The Impact of Export Status on Access to Finance by Firms in Southern African Development Community

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Abstract: The impact of export status on access to finance by firms is a widely debated subject in economic literature and policy discussions, yet empirical evidence remains inconclusive. The objective of this study is to explore how export status affects firms' access to finance. World Bank Enterprises Surveys (WBES) data for 5,960 firms in 13 Southern African Development Community (SADC) economies spanning the period 2010-2022 is utilized, together with data from World Development Indicators (WDI) and World Governance Indicators (WGI). The study employs two measures of access to finance: a subjective measure based on firms' perceptions of financial obstacles and an objective measure regarding access to overdraft facilities. Ordered probit and standard probit models are used to obtain the results. Both regression analyses reveal a positive relationship between export status and access to finance. This suggests that exporting firms have greater access to finance than non-exporting firms. The findings call for policy recommendations aimed at fostering initiatives to promote export activities among firms in the SADC region, as this is linked to improved access to finance, which in turn may promote firm growth through operations expansion and other investments.

Keywords: Firms; Access to finance; Export status; SADC.

1. INTRODUCTION

Limited access to finance is often seen as a serious obstacle to the expansion of firms, especially in developing countries. Consequently, significant initiatives have been undertaken worldwide to improve access to credit (Leon, 2015). Wang (2016), using WBES data over the period 2006-2014, shows that Small and Medium Enterprises (SMEs) in developing countries identify financial access as the most substantial obstacle impeding their growth as shown in the figure below.
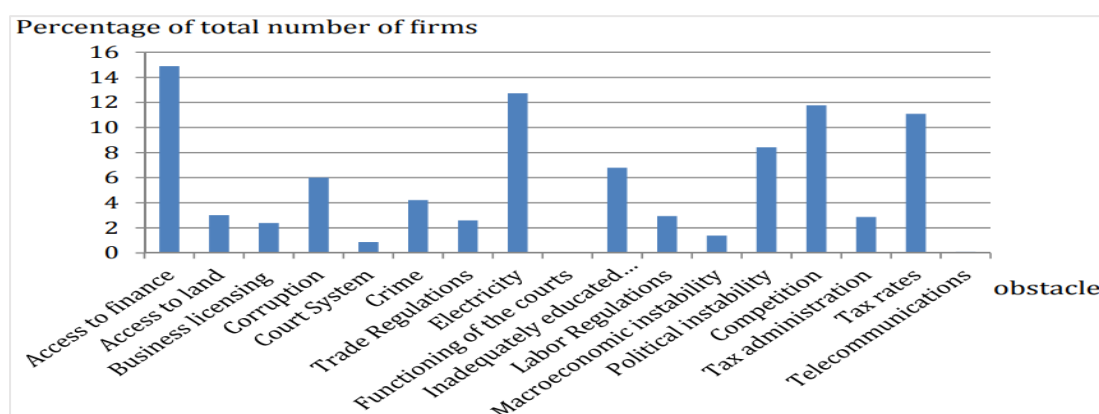

Fig. 1: The Primary Growth Barriers Perceived by SMEs in developing countries (% of Total Firms). Source: (Wang, 2016)

In the absence of adequate financial support, firms face challenges in funding critical areas such as innovation, research and development, investments, and the employment of skilled workers (Zuniga, 2023). This limitation prevents them from pursuing potentially ground-breaking ideas, and even when superior ideas emerge, firms may be unable to invest in their realization and subsequent growth. In SADC economies, the public sector largely remains the primary driver of economic activity due to the narrow scope of the private sector. Since adequate access to finance by firms is associated with firm growth, investment, innovation and creation of jobs (Cunningham et al., 2016), improved access to finance by firms in SADC would help relieve pressure from the SADC governments, especially in jobs creation, and play a significant role in economic growth and development.

Exporting is viewed as one of the important factors that influence access to finance by firms. However, the relationship between exporting and access to finance by firms is ambiguous and the literature has not reached consensus on it. Some studies suggest that exporting improves access to finance by firms (e.g. Campa & Shaver, 2002; Greenaway et al.; 2007; Manole & Spatareanu, 2009; Goldbach & Nitsch, 2014). On the other hand, some studies suggest that exporting reduces access to finance by firms (e.g. Benkraiem et al., 2014; Leon, 2015). To that extent the study aims to investigate the impact of export status on access to finance by firms in SADC. Furthermore, to the knowledge of the authors, the prevailing body of literature that explores the link between export status and access to finance by firms predominantly emerges from high-income and upper-middle-income countries, offering insights into contexts that differ markedly from those of lower-middle-income and low-income SADC countries, with the exception of Botswana, Mauritius, Namibia and South Africa. Therefore, the findings of such studies cannot be generalized to the context of SADC and that highlights the need for a region-specific analysis due to the unique economic and contextual differences between SADC countries and those typically covered in existing literature. The rest of the paper is organised as follows. Section 2 reviews the relevant literature. Section 3 presents the data used and describes the estimation approach. Section 4 discusses the results, and section 5 concludes.

2. LITERATURE REVIEW

Exporting firms are associated with improved access to finance due to their broader market share and more predictable cash flow compared to non-exporting counterparts (Bellone et al., 2010), which makes them perceived as low risk by financial institutions. Exporting significantly enhances revenue and profitability by opening access to new markets, thereby increasing sales volumes and diversifying profit sources across different economies. This strategic expansion reduces dependency on a single market, stabilizing income and minimizing risks associated with local economic fluctuations (Atkin & Jinhage, 2017; Goldbach & Nitsch, 2014; Wagner, 2014). Additionally, exporting firms possess more assets that can be utilized as collateral by banks, such as export receivables and specialized financial instruments like letters of credit and export credit insurance. These serve as effective collateral and risk mitigation tools, thereby increasing financial institutions' confidence in extending credit to exporters. Furthermore, diversifying into multiple markets through exporting spreads risks across various countries, which reduces overall risk from a lender's perspective. This diversification also enhances firms' negotiating power, allowing them to secure more favourable loan terms (USDC, 2008; Wagner, 2014).

Some exporting firms, however, face significant challenges in accessing finance. Financial institutions often perceive new exporting firms as riskier investments due to their limited experience and exposure in international markets (Aleksandr & Boris, 2017). Without a proven track record of successful operations abroad, concerns arise about their ability to effectively manage the complexities of international trade. This lack of a history in international transactions hinders lenders' ability to evaluate their creditworthiness, further exacerbating perceived risks (EDA, 2022). Factors such as currency fluctuations, payment delays, and uncertainties in market entry strategies amplify financial institutions' cautious approach. Consequently, these firms may encounter obstacles in securing finance or be subjected to stricter lending conditions such as higher interest rates or increased collateral requirements (Bernard et al., 2010).

Furthermore, the literature reveals mixed findings regarding the impact of exporting on access to finance. While some studies suggest that exporting enhances access to finance, others indicate it may reduce access. Campa & Shaver (2002) investigated the relationship between a firm's export capability and its financial constraints. Their analysis focused on a sample of Spanish enterprises, divided into two groups based on the presence or absence of export activity during the study period. The results indicated that non-exporting firms faced more significant financial constraints compared to their exporting counterparts. Similarly, for Czech Republic, Manole & Spatareanu (2009) examined the significance of financing constraints for exporters and found that exporters face fewer financial constraints compared to non-exporters. In another analysis by Greenaway et al. (2007), a panel of British manufacturing firms was examined over the period 1993 to 2003.

The study revealed that involvement in export markets positively impacts the financial health of firms. However, it also highlighted that firms starting their export activities often face low liquidity. Goldbach & Nitsch (2014) conducted a study to estimate the exporter premium in bank lending using quarterly data from the Deutsche Bundesbank's credit register. This register includes information on loans exceeding 1.5 million euros granted by German banks to firms worldwide. The study found that exporting firms tend to take out loans that are approximately 15 percent larger compared to non-exporting firms. Ayalew and Xianzhi (2019) also find that exporting firms are less likely to experience challenges in acquiring external finance.

Contrary to the above studies that found positive relationship between export status and access to finance, some studies found negative relationship between export status and access to finance. Benkraiem et al., (2014) conducted a study on the impact of export activity on access to bank capital during the global crisis. Export activity, considered as an indicator of small business internationalization, was found to have a negative correlation with bank capital. The study used a sample of non-financial French SMEs for the years 2008 to 2011. Leon (2015) also conducted a study that examined whether bank competition alleviates credit constraints in developing countries. The analysis was based on WBES firm-level data from 69 developing and emerging countries. When considering export participation as a control variable, the findings indicate that banks demonstrate reluctance to provide financing to exporters.

3. DATA AND METHODOLOGY

3.1 Data and Sources

The study employs data from three different datasets. Firm-level data is drawn from WBES for the years 2010 to 2022. WBES data is an extensive firm-level survey data that is gathered from a representative sample of the private sector in several economies. It covers various aspects, including firm characteristics, performance, and a range of business environment topics such as access to finance (World Bank, 2023). The second dataset utilized in this study consists of World Development Indicators (WDI) capturing country[1] characteristics such as real GDP per capita, credit to the private sector (% of GDP), real GDP growth rate and the inflation rate. These indicators contribute additional dimensions to the analysis, enriching the understanding of the relationship between export status and access to finance by firms. [2] Lastly, data on quality of institutions is sourced from WGI database.

3.2 Model Specification

The main objective of the study is to determine the impact of export status on the access to finance by firms in SADC. The access to finance variable used is ordinal in nature. It is measured by how much of an obstacle firms perceive access to finance to be in their operations. The categories are no obstacle, minor obstacle, moderate obstacle, major obstacle and very severe obstacle. Owing to the ordinal nature of the dependent variable, ordered probit model is employed for data analysis. This approach, following the work of Wang (2016) and Ayalew & Xianzhi (2019), is considered more appropriate than a linear model for capturing the relationship between the variables under investigation. The estimation model is specified as follows:

$$Financing\ obstacle_{ij} = \alpha + \beta EX_{ij} + \theta Firm_{ij} + \lambda Country_j$$

The term "financing obstacle" represents the latent probability that a firm indexed as i in a particular country j view access to finance as varying degrees of hindrance, denoted by numerical categories: 1 for "no obstacle," 2 for "minor obstacle," 3 for "moderate obstacle," 4 for "major obstacle," and 5 for "very severe obstacle" for their growth and operation. The symbol α refers to the cut-points in the ordered probit model, delineating the thresholds between these categorical levels while β, θ and λ are parameters. Meanwhile, $firm$ represents the vector encompassing firm-specific variables, which capture factors unique to each firm that might influence its perception of financing obstacles. On the other hand, $country$ denotes the vector comprising country-level variables, which encapsulate broader contextual factors at the national level that could also impact firms' perceptions of access to finance (Ayalew & Xianzhi, 2019). EX denotes exporting and is measured using the export percentage, defined as the percentage of exports to the total sales of the firm. The variable is then converted into a dummy (=1 if the percentage is greater than 0 and =0 otherwise). This approach is inspired by the work of Benkraiem et al. (2014).

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[1] The list of countries and their year of survey are presented in Appendix A
[2] A table of variables, along with their definitions and measurements, is available in Appendix B.

For robustness checks, the study also employs the presence of an overdraft facility as a measure of access to finance. This variable is binary, indicating whether a firm has access to finance (1) or does not have access to finance (0) through an overdraft facility. Given the dichotomous nature of this variable, the standard Probit model is deemed appropriate for analysis. The estimation model is specified as follows:

$$Overdraft_{ij} = \alpha + \beta EX_{ij} + \theta Firm_{ij} + \lambda Country_j$$

4. RESULTS AND DISCUSSIONS

4.1 Summary Statistics

Table 1 below presents the summary statistics. A sample of 5960 firms is used in this study. About 28% of firms, view access to finance as no obstacle, 19% perceive it as a minor obstacle, 21% perceive it as a moderate obstacle, 20% perceive it as a major obstacle and lastly, being the smallest percentage, 13% perceive it as a very severe obstacle. Around 38.6% of firms have an overdraft facility and only about 18.3% of firms engage in exporting. Approximately 78.5% of firms have male managers as opposed to female managers. Compared to firms that are stand-alone entities, only 19.8% are part of another entity. About 84% of firms are domestically owned. Firm size is measured by the number of permanent employees. The firms range in size from small SMEs to large, with the average size having around 68 permanent employees. Age of the firms varies from over a century old firm(s) to less than a year-old start-up, with the average age being around 20 years. The macroeconomic indicators vary from country to country in SADC, with credit to the private sector (% of GDP) ranging from the smallest (7.8%) to the largest (109%), and on average the countries have 46% of GDP as credit to the private sector.

TABLE 1: Table of Summary Statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
Dependent variables					
Financing obstacle					
No Obstacle	5960	0.275	0.446	0	1
Minor Obstacle	5960	0.191	0.393	0	1
Moderate Obstacle	5960	0.206	0.405	0	1
Major Obstacle	5960	0.196	0.397	0	1
Very Severe Obstacle	5960	0.132	0.338	0	1
Overdraft	5960	0.386	0.487	0	1
Independent variables					
Firm-level variables					
Exporting	5960	0.183	0.387	0	1
Gender	5960	0.785	0.411	0	1
Firm is part of another	5960	0.198	0.398	0	1
Domestically Owned	5960	0.837	0.369	0	1
Firm size	5960	67.854	456.428	1	30000
Firm age	5960	19.737	17.558	0	120
Country-level variables					
Credit to private sector (% GDP)	5960	46.084	38.65	7.8	109
GDPR	5960	2.37	6.939	-4.5	10.1
Inflation	5960	8.095	7.057	0.5	31.8
Quality of institutions	5960	40.427	22.364	8	79

Source: Authors' calculations using WBES, WDI and WGI data.

Correlation results are also presented in Table 2. Pairwise correlation analysis serves as a crucial tool to explore the relationships between variables, shedding light on expected signs and identifying potential multicollinearity issues. Neglecting multicollinearity, as highlighted by Wonsuk et al. (2014), can lead to various complications in regression analysis. Firstly, while the adjusted R-squared may indicate a well-fitting model, coefficients may exhibit high standard errors, rendering individual variables insignificant despite appearances. Secondly, minor alterations in model specifications can result in substantial changes in coefficient values or significances of other variables, indicating sensitivity to model

specifications. Lastly, near multicollinearity can widen confidence intervals for parameters, rendering significance tests ineffective and hindering robust inference-making. The correlation results affirm that all variables are suitable for analysis, given that all correlation coefficients are below 0.8. There are significant negative and positive correlations observed between exporting and perception of access to finance as an obstacle (Financing obstacle) and having an access to overdraft facility, respectively. These suggest that exporting firms tend to view access to finance as less of an obstacle and have more access to overdraft facilities. Therefore, exporting firms are expected to have more access to finance than non-exporting firms.

TABLE 2: Matrix of Correlations

	Financing obstacle	Overdraft	Exporting	Firm size	Firm age	Gender	Firm is part of another	Domestically Owned	Domestic Credit to Private sector (% of	to GDPR	Inflation	Quality of institutio
Financing obstacle	1.000											
Overdraft	-0.160*	1.000										
Exporting	-0.042*	0.083*	1.000									
Firm size	-0.041*	0.063*	0.075*	1.000								
Firm age	-0.113*	0.150*	0.089*	0.078*	1.000							
Gender	0.037*	-0.064*	0.037*	0.037*	0.040*	1.000						
Firm is part of another	-0.041*	0.041*	0.045*	0.078*	0.135*	0.024	1.000					
Domestically Owned	0.087*	0.014	-0.144*	-0.047*	0.023	-0.071*	-0.157*	1.000				
Domestic Credit Private sector (% of	-0.230*	0.345*	0.028*	-0.011	0.149*	-0.156*	-0.148*	0.243*	1.000			
to GDPR	0.111*	-0.208*	-0.089*	-0.005	-0.189*	0.037*	0.139*	-0.243*	-0.764*	1.000		
Inflation	0.127*	-0.100*	-0.104*	-0.025*	-0.159*	0.037*	0.035*	-0.168*	-0.340*	0.459*	1.000	
Quality of institutio	0	0.249*	0.087*	-0.01	-0.013	-0.040*	-0.200*	0.138*	0.561*	-0.444*	-0.161*	1.000

Source: Authors' calculations using WBES, WDI and WGI data
* $p<0.05$

Variables	Financing obstacle	Overdraft	Exporting	Firm size	Firm age	Gender	Firm is part of another	Domestically owned	Credit to private sector (% of GDP)	GDPR	Inflation	Quality of Institutions

4.2 Export Status and Financing Obstacle

Ordered probit results are presented in Table 3 below. The results for three different model specifications are presented, however, the results of interest are of the full model and those are the results that we interpret. The results in column (1) are on the regression between the response variable (financing obstacle) and the main explanatory variable (export status). Column (2) gives the results including only firm characteristics while column (3) gives the results including all the control variables. There is a negative and significant relationship between exporting and financing obstacle in all the model specifications. The result shows that compared to non-exporting firms, being an exporting firm is associated with lower financing obstacles. Hence exporting improves access to finance by firms. This might be because exporting firms are considered low risk by lenders since they tend to have a stable cash flow so they are likely to pay their debts. Also, they tend to have a larger market share since they serve both domestic and foreign markets compared to non-exporting firms. The results are in line with the findings of Campa & Shaver (2002), Goldbach & Nitsch (2014), Greenaway et al. (2007), Manole & Spatareanu, (2009) and Ayalew & Xianzhi, (2019) but contrary to the findings of Benkraiem et al. (2014) and Leon (2015), who find significantly that banks are less willing to finance exporters.

Larger firms, older firms and firms that are part of another firm are associated with less financing obstacles. Smaller firms frequently face challenges like limited collateral, higher perceived risk, and cash flow constraints, which can impede their ability to secure financing (Abor et al., 2014; Damijan & Kostevc, 2010; Leon, 2015; Manole & Spatareanu, 2009). Older firms typically find it easier to secure funding due to their established track records and financial history, accumulated assets, strong relationships with financial institutions and more experience. Firms that are part of another firm may get financial support from a parent company which may make them face less financing obstacles. On the contrary, firms that are domestically owned and those that are led by male managers are likely to experience more financing obstacles. Foreign firms often benefit from favourable and stronger connections with international financial markets, reducing their financial barriers compared to domestic firms (Danzman, 2020). Females are more cautious and less risk takers than males as a result financial providers tend to bet on female-led than male-led entities to keep their investments safe (Fisher & Yao, 2017). Hence female-led firms may enjoy more access to finance than their male-led counterparts.

Considering country-level variables, the results show that credit to the private sector (% of GDP), GDP growth rate, and quality of institutions have a negative and significant relationship with financing obstacles. Therefore, firms in countries with a higher volume of credit directed to the private sector, faster-growing economies, and higher quality institutions face fewer financing obstacles. These relationships can be explained through several key mechanisms. A higher volume of credit to the private sector indicates a well-developed financial system that efficiently allocates capital, making it easier for firms to access necessary funds and reducing financing barriers (Rashid, 2011). Additionally, firms in faster-growing economies benefit from a favourable business environment with increasing demand, which improves their creditworthiness and encourages financial institutions to lend more (Sutton & Jenkins, 2007; Zhuang et al., 2009). Furthermore, high-quality institutions, characterized by effective legal systems, strong property rights, transparent regulations, and efficient governance, create a stable and predictable business climate. This reduces uncertainties and risks for both businesses and lenders, fostering investment and lending activities (Estrin & Prevezer, 2011). Consequently, firms operating in countries with better credit availability, robust economic growth, and strong institutional frameworks encounter fewer financing obstacles.

TABLE 3: Export status and financing obstacles

Variables	(1)	(2)	(3)
Exporting	**-0.1080***	**-0.0398**	**-0.0557**
	(0.0356)	(0.0004)	(0.0004)
Firm size		-0.0001**	-0.0001**
		(0.0062)	(0.0060)
Firm age		-0.0070***	-0.0042***
		(0.0008)	(0.0009)
Gender		0.1400***	0.0714**
		(0.0338)	(0.0035)
Domestically owned		0.0015**	0.0026***
		(0.0006)	(0.0006)
Firm is part of another		-0.0185***	-0.1060***
		(0.0355)	(0.0368)
Credit to private sector (% of GDP)			-0.0132***
			(0.0007)
GDPR			-0.0648***
			(0.0040)
Inflation			-0.0015
			(0.0024)
Quality of institutions			-0.0047***
			(0.0008)
Time dummy			Yes
Observations	5,960	5,960	5,960
Pseudo R^2	0.1124	0.1083	0.1037

Notes: The table presents estimated marginal effects and standard errors (in parentheses). *, **, *** denote statistical significance at 10%, 5% and 1% level, respectively.

4.3 Export Status and Access to Overdraft Facilities

The standard probit results are presented in Table 4 below. In all the model specifications, the results indicate that there is a positive and significant relationship between exporting and access to overdraft facilities. Therefore, according to the results, exporting improves access to finance by firms. Hence, this finding supports and confirms the previous results. The results associated with firm-level and country-level variables also largely remain qualitatively similar to the previous results.

TABLE 4: Export status and access to overdraft facilities

Variables	(1)	(2)	(3)
Exporting	**0.2680***	**0.2080***	**0.1780***
	(0.0422)	(0.0439)	(0.0464)
Firm size		0.0004***	0.0004***
		(0.0009)	(0.0009)
Firm age		0.0099***	0.0086***
		(0.0010)	(0.0011)
Gender		-0.2430***	-0.0179**
		(0.0405)	(0.0044)
Domestically owned		-0.0030***	-0.0004**

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	(0.0008)		(0.0008)
Firm is part of another	0.0502		0.3130***
	(0.0428)		(0.0466)
Credit to private sector (% of GDP)			0.0131***
			(0.0007)
GDPR			0.0594***
			(0.0050)
Inflation			0.0132***
			(0.0033)
Quality of institutions			0.0114***
			(0.0011)
Time dummy			Yes
Constant	-0.3390***	-0.6580***	-2.5780***
	(0.0183)	(0.0813)	(0.1430)
Observations	5,960	5,960	5,960
Pseudo R^2	0.1224	0.1153	0.1432

Notes: The table presents estimated marginal effects and standard errors (in parentheses). *, **, *** denote statistical significance at 10%, 5% and 1% level, respectively.

5. CONCLUSION AND RECOMMENDATIONS

The objective of the study was to determine the impact of export status on access to finance by firms in SADC. WBES firm-level data for 5960 firms across 13 economies within the SADC region is utilized. Two distinct measures of access to finance are used. A subjective measure gauging firms' perceptions of finance accessibility as an obstacle, and an objective measure of whether firms have access to an overdraft facility or not. By examining results employing two different measures, this paper endeavours to offer a more comprehensive understanding of the link between export status and access to finance. The findings from both the ordered probit and standard probit regression analyses indicate that export status enhances access to finance by firms in SADC. Larger and older firms are also associated with more access to finance compared to smaller and younger firms. Higher GDP growth rates and good quality institutions also promote access to finance by firms. The following recommendations for policy makers and other relevant stakeholders, to enhance firms' access to finance, therefore, emanate: 1) fostering of initiatives to enable, encourage and promote export activity among firms, 2) implementation of policies and interventions aimed at addressing the issues of smaller and younger firms resulting in access to finance challenges, 3) pursuing economic growth oriented policies and 4) developing and maintaining good quality institutional and regulatory environment.

It is essential to acknowledge certain limitations despite the valuable insights offered by the study. The analysis relies on cross-sectional data, limiting the ability to establish causality or capture dynamic relationships over time. The analysis is also limited by the unavailability of data on some of the variables, such as manager's experience, credit rating and being listed or not, that, according to literature, are considered important in determining access to finance by firms which may have a bearing on the results. To build upon the current study and address its limitations, future research could explore the following areas: 1) longitudinal studies to explore how firms' access to finance changes over time and identify factors driving changes in financing patterns, 2) comparative analyses across different regions to assess variations in the relationship between export status and access to finance, considering diverse institutional, economic, and policy contexts, 3) studies focusing on specific industries or sectors within the SADC region to provide targeted insights into the relationship between export status and access to finance within different sector contexts, 4) policy evaluation studies to assess the impact of policies and interventions, such as export promotion programs and financial sector reforms on firms' access to finance.

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APPENDICES

Appendix A: List of countries and years of survey

Countries	Number of firms Surveyed	Number of firms in the sample	Year of survey
Angola	360	277	2010
Botswana	268	257	2010
Eswatini	150	112	2016
Lesotho	150	125	2016
Madagascar	402	343	2022
Malawi	523	400	2014
Mauritius	732	703	2020
Mozambique	601	578	2018
Namibia	580	480	2014
South Africa	1097	1036	2020
Tanzania	813	538	2013
Zambia	601	567	2019
Zimbabwe	600	545	2016

Source: Author's calculations using WBES data

Appendix B: Variables description, measurement and data sources

Variables	Description and measurement	Data Sources
Dependent variables		
Financing obstacle	An ordinal variable taking on values 0 (no obstacle), 1 (minor obstacle), 2 (moderate obstacle), 3 (major obstacle) and 4 (very severe obstacle) and arises from the question: "To what degree is access to finance an obstacle to the current operations of this establishment?".	WBES
Overdraft	A dummy taking on values 1 if a firm has an overdraft facility and 0 otherwise	WBES
Independent Variables		
Firm-level variables		
Exporting	A dummy variable taking a value =1 if exports as % of sales (export/sales) is greater than zero and 0 otherwise.	WBES
Domestically owned	A dummy variable taking a value =1 if a firm is domestically owned and =0 if the firm is foreign owned	WBES

Firm size	Provided in the data set as determined by the number of permanent full-time employees	WBES
Gender	The gender of the firm's manager at the time of the survey. It is a dummy variable taking a value =1 if the manager is male and =0 if the manager is female.	WBES
Firm Age	Difference between the survey year and the firm's establishment year.	WBES
Firm is part of another	A dummy variable taking value =1 if the firm is part of another and = 0 otherwise	WBES

Country-level variables

Inflation	Annual change in the GDP deflator by comparing the current year's GDP deflator to that of the previous year	WDI
Domestic credit to the private sector (% of GDP)	The total financial resources allocated to the private sector by financial institutions, expressed as a percentage of the country's GDP	WDI
GDPR	GDP growth rate	WDI
Quality of institutions	The Rule of Law metric is used to capture the country's institutional quality. It measures confidence in societal rules, encompassing contract enforcement, property rights, police, and judicial systems, and assesses crime and violence likelihood. Percentile rank indicates a country's position among all covered nations, ranging from 0 (lowest) to 100 (highest). Ranks are adjusted for changes in indicator composition over time.	WGI

Notes: This table contains descriptions of variables that are used in estimations and their sources.

WBES: World Bank Enterprise Surveys.

WDI: World Development Indicators.

WGI: World Governance Indicators.