

# Executive Summary

**W**ith the publication of this edition, The Heritage Foundation/Wall Street Journal *Index of Economic Freedom* marks its 13th 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 the inaugural edition in 1995, have been used to study and grade various countries for the annual publication of the *Index of Economic Freedom*.

Economic theory dating back to the publication of Adam Smith’s *The Wealth of Nations* in 1776 emphasizes the lesson that basic institutions that protect the liberty of individuals to pursue their own economic interests result in greater prosperity for the larger society. Perhaps the idea of freedom is too sophisticated, as

popular support for it constantly erodes before the onslaught of populism, whether democratic or autocratic. Yet modern scholars of political economy are rediscovering the centrality of “free institutions” as fundamental ingredients for rapid long-term growth. In other words, the techniques may be new, but they reaffirm classic truths. The objective of the *Index* is to catalog those economic institutions in a quantitative and rigorous manner.

Yet the *Index* is more than a simple ranking based on economic theory and empirical study. It also identifies the variables that comprise economic freedom and analyzes the interaction of freedom with wealth.

The 2007 *Index of Economic Freedom* measures 157 countries across 10 specific factors of economic freedom, which are listed below. Chapter 3 explains these factors in detail. High scores approaching 100 represent higher levels of freedom. The higher the score on a factor, the lower the level of government interference in the economy.

**The 10 Economic Freedoms**

- Business Freedom
- Trade Freedom
- Fiscal Freedom
- Freedom from Government
- Monetary Freedom
- Investment Freedom
- Financial Freedom
- Property Rights
- Freedom from Corruption
- Labor Freedom

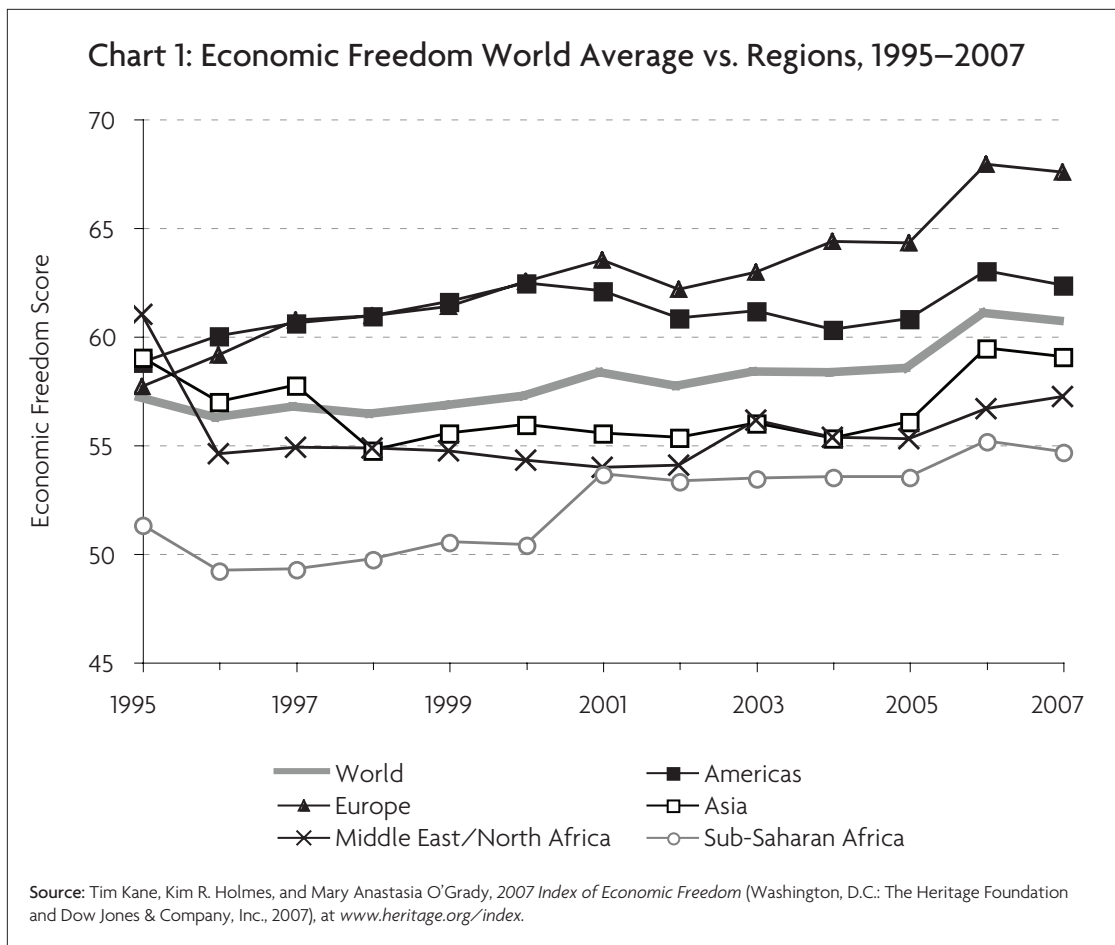
**Former British colonies in Asia lead the world in economic freedom.** Hong Kong has the highest level of economic freedom for the 13th straight year. Singapore remains close, ranked second in the world, and Australia is ranked third freest economy in the world, which means that the Asia-Pacific region is home to the top three economies.

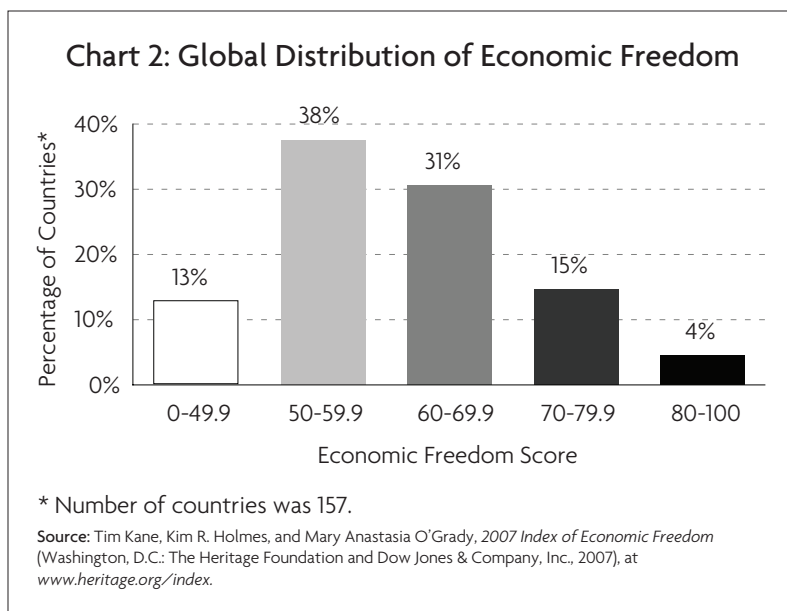
**Twelve of the top 20 freest economies are European.** A majority of the freest economies are in Europe, led by the United Kingdom, Ireland, Luxembourg, and Switzerland. Only five are in the Asia-Pacific region. The remaining three are from the Americas: the United States, Canada, and Chile.

**The methodology for measuring economic freedom is significantly upgraded.** The new methodology uses a scale of 0–100 rather than the 1–5 brackets of previous years when assessing the 10 component economic freedoms, which means that the new overall scores are

**HIGHLIGHTS FROM THE 2007 INDEX**

**Global economic freedom holds steady, but there is much room for improvement.** The average economic freedom score is 60.6 percent, the second highest level since the *Index* began in 1995 and down by 0.3 percentage point from last year. Each region has experienced an increase in economic freedom during the past decade.





**Table 1: Global Distribution of Economic Freedom**

Scores	Category	Number of Countries
80–100	Free	7
70–79.9	Mostly Free	23
60–69.9	Moderately Free	48
50–59.9	Mostly Unfree	59
0–49.9	Repressed	20

Source: Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).

more refined and therefore more accurate. Second, a new labor freedom factor has been added, and entrepreneurship is being emphasized in the business freedom factor. Both of these new categories are based on data that became available from the World Bank only recently. This attention to detail benefits some countries and punishes others, and readers may note some dramatic changes in rankings. The methodology has been vetted with a new academic advisory board and should better reflect the details of each country's economic policies. In order to compare country performances from past years accurately, scores and rankings for all previous years dating back to 1995 have been adjusted to reflect the new methodology.

**Economic freedom is strongly related to**

**good economic performance.** The world's freest countries have twice the average per capita income of the second quintile of countries and over five times the average income of the fifth quintile of countries. The freest economies also have lower rates of unemployment and lower inflation. These relationships hold across each quintile, meaning that every quintile of less free economies has worse average rates of inflation and unemployment than the preceding quintile has.

**The top 20 countries have held relatively steady.** Even though the methodology used for rating economic freedom has been revised with this edition of the *Index*, the composition and order of the top 20 economies have hardly changed at all. Japan and Belgium moved into the top group (compared to the old methodol-

ogy, not compared to 2006 scores using the new methodology), whereas Austria and Sweden fell to lower positions.

**Progress is universal across all continents.**

Across the five regions, Europe is clearly the most free using an unweighted average (67.5 percent), followed at some distance by the Americas (62.3 percent). The other three regions fall below the world average: Asia-Pacific (59.1 percent), Middle East/North Africa (57.2 percent), and sub-Saharan Africa (54.7 percent). However, trends in freedom are mirrored closely across all regions. The main distinguishing feature of the regions is that Asia-Pacific countries have the highest variance, which means that there is a much wider gap between the heights of freedom in some economies and

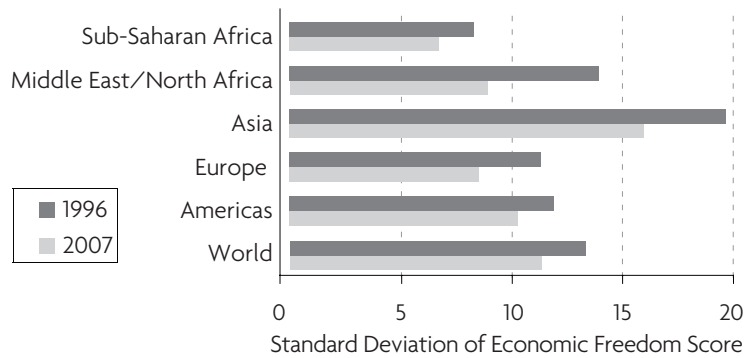
the lows in others that is nearly twice as variable as the norm.

Of the 157 countries graded numerically in the 2007 *Index*, only seven have very high freedom scores of 80 percent or more,<sup>1</sup> making them what we categorize as “free” economies. Another 23 are in the 70 percent range, placing them in the “mostly free” category. This means that less than one-fifth of all countries have economic freedom scores higher than 70 percent. The bulk of countries—107 economies—have freedom scores of 50 percent–70 percent. Half are “moderately free” (scores of 60 percent–70 percent), and half are “mostly unfree” (scores of 50 percent–60 percent). Only 20 countries have “repressed economies” with scores below 50 percent.

The typical country has an economy that is 60.6 percent free, down slightly from 60.9 percent in 2006. This decline is caused primarily by monetary freedom scores, which are 2.6 percentage points lower on average due to slightly more extensive price controls and a mild increase in inflation. Even so, the past scores for these two years produced the overall highest scores ever recorded in the *Index*, so the overall trend continues to be positive. As noted, although the methodology used for

1 Four countries (the Democratic Republic of Congo, Iraq, Serbia and Montenegro, and Sudan) were suspended from grading again this year because of questions about the accuracy of the data reported by each country or about whether the data truly reflect economic circumstances for most of the country. Data for suspended countries are reviewed annually to ascertain whether the situation has improved. The Democratic Republic of Congo and Sudan were suspended from grading in the 2007 *Index* because in each case, civil unrest or anarchy indicated that official government policies did not apply to large portions of the country. Serbia and Montenegro and Iraq were suspended because reliable data were not available.

**Chart 3: Decreasing Variance of Economic Freedom**



Source: Tim Kane, Kim R. Holmes, and Mary Anastasia O’Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).

measuring freedom was revised this year, previous scores were also revised to be consistent across time.<sup>2</sup>

Among specific economies during the past year, the scores of 65 countries are now higher, and the scores of 92 countries are worse.

The variation in freedom among all of these countries declined again for the sixth year in a row, and the standard deviation among scores now stands at 11.4, down one-tenth of a percentage point from last year and down two full points since 1996.<sup>3</sup>

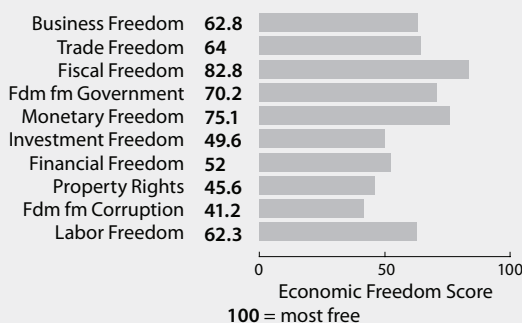
## THE IMPACT OF ECONOMIC FREEDOM

There is a clear relationship between economic freedom and numerous other cross-country variables, the most prominent being the strong relationship between the level of freedom and the level of prosperity in a given country. Previous editions of the *Index* have confirmed the tangible benefits of living in

2 The minor discontinuity in methodology for three factors may have a slight impact on a handful of countries, but the aggregate effect is nil. Thus, the decline in global economic freedom is real, not a reflection of the new level of methodological detail. See For a more detailed discussion, see Chapter 3, “Methodology: Measuring the 10 Economic Freedoms.”

3 The analysis does not extend to the 1995 edition of the *Index* because many fewer countries were graded in that year.

# THE 10 ECONOMIC FREEDOMS: A GLOBAL GUIDE



## BUSINESS FREEDOM — 62.8%

Business freedom is a measure of how free entrepreneurs are to start businesses, how easy it is to obtain licenses, and how easy it is to close a business. Impediments to any of these three components deter business activity and job creation. Globally, starting a business takes an average of 48 days, while getting necessary licenses takes an average of about 215 days.<sup>1</sup> Bankruptcy proceedings take an average of three years.

## TRADE FREEDOM — 64%

Tariffs are the primary obstacle to free trade, but non-tariff barriers like quotas and bureaucratic delays are also significant impediments. Using our equation, which assigns four-fifths of the score based on weighted average tariffs and a full 20 percentage point reduction for the existence of non-tariff barriers, the average trade freedom score is 64 percent. The mean weighted average tariff is 8 percent. Notably, every one of the 157 countries graded was penalized 20 points for its non-tariff barriers.

## FISCAL FREEDOM — 82.8%

The top tax rate on individual income averages 31 percent, and the top tax rate on corporate income averages 27 percent. The total revenue from all forms of taxation (including tariffs) averages 20 percent of country GDP. Mixing the three scores together is the basis of the fiscal freedom score. Using an equation that defines higher freedom with lower taxes and tax rates, the average score is 82.8 percent.

## FREEDOM FROM GOVERNMENT — 70.2%

Government expenditures are the other side of the fiscal intervention coin. The average level of govern-

<sup>1</sup> The global average is based on data for 145 countries that are graded by both the *Index of Economic Freedom* and the 2007 edition of the World Bank's *Doing Business*.

ment spending as a portion of GDP is 31 percent.<sup>2</sup> Governments that generate revenue from state-owned enterprises are also penalized.

## MONETARY FREEDOM — 75.1%

The worldwide average of the weighted average rate of inflation from 2003 to 2005 is 7.9 percent. Price stability explains most of the monetary freedom score, although there is also a penalty of up to 20 percentage points for countries that use price controls. The average price control penalty was 9.9 points this year.

## INVESTMENT FREEDOM — 49.6%

Only 13 countries enjoy high investment freedom, earning scores of 80 percent and higher. These countries impose few or no restrictions on foreign investment, which promotes economic expansion and enhances overall economic freedom. Meanwhile, more than one-third of countries earn scores of less than 50 percent.

## FINANCIAL FREEDOM — 52%

The financial freedom factor measures the relative openness of a country's banking and financial system. Burdensome bank regulation still reduces opportunities and restricts economic freedom in the preponderance of countries in all areas of the world.

## PROPERTY RIGHTS — 45.6%

Strong property rights are still a work in progress. Although many Western economies along with Hong Kong and Singapore benefit from secure protection of property rights, earning scores of 80 percent or higher, more than half of the world's countries receive a score of less than 50 percent.

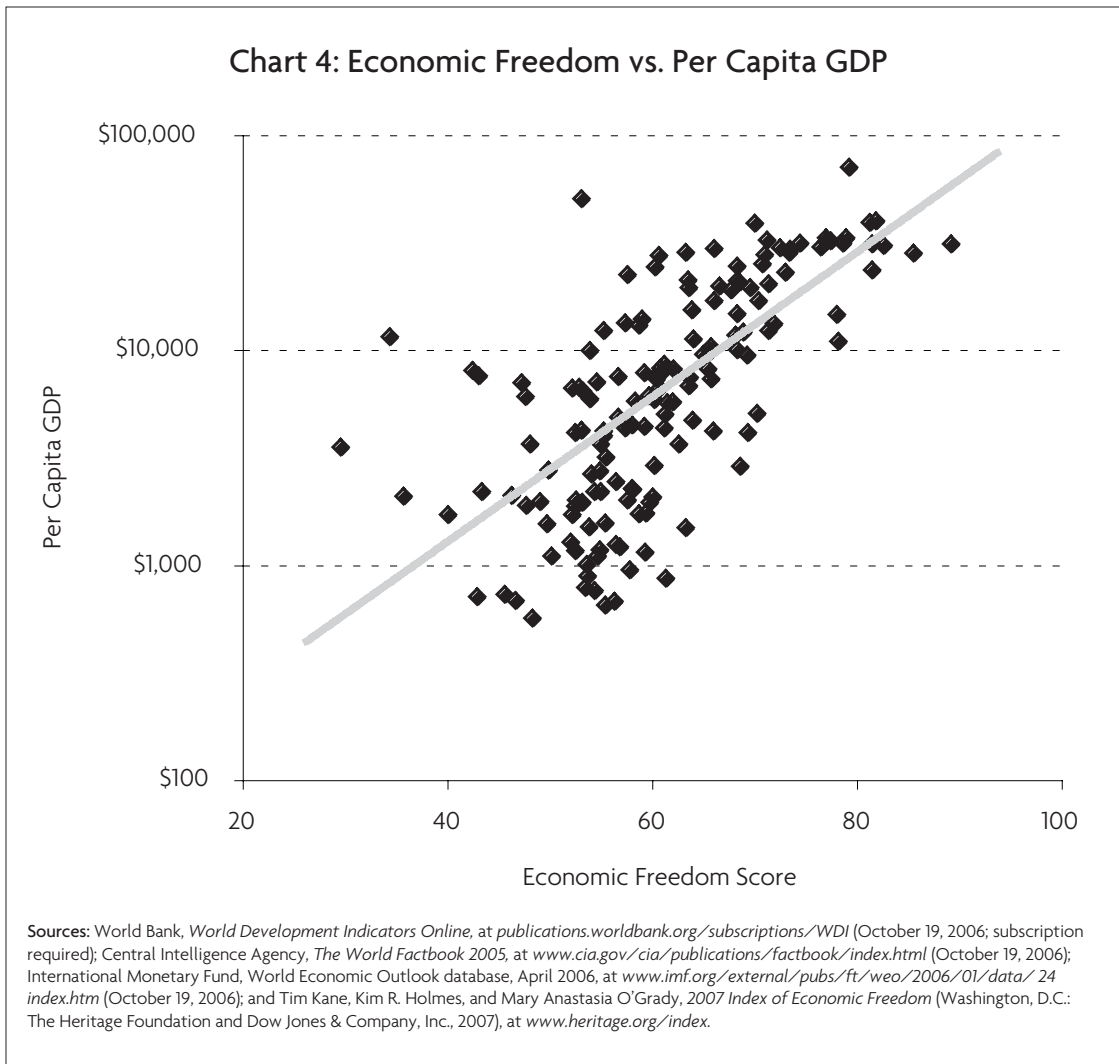
## FREEDOM FROM CORRUPTION — 41.2%

There has been little progress since last year. Only 16 countries earned scores of 80 percent or higher, and 110 countries earned scores of less than 50 percent. Freedom from corruption is the lowest average score among the 10 factors.

## LABOR FREEDOM — 62.3%

The world average of labor freedom is 62.3 percent, reflecting wage, hour, and other restrictions. The average ratio of minimum wage to average wage is 0.32. The average cost of firing equals 54 weeks of salary. Only 22 countries have notably flexible labor market policies that earn scores of 80 percent or higher.

<sup>2</sup> In general, freedom from government looks at the general government expenditure data that combine all levels of government. In grading countries for which general government spending data are not available, central government expenditure data are used.



freer societies. Not only is a higher level of economic freedom clearly associated with a higher level of per capita gross domestic product, but those higher GDP growth rates seem to create a virtuous cycle, triggering further improvements in economic freedom. Our 13 years of *Index* data strongly suggest that countries that increase their levels of freedom experience faster growth rates.

Chart 4 shows a strong relationship between the level of economic freedom in 2007 and the logarithmic value of the most recent data for per capita GDP using 157 countries as data points.

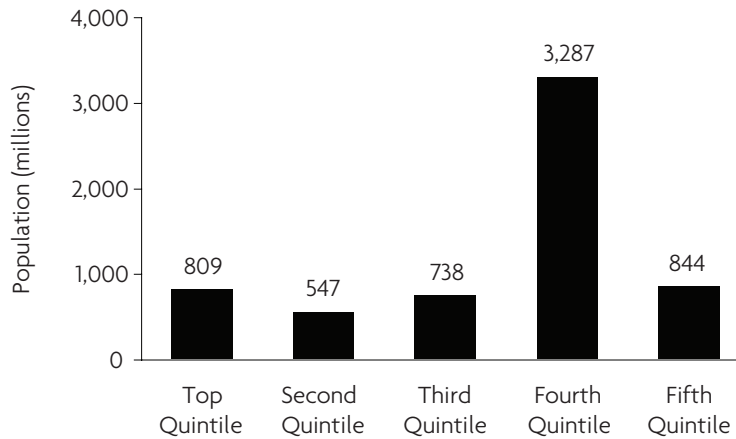
Charts 5–8 illustrate four different relationships using a quintile framework. The top quintile of countries is composed of those that are ranked from 1 to 31 globally (Hong Kong to the

Czech Republic), and each subsequent quintile includes the next group of countries. Quintiles are not the same as categorical groups (free, mostly free, etc.) and are used here because each quintile is comparable based on the same number of countries.

Chart 5 shows that four of five quintiles have roughly equal populations, but the fourth quintile alone contains half of the world's population. This is due to the presence of China and India together. This fact suggests that when China and India further open their economies to globalization so that internal economic freedoms are strengthened, the rise in global prosperity is poised for very large increases.

Chart 6 is another look at the relationship between economic freedom and average per capita incomes. The quintiles with higher

**Chart 5: Economic Freedom and Population**



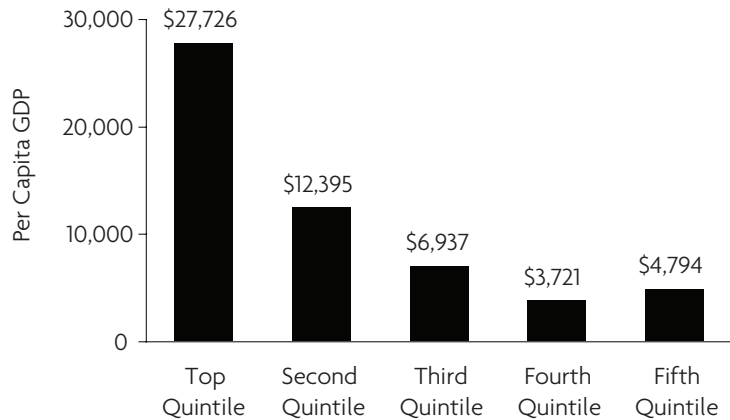
Sources: World Bank, World Development Indicators Online, at [publications.worldbank.org/subscriptions/WDI](http://publications.worldbank.org/subscriptions/WDI) (October 19, 2006; subscription required); Central Intelligence Agency, *The World Factbook 2005*, at [www.cia.gov/cia/publications/factbook/index.html](http://www.cia.gov/cia/publications/factbook/index.html) (October 19, 2006); International Monetary Fund, World Economic Outlook database, April 2006, at [www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm](http://www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm) (October 19, 2006); and Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).

conomic freedom. Likewise, inflation rates rise on average as economic freedom declines.

The lesson from these charts is simple. Economic repression is a sad consequence of other events. Countries that are able to reflect the desires of their people for better lives will adopt economic freedom, and countries that repress their people for political reasons will cause economic suffering.

In other words, the claim that the suspension of economic freedom is done for the good of the people is no longer tenable.

**Chart 6: Economic Freedom and Per Capita GDP**

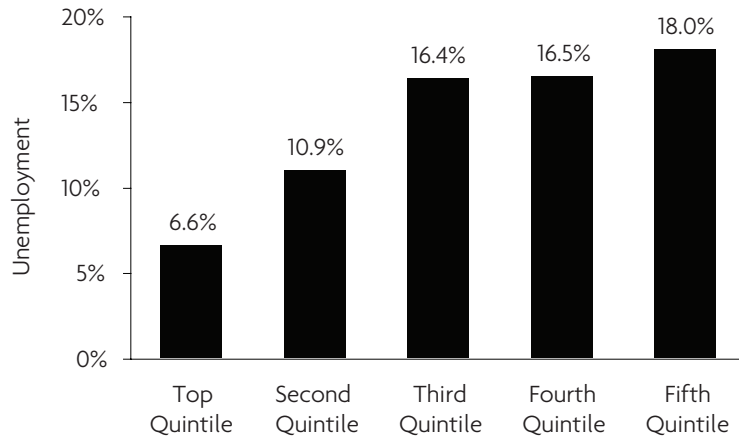


Sources: World Bank, World Development Indicators Online, at [publications.worldbank.org/subscriptions/WDI](http://publications.worldbank.org/subscriptions/WDI) (October 19, 2006; subscription required); Central Intelligence Agency, *The World Factbook 2005*, at [www.cia.gov/cia/publications/factbook/index.html](http://www.cia.gov/cia/publications/factbook/index.html) (October 19, 2006); International Monetary Fund, World Economic Outlook database, April 2006, at [www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm](http://www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm) (October 19, 2006); and Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).

economic freedom have dramatically higher incomes per person.

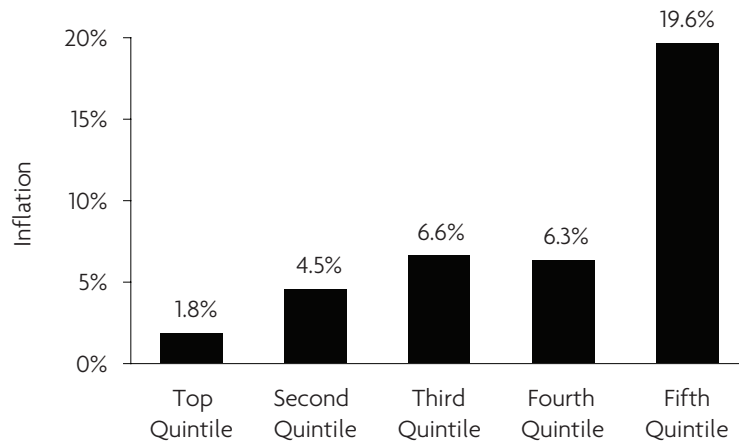
Charts 7 and 8 show that unemployment rates are higher for each quintile of lower eco-

**Chart 7: Economic Freedom and Unemployment**



Sources: World Bank, World Development Indicators Online, at [publications.worldbank.org/subscriptions/WDI](http://publications.worldbank.org/subscriptions/WDI) (October 19, 2006; subscription required); Central Intelligence Agency, *The World Factbook 2005*, at [www.cia.gov/cia/publications/factbook/index.html](http://www.cia.gov/cia/publications/factbook/index.html) (October 19, 2006); International Monetary Fund, World Economic Outlook database, April 2006, at [www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm](http://www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm) (October 19, 2006); and Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).

**Chart 8: Economic Freedom and Inflation**



Sources: World Bank, World Development Indicators Online, at [publications.worldbank.org/subscriptions/WDI](http://publications.worldbank.org/subscriptions/WDI) (October 19, 2006; subscription required); Central Intelligence Agency, *The World Factbook 2005*, at [www.cia.gov/cia/publications/factbook/index.html](http://www.cia.gov/cia/publications/factbook/index.html) (October 19, 2006); International Monetary Fund, World Economic Outlook database, April 2006, at [www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm](http://www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm) (October 19, 2006); and Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).

## Index of Economic Freedom World Rankings

2007 Rank	Country	Economic Freedom 2007	Business Freedom	Trade Freedom	Fiscal Freedom	Freedom from Government	Monetary Freedom	Investment Freedom	Financial Freedom	Property Rights	Freedom from Corruption	Labor Freedom
1	Hong Kong	89.29	88.3	80.0	95.3	91.6	91.1	90	90	90	83	93.6
2	Singapore	85.65	94.6	80.0	93.0	86.2	89.5	80	50	90	94	99.3
3	Australia	82.69	91.7	73.8	75.4	70.1	84.8	70	90	90	88	93.1
4	United States	81.98	94.5	76.6	79.4	67.5	83.8	80	80	90	76	92.1
5	New Zealand	81.59	93.7	74.0	74.2	63.6	84.5	70	80	90	96	89.9
6	United Kingdom	81.55	92.1	76.6	74.6	54.2	79.3	90	90	90	86	82.7
7	Ireland	81.31	92.8	76.6	81.1	73.1	85.1	90	90	90	74	60.4
8	Luxembourg	79.31	90.0	76.6	75.4	55.9	80.2	90	80	90	85	70.0
9	Switzerland	79.05	83.3	77.0	78.6	68.6	83.6	70	70	90	91	78.4
10	Canada	78.72	96.1	78.2	83.9	61.8	80.6	60	70	90	84	82.7
11	Chile	78.29	68.9	72.4	85.7	87.6	79.9	70	70	90	73	85.3
12	Estonia	78.13	80.0	76.6	89.7	66.8	83.0	90	90	90	64	51.2
13	Denmark	77.56	95.3	76.6	55.2	32.1	86.8	80	90	90	95	74.7
14	Netherlands	77.08	88.3	76.6	65.8	47.8	87.0	90	80	90	86	59.2
15	Iceland	77.06	94.1	74.0	82.4	50.3	82.9	60	70	90	97	69.9
16	Finland	76.55	95.3	76.6	75.4	39.0	89.7	70	80	90	96	53.4
17	Belgium	74.53	90.8	76.6	62.2	41.2	80.0	90	80	80	74	70.5
18	Japan	73.57	94.3	75.2	80.6	67.2	92.0	60	50	70	73	73.4
19	Germany	73.52	88.2	76.6	74.3	48.0	81.5	90	50	90	82	54.6
20	Cyprus	73.10	70.0	76.6	87.8	54.9	84.7	70	70	90	57	70.0
21	Sweden	72.59	95.0	76.6	53.6	31.5	85.2	80	70	90	92	52.0
22	Lithuania	72.00	86.4	76.6	91.0	76.6	81.2	70	80	50	48	60.1
23	Trinidad and Tobago	71.44	61.8	69.0	88.0	83.7	74.7	70	70	70	38	89.2
24	Bahamas	71.43	80.0	28.8	98.3	89.9	77.3	40	70	80	70	80.0
25	Austria	71.33	79.8	76.6	66.9	40.5	85.7	70	70	90	87	46.8
26	Taiwan	71.12	73.0	76.7	84.7	89.8	81.3	70	50	70	59	56.7
27	Spain	70.87	77.1	76.6	70.1	63.6	78.6	70	80	70	70	52.7
28	Barbados	70.52	90.0	47.0	78.3	64.4	76.5	50	60	90	69	80.0
29	El Salvador	70.31	62.6	66.6	90.9	95.1	76.7	70	70	50	42	79.2
30	Norway	70.09	97.0	79.2	66.1	45.9	82.6	50	50	90	89	51.1
31	Czech Republic	69.68	61.2	76.6	79.9	52.7	86.2	70	80	70	43	77.2
32	Armenia	69.43	84.5	75.6	93.1	91.6	79.7	60	70	30	29	80.9
33	Uruguay	69.33	68.1	71.6	90.8	81.7	73.1	70	30	70	59	79.0
34	Mauritius	68.96	74.5	70.0	87.5	82.0	76.2	70	60	60	42	67.4
35	Georgia	68.70	78.9	61.8	94.2	91.3	77.9	60	70	30	23	99.9

## Index of Economic Freedom World Rankings

2007 Rank	Country	Economic Freedom 2007	Business Freedom	Trade Freedom	Fiscal Freedom	Freedom from Government	Monetary Freedom	Investment Freedom	Financial Freedom	Property Rights	Freedom from Corruption	Labor Freedom
36	Korea, South (ROK)	68.65	83.1	64.2	81.0	81.5	79.0	70	50	70	50	57.7
37	Israel	68.42	69.7	75.2	72.0	60.0	84.2	70	50	70	63	70.1
38	Botswana	68.40	66.6	59.6	82.6	54.5	76.8	70	70	70	59	74.9
39	Bahrain	68.40	80.0	69.6	99.6	56.7	80.1	50	90	60	58	40.0
40	Slovakia	68.37	71.1	76.6	93.0	60.8	76.7	70	80	50	43	62.5
41	Latvia	68.21	76.8	76.6	89.3	69.2	74.1	70	70	50	42	64.1
42	Malta	67.80	70.0	76.6	74.0	42.2	79.2	50	70	90	66	60.0
43	Portugal	66.66	79.6	76.6	79.6	49.6	80.2	70	50	70	65	46.0
44	Hungary	66.15	71.2	76.6	79.2	41.8	76.7	70	60	70	50	66.1
45	France	66.11	86.1	76.6	64.2	32.0	81.3	50	60	70	75	65.9
46	Jamaica	66.05	78.3	60.4	83.4	67.4	70.9	80	60	50	36	74.1
47	Panama	65.87	75.1	66.2	88.7	86.8	85.8	70	60	30	35	61.2
48	Malaysia	65.85	68.6	71.8	87.8	79.8	80.0	40	40	50	51	89.5
49	Mexico	65.80	82.1	72.6	88.1	77.2	77.0	50	60	50	35	66.0
50	Thailand	65.56	76.1	69.2	83.2	91.2	77.6	30	50	50	38	90.4
51	Costa Rica	65.12	63.5	72.4	88.6	92.3	67.1	70	40	50	42	65.4
52	South Africa	64.10	70.8	68.8	79.8	79.3	78.8	50	60	50	45	58.5
53	Jordan	64.02	54.8	64.2	88.8	64.1	83.5	50	60	50	57	67.9
54	Oman	63.94	63.6	73.8	99.0	37.7	79.1	50	50	50	63	73.2
55	Namibia	63.76	76.7	79.0	78.6	70.5	78.6	40	60	30	43	81.2
56	Belize	63.71	76.7	57.2	79.8	80.1	73.5	50	50	50	37	82.8
57	Kuwait	63.66	67.9	72.2	99.9	39.2	78.8	50	50	50	47	81.7
58	Slovenia	63.60	74.2	76.6	69.7	56.8	79.0	70	50	50	61	48.7
59	Uganda	63.41	54.1	58.8	87.1	86.7	78.3	50	70	30	25	94.0
60	Italy	63.36	73.7	76.6	68.5	46.4	80.8	70	60	50	50	57.6
61	Nicaragua	62.70	59.7	72.4	86.4	85.6	71.2	70	60	30	26	65.7
62	Bulgaria	62.17	66.9	60.8	91.3	65.6	75.7	60	60	30	40	71.5
63	Peru	62.07	65.1	62.6	86.8	92.2	85.7	50	60	40	35	43.3
64	Swaziland	61.58	71.5	59.0	81.5	73.3	76.3	50	50	50	27	77.2
65	Madagascar	61.43	51.2	72.8	87.2	85.0	70.0	70	50	50	28	50.1
66	Albania	61.38	56.1	63.2	91.5	77.7	80.7	60	70	30	24	60.6
67	Romania	61.26	70.9	74.0	91.7	74.9	69.7	50	60	30	30	61.4
68	Guatemala	61.25	54.1	70.2	86.5	96.4	72.2	50	60	30	25	68.0
69	Tunisia	60.99	78.3	61.8	80.8	82.1	80.0	30	30	50	49	67.9
70	Brazil	60.89	53.3	64.8	88.6	88.8	72.6	50	40	50	37	63.8

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2007 Rank	Country	Economic Freedom 2007	Business Freedom	Trade Freedom	Fiscal Freedom	Freedom from Government	Monetary Freedom	Investment Freedom	Financial Freedom	Property Rights	Freedom from Corruption	Labor Freedom
71	Macedonia	60.84	60.9	73.4	90.0	67.8	91.1	50	60	30	27	58.1
72	Qatar	60.73	60.0	71.4	99.9	54.6	72.4	30	50	50	59	60.0
73	Colombia	60.54	71.4	61.4	82.4	87.0	70.2	50	60	30	40	53.0
74	United Arab Emirates	60.39	49.2	70.0	99.9	60.3	75.3	30	40	40	62	77.2
75	Kazakhstan	60.35	66.5	64.2	87.6	85.9	72.9	30	60	30	26	80.5
76	Honduras	60.32	56.6	69.2	87.8	82.9	71.5	50	70	30	26	59.2
77	Lebanon	60.27	56.2	67.4	95.9	64.3	83.5	30	70	30	31	74.4
78	Mongolia	60.12	73.1	70.0	81.0	56.9	74.3	60	60	30	30	65.9
79	Kyrgyzstan	59.87	61.4	71.4	95.1	76.3	77.1	40	50	30	23	74.4
80	Fiji	59.80	70.4	61.8	86.3	74.3	74.7	30	60	30	40	70.5
81	Moldova	59.47	70.0	74.4	90.4	71.7	68.0	30	50	50	29	61.2
82	Kenya	59.41	58.9	65.0	85.9	83.6	74.4	50	50	40	21	65.2
83	Turkey	59.33	67.4	76.0	79.4	69.9	70.2	50	50	50	35	45.4
84	Sri Lanka	59.30	69.2	66.6	85.7	85.7	69.8	30	40	50	32	63.9
85	Saudi Arabia	59.10	52.9	65.4	99.6	46.1	80.1	30	40	50	34	92.9
86	Senegal	58.79	56.4	61.6	73.9	85.9	82.9	50	50	50	32	45.2
87	Poland	58.77	56.1	76.6	79.1	55.3	80.3	50	50	50	34	56.2
88	Cape Verde	58.41	50.5	31.2	78.0	77.7	84.2	50	50	70	30	62.5
89	Pakistan	58.20	70.9	53.6	82.0	89.3	72.0	50	40	30	21	73.2
90	Guyana	58.16	57.0	57.0	78.5	66.1	74.0	50	60	40	25	74.1
91	Ghana	58.15	54.9	58.0	88.4	72.0	70.0	50	50	50	40	48.2
92	Zambia	57.91	63.6	60.8	80.4	81.9	57.8	50	50	40	26	68.6
93	Gambia	57.65	59.0	54.6	81.4	76.4	67.2	50	60	30	27	70.9
94	Greece	57.65	70.2	76.6	74.5	45.3	78.3	50	40	50	43	48.5
95	Argentina	57.47	65.5	61.4	82.3	89.6	71.3	50	40	30	28	56.6
96	Morocco	57.43	74.3	51.0	75.5	76.3	83.3	70	40	30	32	41.9
97	Philippines	57.35	54.2	74.8	84.0	91.4	73.4	30	50	30	25	60.7
98	Tajikistan	56.91	53.2	66.0	93.2	86.8	67.2	30	40	30	21	81.7
99	Paraguay	56.81	47.0	67.4	97.8	79.8	78.4	50	60	30	21	36.7
100	Dominican Republic	56.75	57.6	63.8	86.5	91.5	63.2	50	40	30	30	54.9
101	Mozambique	56.55	51.5	60.2	85.5	86.2	75.9	50	50	30	28	48.2
102	Cambodia	56.54	37.1	47.2	94.2	85.1	81.1	50	50	30	23	67.7
103	Tanzania	56.40	44.8	63.6	87.1	85.7	74.4	50	50	30	29	49.4
104	India	55.60	49.6	51.2	84.8	89.0	77.2	40	30	50	29	55.1
105	Ivory Coast	55.52	48.1	58.6	66.3	86.2	78.6	40	70	30	19	58.4

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2007 Rank	Country	Economic Freedom 2007	Business Freedom	Trade Freedom	Fiscal Freedom	Freedom from Government	Monetary Freedom	Investment Freedom	Financial Freedom	Property Rights	Freedom from Corruption	Labor Freedom
106	Malawi	55.50	54.4	59.6	80.6	53.3	66.4	50	50	40	28	72.8
107	Azerbaijan	55.36	58.0	67.6	87.2	86.6	76.8	30	30	30	22	65.4
108	Ecuador	55.33	57.1	62.0	85.7	85.2	74.1	30	60	30	25	44.2
109	Croatia	55.32	53.8	77.8	79.9	36.5	79.3	50	60	30	34	52.0
110	Indonesia	55.08	45.7	69.0	85.0	90.7	70.9	30	40	30	22	67.5
111	Guinea	55.06	39.3	54.6	83.3	92.4	57.5	30	60	30	30	73.5
112	Bolivia	54.99	62.3	69.2	93.2	74.3	70.9	30	60	30	25	35.0
113	Burkina Faso	54.96	42.7	57.2	84.9	88.9	76.8	40	50	30	34	45.1
114	Benin	54.79	47.2	54.6	78.5	87.9	82.5	30	60	30	29	48.2
115	Bosnia & Herzegovina	54.70	53.8	70.2	90.0	45.6	81.1	50	60	10	29	57.3
116	Ethiopia	54.44	59.4	53.0	84.8	83.0	69.9	50	20	30	22	72.3
117	Cameroon	54.43	41.0	50.0	79.7	86.5	77.4	50	60	30	22	47.6
118	Lesotho	54.14	68.2	44.4	79.5	53.7	76.7	30	50	40	34	64.9
119	China	54.02	54.9	68.0	77.7	88.6	75.5	30	30	20	32	63.5
120	Russia	54.01	66.6	62.6	86.3	71.6	62.8	30	40	30	24	66.2
121	Nepal	53.95	59.6	51.4	91.0	91.0	77.6	30	30	30	25	54.0
122	Yemen	53.79	52.7	56.4	88.8	65.1	68.2	50	30	30	27	69.7
123	Mali	53.70	37.1	58.6	79.5	84.6	78.4	50	40	30	29	49.7
124	Niger	53.53	38.4	52.4	77.5	89.2	80.7	50	50	30	24	43.1
125	Ukraine	53.35	54.0	72.2	89.1	61.9	68.4	30	50	30	26	51.8
126	Mauritania	53.25	37.5	61.4	83.7	60.4	73.9	60	50	30	30	45.5
127	Egypt	53.21	39.9	52.2	93.6	73.6	69.0	50	30	40	34	49.8
128	Equatorial Guinea	53.20	44.7	47.6	82.1	81.8	79.3	30	60	30	19	57.4
129	Gabon	52.97	52.1	46.4	74.2	71.0	81.3	40	40	40	29	55.7
130	Djibouti	52.63	37.1	26.4	87.0	53.4	79.0	50	60	30	30	73.5
131	Nigeria	52.57	63.1	56.6	89.5	41.7	70.5	30	50	30	19	75.2
132	Uzbekistan	52.57	66.1	68.2	90.0	66.1	58.6	30	20	30	22	74.7
133	Suriname	52.56	42.0	55.0	76.3	65.3	69.1	30	30	50	32	75.9
134	Algeria	52.25	73.7	56.0	82.6	47.9	80.6	50	20	30	28	53.7
135	Haiti	52.25	37.6	74.2	85.3	95.2	62.0	30	40	10	18	70.2
136	Rwanda	52.13	50.8	60.6	82.6	80.3	70.2	30	40	30	21	55.9
137	Central African Rep.	50.27	38.9	44.2	77.1	90.2	76.4	40	40	20	30	45.9
138	Vietnam	49.95	62.0	51.0	82.9	80.8	67.5	30	30	10	26	59.3
139	Togo	49.83	37.5	58.4	69.8	90.6	76.5	30	30	30	30	45.5
140	Laos	49.15	51.0	55.8	80.6	86.3	71.3	30	20	10	33	53.5

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2007 Rank	Country	Economic Freedom 2007	Business Freedom	Trade Freedom	Fiscal Freedom	Freedom from Government	Monetary Freedom	Investment Freedom	Financial Freedom	Property Rights	Freedom from Corruption	Labor Freedom
141	Sierra Leone	48.37	50.5	50.2	82.0	83.8	72.9	30	40	10	24	40.2
142	Syria	48.17	56.6	49.0	88.3	57.5	68.9	30	10	30	34	57.4
143	Bangladesh	47.80	64.3	-	89.4	91.5	68.7	30	20	30	17	67.0
144	Venezuela	47.68	48.8	56.2	83.7	69.5	57.6	20	40	30	23	48.0
145	Belarus	47.36	54.5	62.2	87.9	66.9	61.4	20	10	20	26	64.7
146	Burundi	46.77	40.9	50.6	80.0	60.0	68.1	30	30	30	23	55.2
147	Chad	46.38	25.1	54.2	57.7	81.9	77.7	40	50	20	17	40.2
148	Guinea-Bissau	45.71	27.2	52.8	88.6	59.9	80.7	40	40	20	10	37.9
149	Angola	43.47	33.9	68.0	90.0	38.4	47.7	20	40	20	20	56.7
150	Iran	43.13	54.9	50.4	84.8	59.8	61.3	10	10	10	29	61.2
151	Congo, Republic of	43.00	40.4	44.4	73.2	56.9	77.3	30	30	10	23	44.8
152	Turkmenistan	42.54	30.0	74.2	94.4	82.9	65.9	10	10	10	18	30.0
153	Burma	40.14	20.0	71.8	87.9	88.3	65.4	10	10	10	18	20.0
154	Zimbabwe	35.81	42.9	42.6	79.5	83.9	-	10	20	10	26	43.2
155	Libya	34.48	20.0	29.6	87.8	23.5	78.9	30	20	10	25	20.0
156	Cuba	29.68	10.0	60.2	62.8	10.0	65.8	10	10	10	38	20.0
157	Korea, North (DPRK)	3.00	-	-	-	-	-	10	-	10	10	-

Source: Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), at [www.heritage.org/index](http://www.heritage.org/index).