



US slips in report's ranking of free economies

September 18, 2012 / FoxNews.com

The United States' reputation as home to one of the world's freest economies continues to decline, according to an international report released Tuesday.

The U.S. dropped to 18th worldwide, compared to 10th in 2008 and third from 1980 to 2000, the 2012 Economic Freedom of the World report found. The findings are based on information through 2010.

"The U.S. is on the wrong track," said co-author James Gwartney, a Florida State University economics professor.

He says the 48-page report shows countries with the freest economies grew more rapidly and achieved higher income levels for citizens, while the United States' decade-plus course of government expansion, increased debt and regulation and other moves created a "system of crony capitalism."

"The declining economic freedom rating of the U.S. provides confirmation of this trend," Gwartney concludes.

The report, published in the United States by the libertarian-leaning Cato Institute think tank, again ranks Hong Kong first among 144 countries, followed by Singapore, New Zealand and Switzerland.

The U.S. also ranked behind Finland and Denmark – "two European welfare states," the study authors also pointed out.

The authors said the report is intended to measure the degree to which the policies and institutions of countries are supportive of economic freedom -- with cornerstones including the size of government, personal choice, the freedom to trade internationally and the security of private property.

The report is the most recent to suggest the United States is falling behind as a world economic power.

A report earlier this month by the World Economic Forum found the U.S. slipping in dozens of areas, compared with just a few years ago. The U.S. dropped in “global competitiveness” from No. 1 in 2008 to No. 7 this year, the report found.

The international group’s Global Competitiveness Report 2012-2013 took into account a broad range of factors, from debt and corruption to regulation, red tape, education and health care.

Both reports reflected the 2008 financial crisis and subsequent recession.