

## Week 03 Assignment Economic Freedom

1. Define economic freedom.
2. Define economic freedom in your country.
3. Compare your country to another concerning economic freedom and explain why differences matter.

1. Economic freedom refers to the degree to which individuals and businesses are free to engage in economic activity without undue government intervention or control. This includes factors such as the ability to own and trade property, the freedom to start and operate a business, the ability to freely trade goods and services, and the absence of excessive government regulation and taxation.
2. In Nigeria, economic freedom is characterized by a mixed economy with a significant level of government intervention and regulation. While private businesses are allowed to operate, there are numerous barriers to entry, including high tariffs and fees, bureaucratic hurdles, and corruption. Additionally, the government controls many key industries, including oil and gas, and maintains a significant presence in the economy through state-owned enterprises.
3. When comparing Nigeria's economic freedom to South Africa's, there are notable differences. According to the Fraser Institute's Economic Freedom of the World Index for 2018, South Africa ranks higher than Nigeria in terms of economic freedom. South Africa is ranked 84th in the world, while Nigeria is ranked 116th. This difference matters because economic freedom has been shown to be strongly correlated with economic growth and prosperity. Countries with higher levels of economic freedom tend to have higher levels of economic growth, higher standards of living, and more opportunities for individuals to succeed.

Additionally, economic freedom is closely tied to political freedom and individual rights. Countries with higher levels of economic freedom tend to have more political freedom and respect for individual rights. Conversely, countries with lower levels of economic freedom

often experience higher levels of corruption, cronyism, and government control, which can lead to decreased economic growth, reduced standards of living, and limited opportunities for individuals to succeed. Therefore, it is important for policymakers in Nigeria and other countries to focus on increasing economic freedom to promote long-term economic growth and prosperity.