

## **FRASER INSTITUTE**

### **Economic Freedom of the World: 2021 Annual Report – 14 September 2021**

#### **Economic freedom around the world in 2019**

The index published in *Economic Freedom of the World* measures the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to enter markets and compete, and security of the person and privately owned property. Forty-two data points are used to construct a summary index, along with a Gender Legal Rights Adjustment to measure the extent to which women have the same level of economic freedom as men. The degree of economic freedom is measured in five broad areas:

1. Area 1: Size of Government
2. Area 2: Legal System and Property Rights
3. Area 3: Sound Money
4. Area 4: Freedom to Trade Internationally
5. Area 5: Regulation

#### **Top-rated countries**

The most recent comprehensive data available are from 2019.

Hong Kong (1) remains in the top position [out of 165 countries]. The apparent increased insecurity of property rights and the weakening of the rule of law caused by the interventions of the Chinese government during 2020 and 2021 will likely have a negative impact on Hong Kong's score, especially in Area 2, Legal System and Property Rights, going forward.

Singapore (2), once again, comes in second.

The next highest scoring nations are New Zealand (3), Switzerland (4), Georgia (5), United States (6), Ireland (7), Lithuania (8), Australia (9), and Denmark (10).

#### **Rankings of other major countries**

The rankings of some other major countries are Canada (14th), Japan (18th), Germany (22nd), Italy (47th), France (53rd), Mexico (75th), Russia (100th), India (108th), Brazil (109th), and China (116th).

#### **Ten lowest-rated countries**

The ten lowest-rated countries are: Central African Republic (156), Democratic Republic of Congo (157), Syria (158), Republic of Congo (159), Iran (160), Zimbabwe (161), Algeria (162), Libya (163), Sudan (164), and, lastly, Venezuela (165).

For further information, read the full report [here](#):

<https://www.fraserinstitute.org/sites/default/files/economic-freedom-of-the-world-2021.pdf>