

2012 REPORT

INTERNATIONAL PROPERTY RIGHTS INDEX

Study conducted by **Gaurav Tiwari**,
2011 Hernando de Soto Fellow



A Project of the Property Rights Alliance

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Introduction by HERNANDO DE SOTO

The Western media has described the revolutions underway across the Middle East and North Africa as a youth rebellion, fueled by Facebook, Twitter and YouTube. Not enough credit has been given to the unifying force that triggered what has become known as “The Arab Spring” – an emerging class of entrepreneurs who will no longer accept being deprived of their property and business rights.

According to the research that my organization, the Institute of Liberty and Democracy (ILD), has done, market economies have been growing in the region for decades, albeit in the shadows of the law; some 180 million people work in and around these extralegal markets. This excluded majority is now raising their voices to heaven in what I believe is an Arab economic revolution – a revolution that those of us committed to emancipating the poor by awarding them property rights must help succeed.

Karl Marx long ago warned that a powerless underclass can turn revolutionary when united by common suffering – especially when a martyr embodies that suffering. The Arab economic revolution found its martyr in Mohamed Bouazizi, a 26-year old Tunisian fruit vendor who immolated himself in Sidi Bouzid in December 2010, after police confiscated his merchandise. Last year, I led a team of ILD researchers to find out more about this young man whose suicide literally sparked a revolution. We talked to his fellow vendors, members of his family and local activists and extralegal entrepreneurs in Sidi Bouzid and elsewhere in Tunisia.

I have reported our findings elsewhere, (see IPRI website). Here I want to emphasize why Bouazizi is so important to those of us who believe that property rights are essential to economic development.

An hour before he flicked on his lighter, a policewoman, backed by two municipal officers, had expropriated his two crates of pears (\$15), a crate of bananas (\$9), three crates of apples (\$22) and a second hand electronic weight scale (\$179). While the loss of a total of \$225 might not seem sufficient to justify suicide, consider the implications for a poor extralegal entrepreneur like Bouazizi: Without his goods, he would not be able to feed

his family – or avoid bankruptcy since he couldn't pay the informal creditors from whom he had borrowed the money to buy that fruit; without that scale, he no longer had access to standardized markets and his accountability to customers; when the police terminated his arrangement to park his stand, he lost his informal property right.

Not only had the police wiped out his business, they also confiscated the future Bouazizi had been dreaming about since he began working in the Kasbah at age 12: the possibility of being able to afford to title his family house, which then could be used to buy a truck and expand his business. Millions of other Arab extralegal entrepreneurs who identified with Bouazizi's struggle for the right to hold property and do business without being hassled by corrupt authorities took to the streets. "We are all Mohamed Bouazizi," a young IT graduate working as a merchant in the Tunis market told me. In fact, during the first 53 days after Bouazizi immolated my team discovered that at least 35 more poor Arab entrepreneurs whose assets had been confiscated also lit themselves on fire – everywhere in the region -from Algeria, Egypt, Morocco to Syria.

The Arab Spring has economic roots and they are mainly about the lack of legal property and business rights.

Arab economic extralegality is massive. Our research in Tunisia revealed that 92 percent of the population holds its real estate extralegally, -without formal property rights- while 99 percent of entrepreneurs operate outside the law. In Libya, ILD found that 82 percent of entrepreneurs – and 90 percent of the property – were extralegal, which squared with our earlier research in Egypt (90 percent of real estate extralegal; 85 percent of businesses). And little wonder, considering the obstacles to legal property and business: ILD found that it took upwards of 10 years for Egyptians to get authorization to build on a vacant plot of desert – 1.5 years to incorporate a bakery.

The result is an astonishing amount of dead capital languishing in the region's extralegal economies. ILD estimated in Egypt alone the property and business assets were worth \$347 billion – six times the foreign direct investment since Napoleon departed in 1801. Without property rights most Arab entrepreneurs do not have the potential to capture new investment, raise capital, limit personal or family liability, and all those other legal tools that entrepreneurs in the West take for granted.

If the history of the Western industrial revolution is any guide, the martyrs of the Arab Spring are just the first signs of a mounting storm. The local activists who have taken the movement's lead – and Western governments that never saw it coming – ignore these Arab entrepreneurs at their peril.

Warmest regards,



Hernando de Soto
President of the Institute for Liberty and Democracy
Lima, Peru

LETTER FROM THE EXECUTIVE DIRECTOR OF THE PROPERTY RIGHTS ALLIANCE

“Freedom and property rights are inseparable. You cannot have one without the other.”
— George Washington

In 1651, Thomas Hobbes demonstrated that secure property rights were mankind's ticket out of the state of nature and into the market. Ever since, economists have understood that strong property rights protections are a prerequisite to capitalism and freedom. The Property Rights Alliance is committed to defending physical and intellectual property, the twin pillars of prosperity.

This mission would not be possible without metrics indicating the relative strength of property rights among nations. *The International Property Rights Index*, now in its sixth edition, provides those metrics. This index recognizes that all forms of property must be secured. Intellectual property rights ensure that innovation is a worthwhile endeavor by allowing innovators to realize personal gains from their contribution to society. Likewise, physical property rights give one the ability to exploit his work, savings, and investments.

As the global economy continues to struggle, it is especially important to remind world leaders that eroding property rights will only undermine economic recovery. Hopefully, this index will be utilized by policymakers to emphasize the vital role of property rights in economic prosperity.

On behalf of the Property Rights Alliance, I would like to thank all of those who contributed to the development of the 2012 International Property Rights Index. Gaurav Tiwari, the 2011 Hernando De Soto Fellow and author of this year's index, is especially deserving of our gratitude.

Lastly, I would like to express my appreciation for Hernando De Soto whose tireless efforts on behalf of property rights inspired the eponymous fellowship. His scholarship provided the basis for this publication.

Best regards,



Kelsey Zahourek
Executive Director of the Property Rights Alliance
Washington, DC

FOREWORD

Dr. Parth J. Shah
President, Centre for Civil Society
New Delhi, India

On the sixth anniversary of the International Property Rights Index, it is opportune to identify the areas of challenges for the advocates of property rights. I want to highlight one particular problem of transition from one to the other type of property ownership or use structure. This transition could be temporary or permanent; it could be about the whole or part of the property. The identification and understanding of the processes and the management of such transitions need urgent focus. The Arab Spring, to take one recent example, arose from this problem of transition of property use.

The tragedy of the commons or the tragedy of the collective?

A clarification on the classification of different types of property ownership structures is first necessary. I find the current binary classification of property as private or 'the commons' rather unsatisfactory. A three way classification is more illuminating, and particularly helpful in discussing the problems of transition: individual, community, and collective property. The nature of individual or family property is clearly understood. The difference between community and collective property is that in the former there is a specific, local (sub-national or sub-regional) community that is in charge of the resource, while collective means that the property belongs to all the people in a region or nation or even the earth. Collective property would by definition be one managed/ controlled/ owned by the state. 'The commons' straddle between community and collective property in the above classification and therefore require further specification to determine the exact nature of property rights, rendering it unsatisfactory.

In the tripartite classification, the ownership structure is unambiguous—individual or family; a specific community; or the whole collective or the state. However the boundaries around the use pattern of the resource could blend in practice. Individually-owned apartments in a housing association with expansive and strict norms that the owners have voluntarily agreed to could be more like community property in use. A community owned resource that is 'open access' would take on the colours of collective property.

Land exemplifies the gradual evolution from collective, to community, and finally to individual ownership. In case of forests, fisheries and water, however, the shift has been in the opposite direction—generally from community to collective ownership. The almost universal nationalization of these resources has led to the tragedy of the collective.

Changing Resource Ownership Structures

Ownership Structure

Resource	Collective	Community	Individual
Land		→	→
Forests	←		
Water	←		
Fisheries	←		

The famous phrase of Garret Hardin would be more accurate if it is revised from 'the tragedy of the commons' to 'the tragedy of the collective.' It is indeed the tragedy of collective ownership, a situation where the resource belongs to everyone that the accountability structure, the cost-benefit calculus, fails. The interests of the owners or managers and the people are not aligned under collective ownership. On the other hand, flourishing 'commons' as community property have existed in the past and also exist today. It is more accurately the tragedy of the 'collective' and not of the 'commons.'

The challenge of transition: Street entrepreneurs and Tribals in India

I discuss two specific examples of the challenge of transition from collective to either community or individual property that impact the lives and livelihoods of millions of people around the world. First, assigning property rights to street vendors in urban areas, and second, allowing community management of forests to forest dwelling communities such as tribals.

Street vendors or more broadly street entrepreneurs gather on the side of roads, outside public areas such as metro stations, bus stops, movie theatres and college campuses, and provide a multitude of goods and services to passersby. They collect to form 'natural markets' and attempts to relocate them to other 'suitable' places have invariably failed. How do we provide a legal status, even a temporary one, to these vendors operating in public/collective spaces? How do we manage the transition of the use, not ownership, of the collective property to individual users?

Gaurav Tiwari, the current Hernando De Soto Fellow, was one of the first interns at the Centre for Civil Society in Delhi to study these vendors, a compilation of which was published as a book *Law, Liberty, and Livelihood: Making a Living on the Street*. We learned that the vendors on average paid about Rs 200 (\$4) a month in bribes to the police and municipality officers in Delhi. Most estimates indicate that there are 600,000 vendors in Delhi, the total bribe amount being Rs 120,000,000 (\$2.4 million) a month—a rather heavy price for informality! To our surprise the vendors did not mind the bribes as much, they saw it as rent for the use of public space. The main problem was that even after paying the bribe they did not have a legal status and therefore they were open to constant harrassment and raid by government officials; the kind of harrassments and insults that drove Mohamed Bouaziz of Tunisia to self immolation and led to the Arab Spring.

Given the amount of bribes involved, there is little interest on the part of the government to address the problem. There are some efforts led by various NGOs and the Jeevika Campaign (Livelihood Freedom Campaign, www.jeevika.org) but the challenge of finding a clear, consistent and implementable solution still remains. Millions of lives in the urban areas of the world—from Lima, to Lagos to Lucknow, and may be Los Angeles—would improve if we can effectively manage the temporary transition of collective property to either community or individual user rights.

In forests around the world, the forest-dwelling communities or tribals, face a similar problem. In theory and in many examples of Elinor Ostrom, the collective property of forests is better managed as community forestry, which addresses two problems simultaneously—of sound ecological management as well as of better livelihoods for tribals. However we still do not have a clear and commonly-agreed process of transition from collective to community ownership/management. Unlike in the case of street vendors in urban areas, the forest transition would need to be more or less permanent. The incentives of tribal communities are better aligned in case of a permanent transition. However the fear of mismanagement and inability to deal with it once the property rights are handed over to tribals becomes more pronounced with permanent transition. What type of contractual arrangement would balance the permanency of tribal property rights with the perpetual public fear of mismanagement?

The experience of bamboo policy in India raises another aspect of the problem—of spatial transition. In the Indian Forest Act, the bamboo was classified as a tree so like timber it too was under direct control of the state Forest Department. The government recently agreed that bamboo is a grass after much agitation and campaigns like Bamboo is NOT a Tree! Bamboo is now a 'Minor Forest Produce' making it accessible to local communities for their use. Now the challenge is to give tribals access to bamboo while maintaining the Forest Department's control over the rest of the forest. If access to bamboo remains at the discretion of the government then not much would change in the lives of tribals. If the tribals have property claim over bamboo and thereby free access, then how the Forest Department would protect the remaining parts of the forest would be the challenge.

The works of Garrett Hardin, Elinor Ostrom, Hernando De Soto and others have given us a deeper understanding of the issues surrounding property rights, and the IPR Index has offered the means to quantify and compare them. The challenge now is to articulate the transition from collective to community or individual property, either temporary or permanent in time, or full or partial in space. Hope the best minds take up this transition challenge; millions of lives and livelihoods are at stake.

ACKNOWLEDGEMENTS

We would like to express our deep appreciation for Hernando de Soto's leadership in helping to solve the challenges posed by lack of secure property rights. His vision of creating a world with greater security of property rights continues to inspire our work on the index. We are honored to have the fellowship bear his name and are grateful for his continued support and guidance. We look forward to working with him and the scholars at the Lima-based Institute for Liberty and Democracy (ILD) in the future.

At the Fletcher School, we are grateful for the valuable scholarly insights and academic guidance from Professor Jeswald Salacuse, Professor Bhaskar Chakravorti and Professor Kim Wilson. The Center for Emerging Markets Enterprises (CEME) at the Fletcher School offered valuable research opportunities to do field research and travel to the Institute for Liberty and Democracy (ILD) in Lima, Peru. We are particularly thankful to Harvard Kennedy School Professor Robert Rotberg, who provided valuable guidance in understanding the fundamental nature of property rights and how to develop reliable measures for the index.

The 2011 Hernando de Soto Fellow is grateful for the continued guidance and encouragement from Professor Larry White at George Mason University and Ms. Amity Shlaes formerly with the Council on Foreign Relations. Special thanks are due to Kyle Jackson (2010 Hernando de Soto Fellow) for his time and guidance in helping us to build upon last year's index. Mr. Jackson's exemplary work on last year's edition made this year's index possible.

We extend our special appreciation to Paul Petrick and Michael Wahlen for their excellent research assistance. Their efforts made it feasible to again include the country profiles in the IPRI. A special thanks to ILD's Luis Triveño and scholars for hosting the 2011 Hernando de Soto Fellow in Peru and for sharing their vision of future ILD work to improve the state of property rights across the world.

We thank Dr. Parth Shah for his time and valuable contribution to this year's index. We are inspired by the transformative work being conducted under his leadership at the New Delhi-based Center for Civil Society. We also appreciate the continued support and commitment of our partner organizations across the world. We look forward to welcoming our new partners to this year's index.

Finally, we are deeply indebted and thankful for the financial and intellectual support of Grover Norquist and the Americans for Tax Reform (ATRF). Needless to say, their support for the Hernando de Soto Fellowship program has made it possible for us to publish the International Property Rights Index (IPRI) annually. We are also thankful to the staff at Americans for Tax Reform (ATR) for their assistance throughout the project.

Gaurav Tiwari, 2011 Hernando de Soto Fellow, Property Rights Alliance

Kelsey Zahourek, Executive Director, Property Rights Alliance

PREMISE OF THE HERNANDO DE SOTO FELLOWSHIP PROGRAM

The *International Index of Property Rights* (IPRI) is a product of the efforts of the Washington, DC-based Property Rights Alliance (PRA). The PRA is dedicated to the protection of property rights (physical and intellectual) in the U.S. and around the world. The PRA is an affiliate of the taxpayer advocacy organization, Americans for Tax Reform (ATR).

Despite the growing accessibility of international data and research regarding property rights, existing indices and studies traditionally focus on either the physical or intellectual aspects of property rights. Additionally, most global indices are dedicated to broader topic areas instead of a focused debate on property rights. However, noted exceptions include the Heritage Foundation/Wall Street Journal *Index of Economic Freedom* and the Fraser Institute *Economic Freedom of the World*, which do address property rights, although in the context of assembling a larger snapshot of each country. To overcome the consequent lack of a more broadly defined property rights gauge, the PRA introduced the Hernando de Soto Fellowship in 2006. The annually offered fellowship provides continuous data development and concept improvement for the annual publication of the *International Property Rights Index*, presented here in its sixth edition.¹

ABOUT THE AUTHOR

Gaurav Tiwari is based at the Fletcher School of Law and Diplomacy at Tufts University, where he will be completing the Master's degree in Law and Diplomacy in May 2012. As part of the fellowship, he traveled to Peru to work with scholars at the Lima-based Institute for Liberty and Democracy. Gaurav was a research associate for international economics at the New York-based Council on Foreign Relations from 2007-10 and was chosen a Carnegie New Leader for promoting ethics in international affairs.

More recently, Gaurav spent some time in Nairobi to assist his colleagues on land rights challenges at Sanergy, a startup that is building sustainable sanitation in the urban slums of Nairobi. Born and raised in New Delhi, India, Gaurav has been a student fellow at the American Institute for Economic Research and has also worked as a summer associate in the sovereign risk team at the Boston headquarters of State Street Bank. Gaurav's earlier work experiences at the New Delhi-based Center for Civil Society focused on measuring the cost of doing business for small and medium-scale enterprises in developing countries – projects that inspired him to learn about the pioneering work of Hernando de Soto.

ABOUT THE CONTRIBUTORS

Parth J. Shah

Parth J. Shah is founder president of the Centre for Civil Society, an independent, nonprofit think tank in New Delhi. CCS offers public policy solutions within the framework of the rule of law, subsidiarity, community engagement and competitive markets. It is currently focused on education reforms through the School Choice Campaign: Fund Students, Not Schools! and on livelihood deregulation through the Law, Liberty, & Livelihood Campaign and Jeevika Documentary Festival. Through I, Society, & Public Policy Seminars and Researching Reality Internship, college students understand public policy and become more active citizens.

Parth taught economics at the University of Michigan before returning to India to start CCS. He has published academic articles in the areas of development economics, welfare economics, business-cycle theory, free or laissez-faire banking, and currency-board systems. He has edited *Morality of Markets*, *Friedman on India*, *Profiles in Courage: Dissent on Indian Socialism*, *Do Corporations have Social Responsibility?*, and co-edited *Law, Liberty, and Livelihood*, *The Terracotta Reader*, and *Agenda for Change*. He writes regularly in newspapers and magazines. He is also the youngest Indian member of the Mont Pelerin Society, the premier international association of classical liberals.

ABOUT THE 2012 INTERNATIONAL PROPERTY RIGHTS INDEX

This report presents the sixth edition of the *International Property Rights Index* (IPRI).

The IPRI is an annual study that compares countries in terms of their protection of property rights – both physical and intellectual. Like previous editions of the IPRI, the 2012 report seeks to investigate the effects of a country's strong legal and political environment, recognition, and enforcement of physical and intellectual property rights on the economic development of a country. This year's report compares 130 economies using these three variables as core components and ranks them accordingly.

Because of the expansion of some of the underlying data sources this year's index welcomes the addition of Yemen. The reader is reminded that some changes in relative positions of the countries could reflect changes in the sample of countries instead of substantive changes within a country's property rights regime. To enable assessing changes in countries' performance, the author presents new tables showing the changes in absolute scores for the IPRI and its components ([Tables 5-8](#)).

Since its inaugural publication in 2007, the authors have focused on identifying the data sources, that best represent the strength of a nation's property regime while keeping in mind the necessity for consistency of the index. The 2012 index uses the same components and data sources as the 2011 index and maintains consistency with the previous editions through using the same weighting scheme. Additionally, an extensive analysis of the previous years' data has been done to identify any issues that could hamper the comparison of scores across years.

To better compare countries IPRI scores across time country profiles have been included to provide the historic progression of the IPRI scores and its components, point to any advances or regressions, and show strong or weak points in countries' property rights.

Following the 2011 IPRI, the gender equality component of the 2012 IPRI focuses solely on non-OECD countries. The author believes, however, that it is important to understand the impact of land rights on economic development and gender equality. Therefore, the focus of this component on non-OECD countries is appropriate.

The 2012 IPRI builds on the previous editions to provide an even more comprehensive measure of property rights. Despite significant improvements over the years, there continue to be data limitations and challenges with data collection and interpretation. We are confident that future editions of the report will address and progressively overcome these issues.

PARTNERS

We express our sincere gratitude to our partner organizations for their commitment and dedication towards ensuring and furthering property rights in their respective countries and around the world. We thank our partners for providing the feedback and ideas that allowed us to identify areas for improvement and make the index an even more useful tool in advancing property rights.

This year, we have partnered with the following organizations:

Albanian Socio Economic Think Tank	Alabania	www.aset-al.org
Afghanistan's Economic and Legal Studies Organization (AELSO)	Afghanistan	www.aelso.org
Fundacion Atlas	Argentina	www.atlas.org.ar
Fundacion Libertad	Argentina	www.libertad.org.ar
Libertad y Progreso	Argentina	www.libertadyprogresonline.org
Institute for Public Affairs	Australia	www.ipa.org.au
Austrian Economics Center	Austria	www.austriancenter.org
European Coalition for Economic Growth	Austria	www.e-growth.eu
F.A. v. Hayek Institut	Austria	www.hayekinstitut.at
The Nassau Institute	Bahamas	www.nassauinstitute.org
Instituto Liberdade	Brazil	www.il-rs.org.br
Institute for Market Economics	Bulgaria	www.ime.bg
Centre Des Affaires Humaines (CEDAH)	Burkina Faso	www.cedahburkina.com
Frontier Centre for Public Policy	Canada	www.fcpp.org
Libertad y Desarrollo	Chile	www.lyd.com
Cathay Institute of Public Affairs	China	www.jiuding.org
Unirule Institute of Economics	China	http://english.unirule.org.cn/
Asociación de Consumidores Libres	Costa Rica	www.consumidoreslibres.org
Adriatic Institute for Public Policy	Croatia	www.adriaticinstitute.org
Instituto Ecuatoriano de Economía Política	Ecuador	www.ieep.org.ec/en/
New Economic School	Georgia	www.nesg.net
Friedrich Naumann Foundation (Liberales Institut der Friedrich-Naumann-Stiftung)	Germany	www.feiheit.org
Institute for Free Enterprise (IUF)	Germany	www.iuf-berlin.org
IMANI Center for Policy and Education	Ghana	www.imanighana.org
CIEN	Guatemala	www.cien.org.gt
The Lion Rock Institute	Hong Kong	www.lionrockinstitute.org
Centre for Civil Society	India	www.ccs.in
Centre for Policy Research	India	www.cprindia.org
Liberty Institute	India	www.indefenceofliberty.org
Iraq Institute for Economic Reform	Iraq	www.iier.org
Jerusalem Institute for Market Studies	Israel	www.jims-israel.org
Competere	Italy	www.competere.eu

Institute for Development and Economic Affairs (IDEA)	Kazakhstan	
Center for Free Enterprise	Korea	www.cfe.org
Bishkek Business Club	Kyrgyz Republic	www.bdk.kg
Central Asian Free Market Institute	Kyrgyz Republic	www.frmarket.kg
OHRID Institute for Economic Strategies and International Affairs	Macedonia	www.oi.org.mk
Institute for Democracy and Economic Affairs (IDEAS)	Malaysia	www.ideas.org.my
Center of Research for Development (CIDAC) (Centro de Investigacion para el Desarrollo A.C.)	Mexico	www.cidac.org
Fundación IDEA	Mexico	www.fundacionidea.org.mx
EBI Think Tank Institute	Mongolia	www.ebi.mn
Center for Entrepreneurship and Economic Development (CEED)	Montenegro	www.ceed-global.org
Center for Mozambican and International Studies	Mozambique	
Samriddhi Foundation	Nepal	www.samriddhi.org/
Limited Government	Nepal	www.lgn.org.np
Initiative for Public Policy Analysis	Nigeria	www.ippanigeria.org
Civita	Norway	www.civita.no
International Research Foundation (IRF)	Oman	www.irfoman.org
Alternate Solutions Institute	Pakistan	www.asinstitute.org
Pal-Think For Strategic Studies	Palestinian Territories	www.palthink.org
Fundación Libertad	Panama	www.fundacionlibertad.org.pa
Instituto de Libre Empresa	Peru	www.ileperu.org
Institute for Liberty and Democracy	Peru	www.ild.org.pe/
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Ludwig von Mises Institute	Poland	www.mises.pl
Polish-American Foundation for Economic Research & Education (PAFERE)	Poland	www.pafere.org
Center for Institutional Analysis and Development (CADI)	Romania	www.cadi.ro
Center for Liberal-Democratic Studies	Serbia	www.clds.org.rs
F. A. Hayek Foundation	Slovakia	www.hayek.sa
The Free Market Foundation	South Africa	www.freemarketfoundation.com
Eudoxa	Sweden	www.eudoxa.se
Timbro	Sweden	www.timbro.se
Institut Constant de Rebecque	Switzerland	www.institutconstant.ch
Liberales Institut	Switzerland	www.libinst.ch
Institute of Future Studies for Development (IFD)	Thailand	www.ifd.or.th
Association for Liberal Thinking	Turkey	www.liberal.org.tr
The Ukrainian Reform Support Foundation	Ukraine	www.ufpr.org.ua
Center for the Dissemination of Economic Knowledge (CEDICE)	Venezuela	www.cedice.org.ve
Zambia Institute for Public Policy Analysis (ZIPPA)	Zambia	

CHAPTER I: INTRODUCTION

Over the last twelve months, the world has seen the most dramatic turn of events in the political, economic and social life of the common man in the Middle East. It is a story of enterprise – one that is lost in regulatory red-tapism and overshadowed by government control and corruption. One can trace the beginning of such events to December 17, 2010, when Mohamed Bouazizi, a street vendor in Tunisia, immolated himself. Bouazizi's attempted suicide (he later died in early 2011) is indicative of the repression that millions of entrepreneurs face in shadow economies across the world. Largely illegal, the shadow economy operates outside the purview of the legal system. Corruption and lack of property rights make it harder for entrepreneurs like Bouazizi to move into the formalized economic framework. To that end, recent events reflect the rebirth of Hernando de Soto's pioneering work and original ideas that stress the need for legal empowerment of the poor to achieve economic success.

According to recent research by Hernando de Soto and his team of scholars at the Institute for Liberty and Democracy (ILD), Bouazizi would have found it to be a herculean task to become part of the formal economy. In the Financial Times, a U.K. based newspaper, De Soto writes about Bouazizi's plight:

"To create a legal enterprise he would have had to establish a small sole proprietorship. This would require taking 55 administrative steps during 142 days and spending some \$3,233 (12 times Bouazizi's monthly net income, not including maintenance and exit costs). Even if he had found the money and the time to create a sole proprietorship firm the law did not enable him to pool resources by bringing in new partners, limit liability to protect his family's assets, and eventually, issue shares and stocks to capture new investment."

At the heart of it, this story of Bouazizi's struggle is a microeconomic perspective on the problem of missing property rights in the Middle East. But the impact of the Arab Spring has also shaken the macroeconomic foundations of several countries across the region. In other words, what happens at the firm or individual level in developing countries (the so-called Bottom of the Pyramid), impacts the GDP accounts of national economies. It still remains to be seen whether the Arab Spring will bring greater economic freedom to the Middle East and beyond. But one thing is clear – secure property rights are fundamental to economic and political freedom. Needless to say, a lot of questions are now being asked by people across the world: What can a state do to promote greater economic inclusion through secure property rights? What is the impact of corruption on the spirit of enterprise? Some of these questions point to the fundamental inter-relationships between economic freedom, enterprise and secure property rights.

This year's edition of the International Property Rights Index will attempt to better understand the underlying factors that affect the micro- and macroeconomic conditions in a nation's economy. By ranking countries on the level of security of physical and intellectual property rights, it is hoped that the index will serve as a barometer of a nation's competitiveness and economic freedom. As with any study, there are limitations to our approach. Data limitations prevent ranking of every country for example. But the author remains confident that this study clearly demonstrates the positive relationship between property rights and economic development.

CHAPTER II: PROPERTY RIGHTS AND ECONOMIC DEVELOPMENT

Access to capital is a crucial element to any country's path to economic development. Hernando de Soto's findings in his landmark books, *The Other Path: The Invisible Revolution in the Third World* and *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, make this point – a functioning law system which brings the benefits of granted property rights and enforcement of contracts and extra-contractual liabilities is the factor that best explains differences between developed and developing economies. De Soto also points to the “cost of legality” – those operating in the shadow economy incur costs in order to avoid the risk of being penalized for being outside the legal system. Such issues are at the core of economic problems facing the developing world. As a greater share of the world's population lives and works in the developing world, the importance of secure property rights will become paramount for economic growth.

Private Property Rights

Ownership of an asset is the basic element of private property rights. This right to ownership is most often taken for granted in the West. But it's a luxury in the developing world. Academic scholars and practitioners in international organizations such as the OECD, World Bank and the United Nations Development Program have presented research highlighting property rights as a tool for economic development. This relationship is even more important when one looks at the state of property rights in urban slums, where much of the world's population now resides. According to a McKinsey Global Institute report, over 5.7 billion people live in the developing world, and every year there are 70 million new residents in cities. Most of the new additions of resident population in cities will be in shanty-towns. In other words, squatters have become the dominant city builders in the world. Of course, the growth in employment is also driven in such “slum economies,” and national governments and development agencies need to reconsider the role of property rights in supporting growth at the bottom of the pyramid. One recent research paper published by Professor Erica Field, a Harvard-based development economist, finds that change in tenure security has a significant impact on residential investment in urban slums. In her study of the change in ownership status due to a nation-wide land titling program in Peru, Fields found that housing renovations increased by over two-thirds from the baseline levels.

A well-functioning society with a strong set of rules and legal system can improve economic output and growth. It also means that rule of law and other institutions in the political and economic bureaucracy of a country need to be reformed. As De Soto's work on unlocking dead capital in poor economies has shown, property rights can serve as the tool to promote that growth – by allowing for capital formation and lowering of transactions costs.

Intellectual Property Rights

In a globalized world, countries have come to rely on a set of rules to promote innovation and knowledge management. These rules essentially lay out a set of protocols to provide a common ground for the protection of products and services that are creations of the human mind. In other words, intellectual property rights (IPR) serve to protect the value added that comes with innovations in the fields of science, art, literature technology, and business, to name a few.

As we begin to move to a more digitized world economy, we are bound to see greater technological integration across borders. Innovation is no longer a developed world phenomenon. At the same time, infringement of intellectual property has risen too. As such, we are seeing two trends emerge – globalization of technology and the theft of such technology. But what is the impact of stronger IPR protection on economic variables such as trade flows and economic growth. In the 2005 World Bank publication, *Intellectual Property Rights and Development: Lessons from Recent Economic Research*, Carsten Fink and Carlos Braga illustrate that stronger IPRs have had a positive effect on total trade. Keith Maskus, a leading authority on IPR and economic development writes in the World Bank report that a strong IPR regime can also influence a multinational firm's decision to locate its business in middle-income countries – preferring countries that have a greater ability to absorb and learn the new technology. In other words, a stronger IPR regime can increase formal technology transfers and cross-border technology licensing. For national governments, achieving such economic goals is however far from reality – protection of IPR across borders is extremely difficult and governments continue to struggle to offer a secure IPR environment.

CHAPTER III: INDEX COMPOSITION AND COVERAGE

This chapter presents the concept behind the *International Property Rights Index*, the three core components, and the 10 variables used to compile it. It also includes detailed explanatory notes on the methodology employed and the country set of the 2012 IPRI. Finally, it points out some of the limitations of this study and presents future considerations.

The Concept

The goal of developing the IPRI is to serve as a barometer of the security of property rights across the world. To conceptualize property rights for the purposes of this study, the author reviewed a wide range of literature on property rights. Additionally, as has been done in previous index compilations, several experts and practitioners in the field of property rights have been consulted to finalize the set of core categories (hereto referred to as “components”) as well as variables (“sub-components”) that make up those components.

The following are the three core components of the IPRI:

1. **Legal and Political Environment (LP)**
2. **Physical Property Rights (PPR)**
3. **Intellectual Property Rights (IPR)**

The Legal and Political Environment (LP) has a significant impact on the security and protection of physical and intellectual property rights. As such, measures of legal and political environment are much broader in scope, serving to provide an insight into the impact of political stability and rule of law on an economy.

The other two components of the index – physical and intellectual property rights – reflect the two forms of property rights, both of which are crucial to economic development of a country. The variables included in these two categories account for both *de jure* rights and *de facto* outcomes of the countries considered.

Variables

The 2012 IPRI is comprised of a total of 10 variables, which are divided into the three main components: Legal and Political Environment (LP), Physical Property Rights (PPR), and Intellectual Property Rights (IPR). Despite a large number of property rights related variables considered by the author, the final IPRI study focuses only on core factors that directly relate to the strength and protection of physical and intellectual property rights. The final ranking is very similar to the alternative rankings calculated with other factors included. Finally, preference was given to the variables that were available for a greater number of countries and were updated on a regular basis to ensure that the resulting scores were comparable across countries and years.

Of the 10 variables incorporated into the index, the *Registering Property* variable is made up of two sub-variables. In sum, the IPRI comprises 11 data points for each country.

Figure 1: Structure of the IPRI

1. Legal and Political Environment (LP)

- Judicial Independence
- Rule of Law
- Political Stability
- Control of Corruption

2. Physical Property Rights (PPR)

- Protection of Physical Property Rights
- Registering Property
- Access to Loans

3. Intellectual Property Rights (IPR)

- Protection of Intellectual Property Rights
- Patent Protection
- Copyright Piracy

Legal and Political Environment (LP)

Even the most comprehensive *de jure* property rights cannot be enforced unless a strong rule of law and independent judiciary are present to enforce them. And as we witness the recent events across the Middle East, lack of property rights and economic freedom can breed economic and political instability. Therefore, the author considers the following four sub-components constituting the Legal and Political Environment (LP) component as important attributes in explaining a country's system of property rights.

Judicial Independence

This variable examines the judiciary's freedom from influence by political and business groups. The independence of the judiciary is a central underpinning for the sound protection and sovereign support of the court system with respect to private property.

Source: *World Economic Forum's 2011-2012 Global Competitiveness Index*

Rule of Law

This variable measures the extent to which agents have confidence in and abide by the rules of society. In particular, it measures the quality of contract enforcement, police, and courts, as well as the likelihood of crime and violence. The variable combines several indicators, including fairness, honesty, enforcement, speed, and affordability of the court system, protection of private property rights, and judicial and executive accountability. This variable complements the judicial independence variable.

Source: *World Bank Worldwide Governance Indicators, 2011 Update*

Political Stability

The degree of political stability crucially influences one's incentive to obtain or to extend ownership and/or management of property. The higher the likelihood of government instability, the less likely people will be to obtain property and to develop trust in the validity of the rights attached.

Source: *World Bank Worldwide Governance Indicators, 2011 Update*

Corruption

This variable combines several indicators that measure the extent to which public power is exercised for private gain. This includes petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests. Similarly to the other variables in the LP component, corruption influences people's confidence in the existence of sound implementation and enforcement of property rights. Corruption reflects the degree of informality in the economy, which is a distracting factor to the expansion of respect for legal private property.

Source: *World Bank Worldwide Governance Indicators, 2011 Update*

Physical Property Rights (PPR)

A strong property rights regime commands the confidence of people in its effectiveness to protect private property rights. It also provides for seamless transactions related to registering property. Finally, it allows access to credit necessary to convert property into capital. For these reasons, the following variables are used to measure private physical property rights protection (PPR).

Protection of Physical Property Rights

This variable directly relates to the strength of a country's property rights system as it reflects experts' views on the quality of judicial protection of private property, including financial assets. Additionally, it encompasses professionals' opinions on the clarity of the legal definition of property rights.

Source: *World Economic Forum's 2011-2012 Global Competitiveness Index*

Registering Property

This variable reflects businesses' point of view on how difficult it is to register property in terms of the number of days and procedures necessary. According to the source of this information, the variable records the full sequence of procedures necessary to transfer the property title from seller to buyer when a business purchases land and a building. This information is critical because the more difficult property registration is, the more likely it is that assets stay in the informal sector, thus restricting the development of the broader public's understanding and support for a strong legal and sound property rights system. Moreover, registration barriers discourage the movement of assets from lower to higher valued uses. This variable reflects one of the main economic arguments set forth by Hernando de Soto.

Source: *The World Bank Group's 2012 Doing Business Report*

Access to Loans

This variable is included in the IPRI because access to a bank loan without collateral serves as a proxy for the level of development of financial institutions in a country. Financial institutions play a complementary role, along with a strong property rights system, to bring economic assets into the formal economy.

Source: *World Economic Forum's 2011-2012 Global Competitiveness Index*

Intellectual Property Rights (IPR)

The IPR component evaluates the protection of intellectual property. In addition to an opinion-based measure of the protection of IP, it assesses protection of two major forms of intellectual property rights (patents and copyrights) from *de jure* and *de facto* perspectives, respectively.

Protection of Intellectual Property Rights

This variable contains opinion survey outcomes reflecting a nation's protection of intellectual property; therefore, it is a crucial aspect of the IPR component. Expert participants in each country were asked to rate their nation's IP protection, scoring it from "weak and not enforced" to "strong and enforced."

Source: *World Economic Forum's 2011-2012 Global Competitiveness Index*

Patent Protection

This variable reflects the strength of a country's patent laws based on five extensive criteria: coverage, membership in international treaties, restrictions on patent rights, enforcement, and duration of protection.

Source: *Ginarte-Park Index of Patent Rights (2005)*

Copyright Piracy

The level of piracy in the IP sector is an important indicator of the effectiveness of the intellectual property rights enforcement in a country. Information for this variable was collected from the International Intellectual Property Alliance's (IIPA) submission to the *Special 301 Report*, prepared by the U.S. Trade Representative in the context of its annual review of countries' intellectual property practices. It contains information on the piracy level for copyright-protected industries, including Business Software and Records & Music. Because this variable reflects *de facto* outcomes based on 'hard data,' it rates a country according to its effectiveness in protecting IPR. Data from the IIPA was supplemented with the most updated available statistics from the Business Software Alliance.

Source: *International Intellectual Property Alliance's 2010 Special 301 Report, Eighth Annual BSA and IDC Global Software Piracy Study (2010)*

Explanatory Notes on Methodology

The overall grading scale of the IPRI ranges from 0 to 10, with 10 representing the strongest level of property rights protection and 0 reflecting the non-existence of secure property rights in a country. Similarly, each component and variable is placed on the same 0 to 10 scale.

For the calculation of the final index score, the variables within each component are averaged to derive the score for each of the three components. The final overall IPRI score is itself the average of the component scores. During construction of the index, a number of weighting methods for the components were tried. These were based on the authors' subjective views as well as to account for the different variances within each variable. However, the choice of the weighting method had little impact on the final rating and ranking of the countries. Thus, for reasons of simplicity and objectivity, the final numbers presented in this report are the result of a simple average calculation. It combines available variables into the three component area ratings, which in turn are averaged into the final IPRI score. However, the author does not wish to imply that all components and areas in the index are of equal importance. Thus, readers who prefer to weight the variables in a different manner are invited to do so.

The 10 variables included in the IPRI stem from different sources. Most of them can be easily normalized to the IPRI's 0-10 scale. To combine variables that did not come in an indexed form, we applied the following standardization formula:

$$\left\{ \frac{X_{max} - X_i}{X_{max} - X_{min}} \right\} * 10$$

X_i represents the individual country's value of the factor involved, while X_{max} and X_{min} were set at the maximum value for that factor within the original sample of countries in 2008 and zero, respectively. This method was used to standardize the *Registering Property* variables in the PPR component.

This rescaling procedure, while similar, is slightly different than that which was employed in the previous years. Previously, the maximum value for each of the factors was allowed to change with changes in the sample of countries. This year, it was anchored to the benchmark value in the sample of countries in the 2008 IPRI report. This change allows for a more objective comparison of countries from year to year. Previous years' data were rescaled, and scores were recalculated to account for this change. It is important to note that the recalculation of previous years' scores for PPR as well as IPRI had a very minor effect on rankings for those years.

The Countries

The 2012 *International Property Rights Index* ranks a total of 130 countries from around the world. Yemen was added to this year's index as data became available. The selection of countries was determined by the constraint of available data only. Covering 97 percent of the world's Gross Domestic Product, these countries differ substantially in economic performance and market structure. For means of comparison, the economies included in the IPRI were assigned to seven geographic regions, which include the following: Latin America and Caribbean, Western Europe, Central/Eastern Europe and Central Asia, Middle East/North Africa, Africa, Asia and Oceania, and North America.

It is important to note that the number of countries covered by the IPRI's different data sources varied significantly. Therefore, the author was provided with significant variation in the number of potential countries to be included in the IPRI. To be considered for the final IPRI ranking, a country's data needed to be represented in a minimum of one half of the included variables per category, although in most cases countries exceeded this threshold. Consequently, there are some countries that do not enter any of the final country sets of the index's three components and some that met the threshold of only one or two of the components. The countries that qualified for all three categories are the 130 included in this report.

Limitations and Future Considerations

Several things must be kept in mind when understanding the conceptualization and outcomes of the IPRI. First, the IPRI ranking covers a relatively large number of nations from greatly varying economic, political, and cultural backgrounds. Consequently, many of the countries' idiosyncratic characteristics with respect to property rights protection and strength cannot be considered here.

None of the data used for the construction of the IPRI is generated by the author but was instead collected from third-party sources such as the World Bank, World Economic Forum, and trade groups. While this allows the study to refrain from any potential bias, it limits the ability of the authors to reconstruct any missing data. The problem of missing data becomes serious when the variable that is missing is not highly correlated with the ones that are available. In those cases, a country's score can be not as representative as those countries with all data available. Moreover, changing data availability from year to year can result in changes in scores that are not related to the actual changes in the situation with property rights. The author tried his best to point out any such cases throughout the report and particularly in the country profiles (Appendix I).

As in the past, this study remains constrained by the availability of intellectual property rights data, especially by the lack of data on trademarks. In 2009, trademarks were dropped as one of the sub-components because of the lack of updated data, a situation that persists. However, the author remains confident that in future years reliable data will be available because of development of new databases by authoritative sources. Additionally, the IPR data can significantly benefit from better measures of enforcement efforts in the area of intellectual property rights by national governments, private sector groups and non-profit organizations. Similarly, the PPR component could also be improved by including more 'hard data' on the security of property rights. These remain the areas with the most potential for further improvement of the data underlying the IPRI.

Finally, time-series aspects of the index continue to be used as the index enters its sixth year of publication. However, the nature of institutions is such that effects of their changes might not be felt in the outcomes of interest for many years. Additionally, lack of updated data on economic outcomes significantly interferes with this analysis. The author hopes that these constraints will be overcome in the future and that the theoretical relationship between property rights institutions and economic well-being can be tested empirically using more robust methods.

CHAPTER IV: RESULTS

This chapter presents the results of the 2012 *International Property Rights Index* (IPRI). The complete scores and rankings, presented according to various criteria, follow a brief overview of the data and outcomes. Notes on score adjustments can be found here. The chapter concludes with a presentation on the relationship between IPRI scores and countries' economic well-being.

Data and Outcome Characteristics

The IPRI's 2012 rankings are based on data obtained from currently available authoritative sources. Most of these sources derive their data from opinion surveys. Generally, experts in their respective fields participate in these surveys, and the resulting ratings in the form of a numeric factor are based on their judgment. Based on these sources, a country that ranks the highest or lowest in the IPRI does not necessarily have the strongest or weakest property rights, respectively. Instead, rankings are based on the *perception* of the relative strength of a country's property rights regime. Nevertheless, the author views the expert surveys to be a good and reliable source of judgment related to a country's *de facto* characteristics instead of some measure of what laws and practices may exist in statute only.

Several variables in the IPRI are based on 'hard data.' For example, the numbers of procedures and days necessary to register property or to start a business (a measure published in the World Bank's Doing Business report), while also based on surveys, are not based entirely on perceptions but on estimates of actual procedures involved. Similarly, estimates of the level of piracy are based on actual economic data from trade groups like the International Intellectual Property Alliance and the Business Software Association.

A plan for future indices is to use additional hard data. For example, it would be valuable to include measures of property rights enforcement or the extent of formalization of property rights based on actual data instead of expert opinions. It would also add value to be able to include a greater coverage of data on women's property rights. Future Hernando de Soto fellows will concentrate on seeking and including the most comprehensive and up-to-date sources for additional information on property rights protections.

In analyzing the final outcome of the scoring process, the reader is presented with two related but ultimately different measures of property rights protections throughout the sample: ordinal and cardinal. The scores are presented in such a way that the reader can easily compare countries according to how they rank relative to each other, as well as how they score on a scale of 0 to 10. The author hopes that while the relative ranking proves useful, it is the score itself that provides the most useful measure of how well a country protects and enforces property rights.

The 2012 IPRI contains rankings on the relative strength of a property rights regime in 130 economies. This sample includes 97 percent of the world's GDP. [Figure 2](#) and [Table 1](#) present the rankings by highest to lowest scores and scores by country, respectively.

Figure 2: Ranking by IPRI Score

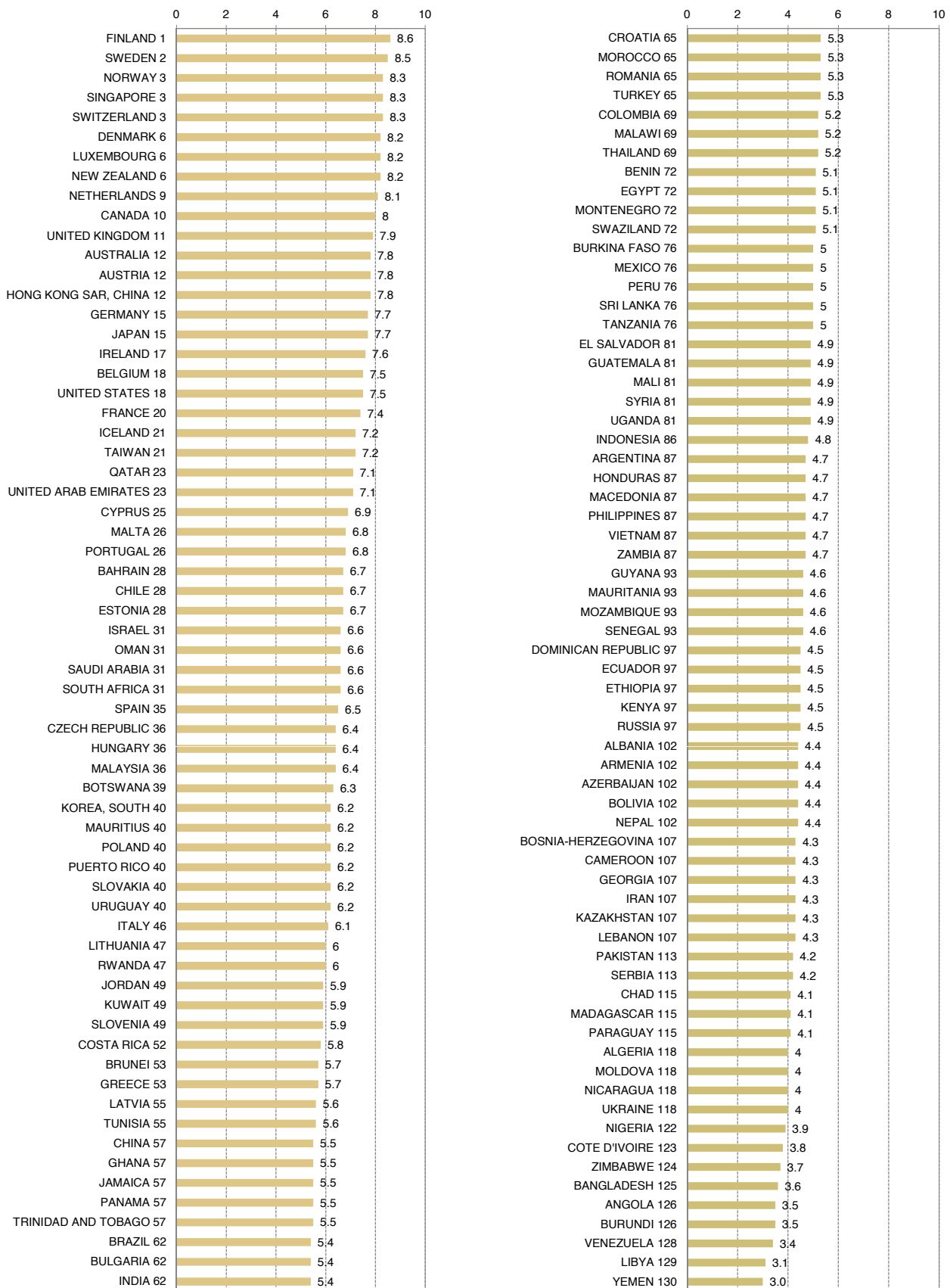


Table 1: Scores by Country

Country	IPRI	LP	PPR	IPR	Country	IPRI	LP	PPR	IPR
ALBANIA	4.4	4.3	5.4	3.4	LITHUANIA	6.0	5.8	6.3	5.9
ALGERIA	4.0	3.4	5.0	3.7	LUXEMBOURG	8.2	8.6	7.8	8.3
ANGOLA	3.2	2.4	4.3	2.9	MACEDONIA	4.7	4.4	5.7	4.0
ARGENTINA	4.7	4.2	4.9	5.0	MADAGASCAR	4.1	3.4	5.2	3.8
ARMENIA	4.4	4.2	6.2	2.7	MALAWI	5.2	5.1	5.7	4.9
AUSTRALIA	7.8	8.2	7.4	7.8	MALAYSIA	6.4	5.8	7.4	6.1
AUSTRIA	7.8	8.0	7.5	8.0	MALI	4.9	4.0	5.6	5.0
AZERBAIJAN	4.4	3.8	6.2	3.3	MALTA	6.8	7.4	6.7	6.4
BAHRAIN	6.7	5.8	8.2	6.1	MAURITANIA	4.6	3.3	5.4	5.2
BANGLADESH	3.6	3.3	4.7	2.7	MAURITIUS	6.2	6.5	7.0	5.1
BELGIUM	7.5	7.5	6.9	8.0	MEXICO	5.0	4.1	5.8	5.1
BENIN	5.1	4.3	5.9	5.1	MOLDOVA	4.0	3.8	5.6	2.5
BOLIVIA	4.4	3.9	5.1	4.2	MONTENEGRO	5.1	5.3	6.3	3.7
BOSNIA-HERZEGOVINA	4.3	4.2	5.1	3.5	MOROCCO	5.3	4.6	6.2	5.2
BOTSWANA	6.3	6.9	7.0	4.9	MOZAMBIQUE	4.6	4.4	5.2	4.3
BRAZIL	5.4	5.1	5.7	5.5	NEPAL	4.4	3.2	5.9	4.1
BRUNEI	5.7	6.9	5.7	4.5	NETHERLANDS	8.1	8.5	7.6	8.2
BULGARIA	5.4	4.9	5.8	5.6	NEW ZEALAND	8.2	8.8	7.8	8.0
BURKINA FASO	5.0	4.3	5.6	5.2	NICARAGUA	4.0	3.3	4.8	3.9
BURUNDI	3.5	2.4	4.5	3.5	NIGERIA	3.9	3.0	4.6	4.1
CAMEROON	4.3	3.4	5.3	4.1	NORWAY	8.3	8.7	8.4	7.8
CANADA	8.0	8.4	7.5	8.1	OMAN	6.6	6.4	7.7	5.7
CHAD	4.1	2.5	5.1	4.6	PAKISTAN	4.2	3.0	5.9	3.6
CHILE	6.7	7.4	6.9	5.9	PANAMA	5.5	4.3	6.7	5.4
CHINA	5.5	4.3	6.9	5.2	PARAGUAY	4.1	3.1	5.7	3.6
COLOMBIA	5.2	3.9	6.2	5.5	PERU	5.0	3.8	6.6	4.5
COSTA RICA	5.8	6.4	5.9	5.0	PHILIPPINES	4.7	3.4	5.8	4.9
COTE D'IVOIRE	3.8	2.5	4.9	3.9	POLAND	6.2	6.4	5.7	6.6
CROATIA	5.3	5.3	5.7	4.8	PORTUGAL	6.8	6.6	6.9	6.9
CYPRUS	6.9	7.0	7.4	6.2	PUERTO RICO	6.2	6.2	5.9	6.6
CZECH REPUBLIC	6.4	6.2	6.2	6.8	QATAR	7.1	7.6	7.3	6.4
DENMARK	8.2	8.7	7.6	8.4	ROMANIA	5.3	4.9	5.7	5.4
DOMINICAN REPUBLIC	4.5	3.9	5.6	3.9	RUSSIA	4.5	3.3	5.3	4.8
ECUADOR	4.5	3.2	5.4	4.9	RWANDA	6.0	5.7	6.7	5.6
EGYPT	5.1	4.7	5.8	4.7	SAUDI ARABIA	6.6	5.8	8.1	6.0
EL SALVADOR	4.9	4.3	6.0	4.3	SENEGAL	4.6	4.0	5.5	4.3
ESTONIA	6.7	7.1	7.0	6.0	SERBIA	4.2	4.1	5.2	3.3
ETHIOPIA	4.5	3.3	5.5	4.7	SINGAPORE	8.3	8.3	8.4	8.3
FINLAND	8.6	8.8	8.3	8.6	SLOVAKIA	6.2	5.6	6.4	6.6
FRANCE	7.4	7.3	6.9	7.9	SLOVENIA	5.9	6.4	5.6	5.7
GEORGIA	4.3	4.4	6.1	2.3	SOUTH AFRICA	6.6	5.6	6.9	7.4
GERMANY	7.7	8.1	7.0	8.1	SOUTH KOREA	6.2	5.9	6.0	6.8
GHANA	5.5	5.3	5.7	5.6	SPAIN	6.5	6.2	6.5	6.8
GREECE	5.7	5.2	5.7	6.1	SRI LANKA	5.0	4.6	5.9	4.4
GUATEMALA	4.9	3.5	6.2	5.0	SWAZILAND	5.1	4.7	5.8	4.9
GUYANA	4.6	4.2	5.6	4.1	SWEDEN	8.5	8.7	8.4	8.4
HONDURAS	4.7	3.9	5.8	4.5	SWITZERLAND	8.3	8.6	7.9	8.3
HONG KONG SAR, CHINA	7.8	8.1	7.8	7.6	SYRIA	4.9	3.5	6.4	4.7
HUNGARY	6.4	6.1	6.3	6.9	TAIWAN	7.2	6.7	7.7	7.3
ICELAND	7.2	8.1	6.9	6.5	TANZANIA	5.0	4.6	5.3	5.0
INDIA	5.4	4.4	6.5	5.4	THAILAND	5.2	4.4	6.6	4.5
INDONESIA	4.8	3.9	6.6	3.9	TRINIDAD AND TOBAGO	5.5	5.0	5.3	6.3
IRAN	4.3	3.5	5.5	3.8	TUNISIA	5.6	5.2	6.7	4.9
IRELAND	7.6	8.2	6.6	8.0	TURKEY	5.3	4.5	6.2	5.2
ISRAEL	6.6	6.0	6.4	7.3	UGANDA	4.9	3.9	5.3	5.4
ITALY	6.1	5.6	5.8	7.0	UKRAINE	4.0	3.6	4.3	4.2
JAMAICA	5.5	4.7	5.9	5.8	UNITED ARAB EMIRATES	7.1	6.7	7.7	6.8
JAPAN	7.7	7.7	7.1	8.3	UNITED KINGDOM	7.9	7.8	7.6	8.2
JORDAN	5.9	5.3	6.6	5.8	UNITED STATES	7.5	7.1	7.2	8.3
KAZAKHSTAN	4.3	4.2	5.6	3.1	URUGUAY	6.2	7.1	6.2	5.2
KENYA	4.5	3.3	6.1	4.2	VENEZUELA	3.4	2.2	4.5	3.5
KUWAIT	5.9	6.3	6.6	4.8	VIETNAM	4.7	4.6	5.8	3.7
LATVIA	5.6	5.9	6.0	4.8	YEMEN	3.0	2.2	5.0	1.7
LEBANON	4.3	3.1	6.5	3.3	ZAMBIA	4.7	4.7	5.9	3.6
LIBYA	3.1	3.7	2.9	2.6	ZIMBABWE	3.7	2.5	5.1	3.5

Table 2: Top 10 by Component (Number Indicates Rank)

IPRI	LP	PPR	IPR
FINLAND (1)	FINLAND (1)	NORWAY (1)	FINLAND (1)
SWEDEN (2)	NEW ZEALAND (1)	SINGAPORE (1)	DENMARK (2)
NORWAY (3)	DENMARK (3)	SWEDEN (1)	SWEDEN (2)
SINGAPORE (3)	NORWAY (3)	FINLAND (4)	JAPAN (4)
SWITZERLAND (3)	SWEDEN (3)	BAHRAIN (5)	LUXEMBOURG (4)
DENMARK (6)	LUXEMBOURG (6)	SAUDI ARABIA (6)	SINGAPORE (4)
LUXEMBOURG (6)	SWITZERLAND (6)	SWITZERLAND (7)	SWITZERLAND (4)
NEW ZEALAND (6)	NETHERLANDS (8)	NEW ZEALAND (8)	UNITED STATES (4)
NETHERLANDS (9)	CANADA (9)	HONG KONG SAR, CHINA (9)	NETHERLANDS (9)
CANADA (10)	SINGAPORE (10)	LUXEMBOURG (9)	UNITED KINGDOM (9)

Table 3: Bottom 10 by Component (Number Indicates Rank)

IPRI	LP	PPR	IPR
ALGERIA (118)	ANGOLA (118)	ALGERIA (119)	LEBANON (120)
MOLDOVA (118)	NEPAL (118)	YEMEN (119)	AZERBAIJAN (120)
NICARAGUA (118)	ECUADOR (118)	ARGENTINA (121)	SERBIA (120)
UKRAINE (118)	PARAGUAY (121)	COTE D'IVOIRE (121)	KAZAKHSTAN (123)
NIGERIA (122)	LEBANON (121)	NICARAGUA (123)	ANGOLA (124)
COTE D'IVOIRE (123)	NIGERIA (123)	BANGLADESH (124)	ARMENIA (125)
ZIMBABWE (124)	PAKISTAN (123)	NIGERIA (125)	BANGLADESH (125)
BANGLADESH (125)	ZIMBABWE (125)	BURUNDI (126)	LIBYA (127)
ANGOLA (126)	COTE D'IVOIRE (125)	VENEZUELA (126)	MOLDOVA (128)
BURUNDI (126)	CHAD (125)	UKRAINE (128)	GEORGIA (129)
VENEZUELA (128)	BURUNDI (128)	ANGOLA (128)	YEMEN (130)
LIBYA (129)	YEMEN (129)	LIBYA (130)	
YEMEN (130)	VENEZUELA (129)		

Finland comes out on top this year with a score of 8.6 out of 10. Sweden comes in a close second with a score of 8.5, followed by Norway at 8.3. Singapore again comes in as the top performing country in the Asian and Oceanic region with a score of 8.3, tied with Norway for third place. Switzerland is also tied for third place, followed by Denmark, Luxembourg, New Zealand and Netherlands. Canada rounds out the top 10 with a score of 8.0 (see [Table 2](#)).

At the bottom of the rankings are Nigeria (3.9), Cote D'Ivoire (3.8), Zimbabwe (3.7), Bangladesh (3.6), Angola (3.5), Burundi (3.5), Venezuela (3.4), Libya (3.1), and Yemen (3.0).

[Figure 3](#) presents the IPRI rankings by quintile. The color prism relates the quintiles to a specified color: purple for the top quintile, blue for the second quintile, green for the third, yellow for the fourth, and red for the bottom quintile. Additionally, the map on the IPRI's distribution, displayed in the inside cover of this report, indicates which country belongs to which quintile.

Figure 3: IPRI Ranking by Quintile

	Top 20 percent	2nd Quintile	3rd Quintile	4th Quintile	Bottom 20 percent
strongest	FINLAND	MALTA	GREECE	PERU	AZERBAIJAN
	SWEDEN	BAHRAIN	BRUNEI	SRI LANKA	ARMENIA
	SINGAPORE	ESTONIA	TUNISIA	UGANDA	CAMEROON
	SWITZERLAND	CHILE	LATVIA	GUATEMALA	IRAN
	NORWAY	SOUTH AFRICA	TRINIDAD AND TOBAGO	MALI	BOSNIA-HERZEGOVINA
	DENMARK	ISRAEL	JAMAICA	SYRIA	LEBANON
	LUXEMBOURG	SAUDI ARABIA	GHANA	EL SALVADOR	KAZAKHSTAN
	NEW ZEALAND	OMAN	PANAMA	INDONESIA	GEORGIA
	NETHERLANDS	SPAIN	CHINA	ARGENTINA	PAKISTAN
	CANADA	HUNGARY	BULGARIA	PHILIPPINES	SERBIA
	UNITED KINGDOM	CZECH REPUBLIC	BRAZIL	HONDURAS	CHAD
	AUSTRIA	MALAYSIA	INDIA	MACEDONIA	MADAGASCAR
	AUSTRALIA	BOTSWANA	ROMANIA	VIETNAM	PARAGUAY
	HONG KONG SAR, CHINA	KOREA, SOUTH	MOROCCO	ZAMBIA	UKRAINE
	JAPAN	SLOVAKIA	TURKEY	MAURITANIA	NICARAGUA
	GERMANY	PUERTO RICO	CROATIA	SENEGAL	ALGERIA
	IRELAND	POLAND	COLOMBIA	MOZAMBIQUE	MOLDOVA
	UNITED STATES	URUGUAY	MALAWI	GUYANA	NIGERIA
	BELGIUM	MAURITIUS	THAILAND	ECUADOR	COTE D'IVOIRE
	FRANCE	ITALY	BENIN	RUSSIA	ZIMBABWE
	TAIWAN	LITHUANIA	SWAZILAND	ETHIOPIA	BANGLADESH
	ICELAND	RWANDA	EGYPT	KENYA	BURUNDI
	UNITED ARAB EMIRATES	JORDAN	MONTENEGRO	DOMINICAN REPUBLIC	ANGOLA
	QATAR	SLOVENIA	BURKINA FASO	BOLIVIA	VENEZUELA
	CYPRUS	KUWAIT	MEXICO	NEPAL	LIBYA
weakest	PORTUGAL	COSTA RICA	TANZANIA	ALBANIA	YEMEN

Table 4: Summary Statistics

Indicator	Mean	Median	Deviation	Minimum	Maximum
IPRI	5.6	5.3	1.4	3	8.6
LP	5.2	4.7	1.8	2.2	8.8
PPR	6.2	6	1.0	2.9	8.4
IPR	5.4	5.1	1.6	1.7	8.6

Table 4 presents summary statistics for the 2012 IPRI and its component scores. This year's index sees slight increases in the mean and median scores for each component. However, the minimum value for IPR at 1.7 is the lowest score (for Yemen) compared to last year's data. This year's index finds a one point increase in both the mean and median scores. The deviations range from 1.0 for PPR to 1.8 for LP.

This year's highest score in any one of the core components is 8.8 in Legal and Political Environment (LP) achieved by Finland and New Zealand. The lowest score in any of the core components is Yemen's IPR score of 1.7. Physical Property Rights (PPR) again has the highest component mean at 6.2 and has not changed from last year's index.

Ranking by Index Core Components

This index is comprised of three core components that can be used independently to assess a country's performance. This section presents and discusses countries' performance in each core component of the index.

Table 2 and Table 3 show the top 10 and bottom 10 countries for each of the IPRI's components. The top 10 lists, generally, are more homogenous than the bottom 10 with Finland ranking first in LP and IPR and Sweden taking top spot for PPR. Luxembourg and Sweden also place in the top 10 in all three components. Interestingly, three countries (the United States in Intellectual Property Rights (IPR), Saudi Arabia and Bahrain in PPR) make the top ten list for a component score but do not make the top 10 IPRI.

The bottom 10 lists are much more heterogeneous with no country making it on all three. Yemen ranks the lowest in the LP and IPR component and Libya in the PPR component.

Figures 4–6 provide a complete rank ordering of the entire 130 country set, according to the three core components of the IPRI.

Changes in Scores (2011-2012)

A comparison of results between 2011 and 2012 is found in Tables 5–8, which present the changes in scores for the IPRI as well as their components.

The countries that demonstrate the most improvement in their IPRI score over the last year are a diverse group. These include Armenia, Estonia, Georgia, Guatemala, Israel, Qatar, and Uganda among others. Unfortunately, the following countries show a decrease in their property rights performance: Algeria, Egypt, Kuwait, Russia, and Tunisia among others.

Figure 4: Ranking by LP Score

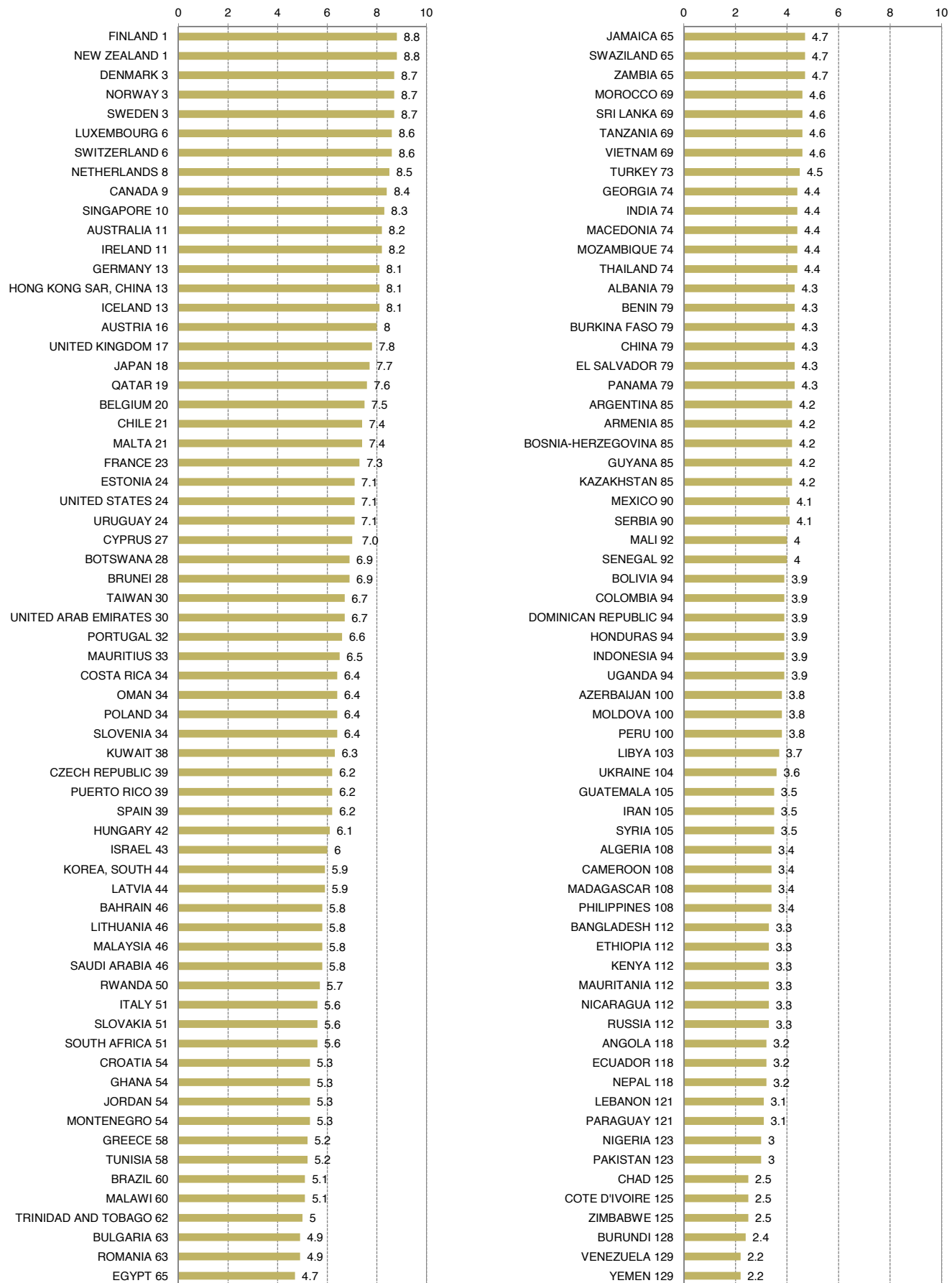


Figure 5: Ranking by PPR Score

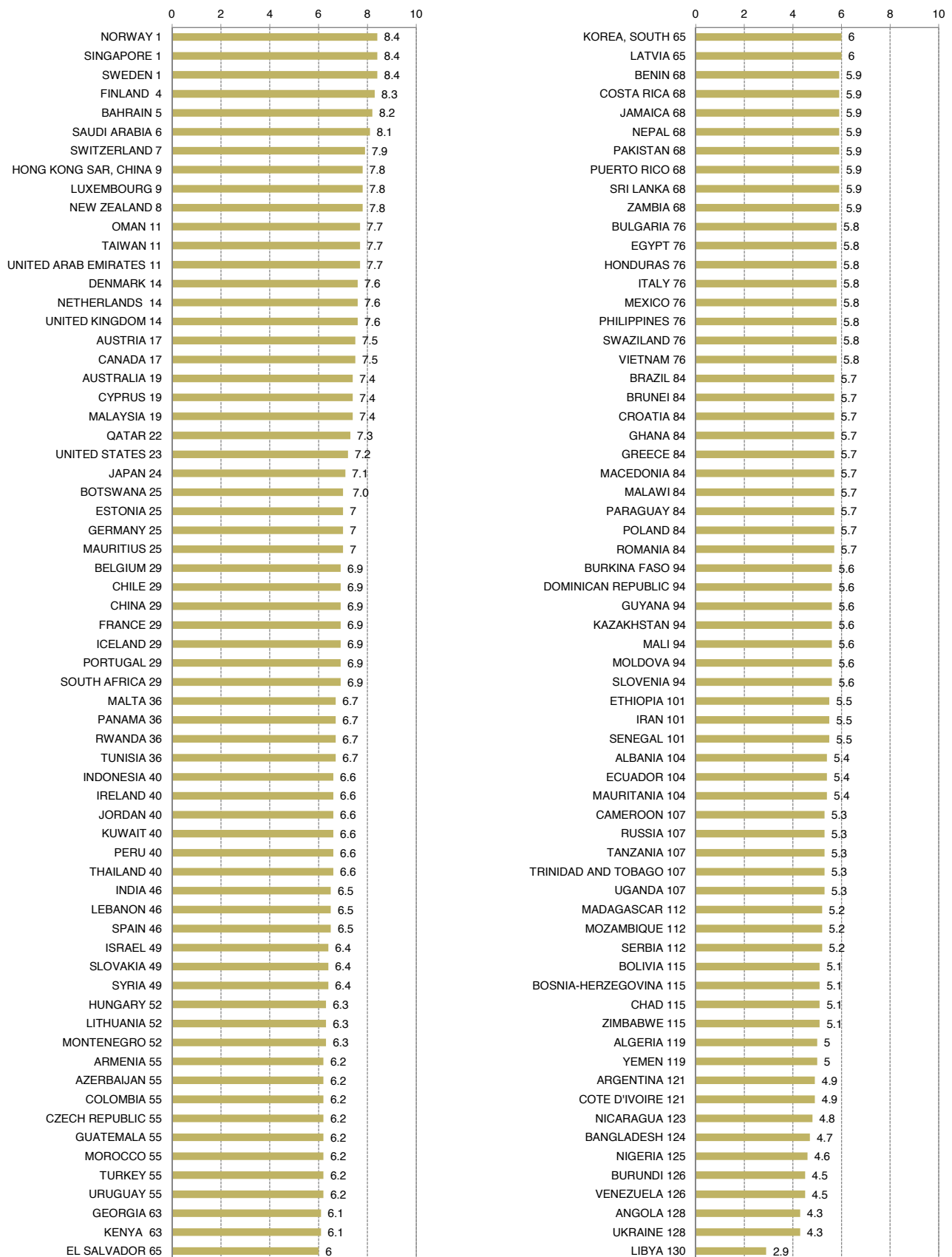


Figure 6: Ranking by IPR Score

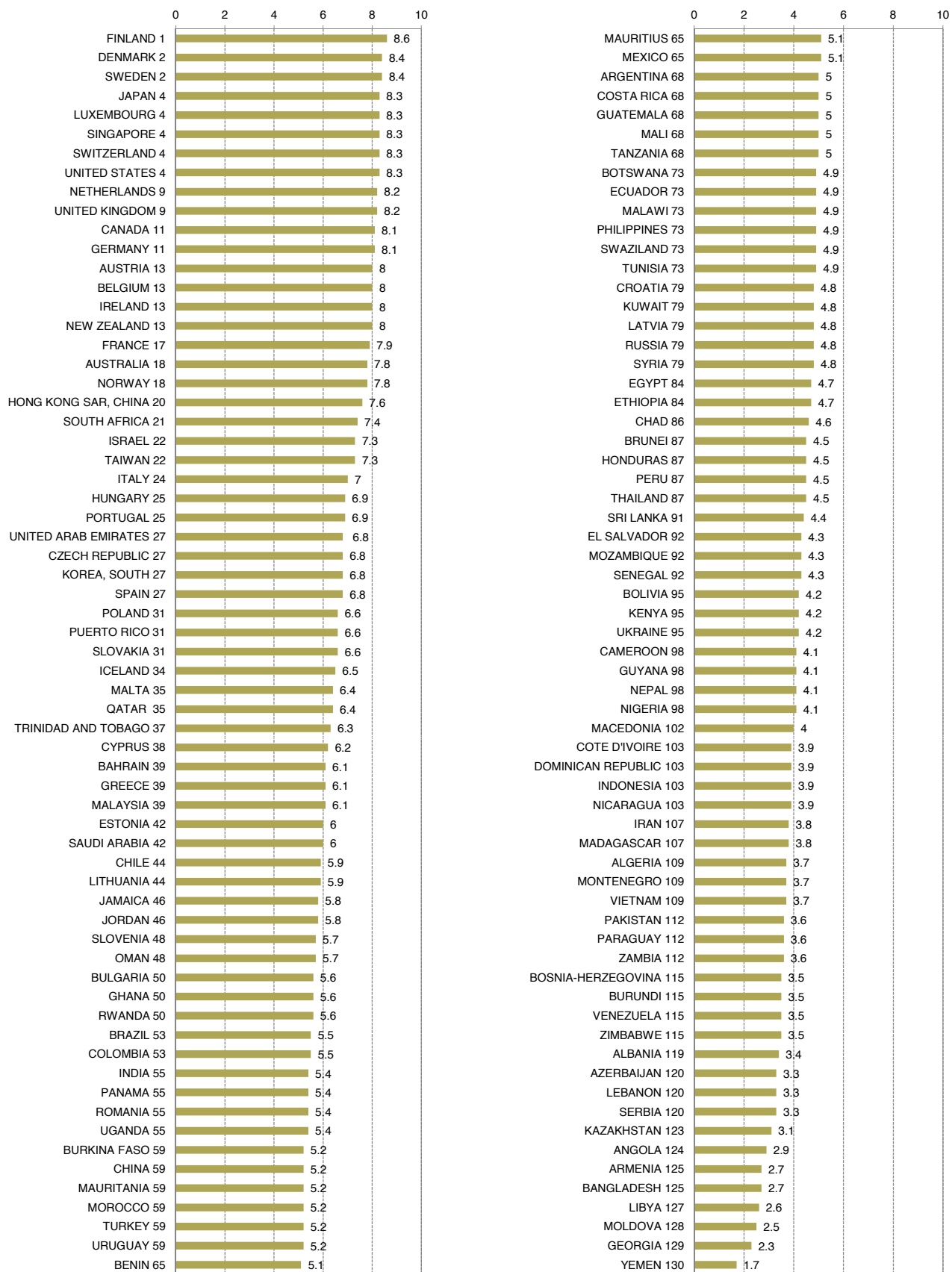


Table 5: Changes in IPRI Score (2011-2012)

Country	Change	IPRI 2012	IPRI 2011	Country	Change	IPRI 2012	IPRI 2011
ALBANIA	0.0	4.4	4.4	LITHUANIA	0.0	6.0	6.0
ALGERIA	-0.3	4.0	4.3	LUXEMBOURG	0.0	8.2	8.2
ANGOLA	0.2	3.5	3.3	MACEDONIA	0.0	4.7	4.7
ARGENTINA	0.0	4.7	4.7	MADAGASCAR	-0.2	4.1	4.3
ARMENIA	0.2	4.4	4.2	MALAWI	0.0	5.2	5.2
AUSTRALIA	-0.2	7.8	8.0	MALAYSIA	0.3	6.4	6.1
AUSTRIA	-0.1	7.8	7.9	MALI	0.1	4.9	4.8
AZERBAIJAN	0.0	4.4	4.4	MALTA	0.0	6.8	6.8
BAHRAIN	0.0	6.7	6.7	MAURITANIA	0.0	4.6	4.6
BANGLADESH	0.0	3.6	3.6	MAURITIUS	-0.1	6.2	6.3
BELGIUM	0.0	7.5	7.5	MEXICO	0.0	5.0	5.0
BENIN	-0.2	5.1	5.3	MOLDOVA	0.1	4.0	3.9
BOLIVIA	0.5	4.4	3.9	MONTENEGRO	-0.1	5.1	5.2
BOSNIA-HERZEGOVINA	0.2	4.3	4.1	MOROCCO	0.0	5.3	5.3
BOTSWANA	0.0	6.3	6.3	MOZAMBIQUE	-0.1	4.6	4.7
BRAZIL	0.1	5.4	5.3	NEPAL	0.0	4.4	4.4
BRUNEI	0.0	5.7	5.7	NETHERLANDS	0.1	8.1	8.0
BULGARIA	0.1	5.4	5.3	NEW ZEALAND	0.0	8.2	8.2
BURKINA FASO	0.0	5.0	5.0	NICARAGUA	-0.1	4.0	4.1
BURUNDI	-0.1	3.5	3.6	NIGERIA	0.0	3.9	3.9
CAMEROON	0.1	4.3	4.2	NORWAY	0.1	8.3	8.2
CANADA	0.0	8.0	8.0	OMAN	-0.1	6.6	6.7
CHAD	0.1	4.1	4.0	PAKISTAN	0.1	4.2	4.1
CHILE	0.0	6.7	6.7	PANAMA	-0.1	5.5	5.6
CHINA	0.0	5.5	5.5	PARAGUAY	0.1	4.1	4.0
COLOMBIA	0.1	5.2	5.1	PERU	0.1	5.0	4.9
COSTA RICA	-0.1	5.8	5.9	PHILIPPINES	0.0	4.7	4.7
COTE D'IVOIRE	0.1	3.8	3.7	POLAND	0.0	6.2	6.2
CROATIA	0.0	5.3	5.3	PORTUGAL	-0.1	6.8	6.9
CYPRUS	0.0	6.9	6.9	PUERTO RICO	-0.3	6.2	6.5
CZECH REPUBLIC	-0.1	6.4	6.5	QATAR	0.0	7.1	7.1
DENMARK	0.1	8.2	8.1	ROMANIA	-0.2	5.3	5.5
DOMINICAN REPUBLIC	-0.1	4.5	4.6	RUSSIA	-0.1	4.5	4.6
ECUADOR	0.1	4.5	4.4	RWANDA	0.4	6.0	5.6
EGYPT	-0.1	5.1	5.2	SAUDI ARABIA	0.1	6.6	6.5
EL SALVADOR	0.0	4.9	4.9	SENEGAL	-0.1	4.6	4.7
ESTONIA	0.0	6.7	6.7	SERBIA	0.0	4.2	4.2
ETHIOPIA	0.0	4.5	4.5	SINGAPORE	0.0	8.3	8.3
FINLAND	0.1	8.6	8.5	SLOVAKIA	-0.1	6.2	6.3
FRANCE	0.1	7.4	7.3	SLOVENIA	0.1	5.9	5.8
GEORGIA	0.4	4.3	3.9	SOUTH AFRICA	0.0	6.6	6.6
GERMANY	-0.1	7.7	7.8	SOUTH KOREA	-0.1	6.2	6.3
GHANA	-0.1	5.5	5.6	SPAIN	0.0	6.5	6.5
GREECE	-0.1	5.7	5.8	SRI LANKA	0.0	5.0	5.0
GUATEMALA	0.4	4.9	4.5	SWAZILAND	-0.1	5.1	5.2
GUYANA	0.0	4.6	4.6	SWEDEN	0.0	8.5	8.5
HONDURAS	0.0	4.7	4.7	SWITZERLAND	0.1	8.3	8.2
HONG KONG SAR, CHINA	0.0	7.8	7.8	SYRIA	0.1	4.9	4.8
HUNGARY	0.0	6.4	6.4	TAIWAN	0.1	7.2	7.1
ICELAND	0.0	7.2	7.2	TANZANIA	-0.1	5.0	5.1
INDIA	-0.2	5.4	5.6	THAILAND	-0.1	5.2	5.3
INDONESIA	-0.2	4.8	5.0	TRINIDAD AND TOBAGO	-0.1	5.5	5.6
IRAN	0.1	4.3	4.2	TUNISIA	-0.4	5.6	6.0
IRELAND	0.0	7.6	7.6	TURKEY	0.0	5.3	5.3
ISRAEL	0.3	6.6	6.3	UGANDA	0.3	4.9	4.6
ITALY	0.1	6.1	6.0	UKRAINE	0.0	4.0	4.0
JAMAICA	0.1	5.5	5.4	UNITED ARAB EMIRATES	-0.1	7.1	7.2
JAPAN	0.1	7.7	7.6	UNITED KINGDOM	0.2	7.9	7.7
JORDAN	-0.2	5.9	6.1	UNITED STATES	0.0	7.5	7.5
KAZAKHSTAN	-0.1	4.3	4.4	URUGUAY	0.1	6.2	6.1
KENYA	0.1	4.5	4.4	VENEZUELA	0.0	3.4	3.4
KUWAIT	0.0	5.9	5.9	VIETNAM	-0.2	4.7	4.9
LATVIA	0.1	5.6	5.5	YEMEN	-	3.0	-
LEBANON	-0.1	4.3	4.4	ZAMBIA	-0.1	4.7	4.8
LIBYA	-0.2	3.1	3.3	ZIMBABWE	0.2	3.7	3.5

Table 6: Changes in LP Score (2011-2012)

Country	Change	LP 2012	LP 2011	Country	Change	LP 2012	LP 2011
ALBANIA	-0.2	4.3	4.5	LITHUANIA	0.0	5.8	5.8
ALGERIA	-0.1	3.4	3.5	LUXEMBOURG	0.1	8.6	8.5
ANGOLA	0.1	3.2	3.1	MACEDONIA	-0.2	4.4	4.6
ARGENTINA	0.1	4.2	4.1	MADAGASCAR	-0.4	3.4	3.8
ARMENIA	0.0	4.2	4.2	MALAWI	0.0	5.1	5.1
AUSTRALIA	-0.1	8.2	8.3	MALAYSIA	0.2	5.8	5.6
AUSTRIA	-0.1	8.0	8.1	MALI	-0.1	4.0	4.1
AZERBAIJAN	0.0	3.8	3.8	MALTA	0.1	7.4	7.3
BAHRAIN	-0.1	5.8	5.9	MAURITANIA	0.0	3.3	3.3
BANGLADESH	-0.1	3.3	3.4	MAURITIUS	-0.1	6.5	6.6
BELGIUM	0.1	7.5	7.4	MEXICO	-0.1	4.1	4.2
BENIN	-0.2	4.3	4.5	MOLDOVA	0.1	3.8	3.7
BOLIVIA	0.7	3.9	3.2	MONTENEGRO	-0.1	5.3	5.4
BOSNIA-HERZEGOVINA	0.1	4.2	4.1	MOROCCO	0.0	4.6	4.6
BOTSWANA	0.1	6.9	6.8	MOZAMBIQUE	-0.2	4.4	4.6
BRAZIL	0.1	5.1	5.0	NEPAL	0.0	3.2	3.2
BRUNEI	-0.1	6.9	7.0	NETHERLANDS	0.1	8.5	8.4
BULGARIA	-0.1	4.9	5.0	NEW ZEALAND	0.0	8.8	8.8
BURKINA FASO	0.1	4.3	4.2	NICARAGUA	-0.2	3.3	3.5
BURUNDI	-0.2	2.4	2.6	NIGERIA	0.1	3.0	2.9
CAMEROON	-0.1	3.4	3.5	NORWAY	0.2	8.7	8.5
CANADA	0.0	8.4	8.4	OMAN	-0.2	6.4	6.6
CHAD	0.1	2.5	2.4	PAKISTAN	0.2	3.0	2.8
CHILE	0.1	7.4	7.3	PANAMA	-0.3	4.3	4.6
CHINA	-0.2	4.3	4.5	PARAGUAY	0.2	3.1	2.9
COLOMBIA	0.1	3.9	3.8	PERU	0.1	3.8	3.7
COSTA RICA	-0.2	6.4	6.6	PHILIPPINES	-0.1	3.4	3.5
COTE D'IVOIRE	0.1	2.5	2.4	POLAND	0.0	6.4	6.4
CROATIA	0.0	5.3	5.3	PORTUGAL	-0.2	6.6	6.8
CYPRUS	0.0	7.0	7.0	PUERTO RICO	-0.1	6.2	6.3
CZECH REPUBLIC	-0.1	6.2	6.3	QATAR	-0.3	7.6	7.9
DENMARK	0.0	8.7	8.7	ROMANIA	-0.3	4.9	5.2
DOMINICAN REPUBLIC	-0.3	3.9	4.2	RUSSIA	-0.2	3.3	3.5
ECUADOR	0.2	3.2	3.0	RWANDA	0.5	5.7	5.2
EGYPT	0.1	4.7	4.6	SAUDI ARABIA	0.2	5.8	5.6
EL SALVADOR	-0.1	4.3	4.4	SENEGAL	-0.4	4.0	4.4
ESTONIA	0.0	7.1	7.1	SERBIA	0.0	4.1	4.1
ETHIOPIA	0.0	3.3	3.3	SINGAPORE	0.0	8.3	8.3
FINLAND	0.0	8.8	8.8	SLOVAKIA	-0.1	5.6	5.7
FRANCE	0.1	7.3	7.2	SLOVENIA	-0.4	6.4	6.8
GEORGIA	0.3	4.4	4.1	SOUTH AFRICA	0.1	5.6	5.5
GERMANY	0.0	8.1	8.1	SOUTH KOREA	-0.1	5.9	6.0
GHANA	0.1	5.3	5.2	SPAIN	0.1	6.2	6.1
GREECE	-0.2	5.2	5.4	SRI LANKA	0.1	4.6	4.5
GUATEMALA	0.0	3.5	3.5	SWAZILAND	0.1	4.7	4.6
GUYANA	0.1	4.2	4.1	SWEDEN	-0.1	8.7	8.8
HONDURAS	0.0	3.9	3.9	SWITZERLAND	0.1	8.6	8.5
HONG KONG SAR, CHINA	0.0	8.1	8.1	SYRIA	-0.2	3.5	3.7
HUNGARY	0.0	6.1	6.1	TAIWAN	0.3	6.7	6.4
ICELAND	-0.2	8.1	8.3	TANZANIA	0.0	4.6	4.6
INDIA	-0.3	4.4	4.7	THAILAND	-0.2	4.4	4.6
INDONESIA	-0.3	3.9	4.2	TRINIDAD AND TOBAGO	-0.3	5.0	5.3
IRAN	0.0	3.5	3.5	TUNISIA	-0.5	5.2	5.7
IRELAND	0.0	8.2	8.2	TURKEY	-0.1	4.5	4.6
ISRAEL	-0.1	6.0	6.1	UGANDA	0.1	3.9	3.8
ITALY	0.1	5.6	5.5	UKRAINE	0.1	3.6	3.5
JAMAICA	0.0	4.7	4.7	UNITED ARAB EMIRATES	0.0	6.7	6.7
JAPAN	0.1	7.7	7.6	UNITED KINGDOM	0.0	7.8	7.8
JORDAN	-0.3	5.3	5.6	UNITED STATES	0.0	7.1	7.1
KAZAKHSTAN	-0.2	4.2	4.4	URUGUAY	0.1	7.1	7
KENYA	0.3	3.3	3.0	VENEZUELA	-0.1	2.2	2.3
KUWAIT	0.1	6.3	6.2	VIETNAM	-0.2	4.6	4.8
LATVIA	0.0	5.9	5.9	YEMEN	-	2.2	-
LEBANON	-0.2	3.1	3.3	ZAMBIA	-0.2	4.7	4.9
LIBYA	-0.6	3.7	4.3	ZIMBABWE	0.4	2.5	2.1

Table 7: Changes in PPR Score (2011-2012)

Country	Change	PPR 2012	PPR 2011	Country	Change	PPR 2012	PPR 2011
ALBANIA	-0.1	5.4	5.5	LITHUANIA	0.0	6.3	6.3
ALGERIA	-0.4	5.0	5.4	LUXEMBOURG	-0.1	7.8	7.9
ANGOLA	-0.2	4.3	4.5	MACEDONIA	0.2	5.7	5.5
ARGENTINA	-0.2	4.9	5.1	MADAGASCAR	-0.1	5.2	5.3
ARMENIA	0.3	6.2	5.9	MALAWI	0.1	5.7	5.6
AUSTRALIA	-0.3	7.4	7.7	MALAYSIA	0.6	7.4	6.8
AUSTRIA	0.0	7.5	7.5	MALI	0.1	5.6	5.5
AZERBAIJAN	0.0	6.2	6.2	MALTA	-0.1	6.7	6.8
BAHRAIN	0.1	8.2	8.1	MAURITANIA	-0.1	5.4	5.5
BANGLADESH	0.2	4.7	4.5	MAURITIUS	-0.2	7.0	7.2
BELGIUM	-0.1	6.9	7.0	MEXICO	0.1	5.8	5.7
BENIN	-0.3	5.9	6.2	MOLDOVA	0.0	5.6	5.6
BOLIVIA	0.6	5.1	4.5	MONTENEGRO	-0.3	6.3	6.6
BOSNIA-HERZEGOVINA	0.2	5.1	4.9	MOROCCO	0.0	6.2	6.2
BOTSWANA	-0.2	7.0	7.2	MOZAMBIQUE	0.0	5.2	5.2
BRAZIL	0.2	5.7	5.5	NEPAL	0.1	5.9	5.8
BRUNEI	-0.1	5.7	5.8	NETHERLANDS	0.1	7.6	7.5
BULGARIA	0.2	5.8	5.6	NEW ZEALAND	0.1	7.8	7.7
BURKINA FASO	0.0	5.6	5.6	NICARAGUA	-0.1	4.8	4.9
BURUNDI	-0.3	4.5	4.8	NIGERIA	0.0	4.6	4.6
CAMEROON	0.0	5.3	5.3	NORWAY	0.1	8.4	8.3
CANADA	0.0	7.5	7.5	OMAN	-0.1	7.7	7.8
CHAD	0.2	5.1	4.9	PAKISTAN	-0.1	5.9	6.0
CHILE	-0.1	6.9	7.0	PANAMA	-0.1	6.7	6.8
CHINA	0.1	6.9	6.8	PARAGUAY	0.3	5.7	5.4
COLOMBIA	0.2	6.2	6.0	PERU	0.1	6.6	6.5
COSTA RICA	-0.2	5.9	6.1	PHILIPPINES	0.0	5.8	5.8
COTE D'IVOIRE	-0.1	4.9	5.0	POLAND	0.1	5.7	5.6
CROATIA	0.0	5.7	5.7	PORTUGAL	0.1	6.9	6.8
CYPRUS	-0.1	7.4	7.5	PUERTO RICO	-0.3	5.9	6.2
CZECH REPUBLIC	-0.1	6.2	6.3	QATAR	-0.2	7.3	7.5
DENMARK	0.3	7.6	7.3	ROMANIA	-0.1	5.7	5.8
DOMINICAN REPUBLIC	-0.1	5.6	5.7	RUSSIA	0.1	5.3	5.2
ECUADOR	0.1	5.4	5.3	RWANDA	0.4	6.7	6.3
EGYPT	-0.4	5.8	6.2	SAUDI ARABIA	0.2	8.1	7.9
EL SALVADOR	0.0	6.0	6.0	SENEGAL	0.1	5.5	5.4
ESTONIA	-0.1	7.0	7.1	SERBIA	0.0	5.2	5.2
ETHIOPIA	-0.1	5.5	5.6	SINGAPORE	0.1	8.4	8.3
FINLAND	0.0	8.3	8.3	SLOVAKIA	-0.3	6.4	6.7
FRANCE	0.2	6.9	6.7	SLOVENIA	0.9	5.6	4.7
GEORGIA	0.1	6.1	6.0	SOUTH AFRICA	0.0	6.9	6.9
GERMANY	-0.1	7.0	7.1	SOUTH KOREA	-0.1	6.0	6.1
GHANA	-0.3	5.7	6.0	SPAIN	-0.1	6.5	6.6
GREECE	-0.3	5.7	6.0	SRI LANKA	-0.2	5.9	6.1
GUATEMALA	0.1	6.2	6.1	SWAZILAND	-0.4	5.8	6.2
GUYANA	-0.1	5.6	5.7	SWEDEN	0.2	8.4	8.2
HONDURAS	0.1	5.8	5.7	SWITZERLAND	0.1	7.9	7.8
HONG KONG SAR, CHINA	-0.1	7.8	7.9	SYRIA	0.2	6.4	6.2
HUNGARY	0.0	6.3	6.3	TAIWAN	0.1	7.7	7.6
ICELAND	0.1	6.9	6.8	TANZANIA	-0.2	5.3	5.5
INDIA	-0.1	6.5	6.6	THAILAND	-0.2	6.6	6.8
INDONESIA	-0.1	6.6	6.7	TRINIDAD AND TOBAGO	0.0	5.3	5.3
IRAN	0.1	5.5	5.4	TUNISIA	-0.5	6.7	7.2
IRELAND	-0.1	6.6	6.7	TURKEY	0.1	6.2	6.1
ISRAEL	0.5	6.4	5.9	UGANDA	0.3	5.3	5.0
ITALY	0.1	5.8	5.7	UKRAINE	-0.1	4.3	4.4
JAMAICA	0.2	5.9	5.7	UNITED ARAB EMIRATES	-0.1	7.7	7.8
JAPAN	0.1	7.1	7.0	UNITED KINGDOM	0.4	7.6	7.2
JORDAN	-0.2	6.6	6.8	UNITED STATES	0.1	7.2	7.1
KAZAKHSTAN	0.0	5.6	5.6	URUGUAY	0.2	6.2	6.0
KENYA	0.1	6.1	6.0	VENEZUELA	0.1	4.5	4.4
KUWAIT	0.0	6.6	6.6	VIETNAM	-0.3	5.8	6.1
LATVIA	0.2	6.0	5.8	YEMEN	-	5.0	-
LEBANON	0.0	6.5	6.5	ZAMBIA	0.1	5.9	5.8
LIBYA	0.0	2.9	2.9	ZIMBABWE	0.2	5.1	4.9

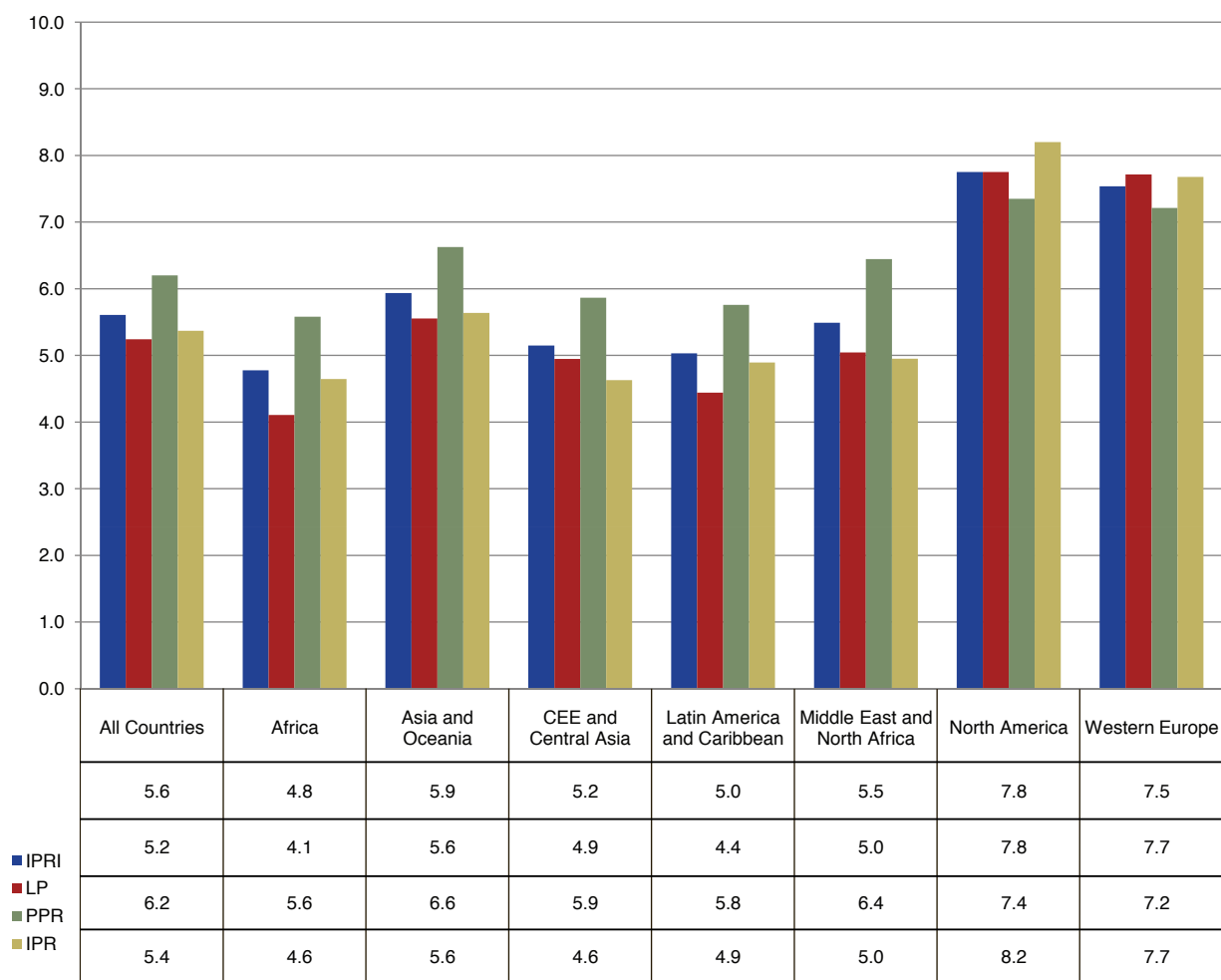
Table 8: Changes in IPR Score (2011-2012)

County	Change	IPR 2012	IPR 2011	County	Change	IPR 2012	IPR 2011
ALBANIA	0.2	3.4	3.3	LITHUANIA	0.0	5.9	5.9
ALGERIA	-0.2	3.7	3.9	LUXEMBOURG	0.0	8.3	8.3
ANGOLA	-0.2	2.9	3.1	MACEDONIA	0.1	4.0	3.9
ARGENTINA	0.0	5.0	5.0	MADAGASCAR	-0.1	3.8	3.9
ARMENIA	0.3	2.7	2.5	MALAWI	0.1	4.9	4.9
AUSTRALIA	-0.1	7.8	7.9	MALAYSIA	0.2	6.1	5.9
AUSTRIA	-0.1	8.0	8.1	MALI	0.0	5.0	4.9
AZERBAIJAN	0.1	3.3	3.2	MALTA	0.0	6.4	6.4
BAHRAIN	0.1	6.1	6.0	MAURITANIA	0.2	5.2	5.1
BANGLADESH	-0.1	2.7	2.8	MAURITIUS	0.1	5.1	5.0
BELGIUM	0.0	8.0	8.0	MEXICO	0.1	5.1	5.0
BENIN	-0.1	5.1	5.2	MOLDOVA	0.2	2.5	2.3
BOLIVIA	0.2	4.2	4.0	MONTENEGRO	0.2	3.7	3.6
BOSNIA-HERZEGOVINA	0.2	3.5	3.3	MOROCCO	0.1	5.2	5.1
BOTSWANA	-0.1	4.9	5.0	MOZAMBIQUE	0.0	4.3	4.3
BRAZIL	0.0	5.5	5.5	NEPAL	0.0	4.1	4.1
BRUNEI	0.0	4.5	4.4	NETHERLANDS	0.0	8.2	8.2
BULGARIA	0.2	5.6	5.4	NEW ZEALAND	0.0	8.0	8.0
BURKINA FASO	-0.1	5.2	5.3	NICARAGUA	0.0	3.9	3.9
BURUNDI	0.0	3.5	3.5	NIGERIA	0.0	4.1	4.1
CAMEROON	0.2	4.1	3.9	NORWAY	0.0	7.8	7.8
CANADA	0.0	8.1	8.1	OMAN	0.1	5.7	5.6
CHAD	0.0	4.6	4.6	PAKISTAN	0.0	3.6	3.6
CHILE	0.1	5.9	5.8	PANAMA	0.1	5.4	5.3
CHINA	0.0	5.2	5.2	PARAGUAY	0.0	3.6	3.6
COLOMBIA	0.1	5.5	5.4	PERU	0.1	4.5	4.4
COSTA RICA	0.0	5.0	5.0	PHILIPPINES	0.0	4.9	4.9
COTE D'IVOIRE	0.1	3.9	3.8	POLAND	0.0	6.6	6.6
CROATIA	0.0	4.8	4.8	PORTUGAL	-0.1	6.9	7.0
CYPRUS	-0.1	6.2	6.3	PUERTO RICO	-0.3	6.6	6.9
CZECH REPUBLIC	-0.1	6.8	6.9	QATAR	0.4	6.4	5.9
DENMARK	0.1	8.4	8.3	ROMANIA	0.0	5.4	5.4
DOMINICAN REPUBLIC	-0.1	3.9	4.0	RUSSIA	-0.2	4.8	5.0
ECUADOR	0.1	4.9	4.8	RWANDA	0.2	5.6	5.4
EGYPT	-0.2	4.7	4.9	SAUDI ARABIA	0.1	6.0	5.9
EL SALVADOR	-0.1	4.3	4.4	SENEGAL	0.1	4.3	4.2
ESTONIA	0.2	6.0	5.8	SERBIA	0.0	3.3	3.2
ETHIOPIA	0.1	4.7	4.6	SINGAPORE	0.0	8.3	8.3
FINLAND	0.1	8.6	8.5	SLOVAKIA	0.1	6.6	6.5
FRANCE	0.0	7.9	7.9	SLOVENIA	-0.2	5.7	5.9
GEORGIA	0.0	2.3	2.3	SOUTH AFRICA	0.1	7.4	7.3
GERMANY	0.0	8.1	8.1	SOUTH KOREA	0.0	6.8	6.8
GHANA	-0.1	5.6	5.7	SPAIN	-0.1	6.8	6.9
GREECE	0.0	6.1	6.1	SRI LANKA	0.0	4.4	4.4
GUATEMALA	1.0	5.0	4.0	SWAZILAND	0.1	4.9	4.8
GUYANA	0.1	4.1	4.0	SWEDEN	-0.1	8.4	8.5
HONDURAS	0.1	4.5	4.4	SWITZERLAND	0.0	8.3	8.3
HONG KONG SAR, CHINA	0.1	7.6	7.5	SYRIA	0.1	4.7	4.6
HUNGARY	0.0	6.9	6.9	TAIWAN	0.1	7.3	7.2
ICELAND	0.0	6.5	6.5	TANZANIA	0.0	5.0	5.1
INDIA	-0.1	5.4	5.5	THAILAND	0.0	4.5	4.5
INDONESIA	-0.1	3.9	4.0	TRINIDAD AND TOBAGO	0.1	6.3	6.2
IRAN	0.0	3.8	3.8	TUNISIA	-0.3	4.9	5.2
IRELAND	0.1	8.0	7.9	TURKEY	0.1	5.2	5.1
ISRAEL	0.3	7.3	7.0	UGANDA	0.4	5.4	5.0
ITALY	0.1	7.0	6.9	UKRAINE	0.0	4.2	4.2
JAMAICA	0.1	5.8	5.7	UNITED ARAB EMIRATES	-0.2	6.8	7.0
JAPAN	0.1	8.3	8.2	UNITED KINGDOM	0.1	8.2	8.1
JORDAN	0.0	5.8	5.8	UNITED STATES	-0.1	8.3	8.4
KAZAKHSTAN	-0.1	3.1	3.2	URUGUAY	0.0	5.2	5.2
KENYA	0.0	4.2	4.2	VENEZUELA	0.0	3.5	3.5
KUWAIT	-0.3	4.8	5.0	VIETNAM	-0.1	3.7	3.8
LATVIA	0.0	4.8	4.8	YEMEN	-	1.7	-
LEBANON	0.0	3.3	3.3	ZAMBIA	0.0	3.6	3.6
LIBYA	0.0	2.6	2.6	ZIMBABWE	0.0	3.5	3.5

Regional Distribution of IPRI

Figure 7 presents the average scores by region and component in the 2012 IPRI. Keeping with last year's report, Mexico and Malta are assigned to the combined Latin America and Caribbean region and Western Europe, respectively. Yemen, the newly added country to the IPRI, is assigned to Middle East and North Africa. Iran and Lebanon are grouped into the combined Middle East and North Africa region. Appendix III presents the complete regional assignments.

Figure 7: Average Scores by Region and Component



IPRI and Economic Outcomes

The underlying assumption of the IPRI is the strong correlation between an effective property rights regime and its significant impact on the economic performance of a country. According to the distribution of average income among countries in the IPRI quintiles, countries with high property rights scores tend to be the nations with higher per capita incomes. Countries with low property rights scores tend to have lower per capita incomes. Additionally, countries with strong property rights regimes attract more foreign direct investment (FDI) as the economic environment is more supportive for business. Finally, developing countries with strong property rights show stronger per capita GDP growth than those that fail to respect property rights. This observation is especially important considering the role that property rights can play to alleviate poverty and promote rapid economic growth.

Figure 8: Average Per Capita Income by IPRI Quintile

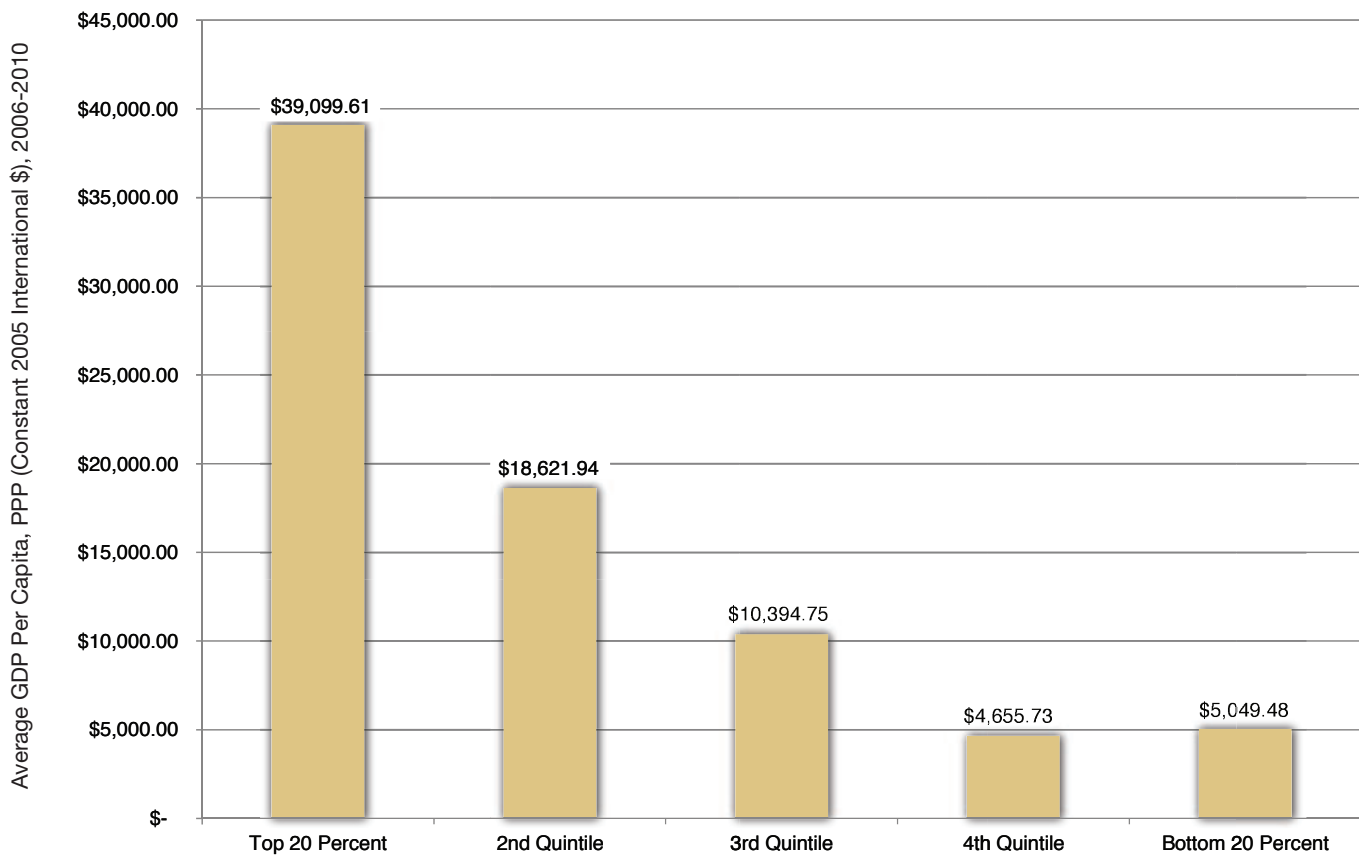


Figure 8 illustrates that, on average, countries in the top quintile of IPRI scores enjoy a per capita income almost eight times that of their counterparts in the bottom quintile. Calculations for Figure 8 are based on the averages of the IPRI scores for years 2008–2012 and corresponding data on average GDP per capita in PPP terms for years 2006–2010. Use of averages allows us to establish a more robust relationship between property rights and income, which may fluctuate because of economic cycles and other exogenous impacts. The same pattern is observed when using only the last year of the IPRI scores and GDP per capita data.

Figure 9: Relationship between IPRI and GDP Per Capita

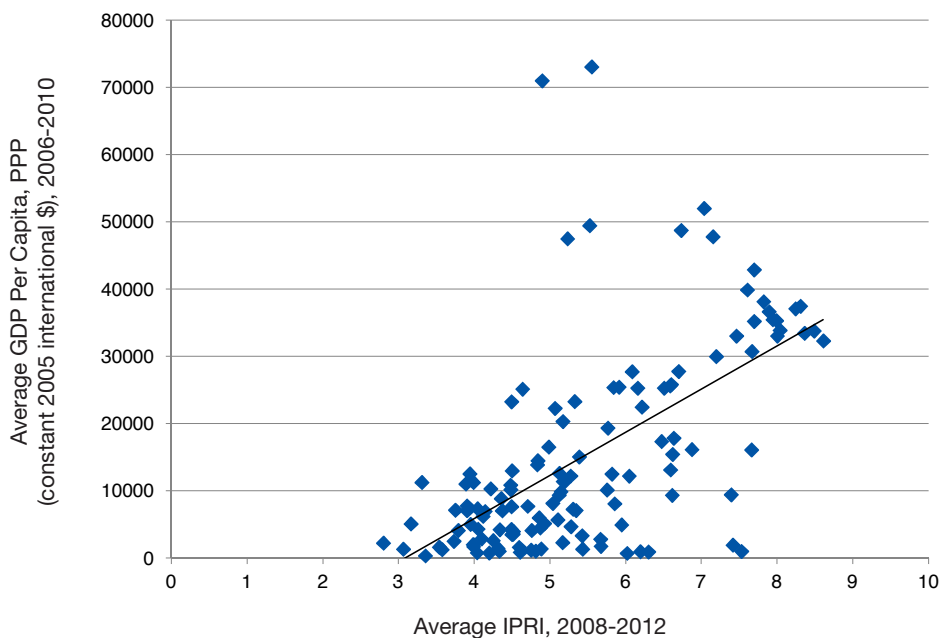


Figure 10: Relationship between LP and GDP Per Capita

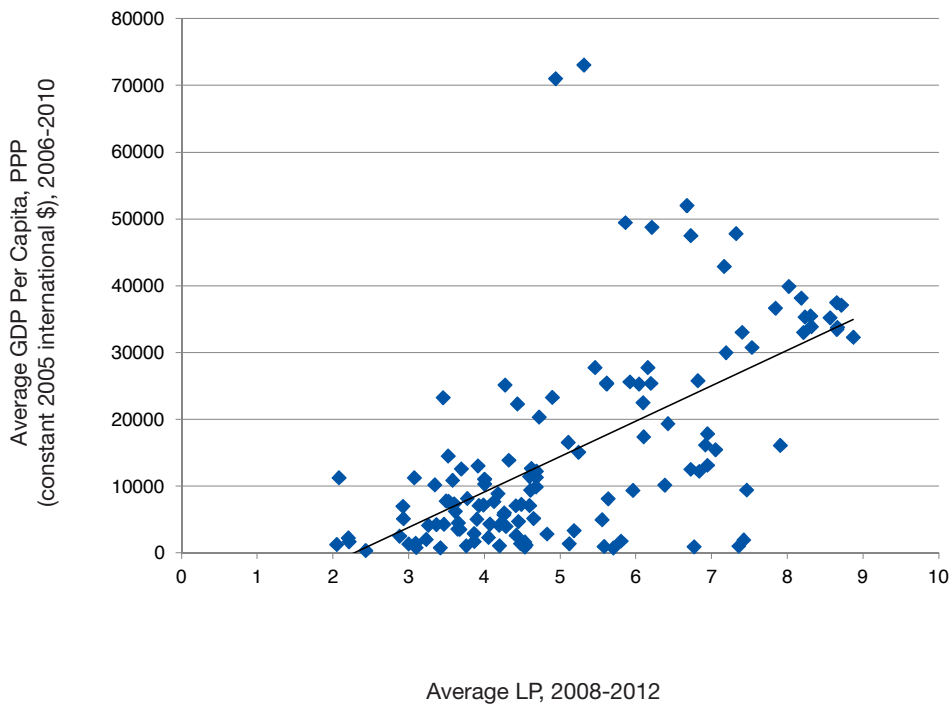


Figure 11: Relationship between PPR and GDP Per Capita

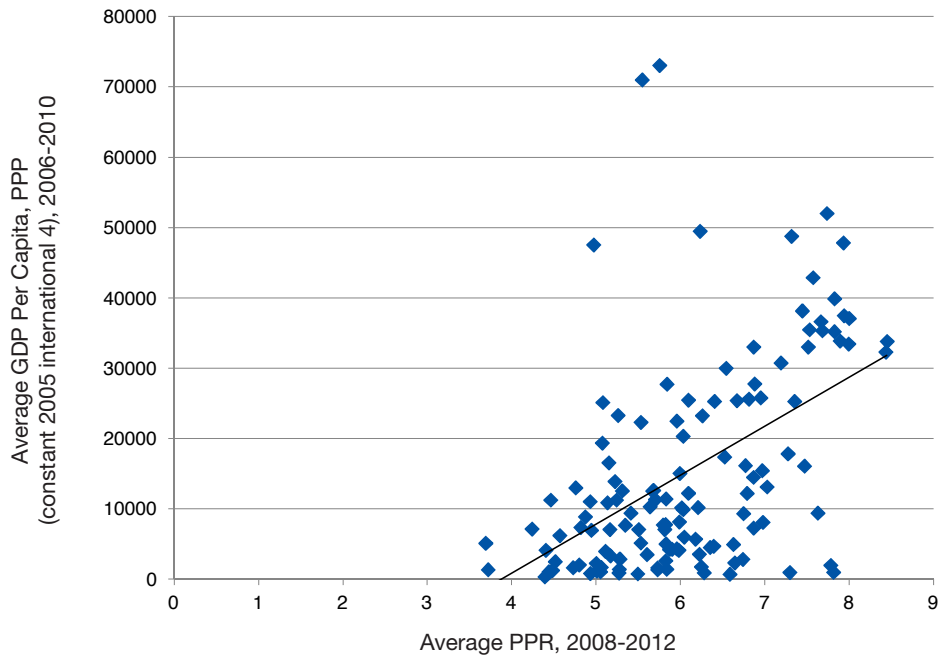


Figure 12: Relationship between IPR and GDP Per Capita

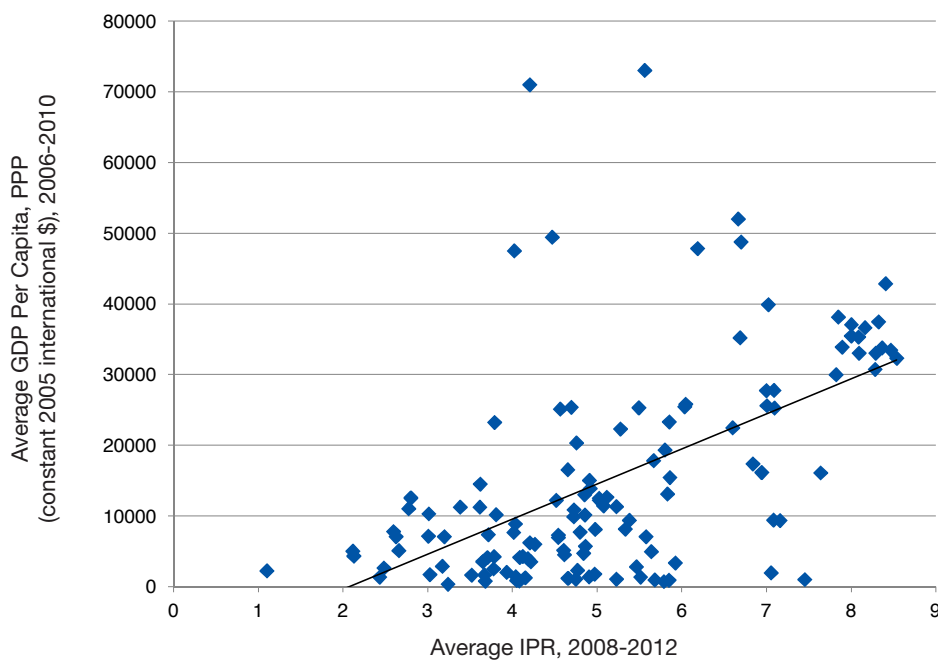


Figure 9 presents the relationship between the IPRI scores and GDP per capita. The IPRI score is overwhelmingly positively related to GDP per capita. This study also finds that countries with strong property rights protections have higher GDP per capita income compared to countries at the bottom of the IPRI ranking. A similar relationship is observed for the IPRI's core components (Figures 10–12).

Figure 13: Relationship between IPRI and FDI Inflows as a Percentage of GDP

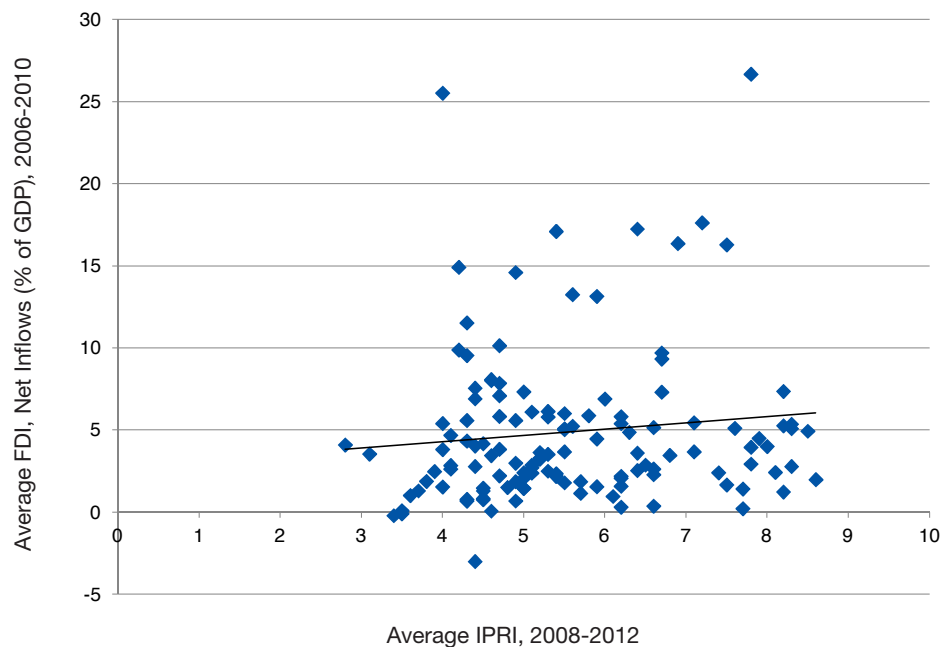


Figure 14: Relationship between LP and FDI Inflows as a Percentage of GDP

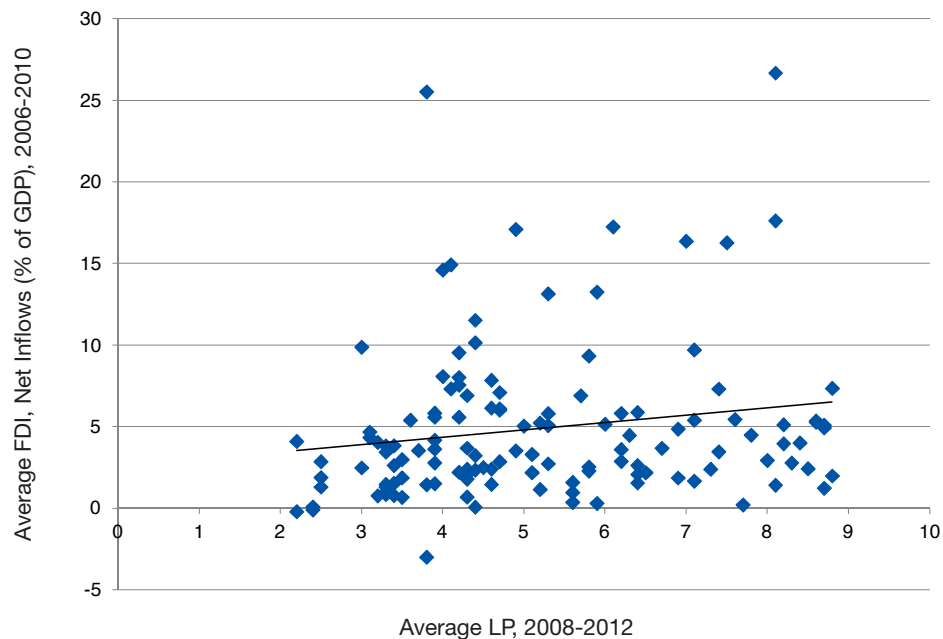


Figure 15: Relationship between PPR and FDI Inflows as a Percentage of GDP

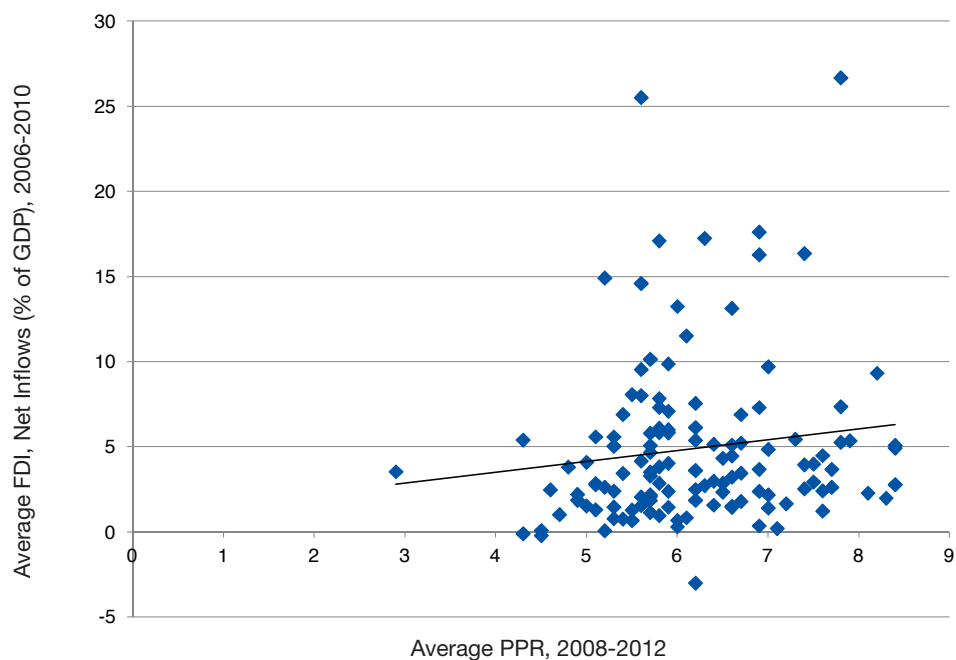
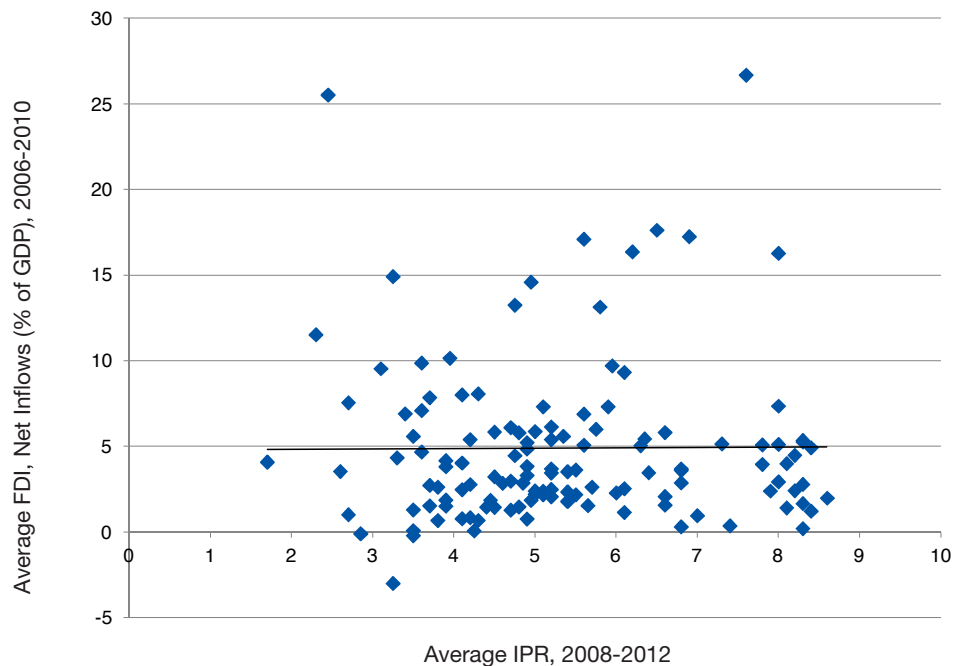


Figure 16: Relationship between IPR and FDI Inflows as a Percentage of GDP



To further investigate the role that protection of property rights plays in economic development, the relationship between the IPRI and its components and FDI is considered. [Figure 13](#) demonstrates that there is a positive relationship between the average IPRI score and average FDI inflows measured as a percentage of GDP.ⁱⁱ Similarly, [Figures 14–16](#) demonstrate that countries with a well-established legal system, a stable political environment and strong protection of physical property rights attract more FDI.ⁱⁱⁱ This relationship appears to be weaker for the IPR component, but data on IPR is less complete than for other components. Therefore, the results may be prone to inconsistencies in certain cases because of the lack of comprehensive data.

Figure 17: Relationship between IPRI and GDP Growth

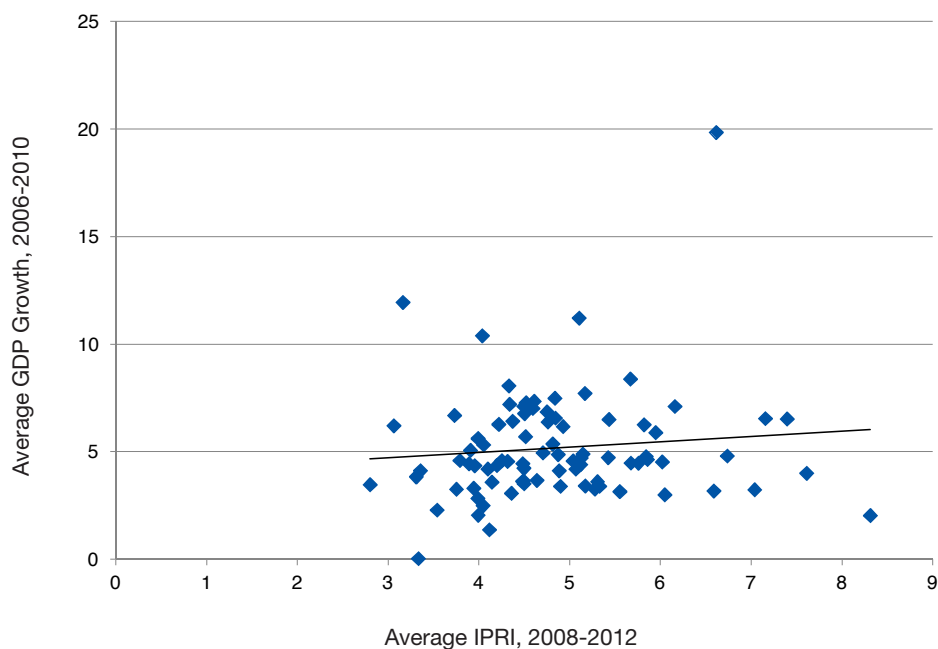
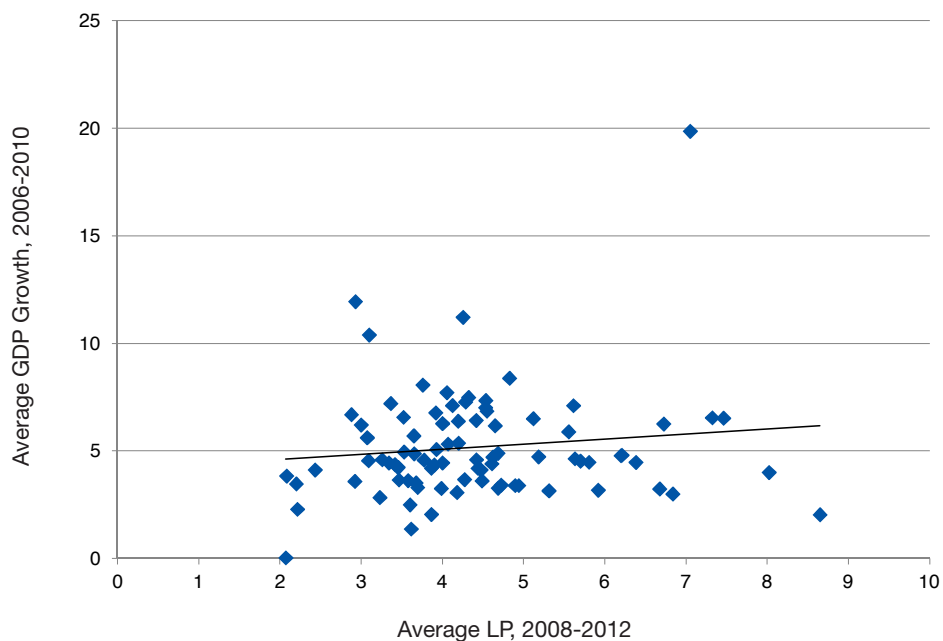


Figure 18: Relationship between LP and GDP Growth



Countries in the top quintile of the IPRI rankings tend to be developed nations with mature markets that generally expand at a slower rate than those in many developing economies. On comparing countries with high GDP growth to those with low GDP growth, one can test whether a strong property rights regime is associated with high economic growth.

Figure 19: Relationship between PPR and GDP Growth

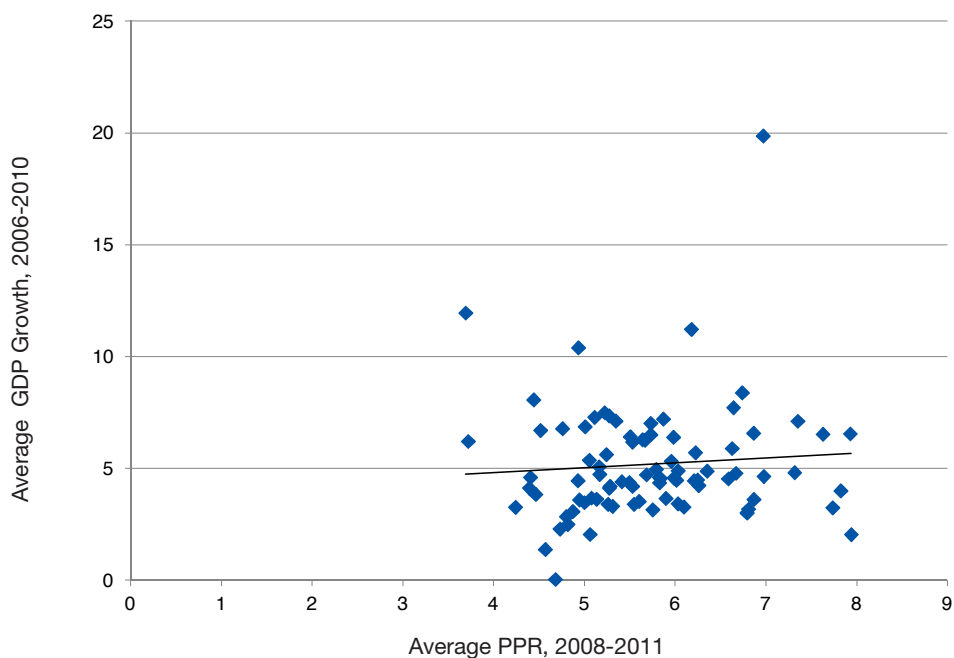
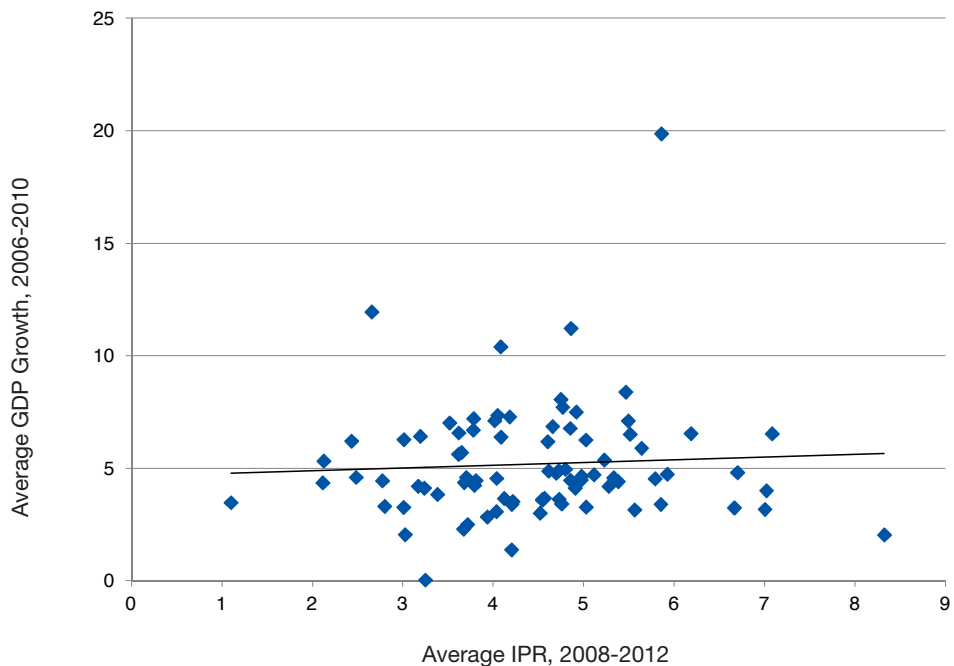


Figure 20: Relationship Between IPR and GDP Growth in Developing Countries



Figures 17–20 demonstrate that those developing countries that respect property rights grow on average faster than those that fail to provide sound legal and political environments and protection for physical property rights. As with FDI inflows, the relationship is less clear with IPR but similar caveats apply about the nature of the IPR data.

Regression Analysis

Because GDP per capita is one of the primary measures used to assess economic well-being, we additionally look at how it relates to IPRI via a regression analysis. We find that a high IPRI score is strongly correlated to economic development, which we measure in GDP per capita. A one point increase in the IPRI score predicts an approximate \$8,800 increase in GDP per capita ($R\text{-squared}=0.62$). Similarly, the results show that the IPRI components – LP, PPR, and IPR – are highly correlated with GDP per capita.

The regression analysis shows a correlation and does not necessarily prove causality. One way to address the problem of simultaneity to some extent is to lag a property rights measure when estimating its impact on the economic outcome variable. However, with only five years of data available at the moment, this strategy is not as effective. This is especially true considering that changes in institutions usually do not produce large changes in outcomes in such a short term.

Additionally, the nature of the data collected allows us to control for unobserved time-invariant country characteristics (i.e., systematic differences that do not change or change very slowly). The positive relationship between IPRI scores and GDP per capita holds, controlling for such country-specific differences.

Conclusion

The 2012 *International Property Rights Index* (IPRI) serves as a barometer of the level of security of physical and intellectual property rights across the world. As in previous years, the index has revealed the important relationship between property rights, economic freedom and a country's level of development. In our globalized economy, greater emphasis on securing property rights would help to bring in greater legal recognition of the assets of the poor. To that end, as we witness the Arab Spring, one wonders about the future – will countries (or national governments or the power elites) recognize the need for greater economic freedom or will repression continue?

The 2012 IPRI finds that among the 130 countries included in the index those countries at the top of the IPRI ranking continue to enjoy an overwhelmingly higher GDP per capita than those at the bottom. This relationship holds for components of the IPRI as well, reaffirming that countries with robust legal and political systems are better positioned to reap the benefits of both physical and intellectual property rights.

The 2012 IPRI demonstrates that despite challenging economic times, most countries continue to improve their property rights regimes, setting themselves on a path to economic development. However, prospects for recovery will most likely be slower and weaker than need be among the few countries that did not improve property rights.

While the evidence presented here is quite compelling, the author invites readers to study further the relationship between property rights and economic outcomes using the IPRI data. Hopefully, further study will more fully unravel the link between secure property rights and economic well-being.

CHAPTER VI: IPRI AND GENDER EQUALITY

Gender equality is often taken for granted in developed countries, while in many developing countries there are striking disparities in property rights between men and women. Women play a crucial role in the economic development of a country, but they are often denied rights to property either by law or by custom. These practices not only deny women a secure income, but they also ensure future generations will have to deal with a similar level of poverty. As we witness turmoil across the Middle East, it remains to be seen whether or not the new regimes will advocate for greater property rights for women, which is often nonexistent in many of the countries in the region.

This chapter highlights the importance of gender equality with respect to economic development. It presents a separate component that is aimed at accounting for varying degrees of gender equality in developing countries.

Concept of Study

Academics and policymakers point out that women's unequal access to property rights adds an additional layer of complexity to the understanding of property rights in many countries. Developed countries overwhelmingly have embraced gender equality in both law and practice with respect to property rights. By contrast, developing countries vary significantly in how much protection is afforded to women when it comes to issues of property. To account for gender equality, this chapter extends the standard IPRI measure to include a measure of gender equality (GE) concerning property rights. The IPRI formula was modified to incorporate gender equality:

$$\text{IPRI}(\text{GE}) = \text{IPRI} + 0.2 * \text{GE}$$

A weight of 0.2 for the gender equality measure is arbitrary. The authors have varied the weight from 0.1 to 0.5 but found scores and resulting rankings to be highly correlated under different weighting schemes. However, the reader is invited to change this weight according to his or her preference. The construction of the GE measure is based on the five indicators displayed in [Figure 21](#).

Figure 21: Structure Of The Gender Equality Component (GE)

- Women's Access to Land
- Women's Access to Credit
- Women's Access to Property Other than Land
- Inheritance Practices
- Women's Social Rights*

*This indicator is a composite of four other variables combined to represent the social rights of women.

Variables

Women's Access to Land, Women's Access to Credit, and Women's Access to Property Other than Land

These three variables are included in the GE component because they indicate the quality of women's ownership rights with respect to three aspects: women's access to bank loans, their right to acquire and own land, and their right to own property other than land. The rating of these factors indicates the extent of restrictions or the size of the female population for which restrictions are relevant. However, some restrictions may only be relevant for women at a specific stage in life (e.g., marriage).

Source: *OECD Gender, Institutions, and Development Database 2009 (GID-DB)*

Inheritance Practices

This factor covers inheritance practices, ranking countries on the degree to which regulations show preference to male heirs. This variable measures the extent to which bequests are equally shared between male and female children.

Source: *OECD Gender, Institutions, and Development Database 2009 (GID-DB)*

Women's Social Rights

This variable covers broader aspects of women's equality. It is composed of several aspects of women's social rights that are crucial to their equal standing in society. These include parental authority, female genital mutilation, freedom of movement, and the ratio of female-to-male adult literacy. In past IPRI studies, this component also included a measure of repudiation. However, this aspect is no longer available in the updated data source. This omission is not expected to have a significant impact on the overall score because the women's social rights scores are essentially identical in previous years' data when one excludes repudiation.

Source: *OECD Gender, Institutions, and Development Database 2009 (GID-DB)*

Methodology

The methodology of the GE component is identical to the one used to construct the IPRI. The final GE score is also an index based on the average of equally weighted variables, which range on a scale from 0 to 10. Zero signifies complete discrimination against women, while a top score is given to countries with fully developed and equal rights for women. Given that all variables in the original data source are constructed as indicators, we normalize the data to a 0–10 scale.^{iv} Consequently, the result for the final IPRI(GE) ranking is on a 0–12 scale because of the 0.2 weighting for GE. For example, assume a country received perfect scores in both IPRI and GE measures. This means their IPRI(GE) score would be $10 + .2(10) = 12$.

Table 9: Ranking by IPRI(GE) Score

Rank	Country	IPRI(GE)	GE	Rank	Country	IPRI(GE)	GE
1	SINGAPORE	10.3	10.0	43	SRI LANKA	6.3	6.7
2	HONG KONG	9.8	10.0		MALAWI	6.3	5.6
3	TAIWAN	9.0	9.0		BOSNIA AND HERZEGOVINA	6.3	10.0
4	CHILE	8.4	8.7		GEORGIA	6.3	10.0
5	UNITED ARAB EMIRATES	8.3	5.8		KAZAKHSTAN	6.3	10.0
6	URUGUAY	8.2	10.0		ECUADOR	6.3	9.0
	MAURITIUS	8.2	10.0		SYRIA	6.2	6.7
8	MALAYSIA	8.1	8.3	49	BURKINA FASO	6.2	6.2
9	BAHRAIN	7.9	6.2		TANZANIA	6.1	5.6
10	COSTA RICA	7.8	10.0		SWAZILAND	6.1	5.0
	OMAN	7.8	5.9		PARAGUAY	6.1	10.0
12	SOUTH AFRICA	7.7	5.5	54	DOMINICAN REPUBLIC	6.0	8.0
13	KUWAIT	7.5	8.2		UKRAINE	6.0	10.0
	SAUDI ARABIA	7.5	4.6		MOLDOVA	6.0	10.0
	CHINA	7.5	10.0	57	ALBANIA	5.9	7.7
	PANAMA	7.5	10.0		BENIN	5.9	4.2
	BOTSWANA	7.5	5.8		MAURITANIA	5.9	6.5
18	BRAZIL	7.4	10.0	60	MALI	5.8	4.7
	TUNISIA	7.4	8.9		SENEGAL	5.8	6.1
20	TRINIDAD AND TOBAGO	7.3	9.0		SERBIA	5.8	8.0
	CROATIA	7.3	10.0		NICARAGUA	5.8	9.0
22	THAILAND	7.2	10.0		LEBANON	5.8	7.5
23	JAMAICA	7.1	8.0		UGANDA	5.8	4.4
24	COLOMBIA	7.0	9.0		MADAGASCAR	5.8	8.3
	PERU	7.0	9.9	67	ALGERIA	5.7	7.1
25	RWANDA	6.9	4.7	68	NEPAL	5.5	5.3
27	EGYPT	6.7	8.1		MOZAMBIQUE	5.5	4.3
28	ARGENTINA	6.7	10.0	70	VENEZUELA	5.4	10.0
	VIETNAM	6.7	10.0		KENYA	5.4	4.4
	MACEDONIA	6.7	9.0		ZAMBIA	5.4	3.4
	EL SALVADOR	6.7	9.0	73	IRAN	5.3	5.0
	GUATEMALA	6.7	8.9	74	PAKISTAN	5.2	5.0
	MOROCCO	6.7	6.8	75	CAMEROON	5.1	4.2
34	HONDURAS	6.6	9.7	76	NIGERIA	5.0	5.6
	GHANA	6.6	5.6	77	COTE D'IVOIRE	4.8	5.0
	PHILIPPINES	6.5	9.0	78	BURUNDI	4.7	6.0
37	RUSSIA	6.5	10.0	79	BANGLADESH	4.6	5.2
	INDONESIA	6.5	8.3		ZIMBABWE	4.6	4.4
	INDIA	6.4	5.1	81	CHAD	4.5	2.1
40	ARMENIA	6.4	10.0	82	ANGOLA	4.3	5.5
	BOLIVIA	6.4	9.9	83	LIBYA	4.1	5.2
	AZERBAIJAN	6.3	9.7				

Table 10: Ranking by GE Score

Rank	Country	IPRI(GE)	GE	Rank	Country	IPRI(GE)	GE
1	URUGUAY	8.2	10.0	42	JAMAICA	7.1	8.0
	BRAZIL	7.4	10.0		SERBIA	5.8	8.0
	COSTA RICA	7.8	10.0	45	ALBANIA	5.9	7.7
	ARGENTINA	6.7	10.0	46	LEBANON	5.8	7.5
	HONG KONG	9.8	10.0	47	ALGERIA	5.7	7.1
	VIETNAM	6.7	10.0	48	MOROCCO	6.7	6.8
	BOSNIA AND HERZEGOVINA	6.3	10.0	49	SYRIA	6.2	6.7
	GEORGIA	6.3	10.0		SRI LANKA	6.3	6.7
	UKRAINE	6.0	10.0	51	MAURITANIA	5.9	6.5
	KAZAKHSTAN	6.3	10.0	52	BAHRAIN	7.9	6.2
	RUSSIA	6.5	10.0		BURKINA FASO	6.2	6.2
	ARMENIA	6.4	10.0	54	SENEGAL	5.8	6.1
	VENEZUELA	5.4	10.0	55	BURUNDI	4.7	6.0
	MOLDOVA	6.0	10.0	56	OMAN	7.8	5.9
	CROATIA	7.3	10.0	57	UNITED ARAB EMIRATES	8.3	5.8
	PARAGUAY	6.1	10.0		BOTSWANA	7.5	5.8
	THAILAND	7.2	10.0	59	TANZANIA	6.1	5.6
	SINGAPORE	10.3	10.0		MALAWI	6.3	5.6
	MAURITIUS	8.2	10.0		GHANA	6.6	5.6
	CHINA	7.5	10.0		NIGERIA	5.0	5.6
	PANAMA	7.5	10.0	63	ANGOLA	4.3	5.5
22	BOLIVIA	6.4	9.9		SOUTH AFRICA	7.7	5.5
	PERU	7.0	9.9	65	NEPAL	5.5	5.3
24	HONDURAS	6.6	9.7	66	LIBYA	4.1	5.2
	AZERBAIJAN	6.3	9.7		BANGLADESH	4.6	5.2
26	PHILIPPINES	6.5	9.0	68	INDIA	6.4	5.1
	COLOMBIA	7.0	9.0	69	COTE D'IVOIRE	4.8	5.0
	TAIWAN	9.0	9.0		SWAZILAND	6.1	5.0
	NICARAGUA	5.8	9.0		IRAN	5.3	5.0
	TRINIDAD AND TOBAGO	7.3	9.0		PAKISTAN	5.2	5.0
	MACEDONIA	6.7	9.0	73	MALI	5.8	4.7
	EL SALVADOR	6.7	9.0		RWANDA	6.9	4.7
	ECUADOR	6.3	9.0	75	SAUDI ARABIA	7.5	4.6
34	GUATEMALA	6.7	8.9	76	ZIMBABWE	4.6	4.4
	TUNISIA	7.4	8.9		KENYA	5.4	4.4
36	CHILE	8.4	8.7		UGANDA	5.8	4.4
37	MADAGASCAR	5.8	8.3	79	MOZAMBIQUE	5.5	4.3
	MALAYSIA	8.1	8.3	80	CAMEROON	5.1	4.2
	INDONESIA	6.5	8.3		BENIN	5.9	4.2
40	KUWAIT	7.5	8.2	82	ZAMBIA	5.4	3.4
41	EGYPT	6.7	8.1	83	CHAD	4.5	2.1
42	DOMINICAN REPUBLIC	6.0	8.0				

Results

[Table 9](#) presents the results of the IPRI, integrating the gender equality (GE) variables. This year, 83 countries are scored and ranked for gender equality. This is primarily because updated data from the primary source of gender equality data are only available for non-OECD countries. However, OECD countries are overwhelmingly industrialized countries with full respect for gender equality. These countries are not expected to exhibit any change in the gender equality component over the years. Therefore, non-OECD countries present a much better sample, representing a wide range of low-income to middle-income countries with a much larger proportion of developing countries. We primarily focus on these countries because gender equality tends to be weaker.

As the OECD data has not been revised from last year, Singapore still tops the ranking for the IPRI(GE) with a score of 10.3. It is followed by Hong Kong with a score of 9.8 and Taiwan with a score of 9.0. The remaining countries in the top 10 are more geographically dispersed with countries from the Middle East, Africa, and Latin America. Libya has the lowest IPRI(GE) score at 4.1. Chad's IPRI(GE) score was 4.5 while Angola came in at 4.3.

[Table 10](#) presents the rankings by GE score. Despite including only non-OECD countries, a similar pattern occurs as in previous reports with a heavy grouping of countries at the top with a score of 10.0 in the GE component. This is the result of the measuring method that the underlying data source employs, which does not allow for much variation in the scores. However, the final IPRI(GE) scores and rankings accurately reflect the relative strength of each country's protection of women's rights to property.

The IPRI(GE) presents a useful tool to understand the repercussions of gender inequality in property rights for economic development. The author hopes that in the future more data become available to allow a more nuanced understanding of women's rights. Nevertheless, the current IPRI(GE) is a good approximation of the situation with property rights in the developing world.

CHAPTER VII: DATA SOURCES

This chapter presents detailed information on the data sources that were used in the compilation of the IPRI and the IPRI(GE) measures. This year, the authors have mainly carried an update of the previous data, thus using the same data sources. Below is a brief review of the data included in the indices, each data source, and its data collection methodology.

Subjective versus Objective Data

The majority of data included in the IPRI stems from survey responses by experts. However, some factors are based on hard data based on the countries' regulations, laws, and actual estimates of magnitudes (e.g., copyright piracy). The combination of subjective and objective data presents several advantages over an index that relies on only one or the other.

First, objective data that reflect a country's strength in property rights protection is almost impossible to obtain beyond a narrow scope of parameters. As a result, there are few alternatives to relying on subjective data collections. Second, instead of merely summarizing a country's *de jure* facts regarding property rights protection, the IPRI aims to capture *de facto* outcomes and the prevailing effectiveness of the property rights system. Perceptions-based measures often contain information that is not reflected by objective measures, particularly in developing countries. In fact, the research for the initial IPRI in 2007 focused mainly on the latter intention, and it, therefore, integrated a large amount of data stemming from the experience and perceptions of experts in the field. In the future, the authors will continue to consider alternative compositions of subjective and objective data.

Data Sources

World Economic Forum (WEF) – Global Competitiveness Index

The World Economic Forum's *Global Competitiveness Report* provides information regarding an economy's competitiveness for a large set of countries (134 for 2011-2012). The rankings are drawn from a combination of publicly available hard data and the results of the Executive Opinion Survey. The latter is a comprehensive survey conducted on an annual basis by the WEF together with its network of partner institutes – leading research institutes and business organizations – in the countries covered in the report.

There are four variables in the IPRI for which data have been obtained from the 2011-2012 WEF's Global Competitiveness Report. These variables are *Judicial Independence*, *Protection of Physical Property Rights*, *Access to Loans*, and *Protection of Intellectual Property Rights*. The specific questions that were used to elicit a response can be found in Appendix II. For more detailed information, visit: <http://gcr.weforum.org/gcr2011>.

World Bank Institute (WBI) – Worldwide Governance Indicators

The *Worldwide Governance Indicators* are produced jointly by experts from the Brookings Institution, World Bank Development Economics Research Group, and the World Bank Institute. They draw on the most recent data available on an annual basis so the most recent report (2011) contains data gathered from multiple years within the last decade through 2010. The World Governance Indicators reflect the perceptions on governance of a very diverse group of respondents. Hundreds of variables are drawn from more than 50 sources and organizations. Several of the data sources are surveys of individuals or domestic firms with first-hand knowledge of the governance situation in their country. But the report also captures the perception of country analysts at the major multilateral development agencies, reflecting these individuals' in-depth experience working on the countries they assess. Other data sources from NGOs, as well as commercial risk rating agencies, base their assessments on a global network of correspondents typically living in the country they are rating. The variables *Rule of Law*, *Political Stability* and *Control of Corruption* are drawn from this source. For more information, see: <http://info.worldbank.org/governance/wgi/index.asp>.

World Bank Group (WB) – Doing Business

The source of the *Registering Property* variable is the 2011 edition of the World Bank Group's *Doing Business* report. The *Doing Business* data are collected in a standardized way on an annual basis. To start, the *Doing Business* team, along with academic advisors, designs a survey. The survey uses a simple business case to ensure comparability across countries and over time – with assumptions about the legal form of the business, its size, its location, and the nature of its operations. Surveys are administered through more than 8,000 local experts, including lawyers, business consultants, accountants, freight forwarders, government officials, and other professionals routinely administering or advising on legal and regulatory requirements.

The *Doing Business* methodology has five limitations that should be considered when interpreting the data. First, the collected data refer to businesses in the economy's largest business city and may not be representative of regulation in other parts of the economy. Second, the data often focus on a specific business form – generally a limited liability company (or its legal equivalent) of a specified size – and may not be representative of the regulation on other businesses (e.g., sole proprietorships). Third, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues a business encounters. Fourth, the measures of time involve an element of judgment by the expert respondents. Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons, the time delays reported in *Doing Business* 2011 would differ from the recollection of entrepreneurs reported in the *World Bank Enterprise Surveys* or other perception surveys.

Because of these limitations, it is likely that the *Registering Property* variable underestimates the extent of procedures and time required to register property. The estimates presented in the report should be regarded as the low bound for this factor. For more information about the publication, please see: <http://www.doingbusiness.org>.

Ginarte-Park (GP) – Index of Patent Rights

The *Patent Protection* variable in the IPRI comes from the *Ginarte-Park Index of Patent Rights* (2005). The *GP Index* quantifies the strength of national patent laws and is updated every five years. The information used to construct the index is obtained through review of national patent laws and contains the following five categories: the extent of coverage of patent protection, membership in international patent agreements, provisions for loss of protection, enforcement mechanisms, and the duration of protection. For more information on the index and its methodology, please refer to Ginarte & Park (1997). The dataset is available at <http://www1.american.edu/cas/econ/faculty/park.htm>.

The original index contains scores for 124 countries for 2005. Scores for two countries were added strictly following the methodology in Ginarte & Park (1997). Last year Moldova's score was calculated based on survey results of five practicing patent attorneys as well as the author's review of the patent laws with the helpful assistance of Dr. Walter Park, American University. The scores were constructed for 2005 to make them comparable to the patent protection scores for the rest of the countries.

International Intellectual Property Alliance (IIPA) – Special 301 Report

The data used for the construction of the copyright piracy factor stem from the IIPA's submission to the *Special 301 Report*, prepared by the U.S. Trade Representative in the context of its annual review of countries' intellectual property practices. The data used in the IPRI reflects the estimated level of piracy in the business software and record industries. The previous editions of the IIPA's *Special 301 Report* occasionally included data on other industries such as motion pictures, entertainment software, and books. But this data become unavailable in recent years. Individual industries estimate their data in different ways. It is reasonable to assume that the piracy levels reported are underestimated because they only capture piracy experienced by U.S. copyright-based industries. For more information, see: http://www.iipa.com/2010_SPEC301_TOC.htm.

The 2010 Special 301 Report data on business software piracy is complemented with the data from the *Eighth Annual BSA and IDC Global Software Piracy Study* (2010) available at <http://global.bsa.org/globalpiracy2010/index.html>.

Organization for Economic Co-operation and Development (OECD) – Gender, Institutions and Development Database (GID-DB)

The OECD GID-DB is the sole source of data used for construction of the IPRI(GE) rankings, which incorporate aspects of gender equality. The GID is a tool for researchers and policy makers to determine and to analyze obstacles to women's economic development. It covers a total of 124 countries – excluding OECD member-countries – and comprises an array of 60 indicators on gender discrimination. The eight GID-DB variables, which are incorporated in the GE component, are related to women's access to loans, access to land, access to non-land property, inheritance practices, and social rights. These data have been compiled from various sources such as BRIDGE, the Asian Development Bank, the Canadian International Development Agency, and AFROL. For more information, see: <http://www.oecd.org/dev/gender/gid>.

APPENDIX I: COUNTRY PROFILES

This appendix includes a country profile for each country ranked in the index.

Country profiles feature the IPRI and its components' scores for the period 2007–2012. They include commentary that identifies trends or changes in the overall component scores and the IPRI. Importantly, they also discuss any major advances or regressions in the sub-component scores. This allows readers not only to see larger trends but also to understand the driving factors behind these changes. Additionally, any particularly strong or weak features of the countries' property rights regimes, as measured in the index, are pointed out.

The country profiles are a complimentary tool to the IPRI rankings. They provide a snapshot of a country's performance in the IPRI over the last six years. As such, they should not be construed as a comprehensive overview of a country's property rights regime. However, the authors are hopeful that they will be used in combination with the rankings to bring attention to specific issues in property rights that need improvement. Alternatively, they can be used to commend any government policies contributing to positive developments in the protection and enforcement of property rights.

Data for the IPRI is collected by a number of different organizations over slightly varying periods of time. Combining these characteristics with the implementation lags and varying enforcement levels inherent in public policy, the authors preferred to err on the side of caution and avoid potentially claiming false causality. Readers are encouraged to use the IPRI as a tool for understanding the impacts of certain policies they find interesting.

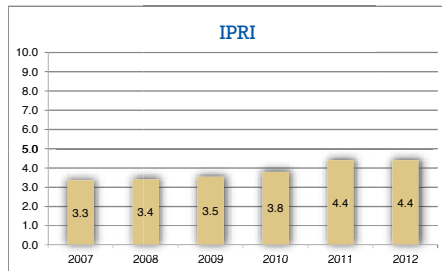
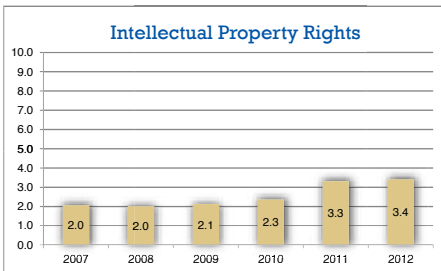
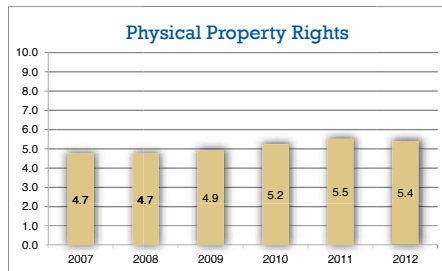
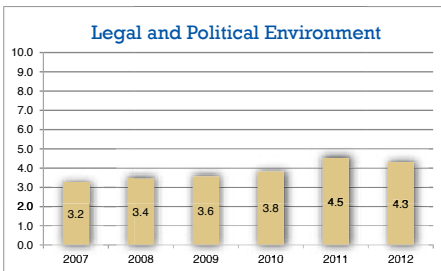
Finally, the country profiles address any data inconsistencies that hinder the comparison of the IPRI and its sub-components' scores across years. Unfortunately, such inconsistencies persist because of the lack of some sub-component data. The authors hope that any gaps currently present in the data will be filled in the future as updated sources become available.

The country profiles enhance the IPRI report and provide an additional tool to be used by policy makers, business leaders, think tanks, and other interested parties to better understand the situation with respect to property rights in their respective countries.

When referring to score changes, the names of the IPRI sub-components are capitalized and italicized. Please see [Figure 1](#) for the structure of the IPRI. The reader is reminded that all IPRI scores are on a 0–10 scale.

ALBANIA

World Rank: 102 Regional Rank: 16



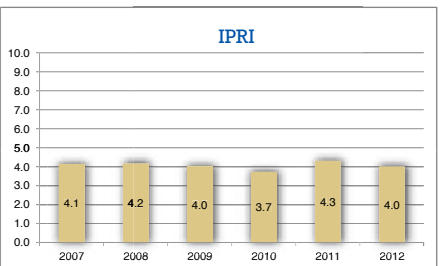
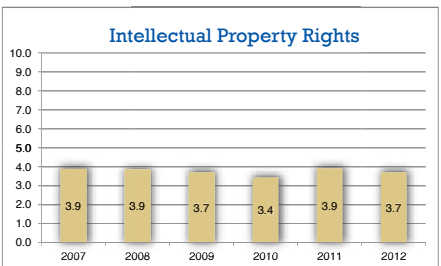
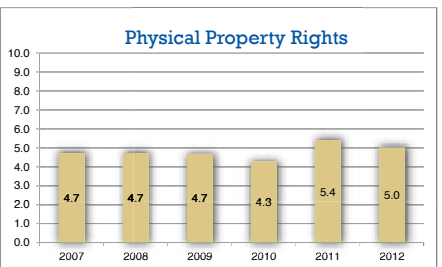
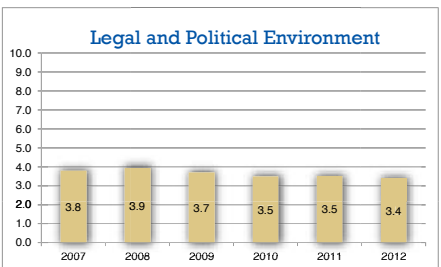
Albania's score on the IPRI has not changed from last year – staying at 4.4. Albania's LP fell by 0.2 points to 4.3.

While *Political Stability* fell by 0.3 points and *Judicial Independence* fell by 0.5 points. Albania's PPR fell by 0.1 points mainly due to a 0.5 fall in *Access to Loans*.

Albania's slight improvement in IPR of 0.1 point from last year is largely driven by an improvement in the *Protection of Intellectual Property* score, which rose by 0.3 points.

ALGERIA

World Rank: 118 Regional Rank: 16



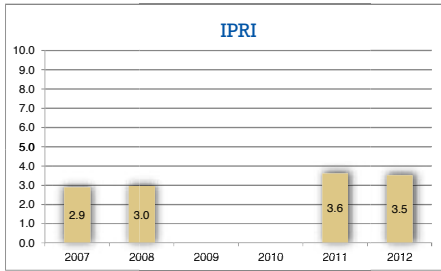
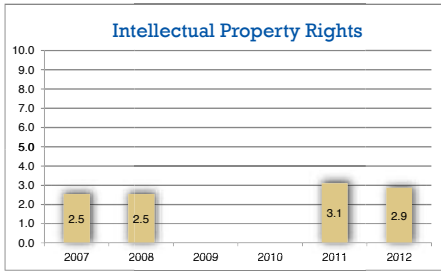
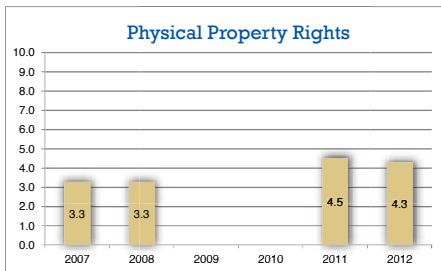
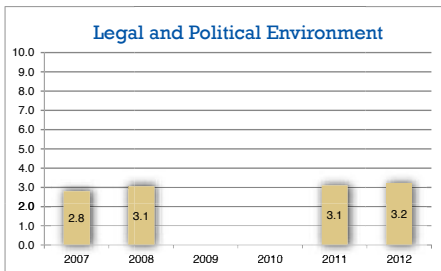
Algeria saw a fall in its overall IPRI score this year, declining by 0.3 points to 4. The driving force behind this decline was the worsening of the *Judicial Independence* score which fell by 0.4 points.

Algeria's PPR also fell by 0.4 points driven by a 0.5 points decline in the *Access to Loans*.

IPR also fell slightly by 0.2 points driven by a significant fall in *Protection of Intellectual Property*, which declined by 0.7 points. *Copyright Piracy* improved by 0.1 points.

ANGOLA

World Rank: 126 Regional Rank: 26



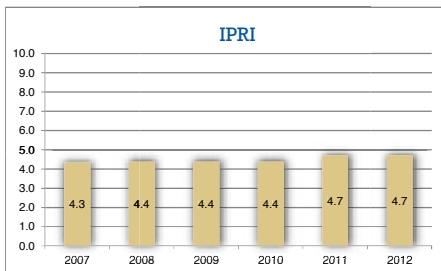
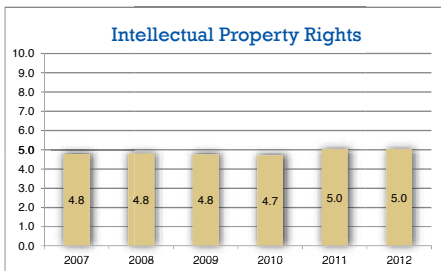
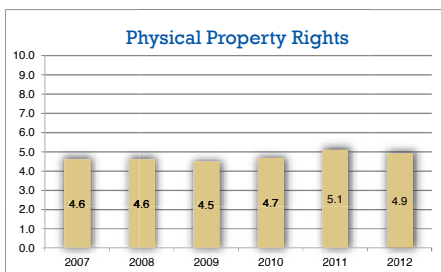
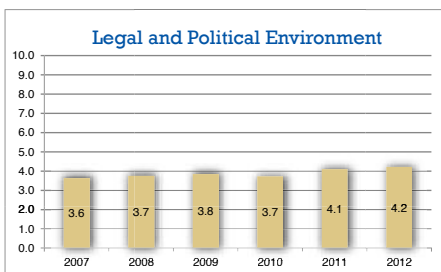
Angola has seen a decline in the overall IPRI going down by 0.1 points. Data for *Judicial Independence* was not available this year as well.

Angola's performance on the *Rule of Law* measure continues to deteriorate this year as well. This year as well, Angola's poor performance in the PPR places it in the bottom five of the category.

Its IPR score has worsened as well, declining by 0.2 points.

ARGENTINA

World Rank: 87 Regional Rank: 14



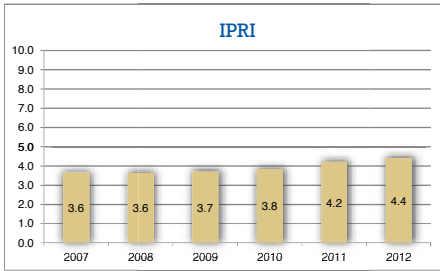
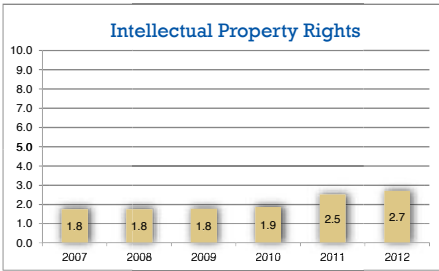
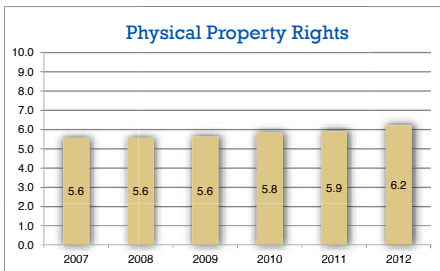
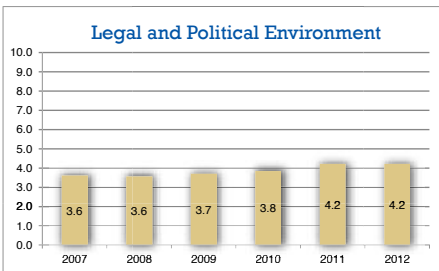
Argentina maintains a consistent score from last year with IPRI staying at 4.7. Argentina's LP improved slightly by 0.1 points driven by slight improvements in *Rule of Law* and *Control of Corruption*.

PPR fell by 0.2 points. Although the *Registering Property* score stayed the same, *Access to Loans* fell by 0.6 points.

Its IPR and the components of *Patent Protection* and *Copyright Piracy* also are the same as last year. Argentina's *Protection of Intellectual Property* fell by 0.1 points.

ARMENIA

World Rank: 102 Regional Rank: 16



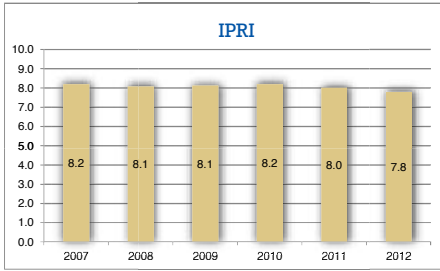
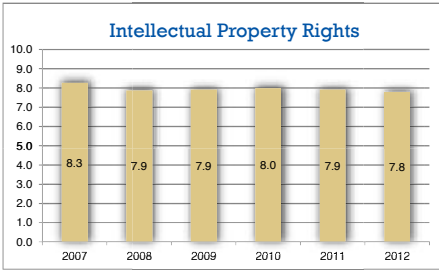
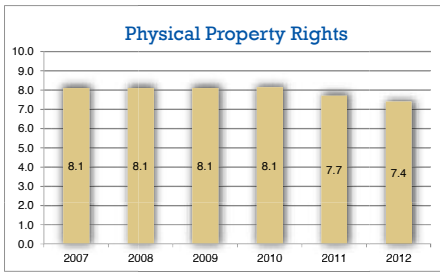
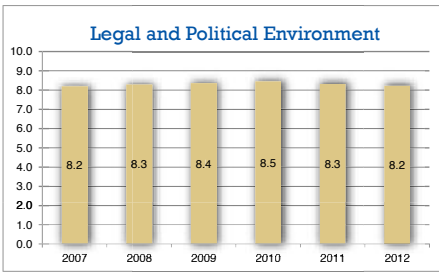
Armenia once again saw improvement in two out of three components this year, pushing its IPRI up by two points. LP stays the same at 4.2. *Judicial Independence* improved by 0.3 points but *Rule of Law* and *Political Stability* both fell by 0.1 points.

PPR improved by 0.3 points driven by 0.7 points increase in the *Access to Loans* category.

IPR also improved slightly, going up by 0.2 points on the basis of an increase in *Protection of Intellectual Property* by 0.4 points. *Copyright Piracy* also showed an improvement of 0.1 point.

AUSTRALIA

World Rank: 12 Regional Rank: 3

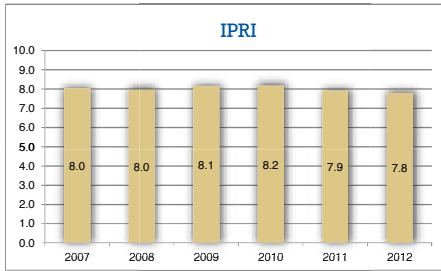
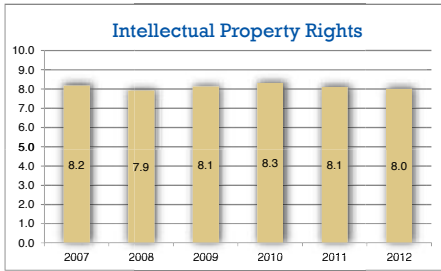
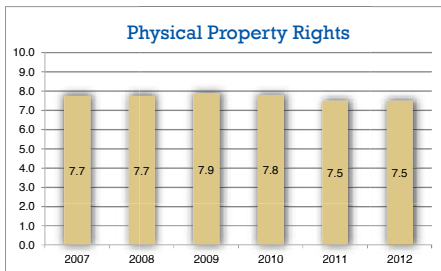
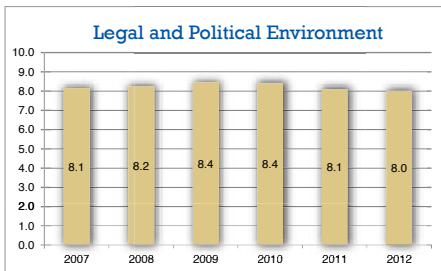


Like most developed economies, Australia saw a slight decline in all three components. However, it still continues to be one of the world's leading countries for the protection of property rights. Overall, IPRI declined by 0.2 points. LP fell by 0.1 point due to a decline in the *Judicial Independence* component, which declined by 0.3 points. *Political Stability* fell marginally by 0.1 points.

Its PPR declined by 0.3 points driven by a decline in *Protection of Physical Property* which fell by 0.5 points. *Access to loans* declined too, decreasing by 0.3 points. IPR also fell slightly by 0.2 points driven by the 0.4 point decline in the *Protection of Intellectual Property*.

AUSTRIA

World Rank: 12 Regional Rank: 9



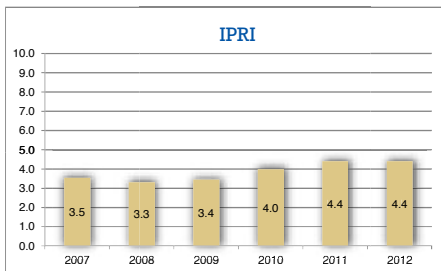
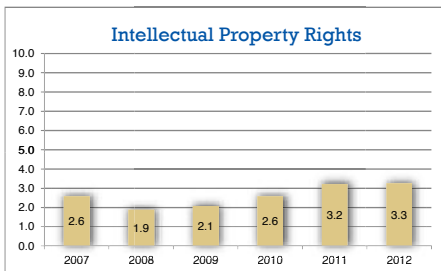
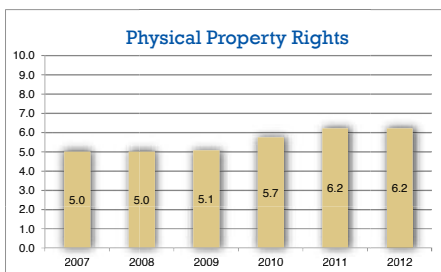
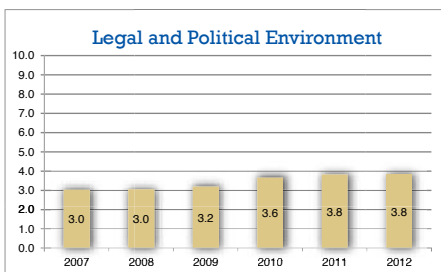
Austria's IPRI score fell for the second time since the publication of the index as it declined very slightly by 0.1 points. Decline of a 0.1 point in the LP is driven by a fall in the *Judicial Independence*, which fell by 0.3 points. However, Austria has seen a slight 0.1 point improvement in the *Rule of Law* category. *Control of Corruption* fell this year as well, revised downwards by 0.2 points.

Austria's PPR remains unchanged from last year.

IPR score fell by 0.1 points largely driven by a decline in the *Protection of Intellectual Property* component. Austria also saw a slight 0.1 point improvement in the *Control of Piracy*.

AZERBAIJAN

World Rank: 102 Region Rank: 16



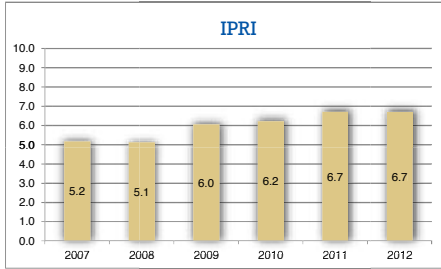
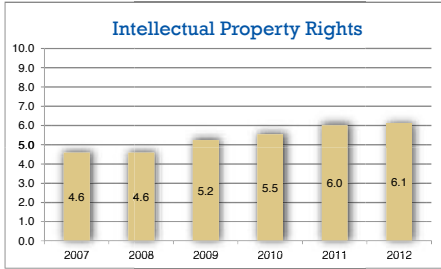
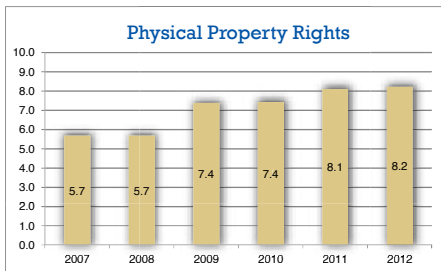
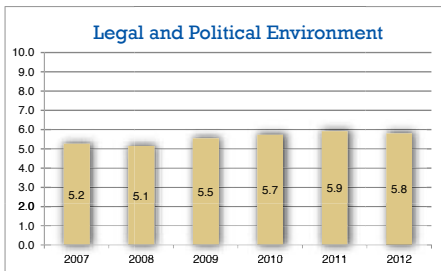
Azerbaijan's IPRI did not change this year. LP remained constant. *Judicial Independence* saw an improvement of 0.2 points while the *Rule of Law* component fell by 0.2 points. *Political Stability* has seen an improvement of 0.2 points while *Control of Corruption* saw a slight decline of 0.1 point.

PPR did not change from last year. The *Access to Loans* subcomponent saw a slight improvement of 0.1 point.

IPR score improved by 0.1 points this year and was driven by an improvement in the *Protection of Intellectual Property* score, which increased by 0.2 points.

BAHRAIN

World Rank: 28 Regional Rank: 4



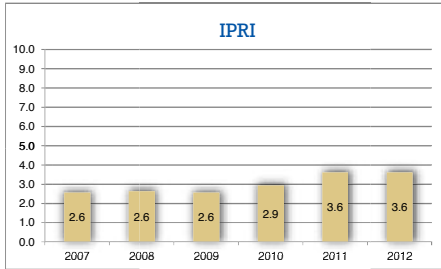
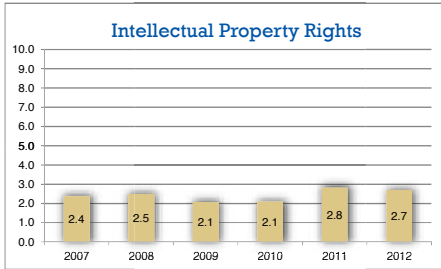
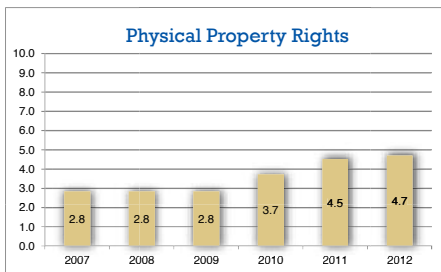
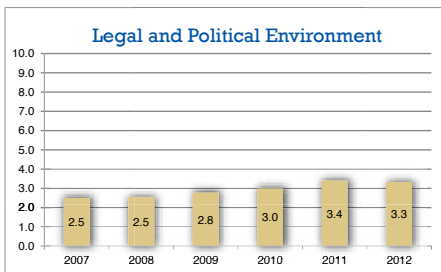
Bahrain's score did not change from last year's IPRI index. LP fell slightly by 0.1 points. *Judicial Independence* saw a 0.4 points improvement. However the *Political Stability* and *Control of Corruption* components have both declined slightly.

PPR increased by 0.1 points driven largely by an improvement in *Access to Loans*, which went up by 0.2 points.

The IPR score went up slightly, by 0.1 points based on the increase in the *Protection of Intellectual Property* score, which has gone up by 0.2 points.

BANGLADESH

World Rank: 125 Regional Rank: 19



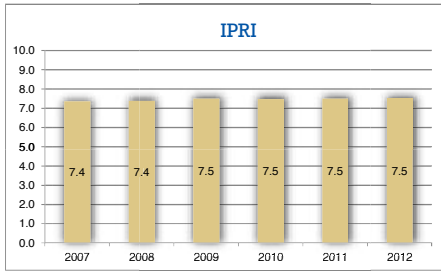
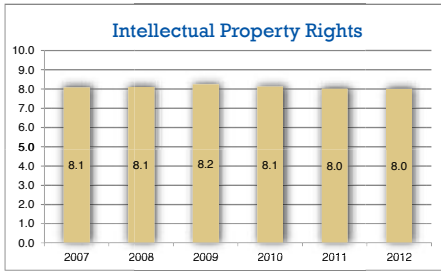
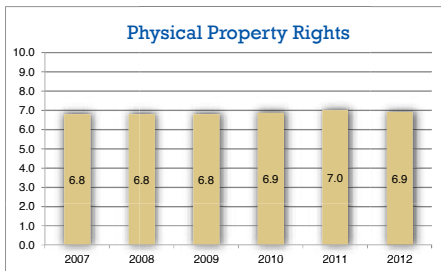
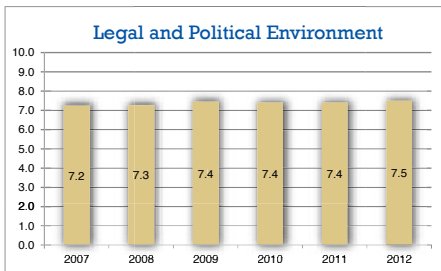
Bangladesh's IPRI stayed the same this year. LP decreased by 0.1 points – *Rule of Law* declined by 0.1 points but *Political Stability* has improved by 0.3 points. *Control of Corruption* is down by .01 points.

A 0.3 points increase in *Protection of Physical Property* and 0.1 increases in *Access to Loans* drove a 0.2 point increase in PPR.

IPR's decline by 0.1 points is driven by a 0.3 decrease in *Protection of Intellectual Property*. While Bangladesh still has a long way to go, ongoing reforms have helped it to slowly improve its position compared to the worst performing countries in the Index.

BELGIUM

World Rank: 18 Regional Rank: 12



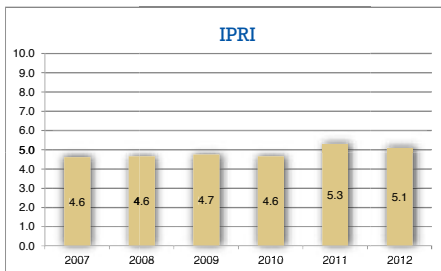
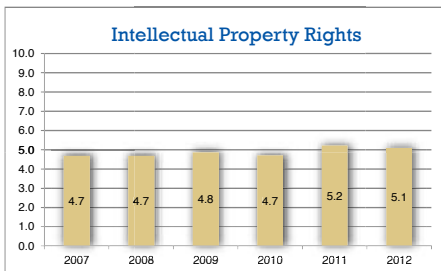
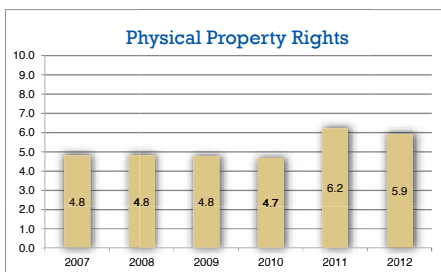
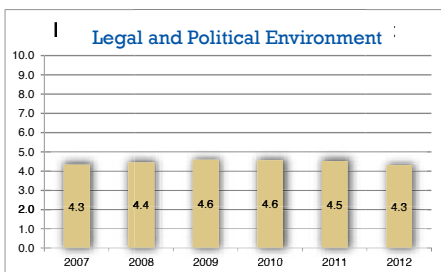
IPRI in Belgium continues to remain stable, with components exhibiting only minor changes. LP improved by 0.1 points driven by the improvement in *Rule of Law* and *Control of Corruption*, both of which went up by 0.1 points.

PPR has declined by 0.1 points largely driven by a decline in *Protection of Physical Property*.

IPR remains the same as last year, however the *Protection of Intellectual Property* score declined slightly by 0.1 points.

BENIN

World Rank: 72 Regional Rank: 7



After a significant improvement in Benin's score last year, the country has seen a decline in its IPRI score by 0.2 points. LP has declined by 0.2 points and all of its components registered a decline. *Rule of Law* fell by 0.1 points, *Political Stability* by 0.3 points, and 0.2 points reduction in the *Control of Corruption*.

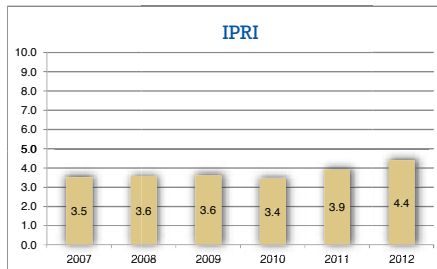
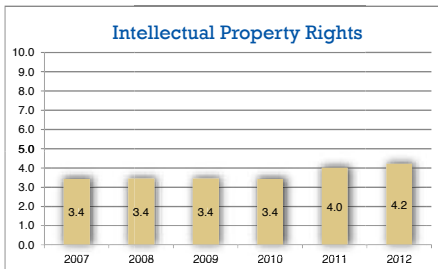
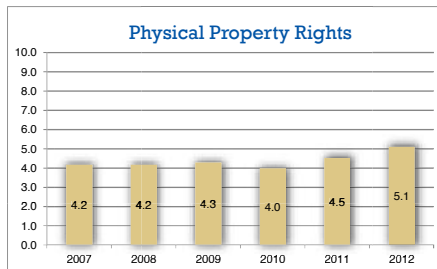
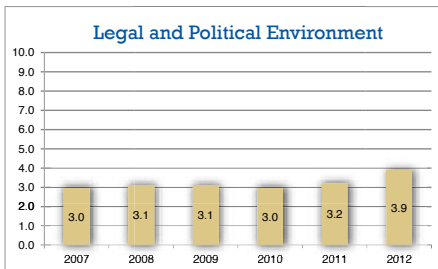
PPR fell by 0.3 points – while *Registering Property* score is the same from last year, the *Access to Loan* score has declined by 0.3 points.

IPR's slight decline by 0.1 points is driven by the 0.1 point decrease in the *Protection of Intellectual Property* score.

BOLIVIA

World Rank: 102

Regional Rank: 19



Bolivia has registered a 0.5 point improvement in this year's IPRI. LP rose significantly – a 0.7 point increase in the score is driven by a 1.0 point improvement in *Judicial Independence*. *Political Stability* also jumped by 0.8 points compared to last year's index.

A 0.6 point increase in the PPR is driven by improvements in the *Protection of Physical Property* component (increase of 0.8) and *Access to Loans* (increase by .09).

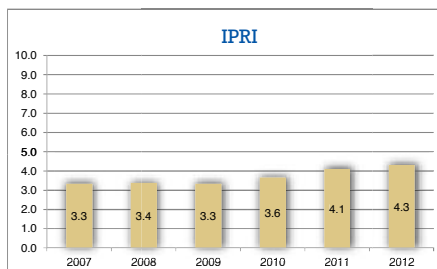
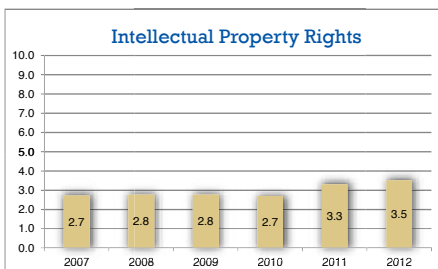
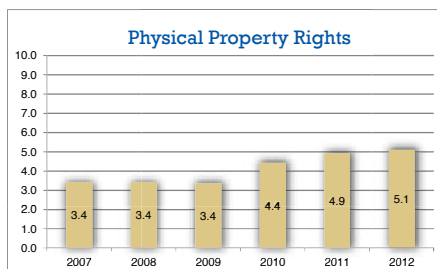
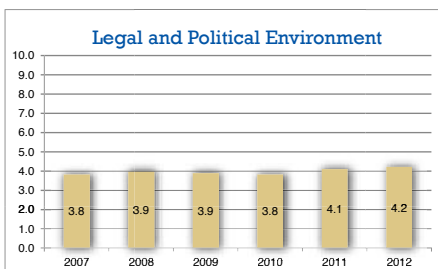
IPR improved only slightly by 0.2 points, with *Protection of Intellectual Property* registering a 0.3 point increase.

Despite these positive gains, however, Bolivia remains towards the bottom of both the world and regional rankings.

BOSNIA AND HERZEGOVINA

World Rank: 107

Regional Rank: 19



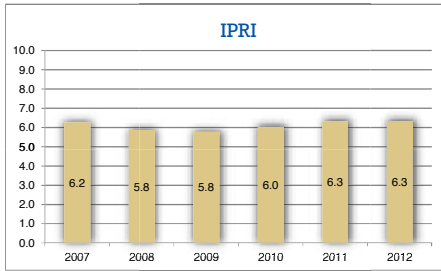
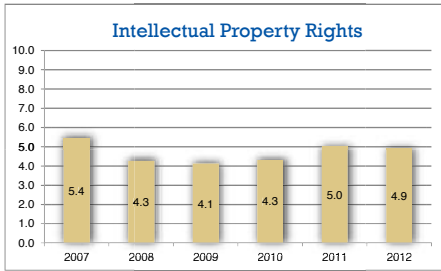
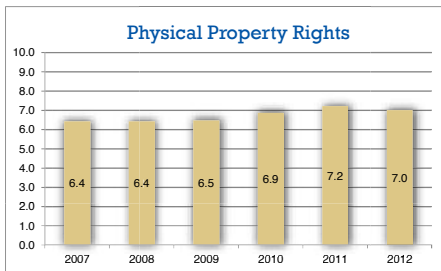
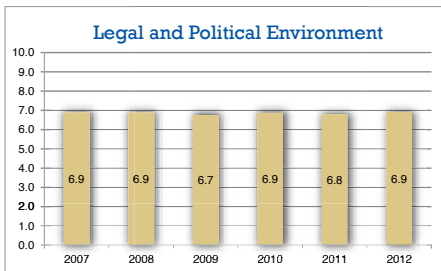
IPRI in Bosnia and Herzegovina continued last year's improvement, increasing by 0.2 points. LP, however, saw a 0.2 point decline. *Judicial Independence* declined by 0.7 points while *Rule of Law* inched up with a 0.1 point increase. *Control of Corruption* remains unchanged from last year's observations.

PPR's increase by 0.2 points is driven by a large 0.7 point increase in the *Registering Property* component. However the *Access to Loan* score went down by 0.3 points.

In the IPR score, Bosnia and Herzegovina improved slightly by 0.2 points, driven largely by the increase in its *Protection of Intellectual Property* score.

BOTSWANA

World Rank: 39 Regional Rank: 2



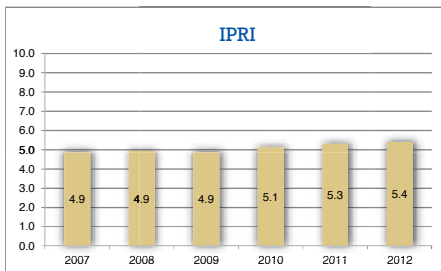
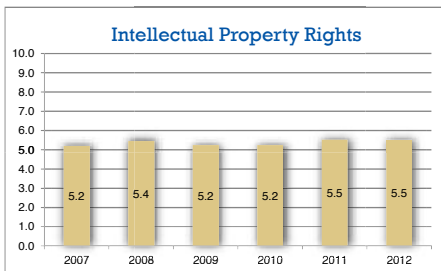
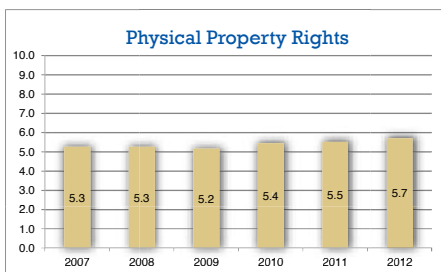
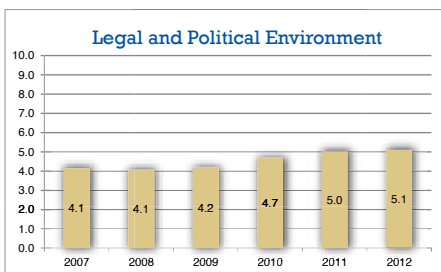
Botswana's IPRI remains unchanged from last year. LP has registered a small improvement of 0.1 points driven by a 0.3 point increase in *Judicial Independence*. *Control of Corruption* score has improved as well, rising by 0.2 points.

PPR declined by 0.2 points driven by a 0.3 point decrease in *Protection of Property* score as well as a 0.1 decline in the *Access of Loans* component.

Botswana's IPR registered a 0.1 point decrease based on the 0.2 point decrease in *Protection of Intellectual Property* component.

BRAZIL

World Rank: 62 Regional Rank: 8



Brazil increased its IPRI score for the fourth consecutive year. Every component of IPRI grew, except for *IPR* which remained the same. This resulted in Brazil's IPRI being 0.1 points higher this year.

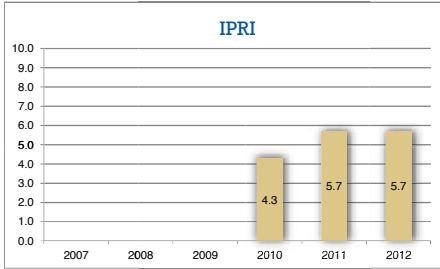
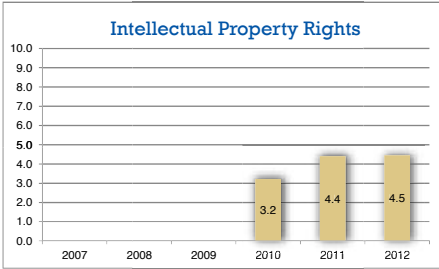
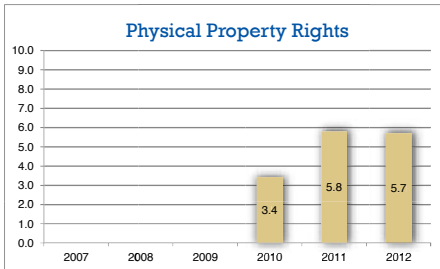
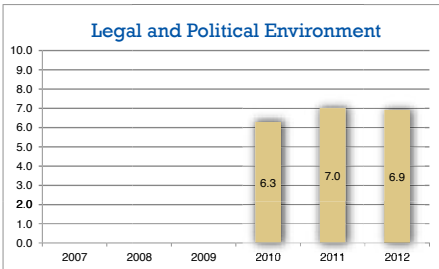
LP increased slightly in 2012. This was driven by respectable gains in *Judicial Independence*, *Rule of Law*, and *Control of Corruption*. These gains were weakened by a significant decrease in the *Political Stability* sub-component.

Brazil's PPR increased a modest 0.2 points from 2011 with all sub-components showing slight increases or no change.

No gain in IPR means only one sub-component improved this year. The *Patent Protection* and *Copyright Piracy* sub-components showed no gain.

BRUNEI

World Rank: 53 Regional Rank: 9



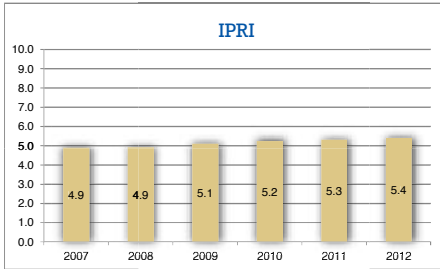
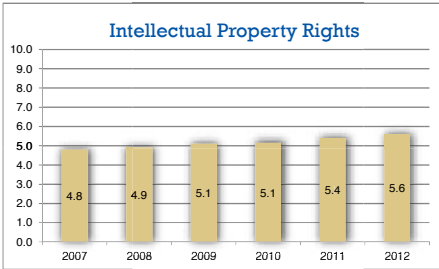
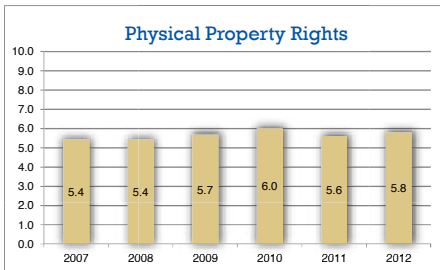
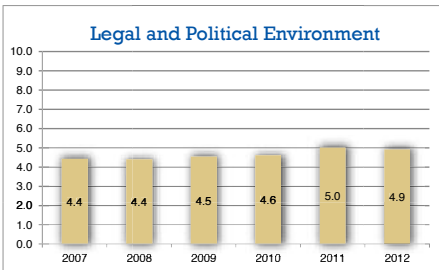
Brunei substantially increased its IPRI despite little change in two out of three components. LP declined by 0.1 points due to a decrease of at least 0.2 in both *Political Stability* and *Control of Corruption*. *Judicial Independence* improved the most, rising by 0.1 points.

Brunei experienced deterioration in both *Protection of Physical Property* and *Access to Loans*. However, companies' inability to hold land in their own name continues to hurt this score.

Intellectual property rights in Brunei improved with a small decrease in software piracy and no change in *Protection of Intellectual Property*. This resulted in a 0.1 point increase for IPR.

BULGARIA

World Rank: 62 Regional Rank: 9



The property rights situation in Bulgaria continues to improve. IPRI went up by 0.1 points. LP did decrease this year. This decline was driven by weakening *Rule of Law* and *Political Stability* scores.

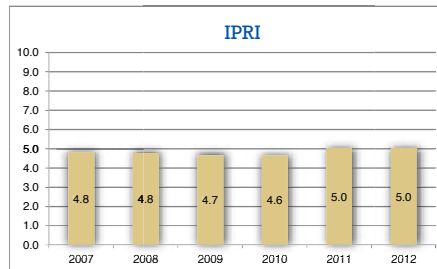
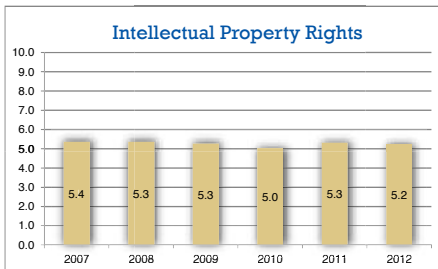
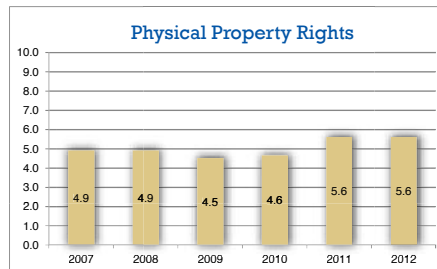
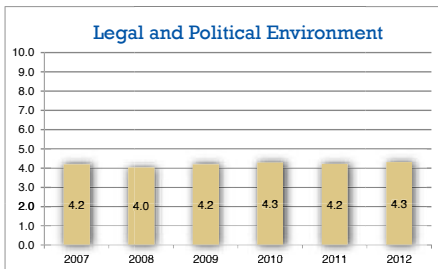
Protection of Intellectual Property improved 0.3 points this year.

A slight improvement in *Copyright Piracy* also helped raise IPR 0.2 points.

BURKINA FASO

World Rank: 76

Regional Rank: 9



Burkina Faso maintained its 2011 IPRI ratings, rating 5.0 this year as well. LP grew by 0.1 points. While *Rule of Law* improved marginally the effect was buttressed by small a small gain in *Control of Corruption* and *Judicial Independence*.

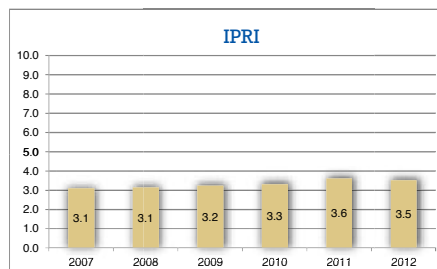
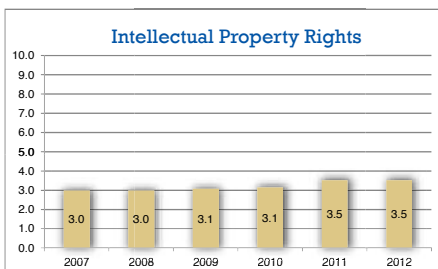
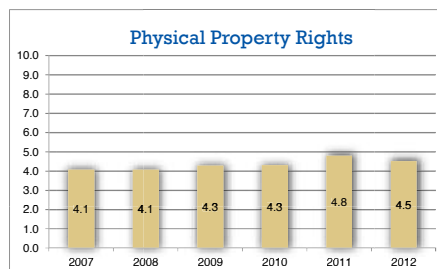
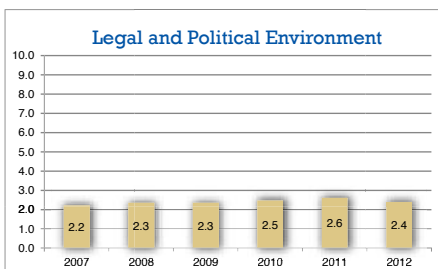
PPR did not increase in 2012 *Protection of Physical Property* saw a modest gain while *Access to Loans* registered a modest loss.

IPR fell 0.1 points. A lack of copyright data meant this swing was once again the result of a change in *Protection of Intellectual Property*.

BURUNDI

World Rank: 126

Regional Rank: 25



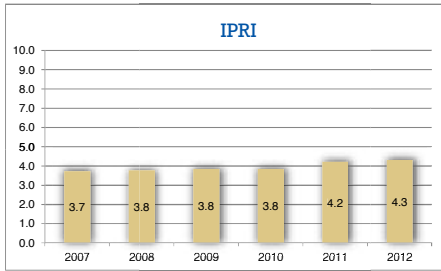
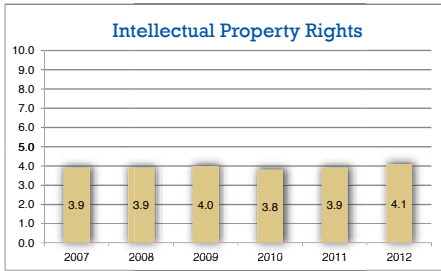
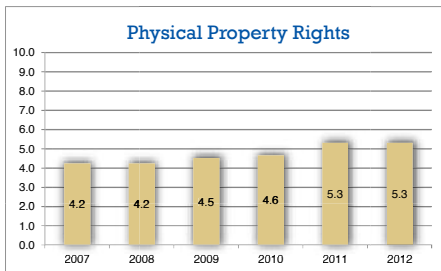
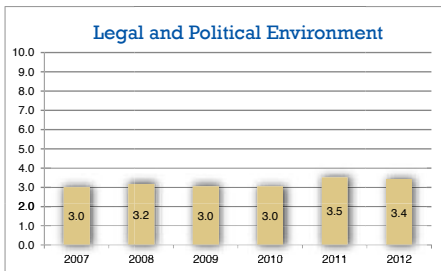
After steady improvement, Burundi's IPRI fell by 0.1 points in 2012. A 0.3 points loss in PPR together with a 0.2 points loss in LP together with no change in IPR accounted for the deterioration. *Judicial Independence* declined 0.4 points accompanied by a 0.3 points loss caused the decline in LP.

PPR fell as a result of losses on two of the three sub-components. Only *Registering Property* held firm.

IPR registered no change from 2011.

CAMEROON

World Rank: 107 Regional Rank: 19



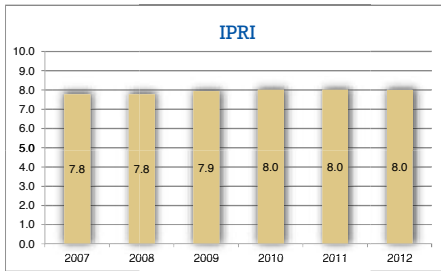
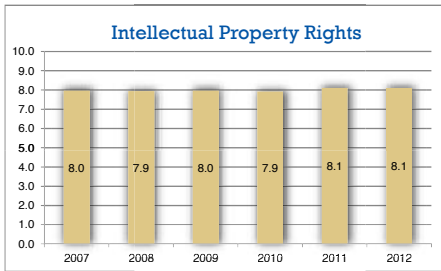
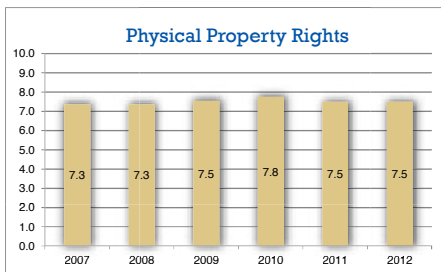
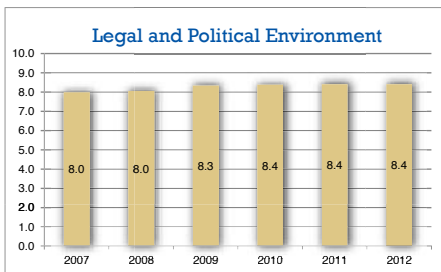
Cameroon's IPRI improved for the second time in two years, moving up to 4.3. However, only one component increased. LP shrank 0.1 points thanks largely to a 0.3 points fall in *Political Stability and Control of Corruption*.

PPR saw no improvement. All three sub-components experience little fluctuation.

IPR slightly increased because of a 0.4 point improvement in *Protection of Intellectual Property*.

CANADA

World Rank: 10 Regional Rank: 1



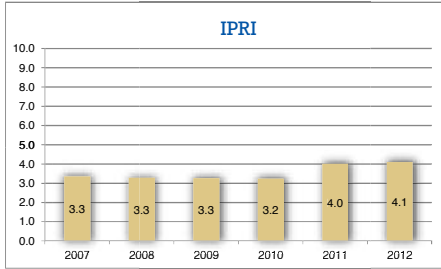
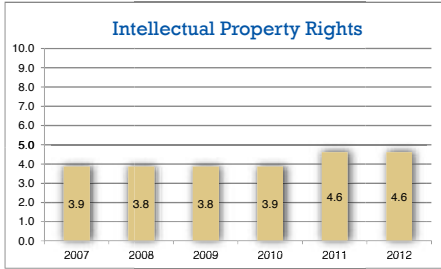
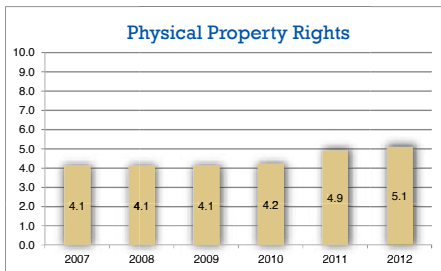
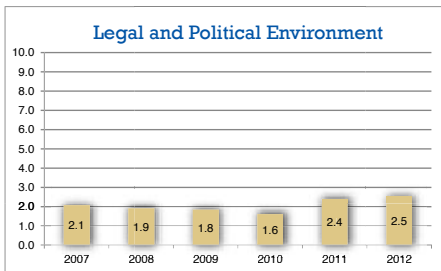
Canada's IPRI remained the same for the third consecutive year. Canada remains the highest ranked country in both its region and the western hemisphere. LP was the model of stability, with only offsetting 0.2 points in half of the sub-components.

PPR did not decrease thanks to offsetting 0.1 point increases and decreases in *Access to Loans* and *Protection of Physical Property*, respectively.

IPR remained static. Only *Copyright Piracy* saw improvement. Canada has one of the best *Copyright Piracy* scores in the world.

CHAD

World Rank: 115 Regional Rank: 20



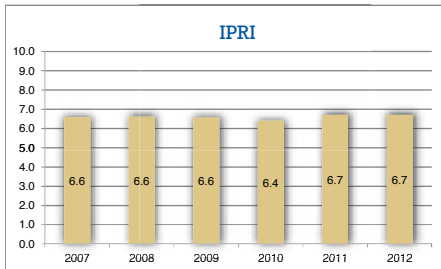
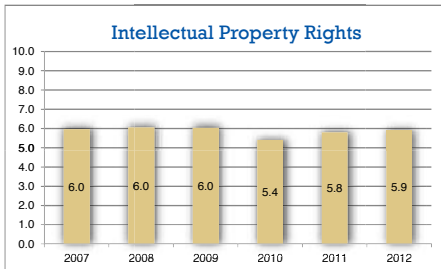
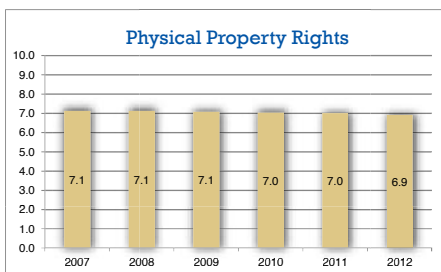
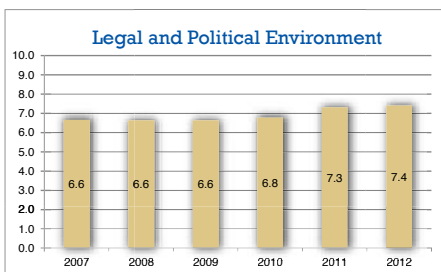
For the second time in the index's history Chad saw some positive growth in its IPRI score. Chad's LP score experienced a modest increase. Improvement in two of three sub-components raised Chad's LP by 0.1 points. The largest increase was in *Political Stability* which rose 0.4 points. *Rule of Law* and *Control of Corruption* both remain at or slightly above 2.

Two of three sub-components in PPR improved with the largest increase found in *Protection of Physical Property*. Chad's best sub-component is *Registering Property* with a respectable score of 8.3 because the process only takes 6 days.

IPR showed no improvement in 2012.

CHILE

World Rank: 28 Regional Rank: 1



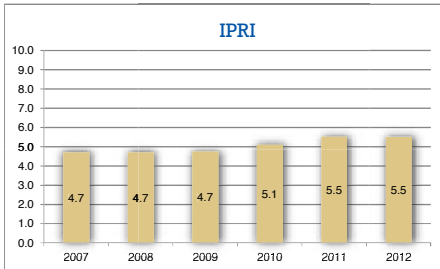
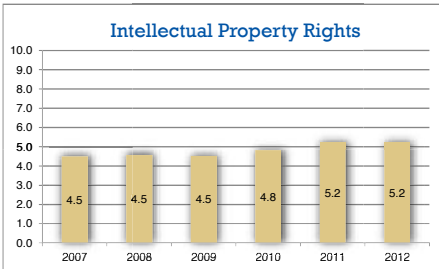
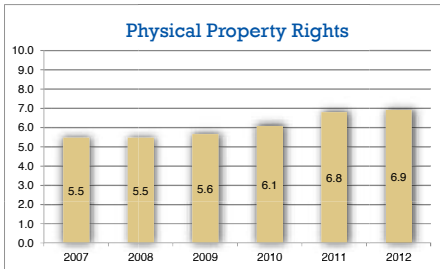
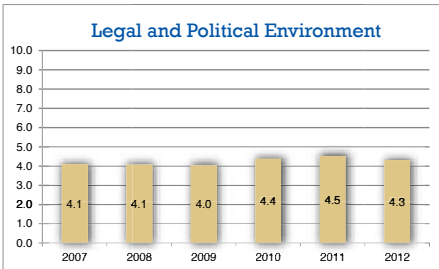
Chile's IPRI remained at 6.7 this year. LP rose to 7.4 thanks to a third year of improvement in *Judicial Independence*. *Political Stability* declined while *Rule of Law* and *Control of Corruption* realized gains.

PPR fell to 6.9 as two of three sub-components declined. There was a slight decrease in *Access to Loans*, though, with the sub-component score falling from 5.2 to 5.1.

IPR rose to 5.9 for Chile, mostly driven by a 0.2 points increase in *Copyright Piracy*.

CHINA

World Rank: 57 Regional Rank: 10



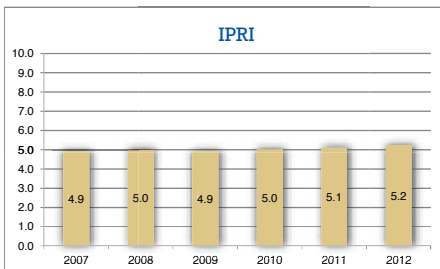
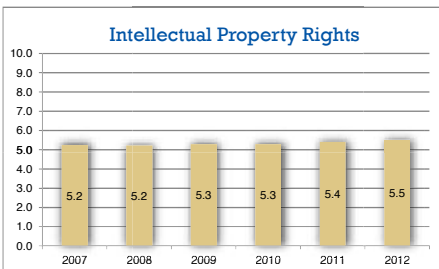
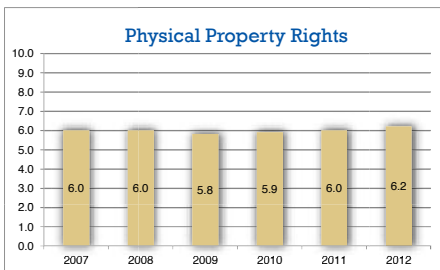
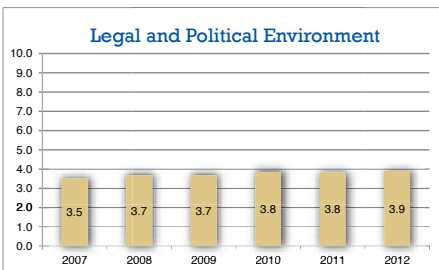
IPRI in China remained static in 2012 with each component reporting little or no change. LP declined by 0.2 points due to deterioration in three of four sub-components.

PPR improved again thanks to a 0.2 point increase in *Access to Loans* compensating for a 0.1 point loss in *Protection of Physical Property*. *Registering Property* remains China's highest scoring sub-component at 8.9.

IPR experienced no change in 2012 as each sub-component remained constant.

COLOMBIA

World Rank: 69 Regional Rank: 9



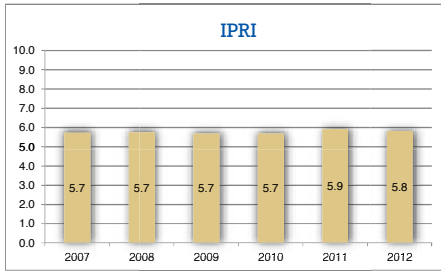
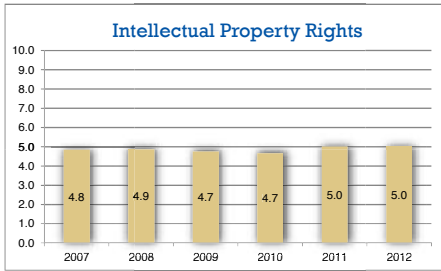
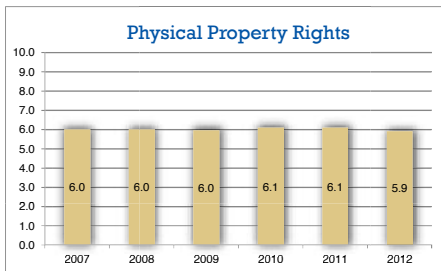
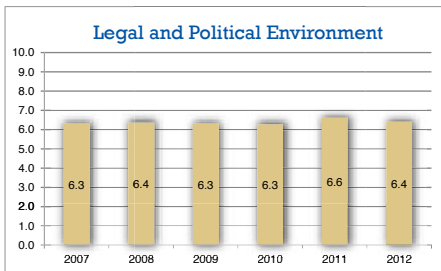
IPRI in Colombia increased modestly for the third year in a row. LP increased to 3.9 due to increases in *Rule of Law* and *Political Stability* overcoming a 0.2 point drop in *Control of Corruption*.

PPR experienced a modest 0.2 point increase from 2011. This is mainly because of a 0.5 point improvement in *Access to Loans*. *Registering Property* did not change.

IPR in Colombia rose 0.1 points. This improvement reflected a 0.3 point increase in *Protection of Intellectual Property* and a 0.1 point increase *Copyright Piracy*.

COSTA RICA

World Rank: 52 Regional Rank: 4



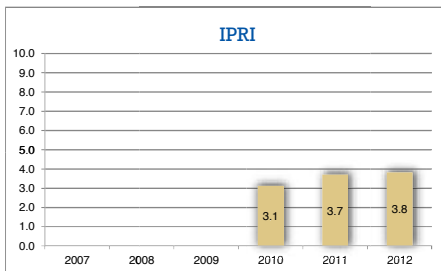
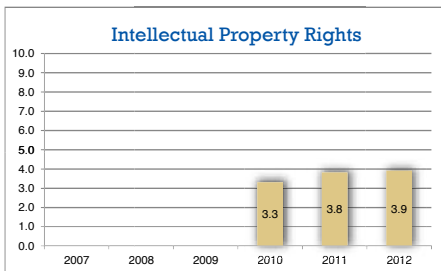
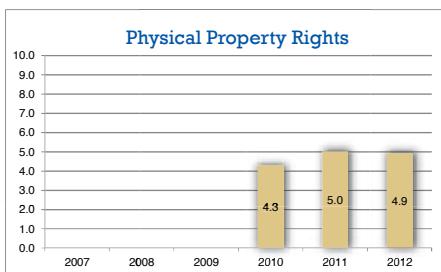
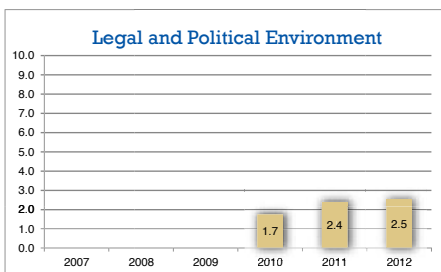
IPRI for Costa Rica changed for the second time in six years, falling to 5.8. LP shrank 0.2 points due to declines in three of four sub-components. *Political Stability* was the lone sub-component able to maintain its 2011 level.

PPR also fell by 0.2. The 0.1 and 0.4 point-losses to *Protection of Physical Property* and *Access to Loans*, respectively, account for the slippage in this component.

IPR remained constant in 2012 as 0.1 decrease in *Protection of Intellectual Property* offset a 0.1 increase in *Copyright Piracy*.

COTE D'IVOIRE

World Rank: 123 Regional Rank: 23



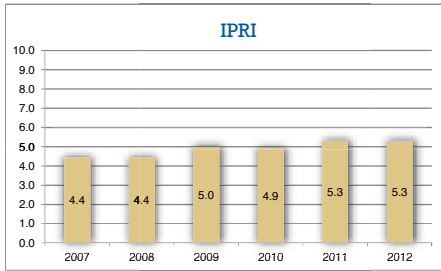
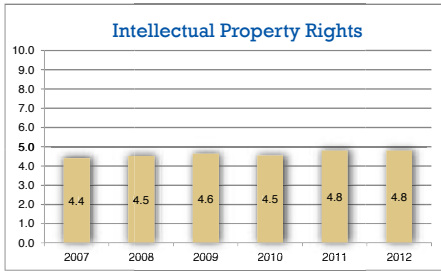
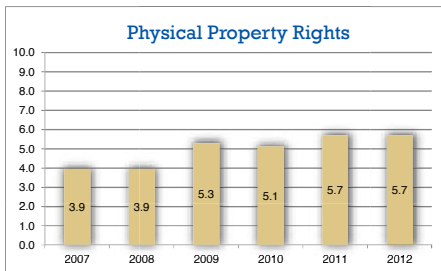
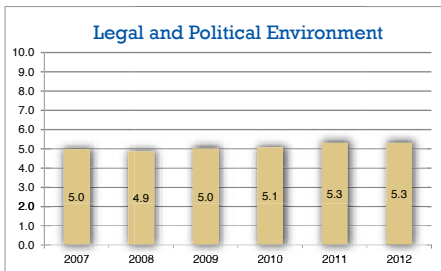
Cote D'Ivoire saw improvement in two of three component scores this year raising IPRI by 0.1 points. A 0.2 point drop in Judicial Independence succumbed to a 0.3 point increase Rule of Law. *Control of Corruption* and *Political Stability* remained unchanged.

PPR fell 0.1 points thanks to a 0.3 point decline in *Protection of Physical Property*. *Access to Loans* registered a 0.1 increase.

IPR grew 0.1 points resulting from a 0.3 point increase *Protection of Intellectual Property*. The other sub-components remained constant.

CROATIA

World Rank: 65 Regional Rank: 10



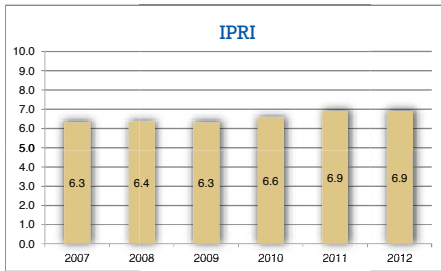
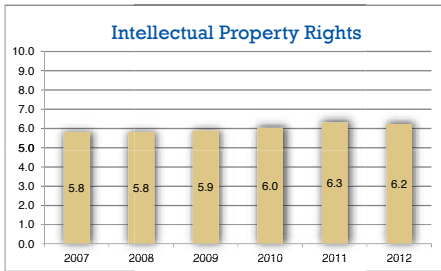
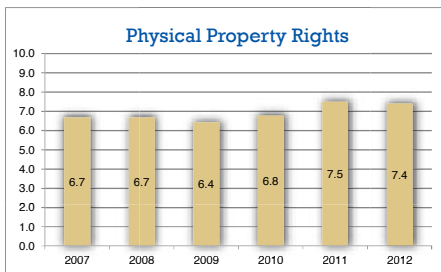
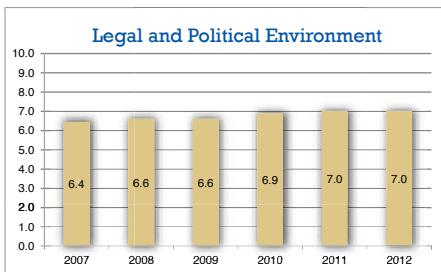
Croatia failed to build upon last year's success. All components registered no change from 2011 keeping Croatia's IPRI at 5.3. *Judicial Independence* fell slightly but failed to alter LP.

A 0.1 point improvement in *Access to Loans* offset a 0.1 point decrease *Protection of Physical Property* leaving PPR at 5.7.

IPR also experienced no change from 2011.

CYPRUS

World Rank: 25 Regional Rank: 3

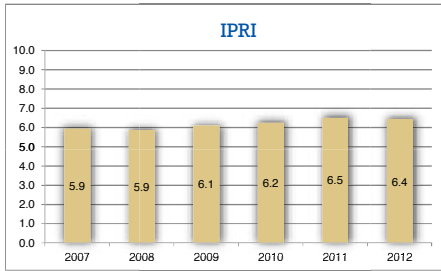
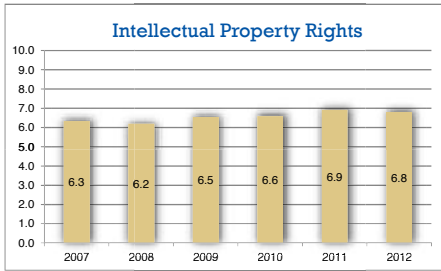
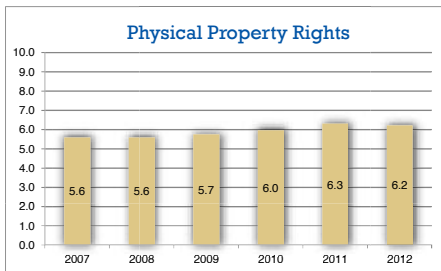
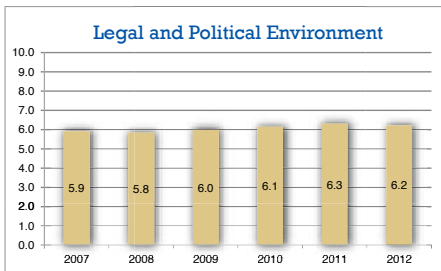


Cyprus' IPRI held steady in 2012 despite small decreases in two out of three components. LP remained at 7.0 with a combined increase of 0.3 points in *Rule of Law*, *Political Stability*, and *Control of Corruption* compensating for a 0.2 points decrease in *Judicial Independence*.

PPR fell by 0.1 points as *Protection of Physical Property* also fell by 0.1 points. IPR similarly fell by 0.1 points as the result of a 0.4 points drop *Protection of Intellectual Property*. All other sub-components remained constant.

CZECH REPUBLIC

World Rank: 36 Regional Rank: 2



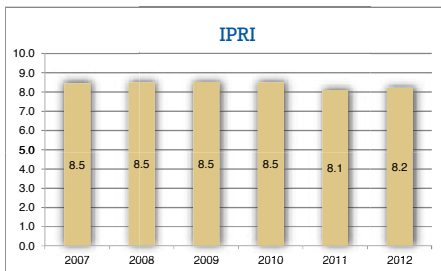
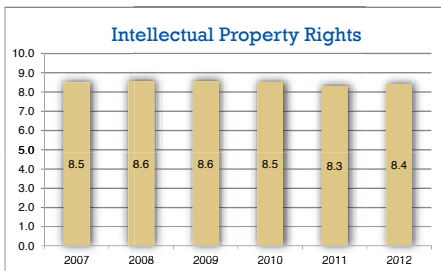
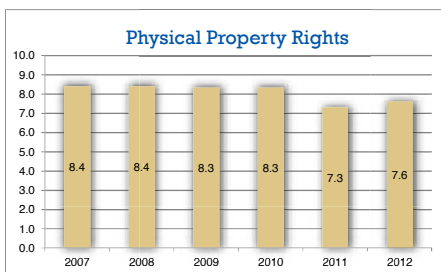
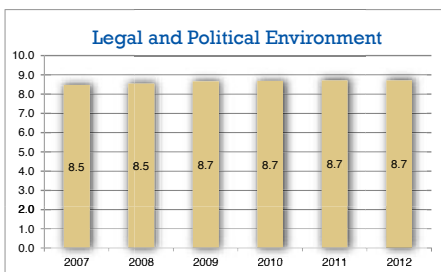
After three years of gains, the Czech Republic's IPRI fell by 0.1 points in 2012. Each component posted identical 0.1 point declines. LP fell from 6.3 to 6.2 as the result of 0.4 point and 0.3 point drops in *Judicial Independence* and *Control of Corruption*, respectively. These losses drowned out a 0.1 point gain in *Political Stability*.

PPR's decline was a product of a 0.5 point loss in *Protection of Physical Property* and a 0.3 point loss in *Access to Loans*. These losses could not be overcome by a 0.4 point gain registering Property.

IPR's 0.1 point decline resulted from 0.3 point deterioration in *Protection of Intellectual Property*. The other two sub-components experienced little or no change.

DENMARK

World Rank: 6 Regional Rank: 5



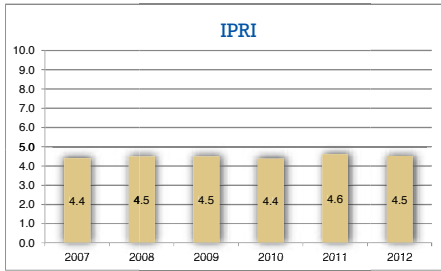
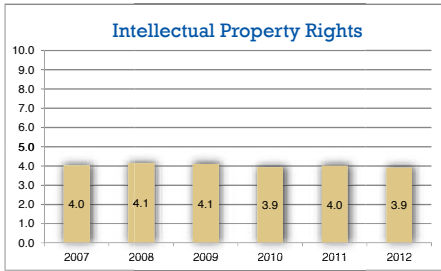
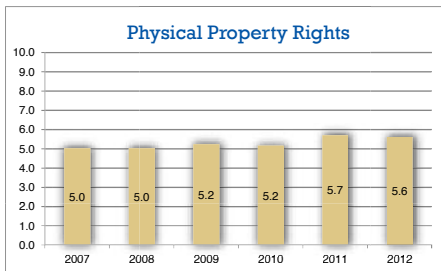
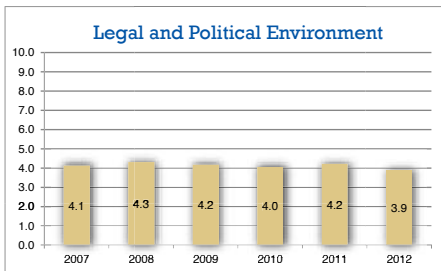
Denmark reversed 2011's decline to increase its IPRI to 8.2 in 2012. LP remained the same, with modest increases in *Judicial Independence* and *Rule of Law* offsetting small losses in *Political Stability* and *Control of Corruption*.

PPR improved to 7.6 as *Registering Property* experience a robust 0.7 point increase.

IPR also increased in 2012 as *Protection of Intellectual Property* saw a 0.3 point increase with no change in the other sub-components.

DOMINICAN REPUBLIC

World Rank: 97 Regional Rank: 17



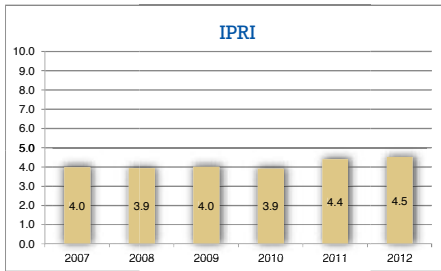
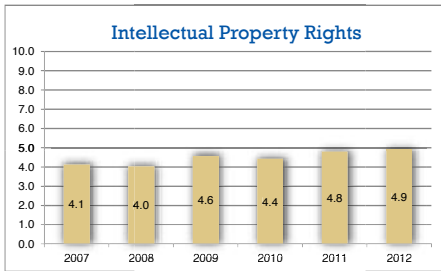
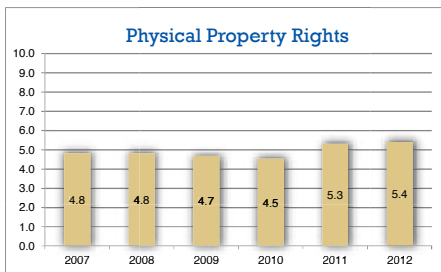
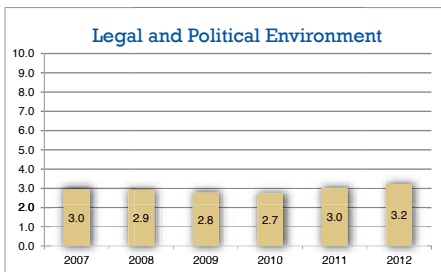
The IPRI score for the Dominican Republic reversed last year's increase and fell 0.1 points from the 2011 index. LP experienced the sharpest decline each sub-component lost ground with a 0.4 point deterioration in *Judicial Independence* as the steepest decline.

PPR fell by 0.1 points thanks to 0.2 point losses in both *Protection of Physical Property* and *Access to Loans*.

IPR declined slightly as expert opinion on the Dominican Republic's *Protection of Intellectual Property* fell. *Copyright Piracy* experienced slight improvement.

ECUADOR

World Rank: 97 Regional Rank: 17



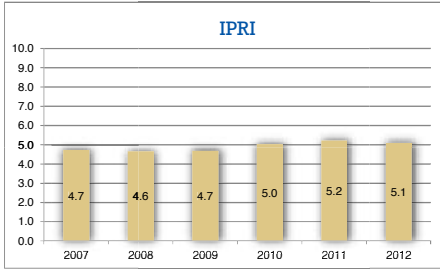
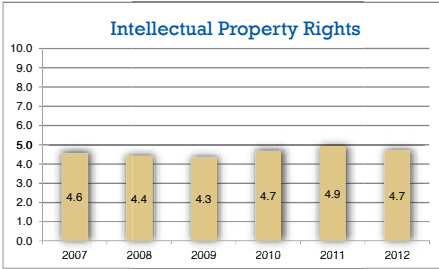
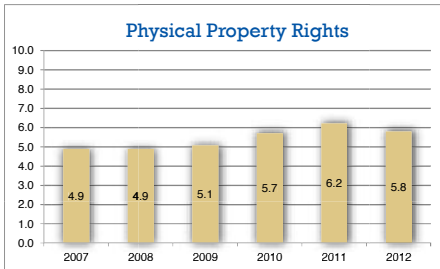
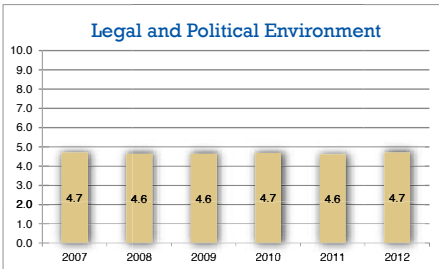
Ecuador built on last year's increase with a 0.1 point increase in IPRI. LP increased largely due to a 0.5 point rise in *Judicial Independence*. *Rule of Law* and *Political Stability* also posted gains while *Control of Corruption* held steady at 3.2.

PPR rose thanks to increases of 0.1 and 0.2 in *Protection of Physical Property* and *Access to Loans*, respectively.

Protection of Intellectual Property jumped 0.1 points from 2011. This positive change resulted from a 0.4 point improvement in *Protection of Intellectual Property*.

EGYPT

World Rank: 72 Regional Rank: 12



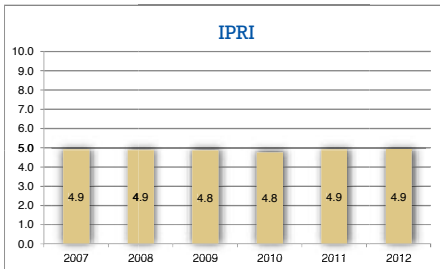
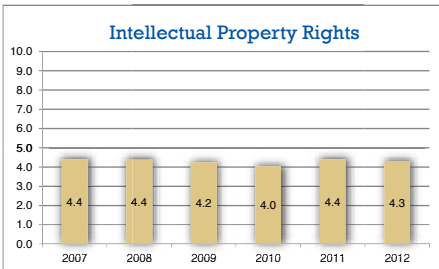
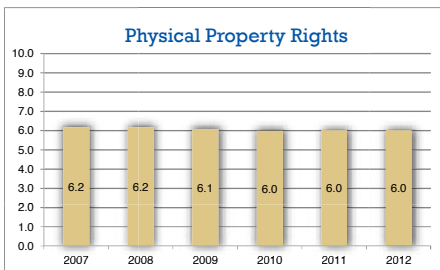
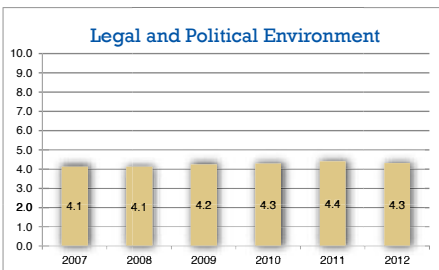
Egypt experienced a marginal decline in its IPRI due to decreases in each component. LP increased slightly because of drops in three out of four sub-components were overcome by a 1.2 point jump in *Judicial Independence*.

PPR saw declines in two of three sub-components and fell accordingly.

IPR fell 0.2 points in 2012 because of a 0.4 point decline in *Protection of Intellectual Property* and a 0.1 point decline in *Copyright Piracy*.

EL SALVADOR

World Rank: 81 Regional Rank: 12



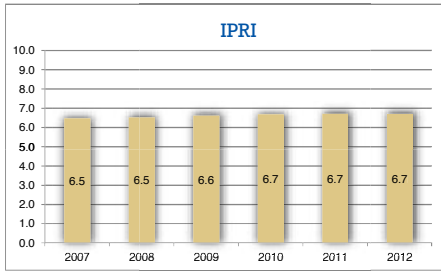
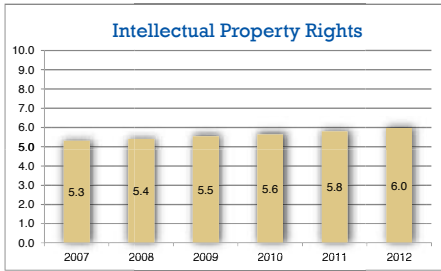
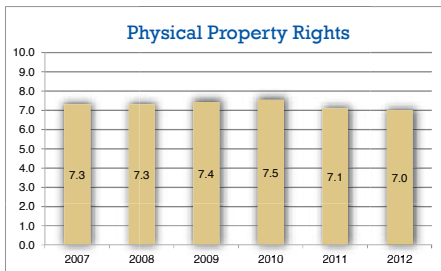
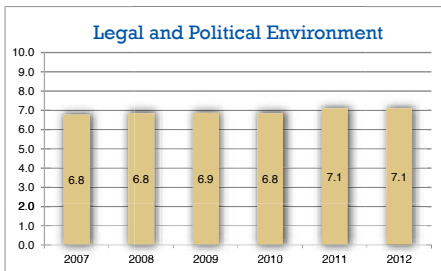
El Salvador saw no gain in IPRI in 2012. Modest losses in *Judicial Independence*, *Rule of Law*, and *Control of Corruption* forced a 0.1 point decline in LP.

PPR was unchanged for 2011, though the same was not true for the sub-components. *Access to Loans* rose by 0.5 points to 3.9, though losses in *Protection of Physical Property* negated this improvement. *Registering Property* was stable.

IPR fell by 0.1 points on the heels of a 0.3 point drop in *Protection of Intellectual Property*. *Copyright Piracy* and *Patent Protection* registered no change.

ESTONIA

World Rank: 28 Regional Rank: 1



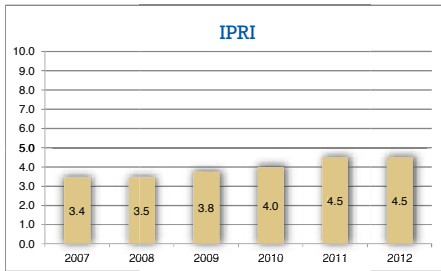
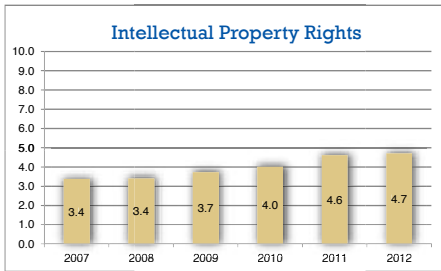
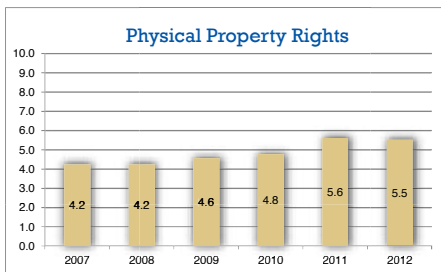
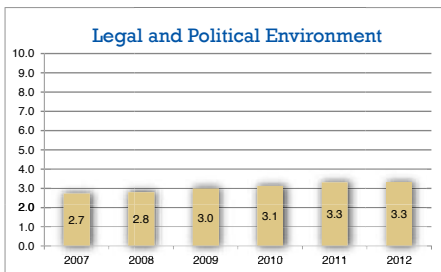
While its IPRI did not change in 2012, Estonia continues to hold the highest score for Central and Eastern Europe. LP held constant because of marginal gains in *Judicial Independence* and *Political Stability* made up for a modest decline in *Control of Corruption*.

PPR declined for the second year in a row. Deterioration in *Access to Loans* accounted for this loss.

IPR increased for the fourth year in a row as professional opinions of Estonia's intellectual property rights protection continued to improve. A 0.3 point gain in *Protection of Intellectual Property* accounted for the 0.2 increase in IPRI.

ETHIOPIA

World Rank: 97 Regional Rank: 17



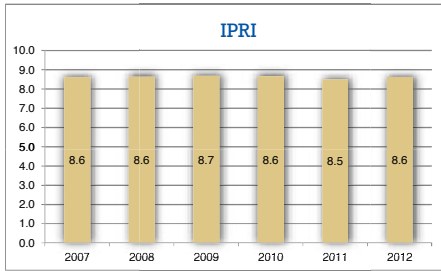
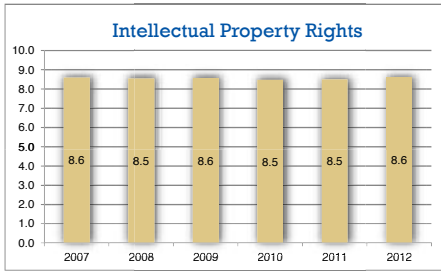
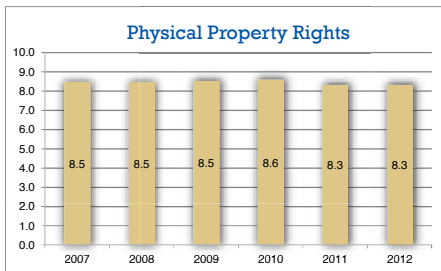
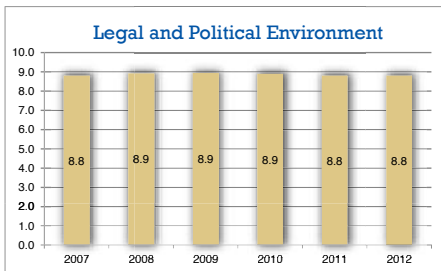
IPRI in Ethiopia failed to improve upon last year's gains. The lack of change in LP masked modest declines in both *Judicial Independence* and *Political Stability*.

PPR declined 0.1 points in 2012. *Protection of Physical Property* and *Access to Loans* fell by 0.2 points and 0.3 points, respectively.

IPR rose for the fourth year in a row. Copyright piracy data remained unavailable, but *Protection of Intellectual Property* went up by 0.2 points.

FINLAND

World Rank: 1 Regional Rank: 1



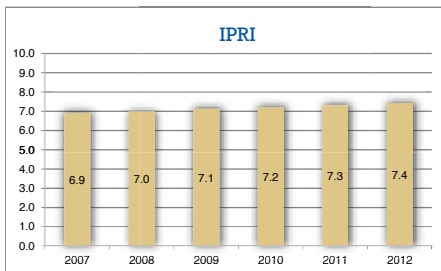
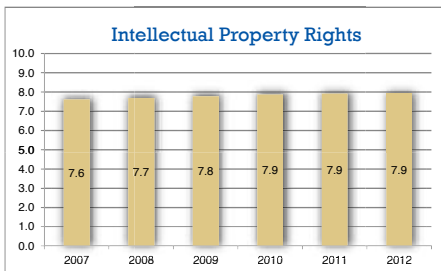
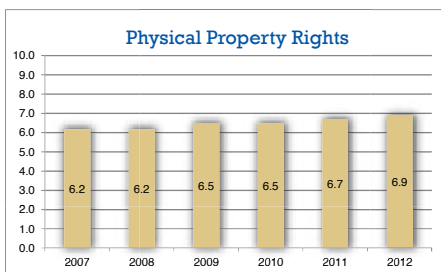
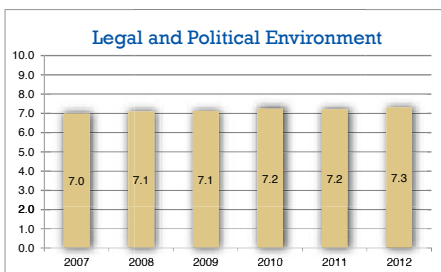
Finland continues to lead the world in property rights with a 0.1 point increase in IPRI this year. LP held constant at 8.8. *Judicial Independence* and *Political Stability* posted small increases to overcome a miniscule loss in *Control of Corruption*.

All PPR sub-components held constant keeping Finland PPR at 8.3.

Finland saw a small improvement in *Protection of Intellectual Property*. This was enough to increase IPR by 0.1 points in 2012.

FRANCE

World Rank: 20 Regional Rank: 13

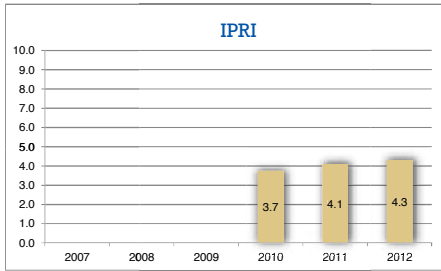
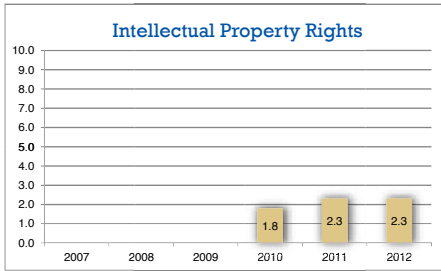
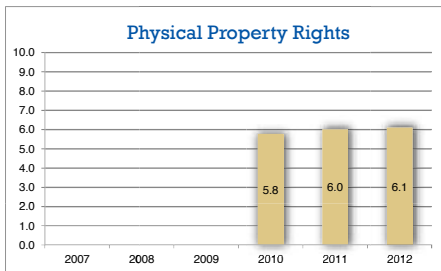
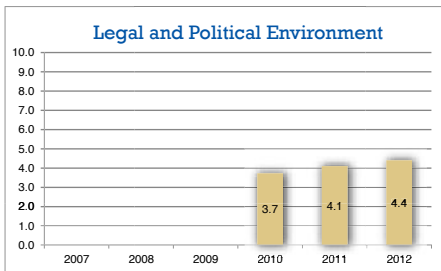


IPRI increased in France for the fifth consecutive year. *Judicial Independence*, *Political Stability*, and *Rule of Law* all increased slightly, causing LP to increase by 0.1 points.

A 0.2 point increase in *Protection of Physical Property* and a 0.5 point jump in *Registering Property* compensated for a 0.3 point decline in *Access to Loans*. This resulted in PPR increasing 0.2 points. Neither IPR nor any of its sub-components experienced significant change in 2012.

GEORGIA

World Rank: 107 Regional Rank: 19



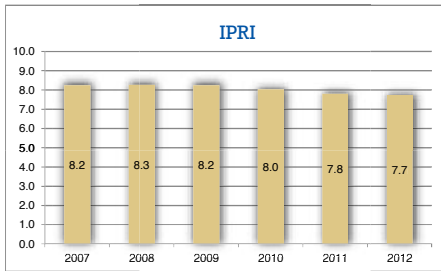
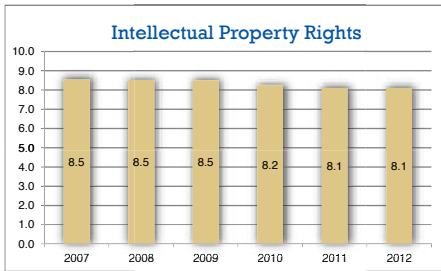
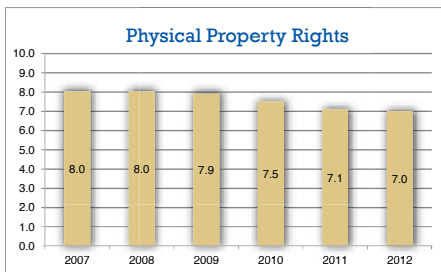
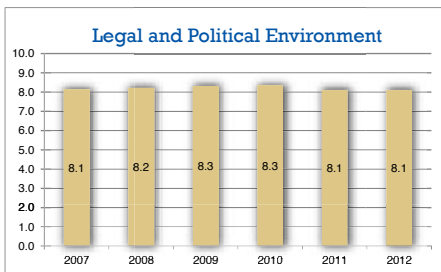
Georgia improved its scores for IPRI and two of three components in 2012. A 0.3 point jump in *Judicial Independence* along with a robust 0.6 increase in *Political Stability*, and a 0.2 improvement in *Control of Corruption* accounted for the 0.3 point gain in LP.

Progress in two of three sub-components resulted in an improvement in PPR for 2011 by 0.1 points.

IPRI remains weak and the score has not changed from 2011. Professional opinion about Georgia's *Protection of Intellectual Property* declined, but there was a 0.2 point increase in *Copyright Piracy*.

GERMANY

World Rank: 15 Regional Rank: 10



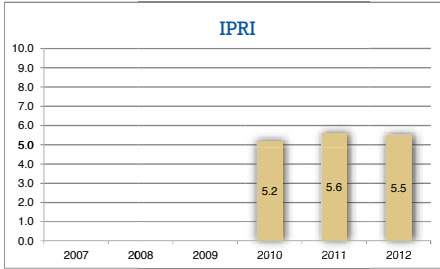
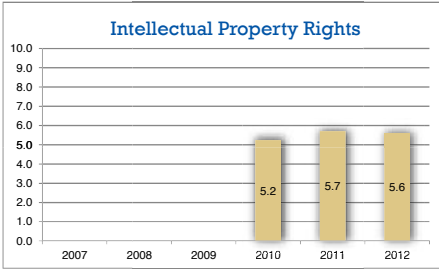
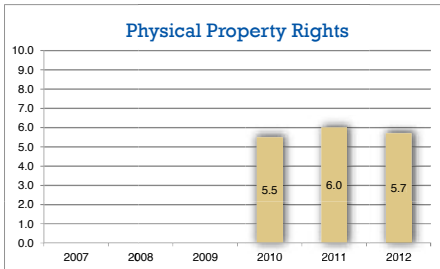
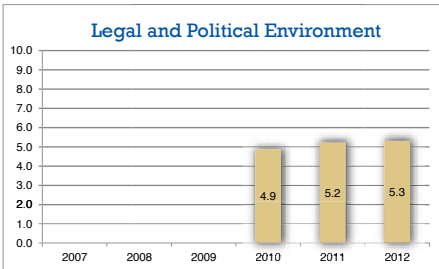
IPRI decreased in Germany for the fourth year in a row. LP remained constant as *Judicial Independence* and *Political Stability* experienced marginal declines.

A 0.5 point drop in *Protection of Physical Property* and a 0.2 point drop in *Access to Loans* lowered PPR to a score of 7.0. Both of these sub-components decreased in the previous three years as well.

The IPR score was unaffected by a 0.3 point fall in *Protection of Intellectual Property* and 0.1 improvement in *Copyright Piracy*.

GHANA

World Rank: 57 Regional Rank: 5



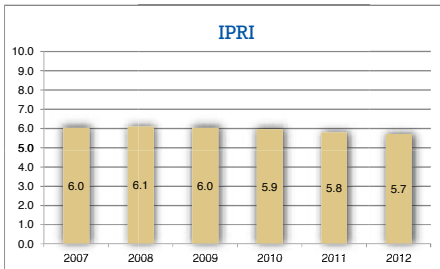
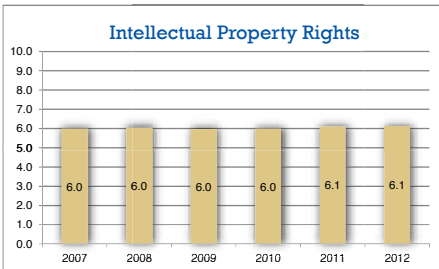
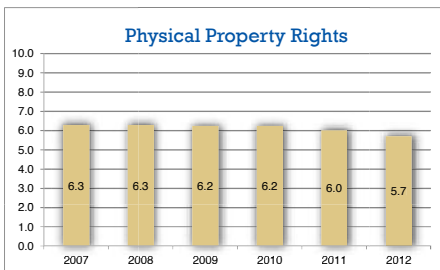
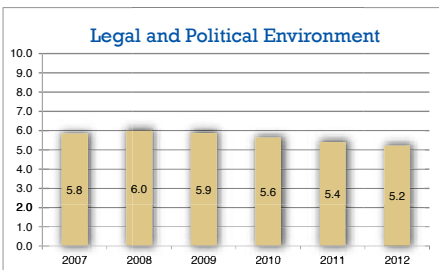
In its third year in the index, Ghana saw a decrease in its IPRI and two of three components. LP rose 0.1 points thanks to improvement in every sub-component except *Political Stability*, which fell by 0.2 points. *Judicial Independence* experienced the largest change, jumping 0.4 points.

Significant deterioration in *Access to Loans* and *Protection of Physical Property* helped push PPR down by 0.3 points.

Data for copyright piracy in Ghana remained unavailable, but expert opinion regarding *Protection of Intellectual Property* fell by 0.2 points. This resulted in a 0.1 decrease in IPR.

GREECE

World Rank: 53 Regional Rank: 19



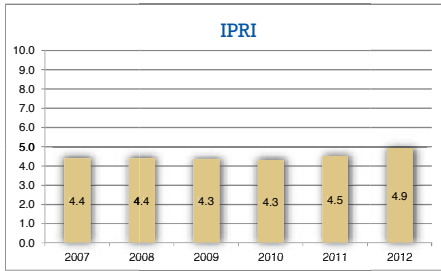
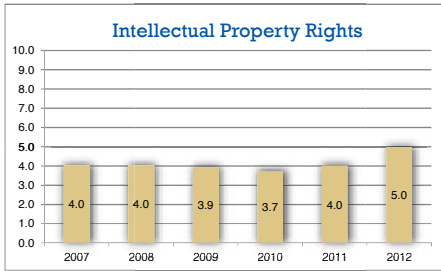
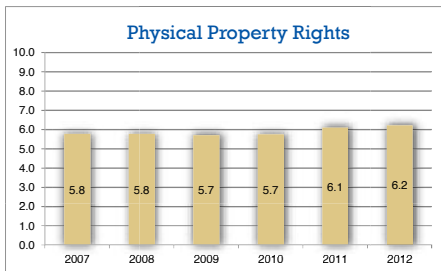
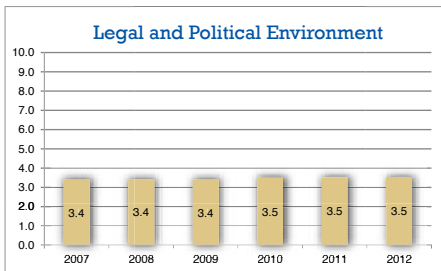
In 2011 Greece's IPRI fell for the fourth consecutive year. LP fell again this year, largely because of deteriorating scores in *Judicial Independence* and *Control of Corruption*. *Rule of Law* and *Political Stability* experienced marginal declines.

PPR also fell this year thanks to decreases in two measures of *Protection of Physical Property* and *Access to Loans* fell by 0.3 points and 0.6 points, respectively.

IPR for Greece remained constant this year despite a 0.2 point decrease in *Protection of Intellectual Property*. Other sub-component scores were unchanged.

GUATEMALA

World Rank: 81 Regional Rank: 12



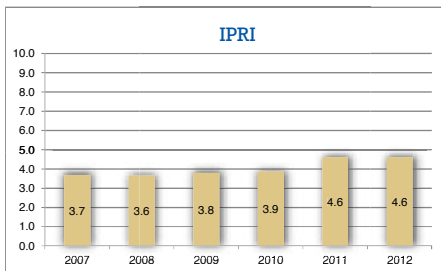
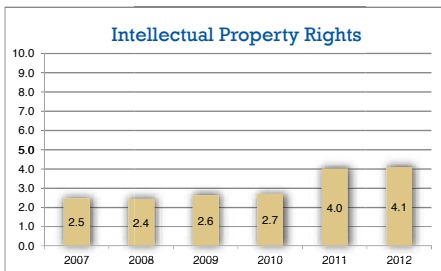
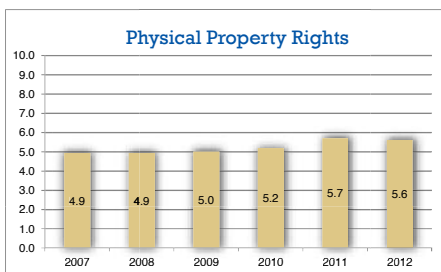
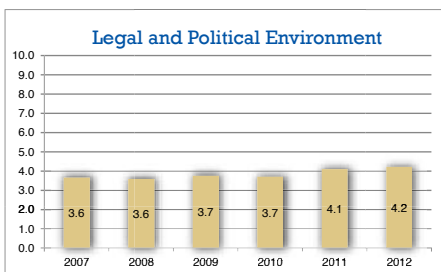
IPRI in Guatemala improved for 2012, rising 0.4 points. While Guatemala's LP score is the same, there were some changes in sub-components. *Political Stability* and *Judicial Independence* fell by 0.1 points each, while *Rule of Law* and *Control of Corruption* gained one point each.

Despite a deterioration of *Protection of Physical Property*, PPR rose 0.1 points this year. This was largely the result of a 0.3 point increase in the *Access to Loans* score.

Improving expert opinion raised IPR by an entire point. This occurred despite a 0.1 point decline in *Protection of Intellectual Property*.

GUYANA

World Rank: 93 Regional Rank: 16



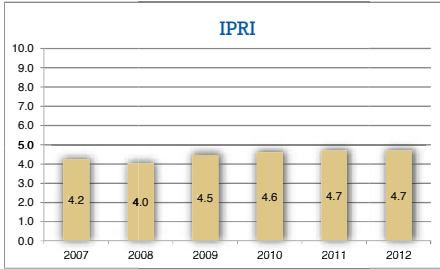
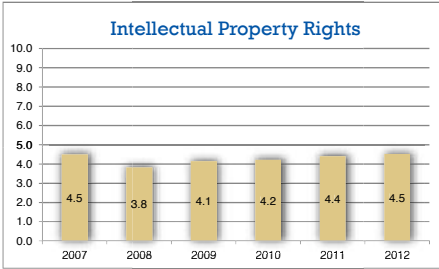
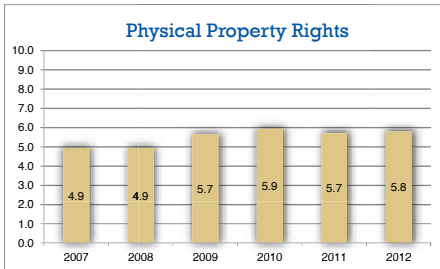
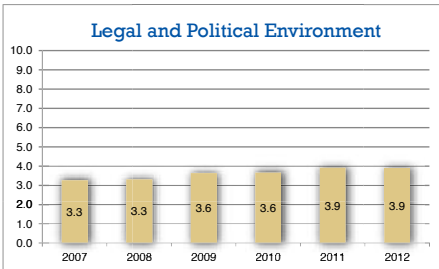
IPRI in Guyana experienced no change in 2012. A 0.2 point rise in *Rule of Law* and a 0.1 point jump in *Political Stability* caused LP to improve by 0.1 points. This was despite a small deterioration in *Judicial Independence*.

Protection of Physical Property and *Access to Loans* each fell by 0.1 points. This resulted in Guyana's PPR score also falling by 0.1 points.

Copyright Piracy data remains unavailable, but improving professional opinion caused *Protection of Intellectual Property* to jump by 0.2 points. This led to a 0.1 point increase in IPR for 2012.

HONDURAS

World Rank: 87 Regional Rank: 14



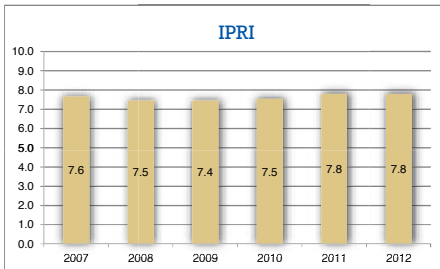
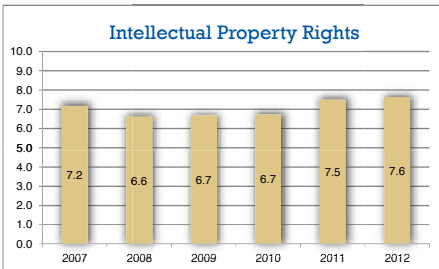
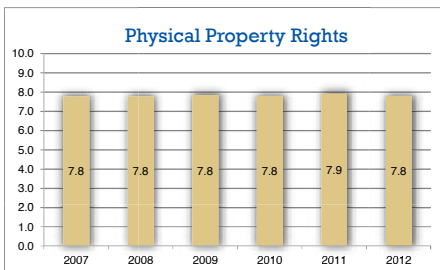
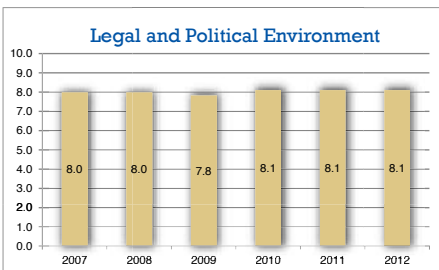
IPRI in Honduras experienced no change in 2012. LP was static as gains in *Control of Corruption* and *Judicial Independence* were wiped out by a 0.6 point loss in *Political Stability*.

PPR improved slightly this year, rising 0.1 points. *Protection of Physical Property* decreased while *Access to Loans* gained half a point. *Registering Property* remained unchanged.

IPR in Honduras rose 0.1 points thanks to improving professional opinions about intellectual property protection. *Copyright Piracy* also improved slightly.

HONG KONG

World Rank: 12 Regional Rank: 3



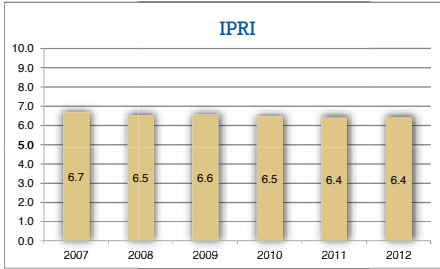
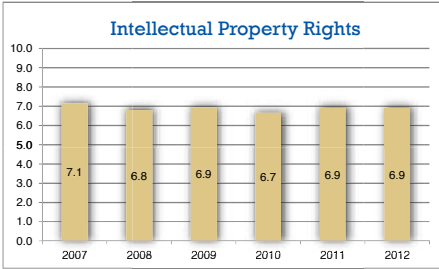
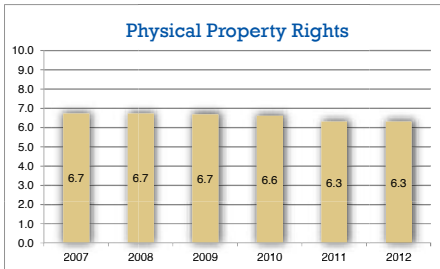
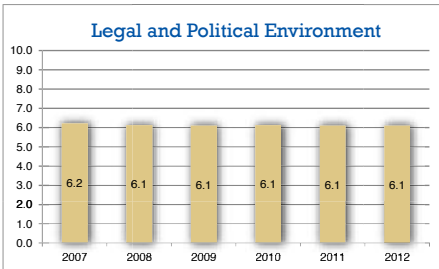
IPRI in Hong Kong maintained a score of 7.8 in 2012. A stable LP score masked movement in the sub-components. *Judicial Independence* also fell 0.1 points, while *Political Stability* fell by 0.1 points. *Rule of Law* and *Control of Corruption* increased by 0.1 points and 0.2 points, respectively.

Protection of Physical Property decreased by 0.3 points while *Access to Loans* also fell. This resulted in a 0.1 point decline in PPR.

Copyright Piracy jumped by 0.1 points in 2012. This combined with a 0.3 point gain in *Protection of Intellectual Property* resulted in a 0.1 increase in IPR.

HUNGARY

World Rank: 36 Regional Rank: 2



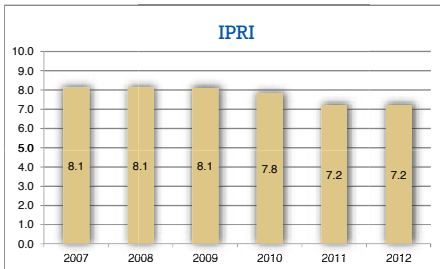
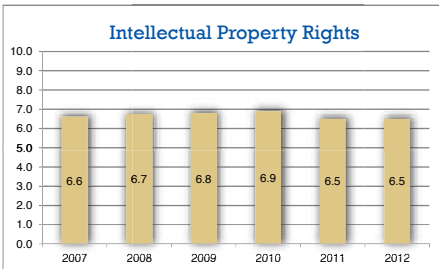
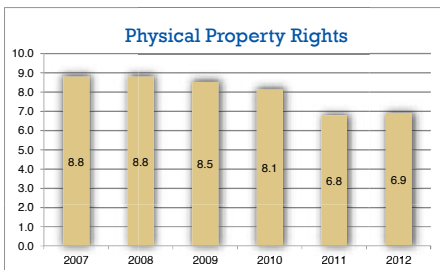
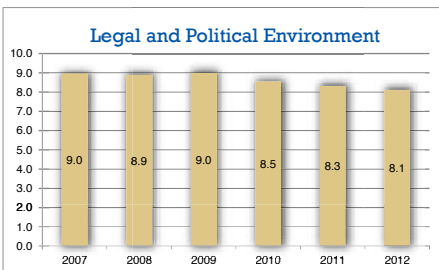
Hungary maintained a 6.4 IPRI score in 2012. LP did not change for 2011. This was because the small gains in *Political Stability* were offset by deteriorations in *Control of Corruption* and *Judicial Independence*.

PPR remained at 6.3. While *Registering Property* remains very strong the other sub-components declined trading-off a 0.1 gain with a loss.

IPR experienced no change in 2012. *Protection of Intellectual Property* was the only sub-component to change, rising 0.1 points.

ICELAND

World Rank: 21 Regional Rank: 14



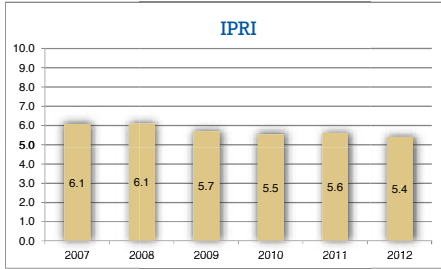
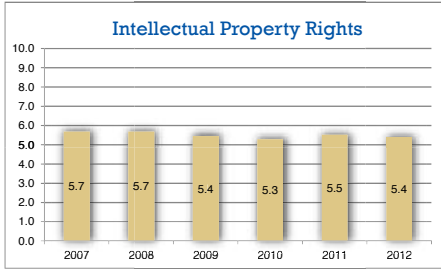
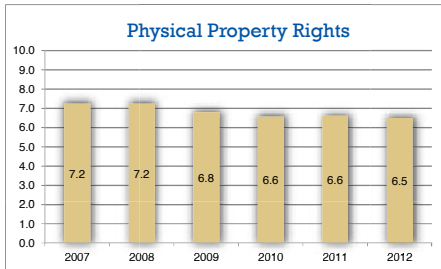
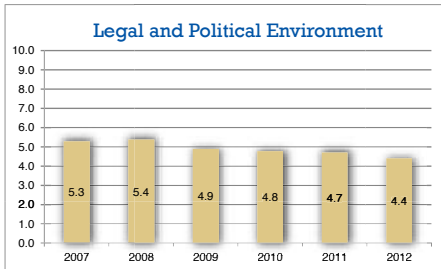
IPRI in Iceland was static in 2012. LP fell for the third consecutive year. *Judicial Independence*, *Political Stability*, and *Control of Corruption* all experienced deterioration.

PPR improved slightly, gaining 0.1 points. A 0.4 point increase in *Access to Loans* was able to overcome a 0.3 point loss in *Protection of Physical Property*. *Rule of Law* saw no change.

IPR held at 6.5 in 2012. *Protection of Intellectual Property* gained 0.1 points with the other two sub-components registering no change.

INDIA

World Rank: 62 Regional Rank: 11



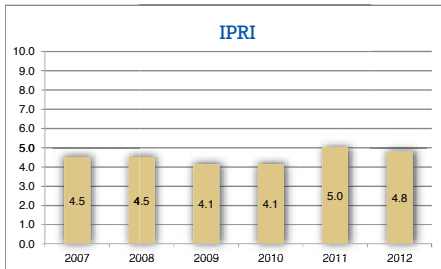
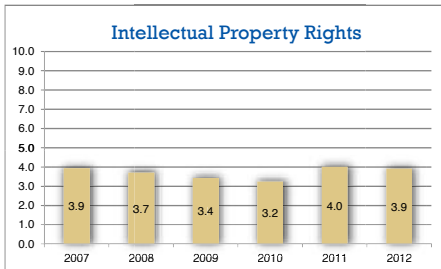
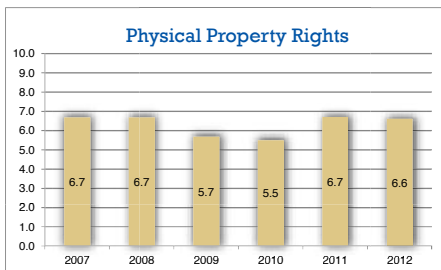
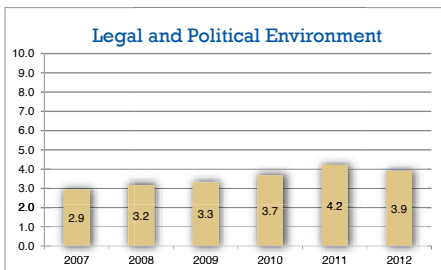
IPRI in India fell by 0.2 points in 2012. LP decreased for the fourth consecutive year because of deterioration in all four sub-components.

PPR fell by 0.1 points from last year. *Protection of Physical Property* fell by a steep 0.4 points accounting for the overall decline in PPR.

India's *Protection of Intellectual Property* score fell by 0.1 points. This was enough to reduce India's IPR score by an identical 0.1 points.

INDONESIA

World Rank: 86 Regional Rank: 14



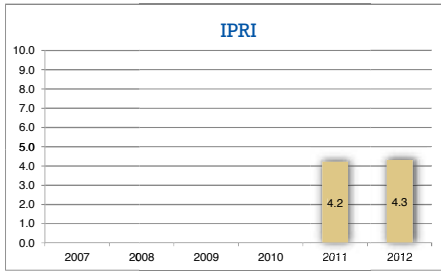
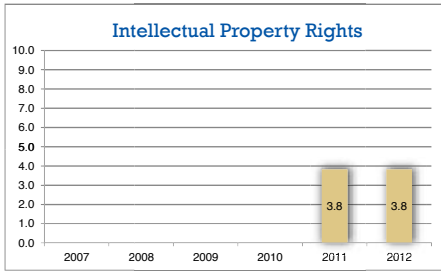
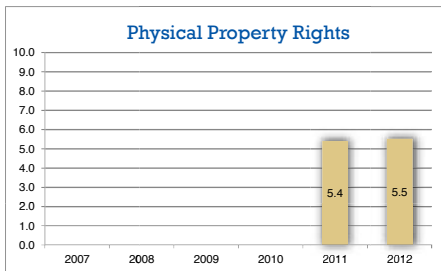
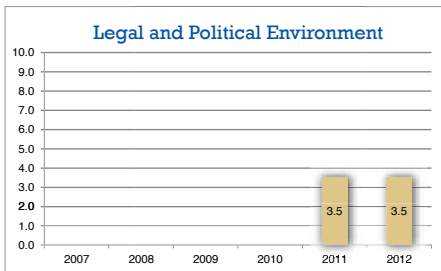
IPRI saw a 0.2 point decline its IPRI score in 2012. LP fell 0.3 as all four sub-components deteriorated. The half a point loss in *Political Stability* was especially harmful.

Protection of Physical Property and *Access to Loans* both fell by 0.1 points. The result was a 0.1 point decline in PPR.

IPR fell by 0.1 points as both *Protection of Intellectual Property* and *Copyright Piracy* fell by modest amounts.

IRAN

World Rank: 107 Regional Rank: 14



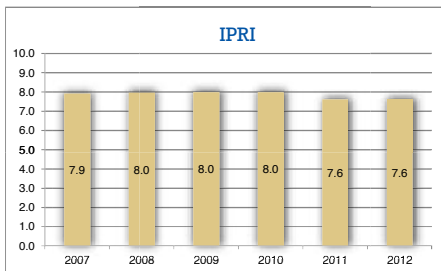
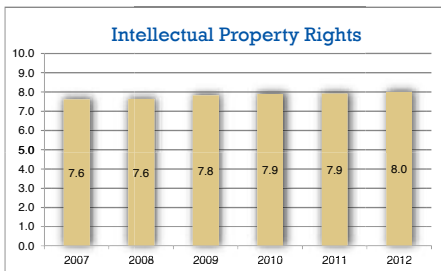
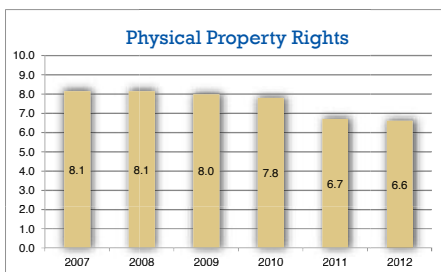
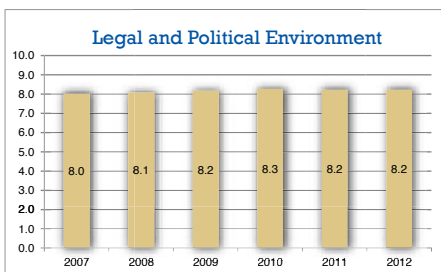
Iran increased its IPRI by 0.1 points since 2011. LP remains the weakest component, held down by a 1.9 score for *Political Stability, Rule of Law* and *Judicial Independence* experienced no change from last year, while *Control of Corruption* fell slightly.

PPR is Iran's strongest component with a score of 5.5, up 0.1 points from 2011. Both *Protection of Physical Property* and *Access to Loans* posted modest improvements.

Professional opinion of Iran's intellectual property rights environment has not changed since last year. It scored a 3.8 in *Protection of International Property*, down 0.1 points from last year. Copyright data remains unavailable.

IRELAND

World Rank: 17 Regional Rank: 11



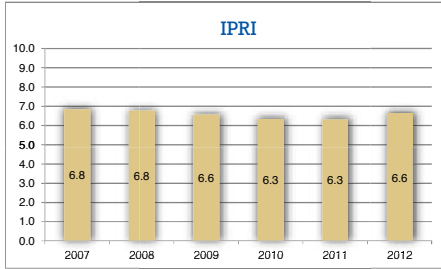
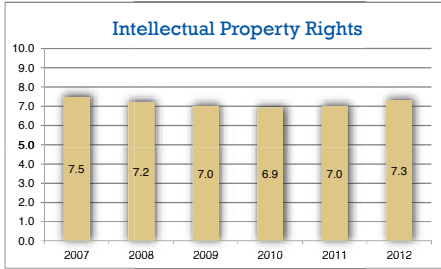
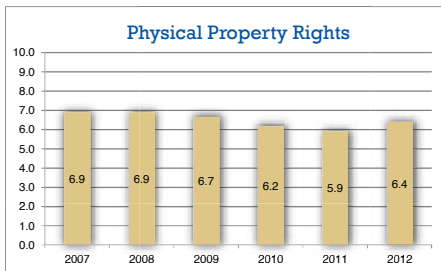
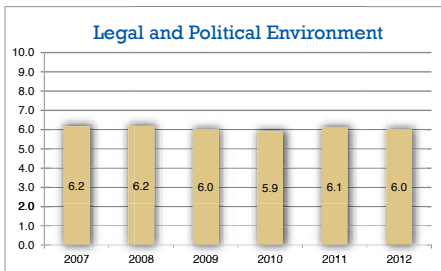
Ireland's IPRI held steady at 7.6 in 2012. Each component registered little or no change. LP remained at 8.2. This masked marginal declines in *Judicial Independence* and *Control of Corruption*.

Protection of Physical Property decreased 0.2 points while *Access to Loans* was cut 0.3 points. This resulted in a 0.1 point decline in PPR.

IPR improved slightly in 2012. Professional opinion about the general level of intellectual property protection in Ireland rose by 0.2 points in 2012.

ISRAEL

World Rank: 31 Regional Rank: 5



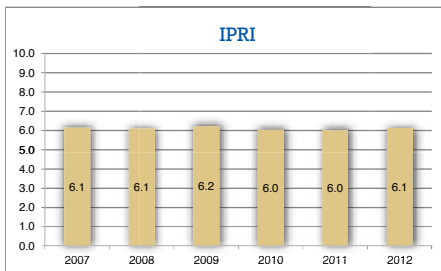
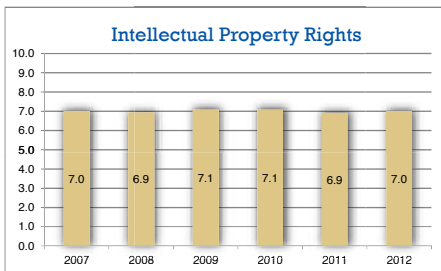
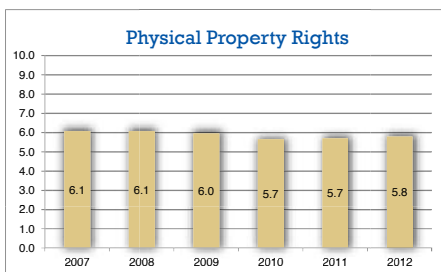
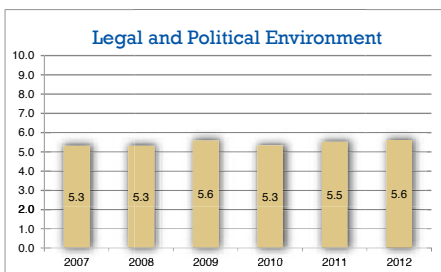
IPRI improved by 0.3 points in 2012. The LP score underwent a modest decline, falling 0.1 points. A 0.1 point increase for *Rule of Law* was offset by declines in the three other sub-components.

PPR increased by a robust half a point over last year. 0.8 point increases in *Protection of Physical Property* and *Access to Loans* accounted for the improvement.

IPR also saw an improvement this year. *Copyright piracy* levels are down slightly, while professional opinion about intellectual property rights protection has also improved.

ITALY

World Rank: 46 Regional Rank: 18



Italy's IPRI and component scores all posted small gains in 2012. LP rose 0.1 points thanks largely to a 0.7 point increase in *Judicial Independence*. The impact of this change was weakened by declines in *Political Stability* and *Control of Corruption*.

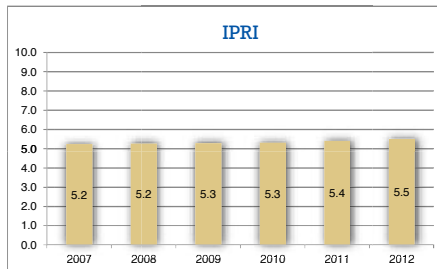
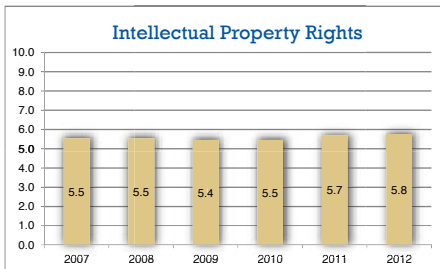
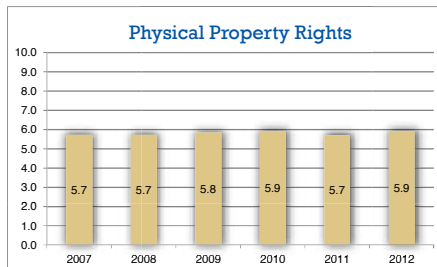
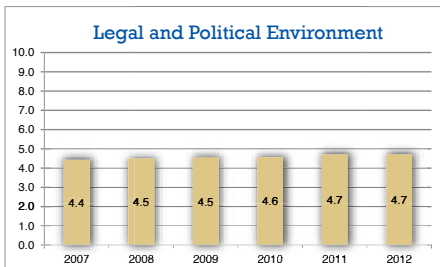
PPR has gained 0.1 points since 2011. The sub-components were fairly stable, though *Access to Loans* did see a small improvement.

Professional opinions on Italy's *Protection of Intellectual Property* improved a bit. This raised IPR by 0.1 points.

JAMAICA

World Rank: 57

Regional Rank: 5



IPRI increased slightly for Jamaica in 2012, reflecting modest improvements to some components. LP remained constant as small declines in *Political Stability* and *Judicial Independence* were offset by a 0.2 point increase in *Control of Corruption*.

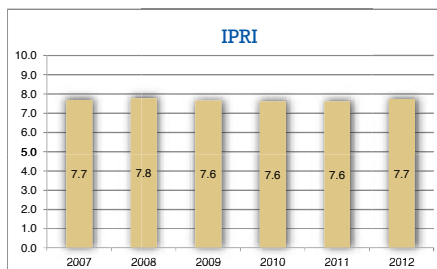
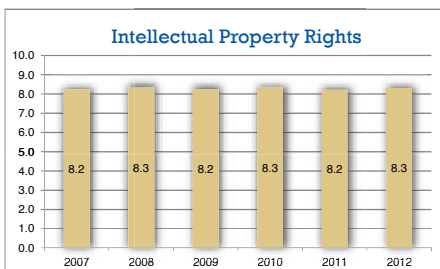
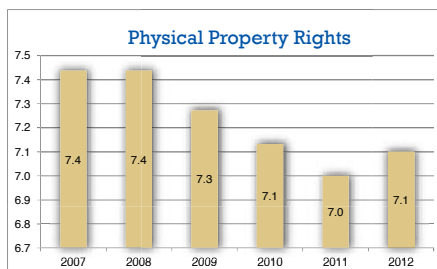
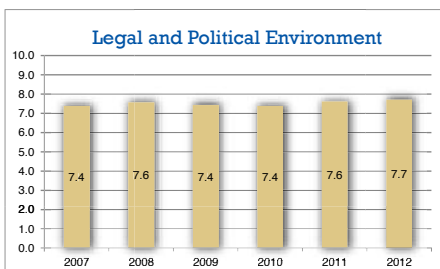
A 0.1 point rise in *Protection of Physical Property*, in addition to 0.3 point and 0.2 point increases in *Registering Property* and *Access to Loans* carried PPR to a 0.2 point improvement over last year.

Copyright data remained unavailable, but professional opinions about Jamaica's *Protection of Intellectual Property* did improve by 0.2 points. This raised Jamaica's IPR score by 0.5 points.

JAPAN

World Rank: 15

Regional Rank: 5



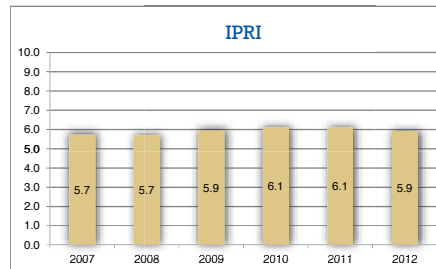
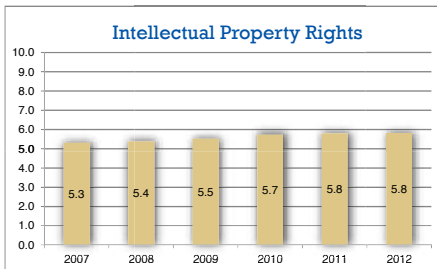
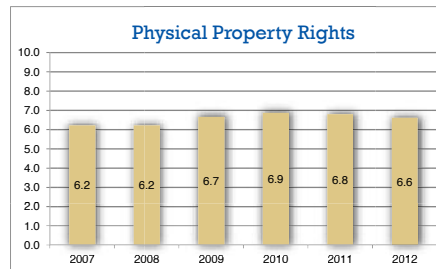
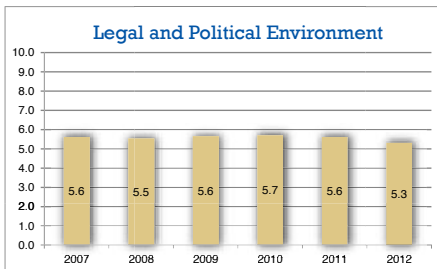
Japan managed to improve its IPRI score by 0.1 points in 2012. *Judicial Independence* jumped 0.2 points while *Control of Corruption* saw a 0.4 point increase. These gains were somewhat offset by a small decline in *Political Stability*.

PPR reflected stability in its sub-components. *Protection of Physical Property* increased by 0.1 points, which was enough to improve PPR by an identical 0.1 points. IPR posed a 0.1 point increase from 2011. An identical 0.1 point improvement in *Copyright Piracy* accounted for this change.

JORDAN

World Rank: 49

Regional Rank: 8



IPRI in Jordan declined 0.2 points from last year. LP fell by 0.3 points on deteriorating scores for *Judicial Independence*, *Rule of Law* and *Control of Corruption*. *Political Stability* held constant.

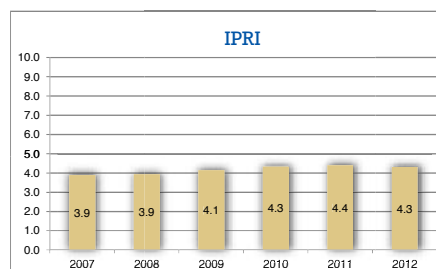
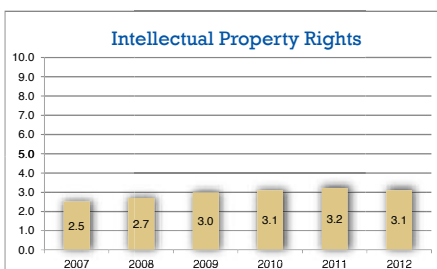
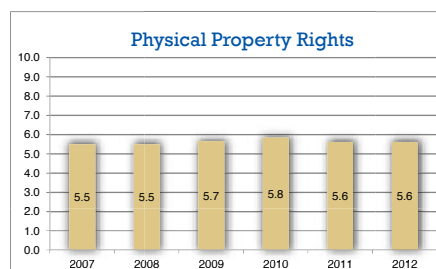
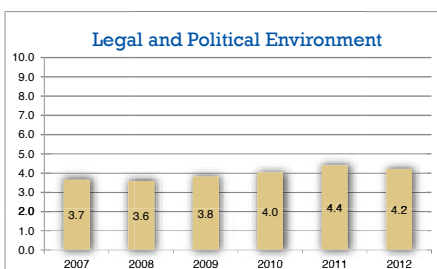
PPR declined slightly as *Protection of Physical Property* fell 0.3. *Access to Loans* also fell marginally.

Professional opinions about the *Protection of Intellectual Property* fell by 0.2 points. This was unable to impact IPR which registered a score of 5.8.

KAZAKHSTAN

World Rank: 107

Regional Rank: 19



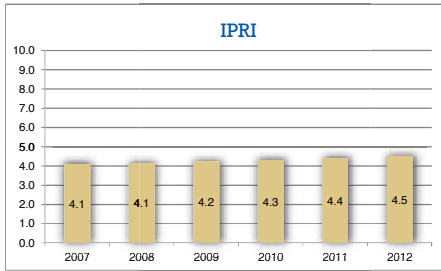
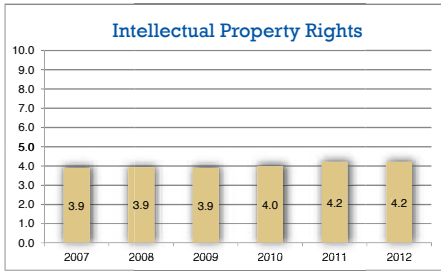
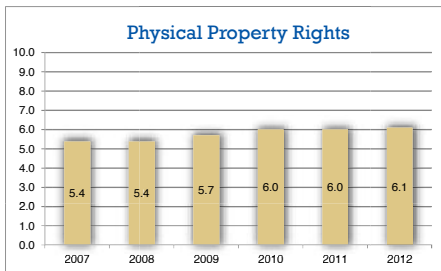
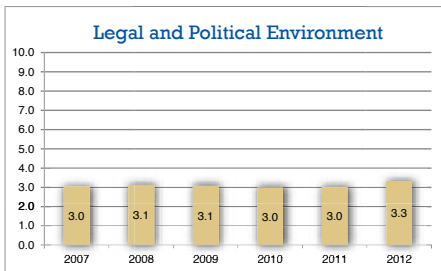
Kazakhstan saw a marginal decrease in IPRI for 2011. All four sub-components for LP declined, with *Political Stability* seeing the largest change of 0.5. Accordingly, LP fell 0.2 points.

Kazakhstan's PPR score remained constant as *Protection of Physical Property* fell by 0.1 points with all other sub-components experiencing no change.

Copyright Piracy levels improved, although professional opinions about the *Protection of Intellectual Property* declined 0.3 points. The result is a 0.1 decrease for IPR.

KENYA

World Rank: 97 Regional Rank: 17



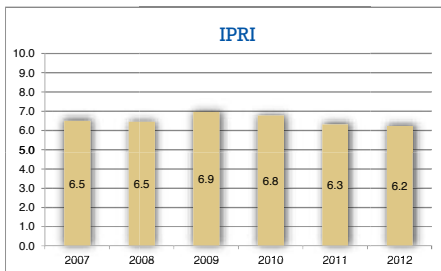
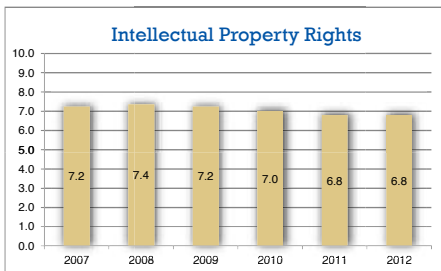
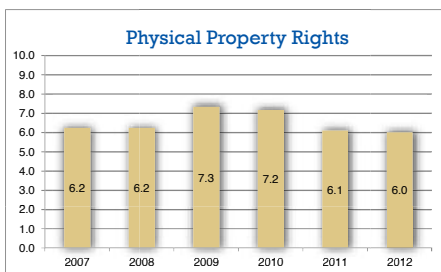
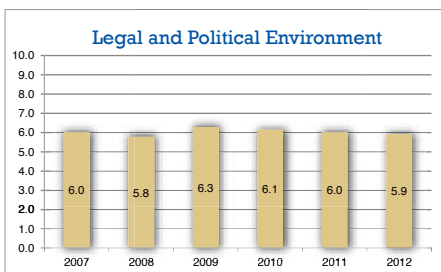
IPRI improved in Kenya for the fourth consecutive year. LP jumped 0.3 points. A half point gain in *Judicial Independence* was accompanied by impressive gains in the other three sub-components.

PPR returned to growth in 2012, increasing 0.1 points. *Access to Loans* posted a 0.4 point gain while the other sub-components were static.

IPR experienced no change in 2012 as every sub-component replicated their 2011 levels.

KOREA, REPUBLIC OF (SOUTH KOREA)

World Rank: 40 Regional Rank: 8



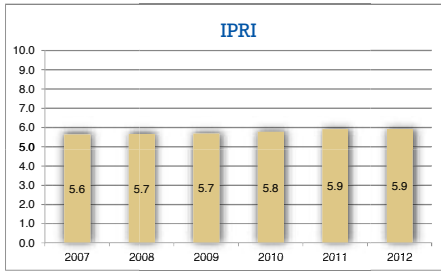
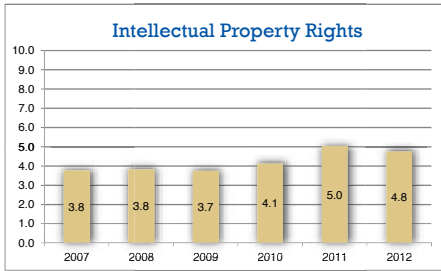
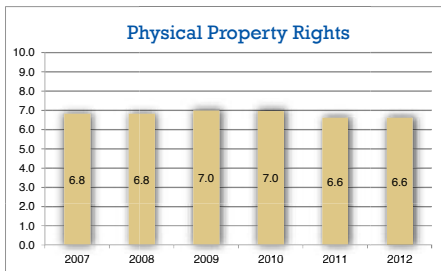
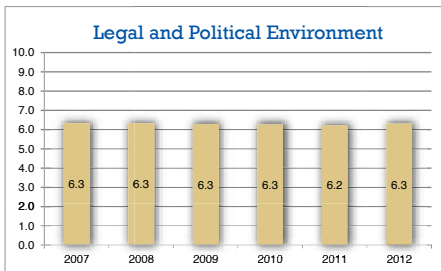
Korea's IPRI continued to decline, falling to its lowest score since the beginning of the index. *Judicial Independence* and *Political Stability* fell 0.3 and 0.2 points, respectively. While *Rule of Law* did not budge, *Control of Corruption* fell with the combined effect resulting in LP score 0.1 points lower than 2011.

Access to Loans declined, but not as much as *Protection of Physical Property* which plummeted 0.2 points. A high *Registering Property* score of 8.5 helps maintain PPR at 6.0.

The amount of copyright piracy marginally increased and professional opinions about Korea's *Protection of Intellectual Property* slightly fell. However, this failed to move IPR from its 2011 mark of 6.8.

KUWAIT

World Rank: 49 Regional Rank: 8



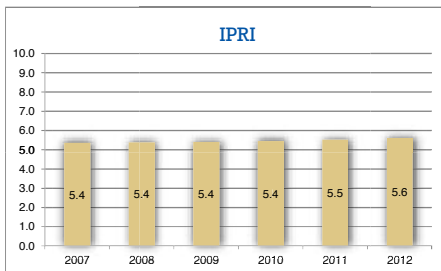
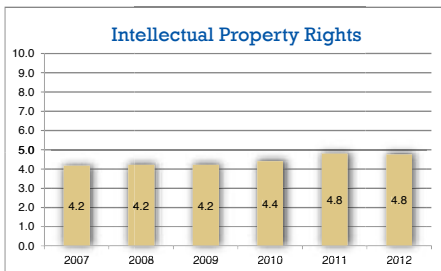
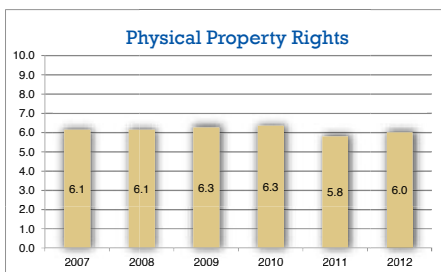
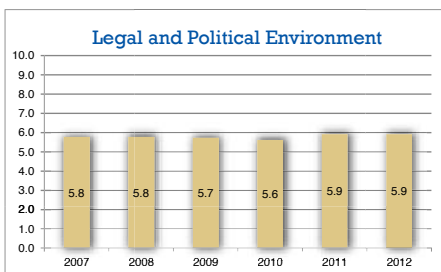
IPRI did not change for Kuwait this year. A 0.3 point gain in *Judicial Independence* and a 0.1 point improvement in *Political Stability* was enough to offset decreases in *Rule of Law* and *Control of Corruption*. This pushed LP up by 0.1 points.

PPR experienced no change as a 0.1 point increase in *Protection of Physical Property* and a 0.2 point decrease in *Access to Loans* yielded no net effect.

IPR accounted for almost all of the decrease in IPRI as *Protection of Intellectual Property* fell by 0.4 points. That decrease combined with the lack of data on *Patent Protection* resulted in a more than 50% decline in IPR.

LATVIA

World Rank: 55 Regional Rank: 8



IPRI for Latvia changed for the second time since 2007, increasing by 0.1 points. *Judicial Independence* and *Political Stability* improved in 2011 compensating for losses in *Rule of Law* and *Control of Corruption*. This caused LP to experience no change in 2012.

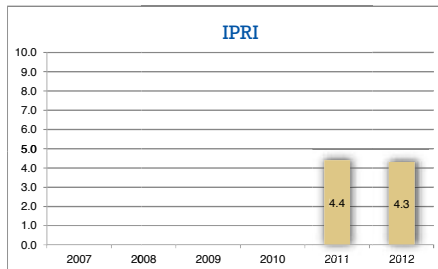
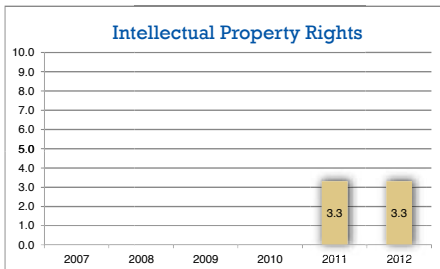
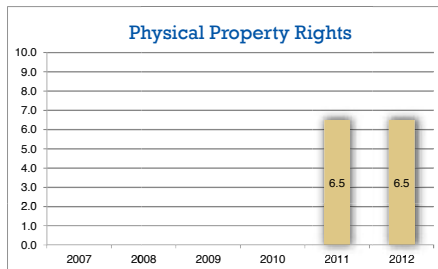
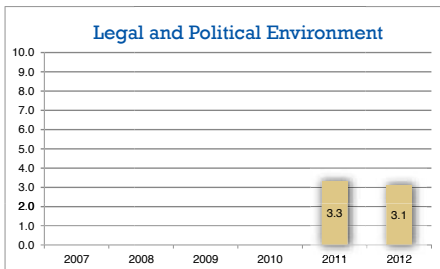
PPR improved 0.2 points over last year. A robust 0.8 point increase in *Access to Loans* more than made up for a 0.2 point decline in *Protection of Physical Property*.

Latvia's IPR stayed the same in 2012 resulting from a lack of information on *Patent Protection* and no movement in the other sub-components.

LEBANON

World Rank: 107

Regional Rank: 14



Lebanon saw its IPRI fall by 0.1 points over the last year. Lebanon's LP score deteriorated 0.2 points after realizing declines in three of four sub-components. Only *Rule of Law* maintained its 2011 mark of 3.7.

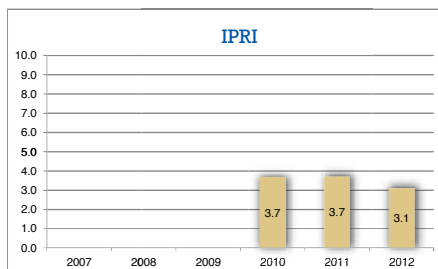
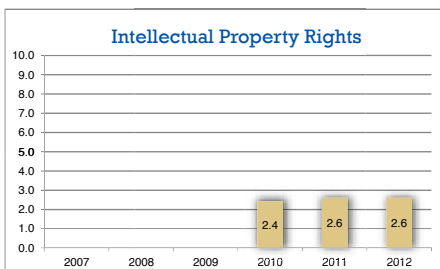
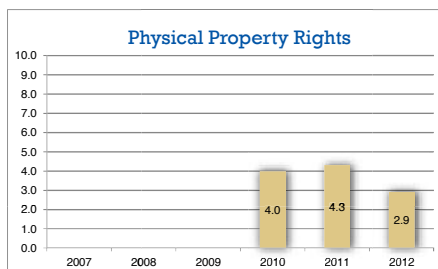
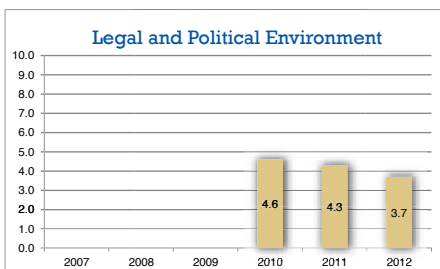
PPR in Lebanon's remains highest component score at 6.5. It's bolstered by a fairly strong 8.1 *Registering Property* score. The entire process takes about 8 steps and 25 days to complete. A small increase in *Access to Loans* offset a 0.2 point decline in *Protection of Physical Property*.

IPR did not change from last year's score. Professional opinion of the intellectual property environment is low while software piracy rates hover around 70%.

LIBYA

World Rank: 129

Regional Rank: 17



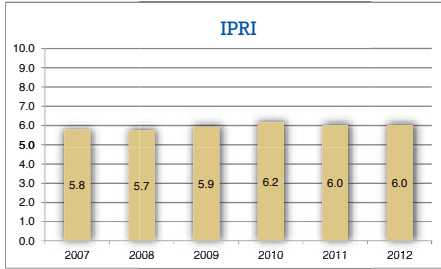
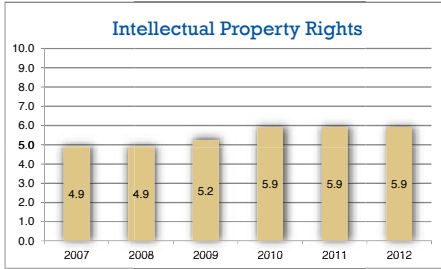
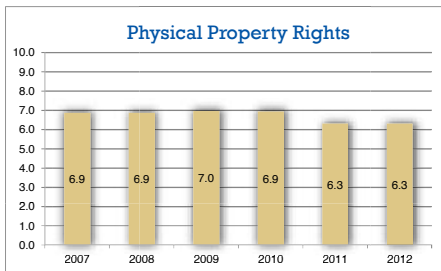
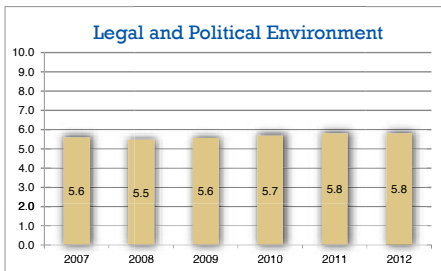
IPRI in Libya fell by 0.6 points. Deterioration in three of four sub-components accounted for a 0.6 point decline in LP. A 0.5 drop in *Rule of Law* was especially deleterious.

PPR also fell significantly in 2012, falling by 1.4 points. Data was still unavailable for *Registering Property*.

Both *Copyright Piracy* and *Protection of Intellectual Property* were unchanged. This kept IPR at 2.6 for the second consecutive year.

LITHUANIA

World Rank: 47 Regional Rank: 6



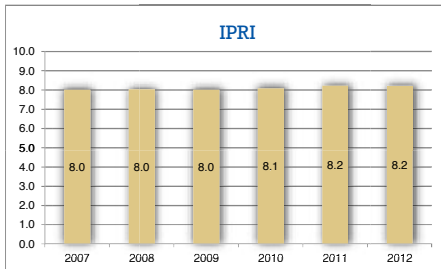
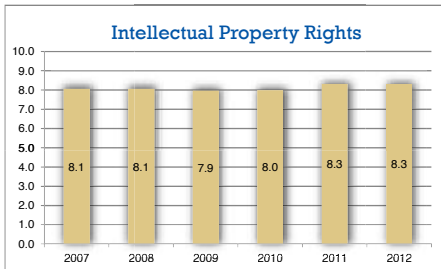
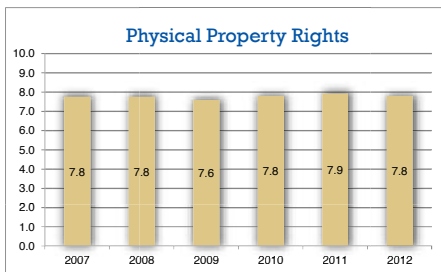
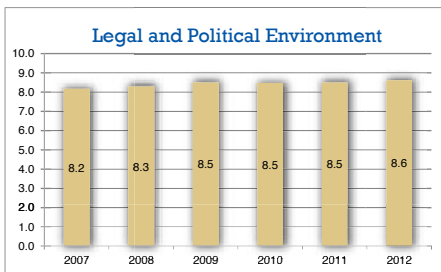
IPRI in Lithuania was immovable in 2012. LP was similarly static. *Control of Corruption* and *Rule of Law* saw moderate gains while only *Judicial Independence* saw negative change among LP sub-components.

PPR also experienced no change along with each of its sub-components.

Expert opinion regarding Lithuania's *Protection of Intellectual Property* fell by 0.1 points this year, as did *Copyright Piracy*. There was no change for IPR.

LUXEMBOURG

World Rank: 6 Regional Rank: 5



In addition to leading the world in per capita GDP, Luxembourg maintained its consistently high IPRI score in 2012. *Judicial Independence* increased for the fifth consecutive year, but a marginal decline in *Rule of Law* meant LP increased 0.1 points.

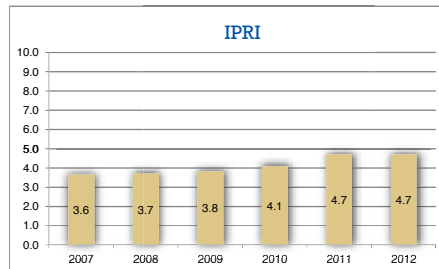
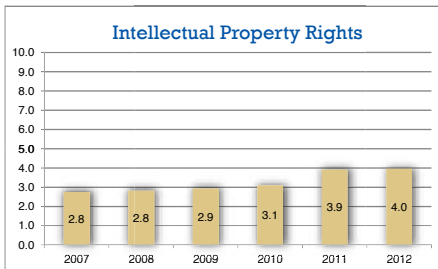
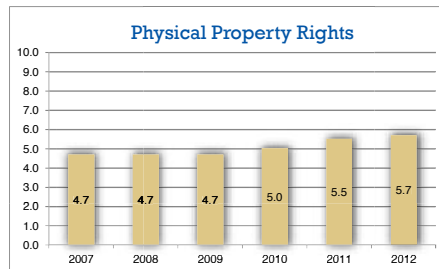
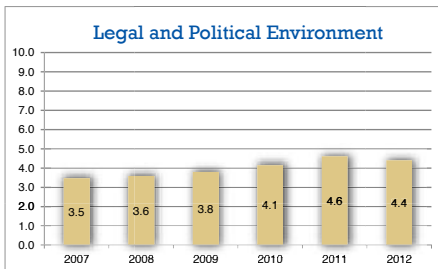
PPR fell thanks to a 0.5 fall in *Access to Loans*. *Protection of Physical Property* saw a slight increase.

IPR saw no change this year. *Copyright piracy* improved by 0.1 points to match a 0.1 decrease in *Protection of Intellectual Property*.

MACEDONIA

World Rank: 87

Regional Rank: 14



Macedonia saw no movement in its IPRI score in 2012. Three of four sub-component scores of LP decreased. Only *Control of Corruption* held steady at 4.9.

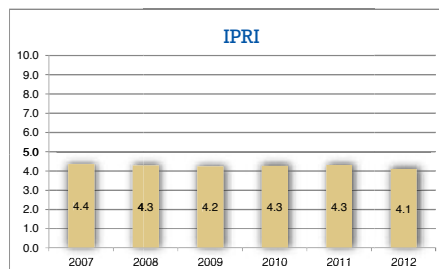
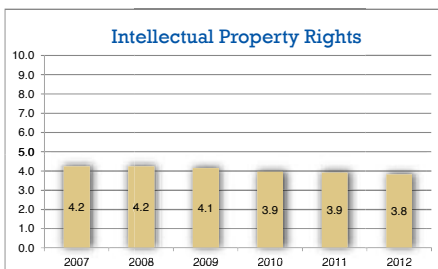
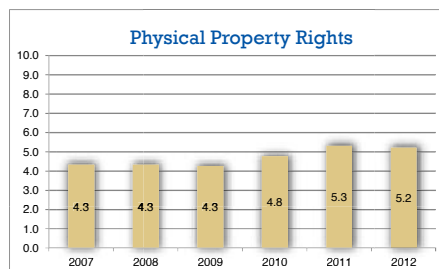
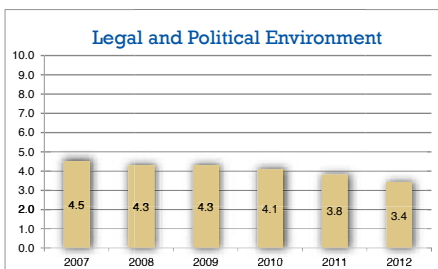
PPR managed to rise 0.2 points on a strong 0.6 point increase in *Access to Loans*. All other sub-components registered no change.

Improving expert opinion pushed *Protection of Intellectual Property* up 0.1 points. This combined with a small improvement in *Copyright Piracy* to raise IPR 0.1 points.

MADAGASCAR

World Rank: 115

Regional Rank: 20



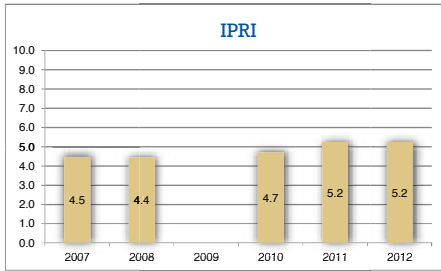
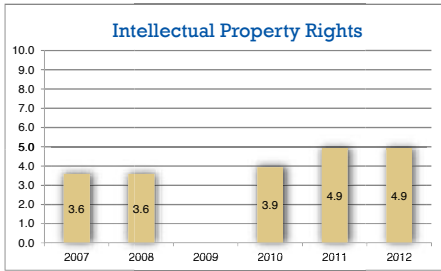
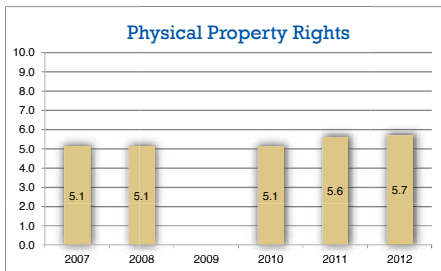
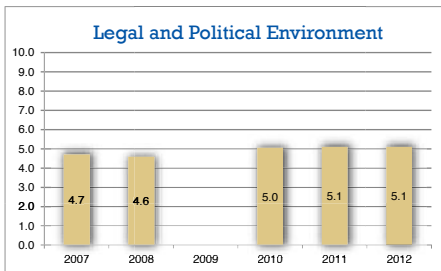
Madagascar's IPRI score declined by 0.2 points. LP fell 0.4 points as three of four sub-components decreased. The full point decrease in *Political Stability* was especially devastating.

PPR failed to improve this year, posting a 0.1 point decrease. This was largely driven by a 0.3 point decrease in *Protection of Physical Property* and a 0.1 point decrease in *Access to Loans*.

All sub-component scores for IPR were relatively stable this year. This meant only a marginal decline in IPR in 2012.

MALAWI

World Rank: 69 Regional Rank: 6



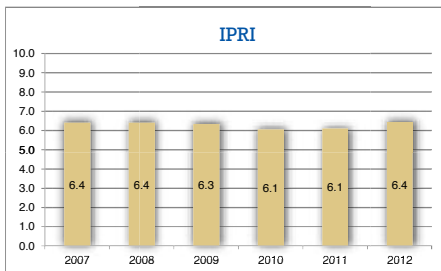
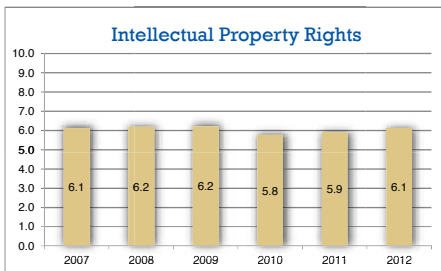
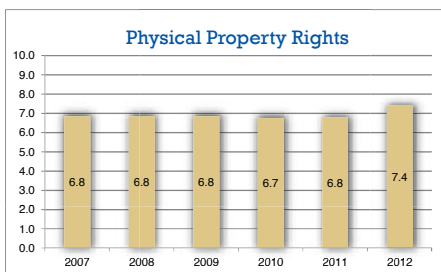
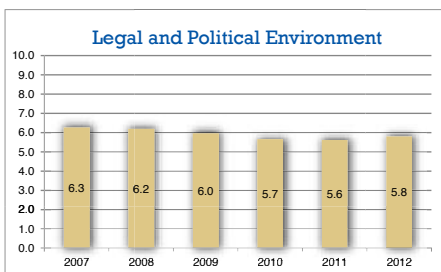
Malawi registered no change in IPRI in 2012. Likewise LP remained constant as a 0.3 point increase in *Political Stability* and a 0.1 point increase in *Control of Corruption* compensated for a 0.4 point loss in *Judicial Independence*.

PPR Improved slightly in 2012. This was largely driven by 0.5 point improvement in *Registering Property*. A 0.3 point decline in *Protection of Physical Property* blunted the effect of this increase.

Improving expert opinion caused *Protection of Intellectual Property* to jump 0.1 points this year. This was not enough to increase IPR.

MALAYSIA

World Rank: 36 Regional Rank: 7



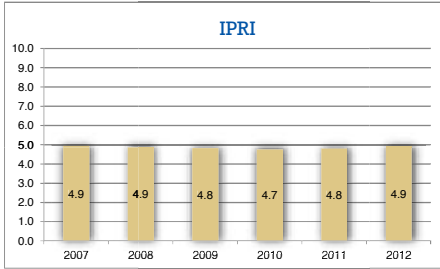
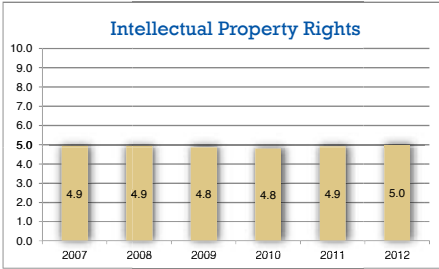
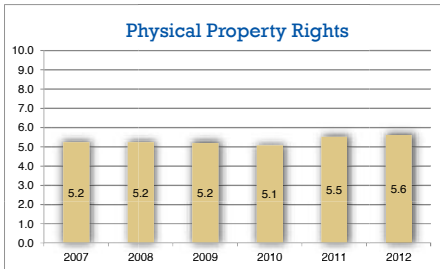
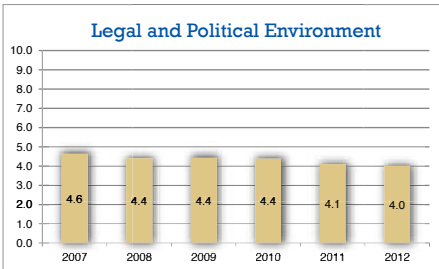
IPRI in Malaysia increased 0.3 points in 2012. LP climbed 0.2 points based on increases in *Judicial Independence*, *Political Stability*, and *Rule of Law*.

PPR sub-components experienced dynamic growth this year. *Protection of Physical Property* was up 0.8 points, *Registering Property* increased 1.2 points, and *Access to Loans* posted a 0.3 point gain. As a result, PPR soared 0.6 points.

Copyright Piracy improved along with *Protection of Intellectual Property*. This translated into a 0.2 point gain for IPR.

MALI

World Rank: 81 Regional Rank: 11



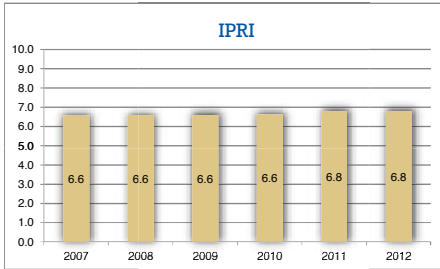
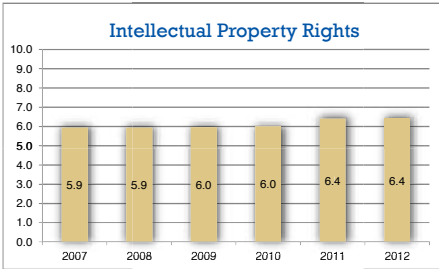
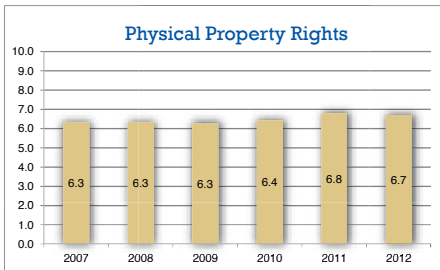
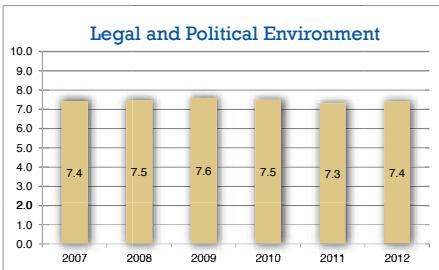
IPRI in Mali increased to 4.9 this year. LP experienced a net drop of 0.1 points. *Judicial Independence* and *Rule of Law* saw small decreases while the other sub-components saw no change.

PPR grew 0.1 points in 2012. This was driven by a 0.4 point jump in *Access to Loans*, which made up for a 0.1 point decline in *Protection of Physical Property*.

Copyright data remained unavailable, but professional opinion of Mali's intellectual property rights environment did not change. This nudged IPRI up to 4.9.

MALTA

World Rank: 26 Regional Rank: 15



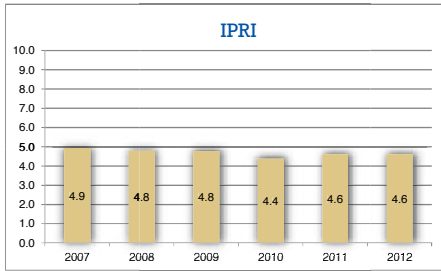
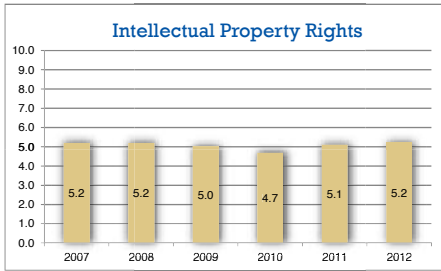
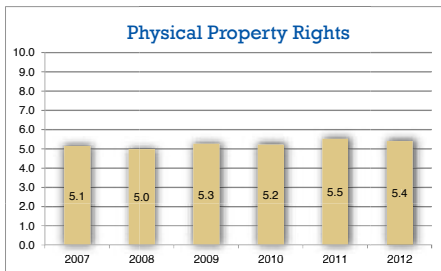
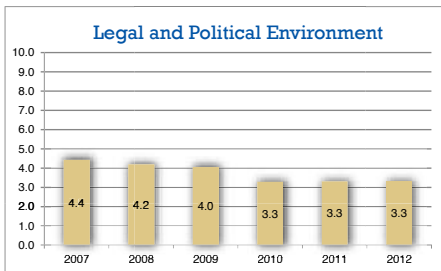
Malta's IPR has not changed from last year's score. LP increased as both *Judicial Independence* and *Political Stability* realized gains.

PPR fell by 0.1 points. This occurred despite small losses in *Protection of Physical Property* and *Access to Credit*. Data for *Registering Property* remained unavailable.

Copyright Piracy climbed 0.2 points but overall IPR failed to register improvement from last year.

MAURITANIA

World Rank: 93 Regional Rank: 14



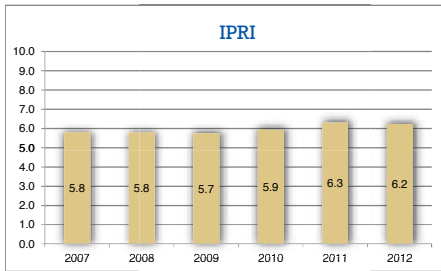
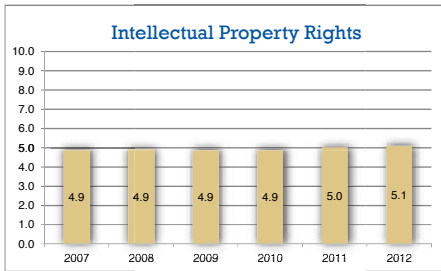
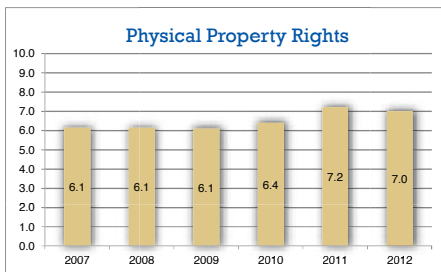
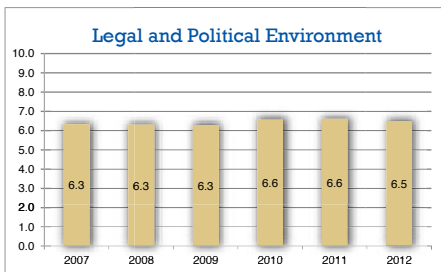
Mauritania's IPRI remained constant in 2012. LP was unchanged as gains in *Judicial Independence* were offset by losses in *Rule of Law*, *Political Stability*, and *Control of Corruption*.

PPR declined slightly in 2012. Marginal deterioration in *Access to Loans* accounted for the change.

Improving expert opinion pushed *Protection of Intellectual Property* up by 0.3 points. This led to a 0.1 point increase in IPR. Copyright data remained unavailable.

MAURITIUS

World Rank: 40 Regional Rank: 3



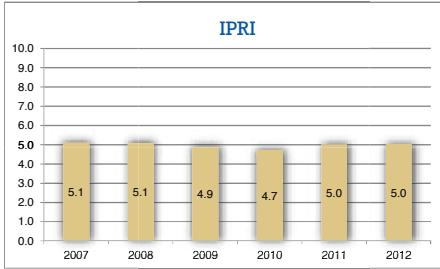
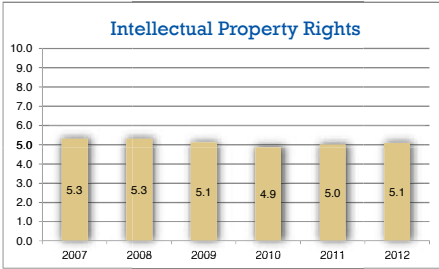
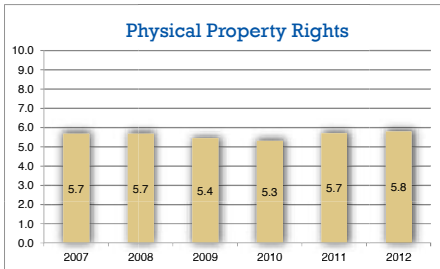
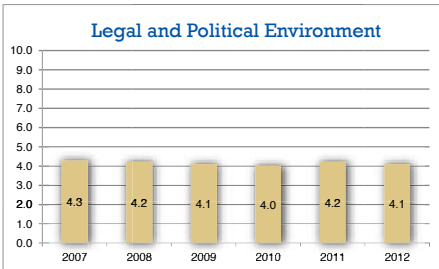
IPRI in Mauritius fell 0.1 points from 2011. LP likewise declined by 0.1 points as *Rule of Law*, *Political Stability*, and *Control of Corruption* posted small losses.

Protection of Physical Property and *Access to Loans* both declined this year. *Registering Property* remained constant. This led to a 0.2 point decrease in PPR.

Mauritius saw improvement in *Copyright Piracy* but expert opinion regarding the *Protection of Intellectual Property* slightly decreased. This led to a 0.1 increase in IPR for the year.

MEXICO

World Rank: 76 Regional Rank: 10



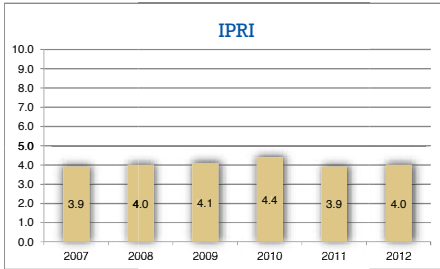
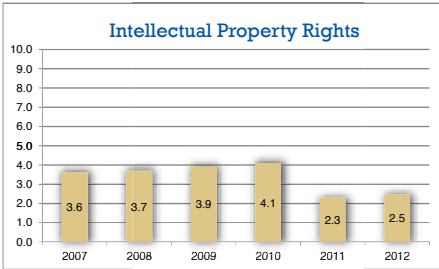
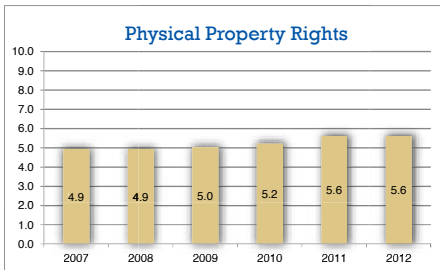
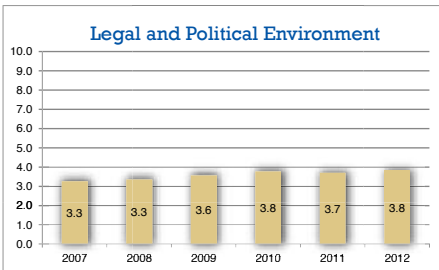
IPRI in Mexico was static in 2012. LP fell 0.1 points behind strong improvement in *Political Stability* and *Control of Corruption*.

PPR improved by 0.1 points this year thanks to increases *Protection of Physical Property* and *Access to Loans*. *Registering Property* saw no change.

Protection of Intellectual Property increased a solid 0.2 points in 2012. This combined with a 0.1 point increase in *Copyright Piracy* to produce a 0.1 point improvement in IPR.

MOLDOVA

World Rank: 118 Regional Rank: 23



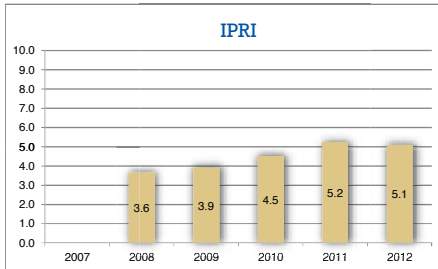
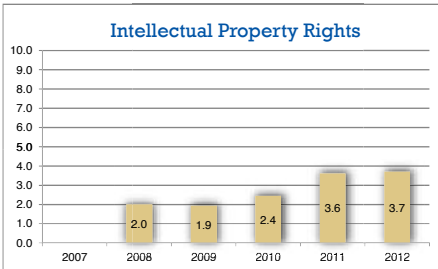
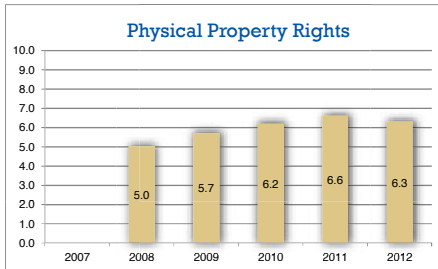
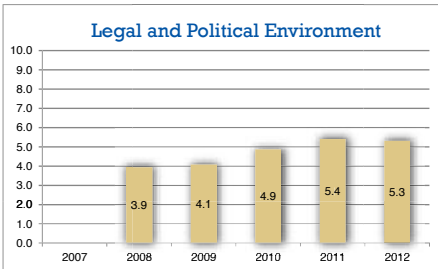
Moldova experienced a 0.1 point increase in IPRI in 2012. LP rose a similar 0.1 points on a 0.2 point increase in *Political Stability*. The other sub-components saw little or no change.

PPR remained constant as *Access to Loans* posted the only change among sub-components.

Improving scores in *Protection of Intellectual Property* and *Copyright Piracy* resulted in a 0.2 point increase in IPR for 2012.

MONTENEGRO

World Rank: 72 Regional Rank: 13



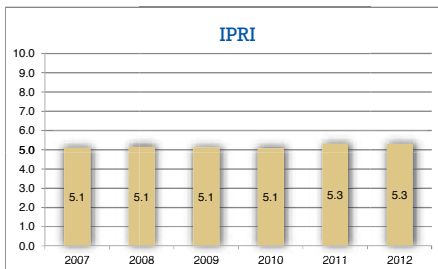
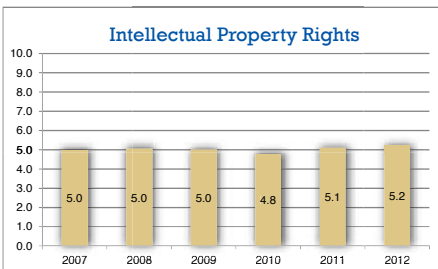
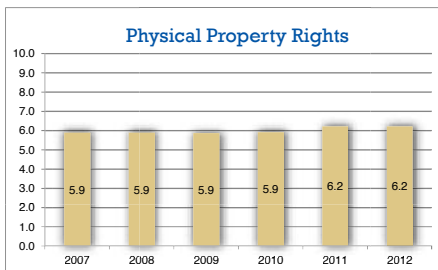
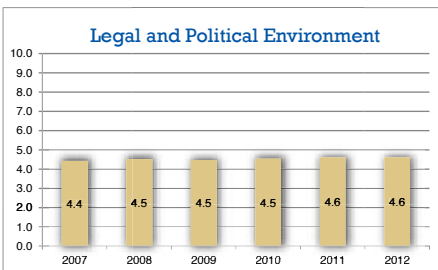
IPRI in Montenegro fell by 0.1 points in 2012. LP fell by 0.1 points as three of four sub-components registered mild losses. *Judicial Independence* was the only sub-component to show a positive change.

The PPR score decreased by 0.3 points in 2012 because of the deterioration in *Protection of Physical Property* and *Access to Loans*.

The IPR score increased 0.1 points. Improvements in *Protection of Intellectual Property* and *Copyright Piracy* accounted for the change.

MOROCCO

World Rank: 65 Regional Rank: 11



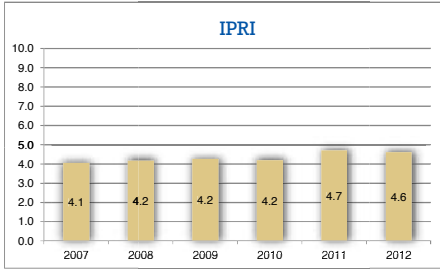
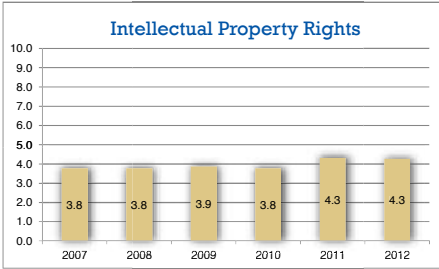
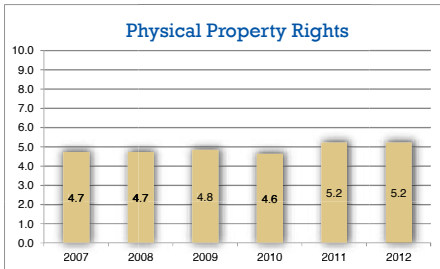
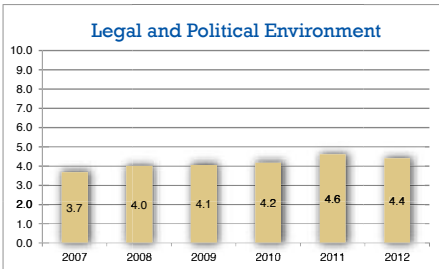
IPRI in Morocco continues to demonstrate its stability. All three components have shown no dramatic changes. The biggest change was in IPR in the sub-component of *Protection of Intellectual Property*, which increased approximately 0.2 points. Property rights have not shown significant change in 2012. Morocco's LP score was static.

The PPR also remained constant. The sub-component, *Access to Loans*, showed an increase of 0.1 points only to be offset by an equal loss in *Protection of Physical Property*.

Morocco's IPR score climbed to 5.2. Improvements in *Protection of Intellectual Property* and *Copyright Piracy* accounted for the change.

MOZAMBIQUE

World Rank: 93 Regional Rank: 14



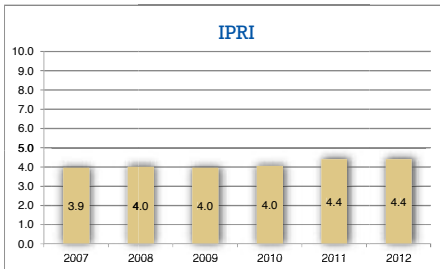
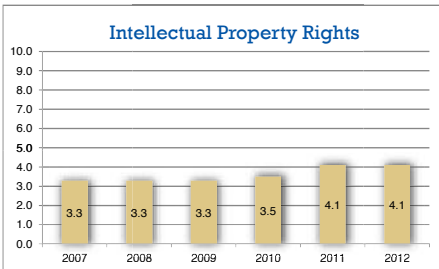
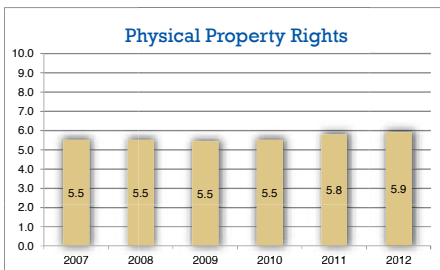
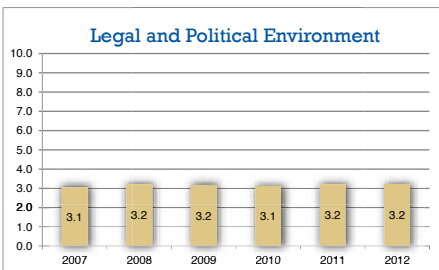
IPRI in Mozambique fell by 0.1 points in 2012. LP decreased by 0.2 points as *Judicial Independence* and *Political Stability* fell by 0.3 and 0.4 points, respectively.

PPR saw no change as each sub-component registered little or no change.

IPR score did not change but *Protection of Intellectual Property* decreased by 0.1 points.

NEPAL

World Rank: 102 Regional Rank: 17



IPRI in Nepal has remained at 4.4. LP has not changed as each sub-component traded small increases and decreases.

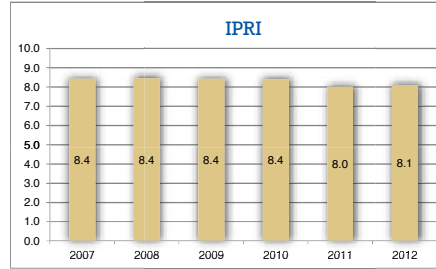
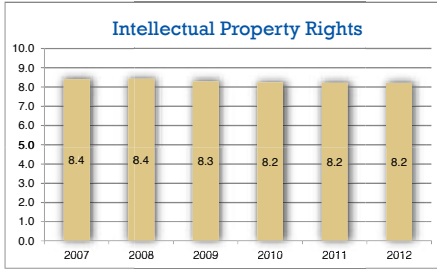
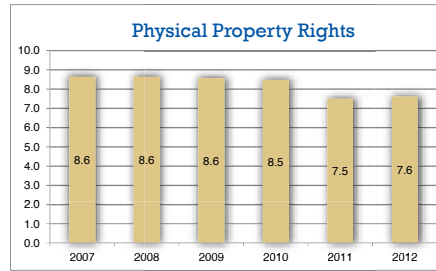
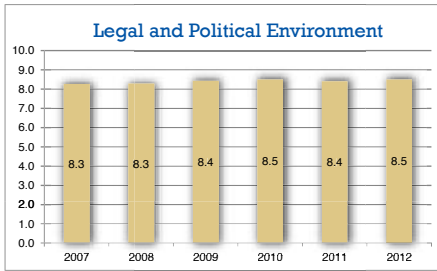
PPR in Nepal gained 0.1 points due to two of three of its subcategories increasing in 2012.

The IPR score remained constant as the two known sub-components saw little or no change.

NETHERLANDS

World Rank: 9

Regional Rank: 7



IPRI in the Netherlands experienced a 0.1 point increase in 2012. *Judicial Independence*, *Control of Corruption*, and *Political Stability* all increased. *Rule of Law* remained unchanged.

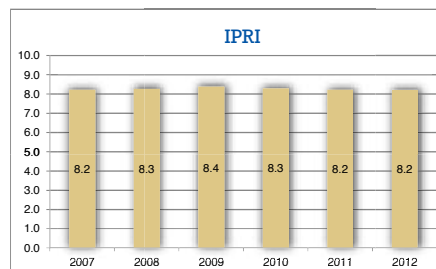
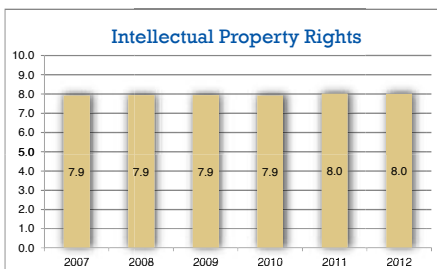
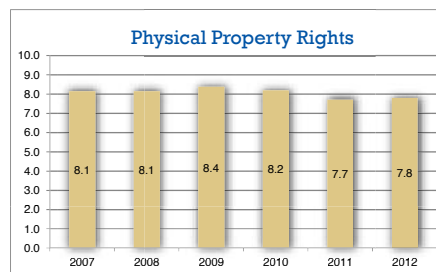
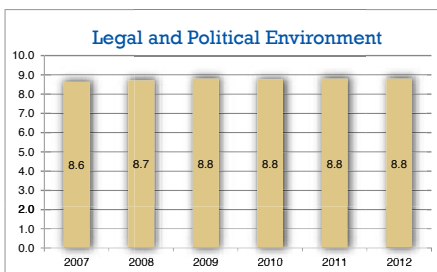
The PPR score increased in 2012 by 0.1 points. A 0.2 point increase in *Access to Loans* accounted for the increase.

This year the IPR score remained unchanged as each sub-component experienced little or no change.

NEW ZEALAND

World Rank: 6

Regional Rank: 2



New Zealand's IPRI in 2012 remained 8.2. LP also remained unchanged from 2011. *Political Stability* improved by 0.3 points, while *Judicial Independence*, *Rule of Law*, and *Control of Corruption* sustained small losses.

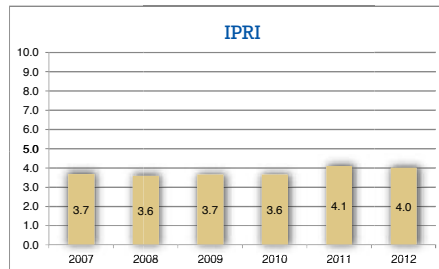
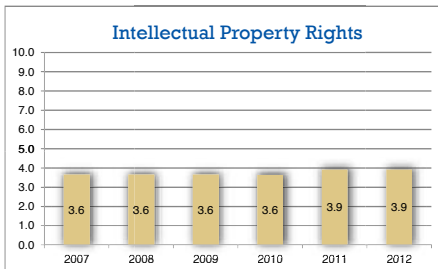
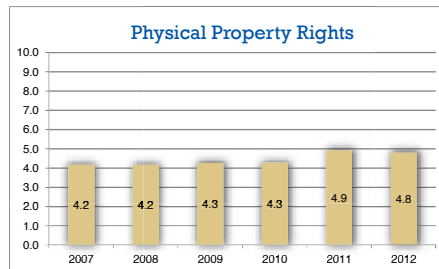
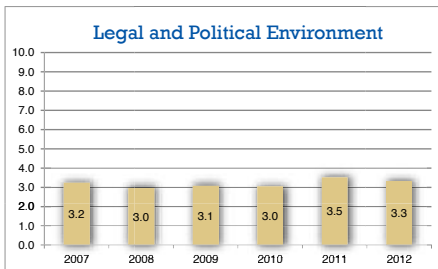
PPR saw a small increase this year. *Protection of Physical Property* and *Access to Loans* experienced 0.1 point and 0.3 point increases, respectively. *Registering Property* held constant at last year's mark of 9.8.

This year the IPR experienced no change as each sub-component experienced no movement.

NICARAGUA

World Rank: 118

Regional Rank: 21



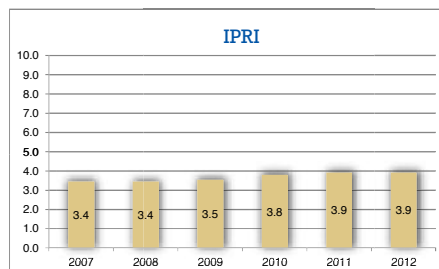
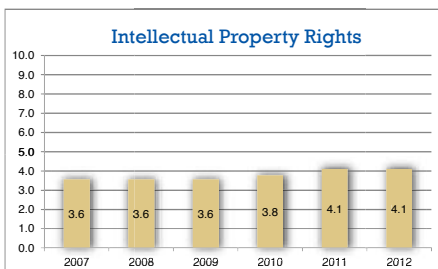
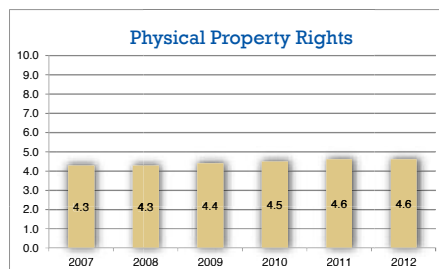
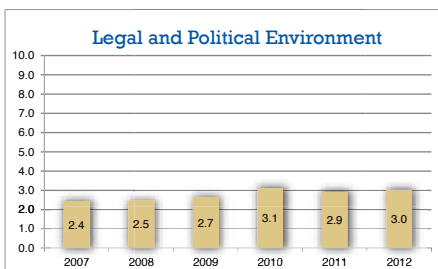
In 2012 IPRI fell by 0.1 points for Nicaragua. LP decreased by 0.2 points with *Judicial Independence* experiencing the most drastic decrease.

The PPR score fell by 0.1 points. *Access to Loans* showed the greatest change out of the subcategories falling by 0.3 points. This erased a 0.2 point gain in *Protection of Physical Property*. IPR failed to increase, remaining at 3.9 in 2012. Each sub-component was likewise static.

NIGERIA

World Rank: 122

Regional Rank: 22



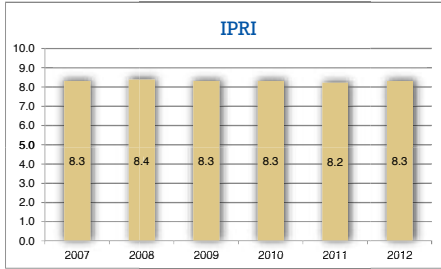
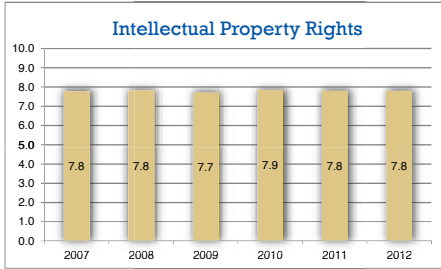
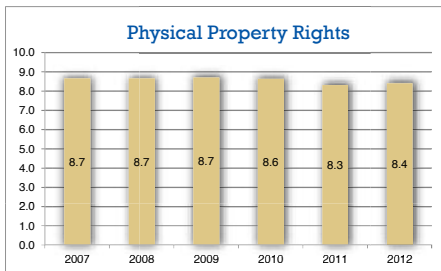
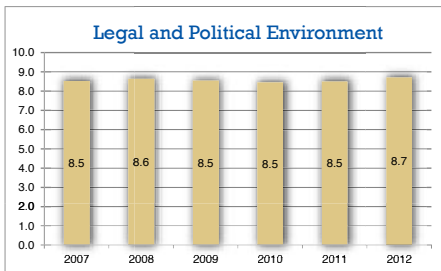
This year Nigeria saw its IPRI remain constant. LP was the lone change increasing by 0.1 points. This was the result of a 0.3 point increase making up for a 0.2 point decline in *Political Stability*. *Control of Corruption* also realized a modest improvement.

PPR showed no movement in 2012. *Access to Loans* improved by 0.1 points, while *Protection of Physical Property* decreased by a 0.2 point.

IPR yielded no change in 2012. Each sub-component registered little or no change.

NORWAY

World Rank: 3 Regional Rank: 3



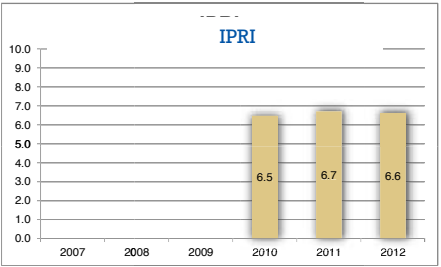
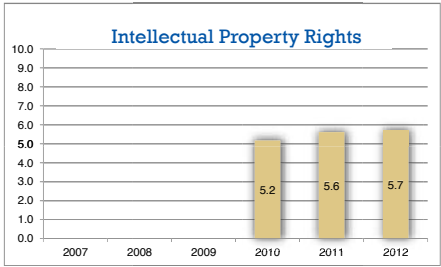
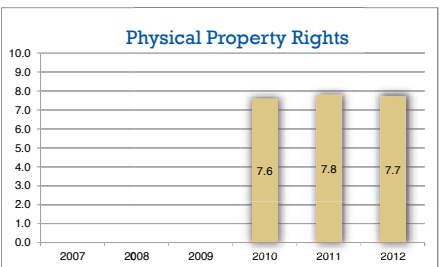
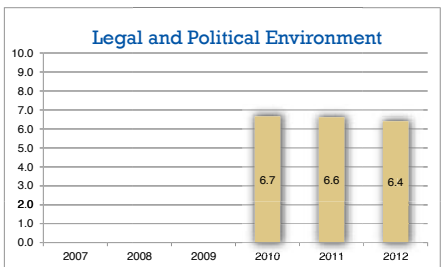
Norway improved upon its stellar property rights record, increasing its IPRI score by 0.1 points. Every sub-component of LP increased, improving the overall LP score to 8.7.

Norway's PPR increased 0.1 points but the *Access to Loans* was the only sub-category that increased (by 0.3 points) in 2012. *Protection of Physical Property* fell by 0.2 points, while *Registering Property* saw no change.

IPR was static in 2012 as each sub-component repeated its 2011 performance.

OMAN

World Rank: 31 Regional Rank: 5



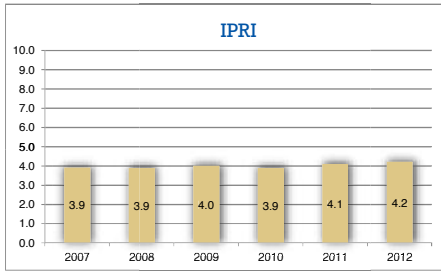
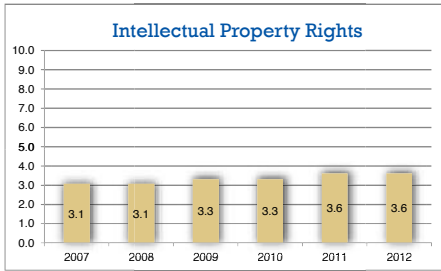
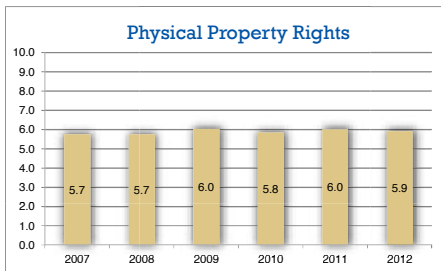
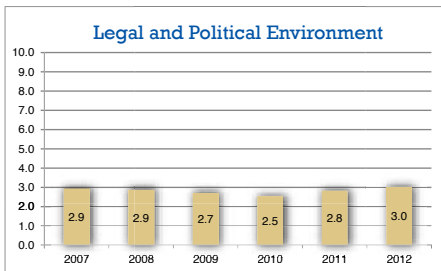
Oman's IPRI fell by 0.1 points in 2012. LP fell by 0.2 points as three of four sub-components posted losses. *Judicial Independence* is the only subcategory that managed to maintain its 2011 level.

PPR seems to be very strong in Oman again, but nevertheless decreased by 0.1 points. Oman's *Access to Loans* was the only sub-component to fall, slipping 0.1 points.

Again, IPR was the weakest component in Oman despite rising 0.1 points since last year. Once again, *Patent Protection* did not have any data this year. *Protection of Intellectual Property* and *Copyright Piracy* each increased 0.1

PAKISTAN

World Rank: 113 Regional Rank: 18



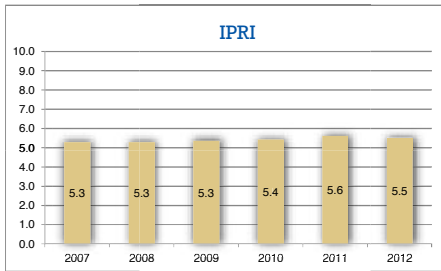
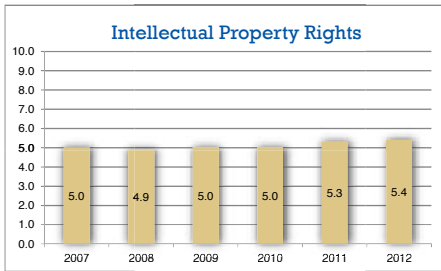
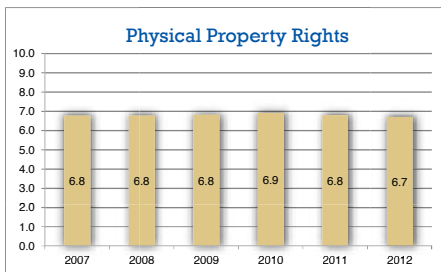
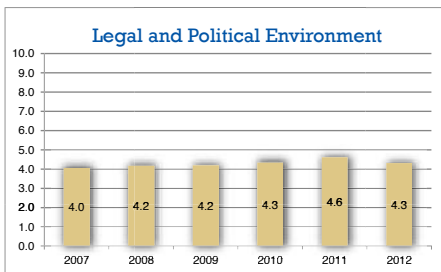
Pakistan saw another year of improvement in its IPRI score, which rose slightly, by 0.1 points. LP saw an improvement by 0.2 points driven largely by improvements in the *Judicial Independence* and *Rule of Law*. This adjustment did not affect component or IPRI scores.

The PPR score decreased by 0.1 points, with *Protection of Physical Property* decreasing by 0.2 points. *Access to Loans* also declined by 0.1 points.

IPR remained unchanged from last year.

PANAMA

World Rank: 57 Regional Rank: 5



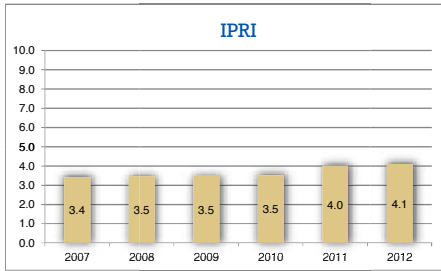
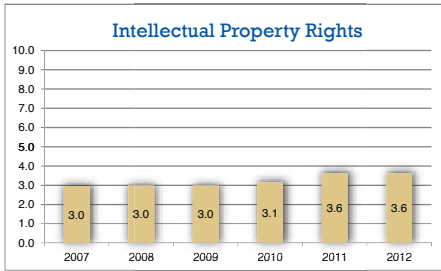
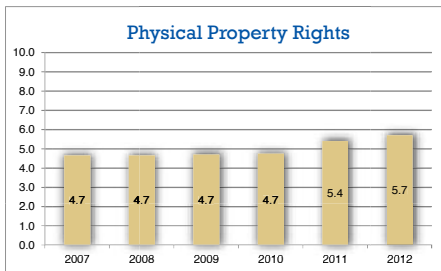
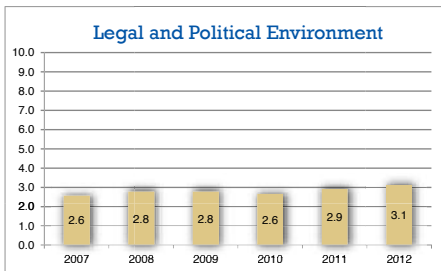
IPRI score for Panama decreased by 0.1 points this year. LP also saw a decline of 0.3 points with all subcomponents registering a fall. *Judicial Independence* fell by 0.6 points and *Political Stability* decreased by 0.3 points. *Control of Corruption* also declined by 0.2 points.

PPR's decrease by 0.1 points is driven largely by a decline in *Access to Loans* subcomponent, which fell by 0.3 points.

IPR improved slightly, by 0.1 points, and the improvement is seen in the *Protection of Intellectual Property* and *Copyright Piracy* subcomponents, which improved by 0.3 and 0.1 points respectively.

PARAGUAY

World Rank: 115 Regional Rank: 20



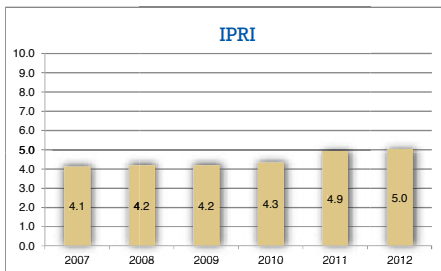
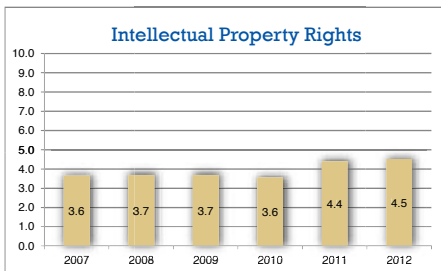
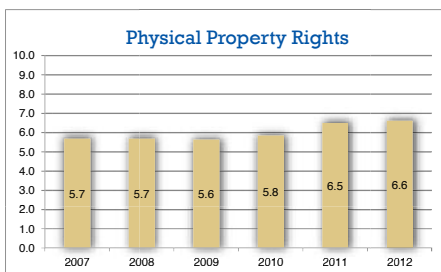
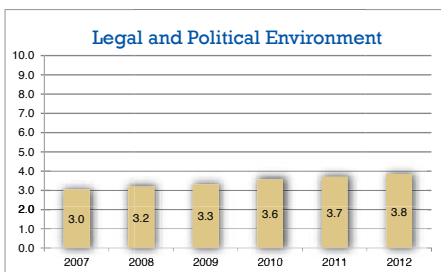
IPRI for Paraguay improved slightly this year, improving by 0.1 points, with improvements seen in both LP and PPR. LP improved by 0.2 points and improvements were seen in *Rule of Law*, *Political Stability* and *Control of Corruption*

PPR improved by 0.3 points with improvements in both *Protection of Physical Property* and *Access to Loans*.

IPR remains unchanged for this year.

PERU

World Rank: 76 Regional Rank: 10



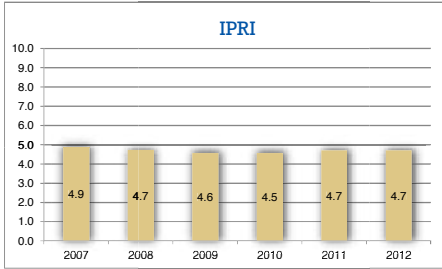
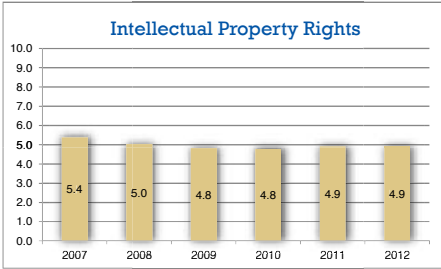
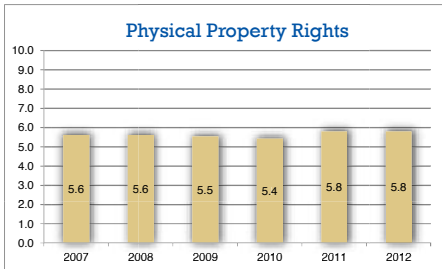
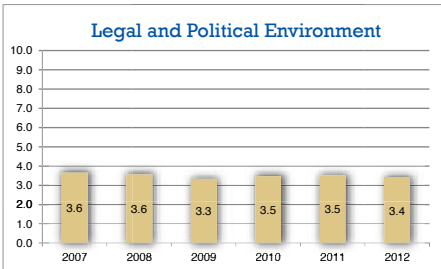
As happened last year all components of IPRI in Peru increased in 2012 as well. LP increased by 0.1 points – *Rule of Law* improved by 0.1 points, *Political Stability* by 0.2 points, and *Control of Corruption* by 0.2 points.

PPR improved slightly, by 0.1 points. Improvements were seen in *Registered Property*, which went up by 0.1 points, and in *Access to Loans*, which improved by 0.4 points.

IPR also increased by 0.1 points with increase of 0.2 points in the *Copyright Piracy* subcomponent.

PHILIPPINES

World Rank: 87 Regional Rank: 15



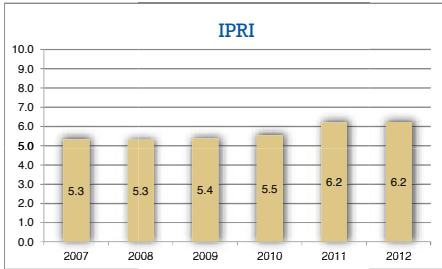
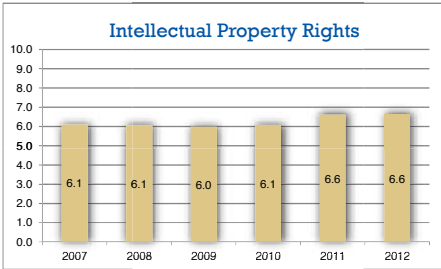
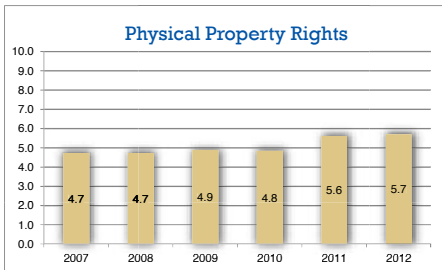
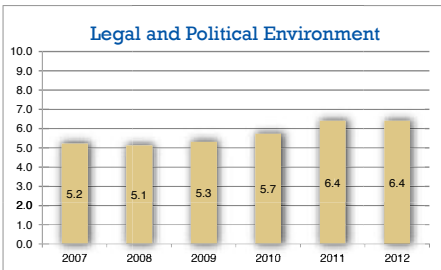
IPRI remains unchanged from last year with only LP registering a change this year. LP decreased by 0.1 points – although *Judicial Independence* improved by 0.1 points, *Political Stability* declined by 0.3 points and *Control of Corruption* declined by 0.2 points.

PPR score remains at 5.8 this year with no change.

IPR also remains unchanged from last year's score of 4.9.

POLAND

World Rank: 40 Regional Rank: 4



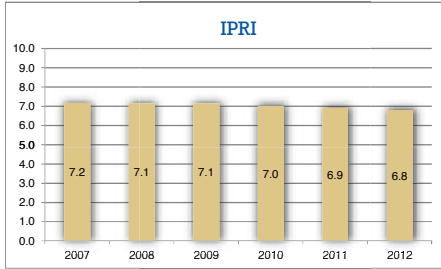
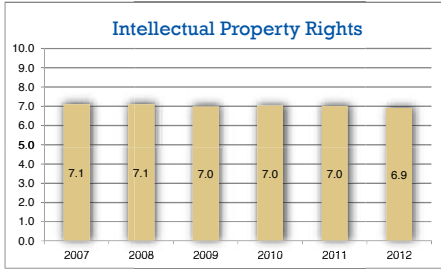
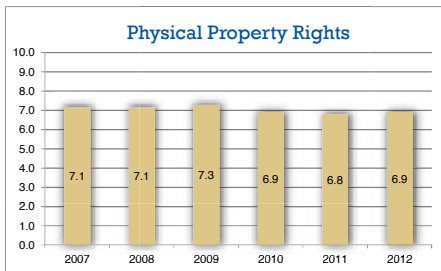
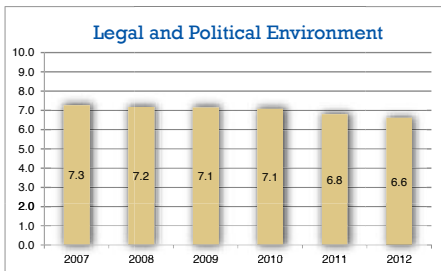
Poland's IPRI remains unchanged from last year. Score for LP is also unchanged. The increase of 0.2 points for *Political Stability* is offset by a decrease of 0.2 points for the *Control of Corruption*.

PPR increased by 0.1 points driven largely by an improvement in the *Registered Property* subcomponent, which improved by 0.6 points. *Access to Loans* saw a decline of 0.2 points.

IPR remains unchanged from last year as well.

PORTUGAL

World Rank: 26 Regional Rank: 15



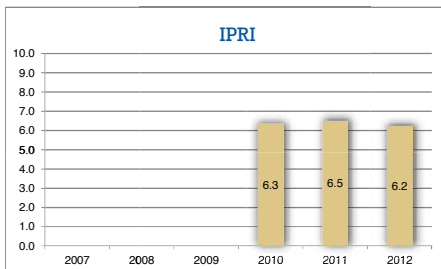
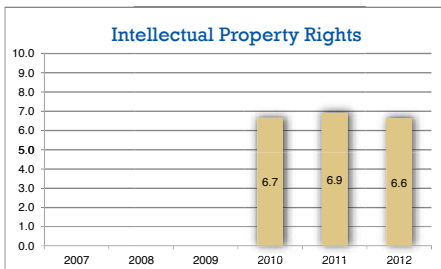
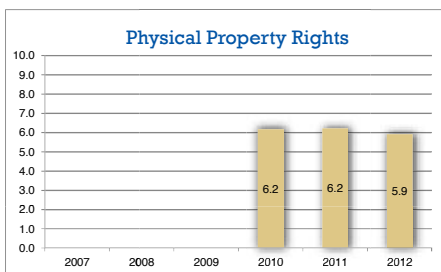
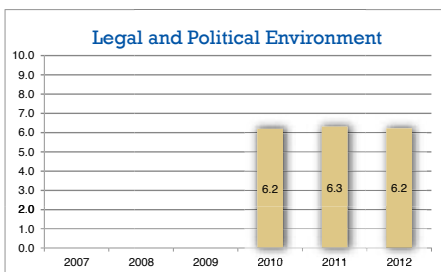
Portugal's IPRI decreased for the third consecutive year falling by 0.1 points. All of the components of IPRI took a slight decrease with an exception of PPR which improved by 0.1 points. LP fell 0.2 points. The changes in LP are due to the fact that *Judicial Independence* fell by 0.5 points while other subcategories decreased by a smaller amount.

The PPR improved by 0.1 points driven by an improvement in the *Registered Property* subcategory, which improved by 1.1 points. *Access to Loans* saw a decrease of 0.3 points.

IPR declined by 0.1 points largely due to a decline in the *Protection of Intellectual Property*.

PUERTO RICO

World Rank: 40 Regional Rank: 2



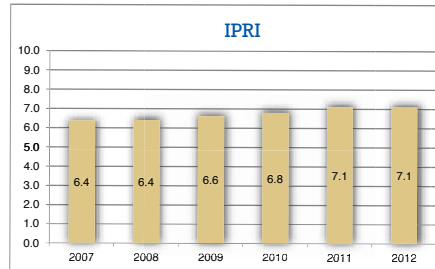
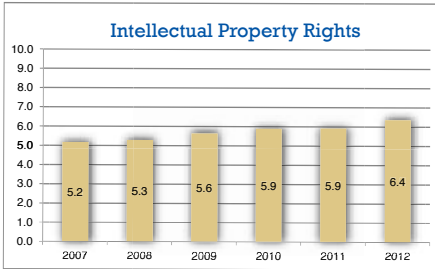
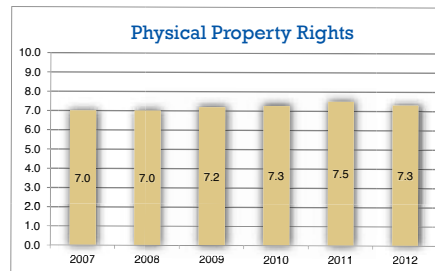
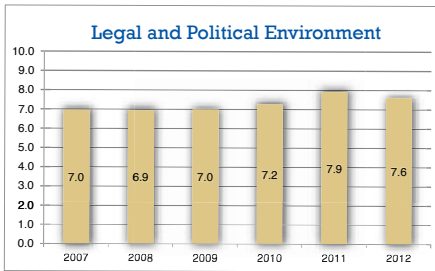
Puerto Rico's IPRI fell this year, decreasing by 0.3 points. LP registered a small decrease of 0.1 points with a decline in all subcomponents except *Rule of Law*, which improved by 0.1 points.

PPR decreased by 0.3 points driven by a decline in *Protection of Physical Property* and *Access to Loans*. The score for *Registered Property* remained the same as last year. IPR declined by 0.3 points driven by a decline in the *Protection of Intellectual Property*, which fell by 0.3 points.

QATAR

World Rank: 23

Regional Rank: 1



Qatar's IPRI score remains the same this year. LP has fallen by 0.3 points as a result of a decrease in *Judicial Independence* (which fell by 0.4 points) and also in the *Rule of Law* (decline of 0.2 points).

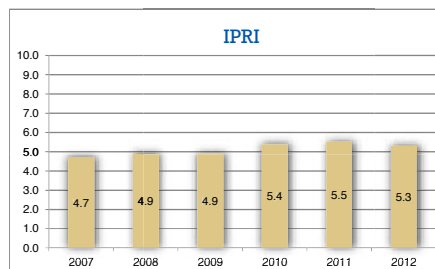
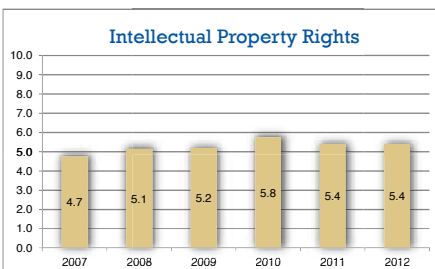
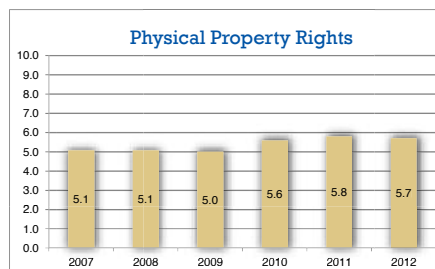
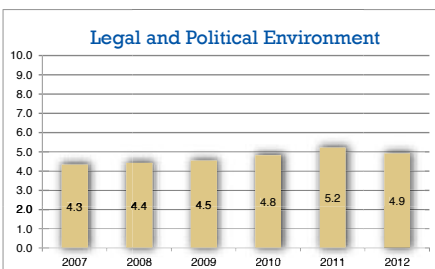
PPR has also declined by 0.2 points driven by a decline in *Protection of Physical Property*, which fell by 1.0 points. However, Qatar has seen an improvement in the *Access to Loans* score this year, improving by 0.2 points.

IPR has seen significant improvement, as Qatar's performance on the *Protection of Intellectual Property* went up by 0.9 points.

ROMANIA

World Rank: 65

Regional Rank: 10

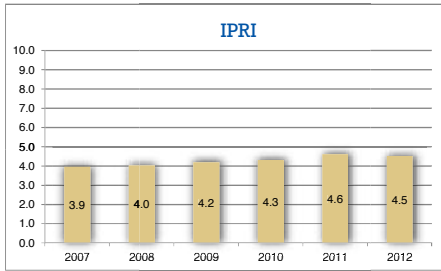
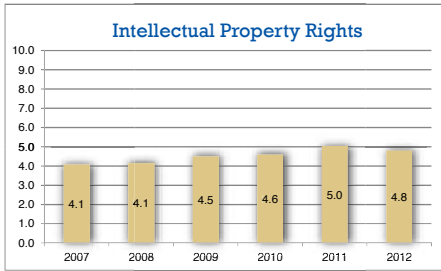
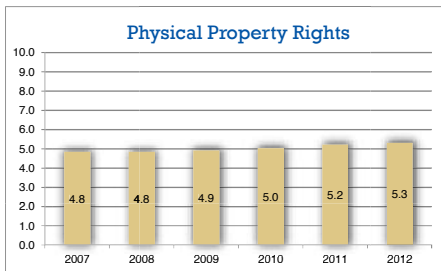
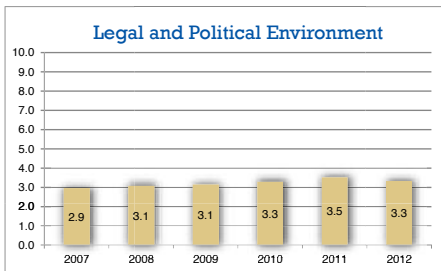


Romania's total IPRI score this year slightly decreased. All categories of LP saw a slight decrease as well except for *Control of Corruption*, which stayed at the 2011 level. Romania's PPR has declined by 0.1 points driven by a 0.4 point decrease in *Protection of Physical Property*.

Protection of Intellectual Property saw a 0.3 point increase compared to last year's score.

RUSSIA

World Rank: 97 Regional Rank: 15



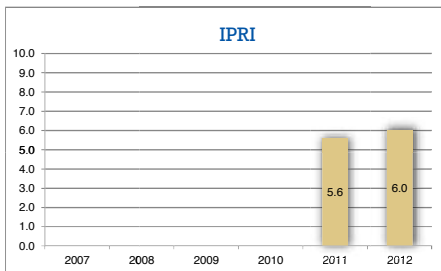
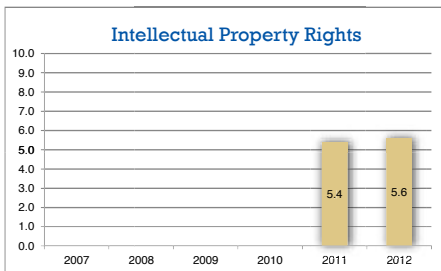
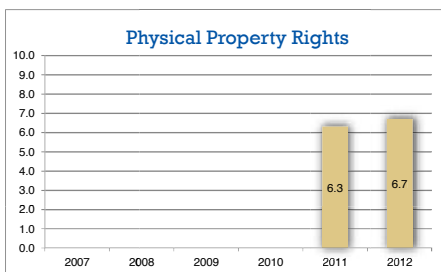
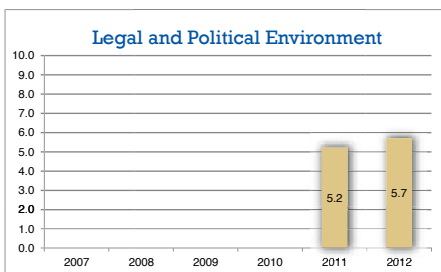
Overall, Russia's IPRI decreased by 0.1 points this year. In the LP category, the decrease of 0.2 points was driven by a 0.2 point decline in *Judicial Independence* and a 0.4 point decrease in *Political Stability*.

PPR improved slightly, going up by 0.1 points, based largely on a 0.2 point increase in *Access to Loans*.

IPR has gone down by 0.2 points, and the subcategory *Protection of Intellectual Property* has declined by a substantial 0.7 points. *Copyright Piracy* score improved slightly, increasing by 0.2 points.

RWANDA

World Rank: 47 Regional Rank: 4



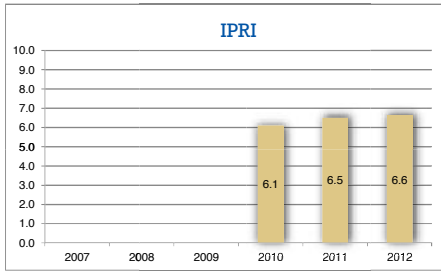
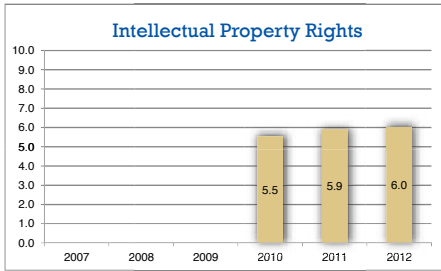
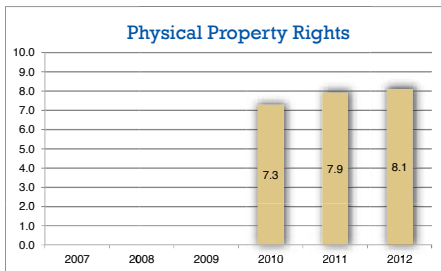
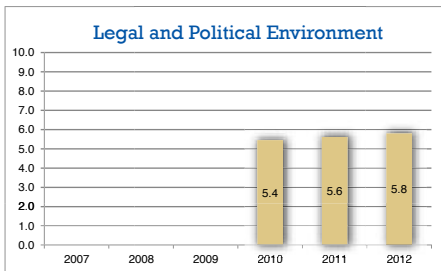
Rwanda's score has increased this year, with the overall IPRI increasing by 0.4 points. The LP category has increased by 0.5 points based largely on the improvements in *Political Stability* and *Control of Corruption* score.

PPR score improvement of 0.4 points is exhibited in a 1.0 point score improvement in the *Access to Loans* subcategory.

IPR has improved slightly, by 0.2 points, driven largely by a 0.4 point increase in *Protection of Intellectual Property*.

SAUDI ARABIA

World Rank: 31 Regional Rank: 5



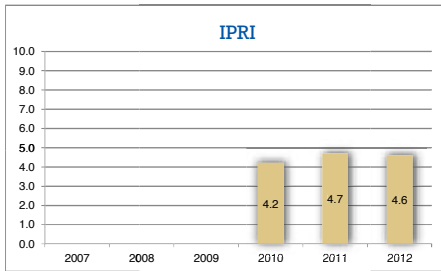
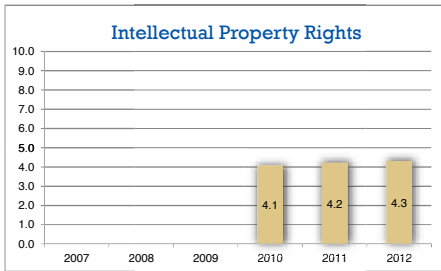
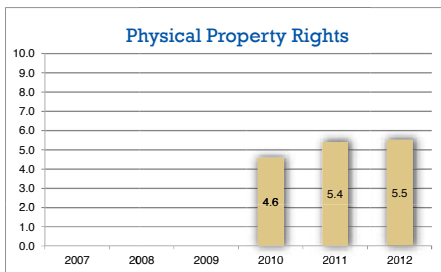
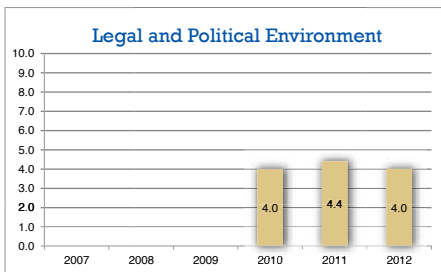
Overall IPRI increased in addition to all of its components. The *Judicial Independence* score is still remarkably higher than its other sub-components and increased by 0.6 points from last year.

PPR has posted a score of 8.1, surpassing last's year's record by 0.2 points.

IPR also improved slightly, by 0.1 points, with *Protection of Intellectual Property* improving by 0.4 points. On the *Copyright Piracy* measure, Saudi Arabia's score fell slightly, going down by 0.1 points.

SENEGAL

World Rank: 93 Regional Rank: 14



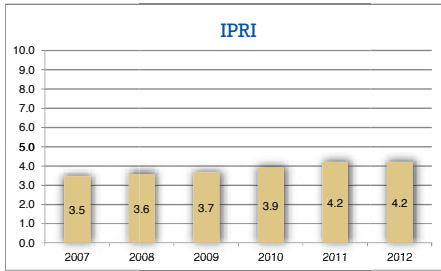
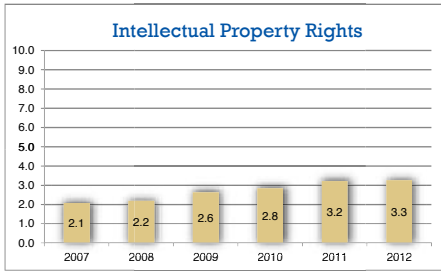
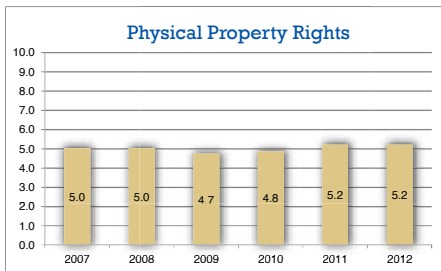
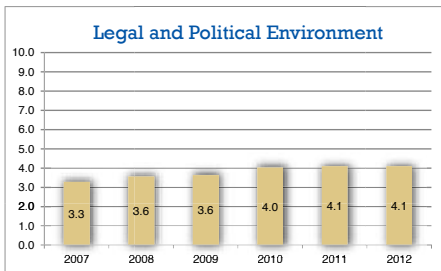
Senegal's overall IPRI score fell slightly by 0.1 points. LP's fall of 0.4 points is due to a decline in all the subcategories, with *Judicial Independence* falling by 0.5 points.

PPR improvement by 0.1 points is driven by an improvement in both *Protection of Physical Property* and *Access to Loans*.

IPR also improved by a slight 0.1 point with *Protection of Intellectual Property* improving by 0.2 points.

SERBIA

World Rank: 113 Regional Rank: 22



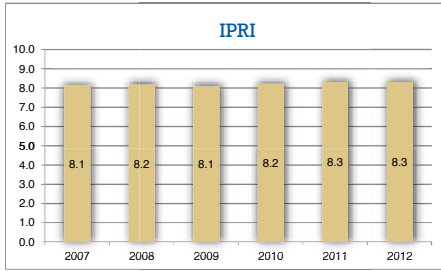
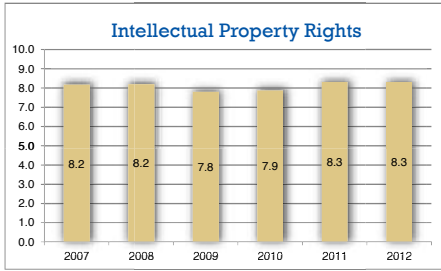
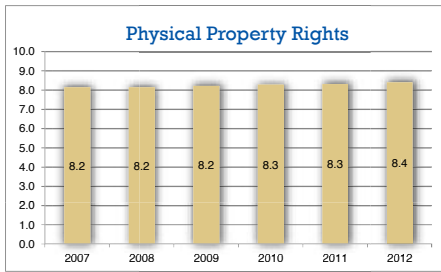
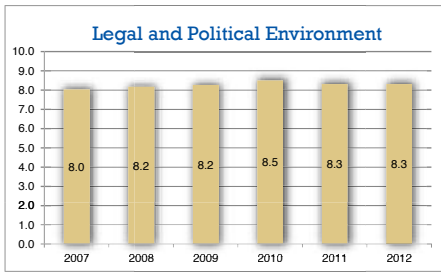
IPRI remained the same for Serbia this year. In fact all of the IPRI components remained the same. Within LP, *Judicial Independence* declined by 0.1 points while the *Political Stability* score improved by 0.2 points.

In the PPR category, the *Registered Property* subcategory improved by 0.2 points and the *Access to Loans* subcategory declined by 0.1 points.

Protection of Intellectual Property saw a 0.1 point improvement in the score while the *Copyright Piracy* score remained the same as last year.

SINGAPORE

World Rank: 3 Regional Rank: 1



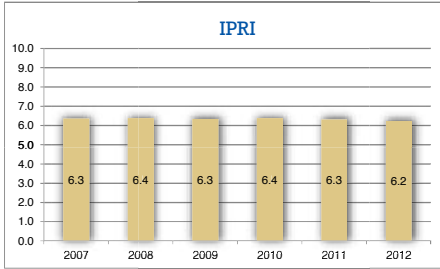
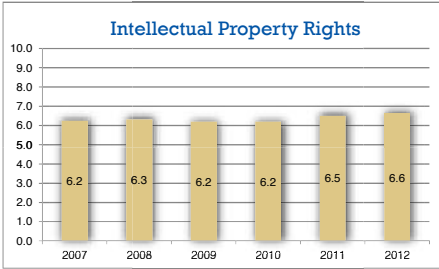
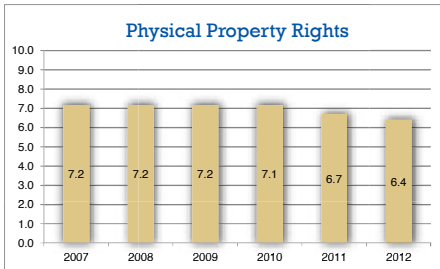
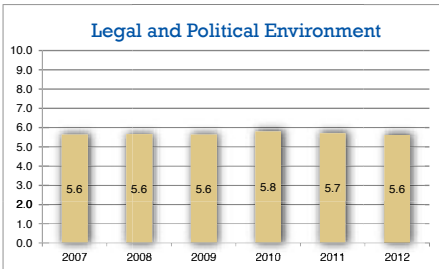
IPRI remained the same this year. *Rule of Law* score within the LP improved by 0.2 points while the *Control of Corruption* score decreased slightly by 0.1 points.

PPR's improvement by 0.1 points is driven by an improvement in the *Access to Loans* subcategory which improved by 0.2 points.

IPRI is same as last year with subcategory scores remaining the same for all three measures.

SLOVAKIA

World Rank: 40 Regional Rank: 4



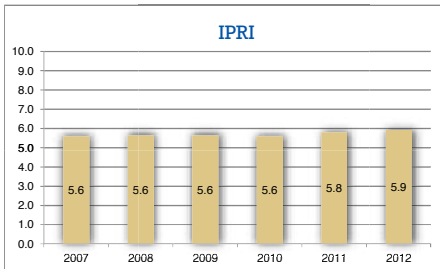
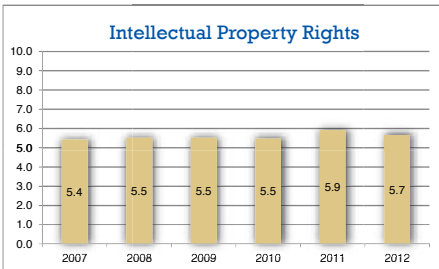
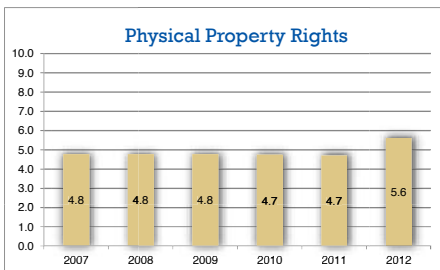
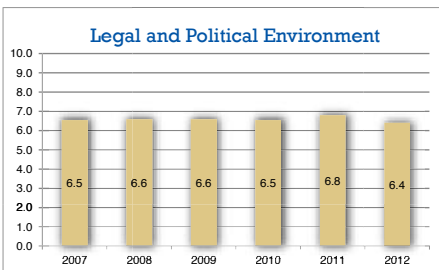
The IPRI score decreased slightly in 2012, by 0.1 points. LP decreased as well this year. *Rule of Law* decreased by 0.1 points and the *Political Stability* score went up by 0.2 points.

The PPR score's decline by 0.3 points is driven by a 0.4 point decrease in the *Access to Loans* subcategory.

The IPR category increased slightly, by 0.1 points. The increase is driven largely by the improvements in *Protection of Intellectual Property* and *Copyright Piracy* measures.

SLOVENIA

World Rank: 49 Regional Rank: 7



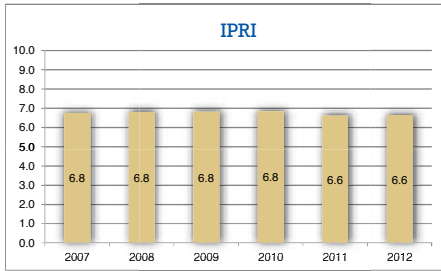
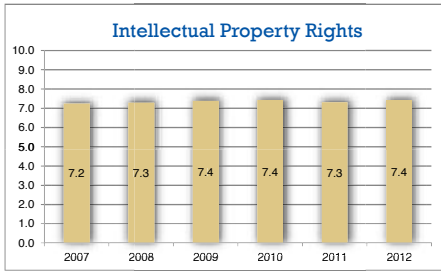
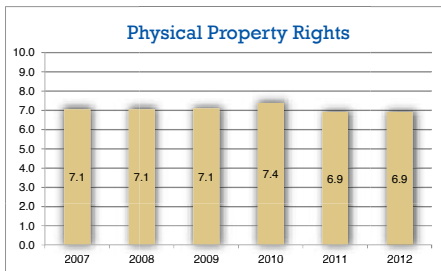
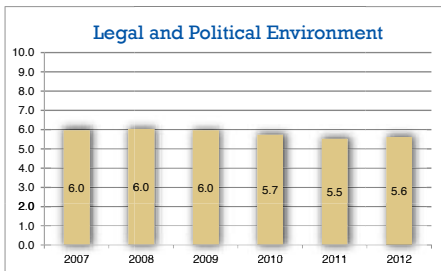
IPRI increase slightly this year, by 0.1 points. The LP's decline of 0.4 points is largely due to the fall in *Judicial Independence*, which fell by 0.7 points. *Control of Corruption* score also worsened, by 0.4 points.

PPR's improvement is significant, increasing by 0.9 points. *Registration Property* increased substantially, increasing by almost 4.0 points while *Access to Loans* decreased by 0.8 points.

IPR's decline by 0.2 points is driven by decline in the score for *Protection of Intellectual Property* and *Copyright Piracy* scores.

SOUTH AFRICA

World Rank: 31 Regional Rank: 1



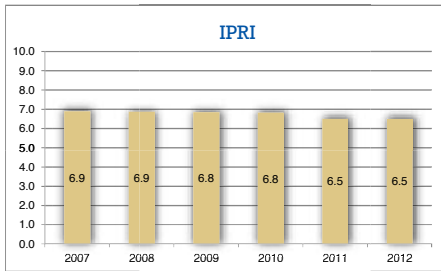
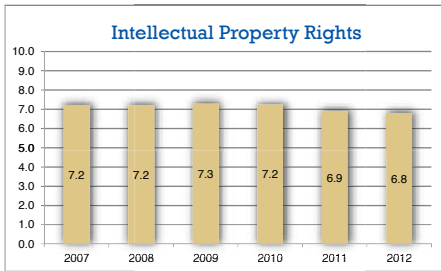
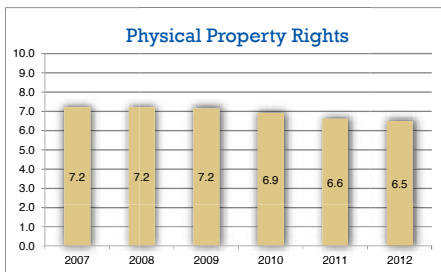
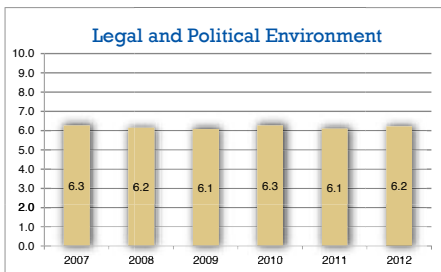
Overall IPRI in South Africa remained the same as last year. LP improved by 0.1 points in the score. LP subcomponents did not see any major changes this year.

PPR also stayed the same as last year with *Access to Loans* subcategory registering a 0.1 point increase.

IPR's increase by 0.1 points is driven by the 0.1 point increase in the *Protection of Intellectual Property* subcategory.

SPAIN

World Rank: 35 Regional Rank: 17



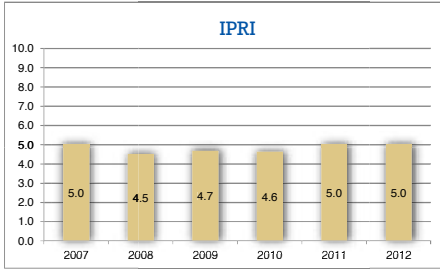
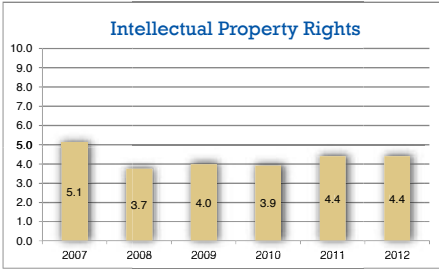
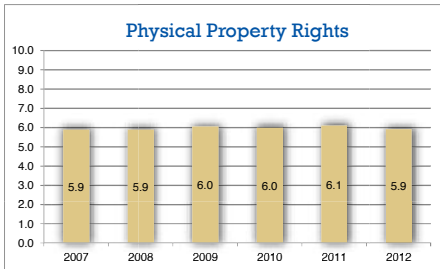
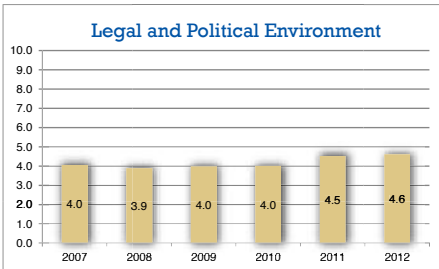
LP's increase by 0.1 points is driven by an increase in the *Judicial Independence* and *Rule of Law* subcomponents, both of which went up by 0.1 points.

PPR's increase by 0.1 points is based on the 0.2 points increase in *Access to Loans*.

As for Spain's IPR, the 0.1 point increase is built on the 0.2 point increase in the *Protection of Intellectual Property*. The *Copyright Piracy* subcomponent declined by 0.1 points this year.

SRI LANKA

World Rank: 76 Regional Rank: 13



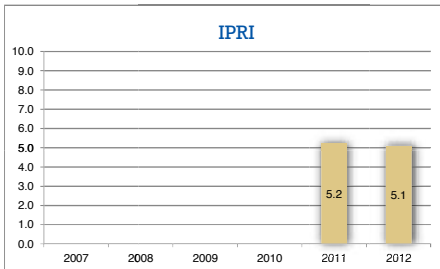
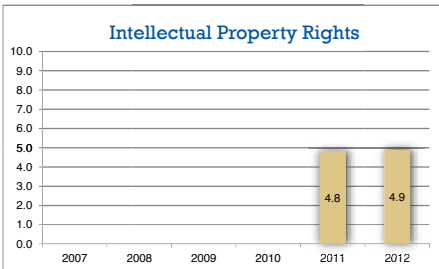
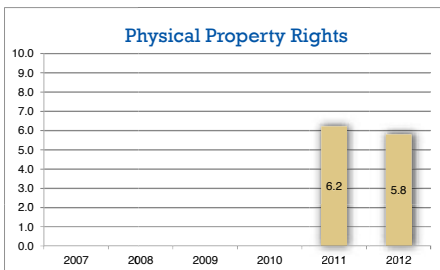
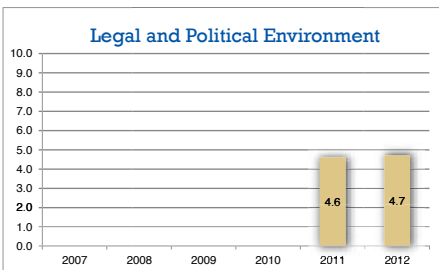
Sri Lanka's IPRI remained the same this year. LP has improved slightly, by 0.1 points. The *Judicial Independence* has gone down by 0.5 points however significant 1.0 point gain in the *Political Stability* score adds to the increase in the overall LP score.

The 0.2 points decline in the PPR score is driven by the 0.6 point decrease in *Access to Loans*.

On the IPR, no changes are observed this year.

SWAZILAND

World Rank: 72 Regional Rank: 7

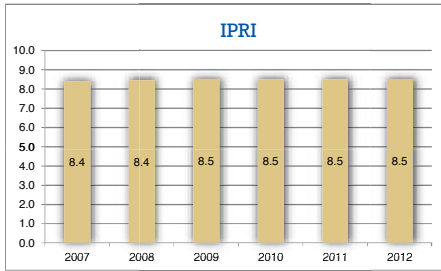
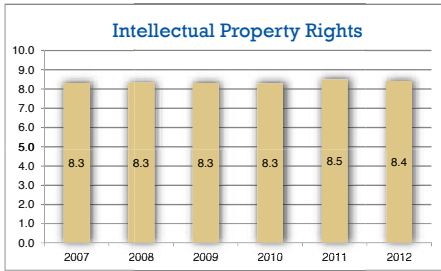
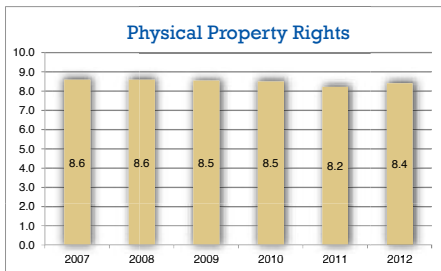
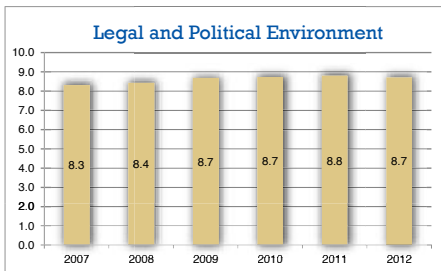


Swaziland's IPRI fell slightly for the 2012 index, by 0.1 points. On the LP section, Swaziland's improvement by 0.1 points is driven by a 0.6 increase in *Judicial Independence* as well as the *Rule of Law's* 0.3 point improvement. The *Political Stability* score went down by 0.1 points.

On PPR, the slight decrease of 0.4 points is due to a decline in all three subcomponents. IPR improvement of 0.1 points is based on the increase in the *Protection of Intellectual Property* subcomponent, which went up by 0.2 points.

SWEDEN

World Rank: 2 Regional Rank: 2



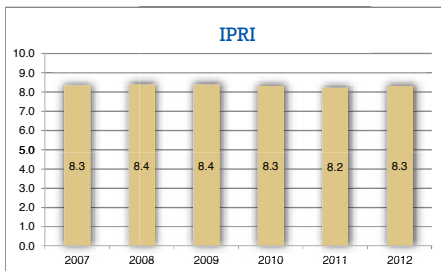
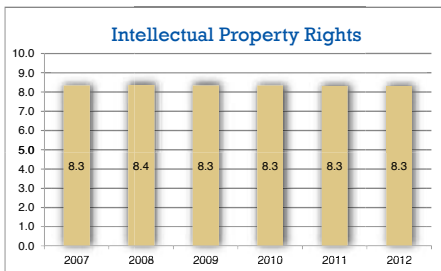
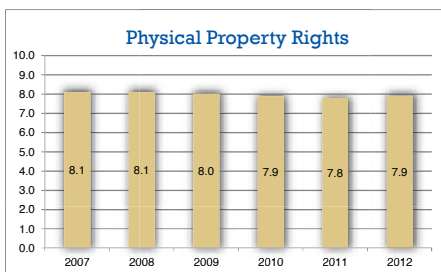
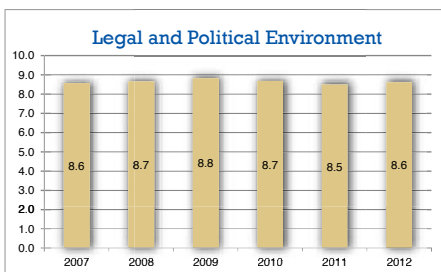
For the fourth consecutive year in a row the IPRI score did not change. The LP sub-components did not make any significant changes either. There are no notable changes for LP.

The PPR score increased by 0.2 points this year and two out of the three sub-components decreased as well. *Registered Property* made a 0.3 point increase.

The sub-component of IPR that changed was *Protection of Intellectual Property* by 0.3 points.

SWITZERLAND

World Rank: 3 Regional Rank: 3



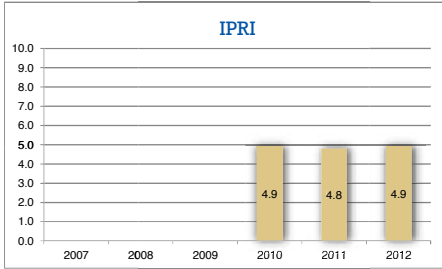
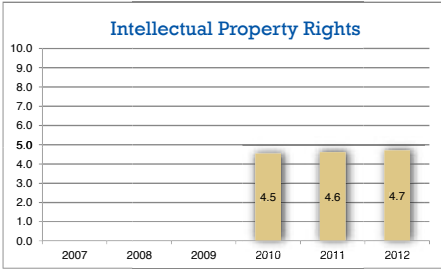
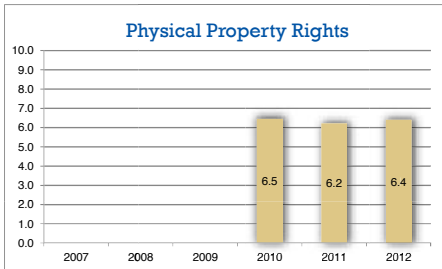
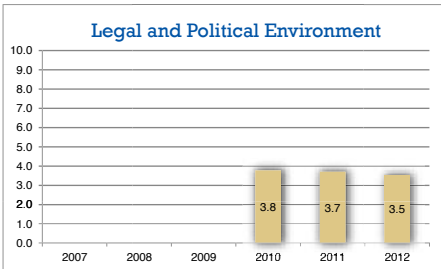
This year, Switzerland's IPRI improved by 0.1 points. LP's increase by 0.1 points is based on slight improvements in the *Control for Corruption* and *Rule of Law* subcomponents.

PPR improved by 0.1 points driven by slight improvements in the *Access to Loans* subcategory.

IPR for Switzerland remains unchanged this year – while the *Protection of Intellectual Property* improved by 0.1 points, the *Copyright Piracy* score declined by 0.1 points.

SYRIA

World Rank: 81 Regional Rank: 13



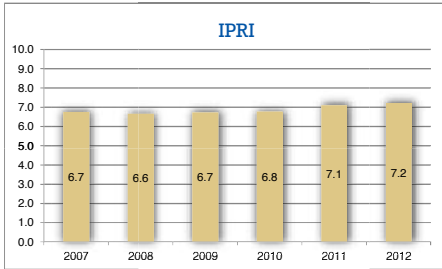
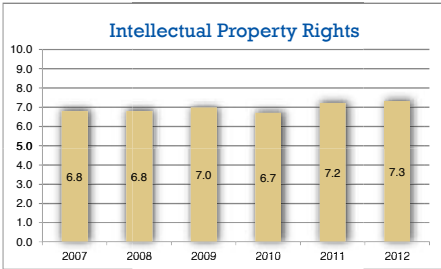
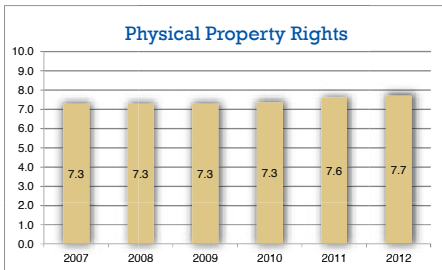
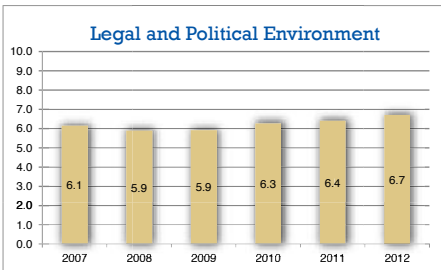
In its third year in the IPRI, Syria's score increased by 0.1 points. LP fell by 0.2 points with all the subcomponents falling by 0.2 points.

PPR improved by 0.2 points largely driven by improvement in *Protection of Physical Property*.

IPR's improvement by 0.1 points is based on the improvement in the *Protection of Intellectual Property* score.

TAIWAN

World Rank: 21 Regional Rank: 6



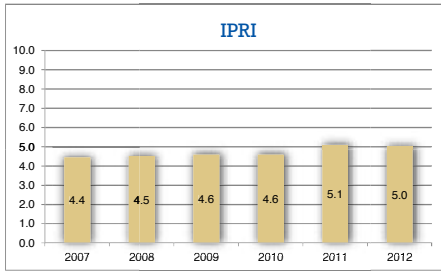
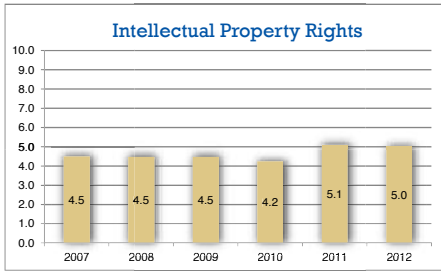
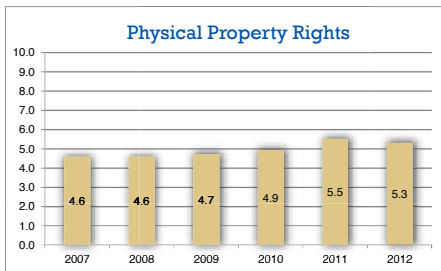
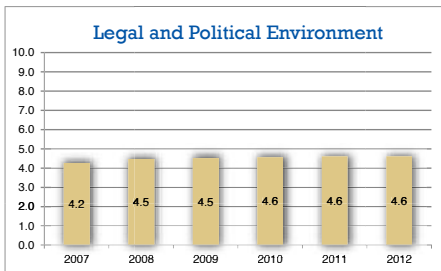
Taiwan's IPRI has increased by 0.1 points this year. The LP component has improved by 0.3 points and all four subcomponents have improved significantly.

PPR improvement of 0.1 points also put Taiwan's score at a very healthy level.

IPR has also increased slightly, by 0.1 points to 7.3. In particular, the *Protection of Intellectual Property* score went up by 0.1 points.

TANZANIA

World Rank: 76 Regional Rank: 9



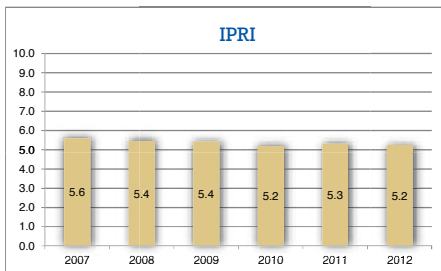
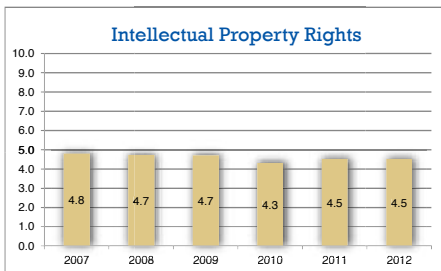
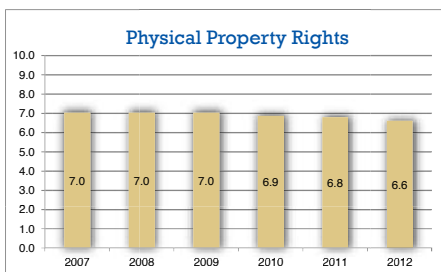
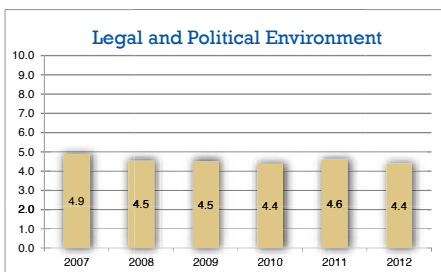
IPRI for Tanzania decreased by 0.1 points. LP remains the same – the increase of 0.2 points in *Judicial Independence* is countered by a decrease in the *Political Stability* and *Control for Corruption* subcategories.

For the PPR, Tanzania saw a 0.2 point decrease with *Access to Loan* decreasing by 0.6 points.

IPR also declined by 0.2 points this year, largely based on the decrease in the *Protection of Intellectual Property*.

THAILAND

World Rank: 69 Regional Rank: 12



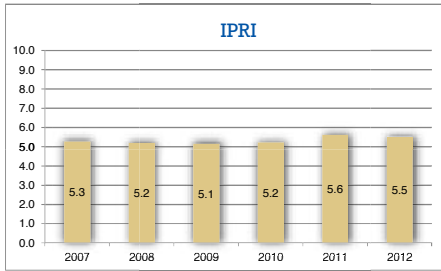
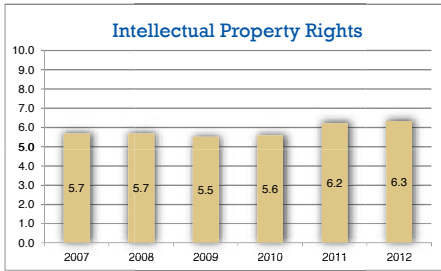
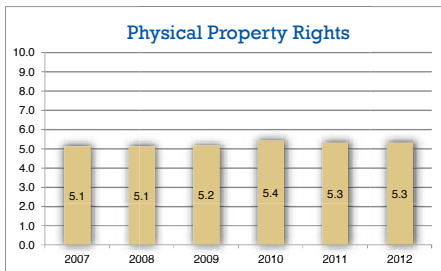
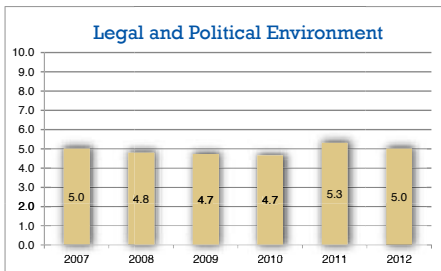
This year, Thailand's LP and PPR scores have both seen a decrease. Overall the IPRI has fallen by 0.1 points. In the LP category, all the subcomponents have fallen.

For PPR, *Protection of Physical Property* has declined by 0.5 points while the *Access to Loans* fell by 0.1 points.

For IPR, Thailand's score remained the same as last year.

TRINIDAD AND TOBAGO

World Rank: 57 Regional Rank: 5

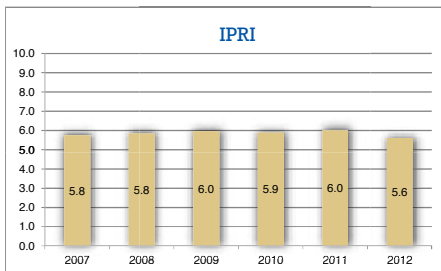
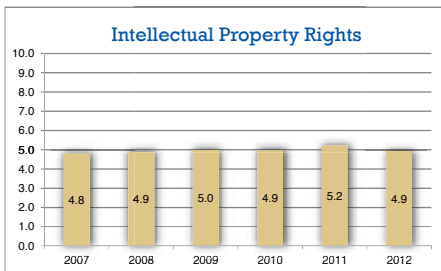
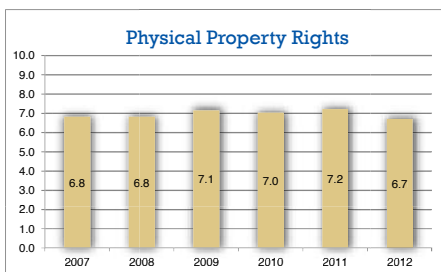
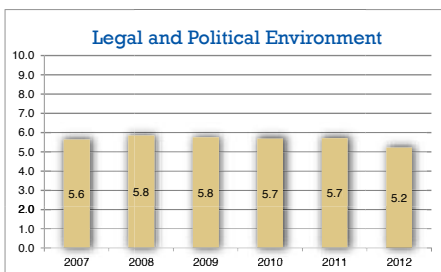


IPRI for Trinidad and Tobago fell by 0.1 points. LP has fallen by 0.3 points and is mostly due to the decrease in the *Judicial Independence* and *Control for Corruption* scores.

The PPR score remains the same this year. IPR has shown a slight 0.1 point improvement based upon the improvement in the *Protection of Intellectual Property* score.

TUNISIA

World Rank: 55 Regional Rank: 10



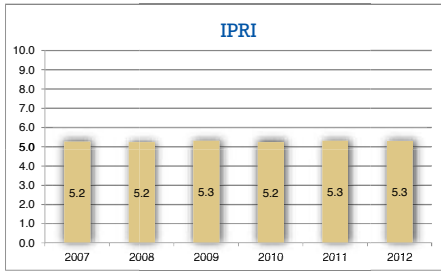
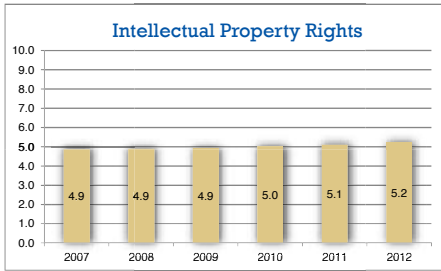
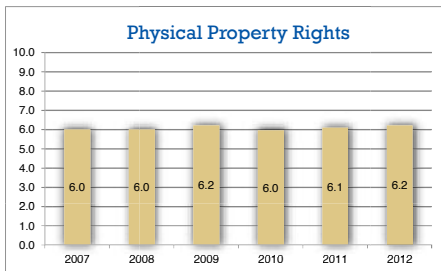
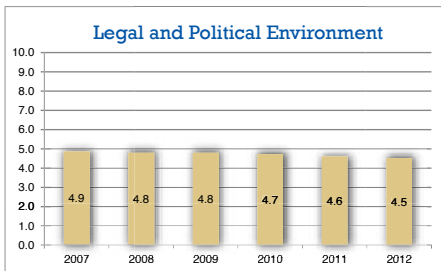
IPRI for 2012 fell by 0.4 points this year. LP saw a 0.5 point decrease with *Judicial Independence* falling by a significant 1.0 point. *Rule of Law*, *Political Stability*, and the *Control of Corruption*, have all seen a decrease as well.

PPR fell by 0.5 points with *Access to Loans* falling by 0.7 points this year.

IPR also decreased, by 0.3 points, with *Protection of Intellectual Property* falling by a significant 1.0 points.

TURKEY

World Rank: 65 Regional Rank: 10



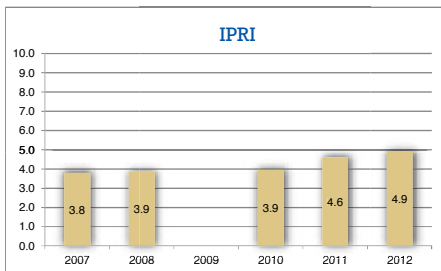
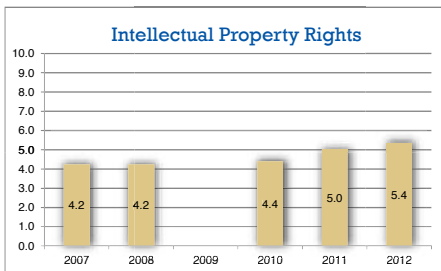
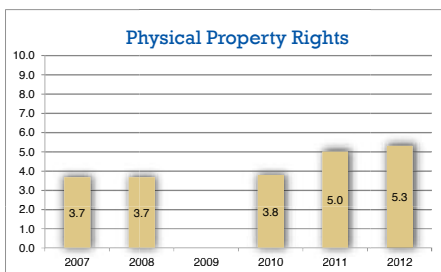
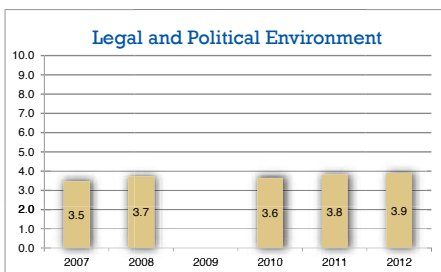
IPRI remains unchanged from last year. LP showed a slight decrease for the fourth consecutive year with *Judicial Independence*, *Political Stability* and the *Control of Corruption* all falling by 0.2 points.

PPR made a modest decrease this year with *Protection of Physical Property* declining by 0.2 points.

IPR increased slightly, going up by 0.1 points.

UGANDA

World Rank: 81 Regional Rank: 11



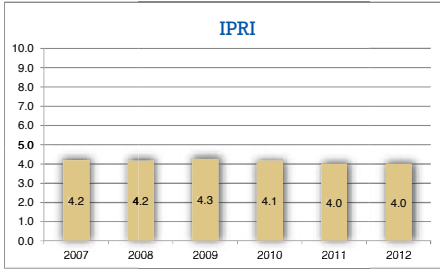
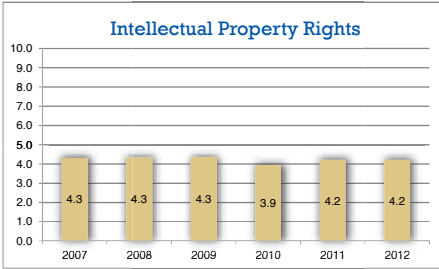
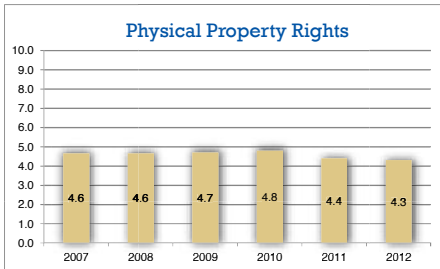
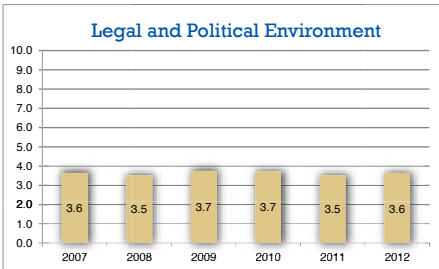
Uganda's IPRI improved by 0.3 points this year. This year as well, LP made the smallest increase of all the components. *Judicial Independence* saw an increase of 0.4 points, while the *Political Stability* subcomponent saw the greatest increase by 1.3 points.

PPR increased by 0.3 points, largely driven by a 0.5 point increase in the *Access to Loans* subcategory.

IPR also increased with the most change seen in the *Protection of Intellectual Property*, which increased by 0.7 points.

UKRAINE

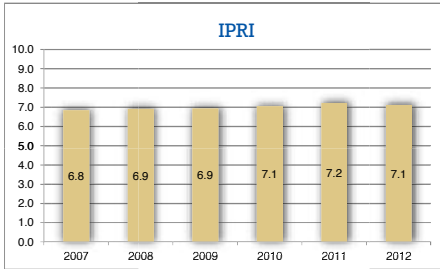
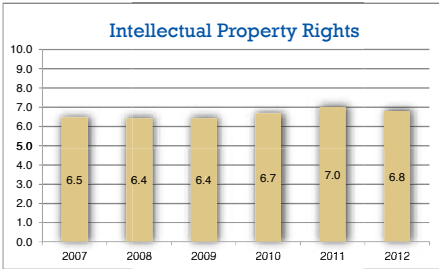
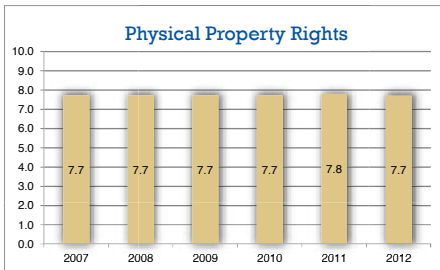
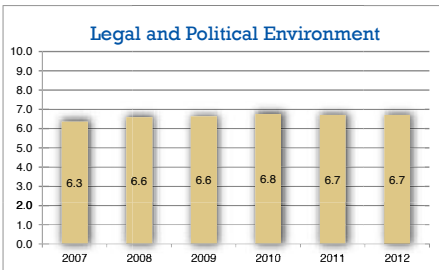
World Rank: 118 Regional Rank: 23



IPRI in Ukraine stayed the same after decreasing for three consecutive years. LP also increased this year, increasing by 0.1 points. *Judicial Independence* and *Political Stability* saw positive improvements in the overall score. For PPR, a 0.1 point decrease is driven by a decline in the *Registered Property* subcategory. IPR stayed the same this year.

UNITED ARAB EMIRATES

World Rank: 23 Regional Rank: 1



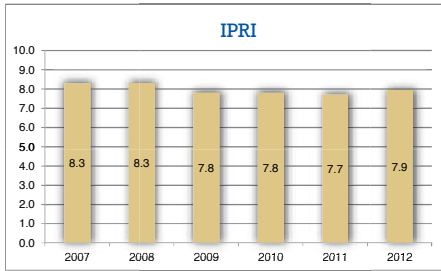
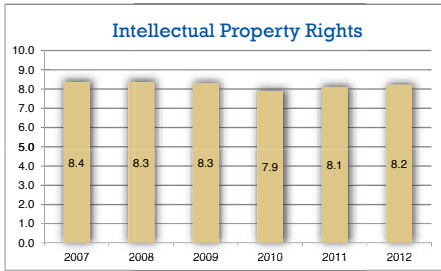
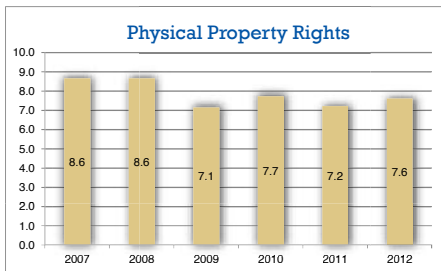
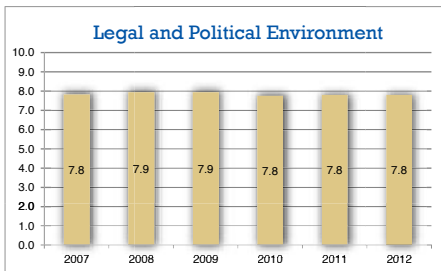
IPRI fell by 0.1 points this year for the United Arab Emirates. LP has seen no change from last year -- although the *Judicial Independence* subcomponent improved, the other three subcomponent scores fell.

PPR declined slightly but UAE's impressive score of 10 on *Registered Property* continues to set the highest standard for the subcomponent.

The IPR saw a decline of 0.2 points, based largely on a 0.4 points decrease in the *Protection of Intellectual Property*.

UNITED KINGDOM

World Rank: 11 Regional Rank: 8



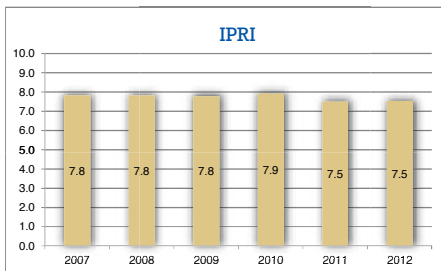
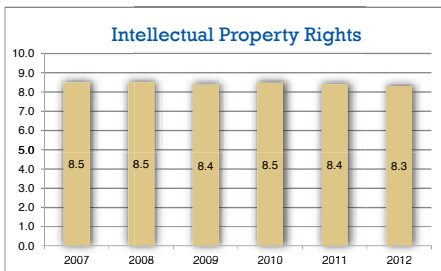
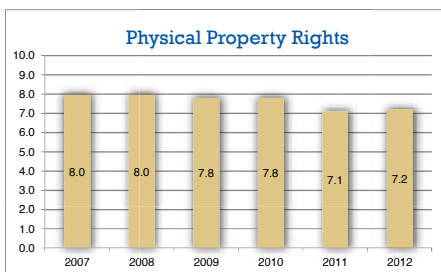
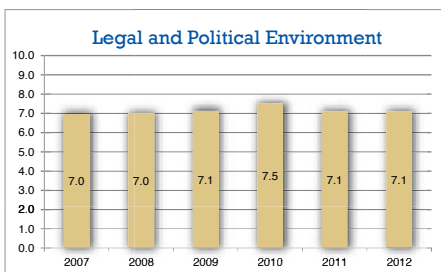
The United Kingdom saw a reversal in IPRI score this year. The downward trend is now changed with the IPRI increasing by 0.2 points to come in at 7.9. LP did not see any changes from last year with only the *Judicial Independence* subcomponent witnessing a decline in its score.

PPR increased by a healthy 0.4 points with the *Access to Loans* subcomponent increasing by 0.6 points.

IPR also increased slightly, by 0.1 points.

UNITED STATES

World Rank: 18 Regional Rank: 2

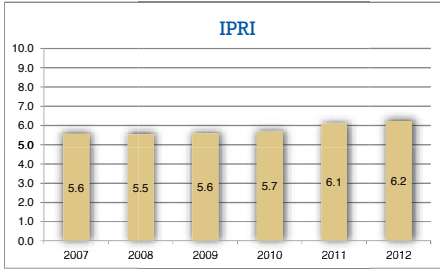
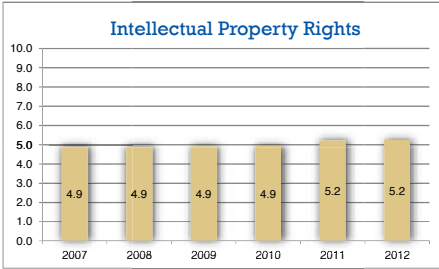
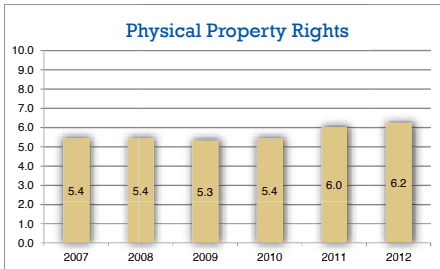
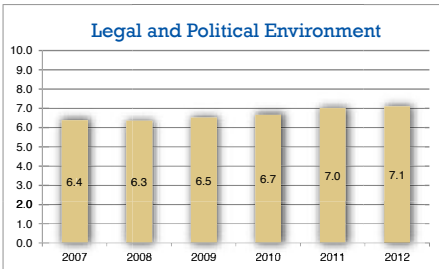


The IPRI score for the United States has remained the same as last year. LP has also remained the same at 7.1 for this year.

PPR has increased by 0.1 points with the *Access to Loans* score going up by 0.4 points. IPR saw a small decline, by 0.1 points driven by a 0.1 point decline in the *Protection of Intellectual Property*.

URUGUAY

World Rank: 40 Regional Rank: 2

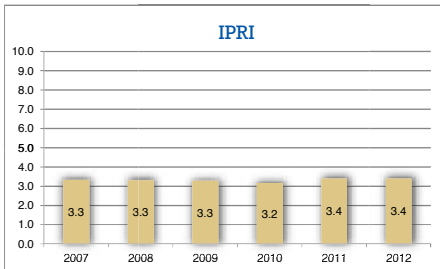
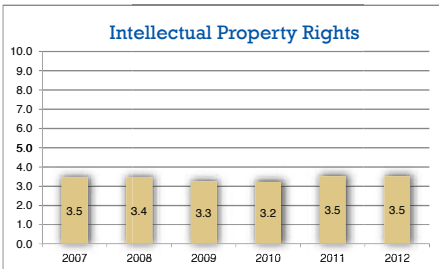
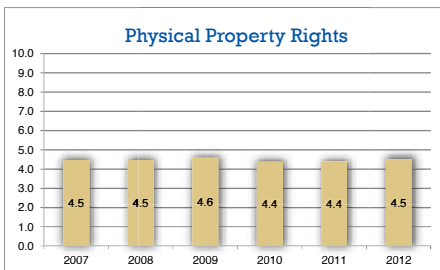
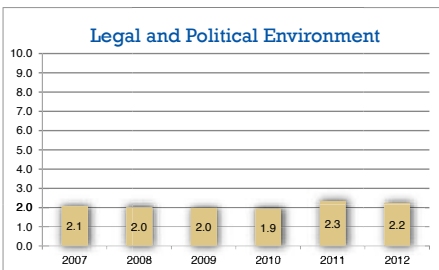


For the fourth consecutive year, IPRI in Uruguay increased. LP continued last year's progress as well – with components either improving or staying at last year's levels. Protection of Physical Property increased by 0.4 points while Access to Loans decreased by 0.1 points.

IPR is also the same as last year, but Protection of Intellectual Property maintains a 0.2 point improvement over last year's score.

VENEZUELA

World Rank: 128 Regional Rank: 22



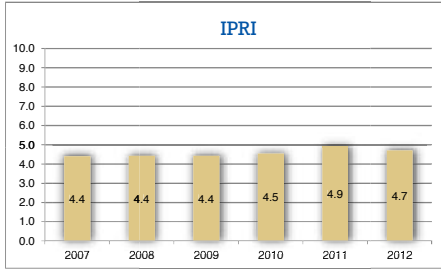
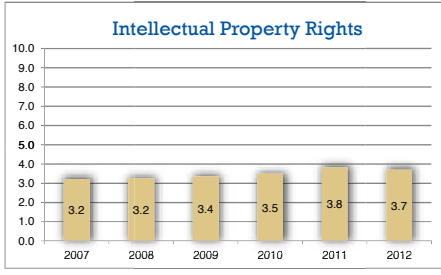
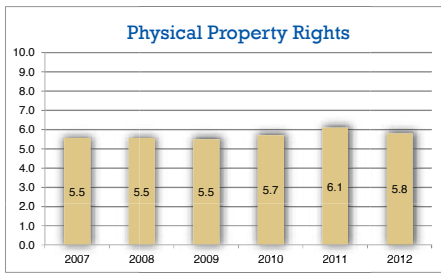
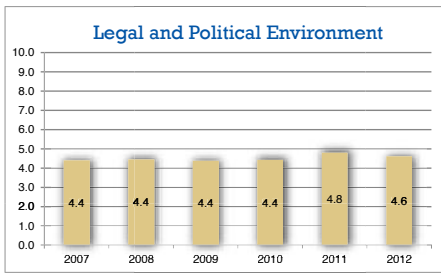
Venezuela still counts among the bottom-ranked nations in this year's IPRI. LP declined by 0.1 points to 2.2 with Rule of Law and Control of Corruption both seeing a decline.

For the 0.1 point increase in PPR, the driver is the increase in the score for Access to Loans.

IPR remains unchanged from last year.

VIETNAM

World Rank: 87 Regional Rank: 15



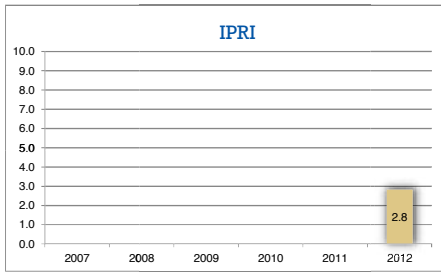
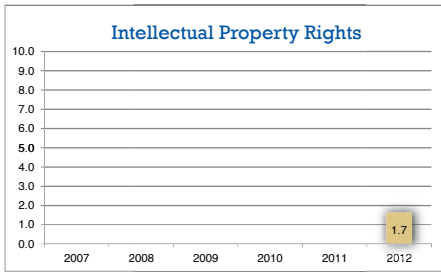
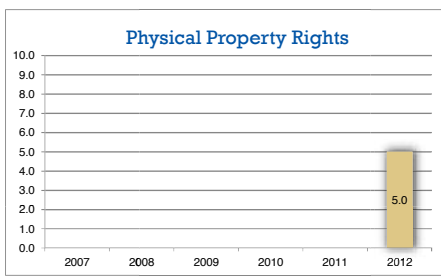
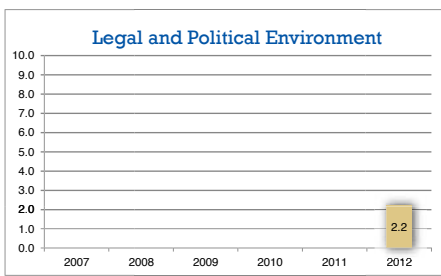
Vietnam's IPRI fell by 0.2 points this year. All the subcomponents of LP also fell, with *Judicial Independence* declining by 0.4 points.

PPR also fell by 0.3 points largely based on the decline in the score for *Protection of Physical Property* and *Access to Loans*.

IPR declined slightly, by 0.1 points primarily due to a decline in the *Protection of Intellectual Property* score.

YEMEN

World Rank: 130 Regional Rank: 18



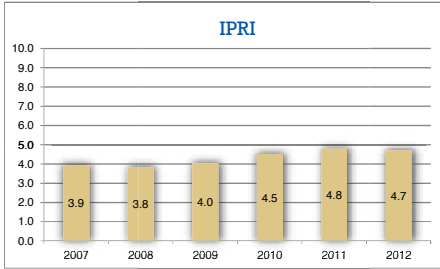
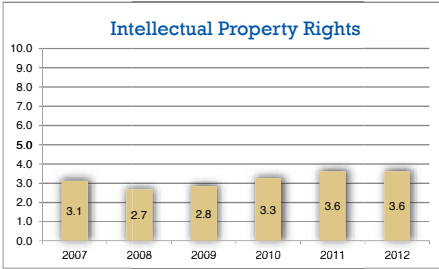
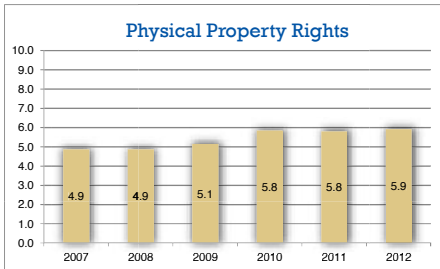
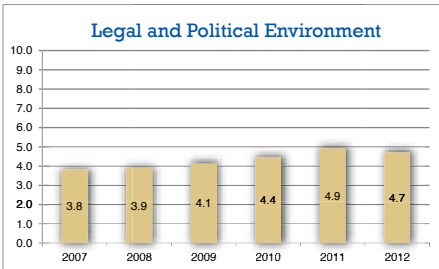
This is Yemen's first year in the IPRI. It comes in at the bottom with a low score of 2.8. It's LP is 2.2 with *Political Stability* coming in at a paltry 0.6.

PPR score is at 5 with the *Access to Loans* score coming in at only 1.8 points.

IPR is extremely weak too, at 1.7 points.

ZAMBIA

World Rank: 87 Regional Rank: 13



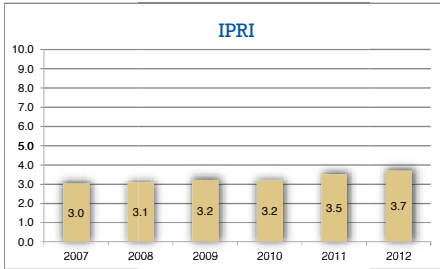
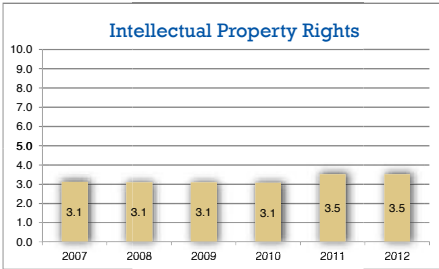
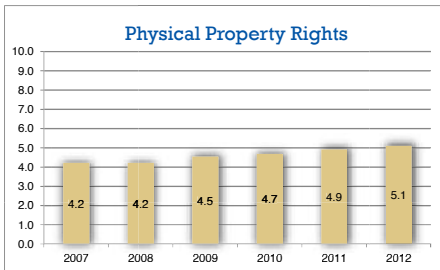
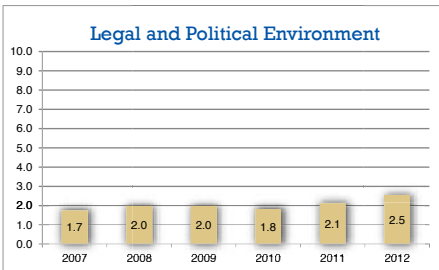
IPRI in Zambia declined this year after three years of consecutive improvements. LP fell by 0.2 points with *Judicial Independence* registering a 0.4 point decrease.

PPR improved slightly, by 0.1 points, as *Registered Property* saw an improvement in the score.

IPR stayed the same as last year.

ZIMBABWE

World Rank: 124 Regional Rank: 24



IPRI improved slightly in 2012, increasing by 0.2 points but Zimbabwe remains one of the lowest scoring countries in the world. LP increased 0.4 points thanks to gains in *Judicial Independence* and *Political Stability*. *Control of Corruption* also increased by 0.2 points.

PPR increased by 0.2 points driven largely by the improvement in the *Access to Loans* subcomponent which increased by 0.4 points.

IPR and its subcomponents saw little or no change in this year's index.

APPENDIX II: COUNTRY PROFILES

DETAILED METHODOLOGY AND DATA SOURCE INFORMATION

LP Sources

Variable Name	Original Scale	Data Modifications	Year	Numbe of Countries	Source	Detailed Information about Data Source
Judicial Independence	1 = no, heavily influenced; 7 = yes, entirely independent	The original data was rescaled to a scale of 0 - 10.	2011-2012	140	World Economic Forum - Global Competitiveness Report http://gcr.weforum.org/	The ranking reflects experts' answers to the survey question: "Is the judiciary in your country independent from political influence of members of government, citizens or firms?"
Rule of Law	-2.5 (worst) - 2.5 (best)	The original data was rescaled to a scale of 0 - 10.	2010	213	World Bank Institute - Governance Matters 2011: Worldwide Governance Indicators, 1996-2010 http://info.worldbank.org/governance/wgi/index.asp	Combines several indicators including judicial independence, respect for law in relations between citizens and the administration, property rights, confidence in the police force, enforceability of contracts, direct financial fraud, law and order, which measure the existence of the rule of law.
Political Stability	-2.5 (worst) - 2.5 (best)	The original data was rescaled to a scale of 0 - 10.	2010	213	World Bank Institute - Governance Matters 2011: Worldwide Governance Indicators, 1996-2010 http://info.worldbank.org/governance/wgi/index.asp	Combines several indicators which measure perceptions of the likelihood that the government in power will be destabilized or overthrown by possibly unconstitutional and/or violent means, including domestic violence and terrorism.
Control of Corruption	-2.5 (worst) - 2.5 (best)	The original data was rescaled to a scale of 0 - 10.	2010	213	World Bank Institute - Governance Matters 2011: Worldwide Governance Indicators, 1996-2010 http://info.worldbank.org/governance/wgi/index.asp	Combines several indicators which measure the extent to which public power is exercised for private gain, including petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

PPR Sources

Variable Name	Original Scale	Data Modifications	Year	Numbe of Countries	Source	Detailed Information about Data Source
Property Rights	1 (worst) - 7 (best)	The original data was rescaled to a scale of 0 - 10.	2011-2012	140	World Economic Forum - Global Competitiveness Report http://gcr.weforum.org	Survey participants were asked to comment on: Property rights in your country, including over financial assets, are (1 = poorly defined and not protected by law, 7 = clearly defined and well protected by law).
Registering Property	Actual Number	The variable is a weighted average of the source's "Procedures to register property" and "Days to register property" data, with 30% of the weight given to the former and 70% to the latter. The actual numbers were standartized to a 0-10 scale.	2010	183	The World Bank Group - Doing Business 2011 http://www.doingbusiness.org	Number of procedures legally required to register property and time spent (in days) in completing the procedures. This indicator assumes a standard case of an entrepreneur who wants to purchase land and a building in the largest business city.
Ease of Access to Loans	1 (worst) - 7 (best)	The original data was rescaled to a scale of 0 - 10.	2011-2012	140	World Economic Forum - Global Competitiveness Report http://gcr.weforum.org	Survey participants were asked: "How easy is it to obtain a bank loan in your country with only a good business plan and no collateral? (1 = impossible, 7 = easy)"

IPR Sources

Variable Name	Original Scale	Data Modifications	Year	Numbe of Countries	Source	Detailed Information about Data Source
Intellectual Property Protection	1 (worst) - 7 (best)	The original data was rescaled to a scale of 0 - 10.	2011-2012	134	World Economic Forum - Global Competitiveness Report http://gcr.weforum.org/	Survey participants were asked to comment on: "Intellectual property protection and anti-counterfeiting measures in your country are (1 = weak and not enforced, 7 = strong and enforced)."
Patent Protection	0 (worst) - 5 (best)	The original data was rescaled to a scale of 0 - 10.	2005	122	Ginarte-Park Index of Patent Rights. http://www1.american.edu/u/cas/econ/faculty/park/Web%20Page%20Update%2010-08/IPP%20Data.xls For more information, see Ginarte & Park (1997)	A country's rank in patent strength is based on five extensive criteria: coverage, membership in international treaties, restrictions on patent rights, enforcement, and duration of protection.
Copyright Piracy Level	Percentage	Calculation per industry: $(100 - V_i)/10$. The average of all industries' piracy level was taken to calculate final rescaled value.	2010	116	International Intellectual Property Alliance's Special 301 Report submitted to the U.S. Trade Representative http://www.iipa.com/2010_SPEc301_TOc.htm . Additional data was obtained from Eighth Annual BSA and IDC Global Software Piracy Study http://portal.bsa.org/globalpiracy2010/	Special 301 is an annual review process used in fighting international copyright piracy. It starts with the submission of public comments, of which IIPA's annual report is one of the most extensive and useful in terms of data.

GE Sources

Variable Name	Original Scale	Data Modifications	Year	Numbe of Countries	Source	Detailed Information about Data Source
Women's Access to Land Ownership	0 (best) 0.5 (average) 1 (worst)	The original data was rescaled to a scale of 0 - 10.	2009	124	OECD Gender, Institutions and Development Database (GID-DB) http://www.oecd.org/dev/gender/gid	The GID-DB covers an array of 60 indicators on gender discrimination. The database has been compiled using a variety of sources.
Women's Access to Bank Loans	0 (best) 0.5 (average) 1 (worst)	The original data was rescaled to a scale of 0 - 10.	2009	124	OECD Gender, Institutions and Development Database (GID-DB) http://www.oecd.org/dev/gender/gid	The GID-DB covers an array of 60 indicators on gender discrimination. The database has been compiled using a variety of sources.
Women's Access to Property Other than land	0 (best) 0.5 (average) 1 (worst)	The original data was rescaled to a scale of 0 - 10.	2009	124	OECD Gender, Institutions and Development Database (GID-DB) http://www.oecd.org/dev/gender/gid	The GID-DB covers an array of 60 indicators on gender discrimination. The database has been compiled using a variety of sources.
Inheritance Practices	0 (best) 0.5 (average) 1 (worst)	The original data was rescaled to a scale of 0 - 10.	2009	124	OECD Gender, Institutions and Development Database (GID-DB) http://www.oecd.org/dev/gender/gid	The GID-DB covers an array of 60 indicators on gender discrimination. The database has been compiled using a variety of sources.
Women's Social Rights	0 (best) 0.5 (average) 1 (worst)	This component of the gender equality indicator is a simple composite of four variables in the GID-DB. The original data of each variable was rescaled to a scale of 0 - 10 and then averaged to determine this score.	2009	124	OECD Gender, Institutions and Development Database (GID-DB) http://www.oecd.org/dev/gender/gid	The four components comprising this variable are: Parental Authority, Female Genital Mutilation, Freedom of Movement, and Ratio of Female-to-male Adult Literacy.

APPENDIX III: REGIONAL DIVISION OF COUNTRIES

Region	Country
Africa	ANGOLA
Africa	BENIN
Africa	BOTSWANA
Africa	BURKINA FASO
Africa	BURUNDI
Africa	CAMEROON
Africa	CHAD
Africa	COTE D'IVOIRE
Africa	ETHIOPIA
Africa	GHANA
Africa	KENYA
Africa	MADAGASCAR
Africa	MALAWI
Africa	MALI
Africa	MAURITANIA
Africa	MAURITIUS
Africa	MOZAMBIQUE
Africa	NIGERIA
Africa	RWANDA
Africa	SENEGAL
Africa	SOUTH AfricaRICA
Africa	SWAZILAND
Africa	TANZANIA
Africa	UGANDA
Africa	YEMEN
Africa	ZAMBIA
Africa	ZIMBABWE
Asia and Oceania	AUSTRALIA
Asia and Oceania	BANGLADESH
Asia and Oceania	BRUNEI
Asia and Oceania	CHINA

Region	Country
Asia and Oceania	HONG KONG
Asia and Oceania	INDIA
Asia and Oceania	INDONESIA
Asia and Oceania	JAPAN
Asia and Oceania	MALAYSIA
Asia and Oceania	NEPAL
Asia and Oceania	NEW ZEALAND
Asia and Oceania	PAKISTAN
Asia and Oceania	PHILIPPINES
Asia and Oceania	SINGAPORE
Asia and Oceania	SOUTH KOREA
Asia and Oceania	SRI LANKA
Asia and Oceania	TAIWAN
Asia and Oceania	THAILAND
Asia and Oceania	VIETNAM
Central/Eastern Europe and Central Asia	ALBANIA
Central/Eastern Europe and Central Asia	ARMENIA
Central/Eastern Europe and Central Asia	AZERBAIJAN
Central/Eastern Europe and Central Asia	BOSNIA AND HERZEGOVINA
Central/Eastern Europe and Central Asia	BULGARIA
Central/Eastern Europe and Central Asia	CROATIA
Central/Eastern Europe and Central Asia	CZECH REPUBLIC
Central/Eastern Europe and Central Asia	ESTONIA
Central/Eastern Europe and Central Asia	GEORGIA
Central/Eastern Europe and Central Asia	HUNGARY
Central/Eastern Europe and Central Asia	KAZAKHSTAN
Central/Eastern Europe and Central Asia	LATVIA
Central/Eastern Europe and Central Asia	LITHUANIA
Central/Eastern Europe and Central Asia	MACEDONIA
Central/Eastern Europe and Central Asia	MOLDOVA
Central/Eastern Europe and Central Asia	MONTENEGRO

Region	Country
Central/Eastern Europe and Central Asia	POLAND
Central/Eastern Europe and Central Asia	ROMANIA
Central/Eastern Europe and Central Asia	RUSSIA
Central/Eastern Europe and Central Asia	SERBIA
Central/Eastern Europe and Central Asia	SLOVAKIA
Central/Eastern Europe and Central Asia	SLOVENIA
Central/Eastern Europe and Central Asia	TURKEY
Central/Eastern Europe and Central Asia	UKRAINE
Latin America and Caribbean	ARGENTINA
Latin America and Caribbean	BOLIVIA
Latin America and Caribbean	BRAZIL
Latin America and Caribbean	CHILE
Latin America and Caribbean	COLOMBIA
Latin America and Caribbean	COSTA RICA
Latin America and Caribbean	DOMINICAN REPUBLIC
Latin America and Caribbean	ECUADOR
Latin America and Caribbean	EL SALVADOR
Latin America and Caribbean	GUATEMALA
Latin America and Caribbean	GUYANA
Latin America and Caribbean	HONDURAS
Latin America and Caribbean	JAMAICA
Latin America and Caribbean	MEXICO
Latin America and Caribbean	NICARAGUA
Latin America and Caribbean	PANAMA
Latin America and Caribbean	PARAGUAY
Latin America and Caribbean	PERU
Latin America and Caribbean	PUERTO RICO
Latin America and Caribbean	TRINIDAD AND TOBAGO
Latin America and Caribbean	URUGUAY
Latin America and Caribbean	VENEZUELA
Middle East and North Africa	ALGERIA
Middle East and North Africa	BAHRAIN
Middle East and North Africa	CYPRUS
Middle East and North Africa	EGYPT

Region	Country
Middle East and North Africa	IRAN
Middle East and North Africa	ISRAEL
Middle East and North Africa	JORDAN
Middle East and North Africa	KUWAIT
Middle East and North Africa	LEBANON
Middle East and North Africa	LIBYA
Middle East and North Africa	MOROCCO
Middle East and North Africa	OMAN
Middle East and North Africa	QATAR
Middle East and North Africa	SAUDI ARABIA
Middle East and North Africa	SYRIA
Middle East and North Africa	TUNISIA
Middle East and North Africa	UNITED ARAB EMIRATES
North America	CANADA
North America	UNITED STATES
Western Europe	AUSTRIA
Western Europe	BELGIUM
Western Europe	DENMARK
Western Europe	FINLAND
Western Europe	FRANCE
Western Europe	GERMANY
Western Europe	GREECE
Western Europe	ICELAND
Western Europe	IRELAND
Western Europe	ITALY
Western Europe	LUXEMBOURG
Western Europe	MALTA
Western Europe	NETHERLANDS
Western Europe	NORWAY
Western Europe	PORTUGAL
Western Europe	SPAIN
Western Europe	SWEDEN
Western Europe	SWITZERLAND
Western Europe	UNITED KINGDOM

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End Notes

- ⁱ For more information on the fellowship, see <http://www.propertyrightsalliance.org/hernando-soto-fellowship-program-a2865>
- ⁱⁱ GDP per capita data are from the World Development Indicators Online (2011).
- ⁱⁱⁱ FDI inflows data are from the World Development Indicators Online (2011). Please note that data on Luxembourg are removed from the data set. Luxembourg's FDI inflows as a percentage of GDP averaged over 300 percent over 2006–2010, which is more than eight times higher than the highest percentage among all other countries. Thus, Luxembourg presents a clear outlier whose removal is necessary for this analysis.
- ^{iv} A total of 83 countries were chosen for the analysis. Developing countries are defined as low-income and lower-middle income countries, according to the World Bank country classification available at <http://go.worldbank.org/K2CKM78CC0>.
- ^v As the OECD data has not been revised from last year, the social rights score for Jamaica still exceeds the 0–10 scale. Jamaica's score for social rights is 10.3 because the adult literacy rate for females is higher than for males (the ratio is 11.3). The author has decided to top code this score to 10.0. Not modifying the score would have resulted in Jamaica being ranked higher than the rest of the countries with otherwise perfect gender equality scores. Top coding results in a minor change in the overall gender equality score (from 8.1 to 8.0). Other countries with a literacy ratio slightly over 10 that do not cause their social rights score to be over 10.0 are not top coded.

