Why Do Weak States Prefer Prohibition to Taxation?

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Abstract

Why do weak states prefer prohibition to taxation? Despite their relative inability to enforce prohibitions on many illegal activities such as gambling or selling narcotics, most states choose to prohibit rather than tax these goods and services. Moreover, nations marked by widespread corruption or low state capacity are more likely than effective states to prefer prohibition. Desierto and Nye [2010] show that keeping an undesirable good illegal is more efficient than legalizing and taxing it, even if producers of prohibited goods pay out large bribes to state enforcers. If the bribes are internalized as revenues to enforcers, this additional benefit actually shrinks net welfare loss. This paper combines this finding with empirical work on cross-national support for prohibition. Graphical analyses illustrate the net welfare losses of prohibition vs. taxation and help establish this new positive rationale for the persistence of prohibition worldwide.

1 Introduction

Proponents of eliminating the ban on illegal narcotics have long noted that prohibition is often ineffective and counterproductive. Recent work in the economics literature indicates that prohibiting "undesirable" goods such as drugs is inefficient (cf. Miron [2004], [2008] and Becker, Murphy, and Grossman (BMG) [2006]). BMG is especially notable for discussing

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the problem of controlling the spread of an illegal good when enforcement is imperfect and avoidance costs are factored in. BMG show that prohibition can only be justifiable if the good is really undesirable, that is, if the marginal social value of consuming the good is very low or, in the case of inelastic demand, sufficiently negative. This is essentially because illegal good producers waste resources in order to avoid being detected, captured and/or penalized. They can, for instance, bribe prohibition enforcers - from police officers to courts - in order to continue supplying the market. Such avoidance costs, as BMG imply, are a deadweight loss to society. On the other hand, legalization and taxation of the good are a more efficient way of curbing consumption, since taxes paid for the good are eventually plowed back to society. In other words, avoidance costs are a leakage, while taxes are not.

Desierto and Nye [2010] show, however, that avoidance costs are not necessarily a loss, if bribes are treated as additional income or revenue to enforcers. And, in contrast, taxes can be a loss since the government might use tax revenues inefficiently and might even illegally appropriate some of it. In this latter case, losses might be limited if the appropriated amount is also treated as additional revenue to tax enforcers, but corruption by tax enforcers is less likely than the corruption committed by prohibition enforcers. Bribery between illegal good producers and prohibition enforcers is likely to be more sustainable because both are complicit in the corruption activity, while legal good producers/taxpayers have little incentive to allow tax enforcers to illegally appropriate the tax.

Desierto and Nye thus show that in a second-best world in which corruption is present, prohibition is likely to be more efficient than taxation. This paper provides further support for this result.

None of the existing literature has dealt with the positive question of why undesirable goods are so often prohibited if enforcement is so lax. In contrast, our approach suggests why prohibiting undesirable goods like illegal narcotics or gambling is especially common in places with weak institutions and a reputation for corruption. In Section 2, we present empirical evidence indicating that not only is prohibition a more commonly employed method of curbing consumption of drugs, prostitution, and gambling than legalization and taxation, but that prohibition is more prevalent in countries with greater corruption. Section 3 then graphically analyzes equlibria in the BMG and Desierto and Nye models, and then compares the likely losses from prohibition vs. taxation. Section 4 concludes and thus provides a positive rationale for prohibition and an efficiency motivation for prevalence of prohibition in weak states.

2 Prohibition and Corruption

Despite the supposed benefits of legalization with taxation, prohibition is widespread. Among a sample of 101 countries that we have obtained, 100 prohibit drugs, 66 prohibit prostitution, and 33 prohibit gambling.[1] Of course, this fact alone need not be inconsistent with BMG's results - it might just be that the social marginal values of consumption for these goods are very low. Note, however, that some countries that are roughly comparable in terms of levels of development, culture, and/or geographical location, and thus have arguably similar social marginal values of consumption of undesirable goods like drugs, prostitution and gambling, can still have different approaches to curbing production/consumption of these goods. For instance, drugs are illegal in the US, Canada and most of Europe, but are legal in the Netherlands; prostitution is legal in France, but not in Switzerland; gambling is prohibited in Thailand, but not in the Philippines.

In addition, some illegal goods, e.g. gambling, pirated products, might pose little negative consumption externalities and might even have high consumption value and/or produce positive externalities, and yet they are still persistently prohibited. It is not clear, therefore, that the BMG result is the only explanation for why prohibition seems to be a sustainable equilibrium. As Desierto and Nye posit, bribes and rent-seeking by corrupt enforcers are easier to extract when markets are illegal.

Indeed, prohibition seems to be more common in countries that are more prone to corruption and that have weaker state capacities than those which merely tax. We obtain the 2009 Corruption Perceptions Index (CPI) from Transparency International for each country in the sample and compute the average CPI for countries that prohibit, and for those that legalize and tax, drugs, prostitution and gambling.[2] The following tables summarize the results and clearly suggest that corruption is higher (i.e. the average corruption score is lower) among countries that prohibit, than among those that legalize and tax:

[1] See Appendix for details.

[2] CPI scores reflect "political stability, long-established conflict-of-interest regulations and solid, functioning public institutions".

DRUGS		
	Prohibition	**Taxation**
Number	100	1
(n=101)		
Ave. Corruption Score	3.979	8.9
(Range: 9.4 to 1.1)		

Table 1

PROSTITUTION		
	Prohibition	**Taxation**
Number	66	35
(n=101)		
Ave. Corruption Score	3.53	4.96
(Range: 9.4 to 1.1)		

Table 2

GAMBLING		
	Prohibition	**Taxation**
Number	33	68
(n=101)		
Ave. Corruption Score	3.31	4.26
(Range: 9.4 to 1.1)		

Table 3

3 Graphical Analysis

In BMG and Desierto and Nye, illegal producers can offer bribes to prohibition enforcers as part of total avoidance costs AC that they incur.[3] The illegal producer chooses the level of AC that minimizes its expected cost, given the level of prohibition/enforcement effort E that the government undertakes. Meanwhile, given the amount AC that the illegal producer spends, the government chooses its level of E that maximizes social welfare W. The main difference between BMG and Desierto and Nye, however, is that while the former assumes that the government can/does only maximize consumers' and producers' welfare, the latter acknowledges that the government might also maximize the benefits to enforcers (being, ultimately or indirectly, also consumers and/or producers of the good). That is, unlike BMG, Desierto and Nye assume that the goverment includes the welfare of enforcers, and treats bribes as additional revenues: $W = V+R+B$, where V is social value of consumption (net of all other consumption externalities), R are the producers' net revenues, and B are (net) bribe revenues of enforcers.

Solving simultaneously for AC and E, equilibrium is achieved at the point where: $Vq - Bq = MR$, where Vq is the marginal social value of consumption, Bq is marginal bribe revenue to enforcers, and MR is marginal revenue of producers. In contrast, equilibrium in BMG is captured by: $Vq = MR$. Thus, 'internalizing' bribes tends to achieve higher AC and E, precisely because the bribe benefits provides additional incentive to prohibition enforcers, which then requires illegal producers to spend more to counteract the increased enforcement efforts. The optimal level of consumption is thus lower, making prohibition more effective in curtailing consumption, and more efficient since it need not incur additional losses in decreasing consumption further - the additional avoidance costs in the form of bribes are not 'wasted' but goes to enforcers as bribe revenues.

The following graphs illustrate this result. We first consider the corner-solution case, in which either of two extremes is socially optimal - completely freeing the market (i.e. legalization), or full, all-out enforcement against the good which drives consumption to zero. We show that internalizing bribes makes the latter more likely to be optimal than the former. The next case depicts an interior solution, where some imperfect level of enforcement is optimal, allowing some positive level of consumption. Here it is shown that internalizing bribes actually de-

[3] Desierto and Nye, however, make the bribe amount explicit, by assuming that a fixed fraction β of total AC are in the form of bribes. This fraction captures the overall extent of corruption in the environment, as it is the permissible level at which enforcers can extract a bribe without being detected by the government.

creases optimal consumption efficiently. We then compare this outcome to taxation as an alternative method of restricting consumption, and show that taxation is likely to be less efficient than prohibition with (internalized) bribery. The result holds even when tax collectors/enforcers are also corrupt (like prohibition enforcers), and the corruption is internalized. This is essentially because the internalization of corruption is limited when the good is legal than when it is prohibited - it is more difficult for tax enforcers to (illegally) appropriate taxes paid by *legal* producers than for prohibition enforcers to extract bribes from producers who have to keep quiet to stay underground.

3.1 Full Enforcement vs. Legalization

The graph depicted in Figure 1 reproduces BMG's Figure 2. Quantity Qu, although it satisfies $Vq = MR$, is not socially optimal as it violates the 2nd-order condition. (To the right of Qu, Vq falls slower than MR, so it makes sense to keep increasing output. To the left of Qu, MR rises faster than Vq, so it makes sense to keep decreasing output.) Thus, the only possible optimal consumption levels are either zero (i.e. full enforcement) or the free-market level Qf (i.e. zero enforcement) at which demand D is equal to the marginal cost C of producing the good. This depends on the relative gains depicted by the triangles to the left and to the right of Qu - if triangle b is larger than triangle a, then it is more socially optimal to legalize the good, at which case Qf is achieved. Otherwise, it is better to fully prohibit the good to curtail consumption to zero.

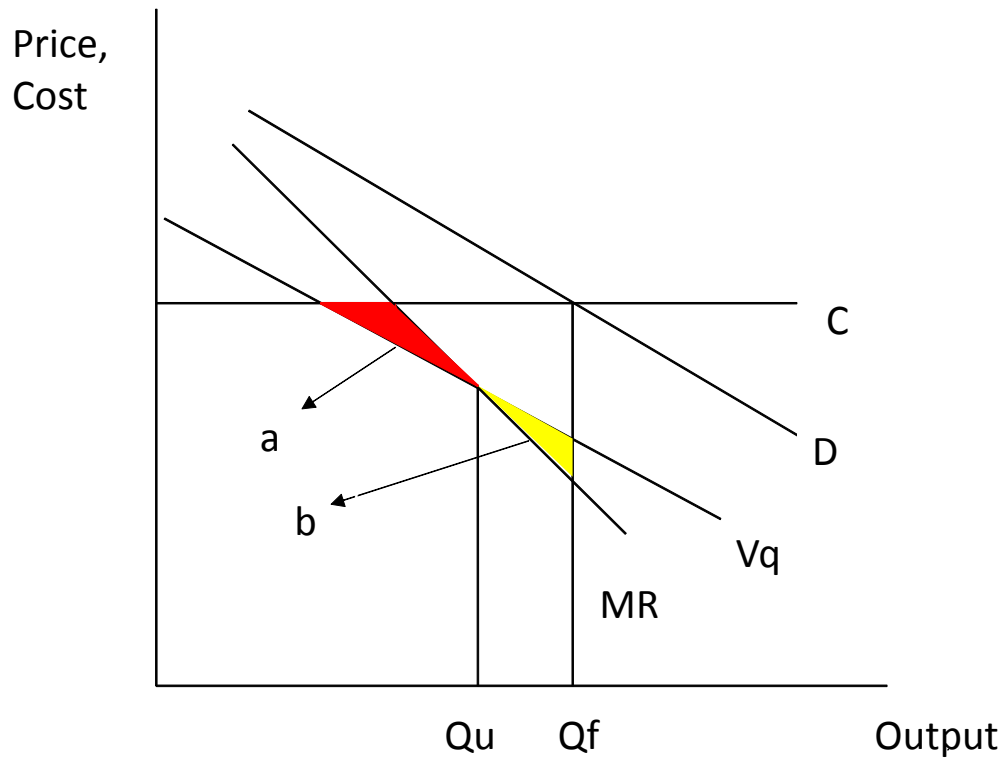

Figure 1: BMG equilibrium (corner solution)

Figure 2 depicts equilibrium in the Desierto-Nye model, that is, when bribes to enforcers are internalized. At quantity Qb, $Vq - Bq = MR$, but this also violates the 2nd-order condition. Thus, as in BMG, either the zero or free-market consumption level is optimal, depending on the relative social gains as captured by the triangles between $(Vq - Bq)$ and MR to the right and to the left of Qb. Figure 3 labels these areas c and d. In this example, d is smaller than c, which makes full enforcement (zero consumption) socially optimal. More generally, however, the internalization of bribes always makes area $c > a$ and $d < b$. That is, the benefits of legalization shrinks vis-à-vis the benefits of (full) enforcement, thus making free market consumption less likely to be optimal. This is because legalization foregoes the opportunity of enforcers to earn additional revenue by extracting bribes when the good is prohibited.[4]

[4]With $Bq > 0$, it is always the case that $(Vq - Bq)$ is less than, or below, Vq. In Figures 2 and 3, the $(Vq - Bq)$ line has roughly the same slope as the Vq line, but this is not necessarily the case. While the $(Vq - Bq)$ line cannot be flatter than Vq (i.e. they cannot intersect), it can be steeper. This can happen if Bq is more sensitive to output changes than Vq - that is, if deriving bribe benefits is more costly

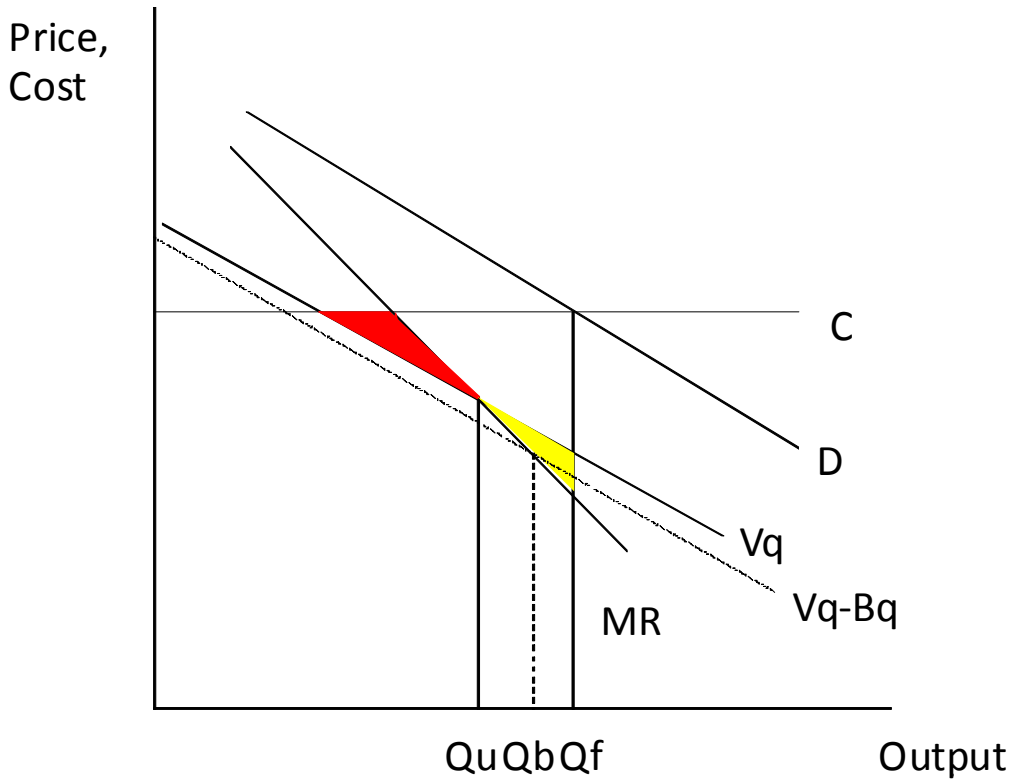

Figure 2: Desierto-Nye equilibrium (corner solution)

than enjoying 'legitimate' consumption. In this case, the result is stronger, since area d would be smaller, and area c larger.

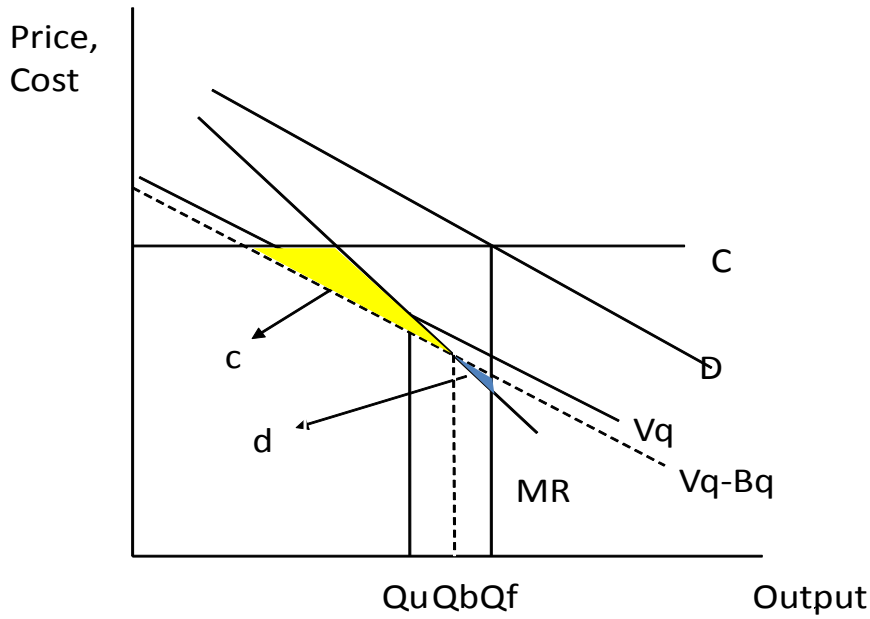

Figure 3: With bribery, legalization is less likely to be optimal.

3.2 Imperfect Enforcement

When the 2nd-order condition is satisfied at $Vq = MR$, a non-zero but restricted level of consumption is socially optimal, and some imperfect level of enforcement is justifiable. In Figure 4, the Vq line is now steeper than MR. At low levels of quantity, each extra good is valued more by society (as consumption good) than by producers (as source of revenue). After Qu, each additional good becomes more costly to society than to producers.[5] Hence, the socially optimal consumption level is achieved at Qu,(which represents some imperfect enforcement level), with corresponding price P.

[5] Or, to state it analogously with the previous subsection: to the right of Qu, Vq is falling faster than MR, so it is not socially optimal to increase quantity further. To the left of Qu, Vq is rising faster than MR, so it is not optimal to decrease quantity.

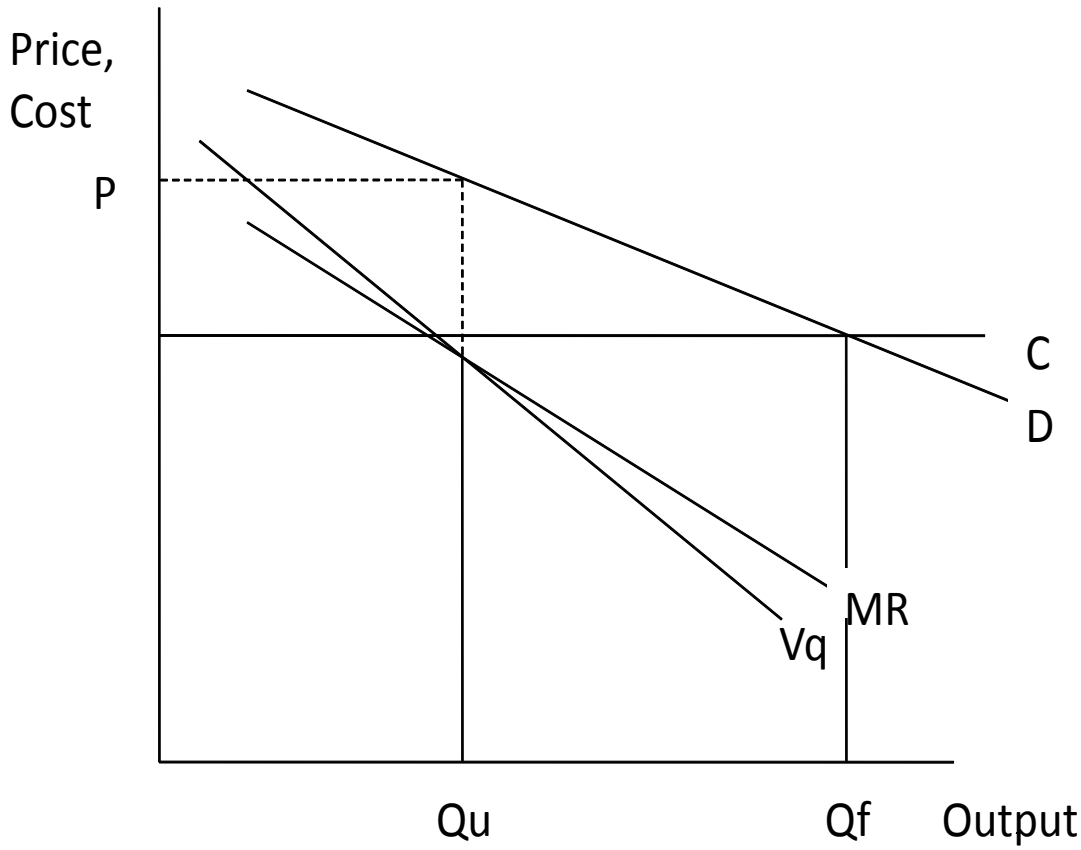

Figure 4: BMG equilibrium (interior solution)

Note that producers are perfectly competitive and enjoy zero profits. Their total revenue, given by area $f + e$ in Figure 5, is used to cover the total cost of manufacturing Qu, which is captured by area e, and 'avoidance costs', as depicted by area f. There is a loss of consumer surplus, captured by area g, since not all affordable demand is served.

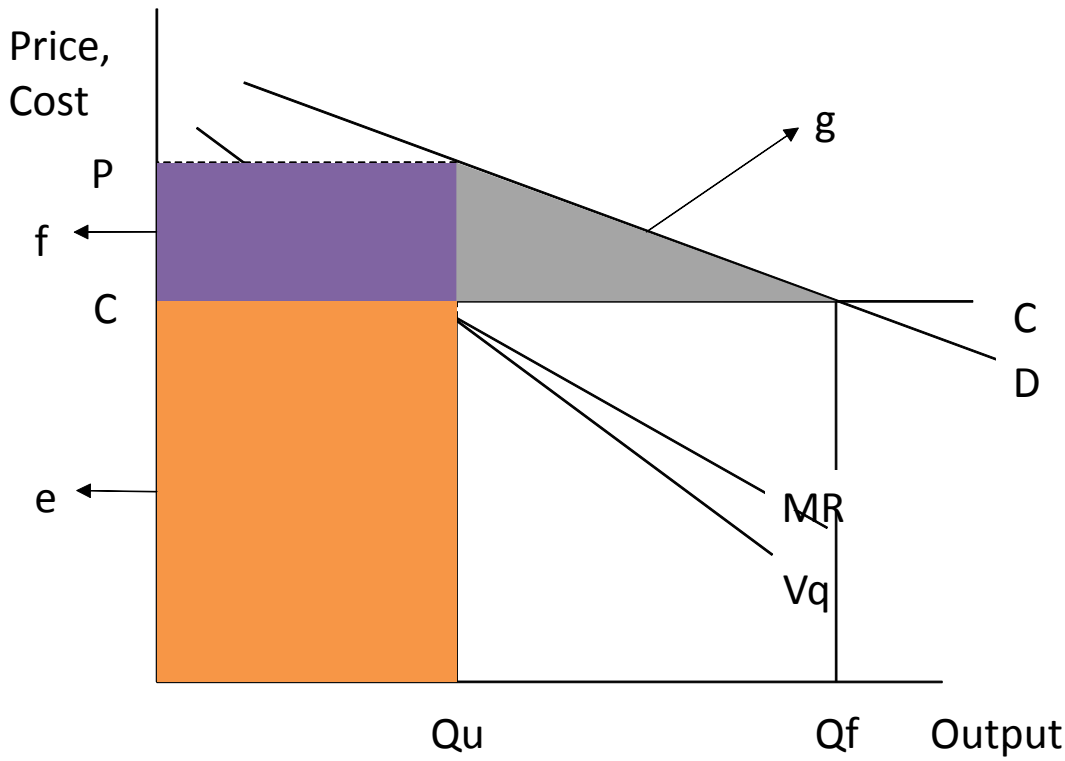

Figure 5

Figure 6 depicts the interior solution in the Desierto-Nye model. It can be seen that when bribery is taken into account, the optimal consumption level given by $(Vq - Bq) = MR$ is lower at $Qb < Qu$. This is because enforcers have an incentive to increase effort. The higher effort is reflected in higher price $P^{'}$ - that is, illegal producers spend more on avoidance per unit in order to counter the increased enforcement. Note that since some avoidance costs are spent on bribes, and the bribes are internalized, this fraction of avoidance costs is not really wasted, but just goes to enforcers as their revenues.

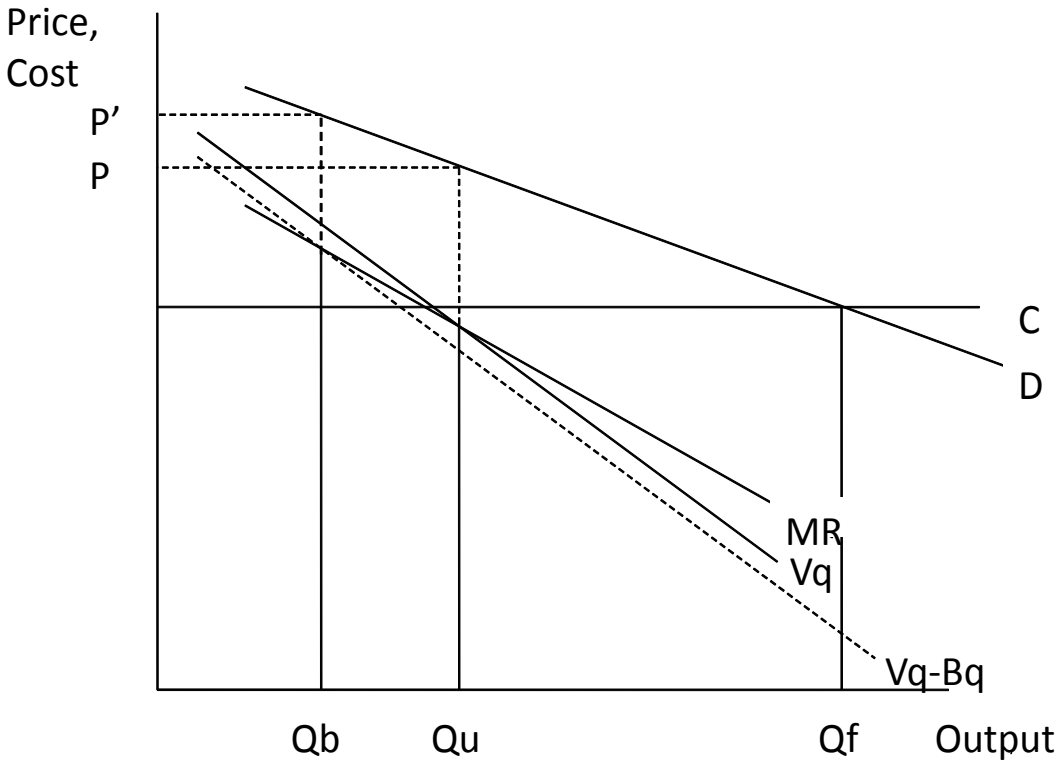

Figure 6: Desierto-Nye equilibrium (interior solution)

As Figure 7 shows, restricting consumption to Qb entails enforcers exerting a high enough effort (reflected in P') and producers spending area $i + k$ to be able to sell Qb amount to consumers without getting caught. (That is, of course, after manufacturing Qb and incurring cost area h.) Out of $i + k$, area k goes to enforcers as net bribes (while i might be spent on litigation, relocation, and other ways to avoid being caught and punished). The gross bribe revenue is given by area $j + k$ – as though the producer spends an equivalent of this to pay for the bribe and thus incurs additional manufacturing cost j plus premium k. In this manner, the extra production of $Qu - Qb$ is 'disguised' insofar as it is used only to pay for the bribe. Or to put it differently, the enforcer receives bribes of $(Qu - Qb)$ amount of drugs and can sell it to other producers at a premium and get profit equal to k.

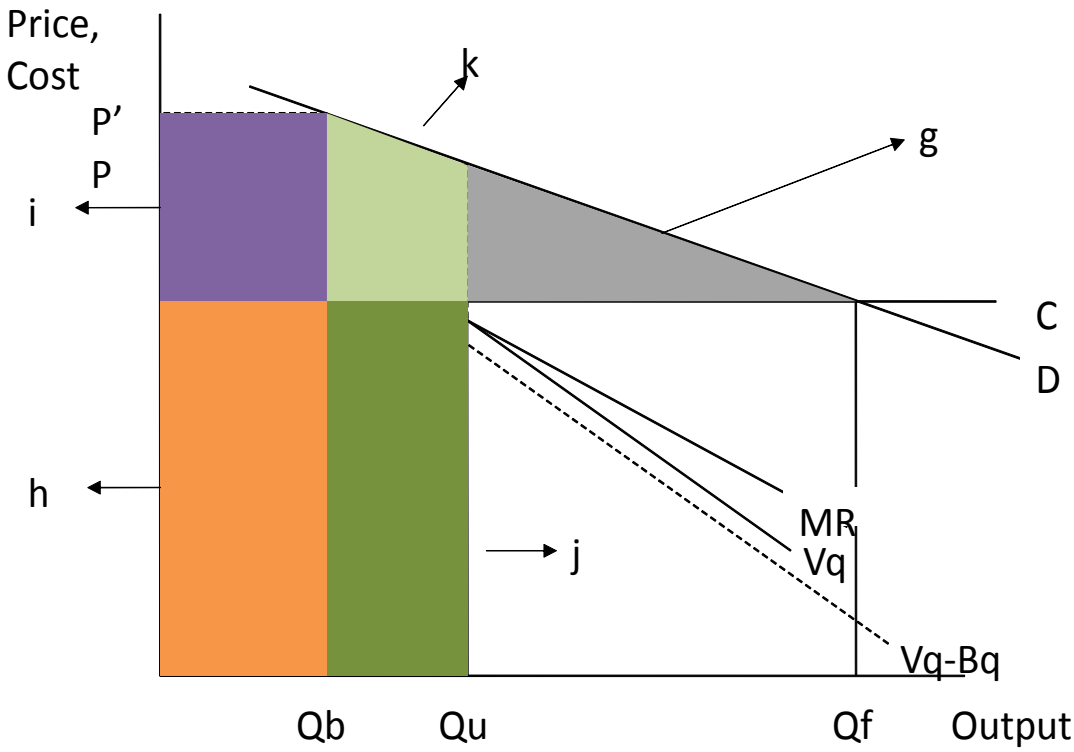

Figure 7: Prohibition is more efficient when bribery is internalized.

Thus, while consumption is curtailed at Qb, all the production resources are equivalent to producing Qu. This, though, is not a waste – it just goes to enforcers. Enforcement is more effective and efficient when bribery is taken into account since curtailing consumption to Qb does not incur any additional losses greater than the area g. In other words, if Qb were the target consumption level (in both the BMG and Desierto-Nye model), not internalizing bribery (BMG result) would incur losses the total of $k + g$, while internalizing it (Desierto-Nye result) would only incur loss g.[6]

3.3 Imperfect Enforcement vs. Taxation

Suppose we again assume that Qb is the target optimal consumption level. Then a high-enough tax rate t can also achieve this, as illustrated in Figure 8. The total revenue is given by area $i + h$, where h covers manufacturing costs of Qb, while i are paid as taxes to the government. The potential loss of consumer surplus is $k + g$, which is bigger than the

[6]Recall that in Figure 4, area g is lost when the optimal consumption level is Qu.If optimal consumption were less than this, the loss would be greater than g.

loss g incurred by prohibition with internalized bribery (in Figure 7). However, if tax revenues are used efficiently by the government, this loss may be offset or minimized. Government investments and spending on public goods and services might be 'profitable' such that an equivalent of i or more is transferred back to society. (In the example in Figure 8, it turns out that a pure, 'one-for-one', transfer will still incur losses since area i is smaller than area $k + g$. To eliminate all losses, the tax revenues i have to be used profitably enough such that they have returns the equivalent of $k + g$.)

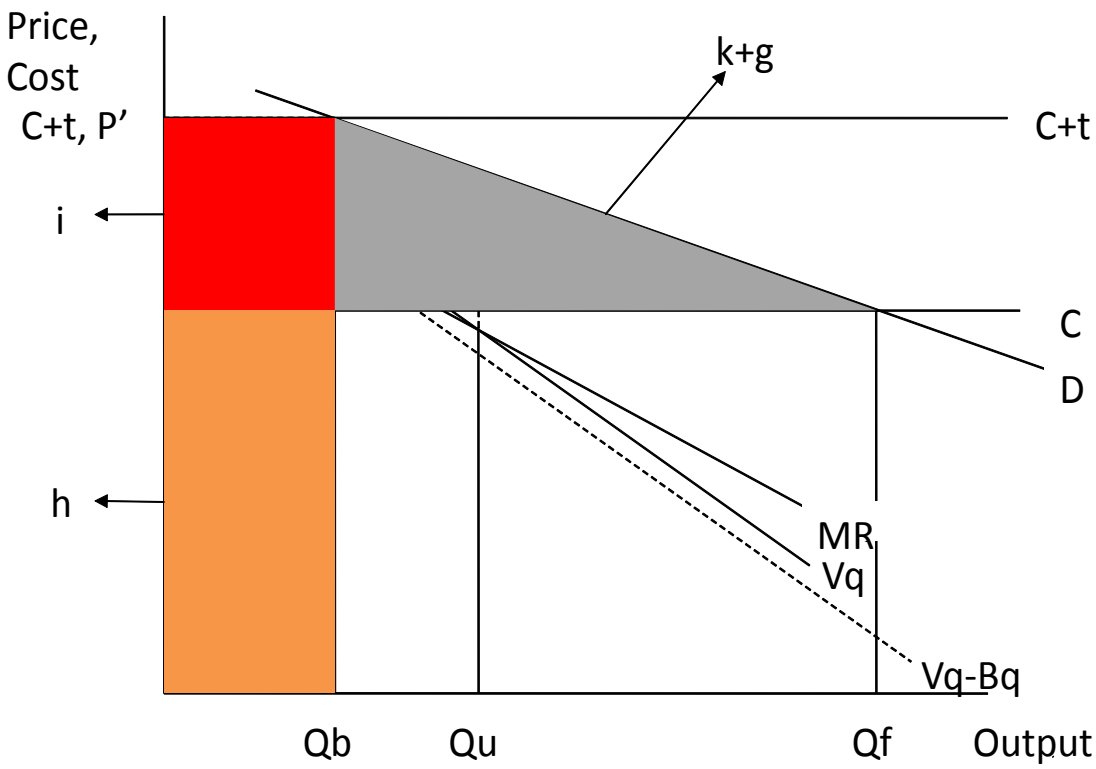

Figure 8

The question, then, is how much of area i can be used efficiently to cover some or all of $k + g$, or, at least an area equivalent to k, to make taxation as efficient as prohibition with internalized bribery. The likely answer is that taxation may not be as efficient. In certain cases, area k might be bigger than area i, which means that even a pure transfer of tax revenues might not achieve the same efficiency as prohibition with bribery. It would then take more than a pure transfer, but this is unlikely if government projects/investments have low returns.

But suppose we let corrupt tax enforcers apportion tax revenues, and internalize these illegal appropriations as additional revenues to tax enforcers. Would the added incentive to corrupt tax enforcers induce them to exert more tax-collecting efforts so as to curb more consumption without generating further efficiency losses? That is, can we have the following situation in Figure 9, which is exactly equivalent to the result obtained by prohibition with internalized bribery? If a total of $i + k$ tax revenues can be collected, but area k is appropriated by tax enforcers as 'net illegal tax revenue', then the loss is just area g – the same as in the prohibition with bribery case – and taxation becomes as efficient as the latter. (It is also as effective, since Qb is still optimal consumption - additional $(Qu - Qb)$ is produced only to cover the equivalent of what tax enforcers would appropriate from tax revenues.)

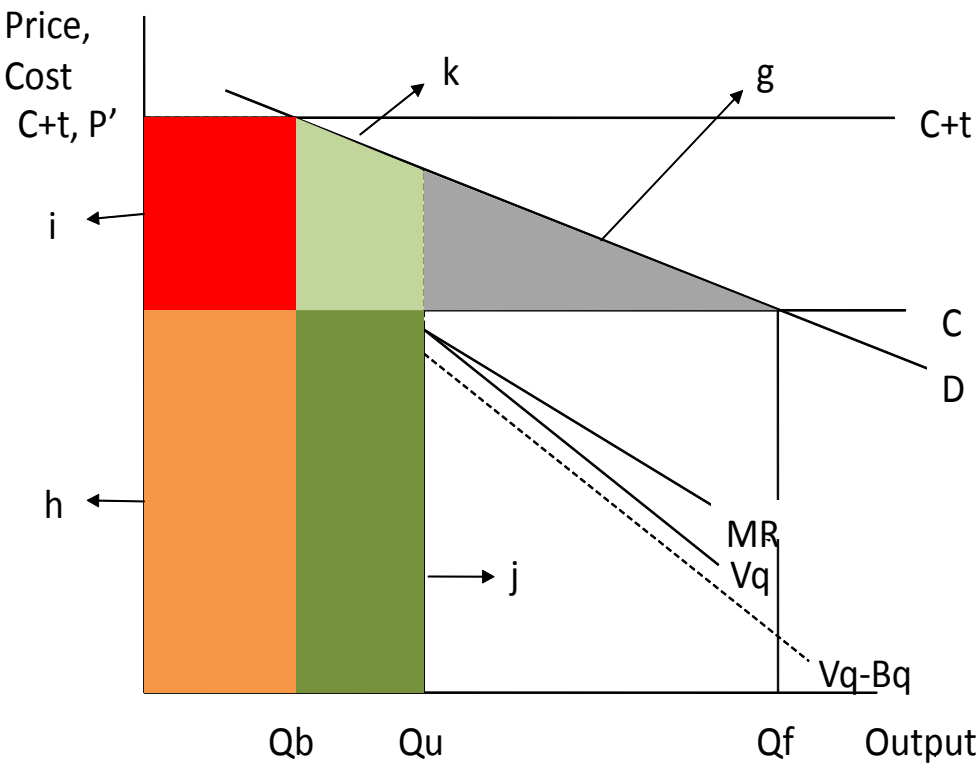

Figure 9

This situation, however, is unlikely. The more likely result is shown by Figure 10, where only area l can be illegally appropriated by tax enforcers, and only area $i - n$ ends up in government coffers. That is, not only is the receipt of the government smaller, but also what tax

enforcers can illegally appropriate. Thus, compared to prohibition with bribery (which has loss g in Figure 7), taxation with illegal appropriation incurs a loss of $n + m + g$.

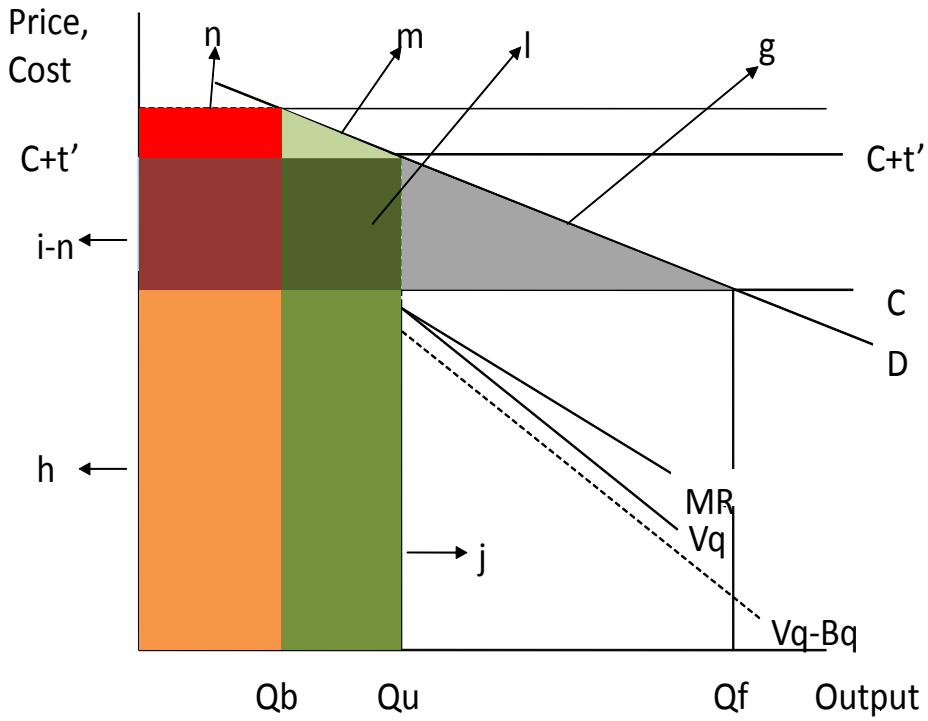

Figure 10: Taxation is less efficient than prohibition with internalized bribery.

The reason for this is that the price of the good when some taxes are appropriated drops down uniformly to $C + t\prime$, while in the prohibition case, the effective price of the bribe is, as it were, discriminatory. (Notice in Figure 7 that price goes up as the bribe quantity goes down.) In contrast, when tax enforcers' corrupt activities are internalized, legal producers have to produce up to Qu to 'fund' illegal appropriation, but price-discrimination is difficult, if not altogether impossible, because it is hard to 'disguise' $Qb - Qu$. 'Corruption' quantities, i.e. those beyond Qb, are priced the same as 'pure consumption' quantities, i.e. those until Qb, since all these units are homogeneous to legal producers and/or consumers. That is, the latter have very little incentive to allow corrupt enforcers to appropriate taxes, or equivalently, to allow $Qb - Qu$ to go 'unnoticed'. Thus, this additional supply in circulation induces price to go down (uniformly) to $C + t^{'}$. In the prohibition case, however, illegal producers are complicit with bribe-takers - they do not want to get

caught, afterall - and, hence, each bribe unit in $Qb - Qu$ can remain 'hidden' and can then be priced discriminately.

Furthermore, tax collectors can rarely appropriate tax revenues only from the good. If collectors are corrupt, they may appropriate all other kinds of tax revenue. Or they may end up appropriating revenues from some goods, but not from others. In this case, the benefits of tax enforcers from illegally appropriating tax revenues from the good in question are difficult to isolate and, hence, $Qb - Qu$ are not distinguishable from Qb. In contrast, bribery revenues from prohibited goods are more easily identified and isolated which makes $Qb - Qu$ distinct from Qb.[7] Again, this allows for price-discrimination of the corruption goods in the prohibition case, but not in the taxation case.

In other words, it is more difficult to internalize corruption when the good is legal and taxed, than when it is prohibited. This makes corruption more efficient in illegal, than in legal, environments.

4 Conclusions

Prohibition of undesirable goods can be a rational response especially if governments are corrupt and enforcement is imperfect. Making a good illegal provides prohibition enforcers opportunities to extract a bribe from illegal producers. Since the latter are willing to pay the bribes, a sustainable equilibrium is achieved whereby enforcers keep their efforts high and illegal producers spend more to stay in business. While this is seen by BMG as a 'waste' of resources, Desierto and Nye argue that this is not necessarily the case, if the bribes received by enforcers are internalized as 'bribe revenues'. The result is that, for the same amount of resources spent by illegal producers so as not to get caught and/or punished, spending more of it as bribes to enforcers reduces optimal consumption more than if such spending were apportioned on other 'external' avoidance activities. This is essentially because it is easier to internalize enforcers' bribe revenues than, say, the additional income of lawyers hired by illegal producers. Such lawyers cannot easily affect the amount of illegal goods that end up in the market, whereas enforcers directly determine it.

The same result holds even when compared to taxation. Tax collectors can indeed determine the amount of tax that goes to the government and, hence, if they are incentivized by the possibility of illegally appropriating some of the tax revenues, they might end up increasing tax enforcement efforts, which would then decrease production/consumption

[7] Glaeser and Shleifer (2001) similarly note that is is easier for an enforcer to detect posession of an illegal good than to verify whether taxes (on a legal good) have been paid.

of the good. However, this is a less efficient way of curbing consumption because tax collectors cannot appropriate tax revenues as easily as prohibition enforcers can extract bribes from illegal producers. In illegal markets, bribes and rent-seeking are more easily masked, whereas legal markets are more transparent. Thus, corrupt prohibition enforcers have greater incentive to enforce against the 'undesirable' good than corrupt tax collectors. The latter care less about enforcing the tax on the good since their corrupt action can be more easily detected or reported and they need not focus on collecting taxes only on that good as there are other sources of tax revenues and tax collectors rarely specialize on any one undesirable good.

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[3] Glaeser, Edward L., and Andrei Shleifer. 2001. "A Reason for Quantity Regulation."A.E.R. Papers and Proc. 91 (May): 431–35.

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[5] Miron, Jeffrey A. 2004. Drug War Crimes: The Consequences of Prohibition. Oakland, CA: Independent Inst.

Appendix

Country		CPI 2009 Score	Drugs		Gambling		Prostitution	
		(highest - least corrupt)	Prohibition	Taxation	Prohibition	Taxation	Prohibition	Taxation
New Zealand	Developed	9.4	•			•		•
Denmark	Developed	9.3	•			•		•
Singapore	Developed	9.2	•			• +		• +
Switzerland	Developed	9	•			•	•	
Netherlands	Developed	8.9		•		•		•
Canada	Developed	8.7	•			• +		•
Luxembourg	Developed	8.2	•		•			• +
Germany	Developed	8	•			•		•
Ireland	Developed	8	•			•	•	
Japan	Developed	7.7	•		•		•	
United Kingdom	Developed	7.7	•			•		• +
United States	Developed	7.5	•			•	• +	
Qatar	Developed	7	•		•		•	
France	Developed	6.9	•			•		•
Chile	Developing	6.7	•			•		•
Uruguay	Developing	6.7	•			•		•
Estonia	Developing	6.6	•			•	• +	
UAE	Developed	6.5	•		•		•	
Israel	Developed	6.1	•			• +		•
Spain	Developed	6.1	•			•		• +
Portugal	Developed	5.9	•			•		• +
Botswana	Developing	5.6	•			•	•	
Brunei	Developing	5.5	•		•		•	
South Korea	Developed	5.5	•			•	•	
Mauritius	Developing	5.4	•			•	•	
Bahrain	Developing	5.1	•		•		•	
Hungary	Developing	5.1	•			•		•
Jordan	Developing	5	•		•		•	
Czech Republic	Developed	4.9	•			•	•	
South Africa	Developing	4.8	•			•	•	
Malaysia	Developing	4.5	•			•	•	
Namibia	Developing	4.5	•			•	• +	
Cuba	Developing	4.4	•		•		•	
Turkey	Developing	4.4	•			•		•
Italy	Developed	4.3	•			•		•
Saudi Arabia	Developing	4.3	•		•		•	
Tunisia	Developing	4.2	•			•	•	
Georgia	Developing	4.1	•			•	•	
Kuwait	Developed	4.1	•		•		•	
Ghana	Developing	3.9	•			•	•	
Bulgaria	Developing	3.8	•			•		• +
Greece	Developed	3.8	•			•		•
Brazil	Developing	3.7	•		•			•
Peru	Developing	3.7	•			•		•
China	Developing	3.6	•			•	•	
Serbia	Developing	3.5	•			•	•	
El Salvador	Developing	3.4	•			•		• +
India	Developing	3.4	•		•		•	
Thailand	Developing	3.4	•		•		•	
Malawi	Least Developed	3.3	•			•	•	
Mexico	Developing	3.3	•		•			•
Rwanda	Least Developed	3.3	•			•	•	
Albania	Developing	3.2	•			•	•	
Liberia	Least Developed	3.1	•			•	•	
Sri Lanka	Developing	3.1	•			•	•	
Jamaica	Developing	3	•		•		•	
Senegal	Least Developed	3	•			•		•
Zambia	Least Developed	3	•			•	•	
Argentina	Developing	2.9	• +			•		•
Niger	Least Developed	2.9	•		•		•	
Algeria	Developing	2.8	•		•		•	
Egypt	Developing	2.8	•			•	•	
Indonesia	Developing	2.8	•		•		•	
Mali	Least Developed	2.8	•		•			•
Armenia	Developing	2.7	•			•		•
Ethiopia	Least Developed	2.7	•			•		•
Kazhakstan	Developing	2.7	•			•	•	
Vietnam	Developing	2.7	•			•	•	
Guyana	Developing	2.6	•			•		•
Syria	Developing	2.6	•		•		•	
Honduras	Developing	2.5	•			•		•
Lebanon	Developing	2.5	•			•	•	
Maldives	Developing	2.5	•		•		•	
Mozambique	Least Developed	2.5	•			•	•	
NIcaragua	Developing	2.5	•			•		•
Bangladesh	Developing	2.4	•		•			•
Pakistan	Developing	2.4	•		•		•	
Philippines	Developing	2.4	•			•	•	
Azerbaijan	Developing	2.3	•		•		•	
Nepal	Developing	2.3	•		•		•	
Ecuador	Developing	2.2	•			•		•
Kenya	Developing	2.2	•			•	•	
Russia	Developing	2.2	•			•	•	
Ukraine	Developing	2.2	•			•	•	
Zimbabwe	Least Developed	2.2	•		•		•	
Papua New Guinea	Developing	2.1	•			•	•	
Paraguay	Developing	2.1	•			•		•
Yemen	Developing	2.1	•		•		•	
Cambodia	Developing	2	•			•	•	
Laos	Developing	2	•			•	•	
Angola	Developing	1.9	•		•		•	
Kyrgyzstan	Developing	1.9	•			•	• +	
Venezuela	Developing	1.9	•			•		•
Haiti	Least Developed	1.8	•			•	•	
Iran	Developing	1.8	•		•		•	
Uzbekistan	Developing	1.7	•		•		•	
Chad	Least Developed	1.6	•		•		•	
Iraq	Developing	1.5	•			•	•	
Myanmar	Developing	1.4				•	•	
Afghanistan	Least Developed	1.3			•		•	
Somalia	Least Developed	1.1	•		•		•	

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