

## Chapter 3

### **The State of the World Political and Economic Freedom**

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The Comparative Survey of Freedom may contribute to this seminar in two respects. First, it has provided a running account of the status of the traditional, liberal democratic, political and civil freedoms in the world. Second, it has attempted on several occasions to address the problem of the relationship of these freedoms to economic freedoms. This paper considers both of these efforts by presenting an overview of the present status of political democracy in the world and a discussion of how *in these terms* we have come to consider the relationship of economic systems or of government controls to freedom.

#### **The Status of Freedom in the Comparative Survey**

Freedom, like democracy, is a term with many meanings. Its meanings cover a variety of philosophical and social issues, many of which would carry us far beyond the discussion of political and economic systems. Unfortunately, linguistic usage is such that the meanings of “freedom” infect one another, so that a “free society” may be taken to be a society with no rules at all, or a free man may be taken to be an individual with no obligations to society, or other individuals. Yet freedom, when addressed in a narrow political sense, is the basic value, goal, and, to a remarkable degree, attainment of successful democratic regimes.

The Comparative Survey was begun in the early 1970s as an attempt to give a more standardized and relativized picture of the situation of freedom to the world.<sup>1</sup> Experience suggested that the world media and, therefore, informed opinion often misevaluated the level of freedom in

countries with which Westerners had become particularly involved. In many countries oppressions were condemned as more severe than they were in comparative terms. On the other hand, the achievements of the post-war period in expanding freedom were often overlooked. Many small countries had quietly achieved and enjoyed democracy with relatively little media attention. The purpose of the Comparative Survey is to give a general picture of the state of political and civil freedoms in the world. By taking a consistent approach to the definition of freedom, distinctions and issues that are often overlooked are brought out. In particular, its comparative approach brings to the reader's attention the fact that the most publicized denials of political and civil liberties are seldom in the most oppressive states. These states, such as Albania and North Korea, simply do not allow relevant information to reach the world media. There may or may not be hundreds of thousands in jail for their beliefs in North Korea; few care because no one knows.

### *The Categories of the Survey*

The two dimensions of the Survey—political rights and civil liberties—are combined summarily for each country as its “status of freedom.” Political rights are rights to participate meaningfully in the political process. In a democracy this means the right of all adults to vote and compete for public office, and for elected representatives to have a decisive vote on public policies. Civil liberties are rights to free expression, to organize or demonstrate, as well as rights to a degree of autonomy such as is provided by freedom of religion, education, travel, and other personal rights. The Status of Freedom is used to differentiate those countries that are grouped toward the top, middle, or bottom of the political rights and civil liberties scales.

The Comparative Survey of Freedom is built around the construction of a table rating each country on seven-point scales for political and civil freedoms (see Appendix One). It then provides an overall judgement of each as “free,” “partly free,” or “not free.” In each scale, a rating of (1) is freest and (7) least free. Instead of using absolute standards, standards are comparative. The goal is to have ratings such that, for example, most observers would be likely to judge states rated (1) as freer than those rated (2). No state, of course, is absolutely free or unfree, but the degree of freedom does make a great deal of difference to the quality of life.

In political rights, states rated (1) have a fully competitive electoral process, and those elected clearly rule. Most West European democracies belong here. Relatively free states may receive a (2) because, although the electoral process works and the elected rule, there are factors that cause us to lower our rating of the effective equality of the process. These factors

may include extreme economic inequality, illiteracy, or intimidating violence. They also include the weakening of effective competition that is implied by the absence of periodic shifts in rule from one group or party to another.

Below this level, political ratings of (3) through (5) represent successively less effective implementation of democratic processes. Mexico, for example, has periodic elections and limited opposition, but for many years its governments have been selected outside the public view by the leaders of factions within the one dominant Mexican party. Governments of states rated (5) sometimes have no effective voting processes at all, but strive for consensus among a variety of groups in society in a way weakly analogous to those of the democracies. States at (6) do not allow competitive electoral processes that would give the people a chance to voice their desire for a new ruling party or for a change in policy. The rulers of states at this level assume that one person or a small group has the right to decide what is best for the nation, and that no one should be allowed to challenge the right. Such rulers do respond, however, to popular desire in some areas, or respect (and therefore are constrained by) belief systems (for example, Islam) that are the property of the society as a whole. At (7) the political despots at the top appear by their actions to feel little constraint from either public opinion or popular tradition.

Turning to the scale for civil liberties, in countries rated (1) publications are not closed because of the expression of rational political opinion, especially when the intent of the expression is to affect the legitimate political process. No major media are simply conduits for government propaganda. The courts protect the individual; persons are not imprisoned for their opinions; private rights and desires in education, occupation, religion, and residence are generally respected; and law-abiding persons do not fear for their lives because of their rational political activities. States at this level include most traditional democracies. There are, of course, flaws in the liberties of all of these states, and these flaws are significant when measured against the standards these states set themselves.

Movement down from (2) to (7) represents a steady loss of civil freedoms. Compared to (1), the police and courts of states at (2) have more authoritarian traditions. In some cases they may simply have a less institutionalized or secure set of liberties, such as in Portugal or Greece. Those rated (3) or below may have political prisoners and generally varying forms of censorship. Too often their security services practise torture. States rated (6) almost always have political prisoners; usually the legitimate media are completely under government supervision; there is no right of assembly; and, often, travel, residence, and occupation are narrowly restricted. However, at (6) there still may be relative freedom in private

conversation, especially in the home; illegal demonstrations do take place; and underground literature is published. At (7) there is pervading fear, little independent expression takes place even in private, almost no public expressions of opposition emerge in the police-state environment, and imprisonment or execution is often swift and sure.

The generalized checklist for the comparative Survey is presented in Appendix 4. Although there is not room to consider the checklist in full, it might be useful to look at some of the considerations involved in just the first two items.

Political systems exhibit a variety of degrees to which they offer voters a chance to participate meaningfully. At the antidemocratic extreme are those systems with no formal opportunities, such as inherited monarchies or purely appointive communist systems. Little different in practice are those societies that hold elections for the legislature or president, but give the voter no alternative other than affirmation. In such elections there is neither a choice nor the possibility—in practice and sometimes even in theory—of rejecting the single candidate that the government proposes for chief executive or representative. In elections at this level the candidate is usually chosen by a secretive process involving only the top elite. More democratic are those systems, such as Zambia's, that allow the voter no choice, but do suggest that it is possible to reject a suggested candidate. In this case the results may show ten or twenty percent of the voters actually voting against a suggested executive, or even on occasion (rarely) rejecting an individual legislative candidate on a single list. In some societies there is a relatively more open party process for selecting candidates. However the list of preselected candidates is prepared; there is seldom any provision for serious campaigning against the single list.

The political system is more democratic if multiple candidates are offered for most positions, even when all candidates are government or party selected. Popular voting for alternatives may exist only at the party level—which in some countries is a large proportion of the population—or the choice may be at the general election. Rarely do such systems extend voter options to include choice of the chief authority in the state. Usually that position, like the domination by a single party, is not open to question. But many legislators, even members of the cabinet, may be rejected by the voters in such a system. Campaigning occurs at this level of democracy, but the campaigning is restricted to questions of personality, honesty, or ability; for example, in Tanzania campaigning may not involved questions of policy.

A further increment of democratic validity is effected if choice is possible among government-approved rather than government-selected candidates. In this case the government's objective is to keep the most un-

desirable elements (from its viewpoint) out of the election. With government-selected candidates there is reliance on party faithfuls, but self-selection allows persons of local reputation to achieve office. More generally, controlled electoral systems may allow open, self-selection of candidates for some local elections, but not for elections on the national scale. It is also possible for a system, such as that of Iran, to allow an open choice of candidates in elections, but to draw narrow ideological limits around what is an acceptable candidacy.

Beyond this, there is the world of free elections as we know them, in which candidates are both selected by parties and self-selected. It could be argued that parliamentary systems such as are common outside of the United States reduce local choice by imposing party choices on voters. However, independents can and do win in most systems, and new parties, such as the “Greens” in West Germany and elsewhere, test the extent to which the party system in particular countries is responsive to the desires of citizens.

The checklist for civil liberties is longer and more diffuse than that for political rights. While many civil liberties are considered in judging the atmosphere of a country, primary attention is given to those liberties that are most directly related to the expression of political rights, with less attention being given to those liberties that are likely to primarily affect individuals in their private capacity.

Again, let us just take the first item in this category, the question of the freedom of the communications media. We want to know whether the press and broadcasting facilities of the country are independent of government control, and serve the range of opinion that is present in the country. Clearly, if a population does not receive information about alternatives to present leaders and policies, then its ability to use any political process is impaired. In most traditional democracies there is no longer any question of freedom of the press: no longer are people imprisoned for expressing their rational views on any matter—although secrecy and libel laws do have a slight effect in some countries. As one moves from this open situation, from ratings of (1) to ratings of (7), a steady decline in freedom to publish is noticed: the tendency increases for people to be punished for criticizing the government, or papers to be closed, or censorship to be imposed, or for the newspapers and journals to be directly owned and supervised by the government.

The methods used by governments to control the print media are highly varied. While pre-publication censorship is often what Westerners think of because of their wartime experience, direct government ownership and control of the media and post-publication censorship through warnings, confiscations, or suspensions are more common. Government licensing of

publications and journalists and controls over the distribution of newsprint are other common means of keeping control over what is printed. Even in countries with some considerable degree of democracy, such as Malaysia, press controls of these sorts may be quite extensive, often based on an ostensible legal requirement for “responsible journalism.” Control of the press may be further extended by requiring papers to use a government news agency as their source of information, and by restricting the flow of foreign publications.<sup>2</sup>

Broadcasting—radio or television—is much more frequently owned by the government than the print media, and such ownership may or may not be reflected in government control over what is communicated. It is possible, as in the British case, for a government-owned broadcasting corporation to be so effectively protected from government control that its programs demonstrate genuine impartiality. However, in many well-known democracies, such as France or Greece, changes in the political composition of government affects the nature of what is broadcast to the advantage of incumbents. (Very recently France has been developing private alternatives.) The government-owned broadcasting services of India make little effort to go beyond presenting the views of their government.

In most countries misuse of the news media to serve government interests is even more flagrant. At this level, we need to distinguish between those societies that require their media, particularly their broadcasting services, to avoid criticism of the political system or its leaders, and those that use them to “mobilize” their peoples in direct support for government policies. In the first case the societies allow or expect their media, particularly their broadcasting services, to present a more or less favourable picture; in the second, the media are used to motivate their peoples to actively support government policies and to condemn or destroy those who oppose the governing system. In the first, the government’s control is largely passive; in the second it is directly determinative of content.<sup>3</sup>

The comparison of active and passive control by government brings us to the most difficult issue in the question of media freedom—self-censorship. It is fairly easy to know if a government censors or suspends publications for content, or punishes journalists and reporters by discharge, imprisonment, or worse; judging the day-to-day influence of subtle pressures on the papers or broadcasting services of a country is much more difficult. Perhaps the most prevalent form of government control of the communications media is achieved through patterns of mutual assistance of government and media that ensure that, at worst, reports are presented in a bland, non-controversial manner—the practice until this last year, at least, of the largest newspapers in Pakistan and the Philippines.

Some critics believe that most communications media in the West, and especially in the United States, practise this kind of censorship, either because of government support, or because this is in the interest of the private owners of the media. In the United States, for example, it is noteworthy that National Public Radio, financed largely by the state, is generally much more critical of the government in its commentaries than are the commercial services. The critics would explain this difference by the greater ability of commercial stations to “police” their broadcasts and broadcasters. The primary explanation, however, lies in the gap between the subculture of broadcasters and audience for public radio and the subculture of broadcasters and especially audience for commercial stations.<sup>4</sup>

After countries are rated on seven-point scales for levels of political rights and civil liberties, these ratings are summarized in terms of overall assessments as free, partly free, and not free. This categorization is interpreted to mean that the list of operating democracies in the world is made up of those countries given the summary status of “free.” In these terms about 36 percent of the people of the world, in 56 countries, live in democracies, 23 percent live in part-democracies, and 40 percent of the world’s population live in 55 countries without democracy. The more important ratings are the basic ones for political rights and civil liberties. The Status of Freedom is such a generalized measure that it necessarily groups countries together that are actually quite far apart in their democratic practices—such as Hungary or South Africa at the lower edge of partly free, and Malaysia or Mexico at the upper edge.

#### *The Record of Gains and Losses: 1973-1985*

Since the Survey began, the world has experienced a number of gains and losses of freedom, either immediate or prospective. Most generally there has been an advance of Soviet communism in Southeast Asia after the fall of South Vietnam, and at least its partial institutionalization in South Yemen, Ethiopia, and the former Portuguese colonies of Africa. In the Americas there has arisen an imminent danger of the spread of communism to Nicaragua and an erstwhile danger in Grenada. Perhaps equally significant has been the amelioration of communism in many areas. While mainland China is still a repressive society, it has increased freedom through the support of private initiative, through more open discussion in some areas, and through the sending of thousands of students overseas. While Poland suggests the immediate limits of change, nearly every country in Eastern Europe is freer today than it was at the beginning of the 1970s. Unfortunately, the same cannot be said of the Soviet Union.

In Western Europe gains for democracy in Spain, Portugal, and Greece were critical to its continued advancement everywhere. After a setback in

Chile, gains have been achieved in many parts of Latin America. Argentina, Bolivia, Brazil, Dominican Republic, Ecuador, Honduras, Peru, and Uruguay re-established democratic institutions. Several countries that the Survey listed as “free” at the beginning are now more authentically free. Colombia is an example. African democracy has not fared well during these years. In many areas there has been a noticeable decline, especially in countries such as Ghana, Nigeria, Burkina Faso (Upper Volta), and Kenya in which great hopes were placed in the 1970s. In sub-Saharan Africa only Senegal seems to have made progress. Recently we have seen a modest resurgence of free institutions in the Middle East, but the destruction of Lebanese democracy will be hard to make up. Further to the east there has been remarkably little advance. The people of Sri Lanka have lost freedoms; those of Thailand and Nepal have made some hopeful progress. Maintaining Indian democracy has been a remarkable achievement.

During this period many new small states successfully achieved independence as democracies—in the South Pacific from Papua New Guinea to the east, and among the islands of the Caribbean.

In 1985-86 the stabilization of freedom continued in a number of new or emerging democracies. Against considerable odds the Brazilians, Argentineans, Bolivians, Uruguayans, Peruvians, and Ecuadorans have overcome, at least temporarily, the serious problems that beset them both politically and economically. A major reason for their success was the mutual support that each of these adjacent societies was able to give its neighbours. In maintaining their freedoms these states implicitly put additional pressure on Chile and Paraguay, the states in their midst that continue to have oppressive systems.

The record in Central America was more mixed than it was last year. Significant advances continued in El Salvador and Guatemala. In the latter, the degree of success that progress toward more freedom and a rule of law appears to be making is as surprising as President Duarte’s victory over the right in El Salvador may have been reassuring. Elsewhere, the democratic institutions and elections in Honduras were once again attended by the uncertainty of constitutional and factional confusion, while rights went down in Nicaragua and Panama. In many of these states a key issue remains the degree to which men under arms are able to remain the arbiter of politics—whether the arms be in the hands of leftists or those who vow their hatred of the left.

In Asia, Pakistan and Bangladesh made hesitant moves toward more democratic and open systems, although there was still a long way to go. Thailand’s increasing ability to surmount overt military interventions suggests a further institutionalization of democracy. Further east the development of an East and Southeast Asian model of modern, noncom-



minist autocracy was shaken by the ability of the Korean people to demonstrate a growing commitment to democracy, in spite of the controls that are exerted over the expression of their political and civil freedoms. A similar fighting spirit was demonstrated throughout Philippine society in the struggle to restore the openness that once characterized its political system. The people of one province in Malaysia were able to vote in a regional government uncontrolled by that country's ruling front. They appeared willing to withstand pressure from a central government intent on preserving its monopoly of power.

We must not forget that in spite of certain positive trends, most of the world continues to live in non-democracies, or what at best might be called semi-democracies. Where armed force determines the outcome, as in so much of Africa or the Middle East today, there is still little room for democratic forms. As more and more people come to realize, however, that they need not live under repression, maintaining repressive systems in many countries appears to require ever more violence.

### **Political and Economic Freedom**

Our approach to the relationship of political and economic freedom has been to first establish the nature of political freedom or democracy, and then place economic choice within this framework.

For the present discussion a pertinent way to conceptualize democracy is to begin with the theoretical approach developed by Alfred Kuhn in *The Logic of Social Systems*.<sup>5</sup> Organizations, for Kuhn, are means by which individuals can more effectively achieve their individual objectives. From this theoretical viewpoint, "democracy" is the name for a particular way to organize a political system. Any organization—government, corporate, or private—can be seen as consisting of Sponsors, Staff, and Recipients. The sponsors are the ones that bring the organization into being, and maintain or institutionalize it. In simple organizations and primitive communities, everyone is a sponsor. Larger organizations hire a staff that carries out the work for the sponsors. For such organizations, the recipients are the clients or customers the organization sells to, or "acts upon," whether for good or ill. In a private corporation, it is fairly easy to see that the sponsors are the stockholders, the staff the employees, and the recipients the customers who both receive the corporation's service or product and pay for it. In a consumers co-operative, on the other hand, the usual recipients of the product—goods or services—hire a staff to provide it. The customers of a consumers co-operative are both the sponsors and the recipients. Achieving this identity—and the reduced costs that go with it—is the reason for forming consumers co-operatives.

In these terms Alfred Kuhn helps us understand the concept of democracy by contrasting government as a co-operative organization with government as a profit-making organization. In the co-operative (or democratic) organization all citizens are both sponsors and recipients of the actions of government staff. They pay the costs and receive the benefits of the organization. Since the staff works for the sponsors, attempts of the staff to coerce sponsor decisions or defy sponsor control will ultimately result in staff dismissal. Sponsor members—that is, the public—pursue their personal interests in the state organization through political organizations, elections, pressure groups, educational campaigns, and other means.

Political rights may be defined as the freedom of citizens to fully exercise their sponsor function—that is, their oversight function in regard to government. Civil liberties consist of limitations on the power of staff to interfere with sponsors either in their sponsor or recipient roles. For some contexts we may say that political rights define input; civil liberties control output.

In contrast to government as a co-operative organization or democracy, Kuhn describes some governments as profit-making organizations. In this model, the sponsors of the system are a small minority of the public, but the whole public is the recipient of the output of the system. Through both positive and negative inducements, the sponsors try to get as much out of the system as they can. Here the staff works for the non-majority sponsors. All governments use force to ensure the continuity of the state organization, but the profit-making government also uses force to keep particular leaders in power. In this model political rights are essentially nonexistent for the majority which by definition does not control the sponsoring group, while civil liberties are granted only to the extent that they do not interfere with sponsor objectives.

Kuhn applies the profit-making model to both exploitative dictatorships or oligarchies, such as that in Haiti, and the ideological dictatorships of communist or one-party socialist states. In either case society is dominated by a small group with special interests that can be fulfilled only through non-majority rule over the population. The most important benefits for the sponsors in the ideological state are achieved through forcing the population to build the society the sponsors desire. Of course, exploitative and ideological profit-making systems become indistinguishable to the extent that ideological leaders shift from pursuing their ideals to manipulating the system for selfish personal objectives.

Both co-operative and profit-making models are pure forms; systems that actually exist in the world will lie in between. But these models help to make clear the essential distinction between democracy and its alternatives, a distinction too often obscured by the rhetoric of the spokesmen

and apologists for nondemocratic systems. Kuhn's contrast is instructive in that it casts doubt on the assumption that the values of Western democracy are similar to those of capitalistic organization while the values of communism or one-party socialism are similar to those of co-operative institutions. If we look at the relationships involved instead of the rhetoric, we discover that the values of liberal democracy are most congruent with those of co-operatives. Communitarian values are democratic values.

One advantage of approaches such as Kuhn's is that they assume no more than that individuals will pursue their own interests, whether as leaders or followers. Kuhn assumes that leaders must be institutionally forced by threats of dismissal to consistently respond to the interests of the people they govern. Otherwise, they will soon respond primarily to their own interests. This has been a basic assumption of most social thinkers from Madison to Marx. If we define interests in the broadest sense, elected representatives will generally reflect popular interests more surely than any elite or vanguard. That voters will pursue their interests through the electoral processes of democracy, and that political parties will respond by trying to match these interests with programs has been shown by both theoretical and empirical evidence. There is a crushing burden of proof on those who assert that a small vanguard party will rule indefinitely in the interests of the majority that it excludes from rule.

The objective of Kuhn's description of democracy is primarily scientific, to describe the relation of democracy to other forms of organization. However, from a humanistic point of view, of natural law or natural right, democracy also seems to be an intuitively required form for state organization. The reason is that states have a fundamentally different relationship to people than other organizations. Most organizations can be freely joined or abandoned. We can choose to relate to them as sponsors, recipients, staff, or not at all. For most people state organizations are not avoidable. We are born to the state we live in. This would seem to give us a *prima facie* right to be a sponsor of that state—as is assumed by many contract theorists, including most recently John Rawls.<sup>6</sup>

Only democracies provide institutionalized means for all adults to be the sponsors as well as the recipients of the state organization. As our model suggests, democracies provide these means in two ways. First, they provide political rights. Political rights define the relation of the sponsors—the people—to the staff or administration. In a democracy every person has a right to periodically vote for candidates representing different policy positions, and, in some cases, to vote directly on policy issues. In addition, everyone has a right to become a candidate, and thus to serve as staff—as a legislator or administrator—of the organization of which he is

a recipient. Democracies provide those elected with the primary power to direct the political system.

Secondly, democracies provide civil liberties that define the relation of the staff or administration to the recipients, the people. Civil liberties are necessary if a society is to develop and propagate new ideas. Civil liberties include freedom of the press, freedom of organization, and freedom of demonstration. Democracies guarantee a neutral judicial system that mediates between the attempt of the government's staff to enforce the law and the rights of citizens to challenge the staff's interpretation of the law. Political rights without such civil liberties would have little meaning; new ideas would be stifled before larger audiences could accept or reject them, and potential leaders with new values and interests would have no way to influence the policies of the system through challenging and even defeating incumbents.

Democracy in the co-operative organization is based on the theory of political equality, and assumes a continuing struggle to equalize the influence of each person in the determination of public policy. It does not mean that all people are equal in ability or worth, but that all people have certain fundamental rights that no one has a right to deny. It does not mean that all people have or should have equal incomes or benefits from society, but that all people have a right to help establish the political rules determining how economic or other benefits shall be attained or divided.

A democracy need be neither liberal nor conservative; it will be as liberal or conservative as its sponsors. All minorities have a right to be heard and to press for their own interests, but the majority has the right to determine the public way of life for any society; only the majority has the right to forbid obscenity on television or billboards on highways. The majority may decree land reform or do away with welfare benefits. The makeup of majorities varies from subject to subject, but at any one time and on a particular issue the majority acts as the temporary sponsor of the society for the people as a whole. But, as long as a society is democratic, it cannot forbid rational discussion or political organization in favour of any alternative for the future regulation of the society.

Democracy is social, but it is also private and individual. To preserve the generation of alternatives for discussion, and thereby the meaning of this right, all democracies must grant an arena of privacy to its individuals in which they may live as they feel best. Only such privacy allows the autonomy necessary for creativity, and thus guarantees functioning political rights for all.

Democracy is neither capitalist nor socialist. Liberal democracy is not libertarian democracy, nor is it necessarily liberal in the nineteenth century European sense of "liberal economics." The struggle between democracy

and totalitarianism is not the struggle between capitalism and communism, although many people of both right and left would have us think so. This misunderstanding results in part from the materialist tendency of many of those on both ends of the ideological spectrum. They see “things” determining “ideas” rather than the other way around. In this view material changes must produce changes in society and ultimately in the ideas that guide it. Marxists argue that capitalist society in which ownership is often very unequal inevitably produces a tyrannical concentration of power in the hands of the few, while socialism that grants ownership to society as a whole inevitably produces an egalitarian distribution of power—and thereby a more “democratic” society. Capitalists, on the other hand, argue that historically political democracy and capitalism developed together because only capitalism supports a pluralistic distribution of power. The dynamism of capitalism is said to continually break down the concentrations of power that are unavoidable in noncapitalist states. Socialism, then, inevitably tends to concentrate power in the hands of the few.

There is some truth in both positions, but enough falsehood to cast doubt on the assumption of any necessary relationship. Unless a society has functioning, self-corrective political mechanisms, those who attain power and authority will tend toward increasing concentration and monopolization regardless of the official theory. Even in communist China, a relatively egalitarian communist state, Party leaders ride in shuttered limousines to special stores and suburban elegance in walled compounds.<sup>7</sup> “Public ownership” is no more than a slogan to such leaders. Similarly, many capitalist leaders will gladly use government to suppress labour leaders, force out smaller businesses, or suppress critical news media—unless there are countervailing forces capable of exposing and eliminating the worst of these abuses.

To illustrate the point, we might distinguish between two sorts of capitalism and two sorts of socialism, with the differences within each category of economic system due to the presence or absence of adequate political mechanisms to defend or create democracy.

Capitalist-democratic states, such as those of Europe and North America, and including a range of states from Japan to Barbados, have functioning democratic systems, with a free press, competitive parties, and effective means for exposing abuses. We also find capitalist-autocratic states, such as Singapore, Haiti, Chile, or South Africa where political freedoms are quite limited or absent. Political control remains concentrated in these states by denying large sections of the population a political voice, by banning opposition parties, forcing the media into silence, or the general brutalization or even execution of those who oppose the system.

Similarly, socialist-democratic societies, such as those in Scandinavia, manage to preserve a wide variety of opposing and countervailing organized groups. Regardless of socialization, by and large they remain effective, functioning democracies. The socialist-autocratic systems of communist and socialist one-party states, such as the Soviet Union or Algeria, are associated with the denial of democratic rights. But an examination of the evidence does not suggest that the one produced the other inexorably. Rather, the political and economic systems of such states appear to have been “exported” and accepted together as a Marxist-Leninist package. The role of the Soviet Communist Party in the export of socialist ideas has probably had more to do with the antidemocratic nature of its offspring than with the nature of the economic system that was espoused.

Finding inevitable linkages between economic and political systems is also rendered implausible by the mixed nature of all economic systems in the real world. The “capitalists” of the world are frequently characterized by narrow anti-market allegiances between small ruling cliques and closely related economic or military elites (and often their foreign friends). Perhaps the outstanding recent example was President Somoza of Nicaragua who controlled government, army, and large sections of the economy directly, although ostensibly his was a “capitalist” state. More general is the tendency of the governments of many “capitalist” countries to amass government holdings in transportation, communications, agriculture, and even industrial production. The state plays a decisive role in the so-called capitalist economies of Japan, Singapore, Taiwan, South Korea, and the Philippines, as well as such capitalist states as France or Italy. This is less true of the United States, but the major role of the U.S. government in economic development since the inception of the Republic is too often ignored.

A democratic economy is simply one that the people as sponsors develop, promote, or shape through their political institutions. All other things being equal, the free society will wish to allow individuals or groups the largest scope for developing their particular economic interests. However, everything else is not equal. Eventually the voters may find unlimited industrial pollution, or life-threatening differences in health care unacceptable. If so, within broad limits it will have a democratic responsibility and capability to exert control.

Theoretically, then, a majority might have the right to decide on any policy or any degree of government control that it wished. In fact all democracies emerged from traditional societies that understood certain rights to be the natural property of all citizens and so insulated from majority

rule. For example, the assumption in our tradition that everyone has a right to a fair trial limits absolute parliamentary or plebiscitary sovereignty.

A modern democracy accepts limits to majority rule by accepting the principle that every individual has a right to a private realm distinct from the public realm and, thus, outside the purview of government. This right to privacy has a considerably history and stems in part from our Judeo-Christian tradition, although discussions by Alan Westin, Charles Fried, and others suggest that the status of privacy in formal law is surprisingly weak and insecure.<sup>8</sup> Everyday and judicial references to “private matters” attest to the general acceptance in our culture that there is a basic right to privacy comparable to the public right to political equality. It can also be argued that democracy as defined here requires privacy. In a totally public society those with minority views would be so quickly identified and at least subtly punished that they would find it extremely difficult to develop their minority political positions into majority positions.

In considering the boundaries of a right to privacy we must begin again with the rights of the majority. The majority has the decisive role in defining the nature of social life: defense, transportation, education, sanitation and the allocation of property are among the areas in which it achieves this definition. As long as the majority’s decisions do not unduly restrict the possibility of new majorities to progressively change the definition, there is no basis to deny its right to legislate in these areas. Similarly, there is a plausible case for the majority intervening in other more subtle aspects of public life. If the majority cannot control the nature of the public places in which its members live, then its will is being thwarted quite undemocratically by minorities. For example, if on one’s way to work each morning, one had to witness overt sadomasochism among consenting adults, and it was not possible for the majority to use the law to control this environment, one would justifiably think that his rights as a member of the majority were unduly restrained. A minority would be making a basic decision about the quality of public life for the majority.

It should be noted that in outlining the majority’s rights we have not said anything about what the majority should do, about the areas in which it should legislate. There are good reasons for accepting extremely restrictive views of government, based on arguments such as those of Nozick.<sup>9</sup> There are also good reasons for a society to take on special responsibilities such as those toward the underprivileged and the environment. Advocates on both sides of this argument need to be more modest, to realize that their arguments are not concerned with the (natural) rights of individuals in communities to particular privileges or services, but with whether it would be morally or practically desirable for majorities to decide to allo-



cate public attention or money to specified persons or causes. The proliferation of claims to rights (of children, refugees, disabled, poor, aged, animals, trees, religious sects, and property, for example) threatens to bring the concept of rights into disrepute in the political community. When too many claims on society are labeled rights, all rights become open to question, including those to the free discussion of such claims. When special interests are labeled “rights” their effective denial by the majority—and many such rights will be ignored or slighted in all societies—will add unnecessarily to the disaffection of those who identify with special interests.

### **The Comparison of Political-Economic Systems**

Against this background the Comparative Survey has made two approaches to the question of the relationship of political democracy to economic freedom. The first has been to develop a rather simple-minded classification that will allow for the cross tabulation of political and economic systems. The second has been a more courageous attempt to understand what might be meant from the Survey’s perspective by the term “economic freedom.”

Economic freedom is on one level hardly separable from political freedom. It is useful in this regard to note that “socialism” in the informed discussion of the last generation has two quite different faces. On the one hand, socialism is a doctrine suggesting that all property should be held in common, or that the community is the custodian of all property, or perhaps only productive property. Its implicit assumption is that all differences in economic level, and particularly in the availability of services such as education or health, are unjust or, at the least, must be carefully justified by exception. This is an attitude or faith that sets implicit goals toward which the political community can move. Socialism in Western Europe, for example, in a country such as Sweden, has been introduced progressively through the political system by legislating ever higher taxes and ever-expanding government services.

“Socialism,” or more commonly “socialist,” is used in the international community today to also refer primarily to those countries that have adopted a “Marxist-Leninist” political system. This system is based on the premise that for the transformation to a more just society a single dominant political party is required to lead that society toward fundamental change. Thus, “socialist” in this sense means the one-party state with a well-organized and disciplined vanguard party—in practice a party dominated from the top down by a small ideological elite. While socialist in the first sense may or may not mean direct government ownership of the means of production, in the second political sense it means that the gov-



ernment dominates and determines all aspects of life from the top down. Although concerned with the economy, this form of socialism is also concerned with security, religion, and family life. Its goal is the making of a “new man.” This political socialism is what dominated Nazi Germany as well as what determines the nature of the Soviet Union.

With this in mind, the Survey of Freedom has published for many years a Table of Political-Economic Systems (Appendix 2), in which “socialist” is used as a label along both the political and economic dimensions. Admittedly, states labeled “socialist” politically tend to be socialist economically, but the most obvious result is that no country with a socialist or communist political system could rank very high on political freedom. On the other hand, a number of states with a considerable degree of socialism economically stood at the top of the ratings for political and civil freedoms. From this standpoint it is the way in which the decisions about the economy are arrived at that determines the presence or absence of freedom.

The Survey has noted the correlation of capitalism and political freedom. On first appraisal, it would appear that some degree of capitalism is a necessary but not sufficient condition for democracy. There are no states that have adopted a thoroughgoing economic socialism that are free, and there are many states that are largely capitalist that are free. However, there are capitalist states that are distinctly unfree. Unhappy lands such as Haiti or Malawi have little freedom, although they are certainly capitalist. Many states of the Middle East, regardless of the labels they place on themselves, are capitalist or capitalist-statist. Saudi Arabia is an example. Yet, they are not free politically or civilly. South Africa is a capitalist bastion, but there are severe problems for freedom there, as in Taiwan, South Korea, and Indonesia.

We should not expect capitalism and freedom to automatically determine one another. Capitalism is a way of organizing economic production, while political liberties are a way of expressing the dominance of people over the state. Political freedom means that the dominance of the people over the state should be primary. This dominance implies, in turn, that the economic regulations the state enjoins shall be determined by popular government.

Economic organization has always been regulated by the political system. The tax farms of the ancients, the feudal estates of the Middle Ages, the guilds, the unions, and the corporations have all operated under political supervision. In democracies economics is placed under the control of majorities. Government intervention under majority rule has been characteristic rather than exceptional in modern democracies, just as it was characteristic before their emergence. Economically, socialism and com-

munism can be thought of as systems that transfer property from private holders of capital or property not directly in use by its owners, to workers, peasants, or the state itself. A democracy could in theory establish such a system without changing its nature.

For example, on May 30, 1984, the Supreme Court decided in favour of the right of the State of Hawaii to force the division of the great estates of the islands. In its opinion the Court saw the purpose of the Hawaiian Land Reform Act as “[reducing] the perceived social and economic evils of a land oligopoly.” The Court added: “On this basis we have no trouble concluding that the Hawaii Act is constitutional. The People of Hawaii have attempted, much as the settlers of the original Thirteen Colonies did, to reduce the perceived social and economic evils of land oligopoly traceable to their monarchs. The oligopoly has, according to the Hawaii legislature, created artificial deterrents to the normal functioning of the state’s residential land market and forced thousands of individual homeowners to lease, rather than buy, the land underneath their homes. Regulating oligopoly and the evils associated with it is a classic exercise of the state’s police powers.”<sup>10</sup>

### **The Search for Economic Freedom**

The foregoing discussion suggests that the dependent relationship should really be between political democracy and economic freedom. The result of exploring this relationship was the development of a measure of economic freedom that included separate measures for freedom to have property, freedom of association, freedom of movement, and freedom of information.<sup>11</sup> Initially economic freedom was then judged on the basis of ratings from high to low on these characteristics. (This work is summarized in Appendix 3 as the Table for Economic Freedom.)

It is useful to briefly describe what might be included under each heading. A country received a high rating for freedom of property if taxes were not confiscatory, or if there was not undue concentration of ownership of either land or industrial property. Acceptable levels of taxation or concentration depends, in part, on the type of economy and level of development. On freedom of property, Spain and Australia score well, Brazil and Sri Lanka toward the middle, communist countries toward the bottom. Not all limitations on property were due to government actions. In countries such as Bangladesh or Guatemala there have been private attempts to restrict freedom and unfairly confiscate land. Thus, while government interference with land rights generally diminishes economic freedoms, often the preservation of a legal structure against private greed, or reform of the property structure may serve to increase freedom of property for most people.

Freedom of association is measured in terms of the evident ability of workers, owners, professionals, and other groups to form organizations to pursue common interests, whether these be in the form of co-operatives, business firms, labour unions, professional organizations, consumers groups, or many other economically relevant organizations. In most of the world, even the “free world” of propagandists, restrictions on union and business organization are significant, for their independent development poses a threat to local power structures. For example, the unions of Singapore have their leaders appointed by the government. Business is slightly freer, but in some areas of business, particularly newspapers, it is the Singapore government that decides on the number of companies and their composition.

Freedom of movement and information are basic civil rights that have a special meaning in the economic arena. If individuals are not free to change employment, or to seek work elsewhere, even in other countries, then they are much easier to repress or exploit. If one is unable to learn about conditions elsewhere in the country or world, or unable to know what the government is doing and contemplating, or unable to learn what others think and plan, then it will be very difficult for the individual or his group to gain control over their economic lives. Control over movement and information particularly characterizes communist states.<sup>12</sup> These controls are not necessary for economic socialism, but they are necessary if one small elite is to effectively shape a society.

Few readers should be surprised to learn that the Survey has found a good correlation between economic freedom, understood in this sense, and political and civil freedom. While a country such as Sweden might not score “high” on freedom of property, the high regard of freedom of association, information, and movement in that country raises its overall freedom to a high rating. The correlation of economic freedom with political freedom is particularly high when we bring into consideration a supporting category of the “legitimacy” of the economic system. For an economic system to be legitimate the people must have continual opportunities to discuss it, learn about it, and vote on it through the election of representatives or more direct means. This will occur only in a system that is free politically.

Still, a contradiction in this analysis needs to be resolved. On the one hand, we are considering economic freedom to be analyzable in terms of a series of economic ratings such as that for freedom of property, while on the other hand we are considering economic freedom to be determinable from the extent to which the majority in a democracy decides on the rules that produce the economic ratings. If, then, a society were to vote in a free and well-debated election or referendum for the confiscation of all produc-

tive property, and there were no courts to reverse such a vote, would this represent a diminution of economic freedom? Would such a society be less free economically than one that had a Supreme Court, for example, that ruled such confiscation was illegal and unenforceable?

As phrased, there is no way to decide whether an economic system freely decided on by a majority can be called an unfree economy because of its denial of separate economic freedoms through massive taxation or the confiscation of other property. But if we divide the question we may come to a more satisfactory conclusion. To do this we need to think of rights as individual and collective, and to imagine that societies must maintain two sets of rights—two sets of books, if you will—without searching for a full resolution in favour of either. For an economy to be individualistically free the individuals must be allowed opportunities to control, for example, a fair degree of property, as well as the results of their labours. They must have not unreasonable restrictions placed on their movement or search for useful information.

When we use “collective” rights it is important to note that we refer to the rights of the majority in a free political system to determine the nature of any public system, including the economic. We are not using “collective” in the vague Marxist sense of a group desire or right that may be defined outside the political process by reference to general principles. “Individualistic” refers to the “natural rights” that individuals may feel they have, or be taught they have, or have enshrined in particular laws, such as our Constitution and Bill of Rights, that make them, as minorities, able to curb the expression of unlimited majoritarian rights. Individualistic here does not mean “more selfish” or more limited in ethical content. Indeed, what the individual wishes to protect against the group may be more in the group’s interest than what the group wants. This would certainly be the position of the conservative economist when he argues against the advocates of interventionist government.

Many would argue that economic freedoms, such as the right to property, to organize workers, or to freely make bargains for labour or products are basic rights equivalent to those to privacy and freedom of expression. However, the argument seems to be much the same as that against unduly restricting the rights of majorities to enforce regulations and laws that determine the quality of public life. It is our position here that while accepting individualistic economic rights might be good for the economy and would be desirable in many societies, as basic rights, individual economic rights should be very narrowly defined. Such a definition will not be attempted here.

Collectively, then, there is a scale for economic freedoms that is determined primarily by the extent to which the nature of the economic system

has been legitimized by free democratic institutions. Individualistically, however, there is a scale for economic freedoms that is determined by the extent to which certain economic natural rights—which will be defined differently by different commentators—are protected from political attack. For private property the difference between the two scales could be considerable, but for many economic rights, such as association, information, or movement, the ratings will be very similar. Freedom must be individual and collective, economic and political, if it is to be effective.

## **Conclusion**

These considerations suggest that the struggle of systems in the world, between the free and the unfree, is not between capitalism and communism. The struggle is between those free systems that let peoples decide on the degree and quality of public and private, group or individual, ownership, and those that by fiat demand the particular economic system or mix of systems that a small leadership clique prefers. Chile and China, Vietnam and Mauritania are all tyrannies from this perspective, regardless of the labels they may place on their economic arrangements.

To see the ideological struggle as one between communism and capitalism is to play by communist rules. Economic equality is identified with communism according to these rules and equality is always attractive. Unfortunately, this is a game that Western businessmen too often support, for they unwittingly carry their slogans from internal political disputes over regulations and taxes into the international arena. It is past time we consistently defined the struggle as one between political freedom and tyranny. This is a game we can win, for political equality, too, is always attractive.

The general picture that political and civil freedoms and economic freedoms go together in the world leads many to believe the United States should be primarily interested in supporting pluralistic, open, capitalistic economies in the Third World, for these are, after all, the ones that hold values closest to our own, and the ones most likely to support rapid economic development and the achievement of freedom in all senses.

However, the record suggests that there are many Third World countries that are able to imitate the methods of capitalism and the forms of democracy, but are unable to move toward effective political or civil freedoms. Indonesia and Saudi Arabia are examples. The tendency of business, labour, military, and political leaders to club together into a small, graft-ridden ruling clique is likely to hold back both political and economic development in the long run. The denials of rights today are the denials of rights tomorrow, and not the preparation of the ground for their development. Unfortunately, in many cases the willingness of Western

representatives, whether of government or business, to find dealing with the small, stable, entrenched elites of such societies reassuring and profitable reinforces their longevity and makes further advancement difficult without painful explosions. When the comfortable relation of Americans and the Shah's court blew apart, everyone was hurt, including the Iranians. An economy without freedom of association—there were practically no free unions—without freedom of information, and without political freedoms failed through lack of organized feedback to respond to changing trends. Many Americans had been deluded into thinking of Iran as a country with economic freedoms, just as others had come to see Somoza's Nicaragua as a capitalist bastion.

Today another group of authoritarians has taken over Nicaragua, this time in the name of socialism. But just as capitalist competition did not thrive under Somoza, equitable socialist distribution has quickly failed under the Sandinistas. The specially privileged elite has rapidly been corrupted by its assumption of both military and economic power, and its unwillingness to accept or allow popular feedback.<sup>13</sup>

It is very difficult to have great concentrations of political power for many years without this power being transformed into economic power, and when the two are closely intertwined, all freedoms suffer. It is hard for American businessmen to deal effectively with countries with such power concentrations without themselves adding to the concentration, and thus implicating themselves and our country in a political-economic tyranny foreign to our traditions and foreign to the desires of the businessmen themselves.<sup>14</sup> Unfortunately, this tends to occur as easily in China and Angola as in South Africa and Chile.

## Appendix 1

### Independent Nations: Comparative Measures of Freedom

	Political Rights <sup>1</sup>	Civil Liberties <sup>1</sup>	Status of Freedom <sup>2</sup>	Inf.Mort./G NP/Cap. <sup>3</sup>
Afghanistan	7	7	NF	205/170
Albania	7	7	NF	47/840
Algeria	6	6	F	118/2100
Angola	7	7	NF	154/800
Antigua & Barbuda	2	3	F	11/1443
Argentina	2	2	F	45/2600
Australia	1	1	F	11/12200
Austria	1	1	F	14/10300
Bahamas	2	2	F	32/3600
Bahrain	5	5	PF	53/7500
Bangladesh	5 +	5	PF	136/150
Barbados	1	2	F	25/3500
Belgium	1	2	F	11/12000
Belize	1 +	1	F	34/1100
Benin	7	7	NF	154/300
Bhutan	5	5	PF	150/80
Bolivia	2	3	F	131/600
Botswana	2	3	F	83/900
Brazil	3	2 +	F +	77/2200
Brunei	6	5 +	PF +	20/11900
Bulgaria	7	7	NF	20/4200
Burkina Faso <sup>5</sup>	7	6 -	NF	211/250
Burma	7	7	NF	101/200
Burundi	7	6	NF	122/250
Cambodia <sup>4</sup>	7	7	NF	212/100
Cameroon	6	7	NF	109/800
Canada	1	1	F	11/11200
Cape Verde Islands	6	7	NF	82/300
Central African Rep.	7	6	NF	149/300
Chad	7	7	NF	149/100
Chile	6	5	PF	38/2600
China (Mainland)	6	6	NF	45/300
China (Tiawan)	5	5	PF	24/2500
Colombia	2	3	F	56/1300

	<b>Political Rights<sup>1</sup></b>	<b>Civil Liberties<sup>1</sup></b>	<b>Status of Freedom<sup>2</sup></b>	<b>Inf.Mort./G NP/Cap.<sup>3</sup></b>
Comoros	6•-	6•-	NF•-	93/300
Congo	7	6	NF	129/1100
Costa Rica	1	1	F	24/1500
Cuba	6	6	NF	19/700
Cyprus (G)	1	2	F	18/3800
Cyprus (T)	3 +	3	PF	NA
Czechoslovakia	7	6	NF	17/5800
Denmark	1	1	F	9/12800
Djibouti	6 ·	6	NF•	63/480
Dominica	2	2	F	20/750
Dominican Republic	1	3	F	68/1300
Equador	2	3 -	F	82/1200
Egypt	4	4	PF	103/650
El Salvador	2 +	4 +	PF	53/650
Equatorial Guinea	7	7 ·	NF	143/200
Ethiopia	7	7	NF	147/150
Fiji	2	2	F	37/1900
Finland	2	2	F	8/10400
France	1	2	F	10/12100
Gabon	6	6	NF	117/3900
Gambia	3	4	PF	198/350
Germany (E)	7	6	NF	12/7200
Germany (W)	1	2	F	13/13500
Ghana	7	6	NF	103/400
Greece	2 -	2	F	19/4500
Grenada	2 +	3	F +	15/900
Guatemala	4 +	4 +	PF	70/1200
Guinea	7	5	NF	165/300
Guinea-Bissau	6	6	NF	149/200
Guyana	5	5	PF	44/700
Haiti	7	6	NF	115/300
Honduras	2	3	F	88/600
Hungary	5 +	5	PF	23/4200
Iceland	1	1	F	8/12600
India	2	3	F	123/250
Indonesia	5	6	PF	93/500
Iran	5	6	PF	108/1900



	<b>Political Rights<sup>1</sup></b>	<b>Civil Liberties<sup>1</sup></b>	<b>Status of Freedom<sup>2</sup></b>	<b>Inf.Mort./G NP/Cap.<sup>3</sup></b>
Iraq	7	7	NF	78/3000
Ireland	1	1	F	12/5400
Israel	2	2	F	14/5500
Italy	1	1	F	14/6800
Ivory Coast	6	5	PF	127/1200
Jamaica	2	3	F	16/1200
Japan	1	1	F	7/10300
Jordan	5	5	PF	69/1600
Kenya	6	5	PF	87/400
Kiribati	1	2	F	42/440
Korea (N)	7	7	NF	34/1100
Korea (S)	4 +	5	PF	34/1700
Kuwait	4	4	PF	39/26000
Laos	7	7	NF	129/100
Lebanon	5	4	PF	41/1900
Lesotho	5	5	PF	115/500
Liberia	5 +	5	PF	154/500
Libya	6	6	NF	100/8600
Luxembourg	1	1	F	12/14000
Madagascar	5	6	PF	71/350
Malawi	6	7	NF	172/200
Malaysia	3	5	PF	31/1800
Maldives	5	5	PF	120/400
Mali	7	6	NF	154/200
Malta	2	4	PF	16/4000
Mauritania	7	6	NF	143/500
Mauritius	2	2	F	33/1300
Mexico	4 -	4	PF	56/2300
Mongolia	7	7	NF	55/800
Morocco	4	5	PF	107/900
Mozambique	6	7	NF	115/250
Nauru	2	2	F	31/21000
Nepal	3	4	PF	150/150
Netherlands	1	1	F	9/11100
New Zealand	1	1	F	13/7600
Nicaragua	5	5	PF	90/900
Niger	7	6	NF	146/350

	<b>Political Rights<sup>1</sup></b>	<b>Civil Liberties<sup>1</sup></b>	<b>Status of Freedom<sup>2</sup></b>	<b>Inf.Mort./G NP/Cap.<sup>3</sup></b>
Nigeria	7	5	NF	135/900
Norway	1	1	F	9/13800
Oman	6	6	NF	128/5900
Pakistan	4 +	5	PF +	126/350
Panama	6 -	3	PF	34/1900
Papua New Guinea	2	2	F	104/800
Paraguay	5	5	PF	47/1600
Peru	2	3	F	88/1100
Philippines	4	3 +	PF	55/800
Poland	6	5	PF	21/3900
Portugal	1	2	F	26/2500
Qatar	5	5	PF	53/28000
Romania	7	7	NF	32/2500
Rwanda	6	6	NF	107/250
St. Kitts-Nevis	1	1	F	43/1000
St. Lucia	1	2	F	33/850
St. Vincent	2	2	F	38/500
Sao Tome & Principe	7	7	NF	50/400
Saudi Arabia	6	7	NF	114/12700
Senegal	3	4	PF	147/500
Seychelles	6	6	NF	27/1800
Sierra Leone	5 -	5	PF	208/400
Singapore	4	5	PF	12/5200
Solomons	2	3	F	78/600
Somolia	7	7	NF	147/300
South Africa	5	6	PF	96/2300
Spain	1	2	F	11/5800
Sri Lanka	3	4	PF	37/300
Sudan	6	6	NF	124/400
Suriname	6 +	6	NF	36/3000
Swaziland	5	6	PF	135/850
Sweden	1	1	F	7/14500
Switzerland	1	1	F	9/17200
Syria	6	7	NF	62/1600
Tanzania	6	6	NF	103/300

	Political Rights <sup>1</sup>	Civil Liberties <sup>1</sup>	Status of Freedom <sup>2</sup>	Inf.Mort./G NP/Cap. <sup>3</sup>
Thailand	3	4	PF	55/800
Togo	6	6	NF	109/400
Tonga	5	3	PF	21/500
Transkei	5	6	PF	NA
Trinidad & Tobago	1	2	F	26/5300
Tunisia	5	5	PF	100/1400
Turkey	3	5	PF	123/1500
Tuvalu	1	2	F	42/680
Uganda	5 -	4 +	PF	97/350
USSR	7	7	NF	36/4600
United Arab Emirates	5	5	PF	53/26000
United Kingdom	1	1	F	12/9000
United States	1	1	F	12/12500
Uruguay	2 +	2 +	F +	37/2800
Vanuatu	2	4	PF	97/585
Venezuela	1	2	F	42/4200
Vietnam	7	7	NF	100/200
Western Samoa	4	3	PF	40/850
Yemen (N)	5	5	PF	162/450
Yemen (S)	6	7	NF	146/500
Yugoslavia	6	5	PF	33/2800
Zaire	7•	7	NF	112/200
Zambia	5	5	PF	106/600
Zimbabwe	4	6 -	PF	74/800

**NOTES**

1. The scales use the numbers 1-7, with 1 comparatively offering the highest level of political or civil rights and 7 the lowest. A plus or minus following a rating indicates an improvement or decline since the last yearbook. A rating marked with a raised period (•) has been reevaluated by the author in this time; there may have been little change in the country.

2. F designates "free," PF "partly free," and NF "not free."

3. Data for infant mortality per 1000 live births and GNP per capita from J.P. Lewis and V. Kallab (eds.) *U.S. Foreign Policy and the Third World: Agenda 1983* (New York: Praeger, 1983), supplemented by the *Encyclopedia Britannica: 1985 Book of the Year*.

4. Also known as Kampuchea.

5. Formerly Upper Volta.

## Appendix 2

POLITICAL SYSTEM	Multi Party				Dominant Party				
	Centralized		Decentralized						
ECONOMIC SYSTEM	Antigua & Bar.	F	Iceland	F	Australia	F	Malaysia	PF	
	Bahamas	F	Ireland	F	Belgium	F			
	Barbados	F	Japan	F	Canada	F			
	Belize	F	Korea (S) <sup>1</sup>	P	Germany (W) <sup>3</sup>	F			
	Colombia <sup>4</sup>	F	Luxembourg	F	Lebanon	PF			
	Costa Rica	F	Mauritius	F	Switzerland	F			
	Cyprus (G)	F	New Zealand <sup>3</sup>	F	United States	F			
	Cyprus (T)	PF	St. Kitts-Nevis	F					
	Dominica	F	St. Lucia <sup>3</sup>	F					
	Dom. Rep <sup>4</sup>	F	St. Vincent <sup>3</sup>	F					
	El Salvador <sup>1/3</sup>	PF	Spain	F					
	non inclusive	Ecuador	F	Thailand <sup>1</sup>	PF	Botswana	F	Haiti	NF
		Fiji <sup>4</sup>	F			Papua N. Guinea	F	Lesotho	PF
		Gambia <sup>4</sup>	PF			Solomons <sup>2</sup>	F	Liberia <sup>1</sup>	PF
Guatemala <sup>1</sup>		PF					Transkei	PF	
Honduras <sup>1/4</sup>		F							
Capitalist Statist	Argentina	F	Sri Lanka	PF	Brazil <sup>3/4</sup>	F	China (Taiwan)	PF	
	Grenada	F	Turkey <sup>1/4</sup>	PF	Trinidad and Tobago	F	Mexico	PF	
	Italy	F	Venezuela	F					
	Jamacia <sup>3</sup>	F	Panama <sup>1</sup>	PF					
	South Africa	PF							
non inclusive	Bolivia	F			India	F	Indonesia <sup>1/4</sup>	PF	
	Morocco <sup>3</sup>	PF			Vanuatu	PF	Iran <sup>2/4</sup>	PF	
	Pakistan <sup>1/2</sup>	PF					Paraguay <sup>1/3/4</sup>	PF	
	Peru <sup>4</sup>	F					Philippines	PF	
	Uganda <sup>1/3</sup>	PF							
Mixed Capitalist	Austria	F	Netherlands	F			Egypt <sup>3/4</sup>	PF	
	Denmark	F	Norway	F			Nicaragua	PF	
	Finland	F	Portugal	F			Senegal <sup>3/4</sup>	PF	
	France	F	Sweden	F			Singapore	PF	
	Greece	F	UK <sup>3</sup>	F			Tunisia <sup>4</sup>	PF	
	Israel	F	Uruguay	F			Zimbabwe <sup>5</sup>	PF	
	Malta	PF							
Mixed socialist							Guyana	PF	
							Syria <sup>1/4</sup>	NF	
non inclusive							Madagascar <sup>1/2</sup>	PF	
Socialist inclusive									
non inclusive	<i>Notes to the table</i>								
	<sup>1</sup> Under heavy military influence or domination. (All countries in the Nonparty Military column are military dominated.)								
	<sup>2</sup> Party relationships anomalous.								
	<sup>3</sup> Close decision along capitalist-to-socialist continuum.								
	<sup>4</sup> Close decision on inclusive/noninclusive dimension.								
	<sup>5</sup> Non inclusive.								

Source: *Freedom in the World: Political Right and Civil Liberties, 1985-1986*, New York, NY: Freedom House, Inc., 1986.

### Political Economic Systems

		One Party		Non Party				
<i>Socialist</i>		<i>Communist</i>	<i>Nationalist</i>	<i>Military</i>		<i>Non military</i>		
			Djibouti NF	Chile <sup>3</sup> Suriname	NF NF	Jordan <sup>2/3/4</sup> Western Samoa <sup>2/4</sup>	PF PF	
Sierra Leone <sup>1</sup>	PF		Cameroon <sup>3</sup> Comoros Gabon Ivory Coast <sup>4</sup> Kenya Malawi	NF NF NF PF PF NF	Chad Niger Yemen (N)	NF NF PF	Bhutan <sup>3</sup> Maldives Nepal <sup>3</sup> Swaziland Tonga Tuvalu	PF PF PF PF PF F
					Ghana Nigeria <sup>3/4</sup>	NF NF	Bahrain Brunei Kuwait Nauru Qatar Saudi Arabia Un. Arab Emirs	PF PF PF F PF NF PF
			Zaire <sup>1</sup>	NF	Bangladesh Central Africa Rep. <sup>3</sup> Eq. Guinea <sup>3</sup> Mauritania	PF NF NF NF	Kiribati Oman	F NF
Burundi <sup>1/5</sup>	NF							
Libya <sup>1/2/3</sup> Seychelles <sup>3</sup>	NF NF	China (M) <sup>3</sup> Poland <sup>1</sup> Yugoslavia <sup>3</sup>	NF PF PF					
Burma <sup>1</sup> Cape V. Is. <sup>3/4</sup> Congo <sup>1/3</sup> Guinea Somalia <sup>1/3</sup> Zambia <sup>3</sup>	NF NF NF NF NF PF		Mali <sup>1</sup> Rwanda <sup>1/3</sup> Sudan <sup>1</sup> Togo <sup>1</sup>	NF NF NF NF	Burkina Faso	NF		
Algeria <sup>1</sup> Sao Tome & Principe <sup>3/4</sup>	NF NF	Albania Bulgaria Cuba Czecho-slovakia Germany (E)	NF NF NF NF NF	Hungary <sup>3</sup> Korea (N) Mongolia Romania USSR Vietnam	PF NF NF NF NF NF			
Angola Benin <sup>1/3</sup> Guinea-Bissau <sup>1/5</sup> Iraq <sup>1/3/4</sup> Maozambique Tanzania Yemen (S)	NF NF NF NF NF NF NF	Afghanistan Cambodia Ethiopia <sup>1</sup> Laos	NF NF NF NF					

Note: F designates "free," PF "partly free," and NF "not free."

## Appendix 3

ECO-NOMIC FREE-DOM	High				Medium-High		Medium	
ECO-NOMIC SYSTEM	Antigua & Barbuda	F			Cyprus (T)	PF	Chile	PF
Capitalist	Japan	F	Ireland	F	Djibouti	NF	Colombia	F
<i>inclusive</i>	Australia	F	Luxembourg	F	Dom. Rep	F	El Salvador	PF
	Bahamas	F	Mauritius	F	Lebanon	PF	Jordan	NF
	Barbados	F	New Zealand	F	Western Samoa	PF	Malaysia	PF
	Belgium	F	Belize	F				
	St. Kitts & Nevis	F						
	Canada	F	St. Lucia	F				
	Costa Rica	F	St. Vincent	F				
	Cyprus (G)	F	Spain	F				
	Dominica	F	Switzerland	F				
	Germany (W)	F	United States	F				
	Iceland	F						
<i>non inclusive</i>	Fiji	F			Botswana	F	Bhutan	PF
	Papua New Guinea	F			Ecuador	F	Cameroon	NF
	Solomon Islands	F			Gambia	PF	Gabon	NF
					Honduras	F	Haiti	NF
					Kenya	PF	Ivory Coast	PF
					Thailand	PF	Lesotho	PF
					Tuvalu	F	Liberia	PF
							Maldives	PF
Capitalist Statist	Greece	F			France	F	Argentina	F
<i>inclusive</i>	Italy	F			Jamacia	F	Bahrain	PF
	Nauru	F			Kuwait	PF	Brazil	PF
	Trinidad and Tobago	F			Malta	PF	China (Taiwan)	PF
	Venezuela	F			Panama	PF	Ghana	NF
					Sri Lanka	PF		
<i>non inclusive</i>	Kiribati	F			Bolivia	F	Bangladesh	PF
					Morocco	PF	Central African Rep.	NF
					Nigeria	F	India	F
					Peru	F		
					Vanuatu	PF		
Mixed Capitalist	Austria	F	Norway	F	Israel	F	Nicaragua	PF
<i>inclusive</i>	Denmark	F	Sweden	F	Portugal	F	Singapore	PF
	Finland	F	United Kingdom	F	Senegal	PF	Tunisia	PF
	Netherlands	F						
<i>non inclusive</i>							Egypt	PF
Mixed socialist							Grenada	NF
<i>inclusive</i>							Yugoslavia	PF
<i>non inclusive</i>							Cape Verde Is.	NF
							Madagascar	PF
							Rwanda	NF
Socialist								
<i>inclusive</i>								
<i>non inclusive</i>							Guinea-Bissau	NF

Source: *Freedom in the World: Political Right and Civil Liberties, 1985-1984*, New York, NY: Freedom House, Inc., 1984.

## Economic Freedom

Medium (cont.)		Low-Medium				Low			
		Suriname	NF						
Nepal	PF	Chad	NF						
Niger	NF	Comoros	PF						
Sierra Leone	PF	Guatemala	NF						
Swaziland	PF	Malawi	NF						
Tonga	PF								
Transkei	PF								
Yemen (N)	NF								
Mexico	PF	South Africa	PF						
Qatar	PF								
Turkey	PF								
Saudi Arabia	NF								
Un. Arab Emirs	PF								
Indonesia	PF	Eq. Guinea	NF	Pakistan	NF				
Oman	NF	Iran	NF	Paraguay	PF				
Philippines	PF	Mauritania	NF	Uganda	PF				
Zimbabwe	PF	Zaire	NF						
		Uruguay	PF						
		Burundi	NF						
		Guyana	PF	Seychelles	NF				
		Libya	NF	Syria	NF				
		Poland	PF						
Sudan	PF	Burma	NF	Somalia	NF				
Upper Volta	PF	Congo	NF	Togo	NF				
Zambia	PF	Mali	NF						
		Algeria	NF			Albania	NF	Korea (N)	NF
		Hungary	NF			Bulgaria	NF	Mongolia	NF
		Sao Tome & Principe	NF			China (M)	NF	Romania	NF
						Cuba	NF	USSR	NF
						Czechoslovakia	NF		
						Germany (E)	NF	Vietnam	NF
		Benin	NF	Tanzania	NF	Afghanistan	NF	Laos	NF
		Guinea	NF			Angola	NF	Yemen (S)	NF
		Iraq	NF			Cambodia	NF		
		Mozambique	NF			Ethiopia	NF		

Note: F designates "free," PF "partly free," and NF "not free."

## Appendix 4 Checklist for Freedom Ratings

### Political Rights

1. Chief authority recently elected by a meaningful process
2. Legislature recently elected by a meaningful process
  - Alternatives for 1 and 2:
    - a. no choice and possibility of rejection
    - b. no choice but some possibility of rejection
    - c. choice possible only among government or single-party selected candidates
    - d. choice possible only among government-approved candidates
    - e. relatively open choices possible only in local elections
    - f. open choice possible within a restricted range
    - g. relatively open choices possible in all elections
3. Fair election laws, campaigning opportunity, polling and tabulation
4. Fair reflection of voter preference in distribution of power
  - parliament, for example, has effective power
5. Multiple political parties
  - only dominant party allowed effective opportunity
  - open to rise and fall of competing parties
6. Recent shifts in power through elections
7. Significant opposition vote
8. Free of military control
9. Free of foreign control
10. Major group or groups denied reasonable self-determination
11. Decentralized political power
  - including: groups or factions other than the national government having legal regional or local power
12. Informal consensus; de facto opposition power



## **Civil Liberties**

13. Media/literature free of political censorship
  - a. press independent of government
  - b. broadcasting independent of government
14. Open public discussion
15. Freedom of assembly and demonstration
16. Freedom of political or quasi-political organization
17. Nondiscriminatory rule of law in politically relevant cases
  - a. independent judiciary
  - b. security forces respect individuals
18. Free from unjustified political terror or imprisonment
  - a. free from imprisonment or exile for reasons of conscience
  - b. free from torture
  - c. free from terror by groups not opposed to the system
  - d. free from government-organized terror
19. Free trade unions, peasant organizations or equivalents
20. Free businesses or cooperatives
21. Free professional or other private organizations
22. Free religious institutions
23. Personal social rights: including those to property, internal and external travel, choice of residence, marriage and family
24. Socioeconomic rights: including freedom from dependency on landlords, bosses, union leaders, or bureaucrats
25. Freedom from gross socioeconomic inequality
26. Freedom from gross government indifference or corruption

## NOTES

1. First published in the Freedom House publication *Freedom at Issue* in its January 1973 edition, the Survey has appeared annually. Since 1978 it has also appeared in a yearbook. The latest in this series is Raymond D. Gastil, *Freedom in the World: Political Rights and Civil Liberties 1985-86* (Westport: Greenwood Press, 1986). Most of the following discussion is adapted from the yearbooks.
2. For example, *Keesing's Contemporary Archives*, 1984, pp. 32782-85; *Far Eastern Economic Review*, September 20, 1984, pages 40ff, as well as Leonard Sussman, "No Detente in International Communications," in *Freedom in the World: 1985-86*, pp. 89-128.
3. William Rugh, *Arab Press: News Media and Political Process in the Arab World* (Syracuse: Syracuse University Press, 1979).
4. For an attempt to suggest the relatively greater importance of subcultural as opposed to class or other interests in determining the opinions of people in our own society, see Raymond D. Gastil, "'Selling Out' and the Sociology of Knowledge," *Policy Sciences*, 1971, 2, pp. 271-77.
5. Alfred Kuhn, *The Logic of Social Systems* (San Francisco: Jossey-Bass, 1975), 330-61.
6. John Rawls, *A Theory of Justice* (Cambridge, Massachusetts: Belnap Press, 1971).
7. See Butterfield, *China, Alive in the Bitter Sea* (New York: New York Times Books, 1982).
8. Alan Westin, *Privacy and Freedom* (New York: Atheneum, 1967); Charles Fried, "Privacy," *Yale Law Review*, 77, 1968, 475-493.
9. Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974).
10. Quoted from Robert C. Kiste, "Hawaii land: A revolution ahead?," *Pacific Islands Monthly*, August 1984, pages 29-30.
11. This discussion is based on Wright, "A Comparative Survey of Economic Freedoms," in *Freedom in the World, 1982*, pages 51-90. It was summarized and the table (Appendix 3) added in the 1983-84 edition.

12. The detailed rules for the censors as to what information to control in Poland, a relatively free communist state, were detailed in “Polish Censors Secret Restrictions Revealed,” *Freedom at Issue*, March-April 1978, pages 7ff. The government was extremely sensitive to anything published on what we would call consumer issues, such as the expected prices of food or accusations of pollution dangers.
13. Robert S. Leiken, “Nicaragua’s Untold Stories,” *The New Republic*, October 10, 1984, pages 16-23.
14. Compare, Grace Goodell, “Conservative Principles and Multinational Companies in Economic Development,” in the *Heritage Lectures*, No. 25, The Heritage Foundation, 1983.



# A Statistical Note on the Gastil-Wright Survey of Freedom

**Milton Friedman**

In their recent Survey of Freedom, Raymond Gastil and Lindsay Wright assign to 167 countries a ranking ranging from 1 to 7 in respect of their so-called “political rights” and “civil liberties,” with 1 denoting the highest degree of attainment of each and 7 the lowest. In addition, for 165 of the 167 countries they provide quantitative estimates of infant mortality and gross national product per capita. They point out the generally significant relation between the qualitative characteristics of the countries and the quantitative characteristics but make no attempt at a detailed statistical analysis. In particular, since the rankings for political rights and civil liberties are highly correlated with one another, they eschew any effort to isolate their separate influence on the quantitative measures. The purpose of this note is to present some statistical calculations bearing on that issue.

In addition to the categories Gastil and Wright consider, one other variable is relevant to such an analysis, namely, whether the country in question is one of those that has recently benefited from the effects of OPEC on the price of oil. For example, Qatar, with a GNP per capita of \$28,000 has the highest GNP per capita of any of the 165 countries, and Kuwait and the United Arab Emirates are close behind with a recorded figure of \$26,000. Clearly, these have very little if any relation to either political rights or civil liberties.

The standard statistical technique of sorting out the separate influences of correlated variables is multiple regression. Accordingly, I calculated two multiple regressions, one for infant mortality and one for GNP per capita, using three independent variables, the rankings for political rights and civil liberties, and a dummy variable assigned the value of 1 for the 14 countries I identified as oil countries, and 0 for all other countries. As dependent variables, I used the logarithms of reported infant mortality and GNP per capita in order to avoid what statisticians call heteroscedasticity, or the wider absolute variability of the observations for high absolute levels than for low ones. One correction that I did not make, but that in principle would be desirable, would be to weight the observations in accordance with the likely accuracy of reported infant mortality and GNP per capita. Population might well serve as a proxy for the likely degree of accuracy, but I had no such figures readily available and was unwilling to

devote the effort required to collect them. In any event, it is my considered opinion that the results would not be materially affected by introducing such a weighting scheme.

With these preliminaries out of the way, the computed equations are as follows:

$$\begin{array}{rcccc} \text{LogIM} = & 2.6250 & - 0.0380\text{PR} & + 0.3417\text{CL} & - 0.0335\text{PC}, \\ & (20.0) & (0.6) & (4.5) & (0.2) \\ & & & R^2 = .42 & \text{S.E.E.} = .706, \\ \\ \text{LogGNP} = & 8.7761 & + 0.0839\text{PR} & - 0.4913\text{CL} & + 2.0790\text{PC}, \\ & (44.6) & (0.8) & (4.3) & (6.9) \\ & & & R^2 = .432 & \text{S.E.E.} = 1.060, \end{array}$$

where IM stands for infant mortality, GNP for GNP per capita, PR for ranking by political rights, CL for ranking by civil liberties, PC for the dummy variable for whether or not an oil country,  $R^2$  for the square of the multiple correlation coefficient corrected for degrees of freedom, S.E.E. for the standard error of estimate, and the numbers in parentheses below the coefficients are the absolute t-values.<sup>1</sup>

In interpreting the results, recall that 1 represents the highest degree of achievement for political rights or civil liberties, so that a positive coefficient means that a deterioration in rights or liberties is associated with a rise in infant mortality or GNP per capita, and conversely for a negative coefficient.

I find the results fascinating. When civil liberties are held constant, political rights show no statistically significant association at all with either infant mortality or GNP per capita. On the other hand, when political rights are held constant, there is a highly significant association between civil liberties and both infant mortality and GNP per capita: the greater the liberties, the lower the infant mortality and the higher the GNP per capita. Understandably, being or not being an oil country has no determinable effect on infant mortality but clearly does on level of GNP per capita.

Because the dependent variables are (natural) logarithms, the coefficients of the variables can be interpreted as comparable to percentages. Thus each one unit improvement in the ranking by civil liberties implies a 34 percent change in infant mortality and a 49 percent change in GNP per capita—down for infant mortality and up for GNP for an improvement in ranking, and conversely for a deterioration in ranking. These are clearly major changes.<sup>2</sup>

To avoid misunderstanding, I hasten to repeat the cliché that correlation is not proof of causation. The regression result is consistent with high in-

come leading to a wider range of civil rights and to a lower level of infant mortality or with the kind of institutions that favour civil rights leading to high income and low infant mortality or high GNP per capita. They do establish the proposition that civil liberties, as defined in the Survey of Freedom, are a more significant variable in understanding the other phenomena than political rights, whether because of differences in the accuracy of the rankings or for other reasons.

I hasten to emphasize that my intention is not to denigrate the importance of political rights as an essential component of what I regard as a “good society.” On the contrary, I strongly believe they are an essential component. But on this evidence, they cannot be regarded as an effective means to other objectives. However, my purpose is statistical, not ethical.

For the benefit of those who are distrustful of multiple correlation, I append a table for a cross-classification of the non-oil countries by the two rankings giving the number of observations and the average infant mortality and GNP per capita. These are the simple arithmetic averages, not the geometric averages that would be the counterpart of my use of logarithms in the multiple correlation. A detailed examination of these two-way tables yields results that are fully consistent with the results of the multiple correlations, and, incidentally, show how misleading the marginal distributions by themselves can be.

**Survey of Freedom:  
Cross-classification by Political Rights and Civil Liberties  
Number, Average Infant Mortality and  
Average GNP per Capita Non-oil Countries**

Political Rights	Civil Liberties							Total
	1	2	3	4	5	6	7	
<i>Number of Countries</i>								
1	20	10	1	0	0	0	0	31
2	0	12	11	3	0	0	0	26
3	0	1	0	5	2	0	0	8
4	0	0	2	2	4	1	0	9
5	0	0	1	2	15	3	0	21
6	0	0	1	0	5	12	6	24
7	0	0	0	0	2	11	19	32
Total	20	23	16	12	28	27	25	151
<i>Average Infant Mortality</i>								
1	14	25	68					19
2		35	70	55				52
3		77		117	77			102
4			48	87	70	74		69
5			21	69	103	101		96
6			34		61	83	114	84
7					150	118	107	113
Total	14	32	62	89	92	99	109	73
<i>Average GNP per Capita</i>								
1	9845	4847	1300					7957
2			918	1745				2730
3				420	1650			950
4			825	925	2038	800		1383
5			500	1125	1065	1167		1059
6			1900		2180	1003	608	1187
7					600	1514	908	1097
Total	9845	4623	965	953	1412	1221	836	2805



**NOTES**

1. Incidentally, I computed the same equations excluding the oil countries and the oil dummy. The results were essentially identical.
2. In terms of conventional percentages the percentage change is different for a rise and a fall—e.g., 29 percent for a decline in infant mortality as the result of 1 unit improvement in the ranking, 40 percent for a rise in infant mortality as a result of a 1 unit deterioration. The numbers derived from the logarithms are the geometric mean of these two ways of describing the percentage change.

## Discussion

Edited by Michael A. Walker

**Lindsay Wright** I would like to start my remarks by addressing two myths about the Survey. First, the numbers are not meant to be used for mathematical computations, even though Milton has so kindly given us a regression analysis. If people want to use the data in this way, we like to encourage them to do so with care. They are based on subjective assessments—certainly of what we believe are fundamental rights—but they are our, and mainly Ray’s, analyses of how the countries fit into the categories that he has developed. Second, the Survey is based on trends, not on singular events, so that something that may occur late in the year is not necessarily given any more emphasis—unless it signifies an important trend or a change in patterns in political and civil freedoms.

I would like to clear up one misunderstanding about the Economic Systems Table where we make cross tabulations between political-economic systems and economic systems, and economic freedom. The economic systems, grouped on a capitalist to socialist dimension, were developed prior to my analysis of economic freedoms, so economic systems are defined in the traditional sense of private ownership versus public ownership of property, and not on degree of economic freedom.

I would like to make a couple of comments on economic freedoms. With reference to Assar’s earlier comments about the logic of democracy existing with socialism, the distinction that we make is really between ownership and control of property. One of the four freedoms that I use to develop an overall status of economic freedom for a particular country is the freedom to *control* property, as distinct from the freedom to *own* property.

You may also have seen an inherent contradiction in our examination of economic freedoms. On the one hand we have defined individual economic freedoms—specifically freedom to have property, freedom of association, freedom of information, and freedom of movement—as they relate to economic matters. We have also defined economic freedom on a collective level. A country that has a democratic process that legitimates the economies that develop is also considered economically free.

**Raymond Gastil** I just want to make a few quick points, going beyond the paper, really, of what has to do with the point Rabushka makes later

on in regard to Hong Kong. The Survey tries to make a re-evaluation of what is going on in the world every year. If you see a period in front of the rating, that means it has been changed from the past year without anything happening in the country, only something happening in *me*. It may be that the Hong Kong change should have had a period by it, because that is something that is going on in me, not something going on in Hong Kong.

The second point along that line is that judgements are necessarily in terms of some fairly obvious and overall categories, and they hide a lot of problems. For example, I think there may be serious problems in freedom in Japan, Sweden, Switzerland and so forth in political rights and civil liberties, but superficially there are not. Therefore, the Survey tries to stay on that plane and not go into these deep problems, because if it did, it would have to do it for 167 different countries and that would be too many deep problems to solve. So that is just a warning.

Next, we need to separate desirability of something for growth from ethical acceptability. Sometimes in the discussion those two get mixed up. People seem to think that because something is good for growth, then it should be something that is approved in terms of ethical standards of goodness. It may be that those two things are not necessarily connected.

The third point is, if political rights are to be fully developed, then the list of *human* rights should be as short as possible. I often make that point to my friends on the left, and I think I also, in regard to this group, would make it in regard to their favourite rights. Every right you add to the basic rights takes away from the ability of the population to decide things for itself through a political process. We should be very wary of doing that.

Finally—and this is a critical point that we went into in the last discussion, and we will come back to here—individual rights and collective rights must both be emphasized and must be balanced. And let me, on that point, offer a very short story. Imagine an island with ten persons on it, and these persons have all decided they want to leave the island. Some think they will build a boat and leave the island. Some think they will build an airplane and leave the island. It is generally agreed that all the surplus for the next year, until the next hurricanes come, must be spent on one or the other of these, or neither will work. Therefore they hold a vote. Six want to build boats, and four want to fly airplanes. It seems to me that four, then, are going to be oppressed, in that sense. All their surplus is going to be taken away and given to building the boat. On the other hand, there is general agreement that if that isn't done, nothing is going to be done. Now, of course, if there wasn't general agreement on that, it would

be an even more difficult problem. But I suggest that political rights mean that people have an equal right to participate in those decisions in which it is necessary that a group decision rather than an individual decision be made.

**Armen Alchian** I will make my humorous remarks first. Where are Andora, Monte Carlo and Liechtenstein in your list? I couldn't find them any place.

**Raymond Gastil** We regard them as dependencies.

**Armen Alchian** Well then, why do you have Bulgaria, Cuba, Romania, Czechoslovakia, and the rest of those specified as separate countries? I would put California up here, I would put Oregon up here—on the same principle as you have included Bulgaria. It is confusing. That is not a central point, but it is a little puzzling as to how you identify countries.

I would have expected all the nondiagonal cells in appendix 3 to be zero, empty. And in table 2, I would expect to find no correlation. But I lack a good theory for that. Presumably it was some theory you had in mind that induced you to make that classification. In some way you thought there was a connection between the political-economic system and what you call an economic system. I wasn't able to find that theory anywhere, and I wasn't able to come up with one myself.

Let me turn then to make a comment that I think any economist would make who read your paper, and so it won't be new to most of you, but it is the way I looked at the issue. I don't like the word "freedom" because it is so loaded with ambiguity and different meanings to different people. It is like the word "utility" in economics. So what have economists done with that ambiguity? They have made "utility" an empty term except meaning preference-ordering. What we have done is put into that preference-ordering a lot of other dimensions.

So instead of talking about freedom itself, I would rather say the following. If the society in which I am going to live has more private property rights, I prefer it. You could add to that list. But the point is that I identify attributes of the society and specify which ones the more of which you have the better I like it. When I say I like it better, I mean it has more freedom. Now, if you have some other meaning for freedom, you are welcome to it. But as it stands in our discussion, it has been empty so far and, as a consequence, you can load in anything you want.

In addition to that, I would add into it the following elements, in the sense that if it had them I would regard the society as better, and you may

therefore call it freer. Are there restrictions on the governments' political violence powers? I think of government as the monopoly power over physical force, and I want it to have that force exclusively so that others don't use it. But is the government restricted in how it uses it? Will it be used to enforce private property rights? Will it be used to solve or give decisions on dispute resolutions? If so, I would prefer that. Will it be one that uses its power to engage in more wealth transfer? If it were, then I would say I don't like that, and I would put that down as lower freedom. Does it enforce economic due process more fully? If it does, then I would put a plus sign there. In other words, does it have limited powers like, maybe, government is limited under our Constitution?

To the extent that these various elements are more prevailing or stronger, I would be tempted to say that is a preferred society and, in your language, it has more freedom. If you don't like me to say it that way, then you have to tell me more precisely what you mean by freedom.

I would also ask the question in deciding whether this society is free, in the sense of preferred, as to the competitive processes which people engage in to get government power. There are a lot of competitive processes we can engage in for that power; military competition is one of them. In a way, we just fight it out until someone gets monopoly power, and he is in charge. We use that system a lot. After all, if I take over your country, that is a political competition process. There is nothing disallowed in the competitions between countries. So, if the United States were to go and take over Switzerland, okay, then we've won that competitive process. What is there bad about a military competitive process? I suspect I don't like that kind of process for acquiring the power, but it's present. And I don't know where to put that in my category of pluses and minuses. I can imagine a system in which the Republican Party hired its army and the Democratic Party hired its army, and they would engage in a battle every four years and the survivor takes over. That might be a nice system. We might all enjoy that. We could watch the fight on television.

Another system would be hereditary and marriage. We could compete in getting the right heredity, that is, compete in being the son of the king, the first son especially; or I compete in having my daughter marry your son, and have my children then become the king. Societies competed at one time for monarchical power, and it is a pretty good system I think.

So I offer you two alternatives: military, fight it out; marriage/hereditary process. Which is competitive? There is also a plutocratic voting system where only land owners get to vote, and they get as many votes as they have acres of land or as taxable land value. I would like that system. Or you have a democratic system where anybody votes, no matter who he

is, as long as he or she is 21 years of age—or 18, some number—and maybe you stop voting at 65.

Now there are some different systems of competition for political power. I don't have a clear idea which of those have greater survival value in our society, let alone which ones you prefer. So I have two questions, emerging from normative and positive considerations. Which of these competitive processes for getting power as a government is more viable, has been used more, leads to the kind of economic institutions that I prefer? I don't know. Until I get some kind of theory about those, all I can do is sit here and carp at what is being said.

But you must have some theory in mind about these things. What I thought I detected—not a theory but a premise—was that democracy and majority voting was either preferred by you or you think it is the positive one with greater survival value. It is awfully difficult for me to say, on the one hand, I prefer this system, and on the other hand say it hasn't got survival value. It is always odd for one to go around saying, "Well, you ought to have this system here, but it won't last very long." That, it strikes me, is simply a bit of daydreaming.

Let me make a couple of specific, though minor, points. As to the meaning of political freedom or political liberty, I don't know whether that relates to whether you are more or less dependent upon government or whether it means you have a greater role in influencing who becomes the government. You talk about access to political power, voting and what not, but you could also have great voting power and be very dependent upon the government. I would like to get those two cleared up rather than make my own conjectures about that.

I thought I detected the idea that democracy and majority rule was appropriate. I don't know where that comes from. What I see majorities doing in Santa Monica, California, in the California Coastal Commission just persuades me that democracy is for the birds. The trouble is, I don't know what is better than that.

And one last comment. Some people want to use freedom to mean "increased range of choice." You don't increase the range of choice; you merely reallocate who gets the choices. The question is whether a dispersed system of choices is better than a highly concentrated one for society to survive. I don't know. The main point is, it is one thing to talk about our preferences; it is something else to talk about a system that is going to survive whether we like it or not.

**Ingemar Stahl** I want to continue where Armen finished. I also got the same understanding that you have very strong preferences for a majority rule system, and that's the kind of a norm you imply when you discuss the different systems of political rights. I would like to start another way by saying the basic thing would be to keep as close as possible to a kind of unanimity principle. If that cannot be done, and we have to adopt the majority rule, then we can look at the institutions which are closest to having some political rights under the majority rule system. But any system which is closer to unanimity than majority rule would be ranked above majority rule systems.

Let us see if this criterion is fulfilled when we look at your table. Look at the table for political rights for Finland. Finland is not a full-worthy member here. Finland has a second rank on political rights, which would definitely violate the principle I just recently indicated that we should be as close as possible to the unanimity rule. Finland is one of the few countries on this list that has adopted a two-thirds majority for taxes and public expenditures, and in some cases a five-sixths majority. If you have a five-sixths majority clause, you are very close to applying the Wicksellian unanimity principle. So, I can't really understand the ranking order, unless it has to do with Finland's proximity to the Soviet Union, which has nothing to do, really, with political rights.

**Tibor Machan** I am tempted to launch into this collective rights debate. I think the characterization you give to something called collective rights or collective freedom is misleading because you would then argue that a club whose members got together, typically voluntarily, and subsequently have a democratic process for deciding about the things the club will do, like the Kiwanis Club or the Rotary Club, is engaged in something called collective freedom or collective rights or possess collective rights. I think that's just a misleading way of considering collectivity in the politically significant way. Collectivity, in a politically significant way, means that from the moment you are born you are regarded as part of an organic whole. Your individuality is denied as a human being—not that you voluntarily give it up and join a club or a church or whatever else. The question is, do you then agree to the existence of such things as collective rights or collective freedoms in this organic sense or not? If not, then I don't think the subject is even worth mentioning, because so many things fall under it—corporate life, marriage—all sorts of things fall under the notion of collective rights.

Second, democracy versus liberty. Now, to make a society a preferred one or a good one on the basis of how widespread democracy is, I think

leaves too many questions unanswered. Some democracies may be extremely good if the people who are participating in the democratic process are also wise. If the people are corrupt, irresponsible, stupid, et cetera, it can bring about the most horrendous society and nevertheless it will be democratic. So I don't see that there is any correlation between democracy, which is a process, and the result which may be either good or bad.

Finally, this notion about freedom. We of course know that freedom is an ambiguous term in the sense that it has at least two clear meanings in political philosophy: freedom *from* the intrusion of other people into your lives and property versus the freedom *to do* things that you might wish to do or maybe even you ought to do. In the classical liberal tradition we are talking about negative freedom. Society is free to the extent that its individual members are not intruded upon unavoidably.

If I talk to you, that's an intrusion of a sort, but it's not unavoidable because you can turn and walk away. But if I grab you by the collar and hold you down, that is an unavoidable intrusion. In the classical liberal tradition—I think the one that is interesting to Americans and westerners in general and the one about which the big debate is still going on—this negative freedom is pervasive. If you are looking at various societies you might say art is flourishing or lots of other things are flourishing, but whether freedom is flourishing in this sense is not that difficult to determine. Are individuals by law capable of exercising their will over their own actions or are others doing that for them?

**Raymond Gastil** There is a good deal of misunderstanding of some points.

First, a technical one, having to do with the Survey. The Survey is of 167 countries and another 40 or so related territories. This is based on very traditional assumptions about what are countries and what are related territories. We get into a lot of problems on that. Hong Kong is clearly a related territory, and that is just a different classification scheme. The misinterpretation comes, for example, when Tibor says there is no necessary correlation of democracy with good things. That was the point I was trying to make, so I am glad you also made it.

On the point that Armen was making about having a favourite list of things he would like to call freedom, I have a favourite list of things I would like to call freedom too. The Survey, on the other hand, isn't a list of my favourite things, or of what I think is most important. It is a list of what I felt at the time the Survey was set up were most generally considered to characterize democracies in the Western European tradition in terms of political life and civil liberties, and I tried to see how countries came closer or went further away from that definition. I didn't set out a



definition of a perfect society. The point I have often made in the Survey—perhaps you missed it over the years—is that this is not a survey of goodness versus badness; these are not necessarily the best countries versus the countries that are not so good. They are, rather, countries that meet certain criteria and countries that do not meet certain criteria. So that is the basis of my discussion.

The last point has to do with majority rule. It seems to me the point there is that if you emphasize individual rights and say everybody in the world or everybody in a nation has equal individual rights, there come certain situations in which you ask how one can best express that individual right. If he can't do it as an individual and has to do it through a group, then majority rule is the best way. Now I have found, in looking at countries with consensus—consensus has been brought up here a lot—most in the world today are the self-described African “democracies.” These are the countries whose leaders keep repeating, “In Africa we don't have competing parties, we have consensus. Everybody gets together and they reach a consensus.” It is a dangerous doctrine. I think pushing for consensus and assuming you are going to get consensus in society is a dangerous way to proceed.

**Lindsay Wright** I would like to add a comment on democracy and political freedom. Democracy may not create a good society, as Ray said, but that is the whole point. If we believe that democracy should exist, then we should also believe that the political and economic arrangements that evolve from that democracy are wished and desired by the majority of those who make up that democracy. That is the basic principle on which we have based our survey.

**Gordon Tullock** I don't want to talk about politics but economics. It seems to me this description of societies on the basis of a one-dimensional spectrum, socialism to capitalism, which is used throughout, is simply wrong. There are many institutional structures that simply don't fit on the spectrum. Right now I don't like the descriptions for merchantilism you find in the standard text, but let's accept that meaning for merchantilism. It is a large-scale intervention into a system which is certainly not socialist, but to call it capitalist is a little odd too. Haiti, for example, was not, to my way of thinking, a capitalist system. I certainly don't think it's socialist; it is not either.

Just by accident, I am reading a book which I recommend very highly to all of you even though I am only half through—Grace Godell's *The Elementary Structures of Political Life*, which deals with Persia under the Shah. She calls it a personalistic system, which I think is a very good de-

scription. What was valuable in that system were your connections and who you knew, some of which could be inherited. Property tended to come to you or be taken away from you in terms of changes in your personal relations with other people. It's very hard to regard this as either socialist or capitalist. Certainly, at the particular time she is writing, I think it was regarded as more socialist than capitalist, but that was an accidental fact. At the time she was writing the Shah was spending immense amounts of oil money all over the place, and therefore the economy was much under government control. I just don't like this one-dimensional distinction between capitalism and socialism. What you have is socialism—which has a fairly definite meaning—and capitalism, a term which was invented by a prominent socialist. But in actual reality there are many, many other systems, and it's very difficult to do anything except to say that there are many other systems.

**Walter Block** I have a few criticisms also. It seems that this fetish for democracy, if I can call it that, doesn't allow for the understanding of the tyranny of the majority. If the majority favoured something—automatic death penalty for all redheads or something equally silly—it is still democratic. Therefore, according to this theory, it is good. It embodies or promotes political freedom, or freedom of some sort. But this is a grievous mistake as far as I can see.

I agree with the point Armen was making that this list was arbitrary. He has his arbitrary list, and I feel like Armen's arbitrary list is a lot better than the other arbitrary list.

I don't see why organized labour should be given a plus. Unions are just institutions that engage in prohibition of entry into labour markets. They are anti-free labour markets, and I'll be damned if I can see why they get a plus. And the same goes for political demonstrations, which are often organized violations of private property rights.

I particularly resent the good treatment given to my own country of Canada. Why should Canada be considered such a great, politically free nation? It has a Canadian Broadcasting Corporation, which is a state-owned TV system. It recently had a Kent Commission report, which was an attempt to interfere with the newspaper market on the grounds that private monopolies were too powerful in those markets. It consigned to jail Ernst Zundel who had the temerity to question whether six million people died in concentration camps. It penalized him, it violated his free speech rights. I don't understand this. If I want to maintain that the earth is flat, or that two plus two is five, or that there were no Nazi concentration camps, or that Stalin was a great, benevolent person, or that World War II never occurred, you would think I would have a right to do that. There are

three or four places in this conference where we talk about rational views. As I see it, Zundl's views are about as rational as these. But people still have a right to spout off irrational nonsense. And if a country violated my freedom to do this, it should go at least from a one to a two.

Now, as to Armen's claim that the California Coastal Commission and this other city are violating rights. He says he doesn't like democracy at all, but he can't think of a better system. I can think of a better system. It's called free enterprise, where there is no political voting on anything. We don't vote on whether you can keep your property or not, or on whether I can take your property away. A free enterprise system is one where the government is limited just to protecting property rights and to doing very little else. And that seems to me to be a much better system than this unbridled democracy we now have.

**Milton Friedman** I have two very different comments. One has to do with individual rights versus collective rights. I think your analysis of the island is highly defective, and you did not come out with the right solution for people who believe in human freedom. The right solution is not that the majority should win, but that the ten people should unanimously agree that they will have a lottery in which there are six chances out of ten that it will come up the one way and four chances out of ten that it will come up the other way. That is a proposition on which you can get unanimous agreement.

I do not think you would get unanimous agreement among the ten people, that either the six should have their way or the four should have their way. The fallacy in your view is the notion of collectivity; or collective rights. There are no collective rights; there are only individual rights, which may or may not be shared. There are collective agreements made among individuals. One of those collective agreements is a form of government which says that in certain cases it is more important to do something whether everybody agrees with it or not, and that in those cases we will accept majority rule as an expedient. I regard it strictly as an expedient in that sense—we all do.

There is not a person here—not even Lindsay—who thinks that if 51 percent of the people vote to shoot the other 49 percent of the people that is an appropriate exercise. Don't shake your head. If you say that is not an appropriate exercise in majority rights, then you don't believe that democracy is an ultimate value. You don't believe that majority rule is an ultimate value.

**Lindsay Wright** No. Democracy *is* an ultimate value, given protection of minority rights and basic fundamental rights.

**Milton Friedman** I know. But you can't have your cake and eat it too. You can't say that majority voting is a basic right. You cannot say, as you say here, that "theoretically then a majority *might* have the right to decide on any policy or any degree of government control that it wished." Now if I take out the weasel words from that, that is a statement that majority rule is an ultimate objective. That's a proposition I object to very strenuously.

The second comment I want to make is altogether different. I have played around on my computer with some of these data, and I think the results are fascinating. These days you can make so many calculations that would have taken months before.

What I did was run a multiple regression with two dependent variables: one was a logarithm of infant mortality and the other one was a logarithm of GNP per capita, just to get rid of heteroscedasticity. And the independent variables, obviously a constant (they are written on the left): political rights, which is just their one to seven; civil liberties, which is just their one to seven; and oil countries, which is just a dummy variable, one-zero (one for oil countries and zero for others).

The fascinating thing to me is that in neither for infant mortality or for GNP per capita do political rights exhibit any correlation whatsoever. That is, neither coefficient comes close to being significant at *any* level, nor are political rights correlated with the result. I don't think that is at all surprising, because of the fact that political rights are purely a means and don't really have any ultimate objective value, while civil liberties are something else.

Civil liberties are things that people value very highly, and you can take it either way. You can say that when people have high income they can afford to provide civil liberties, so that it may be the income that is the cause of the civil liberties. Or you can take it the other way, that any environment that promotes civil liberties is likely to promote freedom of enterprise, et cetera, which is likely to promote income growth.

As you can see, on income the oil countries dummy is very important; on infant mortality it is not. I don't regard the prosperity of the oil countries as contradicting in any way the various notions we've all expressed about what's good for growth. That's an accident, an aberration. I predict that 10 or 20 years from now they will not be as prosperous. The coefficient of that dummy variable is going to decline year by year.

At any rate, it seemed to me that those results are kind of fascinating because of the fact that if you hold civil liberties constant, political liberties as defined by you two are completely unrelated to performance. Whichever way you interpret the cause and effect relationships, I think that's an interesting empirical finding.

**Assar Lindbeck** I think the most basic criticism directed against this paper is that political freedom is identified with majority rule. The case that 51 percent decide to kill the other 49 percent may be an unnecessarily strong example. Take an example that 51 percent decide that all property above the level of subsistence should be removed from 49 percent. Moreover, that those 49 percent should be exposed to 100 percent marginal tax rates so they could not change their own economic life by their own actions. They would become completely dependent on government transfer. They would have to apply to government for more resources—transfer payments or goods and services in kind. That is one society.

In another society, the 49 percent make the decisions. They decide that marginal taxes should be very low, everybody should be allowed to keep their property, and that you should have no rent controls or exchange controls that limit your possibility to travel or to choose your housing.

How would you describe those two societies in terms of individual or political freedom? If the only important thing is majority rule, you would say that the first society is the one with political rights. But, if you emphasize the protection of freedom of choice of the minority in society, you would say that the society with 49 percent making the decisions but not discriminating against the 51 percent very much is the society with much more freedom of choice for the individual and with higher political freedom. I use this example to show the real limitation of looking at majority rule as the only dimension of political freedom or political rights.

**Armen Alchian** I'm at the University of California, and I'd like to change the institutional arrangements so they'd charge high tuition. There is not a ghost of a chance in hell that that will be done. Now, my problem is, what's the point of preferring something which I know is impossible as a practical matter? That's what I'm worried about choosing among options you think have a chance of surviving and those which just have no chance at all.

**Lindsay Wright** Are you referring to democracy?

**Armen Alchian** No, just in general. I'm not sure democracy has survival value. It may last a hundred years and then down the drain. I think it's the least surviving of all.

**Lindsay Wright** In this discussion, we seem to be going around repeatedly on this issue of economic success as necessarily having a higher value than political freedom. My argument is that economic success or economic growth is something that a people, as members of a state, have a natural right to determine for themselves, whether they will put a high priority on that or on other things.

**Voice** As a collective or as individuals?

**Lindsay Wright** As both.

**Voice** That's the dividing point.

**Lindsay Wright** People have a right to decide these economic issues for themselves. That is why we believe political freedom is the only way that these types of choices can be made about how society is going to be structured, as it necessarily has to be since we all live in societies that we can't avoid.

**Raymond Gastil** Let me run over some points that have come up since the last time I spoke. One was the one-dimensionality of the capitalism

/socialism dimension. Again, that was an attempt to give some information to readers who think in terms of capitalism and socialism. Most of our readers do, and therefore I tried to take that simple distinction and see how it would relate to what I was doing on the Freedom Survey. I do try to differentiate different varieties, if you will, of capitalism. I distinguish "capitalist-statism," for example, which describes the Shah's system. I also distinguish the situation where a primitive culture is operating a system, and actually most of the people are not in the system from more characteristic economics—that is where the inclusive/non-inclusive distinction comes in the table, as you noticed.

The second point has to do with Milton's lottery. It seems to me that the lottery would be a wonderful way to decide. But the only way *to decide to use* the lottery is to have a majority vote.

**Milton Friedman** No. You have a unanimous vote.

**Raymond Gastil** You made the point that you wouldn't have the unanimous vote.

**Milton Friedman** No, I didn't. Not at all.

**Raymond Gastil** At any rate, my point would be that it seems to me that the only legitimate way to use a lottery to decide between the boat and the airplane would be if each person had equal weight in the decision, and that is what a majority rule allows.

The point has been made about absolute rights. In no place can we say that the majority has absolute rights; we always are thinking in terms of political rights constrained by certain basic civil liberties. Now, as I made the point, that should be a short list. It should be a definite list, and it should control, certainly, such things, through a judiciary, as 51 percent deciding to shoot 49 percent and so on. That certainly has always been our thinking.

Now survival value—that's the point I was trying to make earlier when I talked about the anarchists. It is utopianism to talk about a system for which you don't have real historical cases with a real track record. There is a track record with democracy. It is not perfect, but it is a track record. Therefore it seems to me it has survival value in the sense that it is one of the legitimate operative alternatives. It may not be the best for certain purposes, but it is there.

Finally, on these correlations, one thing I find strange about these correlations is that other statisticians who have approached the Survey have pointed out to me that political and civil liberties have a 0.9 correlation...

**Milton Friedman** That's perfectly consistent.

**Raymond Gastil** ...between the two. So they feel that they should not treat them as separate at all; it's really the same thing.

**Tibor Machan** A couple of points here. One is that I don't think you should jump to the conclusion that the debate here is a purely ideological or an axe-grinding kind of debate. We really are taking seriously your name "Freedom House" and your "partly free," "not free," "free" categorization. I think for that reason we are trying to look into what that means

and whether the characterization as abiding by some sort of a democratic rule or process or majority rule is an accurate way to gauge whether a country is free. So we could all be haters of freedom and still make that very same point, namely, whether in fact it characterizes a free society that its institutions are democratically established. So it is not entirely just an axe-grinding thing.

Second, it is arguable that when consistently examined, democracy does require its own extreme limitation. If democracy means the continued participation of people in the political process, that may indeed require a considerable amount of economic freedom. Without economic freedom, the newspapers shut down, people could be pushed out and made dependent upon political rulers, and so on. So it is arguable that the implication of democracy does indeed mean that it cannot extend way beyond, say, the selection of political representatives.

Finally, you kept using the term “people’s rights” to determine for themselves, or something. Suppose I use this similarly with newspapers. Suppose I say the right of newspapers to determine for themselves what they will publish—and that means that the majority of newspapers in the country determine what all the newspapers have to publish. Surely you would not regard this as an instance of the free press. You would regard it as an instance of the free press if every individual newspaper, magazine, publishing house and so on has the full liberty, not interfered with by other people, to determine what goes into print and to sell it on an open market. Similarly, if you are going to talk about freedom of the people to make choices with respect to the distribution of property, engaging in labour, and so forth, this isn’t going to be met by the conditions that you seem to be specifying; namely, that they get together and collectively decide what sort of economic institutions they are going to have. That won’t do, any more than getting together the newspapers and deciding what they will collectively print will constitute freedom of the press. So I think that is just a mistake.

**Walter Block** I think Tibor is making a magnificent point on that. I agree whole-heartedly with the idea of newspaper rights and individual freedom, not a majority vote. I would like to carry this yearning for egalitarianism further. We have, I would consider, a certain area where egalitarianism is legitimate; namely, everyone has an equal right not to be aggressed against. That is, it is equally wrong to murder anyone, a rich person or a poor person. Now that is an area of positive egalitarianism or proper egalitarianism. But I think we make a category mistake when we apply that willy-nilly to every other area. Why does it follow that we should have an



equal right to vote in the political process? Voting in a political process is not a negative freedom, it is a positive freedom, and it is an aspect of wealth. We don't say that everyone has an equal right to vote in IBM shares; it depends upon how many IBM shares they bought. If we look upon the polity as a voluntary organization, we must recognize the legitimacy for unequal votes.

Now with regard to these ten people on the island, I don't agree that there is a unique decision and that it must be a lottery. I think a lottery is one possibility, but the overriding principle would be whatever the people voluntarily agree upon. That would be what ...

**Voice** Unanimous?

**Walter Block** Whatever they agreed to unanimously. I don't think you would say that it must be a lottery. It could be some other form of agreement.

Now, there is a statement on page 1 of the Gastil and Lindsay paper that a free society may be taken to be a society with no rules at all. I think that this is a travesty of what freedom means. A free society means that a person's property rights are respected—that's what a free society means. Not that there are *no* rules; that's just chaos.

Now, I want to take issue with Armen on the question of survivability. I don't think that survivability has any positive value in moral analysis. For example, I yearn for a society where no murder is committed, and yet this is not survivable, it is not likely, it is not politically feasible and it has never happened. The question Armen might ask in response is, why talk about it if it is not likely? I think the answer is because that sets us toward the proper goal. Whether it is survivable or not is, I think, only of secondary importance. The much more major importance is, does it uphold rights and justice?

**Michael Parkin** I would like to go back to the much belaboured topic of majority voting, and back to the island story. It seems to me that that particular example is not a very helpful one for addressing the issues. It is not helpful because the initial set up was that it was clear to all these people that they had to decide one or another of these things, and so they weren't too far away from having a unanimous position on the critical issue. Real societies that we live in and want to try to improve, typically have as their major problem not deciding how they will do something that all are agreed can only be done by collective decision but choosing which things will be on the collective list and which things will be left on the private list. It is

figuring out how that allocation will be made that is the difficult choice. I am not clear how it can be done. I *am* clear that if we could do it, and if we could have the list of things that could be done collectively, we would probably be in much less disagreement about whether we used majority as a method of delivering the actual answer, because we have already settled the really big issue as to whether or not the things about which the majority were making decisions were things that we all agreed were legitimate things for the majority or some other collective device to be choosing on.

The really tough problem is how we ought to form constitutions to sort out these allocations of decision-making power. I would like to hear the philosophers and the people who think about these things much more deeply than I do talk about that approach. I don't know whether we have to leave that to Armen's armies or some other procedure, or whether there is a trick that was learned in Philadelphia in 1776 or in some other time when the Bill of Rights was drafted—some trick that will work. I am simply agnostic and have nothing to offer on that.

Just one final point that came up concerning the statistics, the data and the regressions. I think it's very interesting to note that all our fears about the weight majority voting is getting in the political rights issue is reinforced by the data, even though the two series—political and civil liberties—may have a high correlation. We can't tell that directly from the data reported here.

A secondary point, once you control for the civil liberties that we think we can make some sense of there's not much left for this other variable to do. It's not doing any work, which suggests that it is a redundant classification.

**Peter Bauer** A few remarks about the survival of societies. Hindu society has survived for centuries, even millennia, in a largely unchanged form. Most of us here would not like many of its characteristics. Yet collapse of a society may inflict so much suffering that we may wish for its survival even in the face of undesirable characteristics.

Gordon raised the question of the division of societies into capitalist and socialist categories. But many societies are largely custom-dominated. The extent and strength of customs differ and vary, but classification solely in terms of capitalist and socialist societies can be misleading. This applies in much of Asia and Africa.

Two practical questions in connection with majority rule. First, what is the unit within which you count majority? For example, is it Ireland as a whole or Northern Ireland? Second, how do you assess or compute votes? In Britain there are single-member constituencies, a system which brings

very different results from proportional representation. Thus, apart from basic philosophical issues, there are practical matters also to consider.

**Milton Friedman** I want mostly to say that the notion that because each person has equal weight implies majority rule is, I think, an utter fallacy. All that each person has equal weight implies is that nobody has a right to violate anybody else's rights. And it really implies unanimity about such questions. They may be unanimous that they are going to use majority rule, but it is an utter non sequitur to convert "each person has equal weight" to "majority rule"; it doesn't follow. That leaves you absolutely in the dilemma that if 51 percent of the people vote to kill the other 49 percent, that's okay. You cannot get out of that by saying you are going to serve many gods at once. What you are trying to do is to say you are going to serve many gods at once, and it seems to me that ultimately you can only serve one god.

**Alan Walters** A lot of our discussion wavers around between basic voting rules and other very pragmatic things like the selection of variables. It seems to me it is a mistake to mix up those two. When we are talking about the ideal constitution, we generally talk about unanimity. But what happens if you don't get unanimity? You can have millions of decisions, and you would never get unanimity on any one. Therefore, unanimity cannot be the thing by which you will, in fact, decide anything.

But getting down to the pragmatic side, look at a list of variables as indicators of liberty. How many people are in jail? Those are people being deprived of freedom. You can take them as a fraction of the population over some given age. One has to count gulags as well as jails with bars. But I think that one can get pretty close to the truth on that.

And the second element that you can argue about a bit, but I would say in terms of judging what I would consider the freedom of a society, I think it relevant to know how many people die from violence, whether that violence is publicly imposed or privately imposed. It seems to me when you feel yourself at risk of violence, that is a severe infringement on freedom. We can get data on the victims of violence in a wide range of different societies. This ought to be the focus in some of these quantitative studies.

**Gordon Tullock** I want to talk about the Constitution. I should say that your lottery system has been seriously suggested. Professionally, I spend much of my time worrying about voting methods. To confuse people completely, I will say that I myself would prefer demand revealing.

But the point that I want to make is that we do have a wide collection of ways of integrating people's preferences to get something in the way of a collective decision. Whether it's a collective preference doesn't, I think, have anything much to do with freedom. It may be the best thing that we can do. In fact, I have hopes that we can do better.

I wish you people would stop talking about majority voting because I do not regard that necessarily as the be all and end all of this thing. For one thing, to take an obvious case, the most common voting group in the United States votes by unanimity—it is a jury—and it does decide very important matters. But anyway, I don't terribly like majority rule. But there is one country in the world that has a specific provision in its constitution that says a majority vote can override anything, and which regularly and consistently enforces that position, and that country is Switzerland. Now it is very hard to argue that you are in great danger when you enter Switzerland. And speaking as somebody who has looked into these things, I myself think that widespread use of direct voting on issues, in spite of the California experience, is an improvement. It makes it very, very difficult to set up a complicated logrolling bundle if right after you get it passed your legislature there is going to be a popular referendum. Historically, pure democracies have been quite tolerant of differences of opinion and so forth. They tend to be quite inefficient because the average voter is badly informed. But they are not particularly oppressive.

But the real problem here is a deeper one and that is that we have no idea of how to design a constitution so that it is self-enforcing. If you are going to restrict the government—who is going to enforce the restrictions? Well, it always turns out, part of the government. For some obscure reason the Supreme Court is not regarded as part of the government by most people who offer that rule. What we actually have in the United States is a system under which lines of authority are extremely unclear, and there are terrific fights in Washington. Over time, it is very hard to argue that they have been, strictly speaking, enforcing the Bill of Rights. In fact, it is not even clear that the Fourteenth Amendment was ever properly ratified, let alone the more obvious difficulties.

**Raymond Gastil** There have been a lot of very strange suggestions around the table that somehow we are dealing with an abstract system of majority rule. In fact all systems of majority rule (and we are dealing with real systems) have limitations on them of all kinds. Switzerland, for example, has all kinds of limitations on majority rule. It is split up into cantons and local communities—you can't change that, you can't change the jurisdictional layout. The majority in Switzerland is more constrained than any

other one country in the world. But that is true of the United States, too. Majorities are tremendously constrained by other aspects of the society.

Now when we talk about civil liberties and political rights, these two are in balance with one another and neither one, in fact, in our judgement, could really exist without the balancing mechanism of the other. I'll get back to Milton's "one god" later.

**Tibor Machan** Back to Switzerland, it is true that it is a federalist system, and as far as the majority of Swiss citizens is concerned, they are very restricted in their power. But in communes and cantons there is a great deal of majoritarianism. You can make all sorts of rules that intrude on your fellow human beings, and indeed I have argued, somewhat casually, in an article in *Reason* recently that this famous "sourness" of the Swiss has something to do with the fact that they are always afraid that their next meeting is going to result in some restriction upon them, and they are not very friendly to each other, because they are always in a state of fear. And living there for one year has in fact confirmed this view. Swiss citizens themselves complain about how they are worried about next door neighbours because of majoritarianism. But it is not the kind of majoritarianism that I think you had in mind, namely that of the whole country. There are some measures on which the federal system invokes majority rule. For example, four times they ruled against changing to Daylight Savings with the rest of Europe. After the fourth time, the government simply decided to change the time anyway! (Laughter) So they are sort of nice to them. It's like joining the United Nations. Many Swiss citizens predict that after the fourth time they reject joining the United Nations, their government will join anyway. So there is a bit of a mythology about Switzerland.

Now, I want to say something to Gordon again about constitutional restrictions. If I promise to meet you, obviously I can violate the promise, but there are certain sanctions about my violating that promise which are much stronger than if I simply say I might meet you tomorrow, but I don't show up. Well, you know, I said "might" and I was careful in my language, and so I didn't, and that was included in "might." But if I say I *will* and I don't, then I need a great deal more excuse.

Similarly, a constitution can be written with a great many restrictions which of course can be overturned, but there is a certain pain associated with overturning them, a certain kind of violating a contract almost, except of course there is not an outside enforcer. But the separation of powers, which is an interesting and ingenious mechanism for keeping the government somewhat honest within itself, is a way to keep people to those restrictions, and not just have them as a matter of periodic consensus. And

I grant that you cannot guarantee that restrictions on democratic rule will be maintained, but I think to write them down and have them held up and celebrated every Fourth of July and things like that is a valuable support mechanism. To go against them then would be a major catastrophic event in that kind of political institution.

**Gordon Tullock** In the first place, I think you are wrong about the Swiss constitution. It is certainly true that if nobody bothers to force an election on such a bill, it could go through. But there is, I assure you, a specific provision in the Swiss federal constitution. In 1848 they had a revolution, the purpose of which was to impose the American constitution. And having won the revolution, they decided they would *read* the American constitution and discovered judicial review. This horrified them, so they put this specific provision in to make clear that it wouldn't happen in Switzerland. Switzerland has many fine characteristics, and this is one of the funnier stories. The other is that in the early days of the Swiss federation the secretary of the treasury used to go down every Friday and physically count the treasury.

**Ingemar Stahl** Peter's paper mentioned the concept of positive and negative rights first discussed by Berlin. I think something like that would be very good to include here. If one goes through your civil liberty rights, from a logical standpoint and even from an economic/social standpoint they are quite different. Most of these rights are what my paper calls "individual immunities." Government shall not do a lot of things toward individuals that change their position in certain ways.

Another type of rights described here are individual powers—individual liberties or privileges. An individual *may* do certain things, like start a new business or try to interfere with others through trade unions or whatever it might be.

There is a third type of right indicated by your 25th point, freedom from gross socio-economic inequality, which seems a little bit like all the service rights included in most declarations of rights. These represent a claim from individuals that government shall do different things, like providing free education or whatever it might be.

You say all these are civil rights or civil liberties, but it is obvious that they are of quite different characters. I think you could categorize them in other ways. It is very important to keep in mind that most of these rights are of the type which put restrictions on political rights, namely immunities from what government can do. If you had the unanimity rule as the basic principle, many of these civil rights would be redundant.

**Tibor Machan** One of the things we haven't been talking about this time, and especially in the last session, is the connection that I think is held to be rather significant between what we call liberty or freedom and individual responsibility. I think it might be a nice thing to reflect on that now and then. After all, one of the interesting things about human beings is that they are deciding agents, and some connection ought to be preserved in a good society between what they think and what they will do. And to the extent that this connection is severed, I think that is a flawed society.

**Raymond Gastil** I wanted to refer to a couple of points. Positive and negative rights, to take your point, is something we considered for a number of years. I used to always make the distinction between the civil rights of the Survey as being primarily negative, whereas many people wanted to add on certain positive rights. But I later found that it is much more difficult in the practical world to distinguish between positive and negative rights. For example, police powers, which are often necessary to enforce many civil liberties as well as to defend the civil liberties, have been thought of as both positive and negative. Voting is a positive right rather than a negative right, and so on. So I think it is more difficult than often considered to distinguish adequately between positive and negative rights.

I also wanted to go back to Milton's point about only serving one god. It seems to me that it is a mistake in philosophy or political science or whatever to assume that you can set up one principle and say everything else has to be derived from this. It seems to me that a much more realistic approach is to have a plurality of principles you see balanced against one another. I have often made the point in the Survey, as perhaps you have noticed, that without certain kinds of civil liberties, you can't really have a legitimate majority. In other words, if the majority was oppressing the minority to such an extent the minority does not feel it can express itself, develop new ideas and so forth, then very quickly the actual ability of the society to receive new ideas and decide upon the alternatives becomes destroyed by the majority's oppression. So that oppression beyond a certain point destroys the possibility of the majority itself being a legitimate expression of the views of the society as a whole, because the society as a whole no longer has informational input into it to be able to adequately decide upon the issues before it. So I think we have to always think in terms of some balance of those two issues.

**Peter Bauer** I have much sympathy with Armen in focusing on such fundamentals as the number of people in jail or the number of victims of violence. But there is a major difficulty in this area. It is possible to have nobody in jail and yet for there to be a completely oppressed society, because nobody dares to rise against the rulers. The most effective naval

blockade is one which never catches a ship because they are afraid of leaving port. The same applies to some extent to victims of violence. There are fewer victims of violence in East Germany than in the United States, but this does not mean it is a freer society.

There was once a society which operated by the unanimity rule. That was 17th and 18th century Poland, where parliamentary decisions had to be unanimous. The society failed to survive.

Finally, pure democracies have by no means always been tolerant. There are many examples to the contrary, from 5th century Athens to 20th century America.

**Assar Lindbeck** When we say that democracy means that everybody should be given the same weight in the political system, that can be interpreted many different ways. Suppose you have a society where 51 percent have the same opinion on all issues and 49 percent have their same opinion on all issues. Then you have two different voting procedures. One is that there is majority rule in every case, so that 51 percent decide on all issues in society. Another voting rule says that we let 51 percent decide in 51 percent of the issues, and the 49 percent in 49 percent of the issues. That is close to Mr. Friedman's lottery. You take a lottery on every issue with that weight: 51:49. That would mean that the 49 percent would have considerable influence on decision making in proportion to their numbers, instead of having 51 percent deciding *all* issues in society. Which system gives everybody the same weight in society? I think it is the latter rather than the former, which is one of many ways of saying that majority rule has very considerable drawbacks as a system of reflecting preferences.