

The views expressed in these posts are those of the authors and are current only through the date stated. These views are subject to change at any time based upon market or other conditions, and Eaton Vance disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for Eaton Vance are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness.

Unsere Emerging Markets und Global Income Inhalte sind auf Deutsch verfügbar.

本ページには、翻訳が無く原文のみが掲載されているブログの投稿も含まれております

[EMERGING MARKETS DEBT](#) | [INTERNATIONAL/GLOBAL](#)

Well-Being Greater in More Economically Free Countries, Says Fraser Institute Report

By: *Emerging Markets Debt* | September 19, 2023

Boston - For the past 27 years, Canada's Fraser Institute has published the annual "Economic Freedom of the World" report, which examines the links between a country's economic freedom, the well-being of its citizens and its economic growth.

Based on data from 165 countries,¹ the 2023 report points to a sharp drop in world economic freedom relating to pandemic policies and highlights how socioeconomic well-being is greater in those countries with policies and institutions more supportive of economic freedom. The report draws from 2021 data, the most recent and comprehensive available.

A key component of the report is the Economic Freedom of the World (EFW) Index — a core data set used in the Emerging Markets Debt (EMD) team's analyses. The index ranks countries on five broad areas: size of government, legal system and property rights, sound money, freedom to trade internationally, and regulation.

Hong Kong relinquishes top spot to Singapore

For the first time in the history of the index, Hong Kong fell to second place after scoring lower on regulation, due to tighter Chinese restrictions on foreign labor, increased barriers to entry and higher costs of doing business. Its legal system and property rights rating also fell, partly because of eroding confidence in the judicial system and courts.

In contrast, Singapore rose to the top spot on improvements in its size of government and regulation components. Rounding out the top 10 highest-scoring nations are Switzerland, New Zealand, United States, Ireland, Denmark, Australia, United Kingdom and Canada. The lowest-scoring countries include Republic of Congo, Algeria, Argentina, Libya, Iran, Yemen, Sudan, Syria, Zimbabwe and Venezuela.

Economic freedom correlated to socioeconomic outcomes

This year's report also highlights that well-being is much greater in economically free countries, as measured by average income, life expectancy, infant mortality rates and depth of poverty. Notably, the average income of the poorest 10% in the most economically free nations is more than twice the average income of all people in the least free nations.

Wealth and Welfare Higher in Countries with Economic Freedom

Comparison of countries in top and bottom quartiles of economic freedom

(Data as of December 2021)

	Nations in	
	Top Quartile	Bottom Quartile
Average per capita GDP	\$48,569	\$6,324
Average annual income of poorest 10%	\$14,091	\$1,740
Percentage of population in extreme poverty	2.02%	31.45%
Life expectancy (average years)	80.8	65
Infant mortality rate (per 1,000 live births)	4.2	39.1

Source: Fraser Institute, Economic Freedom of the World: 2023 Annual Report, September 19, 2023.

Overall, the index shows increases in countries' economic freedom since 2000, but the world average has fallen from 6.94 in 2019 to 6.77 in 2021, undoubtedly impacted by the coronavirus pandemic, among other factors. This drop is 2.5 times larger than the global decline witnessed in the 2008-2009 financial crisis.² Legal system and property rights, freedom to trade internationally, and soundness of money supply were the three areas of economic freedom which, on average, saw the largest declines.

Following are some notable gainers and losers in countries followed by the EMD team:

Economic Freedom Gainers

Nigeria	+3.7%	Liberalized trade policies
Fiji	+3.3%	Reduced size of government
Moldova	+3.2%	Made broad gains across economic institutions
Croatia	+2.8%	Reduced size of government
(tie) Israel	+2.4%	Liberalized trade policies
(tie) U.K.	+2.4%	Liberalized trade policies
(tie) Greece	+2.4%	Saw broad gains across several economic institutions

Economic Freedom Decliners

Qatar	-4.2%	Saw broad reductions across several areas
Zambia	-4.3%	Reduced soundness of money supply
Myanmar	-5.8%	Saw broad declines across economic institutions
Lebanon	-8.8%	Sharply reduced soundness of money supply
Suriname	-9.8%	Sharply reduced soundness of money supply

Bottom line: The current Fraser Institute report highlights the positive link between economic freedom and the wealth and welfare of nations. Partially driving the recent drop in world economic freedom is higher inflation, which has taken a toll on the soundness of the money supply in many countries. And, in many instances, pandemic responses have led to more restrictive government policies. For more detailed analysis, please refer to Fraser Institute's 2023 Economic Freedom of the World annual report, available online.

1. Fraser Institute, Economic Freedom of the World: 2023 Annual Report, September 19, 2023.
2. The Economic Freedom of the World (EFW) Index is based on 2021 data, the most recently available.

Risk Considerations: *The value of investments may increase or decrease in response to economic and financial events (whether real or perceived) in the U.S. and global markets. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical, currency exchange rates or other conditions. In emerging or frontier countries, these risks may be more significant.*



Emerging Markets Debt

"This year's report highlights that well-being is much greater in 'economically free' countries, as measured by average income, life expectancy, infant mortality rates and depth of poverty."

Marketing Communication

To report a website vulnerability, please go to [Responsible Disclosure](#).

Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

This site (www.eatonvance.jp) is operated by Eaton Vance Management (International) Limited ("We"). We are a limited company, registered in England and Wales under company number 4228294 and have our registered office at 125 Old Broad Street, London, EC2N 1AR. Our VAT number is 762717416.

Eaton Vance Management (International) Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is entered on the FCA's register with register number 208634.

The information on this webpage is not intended for U.S. residents. To visit our U.S. website [please click here](#).

Eaton Vance Management (Registration No. 1121368) and Parametric Portfolio Associates (Registration No. 1217626) are the registered trade marks of Eaton Vance.