

FOREWORD

A BIG MILESTONE FOR THE *INDEX OF ECONOMIC FREEDOM*

Twenty-five years! That's quite an achievement for a publication like the *Index of Economic Freedom*. The 2019 edition is better than ever, with comprehensive information on 186 economies from every corner of the world.

Though the *Index* has never been better, I can't say the same about the state of the world economy. The average level of economic freedom in the world declined this year by 0.3 point, from 61.1 to 60.8. That's still the third-highest level ever, but any decline is cause for concern.

The main culprits this year are judicial effectiveness, which is down 2.2 points, and trade freedom, which lost 1.5 points on average worldwide. Both are of concern, but for very different reasons. Judicial freedom is one of the lowest-scoring indicators overall and is particularly low in Africa, reflecting deep-seated problems related to judicial independence and corruption in a great many countries there. Those are hard things to change, and a decline like the one we have seen this year indicates a serious failure of leadership and a lack of political will to carry out needed reforms.

The loss of trade freedom, by contrast, represents the triumph of short-term expediency in economies at more advanced levels of development, which are holding back necessary economic adjustments that would improve efficiency and productivity. Even in countries with well-established democratic systems, leaders

seem unable to resist the efforts of entrenched economic elites to enlist the power of government to maintain their current advantages in the marketplace.

In many ways, the world seems to be at a crossroads. Will we continue on the path of economic freedom and international economic cooperation that has brought increased prosperity and profound reductions in poverty since the end of World War II, and particularly in the past three decades, or will we return to an earlier time when beggar-thy-neighbor policies heightened tensions and hindered growth and development?

The answer will be found in future editions of the *Index of Economic Freedom*.

Over the 25 years during which we have produced this *Index*, our methodology has been improved in scope and scientific rigor. Our focus, now in equal measure on policies related to the rule of law, government size, regulatory efficiency, and open markets, reflects the best current thinking of economists and development experts from around the world. As we gain in knowledge and experience in the years ahead, we will continue to refine our methodology with the goal of providing the best and most comprehensive view of economic policies and their impact, whether for good or for ill.

The ratings and rankings will undoubtedly change in the future—we hope for the better

in all countries everywhere. One thing that will not change, however, is the fundamental message of the *Index*. As we at Heritage said in introducing the first *Index* in 1995: In striving for peace and prosperity, freedom is what counts most.

Kay Coles James
President
The Heritage Foundation
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