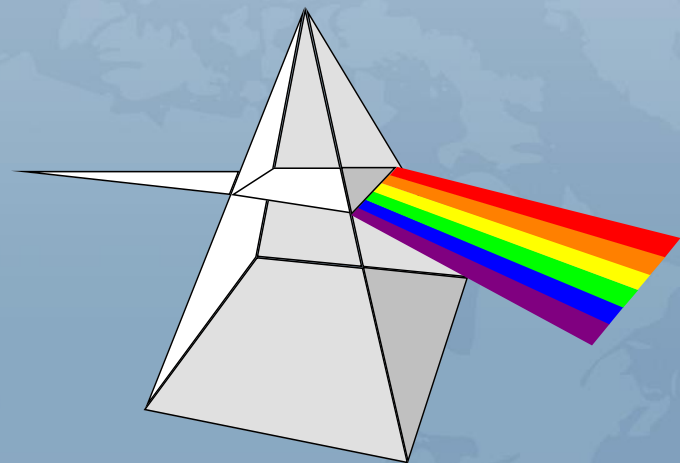


# **Economic Freedom of the World 2017 Annual Report**

**September 2017**



# What is the Economic Freedom of the World Index?



- An annual compilation of data representing factors which make a country economically free
- Authors: James Gwartney, Robert Lawson, and Joshua Hall
- A compendium of 42 government policies affecting economic freedom based on objective data or independent surveys
- A ranking of 156 countries plus Hong Kong, representing 95% of the world's population, according to the extent to which they permit their citizens to be economically free
- Now a collaboration of Institutes in 90 nations and territories

# What is Economic Freedom



Individuals have economic freedom when property they acquire without the use of force, fraud, or theft is protected from physical invasions by others and they are free to use, exchange, or give their property as long as their actions do not violate the identical rights of others. An index of economic freedom should measure the extent to which rightly acquired property is protected and individuals are engaged in voluntary transactions.

**James Gwartney et al. 1996**

# **Components of the Economic Freedom of the World Index**

- Size of government and taxation
- Private property and the rule of law
- Sound money
- Trade regulation and tariffs
- Regulation of business, labour and capital markets

# **Talk about making a difference ...**



# Member Institutes of Economic Freedom of The World Network



Afghanistan Economic and Legal Studies Organization (AELSO), Afghanistan  
Albanian Center for Economic Research (ACER), Albania  
Fundación Libertad, Argentina  
Centre of Political, Legal and Economic Researches and Forecasting (PLERF), Armenia  
Institute of Public Affairs, Australia  
TIGRA®, Austria  
Center for Economic and Political Research, Azerbaijan  
The Nassau Institute, Bahamas  
Making Our Economy Right (MOER), Bangladesh  
Scientific Research Mises Center, Belarus  
Centre for the New Europe, Belgium  
Políticas Publicas para la Libertad (POPULI), Bolivia  
Instituto Liberal do Rio de Janeiro, Brazil  
Institute for Market Economics, Bulgaria  
Le Centre des Affaires Humaines (CEDAH), Burkina Faso  
The Cambodia Institute of Development Study, Cambodia  
Instituto Libertad y Desarrollo, Chile  
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Instituto para la Libertad y el Análisis de Políticas, Costa Rica  
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The Institute of Economics, Croatia  
Liberální Institut, Czech Republic  
Center for Politiske Studier (CEPOS), Denmark  
Fundación Economía y Desarrollo Inc, Dominican Republic  
Instituto Ecuatoriano de Economía Política, Ecuador  
Institut Economique Molinari, France  
Society for Disseminating Economic Knowledge: New Economic School, Georgia

Liberales Institut, Germany  
The Institute of Economic Affairs, Ghana  
Centro de Investigaciones Económicas Nacionales, Guatemala  
InafEcon-Institute of African Economics, Guinea  
Institut de Recherche pour la Liberté Economique et la Prospérité (IRLEP), Haiti  
Centro de Investigaciones Economicas y Sociales (CIES), Honduras  
Hong Kong Centre for Economic Research, Hong Kong  
Szazadveg Foundation, Hungary  
Centre for Social and Economic Research (RSE), Iceland  
Centre for Civil Society, India  
The Institute for Development of Economics and Finance, Indonesia  
Open Republic Institute, Ireland  
Jerusalem Institute for Market Studies, Israel  
Centro Einaudi, Italy  
Young Entrepreneurs Association, Jordan  
Central Asian Free Market Institute, Kazakhstan  
African Research Center for Public Policy and Market Process, Kenya  
Center for Free Enterprise, Korea  
Group for Legal and Political Studies, Kosovo  
Economic Policy Institute-Bishkek Consensus, Kyrgyz Republic  
Lithuanian Free Market Institute, Lithuania  
D'Letzeburger Land, Luxembourg  
Institute for Democracy and Economic Affairs (IDEAS), Malaysia  
Centro de Investigación para el Desarrollo A.C., Mexico  
Open Society Forum, Mongolia  
The Center for Entrepreneurship and Economic Development, Montenegro  
The Prosperity Foundation, Nepal  
The New Zealand Business Roundtable, New Zealand

Initiative for Public Policy Analysis, Nigeria  
Center for Business and Society Incorporated (Civita), Norway  
International Research Foundation (IRF), Oman  
Alternate Solutions Institute, Pakistan  
Pal-Think for Strategic Studies, Palestine  
Fundación Libertad, Panama  
Centro de Investigación y Estudios Legales (CITEL), Peru  
The Center for Research and Communication, Philippines  
Centrum im. Adama Smitha, Poland  
Causa Liberal, Portugal  
Romania Think Tank, Romania  
Institute of Economic Analysis, Russia  
Free Market Center (FMC), Serbia  
The F.A. Hayek Foundation, Slovak Republic  
The Free Market Foundation of Southern Africa, South Africa  
Fundacio Catalunya, Spain  
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Arthur Lok Jack Graduate School of Business, The University of the West Indies, Trinidad and Tobago  
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The Institute of Economic Affairs (IEA), United Kingdom  
CATO Institute, USA  
The Centre for the Dissemination of Economic Knowledge (CEDICE), Venezuela  
Research Center for Entrepreneurship Development, Vietnam  
Zambia Institute for Public Policy Analysis (ZIPPA), Zambia

# Why is Economic Freedom Important?

- Economic rights are fundamental rights in the sense that without them there can be no political freedom or civil freedoms
- They are a prerequisite for growth and development
- They are a prerequisite for broader human development

# **The impact on prosperity and development**

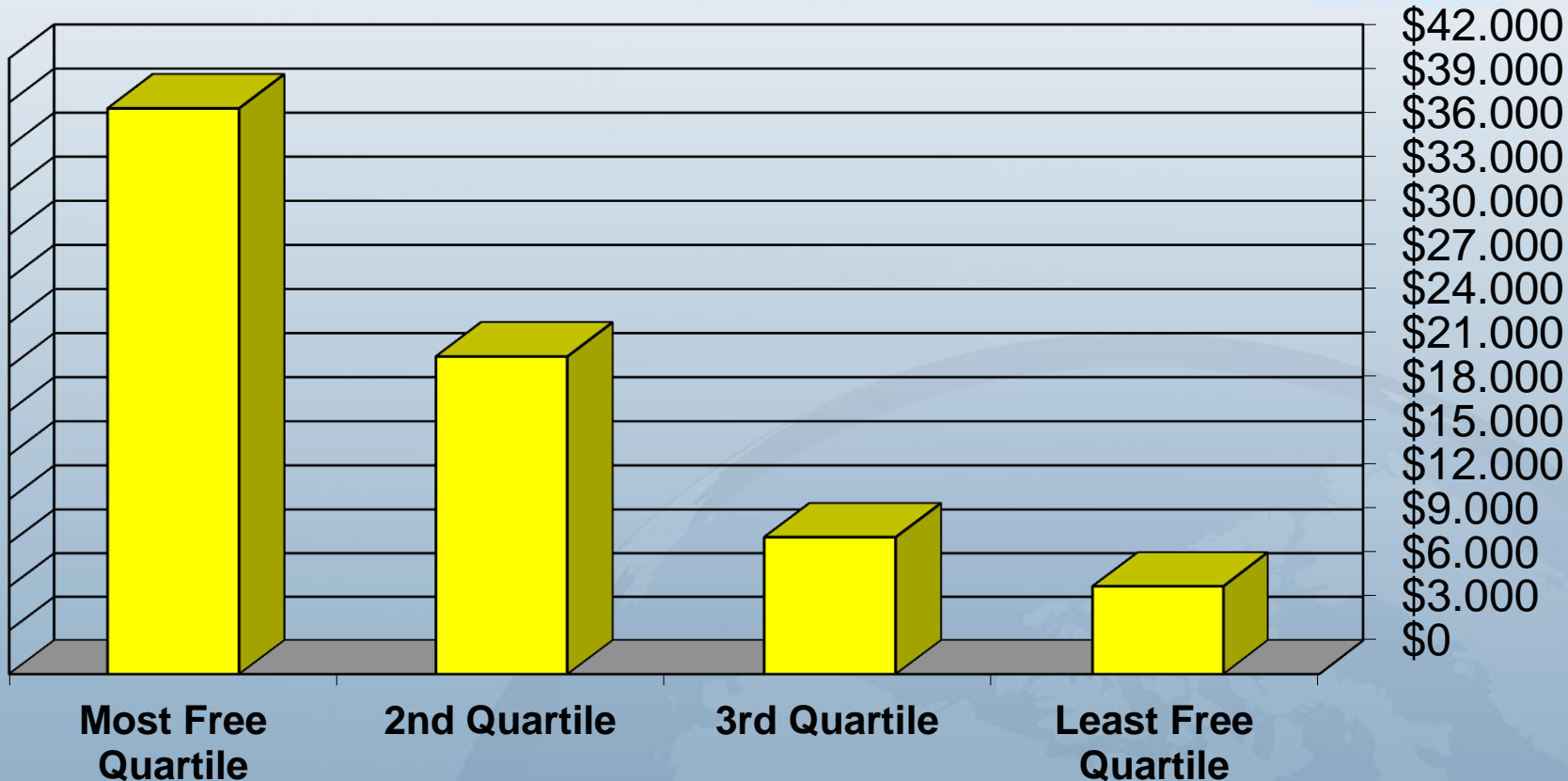
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# Per Capita Income and Economic Freedom Quartile

(constant 2011 international \$), 2015

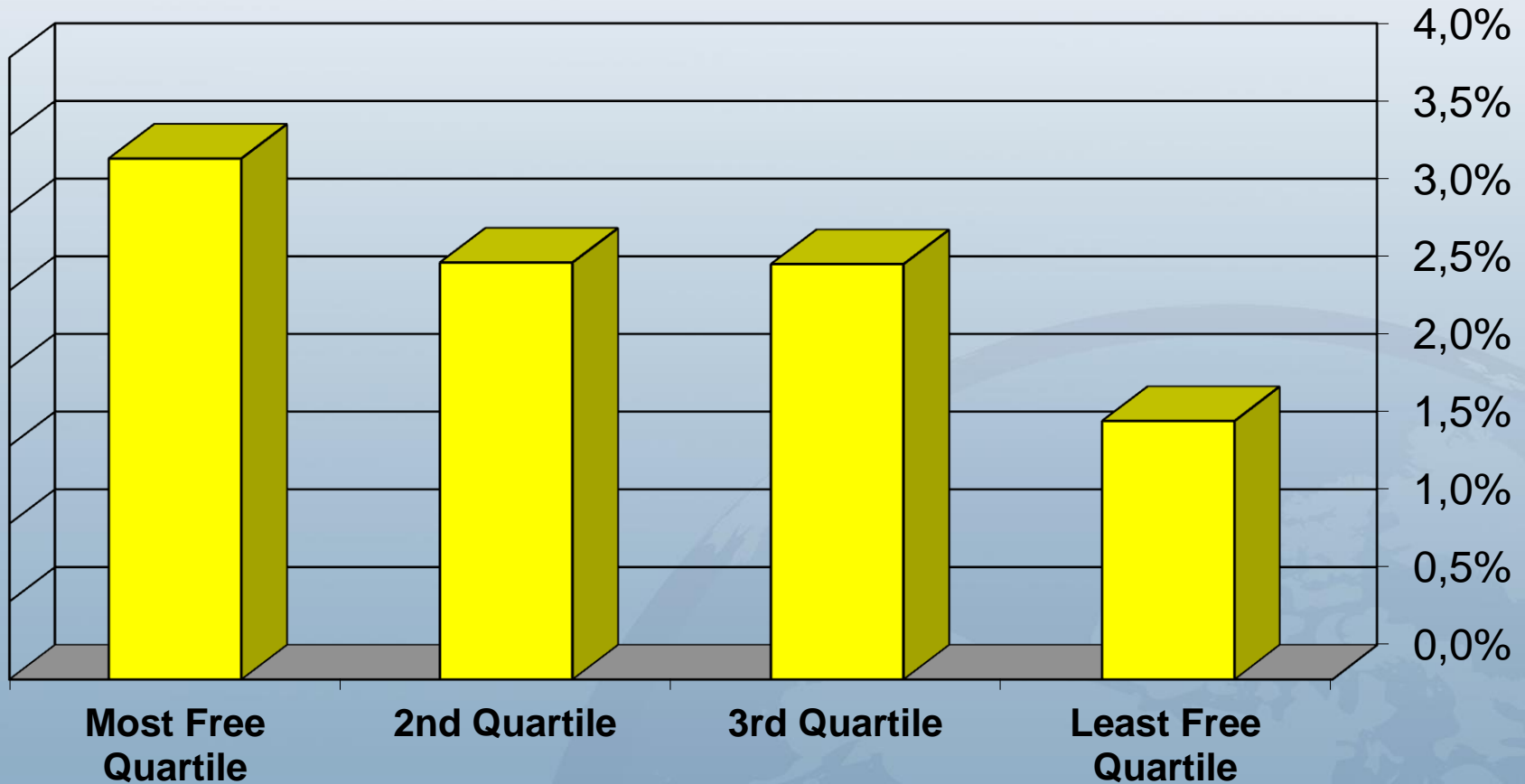


PPP constant 2011  
international \$



**Most Free ..... Least Free**

# Per Capita GDP Growth

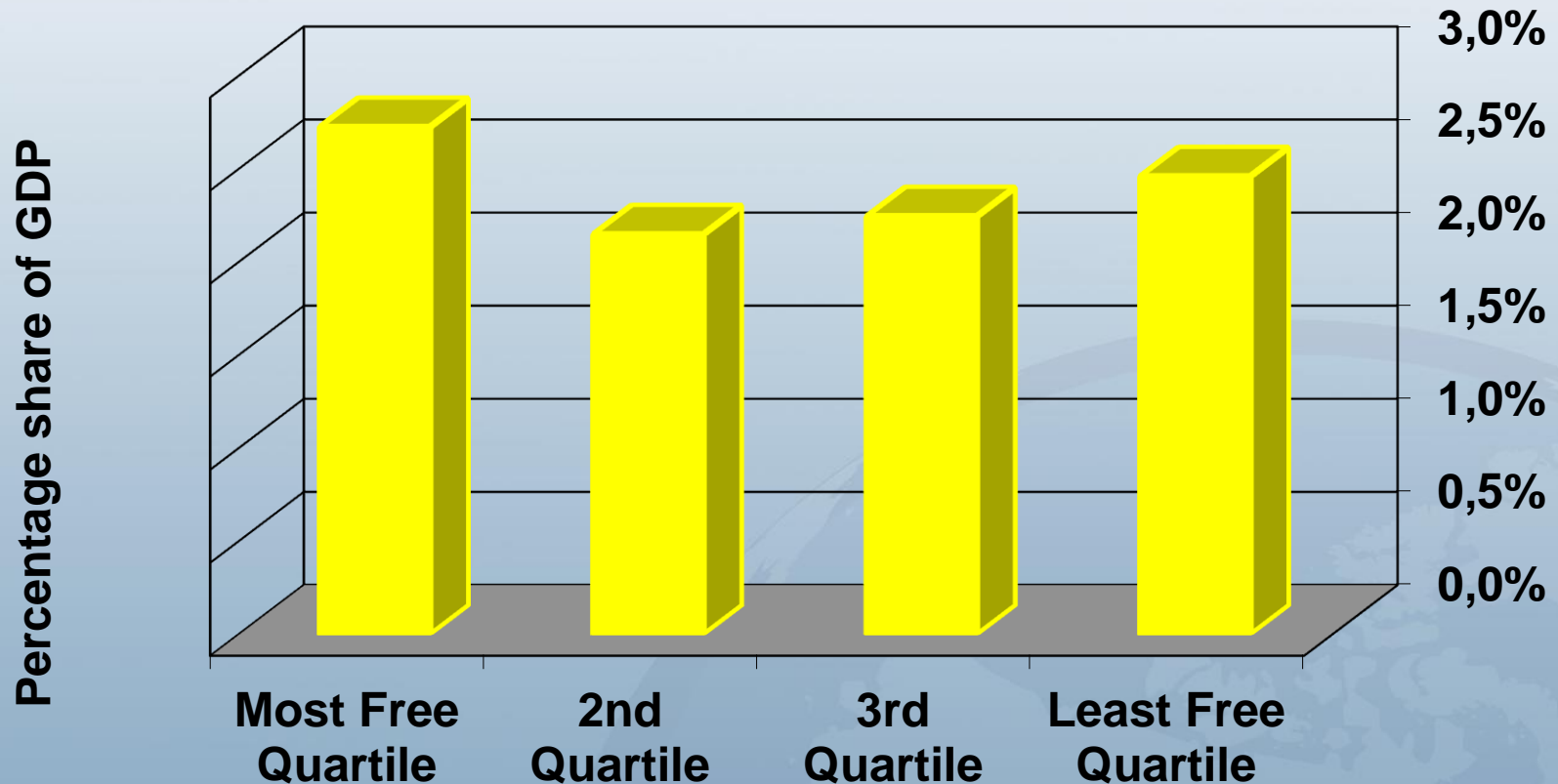


**Most Free ..... Least Free**

# **Economic Freedom, the Poor, and Inequality**

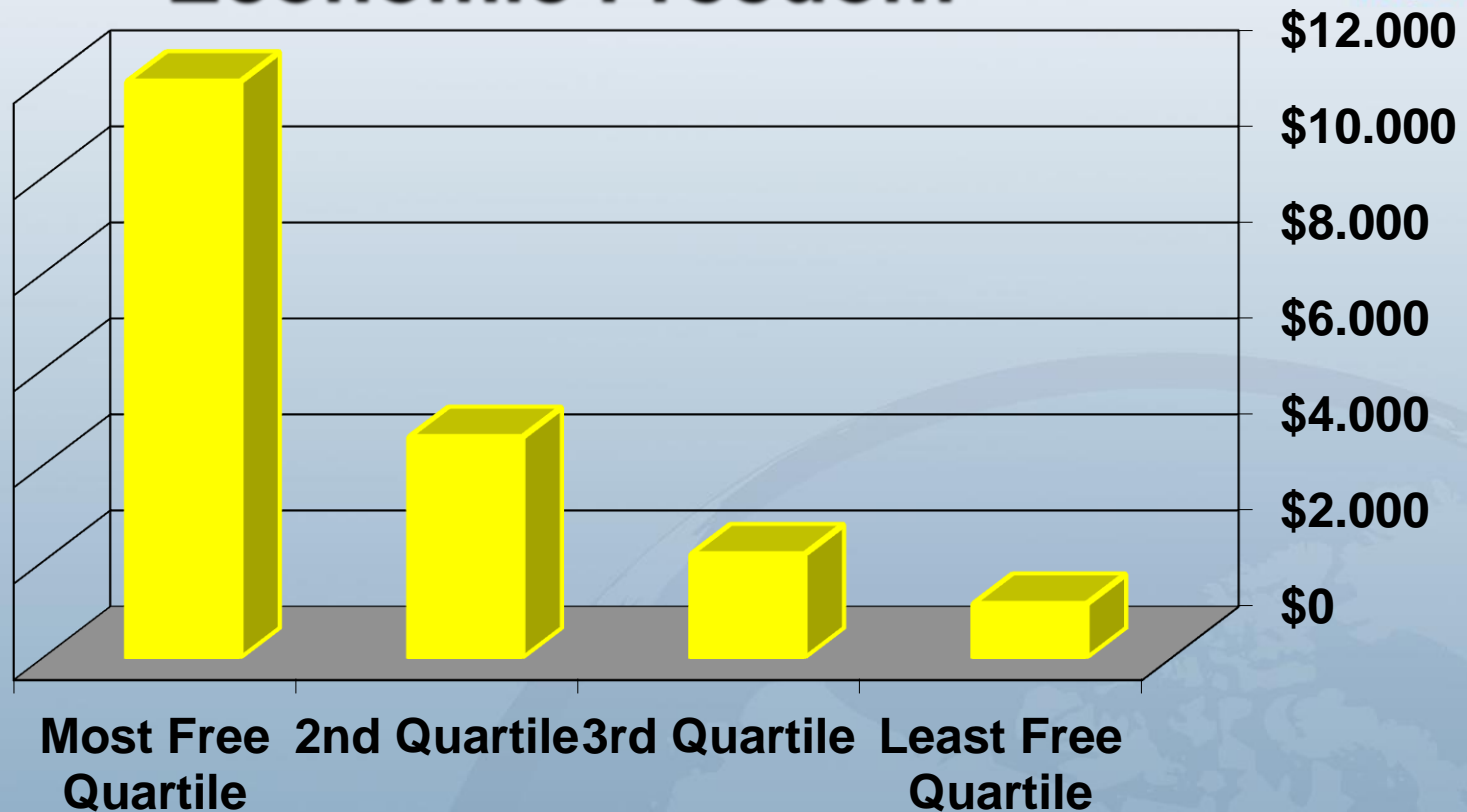
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# Income Share of the Poorest 10% and Economic Freedom



**Most Free ..... Least Free**

# Income of the Poorest 10% and Economic Freedom



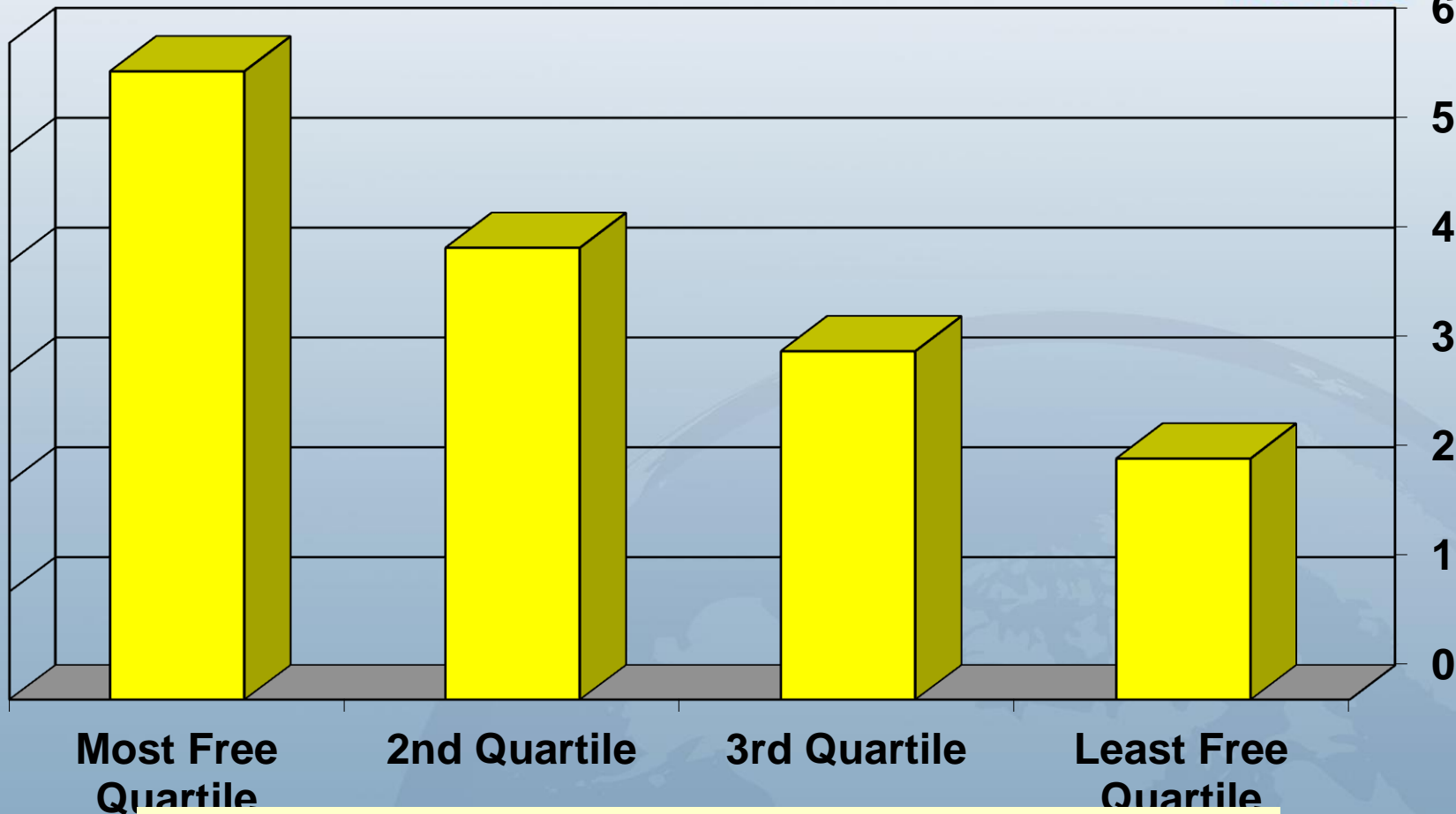
**Most Free ..... Least Free**

# ***Economic Freedom, Governance, and Democracy***

A faint, light blue background image of a globe, showing the continents of North and South America.

# Economic Freedom and Political Rights

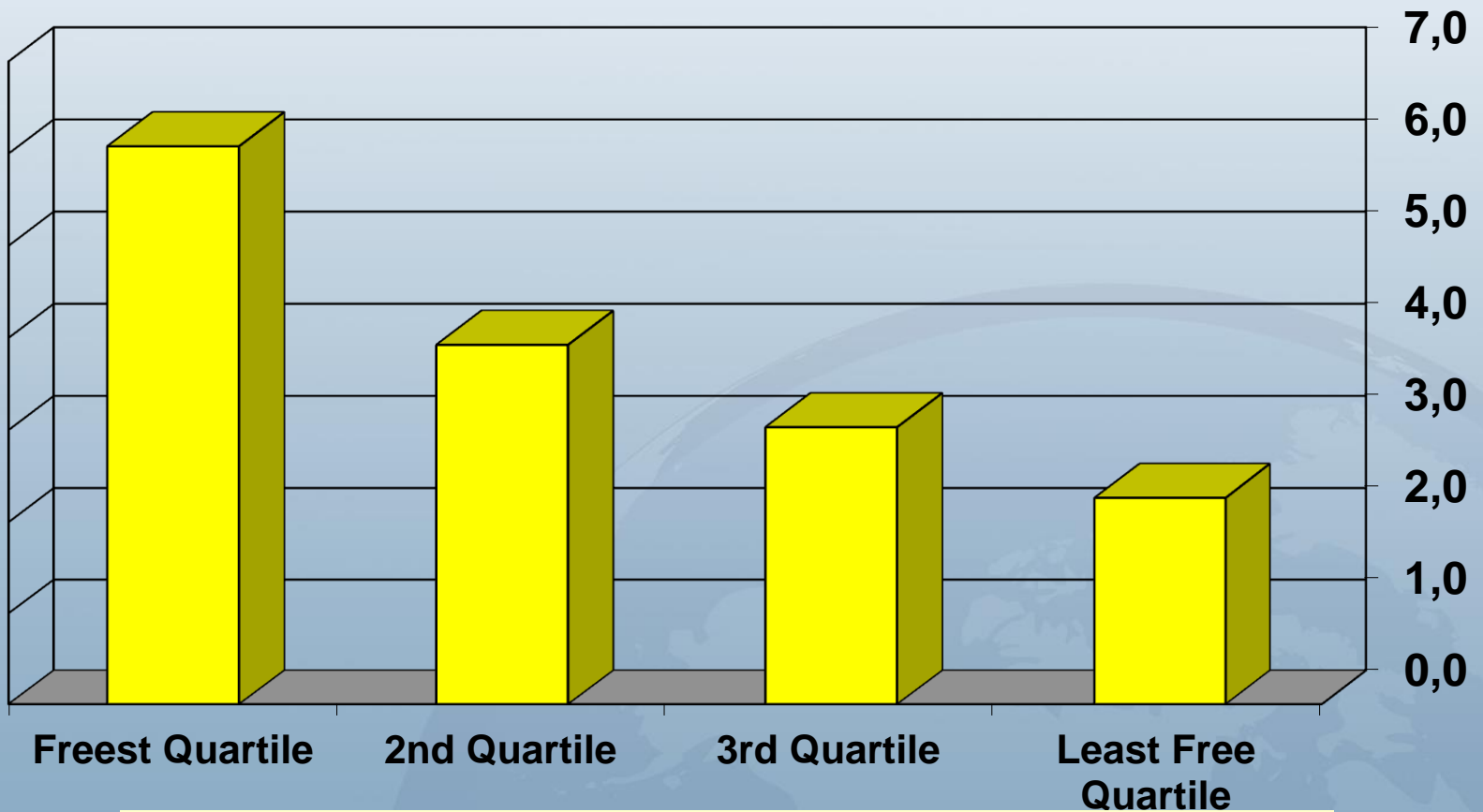
Political Rights  
(out of 10)



**Most Free ..... Least Free**

# Economic Freedom and Civil Rights

Civil Liberties  
(out of 10)

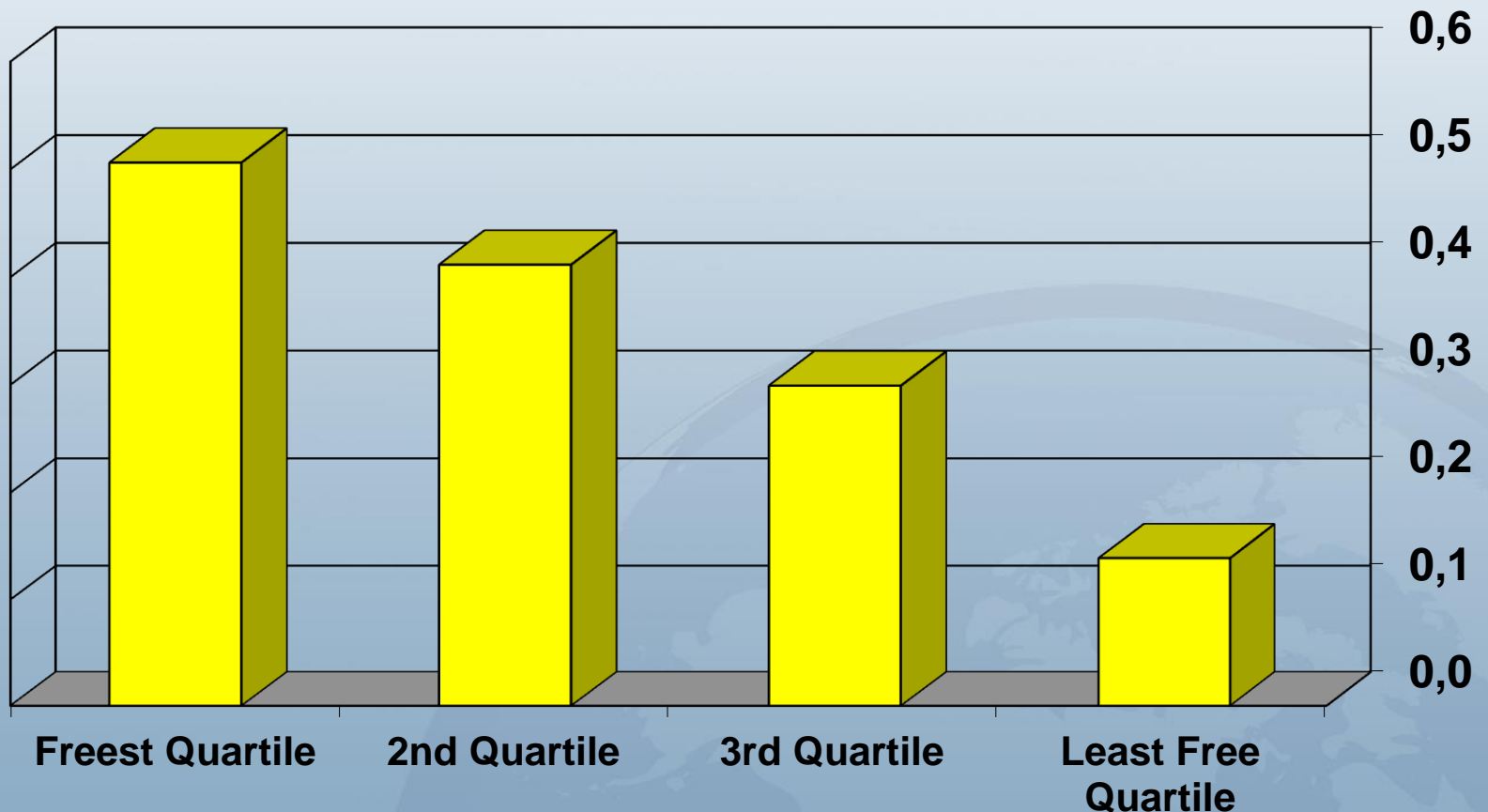


**Most Free ..... Least Free**

# ***The impact of Economic Freedom on other indicators of well-being***

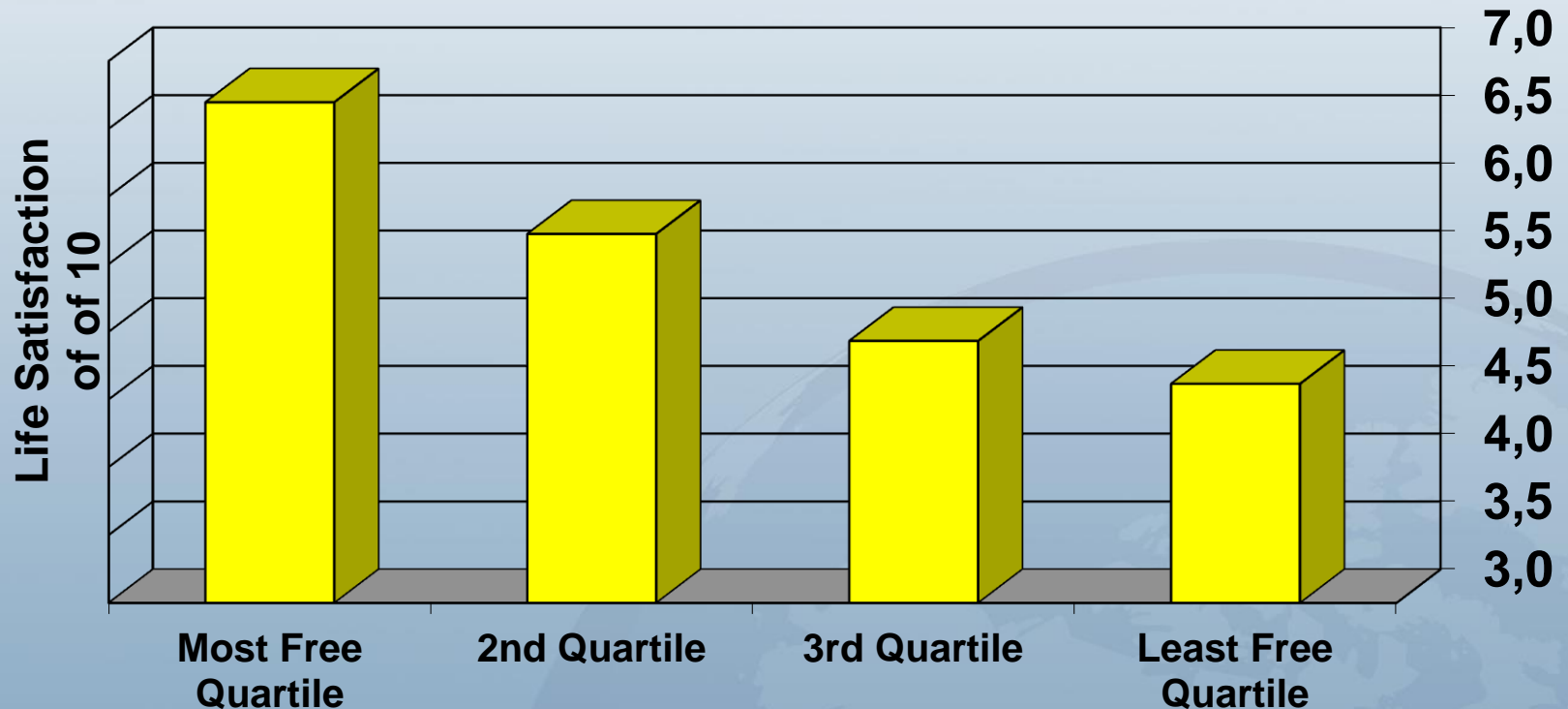
A faint, light blue world map is visible in the background, showing the continents of North and South America.

# UN Gender Inequality Index



**Most Free ..... Least Free**

# Economic Freedom and Life Satisfaction



**Most Free ..... Least Free**

# **Economic Freedom**

- Increases prosperity for all
- Reduces poverty
- Increases other freedoms
- Improves quality of life

A faint, light blue background image of a globe showing the continents of North and South America.

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