

Name _____

Economics

Unit 2 – Economic Systems: How Economies Are Organized

Economic Freedom

Assignment: Using the rankings based on the Index of Economic Freedom calculated by the Heritage Foundation (in partnership with the Wall Street Journal), research the rankings, and the reason for the rankings, of selected countries, including the top-ranked country. Answer questions relating to those countries. Analyze the ranking of the United States and the specific reasons for its ranking.

Directions

Go to my website and click on the link to the Heritage Foundation’s [Index of Economic Freedom](#). Each country received an index rating on 10 different categories relating to economic freedom. Based on those category index ratings, each country is given an overall index rating number between 0 and 100 (with 0 being the lowest and 100 the highest). These index numbers are used to establish the overall ranking of the country amongst all countries, as well as how that country would be classified based on the following classifications:

| Category | Abbreviation | Range |
|-----------------|--------------|-----------|
| Free | FR | 80 – 100 |
| Mostly Free | MF | 70 – 79.9 |
| Moderately Free | MOD | 60 – 69.9 |
| Mostly Unfree | MU | 50 – 59.9 |
| Repressed | REP | < 50 |

Each country that has been evaluated is listed based on its overall ranking. If you click on the name of the country, you will be able to read about the specifics of that country’s rating, including specific category rating numbers and written descriptions of those categories (you will need to scroll down the page of a specific country to get to the written descriptions of the categories).

Part 1

In Part 1, you will complete the table on the next page for the countries listed. Once the table is completed, you will answer the questions relating to the information now contained on your completed table.

Part 2

In Part 2, you will read the detailed analysis of both the United States and the country that was ranked #1 in the world. You will then answer the questions relating to the differences in the various rating categories between the United States and the top-ranked country.

This assignment is worth 100 points and will count as a Work grade.

Questions Relating to the Country Rankings (4 pts per question)

1. Of the countries you researched, which country was ranked the **lowest**?
2. Based on the ratings that the lowest-ranked country received in the 10 categories evaluated, in what categories did it score especially poorly (poorly being defined as lower than 50 for that category rating)?

3. Of the countries researched, how many were categorized in the following categories (fill in table):

| Free | Mostly Free | Moderately Free | Mostly Unfree | Repressed |
|------|-------------|-----------------|---------------|-----------|
| | | | | |

4. Were you surprised at how many (or few) countries were ranked as Free? Why or why not?
5. Were you surprised at the overall ranking of the United States and its overall classification (Free, Mostly Free, etc.)? Why or why not?

Part 2: Comparison of the US to The Top-Rated Country

For both the US and the top-ranked country, you will need to read the text summaries for the reasons for the rating each country received in each of the 4 areas of evaluation. In the table below, summarize what the report said about both the US and the top-ranked country for each of those 4 areas. Answer the questions that follow the table.

Table (40 points)

| | United States | Top-Ranked Country |
|-----------------------|---------------|--------------------|
| Rule of Law | | |
| Limited Government | | |
| Regulatory Efficiency | | |
| Open Markets | | |

Questions

1. (4 pts) According to the written descriptions of each area of evaluation, what is the top-ranked country doing well that US is doing relatively poorly?

2. (3 pts each, 6 pts total) What recommendations would you make to the US government to improve its overall ranking on the Index of Economic Freedom (make a minimum of two)?