

# **Creating Prosperity Through Economic Freedom**

A faint, light blue world map is visible in the background, centered behind the title text.



# Why Economic Freedom is Important

## Background

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# **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



# What is the Economic Freedom of the World Index?



- An annual compilation of data representing factors which make a country economically free.
- Launched with a decade long research project in the mid-1980s, led by then Fraser Executive Director Michael Walker and Milton and Rose Friedman with active participation of Walter Block and Alvin Rabushka
- Authors: James Gwartney, Robert Lawson, Joshua Hall, and Ryan Murphy.
- A compendium of 42 government policies affecting economic freedom based on objective data or independent surveys.
- The survey includes a Gender Disparity Adjustment variable to recognize that women too often do not have the same level of freedom as men.
- A ranking of 161 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 nearly 100 nations and territories.



# 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



# **Economic Freedom Benefits in the Real World**

The Impact of  
Economic Freedom



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# The Age of Global Free Trade, Free Market Economies, and Economic Freedom Have Brought Huge Benefits to Humankind



# **The human condition has improved immensely**

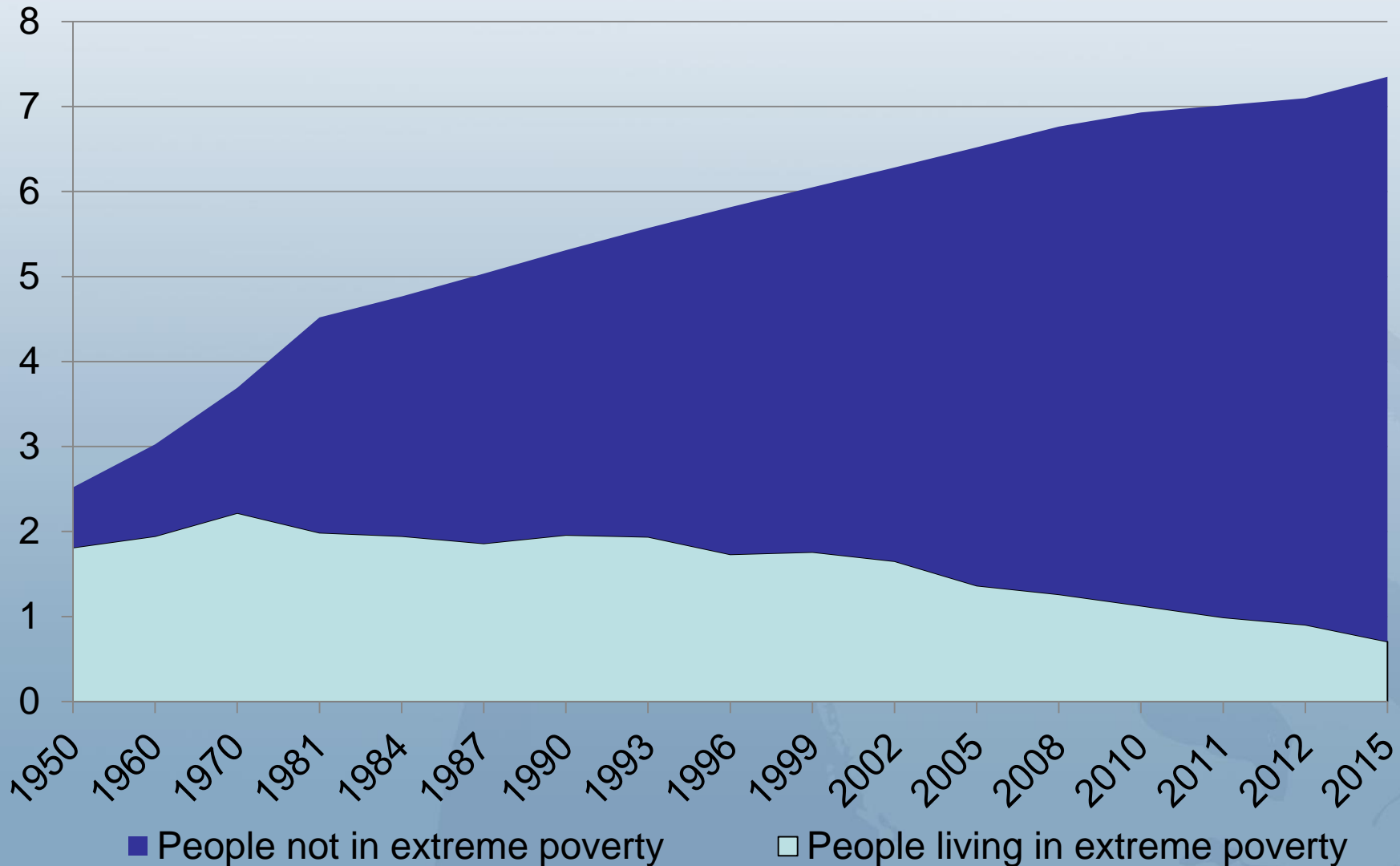
**But the gains were most achieved by  
those living in economically free areas**

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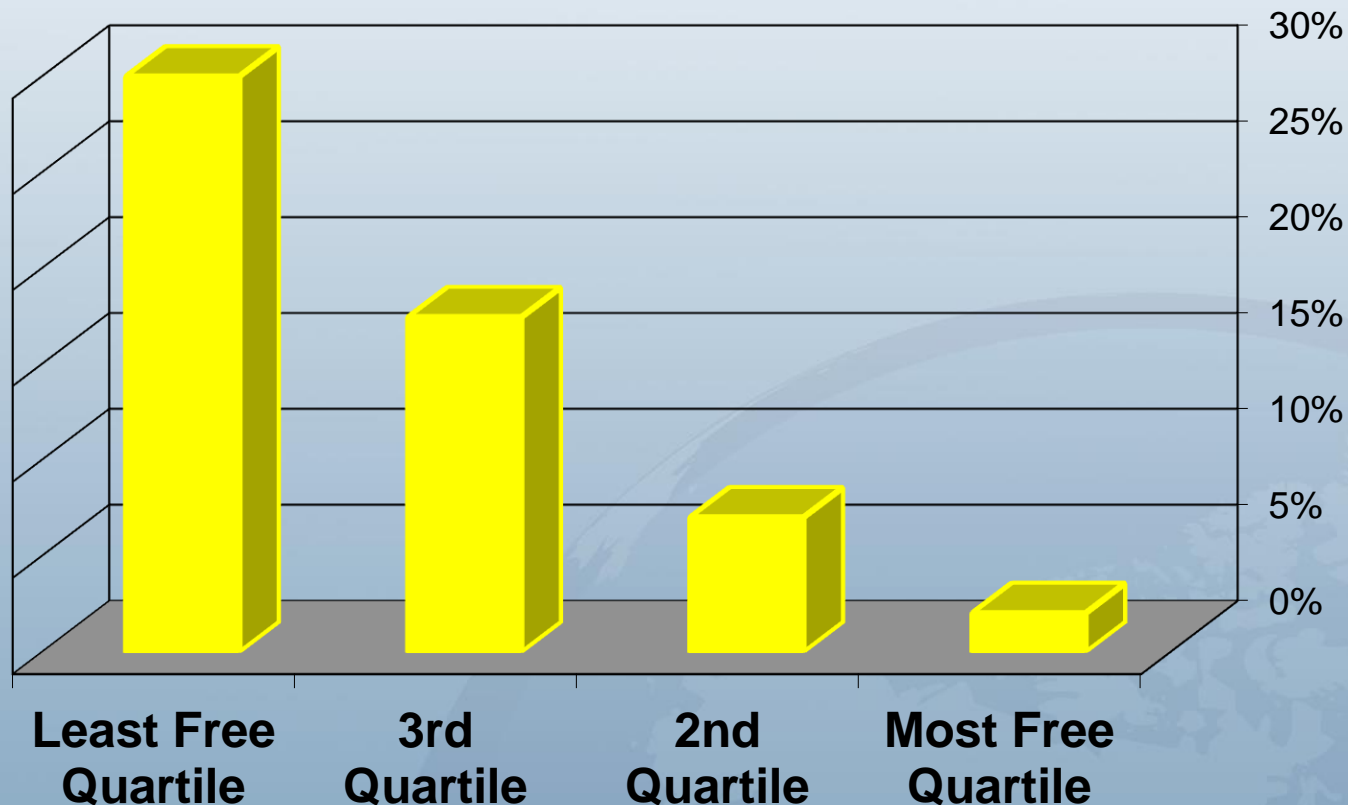
# Escape from Global poverty

Billions





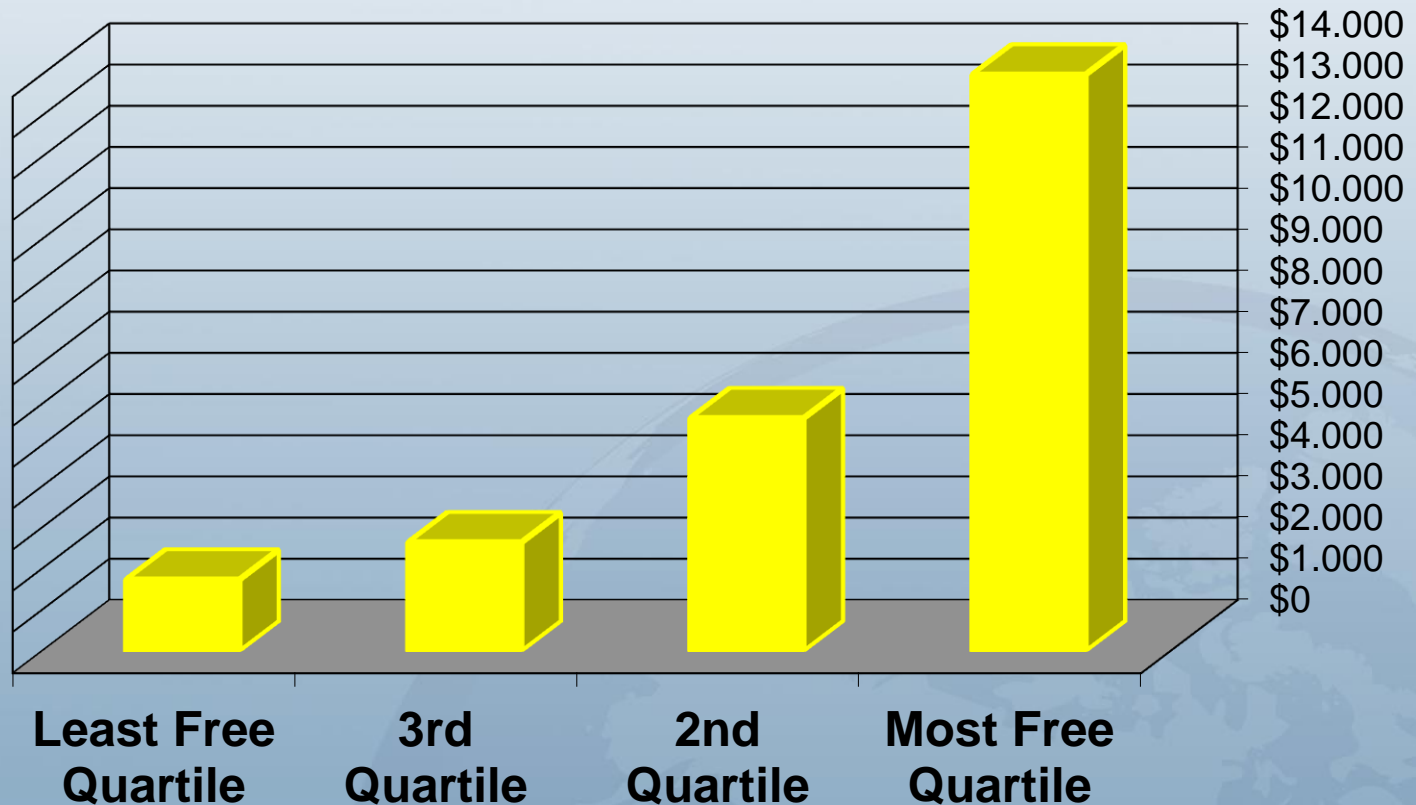
# Extreme poverty headcount ratio at \$1.90 a day (PPP) (% of population)



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



# Income of the Poorest 10% and Economic Freedom (PPP)

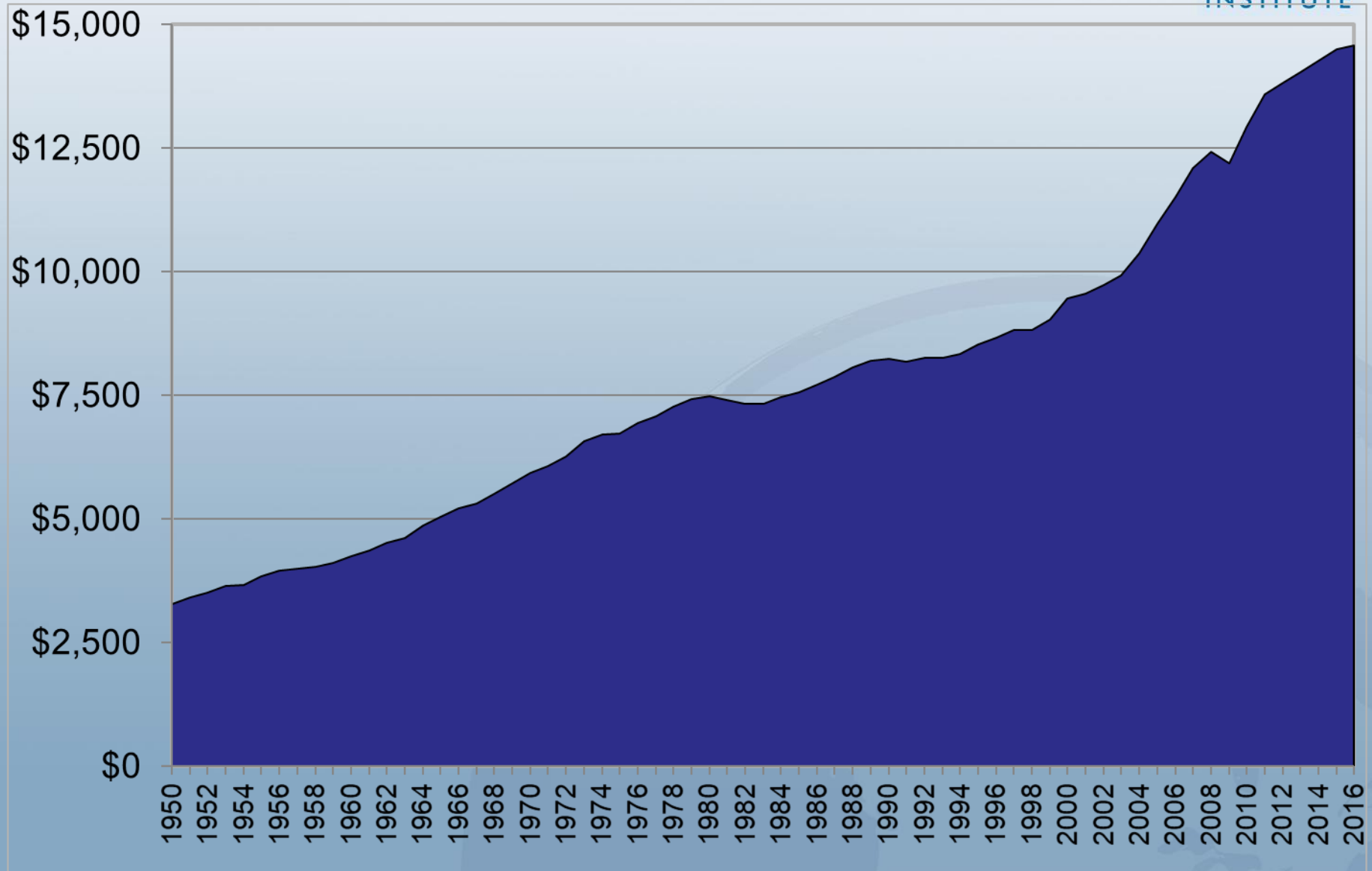


**Least Free ..... Most Free**



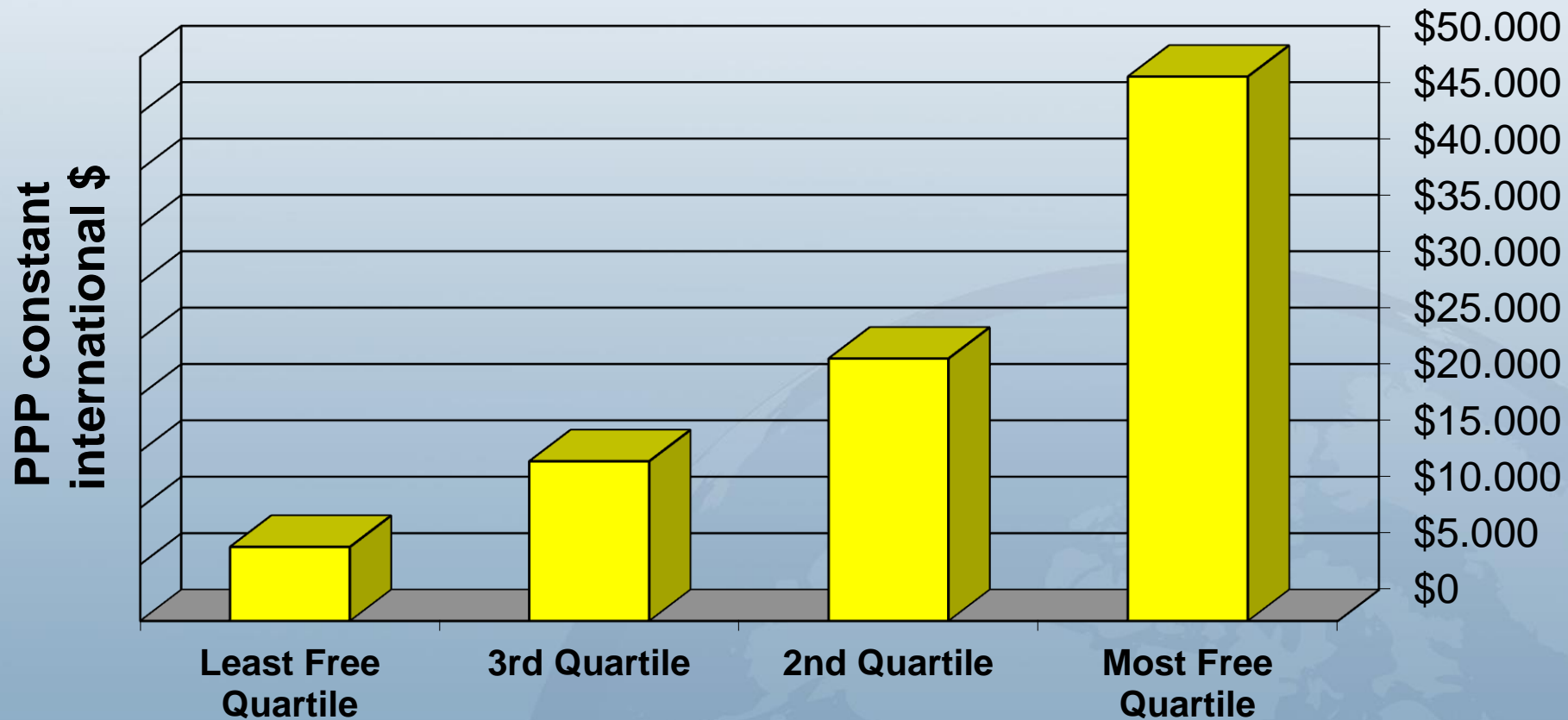
# Global Per capita GDP

Constant US\$





# Per Capita Income and Economic Freedom Quartile

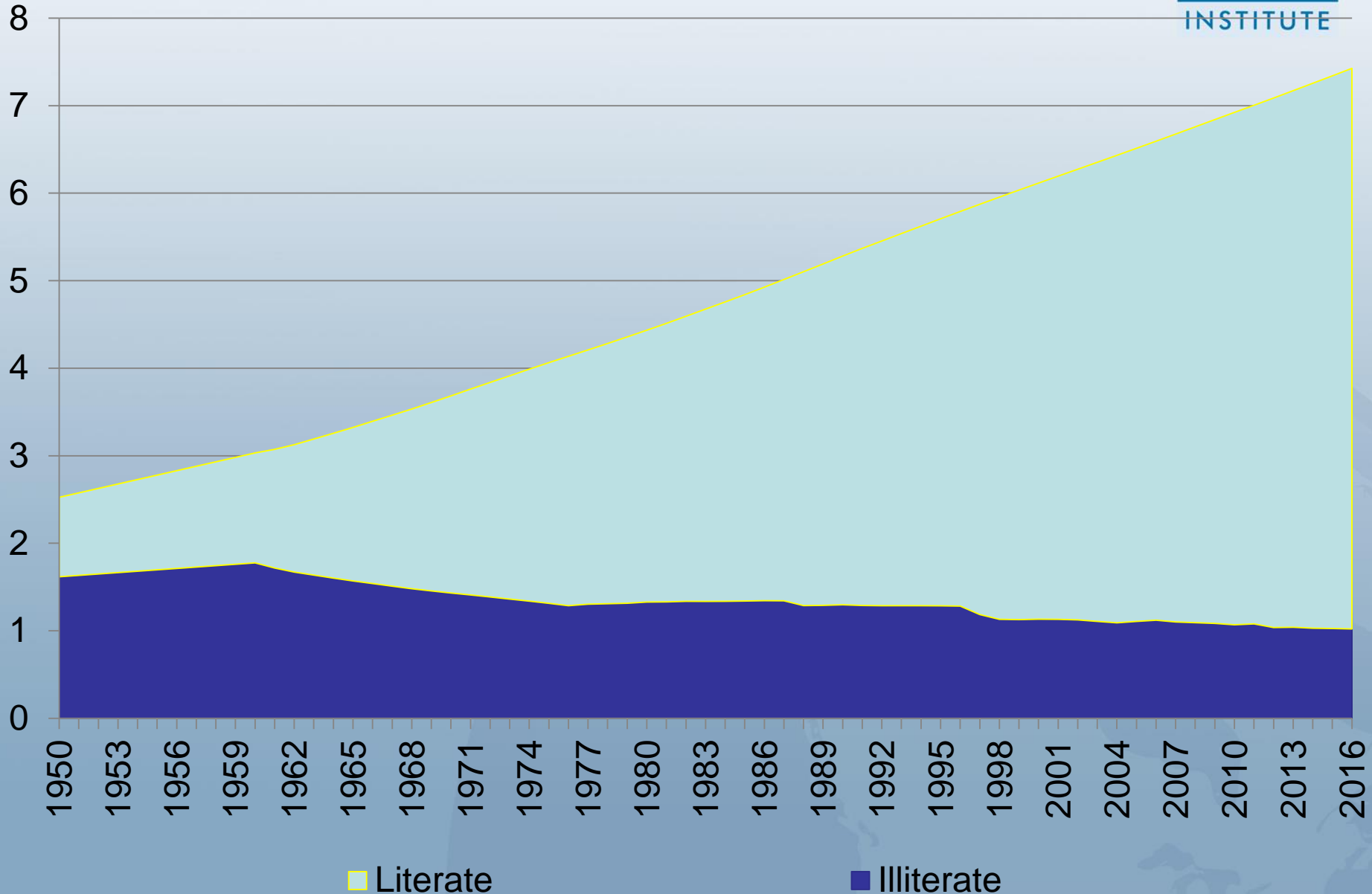


**Least Free ..... Most Free**



# Literacy: Billions

Billions





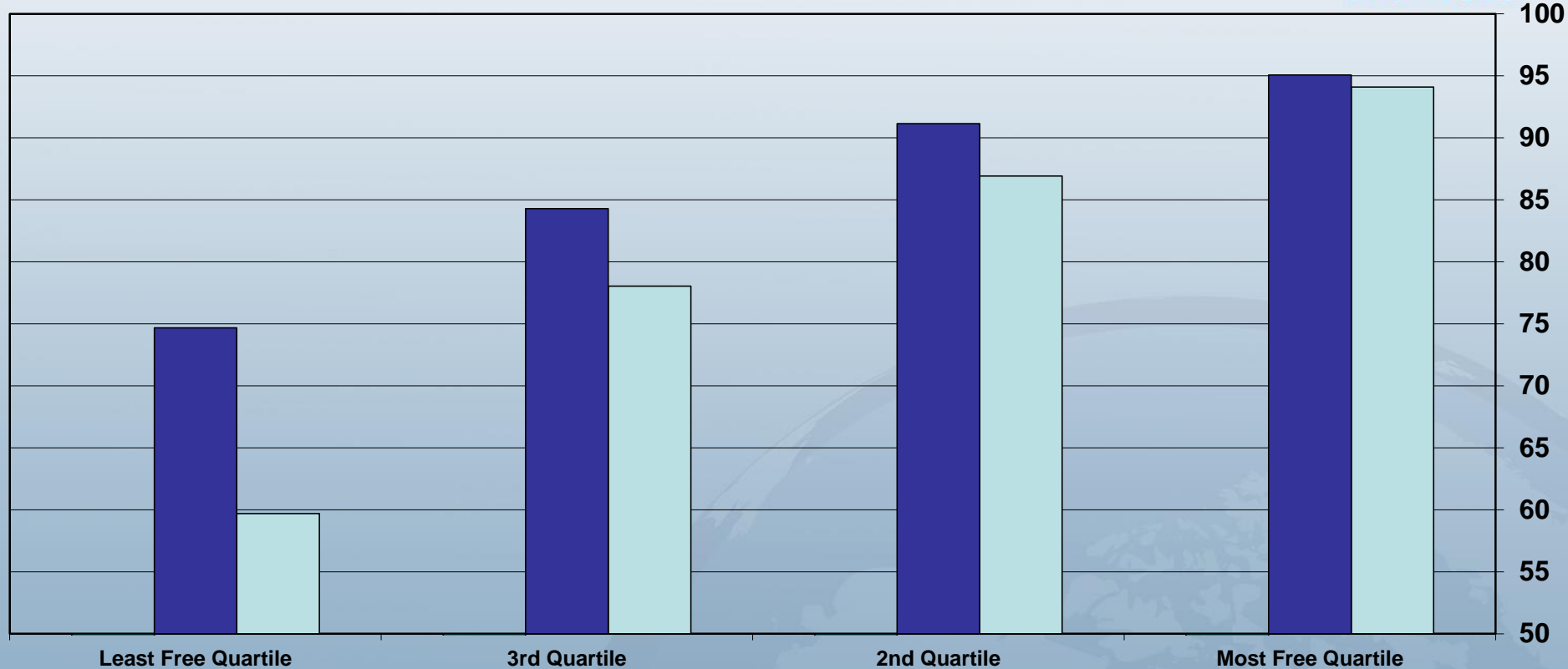
# Literacy (% of population)



**Male**



**Female**

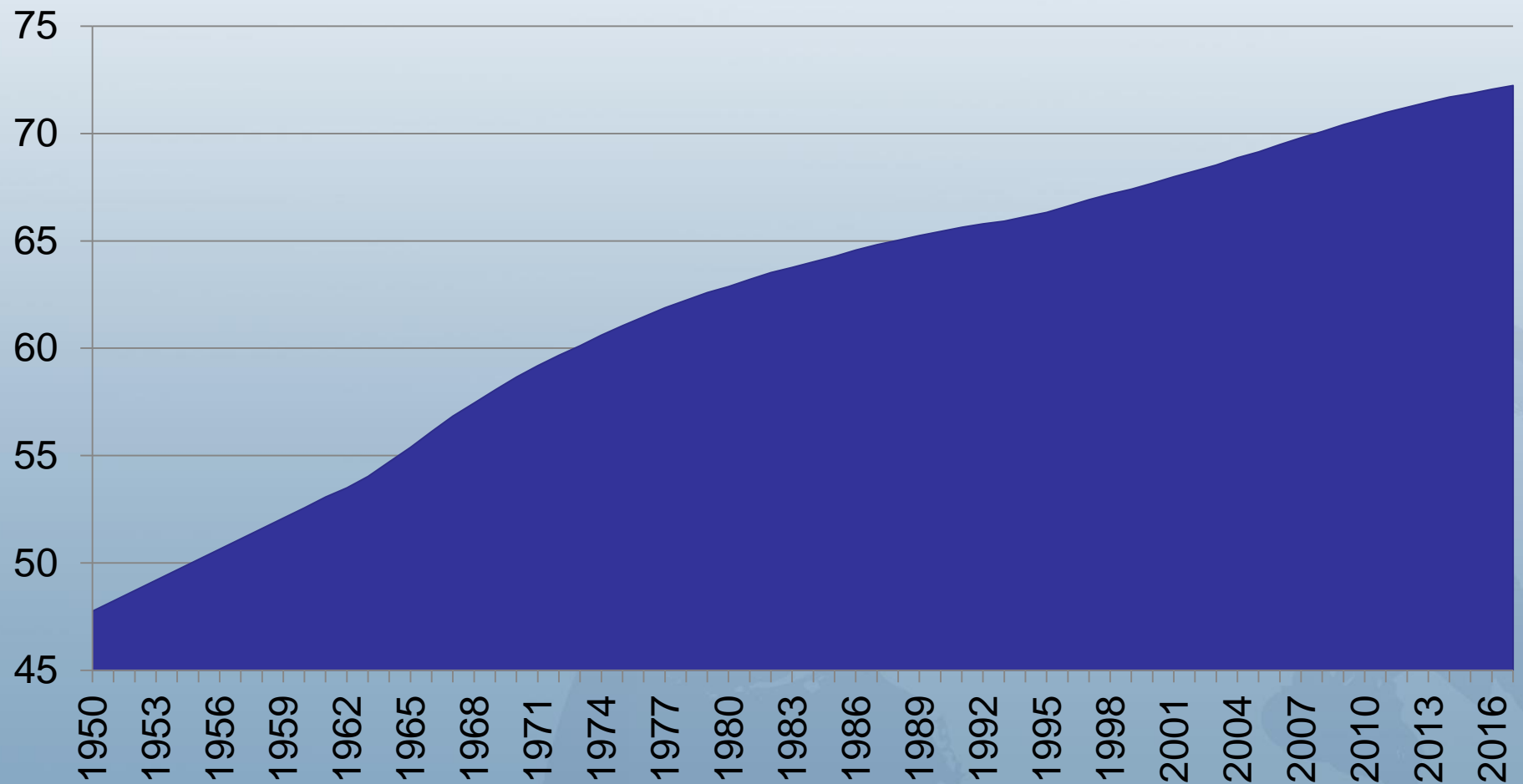


**Least Free ..... Most Free**

Sources: The Fraser Institute; World Development Indicators 2013



# Life Expectancy: Years





# Life expectancy at birth

82

77

72

67

62

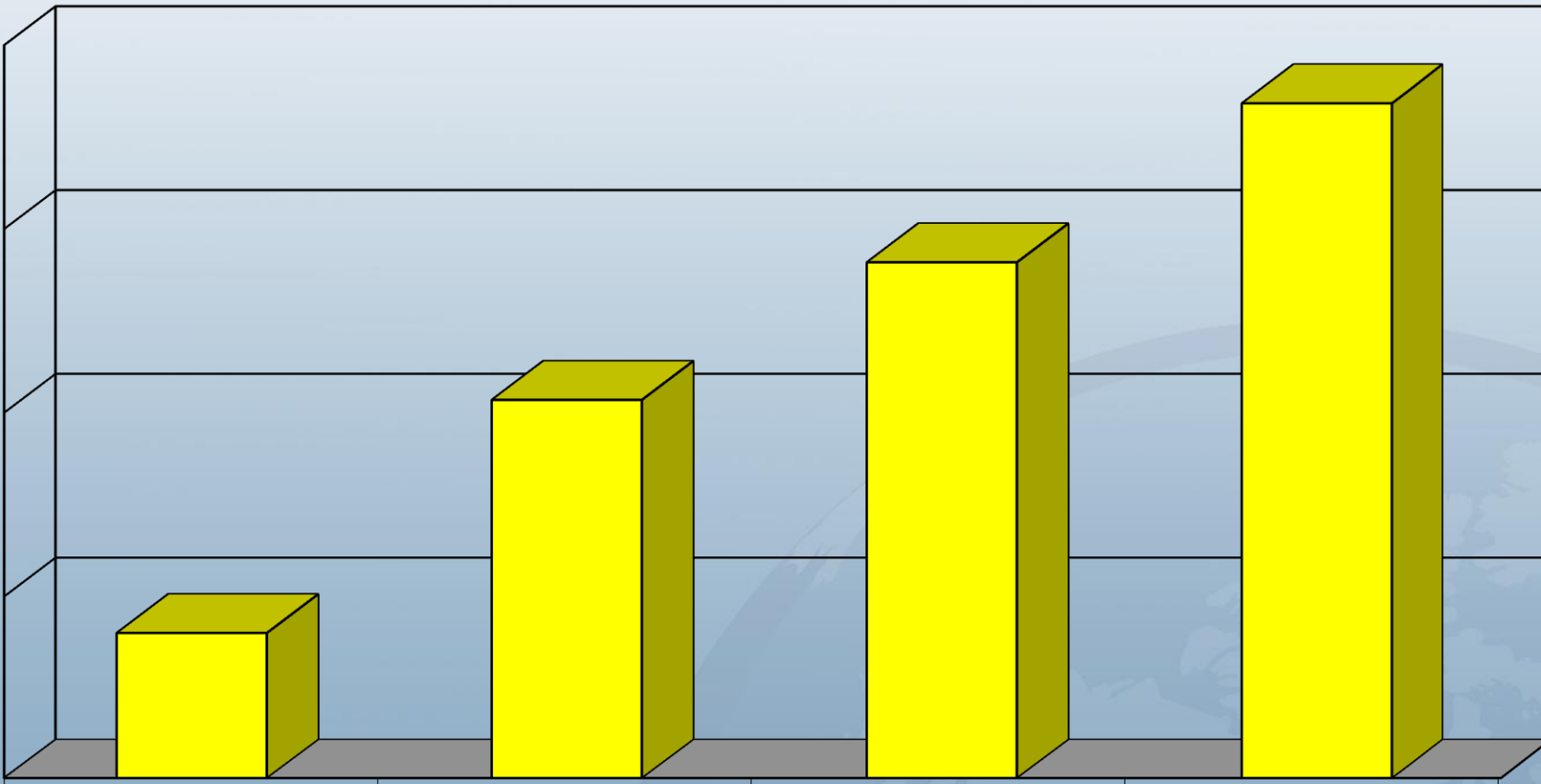
Least Free  
Quartile

3rd Quartile

2nd Quartile

Freest Quartile

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





Not just due to time

Economically Free Jurisdictions  
have Gained  
the Greatest Benefits



# Not just due to time: 2

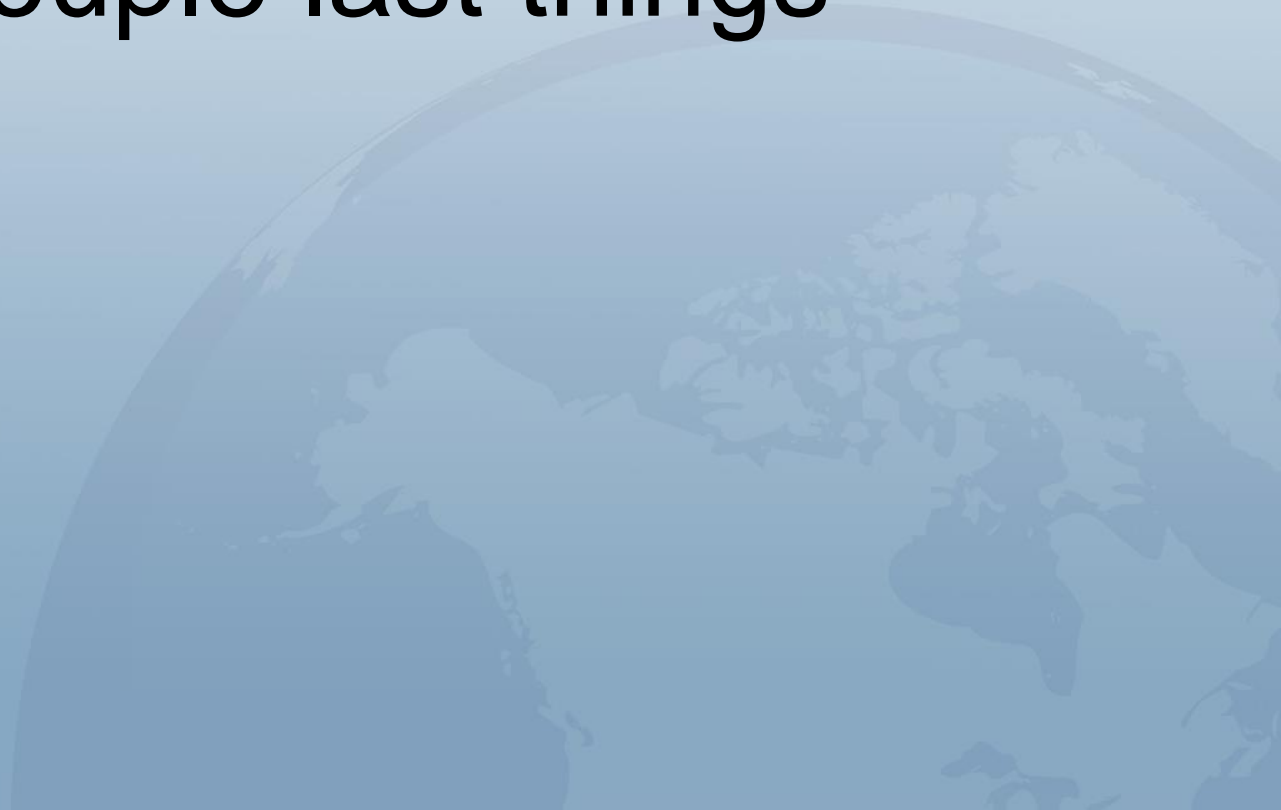
## For Example



- In the economically freest nations, the top quarter, only 2% of the population live in extreme poverty (\$1.90 a day) compared to 31% in extreme poverty in the quarter least free nations.
- In the freest nations, the average income of the poorest 10% is \$14,204 (purchasing power parity adjusted US\$) annually compared to \$1,736 in the least free nations.
- Average per capita GDP in the freest nations is \$48,251 compared to \$6,542 in the least free nations.
- Life expectancy is 80 years in the freest nations compared to 66 in the least free nations.



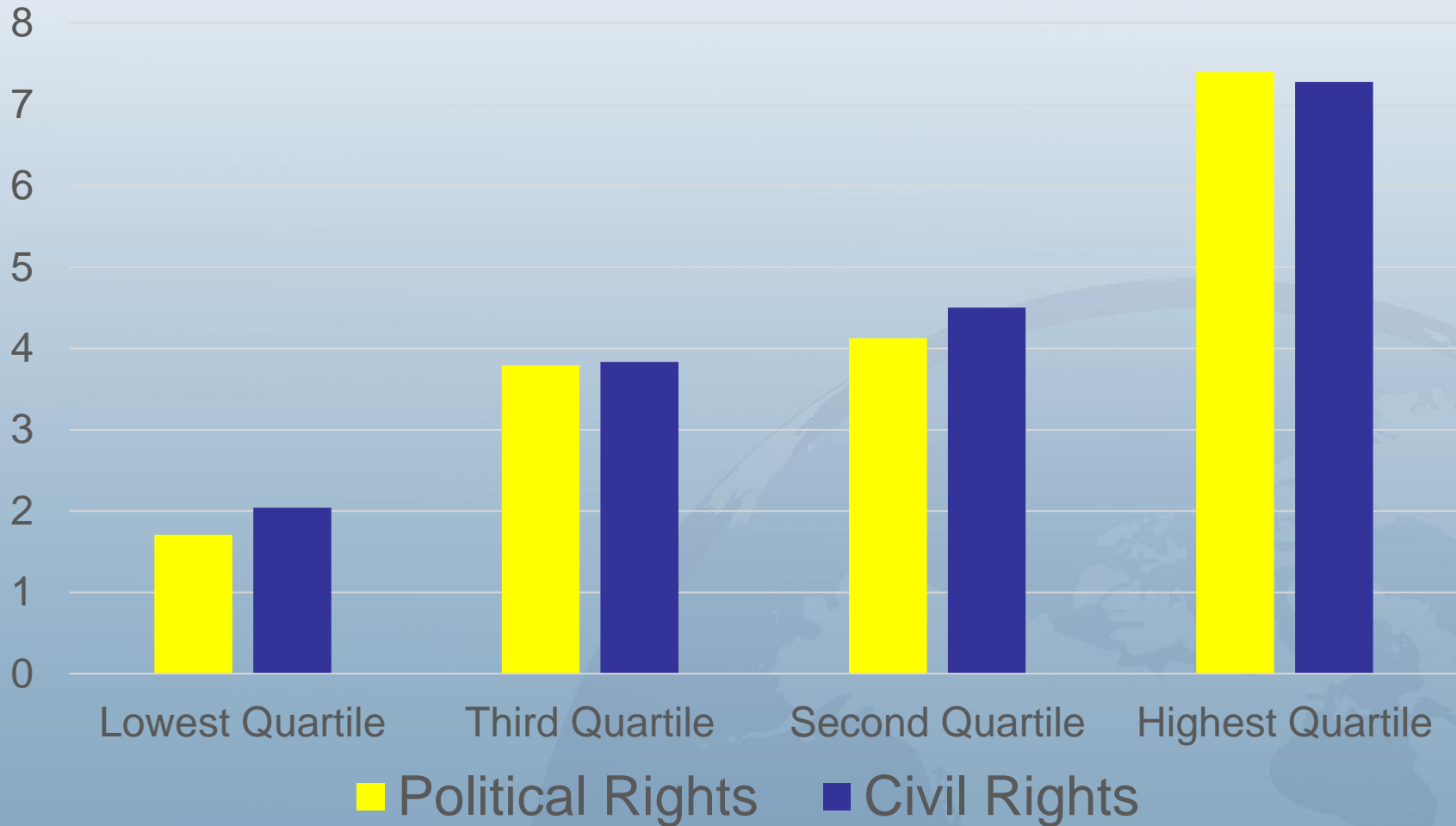
# A couple last things





# Political and Civil Rights

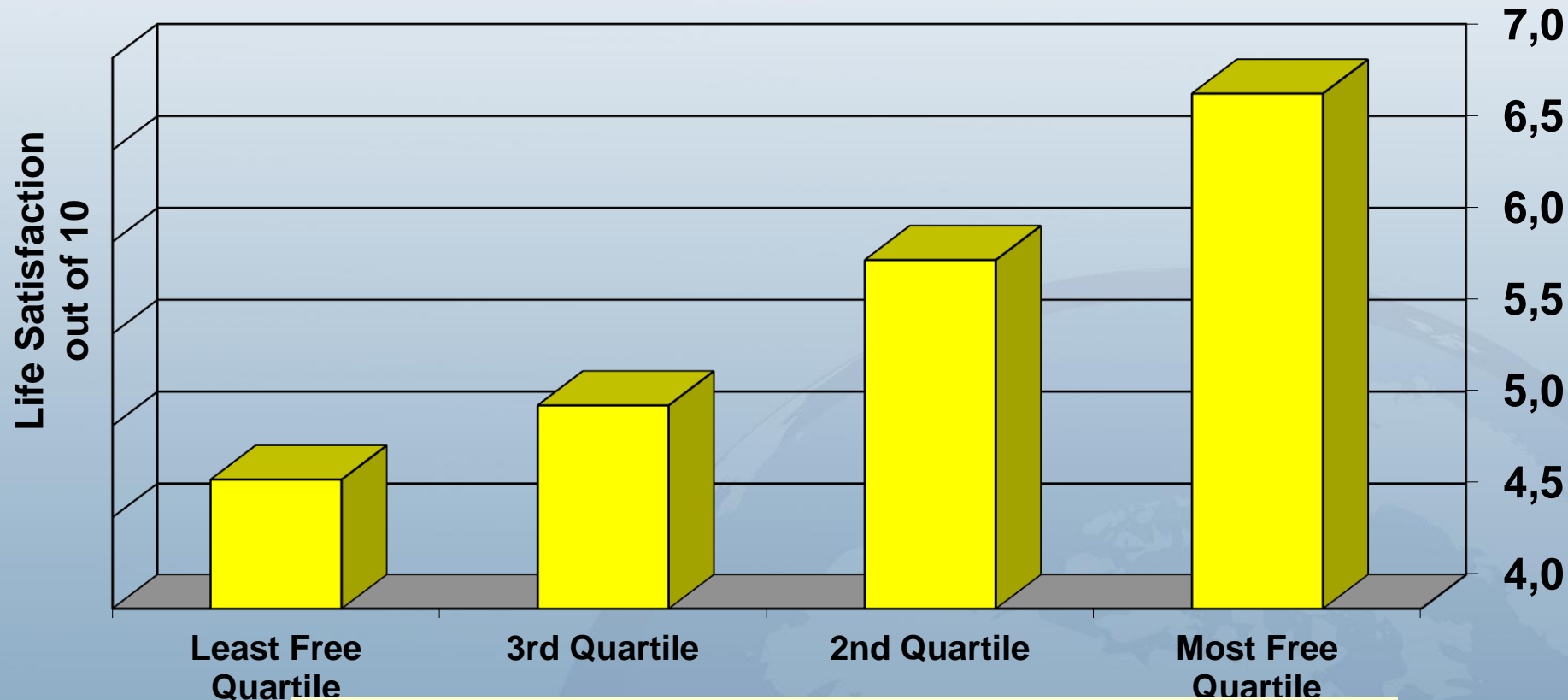
## 0 – 10 scale



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



# Economic Freedom and Life Satisfaction/Happiness



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



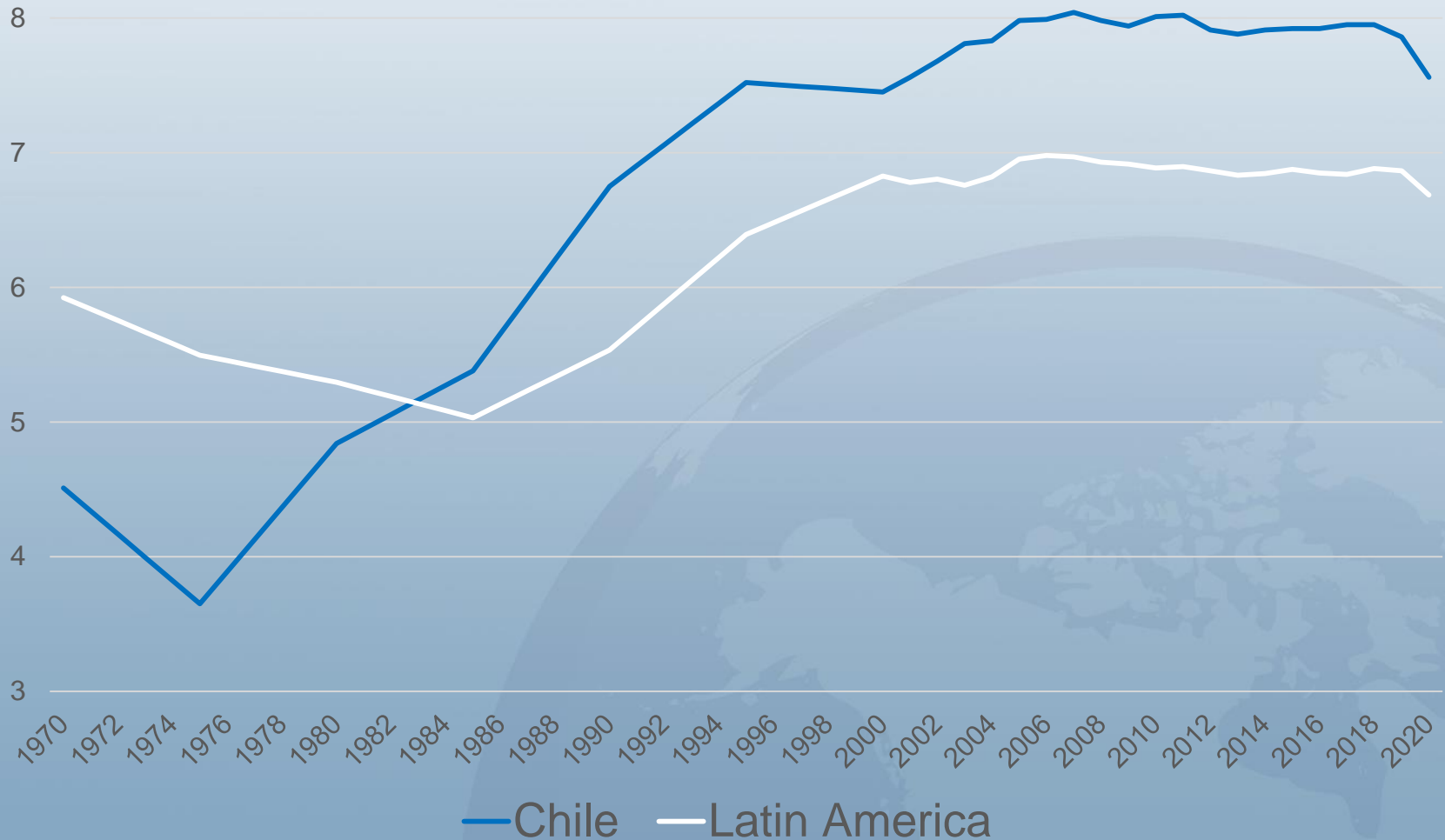
# Rocket Nations

Economic Freedom has  
Propelled Prosperity  
on Every Continent

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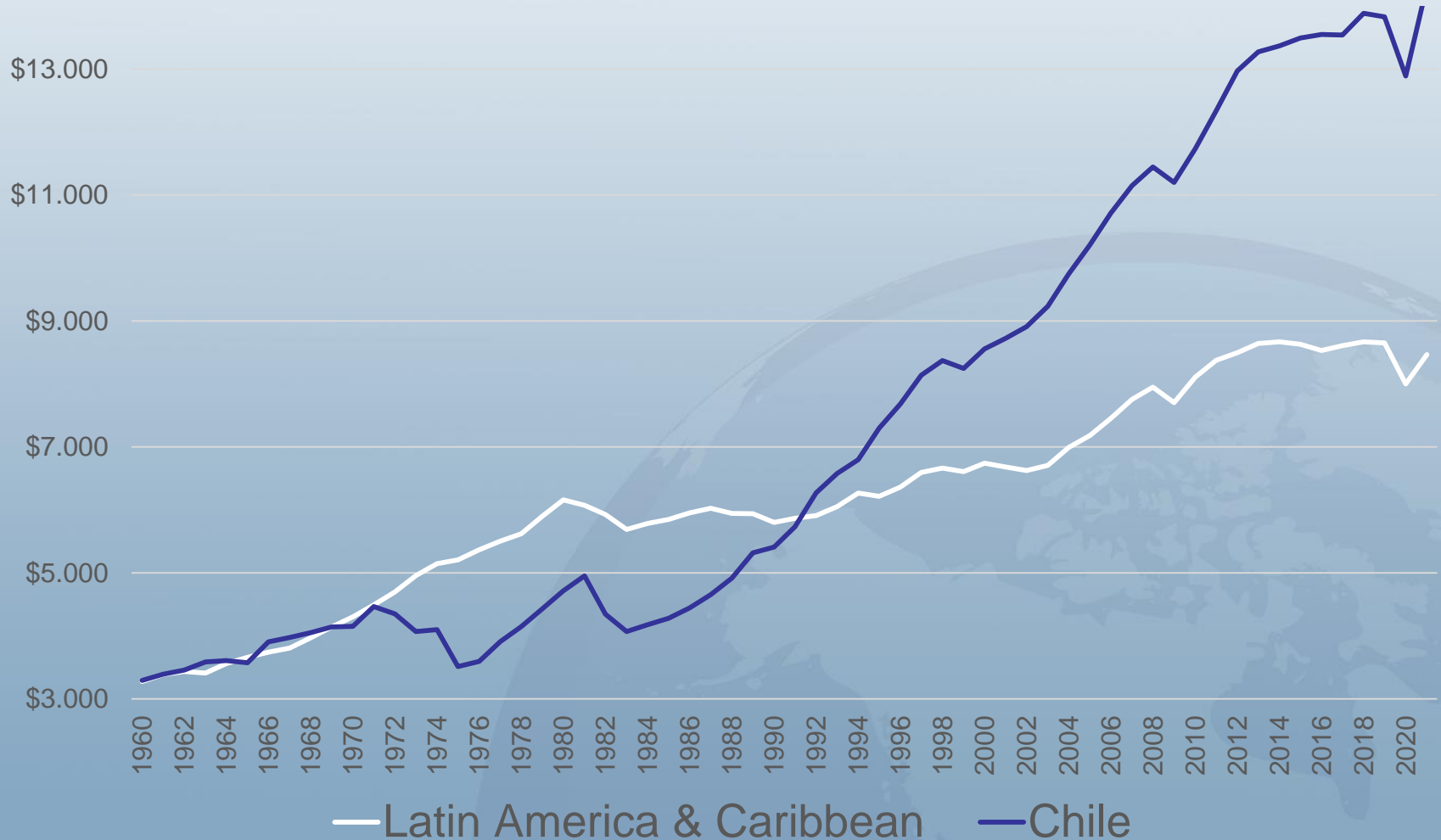


# Economic Freedom Scores



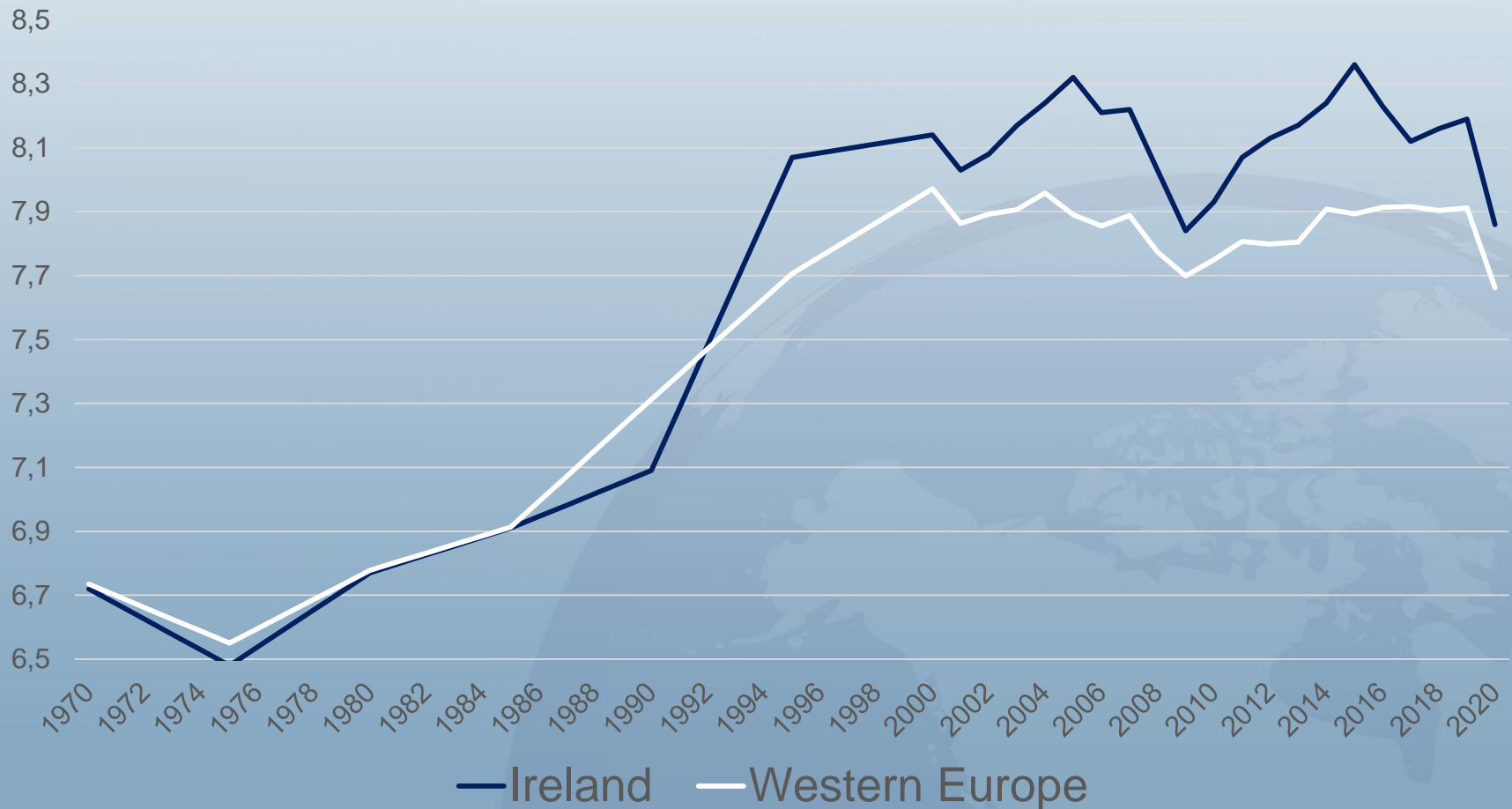


# Per capita GDP



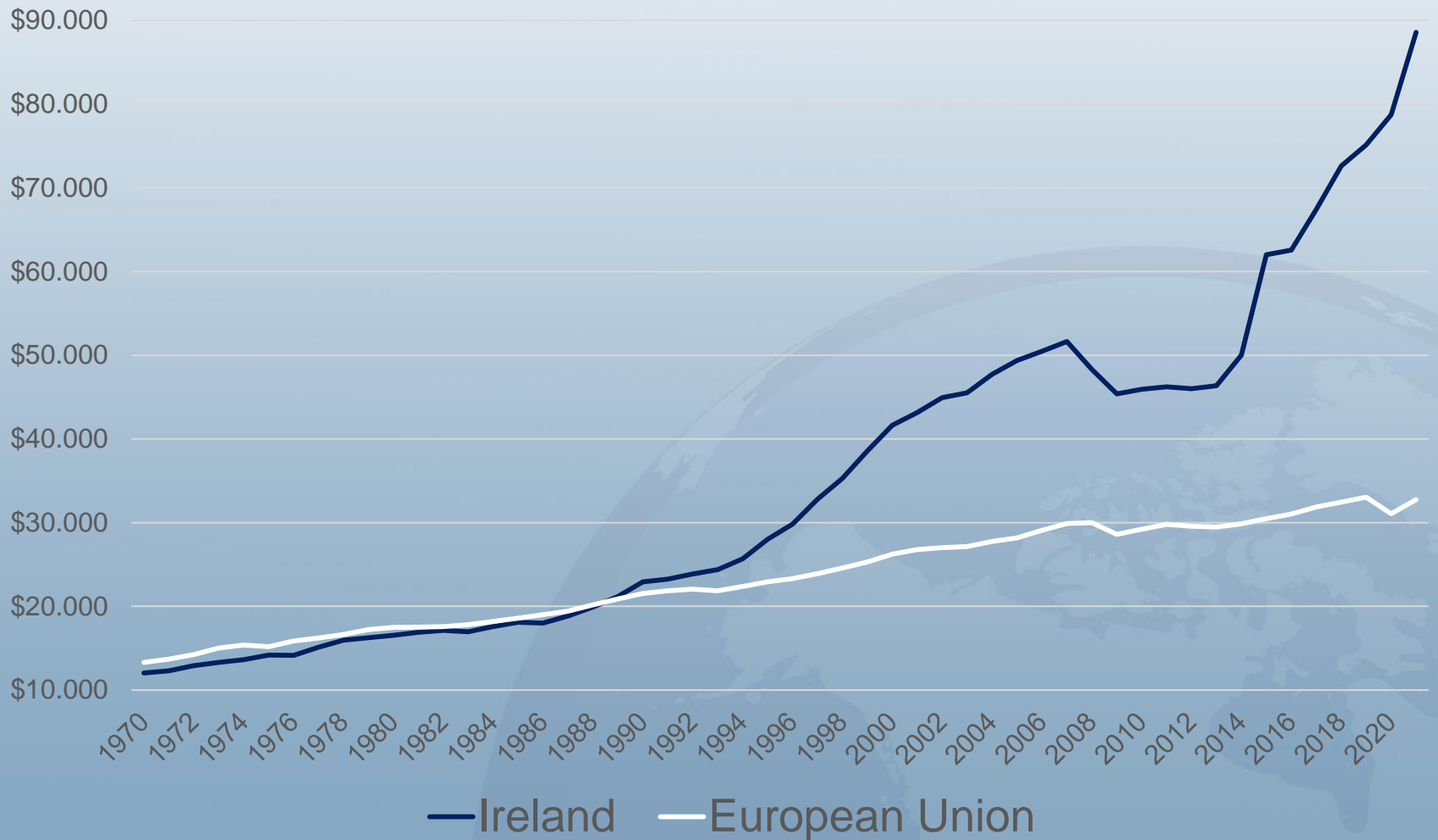


# Economic Freedom Scores



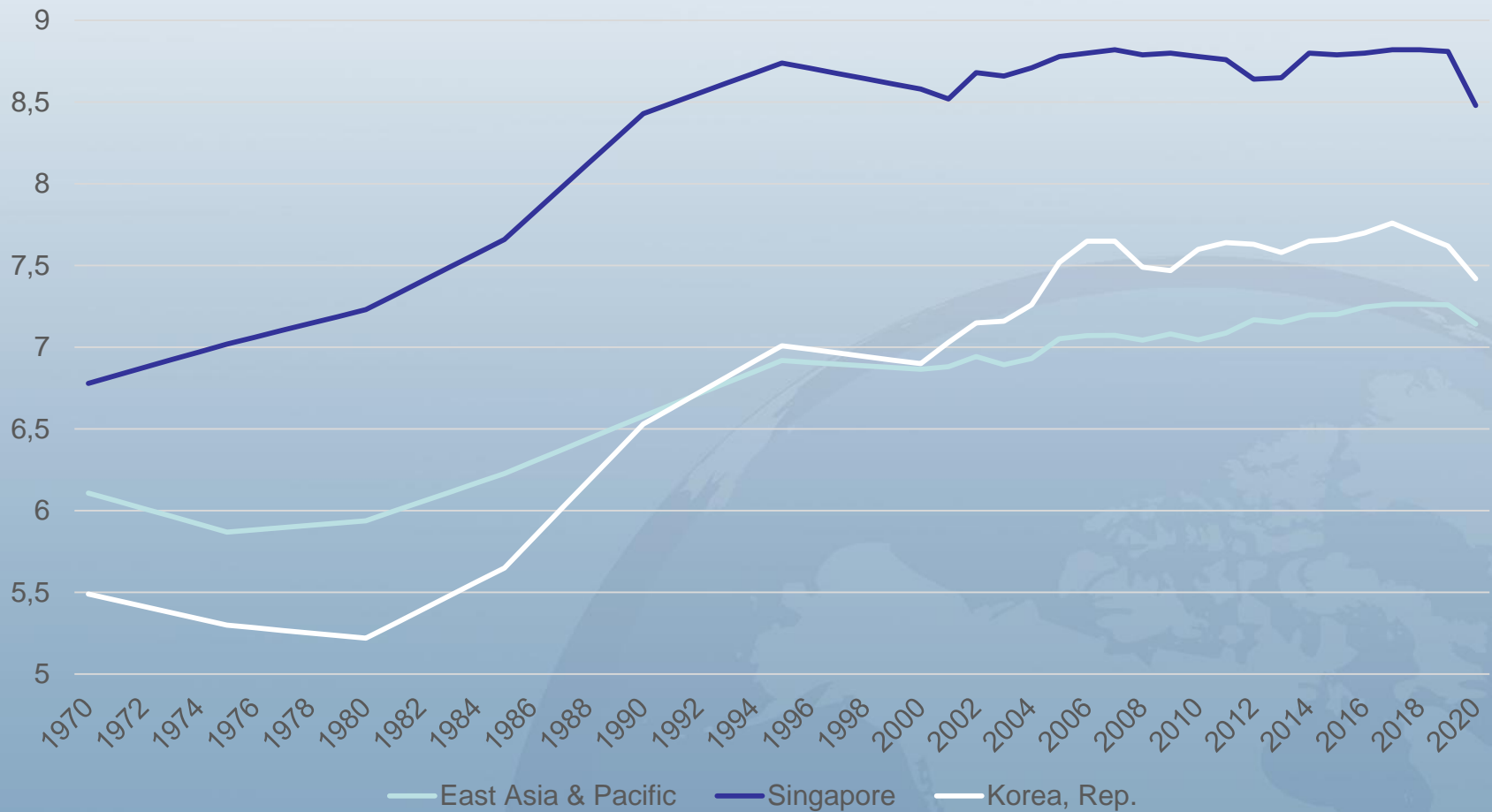


# Per Capita GDP



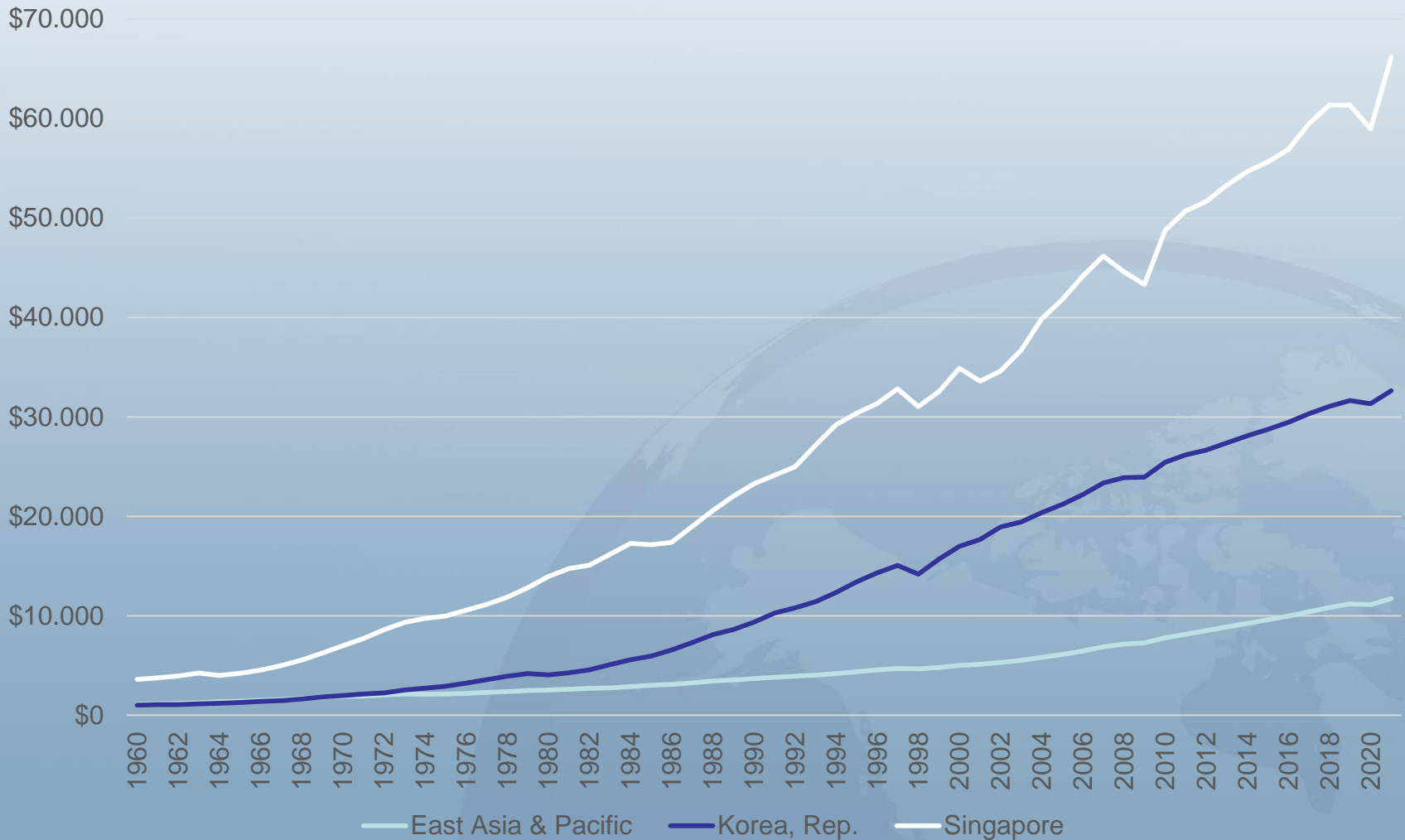


# Economic Freedom



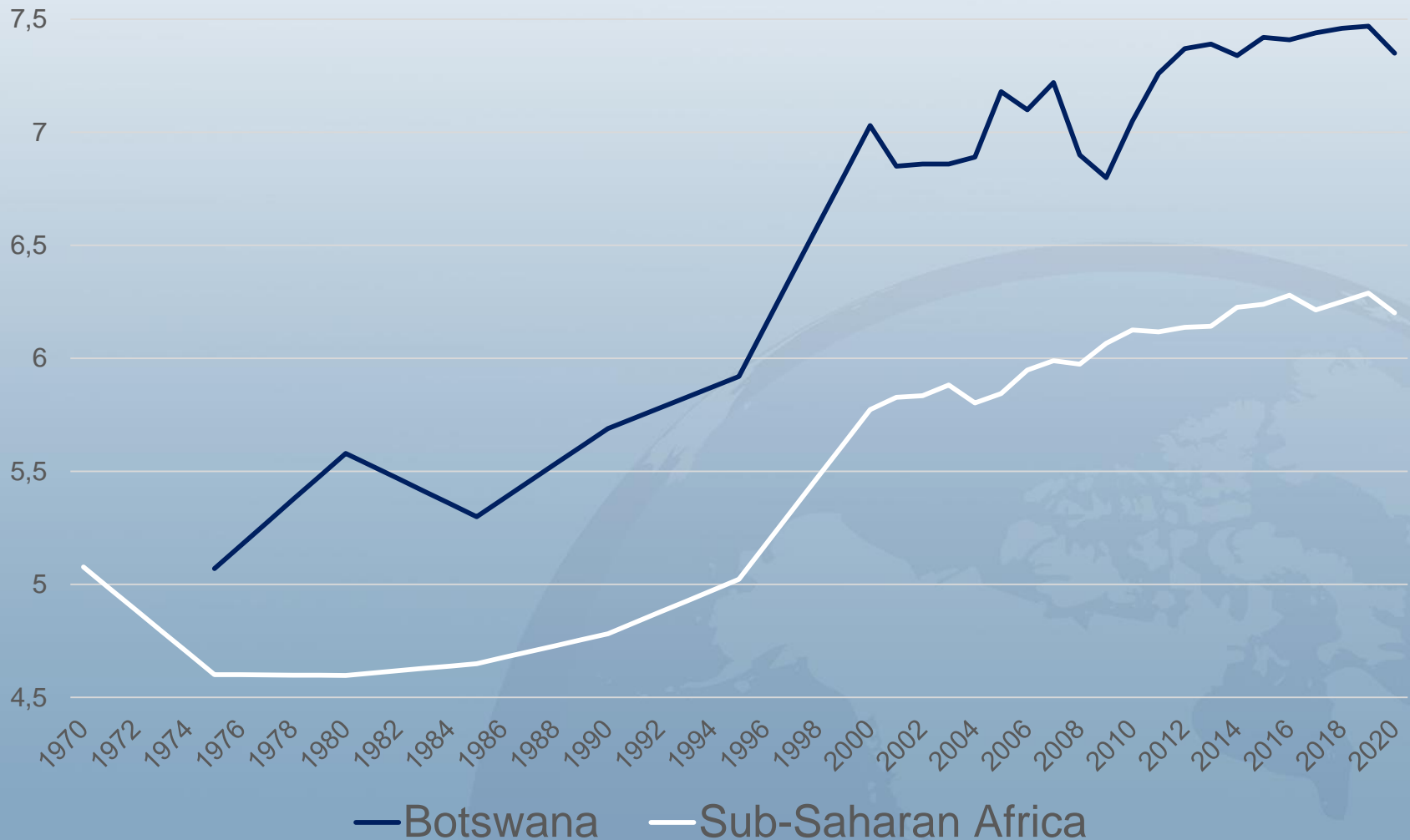


# Per Capita GDP



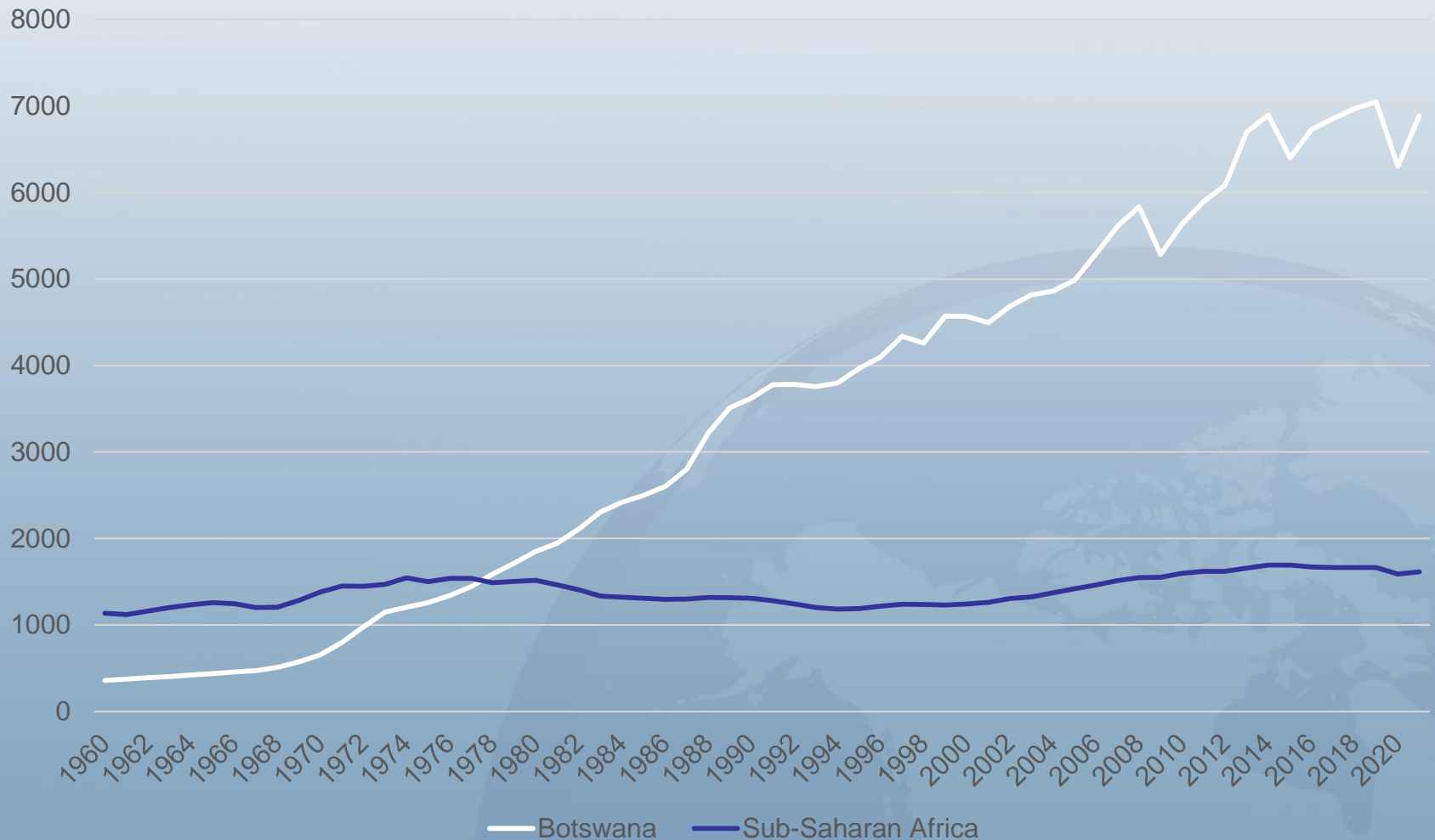


# Economic Freedom Score





# Per Capita GDP





**Thank you!**

**All data and publications  
available for free at:  
[www.fraserinstitute.org](http://www.fraserinstitute.org)**