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ECONOMIC FREEDOM AND THE WELL-BEING OF WOMEN AROUND THE WORLD

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International Women's Day is an occasion to think about policies that are likely to improve the status of women around the world. Whereas the debate in rich countries has lately focused on gender parity for certain types of positions, in many countries women must still fight for access to health care, education, and the right to work. Numerous studies show that these objectives are more easily attained when women enjoy the advantages of economic freedom.

ECONOMIC FREEDOM AND WOMEN'S LIVING CONDITIONS

The indicators in the *Economic Freedom of the World* report allow us to assess how much latitude there exists in different countries for personal choice, voluntary exchange, and the freedom to compete, and to measure the protection of persons and their property.¹

It has been shown repeatedly that economic freedom has a positive effect on the social and individual indicators of well-being in general—health, education, and happiness, for example.² The same can also be said for many indicators of the status of women.³

The facts speak for themselves: Women living in one of the 25 least economically free countries are a third less likely to achieve adult literacy compared to women living in one of the 25 freest countries.⁴ It is also clear that greater

Table 1

The countries where women have the most economic freedom

RANK	RANKING IN TERMS OF THE LAW	RANKING IN TERMS OF CULTURE
1	Hong Kong	Norway
2	New Zealand	Sweden
3	CANADA	New Zealand
4	Mauritius	CANADA
5	Australia	Switzerland
6	Switzerland	Finland
7	Ireland	Netherlands
8	United Kingdom	Australia
9	Finland	United States
10	United States	France

Source: Rosemarie Fike, *Economic Freedom and the Lives of Women: An Empirical Analysis*, Doctoral thesis, Florida State University, 2015, Tables 2.8 and 2.14.

economic freedom leads to higher enrolment levels for women, in terms of both secondary and post-secondary education. Moreover, economic freedom is associated with a reduction in the education gap between the sexes at the university level.⁵

The same kind of effect can be observed when it comes to the health of women, even after having accounted for differences in standard of living. A woman living in one of the 25 least free countries is four times likelier to have her first child during her teen years, 25% less likely to have access to prenatal and postnatal care, and 20 times more likely to die during childbirth.⁶

A crucial aspect of women's autonomy and well-being is the opportunity to have a job and an income, which necessitates fundamental rights and economic freedoms. For example, the legal recognition of married women's right to open a bank account, to enter into contracts, or to initiate legal proceedings without their husband's permission led to increased participation of women in the labour market, causing it to grow from 48% to 57% in Namibia and from 46% to 63% in Peru over a ten-year period.⁷

IN WHICH COUNTRIES DO WOMEN HAVE THE MOST ECONOMIC FREEDOM?

Women's economic freedom can be limited also by culture. In certain countries, even though women are equal before the law, social and cultural norms can prevent them from exercising those rights in order to hold property in their name, own a business, and engage freely in trade. For instance, the formal laws and institutions of Japan suggest that there exists a high degree of equality between the sexes, but its culture is extremely unequal, which limits the rights of women in practice.

To determine the places where women are the freest before the law, Table 1 shows the results of the *Economic Freedom of the World* report adjusted using measures drawn from the OECD's database on gender equality. To determine where women have the most economic freedom, taking culture into account, the same index is adjusted with certain results from the *World Values Survey*.⁸

Many Middle Eastern and African countries fall in both rankings in Table 1 as compared to the overall data for men and women contained in the *Economic Freedom of the World* report. In these places, men generally enjoy much greater economic freedom than women.

Furthermore, for many Asian countries, the two indices in Table 1 do not line up, demonstrating the gap between the fact of having formal rights and the opportunity to effectively exercise those rights. For instance, Hong Kong, at the top of the ranking in terms of women's rights (and also on top in the general *Economic Freedom of the World* ranking for men and women), falls to 14th in the ranking adjusted for culture. Japan, for its part, falls from 15th place in the ranking in terms of the law to 44th place in the ranking based on culture.

Additionally, these two measures establish Canada as being one of the countries where women enjoy the most economic freedom, both before the law and in terms of the culture.

CONCLUSION

Economic freedom is desirable not only because it makes people from all walks of life richer, but also because it goes hand in hand with nearly all of the humanitarian goals that are not strictly speaking economic. The well-being of women around the world illustrates this connection very well. For all of these reasons, it is an economic notion that should be at the heart of development policy.

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3. This is for example the case for all of the indicators in the Gender-related Development Index published by the United Nations Development Programme, and for many of the indicators affecting women in the United Nations Millennium Development Goals.
4. Michael D. Stroup, "Economic Freedom Key To Advancing Global Women's Rights," *Forbes*, November 20, 2011; Michael D. Stroup, "Does Economic Freedom Promote Women's Well-being?" in James Gwartney, Robert Lawson and Joshua Hall (eds.), *Economic Freedom of the World: 2011 Annual Report*, Fraser Institute, 2011.
5. Rosemarie Fike, *Economic Freedom and the Lives of Women: An Empirical Analysis*, Doctoral thesis, Florida State University, 2015, pp. 98-146.
6. *Op. cit.*, footnote 4.
7. Christian Gonzales et al., "Fair Play: More Equal Laws Boost Female Labor Force Participation," IMF Staff Discussion Note, no 15/02, February 2015, p. 20.
8. James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World: 2014 Annual Report*, Fraser Institute, 2014; Organisation for Economic Co-operation and Development, *Gender, Institutions and Development Database*, 2009-2014; The European Values Study Foundation and World Value Survey Association, *World Value Survey*, 1996-2008. For methodological details on how these indices were constructed, see Rosemarie Fike, *op. cit.*, footnote 5, pp. 10-41.



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