

ECONOMIC FREEDOM AND PROSPERITY		
	Rank	GDP per Capita, on a Purchasing Power Parity Basis, Constant International Dollars
<b>MOST FREE</b>		
Hong Kong	#1	57,081
Singapore	#2	89,196
New Zealand	#3	35,676
Switzerland	#4	57,466
United States	#5	55,650
Ireland	#6	70,032
<b>LEAST FREE</b>		
Angola	#158	6,057
Algeria	#159	13,725
Sudan	#160	3,762
Libya	#161	10,194
Venezuela	#162	9,487

## Freedom Still Works, as Opposed to Socialism

by Richard W. Rahn

SANDERS AND HIS ALLIES SAY THE KIND OF SOCIALISM THEY HAVE IN MIND IS NOT WHAT'S BEING PRACTICED IN VENEZUELA

Recent reports indicate that almost 300 people are leaving the New York metropolitan area each day, with the majority moving to Florida. Florida does not have a state or local income tax. In New York, state and local income taxes may exceed 12 percent. A number of those moving to Florida said the tax burden was a major reason — surprise, surprise.

At the next debate with the presidential candidates, try to make a list of all the freedom-restricting proposals they come up with, from taking away your plastic straws to your guns, and another list of all the freedom-expanding proposals. Among other things, you will note that Thomas Jefferson was right, “the natural progress of things is for the government to gain ground and for liberty to yield.”

The Fraser Institute in Canada has just released its list of the most free to the least free countries in its annual report of Economic

Freedom of the World. (Please see the attached table.) As always, the most free tend to have very high per-capita incomes while the least free are mired in poverty. One of the ironies in this year’s list is the fact that all the least free also have substantial oil and other natural resource wealth, yet the socialist thugs that have run these countries have managed to squander it all. Venezuela has the world’s largest proven oil reserves, yet the people are getting poorer month-by-month.

Socialism has always been a failure, and each year the world receives more information about the failures and brutality of socialism, but a number of people who appear to be intelligent and sane continue to embrace it. It is understandable that unprincipled politicians would exploit the ignorant by promising “free” stuff, but what is even more disappointing is that so many members of the establishment media would treat these nonsense political utterances as worthy of legitimate political debate.

When pressed, Sen. Bernie Sanders and his allies say the kind of socialism they have in mind is not what is being practiced in Venezuela today. The fact is that former Venezuela strongman Hugo Chavez also told his followers 25 years ago that socialism would be different from what is actually occurring. No socialist politician ever starts off by telling the masses that the socialism he is trying to sell will result in a loss of almost all civil liberties, shortages of food and other necessities of life, and tyranny. They sell an imaginary nirvana where all are equal and everyone has access to the bounty (ah, produced by capitalism). If Mr. Sanders and Sen. Elizabeth Warren were selling a product with such claims, rather than a discredited political idea, they would rightly be arrested for fraud.

Socialism relies on coercion rather than free exchange. People naturally resist coercion so, when the first mild coercion does not work, more coercion is applied, which causes more resistance, which is met with more coercion, and on and on, until one ends up with a Venezuela, Cuba and ultimately North Korea.

China is frequently cited as an example of where you can have socialism (communism) and prosperity. China ranks 113 out of 162 countries in the Economic Freedom of the World index. The Chinese per capita income currently is estimated at \$16,098 (on a PPP basis), placing it among low middle-income countries. Forty years ago, China was a very poor country, so it has had a remarkable success by any standard. It achieved the success by embracing free markets for many sectors of the economy, notably manufacturing. For the first 20 years of the reform period, China also increased civil liberties and became less oppressive. Unfortunately, in recent years, it has reversed course, both regarding civil liberties and economic freedom.

This reversal is having a predictable negative impact on economic growth. The Chinese economy grew by 10+ percent per year for a couple of decades, but in recent years that growth has slowed to about 6 percent per year as the Chinese claim. Currently, knowledgeable experts on the Chinese economy believe growth has slowed to as little as 2.4 percent, which may turn into a political disaster for the country.

Economists have long debated whether a non-resource rich country could be both authoritarian and rich. The rich countries are all democratic republics or direct democracies. The evidence seems to show that as countries became richer, they also became more democratic — examples include Singapore, Taiwan, South Korea, Spain, Chile, etc.

The hope (even expectation) was that as China became richer, it would become more politically and economically free. That is not happening. The current demonstrations in Hong Kong are merely one manifestation of this new struggle for the future of China. Most everyone on the globe will likely be affected by the results.

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<https://www.washingtontimes.com/news/2019/sep/16/freedom-still-works-as-opposed-to-socialism/>