

# Executive Summary

by Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O’Grady

With the publication of this edition, The Heritage Foundation/Wall Street Journal *Index of Economic Freedom* marks its 10th anniversary. The idea of producing a user-friendly “index of economic freedom” as a tool for policymakers and investors was first discussed at The Heritage Foundation in the late 1980s. The goal then, as it is today, was to develop a systematic, empirical measurement of economic freedom in countries throughout the world. To this end, the decision was made to establish a set of objective economic criteria that, since 1994, have been used to study and grade various countries for the annual publication of the *Index of Economic Freedom*.

The *Index*, however, is more than just a dataset based on empirical study; it is a careful theoretical analysis of the factors that most influence the institutional setting of economic growth. Moreover, although there are many theories about the origins and causes of economic development, the findings of this study are straightforward: The countries with the most economic freedom also have higher rates of long-term economic growth and are more prosperous than are those with less economic freedom.

The 2004 *Index of Economic Freedom* measures how well 161 countries score on a list of 50 independent variables divided into 10 broad factors of economic freedom. Low scores are more desirable. The higher the score on a factor, the greater the level of government interference in the economy and the less economic freedom a country enjoys.

These 50 variables are grouped into the following categories:

- Trade policy,
- Fiscal burden of government,
- Government intervention in the economy,
- Monetary policy,
- Capital flows and foreign investment,
- Banking and finance,
- Wages and prices,
- Property rights,
- Regulation, and
- Informal market activity.

Chapter 5 explains these factors in detail. Taken together, they offer an empirical depiction of a country’s level of economic freedom. A systematic analysis of these factors continues to demonstrate that countries with the highest levels of economic freedom also have the highest living standards.

## WORLDWIDE PATTERNS

This year, economic freedom has advanced throughout the world: the scores of 75 countries are better, the scores of 69 are worse, and the scores of 11 are unchanged. Of the 155 countries numerically graded in the *2004 Index*, 16 are classified as “free,” 55 as “mostly free,” 72 as “mostly unfree,” and 12 as “repressed.” (Angola, Burundi, Democratic Republic of Congo, Sudan, and Iraq were suspended from grading because of civil unrest or anarchy. Serbia and Montenegro was suspended because reliable data were not available.)

Most of the world’s economically repressed countries lie in Asia, which experienced a net loss of economic freedom in five countries. (At the same time, however, the top three countries in this year’s rankings are also located in Asia.) Latin America and the Caribbean experienced a net loss of two countries. North Africa and the Middle East had no change.

North America and Europe experienced the largest gain in economic freedom: a net gain of seven countries. Sub-Saharan Africa experienced a net gain of six countries.

By factor, the results were more evenly split. Four factors of the *Index* had a greater net number of countries with expanded freedom, four had less freedom, and two had no net change. The fiscal burden factor marked the greatest number of improvements (57) and the greatest number of losses (71), for an overall net loss of 14. This was the largest net loss. The biggest net gain was in the monetary policy factor, with 30 countries improving and nine worsening for a net gain of 21. The government intervention factor experienced a net gain of 11, with 41 countries improving and 30 countries declining.

Openness to foreign investment had a net setback of 11, with two countries improving and 13 declining. The level of protection that countries maintain in their trade policy is worse, with 15 countries improving and 20 countries declining for a net loss of five. Banking and finance remained the same overall, as 10 countries had freer financial markets but 10 found their freedom slipping. Regulation also remained the same overall

with a gain of one and a loss of one. Wages and prices experienced a net loss of eight, with three countries improving and 11 declining. The informal market experienced a net gain of one country, with 15 countries improving and 14 declining.

For the past three years, we have noted a worldwide trend toward a decline in the protection of property rights. Regrettably, this year is no different. Many countries continue to disregard the important relationship between maintaining strong property rights and attracting investment. The protection of property rights experienced a net loss of seven countries, with seven countries declining in their protection and none demonstrating improvement.

In order to grow, countries must implement policies that attract investors and encourage entrepreneurs. Without strong property rights, an investor cannot be sure of his ability to lay claim to a business he builds; as a result, the level of risk involved in a business venture increases, and investors and entrepreneurs are left reluctant, skeptical, and likely to put their money elsewhere. Hong Kong and Singapore have good investment climates characterized by strong property rights. Both countries have also been magnets for investment and have prospered, each one having a GDP per capita over \$24,000.

By contrast, countries that fail to implement strong property rights suffer the consequences of that failure. Zimbabwe, for example, lacks strong property rights and has a GDP per capita of only \$559. Governments that refuse to embrace property rights and other economic freedoms sentence their citizens to an impoverished life.

## NORTH AMERICA AND EUROPE

By quantity, North America and Europe continue as the world’s most economically free region with seven of the 10 freest countries in this year’s *Index*. Most of these countries are European, as Europe claims six of the 10 freest countries.

Seven more countries in this region exhibit an expansion in economic freedom this year than exhibit a decline—one more country than last year. Fiscal burden improves the

most, with 18 countries reducing their burdens, yet also declines the most with 18 countries increasing theirs. The region experiences the largest net gain in monetary policy with eight countries improving and none declining. The protection of property rights declined in two countries.

The country that illustrates the most dramatic improvement in its overall score is the Slovak Republic. The Slovak Republic improved by 0.27 point this year, making it the world's 8th most improved country. The government has implemented many positive reforms over the past several years: It has reduced taxes, liberalized prices, accelerated the pace of privatization, and restructured the banking sector. As a result, foreign investment has increased and the banking sector is dominated by foreign capital.

Malta was the world's 10th most improved country with an overall score that is 0.25 point better this year. Like the Slovak Republic, however, Malta still has some distance to cover before it can be classified as a "free" country. Despite its marked improvement, Malta still has high tariffs and high tax rates.

Belarus maintains the stigma of least free country in the region. It remains dependent on Russian economic assistance and self-isolated from the West. Belorussian policies, economic or otherwise, are a disaster: a high level of protectionism, high taxes, high level of government intervention, high level of inflation, high barriers to foreign investment, high level of restrictions to banking and finance, high level of intervention in wages and prices, high level of regulation, and weak protection of property rights.

Overall, however, a number of positive changes are occurring in today's Europe. As Daniel J. Mitchell notes in his chapter on "The Economics of Tax Competition: Harmonization vs. Liberalization," tax reductions are taking place across the continent. "Tax competition has helped drive down corporate taxes in Western Europe's welfare states," for instance, and "[n]umerous nations in the former Soviet bloc have enacted flat taxes."

Ireland remains the second freest country in the region, an accolade that is attributed to its low taxes and pro-business environment.

Ireland's 12.5 percent corporate tax rate is far below the European Union average of 30 percent. As a result, Ireland is a major center for U.S. investment in Europe.

Luxembourg, the freest country in the region, has no restrictions that apply specifically to foreign investors. As a result, it remains a favored destination for both U.S. and European investment. The coalition government has enacted tax reform as a centerpiece of its domestic policy. With a GDP per capita of over \$25,000, Luxembourg is a prime example of the fruits of economic freedom.

## **LATIN AMERICA AND THE CARIBBEAN**

The countries of Latin America and the Caribbean continue to suffer from their own counterproductive policies. Economic freedom in the region has not increased: It has decreased. Of the 26 countries that have been graded this year, 11 have improved in their overall level of economic freedom and 13 are worse. In fact, of the 10 countries with the world's largest declines in economic freedom, two are Latin American: Venezuela and Argentina.

The lack of economic vitality in these two countries reflects the evaporation of economic rights. Argentina's economic plight worsens as it marches toward a closed economy. The downward spiral of its economy has been accompanied by price controls, financial restrictions, high inflation, and a history of violating property rights. Argentina's new President, Nestor Kirchner, aims to jumpstart the economy by financing public works. Inevitably, he will discover that such methods kill economic growth, not create it. The economic history of the former Soviet Union is a telling example.

Venezuela's situation is even darker. President Hugo Chávez has purposely strangled Venezuela's private sector in revenge against entrepreneurs who attempted to force him from power. Chávez has introduced exchange controls that have made it difficult for business, both foreign and domestic, to operate. As a result, 80 percent of Venezuelans live below the poverty level. Venezuela is now ranked as a "repressed" economy and possesses the least amount of economic freedom in the region.

Despite being ranked as “repressed,” Cuba is one of the world’s 10 most improved countries, entirely because of an improved monetary policy score. Despite this improved score, however, Cuba’s significant non-tariff barriers, high taxes, numerous state-owned companies, barriers to investment, high level of restrictions in banking and finance, weak protection of property rights, entirely government-set wages and prices, high level of regulation, and high level of activity in the informal market leave it with much to change before it can even begin to resemble a “free” economy.

With an improved monetary policy score, Chile has shifted from a “mostly free” to a “free” country this year and is by far the freest economy in the region. Chile has completed free trade agreements (FTAs) with the European Union and the United States and will be phasing out complex non-tariff barriers as a result of the FTA with the United States.

El Salvador, ranked as “mostly free,” has improved both its government intervention and monetary policy scores this year, making it the region’s second freest country. It has made great strides in liberalizing markets, advancing privatization, and deregulating commerce.

## **NORTH AFRICA AND THE MIDDLE EAST**

North Africa and the Middle East have the same net amount of economic freedom as last year. The scores of eight countries in this region have improved, while those of eight are worse. The region has no countries that are ranked as “free.”

Of the 10 factors measured in the *Index*, the fiscal burden factor both improved in the most countries (seven) and worsened in the most (nine), resulting in an overall net loss of two. The trade policy factor experienced the largest net gain, with three countries improving and not a single country declining in openness to trade. The largest net loss was in the wages and prices factor, where no countries improved and three countries declined.

Libya is again ranked as the region’s least economically free country and remains a

“repressed” economy. Its fiscal burden of government score is worse this year. With the exception of a low inflation rate, Libya needs to show significant improvement in all factors.

Despite a worse score this year, Bahrain remains the most economically free country in this region. It is one of the most advanced economies in the Persian Gulf, and its financial sector has eclipsed oil as the leading source of income. Bahrain maintains a pro-business environment to attract foreign investment. It has strong property rights, low regulation, low barriers to foreign investment, and a low level of activity in the informal market. Yet Bahrain receives over 70 percent of its revenues from state-owned enterprises and could attract more foreign investment if these entities were privatized.

Israel has improved over the past several years and this year is the region’s second freest economy. Its fiscal burden of government, for example, is lower. If the views of Finance Minister Benjamin Netanyahu should prevail, public-sector growth will be curbed and a stalled privatization plan will be revived.

While the United Arab Emirates is the third freest economy in the region, its overall score worsened by the third largest margin in the world. The UAE’s fiscal burden of government, banking and finance, wages and prices, and informal market scores are worse this year. The UAE has a bloated public employment sector, subsidized services, and government handouts. There is, however, a glimmer of hope: Abu Dhabi is spearheading the privatization of utilities and seeking to attract foreign investment in the power and water sectors.

## **SUB-SAHARAN AFRICA**

On net, economic freedom continues to improve in sub-Saharan Africa, with 21 countries’ economic freedom scores improving and 15 countries’ scores declining. The majority of countries—30 out of 42—remain “mostly unfree.” Of the 10 factors used to grade countries in the *Index*, government intervention showed the greatest net improvement, with 18 countries improving

and only four declining. The largest net loss was in the fiscal burden factor, with 14 countries improving and 21 declining.

Five countries in this region (Rwanda, Ethiopia, Cape Verde, Senegal, and Mauritania) are among the world's 10 most improved. At the same time, four others (Namibia, Madagascar, Lesotho, and Gabon) are among the 10 whose scores worsened by the world's widest margins.

In addition, of all the countries in this year's edition of the *Index*, Rwanda experienced the single greatest degree of improvement overall: an amazing feat when one considers that last year it was one of the countries showing the greatest decline in economic freedom. Rwanda has improved its trade policy, government intervention, monetary policy, and regulation scores.

Zimbabwe continues to be the least free country in the region. Despite improving its fiscal burden of government and government intervention scores, it remains "repressed." As a result, unemployment is at 80 percent, inflation is over 200 percent, and millions of Zimbabweans are facing starvation.

On the other end of the spectrum, Botswana remains the freest country in the region despite a worse score this year. Both its trade policy and fiscal burden of government scores are worse. The second freest is Uganda, which has privatized 74 businesses over the past decade and is targeting 85 more.

Sub-Saharan Africa needs trade liberalization. The trade policy factor improved in only five countries, and 10 countries closed their markets further this year. South Africa has a free trade agreement with the European Union. Additionally, South Africa, Lesotho, Swaziland, and Namibia form the Southern African Customs Union, which, with an average common external tariff rate of 11.4 percent, is currently negotiating a free trade agreement with the United States.

## ASIA-PACIFIC

On net, the scores of the Asia-Pacific region are worse for five countries, with scores for 11 countries improved and scores for 16 countries worse this year. This is drastically different from last year when, on net,

the scores of six countries improved. Of the 10 factors, fiscal burden and monetary policy exhibited the greatest improvement overall, and the greatest number of countries declining in economic freedom occurred in the government intervention factor.

Although most countries in the region are ranked "mostly unfree," the region also contains the world's three freest economies: Hong Kong, Singapore, and New Zealand. Additionally, Fiji and Laos are among the world's 10 most improved countries.

Not surprisingly, Indonesia is among the 10 countries whose scores worsened by the widest margin worldwide. Indonesia's fiscal burden of government, government intervention, capital flows and foreign investment, and wages and prices scores are all worse this year. Indonesia's economy is finally growing, albeit slowly, and the list of changes needed for faster growth includes lower taxes, less government intervention in the economy, lower barriers to investment, lower level of restrictions on banking and finance, stronger protection of property rights, less regulation, and a significant reduction in the informal market. Indonesia continues to suffer from many of the problems that made it so vulnerable to the Asian financial crisis.

North Korea remains the least free country in the region. In addition to earning more revenue from illegal drugs than from legitimate business, North Korea scores poorly on every factor and has nowhere to go but up—if it should ever choose to do so.

Once again, Hong Kong is the poster country for economic freedom, both in the region and around the world. With a duty-free port, Hong Kong is a model for free trade. It also is the world's 10th largest trading entity. Likewise, as the world's second freest country, Singapore has a weighted average tariff rate of approximately 0 percent. Singapore has a high level of government intervention in the economy and a moderate cost of government; Hong Kong has a low level of government intervention in the economy and a low cost of government. In fact, Hong Kong's government intervention score improved this year.

**Table 1: Countries Showing Greatest Improvement Overall Since 2003 *Index of Economic Freedom***

Countries	Score Improvement	Region
Rwanda	0.57	Sub-Saharan Africa
Ethiopia	0.46	Sub-Saharan Africa
Fiji	0.42	Asia and the Pacific
Cape Verde	0.39	Sub-Saharan Africa
Cuba	0.35	Latin America and the Caribbean
Senegal	0.33	Sub-Saharan Africa
Laos	0.27	Asia and the Pacific
Slovak Republic	0.27	North America and Europe
Mauritania	0.26	Sub-Saharan Africa
Malta	0.25	North America and Europe

Source: Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O'Grady, 2004 *Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2004).

**Table 2: Countries Showing Greatest Decline Overall Since 2003 *Index of Economic Freedom***

Countries	Score Deterioration	Region
Venezuela	0.47	Latin America and the Caribbean
Argentina	0.44	Latin America and the Caribbean
United Arab Emirates	0.40	North Africa and Middle East
Honduras	0.34	Latin America and the Caribbean
Indonesia	0.34	Asia and the Pacific
Namibia	0.31	Sub-Saharan Africa
Madagascar	0.29	Sub-Saharan Africa
Lesotho	0.26	Sub-Saharan Africa
Gabon	0.26	Sub-Saharan Africa
Panama	0.24	Latin America and the Caribbean

Source: Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O'Grady, 2004 *Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2004).

## COUNTRY TREND TABLES

Table 1 lists the countries whose scores have improved the most since publication of the 2003 edition of the *Index*. Cuba once again has made this list with an even larger improvement than last year. Cuba's monetary score is 4 points better this year.

Rwanda is the most improved country, with improved trade policy, government intervention, monetary policy, and regulation scores. Ethiopia, the second most improved country, improved its score in four factors: trade policy, capital flows and foreign investment, fiscal burden of government, and government intervention.

Despite such marked improvements, both countries remain "mostly unfree," but if they continue to improve at this pace, they could achieve a ranking of "free" within two years, creating the environment for higher GDP per

capita. Ethiopia has a GDP per capita of only \$121, and Rwanda has a GDP per capita of only \$253.

Table 2 lists the countries experiencing the greatest decline in economic freedom during the past year. With a president who is trying to punish the business sector, Venezuela's overall level of economic freedom fell the most. Its fiscal burden of government, government intervention, monetary policy, banking and finance, and capital flows and foreign investment scores are all worse. As a result, its overall score is 0.47 point worse this year, causing Venezuela to be classified as "repressed."

Last year, Argentina experienced the greatest decline in economic freedom. This year, it is the second country on the list. Argentina's monetary policy, wages and prices, and informal market scores are all worse. As a result, its overall score is 0.44 point worse this year.

Honduras and Indonesia are tied for fourth place on this list. Honduras's fiscal burden of government, capital flows and foreign investment, wages and prices, and property rights scores are all worse this year, as are Indonesia's fiscal burden of government, government intervention, capital flows and foreign investment, and wages and prices scores.

Table 3 shows the countries that have made the largest overall improvement over the entire history of the *Index*. Azerbaijan has improved the most with a score change of 1.39 since it was first graded in 1996. Bosnia and Lithuania are tied for the second most improved with a change of 1.31 in their scores. As this year's most improved country, Rwanda has made the third largest overall improvement with a score change of 1.24 since it was first graded in 1997. Nicaragua has made the greatest improvement since the inception of the *Index*.

Table 4 shows the countries that have exhibited the greatest decline in economic freedom over the entire history of the *Index*. Venezuela has declined the most, both this year and over the entire 10 years of the *Index*. President Hugo Chávez can begin to reverse this pattern only if he recognizes his country's long-standing, dire need of economic freedom.

Malaysia's economic freedom not only declined this year, but also exhibited the second greatest decline over the history of the *Index* with a score change of 0.71. Malaysia is ranked as "mostly unfree." Argentina is also on this list with the third greatest decline in economic freedom and a cumulative score change of 0.63.

## GLOBAL FREE TRADE ASSOCIATION COUNTRIES

In the 2001 edition of the *Index*, three Heritage analysts proposed a plan for a global free trade association (GFTA).<sup>1</sup> This year, 12 countries qualify, while 19 are in the "near-miss" category, falling short in only one factor by 1 point.<sup>2</sup>

The qualifying countries, based on 2004 *Index of Economic Freedom* data, are Australia, Denmark, Estonia, Finland, Hong Kong, Iceland, Ireland, Luxembourg, New Zealand, Singapore, the United Kingdom, and the United States. All of these countries qualified last year as well.

Among the near-miss countries are examples that range from Switzerland to Bahrain. Regulation continues to be the most common reason for a near miss. Trinidad and Tobago's trade policy score improved this year, moving the country into the near-miss category. Burdensome regulation is keeping the country from qualifying.

Of the 19 near-miss countries, 14 fail to qualify because of their regulation scores; two (Canada and Cyprus) do not qualify because of their foreign investment scores; two (Bahrain and Botswana) do not qualify because of restrictions on trade; and one (El Salvador) does not qualify because of weak property rights.

Although all liberalization in the past year has been accomplished through bilateral free trade agreements, such agreements include only two parties, thereby creating trade diversion for those who are left out. A GFTA would not be a substitute for a comprehensive World Trade Organization (WTO) agreement, but would seek to advance liberalization while the WTO round is being negotiated.

A GFTA would limit trade diversion by welcoming all those who are truly free traders into the fold. Additionally, a GFTA

**Table 3: Countries Showing Greatest Improvement in Economic Freedom Since the 1995 *Index of Economic Freedom*\***

Country	Score Improvement	Region
Azerbaijan (1996)	1.39	Asia and the Pacific
Bosnia (1998)	1.31	North America and Europe
Lithuania (1996)	1.31	North America and Europe
Rwanda (1997)	1.24	Sub-Saharan Africa
Nicaragua (1995)	1.14	Latin America and the Caribbean
Mozambique (1995)	1.11	Sub-Saharan Africa
Armenia (1996)	1.06	North America and Europe
Moldova (1995)	1.01	North America and Europe
Haiti (1995)	1.01	Latin America and the Caribbean
Slovenia (1996)	0.99	North America and Europe
Mauritania (1996)	0.99	Sub-Saharan Africa

\* Number in parentheses indicates the first year country was included in the *Index*.

Source: Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O'Grady, 2004 *Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2004).

**Table 4: Countries Showing Greatest Decline in Economic Freedom Since the 1995 *Index of Economic Freedom*\***

Country	Score Improvement	Region
Venezuela (1995)	0.91	Latin America and the Caribbean
Malaysia (1995)	0.71	Asia and the Pacific
Argentina (1995)	0.63	Latin America and the Caribbean
Nigeria (1995)	0.53	Sub-Saharan Africa
Japan (1995)	0.47	Asia and the Pacific
Paraguay (1995)	0.45	Latin America and the Caribbean
Zimbabwe (1995)	0.45	Sub-Saharan Africa
Turkey (1995)	0.44	North America and Europe
Belarus (1995)	0.39	North America and Europe
Zambia (1995)	0.35	Sub-Saharan Africa
France (1995)	0.33	North America and Europe

\* Number in parentheses indicates the first year country was included in the *Index*.

Source: Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O'Grady, 2004 *Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2004).

would motivate other countries to liberalize their markets in order to join.

Market liberalization should be voluntary, and the GFTA would operate under this concept. Membership in the GFTA would be open only to countries that have demonstrated their commitment to free trade *and* free markets.

**Table 5: Membership in a Global Free Trade Association**

Qualifying Countries	Next in Line:	
	Country	Policy Blocking Membership
1 Australia	1 Austria	Regulation
2 Denmark	2 Bahrain	Trade
3 Estonia	3 Belgium	Regulation
4 Finland	4 Canada	Foreign Investment
5 Hong Kong	5 Chile	Regulation
6 Iceland	6 Cyprus	Foreign Investment
7 Ireland	7 Germany	Regulation
8 Luxembourg	8 Netherlands	Regulation
9 New Zealand	9 Sweden	Regulation
10 Singapore	10 Switzerland	Regulation
11 United Kingdom	11 Botswana	Trade Policy
12 United States	12 El Salvador	Property Rights
	13 France	Regulation
	14 Israel	Regulation
	15 Italy	Regulation
	16 Portugal	Regulation
	17 Spain	Regulation
	18 Trinidad and Tobago	Regulation
	19 Uruguay	Regulation

Source: Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O'Grady, *2004 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2004).

## Criteria for Membership in a Global Free Trade Association

**Freedom to Trade.** Countries must maintain an open trade policy, with minimal barriers to imports and minimal subsidies to domestic industries. This means an average tariff rate not greater than 9 percent as well as few or no non-tariff barriers, which include import quotas or licensing requirements that restrict trade. Countries that generally set low tariff barriers, do not impose excessive non-tariff barriers, and do not put serious impediments in the way of foreign investment demonstrate their fundamental commitment to free trade.

**Freedom to Invest.** Countries must maintain liberal policies regarding capital flows and investment. Specifically, this means a transparent and open foreign investment code, impartial treatment of foreign investments, and an efficient approval process. Restrictions on foreign investment must be few in number and not significant economically.

**Freedom to Operate a Business (Low Regulatory Burden).** Countries must maintain an open environment for business. Overly burdensome regulations can deter trade and investment. Investors may choose not to enter a country because of the difficulties involved in opening a business or because the cost of doing business in that country is excessive. Countries must maintain simple licensing procedures, apply regulations uniformly, and be nondiscriminatory in their treatment of foreign-owned business.

**Secure Property Rights.** A country with a well-established rule of law protects private property and provides an environment in which business transactions can take place with a degree of certainty. Investors are likely to engage in economic transactions when they know the judicial system protects private property and is not subject to outside influence. Secure property rights help to ensure that efforts to expand trade with a GFTA country can be successful.

## Endnotes

- 1 John C. Hulsman, Gerald P. O'Driscoll, Jr., and Denise H. Froning, "The Free Trade Association: A Trade Agenda for the New Global Economy," in Gerald P. O'Driscoll, Jr., Kim R. Holmes, and Melanie Kirkpatrick, 2001 *Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2001), pp. 33–41.
- 2 See Table 5, "Membership in a Global Free Trade Association," above.

# Index of Economic Freedom Rankings

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores	Trade Policy	Fiscal Buden	Govt. Intervention	Monetary Policy	Foreign Investment	Banking & Finance	Wages & Prices	Property Rights	Regulation	Informal Market
1	Hong Kong	1.34	1.44	1.39	1.29	1.40	1.51	1.40	1.54	1.50	1.51	1.0	1.9	2.0	1.0	1.0	1.0	2.0	1.0	1.0	1.5
2	Singapore	1.61	1.61	1.69	1.66	1.59	1.54	1.54	1.68	1.63	1.68	1.0	2.6	3.5	1.0	1.0	2.0	2.0	1.0	1.0	1.0
3	New Zealand	1.70	1.68	1.68	1.71	1.75	1.71	1.83	1.75	1.74	n/a	2.0	4.0	2.0	1.0	1.0	1.0	2.0	1.0	2.0	1.0
4	Luxembourg	1.71	1.68	1.88	1.79	1.84	1.95	1.96	1.96	1.99	n/a	2.0	4.1	2.0	1.0	1.0	1.0	2.0	1.0	2.0	1.0
5	Ireland	1.74	1.73	1.73	1.60	1.81	1.88	1.91	2.14	2.14	2.15	2.0	2.4	2.0	2.0	1.0	1.0	2.0	1.0	2.0	2.0
6	Estonia	1.76	1.68	1.73	1.89	2.19	2.29	2.43	2.46	2.44	2.40	1.0	2.1	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.5
7	United Kingdom	1.79	1.88	1.83	1.78	1.85	1.81	1.85	1.95	1.85	1.75	2.0	3.9	2.0	1.0	2.0	1.0	2.0	1.0	2.0	1.0
8	Denmark	1.80	1.71	1.79	2.10	2.29	2.13	2.11	1.98	2.13	n/a	2.0	4.0	3.0	1.0	2.0	1.0	2.0	1.0	1.0	1.0
9	Switzerland	1.84	1.88	1.80	1.89	1.91	1.88	1.91	1.91	1.94	n/a	2.0	3.4	2.0	1.0	2.0	1.0	2.0	1.0	3.0	1.0
10	United States	1.85	1.86	1.84	1.78	1.84	1.89	1.89	1.88	1.94	1.99	2.0	4.0	2.0	1.0	2.0	1.0	2.0	1.0	2.0	1.5
11	Australia	1.88	1.90	1.91	1.91	1.90	1.94	1.95	2.19	2.08	2.09	2.0	3.8	2.0	2.0	2.0	1.0	2.0	1.0	2.0	1.0
12	Sweden	1.90	1.88	1.88	2.03	2.04	2.15	2.20	2.24	2.25	2.53	2.0	4.0	3.0	1.0	1.0	1.0	2.0	1.0	3.0	1.0
13	Chile	1.91	2.01	1.88	2.03	2.04	2.13	2.10	2.26	2.61	2.60	2.0	2.6	2.0	1.0	2.0	2.0	1.0	1.0	3.0	1.5
14	Cyprus	1.95	2.09	2.13	2.11	2.68	2.66	2.64	2.63	2.64	n/a	2.0	2.5	2.0	1.0	3.0	2.0	2.0	1.0	2.0	2.0
14	Finland	1.95	1.85	1.89	2.04	2.06	2.19	2.09	2.18	2.34	n/a	2.0	3.5	3.0	1.0	2.0	2.0	2.0	1.0	2.0	1.0
16	Canada	1.98	2.00	1.90	2.01	2.06	2.04	2.09	2.08	2.08	2.10	2.0	2.8	3.0	1.0	3.0	2.0	2.0	1.0	2.0	1.0
17	Iceland	2.00	1.93	2.18	2.16	2.11	2.20	2.20	2.30	n/a	n/a	2.0	3.0	3.0	2.0	2.0	3.0	1.0	1.0	2.0	1.0
18	Germany	2.03	2.03	2.00	2.04	2.24	2.26	2.36	2.25	2.26	2.15	2.0	3.8	2.0	1.0	1.0	3.0	2.0	1.0	3.0	1.5
19	Netherlands	2.04	2.00	2.03	1.84	2.03	2.01	2.03	1.88	1.89	n/a	2.0	4.4	3.0	2.0	1.0	1.0	2.0	1.0	3.0	1.0
20	Austria	2.08	2.08	2.08	2.03	1.98	2.08	2.08	2.03	2.06	2.09	2.0	4.3	2.0	1.0	2.0	2.0	2.0	1.0	3.0	1.5
20	Bahrain	2.08	2.04	2.10	2.01	1.88	1.81	1.90	1.80	1.75	1.78	3.0	1.8	4.0	1.0	2.0	1.0	3.0	1.0	2.0	2.0
22	Belgium	2.19	2.10	2.10	2.10	2.14	2.06	2.05	2.03	2.06	n/a	2.0	4.4	2.5	1.0	1.0	2.0	3.0	1.0	3.0	2.0
22	Lithuania	2.19	2.21	2.35	2.53	2.84	2.90	2.98	3.05	3.50	n/a	2.0	2.4	2.5	1.0	2.0	1.0	2.0	3.0	3.0	3.0
24	El Salvador	2.24	2.35	2.23	2.16	2.15	2.38	2.61	2.60	2.68	2.94	2.0	3.4	1.5	1.0	2.0	2.0	2.0	3.0	2.0	3.5
25	Bahamas	2.25	2.15	2.06	2.23	2.23	2.16	2.16	2.05	2.09	2.36	5.0	1.5	2.0	1.0	3.0	2.0	3.0	1.0	2.0	2.0
26	Italy	2.26	2.31	2.28	2.21	2.21	2.24	2.34	2.41	2.56	2.58	2.0	4.1	2.0	1.0	2.0	2.0	2.0	2.0	3.0	2.5
27	Spain	2.31	2.31	2.41	2.49	2.51	2.41	2.40	2.50	2.73	2.54	2.0	4.1	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0
28	Norway	2.35	2.28	2.40	2.44	2.25	2.28	2.28	2.39	2.39	n/a	2.0	4.0	3.5	1.0	3.0	3.0	2.0	1.0	3.0	1.0
29	Israel	2.36	2.40	2.55	2.60	2.70	2.68	2.65	2.64	2.81	2.90	2.0	4.6	2.5	1.0	2.0	3.0	2.0	2.0	3.0	1.5
29	Latvia	2.36	2.30	2.49	2.49	2.69	2.74	2.84	2.91	3.24	n/a	2.0	2.6	2.5	1.0	2.0	2.0	3.0	3.0	3.0	3.5
31	Portugal	2.38	2.40	2.30	2.33	2.34	2.31	2.41	2.41	2.60	2.80	2.0	3.8	2.0	2.0	2.0	3.0	2.0	2.0	3.0	2.0
32	Czech Republic	2.39	2.35	2.29	2.10	2.20	2.14	2.43	2.29	2.33	2.38	3.0	3.9	2.5	1.0	2.0	1.0	2.0	2.0	3.0	3.5
33	Barbados	2.41	2.29	2.53	2.64	2.74	2.86	2.63	2.93	3.15	n/a	4.0	4.6	2.5	1.0	3.0	2.0	2.0	1.0	2.0	2.0
34	Taiwan	2.43	2.29	2.38	2.18	1.98	2.09	2.24	2.21	2.23	2.26	2.0	3.3	2.5	1.0	3.0	3.0	2.0	2.0	3.0	2.5
35	Slovak Republic	2.44	2.71	2.76	2.85	3.18	3.38	3.31	3.18	3.18	2.88	3.0	2.9	2.0	2.0	2.0	1.0	2.0	3.0	3.0	3.5
36	Trinidad and Tobago	2.45	2.54	2.54	2.64	2.48	2.49	2.60	2.68	2.69	n/a	2.0	4.0	2.5	2.0	2.0	2.0	2.0	2.0	3.0	3.0
37	Malta	2.51	2.76	2.78	2.84	3.09	3.14	3.15	3.25	3.24	3.44	4.0	4.1	3.0	1.0	3.0	2.0	2.0	1.0	2.0	3.0
38	Japan	2.53	2.36	2.34	2.04	2.06	2.11	2.16	2.16	2.18	2.06	2.0	4.3	2.0	1.0	3.0	4.0	2.0	2.0	3.0	2.0
39	Botswana	2.55	2.49	2.99	2.95	2.93	2.91	2.90	2.75	3.09	3.38	3.0	3.0	4.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0

# Index of Economic Freedom Rankings

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores	Trade Policy	Fiscal Buden	Govt. Intervention	Monetary Policy	Foreign Investment	Banking & Finance	Wages & Prices	Property Rights	Informal Market
39	Uruguay	2.55	2.45	2.51	2.30	2.50	2.60	2.59	2.60	2.85	3.03	2.0	3.5	2.0	3.0	2.0	3.0	2.0	3.0	3.0
41	Bolivia	2.59	2.59	2.66	2.31	2.61	2.61	2.61	2.56	2.61	3.21	3.0	2.9	2.0	1.0	1.0	2.0	2.0	4.0	4.0
42	Hungary	2.60	2.55	2.23	2.38	2.43	2.89	2.94	3.04	2.98	2.93	3.0	3.0	2.0	3.0	2.0	2.0	3.0	2.0	3.0
42	United Arab Emirates	2.60	2.20	2.28	2.16	2.20	2.30	2.35	2.35	2.40	n/a	2.0	2.0	4.0	1.0	3.0	4.0	3.0	2.0	2.0
44	Armenia	2.63	2.59	2.78	3.03	3.21	3.50	3.50	3.50	3.69	n/a	2.0	2.3	3.0	2.0	2.0	1.0	3.0	3.0	4.0
44	France	2.63	2.74	2.85	2.49	2.44	2.34	2.34	2.33	2.31	2.30	2.0	4.3	5.0	1.0	2.0	3.0	2.0	2.0	2.0
46	Belize	2.69	2.74	2.79	2.69	2.84	2.76	2.96	2.71	2.74	2.85	4.0	2.9	2.0	1.0	3.0	3.0	3.0	3.0	3.0
46	Korea, South	2.69	2.75	2.49	2.35	2.50	2.38	2.30	2.31	2.49	2.41	4.0	3.4	2.5	2.0	2.0	3.0	2.0	3.0	3.0
48	Kuwait	2.70	2.58	2.71	2.48	2.45	2.40	2.50	2.39	2.50	n/a	2.0	1.5	4.5	1.0	4.0	3.0	3.0	3.0	2.0
48	Uganda	2.70	2.95	3.15	3.15	3.15	2.64	2.64	2.75	2.89	3.10	3.0	3.0	2.0	1.0	3.0	2.0	3.0	4.0	4.0
50	Costa Rica	2.71	2.71	2.73	2.84	2.88	3.00	3.00	3.03	3.00	3.04	3.0	3.1	2.0	3.0	2.0	3.0	2.0	3.0	3.0
51	Jordan	2.73	2.80	2.73	2.85	2.95	2.96	2.99	2.85	3.10	2.90	4.0	3.8	3.5	1.0	2.0	2.0	2.0	3.0	3.0
52	Slovenia	2.75	2.86	3.25	3.01	3.20	3.05	3.15	3.45	3.74	n/a	3.0	3.5	2.5	3.0	3.0	3.0	2.0	3.0	2.5
53	South Africa	2.79	2.58	2.79	3.00	3.01	2.98	2.88	2.99	3.25	3.23	4.0	3.9	2.0	3.0	2.0	2.0	3.0	3.0	3.0
54	Greece	2.80	2.79	2.84	2.69	2.69	2.88	2.89	2.81	2.95	3.15	2.0	4.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
54	Oman	2.80	2.75	2.78	2.58	2.56	2.43	2.45	2.54	2.60	2.70	3.0	1.5	4.5	1.0	3.0	3.0	4.0	3.0	3.0
56	Jamaica	2.81	2.73	3.01	3.01	2.61	2.91	2.89	2.86	2.99	3.16	4.0	4.1	2.5	3.0	1.0	2.0	2.0	3.0	3.5
56	Poland	2.81	2.83	2.60	2.64	2.84	2.83	2.91	3.09	3.24	3.46	3.0	3.6	2.0	2.0	3.0	2.0	3.0	3.0	3.5
58	Panama	2.83	2.59	2.68	2.58	2.56	2.43	2.45	2.54	2.60	2.70	3.0	3.8	3.5	1.0	2.0	2.0	2.0	4.0	4.0
58	Peru	2.83	2.86	2.88	2.61	2.64	2.66	2.96	3.03	3.06	3.59	4.0	3.3	2.5	1.0	2.0	2.0	2.0	4.0	3.5
60	Cape Verde	2.86	3.25	3.30	3.56	3.66	3.81	3.74	3.80	3.60	n/a	5.0	3.6	2.0	1.0	3.0	3.0	2.0	3.0	4.0
60	Qatar	2.86	2.78	3.03	3.18	3.18	3.11	n/a	n/a	n/a	n/a	3.0	3.1	4.5	1.0	3.0	3.0	2.0	4.0	2.0
60	Thailand	2.86	2.71	2.46	2.29	2.76	2.58	2.56	2.58	2.58	2.59	4.0	3.6	2.5	1.0	3.0	3.0	2.0	3.0	3.5
63	Cambodia	2.90	2.68	2.78	3.00	3.14	3.13	3.24	3.68	n/a	n/a	4.0	2.5	2.5	1.0	3.0	2.0	3.0	4.0	3.0
63	Mexico	2.90	2.81	2.96	3.05	3.09	3.25	3.41	3.35	3.31	3.10	2.0	4.0	3.5	3.0	3.0	2.0	2.0	3.0	3.5
63	Mongolia	2.90	3.01	2.98	3.03	3.06	3.18	3.14	3.23	3.60	3.50	2.0	4.5	2.5	2.0	3.0	3.0	2.0	3.0	3.0
66	Morocco	2.93	2.96	3.15	2.80	3.05	2.95	3.08	3.00	2.89	3.03	5.0	3.8	2.0	1.0	2.0	3.0	2.0	4.0	3.5
67	Mauritania	2.94	3.20	3.46	3.89	4.00	4.00	3.96	4.03	3.93	n/a	3.0	2.9	2.5	2.0	2.0	2.0	3.0	4.0	4.0
67	Nicaragua	2.94	3.09	3.23	3.54	3.70	3.75	3.68	3.80	3.70	4.08	2.0	2.9	2.5	2.0	3.0	2.0	3.0	4.0	4.0
67	Tunisia	2.94	2.91	2.89	3.04	2.94	3.01	2.90	2.89	2.83	2.98	5.0	3.9	2.5	1.0	3.0	3.0	2.0	3.0	3.0
70	Namibia	2.96	2.65	2.84	2.93	2.98	2.84	2.99	2.80	n/a	n/a	4.0	4.1	3.0	3.0	3.0	3.0	2.0	2.0	2.5
71	Mauritius	2.99	2.96	2.95	2.98	2.90	2.68	n/a	n/a	n/a	n/a	5.0	2.9	3.0	2.0	3.0	2.0	4.0	2.0	3.0
72	Senegal	3.00	3.33	3.45	3.33	3.34	3.41	3.51	3.64	3.81	n/a	3.0	4.5	2.0	1.0	3.0	3.0	3.0	4.0	3.5
73	Macedonia	3.04	3.23	3.35	n/a	4.0	2.4	3.5	2.0	3.0	2.0	2.0	4.0	3.5						
74	Philippines	3.05	2.95	3.05	3.16	3.00	2.98	2.84	3.06	3.14	3.35	2.0	3.5	2.0	2.0	3.0	3.0	4.0	4.0	4.0
74	Saudi Arabia	3.05	3.09	3.16	3.35	3.15	3.11	2.89	2.95	2.95	n/a	4.0	2.0	4.5	1.0	4.0	4.0	2.0	3.0	3.0
76	Fiji	3.06	3.48	3.54	3.50	3.29	3.29	3.23	3.23	3.24	3.49	4.0	3.6	2.0	1.0	4.0	2.0	3.0	4.0	4.0
76	Sri Lanka	3.06	3.05	2.89	2.84	2.91	2.81	2.76	2.61	2.94	3.06	3.0	3.6	2.5	3.0	3.0	3.0	3.0	3.0	3.5
78	Bulgaria	3.08	3.26	3.28	3.28	3.35	3.49	3.60	3.53	3.50	3.56	4.0	1.8	2.5	4.0	3.0	2.0	2.0	4.0	4.0

# Index of Economic Freedom Rankings

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores	Trade Policy	Fiscal Buden	Govt. Intervention	Monetary Policy	Foreign Investment	Banking & Finance	Wages & Prices	Property Rights	Informal Market
79	Moldova	3.09	3.13	3.30	3.75	3.35	3.49	3.48	3.65	3.50	4.10	4.0	2.4	2.5	3.0	4.0	3.0	3.0	4.0	4.0
80	Albania	3.10	3.28	3.24	3.48	3.78	3.51	3.53	3.59	3.58	3.48	4.0	3.0	3.0	2.0	2.0	3.0	2.0	4.0	4.0
80	Brazil	3.10	3.01	3.06	3.21	3.46	3.19	3.36	3.28	3.56	3.46	4.0	2.5	4.0	3.0	3.0	2.0	3.0	3.0	3.5
82	Croatia	3.11	3.06	3.29	3.39	3.49	3.55	3.63	3.56	3.53	n/a	4.0	3.1	2.5	2.0	3.0	2.0	3.0	4.0	3.5
83	Colombia	3.13	3.10	2.94	3.00	3.14	2.99	3.19	3.23	3.15	3.10	4.0	4.3	3.5	3.0	2.0	2.0	4.0	3.0	3.5
83	Guyana	3.13	3.20	3.28	3.35	3.35	3.30	3.55	3.35	3.38	3.70	4.0	3.8	3.5	2.0	3.0	2.0	3.0	4.0	4.0
83	Lebanon	3.13	3.09	3.01	2.65	3.06	3.03	3.06	2.78	2.96	n/a	4.0	2.3	3.0	1.0	3.0	2.0	3.0	4.0	5.0
86	Madagascar	3.14	2.85	3.29	3.29	3.39	3.45	3.51	3.44	3.55	3.74	3.0	4.4	1.5	4.0	3.0	3.0	3.0	3.0	4.5
87	Guatemala	3.16	3.01	3.00	2.88	2.91	2.89	2.91	2.89	3.15	3.36	3.0	3.6	2.0	3.0	4.0	2.0	2.0	4.0	4.0
87	Malaysia	3.16	3.14	3.23	3.05	2.76	2.64	2.64	2.85	2.63	2.45	3.0	3.6	4.0	1.0	4.0	3.0	3.0	3.0	3.0
89	Ivory Coast	3.18	3.16	3.00	3.08	3.68	3.73	3.74	3.80	3.83	3.43	4.0	4.3	1.5	2.0	3.0	2.0	3.0	4.0	4.0
89	Swaziland	3.18	3.00	3.21	3.05	3.16	3.06	3.13	3.31	3.30	3.16	4.0	3.8	2.0	3.0	3.0	3.0	3.0	3.0	4.0
91	Georgia	3.19	3.40	3.48	3.68	3.80	3.85	3.78	3.88	3.94	n/a	4.0	2.4	1.5	3.0	3.0	3.0	4.0	4.0	4.0
92	Djibouti	3.23	3.30	3.16	3.38	3.38	3.28	3.29	3.18	n/a	n/a	5.0	2.8	3.5	1.0	3.0	3.0	2.0	4.0	4.0
93	Guinea	3.24	3.26	3.45	3.21	3.34	3.19	3.11	3.39	3.13	3.29	5.0	4.4	1.0	2.0	4.0	2.0	4.0	4.0	4.0
94	Kenya	3.26	3.21	3.28	3.26	3.05	3.09	3.06	3.26	3.54	3.45	5.0	3.6	2.5	2.0	3.0	3.0	3.0	4.0	4.5
95	Burkina Faso	3.28	3.35	3.33	3.45	3.61	3.63	3.80	3.81	3.96	n/a	4.0	3.8	3.0	1.0	3.0	3.0	4.0	4.0	4.0
95	Egypt	3.28	3.39	3.53	3.53	3.58	3.35	3.31	3.49	3.40	3.69	4.0	4.3	3.0	1.0	3.0	4.0	3.0	4.0	3.5
95	Mozambique	3.28	3.40	3.15	3.40	3.94	3.95	4.15	4.15	4.11	4.39	4.0	3.8	2.0	4.0	2.0	3.0	4.0	4.0	4.0
98	Tanzania	3.29	3.54	3.56	3.65	3.58	3.36	3.48	3.46	3.73	3.79	5.0	3.9	2.0	2.0	3.0	2.0	3.0	4.0	4.0
99	Bosnia	3.30	3.49	3.89	4.04	4.40	4.61	4.61	n/a	n/a	n/a	3.0	2.5	2.5	1.0	4.0	2.0	3.0	5.0	5.0
100	Algeria	3.31	3.39	3.05	3.40	3.40	3.59	3.64	3.63	3.70	3.68	5.0	4.1	4.0	1.0	2.0	4.0	3.0	4.0	3.0
101	Ethiopia	3.33	3.79	3.70	3.88	3.70	3.68	3.70	3.80	3.80	3.90	4.0	3.8	3.0	1.0	3.0	4.0	3.0	4.0	3.5
102	Mali	3.34	3.20	3.10	3.15	3.13	3.24	3.33	3.50	3.44	3.53	3.0	4.4	4.0	2.0	3.0	4.0	3.0	3.0	5.0
103	Kyrgyzstan	3.36	3.41	3.65	3.80	3.78	3.73	4.00	n/a	n/a	n/a	4.0	3.1	2.5	3.0	3.0	3.0	4.0	4.0	4.0
103	Rwanda	3.36	3.93	3.73	3.94	4.28	4.29	4.60	4.60	n/a	n/a	3.0	4.6	2.0	1.0	4.0	3.0	4.0	4.0	5.0
105	Central African Rep.	3.38	3.28	3.31	n/a	5.0	3.8	4.0	1.0	2.0	3.0	3.0	4.0	4.0						
106	Azerbaijan	3.39	3.50	3.58	3.93	4.33	4.29	4.35	4.58	4.78	n/a	3.0	3.4	3.0	1.0	4.0	4.0	3.0	4.0	4.5
106	Paraguay	3.39	3.40	3.28	3.39	3.01	3.00	3.04	2.91	2.89	2.94	3.0	3.4	3.0	3.0	3.0	3.0	4.0	4.0	4.5
106	Turkey	3.39	3.50	3.33	2.93	2.73	2.80	2.66	2.70	3.00	2.95	3.0	3.9	2.5	5.0	3.0	3.0	3.0	4.0	3.5
109	Ghana	3.40	3.54	3.59	3.29	3.24	3.29	3.29	3.53	3.54	3.54	4.0	4.0	3.5	4.0	3.0	3.0	3.0	3.0	3.5
109	Pakistan	3.40	3.44	3.44	3.50	3.50	3.50	3.31	3.29	3.26	3.34	5.0	4.0	3.0	1.0	3.0	4.0	3.0	4.0	4.0
111	Gabon	3.43	3.18	3.33	3.38	3.26	3.09	3.18	3.31	3.40	3.19	5.0	4.8	3.5	1.0	3.0	3.0	3.0	4.0	4.0
111	Niger	3.43	3.61	3.74	3.78	4.09	3.91	4.01	4.19	4.25	n/a	4.0	4.3	3.0	1.0	3.0	3.0	4.0	4.0	5.0
113	Benin	3.44	3.56	3.46	3.23	3.16	3.29	3.35	3.44	3.53	n/a	4.0	4.4	4.0	1.0	3.0	3.0	4.0	4.0	4.0
114	Malawi	3.46	3.63	3.64	3.76	3.84	3.89	3.96	3.86	3.64	3.74	3.0	4.1	2.5	4.0	3.0	4.0	3.0	3.0	4.0
114	Russia	3.46	3.54	3.74	3.79	3.75	3.60	3.54	3.83	3.65	3.55	3.0	2.6	2.0	5.0	3.0	4.0	3.0	4.0	4.0
116	Argentina	3.48	3.04	2.58	2.29	2.23	2.28	2.53	2.75	2.63	2.85	4.0	3.8	2.0	4.0	3.0	4.0	3.0	4.0	4.0
117	Ukraine	3.49	3.59	3.84	3.88	3.75	3.75	3.83	3.83	3.75	4.05	3.0	3.9	3.0	3.0	4.0	3.0	3.0	4.0	4.0

# Index of Economic Freedom Rankings

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores	Trade Policy	Fiscal Buden	Govt. Intervention	Monetary Policy	Foreign Investment	Banking & Finance	Wages & Prices	Property Rights	Informal Market
I18	Lesotho	3.50	3.24	3.39	3.44	3.44	3.48	3.69	3.70	3.78	n/a	4.0	3.5	3.5	3.0	4.0	3.0	3.0	4.0	4.0
I18	Zambia	3.50	3.50	3.30	3.25	2.94	2.96	2.94	2.88	3.08	3.15	4.0	4.0	2.0	5.0	3.0	3.0	3.0	4.0	4.0
I20	Dominican Republic	3.51	3.29	3.19	3.04	3.03	3.20	3.26	3.24	3.39	3.63	5.0	3.1	1.5	3.0	3.0	4.0	4.0	4.0	3.5
I21	Honduras	3.53	3.19	3.33	3.50	3.51	3.71	3.51	3.58	3.58	3.58	3.0	3.3	4.0	3.0	4.0	3.0	3.0	4.0	4.0
I21	India	3.53	3.58	3.61	3.91	3.93	3.93	3.83	3.88	3.93	3.93	5.0	3.8	3.5	2.0	3.0	4.0	3.0	4.0	4.0
I21	Nepal	3.53	3.63	3.51	3.60	3.79	3.54	3.76	3.89	3.86	n/a	5.0	3.3	2.0	1.0	4.0	4.0	3.0	4.0	5.0
I24	Chad	3.54	3.59	3.75	3.74	4.00	4.06	4.24	4.24	n/a	n/a	5.0	4.4	3.0	3.0	3.0	2.0	2.0	4.0	5.0
I24	Gambia	3.54	3.49	3.34	3.59	3.64	3.60	3.66	3.55	n/a	n/a	4.0	4.4	4.0	2.0	3.0	3.0	3.0	4.0	5.0
I26	Ecuador	3.60	3.58	3.60	3.51	3.14	3.09	3.10	3.21	3.33	3.39	4.0	3.0	3.0	5.0	3.0	3.0	3.0	4.0	4.0
I27	Cameroon	3.63	3.54	3.45	3.50	3.73	3.70	3.96	3.95	4.08	3.51	5.0	4.8	3.5	2.0	3.0	3.0	4.0	4.0	4.0
I28	China, PRC	3.64	3.54	3.56	3.55	3.49	3.56	3.69	3.73	3.78	3.78	5.0	4.4	3.5	1.0	4.0	4.0	3.0	4.0	3.5
I29	Romania	3.66	3.71	3.78	3.59	3.20	3.20	3.21	3.30	3.40	3.60	4.0	3.1	2.5	5.0	4.0	3.0	3.0	4.0	4.0
I30	Equatorial Guinea	3.69	3.73	4.15	4.13	4.18	4.26	n/a	n/a	n/a	n/a	5.0	2.9	2.0	3.0	3.0	4.0	4.0	4.0	5.0
I31	Bangladesh	3.70	3.69	4.00	4.05	4.04	3.98	3.80	3.76	3.79	3.79	5.0	4.0	3.5	1.0	3.0	4.0	3.0	4.0	4.5
I31	Kazakhstan	3.70	3.55	3.70	3.85	3.90	4.14	4.23	n/a	n/a	n/a	4.0	3.5	2.5	3.0	5.0	4.0	4.0	4.0	4.0
I31	Yemen	3.70	3.73	3.74	3.98	3.94	4.19	4.15	3.95	3.88	3.79	3.0	4.0	4.0	3.0	3.0	4.0	3.0	4.0	5.0
I34	Sierra Leone	3.73	3.95	n/a	n/a	4.04	3.96	3.70	3.79	3.65	3.90	5.0	4.3	2.0	1.0	4.0	4.0	2.0	5.0	5.0
I34	Togo	3.73	3.86	3.88	4.00	4.05	4.14	n/a	n/a	n/a	n/a	3.0	4.3	3.0	2.0	4.0	4.0	3.0	4.0	5.0
I36	Indonesia	3.76	3.43	3.49	3.60	3.60	3.14	3.00	3.05	3.00	3.58	3.0	4.1	4.0	3.0	4.0	4.0	3.0	4.0	4.5
I37	Haiti	3.78	3.86	4.08	4.13	4.33	4.26	4.43	4.35	4.64	4.79	4.0	3.8	3.0	3.0	4.0	3.0	5.0	5.0	4.0
I38	Syria	3.88	3.88	4.11	4.00	4.05	4.04	4.01	4.14	4.15	n/a	4.0	3.3	4.5	1.0	4.0	5.0	4.0	4.0	5.0
I39	Congo, Rep.	3.90	3.80	3.90	3.95	4.20	4.26	4.71	4.33	4.39	n/a	5.0	5.0	4.0	1.0	4.0	4.0	3.0	4.0	5.0
I39	Guinea-Bissau	3.90	3.90	4.15	4.19	4.40	4.50	n/a	n/a	n/a	n/a	5.0	3.5	2.5	2.0	3.0	5.0	3.0	5.0	5.0
I41	Vietnam	3.93	3.90	3.98	4.24	4.49	4.48	4.33	4.46	4.50	4.60	5.0	4.3	4.0	1.0	4.0	4.0	3.0	5.0	4.0
I42	Nigeria	3.95	4.04	3.79	3.49	3.39	3.40	3.40	3.43	3.53	3.43	5.0	3.5	4.5	4.0	3.0	4.0	3.0	4.0	4.5
I43	Suriname	3.96	4.06	4.03	3.98	3.98	4.08	4.10	4.00	4.10	n/a	5.0	3.6	4.0	5.0	3.0	4.0	3.0	4.0	5.0
I44	Cuba	4.08	4.43	4.88	4.88	4.88	4.90	4.95	4.90	5.00	4.95	3.0	4.3	4.5	1.0	4.0	5.0	5.0	4.0	5.0
I45	Belarus	4.09	4.24	4.21	4.10	4.13	4.14	4.15	3.95	3.45	3.70	4.0	3.4	3.5	5.0	4.0	4.0	5.0	4.0	3.0
I46	Tajikistan	4.15	4.10	4.09	4.11	4.21	4.15	4.30	n/a	n/a	n/a	3.0	3.5	4.0	5.0	4.0	5.0	4.0	4.0	5.0
I47	Venezuela	4.18	3.71	3.88	3.78	3.43	3.48	3.43	3.58	3.63	3.28	4.0	4.3	3.5	5.0	5.0	4.0	4.0	4.0	4.0
I48	Iran	4.26	4.30	4.63	4.84	4.69	4.56	4.76	4.80	4.79	n/a	2.0	3.6	5.0	4.0	4.0	5.0	4.0	5.0	5.0
I49	Uzbekistan	4.29	4.29	4.39	4.61	4.56	4.64	4.68	n/a	n/a	n/a	5.0	2.9	4.0	5.0	4.0	5.0	4.0	5.0	4.0
I50	Turkmenistan	4.31	4.21	4.39	4.39	4.40	4.39	4.50	n/a	n/a	n/a	5.0	3.1	5.0	4.0	4.0	5.0	4.0	4.0	5.0
I51	Burma	4.45	4.35	4.33	4.45	4.28	4.15	4.31	4.38	4.45	n/a	5.0	3.0	3.5	5.0	5.0	4.0	5.0	5.0	5.0
I51	Laos	4.45	4.73	4.81	4.75	4.80	4.75	4.63	4.70	4.51	n/a	5.0	4.0	3.5	4.0	4.0	5.0	4.0	5.0	5.0
I53	Zimbabwe	4.54	4.63	4.39	4.21	4.04	3.89	4.16	3.69	3.79	4.09	5.0	3.4	4.0	5.0	5.0	5.0	5.0	4.0	4.0
I54	Libya	4.55	4.48	4.60	4.90	4.85	4.95	4.95	4.95	4.95	n/a	5.0	4.5	5.0	1.0	5.0	5.0	5.0	5.0	5.0
I55	Korea, North	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<b>Not Ranked</b>																				
n/a	Angola	n/a	n/a	n/a	n/a	4.48	4.50	4.48	4.43	4.38	4.38	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	Burundi	n/a	n/a	n/a	n/a	4.00	4.20	4.38	4.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	Congo, Dem. Rep.	n/a	n/a	n/a	n/a	4.60	4.59	4.29	4.39	4.29	3.89	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	Iraq	n/a	n/a	5.00	4.90	4.90	4.85	4.85	4.85	4.85	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	Serbia and Montenegro	n/a	4.28	4.21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a							
n/a	Sudan	n/a	n/a	n/a	1.00	4.05	4.39	4.29	4.30	4.10	4.30	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

# Asia and the Pacific Index of Economic Freedom Scores (30 Economies)

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores
1	Hong Kong	1.34	1.44	1.39	1.29	1.40	1.51	1.40	1.54	1.50	1.51
2	Singapore	1.61	1.61	1.69	1.66	1.59	1.54	1.54	1.68	1.63	1.68
3	New Zealand	1.70	1.68	1.68	1.71	1.75	1.71	1.83	1.75	1.74	n/a
11	Australia	1.88	1.90	1.91	1.91	1.90	1.94	1.95	2.19	2.08	2.09
34	Taiwan	2.43	2.29	2.38	2.18	1.98	2.09	2.24	2.21	2.23	2.26
38	Japan	2.53	2.36	2.34	2.04	2.06	2.11	2.16	2.16	2.18	2.06
46	Korea, South	2.69	2.75	2.49	2.35	2.50	2.38	2.30	2.31	2.49	2.41
60	Thailand	2.86	2.71	2.46	2.29	2.76	2.58	2.56	2.58	2.58	2.59
63	Cambodia	2.90	2.68	2.78	3.00	3.14	3.13	3.24	3.68	n/a	n/a
63	Mongolia	2.90	3.01	2.98	3.03	3.06	3.18	3.14	3.23	3.60	3.50
74	Philippines	3.05	2.95	3.05	3.16	3.00	2.98	2.84	3.06	3.14	3.35
76	Fiji	3.06	3.48	3.54	3.50	3.29	3.29	3.23	3.23	3.24	3.49
76	Sri Lanka	3.06	3.05	2.89	2.84	2.91	2.81	2.76	2.61	2.94	3.06
87	Malaysia	3.16	3.14	3.23	3.05	2.76	2.64	2.64	2.85	2.63	2.45
103	Kyrgyzstan	3.36	3.41	3.65	3.80	3.78	3.73	4.00	n/a	n/a	n/a
106	Azerbaijan	3.39	3.50	3.58	3.93	4.33	4.29	4.35	4.58	4.78	n/a
109	Pakistan	3.40	3.44	3.44	3.50	3.50	3.50	3.31	3.29	3.26	3.34
121	India	3.53	3.58	3.61	3.91	3.93	3.93	3.83	3.88	3.93	3.93
121	Nepal	3.53	3.63	3.51	3.60	3.79	3.54	3.76	3.89	3.86	n/a
128	China, PRC	3.64	3.54	3.56	3.55	3.49	3.56	3.69	3.73	3.78	3.78
131	Bangladesh	3.70	3.69	4.00	4.05	4.04	3.98	3.80	3.76	3.79	3.79
131	Kazakhstan	3.70	3.55	3.70	3.85	3.90	4.14	4.23	n/a	n/a	n/a
136	Indonesia	3.76	3.43	3.49	3.60	3.60	3.14	3.00	3.05	3.00	3.58
141	Vietnam	3.93	3.90	3.98	4.24	4.49	4.48	4.33	4.46	4.50	4.60
146	Tajikistan	4.15	4.10	4.09	4.11	4.21	4.15	4.30	n/a	n/a	n/a
149	Uzbekistan	4.29	4.29	4.39	4.61	4.56	4.64	4.68	n/a	n/a	n/a
150	Turkmenistan	4.31	4.21	4.39	4.39	4.40	4.39	4.50	n/a	n/a	n/a
151	Burma	4.45	4.35	4.33	4.45	4.28	4.15	4.31	4.38	4.45	n/a
151	Laos	4.45	4.73	4.81	4.75	4.80	4.75	4.63	4.70	4.51	n/a
155	Korea, North	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

# North America and Europe Index of Economic Freedom Scores (45 Economies)

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores
4	Luxembourg	1.71	1.68	1.88	1.79	1.84	1.95	1.96	1.96	1.99	n/a
5	Ireland	1.74	1.73	1.73	1.60	1.81	1.88	1.91	2.14	2.14	2.15
6	Estonia	1.76	1.68	1.73	1.89	2.19	2.29	2.43	2.46	2.44	2.40
7	United Kingdom	1.79	1.88	1.83	1.78	1.85	1.81	1.85	1.95	1.85	1.75
8	Denmark	1.80	1.71	1.79	2.10	2.29	2.13	2.11	1.98	2.13	n/a
9	Switzerland	1.84	1.88	1.80	1.89	1.91	1.88	1.91	1.91	1.94	n/a
10	United States	1.85	1.86	1.84	1.78	1.84	1.89	1.89	1.88	1.94	1.99
12	Sweden	1.90	1.88	1.88	2.03	2.15	2.20	2.24	2.25	2.53	2.63
14	Cyprus	1.95	2.09	2.13	2.11	2.68	2.66	2.64	2.63	2.64	n/a
14	Finland	1.95	1.85	1.89	2.04	2.06	2.19	2.09	2.18	2.34	n/a
16	Canada	1.98	2.00	1.90	2.01	2.06	2.04	2.09	2.08	2.08	2.10
17	Iceland	2.00	1.93	2.18	2.16	2.11	2.20	2.20	2.30	n/a	n/a
18	Germany	2.03	2.03	2.00	2.04	2.24	2.26	2.36	2.25	2.26	2.15
19	Netherlands	2.04	2.00	2.03	1.84	2.03	2.01	2.03	1.88	1.89	n/a
20	Austria	2.08	2.08	2.08	2.03	1.98	2.08	2.08	2.03	2.06	2.09
22	Belgium	2.19	2.10	2.10	2.10	2.14	2.06	2.05	2.03	2.06	n/a
22	Lithuania	2.19	2.21	2.35	2.53	2.84	2.90	2.98	3.05	3.50	n/a
26	Italy	2.26	2.31	2.28	2.21	2.21	2.24	2.34	2.41	2.56	2.58
27	Spain	2.31	2.31	2.41	2.49	2.51	2.41	2.40	2.50	2.73	2.54
28	Norway	2.35	2.28	2.40	2.44	2.25	2.28	2.28	2.39	2.39	n/a
29	Latvia	2.36	2.30	2.49	2.49	2.69	2.74	2.84	2.91	3.24	n/a
31	Portugal	2.38	2.40	2.30	2.33	2.34	2.31	2.41	2.41	2.60	2.80
32	Czech Republic	2.39	2.35	2.29	2.10	2.20	2.14	2.43	2.29	2.33	2.38
35	Slovak Republic	2.44	2.71	2.76	2.85	3.18	3.38	3.31	3.18	3.18	2.88
37	Malta	2.51	2.76	2.78	2.84	3.09	3.14	3.15	3.25	3.24	3.44
42	Hungary	2.60	2.55	2.23	2.38	2.43	2.89	2.94	3.04	2.98	2.93
44	Armenia	2.63	2.59	2.78	3.03	3.21	3.50	3.50	3.50	3.69	n/a
44	France	2.63	2.74	2.85	2.49	2.44	2.34	2.34	2.33	2.31	2.30
52	Slovenia	2.75	2.86	3.25	3.01	3.20	3.05	3.15	3.45	3.74	n/a
54	Greece	2.80	2.79	2.84	2.69	2.69	2.88	2.89	2.81	2.95	3.15
56	Poland	2.81	2.83	2.60	2.64	2.84	2.83	2.91	3.09	3.24	3.46
63	Mexico	2.90	2.81	2.96	3.05	3.09	3.25	3.41	3.35	3.31	3.10
73	Macedonia	3.04	3.23	3.35	n/a						
78	Bulgaria	3.08	3.26	3.28	3.28	3.35	3.49	3.60	3.53	3.50	3.56
79	Moldova	3.09	3.13	3.30	3.75	3.35	3.49	3.48	3.65	3.50	4.10
80	Albania	3.10	3.28	3.24	3.48	3.78	3.51	3.53	3.59	3.58	3.48
82	Croatia	3.11	3.06	3.29	3.39	3.49	3.55	3.63	3.56	3.53	n/a
91	Georgia	3.19	3.40	3.48	3.68	3.80	3.85	3.78	3.88	3.94	n/a
99	Bosnia	3.30	3.49	3.89	4.04	4.40	4.61	4.61	n/a	n/a	n/a
106	Turkey	3.39	3.50	3.33	2.93	2.73	2.80	2.66	2.70	3.00	2.95
114	Russia	3.46	3.54	3.74	3.79	3.75	3.60	3.54	3.83	3.65	3.55
117	Ukraine	3.49	3.59	3.84	3.88	3.75	3.75	3.83	3.83	3.75	4.05
129	Romania	3.66	3.71	3.78	3.59	3.20	3.20	3.21	3.30	3.40	3.60
145	Belarus	4.09	4.24	4.21	4.10	4.13	4.14	4.15	3.95	3.45	3.70
n/a	Serbia and Montenegro	n/a	4.28	4.21	n/a						

# North Africa and Middle East Index of Economic Freedom Scores (18 Economies)

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores
20	Bahrain	2.08	2.04	2.10	2.01	1.88	1.81	1.90	1.80	1.75	1.78
29	Israel	2.36	2.40	2.55	2.60	2.70	2.68	2.65	2.64	2.81	2.90
42	United Arab Emirates	2.60	2.20	2.28	2.16	2.20	2.30	2.35	2.35	2.40	n/a
48	Kuwait	2.70	2.58	2.71	2.48	2.45	2.40	2.50	2.39	2.50	n/a
51	Jordan	2.73	2.80	2.73	2.85	2.95	2.96	2.99	2.85	3.10	2.90
54	Oman	2.80	2.75	2.78	2.60	2.93	2.80	2.69	2.79	2.85	2.70
60	Qatar	2.86	2.78	3.03	3.18	3.18	3.11	n/a	n/a	n/a	n/a
66	Morocco	2.93	2.96	3.15	2.80	3.05	2.95	3.08	3.00	2.89	3.03
67	Tunisia	2.94	2.91	2.89	3.04	2.94	3.01	2.90	2.89	2.83	2.98
74	Saudi Arabia	3.05	3.09	3.16	3.35	3.15	3.11	2.89	2.95	2.95	n/a
83	Lebanon	3.13	3.09	3.01	2.65	3.06	3.03	3.06	2.78	2.96	n/a
95	Egypt	3.28	3.39	3.53	3.53	3.58	3.35	3.31	3.49	3.40	3.69
100	Algeria	3.31	3.39	3.05	3.40	3.40	3.59	3.64	3.63	3.70	3.68
131	Yemen	3.70	3.73	3.74	3.98	3.94	4.19	4.15	3.95	3.88	3.79
138	Syria	3.88	3.88	4.11	4.00	4.05	4.04	4.01	4.14	4.15	n/a
148	Iran	4.26	4.30	4.63	4.84	4.69	4.56	4.76	4.80	4.79	n/a
154	Libya	4.55	4.48	4.60	4.90	4.85	4.95	4.95	4.95	4.95	n/a
n/a	Iraq	n/a	n/a	5.00	4.90	4.90	4.85	4.85	4.85	4.85	n/a

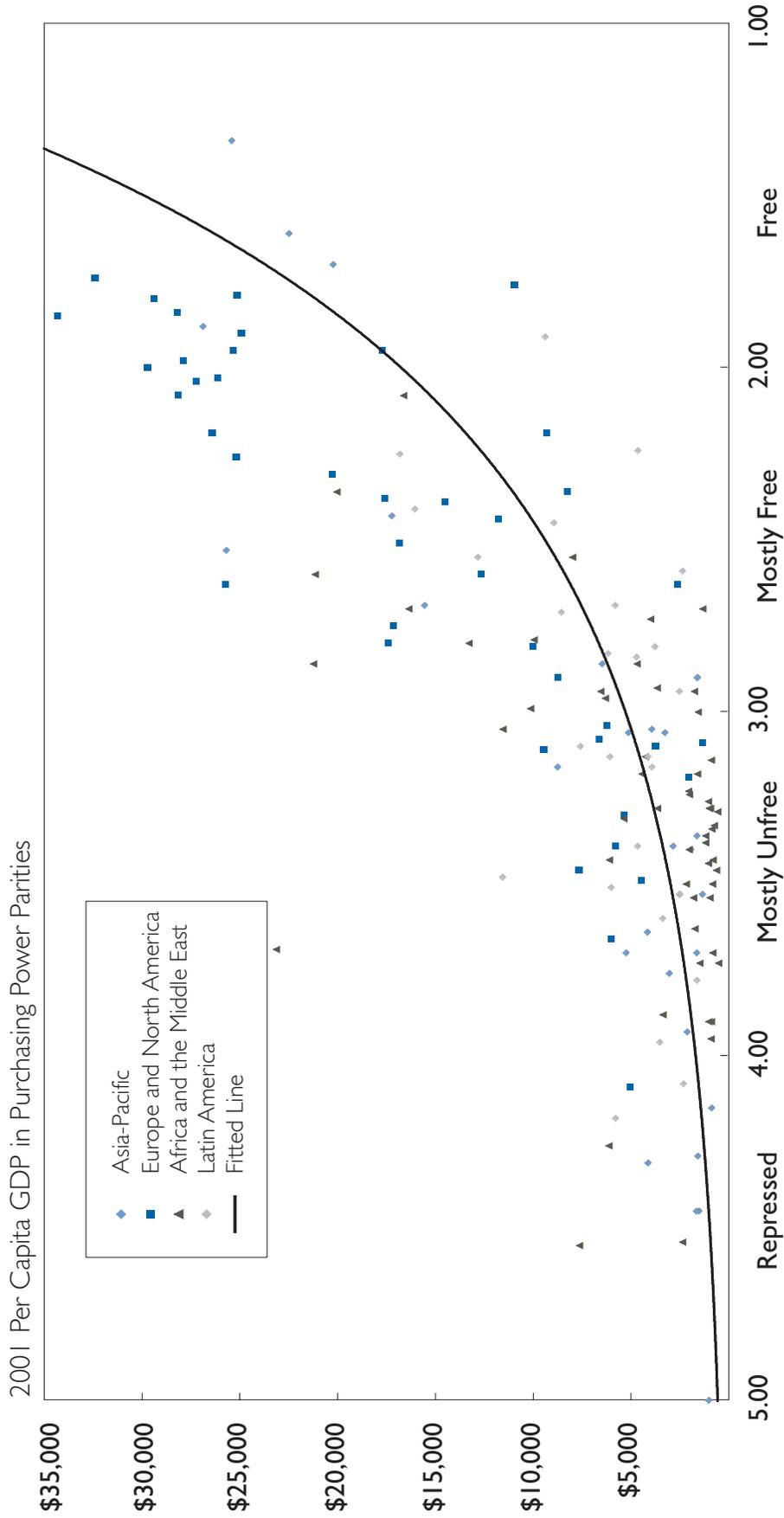
# Sub-Saharan Africa Index of Economic Freedom Scores (42 Economies)

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores
39	Botswana	2.55	2.49	2.99	2.95	2.93	2.91	2.90	2.75	3.09	3.38
48	Uganda	2.70	2.95	3.15	3.15	3.15	2.64	2.64	2.75	2.89	3.10
53	South Africa	2.79	2.58	2.79	3.00	3.01	2.98	2.88	2.99	3.25	3.23
60	Cape Verde	2.86	3.25	3.30	3.56	3.66	3.81	3.74	3.80	3.60	n/a
67	Mauritania	2.94	3.20	3.46	3.89	4.00	4.00	3.96	4.03	3.93	n/a
70	Namibia	2.96	2.65	2.84	2.93	2.98	2.84	2.99	2.80	n/a	n/a
71	Mauritius	2.99	2.96	2.95	2.98	2.90	2.68	n/a	n/a	n/a	n/a
72	Senegal	3.00	3.33	3.45	3.33	3.34	3.41	3.51	3.64	3.81	n/a
86	Madagascar	3.14	2.85	3.29	3.29	3.39	3.45	3.51	3.44	3.55	3.74
89	Ivory Coast	3.18	3.16	3.00	3.08	3.68	3.73	3.74	3.80	3.83	3.43
89	Swaziland	3.18	3.00	3.21	3.05	3.16	3.06	3.13	3.31	3.30	3.16
92	Djibouti	3.23	3.30	3.16	3.38	3.38	3.28	3.29	3.18	n/a	n/a
93	Guinea	3.24	3.26	3.45	3.21	3.34	3.19	3.11	3.39	3.13	3.29
94	Kenya	3.26	3.21	3.28	3.26	3.05	3.09	3.06	3.26	3.54	3.45
95	Burkina Faso	3.28	3.35	3.33	3.45	3.61	3.63	3.80	3.81	3.96	n/a
95	Mozambique	3.28	3.40	3.15	3.40	3.94	3.95	4.15	4.15	4.11	4.39
98	Tanzania	3.29	3.54	3.56	3.65	3.58	3.36	3.48	3.46	3.73	3.79
101	Ethiopia	3.33	3.79	3.70	3.88	3.70	3.68	3.70	3.80	3.80	3.90
102	Mali	3.34	3.20	3.10	3.15	3.13	3.24	3.33	3.50	3.44	3.53
103	Rwanda	3.36	3.93	3.73	3.94	4.28	4.29	4.60	4.60	n/a	n/a
105	Central African Rep.	3.38	3.28	3.31	n/a						
109	Ghana	3.40	3.54	3.59	3.29	3.24	3.29	3.29	3.53	3.54	3.54
111	Gabon	3.43	3.18	3.33	3.38	3.26	3.09	3.18	3.31	3.40	3.19
111	Niger	3.43	3.61	3.74	3.78	4.09	3.91	4.01	4.19	4.25	n/a
113	Benin	3.44	3.56	3.46	3.23	3.16	3.29	3.35	3.44	3.53	n/a
114	Malawi	3.46	3.63	3.64	3.76	3.84	3.89	3.96	3.86	3.64	3.74
118	Lesotho	3.50	3.24	3.39	3.44	3.44	3.48	3.69	3.70	3.78	n/a
118	Zambia	3.50	3.50	3.30	3.25	2.94	2.96	2.94	2.88	3.08	3.15
124	Chad	3.54	3.59	3.75	3.74	4.00	4.06	4.24	4.24	n/a	n/a
124	Gambia	3.54	3.49	3.34	3.59	3.64	3.60	3.66	3.55	n/a	n/a
127	Cameroon	3.63	3.54	3.45	3.50	3.73	3.70	3.96	3.95	4.08	3.51
130	Equatorial Guinea	3.69	3.73	4.15	4.13	4.18	4.26	n/a	n/a	n/a	n/a
134	Sierra Leone	3.73	3.95	n/a	n/a	4.04	3.96	3.70	3.79	3.65	3.90
134	Togo	3.73	3.86	3.88	4.00	4.05	4.14	n/a	n/a	n/a	n/a
139	Congo, Rep.	3.90	3.80	3.90	3.95	4.20	4.26	4.71	4.33	4.39	n/a
139	Guinea-Bissau	3.90	3.90	4.15	4.19	4.40	4.50	n/a	n/a	n/a	n/a
142	Nigeria	3.95	4.04	3.79	3.49	3.39	3.40	3.40	3.43	3.53	3.43
153	Zimbabwe	4.54	4.63	4.39	4.21	4.04	3.89	4.16	3.69	3.79	4.09
n/a	Angola	n/a	n/a	n/a	n/a	4.48	4.50	4.48	4.43	4.38	4.38
n/a	Burundi	n/a	n/a	n/a	n/a	4.00	4.20	4.38	4.20	n/a	n/a
n/a	Congo, Dem. Rep.	n/a	n/a	n/a	n/a	4.60	4.59	4.29	4.39	4.29	3.89
n/a	Sudan	n/a	n/a	n/a	1.00	4.05	4.39	4.29	4.30	4.10	4.30

# Latin America and the Caribbean Index of Economic Freedom Scores (26 Economies)

2004 Rank	Country	2004 Scores	2003 Scores	2002 Scores	2001 Scores	2000 Scores	1999 Scores	1998 Scores	1997 Scores	1996 Scores	1995 Scores
13	Chile	1.91	2.01	1.88	2.03	2.04	2.13	2.10	2.26	2.61	2.60
24	El Salvador	2.24	2.35	2.23	2.16	2.15	2.38	2.61	2.60	2.68	2.94
25	Bahamas	2.25	2.15	2.06	2.23	2.23	2.16	2.16	2.05	2.09	2.36
33	Barbados	2.41	2.29	2.53	2.64	2.74	2.86	2.63	2.93	3.15	n/a
36	Trinidad and Tobago	2.45	2.54	2.54	2.64	2.48	2.49	2.60	2.68	2.69	n/a
39	Uruguay	2.55	2.45	2.51	2.30	2.50	2.60	2.59	2.60	2.85	3.03
41	Bolivia	2.59	2.59	2.66	2.31	2.61	2.61	2.61	2.56	2.61	3.21
46	Belize	2.69	2.74	2.79	2.69	2.84	2.76	2.96	2.71	2.74	2.85
50	Costa Rica	2.71	2.71	2.73	2.84	2.88	3.00	3.00	3.03	3.00	3.04
56	Jamaica	2.81	2.73	3.01	3.01	2.61	2.91	2.89	2.86	2.99	3.16
58	Panama	2.83	2.59	2.68	2.58	2.56	2.43	2.45	2.54	2.60	2.70
58	Peru	2.83	2.86	2.88	2.61	2.64	2.66	2.96	3.03	3.06	3.59
67	Nicaragua	2.94	3.09	3.23	3.54	3.70	3.75	3.68	3.80	3.70	4.08
80	Brazil	3.10	3.01	3.06	3.21	3.46	3.19	3.36	3.28	3.56	3.46
83	Colombia	3.13	3.10	2.94	3.00	3.14	2.99	3.19	3.23	3.15	3.10
83	Guyana	3.13	3.20	3.28	3.35	3.35	3.30	3.55	3.35	3.38	3.70
87	Guatemala	3.16	3.01	3.00	2.88	2.91	2.89	2.91	2.89	3.15	3.36
106	Paraguay	3.39	3.40	3.28	3.39	3.01	3.00	3.04	2.91	2.89	2.94
116	Argentina	3.48	3.04	2.58	2.29	2.23	2.28	2.53	2.75	2.63	2.85
120	Dominican Republic	3.51	3.29	3.19	3.04	3.03	3.20	3.26	3.24	3.39	3.63
121	Honduras	3.53	3.19	3.33	3.50	3.51	3.71	3.51	3.58	3.58	3.58
126	Ecuador	3.60	3.58	3.60	3.51	3.14	3.09	3.10	3.21	3.33	3.39
137	Haiti	3.78	3.86	4.08	4.13	4.33	4.26	4.43	4.35	4.64	4.79
143	Suriname	3.96	4.06	4.03	3.98	3.98	4.08	4.10	4.00	4.10	n/a
144	Cuba	4.08	4.43	4.88	4.88	4.88	4.90	4.95	4.90	5.00	4.95
147	Venezuela	4.18	3.71	3.88	3.78	3.43	3.48	3.43	3.58	3.63	3.28

# Economic Freedom and Income



2004 Index of Economic Freedom Score

Sources: World Bank, *World Development Indicators Online*, available by subscription at [www.worldbank.org/data](http://www.worldbank.org/data); Central Intelligence Agency, *The World Factbook 2002*, for the following countries: Bahamas, Burma, Cuba, Iraq, Israel, North Korea, Libya, Mozambique, Nicaragua, Qatar, Taiwan, Serbia and Montenegro, United Arab Emirates; and Marc A. Miles, Edwin J. Feulner, and Mary Anastasia O'Grady, *2004 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2004).