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2019 International Property Rights Index Released

The global index ranks property right protections in **129** countries, covering **98%** of world GDP and **94%** of the world population

MANILA – <u>Property Rights Alliance</u> is proud to release the <u>2019</u> <u>International Property Rights Index</u> in partnership with <u>the Foundation for Economic Freedom</u> and <u>Minimal Government Thinkers</u> in the Philippines. The Index measures the strength of physical property rights, intellectual property rights, and the legal and political environments that enforce them.

Only a tenth of the world's people live in 20 countries with the strongest protections of property rights. These are also some of the wealthiest countries in the world. In fact, countries in the top quintile of the Index have a per capita income 16 times greater than those at the bottom.

Property rights are a key ingredient for economic and social prosperity. "Poor property rights ecosystems," writes economist Hernando de Soto, keep "six billion people and their \$9.3 billion in capital locked out of the formal economy."

Lorenzo Montanari, the Executive Director of Property Rights Alliance, said "property rights are human rights, without them people are restrained in how they act, how they speak, and how they participate in the economy."

Secure property rights have robust correlations with other indicators of economic freedom and social well-being. If people are confident their property is safe: that they can purchase, sell, and value their properties in a free marketplace – it invites **entrepreneurship**, **reduces corruption**, **increases civic participation**, **and raises long term investment in research & development**.

Key Findings

Finland remains 1st overall in protection of property rights, experiences a slight decrease in the legal and political environment.

United States experienced increases in all categories and moves passed Denmark and the United Kingdom on the way from 14th to 12th in property rights protections overall. The United States leads the world in copyright and patent intellectual property protections.

South Africa continues its steep decline from 26th in 2017 to 48th in 2019. Last year the RSA saw the steepest drop (-.65 points) this year it experienced the second largest drop (-.27 points), behind **Rwanda** (-.29) and before **Qatar** (-.25), for continued land expropriation without compensation plans.

In Asia, increases in property rights, notably by **China** (36%), **Indonesia** (30%), and the **Philippines** (20%) since the Index began in 2007 have helped billions reach moderate levels of protection.

While the trade war between China and the Unites States has drawn attention to the importance of intellectual property rights, **the IP gap remains the same**. Western Europe and North American continue to lead the world in intellectual property protections with an average score **39 percent greater than the rest of the world**.

Closing this gap is "key to transitioning from an extractive economy to one that competes in products and services only limited by the human imagination," said Montanari, "too often valuable ideas and art are stolen while governments turn a blind eye, or indeed participate" he said.

Case Studies

Innovation and Intellectual Property Right in the Age of Competitiveness: The Case of India, By Dr. Amit Kapoor, Institute for Competitiveness (India)

Banning Brand – Economic and Consumer Impact of Plain Packaging, By Bienvenido S. Oplas, Jr., Minimal Government Thinkers (The Philippines)

Innovation and Economic Freedom in Brazilian
Telecommunications Markets, By Julian Alexienco Portillo, Prof. Álvaro
Alves Moura Jr. and Prof. Vladimir Fernandes Maciel, Mackenzie Center for
Economic Freedom (Brazil)

Using Data Rights to Encourage Sustainable Innovation in Artificial Intelligence, By By Ryan Khurana, Institute for Advancing Prosperity (Canada)

Belt and Road Initiative and Its Effects on Intellectual Property: The Case of Italy, By Giacomo Bandini, Competere (Italy)

Mexico: A Policy Agenda on Property Rights for the XXIst Century, By Manuel Jose Molano Ruiz, Instituto Mexicano para la Competitividad (Mexico)

The Problem of Squatting in Italy: A New Approach by the Courts, By Giuseppe Portonera, Istituto Bruno Leoni (Italy)

5 Years of the World's Property Rights, By Prof. Jhoner Perdomo (Universidad Central de Venezuela) and Prof. Sary Levy-Carciente (National Academy of Economics Sciences of Venezuela)

