



Presentation of the Institutional Profiles Database 2012 (IPD 2012)

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PRESENTATION OF **the Institutional Profiles Database 2012** **(IPD 2012)**

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This working paper is the sole responsibility of the author. It is circulated in order to stimulate debate and to encourage comments and criticism.

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DISCLAIMER

The data provided and any research based on those data shall in no way be deemed to reflect the official positions or incur the responsibility of the AFD, the CEPII or the MEF. Furthermore, these bodies hereby disclaim any or all liability for the consequences of any anomalies or errors remaining in the database.

These indicators are made available for academic research purposes and more specifically to explore the relations between institutions and development. They are not intended for operational uses (e.g. to allocate resources). The data in the base should be analysed as a whole in the multidimensional and multi-country approach. Attempts to make use of the indicators individually would be statistically and conceptually problematic.

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Abstract

This document presents the Institutional Profiles Database (IPD) 2012. The IPD provides an original measure of countries' institutional characteristics through composite indicators built from perception data. It was designed in order to facilitate and stimulate research on the relationship between institutions, long-term economic growth and development.

The IPD 2012 follows on from the 2001, 2006 and 2009 versions. It covers 143 countries and contains 130 indicators derived from 330 variables describing a broad range of institutional characteristics structured in nine functions: 1) political institutions; 2) security, law and order, control of violence; 3) functioning of public administrations; 4) free operation of markets; 5) coordination of stakeholders, strategic vision and innovation; 6) security of transactions and contracts; 7) market regulations, social dialogue; 8) openness and 9) social cohesion and social mobility.

This document updates the presentation documents that accompanied previous editions of the database. More specifically, it provides an explanation of the analytical framework underpinning the database, it discusses the issues involved in measuring institutions and describes the methodology used in constructing the IPD 2012 database and calculating the indicators it contains.

Résumé

La base IPD fournit une mesure originale des caractéristiques institutionnelles des pays en proposant des indicateurs composites élaborés à partir de données de perception. Elle a été conçue afin de faciliter et de stimuler les recherches sur la relation entre institutions, croissance de long terme et développement.

La base IPD 2012 s'inscrit dans la continuité des versions 2001, 2006 et 2009. Elle couvre 143 pays et contient 130 indicateurs, construits à partir de 330 variables élémentaires décrivant un large champ de caractéristiques institutionnelles structurées en neuf fonctions : 1) institutions politiques ; 2) sécurité, ordre public, contrôle de la violence ; 3) fonctionnement des administrations publiques ; 4) liberté de fonctionnement des marchés ; 5) coordination des acteurs, vision stratégique et innovation ; 6) sécurité des transactions et des contrats ; 7) régulation des marchés, dialogue social ; 8) ouverture sur l'extérieur ; 9) cohésion et mobilité sociales.

Ce document présente l'IPD 2012. Il prolonge et met à jour les documents de présentation qui ont accompagné les éditions précédentes de la base. Plus précisément, il expose le cadre analytique sur lequel s'appuie la base, il traite de la mesure des institutions et décrit la méthode utilisée pour élaborer la base de données et les indicateurs IPD 2012.

1. Introduction

The Institutional Profiles Database (IPD) 2012 follows on from the 2001, 2006 and 2009 versions. Like the previous versions, it provides an original measure of countries' institutional characteristics through composite indicators built from perception data.

Many perception indicators are designed to measure institutions. In the majority of cases, they were designed with the objective to answer a specific question or to meet a precise need, for example to measure the progress of freedom throughout the world (Freedom House), freedom of the press (Reporters Without Borders) or corruption (Transparency International). The IPD was designed in order to facilitate and stimulate research on the relationship between institutions, long-term economic growth and development. In covering a large spectrum of institutional country characteristics, the IPD project represents a major contribution towards the economic literature on institutions.

The IPD project is part of the French Development Agency's (AFD) research programme designed and implemented in partnership with the University of Maastricht (Maastricht Graduate School of Governance – MGSoG) entitled 'Institutions, Governance and Long-term Growth' that aims at extending the knowledge on the role played by institutions in the development process. The Centre for Prospective Studies and International Information (CEPII) is also a partner in the IPD project.

The perception data needed to build the indicators were gathered through a survey completed by country and regional Economic Services (*Services Économiques*) of the Ministry for the Economy and Finance (MEF) and the AFD's country offices.

The 2012 version of the database covers 143 countries – representing nearly 98 % of the world's population and GDP (World Bank, 2013). It contains 130 indicators, derived from 330 variables describing a broad range of institutional characteristics, structured in nine functions: 1) political institutions; 2) security, law and order, control of violence; 3) functioning of public administrations; 4) free operation of markets; 5) coordination of stakeholders, strategic vision and innovation; 6) security of transactions and contracts; 7) market regulations, social dialogue; 8) openness and 9) social cohesion and social mobility.

In this fourth edition, as with every new version, changes have been made to the IPD: new topics have been introduced or existing topics have been expanded, the questionnaire has been revised in order to make it easier for respondents to complete and improve the quality of the responses and, lastly, technical and methodological changes have been introduced at the data checking and aggregation stages.

This document presents the 2012 edition of the IPD and therefore updates the presentation documents which accompanied the previous three editions of the database. The first part consists of this introduction. The second part provides a description of the analytical framework underpinning the database. The third part discusses the issues involved in measuring institutions and the fourth part describes the methodology used in constructing the IPD and calculating the indicators.

2. The analytical framework

In order to produce indicators measuring countries' institutional characteristics, it is necessary to ground the analysis on a framework. The IPD is based on the definition of 'institutions' given by Douglass North (1994). It was compiled using a non-normative and *de facto* approach and structured around nine institutional functions and four sectors.

2.1 A definition of 'institutions'

The IPD project is based on the definition of 'institutions' proposed by Douglass North: '*Institutions are the humanly devised constraints that structure human interactions. They are made up of formal constraints (e.g. rules, laws and constitutions), informal constraints (e.g. norms of behaviour, conventions, self-imposed codes of conduct), and their enforcement characteristics*' (North, 1994).

In this context, institutions govern the behaviour of individuals and organisations; shape incentives and act as a framework for economic exchange.

To adopt the metaphor used by North (1994), individuals and organisations are the players and the institutions are the rules of the game – formal or informal. The study of the game as a whole (i.e. the interaction between individuals, organisations and institutions), is a subject for political economists.

2.2 A non-normative and *de facto* approach

The various episodes of economic take-off and catching up that we have seen since the second half of the 19th century, show that long periods of growth in different parts of the world have been supported by different institutional set-ups – e.g. the United States and Germany at the end of the 19th century, France during the 'Trente Glorieuses', post-Second World War Japan, South Korea from the 1960s to the 1980s or China and Vietnam today. The experiences of developed or emerging economies cannot be replicated in identical terms in countries with different histories, institutional set-ups and levels of development (Aoki, 2001; North, 1990 and 1994; North *et al.*, 2008). Consequently, the IPD makes no reference to the existence of any institutional norm or what might be considered as institutions favourable or unfavourable to growth and development. In the approach followed to build the IPD, we have endeavoured to be as non-normative as possible.

When studying how institutions affect the economy, the *de jure* approach deals with the rules and constraints as defined in the legislation (whether they exist or not and if they do, what are their form), whereas the *de facto* approach is concerned with the way in which those constraints and rules are applied in practice, since the existence of rules does not guarantee that they will actually be applied¹. Moreover, the same rule may be applied in different ways. The IPD was built following the *de facto* approach. The questions asked as part of the survey therefore concern the actual application of rules and the IPD indicators are outcome-based indicators (Kaufmann *et al.*, 2010).

¹ The terms 'rules' and 'constraints' here refer to institutions, as defined by North (1994).

2.3 The structure of the IPD

The IPD is divided in nine institutional functions and four sectors – the areas in which those functions are deployed. This structure is based on the progressively updated research material contained in the literature on institutions – a non-exhaustive bibliography is available at the end of this document. The nine fundamental institutional functions are as follows:

- 1) Political institutions:** functioning of political institutions, civil rights and freedoms, legality and legitimacy of political authorities;
- 2) Security, law and order, control of violence:** security of persons and goods, control of violence within the country, external security;
- 3) Functioning of public administrations:** transparency and effectiveness of public action, control of corruption, judicial independence, enforcement of judicial decisions, governance of natural resources, autonomy of organisations;
- 4) Free operation of markets:** privatisation and nationalisation processes, freedom of prices and interest rates, flexibility of the labour market;
- 5) Coordination of stakeholders, strategic vision, innovation:** State's capacity to bring about convergence of interests and expectations, public authorities' strategic vision, economy's capacity to absorb technology;
- 6) Security of transactions and contracts:** security of property rights and contracts, treatment of commercial disputes;
- 7) Market regulations, social dialogue:** competition on markets for goods and services; regulation and supervision of the financial system, social dialogue;
- 8) Openness:** freedom of movement of goods, services, capital, persons and information;
- 9) Social cohesion and social mobility:** social and regional equilibrium, equal treatment (in relation to gender, ethnicity etc.) as a tradition within society and as a result of the existence of formal institutions, traditional and institutional solidarity, social mobility.

These nine institutional functions are crossed with the following four sectors:

- A) Public institutions, civil society;
- B) Markets for goods and services;
- C) The capital market;
- D) The labour market and social relations.

The structure of the IPD is summarised in Table 1:

Table 1: Structure of the IPD

Sector Function	- A - Public institutions, civil society	- B - Markets for goods and services	- C - Capital market	- D - Labour market and social relations
1- Political institutions	civil liberties and freedoms			trade union freedoms and pluralism
2- Security, law and order, control of violence	security of persons and goods			
3- Functioning of public administrations	transparency, control of corruption, judicial independence	ease of starting a business		
4- Free operation of markets		proportion of the private sector, privatisations, price monitoring and control	proportion of the private sector, Central Bank independence	labour market flexibility
5- Coordination of stakeholders, strategic vision, innovation	ability of the State to make a decision, coordination in the public sphere, cooperation of stakeholders	technological environment of firms	venture capital	vocational training
6- Security of transactions and contracts	security of property rights and contracts, business law, insolvency law	information on firms, information on the quality of goods, intellectual property	bank guarantees, information on banks and listed companies	compliance with employment law
7- Market regulations, social dialogue		competition regulation, corporate governance	competition regulation banking prudential rules and supervision	social dialogue
8- Openness	freedom of movement of persons and information	trade liberalisation	capital liberalisation	freedom of movement of workers
9- Social cohesion and social mobility	equal treatment, solidarity		microfinance	social mobility, labour market segmentation

Source: Prepared by the authors.

Concepts to be evaluated have been identified in the majority of the boxes in this Table. These concepts are captured by composite indicators and the methodology used to construct these indicators is described in detail in Section 3.2.

3. Measuring institutions

The IPD project is a contribution towards the literature on the measurement of institutions. It provides a tool quantifying countries' institutional characteristics through indicators built from perception data.

3.1 The difficulties inherent in measuring institutions

It is difficult to address the task of evaluating institutions. First, the analysis of institutions requires adopting a multidisciplinary approach, bringing together expertise from the fields of history, law, political science, economics, sociology, anthropology etc. No single discipline can claim to cover every aspect or provide an exhaustive understanding of this field of knowledge. Moreover, studying institutions raises issues about values and normativity, which requires particular caution. Furthermore, there is no absolute, defined framework to ensure coherence of the institutional field.

Lastly, by their very nature, institutional phenomena are difficult to observe and therefore to measure. In the IPD, they are quantified through composite indicators built from perception data. The perception data were gathered by means of a survey.

3.2 The approach adopted in constructing the IPD indicators

The vast majority of IPD indicators are based on abstract concepts which are difficult to observe and measure. The method used consists of addressing the concept by asking simpler questions which are easier to answer. These questions are contained in the IPD survey and the answers to those questions are the variables that comprise the indicators².

For example, indicator A103 measures the degree of public freedom in each country. This concept was addressed by questioning respondents on (i) freedom of association, (ii) freedom of assembly and demonstration, (iii) the equal treatment of citizens and (iv) respect for the rights of minorities. The answers to those questions are the variables that comprise the indicator. They are then aggregated to produce indicator A103. Another example is indicator A304v, which concerns the degree of transparency in procedures for the award of public contracts. Since this concept can be addressed using a single question, indicator A304v is based on a single variable. Out of the 130 indicators contained in the IPD 2012 database, 34 are built from a single variable.

3.3 The specific nature of perception data

The IPD project aims at quantifying countries' institutional characteristics by gathering the perception of experts through a questionnaire. Of course, by their very nature, perception data are subjective. Consequently, those data may not represent the true situation within a country, for example where the experts/respondents are subject to 'perception bias'. For instance, perceptions may be influenced by the respondent's personality, their scale of values, the professional constraints to which they are subject, the media, the economic and political situation within the country etc.

In order to limit the possibility of perception bias and its effects on the results, various precautions were taken when processing the responses to the survey. Systematic checks were carried out to ensure the internal and geographical consistency of the responses and their consistency over time. For this edition, these checking processes have been automated.

3.4 An extensive topic coverage

Because of the diverse nature of the topics covered, the IPD represents a major contribution towards the literature in this field.

² Not all the indicators are built from several variables. For some concepts, the information could be obtained from a single question/variable. These indicators are identified with the letter "v" in the database.

Whether it is understood in the strict sense (functioning of administrations and market regulations) or in the broader sense (including the functioning of political institutions), governance is an essential but not an exclusive component of institutional analysis. Although the database contains traditional issues connected with governance (functioning of political institutions, democracy and administration, security of transactions and contracts, respect for property rights and regulation of markets), the IPD covers a much wider subject area.

It deals more broadly with political economy, the coordination and strategies of actors and organisations, social dialogue and social cohesion and mobility. The IPD indicators provide a detailed panorama of the institutions which frame political life (stability of the political system, effective democracy, the ability to conduct reforms, constraints on public action, public participation etc.), economic life (security of property rights and contracts, commercial justice, ease of doing business, the relative weight of the public sector within the economy, trade openness, the labour market etc.), financial life (regulation and supervision of banks, insurance, capital markets, financial openness etc.) and social life – solidarity, discrimination, trade unions, social mobility, training etc.

4. Constructing the database

The construction of the database involved three main stages: data collection, data checking and calculation of the indicators.

4.1 The data collection process

The 2012 edition of the IPD questionnaire contained 330 questions designed to gather data in order to compute 130 indicators. It was drafted in French and sent to the MEF country and regional Economic Services (*Services Économiques*) covering 143 countries and the network of AFD's country offices that have a presence in 48 of those 143 countries. To complete the questionnaire, the Economic Services and AFD's offices used their own knowledge and also called upon local expertise. For the record, the survey covered 51 countries in 2001, 85 in 2006 and 123 in 2009³. In the 48 countries where both networks have a presence, the two respondents were asked to liaise with each other so as to produce a single consolidated response.

The questionnaire was sent out in March 2012 and, after the responses had been checked, feedback was sent to the respondents in September. The final validated data were received at the end of November 2012.

As with the previous editions of the database, before it was sent out, the questionnaire was tried out on various experienced respondents from the Economic Services network, academics from the University of Maastricht and economists from the AFD. Once the results of those trials had been assessed, questions identified as imprecise or leaving too much room for personal interpretation were reformulated. Other questions that were deemed too difficult to answer were deleted.

4.2 The scoring system

As mentioned above, the IPD survey required the officials completing it to provide a numbered score for each question. Respondents could choose from five options, ranging from 0 (minimum score) to 4 (maximum score)⁴. The responses to the questionnaire are therefore in the form of ordered discrete variables. A sixth option 'not applicable' was added where it was possible that the matter addressed by the question or the phenomenon to be measured may not have occurred or may not exist, for example, no election, no natural resources, no public corporations etc.

In the 2012 database, there are 784 missing responses out of a possible 47 190. In the case of 80 questions, the respondents were not able and/or did not wish to reply (no information) and in 704 cases, the question was not applicable to the country (not applicable).

³ The countries added in 2012 are Afghanistan, Albania, Armenia, Belarus, Burma, Bosnia-Herzegovina, Burundi, Costa Rica, Croatia, Georgia, Guinea, Iraq, Iceland, Jamaica, Liberia, Rwanda, El Salvador, Sierra Leone, Somalia, South Sudan and Turkmenistan.

⁴ The questionnaire contained several exceptions. Indeed, for some questions, a scale consisting of 5 options would have been artificial. Thus, questions A1080 and A1081 offer only 4 options [0, 3]; questions A8000, A8001, A8002, B8000 and B8001 offer only 3 options [0, 2]; and question A3000 offers only two options [0 and 1].

4.3 The data checking process

In order to detect any potential errors on the part of respondents (data entry errors, perception bias etc.), an automated system to check the responses has been used. This system identifies inconsistencies based on three criteria:

- Internal consistency (within each country). This stage consists of checking whether logical links between responses have been maintained throughout the questionnaire. For example, if a respondent states that the country does not have a stock market (question C6020), it should not express an opinion on the effectiveness of the authority responsible for supervising that market (question C7032).
- Consistency over time. Where such data exists, checks are made on the difference between the scores given in 2012 and those given in the previous survey (2009).
- Geographical consistency. Where such data exists, checks are made between the scores given for each country and the average for a reference group selected using a geographical and an economic criterion (per capita income)⁵.

These error-alert programs allowed to carry out an initial data sort. The checking process generated 3 848 alerts, representing 8 % of responses. However, an alert does not necessarily mean that the respondent has made a mistake. It may simply reflect major changes within the country or the distinctive nature of the country compared with its neighbours. Each alert was therefore analysed individually (by analysing comments, carrying out Internet searches, consulting experts etc.). This checking stage allowed to validate 1 888 responses out of the 3 848 automatically generated alerts. The remaining 1 960 alerts, where a query had yet to be resolved, were sent back to the respondents, representing 4 % of responses. They could confirm their initial response or revise it. All the data held in the database have been validated by the respondents.

4.4 The calculation of the indicators

In order to ensure better comparability between indicators over time, the variables on which the indicators are based are aggregated using a non-weighted arithmetic mean. Using this weighting scheme also makes it possible to retain maximum transparency and facilitate interpretation of the indicators (OECD, 2008).

Furthermore, composite indicators for which only one variable is available (the other question(s) was/were not answered or was/were not applicable) are not calculated. The user will have the option of using any method they consider most appropriate to calculate the missing. 309 indicators were not calculated for the database out of a total of 18 590⁶, representing 1.7 % of the indicators.

4.5 The changes made in the 2012 edition

The innovations made in the IPD 2012 mainly concern the questionnaire, the data checking process and the method used to aggregate the variables when building the indicators.

First, two new topics have been added to the 2012 edition: inequalities and the issue of fragile States. The inclusion of these topics in the database resulted in the definition of new concepts/indicators ('Integration capacity of towns and cities', 'Significance of informal work', 'Importance of merit to upward social mobility' and 'Young people excluded from the labour market') and the introduction of new questions to address those concepts/indicators.

Second, the questionnaire was entirely revised. Although the subject matter addressed remained the same, the wording of some questions was changed to make them easier for

⁵ The composition of the different reference groups can be found in Annex 1.

⁶ That is to say the 130 indicators multiplied by the number of countries covered by the database (i.e. 143).

respondents to answer and to improve the quality of the responses. In addition, the 2012 questionnaire provided an explanation of all the possible reply options (the scores). Since each respondent uses the same scoring grid, this reduces interpretation bias connected with the scale used. It also makes it easier to compare countries and, in the long term, it will improve the quality of comparisons over time. The scale progression of the scoring options was also changed, with the 'normative' scale being replaced by a quantitative scale, which means that the greater the magnitude of the phenomenon being considered, the higher the score is. Previously, the scale progression was implicitly normative, that is to say a high score represented what was generally considered good or desirable⁷. This means that the questions in the previous versions of the IPD had to be brought into line with those used for the 2012 database to ensure that the quantitative data are strictly comparable over time. Furthermore, in the 2009 version, two scoring systems coexisted (0-4 and 1-4) whilst, in the present version, the two systems have been harmonised to form a single scale. Moreover, the 'not applicable' option has been split from the scoring scale in order to prevent any confusion between a minimum score given for the phenomenon in question and the absence of that phenomenon.

Lastly, the process of checking the responses to the questionnaire has been automated and, when calculating the indicators, it was decided to apply equal weighting to the questions (arithmetic mean) rather than weighting them on the basis of their standard deviation.

4.6 The comparison of the IPD 2012 indicators with external indicators

The comparisons are intended to examine how similar (or dissimilar) the IPD 2012 indicators are to external indicators covering similar or closely-related concepts.

Some IPD indicators were compared with three external institutional indicators: (i) the composite indicator of freedom of the press (Freedom House, 2012); (ii) the sub-indicators making up the indicator of freedom in the world (Freedom House, 2012) and (iii) the sub-indicators making up the composite indicator of economic freedom (The Heritage Foundation, 2012)⁸.

First of all, the most appropriate disaggregation level is chosen for each external indicator, based on the IPD indicators to be compared and the availability of data. Then the IPD 2012 indicator(s) most relevant for the comparison is/are selected for each external indicator. Lastly, simple correlations between the IPD indicators and the external indicators are calculated. Some twenty IPD indicators (or around 15% of the database) are compared with around fifteen external indicators and sub-indicators.

⁷ The questionnaire is subject to the constraint that all the variables used for an indicator must correlate positively with each other so that they can be aggregated.

⁸ A description of the indicators and how they are calculated can be found in Annex 2.

Table 2: Correlations between IPD, 'Freedom House' and 'Heritage Foundation' indicators

IPD 2012	Freedom House	IPD 2012	Heritage Foundation
Freedom of information (A104)	Freedom of the press (FoP) -0.791	Security of property rights (A600)	Property rights (EF 1.1) 0.802
Functioning of political institutions (A100)	Electoral process (FoW1.1) 0.742	Security of private contracts (A601)	0.72
Participation of the population (A102)	Political pluralism and participation (FoW 1.2) 0.653	Trade justice (A602)	0.726
Civil liberties (A103)	Freedom of expression and belief (FoW 2.1) 0.757	Insolvency law (A603)	0.676
Freedom to establish organisations (A309)	Associational and organisational rights (FoW 2.2) 0.695	Land tenure insecurity (B608)	-0.681
Autonomy of organisations (A310)	0.755	Level of corruption (A302)	Freedom from corruption (EF 1.2) -0.883
Arbitrary violence by the State (A202v)	Rule of law (FoW 2.3) -0.714	Efficiency of the tax administration (A303)	0.738
Functioning of the justice system (A305)	0.695	Functioning of the justice system (A305)	0.718
Civil liberties (A103)	Personal autonomy and individual rights (FoW 2.4) 0.754	Ease of starting a business (B300)	Business freedom (EF 3.1) 0.571
Security of property rights (A600)	0.692	Labour market rigidity (D400)	Labour freedom (3.2) -0.091
Security of private contracts (A601)	0.656	Obstacles to trade liberalisation (B801)	Trade freedom (4.1) -0.501
		Opening up of the financial system (C800)	Financial freedom (4.3) 0.607

Source: Authors' calculations.

Notes: Further details on the content of the sub-indicators can be obtained from the relevant organisation's website. These are simple correlations. All the correlations are significant to 1%.

In the case of the majority of indicators, the correlation coefficients (all significant at the 1% level) confirm the similarity between IPD and external indicators. For example, out of the 27 comparisons carried out, the correlation coefficients were 0.7 or over in 15 cases, that is to say over 50% of the sample. When the correlation threshold is set at 0.6, this percentage rises to 78%. Generally speaking, the correlations calculated with the *Freedom House* external indicators are stronger than those calculated with the *Heritage Foundation* indicators.

The low level of correlation calculated for certain comparisons can be justified in various ways. Firstly, it could be explained by differences in formulation, definition, concepts or even degree of aggregation between the indicators being compared. It can also be explained by the subjective nature of institutional indicators, i.e. the perception bias referred to previously. Thus, some indicators are more subjective than others, the profile of the respondents surveyed may influence their replies to the questionnaire (for example the IPD indicators are based on a survey of French civil servants specialising in the particular countries, whereas the 'Freedom House' indicators are based on the views of experts), or indeed by the purpose of the database, for example *The Heritage Foundation* openly promotes conservative views.

There are many similarities between the IPD indicators and some external institutional indicators. However, there are marked differences in the case of certain concepts and certain sources. There are no better indicators, but rather different indicators. This diversity reflects the fact that institutions as a research topic is still in its infancy, the 'fuzzy' nature of certain concepts, the lack of a consensus regarding definitions and, of course, the subjective nature of perception data.

Finally, it is important to emphasize that the IPD covers a much broader subject area than other institutional databases. As a result, a significant proportion of the IPD indicators cannot be compared because comparable indicators are not available.

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6. Annexes

Table A1: composition of the reference groups

Country	Region	Level of income	Groupe	Country	Region	Level of income	Groupe
Australia	East Asia & Pacific	High income: OECD	1	Paraguay	Latin America & Caribbean	Lower middle income	11
Japan	East Asia & Pacific	High income: OECD	1	Brazil	Latin America & Caribbean	Upper middle income	11
Korea, Rep.	East Asia & Pacific	High income: OECD	1	Chile	Latin America & Caribbean	Upper middle income	11
New Zealand	East Asia & Pacific	High income: OECD	1	Argentina	Latin America & Caribbean	Upper middle income	11
Singapore	East Asia & Pacific	High income: non-OECD	1	Jamaica	Latin America & Caribbean	Upper middle income	12
Taiwan	East Asia & Pacific	High income: non-OECD	1	Haiti	Latin America & Caribbean	Low income	12
Myanmar	East Asia & Pacific	Low income	2	Dominican Republic	Latin America & Caribbean	Upper middle income	12
Philippines	East Asia & Pacific	Lower middle income	2	Cuba	Latin America & Caribbean	Upper middle income	12
Indonesia	East Asia & Pacific	Lower middle income	2	United Arab Emirates	Middle East & North Africa	High income: non-OECD	13
Mongolia	East Asia & Pacific	Lower middle income	2	Qatar	Middle East & North Africa	High income: non-OECD	13
Thailand	East Asia & Pacific	Lower middle income	2	Saudi Arabia	Middle East & North Africa	High income: non-OECD	13
Lao PDR	East Asia & Pacific	Low income	2	Oman	Middle East & North Africa	High income: non-OECD	13
Cambodia	East Asia & Pacific	Low income	2	Bahrain	Middle East & North Africa	High income: non-OECD	13
China	East Asia & Pacific	Lower middle income	2	Kuwait	Middle East & North Africa	High income: non-OECD	13
Malaysia	East Asia & Pacific	Upper middle income	2	Iraq	Middle East & North Africa	Lower middle income	14
Vietnam	East Asia & Pacific	Lower middle income	2	Syrian Arab Republic	Middle East & North Africa	Lower middle income	14
Israel	Middle East & North Africa	High income: OECD	3	Jordan	Middle East & North Africa	Lower middle income	14
Cyprus	Europe & Central Asia	High income: non-OECD	3	Turkey	Europe & Central Asia	Upper middle income	14
Malta	Middle East & North Africa	High income: non-OECD	3	Iran, Islamic Rep.	Middle East & North Africa	Upper middle income	14
Switzerland	Europe & Central Asia	High income: OECD	4	Lebanon	Middle East & North Africa	Upper middle income	14
Spain	Europe & Central Asia	High income: OECD	4	Tunisia	Middle East & North Africa	Lower middle income	15
Greece	Europe & Central Asia	High income: OECD	4	Egypt, Arab Rep.	Middle East & North Africa	Lower middle income	15
Iceland	Europe & Central Asia	High income: OECD	4	Morocco	Middle East & North Africa	Lower middle income	15
Canada	North America	High income: OECD	4	Algeria	Middle East & North Africa	Upper middle income	15
Germany	Europe & Central Asia	High income: OECD	4	Libya	Middle East & North Africa	Upper middle income	15
United States	North America	High income: OECD	4	India	South Asia	Lower middle income	16
Portugal	Europe & Central Asia	High income: OECD	4	Sri Lanka	South Asia	Lower middle income	16
Netherlands	Europe & Central Asia	High income: OECD	4	Nepal	South Asia	Low income	16
Belgium	Europe & Central Asia	High income: OECD	4	Pakistan	South Asia	Lower middle income	16
United Kingdom	Europe & Central Asia	High income: OECD	4	Bangladesh	South Asia	Low income	16
Italy	Europe & Central Asia	High income: OECD	4	Uganda	Sub-Saharan Africa	Low income	17
Austria	Europe & Central Asia	High income: OECD	4	Zimbabwe	Sub-Saharan Africa	Low income	17
France	Europe & Central Asia	High income: OECD	4	Liberia	Sub-Saharan Africa	Low income	17
Ireland	Europe & Central Asia	High income: OECD	4	Rwanda	Sub-Saharan Africa	Low income	17
Finland	Europe & Central Asia	High income: OECD	5	Burundi	Sub-Saharan Africa	Low income	17
Norway	Europe & Central Asia	High income: OECD	5	Sierra Leone	Sub-Saharan Africa	Low income	17
Sweden	Europe & Central Asia	High income: OECD	5	Congo, Rep.	Sub-Saharan Africa	Lower middle income	17
Denmark	Europe & Central Asia	High income: OECD	5	Ghana	Sub-Saharan Africa	Low income	17
Croatia	Europe & Central Asia	High income: non-OECD	6	Angola	Sub-Saharan Africa	Lower middle income	17
Lithuania	Europe & Central Asia	Upper middle income	6	Zambia	Sub-Saharan Africa	Low income	17
Belarus	Europe & Central Asia	Upper middle income	6	Congo, Dem. Rep.	Sub-Saharan Africa	Low income	17
Russian Federation	Europe & Central Asia	Upper middle income	6	Nigeria	Sub-Saharan Africa	Lower middle income	17
Latvia	Europe & Central Asia	High income: non-OECD	6	Kenya	Sub-Saharan Africa	Low income	18
Serbia	Europe & Central Asia	Upper middle income	6	Tanzania	Sub-Saharan Africa	Low income	18
Estonia	Europe & Central Asia	High income: OECD	6	Madagascar	Sub-Saharan Africa	Low income	18
Ukraine	Europe & Central Asia	Lower middle income	6	Sudan	Sub-Saharan Africa	Lower middle income	19
Hungary	Europe & Central Asia	High income: OECD	7	Somalia	Sub-Saharan Africa	Low income	19
Slovak Republic	Europe & Central Asia	High income: OECD	7	Ethiopia	Sub-Saharan Africa	Low income	19
Bulgaria	Europe & Central Asia	Upper middle income	7	Sudan South	Sub-Saharan Africa	Low income	19
Poland	Europe & Central Asia	High income: OECD	7	Botswana	Sub-Saharan Africa	Upper middle income	20
Albania	Europe & Central Asia	Upper middle income	7	Namibia	Sub-Saharan Africa	Upper middle income	20
Bosnia and Herzegovina	Europe & Central Asia	Upper middle income	7	South Africa	Sub-Saharan Africa	Upper middle income	20
Romania	Europe & Central Asia	Upper middle income	7	Mauritius	Sub-Saharan Africa	Upper middle income	20
Slovenia	Europe & Central Asia	High income: OECD	7	Niger	Sub-Saharan Africa	Low income	21
Czech Republic	Europe & Central Asia	High income: OECD	7	Mozambique	Sub-Saharan Africa	Low income	21
Uzbekistan	Europe & Central Asia	Lower middle income	8	Mauritania	Sub-Saharan Africa	Low income	21
Armenia	Europe & Central Asia	Lower middle income	8	Cameroon	Sub-Saharan Africa	Lower middle income	21
Georgia	Europe & Central Asia	Lower middle income	8	Cote d'Ivoire	Sub-Saharan Africa	Lower middle income	21
Afghanistan	South Asia	Low income	8	Gabon	Sub-Saharan Africa	Upper middle income	21
Kazakhstan	Europe & Central Asia	Upper middle income	8	Benin	Sub-Saharan Africa	Low income	21
Turkmenistan	Europe & Central Asia	Lower middle income	8	Togo	Sub-Saharan Africa	Low income	21
Azerbaijan	Europe & Central Asia	Upper middle income	8	Chad	Sub-Saharan Africa	Low income	21
Peru	Latin America & Caribbean	Upper middle income	9	Mali	Sub-Saharan Africa	Low income	21
Venezuela, RB	Latin America & Caribbean	Upper middle income	9	Senegal	Sub-Saharan Africa	Lower middle income	21
Ecuador	Latin America & Caribbean	Lower middle income	9	Burkina Faso	Sub-Saharan Africa	Low income	21
Bolivia	Latin America & Caribbean	Lower middle income	9	Central African Republic	Sub-Saharan Africa	Low income	21
Colombia	Latin America & Caribbean	Upper middle income	9				
Uruguay	Latin America & Caribbean	Upper middle income	9				
Mexico	Latin America & Caribbean	Upper middle income	10				
El Salvador	Latin America & Caribbean	Lower middle income	10				
Guatemala	Latin America & Caribbean	Lower middle income	10				
Costa Rica	Latin America & Caribbean	Upper middle income	10				
Nicaragua	Latin America & Caribbean	Lower middle income	10				
Honduras	Latin America & Caribbean	Lower middle income	10				
Panama	Latin America & Caribbean	Upper middle income	10				

Source: World Bank (2013).

Table A2: details on the external indicators used for comparisons with IPD 2012

Source	External indicators and sub-indicators	Year	Level of disaggregation and correlation code	Comparison IPD 2012	Scale	
Freedom House	Freedom of the press	2012	FoP	X	[0 ; 100] : [no freedom ; strong freedom]	
	Freedom in the world	2011	FoW	Not relevant [a]	[1 ; 7] : [free and fair ; oppression]	
	Political rights		FoW 1	Not relevant [a]		
	Electoral Process		FoW 1.1	X		
	Political Pluralism and Participation		FoW 1.2	X		
	Functioning of Government		FoW 1.3	Not relevant [a]		
	Civil Liberties		FoW 2	Not relevant [a]		[1 ; 7] : [no liberties ; strong liberties]
	Freedom of Expression and Belief		FoW 2.1	X		
	Associational and Organizational Rights		FoW 2.2	X		
	Rule of Law		FoW 2.3	X		
Personal Autonomy and Individual Rights	FoW 2.4	X				
Heritage Foundation	Index of Economic Freedom	2011	EF	Not relevant [a]	[0 ; 100] : [no freedom ; strong freedom]	
	Rule of law		EF 1	Not relevant [a]		
	Property rights		EF 1.1	X		
	Freedom from corruption		EF 1.2	X		
	Limited government		EF 2	Not relevant [a]		
	Fiscal freedom		EF 2.1	Not relevant [b]		
	Government spending		EF 2.2	Not relevant [b]		
	Regulatory efficiency		EF 3	Not relevant [a]		
	Business freedom		EF 3.1	X		
	Labor freedom		EF 3.2	X		
	Monetary freedom		EF 3.3	Not relevant [b]		
	Open markets		EF 4	Not relevant [a]		
	Trade freedom		EF 4.1	X		
	Investment freedom		EF 4.2	Not relevant [b]		
Financial freedom	EF 4.3	X				

Sources: Freedom House (2012) and Heritage Foundation (2012).

Note: Further details on the content of the sub-indicators can be obtained from the relevant organisation's websites. [a] The level of disaggregation is not relevant. [b] No comparable concept in the IPD 2012.