

NEWS RELEASE

With highest levels of economic freedom in North America, Albertans enjoy higher standards of living while Ontario and Quebec lag behind

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For Immediate Release

TORONTO, ON—Alberta is the most economically free jurisdiction in North America, topping all 60 Canadian provinces and U.S. states, according to a new report released today by the Fraser Institute, Canada's leading public policy think-tank.

The report, *Economic Freedom of North America 2011*, also found that Canada's two largest provinces, Ontario and Quebec, continue to grapple with lower levels of economic freedom resulting in limited economic growth. Ontario ranked fifth among Canadian provinces, but just 49th when all U.S. states are also included. Quebec was eighth among the provinces, ahead of only Nova Scotia and Prince Edward Island, and a lowly 58th overall.

"High levels of economic freedom are a key ingredient in creating prosperity. Provinces with high levels of economic freedom provide families with higher standards of living," said Fred McMahon, Fraser Institute vice-president of international research and co-author of *Economic Freedom of North America 2011*.

"Conversely, provinces with low levels of economic freedom will see families experience lower standards of living and reduced opportunities."

The connection between economic freedom and prosperity is clearly seen in the report's finding that the 12 Canadian and American jurisdictions with the highest levels of economic freedom had an average per-capita GDP of \$54,435 (Cdn) in 2009, compared to the 12 lowest-ranked jurisdictions in North America, where average per-capita GDP in 2009 was \$40,229.

This year's report found that on average, levels of economic freedom have slightly increased among Canadian provinces while declining in many U.S. states. After Alberta, Saskatchewan was the second highest-ranked Canadian province, but just 32nd overall, with Newfoundland & Labrador third among provinces and 37th overall.

British Columbia (43rd overall) and Ontario (49th overall) are the next highest ranked provinces. The bottom five spots overall are filled by Canadian provinces: Manitoba (56th), New Brunswick (57th), Quebec (58th), Nova Scotia (59th), and Prince Edward Island (60th).

Delaware (2nd overall), Texas (3rd), Nevada (4th) and Colorado (5th) round out the top five jurisdictions overall.

The Fraser Institute's peer-reviewed report, *Economic Freedom of North America 2011*, measures the impact of economic freedom on the level and growth of economic activity in all 10 Canadian provinces and 50 American states by examining key indicators of economic freedom based on size of government, taxation, and labour market freedom based on data from 2009 (most recent year available). A separate chapter also examines economic freedom in Mexico. The complete report is available for download as a free PDF.

Research has shown that economic freedom is important to a society's overall well-being. Globally, economic freedom is positively correlated with per-capita income, economic growth, greater life expectancy, lower child mortality, the development of democratic institutions, civil and political freedoms, and other desirable social and economic outcomes.

(more)

Economic Freedom of Canada – page 2

Between 2000 and 2009, levels of economic freedom have significantly increased in Newfoundland & Labrador and Saskatchewan. British Columbia and Alberta also show higher levels of economic freedom. This change has allowed these provinces to surpass several U.S. states on the economic freedom rankings.

“It’s no coincidence that the provinces showing increased levels of economic freedom are also the provinces whose economies have been the most vibrant and shown the most growth in recent years,” McMahon said.

“A common theme among provinces with high levels of economic freedom is a commitment to low taxes, small government, and flexible labour markets. These conditions foster job creation and greater opportunities for economic growth.”

Five provinces have shown declines in economic freedom between 2000 and 2009: Quebec, Ontario, Manitoba, Nova Scotia and New Brunswick, though the gains in the other provinces were greater, meaning the provinces on average gained in economic freedom. These provinces also occupy the bottom five places in the overall levels of economic freedom.

“The low economic freedom scores for Ontario and Quebec are quite troubling, given that they are Canada’s two most populous provinces. If governments in these two provinces want to boost prosperity and improve the standard of living for their residents, they should look to the successful policies of provinces where economic freedom has increased,” McMahon said.

The *Economic Freedom of North America* index is an offshoot of the Fraser Institute’s *Economic Freedom of the World* index, the result of a quarter century of work by more than 60 scholars, including three Nobel laureates.

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MEDIA CONTACT:

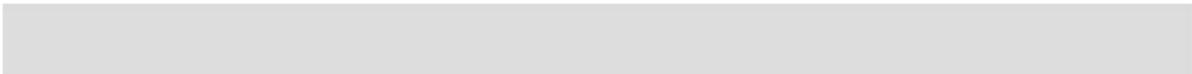
Fred McMahon

Vice President International Research, Fraser Institute

Tel: (416) 363-6575, ext. 226

Email: fred.mcmahon@fraserinstitute.org

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For further information, contact:

Dean Pelkey, Director of Communications, Fraser Institute

Tel: (604) 714-4582, Email: dean.pelkey@fraserinstitute.org