

HIGHLIGHTS OF THE
2025 INDEX OF
**ECONOMIC
FREEDOM**



Anthony B. Kim

RANKING THE WORLD BY ECONOMIC FREEDOM

Rank	Country	Overall Score	Rank	Country	Overall Score	Rank	Country	Overall Score
1	Singapore	84.1	65	Dominican Republic	64.3	129	Mali	52.6
2	Switzerland	83.7	66	Belize	64.2	130	Papua New Guinea	52.5
3	Ireland	83.1	67	Montenegro	63.8	131	Nepal	52.5
4	Taiwan	79.7	68	Kazakhstan	63.8	132	Togo	52.3
5	Luxembourg	79.5	69	Trinidad and Tobago	63.6	133	Chad	52.2
6	Australia	79.3	70	Bosnia and Herzegovina	63.5	134	Cameroon	52.1
7	Denmark	79.1	71	Guatemala	63.4	135	Russia	51.6
8	Estonia	78.9	72	Bahamas	63.2	136	Tajikistan	51.5
9	Norway	78.3	73	North Macedonia	63.2	137	Niger	51.5
10	Netherlands	78.2	74	Mongolia	62.6	138	Comoros	51.4
11	New Zealand	78.1	75	Azerbaijan	62.5	139	Uganda	51.3
12	Sweden	77.9	76	Micronesia	62.2	140	Laos	51.1
13	Finland	77.0	77	Vanuatu	61.8	141	Burkina Faso	51.0
14	Canada	75.5	78	Kosovo	61.7	142	Zambia	50.9
15	Mauritius	75.0	79	Hungary	61.4	143	Kiribati	50.9
16	Lithuania	74.6	80	Mexico	61.3	144	Suriname	50.9
17	Korea, South	74.0	81	Italy	60.9	145	Egypt	50.9
18	Chile	73.2	82	Philippines	60.6	146	Malawi	50.9
19	Cyprus	73.2	83	Greece	60.6	147	Mozambique	50.7
20	Czech Republic	72.9	84	Thailand	60.6	148	Sri Lanka	49.4
21	Iceland	72.8	85	São Tomé and Príncipe	60.4	149	Tunisia	49.1
22	Germany	71.6	86	Morocco	60.3	150	Pakistan	49.1
23	United Arab Emirates	71.6	87	St. Vincent & Grenadines	60.1	151	China	49.0
24	Latvia	71.4	88	Kuwait	59.9	152	Belarus	48.9
25	Portugal	70.5	89	Colombia	59.8	153	Congo, Rep.	48.6
26	United States	70.2	90	Honduras	59.6	154	Liberia	48.5
27	Qatar	70.2	91	Jordan	59.4	155	Maldives	48.3
28	Japan	70.2	92	Tanzania	59.3	156	Ethiopia	48.1
29	Uruguay	70.2	93	Fiji	59.1	157	Sierra Leone	48.0
30	Israel	69.9	94	Namibia	58.7	158	Timor-Leste	47.9
31	Botswana	69.9	95	Tonga	58.5	159	Equatorial Guinea	47.7
32	Austria	69.7	96	Benin	58.5	160	Algeria	47.5
33	United Kingdom	69.3	97	Moldova	58.3	161	Congo, Dem. Rep.	47.3
34	Belgium	69.0	98	Cambodia	58.2	162	Turkmenistan	47.1
35	Georgia	69.0	99	Guyana	58.2	163	Haiti	46.1
36	Barbados	68.9	100	Uzbekistan	58.0	164	Bolivia	44.1
37	Bulgaria	68.8	101	Côte d'Ivoire	57.8	165	Lebanon	44.1
38	Jamaica	68.7	102	Bhutan	57.5	166	Burma	43.7
39	Croatia	68.7	103	South Africa	57.3	167	Guinea-Bissau	43.6
40	Cabo Verde	68.7	104	Madagascar	57.0	168	Central African Republic	42.8
41	Costa Rica	68.6	105	Gambia	56.8	169	Iran	42.5
42	Slovakia	68.4	106	El Salvador	56.6	170	Burundi	39.7
43	Slovenia	68.3	107	Eswatini	56.4	171	Eritrea	38.6
44	Malaysia	67.1	108	Senegal	56.4	172	Sudan	35.3
45	Poland	67.1	109	Solomon Islands	56.3	173	Zimbabwe	35.1
46	Brunei Darussalam	67.0	110	Gabon	56.3	174	Venezuela	27.6
47	Saint Lucia	67.0	111	Türkiye	56.1	175	Cuba	25.4
48	Malta	66.8	112	Ghana	56.0	176	Korea, North	3.0
49	Samoa	66.6	113	Ecuador	55.8			
50	Albania	66.6	114	Djibouti	55.7			
51	Romania	66.5	115	Kyrgyz Republic	55.6			
52	Seychelles	66.4	116	Dominica	55.3			
53	Spain	66.3	117	Brazil	55.1			
54	Peru	65.9	118	Angola	55.0			
55	Bahrain	65.6	119	Mauritania	54.9			
56	Panama	65.5	120	Rwanda	54.8			
57	Armenia	65.4	121	Kenya	54.8			
58	Oman	65.4	122	Bangladesh	54.7			
59	Paraguay	65.2	123	Guinea	54.6			
60	Indonesia	65.2	124	Argentina	54.2			
61	Vietnam	65.2	125	Lesotho	54.1			
62	Saudi Arabia	64.4	126	Nicaragua	54.0			
63	France	64.4	127	Nigeria	53.4			
64	Serbia	64.4	128	India	53.0			

Economic Freedom Scores

- 80-100 Free
- 70-79.9 Mostly Free
- 60-69.9 Moderately Free
- 50-59.9 Mostly Unfree
- 0-49.9 Repressed

HIGHLIGHTS OF THE 2025 INDEX OF ECONOMIC FREEDOM

It is long past time to put the American people first. For too long, the policy agenda in Washington has been defined by well-connected special interests that have severely undercut economic freedom for ordinary hardworking Americans. But on November 5, 2024, the American people spoke up and unambiguously rejected the failed liberal status quo. The reelection of Donald Trump has placed our country at the dawn of a new era. Today, by that dawn's early light, we can already see the prosperous, cheerful, energetic future it portends.

We must take this window of opportunity to act with courage and confidence.

The moral and practical case for ordered liberty and free enterprise is as necessary today as it was when Ronald Reagan and Margaret Thatcher rescued their nations' economies and won the Cold War. After four years of incompetence and corruption, the task before us is to unleash America from the red tape in which it has been bound and create an efficient economy that can conserve the true, the good, and the beautiful. Why? Because that is the only kind of economy that is worthy of a free people.

As we show year after year in the *Index of Economic Freedom*, an annual flagship publication of The Heritage Foundation, countries that support free markets, rule of law, private property, and limited government experience more prosperity, better education, and healthier environments. These countries also tend to produce better jobs, better goods and services, and better societies. The imperative to advance economic freedom and revitalize vibrant entrepreneurial growth is stronger than ever.

But markets and freedom don't exist in a vacuum, and the measure of societal greatness involves more than merely economic factors. We should recognize that our most important task today is rebuilding the well-functioning and healthy institutions of civil society that we need and deserve. The free market is a vital part of that process but must always be in service to our values and not the other way around.

Now is the time for correcting course. Today, economic freedom is being attacked on all sides, both at home and abroad. The Chinese Communist Party

(CCP) is working to constrain freedom not only within China's own borders, but in nations around the world. Bureaucrats are more powerful than ever. They work with globalist organizations and multinational corporations alike to write regulations that stifle the freedom of the middle class while enriching the powerful under the guise of health emergencies and global warming.

If we want to pass on to our children and grandchildren a nation that is at least as free and prosperous as the one we inherited, we must focus our efforts on turning ordinary people away from the false promises of bigger government and sweeping economic programs while turning the rest of the world away from the CCP. The *Index of Economic Freedom* is a vital tool in this fight.

Kevin D. Roberts, PhD
President
The Heritage Foundation
February 2025

EXECUTIVE HIGHLIGHTS

The 2025 *Index of Economic Freedom* reveals just how fragile the world's economy has become. The cumulative downward pressure on the world economy is marked by the lingering impact of ill-advised economic policy choices from the coronavirus pandemic period, higher inflation, Russia's ongoing invasion of Ukraine, and a broader conflict in the Middle East, among other economic and geopolitical tensions.

The abrupt and shortsighted renunciation of the principles of economic freedom in many countries has further risked much-needed stronger economic recovery and long-term economic resilience and prosperity. For instance, many countries around the world are already burdened by higher debt that prolongs economic stagnation.

A return to business as usual will not suffice. In addition to the impact of the pandemic on public finances, countries face many long-term structural challenges in the policy areas of transparency, efficiency, openness, and government effectiveness.

Many countries are now at a crossroads. A nation's true capacity for lasting growth and prosperity hinges on the quality of its institutions and economic system. The question is: How soon and decisively will they recognize the paramount need to correct their current policies and reinvigorate their commitment to preserving and advancing the economic freedom that has proven to be the key to human flourishing and lasting prosperity?

KEY FINDINGS OF THE 2025 INDEX

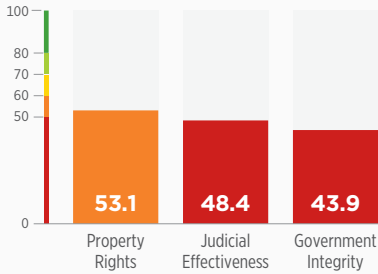
- The 2025 *Index*, which considers economic policies and conditions in 184 sovereign countries from July 1, 2023, through June 30, 2024, reveals a world economy that, taken as a whole, remains “mostly unfree.” The global average economic freedom score has increased by 1.1 points to 59.7 from the previous year's 58.6.
- Globally, fiscal soundness has deteriorated significantly. Rising deficits and mounting public debt in many countries have undermined and likely will further undercut their overall productivity growth and lead ultimately to economic sluggishness rather than vibrant growth.
- There continues to be a clear relationship between improving economic freedom and achieving higher economic dynamism and greater overall well-being. No matter what their existing level of development may be, countries can measurably boost their economic growth and economic freedom by adopting policies that reduce taxes, rationalize the regulatory environment, open the economy to greater competition, and fight corruption.
- The standard of living, measured by incomes per capita, is much higher in economically freer countries. Countries rated “free,” “mostly free,” or “moderately free” in the 2025 *Index* generate incomes that are more than double the average levels in other countries and more than three times higher than the incomes of people living in economically “repressed” countries.

- As documented once again in the 2025 *Index*, economic freedom also correlates significantly with overall well-being, which includes such factors as health, education, the environment, innovation, societal progress, and democratic governance.
- As shown in the ranking table for the 176 countries rated in the 2025 *Index*, only three countries (down from four in the previous year) have earned a designation of economically “free” by recording scores of 80 or more; 26 earned a designation of “mostly free” by recording scores of 70.0 to 79.9; and an additional 58 were considered at least “moderately free” with scores of 60.0 to 69.9. Thus, a total of 87 countries, or slightly less than half of the 176 countries graded, have institutional environments in which individuals and private enterprises benefit from at least a moderate degree of economic freedom in the pursuit of greater economic development and prosperity.
- On the opposite side of the spectrum, about 50 percent of the countries graded in the 2025 *Index* (89 economies) have registered economic freedom scores below 60. Of those, 60 economies are considered “mostly unfree” (scores of 50.0 to 59.9), and 29 countries, including China and Iran, are in the economically “repressed” category.
- Within the top 10 rankings, a notable reshuffling has taken place. Singapore continues to be the world’s freest economy, demonstrating a consistently high level of economic resilience and prosperity. Switzerland is the world’s second freest economy, followed by Ireland. Taiwan has maintained its fourth highest ranking, the highest the country has ever achieved in the *Index of Economic Freedom*.
- Especially notable is the continuing decline within the “mostly free” category of the United States, whose score plummeted to 70.2, one of the lowest levels in the history of the *Index*. The U.S. is now the world’s 26th freest economy. The major causative factor in the erosion of America’s economic freedom is excessive government spending, which has resulted in mounting deficit and debt burdens over the past four years. On the other hand, Argentina recorded one of the largest score improvements, moving out of the bottom tier of economic freedom in the 2025 *Index*. Providing concrete momentum for the revitalization of Argentina’s economy, various fiscal and regulatory measures adopted as part of reform-minded President Javier Milei’s decisive economic reform agenda have already generated notable progress.

All in all, the ongoing recovery remains uneven and uncertain with strikingly different outcomes across countries, sectors, and demographic groups. Output and employment gaps remain in many countries, particularly in emerging markets and developing economies, suggesting that countries face vastly different policy challenges in recovery and beyond.

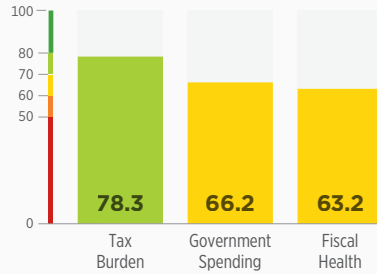
12 ECONOMIC FREEDOMS: A GLOBAL LOOK

RULE OF LAW



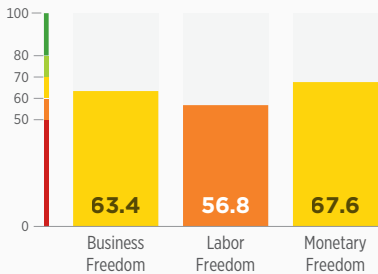
On average, rule of law scores are the lowest on a scale of 0 to 100. This reflects the corruption of government institutions in many countries. Without a robust rule of law, business owners and entrepreneurs find it difficult to know what to expect, and their economic decisions are more rolls of the dice than decisions based on reliable information.

GOVERNMENT SIZE



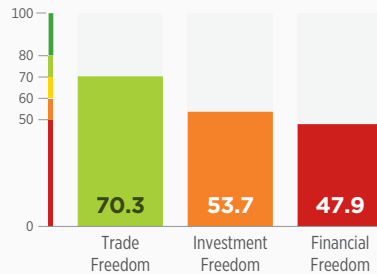
The average top individual income and corporate tax rates are, respectively, approximately 30 percent and approximately 25 percent. The average overall tax burden as a percentage of GDP is now 19.8 percent. The average level of government spending remains about 31 percent of GDP, but the average level of gross public debt is now higher than 65 percent.

REGULATORY EFFICIENCY



Globally, of the three regulatory efficiency subfactors of economic freedom, monetary freedom scores the highest, followed by business freedom and then by labor freedom. The notable countries by average regulatory efficiency score include Singapore, Switzerland, Taiwan, Denmark, and Finland. The worst offenders in descending order are Sierra Leone, Cuba, Zimbabwe, Sudan, Venezuela, and North Korea.

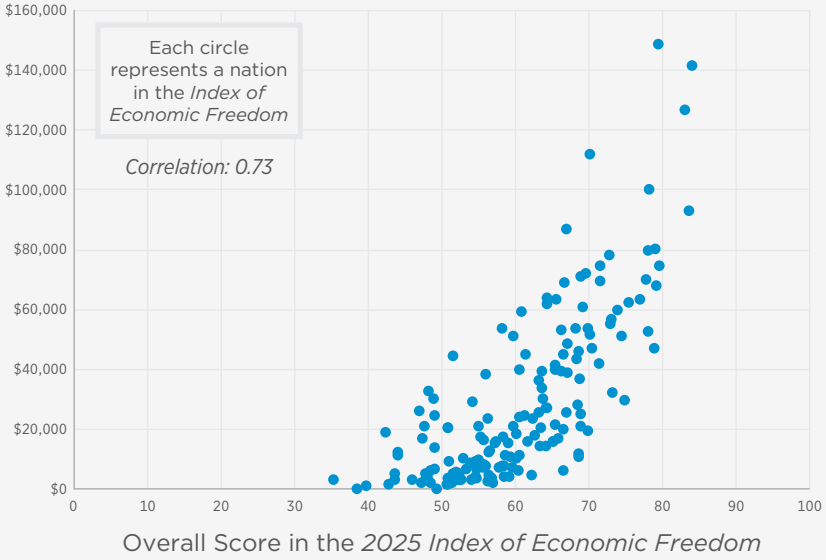
OPEN MARKETS



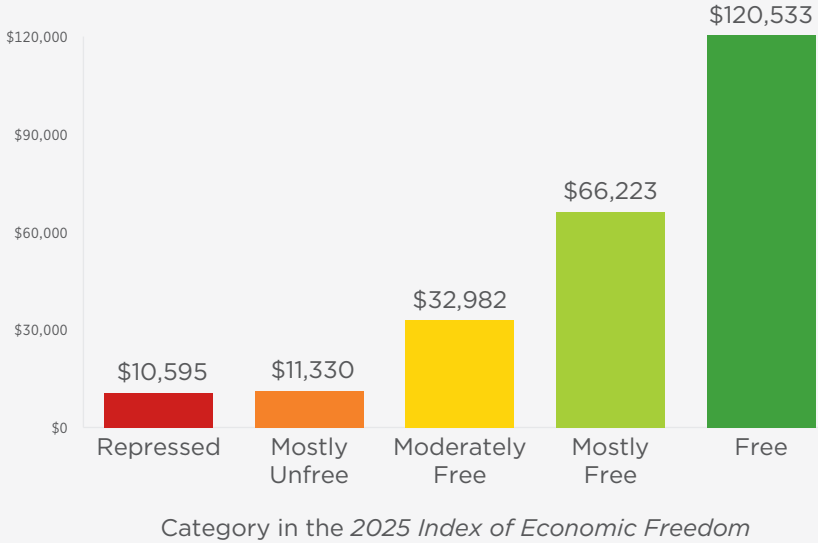
The worldwide average trade-weighted applied tariff rate is 7.7 percent. With investment policy measures in many countries geared toward sectoral investment rather than general market openness, the global investment freedom score is just 53.7. The global score for financial freedom (47.9) is the lowest of the three open-market indicators. Government interference in the financial sector is pervasive in many countries.

ECONOMIC FREEDOM AND STANDARD OF LIVING

GDP per Capita, Purchasing Power Parity, 2023



Average GDP per Capita, Purchasing Power Parity, 2023



SOURCES: 2025 Index of Economic Freedom, IMF, and CIA.

Chart 1 heritage.org

WHY ECONOMIC FREEDOM MATTERS

A recurring theme in human history has been resilience and revival. The results of the 2025 *Index of Economic Freedom* demonstrate that by building on what works, countries can accelerate their progress against even the most difficult challenges and chart ever greater economic success.

Since 1995, the *Index* has measured economic freedom's advances and retreats around the globe, country by country, and has correlated those changes with fundamental measures of economic well-being like economic growth, reductions in poverty, various social indicators like longevity and health, and environmental protection. The weight of the cumulative evidence is clear: Economic freedom, buttressed by the rule of law, fiscal responsibility, market openness, and sound regulatory environments, remains the surest pathway to resilience and prosperity.

The need to advance economic freedom and vibrant entrepreneurial growth is more imperative now than ever before. No other economic system has demonstrated the ability of free-market capitalism, built on the principles of economic freedom, to adapt to new challenges. The dispersed information-gathering processes and price-setting power of free markets guide change far more efficiently than centralized political processes—typically slow and often biased toward the status quo—ever can.

Free markets and free enterprises, sustained by economic freedom, stimulate both the innovation and the practical solutions that are necessary for progress and sustainable recovery in all areas of human endeavor, thereby enabling better jobs, better products, and healthier, cleaner, and safer societies for all.

ADVANCING ECONOMIC FREEDOM: THE KEY TO HUMAN FLOURISHING AND RESILIENCE

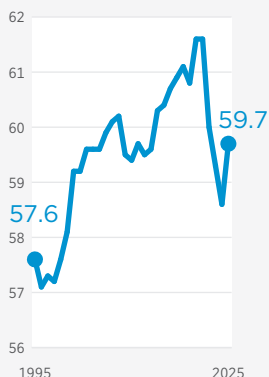
Economic Freedom's most fundamental benefit stems from its strong positive relationship to levels of per capita income. As indicated in Chart 1 and Chart 2, countries show increasingly high levels of average income as they move up the economic freedom scale. For countries achieving scores that reflect even moderate levels of economic freedom (60 or above), the relationship between economic freedom and per capita gross domestic product (GDP) is highly significant. Economies rated “free” or “mostly free” in the 2025 *Index* enjoy incomes that are more than twice the average levels in all other countries and more than five times higher than the incomes of “repressed” economies.

By a great many measures, over the past decades, countries that have adopted some version of free-market capitalism with businesses supported by efficient regulations and open to the free flow of goods, services, and capital have broken the vicious cycle of poverty and dependence.

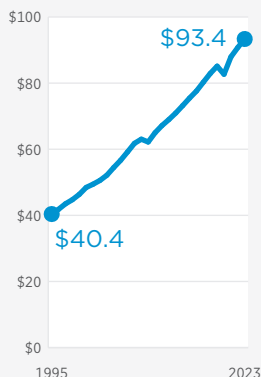
It can no longer be doubted that the free-market system, rooted in empowerment of the individual and open competition, has fueled unprecedented economic growth around the world. As Chart 2 illustrates, for more than two decades, the global economy has moved toward greater economic freedom, becoming “moderately free” overall, while achieving real GDP expansion of

AS ECONOMIC FREEDOM RISES, THE GLOBAL ECONOMY EXPANDS AND POVERTY FALLS

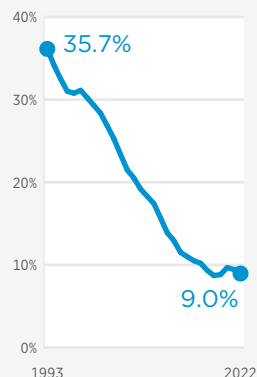
Average Score in the *Index of Economic Freedom*




Global GDP, in Trillions of 2015 U.S. Dollars



Percentage of Global Population Living in Abject Poverty



SOURCES: 2025 *Index of Economic Freedom* and World Bank.

Chart 2  heritage.org

approximately 70 percent. The result of this progress has been to lift hundreds of millions of people out of poverty.

Meanwhile, the global poverty rate has declined by about two-thirds. Opening the gates of prosperity to ever more people around the world, economic freedom has made the world a profoundly better place: More people are living longer and more fulfilling lives than ever before.

Poverty intensity as measured by the United Nations Development Programme’s Multidimensional Poverty Index (MPI), which assesses the nature and intensity of deprivation at the individual level in education, health outcomes, and standard of living, is also much lower on average in countries with higher levels of economic freedom. As depicted in Chart 3, the level of poverty in countries with economies that are considered “mostly free” or “moderately free” is only about one-fourth the level in countries that are rated “less free.”

ECONOMIC FREEDOM: DRIVING VIBRANT GROWTH

Economic freedom is closely related to the openness to entrepreneurial activity that allows individuals to innovate, respond to new opportunities in the marketplace, and enjoy success based on their own efforts. Chart 4 shows the close correlation between economic freedom and entrepreneurial opportunity.

Given this positive relationship, governments should be cautious in undertaking shortsighted stimulus programs that increase their own spending or add new layers of regulation, both of which reduce economic freedom. The best results are likely to be achieved instead through policy reforms that improve the incentives that drive entrepreneurial activity. These reforms include improvements in the efficiency of business and labor regulations, reductions in tariffs and other barriers to trade or investment, and financial reforms to increase competition, ensure stability, and improve and broaden access to credit.

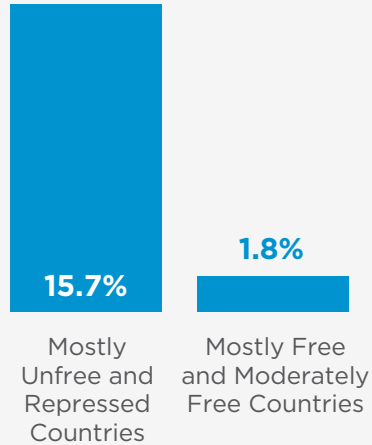
As documented in this edition of the *Index*, as well as in previous editions and volumes of academic research, vibrant and lasting economic growth is most likely to occur when governments implement policies that enhance economic freedom and empower individuals with greater choice and more opportunities. Advancing economic freedom is the surest way to facilitate dynamic economic expansion and is therefore likely to be the surest path to true progress for the greatest number of people.

As Chart 4 demonstrates, there is a robust relationship between improved economic freedom and higher per capita economic growth. Whether long-term (30 years), medium-term (10 to 15 years), or short-term (five years), the relationship between changes in economic freedom and changes in economic growth is consistently positive. Improvements in economic freedom are vital if countries are to achieve the rates of economic expansion that the record shows will reduce poverty.

Undeniably, countries moving toward greater economic freedom tend to achieve higher growth rates of per capita GDP over time. Throughout all the time periods considered in successive editions of the *Index*, the average annual per capita economic growth rates of countries that have increased economic freedom the most are approximately 25 percent higher—at a minimum—than those of countries in which freedom has stagnated or declined.


POVERTY INTENSITY

Average Percentage of Population Living in Multidimensional Poverty



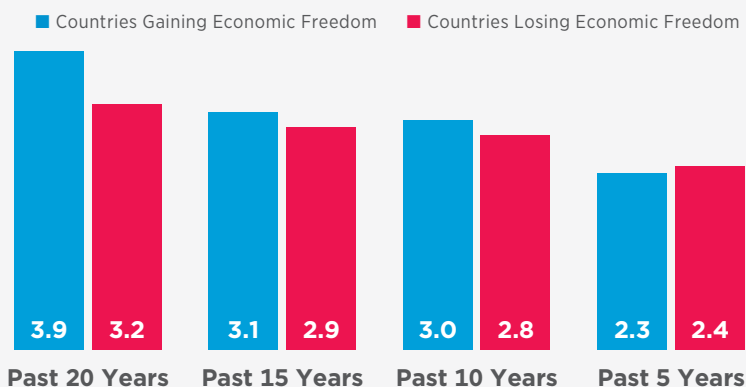
NOTE: Represented are the 104 developing countries scored in both indexes.

SOURCES: 2025 *Index of Economic Freedom* and U.N. Development Programme.

Chart 3  heritage.org


INCREASING ECONOMIC FREEDOM AND ECONOMIC GROWTH

Average Annual Growth of GDP per Capita (Purchasing Power Parity)



NOTES: Figures are country averages for which both Index scores and data on GDP growth are available over the same time period. Five-year growth rates include 174 countries, 10-year growth rates include 173 countries, 15-year growth rates include 171 countries, and 20-year growth rates include 150 countries.

SOURCES: 2025 *Index of Economic Freedom* and IMF.

Chart 4  [heritage.org](https://www.heritage.org)

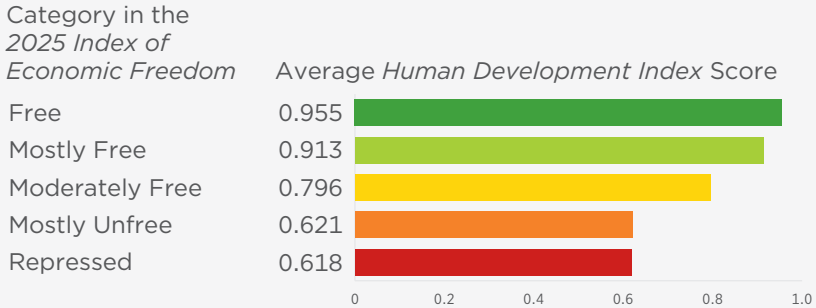
ECONOMIC FREEDOM: ENSURING GREATER HUMAN DEVELOPMENT AND POLITICAL FREEDOM

Increasing economic freedom is unequivocally about achieving greater overall prosperity, but the benefits to society extend far beyond higher incomes or lower rates of poverty. Countries with higher levels of economic freedom enjoy higher levels of overall human development as measured by the United Nations Human Development Index (HDI), which measures life expectancy, literacy, education, and standards of living in countries worldwide.

As Chart 5 shows, governments that choose policies that increase economic freedom are placing their societies on the path to more educational opportunities, better health care, and higher standards of living for their citizens.


In recent years, environmentally related government policies and actions have been more intrusive and economically distortionary. Many of the world's governments are promoting programs to tax carbon emissions, increase taxes on gasoline, and implement nontransparent and economically harmful exchanges and marketplaces for the buying and selling of carbon emissions and are using government revenue to subsidize various types of so-called clean energy. Such policies impose a huge cost on society and retard economic growth. Fortunately,

ECONOMIC FREEDOM AND HUMAN DEVELOPMENT



NOTE: Represented are the 176 nations that are in both datasets.

SOURCES: *2025 Index of Economic Freedom* and U.N. Human Development Programme.

Chart 5  heritage.org

the same free-market principles that have proven to be the key to economic success can also deliver environmental success.

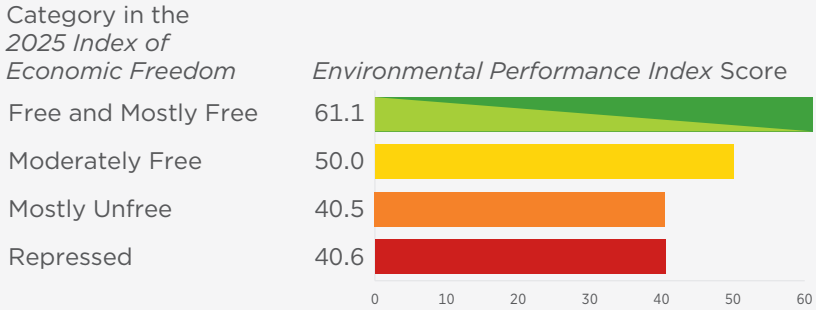
In countries around the world, economic freedom has been shown to increase the capacity for environmentally friendly innovation. The positive link between economic freedom and higher levels of innovation ensures greater capacity to cope with environmental challenges. Moreover, the most remarkable improvements in clean energy use and energy efficiency over the past decades have occurred not as a result of government regulation, but because of advances in economic freedom and freer trade.

The regulatory power of the marketplace, which is generally ignored and certainly underappreciated by advocates of big government, pushes firms to identify increasingly efficient means of production and respond to consumer demands for environmental cleanliness and sustainability. The result is a virtuous cycle of investment, innovation (including greener technologies), and dynamic economic growth. (See Chart 6 and Chart 7.)

Greater economic freedom can also provide more fertile ground for effective and democratic governance. The achievement of political freedom through a well-functioning democratic system is admittedly a messy and often excruciating process, but the positive relationship between economic freedom and democratic governance is undeniable. (See Chart 8.)


By empowering people to exercise greater control of their daily lives, economic freedom ultimately nurtures political reform by making it possible for individuals to gain the economic resources they can use to challenge entrenched interests or compete for political power, thereby encouraging the creation of more pluralistic societies. Pursuit of greater economic freedom is thus an important stepping stone on the road to democracy: It empowers the poor and builds the middle class.

ECONOMIC FREEDOM AND ENVIRONMENTAL PERFORMANCE



NOTE: Represented are the 174 nations that are in both datasets.

SOURCES: 2025 Index of Economic Freedom and Environmental Performance Index.

Chart 6  heritage.org

ECONOMIC FREEDOM: THE FOUNDATION OF UPWARD MOBILITY

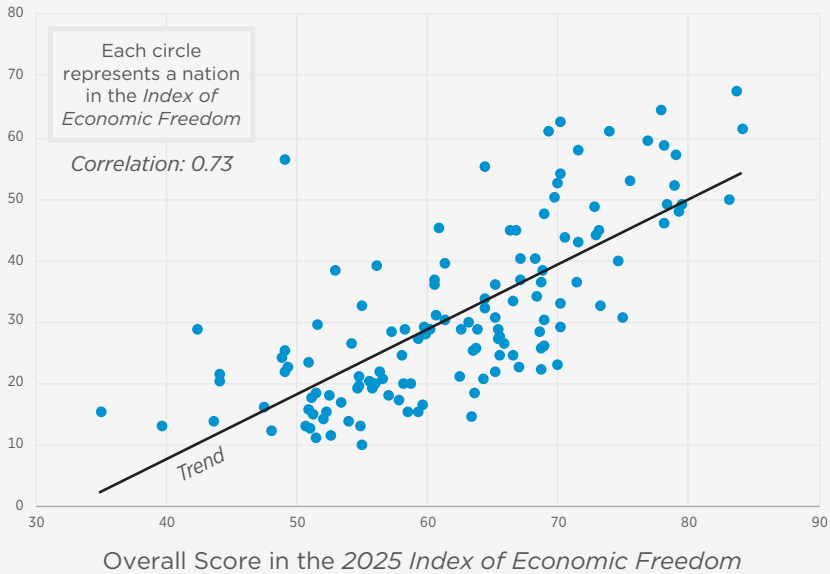
The massive improvements in global indicators of income and quality of life in recent decades reflect a paradigm shift in the debate about how societies should be structured economically to achieve the most desirable outcomes. This debate has largely been won by free-market capitalism. Criticisms persist, however, based primarily on the inequality of outcomes in a system that rewards individual effort and ability, which differ within any population, and where differences in individuals' starting positions can sometimes have a profound effect on how far they advance.

Alternatives to free-market capitalism, such as socialism, have proven to be unequal to the task of eliminating inequality and, because they tend to slow economic growth and thus reduce the resources that society has available to reduce poverty or pollution, notably counterproductive. Most advanced societies have thus opted for some version of free-market capitalism with various types of government intervention to redistribute resources within society. It is our hope that the *Index of Economic Freedom's* data on governments' tax, spending, and regulatory activities can shed light on the relative impact of such interventions.

Ultimately, discussions of inequality are more about a society's values than they are about its economic system. At the heart of ensuring upward economic mobility is the task of advancing economic freedom so that dynamic and inclusive growth can occur meaningfully for *all* members of society. The evidence is persuasive that societies based on economic freedom are the societies in which social progress is strongest. Advancing economic freedom is really about putting in place growth-inducing pro-market policies that benefit the greatest possible number of people rather than a select few.


ECONOMIC FREEDOM AND GLOBAL INNOVATION

Global Innovation Index Score



NOTE: Represented are the 131 nations that are in both datasets.

SOURCES: 2025 Index of Economic Freedom and World Intellectual Property Organization.

Chart 7  heritage.org

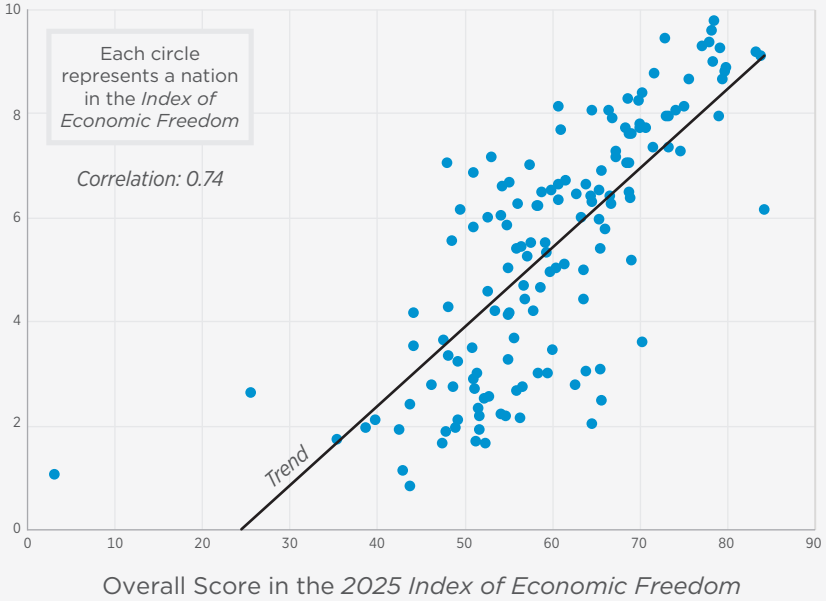
A TIME FOR RENEWAL, NOT RETREAT

The record is clear: Economically free and dynamic societies have demonstrated repeatedly that they are able to improve standards of living and respond effectively to any crises that may arise. This record includes countless individual stories of human progress and the achievements of countries and their citizens—billions of people whose lives have measurably improved and who continue to strive for greater freedom. The path by which the global economy can emerge stronger than it was before runs through the renewal of commitments to the proven ideas of the free-market system.

From the perspective of economic policy, the imperative now is for governments to avoid compounding their problems by implementing ill-advised policies that distort markets, destroy incentives to work and innovate, or otherwise diminish the prospects for rapid recovery and growth. In the long run, the proven way to revitalize the economic life of societies in the most broad-based, meaningful way is by restoring what we know has worked best: the economic freedom that has unambiguously made our societies strong, vibrant, and flourishing.


ECONOMIC FREEDOM AND DEMOCRATIC GOVERNANCE

Democracy Index 2023 Score



NOTE: Represented are the 161 nations that are in both datasets.

SOURCES: 2025 Index of Economic Freedom and Economist Intelligence Unit.

Chart 8  heritage.org



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