

What's New in the 2009 *Index*?

This year, the *Index of Economic Freedom* marks an important milestone with the publication of its 15th edition. Over the past 15 years, The Heritage Foundation and *The Wall Street Journal* have tried to make the *Index* a resource that is credible and relevant to a changing world but faithful to our tradition of objective, data-driven analysis and policy recommendations. Based on the feedback we have received, the *Index* has become an important reference tool and policy guidebook for many leaders and scholars around the world. This evolution has been one of the most rewarding outcomes of our efforts to enhance the substance and overall quality of the book—efforts that continue in this 15th edition.

The robust methodology inaugurated in the 2007 edition of the *Index* and continued last year has been maintained in 2009 with only a single minor modification in the scoring of the labor freedom component. Readers will find an emphasis this year on visual clarity, with a new look for country pages. Worldwide

coverage is enhanced with the inclusion of 21 additional countries, and the countries of the Western Hemisphere are now grouped in two separate regions for analytical purposes.

A more detailed explanation of the changes in the 2009 *Index of Economic Freedom* is provided below:

- **Significant Expansion of Country Coverage.** In response to growing interest in the *Index* from around the world, and consistent with our desire to be as inclusive and comprehensive in our coverage as possible, the 2009 *Index* has been expanded to include 183 economies from every corner of the globe. The 21 newly added economies are Afghanistan, Bhutan, Comoros, Dominica, Eritrea, Timor-Leste, Kiribati, Liberia, Liechtenstein, Macao, Maldives, Micronesia, Papua New Guinea, Saint Lucia, Saint Vincent and the Grenadines, Samoa, São Tomé and Príncipe, Seychelles, Solomon Islands, Tonga, and Vanuatu. Because of the limited availability of data, numerical grading is not provided for

Afghanistan and Liechtenstein.¹

- **New Regional Coverage.** For analytical and ranking purposes, the 2009 *Index* places three countries that formerly were considered part of the Americas region into a newly established regional grouping. The new *North America* region consists of Canada, Mexico, and the United States. The rest of the countries of the Americas are grouped in the *South and Central America/Caribbean* region. These refined regional groupings enable more in-depth analysis of the diverse countries of the Western Hemisphere.

- **Refreshed Country Page Design.** Individual country pages of the *Index* are designed to provide both a quick visual snapshot of a country's overall economic freedom and as much detailed information as space allows about developments and conditions in the various components of that freedom. To enhance user-friendliness, the 2009 *Index* includes two new charts to illustrate a country's overall economic freedom score and its performance over the history of the *Index*. Ranging from 0 to 100, the overall score is displayed on a 180 degree

1. Afghanistan and Liechtenstein join Iraq and Sudan as countries included in the *Index* but not graded because of data limitations.

arc with a pointer indicating the country's 2009 score. A bar chart presents a time series of the country's overall score for each year from the 1995 *Index* (or the earliest year for which a score is available) through the 2009 *Index*, compared to the world average.

- **Fine-Tuned Labor Freedom Component.** For a better balanced assessment of overall employment conditions, the labor freedom component in the 2009 *Index* considers six labor freedom factors rather than the four analyzed in previous editions. Details of the methodological change are provided in the appendix. This minor refinement has been applied to past editions' labor freedom scores so as to ensure comparability.

The editors hope that these changes will make the *Index* an even better research tool and a more accessible policymaking guide. Whatever changes may be made from year to year, however, our goal remains constant: to advance individual freedom, civil society, and prosperity around the world. We hope that this 15th edition of the *Index* will help to make the transition to a better world faster and surer, with many more countries joining the march of freedom.