

PREFACE

Just a few months ago, in November 2019, people around the world celebrated the 30th anniversary of the fall of the Berlin Wall, the most vivid symbol of the division between the free world and the authoritarian socialist rule of the Soviet Union and Eastern Europe. Shortly after that historic event, The Heritage Foundation began to measure the economic results of the worldwide march toward freedom with its annual *Index of Economic Freedom*.

Over the past 26 years, the Index has become an essential policy guide that analyzes the undeniable links between economic freedom, individual liberty, and prosperity in nations around the world. The data are indisputable: Free markets and free people have worked hand in hand to increase prosperity and the quality of life for people. Freer economies have also led the world in innovation and economic growth, and their governments have been made increasingly accountable to those they govern.

While we have clearly seen what happens when people and economies are unleashed from the chains of excessive government control, we must practice constant vigilance so that our nations do not fall prey to the false promises of the ever-present statist. Statists push bigger government and socialist and collectivist policies that are wrapped in deceptive emotional appeals to things like social justice and equality—yet their policies deliver none of it.

The simple fact is that socialism has failed in every country every time it has been tried. Even in countries with free market-oriented economies, decades of data show that big-government policies continue to fail over and over

again and that, more often than not, they end up hurting the very people we were told they would help.

Perhaps one of the most important lessons we have learned in this regard is that, despite their proven superiority to the alternatives, economic and individual liberty must constantly be defended and their value taught to each new generation in order to counter the never-ending campaigns to discredit them. The data and analysis presented in the *Index of Economic Freedom* can serve as the critical foundation for that defense and for the education of future generations.

Like its predecessors, this 2020 edition of the *Index* provides substantial evidence that the countries that have failed to adopt policies that create more economic freedom and personal liberty have left their citizens lagging behind—and often stuck in poverty. The *Index* also shows that year after year in country after country, the nations that find the political will and wisdom to promote freedom will see their citizens prosper in the years ahead.

However, this prosperity is not just an end in itself. Prosperous peoples have the resources to take better care of their poor and their environments, create better health care and education systems, ensure an abundance of food and clean water, and solve many of the other societal problems that nations face, and that makes life better for *all* people.

Kay C. James
President
The Heritage Foundation
January 2020