



## **JOHN STOSSEL: Ranking the freest countries**

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Is America the world's freest country? Sadly, no.

When researchers first started doing detailed international comparisons, the USA came in second or third. This year, however, we ranked 17th.

The comparison I cite is the newly released Human Freedom Index, compiled by the Fraser and Cato Institutes. They compared economic freedoms such as freedom to trade, amount of regulations and tax levels, plus personal freedoms such as women's rights and religious freedom.

Their new report concludes that the world's freest countries are now:

1. Switzerland.
2. Hong Kong.
3. New Zealand.
4. Ireland.
5. Australia.

"The United States used to have one of the freest economies in the world," Index co-author Ian Vasquez says. "It used to be a two, three or four, and then government started to grow (and) spend more."

Republicans and Democrats, under presidents Bush and Obama, voted for increases in spending and regulation. Obama tried to make tax increases sound harmless. "Those who are more fortunate are going to have to pay a little bit more."

The result was that we fell further from the top of the freedom ranking. Switzerland now takes first place. It has comparatively little regulation, low taxes, a free press and personal freedoms such as same-sex marriage.

A good ranking matters, not just because freedom itself is a good thing, but because economic freedom allows people to prosper.

Consider the story of Hong Kong, No. 2 on the overall freedom list (but No. 1 in economic freedom). In just 50 years, people in Hong Kong went from being among the poorest in the world to among the richest.

Prosperity happened because Hong Kong's government puts few obstacles in the way of trying new things. It took me just a few hours to get legal permission to open a business in Hong Kong. In New York, it took months. In India, I didn't even try — it would have taken years.

That's a reason India stays poor. Bureaucrats have the power to review and reject most any new idea. Fewer new ideas get tried.

The absolute worst places to live are countries that lack both economic and personal freedom.

Those are the places at the bottom of the freedom ranking:

155. Egypt.

156. Yemen.

157. Libya.

158. Venezuela.

159. Syria.

(Totalitarian North Korea wasn't ranked because the researchers couldn't get accurate information.)

Syria ranked so low mostly because of the war. You aren't free if you worry you might be killed.

Second-to-last place Venezuela was once the richest country in Latin America. Then socialists promised to spread the wealth.

The next three: Libya, Yemen, Egypt — well, the Arab Spring didn't turn out as well as some hoped.

On the top of the list, I wasn't surprised to see New Zealand and Australia. They always do well.

But Ireland? I associate Ireland with poverty. For 150 years after English rulers caused the Potato Famine, Irish people left Ireland to search for a better life.

But Ireland recently changed, says Vasquez.

“They reduced taxes ... spending, reduced regulations. They opened up to trade.”

Now people want to live there.

You can read the full freedom rankings on the Cato Institute's and Fraser Institute's websites. If you plan to move or start a business in another country, the Freedom Index is a good guide.

Greece is beautiful, but it ranks 60th, mostly because the country lacks economic freedom. China got richer, but because personal freedom is so limited, China ranks 130th.

How do you summarize a free country? I asked Vasquez.

“You can lead your life any way you want as long as you respect the equal rights of others, he answered. You (decide) what job you want to take, what kinds of things you want to do, who you want to marry, what you want to do on your free time, where you want to live.”

I suggested that countries don't regulate your free time, but Vasquez set me straight.

“They do.” Some countries, he says, “regulate *everything!*”