

Economic Data, Fraser Institute

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Summary

Headquartered in Vancouver, Canada, the Fraser Institute has regional offices in Calgary, Toronto, Montreal, and Halifax. They produce research about government actions in areas that deeply affect Canadians' quality of life such as taxation, health care, aboriginal issues, education, economic freedom, energy, natural resources and the environment.

The Economic Freedom (EFW) measure is an effort to identify how closely the institutions and policies of a country correspond with a limited government ideal, where the government protects property rights and arranges for the provision of a limited set of "public goods" such as national defense and access to money of sound value, but little beyond these core functions. The index measures the degree of economic freedom present in five major areas: [1] Size of Government; [2] Legal System and Security of Property Rights; [3] Sound Money; [4] Freedom to Trade Internationally; [5] Regulation. Comprehensive data are available only with a two-year lag, so the index itself has a two-year lag. You may find more details from <https://www.fraserinstitute.org/economic-freedom/approach> for the five major areas.

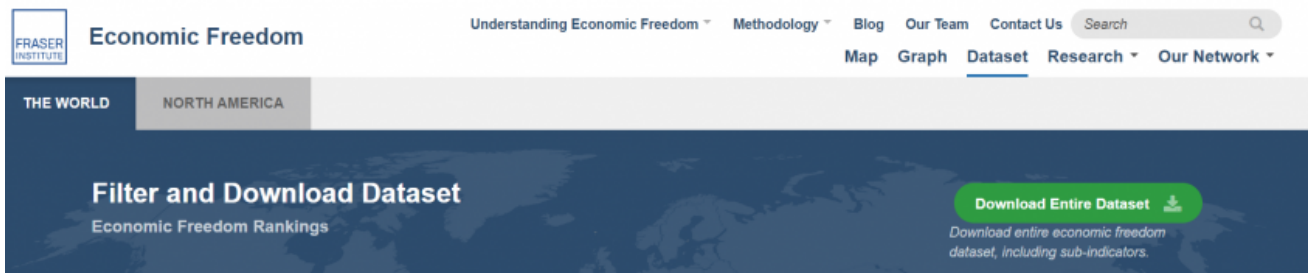
Two sets of data are available in relation to Economic Freedom, an unadjusted one and a chain linked one. Currently IFs uses the unadjusted data.

Tables In IFs

Variable	Definition	Extended Source Defn	Source	Original Source	Name in Source	UsedInPreprocessor	UsedInPreprocessorFileName
FreedomEcon	Economic freedom level on scale of 1 to 10 (most free)	The degree to which the policies and institutions of countries are supportive of economic freedom.	Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Summary Rankings	1	SOCIOPOL
FreedomEconFreedomtoTradeInternationally	Freedom to trade internationally (Score ranking on a scale of 1-10)	Freedom to exchange—in its broadest sense, buying, selling, making contracts, and so on—is essential to economic freedom, which is reduced when freedom to exchange does not include businesses and individuals in other nations.	Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Freedom to trade internationally	0	
FreedomEconLegalSystemandPropertyRights	Legal System and Property Rights score (1-10)	Protection of persons and their rightfully acquired property is a central element of both economic freedom and civil society. Indeed, it is the most important function of government.	Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Legal System and Property Rights	0	
FreedomEconRegulation	Regulation Score ranking on a scale of 1-10	Governments not only use a number of tools to limit the right to exchange internationally, they may also develop onerous regulations that limit the right to exchange, gain credit, hire or work for whom you wish, or freely operate your business. As spending and taxation by government, and the size of government-controlled enterprises increase, government decision-making is substituted for individual choice and economic freedom is reduced.	Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Regulation	0	
FreedomEconSizeofGovernment	Size of government score(1-10)	Sound money is thus essential to protect property rights. When inflation is not only high but also volatile, it becomes difficult for individuals to plan for the future and thus use economic freedom effectively	Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Size of Government	0	
FreedomEconSoundMoney	Sound Money score (1-10)		Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Sound Money	0	
SeriesFreedomEconChainLinked	Economic freedom level on scale of 1 to 10 (most free)		Fraser Institute	https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0	Can't find in 2024 in approach	0	

Data Pulling Instructions

- Download data from <https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0>
- Click the green button.



- Use the "Code in Source" in DataDict to pull each series.

Data Notes

Definition of Economic Freedom Rating

The index is compiled on the basis of the rank the country obtains in 5 sectors, namely, size of the government, Legal system and property rights, sound money, Freedom of international trade and Regulation. The rank that the country obtains in these five sectors determine its economic freedom rating. Now this rating is determined in two ways, an unadjusted calculation and a chain linked calculation.

Data

source:

<https://www.fraserinstitute.org/economic-freedom/dataset?geozone=world&year=2021&page=dataset&min-year=2&max-year=0&filter=0&sort-field=year&sort-reversed=0>

Method of Calculation

1. **Unadjusted method:** in this method, the rating is determined for each year without regard to other years. So, this to a certain extent compromises comparability and ignores tradeoffs. For Example, a country could have an extremely high rank in 1 sector, and this would trump ranks in all other sectors, thus pushing up the country's rating. It is important to note however, that the data for this rating is more complete, i.e. it is available for all of the 157 countries.
2. **Chain Linked Method:** This method makes the data more comparable over time. E.g. If a country's rank in 1 sector goes down in 1 year, in comparison to the previous year, the method, looks to see if there has been a tradeoff, i.e. has the rank in any other sector correspondingly gone up in comparison to the previous year. This helps in determining a truer rating for the economic freedom. The documentation states that the chain link index was always intended to be the ideal predictor of economic freedom. Note, however that data in relation to the chain link index isn't currently available for 35 countries.

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