Regulatory Quality

Regulatory quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. This table lists the individual variables from each data source used to construct this measure in the Worldwide Governance Indicators.

Representative Sources

EIU
- Unfair competitive practices
- Price controls
- Discriminatory tariffs
- Excessive protections
- Discriminatory taxes

GCS
- Burden of government regulations
- Prevalence of non-tariff barriers
- Extent of market dominance

HER
- Investment freedom
- Financial freedom

IPD
- Ease of starting a business governed by local law?
- Ease of setting up a subsidiary for a foreign firm?
- Share of administered prices
- Does the State subsidize commodity prices (i.e. food and other essential goods, excluding oil)?
- Does the State subsidize the price of petrol at the pumps?
- Importance, de facto, of barriers to entry for new competitors in markets for goods and services (excluding finance and beyond the Efficiency of competition regulation in the market sector (excluding financial sector)

PRS
- Investment profile

WMO
Regulatory burden. The risk that normal business operations become more costly due to the regulatory environment. This includes regulatory compliance and bureaucratic inefficiency and/or opacity. Regulatory burdens vary across sectors so scoring should give greater weight to sectors contributing the most to the economy.

Tax inconsistency. Tax inconsistency also captures the risk that fines and penalties will be levied for non-compliance with a tax code that appears disproportionate or manipulated for political ends.

Non-representative Sources

ADB
- Regional integration
- Trade policy
- Business regulatory environment

ASD
- Trade policy
- Business regulatory environment

BPS
- How problematic are labor regulations for the growth of your business?
- How problematic are tax regulations for the growth of your business?
- How problematic are customs and trade regulations for the growth of your business?

BTI
- Market organization

IFD
- Enabling conditions for rural financial services development
- Investment climate for rural businesses
- Access to agricultural input and product markets
- Trade policy

PIA
- Business regulatory environment
- Trade policy

WCY
Protectionism does not impair the conduct of your business
- Competition legislation is efficient in preventing unfair competition
- Capital markets (foreign and domestic) are easily accessible
- The legal and regulatory framework encourages the competitiveness of enterprises
- Foreign investors are free to acquire control in domestic companies
- Public sector contracts are sufficiently open to foreign bidders
- Real personal taxes do not discourage people from working or seeking advancement
- Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities
- Subsidies do not distort fair competition and economic development

WJP
Factor 6: Regulatory enforcement

Code | Data Source Name
--- | ---
ADB | African Development Bank Country Policy and Institutional Assessments
AFR | Afrobarometer
ASD | Asian Development Bank Country Policy and Institutional Assessments
BPS | Business Enterprise Environment Survey
BTI | Bertelsmann Transformation Index
CCR | Freedom House Countries at the Crossroads
EBR | European Bank for Reconstruction and Development Transition Report
EIU | Economist Intelligence Unit Riskwire & Democracy Index
FRH | Freedom House
GCB | Transparency International Global Corruption Barometer Survey
GCS | World Economic Forum Global Competitiveness Report
GII | Global Integrity Index
GWP | Gallup World Poll
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>HER</td>
<td>Heritage Foundation Index of Economic Freedom</td>
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<tr>
<td>HUM</td>
<td>Cingranelli Richards Human Rights Database and Political Terror Scale</td>
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<tr>
<td>IFD</td>
<td>IFAD Rural Sector Performance Assessments</td>
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<tr>
<td>IJT</td>
<td>iJET Country Security Risk Ratings</td>
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<td>IPD</td>
<td>Institutional Profiles Database</td>
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<tr>
<td>IRP</td>
<td>IREEP African Electoral Index</td>
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<tr>
<td>LBO</td>
<td>Latinobarometro</td>
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<tr>
<td>MSI</td>
<td>International Research and Exchanges Board Media Sustainability Index</td>
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<tr>
<td>OBI</td>
<td>International Budget Project Open Budget Index</td>
</tr>
<tr>
<td>PIA</td>
<td>World Bank Country Policy and Institutional Assessments</td>
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<td>PRC</td>
<td>Political Economic Risk Consultancy Corruption in Asia Survey</td>
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<td>PRS</td>
<td>Political Risk Services International Country Risk Guide</td>
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<td>RSF</td>
<td>Reporters Without Borders Press Freedom Index</td>
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<td>TPR</td>
<td>US State Department Trafficking in People report</td>
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<td>VAB</td>
<td>Vanderbilt University Americas Barometer</td>
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<td>VDM</td>
<td>Varieties of Democracy Project</td>
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<tr>
<td>WCY</td>
<td>Institute for Management and Development World Competitiveness Yearbook</td>
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<tr>
<td>WJP</td>
<td>World Justice Project Rule of Law Index</td>
</tr>
<tr>
<td>WMO</td>
<td>Global Insight Business Conditions and Risk Indicators</td>
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