



America falls to No. 23 on new freedom study

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Crony capitalism, eminent domain and violations of privacy lowered the nation's ranking in a new study measuring individual freedom across the globe.

The Human Freedom Index 2016 was released last week by international think tanks working together to monitor 159 countries' policies and social practices. In the study, the United States is ranked No. 23, down three positions from No. 20 in 2015.

"The long-term decline in our rule of law, or legal system, is the most worrying," co-author Ian Vasquez told Watchdog, explaining why the nation fell in rank.

Using data from 2000 to 2014, Vasquez said U.S. practices relating to the war on terror and drugs led to changes in the legal system. The practices also led to changes in attitude in balancing individual rights and the government's role in protecting the country.

"(This struggle) led to abuse of eminent domain, as well as violations of privacy," Vasquez said.

As recently as 2015, the National Security Agency was caught hoarding phone records of private citizens and monitoring calls with the cooperation of major cell phone carriers such as AT&T. The NSA has also used Americans' social media accounts to look for terrorist connections.

In 2005, the U.S. Supreme Court upheld an expansive view of the Fifth Amendment's eminent domain clause when justices allowed the city of New London, Conn., to demolish nine family homes and sell the lots to a developer, in the name of the "public good." Since the *Kelo v. City of New London* ruling, individual property rights have increasingly fallen by the wayside, as the "public good" is the only reason allowed by the U.S. Constitution for the implementation of eminent domain.

The Cato Institute's Center for Global Liberty and Prosperity published the report along with Canada's Fraser Institute, The Swiss Liberales Institute and the German Friedrich Naumann Foundation for Freedom.

According to the study's authors, countries that have the most individual freedom also have strong democratic political systems, as well as higher averages of individual wealth.

Surprisingly, numerous countries with large governments and state-run universal health care ranked higher on the freedom index than the United States. Denmark, Finland, the Netherlands, Canada and Switzerland were all in the top ten.

“These countries have low rankings for government consumption and size,” explained Vasquez, “and they have low economic freedoms because of high tax rates. But they have high scores for business and trade regulations, (and) in those areas they are more free (than the United States).”

The study lists twelve different categories of freedom, grouped under personal or economic freedom. America’s lowest ranked categories were Rule of Law, Legal System, and Property rights.

The rise of crony capitalism over the last few years is another reason the U.S. ranking fell three spots, according to Vasquez. Cronyism occurs when businesses and politicians collaborate on deals that provide unfair financial or competitive benefits.

“We had bailouts of big banks and car companies — businesses that are politically connected against public interest. That really impacts the Rule of Law and Legal System scores,” he said.

In 2008, the federal government granted over \$700 billion to big banks after the housing market collapsed and sent the U.S. economy into recession. Banks made bad loans, resulting in mass foreclosures when loan deferrals ended. The U.S. government bailed out banks despite their unethical, if not illegal, business models.

Scores weren’t all bad, however. The United States earned perfect scores in Relationship, Association and Religious Freedom categories — meaning that individuals are free to identify and associate with a diversity of groups and belief systems.

The study pulled information from a number of nonpartisan sources including World Justice Project, The UN Office on Drugs and Crime, Amnesty International and the University of Maryland, among others.