The IPR also examines the relationship between property rights protections and economic production. Overall, the relationships are strong and significant. Figure 4-6 below shows the relationship between IPR score and GDP per capita. In particular, the correlation coefficient between IPR values and GDP per capita values is 0.79 (p<0.001). With regard to individual components, the strongest relationship is reported for IPF at 0.87. (p<0.001); LP and FPI correlate with GDP per capita with coefficients of 0.86 (p<0.001) and 0.80 (p<0.001) respectively. We can conclude that there is a positive, strong, and significant relationship between the strength of property rights protections and a country’s economic performance as measured by GDP per capita.

**CASE STUDIES**

**Case Study on Spain** - Legal and political environment

**By Prof. Raza Ullah, The Alternate Solutions Institute**

Spain is home to some of the highest IPR scores in the world due to a variety of factors. The country has a strong legal tradition, and its constitution includes provisions that protect intellectual property rights. This has helped to create a conducive environment for innovation and creativity. The country’s legal system has been praised for its effectiveness in enforcing intellectual property rights.

**Case Study on Honduras** - Legal and “Institutional Leapfrogging” – The Honduran 2014 Invention

**By: Marc Haug, Coordinator, Honduran Commission for the Protection of Intellectual Property, Ministry of Innovation and Knowledge**

By Marc Haug, Coordinator, Honduran Commission for the Protection of Intellectual Property, Ministry of Innovation and Knowledge

Working under a stable legislative regime, Honduras began to implement the LEAP zones reform on 2014. This initiative seeks to encourage the creation of new economic zones. The LEAP zones reform will be implemented in several phases. In the first phase, a LEAP zones “Free Trade Zone” will be created, aimed at promoting exports of non-traditional products. This will be followed by the creation of a “Special Economic Zones” in the second phase, which will focus on promoting investments in sectors that are not traditionally found in Honduras. In the third phase, a “Light Industrial Zone” will be created, aimed at promoting industrial activities. This will be followed by the creation of a “Science and Technology Park” in the fourth phase, aimed at promoting innovation and research.

**Case Study on Chile** - The Pacific Alliance: the case of Chile’s architectural property rights

**By: Daniel Montalva, Libertad y Desarrollo**

The relationship between IPF and economic outcomes are complex and subject to various factors. This study examines the relationship between IPF scores and GDP per capita and finds a positive, strong, and significant relationship between the two. The study also examines the impact of IPR on economic outcomes and finds a positive, strong, and significant relationship. The study also examines the impact of IPR on economic outcomes and finds a positive, strong, and significant relationship.
### Executive Summary

The International Property Rights Index (IPRI) is the flagship publication of the Property Rights Alliance (PRA). Based in the U.S. in Washington, D.C., PRA is committed to promoting property rights around the globe. In producing this year's IPRI, PRA has received the support of 81 think tanks and policy organizations in 62 countries involved in research, policy development, education and promotion of property rights in their countries. The 2014 edition of the IPRI focuses in detail on 97 out of 131 countries, with 34 countries being more broadly analyzed.

The IPRI is an annual comparative study that aims to quantify the strength of property rights – both physical and intellectual – and to rank countries accordingly. The IPRI scores and ranks each country based on 10 factors reflecting the state of its Legal and Political Environment (LP), Physical Property protection – including Land Administration (PA), Physical and Intellectual Property protection – including Patent Law (PL), and three additional factors. Each country is compared against itself in the previous year to ensure consistency of data. The IPRI scores and ranks each country accordingly.

The scope of this 2014 edition represents 98 percent of the world Gross Domestic Product and 93 percent of the world population.

## 2014 IPRI Results

### 2014 IPRI Results (cont.)

Finland leads the 2014 rankings with a score of 8.5 out of 10. New Zealand, Sweden and Norway tie for second place at a score of 8.3, followed by Switzerland and Singapore at 8.2, the best score in the Southeast Asia region.

Canada ranks 9th with a score of 8.0, 0.3 points above the United States (7.7), which ranks 17th.

At the bottom of the 2014 rankings are mainly countries from the African and South American regions including Venezuela (3.2), Burundi (3.6) and Chad (3.9). Venezuela ranks the lowest in this year’s IPRI.

On average, countries in the top quintile of IPRI scores (i.e., the top 20 percent) show a per capita high income (HK) approximately twelve times that of the bottom quintile. The statistics shown in Figure 2 (below) are based on the averages of the IPRI scores for the years 2010-2014, and corresponding data on average GDP per capita in Purchasing Power Parity (PPP) terms for the years 2008-2012. The same relationship is observed when using only the last year of the IPRI scores and PPP per capita data.

### Table: Income by IPRI Quintile

<table>
<thead>
<tr>
<th>IPRI Quintile</th>
<th>Average GDP per Capita (PPP, $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 20 Percent</td>
<td>$39,147.05</td>
</tr>
<tr>
<td>2nd Quintile</td>
<td>$27,483.03</td>
</tr>
<tr>
<td>3rd Quintile</td>
<td>$15,793.80</td>
</tr>
<tr>
<td>4th Quintile</td>
<td>$6,778.46</td>
</tr>
<tr>
<td>Bottom 20 Percent</td>
<td>$3,083.96</td>
</tr>
</tbody>
</table>

### Average GDP per Capita by IPRI Quintile

![Figure 2: Average GDP per Capita Income by IPRI Quintile](image)

To illustrate gender differences in access to property rights, the IPRI extends the standard index to include a measure of gender equality for a number of countries outside of the OECD. This year 59 countries were thus evaluated on women’s access to land, women’s access to credit, women’s access to property, inheritance practices, and women’s social rights. This resulting score (GE) was then aggregated to the country’s 2014 edition of the IPRI base measurement to yield a combined score referred to as the IPRI(GE) for those countries. Singapore tops the IPRI(GE) ranking among these, with a score of 10.0, followed by Hong Kong with a score of 9.8. The remaining countries in the top 10 are more geographically dispersed, with the Middle East, Africa, and Latin America all represented. Burundi scored the lowest IPRI(GE) score at 4.5.