

## Sweet lands of liberty

By Jeff Jacoby

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Numbers don't lie: Freer countries are better countries.

Societies that are free are generally better off than those that aren't — more prosperous, more peaceful, more just, and more healthy. That's a value judgment that most Americans probably share. But it isn't merely an opinion. If the aggregate findings of more than 1,300 peer-reviewed research papers can be trusted, it is also a verifiable scientific truth.

The 1,300 papers, all published since 1996, focus on a wide array of issues, as diverse as human rights, investment patterns, labor markets, corruption, the environment, and inequality. Yet, varied as they are, the papers have something in common: They all make use of data from "[Economic Freedom of the World](#)," an annual report that has become the standard ranking of the world's nations by their level of economic liberty.

Now in its 25th edition, "Economic Freedom of the World" is jointly published by two North American think tanks, the Washington-based [Cato Institute](#) and the [Fraser Institute](#) in Vancouver. The yearly publication measures the extent to which each country's policies and legal system support the [basic pillars of economic freedom](#). Using dozens of data points to score each country, the authors compile an index that quantifies economic liberty in five broad areas: size of government, the rule of law and property rights, sound money, freedom to trade across borders, and the fairness of regulation. They also measure the extent to which women in each society have the same economic rights as men.

When all the numbers are crunched and all the data distilled, the authors sort the nations of the world from freest to least free. According to the most recent report, the greatest economic freedom was found in Hong Kong, Singapore, New Zealand, Switzerland, Georgia, the United States, Ireland, Lithuania, Australia, and Denmark. At the bottom of the list were Congo, Iran, Zimbabwe, Algeria, Libya, Sudan, and Venezuela. (The report was based on data from 2019 and thus did not reflect the sweeping [Chinese crackdown in Hong Kong](#).)

You don't have to be a social scientist to notice the rough correlation: By and large, societies where economic freedom is strong are [nicer places to live](#). Those with little or no economic freedom tend to lack civil liberties as well. When citizens' economic rights aren't protected, neither, as a rule, are their rights to freedom of speech, conscience, and democracy. More often than not, the poorest,

saddest, dirtiest, and most dangerous places on the planet are also places with little or no economic freedom.

That, at any rate, is a layman's take. But is it borne out by scholarly analysis?

To answer that question, economist Robert Lawson undertook a meta-survey of every research paper published in top-ranked academic journals over the past quarter-century that cited data from "Economic Freedom of the World." There were a total of 1,303 such papers, all of which were listed in the Social Science Citations Index, a leading database for social science literature in dozens of disciplines. The papers were written by scholars from many fields, representing all points on the ideological spectrum. Lawson, a research director at Southern Methodist University and a senior fellow at the Fraser Institute, sorted the papers into a dozen broad areas of interest, such as Immigration & Travel, Income & Productivity, Economic Growth, and Human Rights & Social Development. Then he coded each paper by its findings: Were the outcomes positive, negative, or uncertain?

Results? Of the papers analyzed, "just over half, 50.6 percent, found economic freedom was related to 'positive' outcomes while only 4.6 percent found 'negative' outcomes." (The rest were too mixed or uncertain to assess.) In one area after another, more economic freedom generated more good results: "increased immigration and tourism . . . increases in income or productivity . . . increased entrepreneurship and innovation . . . reduced conflict . . . increased investment . . . reduced unemployment . . . improved human rights . . . increased trade . . . reduced corruption . . . improved environmental outcomes . . . reduced inequality."

Lawson's conclusion was that whether economic freedom "works" isn't a matter of political or national preference. It is a question with an empirical answer, and the answer is yes.

"Freedom is never more than one generation away from extinction," Ronald Reagan often said. That warning is especially salient in the United States today, when activists on both [the hard left and the hard right want to curtail economic liberties](#) in pursuit of goals they consider more important. Research papers aren't likely to change the minds of partisan true believers, but the facts they embody remain, as Reagan also liked to say, stubborn things. Across the generations and around the world, few facts are more stubborn than this: Life is better when economies are free.