Coolidge Cup Online Competition Trade Brief

Resolution: A significant tariff on imported goods from Mexico is a good policy for the U.S. economy.

"Our only defense against the cheap production, low wages and low standard of living which exist abroad, and our only method of maintaining our own standards, is through a protective tariff. We need protection as a national policy, to be applied wherever it is required." --Calvin Coolidge, "The Republican Case," *The Saturday Evening Post*, Sept 10, 1932.

"Our country is in serious trouble. We don't win anymore. We don't beat China in trade. We don't beat Japan, with their millions and millions of cars coming into this country, in trade. We can't beat Mexico, at the border or in trade." --2016 Republican presidential nominee Donald Trump, Fox News Sunday program, October 18, 2015

"...[O]ur trade policy rests firmly on the foundation of free and open markets -- free trade. I, like you, recognize the inescapable conclusion that all of history has taught: The freer the flow of world trade, the stronger the tides for human progress and peace among nations."--Ronald Reagan, 40th president of the United States, Remarks at a White House Meeting With Business and Trade Leaders, September 23, 1985

"Since 2001, nearly 60,000 manufacturing plants in this country have been shut down and we have lost over 4.7 million decent paying manufacturing jobs. NAFTA has led to the loss of nearly 700,000 jobs. PNTR with China has led to the loss of 2.7 million jobs. Our trade agreement with South Korea has led to the loss of about 75,000 jobs. While bad trade agreements are not the only reason why manufacturing jobs in the U.S. have declined, they are an important factor."--Bernie Sanders, May, 2015

BACKGROUND

Few issues are more contested these days than trade. What's hard to remember is that just a few years ago, in the time of President Bill Clinton, there was a strong consensus that trade's benefits outweighed its costs.

The current contentious period actually recalls the period when Calvin Coolidge lived. In Coolidge's time, fights over the merits of free trade versus the merits of protectionism occurred daily on Capitol Hill. The Republicans were the protectionists; the Democrats, led by Cordell Hull, were the free traders. The conflicts in the 1920s in turn echo earlier conflicts, both during

the Civil War and back in the days of the Framers. Alexander Hamilton supported protectionism and relied on tariffs to fund America's new financial system. There was no income tax and no Internal Revenue Service in the early days, but they did have a mighty customs house at the bottom of Manhattan to collect the tariff revenues (today that old customs house serves as the Museum for the American Indian.) The South, led by Thomas Jefferson and his supporters sought freer trade.

Today we live in a world of **multilateral free trade**, when countries agree to lift tariffs or other barriers in exchange for breaks from other nations. But in the olden days some economists argued for **unilateral free trade**, that is, opening your borders to all goods, even goods from countries who don't open their borders. Why is this beneficial? See the attached primer and its explanation of **comparative advantage.**

The best argument free traders can come up with for free trade: Wal Mart. Wal Mart is considered by many Americans a wonder. Walk the aisles and you will find 43 kinds of body wash, six different kinds of sock, a barbecue for far less than your parents might have paid -- all cheap and convenient. Wal Mart's variety, and Wal Mart's low prices, would not be possible without free trade.

The best argument protectionists can come up with against free trade: Wal Mart. Or, more specifically, the stores that used to be around Wal Mart that sold local goods. Those stores, and their American goods, are vanishing as the great chain draws their old customers. A hammer or a chair sold in one of those old stores might have cost more. But it might be better made than one from Wal Mart. And the employees in those old stores often made more than Wal Mart employees. Not to mention, many people enjoy buying goods from people they personally know.

But seriously: the biggest argument against free trade is the American auto industry. Hundreds of thousands of jobs have been lost, and whole cities devastated, because of competition from foreign auto-makers.

And seriously: the best argument for free trade is today's car market. Today Americans can buy cars like Hondas, Toyotas, Mercedes, Audis, VWs, and other, because of international trade. Many Americans prefer foreign cars. That's their right, and their advantage. Foreign carmakers have inspired American producers, whose quality rose once they faced the challenge of competition.

The Case of Coolidge

In Coolidge's time, the Republicans, or Grand Old Party, favored tariffs. Their opponents, the Democrats, favored freer trade. Coolidge stayed true to his party line.

Just before Coolidge came into office, Congress passed, and President Harding signed, a large tariff, **Fordney-McCumber**. Fordney-McCumber did not appear to hurt the economy. Just after Coolidge left office Congress passed, and President Hoover signed, a larger tariff, **Smoot-Hawley**. Many economists argue that Smoot-Hawley was one of the most significant causes of the Great Depression. President Franklin D. Roosevelt agreed to a trade deal that encouraged trade in the 1930s, reversing the protectionist trend.

One group who hated Coolidge's support of tariffs: Europe. Loaded with debt from World War I, Europeans couldn't believe the U.S. would impose heavy tariffs that made it tough for Europe to pay off its obligations. But the U.S. sustained its 1920s tariffs. Coolidge believed that paying high wages in the U.S. would keep workers content. Then the workers would not strike, or mount revolutions, as workers were doing in Europe and in Russia.

PRO ARGUMENTS (In Favor of the Resolution)

1. **A tariff on imports from Mexico would reverse the outsourcing of American companies and jobs to Mexico.**

U.S. companies and American workers have been hurt by competition from Mexico. In Mexico, incomes are well below what they are in the U.S. For example, in 2015, the GDP per capita (meaning total economic output per person) in the U.S. was around $56,000, compared to only around $9,000 in Mexico.[1]

Since workers on average are poorer in Mexico compared to the U.S., companies in Mexico can pay their workers significantly less. With lower labor costs in Mexico, products can be made more cheaply there. Therefore, companies have outsourced their manufacturing operations to Mexico – meaning jobs that were once done in the U.S. by American workers are now done in Mexico by Mexican workers.

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[1] GDP per Capita (current US$) | Data. The World Bank, Web. <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>.

Take the auto industry for example. Automobiles are the number one import to the U.S. from Mexico. American companies like Ford have moved large parts of their manufacturing operations from cities like Detroit to Mexico where the workers can be paid less. The cars are built in Mexico and then the auto companies ship the completed autos back to the U.S. to be sold to American consumers. The companies end up making a higher profit since they do not have to pay Mexican workers as much as they'd have to pay workers in the U.S. However, American workers have lost their jobs and have been hurt badly.

The U.S. trade deficit with Mexico is evidence this outsourcing is happening more broadly, even beyond just the automobile industry. Data from the Office of the U.S. Trade Representative shows that in 2015, exports of goods and services from the U.S. to Mexico totaled an estimated $267.2 billion. Meanwhile, imports of goods and services from Mexico to the U.S. were higher, totaling $316.4 billion. This gap between U.S. exports and imports, known as the **trade deficit,** means the U.S. bought $49.2 billion more from Mexico than Mexico bought from the U.S. in 2015.[2]

In the mid-1990s, the U.S. and Mexico (as well as Canada) entered into what is known as the North American Free Trade Agreement, or NAFTA. This trade agreement removed most barriers to trade between the three North American countries. The theory at the time was that by making trade less costly, there would be more trade and that all countries would benefit. But the unintended consequence of the NAFTA tariff reductions has been that companies have been encouraged to outsource jobs to Mexico. In fact, according to data from the U.S. Census Bureau, the U.S. has run a trade deficit with Mexico every year since NAFTA came into force.[3]

Clearly tariffs need to be increased. A significant tariff increase would increase the cost of producing goods in Mexico. The tariff should be significant enough so the savings from cheaper labor in Mexico are wiped out by the tariff. This would stop outsourcing and keep jobs in America.

2. **American workers have suffered from low wages for many years and need the help a tariff could provide.**

International trade deals suppress American wages and steal American jobs. Since 1993, when NAFTA went into effect, the wages of a large portion of American workers have been stagnant.

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[2] "Mexico | United States Trade Representative." Mexico | United States Trade Representative. Office of the United States Trade Representative, n.d. Web. 13 Feb. 2017.

[3] U.S. Census Bureau. "Trade in Goods with Mexico." Web. 13 Feb. 2017. <http://www.census.gov/foreign-trade/balance/c2010.html>.

Over this entire period, 1993 to 2016, median wages for full-time American workers (over the age of 16) grew a mere 9%. As you can see from the nearby chart, in many years, wages actually shrank! Wages more recently have been even more disappointing. **From 2009 to 2016, median real wages grew less than 1% total.**[4]

Chart: Median Weekly Earnings for Full-Time U.S. Workers Age 16+, 1993-2016

Year	Median usual weekly real earnings (Constant 1982 U.S. Dollars)		Yearly Percent Growth
1993	$	318.00	
1994	$	315.00	-1%
1995	$	314.00	0%
1996	$	313.00	0%
1997	$	314.00	0%
1998	$	322.00	3%
1999	$	330.00	2%
2000	$	334.00	1%
2001	$	337.00	1%
2002	$	338.00	0%
2003	$	337.00	0%
2004	$	338.00	0%
2005	$	333.00	-1%
2006	$	333.00	0%
2007	$	335.00	1%
2008	$	335.00	0%
2009	$	345.00	3%
2010	$	342.00	-1%
2011	$	336.00	-2%
2012	$	335.00	0%
2013	$	333.00	-1%
2014	$	334.00	0%
2015	$	341.00	2%
2016	$	347.00	2%

Source: Federal Reserve Bank of St. Louis

A tariff on imported Mexican goods will make American-made goods competitive in U.S. markets again, increasing the demand for American workers and protecting their wages.

[4] "Employed Full Time: Median Usual Weekly Real Earnings: Wage and Salary Workers: 16 Years and over." *FRED.* Federal Reserve Bank of St. Louis, n.d. Web. 15 Feb. 2017.

Several studies have shown the harmful impacts of international trade on American workers. The National Bureau of Economic Research found that China's rapid industrial growth and increased imports into the U.S. from 1991 to 2007 had a significantly negative impact on American workers in competing industries. Over this period, American workers experienced "lower cumulative earnings, weakly lower cumulative employment, lower earnings per year worked, and greater reliance on Social Security Disability Insurance."[5]

Another study by the National Bureau of Economic Research found detrimental wage impacts from Chinese competition. The study found that a "10% increase in occupational exposure to import competition is associated with nearly a 3% decline in real wages for workers".[6] This means that a 10% increase in Chinese goods imported to the U.S. leads to a 3% decline in the wages of the workers working in the same industries in America.

At a time when American workers are suffering, a tariff is highly justified and would be a boost to the U.S. economy.

3. **A tariff on imports from Mexico could generate revenue for the federal government. The federal government could use this revenue to invest in new programs or pay down some of the national debt.**

The U.S. Custom House in lower Manhattan where the tariff was once collected on imports into New York. Now it is the National Museum of the American Indian.

The Internal Revenue Service building in Washington, D.C., which collects the income tax, now the primary revenue source for the U.S. federal government.

[5] Autor, David H., David Dorn, Gordon Hanson, and Jae Song. *TRADE ADJUSTMENT: WORKER LEVEL EVIDENCE*. National Bureau of Economic Research, n.d. Web. 15 Feb. 2017.

[6] Ebenstein, Avraham, Ann Harrison, and Margaret McMillan. *Why Are American Workers Getting Poorer? China, Trade, and Offshoring**. National Bureau of Economic Research, Dec. 2014. Web. 15 Feb. 2017.

A tariff, in the most basic sense, is a tax that can be used to raise revenue. In fact, prior to the introduction of the income tax in the U.S. in 1913 (courtesy of the 16th Amendment), the tariff was a main source of revenue for the federal government. Today the income tax provides nearly 50 percent of total federal revenues.[7] Meanwhile, tariff revenue is much more negligible. It is not unreasonable to increase tariffs to provide more revenue for our government like they once did.

If the U.S. increased tariffs on imports from Mexico, the resulting revenues could be spent on public services that help the American economy. Increased federal government investments in areas like health, education, and infrastructure could help increase economic growth in the U.S. and benefit all Americans.

Using tariff revenues to begin **paying down the national debt** would also help the U.S. economy. According to the Congressional Budget Office (CBO), total outstanding federal debt currently stands around $19.4 trillion, or the equivalent of nearly $60,000 for every person in the U.S. That's a staggering level of debt and is at least $2 trillion greater than the total annual output of the U.S. economy. And things could still get yet worse: The CBO projects that over the next 10 years (2017-2026), if current federal policies are left unchanged, total federal debt will have climbed to $28.2 trillion,[8] the equivalent of around $80,000 per American.

Such a large debt matters to this debate resolution debt is a drag on economic growth. Economists, most famously Kenneth Rogoff and Carmen Reinhart, have shown statistically that debt-strapped countries tend to suffer from lower economic growth.[9] This makes much sense. Milton Friedman spoke of his "permanent income hypothesis,"[10] by which people make economic decisions not based on their current income, but rather based on their longer-term expectations. When people, especially young people, look out over the horizon and see a mountain of national debt, they constrain their spending and investing knowing someday they will probably have to foot the bill. A tariff could provide revenues to at least begin paying down the debt and freeing the economy to grow.

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[7] "Policy Basics: Where Do Federal Tax Revenues Come From?" Center on Budget and Policy Priorities, 4 Mar. 2016. Web. 15 Feb. 2017. <http://www.cbpp.org/research/policy-basics-where-do-federal-tax-revenues-come-from>.

[8] An Update to the Budget and Economic Outlook: 2016 to 2026. Rep. Washington: Congressional Budget Office, 2016. Web. <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/51908-2016_Outlook_Update_OneCol.pdf>.

[9] Reinhart, Carmen M., and Kenneth S. Rogoff. Growth in a Time of Debt. Working paper no. 15639. Cambridge: National Bureau of Economic Research, 2010. Web. <http://www.nber.org/papers/w15639.pdf>.

[10] Friedman, Milton. "Chapter III: The Permanent Income Hypothesis." A Theory of the Consumption Function. Princeton: Princeton UP, 1957. 20-37. National Bureau of Economic Research. Web. <http://www.nber.org/chapters/c4405.pdf>.

4. **A tariff on imports from Mexico can help the U.S. economy by replacing other, more harmful, taxes.**

All taxes are not created equal. Economists generally believe that some taxes are more detrimental to economic growth than others. The income tax and corporate income tax are thought especially bad for economic growth. After all, taxing workers' incomes makes them less likely to want to work more since they cannot keep as much of the fruits of their labor.

Rather than discouraging people from working like the income tax does, the tariff would encourage Americans *to work more.* This is so because the tariff provides protection against foreign competition, thus making their operations more profitable. Does it not make more sense to tax something that we actually want to discourage (competition from Mexico) rather than things that are essential for economic growth?

The U.S. should increase tariffs on Mexico and use that money to pursue tax reduction in other areas that will minimize the negative impact of more harmful taxes like the income tax and the corporate tax.

5. **A tariff on imports from Mexico would lead Americans to buy goods and services produced in their own local communities and economies.**

A growing movement believes that shopping locally is preferable to buying goods that are produced far from one's own hometown. The popularity of farmers markets is one example of this. You often hear the phrase "think global, shop local."

Of course there may be many reasons to buy locally. Many of them have to do with personal preference. You may want to buy things from your neighbor because you like your neighbor and want their company to do well.

But there may be good economic reasons to buy locally as well. One reason is that by buying locally, you are helping sustain the jobs of people in the U.S. A good example is Detroit. Detroit was once a thriving and prosperous city. However, now that much of the auto manufacturing industry has moved to Mexico, cities like Detroit are suffering as are the workers in those cities who no longer have good paying jobs. A city like Detroit could really use the help of a tariff.

Another reason that buying locally is advantageous relates to trust. The quality of the good or service being purchased is of paramount importance to the buyer in any transaction. Yet the

seller almost always has much more information about the quality of the product being sold than the buyer. The seller also has an incentive to use his information advantage to deceive the buyer into thinking the good is of a higher value than it really is. Buying locally tends to mean you know the seller better. That means you're more likely to trust them to sell you something of high quality. Trust is very important to a successful economy. Economies with a high level of trust have been shown to be more prosperous.

A tariff would discourage people from buying goods that are produced in Mexico because the tariff makes those goods more expensive than they would be without the tariff. This makes the price of goods produced and sold locally cheaper relative to competitor goods produced in Mexico. With the adjustment in the relative price, American consumers will be more likely to purchase locally produced goods, and therefore help their neighbors and the U.S. economy.

CON ARGUMENTS (Against the Resolution)

1. **Free trade promotes prosperity. Tariffs discourage free trade and thus reduce prosperity.**

When trade occurs, both trading partners are better off. Imagine a world without trade – every person would have to be totally self-sufficient; any need would have to be individually achieved. When there is specialization, individuals can focus on what they are naturally good at and trade for goods and services which are costly for them to produce themselves.

The same logic applies to countries. If the U.S. is particularly good at providing financial services, it should not waste its time and resources making cars. American citizens still need cars however, so these should be imported from a country where it is less costly to produce them. Tariffs make it more costly to have these kinds of naturally efficient, cross-border transactions.

Empirically, we can see that **countries that impose lower tariffs are more prosperous**. Out of a sample of 120 countries, the countries with the least restrictive tariff policies, on average, also had the highest per capita GDP and per capita incomes (data from Fraser tariff index[11] and the World Bank[12][13]). Of those 120 countries, the 40 with least restrictive tariffs had **average GDP per capita of $23,590. Yet GDP per capita was only $7,630 for the 40 countries with the most restrictive tariffs** – a level that's not even one-third the level of the countries with low tariff restrictions. The story is the same for per capita income, **with an average of $21,274 for the top third and $7,292 for the bottom.** Clearly, free trade plays an important role in making both countries and individuals more productive and thus prosperous.

2. **A tariff on Mexican imports will significantly raise prices for American consumers.**

A tariff is a tax levied on goods imported from another country. Tariffs raise the production costs. These increased costs, or at least a portion of them, are passed along to American consumers in the form of higher prices when they buy the finished product. Besides raising money for the domestic government, the idea behind tariffs is that they will make U.S.

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[11] Gwartney, James, Robert Lawson, Joshua Hall, Ryan Murphy, Robbie Butler, John Considine, Hugo Faria, Rosemarie Fike, Fred McMahon, Hugo Montesinos-Yufa, Dean Stansel, and Meg Tuszynski. *Economic Freedom of the World: 2016 Annual Report*. Rep. N.p.: Fraser Institue, 2016. Print.

[12] *Adjusted Net National Income per Capita*. World Bank, n.d. Web. 15 Feb. 2017.

[13] *GDP per Capita (current US$)*. World Bank, n.d. Web. 15 Feb. 2017.

companies more competitive relative to Mexican ones, since the tariff will increase the price of the foreign produced goods but not domestic ones.

While tariffs on Mexico may benefit some specific U.S. companies, it is indisputably costly for American consumers (i.e. the entire domestic population of the U.S.). Therefore, there are very concentrated benefits to a tariff, but a much larger group of people are negatively impacted.

As of 2015, the U.S. imported more goods from Mexico than from any other country except Canada and China. In 2015, the U.S. imported $316.4 billion worth of goods and services from Mexico.[14] Especially important is the nature of these goods. Among the top import categories: vehicles ($74 billion), agricultural products ($21 billion), and mineral fuels ($14 billion). In fact, as of 2015, Mexico is our second largest supplier of agricultural products.[15] Clearly these Americans have a high demand for these products and benefit from being able to get them at cheaper prices.

Transportation, food, and, fuel are not obscure commodities that few Americans use. They are important, in many cases necessary goods that we use in our everyday life. A "significant tariff" will significantly raise the price of these items and may make them too expensive for some American consumers to afford, particularly low income consumers who spend a disproportionally large percent of their income on food, fuel, and transportation. So a tariff would especially hurt the poor.

3. **Mexico may retaliate with a counter-tariff on American goods we want to export to sell in Mexico.**

If the U.S. imposes a tariff on imported goods from Mexico, it is probable that Mexico will retaliate with their own tariff on American goods we'd like to sell in Mexico. This would be incredibly costly for the United States, which exported $267.2 billion worth of goods and services to Mexico in 2015. In fact, in 2015, **Mexico was the United States' second largest goods export market.[16]** A counter tariff would mean that American companies would be significantly less competitive in Mexico, hurting both American businesses and workers.

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[14] "Mexico | United States Trade Representative." *Mexico | United States Trade Representative*. Office of the United States Trade Representative, n.d. Web. 13 Feb. 2017.

[15] "Mexico | United States Trade Representative." Mexico | United States Trade Representative. Office of the United States Trade Representative, n.d. Web. 13 Feb. 2017.

[16] "Mexico | United States Trade Representative." Mexico | United States Trade Representative. Office of the United States Trade Representative, n.d. Web. 13 Feb. 2017.

A tariff on American exports would also further disrupt the production chains between the United States and Mexico making it more costly for corporations from both countries to trade with each other.

4. **Since companies in the U.S. rely on goods from Mexico for their finished products, a tariff would hurt American companies.**

A large part of the trade between the U.S. and Mexico is part of a larger production chain. For example: consider the assembly of a car. It requires steel, which might be produced and shaped into car parts in the U.S., then sent to Mexico to be assembled into cars, and then sent back to the U.S. to be sold. A tariff greatly increases the costs of this sort of cooperation and makes American companies, who employ American workers, less efficient.

Many of the top categories of imported goods from Mexico include items that inputs into another finished product rather than consumption goods themselves. Such things include electrical machinery ($63 billion), machinery ($49 billion), and optical and medical instruments ($12 billion).[17] The companies that buy these goods currently employ millions of American workers. They would be hurt if they had to pay a tariff each time they import the parts they need from Mexican suppliers.

One study from the National Bureau of Economic Research found that the United States uses substantially more imported goods in the production of our exports than other advanced economies. In fact, **12.4% of the valued added in the production of American exports comes from goods that were imported to the U.S., compared to the world average of 4%**.[18] In other words over 12% of the value of goods exported from America came from goods that were first imported to America as components of finished products that are then exported. It is worth noting, however, many of these imported input goods themselves first originated in the U.S.

5. **The benefits of a tariff are small and localized with specific workers in specific industries, while the costs are large and affect nearly all Americans.**

The only workers who will benefit from a tariff are those who work in the specific industries that are either in competition with Mexican companies or industries that formerly produced in the U.S. but now operate in the Mexico because of lower production costs there.

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[17] "Mexico | United States Trade Representative." Mexico | United States Trade Representative. Office of the United States Trade Representative, n.d. Web. 13 Feb. 2017.
[18] Koopman, Robert, William Powers, Zhi Wang, and Shang-Jin Wei. *GIVE CREDIT WHERE CREDIT IS DUE: TRACING VALUE ADDED IN GLOBAL PRODUCTION CHAINS*. National Bureau of Economic Research, Sept. 2010. Web. 13 Feb. 2017.

With a strong tariff in place, some firms producing in the U.S. may benefit from the protection, expand their operations, and hire more U.S. workers. But this benefit is obviously highly localized within specific industries, and comes at the cost of less efficient production and thus, higher prices for all American consumers.

Even past free trade agreements with Mexico, such as NAFTA, have had very small negative impacts on the U.S. labor market. In fact, after the passage of NAFTA, millions of new jobs were created in the domestic economy. From 1993 to 2001, civilian employment rose from 120.3 million to 135.1 million and the unemployment rate fell from 6.9% to 4%.[19] Nor was there a mass exodus of American companies to Mexico. From 1994 to 2001, American manufacturing companies invested an average of $200 billion domestically, compared to only $2.2 billion in Mexico.[20]

[19] Griswold, Daniel T. *NAFTA at 10: An Economic and Foreign Policy Success*. Rep. no. 1. N.p.: Cato Insitute, 2002. Print. Free Trade Bulletin.
[20] Griswold, Daniel T. NAFTA at 10: An Economic and Foreign Policy Success. Rep. no. 1. N.p.: Cato Insitute, 2002. Print. Free Trade Bulletin.

Appendix A

*****According to the Fraser Institute, "to get a high rating in this area, a country must have low tariffs, easy clearance and efficient administration of customs, a freely convertible currency, and few controls on the movement of physical and human capital."[21]

Country	Tariff Index (2016)*[22]	GDP/Capita (2015)[23]	Income/Capita (2014)[24]
Hong Kong	10.0	$42,328	
Singapore	10.0	$52,889	$41,244
Bhutan	9.8	$2,656	$1,760
Timor-Leste	9.6	$1,158	
Chile	9.5	$13,416	$10,642
Mauritius	9.4	$9,252	$8,089
Georgia	9.3	$3,796	
Brunei Darussalam	9.2	$30,555	
New Zealand	9.2	$37,808	$30,164
Mongolia	9.1	$3,968	$2,957
Peru	9.1	$6,027	$4,868
Seychelles	9.1	$15,476	
Albania	9.0	$3,945	$3,614
Australia	8.9	$56,311	$42,215
Armenia	8.9	$3,489	$3,065
Kuwait	8.9	$29,301	$29,865
Unit. Arab Emirates	8.8	$40,439	$33,491
Ukraine	8.8	$2,115	$2,706
Oman	8.8	$15,551	
Bahrain	8.7	$22,600	
Moldova	8.7	$1,848	$1,926
Guatemala	8.6	$3,903	$2,602
Qatar	8.6	$73,653	$53,849
Honduras	8.5	$2,529	$1,848
Nicaragua	8.5	$2,087	$1,519
Bosnia and Herzegovina	8.5	$4,249	
Kyrgyz Republic	8.5	$1,103	$719

[21] Gwartney, James, Robert Lawson, Joshua Hall, Ryan Murphy, Robbie Butler, John Considine, Hugo Faria, Rosemarie Fike, Fred McMahon, Hugo Montesinos-Yufa, Dean Stansel, and Meg Tuszynski. Economic Freedom of the World: 2016 Annual Report. Rep. N.p.: Fraser Institue, 2016. Print.

[22] Gwartney, James, Robert Lawson, Joshua Hall, Ryan Murphy, Robbie Butler, John Considine, Hugo Faria, Rosemarie Fike, Fred McMahon, Hugo Montesinos-Yufa, Dean Stansel, and Meg Tuszynski. Economic Freedom of the World: 2016 Annual Report. Rep. N.p.: Fraser Institue, 2016. Print.

[23] *GDP per Capita (current US$)*. World Bank, n.d. Web. 15 Feb. 2017.

[24] *Adjusted Net National Income per Capita*. World Bank, n.d. Web. 15 Feb. 2017.

Yemen, Rep.	8.4	$1,406	
Austria	8.4	$43,775	$38,305
Belgium	8.4	$40,324	$36,192
Bulgaria	8.4	$6,993	$6,203
Cyprus	8.4	$23,243	$22,154
Czech Republic	8.4	$17,548	$14,276
Denmark	8.4	$51,989	$48,127
Estonia	8.4	$17,119	$14,554
Finland	8.4	$42,311	$36,387
France	8.4	$36,206	$34,381
Germany	8.4	$41,313	$37,655
Greece	8.4	$18,002	
Hungary	8.4	$12,364	$10,776
Ireland	8.4	$61,134	$36,292
Italy	8.4	$29,958	$27,302
Latvia	8.4	$13,649	$10,308
Lithuania	8.4	$14,147	$12,040
Luxembourg	8.4	$101,450	$57,828
Malta	8.4	$22,596	
Netherlands	8.4	$44,300	$42,069
Poland	8.4	$12,555	$11,915
Portugal	8.4	$19,222	$17,648
Romania	8.4	$8,973	$8,937
Slovak Republic	8.4	$16,088	$13,075
Slovenia	8.4	$20,727	$18,290
Spain	8.4	$25,832	$23,798
Sweden	8.4	$50,580	$45,940
United Kingdom	8.4	$43,876	$34,468
Tajikistan	8.4	$926	
United States	8.4	$56,116	$43,602
Croatia	8.4	$11,536	$10,477
Haiti	8.4	$818	$641
Serbia	8.3	$5,235	
Israel	8.2	$35,728	$28,084
Macedonia	8.2	$4,853	$3,973
China	8.2	$8,028	
Montenegro	8.2	$6,406	
El Salvador	8.2	$4,219	$3,225
Colombia	8.0	$6,056	$5,806
Indonesia	8.0	$3,346	$3,255
Saudi Arabia	8.0	$20,482	

Costa Rica	8.0	$11,260	$8,043
Azerbaijan	8.0	$5,496	$4,564
Dominican Republic	8.0	$6,468	$5,291
Paraguay	7.9	$4,081	$3,061
Mozambique	7.9	$529	$430
Sierra Leone	7.9	$653	$387
Panama	7.9	$13,268	$8,790
Lebanon	7.8	$8,048	$6,998
Uruguay	7.8	$15,574	$11,987
Bolivia	7.8	$3,077	$1,744
Democratic Rep. of the Congo	7.8	$456	$189
Philippines	7.7	$2,904	$2,727
Cambodia	7.6	$1,159	$823
Mali	7.5	$724	$485
Suriname	7.5	$9,485	$7,121
Guinea-Bissau	7.5	$573	$364
Mexico	7.4	$9,005	$7,575
Japan	7.4	$34,524	$35,580
Guinea	7.4	$531	$256
Senegal	7.4	$900	$896
Togo	7.4	$560	$582
Republic of the Congo	7.3	$1,851	$693
Burkina Faso	7.3	$590	$546
South Africa	7.3	$5,724	$6,095
Ghana	7.3	$1,370	$1,237
Barbados	7.3	$15,429	
Vietnam	7.3	$2,111	$1,242
Jamaica	7.2	$5,232	$4,258
Tunisia	7.2	$3,873	
Brazil	7.2	$8,539	$9,813
Iceland	7.2	$50,173	
Namibia	7.1	$4,674	$5,672
Malaysia	7.1	$9,768	$7,785
Rwanda	7.1	$697	$568
Liberia	7.1	$456	$247
Angola	7.1	$4,101	
Jordan	7.1	$4,940	$3,405
Nigeria	7.1	$2,640	$1,999
Malawi	7.1	$372	$272
Uganda	7.0	$705	$518
Canada	7.0	$43,249	$39,703

Pakistan	7.0	$1,435	$1,076
Benin	6.9	$762	$762
Zambia	6.9	$1,305	
Burundi	6.9	$277	$156
Thailand	6.9	$5,815	$4,162
Algeria	6.8	$4,206	$3,736
Morocco	6.8	$2,878	$2,581
Kenya	6.8	$1,377	$978
Bangladesh	6.7	$1,212	$870
Madagascar	6.6	$402	$345
Kazakhstan	6.5	$10,510	$7,402
Coted' Ivoire	6.5	$1,399	$1,278
Guyana	6.5	$4,127	
Gambia	6.5	$472	$432
Belize	6.3	$4,879	
Chad	6.3	$776	$742
Ecuador	6.3	$6,205	$4,294
Gabon	6.3	$8,266	$5,336
Niger	6.2	$359	$313
Nepal	6.2	$743	$620
India	6.2	$1,598	$1,389
Norway	6.1	$74,400	$71,909
Switzerland	6.0	$80,945	$58,318
Turkey	5.9	$9,126	$10,266
Argentina	5.8	$13,432	$9,185
South Korea	5.6	$27,222	$19,528
Cameroon	5.5	$1,217	$1,089
Sri Lanka	5.5	$3,926	$3,029
Myanmar	5.4	$1,161	
Tanzania	5.3	$879	$732
Ethiopia	5.2	$619	
Botswana	5.2	$6,360	$6,140
Zimbabwe	5.1	$924	$748
Egypt	5.1	$3,615	$2,289
Fiji	5.0	$4,961	
Russia	5.0	$9,093	$8,790
Lesotho	4.7	$1,067	
Swaziland	4.7	$3,200	$3,059
Central Afr. Rep.	4.5	$323	