

# Forbes

09/22/2011

## New Economic Freedom Rankings Reveal Dismal Impact of Bush-Obama Statism

*[Daniel J. Mitchell](#), Contributor*

We have some good news and bad news on jobs.

The good news is that an [AFP news story says the unemployment rate has dropped to 3.2 percent](#).

The bad news (from the U.S. perspective) is that the article was about Hong Kong, which continues to enjoy strong economic growth while America stagnates.

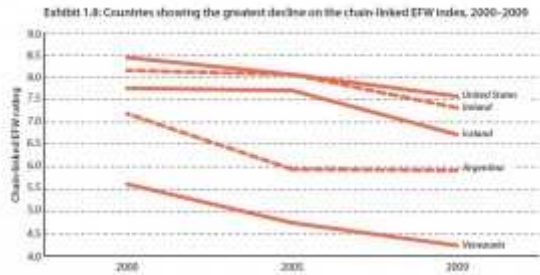
One reason for the divergence is found in the just-released [2011 edition of Economic Freedom of the World](#), published by Canada's Fraser Institute in cooperation with groups like the Cato Institute.

Covering data through 2009, the new edition of EFW shows that Hong Kong retains its status as the world's freest economy. On the other hand, the same report provides damning evidence of the [negative impact of the Bush-Obama policies of bigger government and more intervention](#).

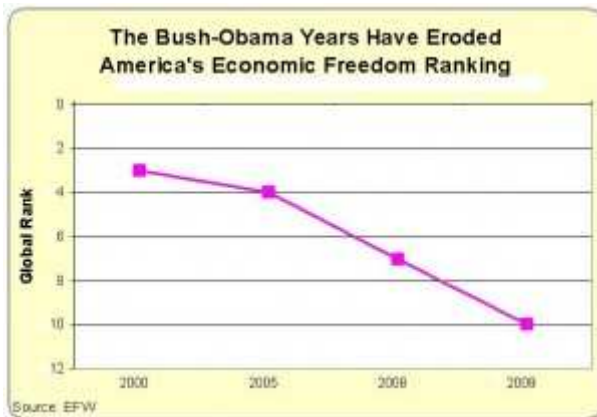
Here's a relevant passage from the Executive Summary.

The world's largest economy, the United States, has suffered one of the largest declines in economic freedom over the last 10 years, pushing it into tenth place. Much of this decline is a result of higher government spending and borrowing and lower scores for the legal structure and property rights components. Over the longer term, the summary chain-linked ratings of Venezuela, Zimbabwe, United States, and Malaysia fell by eight-tenths of a point or more between 1990 and 2009, causing their rankings to slip.

This chart (click to enlarge), taken directly from the book, shows how the United States has been of the world's five-worst performers over the past decade, putting America in a very unfortunate category.



And here's a chart I created (click to enlarge) showing how the United States has declined relative to other nations. Simply stated, America is on the verge of falling out of the top 10, after being the 3rd-freest economy in the world at the end of the Clinton Administration.



Thanks George and Barack.

By the way, Hong Kong and Singapore are the top two nations, where they've ranked for quite some time. Here is the full top-10 list.

1. Hong Kong
2. Singapore
3. New Zealand
4. Switzerland
5. Australia
6. Canada
7. Chile

8. United Kingdom

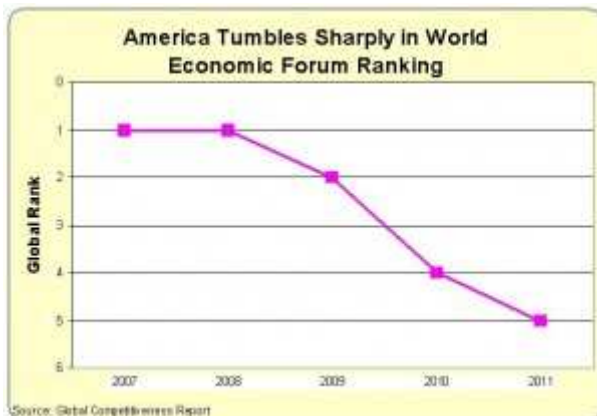
9. Mauritius

10. United States

And here's a video that uses the Economic Freedom of the World data to show how to restore economic growth. Simply stated, we know what will boost growth: small government and free markets. But politicians such as Obama don't want to take their hands from around the throat of the economy.

By the way, just in case you think Economic Freedom of the World might be suspect because it is produced by free-market think tanks, we see a similar negative trend from other sources.

The World Economic Forum is a very pro-establishment organization, and the [WEF's Global Competitiveness Report](#) also shows a quick drop in America's status. Click the chart to enlarge.



Makes you wonder where America will rank next year?