

New Zealand's Remarkable Economic Transformation

Editor's Pick. Written by Daniel Mitchell.

When writing a few days ago about the newly updated numbers from Economic Freedom of the World, I mentioned in passing that New Zealand deserves praise “for big reforms in the right direction.”

And when I say big reforms, this isn't exaggeration or puffery.

Back in 1975, New Zealand's score from EFW was only 5.60. To put that in perspective, Greece's score today is 6.93 and France is at 7.30. In other words, New Zealand was a statist basket case 40 years ago, with a degree of economic liberty akin to where Ethiopia is today and below the scores we now see in economically unfree nations such as Ukraine and Pakistan.

But then policy began to move in the right direction, especially between 1985 and 1995, when the country became a Mecca for market-oriented reforms. The net result is that New Zealand's score dramatically improved and it is now comfortably ensconced in the top five for economic freedom, usually trailing only Hong Kong and Singapore.

Read the full thing at FEE.org.