



NEWS RELEASE

Switzerland has the highest level of economic freedom in the Francophonie, ahead of Canada and Luxembourg

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For Immediate Release

MONTREAL, QUEBEC—Switzerland has the highest level of economic freedom among members of the Organisation internationale de la Francophonie (OIF), and ranks fourth on the Economic Freedom of the World Index, according to a report published today by the Fraser Institute, an independent research organization.

Canada has the second highest level of economic freedom in the OIF and ranks seventh on the Economic Freedom of the World index, ahead of Luxembourg, which is in 21st place internationally. Belgium ranks 5th among OIF nations (and 44th internationally), ahead of France (45th internationally) and Greece (54th internationally).

The Republic of Mauritius, the OIF's first African member, holds fourth place within the Francophonie (41st internationally) and sets an example for developing nations.

The report, *Economic Freedom in the Francophonie (2008)*, is based on the *Economic Freedom of the World: 2008 Annual Report* and analyzes the economic freedom of OIF member states (other than associate members and observers). The entire report on the Francophonie is available at www.institutfraser.org

The peer-reviewed international index employs 42 components to classify 141 nations and territories. This index is based on policies that promote economic freedom. The foundations of economic freedom are personal choice, voluntary exchange, freedom to enter and compete in markets, and protection of persons and their property from aggression by others. Economic freedom is assessed in five areas: (1) size of government, (2) legal structure and security of property rights, (3) access to sound money, (4) freedom to trade internationally and (5) regulation of credit, labour and business.

The five French-speaking nations with the lowest degrees of economic freedom are: Chad (31st place within the OIF), the Central African Republic and Guinea-Bissau (both tied for 32nd place), Niger (34th place) and finally, the Congo, which occupies the bottom of the list.

“Research has shown that citizens of nations with high levels of economic freedom benefit from increased prosperity, broader personal freedoms and longer life expectancies,” said Louis-Philippe Beland, policy analyst at the Fraser Institute's Centre for Globalization Studies and main author of the report.

“However, OIF nations on average have lower levels of economic freedom than those of the British Commonwealth, the Arab League, Central and South America and Asia.”

Twenty-nine of the OIF's 35 members that were included in the report are developing nations with low per capita GDPs and extremely poor development indicators, such as those pertaining to life expectancy, infant survival rate and number of doctors per 1,000 inhabitants.

“The legal structure and security of property rights is the most challenging category for nations in the Francophonie,” said Jean-François Minardi, senior policy analyst at the Fraser Institute.

“Twenty member states have scores lower than five out of 10 for the quality of their legal systems (the higher the score, the greater the freedom). Six of them have scores under three.”

(more)

Freedom to trade internationally and regulation of credit, labour and business are also problematic areas for a number of Francophone states, added Mr. Minardi.

“Economic freedom enables people and families to determine their own future. The ingenuity and drive of individuals and families beats government planning hands down. And it liberates people from government dependence, opening new avenues for political expression and ultimately a sound democracy,” said Fred McMahon, director of the Fraser Institute’s Centre for Globalization Studies and co-author of the report.

To promote economic growth and reduce poverty, the report’s authors encourage Francophone states to emphasize increased economic freedom and undertake the three reform strategies outlined below:

1. Constitutions must be strengthened to protect private property, encourage investment and reduce corruption.
2. Obstacles to international trade must be eliminated. Developing states tend to have smaller domestic markets and can thus benefit from opening their borders to trade.
3. Business regulations should be simplified to encourage investment and business creation.

“Without dispute resolution mechanisms and solid property rights, many mutually beneficial exchanges are impossible, thus undermining the market for trade,” said Mr. Beland. While crucial for prosperity, improving the legal system is a cumbersome and protracted task. Developing nations must be patient and draw on the success of similar countries.”

About the international economic freedom index

The *Economic Freedom of the World Index* determines the extent to which a nation’s policies and institutions support economic freedom. The annual report is published in conjunction with the Réseau de liberté économique, a group consisting of educational research institutions and organizations from 76 nations and territories.

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