



Israel rated No. 78 in world index

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Israel is ranked 78th in the world out of 141 countries in terms of economic freedom, down from No. 75 last year, due to the country's oversized government, according to the Economic Freedom of the World: 2009 Annual Report, released Monday by the Jerusalem Institute for Market Studies (JIMS).

"Economic freedom is one of the key building blocks of the most prosperous nations around the world," JIMS director Corinne Sauer said in a press release. "Countries with high levels of economic freedom are those in which people enjoy high standards of living and personal freedoms. Countries at the bottom of the index face the opposite situation; their citizens are more likely to be poor and to face a corrupted government."

Israel's ranking has dropped from No. 43 in 2002 as it has been burdened by more regulation and a growing public sector, while other countries in the world have become freer over the past years, Sauer said.

Economic freedom is measured in five different areas: (1) size of government; (2) legal structure and security of property rights; (3) access to sound money; (4) freedom to trade internationally; and (5) regulation of credit, labor and business.

Israel's ratings were significantly weakened due to its oversized government and extremely burdensome tax rates, Sauer said. It was No. 130 in size of government and No. 96 in regulation of credit, labor and business. One of its lowest ratings (4.67 out of 10) was in the rate of government spending as a percentage of total consumption.

Israel's best score (9.32 out of 10) was for access to sound money, which was No. 31. Its best ranking was No. 29 for international trade.

Overall, Hong Kong was ranked No. 1, followed by Singapore and New Zealand. Zimbabwe was again ranked No. 141, just behind Angola and Myanmar.

The annual peer-reviewed Economic Freedom of the World report is produced by Canada's Fraser Institute in cooperation with independent institutes in 75 nations and territories. It uses 42 different measures to create an index that ranks countries based on policies that encourage economic freedom.

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