

# FOREWORD

**W**e live in a Golden Age of economic progress. People today enjoy longer lives, significantly better health, and a level of living standards that would have been unimaginable just a few generations ago. Billions around the world have escaped poverty. Things we take for granted—antibiotics, the iPhone, air travel—would have seemed like magic to our great-grandparents.

Those blessings have not arisen from the beneficence of some good king or a benign technocracy of experts, but rather from the efforts of an ever-growing number of people who, beginning in the 1600s, have enjoyed the fundamental economic freedom to decide for themselves how to live their lives. The real magic of the market, described by Adam Smith and many of the economists who have followed him, is that individuals, by exercising the freedom to pursue their own goals and ambitions, have made possible previously inconceivable heights of economic development that benefit us all.

Such freedom is not without challenges. People love the increased income and consumption produced by the free market, but they can have difficulty with rapid adjustments or disruptions that such growth can create. In September 2017, for example, more than 1.7 million Americans lost their jobs, another 3.2 million quit voluntarily, but 5.3 million people were newly hired for a gain of almost 400,000 jobs. Obviously, most of the job losses were temporary, and no doubt on average the new jobs were better than the old. Nonetheless, the process can be jarring and discombobulating.

Society's job is to ensure that none of our citizens get lost in the shuffle. In a free society,

there is no shortage of private-sector organizations—churches, clubs, charities, and even former employers—ready to help those in need. There may be a role for governments too, but it is vital that governments resist the temptation to slow down economic progress through excessive regulations, taxes and protectionist measures. Therein lies the fall to stagnation and impoverishment. We see in the *Index* the stories of governments that have taken this route, and the results are not pretty. Venezuela, which has lost more economic freedom than any other country over the life of the *Index*, is the most prominent example of economic ruin that follows from repressive policies.

The free-market capitalist system, whose growth is so well documented in the *Index of Economic Freedom*, has provided people around the world with the opportunity to live a self-directed life with the dignity and satisfaction that come from the ability to provide for themselves and those they love, while seeing their incomes and opportunities grow.

Billions of people have escaped the tyranny and involuntary servitude of five-year plans dedicated to the glory of some great leader. The march of freedom is advancing in Central and Eastern Europe, Asia, Africa, the Middle East and Latin America, and even right here at home in the United States. This advance is fueled by those with firsthand knowledge of the deprivations of government-centered societies or programs that centralize power and wealth in the hands of a few. Populations everywhere are demanding their fundamental rights and freedoms and a fair and equal chance to get ahead.

Yet there is still a long way to go. The quest for freedom—and to preserve liberties already won—is a noble struggle that must be continuously fought. There will always be those who wish to tyrannically impose their will on others. If there is one thing that sets apart the capitalist system of free markets, it is that when allowed to function, it denies wannabe autocrats the support of a coercive government.

Only a dynamic, entrepreneurial private sector is capable of producing the growth and prosperity demanded by people today. Government command-and-control economics simply can't do it.

It is gratifying to see from the *Index* that a majority of countries are moving ahead to

advance their citizens' economic freedom. The recession that set back so many earlier this century is over. But a world average economic freedom score of 61.1, while better than ever, is still only moderately free. Now is the time for boldness to build new momentum for expanding the frontiers of freedom. Imagine a world in which all countries matched their policy environments to those of Hong Kong or Australia or Switzerland.

It would truly be a wondrous thing to behold!

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