

LETTER FROM HERNANDO DE SOTO

In 2007, the Property Rights Alliance, under the Hernando de Soto Fellowship program, released the first *International Property Rights Index* (IPRI). The Report aims to create the most comprehensive and detailed evaluation of private property rights worldwide. The 2007 IPRI scored and catalogued the state of physical and intellectual property protection in 70 countries. Now in its fourth edition, the IPRI has grown to include careful examination of 125 countries.



Each year it becomes more apparent that economic well-being is inextricably tied to the protection of legal property rights. The 2010 IPRI again demonstrates a strong correlation between countries that enjoy the most economic prosperity, and those countries that feature robust property rights systems. The fourth edition of the IPRI reveals encouraging signs of improvement in some countries, while also bringing attention to disturbing trends in others. As a result of four years of data collection, we can now see a more nuanced picture of the state of property rights in each of the scored countries.

While the importance of property rights to economic health is more widely understood than ever before, considerable room for improvement remains. Generally, the developing world suffers from weak protection of physical and intellectual property rights. It is essential to extend these protections to all people, but most especially those in dire economic circumstances. Efforts such as the IPRI help educate politicians, academics, and entrepreneurs about the serious need to promote property rights worldwide.

The production of the IPRI requires collecting and making sense of vast amounts of data. This task is made all the more difficult in countries plagued by informal market activity – the very countries that need property rights protection the most. I congratulate de Soto Fellow, Victoria Strokova, for her tireless work to develop, research, and produce the 2010 edition of the *International Property Rights Index*.

Warmest regards,

A handwritten signature in black ink that reads "H. DE SOTO".

Hernando de Soto
President of the Institute for Liberty and Democracy
Lima, Peru