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# INTERNATIONAL PROPERTY RIGHTS INDEX 2023

EXECUTIVE SUMMARY

**DR. SARY LEVY-CARCIENTE**

*Author, 2023 Hernando de Soto Fellow*

**LORENZO MONTANARI**

*Editor*

*Contributions by:*

**ANDREA CALLE • ALBA ISABEL GIRALDO • CARLOS AUGUSTO CHACÓN • PIETER CLEPPE • EVANS EXAUD •  
DR. ROBERTO SALINAS-LEON • JOSEPH QUESNEL • SHAWN REGAN • MOHAMED M. FARID • LEONARDO SILES OPORTO  
AND JORGE VELARDE-ROSSO**



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For more information, or to become a partner organization, please contact **Lorenzo Montanari**, Executive Director of The Property Rights Alliance at [lmontanari@propertyrightsalliance.org](mailto:lmontanari@propertyrightsalliance.org)





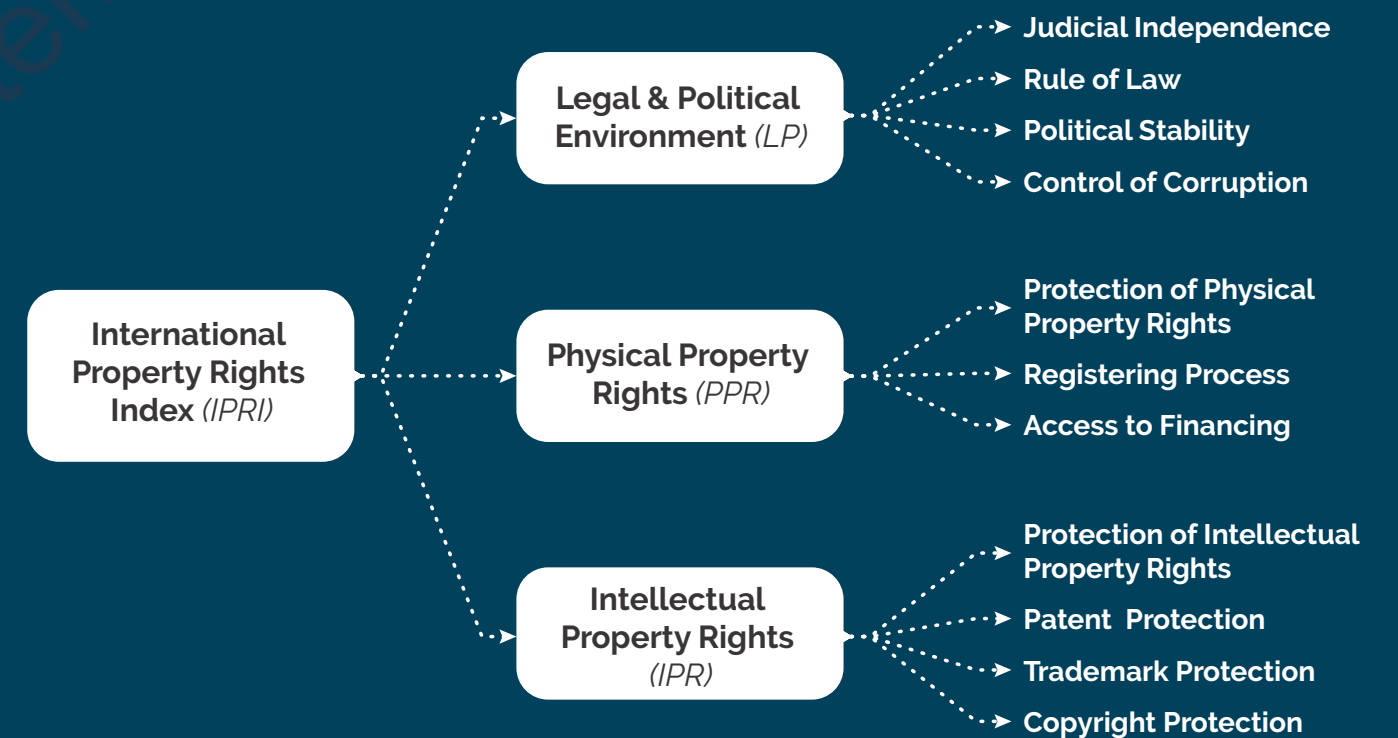
## EXECUTIVE SUMMARY

The International Property Rights Index (IPRI) is the flagship publication of the Property Rights Alliance (Washington, D.C.) dedicated to the promotion of property rights. Property rights are human rights and have shown their ability to nurture economic growth and social development, promoting prosperity and innovation, and have shown to be the most effective mechanism to guarantee civil rights and civil liberties. That is a fundamental reason for preference of a system of strong private property rights: private property rights protect individual liberty.

After four years of consecutive setbacks of the average of the IPRI score and its components, we found a slight recovery of .37% of the IPRI thanks to Intellectual Property Rights

(IPR) improvement (aprox 2%). Meanwhile, the other two components — Legal and Political Environment (LP) and Physical Property Rights (PPR) — continue to decline. On average, the sample of 125 countries showed a score of 5.21 (Max. 8.10; Min. 1.90), where LP was the weakest component with a score of 5.06 (Max. 8.80; Min. 1.00), followed by the PPR component, scoring 5.23 (Max. 8.40; Min. 1.50). IPR was the strongest component, scoring 5.35 (Max. 8.60; Min. 3.00).

During 2023, Property Rights Alliance (PRA) worked to compile case studies with 131 think tanks and policy organizations in 73 countries involved in research, policy development, education, and promotion of property rights in their countries.



**Figure 1. IPRI Structure.** The IPRI is built up from 11 factors, gathered under three components: Legal and Political Environment (LP), Physical Property Rights (PPR), and Intellectual Property Rights (IPR), with a grading scale of [0 – 10]. The LP component provides information about the strength of a country's institutions, the other two components of the index, PPR and IPR, reflect the two kinds of property rights unequivocal for countries' socio-economic development.



# RESULTS

## TOP 5 COUNTRIES:

1. Finland
2. Singapore
3. Netherlands
4. Denmark
5. New Zealand

## BOTTOM 5 COUNTRIES:

121. Chad
122. Congo Democratic Republic
123. Haiti
124. Yemen Republic
125. Bolivarian Republic of Venezuela

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## RESULTS

The 2023 IPRI edition includes 125 countries representing the 93.4% of world population and 97.5% of world GDP. The selection of countries was determined only by the availability of sufficient data.

Organizing countries by quintile, we found that the number of countries belonging to each quintile increases from the top 20% to the bottom 20%.

Hence, the fourth and the fifth quintiles include 64 countries, which is a 48.8% of our sample, while the first three quintiles include almost the same number of countries, 61 countries, being 51.2% of the sample.

This year, Finland leads the IPRI score (8.1) as well as the LP (8.8) and PPR (8.4) components, while

**Figure 2. 2023-IPRI Scores Map.** As an average, the sample of 125 countries showed an IPRI score of 5.21, with a maximum of 8.10 for Finland and a minimum of 1.90 for the Bolivarian Republic of Venezuela.

USA leads the IPR component (8.6), followed by the UK (7.698). Singapore ranks 2nd in the IPRI (8.0) and also for the PPR (8.2) component. In 3rd place comes Netherlands (7.81) very closely followed by New Zealand (7.79) and Norway (7.72), which is placed 2nd in the LP component (8.71). The IPRI scores of these 15 top countries come in a range of 7.5 to 8.1.

We celebrate those 79 countries who improved their IPRI scores this year, stand out being Moldova (12.6%), Zambia (9.9%), Zimbabwe (9.4%), Albania (9.2%), and Paraguay (8.9%). The rest (46 countries) deteriorated their scores, the most upsetting being Russia (-11.9%), United Arab Emirates (-9.3%) and Egypt (-7.8%).

**Figure 2. 2023-IPRI Scores Map.**  
Best  Worst



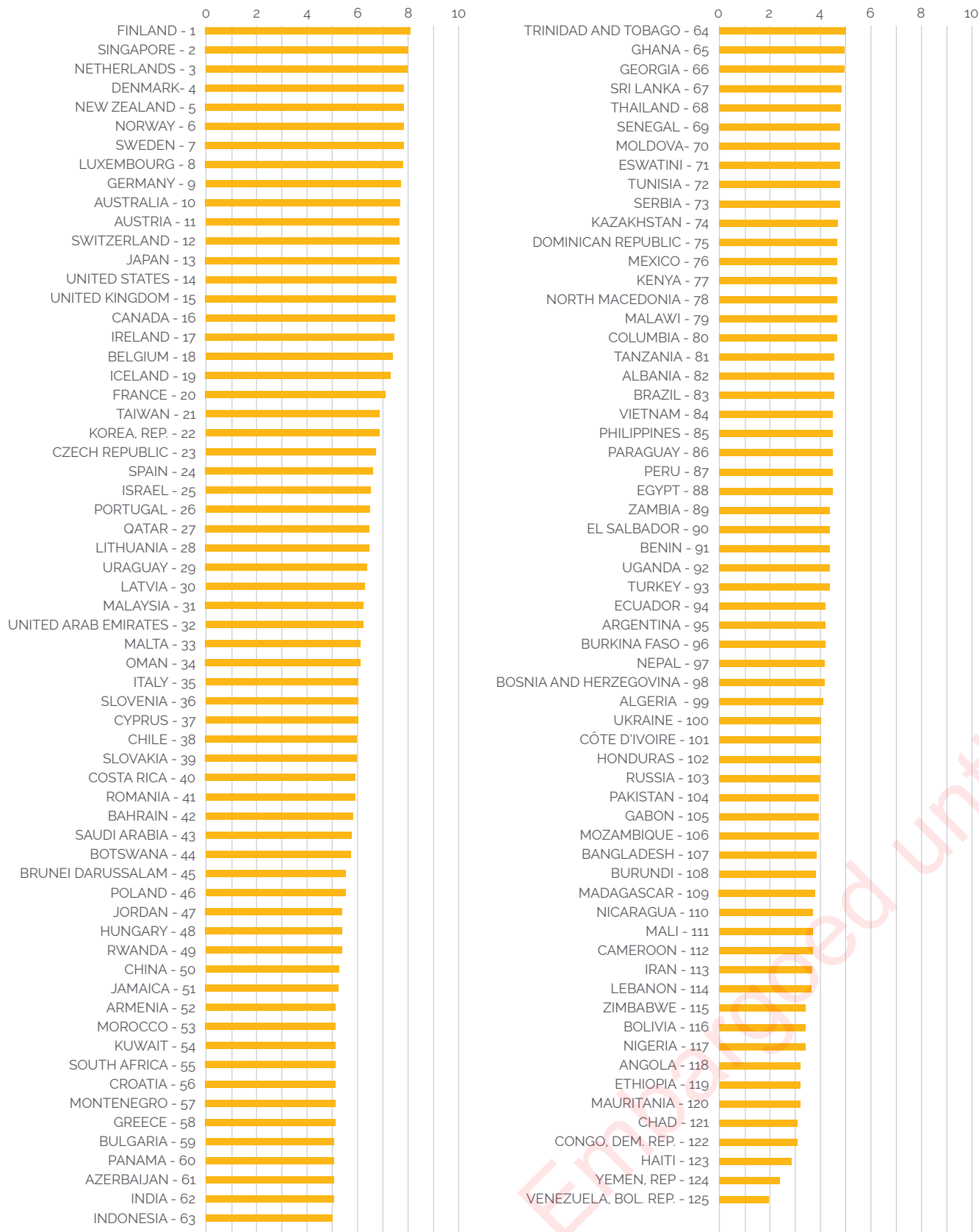


Figure 3. 2023-IPRI: IPRI Scores and Rankings.

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## IPRI & GROUPS

By gathering countries according to relevant criteria (geographical regions, income levels, degree of development, and participation in

regional integration agreements), valuable information can be used by individuals and policy makers to improve their countries' performance.

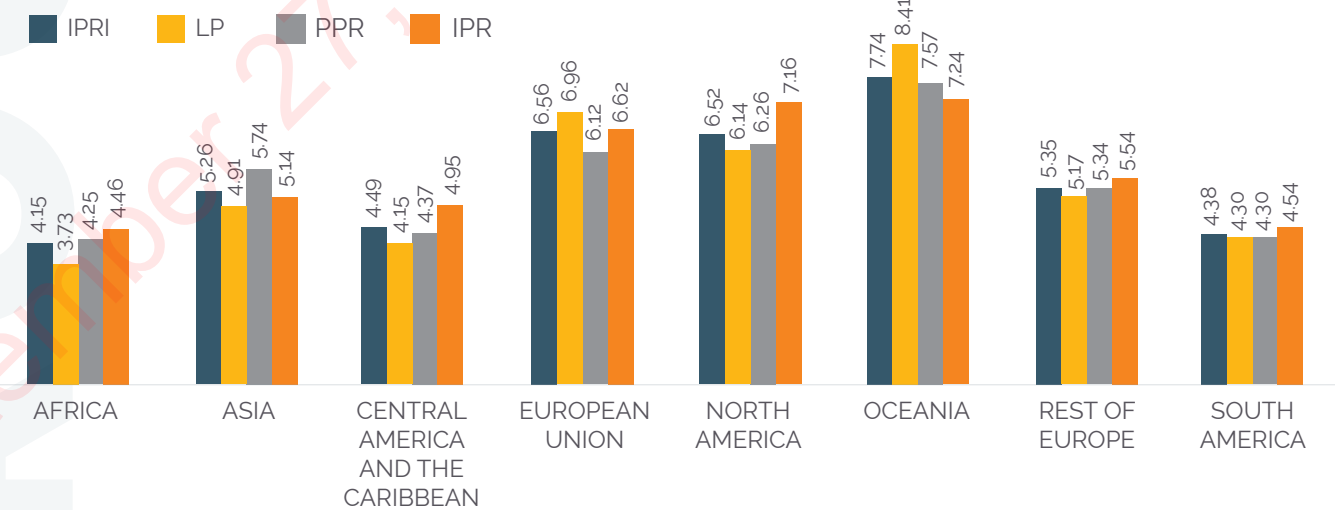


Figure 4a. 2023-IPRI Scores for Geographical Groups: At the top we find Oceania (7.74), European Union (6.56), and North America (6.52); while at the bottom are Africa (4.15), Central America and the Caribbean (4.49), and South America (4.38). The IPRI scores' change compared to 2022 were mixed: positive changes for Central America & Caribbean (3.2%) and the European Union (2.3%), while a negative one for Asia (-2.78%) mainly due to weakening of its LP component (-5.8%).

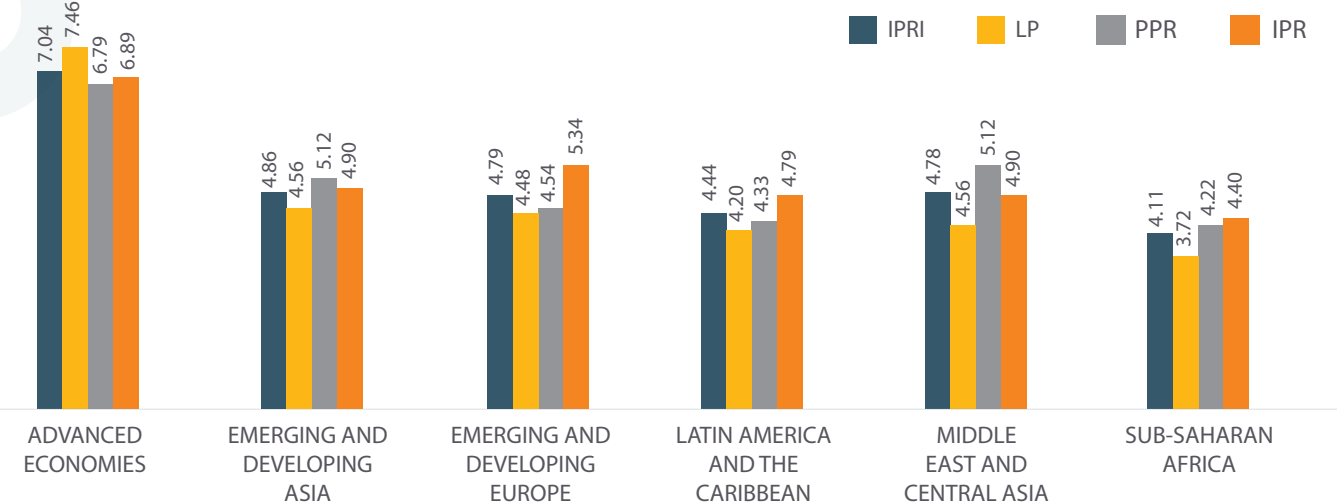
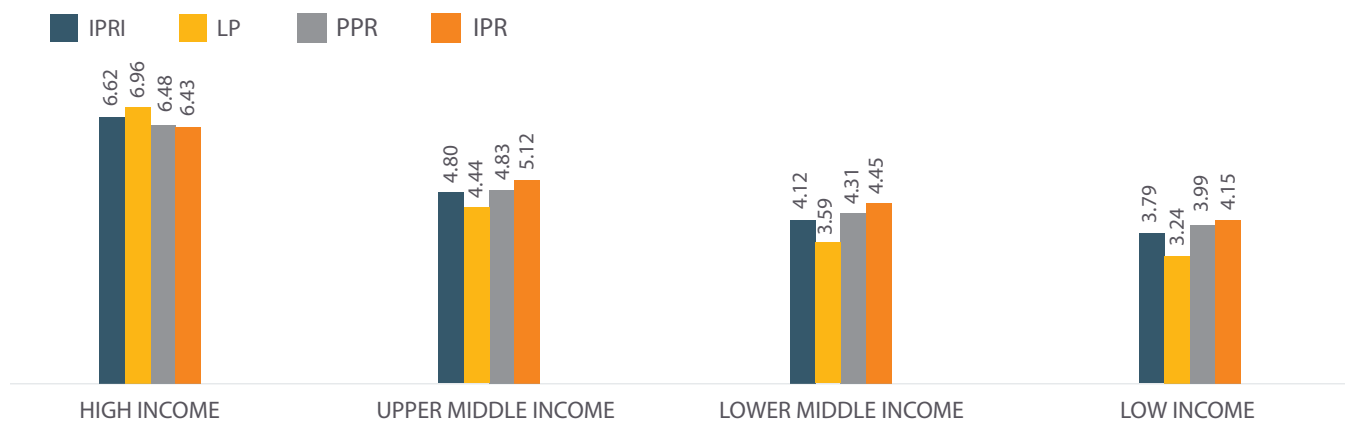
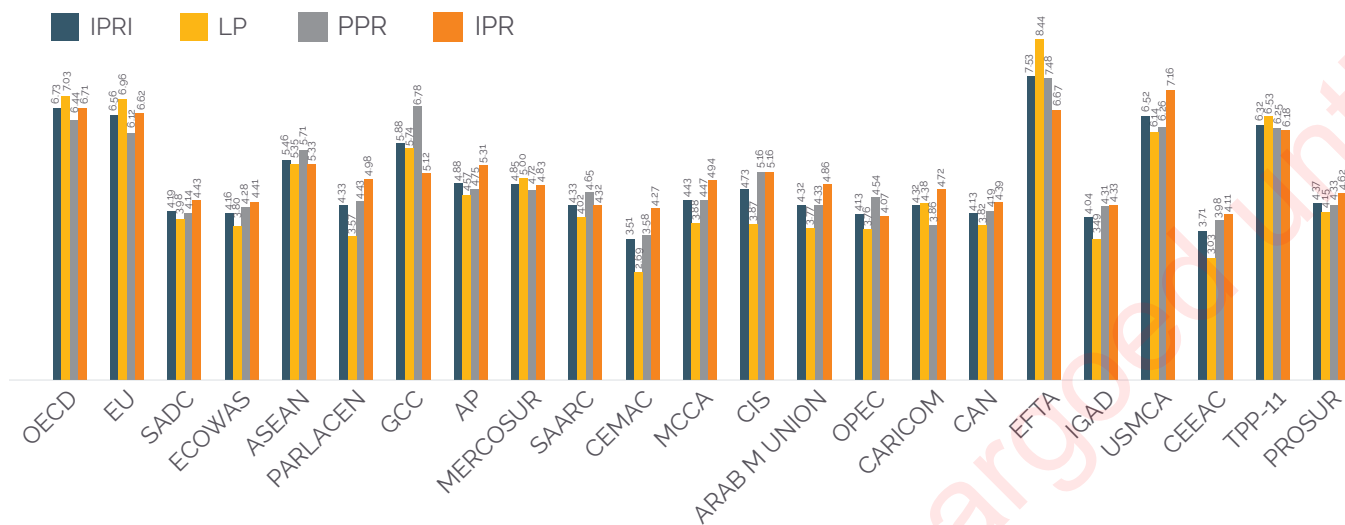


Figure 4b. 2023-IPRI Scores for Regional & Development Groups (IMF Classification): Advanced Economies (7.04) leads IPRI scores, followed by Emerging and Developing Asia (4.86), Emerging and Developing Europe (4.79), Middle East & Central Asia and Emerging and Developing Asia (4.87), Latin America and the Caribbean (4.44), ending with the Sub-Saharan Africa (4.11). Emerging and Developing Europe and Latin America and the Caribbean, improved 2%, while Middle East & Central Asia deteriorated almost the same, mainly because of the LP component (-7.4%).





**Figure 4c. 2023-IPRI Scores for Income Group (World Bank Classification):** As in previous editions, the income classification groups show the same display of the IPRI score. High Income (6.62) remains at the top, followed by Upper Middle (4.80), Lower Middle (4.12) and Low Income (3.79) countries. The LP component shows improvement in all the groups. High income countries' better results are due to improvements for the IPR component.



**Figure 4d. 2023 IPRI Scores for Integration Agreements:** Since 2017, the five top groups are EFTA (7.53), OECD (6.73), EU (6.56), USMCA (6.52) and TPP-11 (6.32). The main improvements were shown by PARLACEN (4.66%) and the MCCA (3.9%), in both cases for relevant increases in the IPR component (of 13.7 and 12.4%, respectively). On the other hand the main setbacks were displayed by PROSUR (-4.78%), GCC (-4.57%) and OPEC (-2.55%).

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## IPRI AND POPULATION

Although the 2023 IPRI average score is 5.211, when population weighs in, its score reduces to 5.04 which is a decrease of 1.53% from 2022 and almost 10% from 2021 (IPRI-Pop 2022=5.12; and IPRI-Pop 2021=5.596). This happens even when

we found a slight improvement in the IPRI score this year, meaning that citizens of the most populated countries display a discouraging scenario to access and enjoy a robust property rights system.

2023 IPRI (RANGES)	NUMBER OF COUNTRIES	POPULATION (000)	% POPULATION	IPRI INCIDENCE (%)	IPRI-POPULATION INCIDENCE (%)	% GDP
1.9 - 2.8	3	72,629	1.0	1.1	0.4	0.56
2.9 - 3.7	16	874,243	11.8	8.5	8.1	1.76
3.8 - 4.7	38	1,790,308	24.2	25.3	20.5	10.11
4.8 - 5.7	27	3,494,798	47.3	21.7	48.6	27.44
5.8 - 6.7	21	323,666	4.4	20.0	5.5	9.01
6.8 - 7.7	12	775,489	10.5	13.8	15.6	47.34
7.8 - 8.7	8	56,472	0.8	9.6	1.2	3.78
<b>125</b>	<b>7,387,606</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Fig. 5a.** This year's sample of 125 countries has a population of 7.39 thousand millions people, showing that 83.4% of that population live in 81 countries with an IPRI between 2.9 and 5.7.



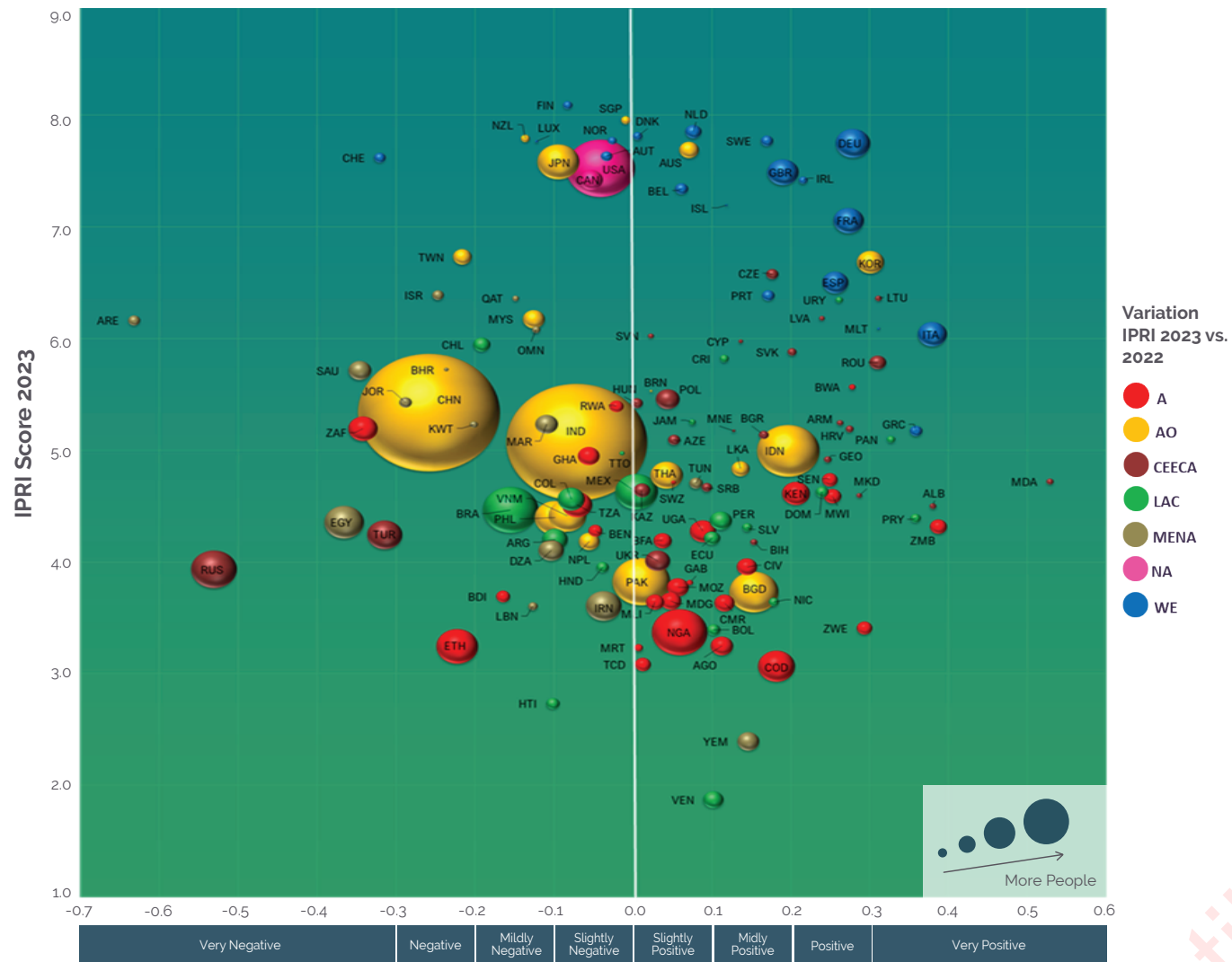


Figure 5b. This figure shows a combination of elements for analyzing changes in the 2023 IPRI scores compared to 2022, including population and their belonging to a regional group.

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## IPRI AND GENDER

Given the relevance of gender equality, we weighted the IPRI with a gender component. The IPRI-GE scores 4.56, which is a reduction of 12.6% from the IPRI score (5.21). While a slight improve-

ment from last year (2022 IPRI-GE<sub>2022</sub>=4.48), it is not enough to recover the values of 2021 (IPRI GE 2021: 4.89). Meanwhile the 125 countries display an average GE score of 7.22.

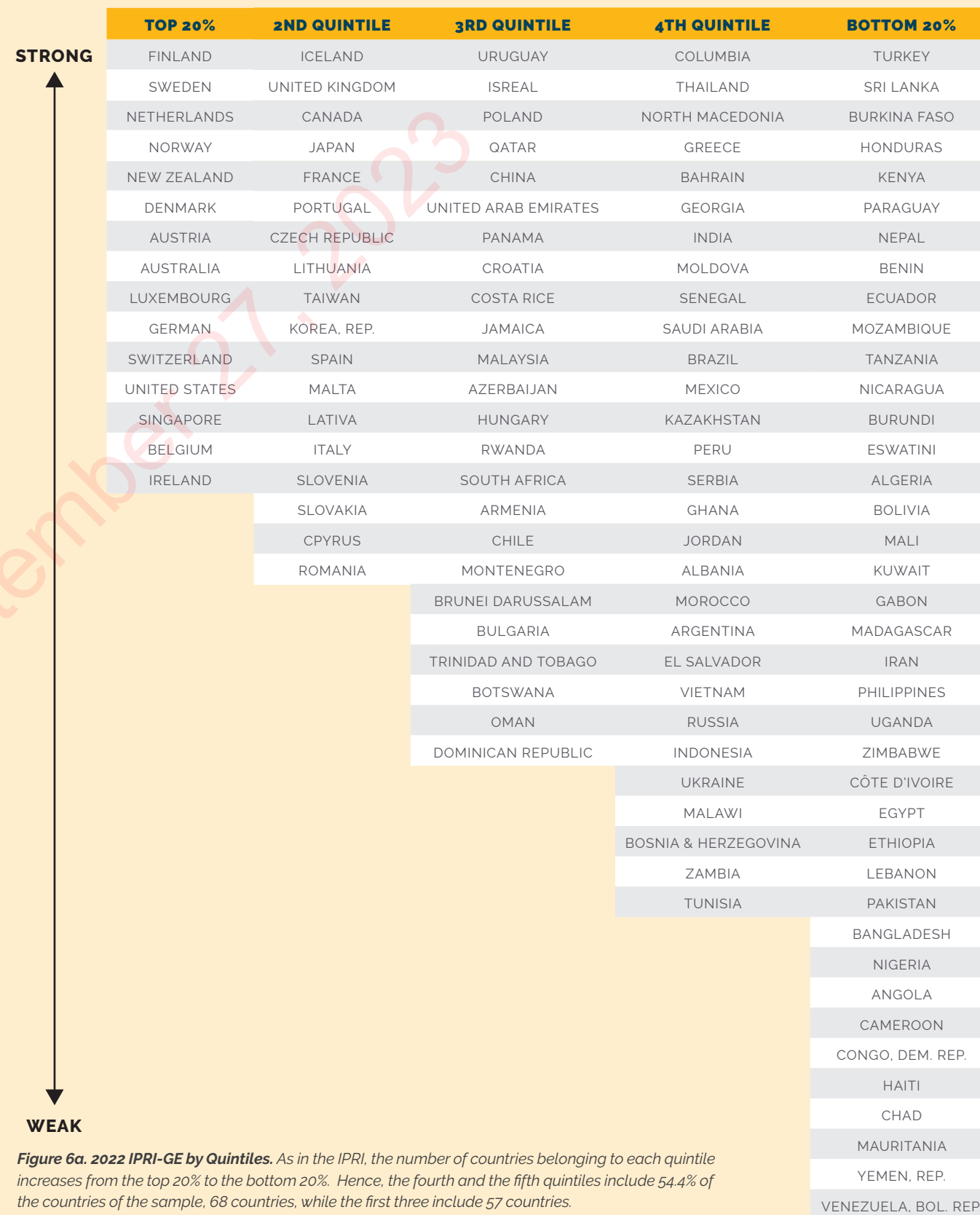
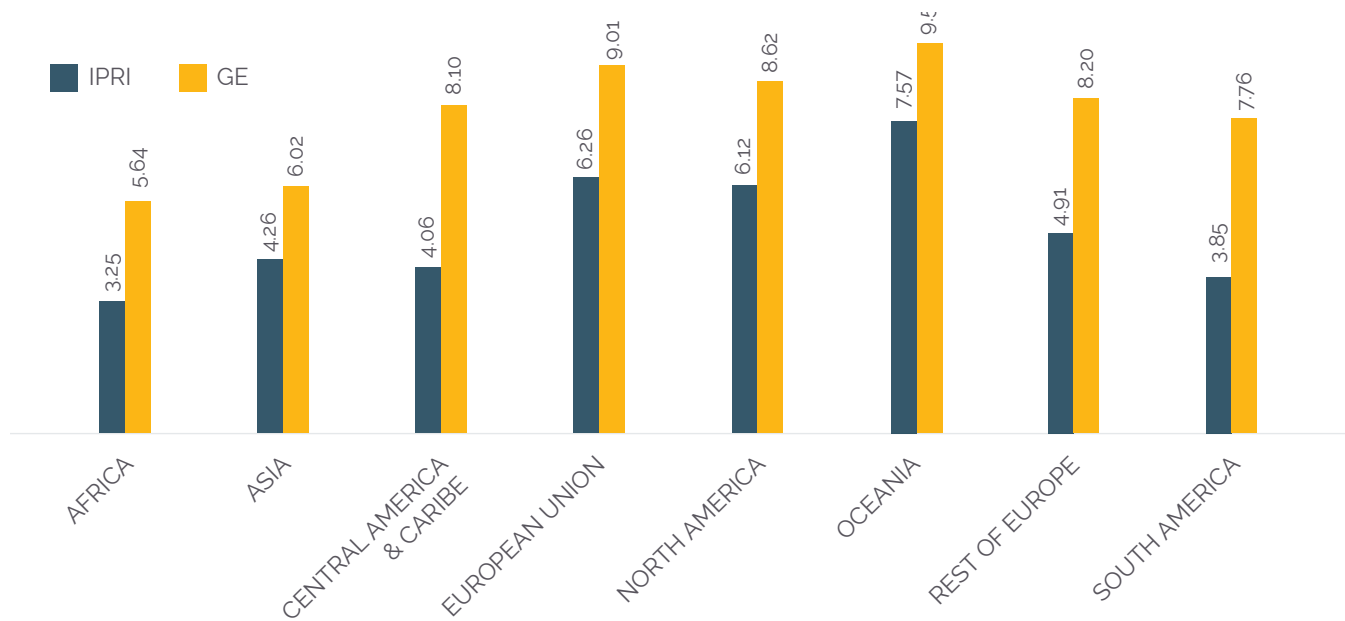


Figure 6a. 2022 IPRI-GE by Quintiles. As in the IPRI, the number of countries belonging to each quintile increases from the top 20% to the bottom 20%. Hence, the fourth and the fifth quintiles include 54.4% of the countries of the sample, 68 countries, while the first three include 57 countries.





**Figure 6b. IPRI-GE & GE Scores for Geographical Regions.** At the top of the IPRI-GE scores we find Oceania that also leads the GE component, followed by the European Union and North America. Meanwhile at the bottom we find Africa, South America, Central America & the Caribbean, Asia and the Rest of Europe.



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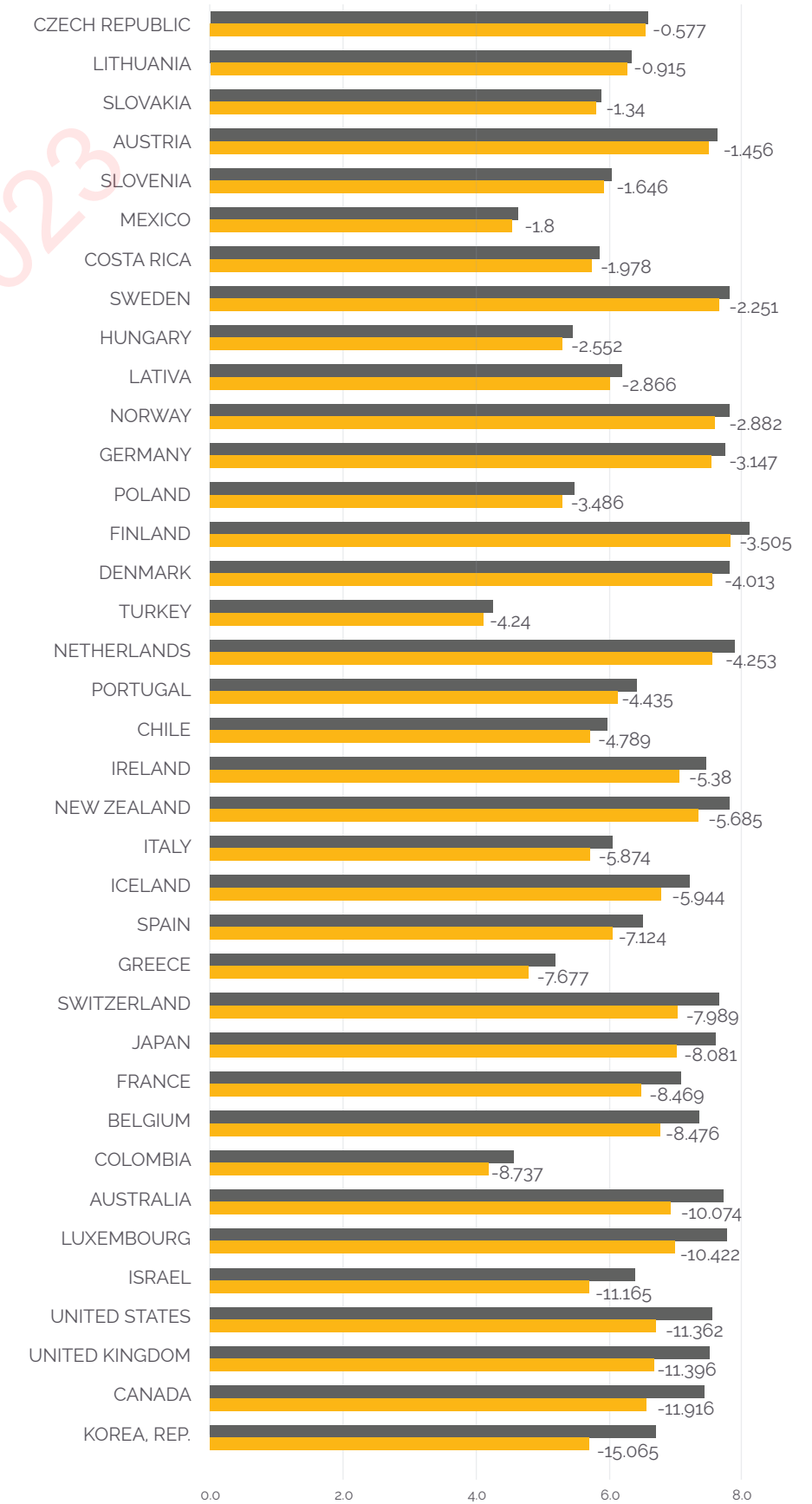
## IPRI & TAXES

A property tax implies a constraint, a restriction to that property right. By virtue of the above, an adjustment to the IPRI for this concept is made to account for these impacts using the data on property tax revenues as a % of total taxes revenues from the OECD.

Results show that Czech Rep. (-0.58%), Lithuania (-0.92%), Slovakia (-1.34%), Austria (-1.46%), Slovenia (-1.65%), Mexico (-1.8%) and Costa Rica (-1.98%) are countries showing a property tax impact of less than 2%; while South Korea (-15.1%), Canada (-11.92%), USA (-11.4%), UK (-11.36%), Israel (-11.17%), Luxembourg (-10.02%) and Australia (-10.07%) display the highest negative impact.

■ IPRI 2023  
■ IPRI - PTax

**Figure 7. 2023 IPRI vs. 2023 IPRI-PT (%) OECD Countries.** The IPRI-PT score for OECD countries is 5.75% lower than its IPRI value, with some of them at a reduction of over 10%.

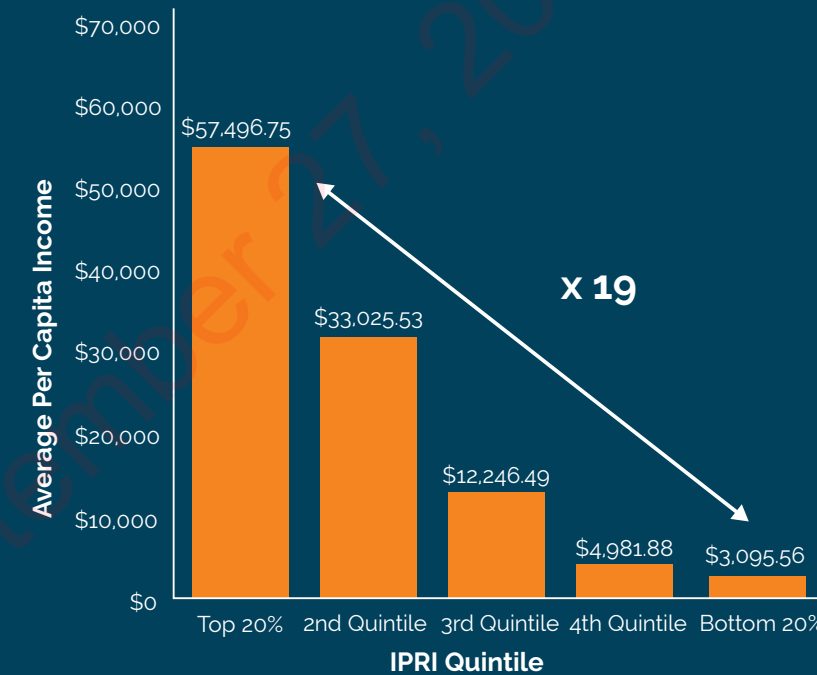




# IPRI AND VIRTUOUS ECOSYSTEM

There's broad academic literature highlighting relevant impacts between the respect for property rights and making strides of the quality of life of citizens, making property rights a fundamental piece of a virtuous ecosystem for human development. In light of the above, we examined different elements to assess conceivable relationships using statistical correlations with the IPRI, drawing empirically based conclusions. Those measurements were gathered in three (3) dimensions: Productive Drive, Socio-Political Dynamics and Future Trends' Oriented.

			IPRI	LP	PPR	IPR	
PRODUCTIVE DRIVE	Production	GDP per capita (Constant 2015 US\$)	0.8385	0.8121	0.7983	0.7567	Correlation Code: Weak Soft Moderate Good Strong Perfect
		GDP per capita (Constant 2015 US\$) *GINI	0.8262	0.7902	0.7897	0.7830	
	Investment	Gross capital formation per capita (Current US\$)	0.8309	0.8108	0.7949	0.7343	
		The Venture Capital & Private Equity Attractiveness	0.8178	0.7514	0.7637	0.8242	
	Composition	Economic Complexity Index-Trade	0.7711	0.7205	0.7094	0.7821	
Entrepreneurship	Global Entrepreneurship Index	0.9001	0.8512	0.8497	0.8446		
SOCIO-POLITICAL DYNAMICS	Impunity	Atlas of Impunity	-0.8711	-0.9125	-0.7173	-0.8253	
	Social Mobility	Global Social Mobility Index	0.8688	0.8749	0.7705	0.8115	
	Global Mobility	Henley Passport Index	0.7567	0.7652	0.5940	0.7811	
	Social Capital	Legatum Prosperity Index	0.6731	0.6821	0.5841	0.6378	
	Philanthropy	The Global Philanthropy Environment Index	0.7954	0.7734	0.7241	0.7535	
FUTURE TRENDS' ORIENTED	Openness to ICT	Network Readiness Index	0.8920	0.8398	0.8229	0.8746	
	Innovation Capacity	Global Innovation Index	0.8725	0.8089	0.7880	0.8813	
	Openness to AI	Government AI Readiness Index	0.8519	0.7943	0.8028	0.8306	
	Energy Performance	World Energy Trilemma Index	0.8041	0.7755	0.7267	0.7669	
	Environmental Sustainability	Great Future Index	0.7632	0.7762	0.6171	0.7635	
	Risk Alertness	INFORM Index for Risk Management	-0.7936	-0.8192	-0.7126	-0.6924	



**Fig 8 (LEFT). Pearson's Correlation Coefficient.** IPRI and components correlations with the indices used were strong, and directions as expected. The strongest was with the Global Entrepreneurship Index (.9), followed by Network Readiness Index (.89). The Atlas of Impunity (-.87), The Global Innovation Index (.81) and The World Energy Trilemma Index (.8), showing property rights relevance for a virtuous ecosystem for human development.

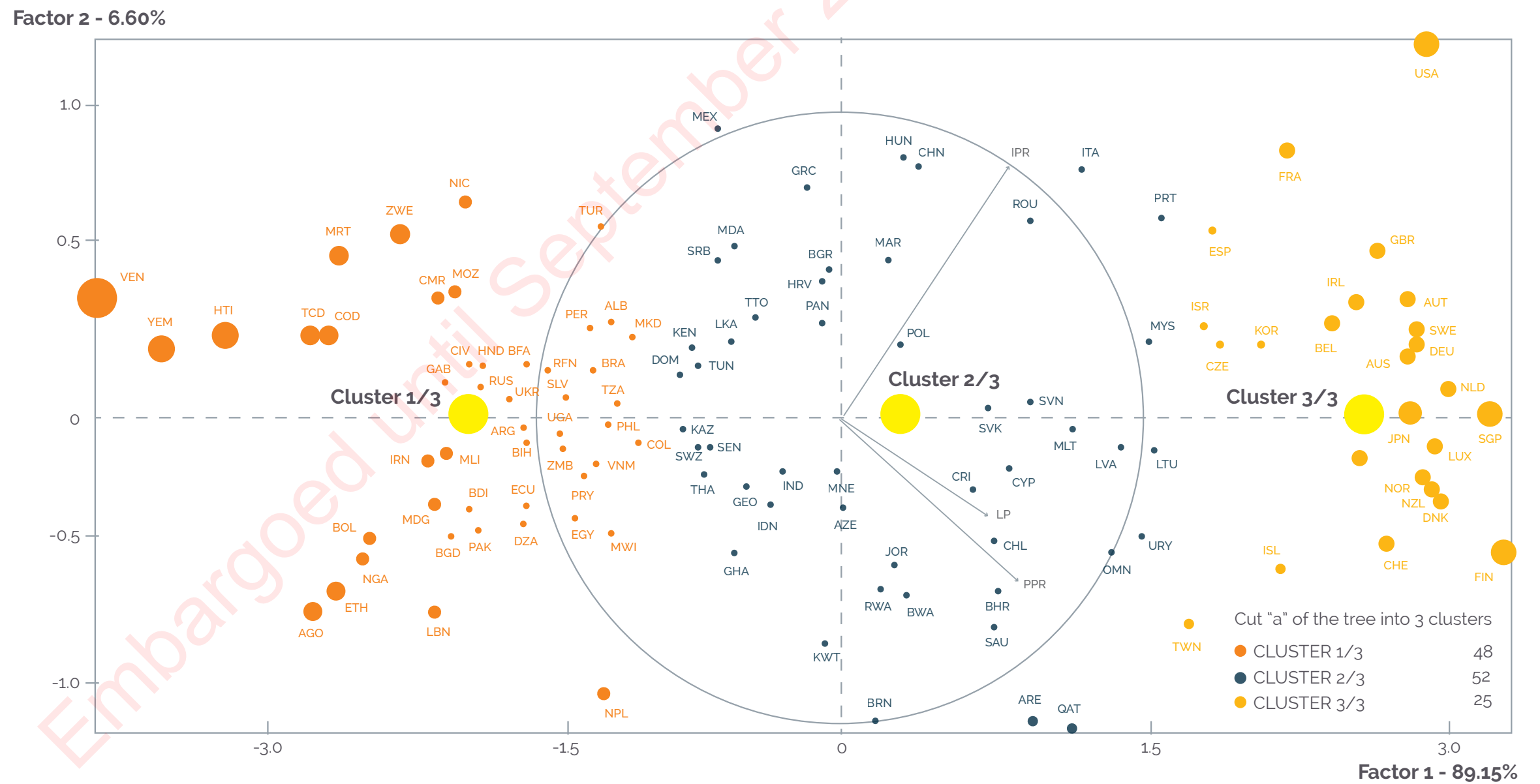
**Figure 9 (ABOVE). Average Per Capita Income by IPRI Quintiles:** On average, countries in the top quintile of IPRI scores (i.e. top 20%) show a per capita income of 19 times compared to the bottom quintile. That disparity reduced from last year when it was 21 times, and goes back to the difference showed in 2021. These results reinforce the significant and positive relationship between prosperity and a property rights system.



## IPRI CLUSTERS

We performed a cluster analysis for all the 125 countries according to the IPRI and its components. Each cluster represents more than a grouping by variables directly associated with property rights. They are groups with common characteristics within them and with different features among clusters. This confirms the consistency of the IPRI and the relevance of property rights systems influencing societies.

*Figure 10. Cluster's Members & Centroids. Three clusters were acceptable to explain the aggrupation of countries depicting the significance of the IPRI as a robust tool in the examination of societies. They show the key role of property rights promoting virtuous incentives, fostering development, and promoting liberty in societies.*





## ANALYZING THE IMPACT OF MANDATORY LICENSING ON INTELLECTUAL PROPERTY RIGHTS IN COLOMBIA

*By Andrea Calle, Alba Isabel Giraldo and Carlos Augusto Chacón, Instituto de Ciencia Política Hernán Echavarría Olózaga, Colombia*



This case study focuses on Colombia's approach to intellectual property rights, particularly mandatory licenses. The study examines the existing regulations in Colombia, which require a declaration of public interest for their implementation, and explores previous instances of such licenses being employed in the country. The specific case analyzed is Resolution 881 of 2023 by the Ministry of Health and Social Protection, which initiates an administrative procedure to declare the existence of public interest reasons for subjecting drug

patents to mandatory licensing. The study emphasizes the potential repercussions of this action on the Colombian economy. By investigating the implementation of mandatory licenses and their impact on intellectual property rights, this research sheds light on the regulatory landscape in Colombia and its implications for various industries. It provides valuable insights into the evolving dynamics of intellectual property protection and the potential trade-offs between public health interests and economic considerations in Colombia's context.

## THE IMPORTANCE OF IP PROTECTION FOR BELGIAN BIOTECH COMPANY, ARGENX

*By Pieter Cleppe, Brussels Report, Belgium*



The case study will take a closer look at the growth of Belgian biotech company, Argenx, and how intellectual property rights protection played a major role in this. In particular, a closer look will be taken at how this company was able to outshine many of its competitors in Europe, how it managed to cope with obstacles in Europe for companies to grow, how IP was at the heart of its growth, and how this was also an important reason for investors not to give up on the company. Back

in 2016, Argenx stressed how "the company's main assets are intellectual property rights concerning technologies that have not led to the commercialization of any product." In its reports, the company has recalled this regularly. As intellectual property protection in Europe is threatening to become less solid, the case of Argenx illustrates how innovation, and the accompanying jobs and economic growth, could not have happened without firm protection of intellectual property rights.

Embargoed until September 2023

## CURRENT SITUATION ON WOMEN'S LAND RIGHTS IN TANZANIA

By Evans Exaud, Founder & Executive Director, Liberty Sparks, Tanzania



Women in Tanzania have made significant progress in recent years in terms of their land rights. The United Republic of Tanzania's Constitution recognizes equality to own property for all citizens, and the 1999 Land Act, revised in 2019, establishes several principles that help safeguard women's land rights. However, despite these legal protections, women in Tanzania still face significant challenges in accessing and owning land. The key challenge facing women in Tanzania is the persistence of customary laws that discriminate against women regarding land ownership. Customary laws often give men preferential rights to land, and they can also make it difficult for women to inherit land or own land in their name. As a result, women in Tanzania are more likely than men to be landless and more likely to lose access to land when their husbands die or divorce. Despite this challenge, several organizations are working to improve the situation of women's land rights in Tanzania. These organizations are working to raise awareness of women's land rights, provide legal assistance to women trying to assert their rights, and lobby for changes to the law that would further protect women's land rights. The situation of women's land rights in Tanzania is complex and challenging. However, there is a growing movement to improve the situation, and there is reason to be hopeful that progress will continue in the years to come.

## PROPERTY RIGHTS, REGIONAL TRADE, AND PROSPERITY: THE CASE OF MEXICO

By Dr. Roberto Salinas-Leon, Center for Latin America-Atlas Network, Mexico



This case study explains the institutional fragility of the systems of property rights in Mexico and its repercussions for sustainable economic growth, productive investment, and open trade in North America and the world at large. A key component of economic freedom is respect for a system of well-defined property rights. Mexico's ranking in the majority of major indices reflects mostly acceptable results in areas like trade policy, sound money, and even size of government. But the rankings in rule of law, especially in property rights, are conspicuously disappointing. The study will do a "deep dive" on the most relevant aspects of Mexico's constitutional framework, and show in detail how certain constitutional articles threaten the prospects of reliable and well-defined property rights. The original hypothesis of open trade as a "golden-straight jacket" that would push the country in the direction of a well-established regime of property rights has failed to materialize. The onset of investment and regional integration opportunities that the phenomenon of

near-shoring has brought about will not occur unless and until the institutional malaise that now pervades Mexico's property rights system is addressed. The study will offer some relevant examples during the López Obrador administration of how the failures in the current property rights regime threaten investment in key sectors of the economy, as well as hamper opportunities to achieve greater prosperity. Moreover, such failings present the risk of an institutional "septic shock" in North America, in light of the evolution of (very) tightly integrated supply chains in the region. The recent trade disputes, levied by U.S. and Canadian private investment concerns in energy, mining, and infrastructure, are dramatic examples of an ill-defined framework of property rights. The study will conclude with policy recommendations in the general legal framework, as well as other policy alternatives in key sectors, such as oil and gas, and infrastructure, and offer guidelines to reform the regulatory environment to facilitate trade, commerce, and a more reliable investment climate.



## ASSESSING THE STATE OF PROPERTY RIGHTS PROTECTIONS IN CANADA

By Joseph Quesnel, Senior Research Associate for the Frontier Centre for Public Policy, Canada



The Canadian Property Rights Index (CPRI) is a project designed to measure and compare property rights protections in Canada on a provincial and territorial level. The original Index was released in 2013 making this a 10-year update. This updated version includes seven indicators: Land Title System, Expropriation, Regulatory Takings ('downzoning'), Municipal Power of Entry, Civil Forfeiture, Endangered Species, and Heritage Property. The Index assesses procedural safeguards in place for these seven indicator areas. The presence of safeguards increases a jurisdiction's score. Property rights are essential for economic freedom, but in Canada provinces and territories lack adequate protections neces-

sary for the proper safeguarding of rights. The revised Index reveals a distinct east-west dimension in the results, with provinces from the West dominating the rankings. Even though Nova Scotia scored higher, the Atlantic provinces remain at the bottom of the Index. The solution lies in promoting a commitment to limited government and a more informed and vigilant public demanding better protections of their rights. Policy recommendations proposed include the enshrinement of property rights in the Canadian constitution, measures to control regulatory takings, and the establishment of an organization or movement devoted to property rights monitoring, education, and protection.

## PROPERTY RIGHTS AND FOREST CHANGE: EXAMINING CROSS-COUNTRY DATA AND EXISTING LITERATURE

By Shawn Regan, Vice President of Research, Property and Environment Research Center, USA



Despite recent efforts to slow its pace, deforestation remains a pressing global environmental issue, with around 10 million hectares of forest lost each year between 2015 and 2020. This case study examines the relationship between property rights and deforestation through an analysis of country-level data and a review of academic literature. The goal of this case study is to better understand how strengthening property rights and land tenure for individ-

uals, local communities, and indigenous groups can help incentivize sustainable forestry and reduce forest clearing. Following a background on key concepts, the paper analyzes data on the relationship between property rights and forest cover change, provides a detailed survey of the relevant literature on the topic, and discusses policy implications. The case study aims to inform policymakers seeking to leverage property rights reforms as a strategy for forest conservation globally.

## THE BALLAD OF PROPERTY REGISTRATION IN EGYPT

*By Mohamed M. Farid Senator in the Egyptian Senate and Cofounder of the Liberal Club of Cairo, Egypt*



This paper studies the impact of real estate registration on economic and social development in Egypt. The paper begins by discussing the legal and tax complexities that have led to low levels of real estate registration in Egypt. It then discusses the problems that have resulted from this lack of registration, such as difficulty in obtaining real estate financing and transferring property ownership. The paper also discusses how these legal and tax complexities have created a semi-formal system for proving property ownership that is more efficient and flexible than the formal system. The paper then examines the legislative amendments that were made in recent years and entered into force on July 1, 2023 to encourage real estate registration. It concludes by discussing the expected impact of these amendments on economic and

social development in Egypt. The paper found that real estate registration is essential for economic and social development. While the lack of registration has not prevented the growth of the construction sector and the decline in demand for real estate, finding a simple and effective legal system is still important for accessing real estate financing, which can help to boost investment and create jobs. It also provides a guarantee of ownership, which can help to attract foreign investment and improve the business climate. The paper also found that the legislative amendments made in recent years are a step in the right direction, but they may not achieve the desired goal. The paper makes a number of recommendations that could contribute to stimulating citizens to register their real estate and the promotion of growth and prosperity.

## PROPERTY RIGHTS IN BOLIVIA

*By Leonardo Siles Oporto and Jorge Velarde-Rosso, Libera, Bolivia*



The IPRI 2023 case study for Bolivia provides an historical account of the number of times the Bolivian state has seized big property rights, meaning confiscations of national or international relevance that affected not only the property rights of foreign investors, but national entrepreneurs too. Leading examples of the aforementioned include the so-called 'nationalization' of 1952 that expropriated mines in the west of the country from big miners, and the 'agrarian reform' of 1953 that expropriated considerable amounts of land from their owners, both enacted and enforced by the government that seized power after the National Revolution of 1952. Then, the effects of those big expro-

priations are assessed both from a short run and long run perspective, to understand the scheme of property rights in Bolivia's present and other related variables, such as Foreign Direct Investment (FDI) figures. Finally, we propose a constitutional reform whose main feature is the definition of private property rights of natural resources in Bolivia, which, as of today, while being owned by all Bolivian citizens, are administered exclusively by the Bolivian central government through a state-owned enterprise. This, in addition to posing a principal-agent problem, means that Bolivian citizens cannot administer their property according to their best interests.











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