



Economic freedom improves in most CEE, CIS countries, Fraser Institute finds

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Most Central and East European and CIS countries improved their scores on the Fraser Institute's Economic Freedom ranking between 2017 and 2014, according to *bne IntelliNews* calculations based on the latest annual [Economic Freedom Report](#) co-published by the [Fraser Institute](#) in Canada, the [Cato Institute](#) and more than 70 think tanks around the world. Globally the index, which covers 159 countries where more than 95% of the globe's population live, has stagnated over the past decade, and many developed countries such as France, Japan and the US have regressed. The report plots the GDP per capita for four quartiles and identifies a positive correlation, though not necessarily a causality relationship, between economic freedom and income.

Lithuania and Georgia, two former Soviet states, rank better than the US according to the Fraser Institute's latest report based on 2014 data.

Out of the 24 SEE and CIS states in the ranking, the scores of only five have decreased since 2007, before the recession hit the region: Estonia – which still maintains a sound 19th place above neighbouring Finland or Denmark, Slovakia, Slovenia, Moldova and Serbia. The last two not only lost ground but also rank low (99th and 101st respectively) on the index. Slovenia and

Slovakia have improved their scores and rankings significantly compared to last year.

Turkey has improved its ranking based on 2014 data. It still ranks below two thirds of the CEE and CIS countries and slipped 19 seats from the previous year to 90th place. Since 2007, however, it improved both ranking and score.

In contrast to the five laggards in the CEE and CIS group, the scores of Georgia and Poland have improved robustly since 2007, by more than 0.5 points on a ten-point scale. Furthermore, Georgia ranks fifth with the same score as Canada.

Armenia, Azerbaijan, Bulgaria, Croatia and the Czech Republic have improved their scores by more than 0.25 points over the past seven years.

The Fraser Institute defines individuals' economic freedom as the state 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.

The index computed by Fraser Institute measures the degree of economic freedom present in five major areas: size of government – or its involvement in the allocation of resources, legal system and security of property rights, sound money – including inflation and use of alternative currencies, freedom to trade internationally and regulation of markets.