

Preface

As I write this in November 2014, people around the world are celebrating the 25th anniversary of the fall of the Berlin Wall. This *Index* was inspired in many ways by the heroic events that took place in Europe a quarter of a century ago, and it was only shortly thereafter that we began, in connection with *The Wall Street Journal*, to record the march of freedom around the world.

The unraveling of the Soviet Union and the liberation of Eastern Europe represent a great triumph for freedom and economic advancement. People who once lived in fear and poverty have experienced a rebirth of productivity and dramatic economic modernization. Countries that once lagged badly have emerged from the shadows of repression to join as equals in freedom those who in the past they could view only dimly through an iron curtain.

The lesson is clear: The human spirit is the real wellspring of economic prosperity. That spirit is at its most inspired when it is unleashed from the chains in which it has been bound.

Still, as events in countries like Georgia, Ukraine, and Russia show, the fight for freedom requires perpetual vigilance against the inroads

of enemies both external and internal. False starts toward economic freedom have been seen in places like China, where a burst of economic reform 30 years ago lifted millions out of poverty but where economic momentum is flagging as reform has stalled. The collapse of countries like Zimbabwe and Venezuela, where dictatorial rule has destroyed lives and prospects for the future, is a vivid reminder that freedoms hard won may be easily lost. In my own country, the United States, economic freedom has not advanced in recent years. We are performing far below potential as a result. In the Middle East, a burst of revolutionary fervor is driving change toward ends as yet unknown.

Perhaps the most critical lesson for these tumultuous times is that the proven superiority of the free-market system and the value of economic liberty must be steadfastly reiterated, particularly in times of trouble. The data we present in the *Index of Economic Freedom* are a good foundation for that discussion.

In addition to its country analysis and rankings, the 2015 *Index* contains three informative chapters that explore topics of particular relevance to today's policy debates.

- In Chapter 3, Steve Moore, Chief Economist at The Heritage Foundation, and his co-author, Joel Griffith, undertake comparative analysis of selected countries in various regions, highlighting ways in which the rule of law, efficient regulatory structures, open markets, and a commitment to lower taxes promote greater prosperity.
- In Chapter 4, the *Index* takes a closer look at the causes and prospects for the Arab Spring. Presenting a detailed case study on Tunisia, three World Bank economists analyze the harm inflicted by cronyism and underscore the urgent need for inclusive policies that provide opportunities for all Tunisians to ensure a successful economic and political transition.
- In Chapter 5, Nick Loris, a researcher focusing on energy, environmental, and regulatory issues as the Herbert and Joyce Morgan Fellow at The Heritage Foundation, assesses the critical linkages between economic freedom, energy, and development.

Like its predecessors, the 2015 *Index* provides ample evidence that dynamic economic gains can be achieved by advancing freedom. Countries that are gaining freedom enjoy higher economic growth, greater gains in employment, higher incomes, better health, cleaner environments, and a host of other benefits. Those that are not are, on average, lagging behind and, in the worst cases, remain stuck in stagnation and poverty. Such failures are inexcusable. Most important, they are preventable.

We cannot, of course, know what the future will bring as the *Index of Economic Freedom* advances into its third decade. Nonetheless, it is encouraging to know that economic freedom is still on the march. As the *Index* has shown in case after case, nations that find the political will and wisdom to advance economic freedom will be best positioned to see their citizens prosper in the years ahead.

Jim DeMint, President
The Heritage Foundation
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