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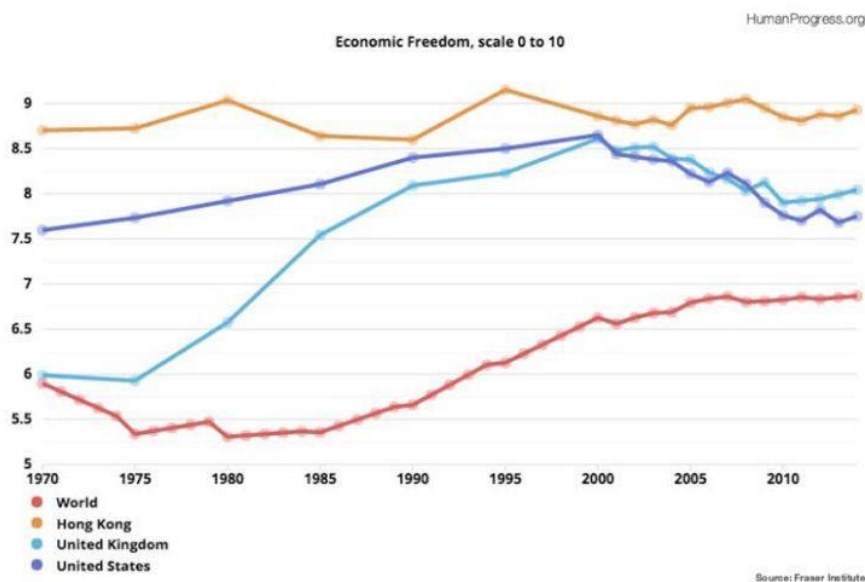
New horizons await a free Britain

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Last month, the Fraser Institute in Canada released its *Economic Freedom of the World: Annual Report*. According to the report, Anglosphere countries continue to dominate global rankings of economic freedom, thus showing the persistence of British values and institutions in the former colonies – long after the British Empire came to an end. Together, these countries produce one fifth of the world’s economic output. They are the natural partners of independent Britain in the post-Brexit era.

But first, a quick background to the EFW index. The index is put together by Professors James Gwartney from Florida State University, Robert Lawson from Southern Methodist University and Joshua Hall from West Virginia University, and published by the free-market Fraser Institute in Canada. It looks at the size of government (ie, expenditures, taxes, and state-run enterprises); legal structure and security of property rights; access to sound money; freedom to trade internationally; and regulation of credit, labour, and business. It rates countries on a scale from zero to 10, where zero represents the lowest measured level of freedom and 10 represents the highest measured level of freedom, and ranks them from the most free to the least free.



This year marks the 30th anniversary of the first Fraser Institute conferences, which “focused on the development of a clearly defined measurement of economic freedom”. In addition to the Nobel Prize-winning economist Milton Friedman and his wife, Rose, the conferences welcomed

several of the world's leading economists, including Douglass North, Gary Becker, William Niskanen and Gordon Tullock.

Some of the EFW data goes back to 1970, although most countries are represented beginning in 1980. Today, the index contains data for 159 countries and territories. It is widely recognised as a reliable measure of economic openness and used by researchers throughout the world, including those at the World Bank and the International Monetary Fund.

Using the EFW data, researchers have found a high rate of correlation between economic freedom and prosperity. Countries that are more economically free tend to grow faster and experience higher investment levels. Their people are richer and their poverty rates lower. They tend to live longer, enjoy greater political and civil liberties, and healthier environments. Poor people in economically free countries are richer than elsewhere, and own a higher share of national income.

According to this year's index, Hong Kong scored 9.03 out of 10 and was, therefore, the world's freest economy. With the rating of 3.29, Venezuela was the least economically free country out of 159 countries surveyed. With 7.93 out of 10, Great Britain came in the 10th place. In addition to Hong Kong and Great Britain, the list of the top ten countries included the following Anglosphere members: Singapore, New Zealand, Canada, Ireland and Australia.

Other countries that have made it to the "top 10" include Switzerland, United Arab Emirates and, perhaps surprisingly, Mauritius and Georgia. The United States rated 7.75 and came in the 16th place – reflecting a profound decline in economic freedom since its apex in 2000. The average rating for Western European countries was 7.49. Countries of the former Soviet bloc followed with 7.2. Asia received 6.8, Latin America and the Caribbean got 6.73 and Middle East received 6.66. Sub-Saharan Africa, not surprisingly, came last with an average rating of 6.27.

The dominance of the Anglosphere nations in the EFW index is a testament to the persistence of British values and institutions, including the rule of law, private property and free trade. But, these are not mere sentimental attachments of the former colonies to the mother country. The Anglosphere produces a fifth of the world's economic output, and its citizens are among the freest and richest people on earth. In short, British values and institutions persist because they work.

The pan-European sophisticates in Britain and on the continent pooh-pooh the deep historical links between the nations of the British Empire, but those links are real and potentially hugely beneficial. A shared language and legal system, for example, make the wheels of commerce turn smoother and faster. Most of the Anglosphere countries have already expressed their interest to increase their trade links with Britain. The British people need not fear that Britain liberated from the confines of the European Union shall stand alone.

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