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# Empirical Evidence on Regulatory Burdens and International Income Performance

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EMPIRICAL EVIDENCE ON REGULATORY BURDENS AND INTERNATIONAL  
INCOME PERFORMANCE

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Dean of the Graduate School

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By

Enedina Licerio

2010

## **Dedication**

This paper is dedicated to my parents, Hermenegildo Licerio and Marina Elisa Licerio, as well as my brothers, Gregorio, Ricardo and Fernando Licerio for showing exceptional love and support throughout my academic studies.

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## **Abstract**

This paper analyzes the effects of regulatory burdens on per capita national income (GNI) and the potential increases in GNI that can result from deregulation. Previous research indicates that a rigid regulatory environment hampers income performance. The availability of more recent data and the addition of several new indices by the World Bank now permits a broader analysis of regulatory burdens and income performance to be undertaken. Simulations are conducted to quantify potential impacts of deregulation and greater transparency on income performance. Results show that sizeable income gains can result from deregulation.

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## **Chapter 1: Introduction**

Excessive regulatory burdens can often impede efficient business practices. Conversely, a moderate and stable regulatory environment may foster a more transparent and reliable business climate. In many countries, excessive regulations make the process of business formation lengthy and cumbersome. Under those conditions, employing workers, registering property, and trading goods with neighboring countries can be difficult and inefficient. However, not all regulations are road blocks to economic prosperity. For example, regulations are often put in place to protect investor relationships by providing accessibility to available credit information. Although regulations are frequently designed to foster growth, excessive levels of regulations can stall economic performance (World Bank, 2008). This research examines the effects of regulatory burdens on per capita national income (GNI) and the potential increases in GNI that can result from deregulation.

The number of regulations required for a business to operate legally varies from country to country. The World Bank orders 181 economies according to the ease of doing business. At one extreme lies Singapore with low regulatory burdens and a per capita GNI of \$32,470 (measured in U.S. dollars). At the other end of the spectrum, the Democratic Republic of the Congo is ranked last with an excessive level of regulatory burdens and a per capita GNI of \$140 (World Bank, 2008). These figures seemingly point toward a negative correlation between the amount of regulatory burdens and GNI.

Excessive levels of regulation are also associated with higher levels of corruption (Djankov et al., 2002). Corruption tends to hamper growth, independent of any potential impacts on investment, particularly for countries that exhibit bad governance (Méon and Sekkat, 2003).

A reduction in the number of cumbersome regulatory procedures should spur economic growth. Previous research indicates that lower regulatory burdens translate into better income performance (Fullerton et al., 2007).

The World Bank measures regulatory practices in ten different areas affecting business practices. Quantitative indices in the areas of starting a business, issuing construction permits, employing workers, registering property, obtaining credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business are reported, with data available for 181 countries. Previous research by Fullerton et al. (2007) examines the linkages between regulatory burdens and GNI. .

The following section provides a literature review. The third section describes the data and methodology employed. The fourth section summarizes empirical results. Concluding remarks and suggestions for future research follow in the fifth section. A data appendix is included at the end of the study.

## **Chapter 2: Literature Review**

Previous research has examined numerous factors influencing economic growth. This section reviews several prior studies that look at the impacts that corruption, the institutional environment, and productivity have on international economic performance. Relatively few studies analyze the effects that excess regulatory burdens have on international income performance.

Leff (1964) analyzes the potential impacts that corruption can have on economic development. Although corruption is often viewed as a deterrent to economic growth, arguments are presented that corruption can sometimes stimulate economic performance. In situations where governments have other priorities such as an increase in military power, policies toward economic growth are often neglected. Corruption can provide a direct incentive to encourage government officials to act on behalf of entrepreneurs seeking policies that promote development. By enabling entrepreneurs to influence the political environment, corruption can increase the rate of investment. Since favors are provided to those able to offer the highest bribes, corruption may help promote competition and efficiency.

In contrast, Mauro (1995) finds that corruption restrains economic growth. By utilizing subjective indices on corruption, red tape, the efficiency of the judicial system, and political instability, the channels through which corruption and other institutional factors affect growth are identified. The use of subjective indices, as opposed to objective measures, helps capture the perception of political instability, which ultimately influences investment. An index of ethnolinguistic fractionalization is used to address the issue of endogeneity between institutions and economic performance. Bad institutions and corruption are found to affect economic growth

by lowering the investment rate. The results run contrary to the idea that corruption may accelerate growth in economies where bureaucratic regulations are cumbersome.

In a similar study, Mo (2001) finds that corruption reduces economic growth through the channels of investment, human capital, and political instability. Results indicate that political instability is the main channel through which corruption influences economic growth. A 1 percent increase in the corruption level is found to reduce growth by 0.72 percent, with political instability accounting for about half of the overall effect. The study points out that corruption is more widespread in countries where institutional inefficiencies are prevalent.

Djankov, La Porta, Lopez-De-Silanes, and Shleifer (2002) look at the implications that entry regulations have on a country. Data consist of the numbers of procedures, official time, and official costs to start-up businesses in 85 countries. Evidence obtained supports the public choice view that entry regulations benefit politicians and bureaucrats. The theory of public choice states that regulation of entry limits competition and raises incumbents' profits. Countries that have high levels of entry regulations tend to have higher levels of corruption and larger unofficial economies. Holding per capita income constant, a higher number of procedures leads to inferior social outcomes.

Although neoclassical analysis predicts that poor countries grow more rapidly than wealthy countries, Keefer and Knack (1998) report that an inadequate institutional environment may cause these countries to grow more slowly. A deficient institutional environment may lead to a reduction in investment and reduce a country's ability to absorb new technology from abroad. A country's ability to catch up to wealthier nations heavily depends on the institutional environment in which economic activity in poor countries operate.

Rodrick, Subramanian and Trebbi (2002) estimate the contributions of institutions, geography, and trade in determining income levels throughout the world. Geography is important in determining income levels because it is a determinant of climate, natural resource endowments, disease burden, and transportation costs. International trade is a major driver of productivity change and fosters economic convergence between rich and poor countries. The results further indicate that the quality of institutions is the major factor contributing to economic growth. Institutions play a key role in the protection of property rights and the rule of law. Countries with strong institutions, more open economies, and at a greater distance from the equator are found to have higher income levels. Similarly, Bhattacharyya (2004) finds that the role institutions play in explaining variations in per capita income trumps the role of both trade and geography. A better institutional structure reduces transaction costs and indirectly favors growth.

Regulatory policies have also been found to affect a country's growth performance. Nicolleti and Scarpetta (2003) investigated the links between growth performance and regulatory reform. Specifically, the study looks at how product market regulations affect multi-factor productivity (MFP) performance, which is growth's main long-run determinant. MFP growth is found to be positively correlated with regulatory reform, where the strongest correlation is associated with administrative burdens that represent barriers to entry for businesses. Entry barriers hinder the adopting of existing technology by reducing competitive pressures. Diverse regulatory policies among OECD nations explain dissimilar growth patterns exhibited by these nations. Strict product market regulations underlie the weak productivity performances of some European countries.

Dawson (2006) examines the relationship between regulation, investment, and long-run economic growth for a sample of 64 countries. Dawson utilizes regulatory data from Fraser Institute's *Economic Freedom of the World* annual report, which includes indices on the credit market, labor market, and business regulations. The results suggest there is a negative relationship between regulation and economic growth. Regulation is found to be negatively related to private investment, but positively related to government investment. Countries with lower levels of business regulations tend to have higher levels of total factor productivity. Overall, reductions in the levels of regulations lead to a positive impact on economic growth, while uncertainty in the regulatory environment has negative impacts on growth.

Fullerton, De Leon, and Kelley (2007) use regulatory data from the World Bank to examine the effects that excess regulatory burdens have on per capita gross national income (GNI). The study finds that an increase in the number of regulatory procedures in registering a business leads to reductions in per capita income, while greater market transparency leads to increases in per capita income. Results indicate that lower regulatory requirements are associated with greater income performance. Model simulations reveal that deregulation can result in substantial income improvements.

The availability of more recent data and the addition of several new indices by the World Bank now permits a broader analysis of regulatory burdens and income performance to be undertaken. Among the new indices are construction permits, paying taxes, and trading across borders. Incorporation of these variables into the Fullerton, De Leon and Kelley (2007) framework may provide new insight to international income behavior.

### **Chapter 3: Data and Methodology**

Data are obtained from the World Bank (2008) report, *Doing Business 2009*. Data are reported for 181 economies in 2008. Complete data are available for 147 countries. Regulatory data are divided into ten different categories: starting a business, hiring and firing workers, registering property, getting credit, protecting investors, enforcing contracts, closing a business, construction permits, paying taxes, and trading across borders. These categories contain a total of 34 different variables. Definitions for all of the variables are listed in Table 1 and summary statistics for the data series are reported in Table 2. Dummy variables are used to classify the countries into six different categories: Africa, Asia, Latin America & Caribbean, Pacific Basin, Europe and the OECD (Cole et al., 2005).

Variables in the category starting a business include, the number of procedures required to start up a business, time recorded in days, cost as a percentage of the economy's income per capita, and paid-in minimum capital. A procedure is defined by the World Bank (2008) as any interaction between the company's founders and external parties. The time measure assumes each procedure takes at least 1 day, the business has had no prior contact with officials, and time spent gathering information is ignored. Procedures are considered to be complete only after the final documentation is received. Cost includes official fees and fees for legal services if those services are required by law. The minimum paid-in capital is the amount of capital that needs to be deposited in a bank prior to registration and 3 months following the incorporation. This measure is reported as a percentage of the country's per capita income. An increase in any of these measures should result in a reduction on per capita GNI.

**Table 1: Mnemonics and Definitions**

<b>Category</b>	<b>Variable Name</b>	<b>Definition</b>
Income	GNI	Gross Nation Income
Starting a Business	BSN	Number of procedures
	BST	Time, number of days
	BSC	Cost, percent of income per capita
	BSK	Minimum capital, percent of income per capita
Hiring and Firing Workers	HRD	Difficulty of hiring index
	HRH	Rigidity of hours index
	HRF	Difficulty of firing index
	HRC	Firing costs, weeks of salary
Registering Property	NPR	Number of procedures
	PRT	Time, number of days
	PRC	Cost, percent of property value
Getting Credit	CRL	Strength of legal rights index
	CRI	Depth of credit information index
	CRP	Public registry coverage, percent of adults
	CRV	Private Bureau coverage, percentage of adults
Protecting investors	DI	Extent of disclosure index
Enforcing Contracts	TPC	Number of procedures
	TTC	Time, number of days
	TCC	Costs, percentage of claim
Closing a Business	FT	Time, number of years
	FC	Cost, percentage of estate
	FRR	Recovery rate, cents on the dollar
Construction permits (Licenses)	CNP	Number of procedures
	CNT	Time, number of days
	CNC	Cost, percentage of income per capita
Paying Taxes	TXP	Payment, number of years
	TXT	Time, number per year
	TXR	Total tax payable, percentage of gross profit
Trading Across Borders	MXN	Number of documents to export
	MXD	Time to export, number of days
	MXC	Cost to export, per container
	MMN	Number of documents to import
	MMD	Time to import, number of days
	MMC	Cost to import

**Table 1 (continued): Mnemonics and Definitions**

Dummy Variables	LATIN	Dummy variable; equal to 1 if country is located in Latin America, 0 otherwise
	PACBASIN	Dummy variable; equal to 1 if country is located in the Pacific Basin, 0 otherwise
	AFRICA	Dummy variable; equal to 1 if country is located in Africa, 0 otherwise
	OECD	Dummy variable; equal to 1 if country belongs to OECD, 0 otherwise
	EUROPE	Dummy variable; equal to 1 if country is located in Europe, 0 otherwise
	ASIA	Dummy variable; equal to 1 if country is located in Asia, 0 otherwise

**Table 2: Summary Statistics**

Variable	Maximum	Minimum	Median	Mean	Standard Deviation
GNI	\$76,450	\$110	\$3,290	\$10,348	\$15,939
BSN	20	1	8.0	8.6	3.5
BST	694	1	26.0	38.4	59.8
BSC	435.4	0	16.8	46.4	70.5
BSK	4,353.8	0	3.5	92.3	353.3
HRD	100	0	33.0	30.7	26.5
HRH	80	0	40.0	37.3	22.8
HRF	100	0	30.0	31.3	22.7
HRE	79	0	33.0	33.1	18.3
HRC	446	0	35.0	47.9	48.7
NPR	14	1	6.0	6.1	2.5
PRT	513	2	45.5	72.4	83.4
PRC	28	0	4.9	6.2	5.4
CRL	10	0	5.0	5.3	2.5
CRI	6	0	3.0	2.9	2.3
CRP	76.4	0	0.0	5.6	12.1
CRV	100	0	0.0	20.9	32.5
DI	10	0	5.0	5.1	2.5
TPC	58	20	38.0	38.1	6.8
TTC	1,800	150	560.0	612.9	308.8
TCC	163.2	0.1	26.5	34.1	27.3
FT	10	0.4	3.0	3.0	1.5
FC	76	1	15.0	15.7	11.2
FRR	92.5	0	28.1	31.2	24.5

**Table 2 (continued): Summary Statistics**

<b>Variable</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>Mean</b>	<b>Standard Deviation</b>
CNP	54	6	17.0	18.2	6.7
CNT	1,426	34	197.5	222.3	164.6
CNC	60,988.7	0.8	179.1	963.4	4,842.5
TXP	113	1	29.0	31.4	20.9
TXT	2,600	0	234.0	298.2	280.9
TXR	292.4	8.4	42.3	49.3	38.2
MXN	69	2	7.0	7.1	5.1
MXD	102	5	21.0	25.0	16.7
MXC	5,367	450	1,153.0	1,368.5	780.0
MMN	18	2	7.0	7.6	2.4
MMD	104	3	23.0	28.0	19.3
MMC	6,020	439	1,275.0	1,562.5	960.0

Data for hiring and firing employees are composed of five separate measures: rigidity of employment, difficulty of hiring index, rigidity of hours index, difficulty of firing index, and firing costs. The rigidity of employment index is a composite measure calculated by taking the simple average of the difficulty of hiring index, the rigidity of hours index and the difficulty of firing index. Values of these indices range between 0 and 100, where higher values represent a more severe regulatory environment. Firing costs are expressed in weeks of salary. Included in this measure are the costs associated with notice requirements along with severance and penalty payments for terminating a redundant worker. Higher levels of regulation in this category are also expected to decrease per capita GNI.

The World Bank (2008) also reports the number of procedures, time, and cost for registering property in each country. The number of procedures includes all interactions necessary to transfer the property title to the buyer's name. This includes all procedures required by law regardless of whether it is the responsibility of the buyer, seller, or a third party. Time is

reported in days and measures the median time required to complete each procedure. The transaction is complete only after the buyer is able to use the property as collateral for a bank loan. Cost is recorded as a percentage of the property value and includes official costs only. Excess regulatory burdens for registering property are expected to negatively affect per capita income.

Four variables make up the getting credit category: the strength of legal rights index, depth of credit information index, public registry coverage, and private bureau coverage. The strength of legal rights index evaluates the degree to which collateral and bankruptcy laws facilitate lending by protecting the rights of borrowers and lenders. The index ranges from 0 to 10, higher scores represent more effective collateral and bankruptcy laws. The depth of credit information index measures the scope, accessibility, and quality of credit information distributed by public and private credit registries. The public and private registry coverage variables report the number of individuals and firms listed in a public or private registry as a percentage of the adult population. These variables increase transparency and are likely to be positively correlated with income performance.

The World Bank (2008) also provides data on investor protection. The extent of disclosure index ranges between 0 and 10, where higher values represent greater disclosure. The index measures the transparency of related-party transactions. Greater disclosure is likely to result in an increase on per capita income.

Regulatory data on enforcing contracts are also collected by the World Bank (2008). This category includes three variables: the number of procedures, time, and cost. The number of procedures includes steps to file a case, steps for trial and judgment, and steps to execute the

judgment. The time it takes to complete each procedure is measured in calendar days. Costs are composed of attorney fees, court costs, and enforcement costs. These are reported as a percentage of the claim; bribes are excluded. An increase in procedures, time, or costs is expected to create downward pressure on income performance.

Closing a business can be costly in many economies. The World Bank (2008) collects data on time, costs, and the recovery rate of bankruptcy. The time for lenders to recover their money is reported in years. Cost data include court fees, lawyer's fees, independent assessors' fees, and accountant's fees. Costs are measured as a percentage of the estate value. Prolonged time and high bankruptcy costs can depress per capita income. The recovery rate represents the present value of the debt recovered; it is recorded as cents on the dollar. A positive relationship between the recovery rate and per capita GNI is hypothesized.

Data on construction permits encompass three different measures: number of procedures, time, and cost. The assumptions for these variables are analogous to data for the variables in the enforcing contracts category. Similarly, an increase for any of these variables is expected to result in a decrease in per capita income.

Tax data are also available from the World Bank (2008). The World Banks collects data on the number of payments per year, total time, and average tax rate. The time variable is expressed as hours per year and measures the time it takes to prepare, file, and pay corporate income taxes, sales taxes, and labor taxes. The average tax rate is reported as a percentage of gross profit. Countries with rigid tax regulation are likely to have a lower per capita GNI.

Trading across borders includes six components. Data are available for regulations restraining both exports and imports. This information covers the number of documents

necessary to export/import, the time it take to export/import, as well as the cost to export/import a 20-foot container. The cost is reported is US dollars. Restraints to trade are expected to suppress income performance.

To test the various hypotheses, GNI per capita is modeled as a function of regulatory burdens. The specification for GNI per capita is as follows:

$$(1) \quad \text{GNI}_i = b_0 + \sum_k b_k x_{ki} + \sum_k b_k \text{DV}_i + e_i,$$

where  $i = 1, 2, 3, \dots, 147$  for each of the countries in the sample;  $k = 1, 2, 3, \dots, K$  for the independent variables included in the specification, DV represents the region dummy variable, and  $e_i$  represents the error term. Due to the range of country sizes, heteroskedasticity may be present. That possibility will be tested using the White (1980) procedure. Empirical results are summarized in the next section.

## Chapter 4: Empirical Results and Policy Implications

Results obtained largely corroborate with those reported by Fullerton et al. (2007). Table 3 shows the results of the White (1980) heteroskedasticity test. The null hypothesis of homoskedasticity is rejected and the error covariance matrix is corrected using the White (1980) procedure. Empirical results for one version of Equation 1 are reported in Table 4. The specification is tested for endogeneity using the Davidson and MacKinnon (1989) test; those results are shown in Table 5. Additional specifications of Equation 1 are reported in Appendix B.

**Table 3: White Procedure Heteroskedasticity Test without Cross Terms**

<i>Computed Test Statistic</i>	<i>149*R2</i>	<i>Chi-Square</i>	<i>33.410</i>	<i>Probability</i>	<i>0.0041</i>
<b>Note:</b> Complete data are available for 149 of the 181 countries included in the World Bank data sample.					

**Table 4: Parameter Estimation Results**

Dependent Variable: GNI White Heteroskedasticity-Consistent Standard Errors & Covariance				
<b>Variable</b>	<b>Coefficient</b>	<b>Std. Error</b>	<b>t-Statistic</b>	<b>Probability</b>
Constant	58,975.67	8157.409	7.230	0.000
BSN	-294.76	253.681	-1.162	0.247
HRC	-29.43	15.459	-1.904	0.059
NPR	-167.00	427.754	-0.390	0.697
CRI	95.41	593.477	0.161	0.873
TPC	-256.16	177.613	-1.442	0.152
FT	-977.64	534.164	-1.830	0.070
CNP	-32.77	87.592	-0.374	0.709
TXP	-113.57	39.587	-2.869	0.005
MXN	-794.94	492.291	-1.615	0.109
MMN	-716.35	501.468	-1.429	0.156
LATIN	-19,789.10	3452.211	-5.732	0.000
PACBASIN	-22,027.92	4210.930	-5.231	0.000
AFRICA	-19,693.91	4183.280	-4.708	0.000
ASIA	-19,654.35	3591.741	-5.472	0.000
EUROPE	-18,403.31	3402.240	-5.409	0.000

**Table 4 (continued): Parameter Estimation Results**

Dependent Variable: GNI			
White Heteroskedasticity-Consistent Standard Errors & Covariance			
R-squared	0.694	Dependent variable mean	11694.28
Adjusted R-Squared	0.660	Dependent variable S.D.	16989.07
S.E. of regression	9913.202	F-statistic	20.112
Sum of squared residuals	1.31E+10	F-statistic probability	0.000
Log likelihood	-1574.001	Observations	149

**Table 5: Artificial Regression Endogeneity Test Results**

Ho: Least Squares Estimates are Consistent					
Ha: Endogeneity is present					
	N	t-value	Critical t-value	p-value	Decision
BSN	149	0.698	1.96	0.4864	Fail to Reject Null
HRC	149	0.698	1.96	0.4864	Fail to Reject Null
NPR	149	0.698	1.96	0.4864	Fail to Reject Null
CRI	149	-0.698	1.96	0.4864	Fail to Reject Null
TPC	149	0.698	1.96	0.4864	Fail to Reject Null
FT	149	0.698	1.96	0.4864	Fail to Reject Null
CNP	149	-0.698	1.96	0.4864	Fail to Reject Null
TXP	149	0.698	1.96	0.4864	Fail to Reject Null
MXN	149	0.698	1.96	0.4864	Fail to Reject Null
MMN	149	-0.698	1.96	0.4864	Fail to Reject Null

The Greensburg diversity index is used as the instrumental variable to test for endogeneity. The Greensburg index is published by the Summer Institute of Linguistics (Lewis, 2009). It measures the probability that any two people selected at random belong to the same ethnolinguistic group. This index is similar to the instrumental variable used by Mauro (1995). That study employs an ethnolinguistic fractionalization index from the *Atlas Narodov Mira* (1964). Linguistic diversity is an exogenous variable that is not directly related to economic variables, but it can, however, affect a country's institutional efficiency. For the purpose of this study, the Greensburg index is selected because it utilizes more recent data and covers a larger range of countries than does the ethnolinguistic fractionalization index used by Mauro (1995).

For the specification shown in Table 4, all of the parameter estimates exhibit the hypothesized signs. As with Fullerton et al. (2007), multicollinearity is present, therefore many of the parameter estimates do not satisfy the 5-percent criterion. The F-statistic is consistently significant across all specifications estimated. The adjusted coefficient of determination, 66.0 percent, is relatively high for cross-sectional data. As shown in Appendix B, different model specifications occasionally result in some estimated coefficients exhibiting arithmetic signs contrary to those hypothesized. For instance, the coefficient estimates for the disclosure index, DI, are consistently negative across all specifications and that variable is not included in the specification shown in Table 4.

The results confirm those reported by Fullerton et al. (2007) that excess regulatory burdens are negatively related to per capita GNI. The coefficients in Table 4 indicate that increasing the number of procedures required to start-up a business, BSN, by one additional requirement leads to a decrease in per capita income of \$295. Likewise, increasing the cost of firing a worker, HRC, by one week of salary reduces per capita GNI by \$29. Increasing the number of procedures required to register property, NPR, by one results in a decrease in per capita income of \$167. A one unit increase in the depth of credit information index, CRI, increases per capita GNI by \$95.

Increasing the number of procedures to enforce contracts, TPC, or obtain a construction permit, CNP, by one leads to reductions in per capita income of \$253, and \$33, respectively. For each additional year required to close a business, FT, per capita GNI decreases by \$998. Tax burdens also have a negative impact on per capita income. Table 4 shows that increasing the number of tax payments, TXP, required per year reduces per capita income by \$114. Rigid

international trade regulations also hamper a country's income performance. Increasing the number of documents required to export, MXN, by one lowers per capita income by \$795. Similarly, the addition of one document to the requirements for merchandise imports, MMN, leads to an income reduction of \$716. The regional qualitative variables listed in Table 1 are also included in the analysis. The OECD dummy variable is excluded to avoid matrix singularity. As expected, the coefficients for all of the variables are negative and statistically significant (Cole et al., 2005).

Model simulations are conducted to quantitatively measure the potential income gains associated with deregulation and greater market transparency. Tables C1-C5 (see Appendix C) report the income impacts that result from countries deregulating each of the variables included in Equation 1 to the world average. The per capita results are also multiplied by the country's population in order to calculate aggregate potential income gains. Model simulations show that substantial income gains can result if the countries whose 2008 regulatory profiles lag behind the world average move to the global average.

As can be in Tables C1-C5, the global per capita income gain that results from deregulation is about \$4,281; aggregate gains are approximately \$27,832 billion. This represents an approximate 53 percent increase relative to aggregate GNI of almost \$52,245 billion. Several countries in the sample exhibit no gains by moving to the world average. For these countries moving to the world average signifies increasing the level of regulatory burdens and this would result in per capita income losses. These countries include the United States, United Kingdom, Netherlands, and Singapore, among others. A large percentage of these countries are members of the OECD. These countries impose generally lower regulatory burdens as measured by the

various independent variables used in the specification shown in Table 4. The tables in the Appendix show only the implied per capita income gains, any implied income losses that would result by increasing regulatory burdens are not calculated.

With the exception of 11 countries, African economies benefit substantially from decreased regulatory burdens. Zimbabwe would experience a per capita income gain of nearly \$15,591 if it were to deregulate to the global average. The estimated aggregate income gains for all African countries is \$3,435 billion, this is about \$3,641 in per capita income. Similarly, Asian countries experience significant income gains as a result of deregulation. Aggregate income gains for all Asian countries are approximately \$19,926 billion. Among the Asian countries, India's per capita gains supersede the gains of other Asian economies. India's implied per capita income gains are \$15,287.

While the gains in other regions are not as sizeable as those for African and Asian countries, Latin American, Caribbean, Pacific Basin, and European countries can also benefit from deregulation. The implied aggregate gains are \$1,411 billion for Latin American and Caribbean countries, \$1,845 billion for Pacific Basin countries, and \$729 billion for European countries. The approximate per capita income gains are \$2,516, \$4,948, and \$2,480, respectively. Timor-Leste, located in the Pacific Basin, is the country that exhibits the greatest per capita income gain. Per capital GNI for this country would increase by \$46,152 if the level of regulatory burdens is decreased to the global mean.

The results of the parameter estimates and the model simulations largely confirm those reported by Fullerton et al. (2007). Even after adding additional explanatory variables and expanding the sample, the magnitude of global income gains that result from deregulation are

similar to those reported in the previous study. These results emphasize that considerable income gains are likely to result from less rigid regulatory burdens and more flexible trading regimes.

## Chapter 5: Conclusion

Excessive regulatory burdens have been reported to have a negative impact on a country's per capita GNI (Fullerton et al., 2007). The availability of more recent data, the addition of new indices by the World Bank, and a larger sample size, now permits a broader analysis of regulatory burdens and income performance. After including construction permit, tax, and international trade data into the analysis the results reaffirm that reducing regulatory burdens leads to increases in per capita GNI. In addition, regional dummy variables are included to account for cultural and institutional factors that influence economic performance (Assane and Abbas, 2003; Cole et al., 2005).

Data utilized in the analysis are from the World Bank (2008) report, *Doing Business 2009*. Complete data are available for 147 of the 181 countries in the sample. Equation estimates are corrected for heteroskedasticity using the White (1980) procedure. The specification reported in Table 4 is tested for endogeneity using the Davidson and MacKinnon (1989) test. The null hypothesis of consistent least squares estimates is not rejected when the Greensburg diversity index is used as the instrumental variable. A high adjusted coefficient of determination and a consistently significant F-statistic across all specifications estimated, suggest that multicollinearity is present in the sample.

Simulations are conducted to quantify the potential income gains associated with deregulation and greater market transparency. Model simulations are calculated by raising the explanatory variables of interest to the world average. Simulation results imply that global aggregate gains are approximately \$27,832 billion. Gains in per capita GNI ranged from \$94 for Bhutan to \$46,152 for Timor-Leste. The region with the greatest potential gains in aggregate

income is the Asian territory. Aggregate gains for all Asian countries included in the sample are approximately \$19,926 billion. These results coincide with previous studies that have indicated that improvements in the institutional environment increase a country's economic performance.

Overall, the results indicate that substantial income gains can result by reducing the level of regulatory burdens in place and improving market transparency. Excessive regulatory burdens hinder efficient business practices resulting in poor income performances. Lower income countries should opt for policies that reduce regulatory burdens and foster economic growth. Higher income countries should be careful to maintain regulatory framework that permit their economies to operate efficiently.

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## Appendix A: Data

**Table A1: Gross National Income, Greensburg Index & Starting a Business**

Country	GNI	GDI	BSN	BST	BSC	BSK
Afghanistan	\$370	0.741	4	9	59.5	0
Albania	\$3,290	0.577	6	8	25.8	32.3
Algeria	\$3,620	0.317	14	24	10.8	36.6
Angola	\$2,560	0.813	8	68	196.8	39.1
Antigua & Barbuda	\$11,520	0.248	8	21	11.6	0
Argentina	\$6,050	0.233	15	32	9	3.7
Armenia	\$2,640	0.159	9	18	3.6	2.3
Australia	\$35,960	0.124	2	2	0.8	0
Austria	\$42,700	0.535	8	28	5.1	52.8
Azerbaijan	\$2,550	0.455	6	16	3.2	0
Bahamas	\$19,781	0.386	7	31	9.8	0
Bahrain	\$25,731	0.663	7	9	0.6	210.1
Bangladesh	\$470	0.387	7	73	25.7	0
Belarus	\$4,220	0.397	8	31	7.8	12.4
Belgium	\$40,710	0.747	3	4	5.2	19.9
Belize	\$3,800	0.769	9	44	51.1	0
Benin	\$570	0.921	7	31	196	347
Bhutan	\$1,770	0.884	8	46	8.5	0
Bolivia	\$1,260	0.681	15	50	112.4	2.8
Bosnia & Herzegovina	\$3,580	0.659	12	60	30.8	36.3
Botswana	\$5,840	0.512	10	78	2.3	0
Brazil	\$5,910	0.103	18	152	8.2	0
Brunei	\$36,216	0.585	18	116	9.2	0
Bulgaria	\$4,590	0.263	4	49	2	47.8
Burkina Faso	\$430	0.773	5	16	62.3	458.8
Burundi	\$110	0.004	11	43	215	0
Cambodia	\$540	0.169	9	85	151.7	43.9
Cameroon	\$1,050	0.946	13	37	137.1	188
Canada	\$39,420	0.599	1	5	0.5	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>GNI</b>	<b>GDI</b>	<b>BSN</b>	<b>BST</b>	<b>BSC</b>	<b>BSK</b>
Cape Verde	\$2,430	0.07	12	52	35.7	47.5
Central African Rep.	\$380	0.959	10	14	232.3	513.9
Chad	\$540	0.944	19	75	175	365.1
Chile	\$8,350	0.035	9	27	7.5	0
China,P.R.: Mainland	\$2,360	0.509	14	40	8.4	158.1
Colombia	\$3,250	0.034	9	36	14.1	0
Comoros	\$680	0.545	11	23	188.6	280.8
Congo, Dem. Rep. of	\$140	0.948	13	155	435.4	0
Congo, Republic of	\$1,540	0.836	10	37	106.4	131.2
Costa Rica	\$5,560	0.05	12	60	20.5	0
Côte d'Ivoire	\$910	0.917	10	40	135.1	215.9
Croatia	\$10,460	0.211	8	40	11.5	16.6
Czech Republic	\$14,450	0.146	8	15	9.6	31.8
Denmark	\$54,910	0.055	4	6	0	40.1
Djibouti	\$1,090	0.571	11	37	200.2	514
Dominica	\$4,250	0.313	5	14	25.5	0
Dominican Republic	\$3,550	0.053	8	19	19.4	0
Ecuador	\$3,080	0.267	14	65	38.5	12.7
Egypt	\$1,580	0.536	6	7	18.3	2
El Salvador	\$2,850	0.004	8	17	49.6	3.5
Equatorial Guinea	\$12,860	0.417	20	136	101.7	15.4
Eritrea	\$230	0.627	13	84	102.2	396.7
Estonia	\$13,200	0.454	5	7	1.7	23.7
Ethiopia	\$220	0.864	7	16	29.8	693.6
Fiji	\$3,800	0.608	8	46	25.2	0
Finland	\$44,400	0.148	3	14	1	7.4
France	\$38,500	0.267	5	7	1	0
Gabon	\$6,670	0.762	9	58	20.3	30.2
Gambia	\$320	0.78	8	27	254.9	0
Georgia	\$2,120	0.582	3	3	4	0
Germany	\$38,860	0.369	9	18	5.6	42.2
Ghana	\$590	0.805	9	34	32.7	16.6
Greece	\$29,630	0.137	15	19	10.2	19.6
Grenada	\$4,670	0.064	6	20	30.2	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>GNI</b>	<b>GDI</b>	<b>BSN</b>	<b>BST</b>	<b>BSC</b>	<b>BSK</b>
Guatemala	\$2,440	0.69	11	26	50.6	26.3
Guinea	\$400	0.754	13	41	135.7	476.9
Guinea-Bissau	\$200	0.871	17	233	257.7	1015
Guyana	\$1,300	0.08	8	40	68.4	0
Haiti	\$560	0	13	195	159.6	26.6
Honduras	\$1,600	0.056	13	20	52.6	20
Hong Kong, China	\$31,610	0.05	5	11	2	0
Hungary	\$11,570	0.018	4	5	8.4	10.8
Iceland	\$54,100	0.05	5	5	2.6	13.6
India	\$950	0.94	13	30	70.1	0
Indonesia	\$1,650	0.816	11	76	77.9	74.2
Iran, I.R. of	\$3,470	0.822	8	47	4.6	1
Iraq	\$1,224	0.674	11	77	15.7	59.1
Ireland	\$48,140	0.165	4	13	0.3	0
Israel	\$21,900	0.665	5	34	4.4	0
Italy	\$33,540	0.586	6	10	18.5	9.7
Jamaica	\$3,710	0.011	6	8	7.9	0
Japan	\$37,670	0.028	8	23	7.5	0
Jordan	\$2,850	0.496	10	14	60.4	24.2
Kazakhstan	\$5,060	0.699	8	21	5.2	15.9
Kenya	\$680	0.877	12	30	39.7	0
Kiribati	\$1,170	0.033	6	21	64.6	34.9
Korea	\$19,690	0.003	10	17	16.9	53.8
Kuwait	\$31,640	0.556	13	35	1.3	81.7
Kyrgyz Republic	\$590	0.67	4	15	7.4	0.4
Lao People's Dem.Rep	\$580	0.674	8	103	14.1	0
Latvia	\$9,930	0.584	5	16	2.3	16.9
Lebanon	\$5,770	0.161	5	11	87.5	57
Lesotho	\$1,000	0.26	7	40	37.8	14.5
Liberia	\$150	0.916	8	27	100.2	0
Lithuania	\$9,920	0.341	7	26	2.7	35.9
Luxembourg	\$75,880	0.489	6	26	6.5	21.3
Macedonia	\$3,460	0.578	7	9	3.8	0
Madagascar	\$320	0.721	5	7	11	289.8

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>GNI</b>	<b>GDI</b>	<b>BSN</b>	<b>BST</b>	<b>BSC</b>	<b>BSK</b>
Malawi	\$250	0.525	10	39	125.9	0
Malaysia	\$6,540	0.747	9	13	14.7	0
Maldives	\$3,200	0.008	5	9	11.5	4.8
Mali	\$500	0.874	11	26	121.5	390.4
Marshall Island	\$3,070		5	17	17.3	0
Mauritania	\$840	0.183	9	19	33.9	422.6
Mauritius	\$5,450	0.587	5	6	5	0
Mexico	\$8,340	0.137	9	28	12.5	11
Micronesia Fed States	\$2,470	0.772	7	16	137.5	0
Moldova	\$1,260	0.59	9	15	8.9	13.4
Mongolia	\$1,290	0.332	7	13	4	58.5
Montenegro	\$5,180	0.567	15	21	4.4	0
Morocco	\$2,250	0.466	6	12	10.2	52.3
Mozambique	\$320	0.932	10	26	22.9	122.5
Namibia	\$3,360	0.81	10	66	22.1	0
Nepal	\$340	0.737	7	31	60.2	0
Netherlands	\$45,820	0.291	6	10	5.9	51.7
New Zealand	\$28,780	0.107	1	1	0.4	0
Nicaragua	\$980	0.081	6	39	121	0
Niger	\$280	0.64	11	19	170.1	702.1
Nigeria	\$930	0.869	8	31	90.1	0
Norway	\$76,450	0.072	6	10	2.1	21
Oman	\$11,120	0.693	7	14	3.6	461.2
Pakistan	\$870	0.762	11	24	12.6	0
Palau	\$8,210	0.078	8	28	4.6	12.2
Panama	\$5,510	0.324	7	13	19.6	0
Papua New Guinea	\$850	0.99	8	56	23.6	0
Paraguay	\$1,670	0.352	7	35	67.9	0
Peru	\$3,450	0.388	10	65	25.7	0
Philippines	\$1,620	0.855	15	52	29.8	6
Poland	\$9,840	0.064	10	31	18.8	168.8
Portugal	\$18,950	0.022	6	6	2.9	34.3
Puerto Rico	\$14,371	0.058	7	7	0.8	0
Qatar	\$72,849	0.608	6	6	9.1	75.4

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>GNI</b>	<b>GDI</b>	<b>BSN</b>	<b>BST</b>	<b>BSC</b>	<b>BSK</b>
Romania	\$6,150	0.169	6	10	3.6	1.1
Russia	\$7,560	0.331	8	29	2.6	2.2
Rwanda	\$320	0.004	8	14	108.9	0
Samoa	\$2,430	0.002	9	35	39.8	0
Sao Tome and Principe	\$870	0.39	10	144	88.9	0
Saudi Arabia	\$15,440	0.613	7	12	14.9	0
Senegal	\$820	0.775	4	8	72.7	236.2
Serbia	\$4,730	0.626	11	23	7.6	6.9
Seychelles	\$8,960	0.067	9	38	8.3	0
Sierra Leone	\$260	0.822	7	17	56.2	0
Singapore	\$32,470	0.773	4	4	0.7	0
Slovakia	\$11,730	0.237	6	16	3.3	30.4
Slovenia	\$20,960	0.174	5	19	0.1	46.8
Solomon Islands	\$730	0.967	7	57	53.6	0
South Africa	\$5,760	0.874	6	22	6	0
Spain	\$29,450	0.509	10	47	14.9	13.1
Sri Lanka	\$1,540	0.319	4	38	7.1	0
St. Kitts and Nevis	\$9,630	0.01	8	45	12.5	0
St. Lucia	\$5,530	0.02	6	20	22.6	0
St. Vincent and Grenadines	\$4,210	0.009	8	12	26.8	0
Sudan	\$960	0.543	10	39	50.8	0
Suriname	\$4,730	0.788	13	694	125.2	0.8
Swaziland	\$2,580	0.21	13	61	35.1	0.6
Sweden	\$46,060	0.145	3	15	0.6	30.3
Switzerland	\$59,880	0.577	6	20	2.1	27.6
Syrian Arab Republic	\$1,760	0.527	8	17	18.2	4353.8
Taiwan	\$17,930	0.488	8	42	4.1	177.4
Tajikistan	\$460	0.485	13	49	27.6	216.8
Tanzania	\$400	0.947	12	29	41.5	0
Thailand	\$3,400	0.74	8	33	4.9	0
Timor-Leste	\$1,510		10	83	6.6	331.1
Togo	\$360	0.897	13	53	251.3	559.9
Tonga	\$2,320	0.014	4	25	9.6	0
Trinidad and Tobago	\$14,100	0.696	9	43	0.9	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>GNI</b>	<b>GDI</b>	<b>BSN</b>	<b>BST</b>	<b>BSC</b>	<b>BSK</b>
Tunisia	\$3,200	0.012	10	11	7.9	0
Turkey	\$8,020	0.3	6	6	14.9	10.9
Uganda	\$340	0.928	18	25	100.7	0
Ukraine	\$2,550	0.495	10	27	5.5	174.2
United Arab Emirates	\$26,210	0.777	8	17	13.4	311.9
United Kingdom	\$42,740	0.133	6	13	0.8	0
United States	\$46,040	0.319	6	6	0.7	0
Uruguay	\$6,380	0.092	11	44	43.5	0
Uzbekistan	\$730	0.427	7	15	10.3	17.7
Vanuatu	\$1,840	0.974	8	39	54.8	0
Venezuela, Rep. Bol.	\$7,320	0.051	16	141	26.8	0
Vietnam	\$790	0.242	11	50	16.8	0
West Bank and Gaza	\$1,230		11	49	69.1	56.1
Yemen, Republic of	\$870	0.579	7	13	93	0
Zambia	\$800	0.878	6	18	28.6	1.5
Zimbabwe	\$325	0.518	10	96	432.7	3.4

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A2: Hiring & Firing Workers**

<b>Country</b>	<b>HRD</b>	<b>HRH</b>	<b>HRF</b>	<b>HRE</b>	<b>HRC</b>
Afghanistan	0	40	40	27	0
Albania	44	40	20	35	56
Algeria	44	60	40	48	17
Angola	67	60	70	66	58
Antigua & Barbuda	11	0	20	10	52
Argentina	44	60	0	35	95
Armenia	33	40	20	31	13
Australia	0	0	10	3	4
Austria	0	60	40	33	2
Azerbaijan	0	0	10	3	22
Bahamas	11	0	40	17	26
Bahrain	0	20	50	23	4
Bangladesh	44	20	40	35	104
Belarus	0	40	40	27	22
Belgium	11	40	10	20	16
Belize	22	20	0	14	24
Benin	39	40	40	40	36
Bhutan	0	0	20	7	10
Bolivia	78	60	100	79	
Bosnia & Herzegovina	67	40	30	46	31
Botswana	0	20	40	20	90
Brazil	78	60	0	46	37
Brunei	0	20	0	7	4
Bulgaria	17	60	10	29	9
Burkina Faso	33	20	10	21	34
Burundi	0	60	30	30	26
Cambodia	44	60	30	45	39
Cameroon	28	40	70	46	33
Canada	11	0	0	4	28

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>HRD</b>	<b>HRH</b>	<b>HRF</b>	<b>HRE</b>	<b>HRC</b>
Cape Verde	33	60	70	54	93
Central African Rep.	72	60	50	61	22
Chad	39	60	40	46	36
Chile	33	20	20	24	52
China,P.R.: Mainland	11	20	50	27	91
Colombia	11	40	20	24	59
Comoros	39	60	40	46	100
Congo, Dem. Rep. of	72	80	70	74	31
Congo, Republic of	78	60	70	69	33
Costa Rica	44	40	0	28	35
Côte d'Ivoire	33	60	20	38	49
Croatia	61	40	50	50	39
Czech Republic	33	40	10	28	22
Denmark	0	20	10	10	0
Djibouti	67	40	30	46	56
Dominica	11	20	20	17	58
Dominican Republic	44	40	0	28	88
Ecuador	44	60	50	51	135
Egypt	0	20	60	27	132
El Salvador	33	40	0	24	86
Equatorial Guinea	67	60	70	66	133
Eritrea	0	40	20	20	69
Estonia	33	80	60	58	35
Ethiopia	33	40	30	34	40
Fiji	11	20	20	17	22
Finland	44	60	40	48	26
France	67	60	40	56	32
Gabon	17	60	80	52	43
Gambia	0	40	40	27	26
Georgia	0	20	0	7	4
Germany	33	60	40	44	69
Ghana	22	40	50	37	178
Greece	33	80	40	51	24
Grenada	44	20	0	21	29

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>HRD</b>	<b>HRH</b>	<b>HRF</b>	<b>HRE</b>	<b>HRC</b>
Guatemala	44	40	0	28	101
Guinea	33	60	40	44	26
Guinea-Bissau	67	60	70	66	87
Guyana	22	20	20	21	56
Haiti	22	40	0	21	17
Honduras	89	20	50	53	74
Hong Kong, China	0	0	0	0	62
Hungary	0	80	10	30	35
Iceland	44	40	10	31	13
India	0	20	70	30	56
Indonesia	61	0	60	40	108
Iran, I.R. of	11	60	50	40	91
Iraq	33	60	20	38	0
Ireland	11	20	20	17	24
Israel	11	60	0	24	91
Italy	33	40	40	38	11
Jamaica	11	0	0	4	62
Japan	0	20	30	17	4
Jordan	11	20	60	30	4
Kazakhstan	0	40	30	23	9
Kenya	22	0	30	17	47
Kiribati	0	0	50	17	4
Korea	44	60	30	45	91
Kuwait	0	40	0	13	78
Kyrgyz Republic	33	40	40	38	17
Lao People's Dem.Rep	11	40	50	34	19
Latvia	50	40	40	43	17
Lebanon	44	0	30	25	17
Lesotho	22	40	0	21	44
Liberia	33	20	40	31	84
Lithuania	33	80	30	48	30
Luxembourg	67	80	40	62	39
Macedonia	50	60	30	47	26
Madagascar	89	60	40	63	30

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>HRD</b>	<b>HRH</b>	<b>HRF</b>	<b>HRE</b>	<b>HRC</b>
Malawi	56	0	20	25	84
Malaysia	0	0	30	10	75
Maldives	0	0	0	0	9
Mali	33	40	40	38	31
Marshall Island	0	0	0	0	0
Mauritania	56	40	40	45	31
Mauritius	0	20	50	23	35
Mexico	33	40	70	48	52
Micronesia Fed States	22	0	0	7	0
Moldova	44	40	40	41	37
Mongolia	22	80	0	34	9
Montenegro	33	40	40	38	39
Morocco	100	40	50	63	85
Mozambique	67	60	20	49	134
Namibia	0	40	20	20	24
Nepal	56	0	70	42	90
Netherlands	17	40	70	42	17
New Zealand	11	0	10	7	0
Nicaragua	22	60	0	27	24
Niger	100	60	50	70	35
Nigeria	0	0	20	7	50
Norway	61	40	40	47	13
Oman	33	40	0	24	4
Pakistan	78	20	30	43	90
Palau	11	0	0	4	0
Panama	78	60	60	66	44
Papua New Guinea	11	20	0	10	39
Paraguay	56	60	60	59	113
Peru	44	40	60	48	52
Philippines	56	20	30	35	91
Poland	11	60	40	37	13
Portugal	33	60	50	48	95
Puerto Rico	56	0	20	25	0
Qatar	0	60	20	27	69

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>HRD</b>	<b>HRH</b>	<b>HRF</b>	<b>HRE</b>	<b>HRC</b>
Romania	67	80	40	62	8
Russia	33	60	40	44	17
Rwanda	44	40	30	38	26
Samoa	11	20	0	10	9
Sao Tome and Principe	50	80	60	63	91
Saudi Arabia	0	40	0	13	80
Senegal	72	60	50	61	38
Serbia	67	20	30	39	25
Seychelles	44	20	50	38	39
Sierra Leone	44	60	50	51	189
Singapore	0	0	0	0	4
Slovakia	17	60	30	36	13
Slovenia	78	60	40	59	37
Solomon Islands	11	0	20	10	44
South Africa	56	40	30	42	24
Spain	78	60	30	56	56
Sri Lanka	0	20	60	27	169
St. Kitts and Nevis	11	20	20	17	13
St. Lucia	0	20	0	7	56
St. Vincent and Grenadines	0	20	20	13	54
Sudan	39	20	50	36	118
Suriname	0	20	50	23	26
Swaziland	0	20	20	13	53
Sweden	33	60	40	44	26
Switzerland	0	40	10	17	13
Syrian Arab Republic	11	40	50	34	80
Taiwan	78	40	40	53	91
Tajikistan	33	80	40	51	22
Tanzania	100	40	50	63	18
Thailand	33	20	0	18	54
Timor-Leste	33	20	50	34	17
Togo	72	60	40	57	36
Tonga	0	20	0	7	0
Trinidad and Tobago	0	0	20	7	67

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>HRD</b>	<b>HRH</b>	<b>HRF</b>	<b>HRE</b>	<b>HRC</b>
Tunisia	28	40	80	49	17
Turkey	44	40	30	38	95
Uganda	0	0	10	3	13
Ukraine	44	60	30	45	13
United Arab Emirates	0	40	0	13	84
United Kingdom	11	20	10	14	22
United States	0	0	0	0	0
Uruguay	33	60	0	31	31
Uzbekistan	33	40	30	34	22
Vanuatu	22	40	10	24	56
Venezuela, Rep. Bol.	78	60	100	79	
Vietnam	11	20	40	24	87
West Bank and Gaza	33	40	20	31	91
Yemen, Republic of	0	60	40	33	17
Zambia	22	60	20	34	178
Zimbabwe	0	40	60	33	446

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A3: Registering Property**

<b>Country</b>	<b>NPR</b>	<b>PRT</b>	<b>PRC</b>
Afghanistan	9	250	7
Albania	6	42	3.4
Algeria	14	51	7.5
Angola	7	334	11.6
Antigua & Barbuda	6	26	10.9
Argentina	5	51	7.5
Armenia	3	4	0.3
Australia	5	5	4.9
Austria	3	32	4.5
Azerbaijan	4	11	0.3
Bahamas	7	48	12.5
Bahrain	2	31	0.9
Bangladesh	8	245	10.4
Belarus	4	21	0
Belgium	7	132	12.7
Belize	8	60	4.7
Benin	4	120	11.9
Bhutan	5	64	0
Bolivia	7	92	4.9
Bosnia & Herzegovina	7	128	5.2
Botswana	4	11	5
Brazil	14	42	2.7
Brunei			
Bulgaria	8	19	2.3
Burkina Faso	6	136	10.2
Burundi	5	94	10.7
Cambodia	7	56	4.4
Cameroon	5	93	17.8
Canada	6	17	1.8

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>NPR</b>	<b>PRT</b>	<b>PRC</b>
Cape Verde	6	73	7.7
Central African Rep.	5	75	18.6
Chad	6	44	22.7
Chile	6	31	1.3
China,P.R.: Mainland	4	29	3.2
Colombia	9	23	2.4
Comoros	5	24	20.8
Congo, Dem. Rep. of	8	57	9.2
Congo, Republic of	7	116	16.5
Costa Rica	6	21	3.4
Côte d'Ivoire	6	62	13.9
Croatia	5	174	5
Czech Republic	4	123	3
Denmark	6	42	0.6
Djibouti	7	40	13.2
Dominica	5	42	13.7
Dominican Republic	7	60	3.8
Ecuador	9	16	2.2
Egypt	7	72	0.9
El Salvador	5	31	3.7
Equatorial Guinea	6	23	6.2
Eritrea	12	101	5.2
Estonia	3	51	0.4
Ethiopia	13	43	7.1
Fiji	3	68	2
Finland	3	14	4
France	9	113	6.3
Gabon	8	60	10.5
Gambia	5	371	4.6
Georgia	2	3	0
Germany	4	40	5.2
Ghana	5	34	1.2
Greece	11	22	3.8
Grenada	8	77	7.4

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>NPR</b>	<b>PRT</b>	<b>PRC</b>
Guatemala	5	30	1.1
Guinea	6	104	13.9
Guinea-Bissau	9	211	5.4
Guyana	6	34	4.5
Haiti	5	405	6.4
Honduras	7	23	5.6
Hong Kong, China	5	54	5
Hungary	4	17	11
Iceland	3	4	2.4
India	6	45	7.5
Indonesia	6	39	10.7
Iran, I.R. of	9	36	10.6
Iraq	5	8	6.5
Ireland	5	38	9.6
Israel	7	144	7.5
Italy	8	27	0.6
Jamaica	5	54	11
Japan	6	14	5
Jordan	8	22	10
Kazakhstan	5	40	0.1
Kenya	8	64	4.1
Kiribati	5	513	0.1
Korea	7	11	5.1
Kuwait	8	55	0.5
Kyrgyz Republic	7	8	3.9
Lao People's Dem.Rep	9	135	4.1
Latvia	7	50	2
Lebanon	8	25	5.9
Lesotho	6	101	8.2
Liberia	13	50	14.7
Lithuania	2	3	0.5
Luxembourg	8	29	10.3
Macedonia	6	66	3.4
Madagascar	7	74	7.5

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>NPR</b>	<b>PRT</b>	<b>PRC</b>
Malawi	6	88	3.3
Malaysia	5	144	2.5
Maldives			
Mali	5	29	20.3
Marshall Island			
Mauritania	4	49	5.2
Mauritius	4	210	10.8
Mexico	5	74	4.8
Micronesia Fed States			
Moldova	6	48	0.8
Mongolia	5	11	2.1
Montenegro	8	86	3.3
Morocco	8	47	4.9
Mozambique	8	42	12.9
Namibia	9	23	9.9
Nepal	3	5	6.3
Netherlands	2	5	6.1
New Zealand	2	2	0.1
Nicaragua	8	124	3.5
Niger	4	35	11.1
Nigeria	14	82	21.9
Norway	1	3	2.5
Oman	2	16	3
Pakistan	6	50	5.3
Palau	5	14	0.4
Panama	7	44	2.4
Papua New Guinea	4	72	5.1
Paraguay	6	46	3.5
Peru	5	33	3.3
Philippines	8	33	4.3
Poland	6	197	0.5
Portugal	5	42	7.4
Puerto Rico	8	194	1.5
Qatar	10	16	0.3

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>NPR</b>	<b>PRT</b>	<b>PRC</b>
Romania	8	83	2.4
Russia	6	52	0.2
Rwanda	4	315	0.6
Samoa	5	147	1.7
Sao Tome and Principe	7	62	10.9
Saudi Arabia	2	2	0
Senegal	6	124	20.6
Serbia	6	111	2.9
Seychelles	4	33	7
Sierra Leone	7	86	12.9
Singapore	3	9	2.8
Slovakia	3	17	0.1
Slovenia	6	391	2
Solomon Islands	10	297	4.8
South Africa	6	24	8.8
Spain	4	18	7.2
Sri Lanka	8	83	5.1
St. Kitts and Nevis	6	81	13.3
St. Lucia	6	16	7.4
St. Vincent and Grenadines	7	38	11.9
Sudan	6	9	3.1
Suriname	4	193	13.9
Swaziland	11	46	7.1
Sweden	1	2	3
Switzerland	4	16	0.4
Syrian Arab Republic	4	19	28
Taiwan	3	5	6.2
Tajikistan	6	37	1.8
Tanzania	9	73	4.4
Thailand	2	2	1.1
Timor-Leste			
Togo	5	295	13.4
Tonga	4	108	10.2
Trinidad and Tobago	8	162	7

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>NPR</b>	<b>PRT</b>	<b>PRC</b>
Tunisia	4	39	6.1
Turkey	6	6	3
Uganda	13	227	4.1
Ukraine	10	93	2.9
United Arab Emirates	3	6	2
United Kingdom	2	21	4.1
United States	4	12	0.5
Uruguay	8	66	7.1
Uzbekistan	12	78	1.5
Vanuatu	2	188	11
Venezuela, Rep. Bol.	8	47	2.2
Vietnam	4	57	1.2
West Bank and Gaza	7	63	0.9
Yemen, Republic of	6	19	3.8
Zambia	6	39	6.6
Zimbabwe	4	30	25

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A4: Getting Credit & Protecting Investors**

<b>Country</b>	<b>CRL</b>	<b>CRI</b>	<b>CRP</b>	<b>CRV</b>	<b>DI</b>
Afghanistan	1	0	0	0	0
Albania	9	4	8.3	0	8
Algeria	3	2	0.2	0	6
Angola	4	4	2.7	0	5
Antigua & Barbuda	7	0	0	0	4
Argentina	4	6	31.2	100	6
Armenia	7	5	2.6	24.4	5
Australia	9	5	0	100	8
Austria	7	6	1.3	40.9	3
Azerbaijan	8	5	3.1	0	7
Bahamas	9	0	0	0	2
Bahrain	4	4	0	35.8	8
Bangladesh	8	2	0.9	0	6
Belarus	2	5	2.4	0	5
Belgium	7	4	57.7	0	8
Belize	8	0	0	0	3
Benin	3	1	10.5	0	6
Bhutan	2	0	0	0	5
Bolivia	1	6	11.9	29.7	1
Bosnia & Herzegovina	5	5	0	69.2	3
Botswana	7	4	0	52.9	7
Brazil	3	5	20.2	62.2	6
Brunei	7	0	0	0	3
Bulgaria	8	6	30.7	5	10
Burkina Faso	3	1	1.9	0	6
Burundi	2	1	0.3	0	4
Cambodia	9	0	0	0	5
Cameroon	3	2	4.9	0	6
Canada	6	6	0	100	8

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CRL</b>	<b>CRI</b>	<b>CRP</b>	<b>CRV</b>	<b>DI</b>
Cape Verde	3	3	21.8	0	1
Central African Rep.	3	2	1.2	0	6
Chad	3	1	0.6	0	6
Chile	4	5	28.1	34.5	7
China,P.R.: Mainland	6	4	58.8	0	10
Colombia	5	5	0	42.5	8
Comoros	3	0	0	0	6
Congo, Dem. Rep. of	3	0	0	0	3
Congo, Republic of	3	2	6.9	0	6
Costa Rica	5	5	5.9	51.6	2
Côte d'Ivoire	3	1	2.9	0	6
Croatia	6	3	0	71.8	1
Czech Republic	6	5	4.6	65.2	2
Denmark	9	4	0	5	7
Djibouti	1	1	0.2	0	5
Dominica	9	0	0	0	4
Dominican Republic	3	6	33.9	35	5
Ecuador	3	5	37.7	46.8	1
Egypt	3	5	2.2	4.7	8
El Salvador	5	6	18.4	83	5
Equatorial Guinea	3	2	2.7	0	6
Eritrea	2	0	0	0	4
Estonia	6	5	0	20.6	8
Ethiopia	4	2	0.1	0	4
Fiji	9	4	0	42.3	3
Finland	7	5	0	14.8	6
France	7	4	28.3	0	10
Gabon	3	2	20.7	0	6
Gambia	5	0	0	0	2
Georgia	6	6	0	4.5	8
Germany	7	6	0.7	98.4	5
Ghana	7	0	0	0	7
Greece	3	4	0	39	1
Grenada	9	0	0	0	4

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CRL</b>	<b>CRI</b>	<b>CRP</b>	<b>CRV</b>	<b>DI</b>
Guatemala	7	5	16.1	19.7	3
Guinea	3	0	0	0	6
Guinea-Bissau	3	1	1	0	6
Guyana	4	0	0	0	5
Haiti	2	2	0.7	0	2
Honduras	6	6	11.3	60.5	1
Hong Kong, China	10	5	0	69.9	10
Hungary	7	5	0	10	2
Iceland	7	5	0	100	5
India	8	4	0	10.5	7
Indonesia	3	4	26.1	0	9
Iran, I.R. of	5	3	21.7	0	5
Iraq	3	0	0	0	4
Ireland	8	5	0	100	10
Israel	9	5	0	91	7
Italy	3	5	11.8	74.9	7
Jamaica	8	0	0	0	4
Japan	7	6	0	76.2	7
Jordan	4	2	1	0	5
Kazakhstan	5	6	0	25.6	7
Kenya	10	4	0	2.1	3
Kiribati	5	0	0	0	6
Korea	7	6	0	90.4	7
Kuwait	4	4	0	31.2	7
Kyrgyz Republic	7	5	0	3.7	9
Lao People's Dem.Rep	4	0	0	0	0
Latvia	9	4	3.7	0	5
Lebanon	3	5	6.8	0	9
Lesotho	8	0	0	0	2
Liberia	4	1	0.3	0	4
Lithuania	5	6	8.9	7.2	5
Luxembourg	7	0	0	0	6
Macedonia	7	4	6.5	0	5
Madagascar	2	0	0.1	0	5

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CRL</b>	<b>CRI</b>	<b>CRP</b>	<b>CRV</b>	<b>DI</b>
Malawi	8	0	0	0	4
Malaysia	10	6	52.9		10
Maldives	4	0	0	0	0
Mali	3	1	4.1	0	6
Marshall Island	4	0	0	0	2
Mauritania	3	1	0.2	0	5
Mauritius	5	3	20.6	0	6
Mexico	4	6	0	70.8	8
Micronesia Fed States	7	0	0	0	0
Moldova	8	0	0	0	7
Mongolia	6	3	22.7	0	5
Montenegro	9	2	26.3	0	5
Morocco	3	2	2.4	0	6
Mozambique	2	4	1.9	0	5
Namibia	8	5	0	59.6	5
Nepal	5	2	0	0.2	6
Netherlands	6	5	0	81	4
New Zealand	9	5	0	100	10
Nicaragua	3	5	13.4	100	4
Niger	3	1	0.9	0	6
Nigeria	8	0	0.1	0	5
Norway	7	4	0	100	7
Oman	4	2	23.4	0	8
Pakistan	6	4	4.9	1.5	6
Palau	0	0	0	0	0
Panama	6	6	0	43.7	1
Papua New Guinea	5	0	0	0	5
Paraguay	3	6	9.7	48.6	6
Peru	7	6	23.7	33.2	8
Philippines	3	3	0	5.4	2
Poland	8	4	0	50	7
Portugal	3	4	76.4	11.3	6
Puerto Rico	8	5	0	61.4	7
Qatar	3	2		0	5

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CRL</b>	<b>CRI</b>	<b>CRP</b>	<b>CRV</b>	<b>DI</b>
Romania	8	5	4.5	24.7	9
Russia	3	4	0	10	6
Rwanda	2	2	0.3	0	2
Samoa	6	0	0	0	5
Sao Tome and Principe	3	0	0	0	3
Saudi Arabia	4	6	0	14.1	8
Senegal	3	1	4.4	0	6
Serbia	7	5	0	91.9	7
Seychelles	3	0	0	0	4
Sierra Leone	4	0	0	0	3
Singapore	10	4	0	48.3	10
Slovakia	9	4	1.4	39.9	3
Slovenia	6	2	2.7	0	3
Solomon Islands	4	0	0	0	3
South Africa	9	6	0	64.8	8
Spain	6	5	45.8	8.1	5
Sri Lanka	4	5	0	8.7	4
St. Kitts and Nevis	8	0	0	0	4
St. Lucia	8	0	0	0	4
St. Vicente and Grenadines	8	0	0	0	4
Sudan	5	0	0	0	0
Suriname	5	0	0	0	1
Swaziland	6	5	0	43.5	0
Sweden	5	4	0	100	6
Switzerland	8	5	0	22.5	0
Syrian Arab Republic	1	0	0	0	6
Taiwan	4	5	0	62.7	7
Tajikistan	2	0	0	0	4
Tanzania	8	0	0	0	3
Thailand	4	5	0	31.8	10
Timor-Leste	1	0	0	0	3
Togo	3	1	2.6	0	6
Tonga	7	0	0	0	3
Trinidad and Tobago	8	4	0	37.6	4

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CRL</b>	<b>CRI</b>	<b>CRP</b>	<b>CRV</b>	<b>DI</b>
Tunisia	3	5	14.9	0	0
Turkey	4	5	12.7	26.3	9
Uganda	7	0	0	0	2
Ukraine	9	3	0	3	1
United Arab Emirates	4	5	6.5	7.7	4
United Kingdom	9	6	0	100	10
United States	8	6	0	100	7
Uruguay	5	6	15.4	98	3
Uzbekistan	3	3	2.3	2.2	4
Vanuatu	8	0	0	0	5
Venezuela, Rep. Bol.	3	0	0	0	3
Vietnam	7	4	13.4	0	6
West Bank and Gaza	0	3	7.8	0	6
Yemen, Republic of	2	0	0.1	0	6
Zambia	9	0	0	0.1	3
Zimbabwe	8	0	0	0	8

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A5: Enforcing Contracts & Closing a Business**

<b>Country</b>	<b>TPC</b>	<b>TTC</b>	<b>TCC</b>	<b>FT</b>	<b>FC</b>	<b>FRR</b>
Afghanistan	47	1642	25			0
Albania	39	390	38.7			0
Algeria	47	630	21.9	2.5	7	41.7
Angola	46	1011	44.4	6.2	22	10
Antigua & Barbuda	45	351	22.7	3	7	35.5
Argentina	36	590	16.5	2.8	12	29.8
Armenia	49	285	19	1.9	4	41.8
Australia	28	395	20.7	1	8	78.8
Austria	25	397	18	1.1	18	71.5
Azerbaijan	39	237	18.5	2.7	8	30.1
Bahamas	49	427	28.9	5	4	54.7
Bahrain	48	635	14.7	2.5	10	63.2
Bangladesh	41	1442	63.3	4	8	23.2
Belarus	28	225	23.4	5.8	22	33.4
Belgium	25	505	16.6	0.9	4	86.3
Belize	51	892	27.5	1	23	63.4
Benin	42	825	64.7	4	22	16.7
Bhutan	47	225	0.1			0
Bolivia	40	591	33.2	1.8	15	37.3
Bosnia & Herzegovina	38	595	38.4	3.3	9	35.9
Botswana	29	987	28.1	1.7	15	60.3
Brazil	45	616	16.5	4	12	17.1
Brunei	58	540	36.6	2.5	4	47.2
Bulgaria	39	564	23.8	3.3	9	32.1
Burkina Faso	37	446	107.4	4	9	21.7
Burundi	44	832	38.6			0
Cambodia	44	401	102.7			0
Cameroon	43	800	46.6	3.2	15	25.5
Canada	36	570	22.3	0.8	4	88.7

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>TPC</b>	<b>TTC</b>	<b>TCC</b>	<b>FT</b>	<b>FC</b>	<b>FRR</b>
Cape Verde	37	425	21.8			
Central African Rep.	43	660	82	4.8	76	0
Chad	41	743	77.4			0
Chile	36	480	28.6	4.5	15	21.3
China,P.R.: Mainland	34	406	11.1	1.7	22	35.3
Colombia	34	1346	52.6	3	1	52.8
Comoros	43	506	89.4			0
Congo, Dem. Rep. of	43	645	151.8	5.2	29	5.4
Congo, Republic of	44	560	53.2	3	24	20.4
Costa Rica	40	877	24.3	3.5	15	25.4
Côte d'Ivoire	33	770	41.7	2.2	18	34
Croatia	38	561	13.8	3.1	15	30.5
Czech Republic	27	820	33	6.5	15	20.9
Denmark	34	380	23.3	1.1	4	86.5
Djibouti	40	1225	34	5	18	15.9
Dominica	47	681	36			0
Dominican Republic	34	460	40.9	3.5	38	8.9
Ecuador	39	588	27.2	5.3	18	16.1
Egypt	42	1010	26.2	4.2	22	16.8
El Salvador	30	786	19.2	4	9	30.8
Equatorial Guinea	40	553	18.5			0
Eritrea	39	405	22.6			0
Estonia	36	425	18.9	3	9	37.5
Ethiopia	39	690	15.2	3	15	32.2
Fiji	34	397	38.9	1.8	38	20.1
Finland	32	235	10.4	0.9	4	87.3
France	30	331	17.4	1.9	9	44.7
Gabon	38	1070	34.3	5	15	15.2
Gambia	32	434	37.9	3	15	19.5
Georgia	36	285	29.9	3.3	4	27.9
Germany	30	394	14.4	1.2	8	52.2
Ghana	36	487	23	1.9	22	24
Greece	39	819	14.4	2	9	44.2
Grenada	47	723	32.6			0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>TPC</b>	<b>TTC</b>	<b>TCC</b>	<b>FT</b>	<b>FC</b>	<b>FRR</b>
Guatemala	31	1459	26.5	3	15	28.2
Guinea	50	276	45	3.8	8	22
Guinea-Bissau	41	1140	25			0
Guyana	36	581	25.2	3	29	17.6
Haiti	35	508	42.6	5.7	30	2.7
Honduras	45	900	35.2	3.8	15	20.8
Hong Kong, China	24	211	14.5	1.1	9	79.8
Hungary	33	335	13	2	15	38.4
Iceland	26	393	6.2	1	4	76.6
India	46	1420	39.6	10	9	10.4
Indonesia	39	570	122.7	5.5	18	13.7
Iran, I.R. of	39	520	17	4.5	9	23.1
Iraq	51	520	32.5			0
Ireland	20	515	26.9	0.4	9	86.6
Israel	35	890	25.3	4	23	44.9
Italy	41	1210	29.9	1.8	22	56.6
Jamaica	35	655	45.6	1.1	18	64.5
Japan	30	316	22.7	0.6	4	92.5
Jordan	39	689	31.2	4.3	9	27.3
Kazakhstan	38	230	22	3.3	18	25.3
Kenya	44	465	26.7	4.5	22	31.6
Kiribati	32	660	25.8			0
Korea	35	230	10.3	1.5	4	80.5
Kuwait	50	566	13.3	4.2	1	34.5
Kyrgyz Republic	39	177	29	4	15	14.2
Lao People's Dem.Rep	42	443	31.6			0
Latvia	27	279	16	3	13	29
Lebanon	37	721	30.8	4	22	19
Lesotho	41	695	19.5	2.6	8	33.9
Liberia	41	1280	35	3	43	8.3
Lithuania	30	210	23.6	1.7	7	48
Luxembourg	26	321	8.8	2	15	41.7
Macedonia	38	385	33.1	3.7	28	16.7
Madagascar	38	871	42.4			0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>TPC</b>	<b>TTC</b>	<b>TCC</b>	<b>FT</b>	<b>FC</b>	<b>FRR</b>
Malawi	42	432	142.4	2.6	30	15.1
Malaysia	30	600	27.5	2.3	15	38.6
Maldives	41	665	16.5	6.7	4	18.2
Mali	39	860	52	3.6	18	20.9
Marshall Island	36	476	27.4	2	38	17.9
Mauritania	46	370	23.2	8	9	6.7
Mauritius	37	750	17.4	1.7	15	33.6
Mexico	38	415	32	1.8	18	64.2
Micronesia Fed States	34	965	66	5.3	38	3.5
Moldova	31	365	16.6	2.8	9	28.6
Mongolia	32	314	30.6	4	8	22.1
Montenegro	49	545	25.7	2	8	43.7
Morocco	40	615	25.2	1.8	18	35.1
Mozambique	30	730	142.5	5	9	15.2
Namibia	33	270	29.9	1.5	15	39.5
Nepal	39	735	26.8	5	9	24.5
Netherlands	25	514	24.4	1.1	4	82.7
New Zealand	30	216	22	1.3	4	76.2
Nicaragua	35	540	26.8	2.2	15	34.3
Niger	39	545	59.6	5	18	14
Nigeria	39	457	32	2	22	28
Norway	33	310	9.9	0.9	1	89
Oman	51	598	13.5	4	4	35.1
Pakistan	47	976	23.8	2.8	4	39.2
Palau	38	885	35.3	1	23	38.2
Panama	31	686	50	2.5	18	32.4
Papua New Guinea	43	591	110.3	3	23	24.7
Paraguay	38	591	30	3.9	9	20.7
Peru	41	468	35.7	3.1	7	25.4
Philippines	37	842	26	5.7	38	4.4
Poland	38	830	12	3	20	29.8
Portugal	34	577	14.2	2	9	69.4
Puerto Rico	39	620	24.3	3.8	8	55.2
Qatar	43	570	21.6	2.8	22	52.7

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>TPC</b>	<b>TTC</b>	<b>TCC</b>	<b>FT</b>	<b>FC</b>	<b>FRR</b>
Romania	31	512	19.9	3.3	9	29.5
Russia	37	281	13.4	3.8	9	28.2
Rwanda	24	310	78.7			0
Samoa	44	455	19.7	2.5	38	14.3
Sao Tome and Principe	43	1185	34.8			0
Saudi Arabia	44	635	27.5	1.5	22	37.5
Senegal	44	780	26.5	3	7	31.6
Serbia	36	635	28.9	2.7	23	25.4
Seychelles	38	720	14.3			0
Sierra Leone	40	515	149.5	2.6	42	8.5
Singapore	21	150	25.8	0.8	1	91.3
Slovakia	30	565	25.7	4	18	45.9
Slovenia	32	1350	18.6	2	8	45.5
Solomon Islands	37	455	78.9	1	38	23.6
South Africa	30	600	33.2	2	18	32.2
Spain	39	515	17.2	1	15	73.2
Sri Lanka	40	1318	22.8	1.7	5	43.4
St. Kitts and Nevis	47	578	20.5			0
St. Lucia	47	635	37.3	2	9	42.9
St. Vincent and Grenadines	45	394	30.3			0
Sudan	53	810	19.8			0
Suriname	44	1715	37.1	5	30	8.1
Swaziland	40	972	23.1	2	15	34.9
Sweden	30	508	31.3	2	9	75.1
Switzerland	32	417	24	3	4	46.8
Syrian Arab Republic	55	872	29.3	4.1	9	29.5
Taiwan	47	510	17.7	1.9	4	80.9
Tajikistan	34	295	20.5	3	9	25.4
Tanzania	38	462	14.3	3	22	21.3
Thailand	35	479	14.3	2.7	36	42.4
Timor-Leste	51	1800	163.2			0
Togo	41	588	47.5	3	15	26.6
Tonga	37	350	30.5	2.7	22	25.2
Trinidad and Tobago	42	1340	33.5			0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>TPC</b>	<b>TTC</b>	<b>TCC</b>	<b>FT</b>	<b>FC</b>	<b>FRR</b>
Tunisia	39	565	21.8	1.3	7	52.3
Turkey	35	420	18.8	3.3	15	20.2
Uganda	38	535	44.9	2.2	30	41.1
Ukraine	30	354	41.5	2.9	42	9.1
United Arab Emirates	50	607	26.2	5.1	30	10.2
United Kingdom	30	404	23.4	1	6	84.2
United States	32	300	9.4	1.5	7	76.7
Uruguay	40	720	19	2.7	7	43
Uzbekistan	42	195	22.2	4	10	18.7
Vanuatu	30	430	74.7	2.6	38	41.2
Venezuela, Rep. Bol.	29	510	43.7	4	38	6
Vietnam	34	295	31	5	15	18
West Bank and Gaza	44	700	21.2			0
Yemen, Republic of	37	520	16.5	3	8	28.6
Zambia	35	471	38.7	2.7	9	30.2
Zimbabwe	38	410	32	3.3	22	0.1

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A6: Construction Permits & Paying Taxes**

<b>Country</b>	<b>CNP</b>	<b>CNT</b>	<b>CNC</b>	<b>TXP</b>	<b>TXT</b>	<b>TXR</b>
Afghanistan	13	340	14918.9	8	275	36.4
Albania	24	331	435	44	244	50.5
Algeria	22	240	46.8	34	451	74.2
Angola	12	328	831.1	31	272	53.2
Antigua & Barbuda	13	156	25.8	56	207	46.8
Argentina	28	338	183.3	9	453	108.1
Armenia	19	116	28	50	958	36.6
Australia	16	221	13.2	12	107	50.3
Austria	13	194	70.4	22	170	54.5
Azerbaijan	31	207	522.6	23	376	41.1
Bahamas	18	197	241.6	17	58	47
Bahrain	13	56	57.2	25	36	15
Bangladesh	14	231	739.8	21	302	39.5
Belarus	17	210	39.2	112	1188	117.5
Belgium	14	169	65.2	11	156	58.1
Belize	11	66	17.8	40	147	28.2
Benin	15	410	303.6	55	270	73.2
Bhutan	25	183	158.4	19	274	39.8
Bolivia	17	249	121.6	41	1080	78.1
Bosnia & Herzegovina	16	296	666.9	51	428	44.1
Botswana	24	167	311.9	19	140	17.1
Brazil	18	411	46.7	11	2600	69.4
Brunei	32	167	5.3	15	144	37.4
Bulgaria	24	139	493.6	17	616	34.9
Burkina Faso	15	214	577.9	45	270	44.6
Burundi	20	384	8515.8	32	140	278.7
Cambodia	23	709	64.3	27	137	22.6
Cameroon	15	426	1277.2	41	1400	51.4
Canada	14	75	103.7	9	119	45.4

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CNP</b>	<b>CNT</b>	<b>CNC</b>	<b>TXP</b>	<b>TXT</b>	<b>TXR</b>
Cape Verde	18	120	639.1	57	100	54
Central African Rep.	21	239	278.9	54	504	203.8
Chad	9	181	974.7	54	122	60.5
Chile	18	155	101.3	10	316	25.9
China,P.R.: Mainland	37	336	698.4	9	504	79.9
Colombia	13	114	661.6	31	256	78.4
Comoros	18	164	77.9	20	100	48.8
Congo, Dem. Rep. of	14	322	1725.8	32	308	229.8
Congo, Republic of	14	169	345.6	61	606	65.5
Costa Rica	23	191	211.7	43	282	55.7
Côte d'Ivoire	21	628	243.3	66	270	45.4
Croatia	19	410	655.2	17	196	32.5
Czech Republic	36	180	16.9	12	930	48.6
Denmark	6	69	60.9	9	135	29.9
Djibouti	14	195	982.8	35	114	38.7
Dominica	13	182	12.8	38	120	37
Dominican Republic	17	214	93.2	9	480	35.7
Ecuador	19	155	272.7	8	600	34.9
Egypt	28	249	376.7	29	711	46.1
El Salvador	34	155	176.3	53	320	34.9
Equatorial Guinea	18	201	159.4	46	296	59.5
Eritrea				18	216	84.5
Estonia	14	118	27.5	10	81	48.6
Ethiopia	12	128	790.7	20	198	31.1
Fiji	19	135	51.2	33	140	41.5
Finland	18	38	118.3	20	269	47.8
France	13	137	23.8	11	132	65.4
Gabon	16	210	39.4	26	272	44.7
Gambia	17	146	394	50	376	292.4
Georgia	12	113	20.3	30	387	38.6
Germany	12	100	62.2	16	196	50.5
Ghana	18	220	1282.6	33	224	32.7
Greece	15	169	46.4	10	224	47.4
Grenada	10	149	31.1	30	140	45.3

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CNP</b>	<b>CNT</b>	<b>CNC</b>	<b>TXP</b>	<b>TXT</b>	<b>TXR</b>
Guatemala	22	215	1204.1	39	344	36.5
Guinea	32	255	243	56	416	49.9
Guinea-Bissau	15	167	2628.9	46	208	45.9
Guyana	11	133	255.8	34	288	39.4
Haiti	11	1179	675.2	42	160	40.1
Honduras	17	125	464.6	47	224	49.3
Hong Kong, China	15	119	18.7	4	80	24.2
Hungary	31	204	10.3	14	330	57.5
Iceland	18	75	19.2	31	140	26.8
India	20	224	414.7	60	271	71.5
Indonesia	18	176	221.1	51	266	37.3
Iran, I.R. of	19	670	514.2	22	344	44.2
Iraq	14	215	915	13	312	24.7
Ireland	11	185	44.4	9	76	28.8
Israel	20	235	112.8	33	230	33.9
Italy	14	257	136.4	15	334	73.3
Jamaica	10	156	396.3	72	414	51.3
Japan	15	187	19.1	13	355	55.4
Jordan	18	122	443.7	26	101	31.1
Kazakhstan	38	231	1431.8	9	271	36.4
Kenya	10	100	46.3	41	417	50.9
Kiribati	14	160	717.5	7	120	31.8
Korea	13	34	154.6	14	250	33.7
Kuwait	25	104	171.4	14	118	14.4
Kyrgyz Republic	13	159	405.7	75	202	61.4
Lao People's Dem.Rep	24	172	172.1	34	560	33.7
Latvia	25	187	20.6	7	279	33
Lebanon	20	211	217.8	19	180	36
Lesotho	15	601	817.1	21	324	18
Liberia	25	321	60988.7	32	158	35.8
Lithuania	17	162	109.9	15	166	46.4
Luxembourg	13	217	20	22	59	21
Macedonia	21	198	1862.8	40	75	18.4
Madagascar	16	178	764.8	25	238	42.8

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CNP</b>	<b>CNT</b>	<b>CNC</b>	<b>TXP</b>	<b>TXT</b>	<b>TXR</b>
Malawi	21	213	1289.2	19	292	31.4
Malaysia	25	261	7.9	12	145	34.5
Maldives	9	118	26.3	1	0	9.1
Mali	14	208	1186.4	58	270	51.4
Marshall Island	10	55	35.9	21	128	64.9
Mauritania	25	201	475	38	696	98.7
Mauritius	18	107	41	7	161	22.2
Mexico	12	138	131	27	549	51.5
Micronesia Fed States	14	73	19	21	128	58.7
Moldova	30	292	142.2	53	234	42.1
Mongolia	21	215	81.3	42	204	30.3
Montenegro	20	248	1323.2	89	372	31.8
Morocco	19	163	292.5	28	358	44.6
Mozambique	17	381	747.8	37	230	34.3
Namibia	12	139	181.8	37	375	25.3
Nepal	15	424	248.4	34	408	34.1
Netherlands	18	230	112.1	9	180	39.1
New Zealand	7	65	25.8	8	70	35.6
Nicaragua	17	219	866	64	240	63.2
Niger	17	265	2694	42	270	42.3
Nigeria	18	350	655.4	35	938	32.2
Norway	14	252	46.6	4	87	41.6
Oman	16	242	721.4	14	62	21.6
Pakistan	12	223	734	47	560	28.9
Palau	25	118	5.9	19	128	73
Panama	21	131	123.3	59	482	50.6
Papua New Guinea	24	217	95.1	33	194	41.7
Paraguay	13	291	342.2	35	328	35
Peru	21	210	139.7	9	424	41.2
Philippines	24	203	90.1	47	195	50.8
Poland	30	308	137	40	418	40.2
Portugal	21	328	53.5	8	328	43.6
Puerto Rico	22	209	550.8	16	218	64.7
Qatar	19	76	0.8	1	36	11.3

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CNP</b>	<b>CNT</b>	<b>CNC</b>	<b>TXP</b>	<b>TXT</b>	<b>TXR</b>
Romania	17	243	91.2	113	202	48
Russia	54	704	2612.7	22	448	48.7
Rwanda	14	210	607.1	34	160	33.7
Samoa	18	88	90.9	37	224	18.9
Sao Tome and Principe	13	255	740.5	42	424	47.2
Saudi Arabia	18	125	74.7	14	79	14.5
Senegal	16	220	528.7	59	666	46
Serbia	20	279	2177.7	66	279	34
Seychelles	19	144	47	16	76	46.6
Sierra Leone	25	283	452.2	28	399	233.5
Singapore	11	38	21.2	5	84	27.9
Slovakia	13	287	13.1	31	325	47.4
Slovenia	15	208	112.2	22	260	36.7
Solomon Islands	12	62	471.1	33	80	36.3
South Africa	17	174	27.5	9	200	34.2
Spain	11	233	62.3	8	234	60.2
Sri Lanka	21	214	1486.5	62	256	63.7
St. Kitts and Nevis	14	67	5.1	24	172	52.7
St. Lucia	9	139	30.3	32	61	34
St. Vincent and Grenadines	11	74	8.4	36	117	42.6
Sudan	19	271	240.3	42	180	31.6
Suriname	14	431	105.7	17	199	27.9
Swaziland	13	93	94.9	33	104	36.6
Sweden	8	116	103.5	2	122	54.5
Switzerland	14	154	52.1	24	63	28.9
Syrian Arab Republic	26	128	697	20	336	43.5
Taiwan	29	193	123.6	23	340	40.4
Tajikistan	32	351	1420.7	54	224	85.5
Tanzania	21	308	2087	48	172	45.1
Thailand	11	156	9.4	23	264	37.8
Timor-Leste	22	208	62.9	15	340	28.3
Togo	15	277	1400.1	53	270	48.2
Tonga	11	76	371.6	23	164	27.5
Trinidad and Tobago	20	261	5.5	40	114	33.1

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>CNP</b>	<b>CNT</b>	<b>CNC</b>	<b>TXP</b>	<b>TXT</b>	<b>TXR</b>
Tunisia	20	84	1017.8	22	228	59.1
Turkey	25	188	249.3	15	223	45.5
Uganda	16	143	703.5	32	222	34.5
Ukraine	30	471	1901.7	99	848	58.4
United Arab Emirates	21	125	1.5	14	12	14.4
United Kingdom	19	144	64.2	8	105	35.3
United States	19	40	13.1	10	187	42.3
Uruguay	30	234	108	53	336	58.5
Uzbekistan	26	260	123.4	106	196	90.6
Vanuatu	7	51	356.7	31	120	8.4
Venezuela, Rep. Bol.	11	395	344.7	70	864	56.6
Vietnam	13	194	313.3	32	1050	40.1
West Bank and Gaza	21	199	1399.9	27	154	16.8
Yemen, Republic of	13	107	189.7	44	248	47.8
Zambia	17	254	1023.1	37	132	16.1
Zimbabwe	19	1426	16368.8	52	256	63.7

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A7: Trading Across Borders**

<b>Country</b>	<b>MXN</b>	<b>MXD</b>	<b>MXC</b>	<b>MMN</b>	<b>MMD</b>	<b>MMC</b>
Afghanistan	12	74	3000	11	77	2600
Albania	7	21	770	9	22	775
Algeria	8	17	1248	9	23	1428
Angola	12	68	2250	9	62	3325
Antigua & Barbuda	5	15	1133	6	15	1133
Argentina	9	13	1480	7	18	1810
Armenia	7	30	1746	9	24	1981
Australia	6	9	1200	6	12	1239
Austria	4	7	1125	5	8	1125
Azerbaijan	9	48	3075	14	56	3420
Bahamas	6	16	930	6	13	1380
Bahrain	5	14	805	6	15	845
Bangladesh	6	28	970	8	32	1375
Belarus	8	20	1772	8	26	1720
Belgium	4	8	1619	5	9	1600
Belize	7	21	1810	6	21	2145
Benin	7	32	1237	7	40	1393
Bhutan	8	38	1210	11	38	2140
Bolivia	8	19	1425	7	23	1747
Bosnia & Herzegovina	6	16	1070	7	16	1035
Botswana	6	31	2508	9	42	3064
Brazil	8	14	1240	7	19	1275
Brunei	6	28	630	6	19	708
Bulgaria	5	23	1626	7	21	1776
Burkina Faso	11	45	2132	11	54	3630
Burundi	9	47	2147	10	71	3705
Cambodia	11	22	732	11	30	872
Cameroon	9	27	995	8	33	1672
Canada	3	7	1660	4	11	1785

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>MXN</b>	<b>MXD</b>	<b>MXC</b>	<b>MMN</b>	<b>MMD</b>	<b>MMC</b>
Cape Verde	5	19	1325	5	18	1129
Central African Rep.	8	57	5121	18	66	5074
Chad	6	78	5367	9	102	6020
Chile	6	21	745	7	21	795
China,P.R.: Mainland	7	21	460	6	24	545
Colombia	6	14	1690	8	15	1640
Comoros	10	30	1073	10	21	1057
Congo, Dem. Rep. of	8	46	2607	9	66	2483
Congo, Republic of	11	50	2490	12	62	2959
Costa Rica	7	18	1050	8	25	1050
Côte d'Ivoire	10	23	1904	9	43	2437
Croatia	7	20	1281	8	16	1141
Czech Republic	4	17	985	7	20	1087
Denmark	4	5	681	3	5	681
Djibouti	5	19	1058	5	16	978
Dominica	7	13	1297	8	15	1310
Dominican Republic	6	9	916	7	10	1150
Ecuador	9	20	1345	7	29	1332
Egypt	6	14	737	6	15	823
El Salvador	8	14	880	9	10	820
Equatorial Guinea	7	30	1411	7	49	1411
Eritrea	9	50	1431	13	60	1581
Estonia	3	5	730	4	5	740
Ethiopia	8	46	2087	8	42	2893
Fiji	13	24	654	13	24	630
Finland	4	8	495	5	8	575
France	2	9	1078	2	11	1248
Gabon	7	20	1945	8	22	1955
Gambia	6	24	831	8	23	922
Georgia	8	12	1380	7	14	1340
Germany	4	7	822	5	7	887
Ghana	6	19	1003	7	29	1130
Greece	5	20	1153	6	25	1265
Grenada	6	16	1131	5	20	1478

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>MXN</b>	<b>MXD</b>	<b>MXC</b>	<b>MMN</b>	<b>MMD</b>	<b>MMC</b>
Guatemala	10	19	1182	10	18	1302
Guinea	7	33	720	9	32	1191
Guinea-Bissau	6	25	1545	6	24	2349
Guyana	7	30	1050	8	35	1056
Haiti	8	43	1020	10	37	1560
Honduras	7	20	1163	10	23	1190
Hong Kong, China	4	6	625	4	5	633
Hungary	5	18	1300	7	17	1290
Iceland	5	15	1109	5	14	1183
India	8	17	945	9	20	960
Indonesia	5	21	704	6	27	660
Iran, I.R. of	8	26	1011	10	42	1656
Iraq	10	102	3900	10	101	3900
Ireland	4	7	1109	4	12	1121
Israel	5	12	665	4	12	605
Italy	5	20	1305	5	18	1305
Jamaica	6	21	1750	6	22	1420
Japan	4	10	989	5	11	1047
Jordan	7	19	730	7	22	1290
Kazakhstan	11	89	3005	13	76	3055
Kenya	9	29	2055	8	26	2190
Kiribati	6	21	1070	7	21	1070
Korea	4	8	767	6	8	747
Kuwait	8	20	995	10	20	1152
Kyrgyz Republic	13	64	3000	13	75	3250
Lao People's Dem.Rep	9	50	1860	10	50	2040
Latvia	6	13	900	6	12	850
Lebanon	5	27	872	7	38	1073
Lesotho	6	44	1549	8	49	1715
Liberia	10	20	1232	9	17	1212
Lithuania	6	10	870	6	13	980
Luxembourg	5	6	1420	4	6	1420
Macedonia	6	17	1315	6	15	1325
Madagascar	4	23	1279	9	27	1660

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>MXN</b>	<b>MXD</b>	<b>MXC</b>	<b>MMN</b>	<b>MMD</b>	<b>MMC</b>
Malawi	12	45	1671	10	54	2550
Malaysia	7	18	450	7	14	450
Maldives	8	21	1348	9	20	1348
Mali	9	38	2012	11	42	2902
Marshall Island	5	21	875	5	33	875
Mauritania	11	35	1520	11	42	1523
Mauritius	5	17	725	6	16	677
Mexico	5	17	1472	5	23	2700
Micronesia Fed States	3	30	1255	6	30	1255
Moldova	6	32	1775	7	35	1895
Mongolia	8	49	2131	8	49	2274
Montenegro	9	18	1710	7	19	1910
Morocco	7	14	700	10	18	1000
Mozambique	8	26	1200	10	32	1475
Namibia	11	29	1686	9	24	1813
Nepal	9	41	1764	10	35	1900
Netherlands	4	6	895	5	6	1020
New Zealand	7	10	868	5	9	850
Nicaragua	5	29	1300	5	29	1420
Niger	8	59	3545	10	64	3545
Nigeria	10	25	1179	9	42	1306
Norway	4	7	780	4	7	709
Oman	10	22	821	10	26	1037
Pakistan	9	24	611	8	18	680
Palau	6	29	1170	10	33	1132
Panama	3	9	729	4	9	879
Papua New Guinea	7	26	664	9	29	722
Paraguay	9	35	915	10	33	1200
Peru	7	24	875	8	25	895
Philippines	8	16	816	8	16	819
Poland	5	17	884	5	27	884
Portugal	6	16	685	7	16	999
Puerto Rico	7	15	1250	10	16	1250
Qatar	5	21	735	7	20	657

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>MXN</b>	<b>MXD</b>	<b>MXC</b>	<b>MMN</b>	<b>MMD</b>	<b>MMC</b>
Romania	5	12	1275	6	13	1175
Russia	8	36	2150	13	36	2150
Rwanda	9	42	3275	10	42	5070
Samoa	7	27	820	7	31	848
Sao Tome and Principe	8	27	690	8	29	577
Saudi Arabia	5	17	681	5	18	678
Senegal	6	14	1078	5	18	1920
Serbia	6	12	1398	6	14	1559
Seychelles	6	17	1839	5	19	1839
Sierra Leone	7	29	1450	7	34	1535
Singapore	4	5	456	4	3	439
Slovakia	6	25	1445	8	25	1445
Slovenia	6	20	1075	8	21	1130
Solomon Islands	7	24	1011	4	21	1194
South Africa	8	30	1445	9	35	1721
Spain	6	9	1121	8	10	1121
Sri Lanka	8	21	865	6	20	895
St. Kitts and Nevis	6	12	850	6	14	938
St. Lucia	5	15	1425	8	18	1470
St. Vincent and Grenadines	6	12	1770	6	13	1769
Sudan	6	35	2050	6	49	2900
Suriname	8	25	975	7	25	885
Swaziland	9	21	2184	11	33	2249
Sweden	4	8	697	3	6	735
Switzerland	4	8	1537	5	9	1505
Syrian Arab Republic	8	15	1190	9	21	1625
Taiwan	7	13	757	7	12	769
Tajikistan	10	82	3150	10	83	4550
Tanzania	5	24	1262	7	31	1475
Thailand	4	14	625	3	13	795
Timor-Leste	69	25	1010	7	26	1015
Togo	6	24	940	8	29	963
Tonga	7	19	650	6	25	725
Trinidad and Tobago	5	14	866	6	26	1100

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>MXN</b>	<b>MXD</b>	<b>MXC</b>	<b>MMN</b>	<b>MMD</b>	<b>MMC</b>
Tunisia	5	17	733	7	23	858
Turkey	7	14	940	8	15	1063
Uganda	6	39	3090	7	37	3290
Ukraine	6	31	1230	10	36	1250
United Arab Emirates	5	10	618	7	10	587
United Kingdom	4	13	1030	4	13	1350
United States	4	6	990	5	5	1245
Uruguay	10	19	1100	10	22	1330
Uzbekistan	7	80	3100	11	104	4600
Vanuatu	7	26	1497	9	30	1392
Venezuela, Rep. Bol.	8	49	2590	9	71	2868
Vietnam	6	24	734	8	23	901
West Bank and Gaza	6	25	835	6	40	1225
Yemen, Republic of	6	31	1129	9	28	1475
Zambia	6	53	2664	9	64	3335
Zimbabwe	7	53	2678	9	73	3999

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

**Table A8: Regional Dummy Variables**

<b>Country</b>	<b>LATIN</b>	<b>AFRICA</b>	<b>OECD</b>	<b>ASIA</b>	<b>PACBASIN</b>	<b>EUROPE</b>
Afghanistan	0	0	0	1	0	0
Albania	0	0	0	0	0	1
Algeria	0	1	0	0	0	0
Angola	0	1	0	0	0	0
Antigua & Barbuda	1	0	0	0	0	0
Argentina	1	0	0	0	0	0
Armenia	0	0	0	1	0	0
Australia	0	0	1	0	0	0
Austria	0	0	1	0	0	0
Azerbaijan	0	0	0	1	0	0
Bahamas	1	0	0	0	0	0
Bahrain	0	1	0	0	0	0
Bangladesh	0	0	0	1	0	0
Belarus	0	0	0	0	0	1
Belgium	0	0	1	0	0	0
Belize	1	0	0	0	0	0
Benin	0	1	0	0	0	0
Bhutan	0	0	0	1	0	0
Bolivia	1	0	0	0	0	0
Bosnia & Herzegovina	0	0	0	0	0	1
Botswana	0	1	0	0	0	0
Brazil	1	0	0	0	0	0
Brunei	0	0	0	0	1	0
Bulgaria	0	0	0	0	0	1
Burkina Faso	0	1	0	0	0	0
Burundi	0	1	0	0	0	0
Cambodia	0	0	0	1	0	0
Cameroon	0	1	0	0	0	0
Canada	0	0	1	0	0	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>LATIN</b>	<b>AFRICA</b>	<b>OECD</b>	<b>ASIA</b>	<b>PACBASIN</b>	<b>EUROPE</b>
Cape Verde	0	1	0	0	0	0
Central African Rep.	0	1	0	0	0	0
Chad	0	1	0	0	0	0
Chile	1	0	0	0	0	0
China,P.R.: Mainland	0	0	0	1	0	0
Colombia	1	0	0	0	0	0
Comoros	0	1	0	0	0	0
Congo, Dem. Rep. of	0	1	0	0	0	0
Congo, Republic of	0	1	0	0	0	0
Costa Rica	1	0	0	0	0	0
Côte d'Ivoire	0	1	0	0	0	0
Croatia	0	0	0	0	0	1
Czech Republic	0	0	0	0	0	1
Denmark	0	0	1	0	0	0
Djibouti	0	1	0	0	0	0
Dominica	1	0	0	0	0	0
Dominican Republic	1	0	0	0	0	0
Ecuador	1	0	0	0	0	0
Egypt	0	1	0	0	0	0
El Salvador	1	0	0	0	0	0
Equatorial Guinea	0	1	0	0	0	0
Eritrea	0	1	0	0	0	0
Estonia	0	0	0	0	0	1
Ethiopia	0	1	0	0	0	0
Fiji	0	0	0	0	1	0
Finland	0	0	1	0	0	0
France	0	0	1	0	0	0
Gabon	0	1	0	0	0	0
Gambia	0	1	0	0	0	0
Georgia	0	0	0	1	0	0
Germany	0	0	1	0	0	0
Ghana	0	1	0	0	0	0
Greece	0	0	1	0	0	0
Grenada	1	0	0	0	0	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business*

<b>Country</b>	<b>LATIN</b>	<b>AFRICA</b>	<b>OECD</b>	<b>ASIA</b>	<b>PACBASIN</b>	<b>EUROPE</b>
Guatemala	1	0	0	0	0	0
Guinea	0	1	0	0	0	0
Guinea-Bissau	0	1	0	0	0	0
Guyana	1	0	0	0	0	0
Haiti	1	0	0	0	0	0
Honduras	1	0	0	0	0	0
Hong Kong, China	0	0	0	1	0	0
Hungary	0	0	0	0	0	1
Iceland	0	0	1	0	0	0
India	0	0	0	1	0	0
Indonesia	0	0	0	0	1	0
Iran, I.R. of	0	0	0	1	0	0
Iraq	0	0	0	0	0	0
Ireland	0	0	1	0	0	0
Israel	0	0	0	0	0	0
Italy	0	0	1	0	0	0
Jamaica	1	0	0	0	0	0
Japan	0	0	1	0	0	0
Jordan	0	0	0	0	0	0
Kazakhstan	0	0	0	1	0	0
Kenya	0	1	0	0	0	0
Kiribati	0	0	0	0	1	0
Korea	0	0	1	0	0	0
Kuwait	0	0	0	0	0	0
Kyrgyz Republic	0	0	0	1	0	0
Lao People's Dem.Rep	0	0	0	1	0	0
Latvia	0	0	0	0	0	1
Lebanon	0	0	0	0	0	0
Lesotho	0	1	0	0	0	0
Liberia	0	1	0	0	0	0
Lithuania	0	0	0	0	0	1
Luxembourg	0	0	1	0	0	0
Macedonia	0	0	0	0	0	1
Madagascar	0	1	0	0	0	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>LATIN</b>	<b>AFRICA</b>	<b>OECD</b>	<b>ASIA</b>	<b>PACBASIN</b>	<b>EUROPE</b>
Malawi	0	1	0	0	0	0
Malaysia	0	0	0	0	1	0
Maldives	0	0	0	1	0	0
Mali	0	1	0	0	0	0
Marshall Island	0	0	0	0	1	0
Mauritania	0	1	0	0	0	0
Mauritius	0	1	0	0	0	0
Mexico	1	0	0	0	0	0
Micronesia Fed States	0	0	0	0	1	0
Moldova	0	0	0	0	0	1
Mongolia	0	0	0	1	0	0
Montenegro	0	0	0	0	0	1
Morocco	0	1	0	0	0	0
Mozambique	0	1	0	0	0	0
Namibia	0	1	0	0	0	0
Nepal	0	0	0	1	0	0
Netherlands	0	0	1	0	0	0
New Zealand	0	0	1	0	0	0
Nicaragua	1	0	0	0	0	0
Niger	0	1	0	0	0	0
Nigeria	0	1	0	0	0	0
Norway	0	0	1	0	0	0
Oman	0	0	0	0	0	0
Pakistan	0	0	0	1	0	0
Palau	0	0	0	0	1	0
Panama	1	0	0	0	0	0
Papua New Guinea	0	0	0	0	1	0
Paraguay	1	0	0	0	0	0
Peru	1	0	0	0	0	0
Philippines	0	0	0	0	1	0
Poland	0	0	0	0	0	1
Portugal	0	0	1	0	0	0
Puerto Rico	1	0	0	0	0	0
Qatar	0	0	0	0	0	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>LATIN</b>	<b>AFRICA</b>	<b>OECD</b>	<b>ASIA</b>	<b>PACBASIN</b>	<b>EUROPE</b>
Romania	0	0	0	0	0	1
Russia	0	0	0	0	0	1
Rwanda	0	1	0	0	0	0
Samoa	0	0	0	0	1	0
Sao Tome and Principe	0	1	0	0	0	0
Saudi Arabia	0	0	0	0	0	0
Senegal	0	1	0	0	0	1
Serbia	0	0	0	0	0	0
Seychelles	0	1	0	0	0	0
Sierra Leone	0	1	0	0	0	0
Singapore	0	0	0	1	0	0
Slovakia	0	0	0	0	0	1
Slovenia	0	0	0	0	0	1
Solomon Islands	0	0	0	0	1	0
South Africa	0	1	0	0	0	0
Spain	0	0	1	0	0	0
Sri Lanka	0	0	0	1	0	0
St. Kitts and Nevis	1	0	0	0	0	0
St. Lucia	1	0	0	0	0	0
St. Vincent and Grenadines	1	0	0	0	0	0
Sudan	0	1	0	0	0	0
Suriname	1	0	0	0	0	0
Swaziland	0	1	0	0	0	0
Sweden	0	0	1	0	0	0
Switzerland	0	0	1	0	0	0
Syrian Arab Republic	0	0	0	0	0	0
Taiwan	0	0	0	0	1	0
Tajikistan	0	0	0	1	0	0
Tanzania	0	1	0	0	0	0
Thailand	0	0	0	1	0	0
Timor-Leste	0	0	0	0	1	0
Togo	0	1	0	0	0	0
Tonga	0	0	0	0	1	0
Trinidad and Tobago	1	0	0	0	0	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

<b>Country</b>	<b>LATIN</b>	<b>AFRICA</b>	<b>OECD</b>	<b>ASIA</b>	<b>PACBASIN</b>	<b>EUROPE</b>
Tunisia	0	1	0	0	0	1
Turkey	0	0	0	1	0	0
Uganda	0	1	0	0	0	0
Ukraine	0	0	0	0	0	1
United Arab Emirates	0	0	0	0	0	0
United Kingdom	0	0	1	0	0	0
United States	0	0	1	0	0	0
Uruguay	1	0	0	0	0	0
Uzbekistan	0	0	0	1	0	0
Vanuatu	0	0	0	0	1	0
Venezuela, Rep. Bol.	1	0	0	0	0	0
Vietnam	0	0	0	1	0	0
West Bank and Gaza	0	0	0	0	0	0
Yemen, Republic of	0	0	0	0	0	0
Zambia	0	1	0	0	0	0
Zimbabwe	0	1	0	0	0	0

Note: Data are obtained from the World Bank (2008) report, *Doing Business 2009*

## Appendix B: Equation Estimates

**Table B1: Equation 1**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 149 after adjustments

White Heteroskedasticity-Consistent Standard Errors & Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	58975.67	8157.409	7.229707	0.0000
BSN	-294.7591	253.6809	-1.161928	0.2473
HRC	-29.42596	15.45870	-1.903521	0.0591
NPR	-167.0032	427.7537	-0.390419	0.6969
CRI	95.40554	593.4768	0.160757	0.8725
TPC	-256.1551	177.6130	-1.442209	0.1516
FT	-977.6373	534.1642	-1.830219	0.0695
CNP	-32.76819	87.59218	-0.374100	0.7089
TXP	-113.5710	39.58728	-2.868876	0.0048
MXN	-794.9407	492.2907	-1.614779	0.1087
MMN	-716.3491	501.4681	-1.428504	0.1555
LATIN	-19789.10	3452.211	-5.732298	0.0000
PACBASIN	-22027.92	4210.930	-5.231130	0.0000
AFRICA	-19693.91	4183.280	-4.707768	0.0000
ASIA	-19654.35	3591.741	-5.472095	0.0000
EUROPE	-18403.31	3402.240	-5.409174	0.0000
R-squared	0.694030	Mean dependent var	11694.28	
Adjusted R-squared	0.659522	S.D. dependent var	16989.07	
S.E. of regression	9913.202	Akaike info criterion	21.34229	
Sum squared resid	1.31E+10	Schwarz criterion	21.66486	
Log likelihood	-1574.001	Hannan-Quinn criter.	21.47335	
F-statistic	20.11223	Durbin-Watson stat	2.385471	
Prob(F-statistic)	0.000000			

**Table B2: Equation 2**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 149 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	62657.88	8591.920	7.292652	0.0000
BSN	-397.6530	266.5018	-1.492121	0.1381
HRC	-27.47398	16.69623	-1.645520	0.1022
NPR	-212.8966	427.4613	-0.498049	0.6193
CRI	259.9167	607.8848	0.427576	0.6697
DI	-579.7330	352.3013	-1.645560	0.1022
TPC	-245.6649	179.4385	-1.369076	0.1733
FT	-952.9594	530.3258	-1.796932	0.0746
CNP	-17.21142	88.80043	-0.193821	0.8466
TXP	-113.5509	40.04378	-2.835667	0.0053
MXN	-749.3843	496.8634	-1.508230	0.1339
MMN	-834.4745	527.4675	-1.582040	0.1160
LATIN	-20633.82	3411.984	-6.047455	0.0000
PACBASIN	-22451.85	4198.681	-5.347358	0.0000
AFRICA	-19689.81	4165.111	-4.727319	0.0000
ASIA	-19198.85	3582.756	-5.358683	0.0000
EUROPE	-19279.75	3345.387	-5.763084	0.0000
R-squared	0.699027	Mean dependent var	11694.28	
Adjusted R-squared	0.662545	S.D. dependent var	16989.07	
S.E. of regression	9869.098	Akaike info criterion	21.33925	
Sum squared resid	1.29E+10	Schwarz criterion	21.68198	
Log likelihood	-1572.774	Hannan-Quinn criter.	21.47849	
F-statistic	19.16108	Durbin-Watson stat	2.369140	
Prob(F-statistic)	0.000000			

**Table B3: Equation 3**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	61656.44	7777.784	7.927250	0.0000
BSN	-420.5284	271.3659	-1.549673	0.1236
HRH	31.79964	48.03248	0.662044	0.5091
NPR	-182.7764	420.5768	-0.434585	0.6646
CRI	180.2979	586.6152	0.307353	0.7591
DI	-557.9126	357.5445	-1.560400	0.1210
TPC	-264.1990	168.7553	-1.565575	0.1198
FT	-1011.357	540.6875	-1.870501	0.0636
CNP	-63.89973	95.36414	-0.670060	0.5040
TXP	-114.6142	40.54655	-2.826730	0.0054
MXN	-750.7838	499.7209	-1.502406	0.1353
MMN	-746.1835	531.6062	-1.403639	0.1627
LATIN	-20804.79	3318.013	-6.270256	0.0000
PACBASIN	-22090.85	3980.347	-5.549982	0.0000
AFRICA	-20675.30	3943.909	-5.242337	0.0000
ASIA	-19324.34	3496.264	-5.527141	0.0000
EUROPE	-19091.76	3475.859	-5.492674	0.0000
R-squared	0.693247	Mean dependent var	11596.21	
Adjusted R-squared	0.656620	S.D. dependent var	16900.41	
S.E. of regression	9903.408	Akaike info criterion	21.34487	
Sum squared resid	1.31E+10	Schwarz criterion	21.68456	
Log likelihood	-1594.538	Hannan-Quinn criter.	21.48287	
F-statistic	18.92713	Durbin-Watson stat	2.343689	
Prob(F-statistic)	0.000000			

**Table B4: Equation 4**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	62611.35	8255.112	7.584555	0.0000
BSN	-420.4481	266.0002	-1.580631	0.1163
HRF	20.86545	34.09472	0.611985	0.5416
NPR	-175.4832	424.1065	-0.413772	0.6797
CRI	186.5611	586.4225	0.318134	0.7509
DI	-590.8169	355.5226	-1.661826	0.0989
TPC	-275.8073	171.8422	-1.605003	0.1108
FT	-1031.787	523.3146	-1.971639	0.0507
CNP	-53.65842	96.82333	-0.554189	0.5804
TXP	-113.3746	39.80936	-2.847937	0.0051
MXN	-748.0801	504.5646	-1.482625	0.1405
MMN	-714.0740	530.4327	-1.346210	0.1805
LATIN	-21085.62	3387.181	-6.225122	0.0000
PACBASIN	-22830.03	4041.130	-5.649418	0.0000
AFRICA	-21125.56	4212.764	-5.014656	0.0000
ASIA	-19873.58	3616.038	-5.495955	0.0000
EUROPE	-18972.28	3463.653	-5.477537	0.0000
R-squared	0.692531	Mean dependent var	11596.21	
Adjusted R-squared	0.655819	S.D. dependent var	16900.41	
S.E. of regression	9914.961	Akaike info criterion	21.34720	
Sum squared resid	1.32E+10	Schwarz criterion	21.68690	
Log likelihood	-1594.714	Hannan-Quinn criter.	21.48520	
F-statistic	18.86354	Durbin-Watson stat	2.339414	
Prob(F-statistic)	0.000000			

**Table B5: Equation 5**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	62979.54	8259.909	7.624726	0.0000
BSN	-438.8909	258.4099	-1.698429	0.0917
HRD	30.99928	39.66591	0.781509	0.4359
NPR	-204.9532	424.6922	-0.482592	0.6302
CRI	160.5440	583.7533	0.275020	0.7837
DI	-613.1623	355.4766	-1.724902	0.0869
TPC	-273.9761	170.4147	-1.607702	0.1103
FT	-1023.447	553.0036	-1.850707	0.0664
CNP	-45.33096	98.98837	-0.457942	0.6477
TXP	-115.6287	40.18414	-2.877472	0.0047
MXN	-736.4102	511.0765	-1.440900	0.1519
MMN	-763.1450	539.6474	-1.414155	0.1596
LATIN	-21375.24	3421.283	-6.247726	0.0000
PACBASIN	-22986.81	4000.321	-5.746241	0.0000
AFRICA	-21093.52	4067.366	-5.186040	0.0000
ASIA	-19588.72	3557.195	-5.506789	0.0000
EUROPE	-19164.50	3462.149	-5.535434	0.0000
R-squared	0.693920	Mean dependent var	11596.21	
Adjusted R-squared	0.657373	S.D. dependent var	16900.41	
S.E. of regression	9892.542	Akaike info criterion	21.34268	
Sum squared resid	1.31E+10	Schwarz criterion	21.68237	
Log likelihood	-1594.372	Hannan-Quinn criter.	21.48068	
F-statistic	18.98714	Durbin-Watson stat	2.335130	
Prob(F-statistic)	0.000000			

**Table B6: Equation 6**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	61979.02	7798.073	7.947991	0.0000
BSN	-464.6697	272.3213	-1.706328	0.0903
HRE	53.87895	58.17489	0.926155	0.3560
NPR	-184.0444	418.3571	-0.439922	0.6607
CRI	159.2130	589.9306	0.269884	0.7877
DI	-589.8002	361.3006	-1.632436	0.1049
TPC	-270.0174	168.0861	-1.606423	0.1105
FT	-1061.515	552.4640	-1.921420	0.0568
CNP	-49.57325	97.09496	-0.510565	0.6105
TXP	-116.9974	40.89027	-2.861253	0.0049
MXN	-731.7279	504.6196	-1.450059	0.1494
MMN	-749.5280	528.1274	-1.419218	0.1582
LATIN	-21026.00	3393.442	-6.196070	0.0000
PACBASIN	-22349.54	3897.618	-5.734152	0.0000
AFRICA	-21121.97	4110.928	-5.138006	0.0000
ASIA	-19472.12	3517.132	-5.536362	0.0000
EUROPE	-19342.88	3536.621	-5.469312	0.0000
R-squared	0.694368	Mean dependent var	11596.21	
Adjusted R-squared	0.657875	S.D. dependent var	16900.41	
S.E. of regression	9885.302	Akaike info criterion	21.34121	
Sum squared resid	1.31E+10	Schwarz criterion	21.68090	
Log likelihood	-1594.261	Hannan-Quinn criter.	21.47921	
F-statistic	19.02723	Durbin-Watson stat	2.331198	
Prob(F-statistic)	0.000000			

**Table B7: Equation 7**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 150 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	57419.77	8852.058	6.486600	0.0000
BSN	-398.3483	262.6250	-1.516795	0.1317
BSC	-14.19772	11.83482	-1.199657	0.2324
HRD	37.39210	41.37069	0.903831	0.3677
NPR	-162.5728	423.7163	-0.383683	0.7018
CRL	505.0313	419.1242	1.204968	0.2304
CRI	-449.2741	673.1498	-0.667421	0.5057
CRV	52.72801	39.80554	1.324640	0.1876
DI	-624.6892	350.4774	-1.782395	0.0770
TPC	-281.2153	173.5612	-1.620266	0.1076
FC	-149.9567	92.67746	-1.618050	0.1081
CNC	0.043122	0.078794	0.547276	0.5851
TXP	-109.9289	42.28908	-2.599463	0.0104
MXN	-1386.366	369.3480	-3.753550	0.0003
LATIN	-21239.33	3356.038	-6.328692	0.0000
PACBASIN	-20383.46	4507.424	-4.522196	0.0000
AFRICA	-19448.75	4406.344	-4.413806	0.0000
ASIA	-19958.53	3583.208	-5.570018	0.0000
EUROPE	-19990.91	3485.022	-5.736238	0.0000
R-squared	0.704416	Mean dependent var	11629.91	
Adjusted R-squared	0.663802	S.D. dependent var	16951.94	
S.E. of regression	9829.174	Akaike info criterion	21.34199	
Sum squared resid	1.27E+10	Schwarz criterion	21.72334	
Log likelihood	-1581.649	Hannan-Quinn criter.	21.49692	
F-statistic	17.34394	Durbin-Watson stat	2.410777	
Prob(F-statistic)	0.000000			

**Table B8: Equation 8**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 147 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	50831.38	8388.599	6.059579	0.0000
BSN	-333.0134	254.3901	-1.309066	0.1929
BST	3.406315	6.127174	0.555936	0.5793
BSC	-11.27020	14.02428	-0.803621	0.4232
HRE	121.9063	78.08365	1.561227	0.1210
HRC	-33.19671	17.99906	-1.844358	0.0675
NPR	-461.8867	306.1969	-1.508463	0.1340
CRL	819.8238	410.4351	1.997451	0.0480
CRI	-46.11217	692.6360	-0.066575	0.9470
CRP	-61.50238	68.29093	-0.900594	0.3696
CRV	44.59303	45.75813	0.974538	0.3317
DI	-477.3280	397.1112	-1.202001	0.2317
TPC	-231.6105	170.1233	-1.361428	0.1758
FT	-700.2848	458.9289	-1.525911	0.1296
CNP	19.21673	102.6105	0.187278	0.8517
TXP	-98.85610	42.89507	-2.304603	0.0229
MXN	-605.9755	492.5952	-1.230169	0.2210
MMN	-920.6390	521.5133	-1.765322	0.0800
LATIN	-18520.60	3031.702	-6.108976	0.0000
PACBASIN	-19074.56	4016.968	-4.748497	0.0000
AFRICA	-17077.49	4106.927	-4.158216	0.0001
ASIA	-17065.61	3628.297	-4.703475	0.0000
EUROPE	-19942.94	4136.666	-4.821016	0.0000
R-squared	0.745098	Mean dependent var	11313.32	
Adjusted R-squared	0.699874	S.D. dependent var	16329.07	
S.E. of regression	8945.679	Akaike info criterion	21.17850	
Sum squared resid	9.92E+09	Schwarz criterion	21.64639	
Log likelihood	-1533.620	Hannan-Quinn criter.	21.36861	
F-statistic	16.47556	Durbin-Watson stat	2.463848	
Prob(F-statistic)	0.000000			

**Table B9: Equation 9**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	57786.08	7983.623	7.238077	0.0000
BSN	-392.3459	269.1890	-1.457511	0.1474
BSC	-16.21243	11.16750	-1.451751	0.1490
HRD	36.05591	43.41856	0.830426	0.4078
HRF	25.91370	32.40435	0.799698	0.4253
NPR	-263.9480	441.4560	-0.597903	0.5509
CRL	543.2869	416.1311	1.305567	0.1940
CRI	46.82178	601.3892	0.077856	0.9381
DI	-628.3717	360.2614	-1.744210	0.0835
TPC	-248.0573	159.2915	-1.557254	0.1218
FT	-777.8355	500.9099	-1.552845	0.1229
CNP	-27.34493	106.8727	-0.255865	0.7985
TXP	-108.4124	42.63162	-2.543006	0.0122
MXN	-783.7943	520.4252	-1.506065	0.1345
MMN	-698.1959	544.7283	-1.281732	0.2022
LATIN	-21249.90	3358.029	-6.328087	0.0000
PACBASIN	-23016.95	3949.244	-5.828192	0.0000
AFRICA	-20405.78	4223.005	-4.832051	0.0000
ASIA	-20449.33	3571.126	-5.726297	0.0000
EUROPE	-20563.47	3695.616	-5.564289	0.0000
R-squared	0.701291	Mean dependent var	11596.21	
Adjusted R-squared	0.657966	S.D. dependent var	16900.41	
S.E. of regression	9883.976	Akaike info criterion	21.35804	
Sum squared resid	1.28E+10	Schwarz criterion	21.75768	
Log likelihood	-1592.532	Hannan-Quinn criter.	21.52039	
F-statistic	16.18702	Durbin-Watson stat	2.384358	
Prob(F-statistic)	0.000000			

**Table B10: Equation 10**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	34347.51	10318.84	3.328622	0.0011
BSN	-445.0234	271.6215	-1.638395	0.1038
BSC	5.529505	14.57211	0.379458	0.7050
HRE	104.2999	61.04362	1.708613	0.0899
NPR	81.40088	413.4669	0.196874	0.8442
PRC	-205.7798	227.5887	-0.904174	0.3676
CRI	-505.7244	614.8180	-0.822560	0.4123
DI	-681.2888	366.0697	-1.861090	0.0650
TPC	-285.2370	157.0776	-1.815899	0.0717
TCC	-22.58821	24.48995	-0.922346	0.3581
FT	1508.011	424.8077	3.549867	0.0005
FRR	338.1588	62.53230	5.407746	0.0000
CNP	40.88086	92.18936	0.443444	0.6582
CNC	0.063296	0.072348	0.874889	0.3833
TXP	-96.02114	32.68558	-2.937721	0.0039
TXR	-9.188403	21.05585	-0.436382	0.6633
MXN	-384.7779	521.8606	-0.737319	0.4623
MMN	-477.3474	558.3742	-0.854888	0.3942
LATIN	-17709.63	3160.355	-5.603684	0.0000
PACBASIN	-16499.91	3457.024	-4.772866	0.0000
AFRICA	-16715.76	3752.850	-4.454150	0.0000
ASIA	-16793.12	3041.877	-5.520645	0.0000
EUROPE	-17271.21	3480.781	-4.961877	0.0000
R-squared	0.756433	Mean dependent var	11596.21	
Adjusted R-squared	0.714570	S.D. dependent var	16900.41	
S.E. of regression	9029.148	Akaike info criterion	21.19369	
Sum squared resid	1.04E+10	Schwarz criterion	21.65328	
Log likelihood	-1577.124	Hannan-Quinn criter.	21.38040	
F-statistic	18.06925	Durbin-Watson stat	2.297166	
Prob(F-statistic)	0.000000			

**Table B11: Equation 11**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 151 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	32929.87	8652.068	3.806012	0.0002
BSN	-331.5933	252.1340	-1.315147	0.1907
BSC	0.627555	10.50194	0.059756	0.9524
HRD	47.45572	37.97888	1.249529	0.2137
NPR	30.65211	425.2409	0.072082	0.9426
CRL	245.4466	360.7401	0.680397	0.4974
DI	-787.9456	323.6725	-2.434392	0.0163
TPC	-252.1331	135.6523	-1.858672	0.0653
FT	1382.792	406.2568	3.403739	0.0009
FRR	311.2786	62.49810	4.980609	0.0000
CNC	0.062514	0.061602	1.014794	0.3121
TXP	-93.65707	32.21437	-2.907307	0.0043
MXN	-495.3190	461.9017	-1.072347	0.2855
MMN	-466.4282	488.0953	-0.955609	0.3410
LATIN	-18790.54	3369.403	-5.576817	0.0000
PACBASIN	-17882.31	3305.414	-5.410008	0.0000
AFRICA	-17353.79	3501.013	-4.956790	0.0000
ASIA	-17050.63	3084.134	-5.528499	0.0000
EUROPE	-16712.70	3374.162	-4.953140	0.0000
R-squared	0.749957	Mean dependent var	11596.21	
Adjusted R-squared	0.715860	S.D. dependent var	16900.41	
S.E. of regression	9008.727	Akaike info criterion	21.16695	
Sum squared resid	1.07E+10	Schwarz criterion	21.54661	
Log likelihood	-1579.105	Hannan-Quinn criter.	21.32119	
F-statistic	21.99494	Durbin-Watson stat	2.427857	
Prob(F-statistic)	0.000000			

**Table B12: Equation 12**

Dependent Variable: GNI

Method: Least Squares

Sample (adjusted): 3 181

Included observations: 150 after adjustments

White Heteroskedasticity-Consistent Standard Errors &amp; Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	57673.49	9572.372	6.024995	0.0000
BSN	-424.3470	274.1335	-1.547958	0.1241
BSC	-20.73124	12.13114	-1.708927	0.0899
HRD	29.98224	44.05661	0.680539	0.4974
NPR	-295.2000	403.5769	-0.731459	0.4658
CRL	471.2397	447.7354	1.052496	0.2945
CRI	-245.8851	658.6203	-0.373334	0.7095
CRV	49.45370	41.29549	1.197557	0.2333
DI	-644.5612	364.6375	-1.767677	0.0795
TPC	-254.9385	168.5874	-1.512204	0.1329
FC	-139.4411	100.5759	-1.386426	0.1680
CNP	-31.15638	112.6363	-0.276611	0.7825
TXR	4.612180	24.53223	0.188005	0.8512
MXN	-1014.079	591.0735	-1.715657	0.0886
MMN	-688.7190	609.2696	-1.130401	0.2604
LATIN	-22255.08	3521.729	-6.319361	0.0000
PACBASIN	-21211.13	4790.908	-4.427372	0.0000
AFRICA	-19431.12	4423.079	-4.393120	0.0000
ASIA	-21128.72	3626.105	-5.826835	0.0000
EUROPE	-21849.47	3634.102	-6.012344	0.0000
R-squared	0.693792	Mean dependent var	11629.91	
Adjusted R-squared	0.649039	S.D. dependent var	16951.94	
S.E. of regression	10042.66	Akaike info criterion	21.39064	
Sum squared resid	1.31E+10	Schwarz criterion	21.79206	
Log likelihood	-1584.298	Hannan-Quinn criter.	21.55372	
F-statistic	15.50256	Durbin-Watson stat	2.383362	
Prob(F-statistic)	0.000000			

## Appendix C: Simulations

**Table C1: Income Gains for African Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Algeria</b>	\$5,997.28	33.90	\$203.31
<b>Angola</b>	\$9,947.82	17.00	\$169.11
<b>Bahrain</b>	NC	0.80	NC
<b>Benin</b>	\$3,032.08	9.00	\$27.29
<b>Botswana</b>	NC	1.90	NC
<b>Burkina Faso</b>	\$6,346.39	14.80	\$93.93
<b>Burundi</b>	\$1,976.26	8.50	\$16.80
<b>Cameroon</b>	\$4,974.24	18.50	\$92.02
<b>Cape Verde</b>	NC	0.50	NC
<b>Central African Rep.</b>	\$13,372.08	4.30	\$57.50
<b>Chad</b>	\$3,064.07	10.80	\$33.09
<b>Comoros</b>	\$3,359.58	0.60	\$2.02
<b>Congo, Dem. Rep. of</b>	\$6,428.98	62.40	\$401.17
<b>Congo, Republic of</b>	\$11,178.53	3.80	\$42.48
<b>Côte d'Ivoire</b>	\$5,831.17	19.30	\$112.54
<b>Djibouti</b>	\$439.21	0.80	\$0.35
<b>Egypt</b>	\$1,838.98	75.50	\$138.84
<b>Equatorial Guinea</b>	\$4,610.18	0.50	\$2.31
<b>Eritrea</b>	\$3,718.44	4.80	\$17.85
<b>Ethiopia</b>	\$249.31	79.10	\$19.72
<b>Gabon</b>	\$1,808.77	1.30	\$2.35
<b>Gambia</b>	NC	1.70	NC
<b>Ghana</b>	\$1,277.33	23.50	\$30.02
<b>Guinea</b>	\$8,892.83	9.40	\$83.59
<b>Guinea-Bissau</b>	\$1,615.28	1.70	\$2.75
<b>Kenya</b>	\$6,764.89	37.50	\$253.68
<b>Lesotho</b>	NC	2.00	NC
<b>Liberia</b>	\$6,541.59	3.80	\$24.86
<b>Madagascar</b>	NC	19.70	NC

**Table C1 (continued.): Income Gains for African Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Malawi</b>	\$6,621.33	13.90	\$92.04
<b>Mali</b>	\$7,834.70	12.30	\$96.37
<b>Mauritania</b>	\$12,851.78	3.10	\$39.84
<b>Mauritius</b>	NC	1.30	NC
<b>Morocco</b>	\$1,302.39	30.90	\$40.24
<b>Mozambique</b>	\$6,050.92	21.40	\$129.49
<b>Namibia</b>	\$1,737.03	2.10	\$3.65
<b>Niger</b>	\$5,923.97	14.20	\$84.12
<b>Nigeria</b>	\$4,424.91	148.00	\$654.89
<b>Rwanda</b>	NC	9.70	NC
<b>Sao Tome and Principe</b>	\$2,446.14	0.20	\$0.49
<b>Senegal</b>	\$334.75	12.40	\$4.15
<b>Seychelles</b>	NC	0.10	NC
<b>Sierra Leone</b>	\$3,510.93	5.80	\$20.36
<b>South Africa</b>	NC	47.60	NC
<b>Sudan</b>	\$2,809.22	38.60	\$108.44
<b>Swaziland</b>	\$5,511.87	1.10	\$6.06
<b>Tanzania</b>	\$716.11	40.40	\$28.93
<b>Togo</b>	\$3,428.12	6.60	\$22.63
<b>Tunisia</b>	NC	10.20	NC
<b>Uganda</b>	\$1,037.40	30.90	\$32.06
<b>Zambia</b>	\$2,940.22	11.90	\$34.99
<b>Zimbabwe</b>	\$15,590.50	13.40	\$208.91
<b>Total</b>	<b>\$3,640.93</b>	<b>9,43.50</b>	<b>\$3,435.22</b>
<b>World Total</b>	<b>\$4,281.05</b>	<b>6,501.30</b>	<b>\$27,832.36</b>

**Table C2: Income Gains for Asian Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Afghanistan</b>	\$825.85	24.80	\$20.48
<b>Armenia</b>	\$3,132.14	3.00	\$9.40
<b>Azerbaijan</b>	\$3,398.69	8.60	\$29.23
<b>Bangladesh</b>	\$1,376.73	158.60	\$218.35
<b>Bhutan</b>	\$93.87	0.70	\$0.07
<b>Cambodia</b>	\$4,035.37	14.40	\$58.11
<b>China,P.R.: Mainland</b>	NC	1,320.00	NC
<b>Georgia</b>	NC	4.40	NC
<b>Hong Kong, China</b>	NC	6.90	NC
<b>India</b>	\$15,286.73	1,123.30	\$17,171.58
<b>Iran, I.R. of</b>	\$4,637.05	71.00	\$329.23
<b>Kazakhstan</b>	\$3,520.61	15.50	\$54.57
<b>Kyrgyz Republic</b>	\$12,213.26	5.20	\$63.51
<b>Lao People's Dem.Rep</b>	\$1,495.32	5.90	\$8.82
<b>Maldives</b>	NC	0.30	NC
<b>Mongolia</b>	NC	2.60	NC
<b>Nepal</b>	\$5,921.79	28.10	\$166.40
<b>Pakistan</b>	\$7,254.88	162.40	\$1,178.19
<b>Singapore</b>	NC	4.60	NC
<b>Sri Lanka</b>	\$4,657.17	19.90	\$92.68
<b>Tajikistan</b>	\$6,768.57	6.70	\$45.35
<b>Thailand</b>	NC	63.80	NC
<b>Turkey</b>	NC	73.90	NC
<b>Uzbekistan</b>	\$12,783.30	26.90	\$343.87
<b>Vietnam</b>	\$1,597.76	85.10	\$135.97
<b>Total</b>	<b>\$6,156.40</b>	<b>3,236.60</b>	<b>\$19,925.80</b>
<b>World Total</b>	<b>\$4,281.05</b>	<b>6,501.30</b>	<b>\$27,832.36</b>

**Table C3: Income Gains for Latin American & Caribbean Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Antigua &amp; Barbuda</b>	1,759.70	0.10	\$0.18
<b>Argentina</b>	897.77	39.50	\$35.46
<b>Bahamas</b>	376.28	0.30	\$0.11
<b>Belize</b>	853.41	0.30	\$0.26
<b>Bolivia</b>	962.17	9.50	\$9.14
<b>Brazil</b>	4,256.86	191.60	\$815.61
<b>Chile</b>	NC	16.60	NC
<b>Colombia</b>	NC	46.10	NC
<b>Costa Rica</b>	3,043.35	4.50	\$13.70
<b>Dominica</b>	NC	0.10	NC
<b>Dominican Republic</b>	NC	9.80	NC
<b>Ecuador</b>	5,347.54	13.30	\$71.12
<b>El Salvador</b>	4,037.35	6.90	\$27.86
<b>Grenada</b>	NC	0.10	NC
<b>Guatemala</b>	5,059.96	13.30	\$67.30
<b>Guyana</b>	30.49	0.70	\$0.02
<b>Haiti</b>	5,518.53	9.60	\$52.98
<b>Honduras</b>	7,821.76	7.10	\$55.53
<b>Jamaica</b>	NC	2.70	NC
<b>Mexico</b>	NC	105.30	NC
<b>Nicaragua</b>	NC	5.60	NC
<b>Panama</b>	NC	3.30	NC
<b>Paraguay</b>	5,434.45	6.10	\$33.15
<b>Peru</b>	NC	27.90	NC

**Table C3 (continued): Income Gains for Latin American & Caribbean Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Puerto Rico</b>	NC	3.90	NC
<b>St. Kitts and Nevis</b>	NC	0.00	NC
<b>St. Lucia</b>	NC	0.20	NC
<b>St. Vincent and Grenadines</b>	NC	0.10	NC
<b>Suriname</b>	2,538.21	0.50	\$1.27
<b>Trinidad and Tobago</b>	NC	1.30	NC
<b>Uruguay</b>	7,269.99	3.30	\$23.99
<b>Venezuela, Rep. Bol.</b>	5,859.11	27.50	\$161.13
<b>Total</b>	<b>\$2,457.01</b>	<b>557.10</b>	<b>\$1,368.80</b>
<b>World Total</b>	<b>\$4,281.05</b>	<b>6,501.30</b>	<b>\$27,832.36</b>

**Table C4: Income Gains for Pacific Basin Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Brunei</b>	\$1,895.15	0.40	\$0.76
<b>Fiji</b>	\$4,961.87	0.80	\$3.97
<b>Indonesia</b>	\$4,413.36	225.60	\$995.65
<b>Kiribati</b>	NC	0.10	NC
<b>Malaysia</b>	NC	26.50	NC
<b>Marshall Island</b>	NC	0.10	NC
<b>Micronesia Fed States</b>	NC	0.10	NC
<b>Palau</b>	NC	0.00	NC
<b>Papua New Guinea</b>	\$2,018.09	6.30	\$12.71
<b>Philippines</b>	\$8,764.63	87.90	\$770.41
<b>Samoa</b>	\$189.39	0.20	\$0.04
<b>Solomon Islands</b>	NC	0.50	NC
<b>Taiwan</b>	\$448.86	22.90	\$10.28
<b>Timor-Leste</b>	\$46,152.36	1.10	\$50.77
<b>Tonga</b>	NC	0.10	NC
<b>Vanuatu</b>	NC	0.20	NC
<b>Total</b>	<b>\$4,947.94</b>	<b>372.80</b>	<b>\$1,844.59</b>
<b>World Total</b>	<b>\$4,281.05</b>	<b>6,501.30</b>	<b>\$27,832.36</b>

**Table C5: Income Gains for European Countries**

	<b>Per Capita Gain</b>	<b>Population (millions)</b>	<b>Aggregate Income Gain (billions)</b>
<b>Albania</b>	NC	3.20	NC
<b>Belarus</b>	\$8,757.21	9.70	\$84.94
<b>Bosnia &amp; Herzegovina</b>	\$1,552.71	3.90	\$6.06
<b>Bulgaria</b>	NC	7.60	NC
<b>Croatia</b>	NC	4.40	NC
<b>Czech Republic</b>	NC	10.30	NC
<b>Estonia</b>	NC	1.30	NC
<b>Hungary</b>	NC	10.10	NC
<b>Latvia</b>	NC	2.30	NC
<b>Lithuania</b>	NC	3.40	NC
<b>Macedonia</b>	NC	2.00	NC
<b>Moldova</b>	NC	3.80	NC
<b>Montenegro</b>	\$11,503.99	0.60	\$6.90
<b>Poland</b>	NC	38.10	NC
<b>Romania</b>	\$3,044.16	21.50	\$65.45
<b>Russia</b>	\$3,962.39	141.60	\$561.07
<b>Senegal</b>	\$334.75	12.40	4.15
<b>Slovakia</b>	NC	5.40	NC
<b>Slovenia</b>	NC	2.00	NC
<b>Tunisia</b>	NC	10.20	NC
<b>Total</b>	<b>\$2,479.84</b>	<b>293.80</b>	<b>728.58</b>
<b>World Total</b>	<b>\$4,281.05</b>	<b>6,501.30</b>	<b>\$27,832.36</b>

## **Curriculum Vita**

Enedina Licerio was born in El Paso, Texas to Hermenegildo and Marina Licerio. She graduated from Riverside High School, El Paso, Texas, in the spring of 2004. She enrolled at The University of Texas at El Paso in the Fall of 2004 and graduated with a Bachelor of Business Administration in Finance in the Spring of 2008. After finishing the undergraduate degree she entered the Graduate School at the University of Texas at El Paso. In the Fall of 2008 she was recognized as a James Foundation Scholar. As a graduate student she worked as a Research Assistant for the Border Region Modeling Project.

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