

Thursday, January 29, 2009

[Heritage Foundation | Index of Economic Freedom 2008](#)

(We today noticed that we forgot to post this earlier -- apologies!)

The Heritage Foundation provides visitors with the [2008 Index of Economic Freedom](#), which covers 162 countries across 10 specific freedoms such as trade freedom, business freedom, investment freedom, and property rights. The [2008 Index](#) provides an even clearer picture of economic freedom by using data-driven equations which allows countries to be graded between scores of 0 and 100.



According to the 2008 assessment, Azerbaijan's economy is 55.3% free, which makes it 107th in the world. If we look at the distribution, Azerbaijan falls into Mostly Unfree category.

Azerbaijan has considerable challenges in Investment Freedom, Financial Freedom, Property Rights and Freedom from Corruption. Its overall score is insignificantly different (0.5% points) than the last year. Azerbaijan is ranked 18th out of 30 countries in the Asia-Pacific region, and its overall score is below the world average.

AZERBAIJAN'S TEN ECONOMIC FREEDOMS

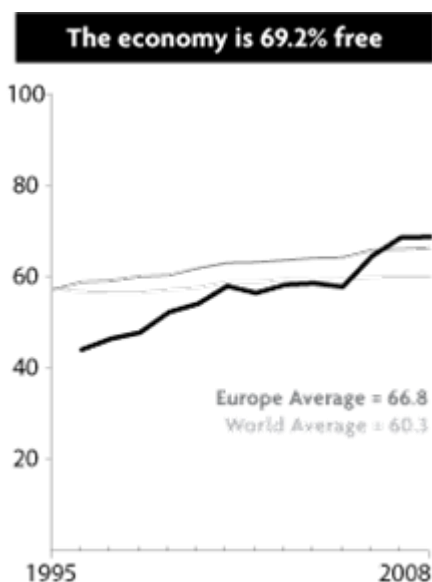


For more info on Azerbaijan, click [here](#).

GEORGIA'S TEN ECONOMIC FREEDOMS

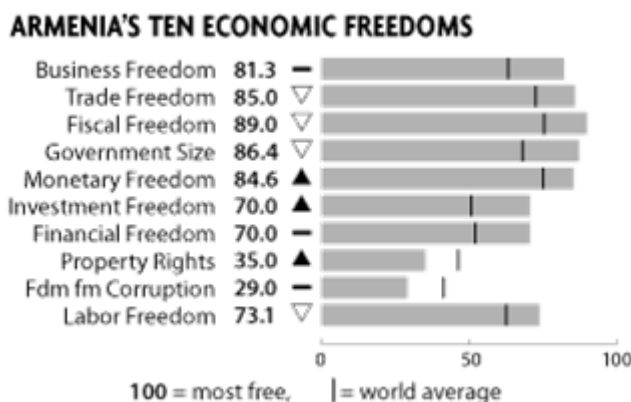


Georgia is in a much better situation than Azerbaijan, having a 69.2% free economy, which makes it the world's 32nd freest economy. Its overall score is 0.1% point lower than last year. Similar to Azerbaijan, two categories remain significantly below the world average: Property Rights and Freedom from Corruption. Property Rights may reflect the 2006 and 2007 situation, in which old (illegally, as the government alleged) privatizations were rescinded. As for corruption, is the data really plausible? According to the [CRRC Data Initiative \(DI\) 2007](#), only 1% of the respondents in Georgia say they had to pay a bribe in the previous year.



Moreover, Georgia is ranked 18th out of 41 countries in the European Region, and its overall score is equal to the regional average. For more info on Georgia, click [here](#).

From the South Caucasus countries Armenia has the best score. It ranks 28th with 70.3% freedom, just narrowly beating Georgia.



But Armenia, like Georgia, scores way below the world average in Property rights and Freedom from Corruption categories. In Georgia's case, we are not convinced by the accuracy of the score on Freedom from Corruption. Note a [further post](#) on this issue, for more detail.

To view scores and rankings for any country, or to find out which are the top ten countries, along with detailed data and background analysis, click [here](#).

