

# JOHN RAWLS' DIFFERENCE PRINCIPLE: EVIDENCE FROM GUATEMALA

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## ABSTRACT

*While literature indicates that strong intellectual property (IP) protection is needed to attract foreign direct investment (FDI) in developing countries like Guatemala, the literature fails to address adequately the economic, social, and political considerations facing developing nations in the reformation of their IP laws. This article addresses those considerations by applying John Rawls' Difference Principle. Rawls' Difference Principle depicts justice as an issue of fairness, which focuses on the distribution of resources and permits an unequal distribution only to the extent that the weakest members of society benefit from that inequality. This article finds that Rawls would reject the findings from the literature and support a weak IP regime in Guatemala for three key reasons. First, economically, Guatemala's weakest members would have immediate access to otherwise price-prohibitive products. Second, socially, Guatemala could reallocate resources to service Guatemala's weakest members more pressing needs. Third, politically, Guatemala's IP weak regime would be entirely consistent with the letter of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and improve relations with its trading partners. According to Rawls, Guatemala's approach to maintain a weak IP regime would be ethically sound.*

**JEL:** F12, O34, O38

**KEYWORDS:** John Rawls, Difference Principle, Guatemala

## INTRODUCTION

The role of intellectual property (as embodied in patents, copyrights, or trademarks) in the production of goods and services has resulted in intellectual property rights (IPR) becoming an important cornerstone of international economic policy. The optimal level of *strength* of these protections (e.g. weak or strong) has been vigorously debated. Proponents of strong IPR protections argue that such protections are necessary to provide a wide variety of economic benefits to developing nations, including attracting foreign direct investment (Sherwood, 1997). By contrast, opponents contend that the benefits of strong IPR protections are grossly exaggerated. For example, they argue that empirical studies have not decided conclusively that a positive relationship exists between IPR protection and FDI (Maskus and Reichman, 2004).

In the present article, I argue that commentators favoring the use of strong IPR protections in developing countries' economic strategies fail to address adequately the economic, social, and political considerations facing developing nations, like Guatemala, in reforming their IP laws. The focus of the literature has been on promoting FDI, not on these critical considerations that deeply impact a developing nation's decision in selecting the optimal level of strength of its IPR protections. Further, in contrast to previous studies, this article examines Guatemala's approach to reformation of IPR protections by applying John Rawls' Difference Principle, which focuses on the distribution of resources and permits an unequal distribution only to the extent that the weakest members of society benefit from that inequality (Rawls, 1971). Empirical evidence supports that maintaining an IP regime that is either too strong or too weak will harm any nation's economic well-being (Greenbaum, 2009). Accordingly, this article discusses weak and strong IP regimes, not in absolute terms, but to describe whether Guatemala should maintain an IP regime similar in strength relative to those that exist in developed nations.

This article is organized as follows: Section II reviews the literature and previous findings. Section III examines the development and progression of Guatemala's intellectual property regime. Section IV addresses the economic, social, and political considerations of a strong IP regime in Guatemala by applying John Rawls' Difference Principle. Section IV summarizes and offers some conclusions.

## REVIEW OF THE LITERATURE

Previous studies, including Ferrantino (1993), Maskus and Konan (1994), and Lee and Mansfield (1996), have explored the impact of IPR protections on FDI. However, the results of these empirical studies have not been conclusive. Some studies have found no statistically significant relationship between IPR and FDI. For example, Ferrantino (1993) found no statistically significant relationship between the extent of U.S. affiliate sales in a foreign country and that country's membership in an international patent or copyright convention. Further, employing the Rapp and Rozek (1990) index of IPR protection, Maskus and Konan (1994) did not obtain statistically significant results between IPR protection and FDI. Similarly, using Ginarte and Park (1997) index, Primo Braga and Fink (2000) found no impact of IPR protection on FDI.

By contrast, Lee and Mansfield (1996) found that the strength of a country's IPR protection was positively correlated with the volume of U.S. FDI inflows into a host country. Maskus (1998) found that IPR protection had a significant and positive impact on FDI in industries with considerable intellectual property-related ownership advantages than for FDI in services as well as low-tech and standardized manufacturing. Similarly, Smith (2001) also found a positive correlation between sales of U.S. affiliates and the strength of IPR protection in a host country.

Further, Maskus (1998) found that intellectual property protection is more likely to attract FDI if two additional conditions are met. First, the country needs to have a strong capacity to imitate foreign products and technologies (Maskus, 1998). For example, if local competitors are unable to copy these products and technologies, foreign firms are unlikely to be threatened, and intellectual property protection will be unnecessary (Yu, 2007). Second, the country needs to have a sufficiently large market to enable foreign firms to capture economies of scale or scope (Maskus, 1998). Put simply, if a country lacks a sufficiently large market, foreign firms are unlikely to find it advantageous to move its productions abroad.

Finally, Primo Braga and Fink (2000) found intellectual property protection can affect foreign investment in two negative ways:

First, stronger IPR protection provides title holders with increased market power and could, at least theoretically, cause firms to actually divest and reduce their service to foreign countries. Second, higher levels of protection may cause [transnational corporations] to switch their preferred mode of delivery from foreign production to licensing.

In sum, the results of these empirical studies exploring the impact of IPR protection on FDI have led to mixed conclusions. The ambiguity of these findings may result for several reasons: measurement problems related to IPR protection, the use of highly aggregated FDI data, and substitution effects between FDI and other forms of using intellectual property beyond national borders (Nunnenkamp and Spatz, 2004). Further, none of these studies examined the impact of economic, social, and political considerations facing developing nations in reforming their IP regime. Moreover, as Rapp and Rozek (1990) point out, their index is based solely on the laws on a nation's books, not on the ways these laws are enforced.

The studies do support, however, that countries that lack a strong imitative capacity and a sufficiently large market are unlikely to benefit from stronger intellectual property protection. As Yu explained:

even if countries meet these two prerequisites, stronger intellectual property protection may be unnecessary for attracting FDI. It depends on the complex interactions between the different location advantages, especially when some of these advantages are significant enough to compensate for the lack or ineffectiveness of strong intellectual property protection. Thus, the relationship between the strength of intellectual property protection and FDI remains theoretically ambiguous (Yu, 2007).

### Guatemala's Intellectual Property Regime

Historically, in Guatemala, there were no general requirements for local participation or any restrictions on repatriation of capital (Encyclopedia of the Nations, 2010). Guatemala's major diplomatic interests were regional security and regional development (Encyclopedia of the Nations, 2010). Though Guatemala participated in several regional groups, particularly those related to trade and environment, foreign investor interest in Guatemala was minimal. However, in 1996 after 36 years of a bloody civil war, the Peace Accords were signed and removed a major obstacle to foreign investment, and Guatemala has pursued important reforms and macroeconomic stabilization. (The World Factbook, Central Intelligence Agency, 2010).

In 1998, Guatemala sought to improve global competitiveness with the passage of The Foreign Investment Law (The Law) (Ley de Inversión Extranjera, Legislative Decree 9/98) of March 1998, which consolidated foreign-investment regulations and reduced the barriers to foreign investment (The Foreign Investment Law, 1998). The Law aimed to increase protection for foreign investment and remove many restrictions on types of foreign investment (Economist Intelligence Unit, 2010). The Law provided for eight free trade zones and offered incentives in the sectors of forestry, mining, tourism, and petroleum sectors. However, foreign investment was still restricted to minority ownership of domestic airlines and ground transport. (The World Factbook, Central Intelligence Agency, 2010).

Guatemala further sought to increase economic growth when the Guatemalan Congress (Congress) passed The Industrial Property Law in August 2000, to bring the country's intellectual property rights laws into compliance with the World Trade Organization's (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which requires that members satisfy minimum standards for IP regulations (The Industrial Property Law, 2000). For example, pursuant to Article 61 of the TRIPS Agreement, trademark laws govern "any sign or combination of signs, capable of distinguishing the goods or services of one undertaking from those of another undertaking" (TRIPS Article 61, 2009). Similarly, The Industrial Property Law sought to satisfy the same aims as TRIPS, namely to protect the unwary consumer from being misled as to the nature and origin of the good. The Industrial Property Law affords protection for the right of exclusive use of a trademark for a period of 10 years. This right of exclusive use may be renewed indefinitely for 10-year-periods. (OTEXA Market Reports/Tariffs, 2010). In most cases, the Industrial Property Law aimed to provide the foreign investor with the same rights and enforcement mechanisms as a Guatemalan national (OTEXA Market Reports/Tariffs, 2010).

As required by the TRIPS Agreement, The Industrial Property Law affords protection for a patent for 20 years from the date of filing the patent application (OTEXA Market Reports/Tariffs, 2010). Licensing agreements for patents have effect against third parties only if they are registered (OTEXA Market Reports/Tariffs, 2010). Finally, in the area of copyrights, the Law on Copyright and Neighboring Rights provides protection to the authors and right holders of artistic works (OTEXA Market Reports/Tariffs, 2010). Regardless of nationality, protection is given throughout the lifetime of the author and for 75 years after the author's death (OTEXA Market Reports/Tariffs, 2010). The owner of copyright and any persons specifically authorized by him have the right to prohibit the import or export of legally manufactured copies of the owner's works and the import or export of copies manufactured without the owner's consent (OTEXA Market Reports/Tariffs, 2010).

TRIPS contains enforcement system provisions that require a series of minimum measures the WTO Members must undertake to ensure the enforcement of IPRs (TRIPS, 2009). The Industrial Property Law includes and determines a series of general rules or provisions applicable to the enforcement procedures. Pursuant to the criminal penalty schedule, the Guatemalan Penal Code has a series of offenses related to intellectual property with prison terms between 1 and 4 years and fines between Q. 1,000.00 and Q. 500,000.00 (at an exchange rate of Q. 8.00 for 1 U.S. Dollar, these fines will be between U.S. \$125 and U.S. \$62,500) (Guide to Doing Business in Guatemala, 2005). This penalty schedule is consistent with Guatemala's obligation pursuant to the TRIPS Agreement. Article 61 of the TRIPS Agreement obliges contracting parties to "...provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale" (TRIPS Article 61, 2009).

Despite the adoption of the TRIPS Agreement and the passage of stronger protections for IPR, Guatemala's enforcement of intellectual property laws has been ineffective (U.S. Department of State Investment Climate Statement -Guatemala, 2009). A number of raids, cases, and prosecutions have been pursued against violators of IPRs; however, resource constraints and lack of coordinated government action impede efficient enforcement efforts (OTEXA Market Reports/Tariffs, 2010). Furthermore, Guatemala was listed on the United States Trade Representative (USTR) Watch List in the 2009 Special 301 report (USTR Special Report, 2009). The Special 301 Report is prepared annually by the USTR under Section 182 as amended of the Trade Act of 1974. The Act provides that the USTR must on an annual basis "identify those foreign countries that deny adequate and effective protection of intellectual property rights, or deny fair and equitable markets access to United States persons that rely upon intellectual property protection..." (The Trade Act of 1974).

Placement on the USTR Watch List creates a perception of surveillance by the USTR and may lead to U.S. bilateral trade sanctions. Key concerns cited in the 301 Report included: a) the need to provide higher priority to, and greater resources for, combating piracy and counterfeiting; and b) to enhance enforcement efforts by pursuing raids and prosecutions against small scale sellers and manufacturers of pirated and counterfeit goods (USTR Special Report, 2009).

The Industrial Property Law was modified in 2003 to provide pharmaceutical test data protection consistent with international practice, and in 2005 the law was again amended to comply with IPR protection requirements in The Central American Free Trade Agreement (CAFTA) (OTEXA Market Reports/Tariffs, 2010). In May 2006, Guatemala strengthened its legal framework for the protection of IPR with the passage of laws in preparation for the entry into force of the CAFTA-DR and spurred increased investment and diversification of exports. (The World Factbook, Central Intelligence Agency, 2010). The CAFTA-DR provides for improved standards for the protection and enforcement of a broad range of IPR, which are consistent with U.S. and international standards of protection and enforcement as well as with emerging international standards. Finally, in April 2010, the Congress passed the Law of Partnerships for Economic Infrastructure Development (Ley de Alianzas para el Desarrollo de Infraestructura Económica, Legislative Decree 16/2010), which aimed to increase foreign investment in infrastructure and public works by regulating the relationship between government and the private sector in public-private partnerships (PPPs) (Economist Intelligence Unit, 2010).

### John Rawls' Difference Principle

One of the most widely discussed theories of distributive justice in recent years has been proposed by John Rawls. The system of intellectual property rights falls under what Rawls (1971) considers the *subject of justice*:

For us the primary subject of justice is the basic structure of society, or more exactly, the

way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social cooperation... Thus the legal protection of freedom of thought and liberty of conscience, competitive markets, private property in the means of production and the monogamous family are examples of major social institutions (Rawls, 1971, 6).

Rawls asserts that rational individuals in specially constructed, imaginary circumstances called the *original position* would select the principles that should govern the basic structure of a just or well-ordered society (Rawls, 1971). Persons in an original position will or should agree that all social primary goods (e.g., basic liberties such as opportunity, income, and wealth) are to be distributed equally unless an unequal distribution of any or all of these goods is to the advantage of the least favored (Younkins, 2000). In this position, behind what Rawls calls a *veil of ignorance*, Rawls thinks rational individuals would agree to two primary principles (the second of which has two parts). Rawls thinks that individuals would agree to: one, a system of equal liberty for all; and two, if there are to be differences, those differences will be in the interest of the least well-off, and attached to positions under conditions of fair equality of opportunity (Rawls, 1971).

According to the difference principle, the rational individual will choose a system of justice that adequately provides for those who are least well-off because the rational individual may end up in such a disadvantaged position. Rawls concludes that such a social contract will guarantee a just society without sacrificing the happiness or liberty of any one individual (Favor and Lamont, 2007). In other words, Rawls depicts justice as an issue of fairness, focusing on the distribution of resources, and permitting an unequal distribution only to the extent that the weakest members of society benefit from that inequality. As a result, Rawls' conception of justice puts the least well-off in the position that they would have been in except for some undeserved and unfortunate circumstances (Favor and Lamont, 2007).

Before explaining why Rawls would support a weak regime, Rawls would reject a strong IP regime because a grant of strong IPR protections would not favor Guatemala or its weakest members. Strong IPR protection allows foreign firms to enjoy greater market power over the availability, quality, and pricing of the items owned (Maskus and Konan, 1994). A strong IP regime provides protection for exporting firms against local copying of the product, suggesting that they would increase the market size facing exporters and induce them to sell more. Consequently, these protections would allow the exporting firms to enjoy greater market power and charge higher prices. Further, strong IPR protection would not be accepted by rational individuals in the original position as just because, in trying to increase the well-being of the least well-off, the fact that Guatemala's least well-off would have no access to price-prohibited items (pharmaceuticals), via higher prices, harms them. Moreover, the lack of competition resulting from strong IPR protections harms Guatemala. That is, IPRs grant foreign firms monopoly power over their innovations. Monopolies do not help Guatemala's least well off; therefore, Rawls would reject a strong IP regime under these circumstances.

## RESULTS

### Economic Considerations

Strong IPR protection comes with economic, social, and political considerations for developing nations that developed nations do not face. Guatemala is one of the poorest countries in Central America (The World Factbook, Central Intelligence Agency, 2010). The majority of Guatemalans live in poverty and 15 percent live in extreme poverty (The World Factbook, Central Intelligence Agency, 2010). Guatemala faces enormous economic costs to efficiently reform, maintain, and monitor its intellectual property regime. For example, the regime requires qualified personnel to manage and enforce the system including examiners, administrative personnel, civil and criminal law enforcement personnel, and judges. Though

any nation faces costs associated with reformation, Guatemala faces economic challenges in reforming and maintaining an IP regime that disproportionately impacts it because Guatemala is one of the poorest countries in the world (The World Factbook, Central Intelligence Agency, 2010).

Further, Guatemala's enforcement of IPRs has been essentially ineffective because of resource constraints (OTEXA Market Reports/Tariffs, 2010). Guatemala City is one of the largest markets in Central America for name-brand goods (Brosnan, 2000). The issues facing infringement of IPRs in Guatemala are widespread, and the downtown streets are filled with local businesses selling imitation apparel from sneakers to jeans (Brosnan, 2000). A number of raids, cases, and prosecutions have been pursued against the sellers of counterfeit merchandise; however, resource constraints impede efficient enforcement efforts (OTEXA Market Reports/Tariffs, 2010). The effectiveness of Guatemala's intellectual property regime is inextricably intertwined with its legal and enforcement systems. Consequently, a lack of effective enforcement of IPRs results in essentially meaningless reforms of Guatemala's IP regime.

Moreover, Rawls would favor a weak IP regime because Guatemala's weakest members would have immediate access to otherwise price-prohibitive products. Guatemalans face a high risk for contracting major infectious diseases (The World Factbook, Central Intelligence Agency, 2010). Empirical evidence supports that an increase in the protection of IPRs in developing countries raises the prices for goods (e.g. pharmaceuticals) that citizens in developing countries could not otherwise afford (Maskus and Konan, 1994). Access to pharmaceutical drugs would represent increases in consumer welfare when compared to the prohibitive prices that would prevail with strong IPR protection (UNCTAD, 2005). A strong IP regime provides protection for exporting firms against local copying of the product, suggesting that they would increase the market size facing exporters and induce them to sell more. Further, strong IP protections allow firms more power over the pricing and availability (and quality) of the items owned. Consequently, these protections would allow the exporting firms to enjoy greater market power and charge higher prices. A weak intellectual property regime would be accepted by rational individuals in the original position as just because, in trying to increase the well-being of the least well-off, the fact that the least well-off would have access to otherwise unavailable products benefits them.

### Social Considerations

The costs of maintaining a strong IP regime denies servicing the weakest members more pressing needs and causes them to feel further disenfranchised. Moreover, public perception that the Government has failed to prioritize properly the needs of its citizens often fuels protests and civil unrest in developing nations. For example, business owners protested vehemently in the streets in opposition to the passage of The Industrial Property Law passed in 2000 (Brosnan, 2000). More than half of Guatemala's population lives on less than \$2 a day and 15 percent on less than \$1 a day (United States State Department Report, 2010). Guatemala's social development indicators, such as infant mortality, chronic child malnutrition, and illiteracy, are among the worst in the hemisphere (United States State Department Report, 2010). It is difficult for Guatemala's Government to justify the expenditures necessary to maintain a strong IP regime in the public eye when Guatemala faces public health concerns.

Further, Rawls would favor a weak IP regime because Guatemala could reallocate resources to service Guatemala's weakest members more pressing needs. Rational individuals in the original position would not view a strong IP regime as just because it diverts needed funds from addressing Guatemala's weakest members more pressing needs such as public health. Therefore, Rawls would argue that a regime in which resources are distributed unequally to the advantage of Guatemala's least favored could stifle social unrest and improve public health.

Moreover, a weak IP regime should not be considered a safety net for Guatemala who cannot strongly compete against larger exporting firms, but instead a system, which does not reward undeserved entitlements. Rawls maintains that the job of distributive justice is to limit the influence of one's place of

birth, social status, and family influences so that undeserved entitlements do not unduly influence the amount of benefits we receive in life (Rawls, 1971). The deep disparity between Guatemala and developed trading partners in the areas of wealth, education and familiarity with the frontiers of technological knowledge, in particular, means that these underserved inequalities call for redress in order to produce genuine (e.g., fair) equality of opportunity instead of procedural (e.g., formal) equality of opportunity. Rawls believes there is no more good reason to allow the distribution of wealth and income to be determined by the possession of natural endowments than by social and historical factors.

### Political Considerations

Elected leaders in developing countries are often faced with the challenges of two diametrically opposed positions: anti-IP protection public interest groups and pro-IP protection multinational firms. For example, Guatemala's former President Alfonso Portillo received considerable backlash from the citizenry when he introduced IP reforms in 2000 (Brosnan, 2000). Many local business owners protested vehemently in the streets in opposition to the passage of the Industrial Property Law passed in 2000 (Brosnan, 2000). Leaders of developing nations may threaten their political viability by endorsing a strong IP regime or satisfying its obligations under an agreement when many local businesses benefit from a weak IP regime. In addition, Guatemala faces international political pressure from multinational firms to spur local economic growth by becoming a signatory to international trading agreements. To address these international pressures, developing nations overestimate the ability of their infrastructure to support the necessary enforcement of their IP regime. For example, Guatemala was listed on the Watch List in the 2009 Special 301 Report (USTR Report, 2009). Key concerns cited in the Report included the need to provide higher priority to combating piracy and counterfeiting (USTR Report, 2009). Consequently, Guatemala's placement on the list threatens its political perception within the global community and foreign aid from the United States.

Guatemala's approach of a weak IP regime would be entirely consistent with the letter of the TRIPS Agreement and improve relations with its trading partners. The preamble of the TRIPS Agreement recognizes "the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base" (TRIPS, 2009). More specifically, Article 8 of the agreement states:

Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement (TRIPS, 2009).

TRIPS permits all members, including those with great sectoral disparities, to "carefully tailor the country's protection to local needs" (TRIPS, 2009). Because the TRIPS Agreement covers only minimum standards of protection offered by each WTO member, it does not dictate the scope of protection beyond what the agreement requires. Therefore, consistent with TRIPS, Guatemala may decide to protect more urgent needs such as public health.

Further, Guatemala would not be the first developing country to successfully tailor its intellectual property system to the needs of local industries. For example, in China copying rates vary considerably across types of goods, with business applications software experiencing the highest rates and entertainment software and music recordings and motion pictures having lower copying rates (Yu, 2007). Thus, China decided to strengthen the protection for business software applications more than that for music recordings and motion pictures.

Finally, a weak intellectual property regime would be accepted by rational individuals in the original

position as just because, in trying to increase the well-being of the least well-off, the least well-off would have access to an improved trading position with their more developed trade partners. Developing nations traditionally have weak negotiating power with developed trading partners. (Lo, 2004). Under pressure internationally to spur economic growth, developing nations become signatories to international IP treaties (Greenbaum, 2009). However, Guatemala's resource constraints make it ill-equipped to satisfy its obligations under its agreements with the United States because Guatemala has overestimated the ability of its infrastructure to support the necessary IP regime. A weak regime promotes a more realistic evaluation of Guatemala's IP regime. Consequently, this would lead to higher levels of compliance and ameliorate relations with trading partners.

## SUMMARY AND CONCLUSIONS

This article aims at addressing economic, social, and political considerations Guatemala faces in reforming its IP laws that previous empirical studies failed to examine on the relationship between IPR protection and FDI. Previous studies emphasized the importance of developing nations, like Guatemala, to provide strong IPR protection in order to attract foreign direct investment. None of the studies examined the impact of economic, social, and political considerations facing developing nations in the reformation of their IP regime. This article examines Guatemala's approach to reformation of IPR protections by applying John Rawls' Difference Principle, which focuses on the distribution of resources and permits an unequal distribution only to the extent that the weakest members of society benefit from that inequality.

This article finds the application of John Rawls' Difference Principle would reject the findings from the literature that strong IPR protection is needed to attract FDI in developing countries like Guatemala and support a weak IP regime in Guatemala for three key reasons. First, economically, Guatemala's weakest members would have immediate access to otherwise price-prohibitive products. Second, socially, Guatemala could reallocate resources to service Guatemala's weakest members more pressing needs. Third, politically, Guatemala's IP weak regime would be entirely consistent with the TRIPS Agreement and improve relations with its trading partners. Consequently, if Rawls is correct that behind a veil of ignorance, rational individuals would choose a system of equal liberty for all, but, if there are to be differences, they are to favor the least well off, then it is easy to conclude that Rawls favors Guatemala employing a weak IP regime.

Guatemala's response to IPRs might be very different than the response from developed countries that do not face the same pressing economic, social, and political challenges that Guatemala faces. Guatemala is one of the poorest countries in the world with the majority of Guatemalans living in poverty and 15 percent living in extreme poverty. Although Guatemala may endorse an economic strategy that may create more robust IPR protections in order to improve its relationship with the United States so that Guatemala is removed from the 301 watch list, such a strategy may come at the expense of Guatemalans' access to otherwise price-prohibitive pharmaceuticals. The reality is that there is no one-size-fits-all solution. Instead, Guatemala should tailor its IP regime to its own needs and strengths. Further research will be necessary to measure the success of Guatemala's approach to protection of IPRs and its impact on attracting FDI.

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