

# 2010 International Property Rights Index

## Executive Summary

### THE INTERNATIONAL PROPERTY RIGHTS INDEX

The *International Property Rights Index* (IPRI) is the flagship publication of the Property Rights Alliance (PRA). Based in Washington, DC, the PRA is committed to promoting property rights around the world. In its effort to produce the IPRI, the PRA has secured the support of 62 think tanks and policy organizations in 51 countries involved in research, policy development, education, and promotion of property rights in their countries.

The IPRI is an annual comparative study that aims to quantify the strength of property rights – both physical and intellectual – and to rank countries accordingly. The IPRI scores and ranks each country based on 11 factors reflecting the state of its **Legal and Political Environment (LP)**, **Physical Property Rights (PPR)** and **Intellectual Property Rights (IPR)**. The 2010 edition contains the ranking of 125 economies, which represents 97 percent of the world GDP.

### 2010 IPRI RESULTS

- As in past years, the Scandinavian nations continue to dominate the top of the rankings. **Finland ranked first for the fourth consecutive year with a score of 8.6 out of a possible 10.** [Table 1](#) presents the top 10 countries by IPRI and its components.
- Bangladesh scored the lowest among all countries with a score of 2.9.** It does, however, present an improvement from last year's score of 2.6. [Table 2](#) presents the bottom 10 countries by IPRI and its components.

**Table 1: Top 10 by Component (Number Indicates Rank)**

IPRI	LP	PPR	IPR
Finland (1)	Finland (1)	Norway (1)	Denmark (1)
Denmark (2)	New Zealand (2)	Finland (1)	Finland (1)
Sweden (2)	Sweden (3)	Sweden (3)	United States (1)
Netherlands (4)	Denmark (3)	Netherlands (3)	Japan (4)
Norway (5)	Switzerland (5)	Denmark (5)	Switzerland (4)
Switzerland (5)	Iceland (6)	Singapore (5)	Austria (4)
New Zealand (5)	Netherlands (6)	New Zealand (7)	Sweden (4)
Singapore (8)	Singapore (6)	Australia (8)	Netherlands (8)
Australia (8)	Luxembourg (6)	Iceland (8)	Germany (8)
Austria (8)	Norway (6)	Switzerland (10)	Belgium (10)
	Australia (6)		

**Table 2: Bottom 10 by Component (Number Indicates Rank)**

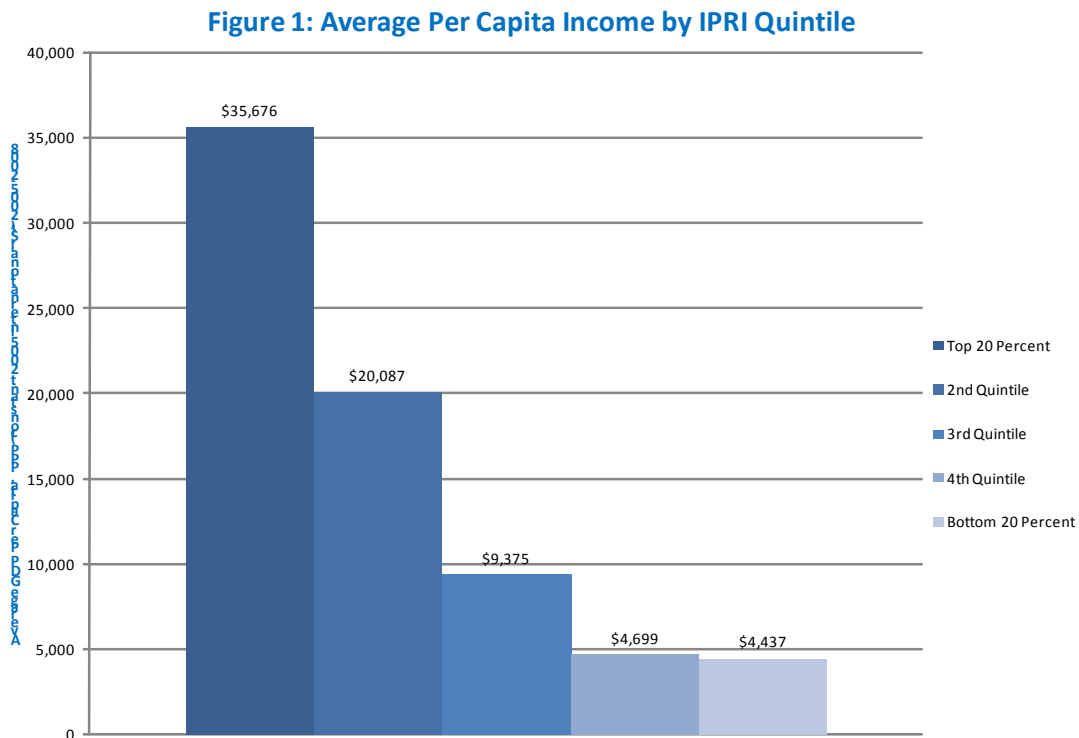
IPRI	LP	PPR	IPR
Bosnia and Herzegovina (116)	Nicaragua (112)	Burundi (116)	Serbia (116)
Nicaragua (116)	Cameroon (112)	Côte d'Ivoire (116)	Bosnia and Herzegovina (117)
Paraguay (118)	Bangladesh (112)	Algeria (116)	Guyana (117)
Bolivia (119)	Kenya (112)	Nicaragua (116)	Azerbaijan (119)
Burundi (120)	Bolivia (112)	Chad (120)	Montenegro (120)
Chad (121)	Kyrgyz Republic (117)	Libya (121)	Libya (120)
Zimbabwe (121)	Ecuador (118)	Bolivia (121)	Albania (122)
Venezuela (121)	Paraguay (119)	Uganda (123)	Bangladesh (123)
Côte d'Ivoire (124)	Pakistan (120)	Bangladesh (124)	Armenia (124)
Bangladesh (125)	Burundi (120)	Brunei (125)	Georgia (125)
	Venezuela (122)		
	Zimbabwe (123)		
	Côte d'Ivoire (124)		
	Chad (125)		

- The countries which have most improved their IPRI score since 2009 include: Montenegro, Azerbaijan, Zambia, Romania, Bangladesh, China, Egypt, Bosnia and Herzegovina, Albania, and Macedonia.
- Several nations experienced a decrease in the IPRI score, including: Chile, South Korea, Italy, Germany, Israel, Thailand, Iceland, Malaysia, Algeria, and Mauritania.

## **IPRI AND ECONOMIC OUTCOMES**

The IPRI stresses the intrinsic relationship between property rights and the economic prosperity of any given country. The analysis of the IPRI scores and economic outcomes shows that:

- **On average, countries in the top quintile of IPRI scores enjoy a per capita income of eight times that of their counterparts in the bottom quintile (Figure 1).**



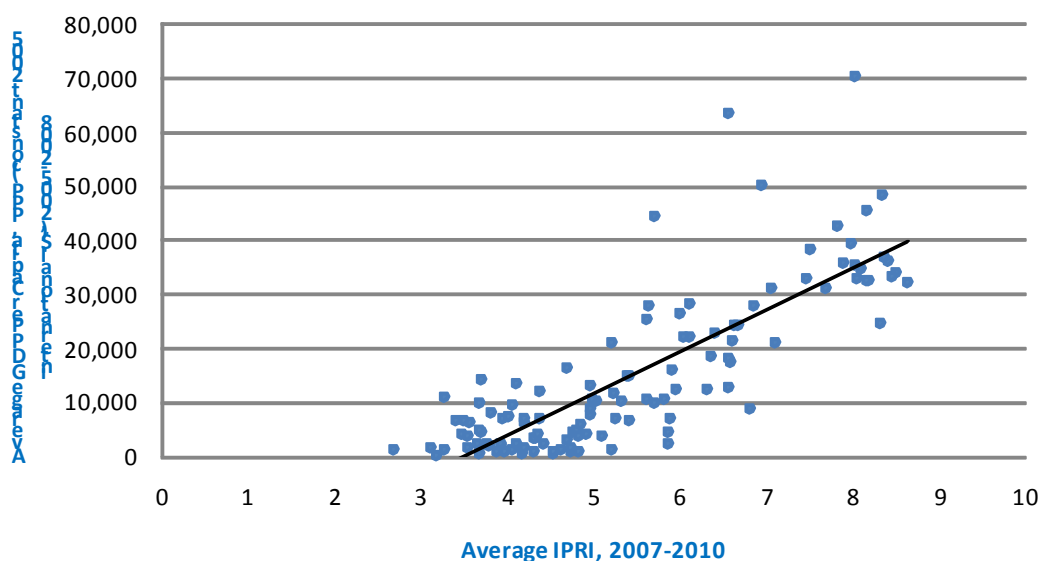
Source: The 2010 *International Property Rights Index*. The GDP per capita data is from the *World Development Indicators Online* (2009).

- **Countries with stronger property rights tend to have a higher per capita income and tend to attract more foreign direct investment (FDI),** as opposed to countries with lacking or weakly enforced property rights. (*Figure 2 and 3, respectively*)
- **Developing countries with stronger property rights protection enjoy, on average, higher GDP growth,** highlighting the effect property rights can have on alleviating poverty. (See the 2010 *International Property Rights Index* report for more details.)

A Project of the Property Rights Alliance

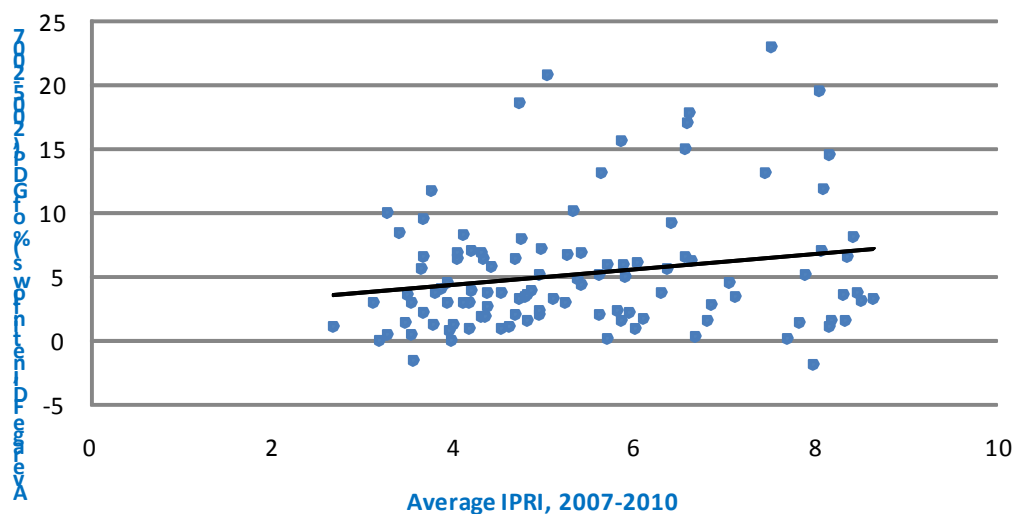


**Figure 2: Relationship between IPRI and GDP Per Capita**



Source: The 2010 *International Property Rights Index*. The GDP per capita data is from the World Development Indicators Online (2009).

**Figure 3: Relationship between IPRI and FDI, net inflows (% of GDP)**



Source: The 2010 *International Property Rights Index*. The FDI data is from the World Development Indicators Online (2009).

## **IPRI GENDER EQUALITY COMPONENT**

The IPRI recognizes that women play a critical role in economic development, and yet are often excluded from property rights either via legal barriers or cultural customs. In order to address this disparity, the IPRI includes a gender equality component.

Countries surveyed are non-OECD nations, since OECD countries generally fully recognize gender equality. Using that criterion, Singapore holds the top spot with a score of 10.2, followed closely by Hong Kong (9.5) and Taiwan (8.6). Chad holds the bottom-most ranking with a score of 3.6.