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## The 'new normal' is a bad, bad thing



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The Fraser Institute released its 2013 Economic Freedom of the World Annual Report this month. And the United States has done little to recapture its position as the global home of economic liberty.

Until 2002, the United States ranked among the five freest countries in the world. Since then, we have dropped to 17th in a list of 152. We now fall behind Hong Kong, Singapore, the United Arab Emirates, Canada and Chile, among others as we acclimate to the “new normal.”

It remains to be seen if this new normal is a permanent condition or a temporary reflection of the political choices we've made through 2011. Whatever the answer, it is clear that we have moved away from economic freedom in favor of greater state control.

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In considering more than 40 variables — everything from the size of government to the legal system, security of property rights, access to sound money, free trade and market regulation — The Fraser Institute's report makes this clear. The important question is not whether we are less free but whether being less free is, or can be, a good thing. And the answer to that question is a resounding no.

According to World Bank data, countries that rank above the median for economic freedom have three times the per-capita income of those that rank below that line. And this isn't because developed countries tend to be both wealthy and free. Among the poorest nations, those with more economic freedom have average incomes that are almost 30 percent higher than those with less economic freedom.

Wherever one looks, people who live with greater economic freedom have higher incomes. Much higher. Not surprisingly, poverty rates are much lower in these countries as well. Greater economic freedom brings less income disparity. In the very places the rich succeed the most, the difference between rich and poor is least pronounced.

But the benefits of economic freedom stretch far beyond simple measures of income. According to UNICEF data, child labor rates are 74 percent higher in less economically free countries than in more economically free countries. And this isn't because rich countries import their goods from poor countries with no child labor laws.

Among the poorest countries, child labor rates are twice as high in less free countries than in their more free counterparts. According to United Nations data, countries that are freer also experience significantly greater gender equality. At every turn, freedom and exploitation appear to be incompatible.

Further, these results do not come at the expense of the environment. Less economically free countries experience more deforestation than their more free counterparts, and the most economically free countries actually experience reforestation. According to World Health Organization data, atmospheric pollution is lower in more economically free countries.

The Fraser Institute's study does not prove that economic freedom produces a healthier society but it does show that these two things are highly correlated. Why, then, do our politicians seek to make us less economically free at every turn? They should take the Hippocratic approach: First, do no harm. Economic freedom does no harm and there is every reason to think it does much good.

Where the United States places on future lists depends on the choices we make today. If we choose freedom, we choose prosperity instead of poverty, stewardship instead of exploitation, cooperation instead of coercion and trust instead of fear.

If we choose anything else, we have consciously chosen the "new normal."

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