

NEWS RELEASE

Global economic freedom up slightly; Italy ranks 69 among 159 jurisdictions

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For immediate release

Turin, Italy — **Italy** ranks 69 out of 159 countries and territories included in the *Economic Freedom of the World: 2016 Annual Report*, released today by the Centro Einaudi in conjunction with Canada's Fraser Institute.

Italy reaches a score of **7.17** out of 10, slightly above the 7.12 of the previous year, where Italy ranked 70 among 157 jurisdictions. Italy stays in the **second quartile**, a group of countries ranking from a score of 40 (Japan, 7.42) to 79 (Indonesia, 7.02).

Italy scores in key components of economic freedom (from 1 to 10 where a higher value indicates a higher level of economic freedom):

- Size of government: 5.08 (5.33 in the last year's report)
- Legal system and property rights: 5.72 (same score in the *2015 Report*)
- Access to sound money: 9.79 (9.83)
- Freedom to trade internationally: 8.11 (7.54)
- Regulation of credit, labour and business: 7.14 (7.17) .

Hong Kong again tops the index, continuing its streak of number one rankings, followed by Singapore, New Zealand, Switzerland, Canada, Georgia, Ireland, Mauritius, and United Arab Emirates. Australia and the United Kingdom tied for 10th.

"Hong Kong is still number one, but because democracy is the best safeguard of freedom, if China, which ranks low in economic freedom, encroaches on Hong Kong, we can expect Hong Kong's ranking to fall," said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom with the Fraser Institute.

The *2016 Report* was prepared by James Gwartney, Florida State University; Robert A. Lawson, Southern Methodist University; and Joshua Hall, West Virginia University.

It is based on data from 2014 (the most recent year of available comparable data) and measures the economic freedom (levels of personal choice, ability to enter markets, security of privately owned property, rule of law, etc.) by analysing the policies and institutions of 159 countries and territories.

"Economic freedom leads to prosperity and a higher quality of life, while the lowest-ranked countries are usually burdened by oppressive regimes that limit the freedom and opportunity of their citizens," McMahon said.

The **10 lowest-ranked countries** are: Iran, Algeria, Chad, Guinea, Angola, Central African Republic, Argentina, Republic of Congo, Libya and lastly Venezuela. Some despotic countries such as North Korea and Cuba can't be ranked due to lack of data.

Other **notable rankings** include Germany (30), Japan (40), France (57), Russia (102), India (112), China (113) and Brazil (124).

According to research in top peer-reviewed academic journals, people living in countries with high levels of economic freedom enjoy greater prosperity, more political and civil liberties, and longer lives.

For example, countries in the top quartile of economic freedom had an average per-capita GDP of US\$41,228 in 2014, compared to US\$5,471 for bottom quartile nations.

Moreover, the average income in 2014 of the poorest 10 per cent in the most economically free countries (US\$11,283) dwarfed the overall average income in the least free countries (US\$5,471). And life expectancy is 80.4 years in the top quartile of countries compared to 64 years in the bottom quartile.

The Fraser Institute produces the annual *Economic Freedom of the World* report in cooperation with the Economic Freedom Network, a group of independent research and educational institutes in nearly 100 nations and territories. It's the world's premier measurement of economic freedom, measuring and ranking countries in five areas: size of government, legal structure and security of property rights, access to sound money, freedom to trade internationally, and regulation of credit, labour and business.

See the full report at www.freetheworld.com.

International Rankings

Hong Kong has the highest level of economic freedom worldwide, with a score of 9.03 out of 10, followed by Singapore (8.71), New Zealand (8.35), Switzerland (8.25), Canada (7.98), Georgia (7.98), Ireland (7.98), Mauritius (7.98), United Arab Emirates (7.98), Australia (7.93), and United Kingdom (7.93).

Other notable countries include the United States (7.75), Germany (7.55), Japan (7.42), Russia (6.66), India (6.50) and China (6.45).

About the Economic Freedom Index

Economic Freedom of the World measures the degree to which the policies and institutions of countries support economic freedom. This year's publication ranks 159 countries and territories. The report also updates data in earlier reports in instances where data has been revised.

For **more information** on the Economic Freedom Network, datasets, and previous *Economic Freedom of the World* reports, visit www.freetheworld.com. Also 'Like' the Economic Freedom Network on Facebook: www.facebook.com/EconomicFreedomNetwork.

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The Centro Einaudi research areas are global economy and finance, international relations, law, politics and culture, politics and comparative public policy, Italian policies and reforms, regional development.

Since 1963, the Centro has been one of the most influential Italian think-tanks. Many of its members hold prominent positions in academia, government, business and the media.