

Understanding Prosperity Through Scarcity, Choices, & Consequences

Explore: Country Economic Comparison

New Zealand



New Zealand has a market system that is defined by features such as limited regulations, free trade, and the rule of law. The combination of these has led to a strong, growing economy due to New Zealand's political stability and its ability to cooperate with international trade partners. Confidence in the government's ability to protect property and equally apply laws has led to entrepreneurs opening a variety of businesses in the country. New Zealand is a part of multiple trade agreements with a variety of countries that minimize or even outright ban the charging of tariffs on imported goods from partner nations.

The United States



mybri.org >> Building Blocks of Progress >> Lesson 1: Understanding Prosperity Through Scarcity, Choices, & Consequences

PRESENTED IN PARTNERSHIP |

**BILL of RIGHTS
INSTITUTE**

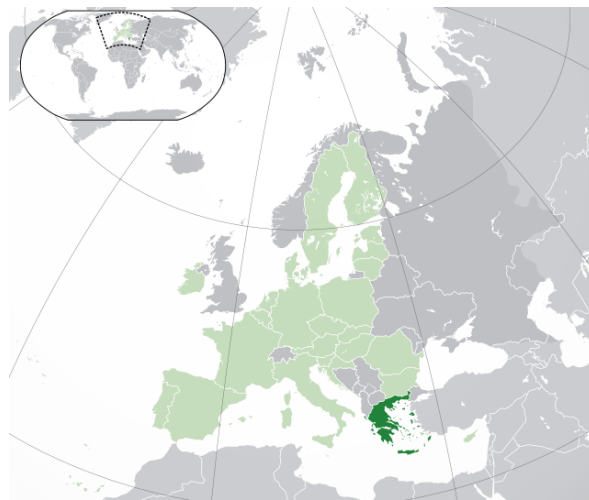


**HOOVER
INSTITUTION**

**Stanford
University**

The United States features a market economy that is built on property rights, the rule of law, and limited regulations. The country has a long history of attracting entrepreneurs who are looking to find financial success in a nation with a limited, but stable government. The United States has multiple free trade agreements with a variety of countries that encourage private investing and limit tariffs. However, in recent years there has been a growing call for increasing tariffs in order to protect American industry from foreign competition. Additionally, some have argued that the country's regulations have become overwhelmingly complex for entrepreneurs to navigate.

Greece



Greece has a market economy system that features free trade, a large government debt, and an average rule of law. The country's economy has grown in strength in the past decade, as investors have grown somewhat more confident in the stability of the country's government and financial system. Greece has entered into a variety of free trade agreements with multiple nations to improve the import and export of goods. However, there is still widespread corruption within the governing system.

India



India is the world's most populated stable democracy. Its system features weak property rights, higher than average amounts of corruption, and a financial system that is heavily dominated by state-owned institutions. India has seen some economic liberalizations in recent years but corruption within the government means that a weak rule of law continues to exist. Foreign investors face difficulty in becoming involved in India's financial systems due to large government barriers.

Venezuela



Venezuela has a command system in which the government is very involved in economic matters. The country is run by an authoritarian dictatorship whose control over the judiciary has led to the disappearance of the rule of law. The government's large amounts of power has severely diminished property rights as well. Many of the country's industries are state-owned and prevent citizens or foreigners from investing. The state-run financial system determines who receives money, and therefore often doles out funds in corrupt ways.

Cuba



Cuba has been under the control of the Communist Party since 1959. The party has complete control over political power in the country, including the ability to appoint and remove judges at any time. Its economy is a command system in which the majority of workers are employed by state run sectors. Private businesses are heavily regulated to the point of repression. Additionally, the government has control over the financial system and decides which foreign investments are accepted. It also maintains control over what citizens receive credit, making it difficult for entrepreneurs.

Concluding Analysis

1. Identify principles upon which free societies are based. Explain the importance of each principle to a free society.
2. Using the countries you just read about and the principles needed for a free society, create a “Free Society Continuum” illustrating where these countries fall. How do these principles of freedom contribute to prosperity?

3. How do these principles of freedom contribute to prosperity?

4. Who benefits from freedoms being restrained? Why?

5. Who is harmed from freedoms being restrained? Why?