii) Collective Bargaining                                       |      |        |      |        |          |        |           |         |           |          |          |          | 6.7      |        |
| (iv) Incentives from Unemployment Benefits                        |      |        |      |        |          |        |           |         |           |          |          |          |          |        |
| (v) Military Conscription   | 3.0  |        | 5.0  |        | 5.0      |        | 0.0       |         | 0.0       |          | 10.0     |          | 10.0     |        |
| C. Regulation of Business   |      |        |      |        |          |        |           |         |           |          |          |          | 4.8      |        |
| (i) Price Controls  |      |        |      |        |          |        |           |         | 0.0       |          | 4.0      |          | 4.0      |        |
| (ii) Administrative Obstacles for New Businesses                  |      |        |      |        |          |        |           |         |           |          |          |          | 6.0      |        |
| (iii) Time Spent with Government Bureaucracy                      |      |        |      |        |          |        |           |         |           |          |          |          | 5.2      |        |
| (iv) Ease of Starting a New Business                              |      |        |      |        |          |        |           |         |           |          |          |          | 4.1      |        |
| (v) Irregular Payments to Government Officials                    |      |        |      |        |          |        |           |         |           |          |          |          | 4.4      |        |

# Niger

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

# Nigeria

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

# Norway

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

# Oman

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

# Pakistan

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



## Panama

|   | 1970       | 1975       | 1980       | 1985       | 1990        | 1995       | 2000       |
|---|------------|------------|------------|------------|-------------|------------|------------|
| Summary Ratings (Rank) ▶  |            | 7.3 (3)    | 6.0 (24)   | 6.6 (18)   | 6.6 (23)    | 7.6 (11)   | 7.4 (19)   |
| <b>1. Size of Government: Expenditures, Taxes and Enterprises</b> |            | 5.3        | 4.8        | 5.0        | 5.7         | 7.6        | 7.4        |
| A. Government Consumption   |            | 4.3 (25.4) | 3.5 (28.2) | 4.2 (25.8) | 4.7 (24.2)  | 5.1 (22.5) | 5.5 (21.4) |
| B. Transfers and Subsidies  |            | 9.1 (3.8)  | 8.8 (4.9)  | 8.8 (4.8)  | 8.1 (7.4)   | 8.3 (6.7)  | 8.3 (6.6)  |
| C. Government Enterprises and Investment                          | 6.0 (26.7) | 4.0 (42.9) | 4.0 (39.9) | 4.0 (31.4) | 7.0 (22.1)  | 8.0 (16.1) | 8.0 (17.1) |
| D. Top Marginal Tax Rate  |            | 4.0 (52)   | 3.0 (56)   | 3.0 (56)   | 3.0 (56)    | 9.0 (30)   | 8.0 (31)   |
| <b>2. Legal Structure and Security of Property Rights</b>         |            |            | 3.2        | 3.5        | 3.7         | 6.2        | 5.8        |
| A. Judicial Independence  |            |            |            |            |             |            |            |
| B. Impartial Courts   |            |            |            |            |             |            |            |
| C. Protection of Intellectual Property                            |            |            |            |            |             |            | 4.1        |
| D. Military Interference  |            |            |            |            |             |            | 8.3        |
| E. Integrity of Legal System                                      |            |            |            |            |             | 7.0        | 5.0        |
| <b>3. Access to Sound Money</b>                                   | 9.6        | 8.9        | 6.7        | 9.7        | 9.8         | 9.2        | 9.7        |
| A. Growth of Money Supply   | 9.1 (4.7)  | 8.9 (5.4)  | 8.0 (10.0) | 9.9 (0.6)  | 10.0 (-0.3) | 7.8 (11.1) | 9.4 (3.1)  |
| B. Inflation Variability  | 9.7 (0.7)  | 8.7 (3.2)  | 5.6 (11.0) | 9.0 (2.4)  | 9.5 (1.2)   | 9.3 (1.9)  | 9.8 (0.4)  |
| C. Recent Annual Inflation  | 9.8 (1.1)  | 8.0 (10.3) | 3.3 (33.7) | 9.8 (0.8)  | 9.9 (0.6)   | 9.9 (0.5)  | 9.7 (1.4)  |
| D. Freedom to Own Foreign Currency                                | 10.0       | 10.0       | 10.0       | 10.0       | 10.0        | 10.0       | 10.0       |
| <b>4. Freedom to Exchange with Foreigners</b>                     | 7.7        | 8.2        | 8.1        | 7.6        | 7.3         | 8.0        | 7.2        |
| A. Taxes on International Trade                                   | 6.9        | 7.9        | 7.9        | 7.3        | 5.4         | 7.3        | 7.7        |
| (i) Taxes as Percentage of Exports and Imports                    | 6.9 (4.7)  | 7.9 (3.2)  | 7.9 (3.1)  | 7.3 (4.1)  | 8.8 (1.8)   | 9.1 (1.4)  | 7.3 (4.0)  |
| (ii) Mean Tariff Rate   |            |            |            |            | 2.0 (40.0)  | 5.6 (22.0) | 8.2 (9.2)  |
| (iii) Variability of Tariff Rates                                 |            |            |            |            |             |            | 7.6 (5.9)  |
| B. Regulatory Trade Barriers                                      |            |            |            |            |             |            | 5.0        |
| (i) Hidden Import Barriers  |            |            |            |            |             |            | 5.0        |
| (ii) Costs of Importing   |            |            |            |            |             |            |            |
| C. Size of Trade Sector   | 5.5        | 7.0        | 6.2        | 4.7        | 4.7         | 4.4        | 4.4        |
| D. Difference between Official and Black Market Exchange Rates    | 10.0       | 10.0       | 10.0       | 10.0       | 10.0        | 10.0       | 10.0       |
| E. Restrictions on Capital Markets                                | 8.0        | 8.0        | 8.0        | 8.0        | 8.0         | 10.0       | 9.1        |
| (i) Access to Foreign Capital                                     |            |            |            |            |             |            | 8.2        |
| (ii) Restrictions on Capital Transactions with Foreigners         | 8.0        | 8.0        | 8.0        | 8.0        | 8.0         | 10.0       | 10.0       |
| <b>5. Regulation of Credit, Labor and Business</b>                |            | 6.9        | 7.0        | 6.9        | 6.4         | 7.2        | 6.6        |
| A. Regulation of Credit Markets                                   | 9.7        | 8.2        | 8.5        | 8.3        | 9.1         | 9.3        | 8.7        |
| (i) Private Ownership of Banks                                    |            | 8.0        | 8.0        | 8.0        | 8.0         | 8.0        | 8.0        |
| (ii) Competition from Foreign Banks                               |            |            |            |            |             |            | 7.1        |
| (iii) Extension of Credit to Private Sector                       | 9.7        | 8.4        | 8.9        | 8.7        | 9.3         | 9.9        | 9.9        |
| (iv) Avoidance of Negative Real Interest Rates                    |            |            |            |            | 10.0        | 10.0       | 10.0       |
| (v) Controls on Interest Rates                                    |            |            |            |            |             |            | 6.9        |
| B. Regulation of Labor Markets                                    |            |            |            |            |             |            | 5.9        |
| (i) Impact of Minimum Wage  |            |            |            |            |             |            | 3.8        |
| (ii) Flexibility in Hiring and Firing                             |            |            |            |            |             |            | 4.2        |
| (iii) Collective Bargaining                                       |            |            |            |            |             |            | 5.9        |
| (iv) Incentives from Unemployment Benefits                        |            |            |            |            |             |            |            |
| (v) Military Conscription   |            | 10.0       | 10.0       | 10.0       | 10.0        | 10.0       | 10.0       |
| C. Regulation of Business   |            |            |            |            |             |            | 5.1        |
| (i) Price Controls  |            |            |            |            | 2.0         | 4.0        | 4.0        |
| (ii) Administrative Obstacles for New Businesses                  |            |            |            |            |             |            | 6.9        |
| (iii) Time Spent with Government Bureaucracy                      |            |            |            |            |             |            | 3.9        |
| (iv) Ease of Starting a New Business                              |            |            |            |            |             |            | 5.5        |
| (v) Irregular Payments to Government Officials                    |            |            |            |            |             |            | 5.3        |

# Papua New Guinea

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

## Paraguay

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

# Peru

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

## Philippines

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

# Poland

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

## Portugal

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