

Economic Freedom: The Path to Flourishing for the Poor

By Anne Bradley and Joseph Connors

*“The righteous will flourish like a palm tree,
they will grow like a cedar of Lebanon;”*

—*Psalm 92:12-13*

The meaning of the word flourishing comes from the Torah and is best described by the Hebrew word shalom. Biblical scholars note that shalom signifies a number of things, including salvation, wholeness, integrity, soundness, community, connectedness, righteousness, justice, and well-being.¹ The Old Testament prophets pictured shalom as the wolf living with the lamb, weapons turned into farming tools, deserts blooming, and the mountains streaming with red wine (Isaiah 2:4, 11:6, Ezekiel 36:35, Amos 9:13). Many of these aspects of shalom are brought about through daily work. This working towards shalom can be described as flourishing.

Flourishing goes beyond just physical well-being. People flourish when their lives have meaning and purpose. They flourish when they routinely experience optimism, hope, and gratitude. They flourish when they make a positive impact on others through their work. Flourishing stems from the awareness that the lives of individuals are part of a larger picture or story. Finding a place in this narrative helps them to realize that they are connected to creation and humanity in fundamental ways that allow them to truly understand their purpose.

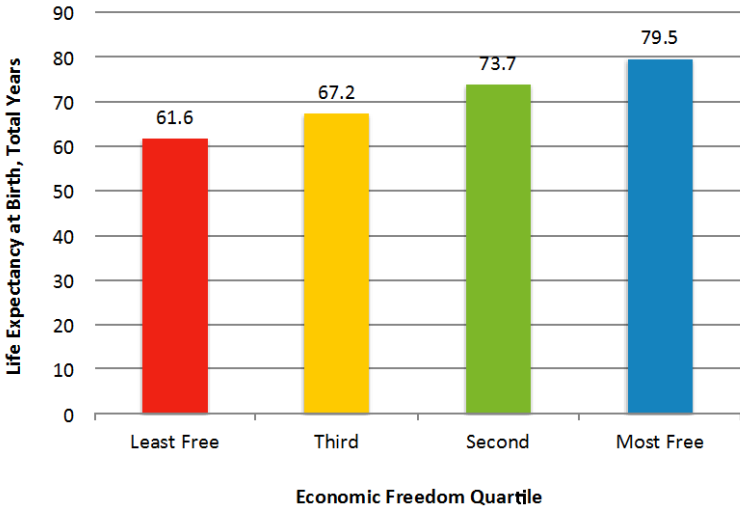
Aspects of Flourishing and Freedom

What does flourishing have to do with freedom, especially economic freedom? People flourish when they are able to use their unique talents and gifts in the service of others. Economic freedom is what makes this possible. For the poor, this lack of economic freedom has significant consequences in three basic aspects of life:

1) life expectancy, 2) infant mortality, and 3) the ability to work and survive.

Life Expectancy

Exhibit 1: Economic freedom and life expectancy at birth, 2010



Source: Economic Freedom of the World Annual Report, 2012.

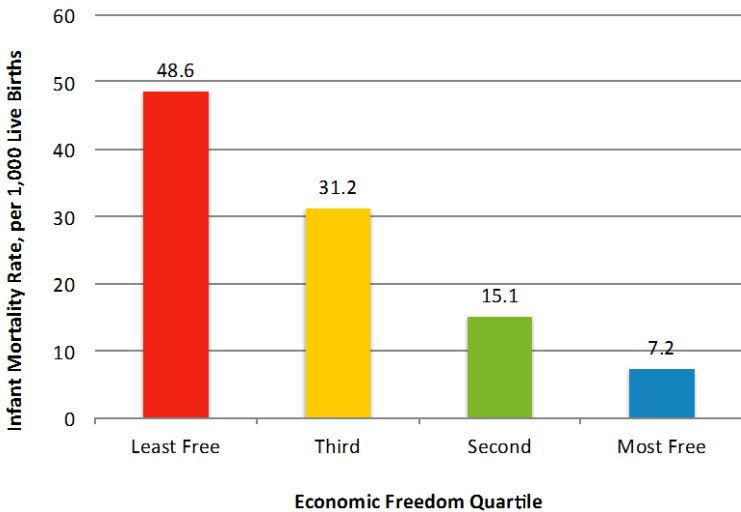
Economic freedom is powerfully correlated with living longer, healthier lives. This is one of the clearest distinctions between the developed and the developing world. Exhibit 1 displays the life expectancy of countries according to their economic freedom. The countries with the least amount of economic freedom are displayed on the left. The columns to the right show the life expectancy of countries with increased levels of economic freedom. The life expectancy gap between the least and most economically free countries is striking. People in the most free countries live, on average, 18 years longer than people in the least free countries. The joy of visiting grandparents and great-grandparents is a wonderful

aspect of flourishing. However, it is an experience that is less common for those living in the least free parts of the world.

Infant Mortality

The joy of visiting with grandparents and great-grandparents is more fully realized in a society where most babies survive childbirth. Throughout history infant death was a much more common occurrence than it is today. The infant mortality rate shown in Exhibit 2 measures the number of babies per 1,000 births that die before reaching their first birthday. This infant mortality rate is almost seven times higher in the countries with the least amount of economic freedom.

Exhibit 2: Economic freedom and infant mortality, 2010



Source: Economic Freedom of the World Annual Report, 2012 and World Bank, World Development Indicators.

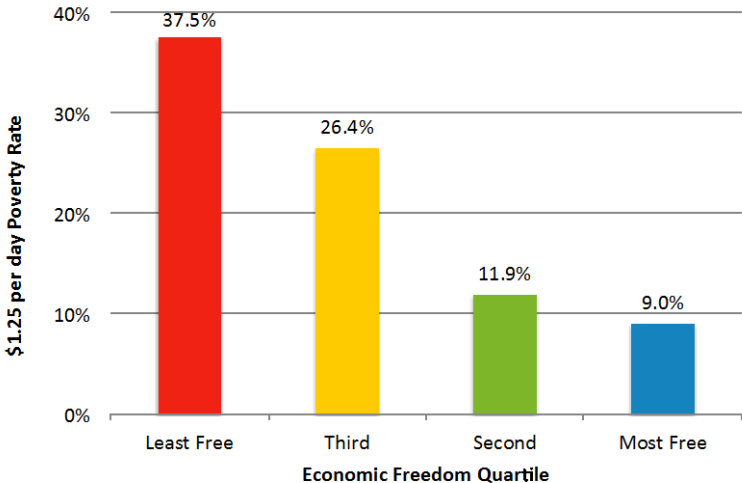
This exhibit illustrates that economic freedom has important consequences for all of us, especially women, the family, and young

children. Building strong families and having children is fundamental to flourishing.

Extreme Poverty

The absence of flourishing is the poverty that over one billion people in developing countries face every day. It is the daily struggle to survive on an income of \$1.25 or less. The World Bank defines this as extreme poverty.² People living at or below this income level cannot get enough food to live healthy, productive lives. Extreme poverty is not the same as the poverty that exists in wealthy countries. The challenges facing the poor in wealthy countries are very different from the challenges in poor countries. This is why the wealthiest countries of the world are not included in Exhibit 3.

Exhibit 3: Economic freedom and the extreme poverty rate (\$1.25 per day) in the developing world, 2005



Source: Economic Freedom of the World Annual Report, 2012.

The countries that are the least economically free have an average extreme poverty rate of 37.5 percent. Flourishing is difficult when more than one-third of the people in these countries experience a daily struggle to find enough to eat.

The good news is that extreme poverty has declined significantly since 1980. From 1990 to the present, the extreme poverty rate has been reduced by half.³ Exhibit 3 helps to explain how this happened. Developing countries with the most economic freedom had much lower rates of extreme poverty than those that are the least free. Moreover, economic freedom is strongly correlated with freeing millions from abject poverty and constantly increasing their standards of living.⁴

Recent research indicates that economic freedom is responsible for the rapid decline in poverty—the largest poverty reduction in human history. Countries with more economic freedom experienced larger reductions in poverty than those that were less free. Further, the countries with the largest increases in economic freedom achieved the most rapid reductions in the extreme poverty rate.⁵

When Economic Freedom is Lacking

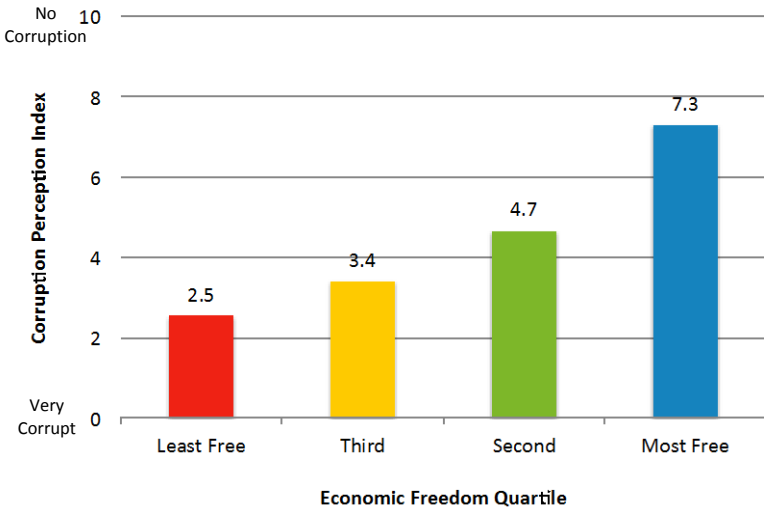
Often in movies and books corrupt people are either brought to justice or repent of their wicked ways. Unfortunately, the real world is less rosy. Many people in positions of authority in the least economically free parts of the world have not changed their ways or been brought to justice. Corruption, in all its forms, is a major roadblock to flourishing. Interactions in a flourishing society embody honesty, integrity, and justice. This is not the case in countries with rampant corruption. When economic freedom is absent, corruption fills the void.

Exhibit 4 illustrates that countries with more economic freedom have much less corruption than those that are less free. Corruption at the state level pervades all of society making it difficult for people to use their gifts to serve others. It hampers

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lives through bribes, blackmail, favoritism, and corrupt regulations. Corruption benefits those who are already in power, excluding the poor from opportunities and making it difficult for them to take care of their families.

Exhibit 4: Economic freedom and corruption, 2010



Source: Economic Freedom of the World Annual Report, 2012 and Corruption Perceptions Index, 2012.

For many, it is difficult to imagine life in a world with little economic freedom and rampant corruption. For Tarek al-Tayeb Mohamed Bouazizi, it was the only life he knew. Tarek's tragic story is the beginning of what many hoped would bring significant change to the Middle East.

In December of 2010, Tarek was a twenty-six-year-old Tunisian street vendor. He had supported his family selling produce on the street since he was ten years old. Often, he was harassed by police because he did not have the necessary permits.

Nor did he have enough money to pay the police the expected bribe. In poor countries throughout the world, permits and regulations are used by corrupt governments to favor the politically connected and repress the poor. They provide opportunities for government officials to collect bribes.

In spite of this, Tarek continued to sell produce because it was the only way that he could make a living and support his family. On December 16th, 2010, he borrowed two hundred dollars to buy produce that he would sell the following day. The next morning, Bouazizi was again beaten and harassed by police for not having a permit. They destroyed his produce and confiscated his digital scales. After he picked himself up off the street, he visited the town authorities and demanded the return of his scales. The authorities ignored his pleas and sent him away. What happened next both horrified many and illustrates the desperation he and countless others face. He took a can of gasoline and set himself on fire in front of the building housing the government authorities. “How is a man to make a living?” are the last words Bouazizi uttered before lighting himself on fire.

Bouazizi’s death quickly became a rallying cry for the poor and oppressed in the Middle East. Before the unrest was misappropriated to serve radical ideologies, it was the desire of the poor to be free. It was the rising up of people who wanted to live in a society where individuals and families have the freedom to flourish. Without economic freedom, there will be little flourishing.

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¹ Hugh Welchel, *How Then Should We Work?* (Bloomington, IN: Westbow Press, 2012), 94.

² Ravallion, Martin; Chen, Shaohua; Sangraula, Prem. "Dollar a Day Revisited." *The World Bank Economic Review* 23 (2009): 163–184, doi:10.1093/wberlhp007.

³ Ravallion, Martin; Chen, Shaohua. "How have the world's poorest fared since the early 1980s?" *World Bank Research Observer* 19 (2004): 141-169.

⁴ Shleifer, Andrei. "The Age of Milton Friedman." *Journal of Economic Literature*, 47 (2009): 123-135.

⁵ Joseph Connors, "Global Poverty: The Role of Economic Freedom, Democracy, and Foreign Aid," (PhD diss., Florida State University, 2011).